



Mercedes-Benz



Planning/P.D.C.A – Supplier Training



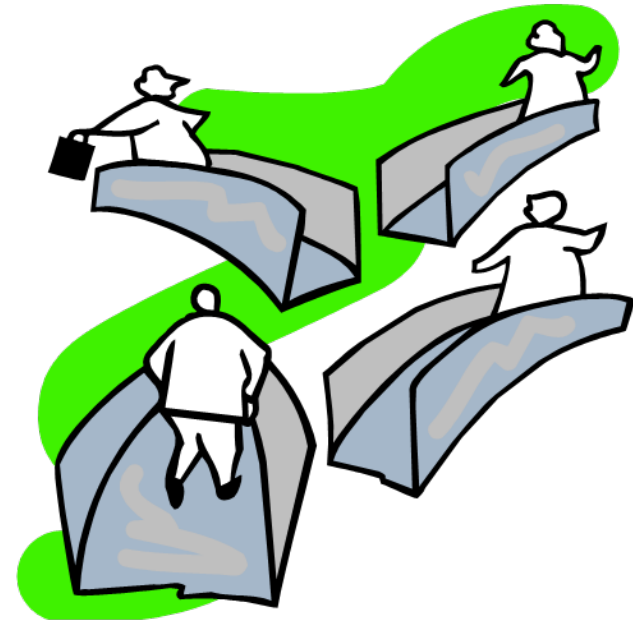
Annual Plan Training Objectives

- Understand importance of using Business Model and Annual Planning to manage our business
- Understand concepts and elements of Business Model and Annual Planning at MBUSI
- How to complete an Annual Plan to achieve targets
- How to utilize timely PDCA reviews to monitor plan versus actual
- Understand Role of Management in Annual Planning
- How to use Annual Plan Reviews to achieve targets by reviewing monthly progress and identifying the next steps [action plans].



Annual Plan Background

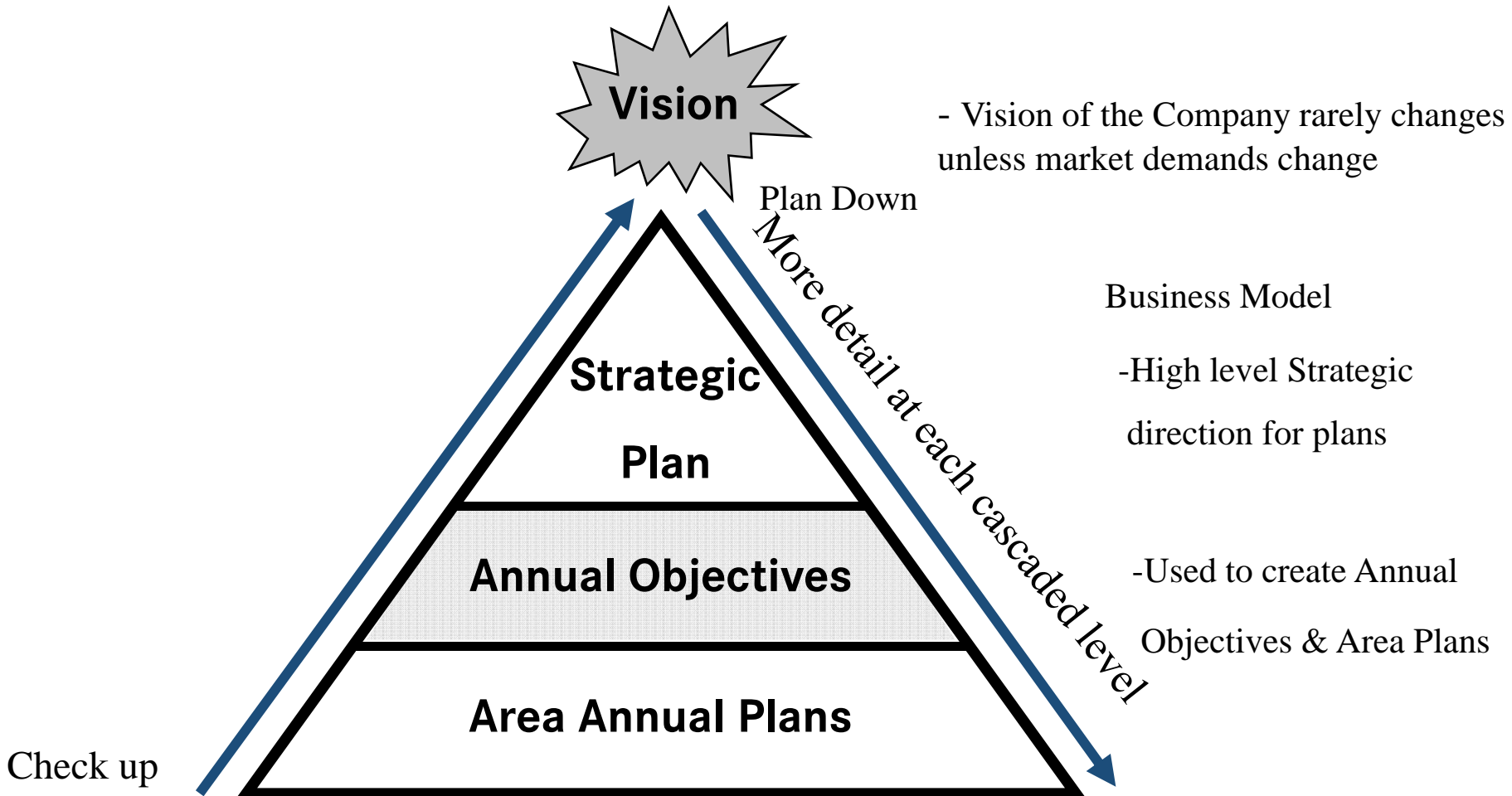
- Without Planning & Coordination of Activities
 - Duplication
 - Conflicting Directions
 - Lack of Ownership
 - Current situation unknown
 - Targets inconsistently met or not met
 - Expectations unknown
 - Performance not documented
 - Feedback not Objective or Fact based





Business Model & Vision

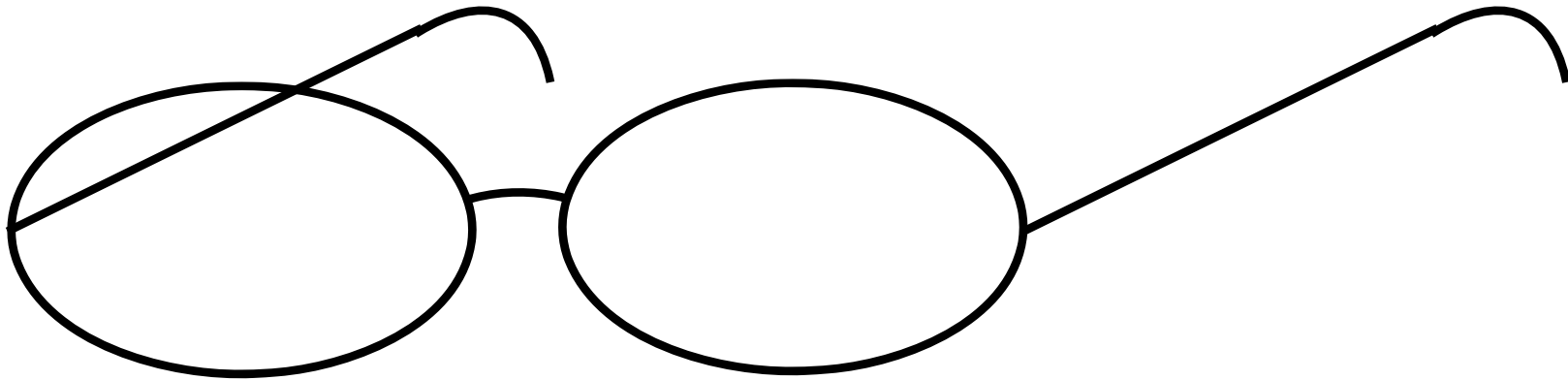
BUSINESS MODEL purpose is to fully integrate area/departmental/sectional objectives with company long term targets/annual objectives, measure performance & provide a forum for following up on objectives.





MBUSI's Vision

What is current MBUSI Company
Vision Statement?





MBUSI's Vision

Maintain focus on being the best world-wide producer in the Sport Utility Vehicle segment... and prepare the organization for the M-Class successor.



Annual Plan

Business Model and Annual Plan Defined

- Business Model
 - Annual established high level Strategy targets for MBUSI by Management Team
- Annual Plan
 - Annual - yearly event
 - Plan - a program of action to achieve an end target

**Annual Plan is a yearly program of actions
to achieve end Targets**



Annual Plans

What are the Benefits?

