

2018 AME EXCELLENCE AWARD GUIDELINES AND EVALUATION CRITERIA



APPLY TO EXCEL

AME Excellence Award Criteria



The AME Excellence Award recognizes North American manufacturing plants that have demonstrated excellence in manufacturing and business operations.

The primary focus of the award is to acknowledge continuous improvement, best practices, creativity and innovation. This award supports AME's mission of inspiring commitment to enterprise excellence through shared learning and access to best practices.

Application Requirements

To apply for the AME Excellence award, begin by completing the Intent to Apply and Plant Profile.

Send the completed information to jstrohmeier@ame.org by **February 5, 2018**.

Then gather your team, gain consensus and complete the self-assessment using the **Excel version of the AME Lean Sensei®**. You can download the Excel version of the AME Lean Sensei at www.ame.org/lean-sensei.

Include information in the proof/gaps (evidence) column to support each response. Keep in mind the Award Criteria as you reach consensus scores on the 60 Lean Sensei questions. *The Metric Supplementary Information document is found online.* If the Lean Sensei does not allow enough space for documentation, please include supplementary material with the submission. To do this, write the file name of the supplemental material in the evidence column for that item.

The application requirement for 2018 is for a single plant, including "maintenance, repair, and overhaul" operations in either the public or private sector.

The following evaluation criteria detail a lean systems model for manufacturing excellence.

AME Excellence Award Criteria:

1 Policy Deployment Process 300 points total

A policy deployment process details the management system strategy and human and organizational development system of a plant or organization as a means to achieve desired business results in terms of safety, morale, quality, cost and delivery.

Management System 150 points

Issues to be addressed include (but are not limited to) the following:

- Describe your plant's policy deployment process, such as hoshin kanri planning, strategic planning, etc.
- Explain the key methods the company uses to clarify goals, define strategies, identify problems and develop counter-measures.
- What is the scope and level of the plant's cascading of policy, goals, strategies, and action plans for both the shop floor and the front office?

- Describe your plant's continuous improvement program to achieve the policy deployment plan.

- Outline the role and relationship of leadership and all associates in achieving company goals and objectives.

- Explain how you utilize standard work in your management approach, including going to the gemba (where the work is done) to learn what is really happening.

- Describe your system of outlining expectations and follow-up with all plant and site personnel.

Human and Organizational Development 150 points

Issues to be addressed include, but are not limited to the following:

- Describe your plant's approach to ensure leaders and managers develop people's talents and capabilities.
- How does your leadership show respect for people?
- Describe your plant's approach to diversity and inclusion.
- Describe how leadership promotes self-reflection to improve leadership skills.

- Describe how the plant ensures leaders and managers practice effective communication, listening and building relationship skills.

- List efforts being used to achieve a high level of employee engagement.

- Describe your plant's problem-solving/improvement process, including the role of teams.

- What is the role of manufacturing associates and front office personnel in achieving kaizen or continuous improvement, and how are skills related to improvement and teamwork included in employee job requirements?

- How do you regularly recognize and reward individuals and teams?

- Describe how you have changed your organization to better align for creating value across different departments and work groups?

- Report three to five years evidence of employee engagement, including a clear description of how you measure it.

2 Safety and Environmental Health 50 points total

A safety and environmental health focus is key to successful business. Respond to the following issues aimed at ensuring safety in the workplace and the efforts aimed at achieving a carbon-neutral impact on the environment.

- Describe your safety program, including efforts to ensure ergonomic safety.

- Describe your system of outlining expectations and follow-up with all plant and site personnel.

- How are you improving your safety program?

- What is your impact on the environment?

Required results for this section:

- Report your safety record for the past three to five years.

- Report your energy efficiency record for the past three to five years.

3 Manufacturing and Business Operations 300 points total

The focus and efforts to achieve excellence in manufacturing and front office processes are key to business success. This section should address how techniques and principles have been used to achieve a continuous improvement system and culture. The goal is to eliminate all non-value-added processes, which requires attention to the three M's: waste (muda), unevenness, fluctuation and variation (mura) and overburdening people or equipment (muri). The three M's should be viewed as fitting together as a whole system.

