# 2018 Green Gateway Case Study

# Consensus Review Scorebook

## June 2018

## Key Factors Worksheet

### P.1a Organizational Environment

**Context** Manufacturer of medium-size gas/diesel lawn tractors in Kinston, NC. 1 of 4 divisions under parent. Producing tractors since 2004.

**Main product offerings and mix** 3 main lawn tractor products: commercial (50%); household (30%); Putting Green (20%).

**Delivery mechanisms** Partnership w/CEVA Logistics for delivery of products to dealers (distributor network), which sell tractors direct to end-users, as well as maintain, service, repair products.

**Mission** Create new value through innovation & focus on quality, cost, delivery.

**Vision** Be leading manufacturer of quality lawn tractors, with a low cost of ownership & best overall value.

**Values** “\*Be Proud \*Lead \*Think Critically \*Respect Others.”

**Core competencies** Relationship building, idea generation, guiding principles, talent development (future CC: “value engineering”).

**Workforce profile** 560 FT “associates” + 29 temporaries, organized by departments.

**Workforce groups/segments** No volunteers; 5% temporary. 33% w/10+ years of service; 58% hourly (production, shipping/receiving, support—HR, IT, Finance); 37% salaried or management (admin, quality, facilities/environmental, engineers). Associates 64%, management 18%, engineers 18%. Diversity—70% male; 33% White, 62% African American, 34% 18–31 & 32–47 years, 1% 67 or older. Education—61% diploma or equivalent; 9% AA/AS, 10% BA/BS, 1% postgrad, 19% certifications. Fig. P.1-5.

**Key engagement factors** Participating in Learning Communities, comprehensive training programs, rewards & recognition & a focus on SQDCPME; safety & health requirements: safe work environment, protection from injury & support a healthy lifestyle; key requirements: Learning Communities, reward & recognition, SQDCPME (all); skills development training (temporary); cross-training (hourly); leadership training (salaried).

**Special health & safety requirements** Safe work environment, protection from injury, support for healthy lifestyle. Extensive training required on personal/environmental safety upon employment & then annually. Annual competency demonstrations for specific job roles.

**Regulatory environment** “Intense” legal & regulatory environment—including state/national laws, regulations, standards. IRS & NC audit requirements; DOL standards for workforce; NCDENR requirements for air quality.

**Occupational health & safety regulations** Subject to OSHA requirements; some requirements for PPE & specialized safety training. Annual workplace safety training for all associates.

**Accreditation, certification, registration** Pursues voluntary ISO certification

**Industry standards & regulations** Parent-mandated ISO 9000 & 14000 certification, EPA requirements.

#### P.1b Organizational Relationships

**Organizational structure & governance** 1 of 4 divisions of parent, whose 9-member SLT delivers strategic direction & capital expense approval to applicant & other divisions, including ISO 9001 & 14001 certifications; invoices, design support, sales/marketing. Parent has 7-member board. Applicant SLT includes plant manager, assistant plant managers, 5 dept. directors. Parent has responsibility for product design, sales, marketing (2.1a[4]).

**Reporting relationships** Parent VP of manufacturing oversees applicant, evaluates plant manager.

**Market segments, customer & stakeholder groups** Segment = SIC Industry Group 352: medium-size gas & diesel-power lawn tractors in North America. Customer groups = commercial & household dealers. Stakeholders = suppliers, BOD, stockholders, associates (workforce), partners, dealers.

**Customer requirements & expectations** Key requirement for commercial: quality of cut; household: comfort/sleek design; both: safety, energy efficiency, reliability. Putting Green requirements not addressed.

**Types of suppliers** Cultivars engines (engines & engine components), core tires (wheels/tires), earthmover (raw materials), furrows (axels, brakes, transmission), diatomaceous earth (electronics); key requirements: partnership & growth; engines, major components, electronics, raw materials.

**Types of collaborators** County OEM.

**Role of suppliers, partners in work systems** Primarily related to parts/components, as well as training/logistics support. Fig. P.1–9.

**Role of suppliers, partners in innovation** Bringing forward product/process improvement ideas/techniques; development of new curriculums for workforce education.

**Key supply-chain requirements** Supply-chain requirements: cost, delivery, quality; communication; supply chain requirements: for colleges/universities is qualified associates, for CEVA is schedule adherence & timely transport, for MEP availability of subject-matter experts.

#### P.2a Competitive Environment

**Competitive position** 3rd-leading manufacturer of medium-size gas & diesel-power lawn tractors in North America.

**Relative size & growth** Est. 3,815,000 lawn tractors in operation; 15% yearly growth factor.

**Numbers/types of competitors** 3 main competitors: J.J. Place Inc., Majestic Corp (US companies), Mighty Mowers Inc. (offshore).

**Key competitiveness changes** Improving product quality of offshore competition; new applicant product features quickly copied by competitors. Opportunities for innovation directly related to collaboration with suppliers/partners to develop new ideas.

**Comparative/competitor data limitations** Year-long lag in timeliness & absence of applicable best-in-class data availability. Competitive data limited due to lack of availability or sharing.

**Sources of comparative/competitive data** Six types: 1) product/process (internal: OPEI participation, supplier/partner feedback, sister plants, deal/customer surveys; external: Baldrige recipients, Industry Week, benchmarks, Car Production System, Car Manufacturing System); 2) workforce (internal: parent, OSHA-VPP, ASTD/APQC, surveys; SHRM, OSHA/Bureau of Labor, insurance providers); 3) leadership (internal: dealer/customer feedback, Associate Satisfaction Survey; external: state/local community feedback); 4) governance (internal: parent, BNA; external: state/local community feedback); 5) financial/market (internal: parent, financial auditor; external; auditors, financial organizations); 6) supplier (industry data).

#### P.2b Strategic Context

**Strategic challenges** SC1: technical associate retention; SC2: offshore competition; SC3: cybersecurity.

**Strategic advantages** SA1: Brand Awareness/Reputation (Parent/dealers); SA2: Strategic Partnerships (suppliers, education systems, partners, and dealers); SA3: SQDCPME

**Strategic opportunities** (From Figure 2.1-1) Strengthen cybersecurity, build associate thinking around battery operated and self-driving mowers, and Continue advancing LSS and ISO in both household and commercial products

**Critical success factors** (From Figure 2.1-3) Improve recordable injury frequency; Improve first-time quality %; Reduce warranty cost $/unit; Improve on-time delivery to dealers; Improve competency Rate; Improve overall equipment effectiveness%; Increase % of solid waste stream recycled

#### P.2c Performance Improvement System

**Performance improvement system** Overall process improvement methodology: DMAIC; Lean thinking to remove waste from processes by Lean techniques and theory of constraints to successively remove obstacles to flow. Scorecard/SQDCPME maintains focus on components of sustainable business: Safety, Quality, Deliver, Cost, Morale, Maintenance, and Environment to achieve goal of Best in the World.

**Project/process evaluation and improvement** Car Production System: Lean (7 wastes+1), 5S, A3/PDSA, Kaizen (5-Whys); Car Manufacturing System: SQDCPME; Total Productive Maintenance: OEE, RCM, FMEA; ISO 9001, ISO 14001, ISO 31000, ISO 26000; Periodic national Baldrige applications; Supplier/partner and customer/dealer feedback and opportunities for improvement (OFIs); Plus/delta and results (PDR): Yearly process improvement methodology to ensure learning

## Key Themes Worksheet

### a. What are the most important strengths or outstanding practices (of potential value to other organizations) identified in the applicant’s response to process items?

1. The applicant uses its cascading, balanced scorecard of Safety, Quality, Delivery, Cost, People, Maintenance, and the Environment (SQDCPME) as the foundation for its strategic objectives (Figure 2.1-3), for organizational performance metrics (Figure 4.1-3), and for the leadership and associate development phase of the Talent Management Cycle (Figure 5.2-2). Measures are reviewed and discussed by leaders during formal meetings and informal Gemba walks, and they serve as the basis for rewarding and recognizing desired workforce actions and achievements. SQDCPME performance is an input for identifying opportunities to develop workforce skills through mentoring, audits, retraining, and coaching. The deployment of this balanced mechanism to promote management by fact may help the applicant create an environment for success, support its core competency of talent development, and assist it in achieving the goal to be the “Best in the World.” [NOTE: This key theme is supported by strength comments in items 2.1, 4.1, and 5.2][[1]](#footnote-1)
2. The applicant supports personal learning and provides developmental opportunities for its workforce. For example, the Performance Evaluation System (PES) includes the identification of strengths and gaps in individual knowledge, skills, and abilities (KSAs). Individual training needs are aggregated and used to populate the training matrix to close such gaps. The Associate Empowerment Model and the Talent Management Cycle support learning and development by providing training internally, funding external training opportunities, and mentoring and coaching the workforce in actual situations by filling one-up or one-down positions in the value stream. During strategic planning, the applicant uses a weighted analysis method to determine which key processes will be accomplished by its workforce and which will be accomplished by its external suppliers and partners, based on core competencies and workforce capability in both running the business (RTB) and changing the business (CTB). Robust support of personal learning for the workforce may help the applicant gain capability to mitigate its strategic challenges of technical associate retention and increasing offshore competition while strengthening the core competency of talent development. [NOTE: This key theme is supported by strength comments in items 2.1, 5.1, and 5.2]
3. Senior leaders use multiple mechanisms to create a focus on regulatory compliance and encourage ethical behavior, as well as promote safety, in both the management of the workforce and the manufacture of mowing equipment for customers. With senior leaders’ participation, the applicant provides extensive training regarding safety, ethics, and regulatory compliance to workforce members when they begin employment and annually thereafter. Internal and external audits, including evaluation of compliance with the ISO (International Organization for Standardization) 14001 standard, are conducted on a regular basis to verify adherence to policies. The applicant evaluates and monitors products for potential hazards using job safety analysis forms to prevent hazards from reaching customers, and dealers can use the GATE portal, Q Survey polls, or the complaint management system (Figure 3.2-2) to identify design or safety concerns. These processes may be key contributors to the applicant’s high performance in workplace safety and ethical behavior measures, and they support the organizational value to “respect others.” [NOTE: This key theme is supported by strength comments in items 1.1, 1.2, 3.2 and 5.2.]

### b. What are the most significant opportunities, concerns, or vulnerabilities identified in the applicant’s response to process items?

* 1. Many of the activities enumerated by the applicant do not appear to be systematic (i.e., well-ordered and repeatable) approaches. For example, Figures 4.2-1 and 4.2-3 list numerous activities, but no process is described regarding how the applicant uses and deploys those activities. The applicant states that tasks or activities are completed (e.g., the vice president of manufacturing evaluates the plant manager, the applicant observes customers to obtain actionable feedback, and value streams are used to organize and manage the workforce), but the actual approach or methods used to accomplish these tasks are not described. Systematic approaches may help the applicant refine and share processes, particularly with the “sister” organizations, to enhance the performance of all the divisions of the parent organization. [NOTE: This key theme is supported by OFI comments in virtually all process items. It is the key comment that holds the scores down.]
1. The applicant’s consideration of key stakeholders is unclear for many key processes. For example, it is not clear how the applicant engages the supply chain in identifying and addressing concerns about products and services; nor is it clear how the applicant considers the core competencies of suppliers and partners in its work systems. It also is unclear how the applicant aligns and integrates approaches with the parent organization and sister divisions, such as conducting planning and communicating customer input into the design of products by the parent organization. Many processes do not specifically address the Putting Green segment of customers, which represents 20% of sales, or temporary workers, who comprise 5% of the workforce. Ensuring that key processes consider and balance the needs of stakeholders may help leaders better manage all the components of the applicant’s organization as a unified whole to achieve the mission and create the conditions for performance excellence and ongoing success. [NOTE: This key theme is supported by OFI comments in items 1.2, 2.1, 2.2, 3.2, 5.1, 5.2, and 6.2]
2. It is not clear how the applicant systematically promotes innovation and implements potential innovations to achieve its mission to “create new value through innovation.” For example, the use of Lean appears to be primarily related to promoting problem solving, and there is not a clear mechanism to use the voice of the customer and workforce feedback to create new value for stakeholders or create discontinuous, breakthrough improvements in results, products, or processes. Further, it is unclear how the Leadership Development System addresses innovation and intelligent risk taking so that managers and senior leaders understand how to create the conditions for innovation, such as systematically making resources available for improvements and potential innovations that represent intelligent risks, determining priorities, and determining when to discontinue pursuit of opportunities to redeploy resources to other initiatives. [NOTE: This key theme is supported by OFI comments in items 1.1, 3.2, 4.1, 4,2 and 6.1. The team sought to clearly differentiate between stimulating/cultivating/supporting innovation and “incorporating” innovation/innovative ideas of others (including the parent organization and competitors) into their products. Also, the applicant shows a singular focus on innovation of products (even though the parent organization does the design) and provides no evidence of innovation of processes.]
3. For many of the approaches used by the applicant, cycles of evaluation and improvement are not evident. Most of the process improvements cited are not clearly linked to the use of data and information to demonstrate organizational learning; nor is it clear how the applicant uses the various improvement tools listed in P.2c. For example, it is not clear how the applicant evaluates and improves the processes for collecting and analyzing data used for strategic planning, for measuring and analyzing key performance indicators, or for identifying and implementing improvements and innovation. Furthermore, it is not clear how senior leaders evaluate and improve the leadership and governance systems or how the applicant evaluates mechanisms for determining customer and workforce satisfaction and engagement to facilitate improvements. Fact-based, systematic evaluation and improvement of key approaches may aid organizational learning and enhance the usefulness and beneficial impact for the applicant of the various improvement tools it utilizes. [NOTE: This key theme was placed at the bottom of the list, based on the relatively low maturity level of the processes described. The team believes that it will have a greater impact on the organization’s refinement of approaches if it becomes more systematic (by first becoming more “well-ordered and repeatable”) before focusing on “the use of data and information so that learning is possible.” This key theme is supported by OFI comments in nearly all items.]

### c. Considering the applicant’s key business/organization factors, what are the most significant strengths found in its response to results items?

1. The applicant demonstrates good levels of performance and beneficial trends in most performance measures presented. For example, On-Time Delivery to Dealers (Figure 7.1-1) and First-Time Quality by Product (Figure 7.1-7) demonstrate excellent results for meeting key customer requirements; satisfaction has risen in the household and commercial segments (Figures 7.2-3a and 7.2-3b); and results for compliments versus complaints (Figure 7.2-2) r also show a sustained beneficial trend. In addition, good-to-excellent levels and beneficial trends are seen in most measures of workforce engagement and development, specifically involving the five factors identified by the applicant as key drivers of engagement. Furthermore, the applicant demonstrates beneficial trends in net profits and margin (Figures 7.5-1, 7.5-3, and 7.5-4) as well as market share (Figure 7.5-8) for all three product lines. These results levels align to the SQDCPME scorecard that the applicant has determined is key to its ongoing success, and these beneficial trends may be an indicator that the organization is appropriately balancing current needs (run the business) with a focus on success in the future (change the business). [NOTE: This key theme is supported by strength comments across all results items.]
2. Results related to ethics and regulatory requirements demonstrate good-to-excellent levels and beneficial trends. For example, results for the workforce safety indicators OSHA (Occupational Safety and Health Administration) Recordables and Days Away from Work Rate (Figures 7.3-1 and 7.3-2) both outperform the Bureau of Labor Statistics (BLS) top quartile. Results for the three aspects of Perception of Leadership by associates and dealers (Figure 7.4-1) and associate survey results for Governance Accountability (Figure 7.4-2) demonstrate beneficial trends from 2013 to 2017. Additionally, results for Fiscal Accountability (Figure 7.4-2) and OSHA, U.S. Environmental Protection Agency (EPA), and U.S. Department of Labor (DoL) (Figure 7.4-3) show full compliance, with no external or internal findings for each of the five years reported. The beneficial trend in perceptions and the absence of findings on regulatory audits and inspections may reflect organizational success in managing the “intense” regulatory environment. [NOTE: This key theme is supported by strength comments in items 7.3 and 7.4. The theme further integrates with the key theme process strength related to ethics and regulatory compliance, and may represent a significant area where the applicant is role model. This should be further explored during a site visit.]

### d. Considering the applicant’s key business/organization factors, what are the most significant opportunities, vulnerabilities, and/or gaps (related to data, comparisons, linkages) found in its response to results items?

1. Many measures referenced as being important to the applicant are not presented. For example, the applicant does not report results for some customer requirements (safety, reliability, quality of cut); measures to control and improve key work processes (Figure 6.1-2); design quality measures, such as time for the design of new mowers; and key support process results (e.g., maintenance). In addition, satisfaction results for market requirements (Figure 6.1-2), customer and stakeholder key requirements (Figure P.1-8), and satisfaction relative to Listening Methods (Figure 3.1-1) for dealers and end-users such as Dealer Council input and Customer Life Cycle (Figure 3.1-2) are not reported. Nor are results reported for the temporary workforce, outcomes of workforce training/development, satisfaction levels with workforce training, or results of effectiveness or efficiency of such training. There are also no results for workplace “environmental factors” (Figure 5.1-3) or for most of the measures referenced in 5.2a(2), the five accountability measures described in 1.2a(1), or the applicant’s communication methods (Figure 1.1-2). Tracking results for key processes may help the applicant more effectively evaluate its performance and identify opportunities for improvement. [NOTE: This key theme is supported by OFIs in each of the results items. The team felt that more of the individual comments might have been doubled but believed that including missing results comments in each item and as the first theme would adequately convey the message. There was discussion by the team about the fact that there was sufficient space in the application to have included additional results, and the team attempted to focus the “missing measures” comments on results that seemed to be “key” based on inclusion in figures and descriptions, while recognizing that not all measures could be provided due to space limitations. This OFI also integrates with the process theme OFIs about the lack of systematic approaches and organizational learning.]
2. Segmentation of results data by subcategories stated as important to the applicant is limited. For example, results for Putting Green products, which represent 20% of the business, are primarily related to produced units and inventory. Similarly, none of the workforce-focused performance results are segmented by the diversity of the workforce profile (Figure P.1-5), and there are no results for temporary workforce members, who represents 5% of the total. Segmentation of results by various segments of key processes are also missing. Analysis of performance by segments regarded as important by the applicant may help the organization identify opportunities for improvement that remain hidden in the aggregate data. [NOTE: This key theme is supported by OFI comments in items 7.2, 7.3, and 7.4]
3. Many results presented do not include information on the applicant’s performance compared with that of competitors, comparable organizations, or benchmarks. For example, relevant comparative information is missing for most product performance and process effectiveness results, most customer-focused performance results, and many workforce-focused results. Evaluating organizational performance relative to other divisions of the parent or other organizations providing similar products and services, as described in Figure P.2-2, may help leaders make resource allocation decisions that help the organization address its challenges of offshore competition and gain a larger portion of the yearly 15% growth factor that is anticipated in the future. [NOTE: This key theme is supported by OFI comments in items 7.1, 7.2, 7.3, and 7.5.]

## Item Worksheet—Item 1.1

## Senior Leadership

### Relevant Key Factors

1. Create new value through innovation & focus on quality, cost, delivery.
2. “Develop unique products the world desires.”
3. “\*Be Proud \*Lead \*Think Critically \*Respect Others.”
4. Relationship building, idea generation, guiding principles, talent development; (plus future CC of “value engineering”).
5. Engagement key elements: participating in Learning Communities, comprehensive training programs, rewards and recognition and a focus on SQDCPME; safety and health requirements: safe work environment, protection from injury and support a healthy lifestyle; key requirements: Learning Communities, reward and recognition, SQDCPME (ALL); skills development training (temporary); cross-training (hourly); leadership training (salaried).
6. “Intense” legal & regulatory environment—including state/national laws, regulations, standards. IRS & NC audit requirements; DOL standards for workforce; NCDENR requirements for air quality.
7. 1 of 4 divisions of parent, whose 9-member SLT delivers strategic direction & capital expense approval to applicant & other divisions, including ISO 9001 & 14001 certifications; invoices, design support, sales/marketing. Parent has 7-member board. Applicant SLT includes plant manager, assistant plant managers, 5 dept. directors. Parent has responsibility for product design, sales, marketing (2.1a[4]).