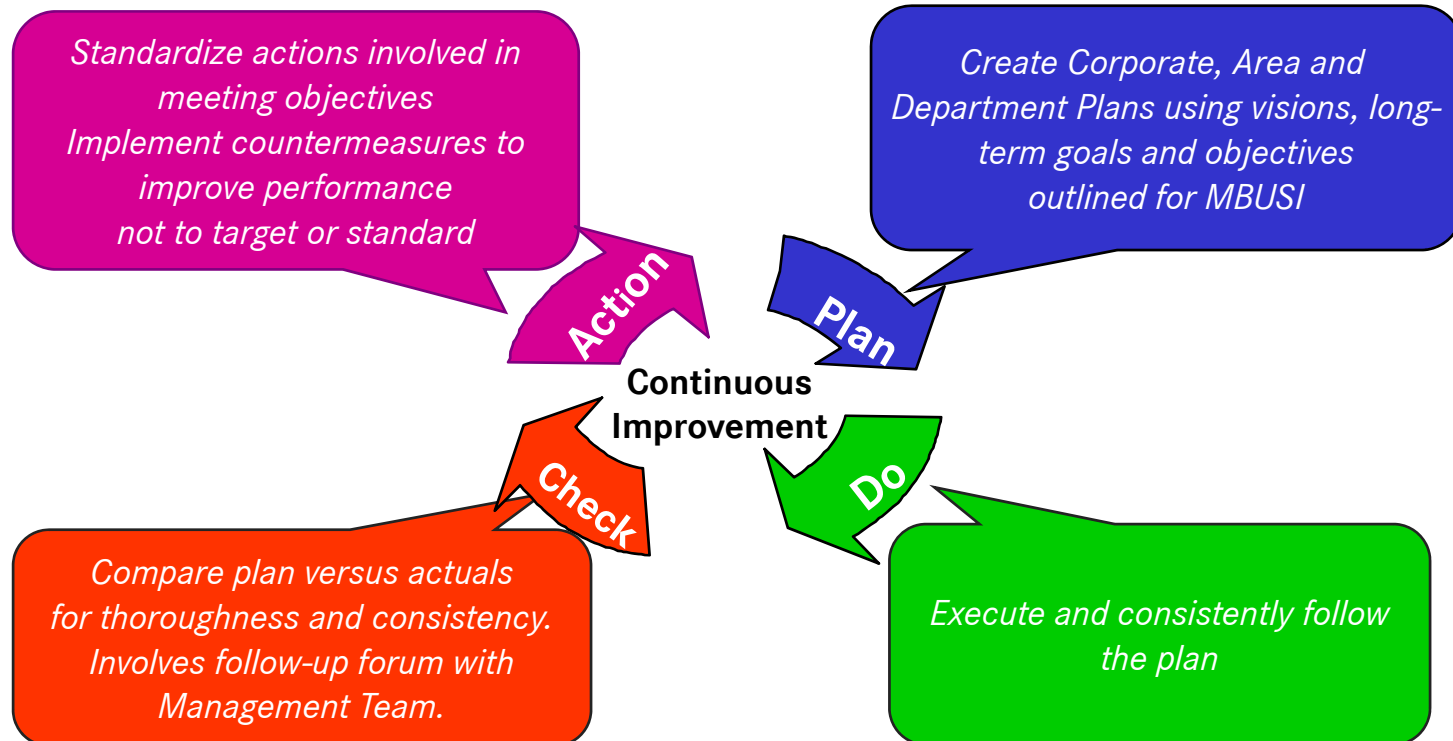
- Ensure your targets/objectives support overall company targets / objectives
- Allows for communication of your targets
- Indicates what needs to happen sequentially and concurrently
- Provides a method of documenting performance against targets
- Concise standardized format
- Only necessary data reported
- Logical sequences are depicted
- Part of Lead Evaluation Process for Managers!

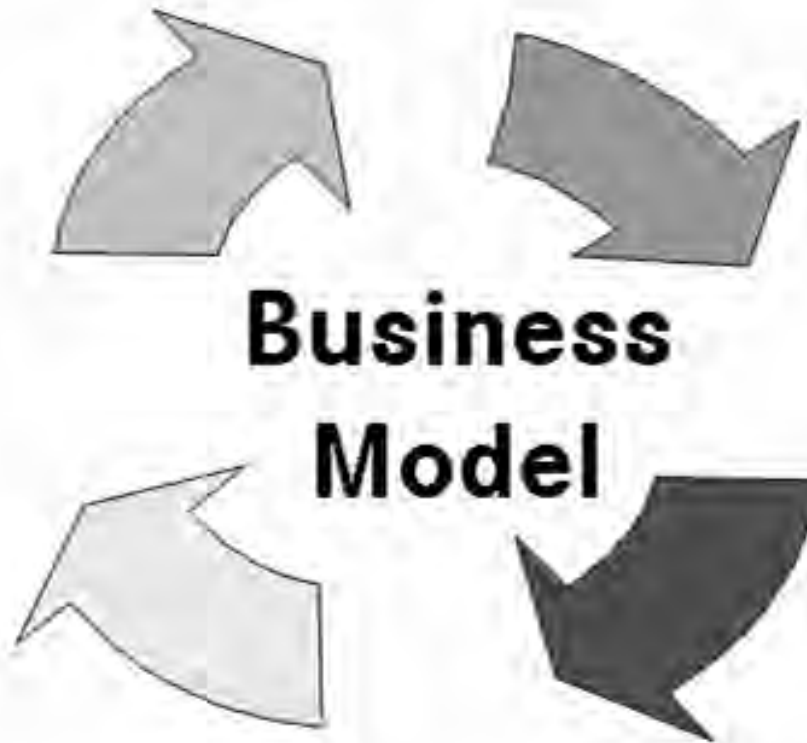


Annual Plan PDCA

BUSINESS MODEL / ANNUAL PLAN follows the PLAN-DO-CHECK-ACTION formula

Collect data, observe, grasp situation before starting PDCA cycle





Bill Taylor, President and CEO

MBUSI/President's Office
February 13, 2007
Revision Level 2
N:\Annual Planning 2007\business model master rev 2.ppt



Theme for 2007

Develop the organization through renewed focus on MPS and critical processes

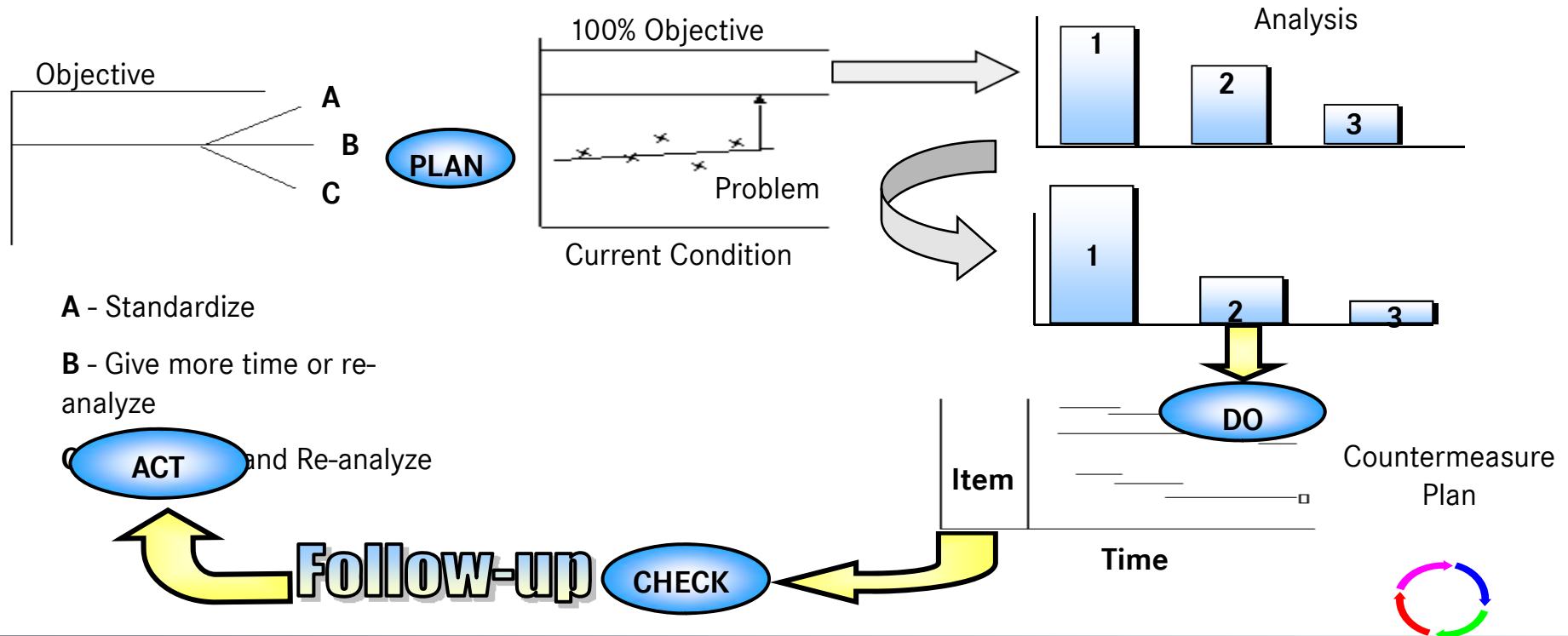
- Increase the proactivity of our safety program
- Train and develop Managers in following the disciplines of MPS
- Identification and strengthening of critical and non-robust processes (Red Dot)
- Continue to challenge the organization to participate in the achievement of targets
- Increase organizational flexibility to build the foundation for future challenges



Annual Plan, Topics

PDCA Example in Annual Planning Situation

Manager chooses Business Model Safety, Quality, Delivery, Cost, & Morale topics/targets which he/she can influence in their area of responsibility.





Annual Plan Cascading PDCA Process

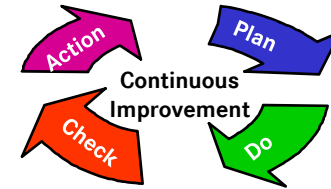
The Annual planning process cascades through the organization gaining a greater degree of detail at each level.

