

## Policy Deployment Breakout



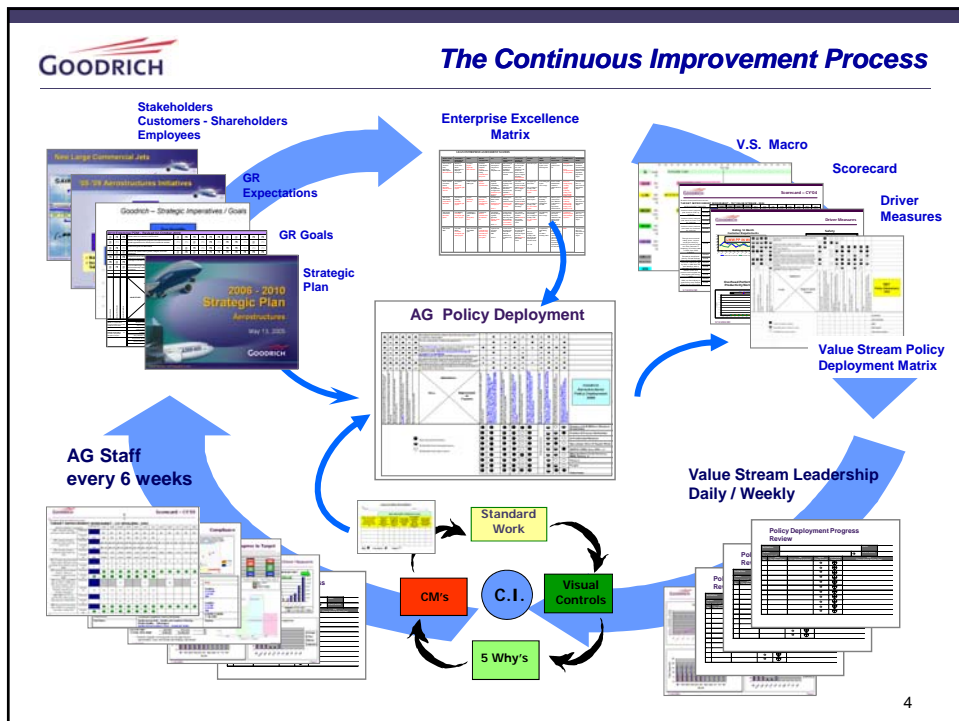
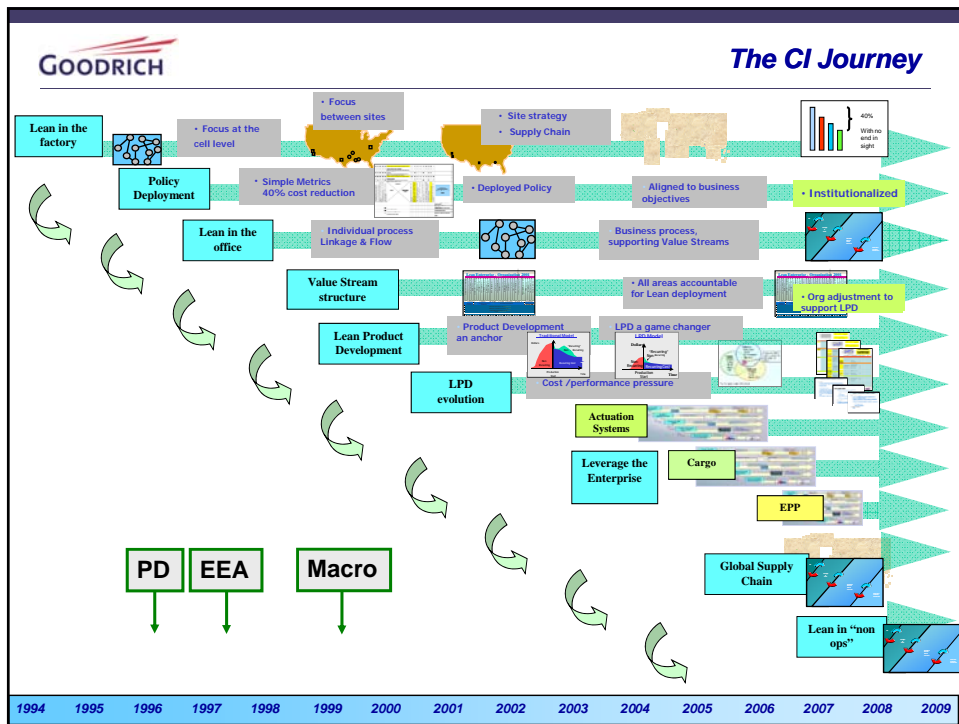
right attitude/right approach/right alongside  
[www.goodrich.com](http://www.goodrich.com)