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Senior leaders create a focus on action by cascading scorecards focused on SQDCPME to achieve the organization’s strategic objectives and support its value to Be Proud. Scorecards are developed from the strategic level of the applicant, cascade down to the departments, and are incorporated into the performance evaluations of individual associates and Senior Leadership Team (SLT) members to foster high performance. Results are reviewed during Gemba walks and meetings and posted in departments to support monitoring of performance. Identified improvements are addressed in Learning Committees. This approach may foster results-based decision making at the committee, associate, and SLT levels. | 1) STR supported by Ex1, Ex2, Ex3, Ex4 2) Given applicant’s focus on performance measurement through SQDCPME, this STR was selected to be included. Examiners noted evidence of a systematic approach that is well deployed to support STR. 3) No OFIs noted for c(2) to contradict STR. | c(2) |
|  | The SLT’s actions demonstrate leaders’ commitment to legal and ethical behavior to promote a transparent organizational environment that requires appropriate behavior. The SLT monitors ethical behavior in all transactions through scheduled and spontaneous audits, including external audits to ensure legal and regulatory compliance. The SLT also participates in and requires annual ethics training, manages oversight of finances through weekly meetings, and oversees compliance with ethics processes and policies. The SLT’s focus on legal and ethical behaviors may assist the applicant in ensuring compliance in its intense legal and regulatory environment. | 1). STR was supported b: Ex1, Ex8, Ex5, Ex6, Ex7, Ex42) Given the regulatory environment and the potential for impact to the applicant, this STR seemed one of the more important to recognize. Significant evidence provided that a systematic approach is apparent and deployed to all stakeholders, and that the senior leadership team at the applicant level is engaged in these approaches. 3) Ex2 had an OFI related to a lack of evidence to demonstrate Leaders’ personal actions, but other examiners found some evidence so STR comment was written. 4). Ex8 also noted a general OFI for a(2) regarding the lack of clarity of an actual process, but also had a strength comment for some specific elements, am choosing to go with the STR. | a(2) |
|  | The SLT communicates with and engages the entire workforce and key customers using the Communication System (Figure 1.1-2) to support high performance. Two-way methods such as all-hands and department meetings are also used to communicate key decisions. DMAIC project reviews and Scorecard reviews allow for two-way communication with customers, suppliers, and partners. The Annual Communication Surveys are used to evaluate the methods used by stakeholders, which have resulted in improvements such as expansion of electronic communication. The SLT’s communication and engagement approaches support the applicant’s core competency of relationship building. | 1) Supported by: Ex8, Ex2, Ex5, Ex3, Ex6, Ex7, Ex4; enough evidence to support approach and deployment of communication methods which includes an example of improvement; 2) OFI also noted by Ex2 specific to deployment to all stakeholders; however, other examiners noted evidence to support deployment to all key stakeholders. 3) Ex7 noted an OFI on “b” regarding communication of organizational change, but other examiners found some evidence to give benefit of the doubt. | b |
|  | The SLT creates an environment for success now and in the future to achieve the organization’s mission, supporting the applicant’s value of “Lead.” The personal participation of the SLT in key processes, including the SPP and continuous improvement, helps ensure alignment to SQDCPME and the applicant’s core competencies (CCs). The SLT conducts reviews and analyses of metrics at all levels and supports agility by empowering the cross-trained workforce to solve problems. Succession planning includes analyzing critical positions and aligning job descriptions to values and CCs, mentoring SLT candidates, and using Kirkpatrick assessments to improve SLT performance.  | 1) STR supported by: Ex1, Ex8, Ex6, Ex7, Ex4; cross-training was noted as an improvement in this STR so some learning appears to be occurring, although perhaps not evaluation and improvement. Evidence noted by examiners supports systematic approach exists and given its link to sustainability, is important to include. 2) Ex6 noted an OFI for c(1) and only a STR for succession planning. Because OFI contradicts STR and enough evidence is apparent to support STR, strength was included rather than OFI. 3) Ex1, Ex8, Ex2, Ex6, Ex5, Ex3, also noted OFIs for other requirements in c(1) related to intelligent risk taking that do not contradict this STR so an OFI was added to address that specific gap. | c(1) |
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#### Notes

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| 1) There was good alignment among the team for 1.1, and no unused STR/OFIs. 2) Ranking of comments is based on level of importance to applicant given KFs, including the environment in which it operates. |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | A systematic, integrated approach to leadership through the leadership system is not evident. For example, the Meeting Structure (Figure 1.1-1) is cited in 2.1a(1) as the leadership system but a process that functions as the basis for making, communicating, and carrying out key decisions is not described. In addition, it is not clear how the SLT deploys SQDCPME, two-way communications, and the vision and values as an integrated system to lead the applicant. A systematic, integrated approach may help the applicant achieve its vision to be the leading manufacturer of quality lawn tractors. | 1) Supported by Ex1, Ex5 and Ex4, who noted the lack of clarity in the leadership system as a significant gap. Because the leadership system is critical to guiding the org, this OFI was given priority over the others. 2) Ex1, Ex8, Ex5, Ex3, Ex6, Ex7 noted STR in the setting and deployment of MVV; however, this may contradict OFI and confuse the applicant. Gap identified is significant enough to select OFI over STR. NOTE: The team had a great deal of discussion about the leadership system, including the glossary definition and the level (basic, overall, multiple) at which the leadership system is required by the Criteria. Although the Criteria do not specifically ask “what is your leadership system,” there are questions about how various processes are managed “though the leadership system,” which seems to indicate a requirement. It was determined that a systematic approach to leadership may be a blind spot for the organization. | a,b,c |
|  | A systematic approach for the SLT to cultivate innovation and intelligent risk taking and create a culture focused on customer engagement is not evident. For example, it is unclear how Lean (on which the SLT relies for problem solving and improvement) is used in these areas. A systematic approach may support the core competency of idea generation and assist the applicant in identifying blind spots that may help address the strategic challenge of offshore competition. | 1) OFI supported by: Ex1, Ex2, Ex5, Ex3, Ex6. No evidence found by any examiners that a systematic approach did exist, thus OFI selected. OFI also selected due to the level of importance given its competitive environment and how innovation and intelligent risk may be key to addressing off shore competition. 2) OFI also noted by Ex5 for no systematic approach for leader accountability for personal actions; however, this may go beyond the 1.1 Criteria, and was determined to be a better fit with a comment for 1.2. | c(1) |
|  | A systematic approach for evaluation and improvement of key leadership processes, such as those for creating a focus on action or creating an environment for success, is not evident. A fact-based evaluation and improvement approach may assist the applicant in determining the effectiveness of its key leadership processes and implementing improvements. | 1) OFI supported by: Ex1, Ex8, Ex3, Ex4. 2) Mentions of examples of improvements vs. overall systematic, fact-based evaluation and improvement noted by all examiners in almost comments, supporting the need for an OFI, no examiners noted any evidence of a systematic evaluation and improvement process, or systematic use of the tools noted in P.2c.  | a,b,c |

#### Notes

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| 1) In some cases, a strength and an OFI comment were appropriate for the same item requirement. These comments were crafted carefully, so that very specific elements of the Criteria were addressed and/or specific evaluation factors were noted to avoid conflicting comments. |

### Scoring

**Score Value: 55**

**Score Range: 50–65%**

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| **Why shouldn’t the score be in the range above or below the selected one?** **Not below 50–65%:** **1) STR comments demonstrate systematic approaches to the multiple requirements, which supports score above overall requirements.** **2) STR comments also demonstrate deployment across workforce and key stakeholders; therefore, no significant gap in deployment is apparent.** **3) Nuggets and so-whats demonstrate approaches are integrated with organizational needs denoted by link to KFs.** **4) Balance of comments: 4 STR and 3 OFIs supports a higher score. OFIs for multiple requirements and learning support maturity of applicant.****Not above 50–65:** **1) OFI 1 is significant: lack of a systematic approach / system for leadership.** **2) OFI 2: innovation and risk taking is key to addressing offshore competition. Only a segment of the multiple requirement, but significant enough to rise to level of an OFI.** **3) OFI 3: Overall fact-based evaluation to ensure effectiveness of key processes is also significant.** **4) Three significant OFIs support the score.** |

## Item Worksheet—Item 1.2

## Governance and Societal Responsibilities

### Relevant Key Factors

1. Create new value through innovation and a focus on quality, cost, delivery.
2. “\*Be Proud \*Lead \*Think Critically \*Respect Others.”
3. Relationship building, idea generation, guiding principles, talent development; (plus future CC: “value engineering”).
4. 58% hourly (production, shipping/receiving, support—HR, IT, Finance); 37% salaried or management (admin, quality, facilities/environmental, engineers). Associates 64%, management 18%, engineers 18%. Diversity—70% male; 33% White, 62% African American, 34% 18–31 & 32–47 years, 1% 67 or older. Education—61% diploma or equivalent; 9% AA/AS degree, 10% BA/BS degree, 1% postgrad, 19% certifications. Figure P.1-5. No volunteers; 5%
5. “Intense” legal & regulatory environment—including state/national laws, regulations, standards. IRS & NC audit requirements; DOL standards for workforce; NCDENR requirements for air quality.
6. 1 of 4 divisions of parent, whose 9-member SLT delivers strategic direction & capital expense approval to applicant & other divisions, including ISO 9001 & 14001 certifications; invoices, design support, sales/marketing. Parent has 7-member board. Applicant SLT includes plant manager, assistant plant managers, 5 dept. directors. Parent has responsibility for product design, sales, marketing (2.1a[4]).

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant ensures responsible governance and accountability for the SLT’s actions through systematic governance reporting to the parent organization’s board of directors (BOD). Leaders are evaluated annually based on goal accomplishment, achievement of strategic objectives (SOs), financial performance, and coaching/mentoring for succession planning. Fiscal accountability is ensured through parent oversight and annual internal and independent external audits; transparency is achieved through reporting of audit results and disclosure of evaluation results for the BOD. The annual evaluation for BOD policy adherence resulted in adding voluntary audits to further support accountability.  | 1) STR supported by Ex8, Ex2, Ex3, Ex6, Ex7, Ex4 2) Examiners provided significant evidence for governance system and deployment, although not all fit into comment section. Governance is critical to the applicant for accountability and transparency, as it is a subunit of the parent organization, so this was the primary example used and ranked at top. 3) One examiner noted an OFI for a(1) regarding succession planning; however, there was some evidence about coaching / mentoring, so this was included rather than the OFI. 4) Ex5, Ex7, Ex4 noted OFI regarding parent BOD’s role in the deployment of activities in governance system, so the comment was written without mentioning deployment, and an OFI was written to address this.  | a(1) |
|  | The SLT anticipates and addresses legal, regulatory, and community concerns with products and operations through ISO 14001 audits and a risk management system to ensure that compliance measures are met (Figure P.1-7). Using ISO, the applicant evaluates and monitors products for potential hazards and impacts using job safety analysis forms and standard operating procedures (SOPs). The Risk Management Committee assesses and addresses internal and external issues that may pose risks using the Risk Management Matrix (Figure 1.2-1). Voluntary participation in the EPA Clean and Renewable Energy Programs (Figure 1.2-3) supports proactive efforts to exceed compliance.  | 1) STR supported by Ex1, Ex8, Ex2, Ex5, Ex6, Ex7, Ex4. 2) Significant evidence provided by examiners for approach, deployment, and integration. Given the impact of applicant products, this is an important STR for the applicant. 3) Ex5 noted this STR as a double plus due to proactive approaches, but during consensus, the double plus not added due to including a b(1) OFI. 4) Ex8 had an OFI for b(1) regarding “anticipating” public concerns, but some evidence was found, so the strength was included. 5) Ex8 and Ex2 noted a b(1) OFI regarding “preparing for impact and concerns through supply chain management,” which was added, but worded so as not to conflict with the strength 6) Ex5 and Ex3 noted an OFI for no measures apparent; however, another examiner found the measures listed in P.1-7.  | b(1) |
|  | The applicant promotes and ensures ethical behavior in all interactions through its Legal Compliance and Ethics processes (Figure 1.2-3), supporting its value to “respect others.” The Code of Conduct includes the process for monitoring ethical behavior, and electronic annual review and acceptance by all associates was added as a cycle of learning. Processes also include annual workforce training, a standing agenda item in meetings and performance reviews, confidential reporting, and independent investigations. The SLT’s response to breaches may include associate terminations or supplier contract termination for violations, in order to preserve stakeholder trust. | 1) STR supported by: Ex8, Ex2, Ex6, Ex4. 2) Evidence noted by examiners for approach, deployment, and some learning to include as a STR. Although important to the organization, this comment ranked third because of the perceived impact on the organization, given the applicant’s KFs. 3) Ex1 and Ex8 noted an OFI: unclear how interactions with customers are managed, but during consensus there was enough evidence provided by other examiners to at least show monitoring of all interactions. Giving benefit of the doubt and moving forward with STR.  | b(2) |
|  | The applicant contributes to and supports its key community through multiple programs focused on social and economic well-being. Economic support includes working with the business community and partnering with local community colleges, supporting the local high school by offering internships, and presenting at career fairs. Areas of support, determined annually through the strategic planning process (SPP), include sponsorship of events such as Relay for Life, the Boy Scouts, and Meals-on-Wheels, supporting its core competency of relationship building. The SLT also uses four phases of emergency management (Figure 1.2-4) to contribute to emergency preparedness within the community. | 1) STR supported by Ex1, Ex8, Ex2, Ex5, Ex3, Ex6, Ex4 2) Evidence provided to support approach and deployment; however, because of an OFI related to learning, this was placed in the last position for strengths. 3) Ex1, Ex5, and Ex4 noted OFI for c(2) due to unclear process for identifying key community and determining areas of support. Other examiners found accepted that the key community is simply the county where the organization is located. Also noted OFI for support such as Meals on Wheels and Relay for Life may not be aligned to CCs or the mission and vision, but the strength was included—this is part of the reason that the strength was ranked last. 4) Ex8, Ex4 noted lack of systematic evaluation and improvement; will add overall OFI for learning. | c |

#### Notes

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| 1) All multiple requirements were addressed in STR and/or OFI comments; there were no strength comments / concepts cited in Independent Review that were not included in consensus strengths. 2) There was a great deal of discussion during consensus about the processes that are managed / controlled by the parent organization, over which the applicant may have little or no control. The following guidance from BPEP was considered particularly relevant to the Item discussion: Having a parent organization can be a mixed blessing. The parent may provide resources, support, and processes that the subunit needs; the parent may also require the subunit to use a corporate process that is less than ideal. Ultimately, the applicant is responsible for the efficacy and outcomes of the processes it uses. Therefore, sometimes a subunit will deserve a strength for something the parent prescribes, and sometimes the subunit has to accommodate a challenging process. Before you say that this isn’t fair, keep in mind that examiners can’t exclude parts of the Criteria from consideration just because the parent has a strategy or process that requires a subunit to do something a certain way. The applicant is being evaluated against the standard of excellence. If the applicant uses a less-than-optimal process, it should do everything it can to optimize it, including working upstream with the parent organization. But also keep in mind the relative importance of that process. Whether you write an OFI, and how strong that OFI is, should reflect how important that part of the operation is to success and sustainability.  |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is not clear how leaders and the governance board are systematically evaluated to advance their development and improve the leadership system. For example, the process used by the vice president of manufacturing to evaluate the plant manager is not described; it is also unclear how other leaders’ performance is evaluated by superiors, including how compensation is correlated with performance. In addition, there is no evidence of how the results of evaluations are used to improve the effectiveness of leaders, the leadership system as a whole, and the governance board. Approaches in these areas may support applicant’s value of “Lead.” | 1) OFI is supported by: Ex1, Ex8, Ex2, Ex5, Ex3, Ex6, Ex7 2) Examiners noted that while applicant states evaluations occur, there is no description of the process used and no specific information on how compensation is determined. No evidence for how results of evaluations are used. Because evaluation is tied to accountability and its core values, this was important OFI to include, and ranked first. 3) Ex8 and Ex3 also noted a STR for evaluation of leaders; however, no evidence provided of a systematic approach, so the gap is significant enough to remain. 4) Ex7 noted this gap as a double negative due to lack of systematic approach. Since they state that they do evaluate leaders, although there is no process described, the comment was placed at the top of the list, but not doubled.  | a(2) |
|  | A fact-based approach is not evident for evaluation and improvement of key processes related to governance and societal responsibility. For example, it is not clear how the applicant evaluates and updates the Code of Conduct or how it evaluates the governance system and ensures that it achieves its full potential related to the oversight role of the parent BOD and SLT. A systematic approach for evaluating and improving governance approaches may help support efforts to ensure compliance and ethics in daily operations. | 1) OFI supported by: Ex1, Ex8, Ex2, Ex5, Ex4 2) STR comments note improvements or changes implemented; however, do not provide evidence of systematic evaluation and improvement. Because of the level of maturity of this specific Item, learning OFI is appropriate and important for them to move forward and achieve higher levels of excellence. | a,b,c |
|  | It is not clear how the applicant systematically and proactively prepares for the future impacts of products and operations through effective supply-chain management processes. Since partners and suppliers are noted as key to running the business (RTB) by ensuring timely delivery of products to end-users, engagement of the supply chain may help the applicant to immediately identify potential issues and avoid or mitigate possible adverse societal impacts. | 1) OFI supported by Ex8 and Ex2. Appears to be a significant gap to warrant an OFI considering applicant’s reliance on its suppliers. However, because this is a subsegment of a multiple requirement, it was ranked behind the other two OFIs in order of importance.  | b(1) |

#### Notes

1) Many OFIs also have related strength comments for the same Criteria requirement, verbiage was carefully crafted to be very specific and avoid contradictions or perceived conflict between comments.

2) The team found significant ambiguity and lack of clarity regarding the roles of the parent BOD and the applicant BOD, and the relationship between two. After much discussion, the team decided that the focus should be on the description of the process, rather than specifically who (which BOD) manages the process in writing comments.

### Scoring

**Score Value: 55**

**Score Range: 50–65%**

**Why shouldn’t the score be in the range above or below the selected one?**

**Not below 50–65%:**

**1) The applicant generally demonstrates approaches addressing the multiple requirements, as well as deployment across workforce and key stakeholders; therefore, no significant gap in deployment is apparent.**

**2) The approaches are integrated with organizational needs denoted by link to key factors.**

**3) Balance of comments: 4 STR and 3 OFIs.**

**4) OFIs identified and incremental improvements/learning support this maturity of applicant for this item.**

**Not above 50–65%:**

**1) Two OFIs regarding gaps are for absence of systematic approaches in addressing the multiple requirements.**

**2) Overall lack of a fact-based evaluation process to ensure effectiveness of key processes is also significant relative to KFs.**

**3) Three significant OFIs support score below 70–85%, and in the lower half of the 50–65% range.**

## Item Worksheet—Item 2.1

## Strategy Development

### Relevant Key Factors

1. Manufacturer of medium-size gas/diesel lawn tractors in Kinston, NC. 1 of 4 divisions under parent. Producing tractors since 2004.
2. Customer groups = commercial & household dealers. Stakeholders = suppliers, BOD, stockholders, associates (workforce), partners, dealers.
3. Cultivars engines (engines & engine components), core tires (wheels/tires), earthmover (raw materials), furrows (axels, brakes, transmission), diatomaceous earth (electronics); key requirements: partnership & growth; engines, major components, electronics, raw materials.
4. Primarily related to parts and components, as well as training and logistics support. Fig. P.1-9.
5. Bringing forward product/process improvement ideas/techniques; development of new curriculums for workforce education.
6. Improving product quality of offshore competition; new applicant product features quickly copied by competitors. Opportunities for innovation are directly related to collaboration with suppliers/partners to develop new ideas.
7. Overall: DMAIC; Lean thinking to remove waste from processes by Lean techniques & theory of constraints to successively remove obstacles to flow. Scorecard/SQDCPME maintains focus on components of sustainable business: safety, quality, deliver, cost, morale, maintenance, environment to achieve goal of best in the world.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s systematic approach to strategic planning (Figure 2.1-1) includes key stakeholder groups and aligns with the organization’s vision. The process begins with affirming the mission, vision, and values (MVV) and core competencies. Key steps include review and analysis of data, identification of strategic advantages and challenges, and development of strategic objectives. The process includes the senior leadership team; the parent BOD; and dealer, supplier, and partner representatives. The process culminates with an approved plan designed to lead the applicant toward its vision. | [1] All examiners identified the strategic planning process as a strength. [2] This approach was well deployed and addressed the overall and several multiple requirements of the area to address. [3] Key factors considered include customer and stakeholder groups, and the overall context of the organization. [4] There are considerations for OFIs for 2.1a(1) at the multiple level, but they do not conflict with this strength’s focus.  | a(1) |
|  | The applicant’s systematic approach to collect and analyze relevant data and develop information for its strategic planning process may assist the organization in developing objectives that address its challenges and capitalize on its advantages. Subject-matter experts (SMEs) present data and their analysis using a five-step process that includes an analysis of mission-based results and core competency success; SOAR (strengths, opportunities, aspirations, results) analysis; and evaluation of the value stream mapping (VSM)/department strategy execution success of the SQDCPME scorecard. | [1] 5 examiners noted this strength. [2] This STR was selected because of the applicant focus on SQDCPME as the basis for the performance measurement. [3] KF considered include the Scorecard/SQDCPME focus, strategic challenges, and the overall context of the organization. [4] This addresses the overall requirement and some multiples. There were OFIs at the multiple level (blind spots, not clear how elements of risk included, not all strategic challenges considered), but the strength was worded to avoid conflicts between the comments  | a(3) |
|  | A weighted analysis method helps the applicant determine which key processes will be performed by its workforce and which by external suppliers and partners—on whom the applicant depends for key design, build, and delivery activities. The analysis is based on three scored components: core competency alignment, run the business (RTB) measures, and change the business (CTB) measures. The SLT reviews the analysis to determine the best fit for performing key work processes. | [1] Four examiners provided a STR around this overall requirement. [2] The organization depends on its suppliers for key activities in the design, build, and delivery of its products. This STR was selected to provide feedback to the applicant for addressing this at the overall level only—there is an OFI to provide feedback to the multiple requirements. [3] KF: Suppliers, overall organizational context [4] The OFI for 2.1a(4) addresses key considerations at the multiple level. [5] There was discussion during consensus about the role of the parent organization as a “supplier” of the design blueprint. Since the applicant did not note the parent as a supplier or as having a key role in work systems in Figure P.1-9, the team decided to not reference the parent in the feedback comments.  | a(4) |
|  | The strategic planning process incorporates innovation—a key consideration for the applicant based on its strategic challenges—through an analysis of potential work product/process changes. This analysis is based on four indicators: manufacturing capability and capacity, potential success within three years, workforce capability and capacity, and profit margin. SOAR analysis (Figure 2.1, step 1.3) is a source of strategic opportunities that are assessed by the strategic planning team to determine which represent intelligent risks. | [1] Four examiners provided this STR. [2] Innovation is a key consideration for the applicant based on strategic challenges. It was decided to provide feedback that acknowledges part of the overall requirement (“incorporate innovation”) but does not include “stimulate … innovation” since this was not described by the applicant. [3] KF: Bringing forward product/process improvement ideas (innovation), suppliers, strategic challenges. [4] This was written to part of the overall requirement, to provide feedback that the application addressed some of the overall, and that was appropriate to provide a lower priority strength (4th STR).  | a(2) |