This section is not designed to see how many improvement techniques have been utilized, but to learn how you have used the appropriate techniques and processes to achieve manufacturing and front office business excellence.

It is important to outline the role and relationship of all three M's. Examples of your accomplishments and results can be presented to document improvement, such as quick changeover, reduction and more.

Manufacturing Operations 200 points

Waste (muda)

It is important that your award submission outline describes all efforts to identify and eliminate all forms of **waste (muda)** on the shop floor.

The generally recognized forms of waste are:

- overproduction
- waiting
- transportation time
- excess process time
- excess inventory
- excess motion
- defects
- unused employee creativity

Unevenness, fluctuation and variation (mura)

Describe all efforts to identify and eliminate all forms of unevenness, fluctuation and variation on the shop floor.

The lean techniques, tools and principles that are generally accepted to eliminate unevenness and variation include, 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
- yokotan or sharing information sideways across the organization
- preventative or total productive maintenance
- value stream mapping
- other techniques, tools or principles

Overburdening people or machines (muri)

Describe all efforts to identify and eliminate all forms of overburdening people and machines on the shop floor. Muri is often the result of muda and/or mura practices.

The lean techniques, tools and principles that are generally accepted to eliminate overburdening people and machines include, 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, tools or principles

5S and heijunka, among other techniques, can be viewed as being focused on both the unevenness and overburden categories.

Business Operations 100 points

It has been demonstrated by many organizations that manufacturing techniques, tools and principles can be operationally applied to transactional or front office activities.

The same processes are listed to guide your award submission.

Waste (muda)

Describe all efforts to identify and eliminate all forms of **waste (muda)** in the front office.

The generally recognized forms of waste are:

- overproduction
- waiting
- transportation time
- excess process time
- excess inventory
- excess motion
- defects
- unused employee creativity

Unevenness, fluctuation, and variation (mura)

Describe all efforts to identify and eliminate all forms of unevenness, fluctuation and variation in the front office.

The lean techniques, tools and principles that are generally accepted to eliminate unevenness and variation include, but are not limited to:

- standard work
- poka-yoke or mistake/error proofing
- heijunka or level loading work
- kanban or managing work in process
- yokotan or sharing information sideways across the organization
- value stream mapping
- other techniques, tools or principles

Overburdening people or machines (muri)

Describe all efforts to identify and eliminate all forms of overburdening people and machines in the front office. Muri is often the result of muda and/or mura practices.

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

- 5S standards and discipline to facilitate work flow
- layout
- one-piece flow
- point-of-use information
- quick change between projects
- visual systems
- right-sized information systems
- ergonomic equipment and processes
- information presentation
- other techniques, tools or principles

5S and heijunka, among other techniques, can be viewed as being focused on both the unevenness and overburden categories.

4 Extended Value Stream Management 150 points total

Product development and supplier management are key to achieving high-level business results to meet customer expectations. In many cases, product development and supplier management for a multi-plant corporation are not located at the plant. However, product development and supplier management techniques, tools and principles still are necessary for manufacturing success.

If your plant is not directly responsible for product development and supplier management, you will need to solicit expected documentation and information from the appropriate corporate offices and describe your processes appropriately. If the plant is part of a multi-plant corporation, include information from that perspective if it impacts your extended value stream.

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 applying for the AME Excellence Award.

Please include appropriate data or results where possible to document the trend and level of improvement.

Product Development 75 points

Issues to be addressed include (but are not limited to) the following:

- Describe processes to validate new product (or service) development and launch.
- How do you foster an understanding of customer expectations within your total workforce?

- What processes do you have in place at the highest level to foster breakthrough solutions vs. incremental improvement to meet and/or stay ahead of customer expectations?

- What innovative processes and/or lessons-learned methods are used to reduce cost and increase value to the customer?