Management's Business Model is used to create E2's Annual Plan

E2's Annual Plan is used to create the E3

E3's Annual Plan is used to create the E4 Plan

Each level repeats the Plan, Do, Check, Action functions as they complete their part of the Annual Planning Process

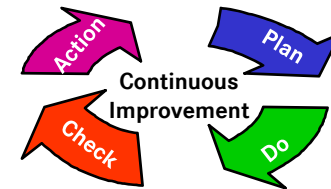


Management Team (E1/E2)

Be number 1 in industry in Safety

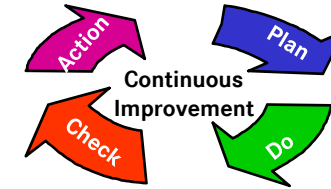
Managers

Reduce Accidents from 2007 Level of 30 occurrences by 80%,
24 occurrences



Assistant Managers

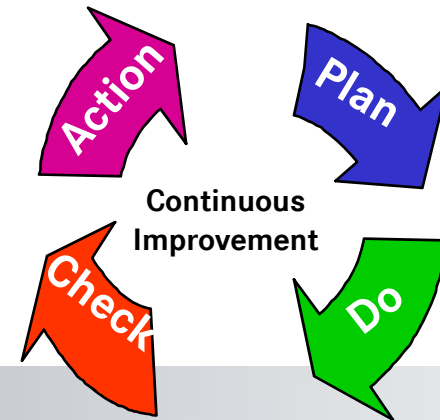
A shift reduce Accidents (FALLS) by 60%, 14 occurrences
B shift reduce Accidents (STRAINS) by 40%, 10 occurrences



Group Leaders / Specialists

8100 Group maintain 2007 level of 0 accidents.
8200 Group reduce by 4 FALL occurrences
8300 Group reduce by 10 FALL occurrences

9000 Group reduce by 6 strains
9100 Group reduce by 4 strains





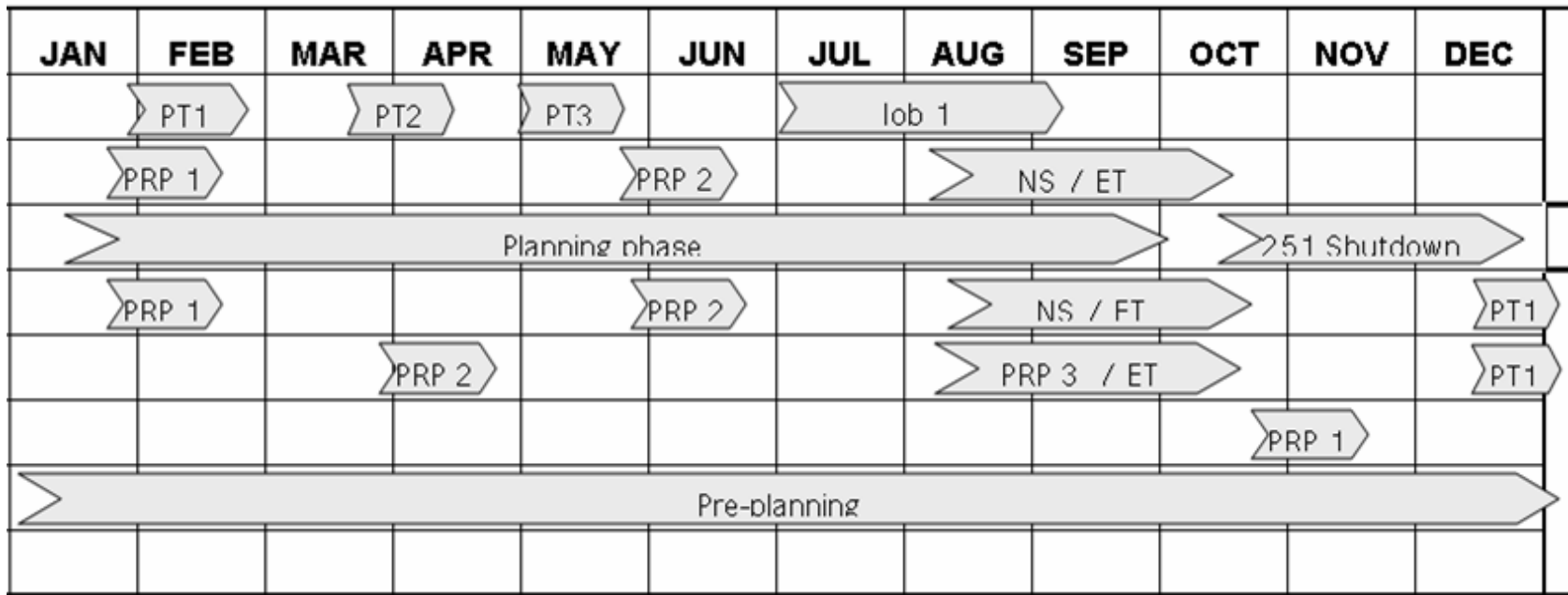
Annual Planning Development

- Business Model Goals/Targets are broken down into Specific Objectives on an Annual Planning Form
- Annual Planning Form contains Area/department/section objectives and the method in which they are measured
- Specific Objectives are chosen by the Manager from the Business Model on items which they can influence
- Each Specific Objective has a Measurable, Schedule, Lead, and Support attached
- Annual Planning Form is a signed commitment between the President, Vice-Presidents, Managers, Assistant Managers, and Specialists



Annual Planning Form Headers Timeline

- Timeline** – Major known Company timing for cross functional type events, (Production Trials, Null Series, Model Activities), are provided so coordination of other planned initiatives with these events may occur.





Annual Planning Form Headers - Company Objective

- **Company Objectives** are Safety, Quality, Delivery, Cost, and Morale (SQDCM).
Choose topics in areas where you can influence results.
 - The major headers numbering
 - **Example Safety 1**, Quality 2, Delivery 3, Cost 4, Morale 5
 - Sub-activities numbering under same header different line item
 - **Example Safety 1.1, 1.2**, Quality 2.1, 2.2, 2.3, etc
 - Sub-activities numbering for breakout items under same line item
 - **Example Safety 1.1.1, 1.1.2**, Quality 2.1.1, 2.1.2, 2.1.3, etc

VICE PRESIDENT'S ANNUAL PLAN

Company Objective	Specific Objectives
1.0	SAFETY
1.1	Institute Safety Reviews in all areas
1.2	Develop Recognition Prog
1.3	Activate Safety Committees

MBUSI DEPARTMENTAL ANNUAL PLAN

Company Objective	Specific Objectives
1.0	SAFETY
1.1	Institute Safety Reviews
1.1.1	Develop Walkthru Checksheet
1.1.2	Establish Expectations with GL's
1.1.3	Develop Quarterly Schedule
1.1.4	Implement
1.1.5	Checksheet Summary Review
1.1.6	Review All injuries



Annual Planning Form Headers - Specific Objective

- Specific Objectives from the E2 Annual Plan are expanded in detail on the E3s Annual Plan
- E3 develops strategy to meet the E2's level targets

VICE PRESIDENTS' ANNUAL PLAN

Company Objective	Specific Objectives
1.0	SAFETY
1.1	Institute Safety Reviews in all areas
1.2	Develop Recognition Program
1.3	Activate Safety Committees

MANANGERS' ANNUAL PLAN

Company Objective	Specific Objectives
1.0	SAFETY
1.1	Institute Safety Reviews
1.1.1	Develop Walkthru Checksheet
1.1.2	Establish Expectations with GL's
1.1.3	Develop Quarterly Schedule
1.1.4	Implement
1.1.5	Checksheet Summary Review
1.1.6	Review All injuries



Annual Plan Form Headers Measurable

- **Measurable** - quantify the objectives into data which can be tracked to indicate a successful or failed implementation
- Data tracked must be relevant to the target
- Targets should be **challenging yet achievable**.
- Annual Plan should remain a **“living”** document throughout the year.

Measurable
Lost Time Rate Not to exceed 9
CPU Body <= .3, Paint <= .8, Final A1/2 1.9, WSA .15
Efficiency Operations 85% first 1/4, 90% rest of year
Reduce 2007 Cost Actuals by 10%
4 hours training per month/Groupleader



Annual Planning Form Headers Schedule

- Schedule** - Each “Specific Objective” is accompanied by a timeline that clearly indicates starting, mid, and end points. The schedule displays concurrent and sequenced tasks. Establishing a timeline for each objective provides an overview of the year’s activity.

Schedule											
Jan.	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov.	Dec.
○	△	△	△	△	△	△	△	△	△	△	△
○	○	○	○	○	○	○	○	○	○	○	○
	△	△		△	△		△	△		△	△
△	△	△	△	△	△	△	△	△	△	△	△



Annual Planning Form Headers Schedule Legend

- **Legend** – Symbols used for Plan Do Check
 - **PLAN** indicates when you are in the actual planning phase of your project or activity. You have not actually started the do yet (implementing the plan).
 - **DO** indicates when you actually start to implement your plan.
 - **CHECK** indicates when you confirm that the plan has had the intended results

Schedule											
Jan.	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov.	Dec.
○	△	△	△	△	△	△	△	△	△	△	△
○	○	○									
		○	○	○	◇	△	○	○	◇	△	
		○	○	○	◇	△					



Annual Planning Form Headers Lead, Support

- **Lead** - The person who is responsible for delivering each specific objective.
- **Support** - Those areas or individuals needed to support the achievement of an objective.
- **Agreement** needed from support person before listing their name on Annual Plan

Lead	Support
K. Hayes	Lisa Evans
R. Jones	Richard Burnis
T. Sellers	Body Shop GLs
R. Harris	Body Shop GLs
R. Jones	Body Shop GLs
P. Johnston	K. Hayes



Annual Plan Development

Developing strategy to meet high level goals

VICE PRESIDENT'S STRATEGY TO ACHIEVE BUSINESS MODEL GOALS

VICE PRESIDENT'S ANNUAL PLAN		2008 Annual Planning Form												Level	Suggest		
Area/Department:	Operations	2008 Timeline	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
		MY09 X164, BR251 MOPF164, BIN5	PT1	PT2	PT3												
		MY10 W164, Facelift X164	PT								RT/ET						
		Movement of Bodyshop 251	Planning phase												DIS/RT		
		MY10 BR251	PT									RT/ET					PT
		Hybrid W164									PT/ET						PT
		MOPF BR251															
		W166	Facelift phase												PT		
Specific Objectives	Measurable	Schedule												Level	Suggest		
Z.B	SMART	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
1.1	Achieve FTC % Targets														Shop Mgrs	Mtce Eng	

MBUSI DEPARTMENTAL ANNUAL PLAN		2008 Annual Planning Form												Level	Suggest	
Specific Objectives	Measurable	Schedule												Level	Suggest	
Z.B	SMART	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
1.1	Achieve FTC % Targets														Shop Mgrs	Mtce Eng
1.1.1	Reduce Incoming defect level to topcoat by 10%														Ams	GLs
1.1.2	Reduce Incoming Topcoat Defects to polish by 10%														Ams	GLs

DEPARTMENT MANAGER'S ACTION ITEMS TO ACHIEVE V.P. ANNUAL OBJECTIVE 1. 1

What are the actions you would plan to implement "Achieve FTC % Targets"?