#### Notes

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| STRENGTHS THAT DID NOT MAKE THE ‘AROUND 6’ COMMENTS:[1] 2.2b(1) Figure 2.1-3 Key Strategic Objectives—this was not included because it was determined that better feedback could be provided through the selected strengths that addressed “how” or process approaches.[2] Potential STR 2.1a(1)—“SPP addresses organizational agility”—this would be a multiple-requirement STR for planning agility; OFI in item 4.1 addresses measurement agility—perspective was that strengths selected provided better feedback considering KF of stakeholders and strategic challenges more directly. ADDITIONAL DISCUSSION DURING VIRTUAL AND TEAM CONSENSUS [3] Team decided to leave in STR 2.1a(2) “incorporate innovation” to acknowledge the applicant’s analysis of innovation opportunities, and adoption of some innovative ideas, while not describing a systematic approach to stimulate innovation. This removes a potential conflict with the OFI in 1.1c that discusses not cultivating innovation. |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | It is not clear how the applicant makes work system decisions that facilitate the accomplishment of its strategic objectives. For example, it is not clear how these decisions address strategic challenges and advantages or consider integration with the parent and sister organizations or suppliers. In addition, it is not clear how suppliers’ core competencies affect work system decisions. Harmonization of plans, processes, and resource decisions with these key stakeholders may help the applicant better compete against emerging offshore competition through the design and deployment of effective work systems. | [1] Four examiners wrote IR OFIs on different multiple requirements. [2] This OFI is considered important feedback due to the critical roles that suppliers and other stakeholders like the parent play in the design and delivery of products. This OFI addresses two multiple requirements. The OFI is doubled due to the key role of suppliers and stakeholders in the work system. [3] KF: Suppliers and other stakeholders; strategic challenges; organizational context. [4] There is a strength written to the overall level of this area. In consensus, the team discussed the fact that the parent was not listed as a supplier or partner, despite a dependency on their work elements. The dilemma was resolved based on the Baldrige definition of integration, which considers the appropriate inclusion of other work units. Verbiage from that definition was included in the rationale. How supplier core competencies are considered is not clear—the applicant discussion did not address the approach.  | a(4) |
|  | It is unclear how the applicant’s strategic objectives balance the needs of key stakeholders (including its parent), balance short- and longer-term planning horizons, or address its strategic challenges. The catchball process does not clearly identify how the applicant addresses competing needs. Furthermore, it is not clear how strategic objectives address strategic challenges such as the rapid copying of new product features. Achieving balance among and addressing all strategic challenges may help the applicant capitalize on its partnerships and achieve its goals.  | [1] Five examiners addressed this OFI related to different multiple requirements. [2] This feedback addresses the applicant’s dependencies on key stakeholders, including suppliers and parent, with regard to finding the right balance. [3] KF: stakeholders, strategic challenges, organizational context [4] No strengths in conflict with this. The focus of this comment is around the strategic challenge of competition. The team had a great deal of discussion around the lack of clarity around the needs of the parent and applicant, and the comment was edited to include the parent specifically.  | b(2) |
|  | A systematic evaluation and improvement method to facilitate organizational learning is not evident for the applicant’s strategy development approaches. For example, it is not clear how the processes to collect and analyze data used in the strategic planning process and to stimulate innovation are systematically evaluated and improved. Such systematic consideration of learning may help the applicant achieve higher levels of performance that lead to breakthrough change. | [1] Two examiners identified lack of a systematic learning approach as a OFI. [2] There is no discussion of the applicant’s approach to fact based evaluation and improvement process in this item. [3] KF: Overall context; performance improvement system; challenges requiring innovation. [4] The team discussion was focused on understanding how the applicant conducted evaluation and improvement, not just listing improvements.  | a |

#### Notes

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| OFIs THAT DID NOT MAKE THE AROUND ‘6’ COMMENTS [1] Several multiple requirements for 2.1a(1): lack of clarity abound internal participants, does not address transformational change. 2.1a(2): Stimulate innovation…; 2.1a(3): strategy considerations—not addressing blind spots; 2.1b(1): not all strategic objectives addressed; no goals. These are mostly multiple level, and some consider incomplete information. These could be developed into OFIs, but others were selected to provide feedback to the applicant that affect the KF of its suppliers, and strategic challenges more directly. ADDITIONAL DISCUSSION DURING VIRTUAL AND TEAM CONSENSUS[2] The team considered the role of the parent organization—there was discussion around its role in work systems, and in participating in specific strategy development processes, as appropriate. The parent was not considered a supplier or partner by the applicant and for selected OFIs its consideration by the team was through Integration “…with other work units”. [3] The specific key factors related to suppliers and their role in providing parts and components, the strategic challenges (offshore competition growth), and the need for innovation were considered key to providing the best feedback. [4] There is an a(4) strength around the overall requirement of an approach to determine if processes are assigned to internal work units or external suppliers or partners, which the applicant described through an analysis procedure, which lists core competencies. There is also an a(4) OFI at the multiple level addressing accomplishment of strategic objectives, and how the core competencies of suppliers and partners are considered. The team discussed the core competency OFI and concluded that an approach on how these core competencies were considered could not be discerned. The strength acknowledges an analysis method, but the OFI provides feedback that how suppliers and partners are considered is not clear. |

### Scoring

**Score Value: 50**

**Score Range: 50–65%**

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| **Why shouldn’t the score be in the range above or below the selected one?** **Why not below: The applicant was responsive to most of the overall requirements of the item and also addressed some multiple requirements. Approaches were well deployed and varying in some units, based on the inclusion of selected key stakeholders and elements of the organization. Responses are generally aligned to organizational needs.** **Why not above: Instances and examples of improvements, but no discussion on how processes are evaluated and improvement are implemented to lead to organizational learning. Balance of comments: 4 strengths, 3 OFIs, with one OFI doubled. Holistic perspective—belongs in 50–65%, not below** **CONSENSUS DISCUSSION: Team consensus around the 50–65% range and a score of 50. Lower in the range because of the importance of organizational learning and the double OFI.**  |

## Item Worksheet—Item 2.2

## Strategy Implementation

### Relevant Key Factors

1. Be leading manufacturer of quality lawn tractors, with a low cost of ownership & best overall value.
2. No volunteers; 5% temporary. 33% w/10+ years of service; 58% hourly (production, shipping/receiving, support—HR, IT, Finance); 37% salaried or management (admin, quality, facilities/environmental, engineers). Associates 64%, management 18%, engineers 18%.
3. Cultivars engines (engines & engine components), core tires (wheels/tires), earthmover (raw materials), furrows (axels, brakes, transmission), diatomaceous earth (electronics); key requirements: partnership & growth; engines, major components, electronics, raw materials.
4. 3 main competitors: J.J. Place Inc., Majestic Corp (US companies), Mighty Mowers Inc. (offshore).
5. Improving product quality of offshore competition; new applicant product features quickly copied by competitors. Opportunities for innovation are directly related to collaboration with suppliers/partners to develop new ideas.
6. Year-long lag in timeliness & absence of applicable best-in-class data availability. Competitive data limited due to lack of availability or sharing.
7. SC1—technical associate retention; SC2—offshore competition.
8. SA3—SQDCPME.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | In a systematic approach, key short- and longer-term action plans (Figure 2.1-3) are linked to strategic objectives and are deployed through steps 2.1 through 2.4 of the strategic planning process (Figure 2.1-1). A standard action plan reporting tool is used, and progress is reviewed at least monthly. Action plan scorecards are reviewed quarterly with the SLT. This approach to action planning may assist the applicant in the accomplishment of its strategic objectives. | [1] Five examiners noted this strength. [2] Wording of the comment recognizes the applicant’s method to implement their strategy as well-ordered and repeatable. [3] KF: mission; vision; strategic challenges[4] STR addresses overall requirements of 2.2a(1,2). Three examiners noted OFIs related to the multiple level requirement of deployment to suppliers and partners, so this STR does not address deployment to them.  | a(1,2) |
|  | The applicant uses performance measures to track the achievement and effectiveness of its action plans. Critical success factors and key performance indicators are identified for each of the SQDCPME anchors to reinforce organizational alignment. The cascading scorecards create a clear line of sight from the action plans to strategic objectives. Performance is reviewed by the SLT at least monthly using the action plan reporting tool, which includes indicators to assess both leading and lagging indicators of performance. | [1] Three examiners noted this as a strength [2] This STR provides feedback on the alignment of organizational measures through the SQDCPME measurement framework. [3] KF: strategic advantage 3; mission [4] During consensus, the team had discussion about fostering alignment through the measures, and this was added to the comment.  | a(5) |
|  | The applicant describes a systematic approach to establish and implement modified action plans based on changing circumstances. Action plans are reviewed monthly (Figure 2.1-1, step 2.4), and the SLT has opportunities to place a plan on hold, develop new action plans, or modify existing ones. Several cycles of improvement enable the applicant to support its agility in accomplishing its key objectives. | [1] Proposed by three examiners. [2] Ability to implement modified action plans based on changing situation would help address competitive changes. [3] KF: Competitive factors; competitors [4] Examiners also provided OFIs around lack of clarity on how prioritization was done, which might have been a consideration of establishing modified plans. Focus of STR was on overall requirement to change and address issues requiring a shift in plans. [5] This was one area where the team did see evidence of systematic evaluation and improvement. However, the organizational learning was limited to making modifications to the action plans that result from the process, rather than evaluating and improving the process itself.  | b |

#### Notes

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| STRENGTHS NOT INCLUDED IN THE “AROUND 6” [1] 2.2a(3) resource packet is provided as evidence of an approach to resource allocation, and some examiners included it as a strength, but during consensus discussion it was decided that the limited scope of the packet and overall lack of clarity about a process for resource allocation warranted an OFI. [2] 2.2a(4) Workforce plans were limited in scope and focus to the training matrix. An OFI was developed that considered other aspects of workforce plans, and this potential STR could be perceived as a conflicted comment, and of limited value to the applicant.  |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | Deployment of action plans to key suppliers and partners is not evident. For example, suppliers and partners are not clearly considered in strategic objectives and corresponding action plans that are dependent on them for success. In addition, it is not clear how other work units within the parent that have key roles in the applicant’s success, such as the Design Center and Marketing/Sales Division, are integrated into the action planning process. Deploying its action plans to key suppliers and integration with relevant work units may increase the applicant’s ability to accomplish them. | [1] OFI contributed by four examiners [2] The lack of clarity in how key suppliers and partners are involved in action plans was considered essential feedback, including the integration with other work units, as the applicant would be highly dependent on the design, sales, and marketing function of the parent organization for their success.[3] KF: Suppliers; competitive challenges [4] This OFI is written to the multiple level; feedback on lack of clarity in how suppliers and partners are involved in actions was considered important feedback; the parent may also have action plan responsibilities, and through consideration of integration of other key units, feedback was provided to assess deployment needs to its parent units.  | a(2) |
|  | It is not clear how workforce plans address potential changes in capability and capacity to support the accomplishment of action plans and strategic objectives. For example, it is not clear how the people-focused strategic objectives and the training matrix process address the impact of action plan implementation on the workforce and align to support other strategic objectives and action plans. A systematic approach may help the applicant provide adequate workforce resources to accomplish its objectives and respond to the strategic challenge of workforce retention.  | [1] Six examiners contributed to this OFI. [2] It was considered critical to operations and also related to strategic challenge 1—retention of technical staff—to provide feedback regarding lack of clarity in how the workforce planning approaches systematically address capacity and capability changes. [3] KF: strategic challenges, competition, competitors, workforce [4] The applicant’s focus was on the development of a training matrix, and this did not provide enough discussion to determine if approaches to workforce planning were systematic and effective.  | a(4) |
|  | Performance projections are not provided for the applicant’s short- and longer-term planning horizons. Projecting its expected level of performance may help the applicant identify actions needed to close any undesired gaps in performance in the marketplace. | [1] Six examiners contributed to this OFI [2] This was considered priority feedback based on the impact of the competitive environment. The team also evaluated whether there was evidence of projections in the results that were provided, or in Figure 2.1-3, where the action plan goals are listed, and found little to no evidence that projections are used. Projections are an overall requirement in this process item. [3] KF: competitors, strategic challenges, considerations for measurement. [4] This OFI is focused on not providing projections—there is a passing reference by the applicant on a performance projection worksheet to forecast linear projections, but there is no further explanation. One team member also commented that “linear” does not necessarily address innovation improvements.  | a(6) |

#### Notes

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| OFIs NOT INCLUDED IN THE ‘AROUND 6’ [1] 2.2a(3) resource packets limited primarily to financial considerations. There were strength comments noted regarding the resource packets, but the OFIs provided were deemed to be more actionable, and potentially represent a blind spot for the applicant, so were therefore given a higher priority for feedback.[2] 2.2a(1) consideration of involvement of other stakeholders in action plan development. OFI regarding lack of clarity in deployment to suppliers and partners considered more immediately actionable for applicant. [3] 2.2b Consideration of prioritization clarity or risk management clarity with regards to modified action plans. STR at overall level considered better feedback for applicant. CONSENSUS REVIEW [4] Some discussion of evaluation and improvement approach in this item considered in assessment of learning maturity (plus/delta/results [PDR] approach), and as a result an additional OFI on lack of evaluation and improvement was not written.  |

### Scoring

**Score Value: 50**

**Score Range: 50–65%**

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| --- |
| **Why shouldn’t the score be in the range above or below the selected one?** **Not the range above because not all overall requirements were addressed, and some OFI comments were written to overall requirements.** **Not the range below because the applicant addressed more than just the basic requirements, and addressed some of the multiple requirements. Also, action plans are deployed to some key stakeholders, and there were some examples of improvement—enough to give benefit of the doubt to get into the 50–65% range, but at the lowest point in the range.**  |

## Item Worksheet—Item 3.1

## Voice of the Customer

### Relevant Key Factors

1. 3 main lawn tractor products: commercial (50%); household (30%); Putting Green (20%).
2. “Intense” legal & regulatory environment—including state/national laws, regulations, standards. IRS & NC audit requirements; DOL standards for workforce; NCDENR requirements for air quality.
3. Customer groups = commercial and household dealers.
4. Key requirement for commercial: quality of cut; household: comfort/sleek design; both: safety, energy efficiency, reliability. Putting Green requirements not addressed.
5. 3rd-leading manufacturer of medium-size gas & diesel-power lawn tractors in North America.
6. Est. 3,815,000 lawn tractors in operation; yearly growth factor of 15%.
7. 3 main competitors: J.J. Place Inc., Majestic Corp (US companies), Mighty Mowers Inc. (offshore).

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Promoting its core competency of relationship building, the applicant uses several methods to determine dealer satisfaction and engagement, including dealer councils, dealer roundtables, a dealer hotline, and surveys. Senior leaders have one-on-one relationships with dealers. Listening methods differ among dealers and end-users (Figure 3.1-1). Dissatisfaction information is obtained primarily through hotline calls from both dealers and end-users.  | Noted as STR by 3 examiners (Ex2, Ex3, Ex4). Response is at the overall level. There is also a b(1) OFI regarding Figure 3.1-1, Listening Methods: lack of clarity of these methods for different customer groups and segments. Org. Profile notes commercial and household dealers as customers but not “end-users,” who are only noted as being able to voice complaints. The strength comment includes this as the only mechanism for the applicant to listen to the end-user. | b(1) |
|  | To determine customer satisfaction relative to other organizations, the applicant uses information from third-party surveys, industry benchmarks from participation in the Outdoor Power Equipment Institute, supplier/partner feedback, Baldrige Award winner data, and sister plants. These methods may help the applicant identify strategic opportunities for improvement that move the organization toward capturing a larger proportion of the anticipated 15% annual growth in the market. | Noted as STR by 5 examiners (Ex8, Ex2, Ex5, Ex6, Ex4) based on the list of activities presented, although a process is not described. Of note, Ex5 points out that list is at odds with limitations presented in P.2a(3): Two limitations of comparative data are timeliness, with data typically lagging by more than a year, and applicable best-in-class data, due to differences in methods, standards for data collection, and concern for proprietary information. The availability of competitive data is limited due to being either a subunit of a large publicly traded corporation, whose results are not segmented by the parent’s reports, or a privately held company that typically does not share information. Benefit of the doubt was given in writing a strength comment, although tempered by the lack of actual comparison information in 7.2 results figures. Uncovering the actual process could be a site visit issue.  | b(2) |
|  | To ensure that it captures actionable information to secure customers’ long-term engagement, the applicant listens to and interacts with customers using the communication methods listed in Figure 1.1-2. The methods vary for some of the applicant’s customer groups and market segments (Figure 3.1-1). The applicant also has deployed the web-based GATE portal, through which customers can communicate about issues, complaints, concerns, and accolades.  | 3 examiners offered this strength (Ex8, Ex6, Ex4). It was given the lowest order in the ranking because the list of methods does not provide much information about a systematic approach. The methods do seem designed to reach some of the key groups and market segments, but Putting Green customers are not mentioned, and it is not clear how the applicant shares information with other parts of the parent organization to promote integration (information, and improvement systems are complementary across processes and work units) and a systems perspective. It is also unclear how the information in Figure 3.1-2 represents the life cycle for dealers, who are identified as the customers—it appears to be more end-user centered. The team had extensive discussion about this topic during consensus, given that the parent designs and markets the products—but left the (weak) strength to give due credit. This comment was crafted to be differentiated from the OFI comment. | a(1) |

#### Notes

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| 3.1a(2) potential strength comment listed by Ex8 and Ex5 was not included. They cited information from Figure 3.1-1, and dissatisfaction measured through hotline calls. Ex5 also referenced the product blueprint and national account process to listen to former and potential customers as well as the Q Survey, but the blueprint is entirely the process of the parent, and it is not clear how the applicant uses it. Also, 6 examiners (Ex1, Ex2, Ex3, Ex4, Ex6, Ex8) offered a well-evidenced OFI for listening to former and potential customers, so it was not included as a strength. All other strengths were included.  |

### Opportunities for Improvement

|  **-** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is not clear how the applicant evaluates and improves its approaches to customer listening and determination of customer satisfaction and engagement. Evaluating the effectiveness of the processes to obtain information from customers may promote organizational learning about customer requirements and expectations, providing a competitive advantage in the market. | OFI comments from 2 examiners (Ex5, Ex2). These areas to address do not have any indication of learning—particularly given that the competitive environment, customer listening, customer satisfaction and engagement (of dealers) are key to the applicant. This OFI provides feedback that building learning into its determination approaches will help it address the competitive environment. | a, b |
|  | It is unclear how the applicant’s interactions with and observations of customers, as well as its listening methods across the customer life cycle (Figure 3.1-2), capture immediate actionable feedback from dealers. For example, it is not clear how the feedback received during customer visits and the data received from surveys are converted to information that the applicant can use to improve processes and further engage customers. Methods for obtaining actionable feedback may assist the applicant in continuous improvement activities and provide insights into improving customer engagement. | OFI identified by 4 examiners. (Ex6, Ex8, Ex3, Ex7). There was an additional OFI comment proposed for a(1): It is not clear how the Communication System methods (Figure 1.1-2) integrate with other methods such as Action Plan meetings and the GATE supplier portal to get a comprehensive perspective of customer viewpoints. Nor is it clear how the analysis and synthesis of conferences, conventions, research, data, and competitor comparisons produces actionable information, especially actionable data that is integrated with other data collection approaches and sources. Without a systematic approach that integrates all data sources, may make it difficult for the organization to focus on areas of importance to the customers, potentially wasting design and delivery resources. The alternate comment was supported by Ex8, Ex3, Ex6. This was not included, as the more generic comment addressing the overall requirement is where the applicant needs to focus first.  | a(1) |
|  | It is unclear how the applicant’s methods for determining satisfaction, dissatisfaction, and engagement (Figure 3.1-1) differ among the applicant’s commercial, household, and Putting Green market segments, which have different requirements and expectations. Tailoring determination methods and survey questions may help the applicant address those markets and engage customers more effectively. | OFI noted by 5 examiners (Ex1, Ex8, Ex2, Ex3. Ex6). Unclear how measurements provide actionable information, particularly to secure engagement over the long term. “Customer life cycle” (Figure 3.1-2) seems geared to end-users, not dealers, based on references about pre- and post-purchase, and warranty, although the profile and other areas of the application state that the organization focuses on the dealers as the customers. Also, the application is relatively silent about the Putting Green customer segment, which is 20% of the market. | b(1) |
|  | It is not clear how the applicant obtains actionable information from former customers, potential customers, and customers of competitors. For example, it is not clear how the product blueprint, Q Survey, or sales calls processes from the parent applicant yield actionable information for the applicant. Systematic approaches for these potential customers may help the applicant better meet their requirements and gain market share. | 6 examiners noted OFI in a(2) or b(2) (Ex8, Ex1, Ex5, Ex3, Ex6, Ex4). Unclear whether satisfaction relative to competitors is gathered—of concern given the lower-cost offshore competitor (a SC identified by the applicant). The applicant mentions the product blueprint and the sales calls, but sales and the blueprint are both described elsewhere as processes conducted by the parent—and it is not clear how the applicant is integrated into them. Furthermore, there is only one chart in 7.2 that includes comparisons, and that is with Industry Week—which may or may not include offshore manufacturers. This may be a major issue, given the trend in the market.  | a(2), b(2) |

#### Notes

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| Many of the responses to the Criteria for this item were at the overall level. During consensus, there was discussion about doubling the OFI about learning, but the team determined that there are many learning OFIs throughout the feedback report, which should sufficiently make the point. |

### Scoring

**Score Value: 40**

**Score Range: 30–45%**

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| **Why shouldn’t the score be in the range above or below the selected one?** **Not above due to gaps in learning, deployment, and integration: no evidence of any learning; integration with the parent and sister organizations is not evident, particularly the applicant sharing information “upstream” to influence design and marketing. Some descriptions of processes / methods, but not clearly deployed to all customer groups (Putting Green, former, and potential customers). Particularly a concern given the competitive environment.** **Not below because there were some descriptions suggesting approaches in early stages of alignment with organizational needs. The team settled on the upper half (but not the top) of the 30–45% range.** |

## Item Worksheet—Item 3.2

## Customer Engagement

### Relevant Key Factors

1. 3 main lawn tractor products: commercial (50%); household (30%); Putting Green (20%).
2. Partnership w/CEVA Logistics for delivery of products to dealers (distributor network), which sell tractors direct to end-users, as well as maintain, service, repair products.
3. “\*Be Proud \*Lead \*Think Critically \*Respect Others”
4. Segment = SIC Industry Group 352: medium-size gas & diesel-power lawn tractors in North America. Customer groups = commercial & household dealers. Stakeholders = suppliers, BOD, stockholders, associates (workforce), partners, dealers.
5. Key requirement for commercial: quality of cut; household: comfort/sleek design; both: safety, energy efficiency, reliability. Putting Green requirements not addressed.
6. 3rd-leading manufacturer of medium-size gas & diesel-power lawn tractors in North America.
7. 15% yearly growth factor.
8. 3 main competitors: J.J. Place Inc., Majestic Corp (US companies), Mighty Mowers Inc. (offshore).