- Describe the processes used for improvement of existing products (or services).

- What do you do in your new product development process to minimize total cost?

- What is your approach to benchmarking?

- How do you focus on variety reduction, commonality and modularity?

Supplier Development and Procurement 75 points

Issues to be addressed include (but are not limited to) the following:

- How do you partner with your suppliers to minimize total cost to your value stream?

- What is your focus regarding 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?

5 Plant Results 200 points total

All the issues and questions in sections 1 to 4 are designed to improve the means to the desired ends (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. You are encouraged to include evidence of the “level of achievement” of your plant compared to your industry or other plants within your corporation. Results can be based on the plant as a profit center or a budget center. Within the four key metrics, two specific result measures (or theoretically similar measures) are required.

Failure to provide the plant results requested will result in a lower section score, reducing your plant's chances of receiving a plant assessment site visit.

In this section, report the plant's results for a minimum of three years for each of the following:

Quality 50 points

The aim is to provide the customer with zero defective products. The following standard measures are to be reported:

- scrap and/or yield rates (planned versus unplanned)
- customer rejects annually (ppm) or appropriate industry measurement
- other appropriate quality-related measures that would support the achievement of your Policy Deployment Plan
- warranty claims

Cost 50 points

The aim is to reduce cost and improve plant productivity. The two following standard measures are to be reported (with other measurements included if desired):

- value added per associate or employee (sales minus purchased materials divided by total headcount)
- inventory turns—raw, work-in-process and finished as appropriate
- other appropriate cost-related measures that would support the achievement of your Policy Deployment Plan

Delivery 50 points

The aim is to provide the customer the product on time and in the quantity desired. The following standard measures are to be reported:

- percent on-time and complete shipments
- premium freight costs, including incoming raw material or finished goods shipment (premium freight is abnormal freight to meet customer demand)
- other appropriate delivery-related measures that would support the achievement of your Policy Deployment Plan

Profitability 50 points

The aim is to detail financial achievement to ensure the ongoing operation of the plant. The following standard measures are to be reported (with other measurements included if desired):

- earnings before interest and taxes (EBIT) profitability or other appropriate measure to document plant profitability
- operating income on manufacturing assets ratio
- other appropriate profitability-related measures that would support the achievement of your Policy Deployment Plan

Please note:

If profitability information is confidential, you can substitute percentage changes from year-to-year.

ELIGIBILITY TO APPLY FOR THE AME EXCELLENCE AWARD

The application entity is a single plant in the United States, Canada or Mexico. Applicants doing maintenance, repair and overhaul in either the private or public sector are eligible.

The plant should have been in operation for a minimum of three years. Award eligibility must be delineated as “manufacturing” by the North American Industry Classification System (NAICS) — (www.census.gov/eos/www/naics/). Questions regarding eligibility can be forwarded to the AME office.

AME members can contact the AME office if they wish to have one of their international affiliate operations apply.

Final decisions regarding AME Excellence Award recipients are made by the AME Awards Council.

CONFIDENTIALITY AND NON-DISCLOSURE

All members of the AME Awards Council and all AME assessors have signed confidentiality and non-disclosure agreements.

The AME Excellence Award also has a clear policy and process to ensure that conflicts of interest are avoided.

THE APPLICATION FEE IS \$3,000.

The fee must be submitted prior to, or along with, your completed workbook and supporting documentation which is due **March 12, 2018**.

Applications received without the application fee will not be considered.

PLANT ASSESSMENT FEE

The plant assessment site visit fee will vary depending upon the size and scope of the plant.

For a small plant (less than 300 employees) assessment site visit, the team will generally consist of three assessors.

Medium-sized plants will require a team of four to five.

Large plants will require a team of six to seven assessors.

This fee will generally run between \$4,500 and \$10,500. Applicants will be notified of the fee prior to the plant assessment site visit.

Fees for site visits cover the travel costs for assessors, as well as other directly-related costs for the awards program.