Annual Plan Timeline

Plan ○ Do ◇ Check ▲	Task	Review	2007			2008												Lead
			Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
	Letter from Bill to MT	9-Oct																B. Taylor
	MT discusses Themes for 2008	23-Oct	○															MT
	Develop draft 2008 Business Model w/SQDCM Targets	Oct 26 - Nov 7	◇	◇														MT
	Annual Plan Training for E2/E3	8-Nov		◇														Archie/Phil
	Review Annual Plans in MT mtg	Nov 19 - 30		▲	▲													MT
	Review 2008 Annual Plans (Individual Discussions w/Bill)	Dec 3 - 15			▲	▲												MT
	Business Model Rollout to GLs, E3, E4, at Training Ctr	Mid January				◇												MT
	Communication to Entire Organization at All Team mtg	End January					◇											B. Taylor
	Business Model																	
	Finalize Model E1 / E2	11/22/2007	○	○	○													B. Taylor
	E2 communicate to E3	12/15/2007		○	○	○												E2s
	E3 communicate to E4	1/15/2008			○	○	○	○										E3s
	E4 communicate to all TM's	1/30/2008				○	○	○	○									E4s
	Annual Plan																	
	E2's submit plans to E1	12/21/2007		○	○	○												E2s
	E3's submit plans to E2's	1/18/2008			○	○	○	○										E3s
	E4's submit plans to E3's	2/15/2008				○	○	○	○									E4s
	E5 / GL submit plans to E4	2/28/2008					○	○	○	○								E5s
	Annual Plan Reviews																	
	Management Team	Semi-Annually										▲						MT
	E3's to E2's	Quarterly					▲			▲			▲			▲		E2s
	E4's to E3's	Quarterly						▲			▲			▲			▲	E3s
	Each E5 / GL to E4's	Quarterly / Monthly					▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	▲	E4s
	LEAD Evaluations																	
	E3	Annually				▲	○	○										E2s
	E4	Annually				▲	○	○	○									E3s
	E5	Annually				▲	○	○	○	○								E4s



Theme for 2007

Develop the organization through renewed focus on MPS and critical processes

- Increase the proactivity of our safety program
- Train and develop Managers in following the disciplines of MPS
- Identification and strengthening of critical and non-robust processes (Red Dot)
- Continue to challenge the organization to participate in the achievement of targets
- Increase organizational flexibility to build the foundation for future challenges



Annual Planning Supplier Training: Review, Report & Follow up

Why do Annual Plan Reviews?

For Example:

- **Safety** [Lost time, Recordables]
- **Quality** [CPA, J.D. Power, FTC]
- **Cost** [Overtime, Manpower, Material]
- **Productivity** [Hours per Vehicle, Efficiency]
- **Morale** [OD, Attendance]

... Results tracking identifies what needs focus and what has produced results which should be Standardized to maintain performance.



Annual Planning Supplier Training: Review, Report & Follow up

Why do Annual Plan Reviews?

Annual Plan review process is a management tool to:

- Track performance plan to actual
- Challenge the organization to develop action plans to meet objectives
- Identify opportunities for improvements
- Optimally deploy resources
- Provide focus & direction
- Align activities
- Development of staff/team members

Unless the organization has clear objectives and targets: measuring performance, developing action plans for improvement, training and rewarding people are difficult or not obtainable.



Annual Planning Supplier Training: Review, Report & Follow up

Area/Department: Department Name		2008 Timeline	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
		MY09 R164, BR251 MOP164, B1N5	PT1		PT2	PT3										
		MY10 W164, Facelift R164	PPP					PPP								
		Movement of Bodyshop 251	Planning phase										Start/allow			
		MY10 BR251	PPP								RS/ET				ET	
		Hybrid W164			PPP						PPS1/ET				ET	
		MOPF BR251											PPP			
		W164	Pre-planning													
Example	Specific Objectives	Measurable	Schedule											Start	Support	
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
S.R	SAFETY															
S.R	QUALITY															
S.R	PRODUCTION DELIVERY & EFFICIENCY															
S.R	COST															
S.R	ORGANIZATIONAL DEVELOPMENT/HUMAN															

Annual Planning Form



Annual Plan Review Form

△ Needs Improvement

Area/Department: Department Name
Date: Current Date

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No.	Specific Objective	Measurable	Results	Target		Problem (Analyze)	Action (Next Steps)
				● - must exceed Target	✗ - target not met		
1.0	Safety			●	✗		
2.0	Quality						
3.0	Cost						
4.0	Delivery						
5.0	Flexibility						



Bill Taylor, President

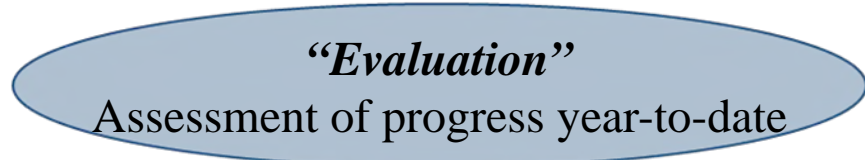
VP, VP of Department



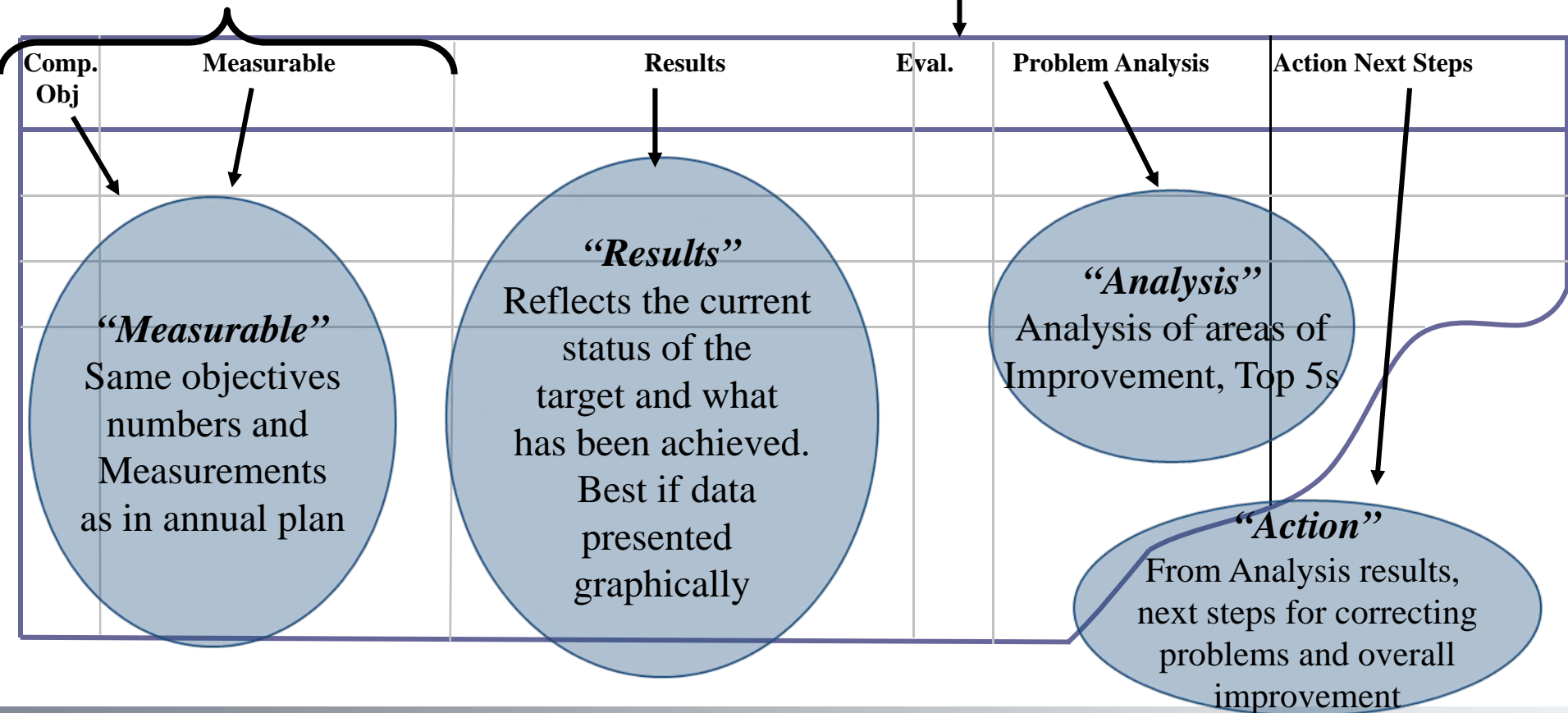
Annual Planning Supplier Training: Review, Report & Follow up

