

AME MANUFACTURING EXCELLENCE AWARD

Evaluation Criteria



The AME Manufacturing Excellence Award recognizes North American manufacturing plants (or sites) that have demonstrated excellence in their operations. The primary focus of the award is to acknowledge continuous improvement, best practices, creativity, and innovation. This award supports AME's vision, mission, and values of inspiring commitment to enterprise excellence through shared learning and access to best practices.

Your application will consist of the submission of an Achievement Report divided into the following six sections. Scoring of your report by the AME Awards Evaluation Team will be based on 300 points allocated to each section as indicated below. Your Achievement Report can range from 25 to 50 single-spaced pages and can include graphs, tables, photos, etc. to support the written material. **Your Achievement Report must be postmarked or received at the AME office by May 1, 2010. Additional information on submission procedures is provided on the last page of this outline.**

I. Policy Deployment Process - A policy deployment system details the strategy, business, and people systems of a plant or company as a means to achieve desired business results in terms of safety, morale, quality, cost, and delivery.

Please respond to the following issues aimed at achieving plant and company goals:

- Describe your plant Policy Deployment process, e.g., Hoshin Planning, Strategic Planning, etc.
- Describe your management approach to achieve defined policy goals and strategies.
- What is the scope and level of the plant's cascading policy goals, strategies and action plans for both the "shop floor" and the "front office"?
- Describe your plant's continuous improvement program (e.g. Pareto Analysis, 5 Why's, etc.) to achieve the Policy Deployment plan.
- Describe your plant's problem-solving process, including the role of teams within it.
- Outline the role and relationship of management and all associates in achieving the company's goals and objectives.
- List the efforts toward associate/employee engagement that have been used, or are being used, to achieve a high level of employee morale, including suggestion systems, turnover, critical thinking skills, etc.
- Report your three-to-five-year evidence of achieving high employee morale.
- Describe your system of outlining expectations and follow-up with all plant/site personnel.
- Explain how you utilize Standard Work in your management approach.

Points for this Section: 60 Points



II. Safety and Environmental Health - A safety and environmental health focus is key to successful business today. Please respond to the following issues aimed at ensuring safety in the workplace and the efforts to achieve a carbon-neutral impact on the environment.

- Describe your safety program, including efforts to ensure ergonomic safety.
- What is your three-to-five-year safety record?
- How are you improving your safety program?
- What is your impact on the environment?
- What are you doing to achieve a carbon-neutral impact on the environment?
- What have you done to improve energy efficiency over the last three to five years?

Points for this Section: 30 Points

III. Manufacturing and Business Operations - The focus and efforts to achieve excellence in manufacturing and office processes are key to business success. This section should address how techniques and principles have been utilized to achieve a continuous improvement system and culture. The goal is to eliminate all non-value-added processes. To eliminate non-value-added processes, there are three categories that require attention. The three Ms are Muda (waste); Mura (unevenness or variation); and Muri (overburdening people or equipment). The three Ms should be viewed as fitting together as a whole system.

This section focuses on the appropriate use of techniques, such as reduced waste, variation, and overburden, to create a culture of continuous business improvement. This section is not designed to see how many improvement techniques have been used.

Muda or Waste - Describe all efforts to identify and eliminate all forms of waste on the “shop floor” and in the “front office.”

The generally accepted forms of waste are:

- Overproduction
- Waiting for Machines
- Transportation Time
- Excess Process Time
- Excess Inventory
- Excess Motion
- Defects
- Unused Employee Creativity

Mura or Unevenness/Variation - Describe efforts to identify and eliminate all forms of unevenness/variation on the “shop floor” and in the “front office.”

The Lean techniques and principles that are generally accepted to eliminate unevenness/variation are, but are not limited to:

- Standard Work
- Jidoka or Stop the Line
- Poka-Yoke or Mistake/Error Proofing
- Heijunka or Level Loading Work
- Kanban or Managing Work in Process
- Yoketan or Sharing Information Sideways
- Preventative or Total Productive Maintenance
- Value Stream Mapping
- Other Techniques or Principles

Muri or Overburdening People or Machines - Describe all efforts to identify and eliminate all forms of overburdening people and machines on the “shop floor” and in the “front office.” Muri is often the result of Muda and/or Mura practices.