**GOODRICH**

**GOODRICH**

### *Agenda*

- **Policy Deployment**
  - A process used to link & align all levels of the organization with the company's strategic objectives
- **Enterprise Excellence**
  - A tool and process that provides a "target" and acts as a "benchmark & guide" to that target
- **Macro Learning & Planning**
  - A process to understand the "bigger picture", to ensure all "bases are identified & covered", to facilitate discussion and calibrate the of the team

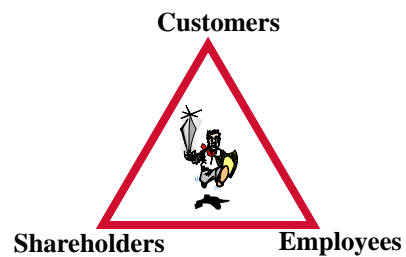


- Provides the means to *focus* upon Goals
- *Aligns* resources in pursuit of those Goals
- *Links* organizational resources in pursuit of those Goals
- Enables progress towards the Goals to be measured
- Enables real time corrective action if attention is deflected from the Goals
- Makes clearer how the consequences of our actions impact the Goals

Focus, Alignment and Linkage

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- It is the obligation of Leadership to balance this triangle



- Policy Deployment enables effective facilitation of this obligation

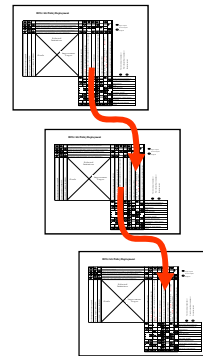
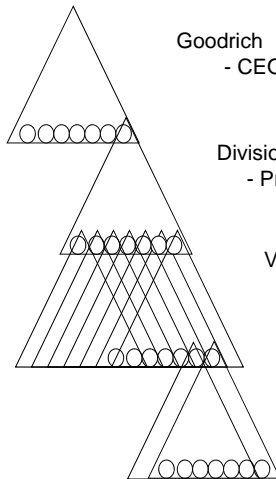
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Goodrich  
- CEO

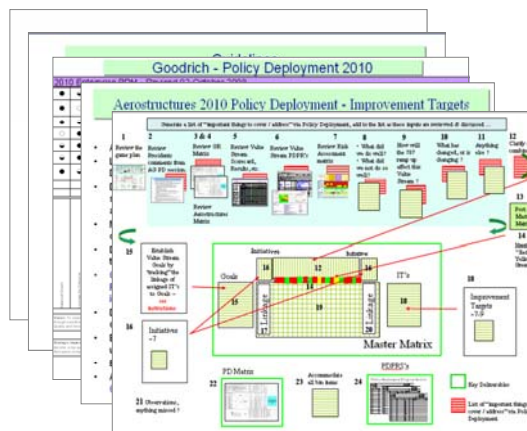
Division  
- President

Value Streams  
- 787, V2500, HTA, People, ...