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s Contact Management System, used to manage relationships with dealers, supports the organization’s strategic advantage of brand awareness and reputation. Methods include dealer tours and monthly calls, as well as an emergency line for end-users. The applicant uses a third-party survey to poll customers and competitors’ customers to identify lost sales and gain information on customer satisfaction. Sales managers of the parent organization make visits to dealers who are also customers of competitors to understand how better to gain their business.  | 5 examiners noted this STR (Ex1, Ex2, Ex3, Ex6, Ex4). Removed references to blueprint because it is not clearly described as a mechanism for building customer relationships, but is noted in 6.1 as a mechanism for product design. Sales were included in this comment to give some benefit of the doubt, as sales calls are typically a relationship-building mechanism.  | b(1) |
|  | The Customer Complaint Management System (Figure 3.2-2) is used to track dealer complaints and avoid similar complaints in the future. Regional sales or national account managers address customer complaints related to deliveries and daily orders, and the SLT members personally address concerns for large accounts. | STR identified by 4 examiners (Ex1, Ex8, Ex2, Ex6).STR is written to a high level: use of tracking complaints rather than managing complaints to allow for the OFI focus on complaint resolution. This (weak) comment was included, but in the second position, based on benefit of the doubt about the lack of clarity in whether the Regional Sales Managers, National Account Managers, and SLT referenced are part of the applicant organization, or the parent organization. This is also an area where CEVA (the partner for delivery) would be expected to be engaged in meeting customer requirements, but it is not mentioned. | b(2) |

#### Notes

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| No examiner STR comments offered for 3.2a(3).Did not include a proposed strength for 3.2a(1) based on consensus discussion: Applicant uses a Product Offerings Process to identify and adapt product offerings to meet customer requirements and expectations. Applicant manufactures products based on blueprints designed and provided by corporate that include VOC and market data to ensure requirements are met. Using the Product Offerings Process, applicant sends information to vetted suppliers to implement start-up plan. Suppliers track progress and information in GATE to track form, fit and function of new product offerings until all trials are run. After receiving appropriate signoffs, purchasing buyer creates Specification Analysis Form for Product Offerings Report. REASON: the team agreed during consensus that the response was confusing; e.g., parent processes are not clearly defined, process steps specifically and continually refer to suppliers (are these end suppliers of their products?), steps are detailed and outlined, but do not refer to customers, market segments, or opportunities to expand relationships. There was just too much confusion to see a strength, and many activities listed did not clearly represent processes. ALSO did not use a proposed strength for 3.2a(2): The applicant describes several listening and communication methods (Figures 3.1-1 and 1.1-2) to enable customers to seek information and support. The applicant also lists seven key means of customer support. Examples include Dealer Roundtables and Councils. Requirements are deployed to people and processes involved in customer support through training, audits, KPIs, and meetings as well as the learning community for continuous improvement. Having multiple methods and support mechanisms through which customers can seek information and support from the applicant may help to exceed customer expectations and secure long-term engagement. REASON: lists of activities were not perceived by the team to give sufficient information to represent systematic approaches (well-ordered and repeatable). |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is not clear how the applicant participates in the parent organization’s processes for determining product offerings, as those appear to include only suppliers. Systematic input into the determination of product offerings may assist the applicant in addressing strategic opportunities in leveraging key changes and critical success factors through product offerings or features. | 6 examiners (Ex1, Ex8, Ex7, Ex6, Ex4, Ex5.) identified OFI. Although the processes are noted as being conducted by the parent, this is a critical issue for future success. If the applicant does not have any autonomy or input into product offerings, it will be difficult for them to address strategic opportunities or leverage key changes and critical success factors by adding to its product offerings or product features.  | a(1) |
|  | It is not clear how the Customer Complaint Management System (Figure 3.2-2) includes consideration of prompt and effective complaint resolution, such as measures of promptness. Prompt and effective resolution of complaints may help the applicant with service recovery and enhance customer engagement in a highly competitive market. | 3 examiners noted OFI (Ex1, Ex8, Ex3). Neither response for 3.2(b)2 nor Figure 3.2-2 address measures of promptness. Note: Results for customer satisfaction with complaint resolution (Figures 7.2-3a & b) show levels of less than 80%. No comparisons are provided, but this seems low.  | b(2) |
|  | It is not clear how the applicant uses the customer groups and market segments determined by its parent to anticipate future customer groups or market segments to pursue for business growth. A systematic approach may assist the applicant in addressing its key competitive changes, including the improving product quality of offshore competitors and the rapid copying of new product features by competitors. | 4 examiners identified OFI. (Ex8, Ex1, Ex6. Ex7). This may all be managed by the parent organization, since sales are noted to be a function of the parent, but the team thought the applicant should be able to describe how it is involved into this important process. | a(3) |
|  | Cycles of improvement are not evident for methods used for customer engagement and relationship building, such as surveys, dealer calls, and one-on-ones, as well as customer support processes. Reviewing and improving such processes and methods may strengthen existing approaches by uncovering opportunities for improvement, generate ideas, and stimulate innovation. | Identified by 1 examiner (Ex4). Agreed upon and refined in consensus. Multiple activities are listed by the applicant to address customer engagement. However, there is limited evidence of any cycles of improvement and references to how customer information is integrated into other key processes, or how the applicant provides input / feedback to the parent organization for those processes that are controlled at that level. | a, b |

#### Notes

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| The team agreed during consensus discussion that responses to this item were confusing. Parent processes are not clearly defined or differentiated (who does what?), which was determined to be an integration issue—for example, sales calls, account managers, complaint management—what is managed by the applicant, and what is done by the parent? Also, process steps specifically and frequently refer to “product offering suppliers,” but it is not clear how these are—suppliers of parts and production inputs, or dealers. Steps are detailed and outlined and seem to pertain to dealers as “suppliers” of the products to end-users—but do not refer to customers (dealers or end-users), market segments, or opportunities to expand relationships. OF NOTE: unlike other areas of application where examples of improvements are provided without evaluation processes or clear explanations, there is NO discussion of learning (or even examples of improvements) in cat. 3. The applicant did not address the basic requirement in several sections, and many OFI comments were discussed to identify the most actionable. Comments not included: 3.2b(1) Ex5: It is not clear that the top 20 Gateway dealers involved in the annual roundtables represent a significant number of GG’s top dealers. and Ex7: It is not clear if the Regional Sales Managers or National Account Managers who handle customer issues with deliveries and day-to-day orders are applicant employees or corporate employees. Nor is it described how the applicant leverages social media manage and enhance the brand and to enhance customer engagement and relationships with the applicant. REASON: Less Criteria based than other comments. 3.2b(2) Ex3: The applicant does not describe how the contact of regional sales managers with customers or the interaction of dealer/customers with end-users enables the organization to resolve complaints. It is not clear how the use of GATE, the supplier portal, helps to manage complaints regarding product quality; nor it is clear how the use of manager contact or the GATE portal allows the organization to resolve problems at the first point of contact, potentially contributing to greater customer concerns. A systematic process for addressing and responding to customer complaints may enable the applicant to maintain a loyal customer base and cascade loyalty to suppliers and partners. REASON: Other OFIs provided by examiners address gaps at the basic level and are more actionable. a(2) Ex6: A systematic approach is unclear for how the applicant enables customers to seek information and support as well as to conduct business. Applicant relies on listening methods such as surveys and complaints (Figure 3.1-1) for feedback; however, it is unclear how this information is used to determine customer key support requirements. For example, applicant uses multiple mechanisms for customer support including email and designed contacts; however, it is unclear how these were established based on feedback from its listening methods. Systematic approach may assist in enhancing core competency of relationship building. REASON: OFI includes elements of a STR, and all others commented on this as a STR (albeit weak), so it was written as a strength after much discussion. During consensus—REMOVED proposed OFI for 3.2a(3): The applicant relies on the parent organization to determine customer groups and market segments based on the applicants’ capacity and capability to produce. There is no evidence of how the organization provides input into the parent nor how capability and capacity drives determining customers or markets. This may impede the overall organization to emphasize and pursue business growth. RESAON: Not really a Criteria-driven comment. Combined OFIs for 3.2a(2) regarding communication into a broader OFI addressing evaluation and improvement of the entire item at the basic level. Removed two b(1) OFIs for social media and one for the complaint management system, as these were written against multiple requirements, and there were more basic OFIs noted. |

### Scoring

**Score Value: 40**

**Score Range: 30–45%**

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| **Why shouldn’t the score be in the range above or below the selected one?** **Not above due to gaps in learning and deployment: no evidence of any learning; deployment from parent to applicant and back not clear in many instances.** **Not below because there were some descriptions suggesting approaches in early stages of alignment with organizational needs. Settled in the upper half, but not the top, of the 30–45% range to give major benefit of the doubt. Which processes are managed by the parent, how the applicant uses / integrates with these processes, and who they regard as “product offering suppliers” and as customers, would be major site visit issues to clarify, if the applicant gets a site visit.**  |

## Item Worksheet—Item 4.1

## Measurement, Analysis, and Improvement of Organizational Performance

### Relevant Key Factors

1. Be leading manufacturer of quality lawn tractors, with a low cost of ownership & best overall value.
2. Parent VP of manufacturing oversees applicant, evaluates plant manager.
3. Segment = SIC Industry Group 352: medium-size gas & diesel-power lawn tractors in North America. Customer groups = commercial & household dealers. Stakeholders = suppliers, BOD, stockholders, associates (workforce), partners, dealers.
4. 3rd-leading manufacturer of medium-size gas & diesel-power lawn tractors in North America.
5. Year-long lag in timeliness & absence of applicable best-in-class data availability. Competitive data limited due to lack of availability or sharing.
6. Six types: (1) product/process (internal: OPEI participation, supplier/partner feedback, sister plants, deal/customer surveys; external: Baldrige recipients, Industry Week, benchmarks, Car Production System, Car Manufacturing System); (2) workforce (internal: parent, OSHA-VPP, ASTD/APQC, surveys; SHRM, OSHA/Bureau of Labor, insurance providers); (3) leadership (internal: dealer/customer feedback, Associate Satisfaction Survey; external: state/local community feedback); (4) governance (internal: parent, BNA; external: state/local community feedback); (5) financial/market (internal: parent, financial auditor; external; auditors, financial organizations); (6) supplier (industry data).
7. Overall: DMAIC; Lean thinking to remove waste from processes by Lean techniques & theory of constraints to successively remove obstacles to flow. Scorecard/SQDCPME maintains focus on components of sustainable business: safety, quality, deliver, cost, morale, maintenance, environment to achieve goal of best in the world.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The alignment of the applicant’s performance measurement approaches to SQDCPME may help the applicant capitalize on SQDCPME as a strategic advantage and support a fact-based management culture. Data and information for tracking overall organizational performance, including progress on achieving strategic objectives and action plans, are managed through the Performance Management System (Figure 4.1-1). This approach is integrated with the SPP (Figure 2.1-1) and the Performance Improvement System (Figure P.2-4). Key organizational performance measures in the Balanced Scorecard Measures (Figure 4.1-3) are segmented by SQDCPME.  | 7 of 8 examiners had strength on a(1). \* Figure 4.1-1 Performance Measurement System \* Figure 2.1-1 (SPP) \* Figure P.2-4 (PIS) \* Figure 4.1-3 (Balanced Scorecard Measures) \* Numerous references throughout the application to SQDCPME (three examiners mentioned it). Measurement selection process is outlined in Figure 4.1-2, with a focus on measures that are actionable, support the strategic plan, relate to customer and other requirements, and are divided into run-the-business and change-the-business attributes. The measurement system aligns with and supports both the strategic planning process and the performance measurement system (Figure 4.1-1). The Balanced Scorecard (Figure 4.1-3) contains the key measures, including financial (“Cost”), organized by the anchors from the strategic objectives. This comprehensive measurement system allows the organization to track overall performance as well as progress on strategic objectives and action plans. | a(1) |
|  | The applicant reviews its performance and capabilities at all levels of the organization and at a variety of frequencies (Figure 4.1-5). Measures are segmented by those for RTB and CTB and include financial, scorecard, satisfaction, and supplier management segments. Analyses include gap analysis, value stream analysis, variance, and trends. Reviews and analyses support decision making on resource allocation, modification of action plans, recognition, and strategic direction. These systematic approaches may assist the applicant in effectively achieving its strategic objectives. | Fig. 4.1-5, Examples: Organizational Performance Review, details and aligns numerous measures according to CTB and RTB. This approach also details when a measure is reviewed (daily, weekly, etc.) as well as by whom. In addition, this approach details what type of analysis is performed as well as potential decisions made based upon the analysis. Five of 8 examiners (Ex8, Ex2, Ex5, Ex6, and Ex4) identified a strength in approach through Figure 4.1-5, showing performance review venues, participants, and frequencies. At Consensus Review, we will need to ensure that this strength is not in conflict with any OFI. | b |
|  | The applicant describes a systematic approach to select comparative data to support its decision making. The Comparative Data Selection Process (Figure 4.1-4) involves evaluation criteria (support of critical success factors, actionability, cost-effectiveness) and a cycle of implementation, assessment, and action. The review cycle provides an opportunity for evaluation and improvement of the approach. | The applicant has a process for selecting comparative data, beginning with organizational and departmental benchmarks. Potential benchmarks are measured against criteria of supporting a critical success factor, being actionable, and cost effective. Meeting all three of those criteria allows a benchmark to be used, and there is also a review cycle built into the selection process. Four examiners had strength comment (Ex8, Ex2, Ex3 and Ex7)—no examiner has OFI on comp selection process approach, although there are two related OFIs—one on cycles of improvement and one on identifying organizational and departmental benchmarks. | a(2) |

#### Notes

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| Examiners were split between selection vs. use of measures, etc., for reviews. There were several OFIs for daily operations, but also six examiners note overall process to use measures. After the second review, examiners noted a gap between how measures are selected vs. how they are used. There are two figures (4.1-2 and 4.1-4—measurement selection and comparative data selection) that appear at first glance to answer the issue of selection, etc., but after a second review, examiners saw that the actual process to select these measures is not provided; the figures are simply lists of activities—i.e., “proposed measures” and “organizational and departmental benchmarks” are noted, but neither of these steps actually describes a process. Fig 4.1-3—BSC (which delineates SQDCPME, which is a SA) appears either in conflict or out of synch with 4.1-5, Examples: Organizational Performance. There is no description of how these measures support innovation, daily operations (which is mentioned for only five measures), or what the process is to align and drive improvements or how these measures are either selected in the first place, or can be added or removed, which forces the question(s) of applicability. In general, all examiners felt the applicant used some measures, but not how they were selected. This included that some measures may be being missed such as VOC measures. Limited evidence or discussion on cycles of learning as well as limited narrative on integration such as measures which may be required by the parent, how daily measures roll into BSC, or how these drive customer focus, support CCs, SAs, and SCs. Strengths were written to not conflict with OFI comments and are fairly weak.  |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Within the Comparative Data Selection Process (Figure 4.1-4), it is unclear how the organizational and departmental benchmarks are identified. The process states that selected benchmarks should support success factors and be actionable and cost-effective, but a process for identifying them in the first place is not evident. A systematic process may help the applicant make fact-based decisions toward the goal of providing innovative, quality, and low-cost products. | Two examiners (Ex1, Ex7) wrote OFIs during Independent Review on how comparative data are actually used, but the decision was to focus on the issue of the identification of such data. Comment focuses on the green box in the upper left-hand corner and how comparative data are identified in the first place, then selected. Independent review comments also had opportunities for improvement in cycles of learning, which were initially included in the comment, but during consensus preparation it was decided to have one learning OFI for the entire 4.1 item, so the verbiage was removed from the individual comments. | a(2) |
|  | It is unclear how the applicant selects voice-of-the-customer (VOC) and market information and uses it to drive improvement and potentially innovation based on customer requirements pertaining to quality and delivery on the SQDCPME Balanced Scorecard Measures (Figure 4.1-3). Integrating customer data into the improvement of other processes, such as the strategic planning process, may drive improvements for suppliers, partners, and other key stakeholders, helping the applicant support and drive innovation. | Three examiners (Ex5, Ex3 and Ex6) had specific OFI on this while two examiners focused on suppliers, partners, and key stakeholders. Decision was to blend these two lower-level OFIs into one OFI on how the applicant uses VOC and other customer data into driving improvements (including innovation) into overall organizational processes. | a(3), c(2) |
|  | It is not clear how the applicant selects, collects, aligns, and integrates data to use in operational reviews or enable agility in responding to rapid or unexpected change. For example, it is not clear how the applicant selects the proposed measures noted at the beginning of the Measurement Selection Process (Figure 4.1-2). In addition, the SQDCPME Balanced Scorecard Measures (Figure 4.1-3) do not address the tracking of daily operations. Addresses daily operations, including a process to select and align measures with operations, may support the strategic advantage related to SQDCPME. | Five examiners had OFIs on rapid or unexpected changes (Ex1, Ex8, and Ex2 for agility), and two (Ex2 and Ex5) referred to daily operations. This also supports a comment (Ex4) on how measures are selected and aligned or even identified in the first place. While SQDCPME is referenced, the overall process for this is still vague after being referred to in numerous categories. This may also address one examiner’s comment on ownership, which technically is not Criteria based. | a(1,2,4) |
|  | There is limited evidence of cycles of improvement in the applicant’s approaches for measurement, analysis, and improvement of organizational performance. For example, no process is apparent for capitalizing on the opportunities for innovation identified by the applicant in performance reviews. In addition, the “Decisions Made” column in Figure 4.1-5 references recognition, operations, and safety but does not describe how these analysis processes have been improved or why the decisions were made. Systematic cycles of learning may assist the applicant in identifying areas for improvement or opportunities, setting the stage for incremental and potentially breakthrough performance. | While only 2 examiners (Ex8 and Ex4) identified cycles of learning as an OFI, all examiners agreed that this is an OFI, and the others perceived other OFIs to be a higher priority for the applicant. Including the “learning” OFI supports an emerging key theme. The last row of Figure 4.1-5 (Decisions Made) vaguely references activities that could represent processes (recognition, operational or safety), but there are no examples of how processes have actually been reviewed or improved. It is not clear how the applicant evaluates and improves its performance measurement, analysis and review, and improvement processes. | a,b,c |