P D C A

Form Headers






Same information as Annual Plan Form

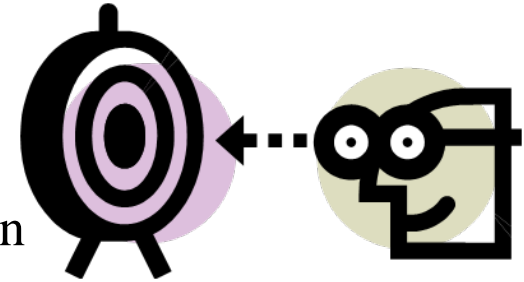




Annual Planning Supplier Training: Review, Report & Follow up

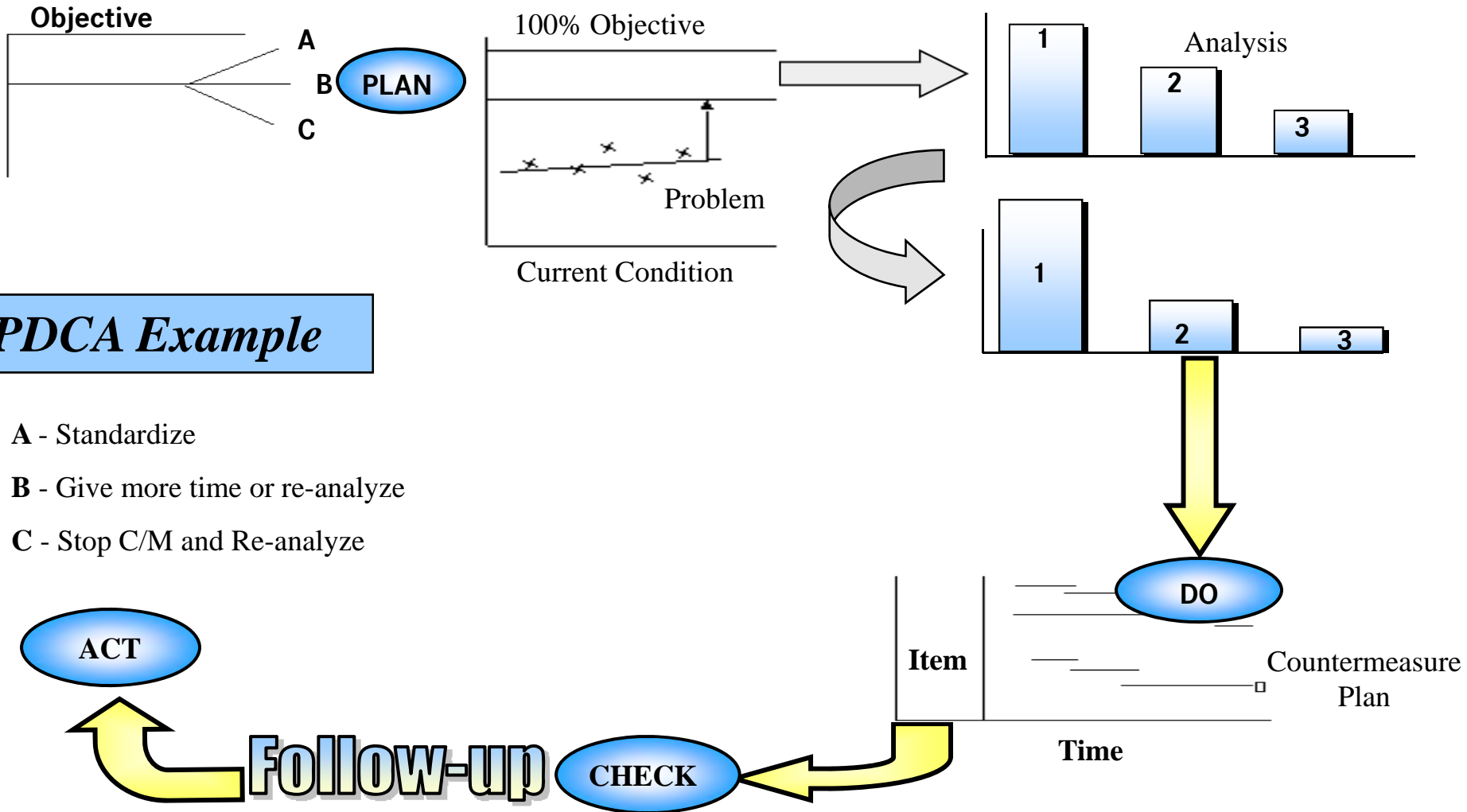
Form Headers

- Company Objectives & Measurables same as in Annual Plan
- Results are the data tracked to indicate current status
- Evaluation is status shown as a **Green** or **Red** condition
 - Below Target 
 - Needs Improvement 
 - Met Target 
- Problem Analysis is breakdown of issues effecting the status data
- Action Next Steps is the plan for where going next
 - Answers who doing what by when





Annual Planning Supplier Training: Review, Report & Follow up



A - Standardize

B - Give more time or re-analyze

C - Stop C/M and Re-analyze



Annual Planning Supplier Training: Review, Report & Follow up

MBUSI DEPARTMENTAL ANNUAL PLAN		2008 Annual Planning Form													
Area/Department: Operations		2008 Timeline													
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC		
		MY09 W164, BR251 PROPF 1st, BINE MY10 W164, Facultat 2164 Placement of Body/box 251 MY10 BR251 Hybrid W164 PROPF BR251 W164													
Specific Objectives		Schedule												Lead	Support
S.N		Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec													
3.1		Efficiency Paint1 95%, Paint2 J-F 85%, M-D 90% Body J 80%, F-M 85%, J 87%, S 89%, D 90%												Shop Mgr	Mtrce Eng
4.1		Re-establish the basics of MPS thru the Shop Mgrs, >4 hr/month MPS Training, 2 Am: month, Mgr training >100% of workstations to new standards by 4/E >Structured rollout plan for MPS elements for each shop (Implementation to plan) Achieve IMS certification (7/07)												AM's Mgr Mgr AM's	HR ENG HR Mgr

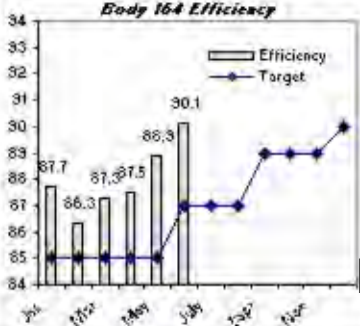
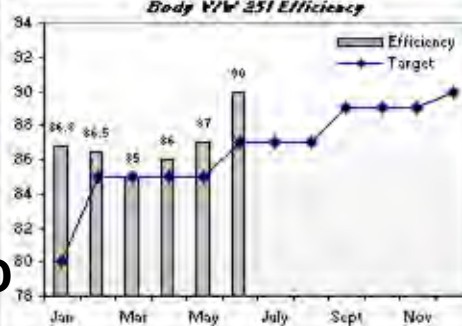
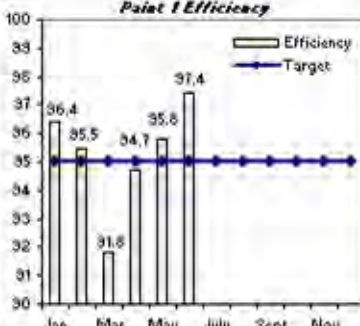
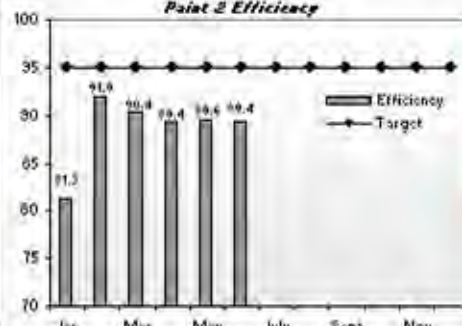
- Company Objective is Delivery 3.1
- Objective is TPM measured by Efficiency
- Targets timing scheduled

- Mgr leads, Maintenance Eng supports
- Next Steps completed on the Annual Plan Review Form
- Item PDCA DO is scheduled



Annual Planning Supplier Training: Review, Report & Follow up

Annual Plan Review Body & Paint Examples

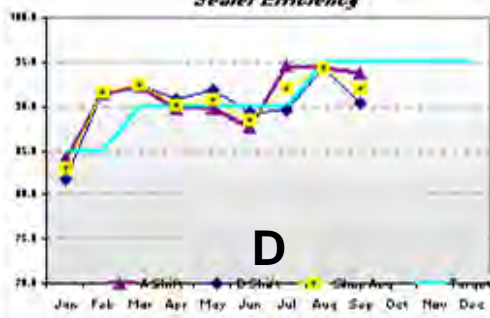

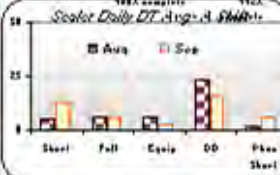
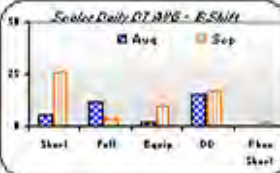
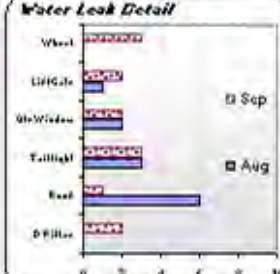
3		Production/Delivery/Efficiency			
3.1	<p>Continue growth of TPM Systems driven by TLs / TMs</p> <p>Body 164/ 251 Efficiency- Target = 87% 80% (Jan) 85% (Feb) 87% (June) 90% (Dec)</p> <p>P</p>	<p>Body 164 Efficiency</p> 	<p>Body VW 251 Efficiency</p> 	<p>C</p> <p>Good Continuous Improvements lead by ME Analysis.</p>	A
3.1	<p>Efficiency</p> <p>Paint 1 Efficiency = 85% Paint 2 Efficiency = 85%</p>	<p>Paint 1 Efficiency</p> 	<p>Paint 2 Efficiency</p> 	<p>X</p> <p>Recoupling Buffers now installed.</p>	<p>Increase analysis of causes by Production in Sealer.</p>

- Company Objective Delivery 3.1 copied over with targets
- Measurable targets are tracked on chart
- Each item evaluated as Green or Red
- Action (Next Steps) identified for Red items



Annual Planning Supplier Training: Review, Report & Follow up

Annual Plan Review Paint Examples - Action (Next Steps)