The Lean techniques and principles that are generally accepted to eliminate overburdening people and machines are, but are not limited to:

- 5S Standards and Discipline
- Cellular Layout
- One Piece Flow
- Point-of-Use Tools
- Quick Changeover
- Visual Systems
- Right Sized Equipment
- Ergonomic Equipment and Processes
- Part and Material Presentation
- Other Techniques or Principles

Points for this Section: 110 Points

IV. Extended Value Stream Management - Product development and supplier management are also key to achieving high-level business results. In many cases, product development and supplier management are not located at the plant for a multi-plant corporation. Nevertheless, product development and supplier management techniques and principles are necessary for manufacturing success.

Product development and supplier costs significantly impact the total cost of a product. This section should describe the processes of product development and supplier management by the plant/site applying for this award. If the plant is part of a multi-plant corporation, include information from that perspective if it impacts your extended value stream.

Among the issues to be addressed are:

- What innovative processes are followed to meet customer expectations?
- How do you foster an understanding of customer expectations within your total workforce?
- What innovative processes are followed to reduce cost and increase value to the customer?
- What do you do in your new product development process to minimize total cost?
- How do you partner with your suppliers to minimize total cost to your value stream?
- What is your focus toward supplier certification?
- What is your supplier focus for continuous improvement to improve business results?
- What are your processes to achieve perfection in product and supplier management?
- What innovative processes are being used to improve market service and logistics?

Points for this Section: 40 Points

V. Plant Results - All of the above issues and questions are designed to improve the means to the desired ends, e.g., plant results. This section focuses on quality, cost, delivery, and profitability. Plant business results should outline three-to-five-years of results detailing the trend toward improvement, including an explanation of significant change in the trend.

In this section, report the plant’s multi-year results for the following:

Quality - The aim is to provide the customer zero defective products.

There are two standard measures to be reported:

- Scrap and/or yield rates (planned and unplanned)
- Customer rejects annually (ppm) or appropriate industry measurement
- Other appropriate quality-related measures

Cost - The aim is to reduce cost and improve productivity of the plant.

There are two standard measures to be reported:

- Value added per associate or employee (sales minus purchased materials/total headcount)
- Inventory turns
- Other appropriate cost-related measures

Delivery - The aim is to provide the customer the product on-time and in the quantity desired.

There are two standard measures to be reported:

- Percent of on-time and complete shipments
- Premium freight costs
- Other appropriate delivery-related measures

Profitability - The aim is to detail financial achievement to ensure on-going plant operation.

There are two standard measures to be reported:

- Earnings Before Interest and Taxes (EBIT) profitability
- Operating income on manufacturing assets ratio
- Other appropriate profitability-related measures

Points for this Section: 50 Points

Section VI: Plant Achievements - Provide a summary of your plant's achievements and how the lessons learned from your process improvements could be applied to other companies.

Points for this Section: 10 Points

APPLICATION PROCESS

Achievement Report - The Achievement Report can range from 25 to 50 single space pages on 8 1/2 x 11 inch paper. Feel free to include graphs, tables, photos, etc., to support the written material. As AME does not charge for this application, we ask that you make the necessary copies.

Please send 12 copies of your Achievement Report along with a CD or USB flash drive to: Susan Chandler, AME, 3115 N. Wilke Road, Suite G, Arlington Heights, IL 60004. Questions can also be directed to Susan at schandler@ame.org or 224-232-5980, Ext. 221. Your submission must be postmarked by or received at the AME office by May 1, 2010. Applicants will be notified of the results of their submission by July 31, 2010.

Following a review of your Achievement Report by a team of Lean manufacturing practitioners, we may also request a visit to your plant/site to verify and clarify the information included in the Achievement Report. Please remember to provide the following contact information with your submission:

- Name of Submitting Company, Plant, or Site
- Address
- Contact Person
- Title
- E-mail Address
- Phone Number Direct
- Phone Number Cell

Thank you for applying

