



AME Excellence Award Criteria 2019

1. Policy Deployment Process – 300 points

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.

1 A. 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.

1 B. People-Centric Leadership – 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.
- Describe your plant's approach to diversity and inclusion.
- Describe how leadership promotes self-reflection to improve leadership skills and show respect for people.
- Describe how the plant ensures leaders and managers practice effective communication, listening and relationship-building 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

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. Organizational Improvement – 300 points

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.

3 A. Operations Improvement – 200 points

Waste (muda)

Describe what you are doing to eliminate waste on the shop floor.

The generally recognized forms of waste include:

- Overproduction
- Waiting
- Transportation time
- Excess process time
- Excess inventory
- Excess motion
- Defects
- Unused employee creativity

Unevenness, fluctuation and variation (mura)

Describe what you are doing to identify, reduce and eliminate unevenness, fluctuation and variation on the shop floor. A criteria list of the commonly used lean techniques, tools and principles that are generally accepted to eliminate unevenness and variation include: (You are not required to use all of the following practices and may report on others.)

- Standard work
- Jidoka or stop the line
- Poka-yoke or mistake/error proofing
- Heijunka or level loading work
- Kanban or managing work in process
- Yokoten 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 efforts to identify and eliminate all forms of overburdening of people and machines on the shop floor.

Muri is often the result of muda and/or mura practices. You are not required to use all of the following practices and may report on others. Typical actions include:

- 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.

3 B. Business Improvement – 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/practices are listed to guide your award submission.

Waste (muda)

Describe efforts to identify and eliminate all forms of waste in the front office/business operations.

Examples of waste:

- 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.

Describe what you are doing to identify, reduce and eliminate unevenness, fluctuation and variation. The criteria list the commonly used lean techniques, tools and principles that are generally accepted to eliminate unevenness and variation. You are not required to use all of the following practices and may report on others. They include:

- Standard work
- Poka-yoke or mistake/error proofing
- Heijunka or level loading work
- Kanban or managing work in process
- Yokoten 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 over-burdening 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
- Workplace layout
- One-piece flow
- Point-of-use tools
- Quick changeover
- Visual systems
- Right-sized equipment
- Ergonomic equipment and processes
- 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

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.

4 A. 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?

4 B. Supplier Development & 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. Performance Results – 200 points

All the issues and questions in sections 1 to 4 are designed to improve desired performance results. This section focuses on quality, cost, delivery and profitability. The metrics shared should outline three to five years of results detailing the trend toward improvement, including an explanation of any significant changes 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 performance 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:

5 A. 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) for the last three to five years.
- Customer rejects annually (ppm) or appropriate industry measurement for the last three to five years.
- Warranty claims for the last three to five years.
- Other appropriate quality-related measures that support the achievement of your Policy Deployment Plan.

5 B. Cost – 50 points

The aim is to reduce cost and improve plant productivity. The two following required 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) for the last three to five years.
- Inventory turns—raw materials, work-in-process and finished as appropriate, for the last three to five years.
- Other appropriate cost-related measures that would support the achievement of your Policy Deployment Plan.

5 C. Delivery – 50 points

The aim is to provide the customer the product on time and in the quantity desired. The following two required measures are to be reported (with other measurements included if desired):

- Percent on-time and complete shipments for the last three to five years.
- Premium freight costs, including incoming raw material or finished goods shipment for the last three to five years. (Premium freight is abnormal freight to meet customer demand.)
- Other appropriate delivery-related measures that would support the achievement of your Policy Deployment Plan.

5 D. Profitability – 50 points

The aim is to detail financial achievement to ensure the ongoing operation of the plant. The following two required 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 for the last three to five years.
- Operating income on manufacturing assets ratio for the last three to five years.
- 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.