#### Notes

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| One OFI identified by two examiners (Ex3 and Ex1) focused on performance projections—this OFI did not raise itself as one of the higher-priority items as there are some more fundamental issues such as cycles of improvement, agility, and using data for daily operational decisions and improvements that would have greater potential impact for the organization. Additionally, there is an OFI comment related to performance projections that was written in 2.2a(6). In general, examiner comments were around the overall Criteria requirements. Review 1—Added focus and clarity to two OFIs on selection and alignment, took out daily focus so as to not conflict with strength. During consensus, tweaked some verbiage to clarify and moved cycles of improvement OFI from first position to last position, to focus the organization on creating systematic, integrated, well-deployed approaches before determining how they will evaluate and improve the approaches. |

### Scoring

**Score Value: 45**

**Score Range: 30–45%**

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| **Why shouldn’t the score be in the range above or below the selected one?** **Scoring should be in the 30–45% range as there are processes to address the basic and some overall requirements with some evidence of integration to address key processes.** **Scoring should not be in the next range as there are gaps in “A fact-based, SYSTEMATIC evaluation and improvement PROCESS and some organizational LEARNING, including some INNOVATION, are in place for improving the efficiency and EFFECTIVENESS of KEY PROCESSES. (L).” (50–65%). In addition, there are some gaps in deployment and limited evidence of innovation.** **Scoring should not be lower as there is evidence of alignment to other processes (exception for daily operations), and approaches go beyond the basic requirements.**  |

## Item Worksheet—Item 4.2

## Information and Knowledge Management

### Relevant Key Factors

1. Relationship building, idea generation, guiding principles, talent development (future CC: “value engineering”).
2. 560 FT “associates” + 29 temporaries, organized by departments.
3. Participating in Learning Communities, comprehensive training programs, rewards & recognition & a focus on SQDCPME; safety & health requirements: safe work environment, protection from injury & support a healthy lifestyle; key requirements: Learning Communities, reward & recognition, SQDCPME (all); skills development training (temporary); cross-training (hourly); leadership training (salaried).
4. Improving product quality of offshore competition; new applicant product features quickly copied by competitors. Opportunities for innovation directly related to collaboration with suppliers/partners to develop new ideas.
5. SA1: brand awareness/reputation (parent/dealers); SA2: strategic partnerships (suppliers, education systems, partners, dealers); SA3: SQDCPME.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s use of various tools to ensure the accuracy, integrity, and reliability of data (Figure 4.2-1) supports its ability to make fact-based decisions. For example, accuracy and validity are addressed through drop-down menus and required fields for data and compliance audits for information. Reliability is ensured through redundant critical systems and backups for data and automated alerts for information.  | 5 of 8 examiners (Ex1, Ex8, Ex5, Ex6, Ex4) noted this as strength with one (Ex5) noting this as a double. It should be noted that there are questions regarding overall deployment. Examiners felt this was more of a list of activities, but benefit of doubt was given. One examiner felt the approaches were merely a list of activities, although, by benefit of the doubt, allowed it as a strength. Since there are questions/comments around cycles of improvement, deployment and integration, this will not be doubled. It should also be noted that “currency” is not included in the comment as currency also means or implies timeliness, whereas the description provided demonstrates speed and ease of access only. There may be an associated OFI regarding deployment, cycles of improvement, and integration.  | a(1) |
|  | To ensure the availability of data and information, the applicant uses various activities to determine the availability, timeliness, and other data requirements of associates, suppliers, partners, and customers (Figure 4.2-2). The types of data generated by each of the activities and how the information is made available when needed are also specified. Mechanisms include the Internet, email, self-service, networks, and online service manuals. These data and information mechanisms may enhance the workforce’s productivity and engagement. | Fig. 4.2-2 Data and Information Availability includes columns for Segment requirements, Type of Data/Information and Availability while Rows reflect audience/segments including workforce, suppliers and partners, and customers. User-friendliness is supported through use of focus groups prior to rollout and ongoing through annual surveys. Three examiners included basic approach strengths (Ex4, Ex6, and Ex2). although all three noted some gaps in approaches and deployment. The associated OFI will address at the overall level gaps in approaches and deployment as well as no mention of cycles of improvement. | a(2) |
|  | Multiple mechanisms used to collect and transfer knowledge across stakeholder segments (Figure 4.2-3) support the workforce engagement factor of cross-training, as well as the applicant’s core competencies of idea generation and talent development. The mechanisms include associates, dealers and customers, and suppliers and partners. Knowledge is collected via surveys, policies and procedures, industry conferences and social media for customers, and contract reviews for suppliers/partners. Measures are identified for each mechanism, including satisfaction and engagement, compliance, product and process assessments, and contract performance.  | Four examiners identified approaches/mechanisms to collect and transferring knowledge (Ex2, Ex6, Ex3 and Ex4). All examiners noted there are basic gaps, however. For example, how knowledge is managed, used in innovation, used in building knowledge, or how these approaches are used to develop and leverage organizational knowledge. Benefit of the doubt was given that the activities may be approaches. This comment is for approach only as no cycles of learning were noted, nor does it appear to be integrated into other processes. Some gaps in deployment were also noted. There will be a specific OFI regarding best practices. | b(1) |

#### Notes

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| During IR, all examiners agreed on basic approaches citing the three figures listed in 4.2. Benefit of the doubt is being used in some cases in determining if lists of activities are actually approaches. It should also be noted that all examiner strengths were focused on approach; 50% had some element of deployment and varying levels of integration. Not one original comment had an “L” component—this will be evident on the OFIs in that there is no overall OFI on learning as there are gaps in basic approaches and deployment (which will also impact the scoring.). In general, 4.2 had examiners agreeing upon basic approaches for data elements with some minor gaps (timeliness) as well as gaps in deployment (nonelectronic). In addition, there is limited to no discussion by the applicant of the parent organization’s role in IT, so some benefit of the doubt has been given to basic IT approaches, which becomes apparent in that there are no cycles of learning and limited comments on integration. All examiners noted overall basic approaches (i.e., a list of activities) for knowledge collection and dissemination, however, rather than approaches to managing knowledge. |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Deployment of the approach for data and information management (Figure 4.2-1) is not evident. For example, it is not clear whether the activities address nonelectronic data or how the applicant ensures quality throughout the organization or to stakeholders, such as dealers and end-user customers. Furthermore, it is not clear that the activities for availability (such as managing security for remote access) consider the appropriateness and effectiveness of the methods. Fully deployed processes to address data management may enable the applicant to provide access while mitigating associated risks. | Four examiners specifically detailed OFIs around deployment (Ex8, Ex6, Ex1 and Ex5). Two other examiners (Ex4 and Ex1) also concurred that there were gaps in deployment as well as missing elements of data within their respective comments. Some credit was given for some deployment, but all examiners noted some kind of gap in approaches or deployment, whether internal or to other stakeholders such as customers. There is no mention of quality or availability of nonelectronic data and information, nor any cycles of improvements. Some benefit of the doubt may be given due to parent organizational control, but the applicant did not state these were owned by the parent. Some examiners included thoughts in this comment about lacking cycles of learning, but a comprehensive OFI was written for the entire item. | a |
|  | It is not clear how the applicant systematically uses the activities listed in Figure 4.2-1 to manage organizational knowledge to ensure the accuracy and validity, integrity and reliability, and currency of data and information. A well-ordered, repeatable approach may allow the applicant to use knowledge to drive improvements and reduce the impact of the challenge of workforce retention. | While benefit of the doubt may be given for the activities in Figure 4.2-1, there is variability in how they might be managed, and the list does not give any insight into whether the activities are used in a way that is well-ordered, repeatable, or uses data and information for learning. In addition, there is no mention of validity checks, accuracy, timeliness of data entry, periodic review and retirement of information etc. All aspects of “management” are missing (Ex4). Six examiners (Ex1, Ex5, Ex2, Ex3, Ex4 and Ex8) noted gaps in knowledge management approaches including best practices, organizational knowledge, overall process, segmentation, and evaluation. | a(1) |
|  | It is unclear how the applicant identifies best practices to share across the organization and embed learning into how it operates, or how it uses knowledge and resources to embed learning in how it operates. For example, the process for using the activities described in Figure 4.2-3 (e.g., Learning Communities, unit huddles, and synthesis of data) to share best practices and embed learning is not evident. It is also not evident how the applicant identifies high-performing organizational units or operations or identifies best practices within these. A systematic approach to identify and share best practices may help promote organizational learning, accelerating innovation. | Four of eight examiners had specific OFIs on best practices. Some benefit of the doubt was given in the list in Figure 4.2-3, but there was no description of a process, nor how best practices were leveraged, measured for impact, or deployed throughout the organization. Three examiners had OFI comments on organizational learning. Organizational learning was also noted by two examiners in overall knowledge management approaches. Combined two OFIs from b(2) and b(3) to focus on how best practices could be used to support high performance and breakthrough improvements, and build organizational knowledge. During consensus, there was discussion about how Safety Huddles, Learning Communities, etc. are frequently referenced by the applicant, but never described. The examiners have all seen these used differently in various organizations, and deployed to greater or lesser degrees. | b(2,3) |
|  | It is unclear if the various information and knowledge management approaches enumerated by the applicant have undergone systematic cycles of improvement. For example, it is not evident that many of the activities listed, such as websites or listening methods to collect and communicate data and information, as well as approaches around data and information quality, have been reviewed for opportunities to improve. Systematically evaluating and improving these approaches may allow the applicant to focus limited resources on high-priority opportunities for improvement in managing the flow of information and knowledge to and from all stakeholders. | Added cycles of learning during IR and CR feedback and review. Has been moved to last place to allow focus on other more basic unclear approaches. | a,b |

#### Notes

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| Focus of all examiners comments was that some basic approaches may exist, but there are gaps in deployment (data and information elements such as security, user-friendliness, and nonelectronic formats). In addition, the figures provided simply list activities. Some benefit of the doubt was given that the activities may be approaches, since the applicant did not provide descriptions of processes. For example, unit safety huddles are referenced three times in the application, but never described—these are managed in different ways in different organizations. Some of this may be due to the parent organization being responsible, but there is limited or no discussion of the parents’ role in IT or knowledge management approaches. 6 of 8 of examiners had OFI comments on how knowledge is identified, collected, transferred, or managed, including best practices. Organizational knowledge OFI has been embedded in the b(2) comment regarding sharing of best practices as a reflection of the lack of focus on knowledge to drive high performance, work force challenges, and not addressing strategic advantages and challenges, or core competencies. Consensus: During discussion it was noted by the examiners that most of the tables appear to be listings of activities but very limited evidence of actual approaches (e.g. lists of what is done but not how). This will also be captured in the score and scoring rationale. |

### Scoring

**Score Value: 40**

**Score Range: 30–45%**

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| **Why shouldn’t the score be in the range above or below the selected one?** **Some benefit of the doubt has been granted in the scoring, but the score should not be higher due to lack of learning, and much benefit of the doubt is given for deployment.** **With benefit of the doubt for activities being approaches, then the score should not be in the lower band as the approaches reflect addressing the basic requirements.** **Most examiners felt during consensus that some benefit of the doubt should be granted, there is still very limited evidence of process descriptions. While activities/tools can be implemented, processes to determine applicability and selection (including improvements) should still be addressed. Therefore, the score is reflective of some benefit of the doubt for basic approaches (30–45%) with some variance in deployment (30–45%) and some benefit for “ALIGNMENT with the basic organizational needs identified in response to the Organizational Profile and other process items.” Score is in the upper half of the range.** |

## Item Worksheet—Item 5.1

## Workforce Environment

### Relevant Key Factors

1. “\*Be Proud \*Lead \*Think Critically \*Respect Others.”
2. Relationship building, idea generation, guiding principles, talent development (future CC: “value engineering”).
3. 560 FT “associates” + 29 temporaries, organized by departments.
4. No volunteers; 5% temporary. 33% w/10+ years of service; 58% hourly (production, shipping/receiving, support—HR, IT, Finance); 37% salaried or management (admin, quality, facilities/environmental, engineers). Associates 64%, management 18%, engineers 18%. Diversity—70% male; 33% White, 62% African American, 34% 18–31 & 32–47 years, 1% 67 or older. Education—61% diploma or equivalent; 9% AA/AS, 10% BA/BS, 1% postgrad, 19% certifications. Fig. P.1-5.
5. Safe work environment, protection from injury, support for healthy lifestyle. Extensive training required on personal/environmental safety upon employment & then annually. Annual competency demonstrations for specific job roles.
6. Subject to OSHA requirements; some requirements for PPE & specialized safety training. Annual workplace safety training for all associates.
7. SC1—technical associate retention.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s effective, systematic approach to assessing workforce capability and capacity may assist with the organization’s seasonal workload demands and mitigate the strategic challenge of workforce retention. Senior leaders use elements of the Performance Evaluation System (PES) to develop the yearly Training Matrix, identifying needed skills, competencies, and certifications. To assess capacity needs, directors match time studies to workflow and job descriptions, and a Work Assessment–Job Profile is begun.  | Almost all examiners wrote a strength comment for a(1) on capability and capacity. There were four OFIs on a(1), related to the training matrix or cross training. The revisions listed at the top of p. 21 were not included, as they do not appear to be true cycles of learning, but just changes to the overall approach. There is no indication of systematic use of data, evaluation, and planned change. The focus of this Criteria item is on assessment, so comments are related to that idea.There was one double strength in Independent Review, but comment was not doubled because it does not seem to rise to the level of a role model practice. The approach is systematic and appears to be effective, but not extraordinary. Ex1, Ex4, Ex6, Ex8, Ex3, Ex5, Ex2 | a(1) |
|  | Human Resources (HR) personnel and department directors collaborate to implement systematic hiring and placement of new workforce members. This process begins with approved personnel requisitions in HR. Candidates complete a Work Assessment Job Profile, and interviews with the director and members of the department include behavioral interview questions to ensure a cultural fit. Diversity is based on community connections and involvement, associate referrals, and U.S. Equal Employment Opportunity Commission (EEOC) guidelines. This process leverages the applicant’s talent development core competency and may mitigate its strategic challenge of technical associate retention. | Seven examiners (Ex3, Ex4, Ex1, Ex8, Ex5, Ex7, Ex6) identified a strength in recruitment and hiring, but references to “retention” were removed from the final comment due to several OFI references to retention. The hiring process as described is systematic, so worthy of a comment—but not doubling. During consensus preparation, a relevance statement was to reference both the core competency and strategic challenge at the suggestion of Ex4; good catch. | a(2) |
|  | Approaches to preparing for changing capacity and capability needs provide flexibility to adapt to both increases and decreases. Methods include analysis of knowledge, skills, and abilities (KSAs); education; and workforce and manpower planning. Assessment of KSAs allows associates to fill one-up or one-down positions in the value stream, while manpower planning involves creating staffing plans based on three-month operations projections and the use of temporary and contingency staffing. Associates are trained in concepts of change leadership and cross-trained for different roles.  | Five examiners (Ex6, Ex3, Ex5, Ex2, Ex1) wrote a strength in this area, and one (Ex4) wrote an OFI. There was consensus on the focus of the strengths: KSA analysis, training, temp workforce, planning. The OFI addressed not identifying changes in org structure and work systems in response to changing capability needs, which is part of the multiple requirements. The other multiple requirements were addressed, and the Criteria focus on preparation rather than identification; minor point, perhaps, but the applicant appears to have enough of the overall and multiple requirements met to write a strength for a(3) rather than an OFI. | a(3) |
|  | Demonstrating its value of “respect others” and supporting associate engagement, the applicant has a systematic approach for ensuring a positive workforce climate. It provides health assessments and screenings, flu shots, a reimbursable fitness center, and wellness coaching. Security is ensured through automated security devices for entrances, entry badges, and surveillance systems. Performance measures for the workplace environment include the percentage of buildings with engineered access methods and workforce affirmation of workplace health. Other benefits include a 401(k) plan, health insurance, safety shoe reimbursement, and tuition reimbursement. | Five examiners (Ex6, Ex3, Ex8, Ex4, Ex5) provided strength observations for b(1) and/or b(2). The comments covered most aspects of health, security, accessibility, as well as general benefits and policies. It seemed appropriate to affirm the applicant for the positive approaches in both b(1) and b(2), but neither seemed to merit its own strength comment, as the approaches are fairly typical, standard things to do. OFI observations were mostly on segmentation, performance measures, and how temporary workers are addressed. That is the distinction between this “b” strength and the b(1) OFI. There was discussion during consensus about safety not being a Criteria requirement in 5.1b(1), so this was removed from the initial comment, except for the reference to the safety shoes reimbursement as a benefit. | b |

#### Notes

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| Strengths not included 1. a(4) Two examiners (Ex7, Ex2) wrote strengths on a(4), citing the value streams for accomplishing work. However, there were four IR OFI comments on the same area to address, noting lack of clarity in how the value streams are used to organize and manage the workforce, and citing the apparent contradiction between the mention of value streams in the application and organization by departments in the Org. Profile. So I decided it was more of a lack-of-clarity OFI than a strength. 2. There were some strength comments for “b” overall and some isolated to b(1) and b(2), so I combined them all into a “b” strength.  |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | In the applicant’s organization and management of its workforce, it is not clear how the use of value streams aligns with the organization’s departments (as indicated in the Organizational Profile); nor is alignment evident between associate performance management via the PES and the use of the training matrix to accomplish the applicant’s work. An approach incorporating and clarifying all work accomplishment factors may help the applicant ensure that it is leveraging its core competencies and exceeding customer expectations. | There were two examiners (Ex7, Ex2) who wrote a strength comment, and four (Ex3, Ex5, Ex8, Ex6) who made OFI observations. The essence of the OFI observations were the lack of connection between all the factors noted by the applicant that make of the managing/organizing of the work: SQDCPME, KPIs, PES, application of Lean/SS, etc. and work organization leading to accomplishment of work. The four who made OFIs comment seem to be saying, “We just don’t see how this all fits together.” Also, there was mention of the seeming inconsistency between organizing work in departments (OP) and using value streams as noted in 5.1a(4). All of that added up to helping the applicant realize that this approach is not clear, is not systematic, and does not directly support work accomplishment. Post feedback: comment revised based on input from Ex6 and using thoughts from Ex6 and Ex8 comments. Emphasis placed on lack of clarity in their approach and how that approach meets Criteria. | a(4) |
|  | For the applicant’s different workplace environments, differences between environmental factors and related performance measures are not evident. For example, there is no mention of addressing OSHA compliance or maintaining air quality (Figure P.1-7) differently in different areas of the facility, such as the shop floor, shipping/receiving, or office areas. In addition, s health or security distinctions are not apparent for different workplace environments or workforce segments, such as temporary workers (Figure P.1-5). Consideration of varying workplace environments may help the applicant provide a healthy work environment for all associates while effectively managing organizational resources. | There were only three OFI comments (Ex1, Ex3, Ex8) for b(1), the one that formed the basis for this comment and an observation about segmentation, which are included here. Seemed important to include, though, since OSHA and air quality are mentioned in Figure P.1-7 and such concerns would be important in a manufacturing environment. Of particular concern are the temporary workers, as they may not have the training of the regular associates. Comments from several examiners (Ex6 and Ex4) prompted revisions to make sure the comment is Criteria based and words like “OSHA” are used as examples, not the main thrust of the comment. Thanks! | b(1) |
|  | A systematic approach for retention of new workforce members, including temporary workers, is not evident; no process is described for step 1.12 of the hiring process, which notes meeting satisfaction and engagement requirements as the organization’s means of workforce retention. A systematic approach in this area may assist the applicant in mitigating the strategic challenge of technical associate retention and meeting the strategic objective of enhancing associate engagement.  | Several (Ex6, Ex2, Ex5) examiners pulled “retention” out as an OFI for a(2). Applicant mentions retention in the 12th step of the 12-step hiring process— “meeting their satisfaction and engagement requirements”—but examiners questioned that that is a systematic approach, as there is not actually a process described. It is also not clear whether the temporary workers are brought onboard using the same process, and these may be a readily available pool of likely candidates to fill open positions when associates do depart.  | a(2) |

#### Notes

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| One OFI was written on lack of consistency in cycles of improvement. Might be one to include if other OFIs go away at a site visit. OFIs not included 1. a(1) An OFI indicating lack of alignment within the training matrix in Figure 5.1-1 not included; did not see the Criteria connection in the comment. (Ex1) 2. a(2) There were a couple OFIs about whether the recruitment and hiring captures the diversity of the hiring and customer community. Not included because the application mentions some diversity strategies and there were four examiner IR strength comments which mention diversity, and the a(2) strength comment includes diversity. (Ex1, Ex8) 3. a, b OFI on lack of cycles of improvement not included. Did not seem to rise to the level of importance of others, given added value of OFIs that are included. There are many Learning OFIs in other items. (Ex4) 4. Two examiners wrote b(2) OFI comments, mostly around segmentation, but do not seem to add as much to the applicant’s journey as other OFI comments.  |