AME will present the award to North American recipients at the applicant's site.

TIMELINE FOR THE EXCELLENCE AWARD

Intent to Apply and Plant Profile are due **February 5, 2018**

Completed Excel version of the Lean Sensei and supporting documentation are due **March 12, 2018**. *Download the latest Excel version of the Lean Sensei at ame.org/lean-sensei*

Plant assessment site visits will be conducted **late May through mid-July 2018**

Plants will be notified of final results by **August 10, 2018**

AME will present the award to recipients at **the applicant's site**

Recognition at AME International Conference in San Diego, CA **Oct. 29–Nov. 2, 2018**



AME Association for Manufacturing Excellence

Share • Learn • Grow

Note:

Graphs, tables, photos to support the written material are welcomed. Tables and graphs should be simple, clearly legible and labeled.

Submit all documentation to **Jerri Strohmeier**

by email **jstrohmeier@ame.org**

For questions or more information, contact **Jerri** by email or by phone at **224-232-5980**, ext. **222**.

How to nominate a company

Do you know of a company that embodies enterprise excellence?

Nominate it for an AME Excellence Award!

To nominate a company, email **nominate@ame.org** with the name and contact information of the company as well as your name and contact information.

2018 AME EXCELLENCE AWARD INTENT TO APPLY FORM

Intent to Apply Form

Plant name

Address

Number of employees

Square footage of plant

Year plant began current operation

SENIOR OFFICIAL OF PLANT

Name

Title

Phone

Cell

Email

CONTACT FOR APPLICATION

Name

Title

Phone

Cell

Email

NAICS code:

To find your NAICS code go to: www.naics.com

PLANT APPLICATION AGREEMENT (please sign)

Print name

Cell

Date

Signature

What will be the process you plan to follow to score the questions in the Lean Sensei?

(i.e., Will one or two people do it? Will a team do it?)

Please let us know how many people in the applying company are certified at a Gold, Silver or Bronze level through the Lean Certification Alliance (AME/Shingo/SME)

Gold ____ Silver ____ Bronze ____

If not certified through the Lean Certification Alliance, are you using some other type of certification process(es)?

If yes, and the numbers are readily available, please let us know the number of people certified and at what level. For example: Six Sigma Black Belt, Six Sigma Green Belt etc.

PLANT APPLICATION AGREEMENT

We understand that our application will be confidentially examined by AME assessors and members of the AME Awards Council (all have signed non-disclosure agreements).

If selected for an AME Plant Assessment site visit, our company will pay the related fees for the assessment team visit to verify and clarify the Lean Sensei workbook.

Please note:

The \$3,000 application fee is due with your Lean Sensei workbook submission. Lastly, if the plant receives the AME Excellence Award, the plant will hold an AME workshop within eighteen months of receipt of the award.

This Intent to Apply form and Plant Profile may be submitted to the AME office at any time but must be received no later than **February 5, 2018**.

Upon completion, please email to: **Jerri Strohmeyer** at jstrohmeyer@ame.org or fax it to **224-387-3370**.

You can also mail it to: **3701 Algonquin Road, Ste. 225, Rolling Meadows, IL 60008-3150**.

For further information contact **Jerri** at **224-232-5980** ext. **222** or visit ame.org/excellence-awards.

2018 AME EXCELLENCE AWARD INTENT TO APPLY PLANT PROFILE

Plant Profile PLEASE REVIEW AND INCLUDE THE PLANT PROFILE (must be submitted with Intent to Apply form)

A two-to-three page **Plant Profile** must accompany the **Intent to Apply form**.

Please use the following format. Briefly summarize your plant using the following headings:

FACILITY OVERVIEW:

Name of plant, location, square footage of facility, customers/markets served, number of shifts/days per week operating, union/non-union, public or private firm.

PRODUCT(S):

Describe number and types of products produced at this site.

PROCESS(ES):

Describe the primary processes that take place in the facility (e.g. R&D, sales and customer service, supply chain, machining, assembly, test/burn-in, packaging/shipping, field service/repair).