Comp No.	Specific Objectives	Measurable	Eval. <input checked="" type="checkbox"/>	Problem (Analyze)	Action (Next Steps)
Delivery 3.1	Sealer Line Efficiency 2007 Target - 95%	<p>Sealer Efficiency</p>  <p>Sealer Water Leak Information</p> 	<p>Problem (Analyze)</p> <p>Sealer Daily DT drop - d. 2007</p>  <p>Sealer Daily DT ABE - B Shift</p>  <p>Water Leak Detail</p> 	<p>Action (Next Steps)</p> <p>TL's and operators track every line stop by category and time. Add 4 different metrics per line for line pull/stop TL reaction. Downtime: Short 162 min Full 182 Min Equip: 100 Min Production: 262 Min</p> <p>Efficiency control charts - Daily Review Reduce TM retention due to new process and TM addition Go back to boundary remodel Weekly validation - GL to TM the APT team Process validations performed daily</p> <p>Weekly efficiency meeting with PE and MTCE Process improvements @ Prep desk Update line balance board</p> <p>Palmer/Rinow ongoing CI Team 7 Oct CI Team 4 Oct</p> <p>Limit rotation on B shift during line balance activities End of Line rotation check of critical zones Emphasize on shift to shift brush direction / rotation direction Total team process review and instruction</p> <p>Rachm - 22 Sep Rachm / Palmer 5 Oct Rachm / Palmer 11 Oct Rachm 9 Oct</p>	

P

D

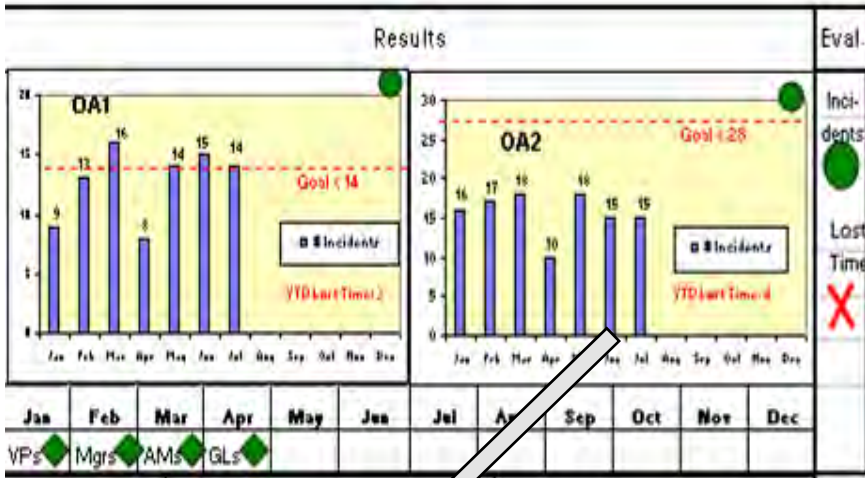
C

A

- Measurable is chart with targets & data
- Evaluation is Green or Red
- Problem Analysis is broken out into top 5 each issue
- Actions/Next Steps detailed with who is doing what by when

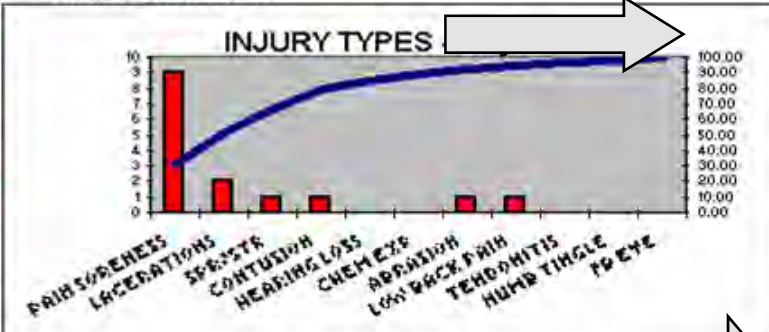


Annual Planning Supplier Training: Review, Report & Follow up



Annual Plan Review Example Action (Next Steps)

- Data area from chart where target not being achieved, broken out into Problem (Analyses) & Action (Next Steps)

Eval.	Problem (Analyses)	Action (Next Steps)
Inci- dents ●	Top concerns: > Strains and Pains	> Monthly review in each shop with E2/E3's to review results and agree on activities for next month
Lost Time X		> Ergonomics training to be completed thru GL by end of August. Next steps to define measureables for GL's and implementation follow-up
	> TM awareness & not following procedures	> Kickoff burden analysis by team/line to help level burden scores across an area (CI Team)
		> Focus STOP observation activities on TM awareness and highlight good examples of following procedures.



Annual Planning Supplier Training: Review, Report & Follow up

What should be reported?

- Ensure Specific Objective Targets are clearly stated.
- Fact based.
- Simply indicate results by graphing the tracked data.
 - Graphs require:
 - Data tracked to date.
 - Target line.
 - Axis labels.
 - Status Indication (Green or Red indication).
 - Limit detail provided, remember review is a summary.
- Status must be easily and quickly identified
- Missed milestones require analysis of “WHY”
- Communicate Recovery plans clearly (*Evidence problem solving has occurred.*)



Summary and Questions



Annual Planning/P.D.C.A – Role of Management

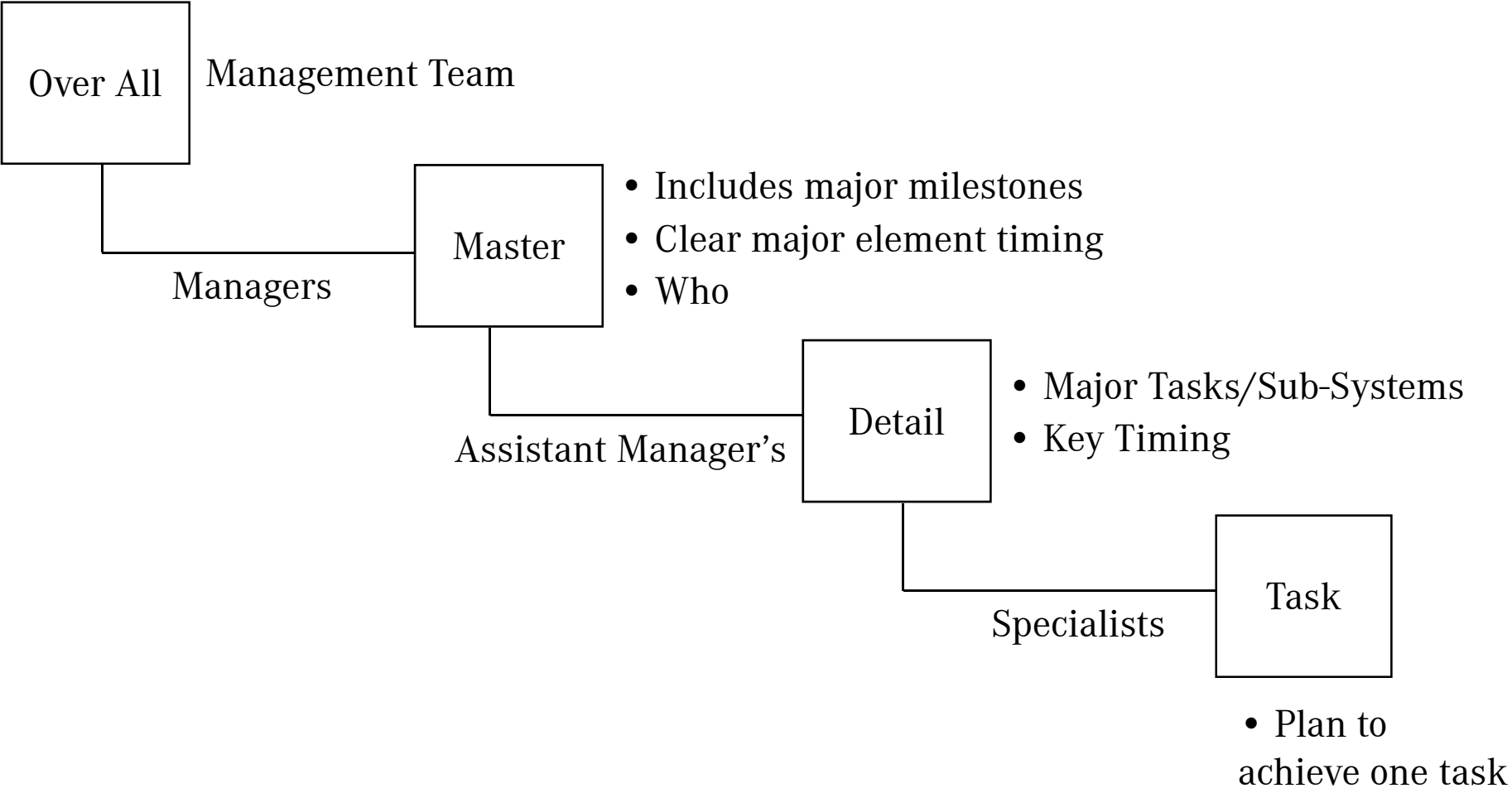


Annual Planning





Annual Planning – Planning Responsibilities





Annual Planning

Without Planning & Coordination of Activities

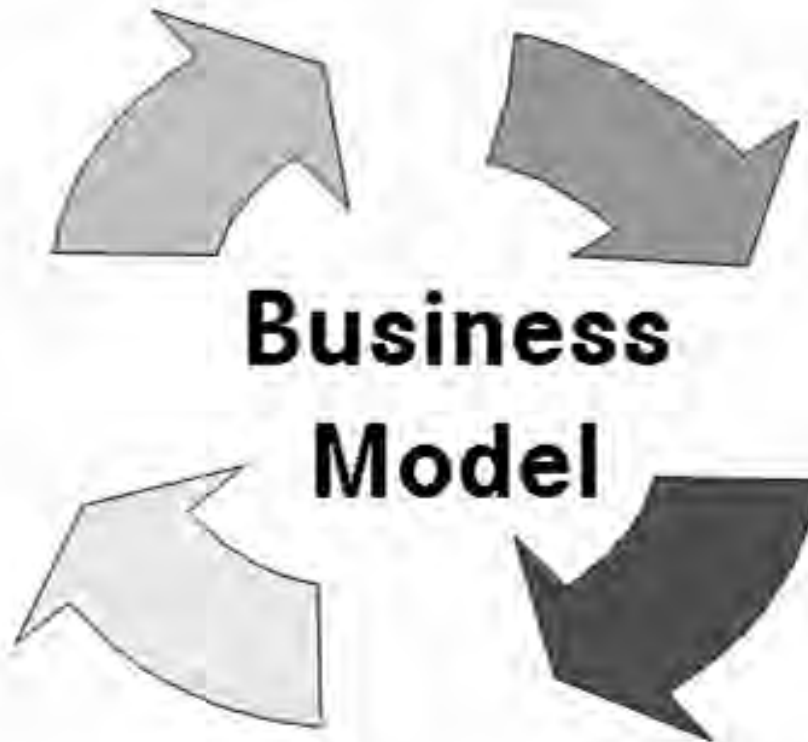
- Duplication
- Conflicting Directions
- Lack of Ownership
- Current situation unknown
- Targets inconsistently met or not met
- Expectations unknown
- Performance not documented
- Feedback not Objective or Fact based