### Scoring

**Score Value: 55**

**Score Range: 50–65%**

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| **Why shouldn’t the score be in the range above or below the selected one?** **The score should not be in the 70–85% range due to OFIs directed at the multiple requirements as well as lack of cycles of improvement. While the applicant mentions some improvements or changes in approaches, the extent to which these are truly cycles of learning is not clear, keeping the score in the lower half of this range.** **The score should not be in the range below because the applicant meets the overall requirements in each area to address, and several OFIs were directed either at multiple levels or aspects of an overall level, such as retention. Also some evidence of integration.**  |

## Item Worksheet—Item 5.2

## Workforce Engagement

### Relevant Key Factors

1. Relationship building, idea generation, guiding principles, talent development (future CC: “value engineering”).
2. No volunteers; 5% temporary. 33% w/10+ years of service; 58% hourly (production, shipping/receiving, support—HR, IT, Finance); 37% salaried or management (admin, quality, facilities/environmental, engineers). Associates 64%, management 18%, engineers 18%. Diversity—70% male; 33% White, 62% African American, 34% 18–31 & 32–47 years, 1% 67 or older. Education—61% diploma or equivalent; 9% AA/AS, 10% BA/BS, 1% postgrad, 19% certifications. Fig. P.1-5.
3. Participating in Learning Communities, comprehensive training programs, rewards & recognition & a focus on SQDCPME; safety & health requirements: safe work environment, protection from injury & support a healthy lifestyle; key requirements: Learning Communities, reward & recognition, SQDCPME (all); skills development training (temporary); cross-training (hourly); leadership training (salaried).
4. Applicant SLT includes plant manager, assistant plant managers, 5 dept. directors.
5. SC1: technical associate retention; SC2: offshore competition; SC3: cybersecurity.
6. Overall: DMAIC; Lean thinking to remove waste from processes by Lean techniques & theory of constraints to successively remove obstacles to flow. Scorecard/SQDCPME maintains focus on components of sustainable business: safety, quality, deliver, cost, morale, maintenance, environment to achieve goal of best in the world.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | The learning and development system, part of the Associate Empowerment Model and the Talent Management Cycle, supports the needs of the applicant and the personal development of associates. Needs are identified during performance reviews, and departments have their own training budgets to allow for individualized approaches. The learning system emphasizes a customer focus through SQDCPME; reinforcement occurs through mentoring, audits, retraining, and coaching. The overall approach supports the core competency of talent development. | Six examiners (Ex2, Ex8, Ex5, Ex3, Ex1, Ex6) wrote strength comments on b(1), while three had OFI comments for some elements. The system has SLT support, mentions all aspects of the multiple requirements and is stated to be “fully deployed.” The OFIs related to innovation, ethical practices, and reinforcement on the job, which all seem to be addressed to some extent. There remains and OFI around specifically addressing leadership needs/topics in the training. Discussion during consensus was that an ethics OFI may conflict with strength comment in 1.1 and 1.2, and innovation is sufficiently covered in comments elsewhere. | b(1) |
|  | Focusing on a high-performing workforce may leverage the organization’s core competency of relationship building, further enhancing both a business and workforce competitive edge. The applicant creates a culture of open communication through senor leaders’ Gemba walks, among other communication methods. Continuous improvement teams use the Stakeholder Analysis Process, incorporating cross-functional problem-solving models such as Lean Six Sigma, Whiteboards, and 5 Whys. High-performance work is fostered through the Annual Review Process, which uses metrics, growth plans, and training and aligns with the SQDCPME strategic objective anchors. | Seven examiners (Ex3, Ex4, Ex7, Ex6, Ex1, Ex5, Ex2) wrote a strength comment for a(1). Ex4 wrote two comments, which I combined into this comment. There was one OFI (Ex8) related to the Learning Communities and diversity, indicating it’s not clear how they provide diversity. Good point, so I left “diversity” out of the strength and made it a standalone OFI. While the applicant notes that Learning Communities are part of the approach to fostering an organizational culture, there is no explanation in the application of what Learning Communities are, how they are formed, their overall purpose, etc. Examiners noted multiple mentions of Learning Communities (in the OP and all categories except 3), but no definition or explanation. Rather than including it in a strength, it is left out. | a(1) |
|  | The applicant’s Performance Evaluation System supports high performance and workforce engagement through associate goals, performance improvement, a reward system, and demonstration of competence in regard to the organization’s core values. Merit increases are based on goal achievement, demonstration of core values, innovation and risk taking, and showing a customer and business focus. A 2017 change resulted in automation to facilitate more meaningful performance discussions. This approach supports the core competency of talent development and the engagement factors related to rewards and recognition. | Seven examiners (Ex3, Ex5, Ex7, Ex2, Ex8, Ex6, Ex1) wrote a strength related to a(4) Performance Management, three writing a feedback-ready comment. The applicant’s description covers the overall and multiple requirements.Intentionally phrased “A 2017 change resulted in automation ...” rather than noting it as a cycle of improvement / organizational learning. | a(4) |
|  | The applicant uses a combination of surveys, focus groups, and other measures in its integrated approach for associate engagement that is used across the workforce. Both informal and formal means are used to determine engagement drivers and to assess workforce engagement, including surveys, training effectiveness summaries, turnover results, and performance metrics. In 2015, focus groups with standard questions across all workforce segments were added. Focus group results are analyzed along with survey results to validate findings. Other engagement measures include retention, training hours, exit interviews, and days without a lost-time claim; these metrics support the areas of safety and productivity.  | Four examiners—Ex3, Ex6, Ex5, Ex4—wrote strength comments combining a(2) and a(3), as the applicant combined them. Probably the lowest-priority strength. I intentionally wrote “A change was made in 2015” rather than calling it a cycle of improvement. | a(2,3) |

#### Notes

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| Strengths not included: 1. There were three (Ex1, Ex6, Ex2) strengths for career progression (b[3]), and only one OFI—but I chose to make b(3) an OFI due to the lack of congruence between the description in 5.2b(3) and Figure 2.2-2. It is the last OFI, so it could go away, but the overall approach does not seem to be clear, and looks more like activities than approach. The description lists certification processes, career paths, career ladders, and work keys, but those same items are not listed in Figure 5.2-2; and it is not clear what a “work key” is. “Work key” is mentioned nowhere else in the application. Without explanation of work keys, it seemed appropriate to not mention it all. We mention succession planning in a 1.c(1). Other strengths seem to add more value to the applicant. 2. Three examiners (Ex8, Ex3, Ex4) wrote strength comments on b(2), effectiveness of the learning and development system. This could be added as a strength, but the four that are included seem to provide more value to the applicant. Also, there were two (Ex6, Ex1) OFIs related to evaluation of the learning and development system, so the team is almost equally divided on whether learning and development is a strength or an OFI. In the end, we included it as a carefully worded strength. |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is not clear how methods and measures the applicant uses to assess and determine workforce engagement drivers differ across workforce groups. For example, the applicant does not describe how the varying key workforce engagement factors (Figure P.1-6) were determined for temporary, hourly, and salaried associates. Further, it is not clear how the applicant determines differences in drivers of workforce engagement across segments, such as category, age, or tenure. Varying methods across workforce segments may assist the applicant in ensuring that it uses associate engagement resources most effectively and efficiently. | Several examiners (Ex1, Ex8, Ex2, Ex4, Ex3) wrote OFI comments about segmentation of the workforce related to determination and/or assessment of drivers of workforce engagement. Some used a(2), some a(3), and some both, so I combined the OFI into a(2,3) since the common theme is segmentation beyond just departments, which the applicant specifically mentions (“different associate department segments”) but ignores the other associate groups and segments identified in Figure P.1-6. | a(2,3) |
|  | It is unclear how the learning and development system supports innovation or addresses strategic challenges and achievement of action plans. Further, there is no indication of learning specifically devoted to meeting the developmental needs of managers and leaders (18% of the workforce) or of the temporary workers (5% of the workforce). Inclusion of all key elements in the approach to the learning and development system may assist the applicant in meeting the key workforce engagement drivers of skills development training, cross-training, and leadership training and help the organization achieve a high-performance work environment. | I struggled with this a bit. There are many aspects of the Learning and Development system that are described, but somewhere “how” they are included in L/D is not clear, even though they are mentioned. Three examiners (Ex6, Ex7, Ex8) mentioned innovation, ethical practices, reinforcement on the job, and considering the desires of the workforce. Some of those are mentioned as tied to training, but others are not, so I focused the OFI around items which they mention in this section, but don’t relate to L and D. For example, innovation is in the OFI because it is supported by “recognizing involvement in new ideas” but there is no stated connection to training. On the other hand, ethical practices do seem to be covered, in 5.2b(1) and in 1.1a(2) and 1.2a(1), and including this in this comment may appear to be a conflict. One comment suggested desires of the workforce aren’t considered; I gave benefit of the doubt based on “Some training is self-identified ...”There is nothing specific regarding development of managers and leaders. | b(1) |
|  | It is not clear how the applicant correlates learning and development evaluation outcomes with workforce engagement or key business results; nor is it clear how it uses those results to identify improvement opportunities in engagement or learning and development offerings. A systematic approach in this area may assist the applicant in identifying improvement opportunities for workforce engagement and learning and development. | Really struggled with this one. Ex5, Ex1, Ex2, and Ex6 wrote a b(2) OFI, but each with a somewhat different focus. One theme seemed to be the lack of correlation with business results, etc., which is true, but just struggled with how to say, “there isn’t anything there.” I am giving benefit of doubt on the strength of using Kirkpatrick and other methods, but it’s not strong enough for a comment, especially given other strength comments. | b(2) |
|  | It is not clear how the applicant systematically uses certification processes, work keys, or career ladders in combination to help manage career progression for the workforce. For example, there is no evidence of career paths for associates other than system engineers, such as temporary and hourly associates and managers and associates at different levels within those groups. It is also unclear how career progression fits in the Talent Management Cycle (Figure 5.2-2). A systematic approach to career progression that encompasses all workforce segments may enable the applicant to leverage its talent development core competency and mitigate the strategic challenge of retaining technical associates. | Even though Ex6, Ex2, and Ex1 wrote strengths for b(3) and only Ex5 wrote an OFI, I chose to write an OFI to reflect what appears to be lack of a systematic process and isolation of system engineers as the only ones with career paths approved by senior leaders. I also tried to note the lack of alignment between the description and the information in Figure 5.2-2 without critiquing the writing of the application. That lack of alignment lends further credence to the lack of a systematic process. | b(3) |

#### Notes

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| OFIs not included:1. One examiner (Ex8) wrote an OFI for a(1) about diversity of ideas and thinking, noting that it isn’t clear how the Learning Communities and teams contribute to that diversity. I can agree with the theme of the OFI, but feel like the four listed here will add more value to the applicant. It would be one to potentially add during a SV if one of these four dropped off. 2. There was one OFI comment for “a” overall on segmentation (Ex4) and a couple of others on a(2) or a(3), so I combined all the segmentation comments into an a(2,3) OFI. Doesn’t seem to stretch to all of “a,” so I didn’t include a(4) or a(1). I’m struggling a bit to see the segmentation impact for a(1) and a(4), so I limited the comment to a(2,3). 3. There were two a(4) OFI comments (Ex1, Ex7), both of which included verbiage about intelligent risk and innovation. Focusing mainly on intelligent risk and innovation gets into the multiples, and I’m hesitant to write an a(4) OFI that might appear to contradict the a(4) strength. Avoiding a conflict would require writing the OFI at the multiple, and very detailed, level. Innovation and intelligent risk are addressed in the b(1) OFI, so we do have a place to make the applicant aware of that concern. 4. A comment (Ex4) noted limited/inconsistent use of cycles of refinement. I would include this as an OFI if any dropped off during a site visit. The current four would move the applicant higher in the scoring range. |

### Scoring

**Score Value: 55**

**Score Range: 50–65%**

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| **Why shouldn’t the score be in the range above or below the selected one?** **Applicant meets several of the overall requirements, there are some examples of improvement, and some multiple requirements met, which puts this in the 50–65% range. Segmentation and deployment issues (a[2,3]), lack of clarity around whether changes are cycles of improvement, and concerns over some overall requirements place the score in the lower half of the range.** **Not in the next range up due to too many multiple requirements being missed, lack of innovation, and lack of cycles of refinement, and some concerns about deployment.**  |

## Item Worksheet—Item 6.1

## Work Processes

### Relevant Key Factors

1. Be leading manufacturer of quality lawn tractors, with a low cost of ownership & best overall value.
2. “Intense” legal & regulatory environment—including state/national laws, regulations, standards. IRS & NC audit requirements; DOL standards for workforce; NCDENR requirements for air quality.
3. Parent-mandated ISO 9000 & 14000 certification, EPA requirements.
4. Cultivars engines (engines & engine components), core tires (wheels/tires), earthmover (raw materials), furrows (axels, brakes, transmission), diatomaceous earth (electronics); key requirements: partnership & growth; engines, major components, electronics, raw materials.
5. Supply-chain requirements: cost, delivery, quality; communication; supply chain requirements: for colleges/universities is qualified associates, for CEVA is schedule adherence & timely transport, for MEP is availability of subject-matter experts.
6. Improving product quality of offshore competition; new applicant product features quickly copied by competitors. Opportunities for innovation directly related to collaboration with suppliers/partners to develop new ideas.
7. (Figure 2.1-3) Improve recordable injury frequency; improve first-time quality %; reduce warranty cost $/unit; improve on-time delivery to dealers; improve competency rate; improve overall equipment effectiveness%; increase % of solid waste stream recycled.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | Attention to designing products and work processes and determining their requirements, along with measuring progress toward meeting these requirements, enables the applicant to build quality products and brand awareness. Processes include the parent organization’s blueprint and the applicant’s own VOC processes. Key work process requirements (Figure 6.1-2) include such elements as cycle counts, quality, defects, and safety audits.  | Feedback gained from dealers (Figure 4.2-3) and SIPOC diagram example (Figure 6.1-1). Use of the Kano Model as cycles of improvement. (Ex3, Ex7, Ex4, Ex6, Ex5, Ex2) | a(1,2) |
|  | The use of SIPOC (suppliers, inputs, process, outputs, customers) mapping to evaluate and improve work processes establishes “critical-to-quality” key performance indicators, which may help the applicant achieve its goal of being the best in the world. Processes are tracked using the visual management tools of electronic tracking displays throughout the plant, as well as a “big room” with displays. Numerous Lean and Six Sigma tools, as well as ISO standards, are used to facilitate improvement (Figure 6.1-4). | Using process measures established with SIPOC, SLT and process owners monitor key and support processes to ensure effectiveness and efficiency. Line-of-site visual management is used in working area for process owners to measure performance to targets. Deviations from the performance targets or schedule are identified and root cause analysis is conducted in Learning Communities meetings. (Ex8, Ex4, Ex2, Ex6, Ex1) | b(3) |
|  | The applicant manages its supply chain through systematic selection, measurement, evaluation, and feedback, which support its goals and the goals of its suppliers. Suppliers are selected through a five-step process (Figure 6.1-5). Supplier scorecards and evaluation of results are shared at monthly meetings, and the electronic GATE portal provides opportunities for feedback. A cycle of learning in 2015 added additional performance measures. | Use of DMAIC; analysis by Finance Department for purchasing leverage. (Ex6, Ex2, Ex3, Ex8, Ex1, Ex5) Ex2 voted for a double, but I felt there were still too many “unknowns” with respect to involving suppliers and partners to make it a double. For instance, whatever happened to CEVA after the Org. Profile? | c |

#### Notes

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| Three examiners (Ex6, Ex8, and Ex4) gave a strength in 6.1d for the use of the QRM to assess intelligent risk and determine which to pursue. Ex4 also thought this gave them an approach for what to discontinue. The others did not see this, and this conflicts with the OFI given for 6.1d, which is a valid OFI and may help the organization see opportunities related to being more systematic about innovation and intelligent risk.  |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | It is not clear how the operation of work processes ensures that they meet key process requirements. For example, it is not clear how the in-process measures in Figure 6.1-2 relate to product end-quality or that processes are deployed to the workforce members for evaluation and quality control of their own work. Attention to these areas may help the applicant address its critical success factors of improved first-time quality and on-time delivery to dealers. |  No description of how the stated in-process measures relate to product end quality or how workforce members are involved in quality control (Ex3, Ex6, Ex8, Ex2, Ex5). In-process measures could be used as “early warning indicators” and promote agility in identifying and correcting processes that are out of control. | b(1) |
|  | It is unclear how the applicant determines its key support processes and their requirements or how the daily operation of these support processes ensures that they meet requirements. For example, no measures are presented for the requirements shown in Figure 6.1-3. A systematic approach in this area may enable the applicant to ensure coordinated and integrated activities to support the production and delivery of its products. | Figures 6.1-2 and 6.1-3 both list key support process requirements, but they are different. (Ex8, Ex6, Ex2, Ex5) | b(2) |
|  | It is not clear how the applicant prioritizes opportunities for innovation, such as how the applicant determines whether a strategic opportunity is an intelligent risk to pursue and how financial and other resources are made available. A systematic approach in this area may reveal opportunities to reallocate resources to address other competitive needs or further develop innovations that are successful. | Although the applicant discusses how risk is assessed, there is no discussion about intelligent risk—which opportunities might be pursued. There is no discussion about how financial and other resources are made available—not real clear how innovation opportunities are initiated. No discussion about discontinuing opportunities—there is discussion about action plan changes in 4.1a(4), and a strength comment for 2.2b to modify action plans. Not real clear if there is distinction between action plans, which is improvement, and innovation. (Ex3, Ex1, Ex8, Ex2, Ex5) | d |
|  | It is not evident that the applicant considers customer value and the potential need for agility in the design of new products and processes. Attention to these areas may help the applicant address changes in its competitive environment, such as competitors’ ability to quickly copy new features. | No process for how technology is identified. Random example of a new paint box without any explanation of how this selection was made and determined to be an intelligent risk. Diversity of team members is cited as the way that customer value and potential need for agility are considered, but the aspects of diversity that might contribute to this knowledge are not described. (Ex8, Ex1) | a(3) |

#### Notes

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| \* A couple of us had OFIs about it being unclear how the applicant determines its key work processes, but that is not actually a Criteria requirement. (Ex4, Ex5). \* Ex4 had a comment about the lack of clarity about the deployment of the design processes to others who might be involved or impacted by a design or redesign, such as suppliers or partners. It was determined during consensus that this is a bit beyond the Criteria, so this was not included. \* Several of us had strengths in a(3)—Ex1, Ex4, and Ex6—but I was persuaded by the specificity of the OFIs reflected above and thought those observations might provide more value to the applicant that the use of SIPOC and DMAIC as a strength because they already know they use those. \* Ex7, Ex1, and Ex5 had strengths for parts of b(1), but again I thought the observations in the OFIs would be more useful to the applicant. \* Two OFIs related to suppliers (Ex6 and Ex7) seemed to conflict with strengths given for supply-chain management, so the team gave benefit of the doubt—this might be a site visit issue to clarify and verify. |

### Scoring

**Score Value: 40**

**Score Range: 30–45%**

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| --- |
| **Why shouldn’t the score be in the range above or below the selected one?** **The applicant didn’t adequately address an important (especially to them) overall requirement—innovation management. We also had questions about deployment of some of the key work processes to suppliers and partners. There was also significant discussion during consensus about the apparent lack of integration with the parent organization and sister divisions about design, management, and improvement of key work processes. Therefore, I couldn’t go to the next-higher range.** **On the other hand, they shouldn’t be lower because they have responded to the basic item requirements, some multiple requirements.**  |

## Item Worksheet—Item 6.2

## Operational Effectiveness

### Relevant Key Factors

1. Partnership w/CEVA Logistics for delivery of products to dealers (distributor network), which sell tractors direct to end-users, as well as maintain, service, repair products.
2. Safe work environment, protection from injury, support for healthy lifestyle. Extensive training required on personal/environmental safety upon employment & then annually. Annual competency demonstrations for specific job roles.
3. Subject to OSHA requirements; some requirements for PPE & specialized safety training. Annual workplace safety training for all associates.
4. Supply-chain requirements: cost, delivery, quality; communication; supply chain requirements: for colleges/universities is qualified associates, for CEVA is schedule adherence & timely transport, for MEP availability of subject-matter experts.
5. SC2—offshore competition; SC3—cybersecurity.
6. (Fig. 2.1-1) Strengthen cybersecurity, build associate thinking around battery operated & self-driving mowers, continue advancing LSS/ ISO in household & commercial products.
7. (Fig. 2.1-3) Improve recordable injury frequency; improve first-time quality %; reduce warranty cost $/unit; improve on-time delivery to dealers; improve competency rate; improve overall equipment effectiveness%; increase % of solid waste stream recycled.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s DMAIC (Define, Measure, Analyze, Improve and Control) methodology provides numerous opportunities to incorporate cycle time, prevention of defects and rework, and minimization of costs, as well as other effectiveness and efficiency opportunities. For example, during the “Define” phase, the applicant uses VSMs to identify not only the overall process but also subprocesses, allowing the identification of tombstones that provide insight into cycle-time and productivity opportunities. The “Analyze” phase utilizes Poka-Yoke for error proofing; and the “Improve” phase, using Lean tools, allows the identification of muda, inconsistencies, and bottlenecks. | Figure 6.2-1; some examiners expressed giving benefit of the doubt since the integration of the Car Production System with DMAIC is not fully described. (Ex6, Ex4, Ex7, Ex2, Ex5) | a |
|  | An array of approaches ensures the reliability of information systems. Reliability is embedded in the approaches for protecting information systems and assets. The approaches include security policies (addressing purpose, scope, roles, responsibilities, management commitment, and coordination among organizational entities); processes; and procedures. In addition, response plans address incident response and business continuity, incident and disaster recovery, and a vulnerability management plan. | Describes/addresses a 10-step approach including baseline configuration, development life-cycle, change control process, backups, policies/regulations, continuous improvement, sharing, response plans, cybersecurity, and vulnerability detection. | b(1) |
|  | The applicant’s multiple approaches to ensure the security and cybersecurity of data and information may help the organization avoid operational failures and potential legal issues. Following the DMAIC model and centered around the NIST Cybersecurity Framework (Figure 6.2-3), the approach included more formalized roles in 2017. Processes include automated patch deployments, encryption, data loss prevention, and current antispyware software. Policies include specific life cycles for systems, control processes, backups, and response plans. The system is ISO/IEC 27001-compliant.  | Figure 6.2-3 (Ex7, Ex6, Ex8, Ex3, Ex2). | b(2) |