NUMBER OF EMPLOYEES:

Indicate the number of employees at the site and describe the breakdown of the workforce in terms of direct labor, management, administrative staff, etc.

CORPORATION OVERVIEW:

Indicate if the plant is a stand-alone organization or part of a

larger corporation. If part of a larger organization, provide a brief overview of the parent organization and how this plant fits into the overall organization.

SHARED LEARNING:

AME's mission is "to inspire commitment to enterprise excellence through shared learning and access to best practices."

Please respond to the following statements that support the AME mission:

- Briefly describe your improvement journey (e.g. lean, six sigma, etc.)
- Briefly describe two or three best practices at your plant that could be applicable to other AME member companies.
- Briefly describe what other companies might learn from your key achievements and results.

POTENTIAL SITE VISIT DATES:

The site assessment visit runs approximately two days and will be conducted in **late May to mid-July**. Please let us know your first, second and third choices for dates if your site is selected for a site visit.

Note:

Submission of the **Intent to Apply form** and **Plant Profile** are due **February 5, 2018**.

Prior to submitting your workbook and supporting documentation on March 12, 2018, there is a **\$3,000** application fee.

You may send an amended plant profile (if needed) along with your final Lean Sensei workbook.

AME EXCELLENCE AWARD ASSESSORS AND COUNCIL MEMBERS

AME Award Assessors

The AME Excellence Award was designed, tested and validated by practitioners and your lean peers for companies that want to excel by assessing their progress on the lean journey. Shouldn't your business use periodic, unbiased assessment to encourage lean growth? Our assessors have nearly 400 years of combined assessor/ examiner experience.*

John	Albers
Larry	Anderson
Sudarshan	Bahl
Bill	Baker
John	Biuso
Michael	Bremer
Bob	Burke
Brian	Bush
Doug	Carlberg
Michael	Chunka
Bryan	Crowell
Hank	Czarnecki
Vladimir	Davila

Bob	Dempsey
Stéphane	Dubreuil
Steve	Ebbing
Rick	Feller
Jeff	Fuchs
Servando	Galvan
Marisa	Game
Jim	Garrick
Luis	Gasca
Alan	Gasvoda
Scott	Gauvin
Mauro	Gonzalez
Pedro	Granados
Doug	Hartshorn
Kimberlee	Humphrey
Chris	Ireland
Kurt	Johnson
Danny	Jones
Julie	Kochert
Krishnan	Krishnaiyer
Nermana	Kuzmanovic
Richard	Lebovitz
Laura	Longmire
Tom	Longmire
Norbert	Majerus
Glenn	Marshall

* Examiner experience includes: AME, Baldrige, IndustryWeek and Shingo.

Dan	McDonnell
Brian	McKibben
Kevin	Meyer
Kelly	Moore
Becky	Morgan
Snezana	Muckajev
Bill	Nusbaum
Marion	Pender
Alan	Preslicka
Todd	Reese
Ross	Robson
Ken	Rolfes
Mark	Sessumes
Dave	Siebert
Ellen	Sieminski
Dewey	Smith
Ron	Smith
Sherif	Soliman
Jerry	Solomon
Mark	Sroka
Maria Elena	Stopher
Matt	Swain
Richard	Thomas
Michael	Toussaint
Michael	Upton
John	Vaughn

Armando	Vega Garduño
Pat	Wardwell
Paul	Waterman
Lisa	Weis
Steve	Wells
Greg	Williams
Brenda	Womack
Jerry	Wright
Howard	Wu

AME Award Council Members

Larry	Anderson
Michael	Bremer
Doug	Carlberg
Bryan	Crowell
Richard	Evans
Michael	Jerome
Dan	McDonnell
Marion	Pender
Mark	Preston
Todd	Reese
Ross	Robson
Jerri	Strohmeyer*
Jodi	Talley*
Pat	Wardwell

*AME staff