MBUSI System also deals with “HOW” in our Plans



Annual Planning – Benefits

- Challenges the organization to develop action plans to meet objectives
- Identifies Opportunities for Improvements
- Optimally Deploys Resources
- Provides Focus & Direction
- Align Activities
- *Develops those who work for you*
- *Deals with HOW – “Creating the Environment”*



Bill Taylor, President and CEO

MBUSI/President's Office
February 13, 2007
Revision Level 2
N:\Annual Planning 2007\business model master rev 2.ppt



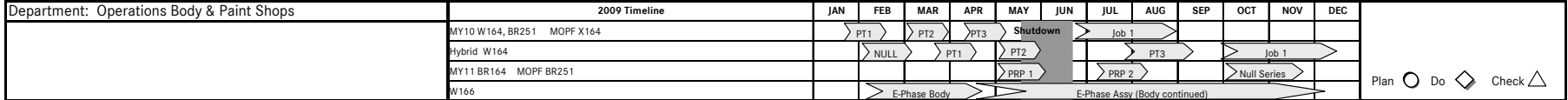
Theme for 2007

Develop the organization through renewed focus on MPS and critical processes

- Increase the proactivity of our safety program
- Train and develop Managers in following the disciplines of MPS
- Identification and strengthening of critical and non-robust processes (Red Dot)
- Continue to challenge the organization to participate in the achievement of targets
- Increase organizational flexibility to build the foundation for future challenges



2009 Annual Plan Review - Vice President

Department: Operations Body & Paint Shops		2009 Timeline														
		JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC			
														Plan ○ Do ◇ Check △		
Company	Specific Objectives	Measurable	Schedule												Lead	Support
Obj			Jan.	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov.	Dec.		
1.0	SAFETY															
1.1	Standardize training on Lockout, Hazardous Materials and Confined Spaces with delivery by Shop Leadership.	Loss Time Incidents < 3 Incidents < 12 / month (Body = 6, P1 = 2, P2 = 4)		○	◇					△	△	△	△	△	Managers	H + S
								◇							Tim Smith	H + S
1.2	Continue the growth of Safety Committees with monthly themes from Mgrs.	One Safety Committee presentation / shift / month One Theme completed per month		△	△	△	△	△	△	△	△	△	△	△	Managers	H + S
				△	△	△	△	△	△	△	△	△	△	△	Managers	H + S
1.3	Visualize Safety Standards	Monthly audits by Manager			○	◇		△	△	△	△	△	△	△	Managers	---
1.4	Develop Shop specific Safety Training on "specialized" topics	Chemicals / TPM (2 / Shop)		○							△	△	△	△	Managers	Engineering / H + S
2.0	QUALITY															
2.1	Strengthen overall Shop Quality Systems with continued movement of measurements and feedback to Loop 1, including system audits by Managers with QC/PE.	FTC / Paint 1 = 89% FTC / Paint 2 = 90% FTC - Body E-C = 98% CPU Final / P1 = 0.6 CPU Final / P2 = 0.5 CPA / Shop = 0.02 E-Coat CPU (Body) - W164 = 0.3 V/W 251 = 0.4 X164 = 0.45			○	◇									Managers	QC / Engineering
2.2	Continue Problem Solving Training of AM's / GL's led by Manager's on agreed SODCM Board "trend" topics.	CPU (Water) Paint 1 (TBD) / Paint 2 (TBD) ZTD CPU (Paint) - Paint 1 / Paint 2 - 20% Reduction from 2008 Average Assembly Fit (Body) - (TBD)		○	◇	△									Managers	---
2.3	Improve "Customer" perceived Quality / Appearance from Paint Shop	2 nd Half (09) - FTC (Polish) adjust for Shipping Quality in Assembly Gloss ↑ (LW V < 5.0 / H < 8.0)				○	△								Smith/ Selby	---
		Sealer Bubbles = 50% ↓ on visible areas of doors													Tim Smith	SOE / BASF / Efec
2.4	Initiate formal monthly quality meetings led by QC with reporting to VP	Monthly themes to be set with specific targets.		○	◇										Phil Johnston	QC
3.0	DELIVER / EFFICIENCY															
3.1	Continue the evolution of TPM Systems in all Shops, with follow-up versus plan in Monthly Efficiency Meetings.	Efficiency: Body = 90% Paint 2 (Sealer) = 93% Paint 1 (Topcoat) = 90% Paint 1 (Sealer) = 97%													Manager	Engineering
4.0	COST															
4.1	Eliminate overtime through scheduling and work flexibility	Overtime = 0		○	△	△	△	△	△	△	△	△	△	△	Manager	HR / FC
4.2	Expand CI activities directed by the Manager to reduce all forms of waste including direct materials.	Scrap (50% reduction of all scrap hang-on parts) Headcount Targets: April 1 - Body = 242, Paint 1/Paint 2 = 246 Oct 1 - Body = 231, Paint 1/Paint 2 = 240				○	◇								Manager	FC/SP
		Station / Station CI - 2nd Quarter of 2009													Manager	Engineering
5.0	ORGANIZATIONAL DEVELOPMENT															
5.1	Develop Shop / TM specific training plans that ensure a smooth transition to the new volume scenario and then prepare TM's for new challenges in Quality and Technology.	Meet milestones / targets in plan (Measureables to be defined 3/09) 2 / Year level-up assessment of Paint Dirt Analysts		○	◇										Managers	Engineering
															Tim Smith	BASF
5.2	Continue Focus Group concept to further improve morale and Team Member ownership in changes / Celebrate "Wins"	1 / Shift / Month Improvement in Survey Results in Next Survey (TBD w/HR) Attendance = 99%			○										Managers	ER
5.3	Transition Leadership of MPS Training & Implementation to Shop Managers	Monthly Audits w/Manager/VP				○	◇								Managers	Phil

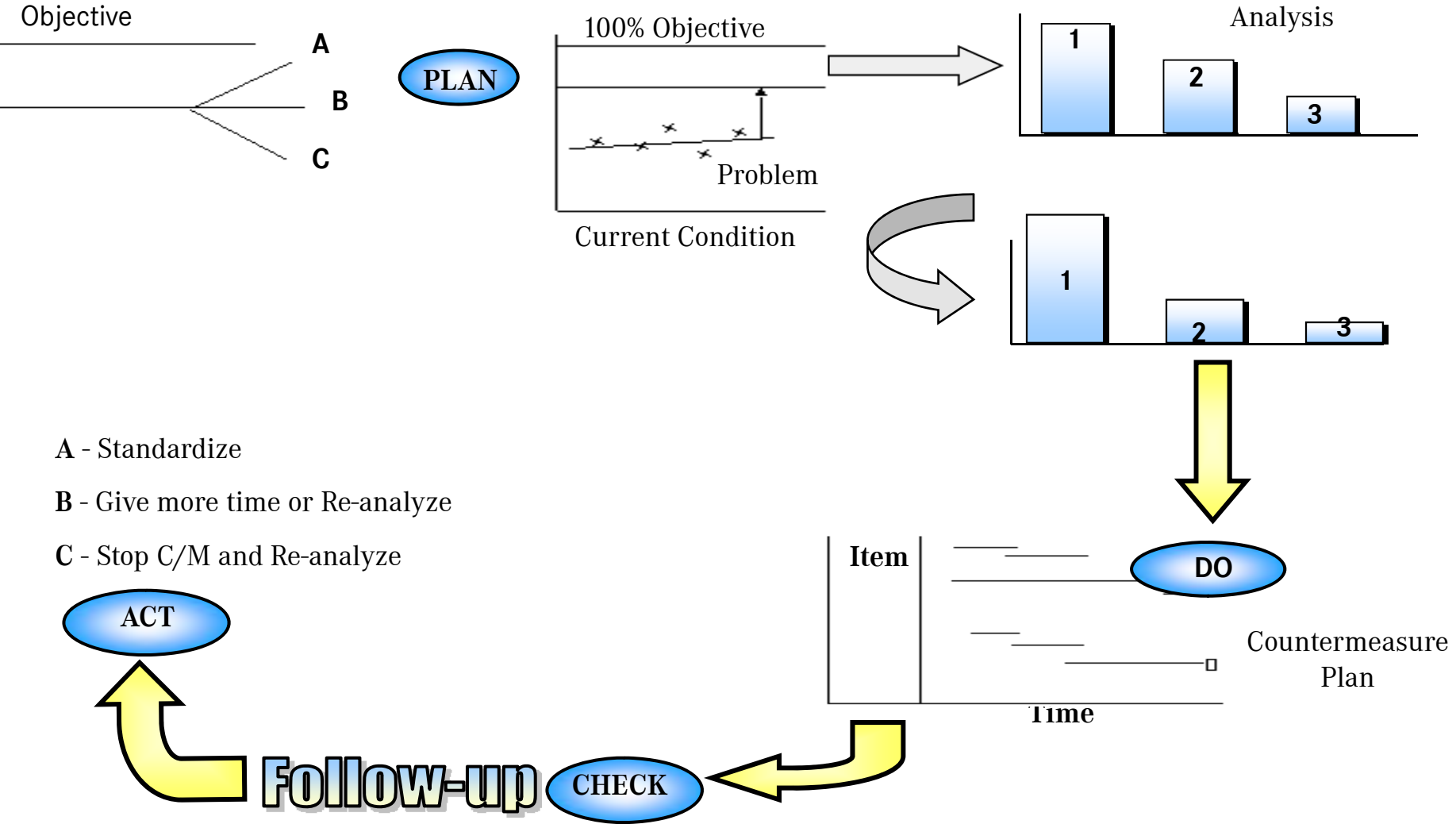


Bill Taylor, President & Chief Executive Officer

Phil Johnston, Vice President - Body/Paint Shops



Annual Planning - PDCA Thought Process



- A - Standardize
- B - Give more time or Re-analyze
- C - Stop C/M and Re-analyze