#### Notes

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| Several examiners had strengths related to c(1)—Ex2, Ex3, Ex6, Ex1, Ex8. However, a couple of us (Ex1 and Ex5) also had OFIs for c(1). Given the multiple key factors related to safety for this applicant, I thought that giving them feedback on their vulnerabilities was more important. |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant’s approaches to control the overall costs of its operations do not appear to be integrated with other work processes and units. For example, it is not clear how the applicant’s process efficiency and effectiveness approaches control costs at the organizational level while addressing the requirements, expectations, and perspectives of its customers and other key stakeholders. Achieving this balance may help the applicant maintain its engagement with its customers and continue its growth in the marketplace. | The following examiners had related comments: Ex2, Ex3, Ex8, Ex1, Ex4, Ex5 I tried really hard to focus this on (1) deployment and (2) balancing cost control with the needs of its customers since we have a pretty good strength for this area to address. | a |
|  | The Disaster and Emergency Plan does not appear to include processes for prevention, continuity, and recovery. For example, the applicant describes helping others recover from hurricanes but does not address its own recovery. Furthermore, the plan appears to depend primarily on appropriate relationships among the workforce, suppliers, and partners to ensure implementation. Given the dependence of the applicant on its suppliers and partners, it may be important to ensure that they have similar processes to effectively provide for their business continuity. | The following examiners had related comments: Ex3, Ex6, Ex8, Ex1, Ex2, and Ex5 talked about helping others recover from hurricanes but not their own recovery. No description of how the applicant evaluates the effectiveness of its disaster and emergency preparedness. | c(2) |
|  | It is not clear how safety training, inspections, and other processes are effectively deployed to different work groups and work environments, such as the temporary workers who represent 5% of the workforce. Ensuring that all workers are aware of and compliant with safety standards may help the applicant take advantage of its strategic opportunity to enhance the content/scope of its safety system. | Temporary workforce may have a higher turnover rate, but I didn’t know that to be true, so I left that part out. I would also like to discuss on our call this nagging feeling that I have about the organization not really engaging the workforce in their own safety. I know that I’m veering outside the Criteria, but I’m hoping that someone else can help me express this thought in a way that is Criteria based. | c(1) |
|  | The applicant gives limited evidence of cycles of evaluation and improvement for its approaches to controlling overall costs, ensuring the reliability of information systems, or ensuring safety and emergency preparedness. For example, there are no examples of learning from the drills that are conducted. Evaluating and improving these approaches through the applicant’s performance improvement system may increase their effectiveness. | (Ex4) Limited examples and more of “changes” rather than fact-based evaluation and intentional improvement. Although only one examiner had this, I really agreed with it. This may be the most important OFI for this organization that has a lot of tools but doesn’t appear to use them in multiple areas, but it was left in the lowest position here. It was also noted by one examiner (Ex6) that the overall lack of maturity of this applicant may indicate that creating and deploying systematic approaches is of more value at this point than evaluation and improvement. | a,b,c |

#### Notes

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| \* 2 of us gave strengths for b in its entirety (Ex1, Ex5); 4 gave strengths for b(1) (Ex7, Ex4, Ex6, Ex2) while 4 examiners give strengths for b(2) (Ex7, Ex6, Ex8, and Ex3). As a result, I was uncomfortable with the OFI in b(1) (Ex8) and those for b(2) (Ex3, Ex2, Ex6, Ex4). \* Four examiners gave strengths in c(2)—Ex7, Ex1, Ex4, and Ex8. However, in some cases, the same examiners had OFIs for c(2). I felt that the strengths were primarily about having a documented plan while the OFIs focused on the vulnerabilities that still existed beyond the plan. |

### Scoring

**Score Value: 35**

**Score Range: 30–45%**

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| **Why shouldn’t the score be in the range above or below the selected one?** **The score shouldn’t be in the range above because there are several overall requirements that are not adequately addressed. Also, approaches are not well deployed, and a fact-based, systematic improvement process is not in place.** **The score shouldn’t be in the range below because the applicant is certainly more advanced than the “beginning” stages of having a systematic approach, there is some deployment, and processes are somewhat aligned with the organizational needs identified in the Org. Profile.**  |

## Item Worksheet—Item 7.1

## Product and Process Results

### Relevant Key Factors

1. 3 main lawn tractor products: commercial (50%); household (30%); Putting Green (20%)
2. Partnership w/CEVA Logistics for delivery of products to dealers (distributor network), which sell tractors direct to end-users, as well as maintain, service, repair products.
3. Be leading manufacturer of quality lawn tractors, with a low cost of ownership & best overall value.
4. Parent-mandated ISO 9000 & 14000 certification, EPA requirements
5. Segment = SIC Industry Group 352: medium-size gas & diesel-power lawn tractors in North America. Customer groups = commercial & household dealers. Stakeholders = suppliers, BOD, stockholders, associates (workforce), partners, dealers.
6. Supply-chain requirements: cost, delivery, quality; communication; supply chain requirements: for colleges/universities is qualified associates, for CEVA is schedule adherence & timely transport, for MEP availability of subject-matter experts.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | The applicant demonstrates good-to-excellent, sustained levels and beneficial trends in most key customer-focused product and service results. For example, On-Time Delivery to Dealers (Figure 7.1-1) increased in both customer segments over four years, with the commercial segment close to 100% in 2017. For Production to Schedule (Figure 7.1-4), all segments of the value stream improved over the same period, with assembly sustained at over 98%. Produced units (Figure 7.1-5) increased from just over 40,000 to 55,000 over five years. In addition, results for areas of importance to customers, such as Things Gone Wrong (TGW) per 100 units (Figure 7.1-9) and Warranty Cost per Unit (Figure 7.2-1), improved over the periods shown. | All 8 examiners commented overall regarding good-to-excellent levels and beneficial trends, each citing multiple figures for levels and trends. | a |
|  | Some results for product performance exceed the comparisons shown, potentially enhancing efforts to address the strategic challenge of offshore competition. For example, On-Time Delivery to Dealers (Figure 7.1-1), First-Time Quality by Product (Figure 7.1-7), and Things Gone Wrong per 100 Units (Figure 7.1-9) all show that the applicant is the top-performing Gateway division, with delivery and quality results both exceeding the *Industry Week* Best Plants comparison.  | Five examiners identified comparative performance in some product performance results as a strength (Ex2, Ex3, Ex8, Ex6, Ex7). | a |
|  | High performance in safety and workforce participation in safety and emergency preparedness demonstrates progress toward the strategic goals of zero safety incidents and being the safest place to work. Results for OSHA Recordables and Days Away from Work Rate (Figures 7.3-1 and 7.3-2) are outperforming the BLS top quartile. Also, performance results for audits (Figure 7.1-21) show minimal findings over five years and zero findings in the past two years. In addition to consistent participation in related training and drills (Figure 7.1-22), Safety System (Figure 7.1-23) shows beneficial trends, with three of six measures reaching 100% in 2017.  | All examiners highlighted the top-quartile performance in Figures 7.3-1 & 7.3-2. Certification Audit Findings (Figure 7.1-21) shows minimal findings in the five years shown with zero findings in the past two years for all quarterly and annual audits conducted internally and externally. Associate Participation (Figure 7.1-22) shows the consistency in drills, training, and meetings held in the five years shown, as well as the levels of participation. For example, all associates have participated in Evacuation Drills held semiannually in each of the five years shown. Safety System (Figure 7.1-23) shows improvement trends with performance reaching 100% in three of the six measures in 2017 while the remaining three measures are 98% and 99%. Ex5, Ex6. | b(2) |

#### Notes

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| + Ex2—7.1-20: Not used due to focus on one chart. Cybersecurity performance reports favorable trends over a 3-year period (Figure 7.1-20). Cybersecurity practices, process, management, and technical considerations have completed their actions in 2017. The number of cyber intrusions reported zero in 2017. + Ex2 & Ex6—7.1-24 & -25 STR: Not used due to perceived low level of actionability to the applicant. and trends are actually mixed over time (e.g., 7.1-25 shows performance declines for 2 of 5 suppliers since 2014). “Supply chain management results report favorable trends over a five-year period. Supplier Quality Index (Figure 7.1-24) segmented by key suppliers reports all results for 2017 over 98%. Supplier On-Time Delivery (Figure 7.1-25) reports 99% and 100% performance by the key suppliers.” + Ex3—7.1-12: Not used due to focus on one chart. “Results for the changes in the maintenance strategy from reactive to predictive are indicated in Figure 7.1-12, showing less reactive approach/strategy in 2017 than in 2013, and a stronger condition-based and preventive approach.”  |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | Results are missing for some key product and process results, such as those for some customer requirements (safety, reliability, and quality of cut) and results reflecting measures of the control and improvement of key work processes (Figure 6.1-2). In addition, results are not reported for design quality measures (6.1a[1]), such as time for the design of new mowers or for key support processes (e.g., maintenance). Also missing are results for supply-chain management (including CEVA) and the operational performance of the innovation process. Tracking and analyzing such results may assist the applicant in addressing its offshore competition challenge. | While the applicant identifies performance measures it uses in Figure 6.1-2 and the narrative response in 6.1a(1), results for most of these measures are not presented. There’s nothing for supply-chain or innovation processes. Nothing for maintenance, and results for almost all customer requirements of are not presented. I recommend doubling this OFI just based on the sheer volume of missing results identified by the examiners (Ex1, Ex8, Ex2, Ex6, Ex7, Ex4). | a,b,c |
| X | Most product/service and process results lack relevant comparative information. These include key product and service results (e.g., Figures 7-1.3 through 7.1-5, 7.1-10, and 7.1-11); work process effectiveness results (e.g., Figures 7.1-17 and 7.1-18); and supply-chain management results (e.g., Figure 7.1-27). Considering the applicant’s highly competitive market, the additional use and analysis of comparative data and information from sister divisions and external data may reveal areas of opportunity to address competitive and market pressures. | This observation was made by six of the examiners on the team (Ex1, Ex8, Ex6, Ex7, Ex4, Ex5), two of whom (Ex1 & Ex8) identified this as a (- -). During consensus, this OFI was placed in the second position, because the missing measures were perceived to be more important to the applicant. | a,b |

#### Notes

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| —Ex5—7.1-24 & -25 OFI: Not used due to perceived low level of actionability to applicant and all 7.1-24 results being at or above 97% against objective of 98% (met in 2017) and 7.1-25 all being sustained at 99% for the past 4 years against objective of 100% (met in 2 segments in 2017. “7.1-24 Supplier Quality Index (core and solvent & oil have since declined) 7.1-25 Supplier On-Time Delivery (what happened to solvent & oil—replaced by diatomaceous earth???) Also, no comparisons—just against an objective.”—Ex3—7.1b(2) OFI: Valid comment, but not used due to comment focus on the effectiveness (multiple level) when the applicant’s results are focused on the overall level, and feedback and scores are at the overall level as well. Also, this comment may be seen as conflicting with the 7.1b(2) STR comment regarding overall requirements (Figures 7.1-21, -22, & -23). “Results presented for safety and emergency preparedness, such as participation in drills, completion of tools like safety conversations and prework huddles and safety binder, do not appear to demonstrate outcomes or the effectiveness of the safety and emergency preparedness system. No results are provided for results of drills, the effectiveness of NIMS procedures, evaluating the effectiveness of training, and integration of best practices from the Disaster and Emergency Plan. Having results to monitor outcomes of these initiatives, and results segmented by different workgroups, may better enable the organization to make needed revisions and improvement, and become more agile in responses to emergency and disasters.”——Ex6—7.1-16: Did not use Solid Waste Recycling OFI (Figure 7.1-16) reference due to sustained beneficial trend toward industry benchmark of 100% (current level is 98%). “Percentage of Solid Waste Stream Recycled (Figure 7.1-16) shows performance remains below the Industry Benchmark of 100% in the five years reported.”  |

### Scoring

**Score Value: 40**

**Score Range: 30–45%**

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| **Why shouldn’t the score be in the range above or below the selected one?** **Why not higher: Lack of comparisons and many missing measures keep the score below the 50–65% range. There are insufficient measures reported to evaluate the applicant as having been completely responsive to the overall Criteria requirements, or for “most” key customer, market, or process requirements.** **Why not lower: Overall Criteria requirements are mostly addressed, and good-to-excellent levels and many sustained beneficial trends keeps the range above 10–25%. The beneficial trends are the primary reason for staying out of the 10–25% range and moving up to the middle of the 30–45% range.**  |

## Item Worksheet—Item 7.2

## Customer Results

### Relevant Key Factors

1. Be leading manufacturer of quality lawn tractors, with a low cost of ownership & best overall value.
2. Segment = SIC Industry Group 352: medium-size gas & diesel-power lawn tractors in North America. Customer groups = commercial & household dealers. Stakeholders = suppliers, BOD, stockholders, associates (workforce), partners, dealers.
3. Key requirement for commercial: quality of cut; household: comfort/sleek design; both: safety, energy efficiency, reliability. Putting Green requirements not addressed.
4. 3rd-leading manufacturer of medium-size gas & diesel-power lawn tractors in North America.
5. Improving product quality of offshore competition; new applicant product features quickly copied by competitors. Opportunities for innovation directly related to collaboration with suppliers/partners to develop new ideas.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant demonstrates good levels and sustained beneficial trends in customer satisfaction. Complaints seen as resolved satisfactorily have risen since 2013 (by over 10 percentage points for commercial customers and nearly 5 percentage points for household customers; Figures 7.2-3a and 7.2-3b), with only 39 complaints/concerns for about 56,000 units produced (Figure 7.1-5). Complaints vs. Compliments (Figure 7.2-2) also shows a sustained beneficial trend, as do the applicant’s results for meeting customer expectations (Figures 7.2-4 and 7.2-5). Continued high levels of customer satisfaction may help mitigate the challenge of offshore competition. | Six examiners (Ex1, Ex8, Ex2, Ex5, Ex3, Ex6) commented on good levels and beneficial trends in customer satisfaction. | a(1) |
|  | Customer engagement results show overall beneficial trends and good-to-excellent levels. For example, Net Promoter Scores (Figure 7.2-8) demonstrate good levels and have increased over three years for commercial and household customers. Additionally, customer referral results (Figures 7.2-6 and 7.2-7) show beneficial trends for repeat customers and those referred by end-users. Sustained improvement in customer engagement may assist the applicant in continuing to build its market share. | Six examiners (Ex1, Ex8, Ex5, Ex3, Ex2, Ex6) commented on the NPS and referrals results. While showing a mixed trend over three years for both Commercial and Household customers, Net Promoter Scores (Figure 7.2-8) sustained good levels (above zero) and increased for each between 2015 and 2017. | a(2) |

#### Notes

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| + Ex4—STR on segmentation (7.2-4, -5, & -8)—Not used due to a potential for conflict with OFI3, and the team decided during consensus that the OFI was appropriate and actionable. \* Figure 7.2-3a—Complaint Resolved Satisfactorily (Non-Claim) and Figure 7.2-3b—Complaint Resolved Satisfactorily (Claim); and Figure 7.2-6—Commercial Customer Types and Figure 7.2-7—Household Customer Types are segmented by customer type \* Figure 7.2-4—Commercial Customer Expectations Met and Figure 7.2-5—Household Customer Expectations Met demonstrate segmentation by requirement. \* Figure 7.2-8—Customer Net Promoter Score embeds inherent segmentation. Opportunity for further segmentation include Figure 7.2-1—Warranty Cost per Unit and Figure 7.2-2—Complaints vs. Compliments which are not segmented by product line, customer type or customer life cycle.  |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | Many key customer satisfaction and engagement results are missing. These include results related to meeting market requirements (Figure 6.1-2) and customers’ key requirements/expectations (Figure P.1-8). Satisfaction results related to Listening Methods (Figure 3.1-1) for dealers and end- users, such as results related to dealer council input and the Customer Life Cycle (Figure 3.1-2) are also not evident. Additionally, no results were provided regarding customer dissatisfaction. Such results may enhance the applicant’s ability to assess its situation in its highly competitive market. | Input from five examiners highlighted issues with missing results (Ex1, Ex8, Ex5, Ex3, Ex6).  | a |
|  | Relevant comparative information is missing for most of the applicant’s customer satisfaction results figures presented. Additional comparative data for customer satisfaction, such as comparisons with sister divisions as well as the external benchmarks cited in the Organizational Profile, may enable the applicant to identify areas of strength and opportunities for improvement as input to decisions on resource allocation and to mitigate the strategic challenge of offshore competition. | All eight examiners commented on the lack of comparison data. Without comparative data, the applicant may be limited in making informed decisions regarding resource allocation. | a |
|  | Some customer-focused results lack segmentation by the applicant’s identified products or customer groups. For example, satisfaction results are not presented for the Putting Green product line, which represents 20% of sales and is a higher-priced offering. In addition, Figure 7.2-1, Warranty Cost per Unit, and Figure 7.2-2, Complaints vs. Compliments, are not segmented by product line, customer type, or stage in the customer life cycle. Segmenting customer-focused results in this way may provide insight into opportunities for supporting the strategic advantage of brand awareness and mitigating the offshore competition challenge. | Input from five examiners highlighted issues with the lack of segmented results (Ex1, Ex8, Ex6, Ex7, Ex4). | a |

#### Notes

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| Below the line:—Ex2—OFI on Figure 7.2-8: Not used due to a potential for conflict with STR-2, and while the trend is mixed, it is overall favorable over the three years for both segments. Any level above zero is considered “good.” Customer Net Promoter Scores do not demonstrate favorable levels and trends over a 3-year period (Figure 7.2-8). Commercial dealer scores show a decline in 2017. The NPS scores for both commercial and household are below the excellent level for NPS.—Ex5—OFI regarding end-user vs. dealer not used due to being clarified by the latest version of the application. It is unclear which results presented in this item represent feedback from dealers or from end-users.—Ex6—OFI on flat trend: Not used due to results show improving trends (ever so slight) and conflict with other STR comments on the same figures. Commercial Customer Types (Figure 7.2-6) shows performance has remained relatively the same for the past five years, for each type. Similarly, Household Customer Types (7.2-7) also show results that do not appear to be improving for the same period. Further, comparisons are not evident to demonstrate relative performance against competitors and benchmarks (this portion is addressed in OFI 1). Recommend all comments regarding Figure 7.2-1 (Warranty Cost per Unit) (Ex4, Ex3, Ex6, Ex2) be combined and relocated to 7.1 as an indicator of process effectiveness. Although the applicant did present the data in $, and over time does demonstrate an adverse trend from $43 to $47 (approximately 10%) (the price of stuff goes up), if taken as a percentage of overall production cost or of revenue, I believe the trend would be beneficial, since the “Other Expenses” shown in Figure 7.5-7 has gone up 50% (from 8% to 12%) over the same period. Comment would read, “Applicant demonstrates process effectiveness through relative stable Warranty Cost per Unit (Figure 7.2-1) supporting its strategic objective to reduce warranty cost per unit. Levels have remained below Best Subsidiary from 2013 to 2017 and below IW Best Plants in 2016.” ... After further consideration, I decided to leave this out due to its focus on one chart and there is sufficient commentary in 7.1 to address process effectiveness. |

### Scoring

**Score Value: 35**

**Score Range: 30–45%**

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| --- |
| **Why shouldn’t the score be in the range above or below the selected one?** **The applicant is mainly responsive to the overall requirements. Most of the results presented have beneficial trends and appear to be good levels. Levels of performance are difficult to evaluate in the absence of comparison information.** **Why not higher: Lack of comparisons and many missing measures keep the score below the 50–65% range. There are insufficient measures reported to evaluate the applicant as having been completely responsive to the overall Criteria requirements, or for most key customer, market, and process requirements.** **Why not lower: Overall requirements are mostly addressed, and good levels and many sustained beneficial trends keeps the range above 10–25%. The beneficial trends are the primary reason for staying out of the 10–25% range and moving up to the middle of the 30–45% range.**  |