Area / Department:

Date:

● → Meets or Exceeds Target



















X → Target NOT Met

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Obj. No.	Specific Objectives	Measurable	Results	Eval.	Problem (Analysis)	Action (Next Steps)
1.0	<p>Safety</p> <p>Set Objective</p> <p><i>Explanation: Objective should be used to maintain focus of what you are trying to accomplish.</i></p>	<p>Set Target</p>	<p>→ PLAN ←</p> <p>Graph and plot your Objective. Use this graph and document on a continuous basis. Start roug analysis of your problem.</p> <div style="border: 1px solid black; width: 100px; height: 20px; margin: 10px auto;"></div> <p>Check with results - did your action have on the data</p>		<p>MOST IMPORTANT SECTION</p> <p><u>What</u> is the problem? <u>Where</u> is the problem? Study and analyze to decide where action must be taken of what is missing to allow for analysis.</p> <p style="text-align: center;">CHECK ←</p> <p>→ ACTION →</p> <p>If Results are good - Action standardize. If not good, analyze again, Action or continue previous action.</p>	<p>→ DO →</p> <p>Develop Action Plan (Do) to solve problem uncovered During your analysis.</p> <ul style="list-style-type: none"> - Most have clear responsibility and diming - <u>How</u> just as important as <u>What</u> <p>Repeat until objective is achieved.</p>
2.0	Quality					
3.0	Delivery					
4.0	Cost					
5.0	Morale					



2008 Annual Plan Review - Vice President

Obj.	Date: November 13, 2008	Measurable	2008 Year-End Plan Review	Eval.	Analysis	Body & Paint Shops	Action Steps
1	SAFETY						
1.1	Extend CI Ergo Process and new Tools to all Workstations on a continuous basis.	Lost Time Incidents <3 Body = 8, Paint 1 = 4, Paint 2 = 3		  	New Committee standard continues to grow. STOP Audit versus actions now at 1:1 Ratio.	Continue to evolve under Manager lead in 2009.	
1.3	Increase proactive Management interactions with Team Members including adopting the new Safety Committee standard with required training and audits.	Reduce Lost Workdays by 20% 2 Ergo Workshops / Month / Shop					
1.3	Standardize Safety Training, led by the Manager, for AM/GL support to the realization of Safety as a demonstrated daily priority.	(4 X 2H / Year), 100% Training to Schedule					Add Confined Spaces in 2009. Create scheduling standard with Human Resources.
2	QUALITY						
2.4	Continue the expansion of the Loop 1 Quality System in Paint/Body by challenging "Standard" rework.			  	Continue to drive "no touch" process through SOE to reduce areas of metal finish.	Continue direction in 2009 with drive towards more specific topics (Problem Solving).	
2.4	W164 - CPU @ E-coat = .50 (Jan - June) Z3.3 CPU = .10 (Jan - June) Z3.3 CPU = .08 (July - Dec)						
2.4	X164 - CPU @ Ecoat = .65 (Jan - June) X164 - CPU @ Ecoat = .45 (July - Dec)						July reduced QC on Z3.3 and increased reviews on E-C Line.
2.4	V/W 251 CPU @ Ecoat = .70 (Jan - June) V/W 251 CPU @ Ecoat = .40 (July - Dec)						Improvements at E-C driven at Group Leader level, including feedback from Z3.3 back into shop.
2.5	Improve Shipping Quality through improved feedback loops, including our Production Customers.	Body CPA = 0.015		  	Increase role of AM/GL in Assembly for proactive Loop 1 fit improvements.	Continue direction in 2009 with increased data driven focus items.	
2.7	Body Assembly Fit CPU: Jan - Apr = 3 May - Aug = 2.5 Sept - Dec = 2			 	Proactive feedback with Assembly fitters.		
PAINT	LOOP 1						
2.3	Paint 1 FTC @ Polish = 89			 	Systematic plans to drive down CPU at Polish lead by PE in both Shops.	Continue to drive System Disciplines, including "living" escalation agreements.	
2.3	Paint 2 FTC @ Polish = 91				Standardization of Polish lines complete.		
2.4	Paint 1 CPU @ Final = .60			 	Progress 40 conversion complete in Paint 1 (9/08). Paint 2 scheduled for (12/08). Reduces Poor Repairs.		
2.4	Paint 2 CPU @ Final = .60						
PAINT	2.6						
2.6	Paint 1 WaterLeaks = 12/month				Corrosion Audit highlighted need to improve Sealer documentation.	Series Planning to develop new documentation standard.	
2.6	Paint 2 WaterLeaks = 16/month				Overhem Sealer introduction now complete.	Revise sealer feedback loop in Paint 1 after Repair Deck change 12/08.	
2.6							Soapy Water Testing added 2/08 to shorten waterleak feedback loop.



Area/Department: 164 Body Shop
 Responsible: R. Jones

● Met Target
 ● Did Not Meet Target

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Category (SQDCM)	Objective/Measurable (Plan)	Results (DO)	Analysis (Check)	Next Steps (Action)																																																																																					
Safety	New incident rate ≤ 19 Lost time rate ≤ 0.85	<p>Safety Incidents (164 & 251)</p> <table border="1"> <caption>Safety Incidents (164 & 251)</caption> <thead> <tr> <th>Month</th> <th>164</th> <th>251</th> <th>Other</th> <th>Target</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>7</td><td>2</td><td>0</td><td>8.5</td></tr> <tr><td>Feb</td><td>4</td><td>1</td><td>0</td><td>8.5</td></tr> <tr><td>Mar</td><td>5</td><td>0</td><td>0</td><td>8.5</td></tr> <tr><td>Apr</td><td>5</td><td>4</td><td>0</td><td>8.5</td></tr> <tr><td>May</td><td>6</td><td>2</td><td>0</td><td>8.5</td></tr> <tr><td>Jun</td><td>4</td><td>3</td><td>0</td><td>8.5</td></tr> <tr><td>Jul</td><td>3</td><td>0</td><td>0</td><td>8.5</td></tr> <tr><td>Aug</td><td>8</td><td>5</td><td>0</td><td>8.5</td></tr> <tr><td>Sep</td><td>4</td><td>4</td><td>0</td><td>8.5</td></tr> <tr><td>Oct</td><td>7</td><td>1</td><td>0</td><td>8.5</td></tr> <tr><td>Nov</td><td>4</td><td>4</td><td>0</td><td>8.5</td></tr> <tr><td>Dec</td><td>4</td><td>0</td><td>0</td><td>8.5</td></tr> </tbody> </table>	Month	164	251	Other	Target	Jan	7	2	0	8.5	Feb	4	1	0	8.5	Mar	5	0	0	8.5	Apr	5	4	0	8.5	May	6	2	0	8.5	Jun	4	3	0	8.5	Jul	3	0	0	8.5	Aug	8	5	0	8.5	Sep	4	4	0	8.5	Oct	7	1	0	8.5	Nov	4	4	0	8.5	Dec	4	0	0	8.5	<p>Type Injury</p> <table border="1"> <caption>Type Injury</caption> <thead> <tr> <th>Injury Type</th> <th>164</th> <th>251</th> <th>Other</th> </tr> </thead> <tbody> <tr><td>Strains/Pain</td><td>4</td><td>0</td><td>0</td></tr> <tr><td>Lacerations</td><td>0</td><td>0</td><td>0</td></tr> <tr><td>Contusions</td><td>2</td><td>0</td><td>0</td></tr> <tr><td>Other</td><td>0</td><td>0</td><td>0</td></tr> </tbody> </table>	Injury Type	164	251	Other	Strains/Pain	4	0	0	Lacerations	0	0	0	Contusions	2	0	0	Other	0	0	0	<p>Next Steps (Action)</p> <p>Safety Theme for Month of October: Ergonomics</p> <p>Continue RED DOT tracking of open issues and closure with Safety buy-off. Jones/Fanelli Continue to support Ergo Program along with emphasis on areas with high potential for improvement. Woods/Jones Continue STROP training & validation of A/Ms. Complete 4-27-07 Continue ERGONOMICS STOP CARD ADDITION training and validation. Re-establishing burden scores for Body Shop due to injuries to look for further opportunities.</p> <p>THEMES: Ergonomic posturing/tools led by G/Ls utilizing cross audits by G/L area to level up skills and validate training. Exchange gloves with longer cuffed Kevlar gloves shop wide- ongoing. Develop solutions to ergonomically challenged processes. Visual management of proper tools for the job with red/green indicators- ongoing. New wheels on offload dollies and skids complete & focus on U.T carts Focus on Burden Score Baseline that prioritizes C. 1. Safety workshops.</p>
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Annual Planning – Developing Your Organization Through Planning

“Role of the Manager”

- Develop members through the job and challenge them to perform beyond previous accomplishments
- Challenge them to do the job for themselves, not for you – Motivation / Ownership
- What to Check:
 - Results against targets and objectives
 - Process the obtained results
- Promote standardization to maintain gains
- Decide if change in schedule, method, steps, systems, training or checking method needed