## Item Worksheet—Item 7.3

## Workforce Results

### Relevant Key Factors

1. 560 FT “associates” + 29 temporaries, organized by departments.
2. No volunteers; 5% temporary. 33% w/10+ years of service; 58% hourly (production, shipping/receiving, support—HR, IT, Finance); 37% salaried or management (admin, quality, facilities/environmental, engineers). Associates 64%, management 18%, engineers 18%. Diversity—70% male; 33% White, 62% African American, 34% 18–31 & 32–47 years, 1% 67 or older. Education—61% diploma or equivalent; 9% AA/AS, 10% BA/BS, 1% postgrad, 19% certifications. Fig. P.1-5.
3. Engagement key elements: Participating in Learning Communities, comprehensive training programs, rewards & recognition & a focus on SQDCPME; safety & health requirements: safe work environment, protection from injury & support a healthy lifestyle; key requirements: Learning Communities, reward & recognition, SQDCPME (all); skills development training (temporary); cross-training (hourly); leadership training (salaried).
4. Safe work environment, protection from injury, support for healthy lifestyle. Extensive training required on personal/environmental safety upon employment & then annually. Annual competency demonstrations for specific job roles.
5. 2) workforce (internal: parent, OSHA-VPP, ASTD/APQC, surveys; SHRM, OSHA/Bureau of Labor, insurance providers); (3) leadership (internal: dealer/customer feedback, Associate Satisfaction Survey; external: state/local community feedback)
6. SC1—technical associate retention.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| X | Most measures of workforce development show good-to-excellent levels and beneficial trends, supporting a key engagement factor and thus efforts to mitigate the strategic challenge of workforce retention. Training Hours per Associate (Figure 7.3-12) increased overall by nearly 25%, Degree Completion (Figure 7.3-13) increased cumulatively over three years, and an increasing percentage of salaried staff members have been trained in Lean Six Sigma (Figure 7.3-14), exceeding benchmark levels.  | All examiners had some observations of strength in the areas of workforce development. Training hours, degree completion, six sigma training and belt certification all show good levels and beneficial trends (Figures 7.3-12 through 7.3-14).  | a(4) |
|  | Some measures of workforce capability show good levels and beneficial trends. For example, the applicant reports good levels and beneficial trends over five years for cross-training to address capability and sustainability (Figure 7.3-3), with the rate of cross-training in one or more areas increasing overall and in each of three workforce segments. Also, associates’ relative maturity in performing processes for which they are cross-trained improved from 2013 to 2017, with higher levels of “accomplished” and “master” in 2017. | Four examiners (Ex2, Ex5, Ex6, Ex7) provided evidence of areas of strength in levels and trends for workforce capability. | a(1) |
|  | Good levels and beneficial trends in key workforce engagement measures may indicate the success of the applicant’s associate engagement and involvement processes and the establishment of a high-performance culture. For example, results for five key drivers of engagement each demonstrate improvement over three years (Figure 7.3-11). Voluntary and involuntary turnover rates (Figure 7.3-9) show beneficial trends over the past five years, with no involuntary turnover in three of the five years. Turnover and absence rates (Figure 7.3-10) are better than the Society for Human Resources Management (SHRM) top quartile.  | Six examiners (Ex1, Ex8, Ex5, Ex3, Ex6, Ex4) commented on this area to address. Key elements of workforce engagement report favorable levels and trends over a 3-year period. The hourly, salaried, and management segments all report favorable trends in key drivers like reward and recognition from 2015 to 2017. Voluntary and involuntary turnover rates (Figure 7.3-9) show beneficial trends over the past five years, with no involuntary turnover in three of the five years, suggesting that associates tend to stay on the job and rarely leave involuntarily. The Net Promoter Score also reports favorable trends over the same period (Figure 7.3-11). Turnover is also better than the comparison SHRM top quartile. Absence rate (Figure 7.3-10) shows a beneficial trend from 2015 to 2017, and rates for the last two years are below the SHRM top quartile. Positive associate engagement results may be an indicator of effective associate engagement and involvement processes, and the establishment of a high-performance culture.  | a(3) |
|  | Some highly beneficial workforce climate results may help the applicant improve productivity and reduce costs. Workforce satisfaction with workplace security and accessibility environmental factors is at the top-decile level (100%; Figure 7.3-8). In addition, the applicant has maintained zero days away from work for four of the past five years.  | All examiners highlighted the top-decile performance in Figure 7.3-8. | a(2) |

#### Notes

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| Below the line: + Ex4 STR regarding early stages of being able to segment data—not used as it did not rise to the level of other strength comments for being actionable, conflicted with several OFI comments regarding lack of segmentation, and seemed more oriented to the process of segmentation.  |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | Many results related to key workforce-focused approaches are missing. For example, there are no results for the temporary workforce or for the key engagement factor of Learning Communities (other than return on investment; Figure 7.1-19). Nor are there results indicating the outcomes of training/development, results for satisfaction with training, or results demonstrating training effectiveness or efficiency; also missing are results for the environmental factors shown in Figure 5.1-3 and for some of the measures referenced in 5.2a(2), for example, productivity, increased productivity, achievement of performance metrics, and days without a lost-time claim. Measuring and monitoring such measures may assist the applicant’s leaders in ensuring workforce engagement and help mitigate the strategic challenge of associate retention. | Five examiners (Ex1, Ex8, Ex3, Ex6, Ex4) called out various missing results. I limited the comment to what you see. There are more, but these are the key missing ones.  | a |
|  | Many results do not present data by workforce segments noted as important by the applicant. For example, none of the results in this item are segmented by the diversity of the workforce (Figure P.1-5), other than by hourly, salaried, and management associates. Additionally, there are no results for temporary workforce members, who represent 5% of the total. Tracking results for these important segments may assist the applicant in addressing specific considerations of the various group elements and possibly increase retention or engagement. | Six examiners (Ex1, Ex8, Ex2, Ex5, Ex3, Ex4) commented on the lack of appropriate segmentation. | a |
|  | Some workforce-focused results (e.g., Figure 7.3-5, Turnover Fill; Figure 7.3-8, Workforce Climate; and Figure 7.3-11, Associate Engagement) do not include relevant comparative data. The use of comparisons, such as with sister divisions, may help the applicant identify potential best practices as well as opportunities for improvement, or, for turnover fill, may signal when a change in workforce plans may be necessary to be able to react to external factors. | While only two examiners (Ex8 & Ex4) highlighted this OFI in IR, it still stands as a valid point to communicate to the applicant. A question was asked as to whether or not some of the measures were common enough for applicant to be able to obtain comparisons. While some national or other industry sources may not be available for some metrics (such as 7.3-5, Turnover Fill, 7.3-8, Workforce Climate, and 7.3-11, Associate Engagement), as a division of the parent organization, they might at least compare themselves with the other divisions (assuming this is done across GG, which seems likely due to the other measures with which they do compare across GG, e.g., turnover and absence rates). | a |

#### Notes

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| Below the line:—Ex6: OFI regarding results for hourly associates being significantly below salaried and management—not used as it did not rise to the level of the other OFI comments and might be construed as a critical comment. In absence of relative comparative data, I don’t think we can evaluate this segment’s relative performance. There may be other factors impacting these results. Associate Engagement (Figure 7.2-11) for hourly associates remains significantly below salaried and management segments.—Ex1 & Ex8: OFI regarding Figures 7.3-6 and -7—not used as it did not rise to the level of the other OFI comments. Figures 7.3-6 and 7.3-7 do not show results data, but rather appear to be tools used to decide required staffing based on varying levels of production |

### Scoring

**Score Value: 50**

**Score Range: 50–65%**

|  |
| --- |
| **Why shouldn’t the score be in the range above or below the selected one?** **Responsive to the overall requirements. Most of the results presented have beneficial trends and appear to be good levels. Levels of performance are difficult to evaluate in the absence of comparisons.** **Why not higher: Many missing measures and the lack of comparisons keep the score below the 70–85% range. There are insufficient measures reported to evaluate the applicant as having been completely “responsive” to the overall requirements, or for “most” key workforce requirements.** **Why not lower: Overall requirements are mostly addressed, and good-to-excellent levels and many sustained beneficial trends keeps the range above 30.** |

## Item Worksheet—Item 7.4

## Leadership and Governance Results

### Relevant Key Factors

1. “\*Be Proud \*Lead \*Think Critically \*Respect Others.”
2. 560 FT “associates” + 29 temporaries, organized by departments.
3. “Intense” legal & regulatory environment—including state/national laws, regulations, standards. IRS & NC audit requirements; DOL standards for workforce; NCDENR requirements for air quality.
4. County OEM.
5. SC1—technical associate retention; SC2—offshore competition; SC3—cybersecurity.

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | The applicant demonstrates good levels and beneficial trends in its leadership and governance results, supporting its core values of “be proud” and “lead.” For example, all three aspects of associates’ and dealers’ perception of leadership (Figure 7.4-1) improved from 2013 to 2017, and associates’ perception of governance accountability improved from 90% in 2013 to 94% in 2017 (Figure 7.4-2). Additionally, the applicant reports no external or internal fiscal accountability findings for the five years reported (Figure 7.4-2). | All examiners noted strengths in most levels and trends. Four examiners (Ex5, Ex3, Ex2, Ex6) wrote separate strengths for each area to address, while others combined them in various groupings, and three examiners (Ex7, Ex8, Ex4) addressed them all together. I decided to write one comment for Leadership and Governance, and a second comment for legal, ethical, and societal, as these seemed to be logical groupings. Figure 7.4-1, Perception of Leadership; Figure 7.4-2, Governance and Fiscal Accountability.  | a(1,2) |
|  | Legal, ethical, and regulatory results show good-to-excellent levels and sustained beneficial trends. For example, the applicant reports 100% compliance and no violations for seven regulatory measures (Figure 7.4-3); reports that there were no ethical breaches from 2013 through 2017 (Figure 7.4-4); and shows trends that are beneficial for stakeholder trust (Figure 7.4-4). In addition, community support has been stable over a five-year period (Figures 7.4-5 and 7.4-6). Continued high performance in these areas supports the applicant’s core values. | All examiners had strengths regarding these figures, just grouped differently in their comments. Figure 7.4-3—Law and Regulation—includes JSOX, OSHA, EPA and are all at 0 or 100 as appropriate Figure 7.4-4—Ethics—show no ethics violations and some segmentation, Stakeholder trust is steadily improving, now 93% for associates, and 87% on VP of marketing survey Figures 7.4-5 (Societal Measures) and 7.4-6 (Support of Key Communities). Support of disaster and emergency preparedness is key to the applicant and support of the county, schools, and other groups. Almost all examiners noted “flat trends” in Figures 7.4-5 and 7.4-6 as an OFI, but there is no indication that “up = good” on these charts, and I recommend that benefit of the doubt be given as the organization may have chosen to maintain, rather than increase, their support.  | a(3,4,5) |
|  | Results for achievement of organizational strategy and action plans demonstrate beneficial trends. For example, Operator/Repair Concept Preparation (Figure 7.4-8) shows beneficial trends from 2014 to 2016 for each of the four aspects shown, of which three achieved 100% in 2016. Similarly, results for Operator/Repair Task Implementation (Figure 7.4-9) improved from 2015 to 2017. Recycling also shows beneficial trends (Figures 7.1-16 through 7.1-18). Sustained beneficial trends in results for accomplishing the applicant’s action plans may help further engage the workforce in progressing toward the applicant’s vision. | Four examiners (Ex1, Ex8, Ex6, Ex4) wrote strength comments for accomplishment of action plans, referencing the beneficial trends in two of the three figures provided, although a mixed trend is seen in Figure 7.4-7 Achievement of Organizational Strategy and Action Plans. Therefore, that chart was not included in the comment. Ex5 also noted beneficial trends in Figure 7.1-16 (% of Solid Waste Stream Recycled), Figure 7.1-17 (Waste Pounds Per Unit) and Figure 7.1-18 (Key Recycling Trends). While presented in 7.1, and referenced by Ex5 as 7.4a(5), these measures are also included in Figure 2.1-3 as part of strategy. Other indicators of strategy accomplishment are addressed in other results areas also, and perhaps additional examples could be provided.  | a(5),b |

#### Notes

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| --- |
| All strength areas identified by the examiner team are addressed, although not all examples are used. |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | Results are not presented for many measures related to leadership, governance, and societal responsibility. Examples are the five accountability measures described in 1.2a(1) and leaders’ communication methods (Figure 1.1-2). Results are also limited or missing for measures of building and strengthening core competencies, managing risk, and taking intelligent risk. Tracking such results may help the applicant identify areas of strength and opportunities for improvement in leadership effectiveness. | Each of the examiners noted various results that were missing, based on information provided in the Profile and Category 1. Although each of the areas to address in 7.4 notes that “additional measures are AOS,” there was space available to include additional results, and the applicant does not indicate which measures are available. Rather than making comments for each area to address separately, various examples were combined into a single comment, and the comment is a double OFI, as it is a major factor in the score. | a |
|  | The applicant does not segment its results for leader communication and engagement (Figure 7.4-1) and Stakeholder Trust (Figure 7.4-4) by associates and dealers or by organizational unit. Such segmentation may reveal how results differ across customer groups and organizational units and enable the applicant to identify actionable information that is not apparent in aggregate data. | Nearly all examiners noted the lack of segmentation, especially across workforce groups. While some of the results in 7.4 do not lend themselves to segmentation, the applicant may find actionable information by analysis of segments in at least four of the nine measures presented. | a(1,5) |

#### Notes

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| Below the line—although four examiners (Ex1, Ex4, Ex7, Ex5) noted the lack of comparison information in 7.4, other OFIs were regarded as more important.  |

### Scoring

**Score Value: 50**

**Score Range: 50–65%**

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| --- |
| **Why shouldn’t the score be in the range above or below the selected one?** **Why not higher?** **At the lower end of this range, primarily because of the missing measures. Even though some of the strategic measures are presented in other results items, it is still difficult to say that results are presented for most areas of importance to the accomplishment of the organization’s mission, or that organizational performance results are reported for most key customer, market, and process requirements.** **Why not lower?** **Although the applicant is in the early stages of obtaining comparative data for this item, performance levels appear to be good, and many of the results presented have beneficial trends. Also, at least one chart was presented for each area to address, making the applicant at least minimally responsive to the overall requirements.**  |

## Item Worksheet—Item 7.5

## Financial and Market Results

### Relevant Key Factors

1. 3 main lawn tractor products: commercial (50%); household (30%); Putting Green (20%).
2. Be leading manufacturer of quality lawn tractors, with low cost of ownership & best overall value.
3. 3rd-leading manufacturer of medium-size gas & diesel-power lawn tractors in North America.
4. 3 main competitors: J.J. Place Inc., Majestic Corp (US companies), Mighty Mowers Inc. (offshore).
5. (5) financial/market (internal: parent, financial auditor; external; auditors, financial orgs.).

### Strengths

| **++** | **Strength** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
|  | The applicant demonstrates sustained beneficial trends in measures of its margins, net profit, and gross revenue. A decrease in the percentage of direct materials used (Figure 7.5-1) has contributed to margin growth since 2013 in both percentages and dollars (Figures 7.5-3 and 7.5-4), as well as gains in net profits (Figure 7.5-7). Gross revenue (Figure 7.5-4) shows annual increases totaling over 40%, from $250 million in 2013 to $360 million in 2017, which may indicate the organization’s longer-term sustainability.  | All examiners noted the beneficial trends on each of the figures referenced, with various examples of specific data. | a(1) |
|  | Relative market share results (Figure 7.5-8) demonstrate good-to-excellent levels and beneficial trends since 2013 in each of the applicant’s main product lines, with homestead, commercial, and Putting Greens at 28%, 54%, and 72%, respectively. These gains demonstrate the applicant’s strategic growth, especially in the higher-priced Putting Greens and commercial product lines. | Six examiners (Ex1, Ex8, Ex3, Ex6, Ex4, Ex2) noted this strength.  | a(2) |

#### Notes

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| Below the line—All comments by all examiners were used, although not all supporting examples. |

### Opportunities for Improvement

| **--** | **Opportunity for Improvement** | **Rationale** | **Item Ref.** |
| --- | --- | --- | --- |
| **X** | Many expected results for financial viability are missing. For example, results for department expenses, planned vs. actual (referenced in Figure 6.1-2) are not presented. Results are limited for the return on investment of the Lean and Learning Communities improvement initiatives. Additional results for financial viability (such as liquidity, debt-to-equity ratio, days cash on hand, and asset utilization) may help leaders better assess the applicant’s financial position. | Department expenses planned vs. actual are referenced in Figure 6.1-2. Various related opportunities for improvement were referenced by Ex1, Ex8, Ex6, Ex4, Ex5. | a |
| **X** | Comparisons are not provided for any financial results. The use of comparative information, such as external benchmarks, goals established, or the performance of sister divisions may help guide resource allocation decisions for improvement and to address the challenge of offshore competition. | No comparisons. This observation was made by seven examiners (Ex1, Ex8, Ex3, Ex6, Ex4, Ex2, Ex5) | a |
|  | Most financial and market results are not segmented by the applicant’s commercial and household markets or by its three main product lines. Additional segmentation, such as the segmented evaluation of the relative cost of goods sold, may allow the applicant to identify opportunities for improvement that may be concealed by aggregate analysis. | Ex8, Ex2, and Ex4 noted the beneficial trend in decreasing cost of direct materials used in Figure 7.5-1, while Ex1 noted flat trend when including both direct material and direct labor costs. Ex2 noted that the decreasing material costs may be attributed to supplier performance/supply chain management. I decided to include this as an OFI, given the statement made in the Profile that improved quality of the offshore competitor has made customers “increasingly less willing to pay a premium for our “made in the USA” product.” Figuring out how to decrease costs while maintaining quality, rather than ongoing investment in higher-cost new product features that are “quickly copied by the competition, resulting in those features being considered standard equipment within a single model year” may be a blind spot for the applicant. | a |

#### Notes

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| --- |
| Below the line—All comments by all examiners were used, although not all supporting examples.  |

### Scoring

**Score Value: 30**

**Score Range: 30–45%**

|  |
| --- |
| **Why shouldn’t the score be in the range above or below the selected one?** **The applicant was minimally responsive to the overall requirements, with few results for financial viability (basic requirement), although most of the results presented have beneficial trends. Levels of performance are difficult to evaluate in the absence of comparison information, including internal segmentation by product line or customer/market group or department/production phase.** **Why not higher:** **Lack of comparisons and many missing measures keep the score lower. There are insufficient measures reported to evaluate the applicant as having been “responsive” to the overall Criteria requirements, or for “most” key customer, market, or process requirements.** **Why not lower:** **Could move lower, based on “little or no comparative data,” being responsive to the basic level of the Criteria, and results being reported for “a few areas of importance” to the mission. Beneficial trends are the primary reason for moving up to the bottom of the 30–45% range.** |

**Consensus Review—TST2018—Final 03/30/2018**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Summary of Criteria Items** | **Total Points Possible** | **% Score** | **Score** | **Scoring Band** |
| Category 1—Leadership |
| 1.1 Senior Leadership | 70 | 55% | 39 |  |
| 1.2 Governance and Societal Responsibilities | 50 | 55% | 28 |  |
|  Category Totals | 120 |  | 66 |  |
| Category 2—Strategy |
| 2.1 Strategy Development | 45 | 50% | 23 |  |
| 2.2 Strategy Implementation | 40 | 50% | 20 |  |
|  Category Totals | 85 |  | 43 |  |
| Category 3—Customers |
| 3.1 Voice of the Customer | 40 | 40% | 16 |  |
| 3.2 Customer Engagement | 45 | 40% | 18 |  |
|  Category Totals | 85 |  | 34 |  |
| Category 4—Measurement, Analysis, and Knowledge Management |
| 4.1 Measurement, Analysis, and Improvement of Organizational Performance | 45 | 45% | 20 |  |
| 4.2 Information and Knowledge Management | 45 | 40% | 18 |  |
|  Category Totals | 90 |  | 38 |  |
| Category 5—Workforce |
| 5.1 Workforce Environment | 40 | 55% | 22 |  |
| 5.2 Workforce Engagement | 45 | 55% | 25 |  |
|  Category Totals | 85 |  | 47 |  |
| Category 6—Operations |
| 6.1 Work Processes | 45 | 40% | 18 |  |
| 6.2 Operational Effectiveness | 40 | 35% | 14 |  |
|  Category Totals | 85 |  | 32 |  |
| SUBTOTAL Cat. 1-6 | 550 |  | 260 | 3 (201-260 points) |
| Category 7—Results |
| 7.1 Product and Process Results | 120 | 40% | 48 |  |
| 7.2 Customer Results | 80 | 35% | 28 |  |
| 7.3 Workforce Results | 80 | 50% | 40 |  |
| 7.4 Leadership and Governance Results | 80 | 50% | 40 |  |
| 7.5 Financial and Market Results | 90 | 30% | 27 |  |
| SUBTOTAL Cat. 7 | 450 |  | 183 | 3 (171-210 points) |
| GRAND TOTAL | 1000 | TOTAL SCORE | 443 |  |

1. These source notes are included in the scorebook to allow the team and technical editor to confirm the accuracy of the key themes. They will be removed in the feedback report sent to the applicant. [↑](#footnote-ref-1)