Next Level  
- if required



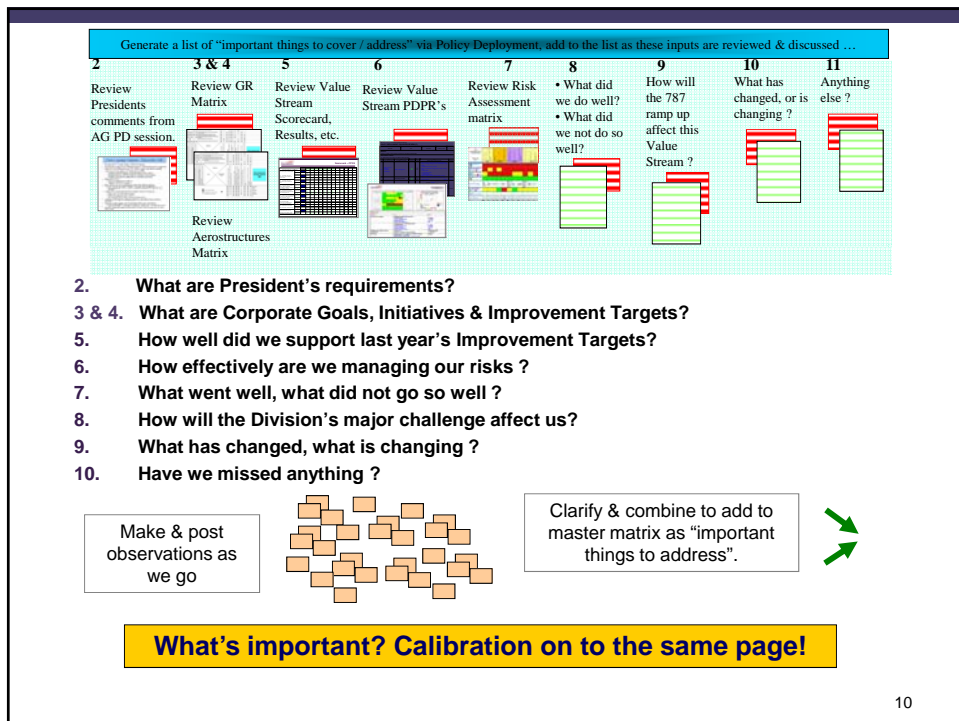
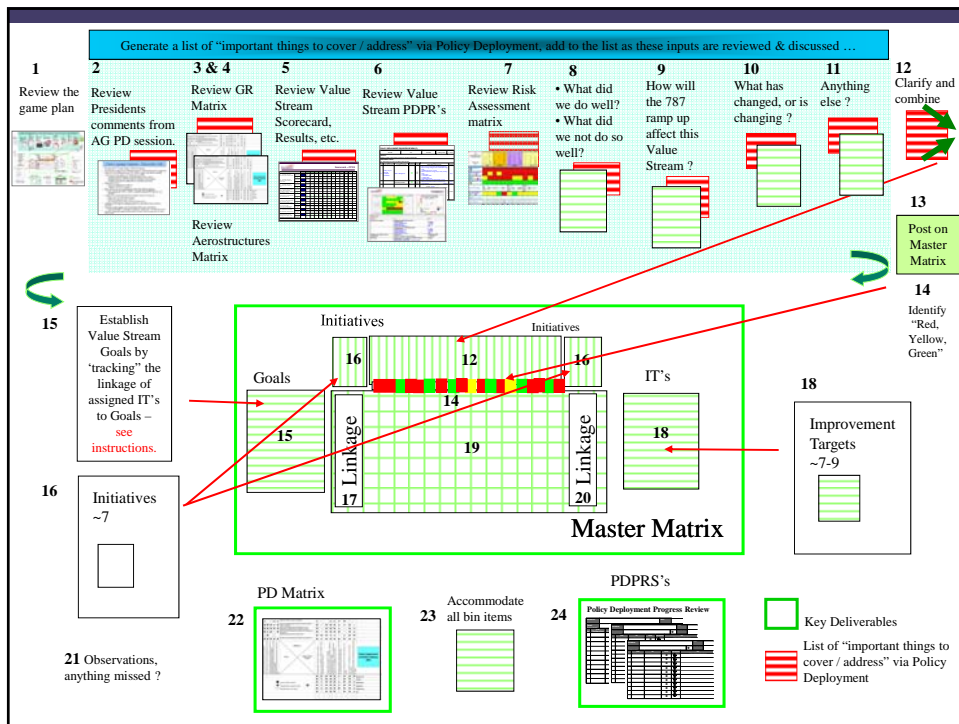
**Linkage up and down and across Value Streams and organizations**



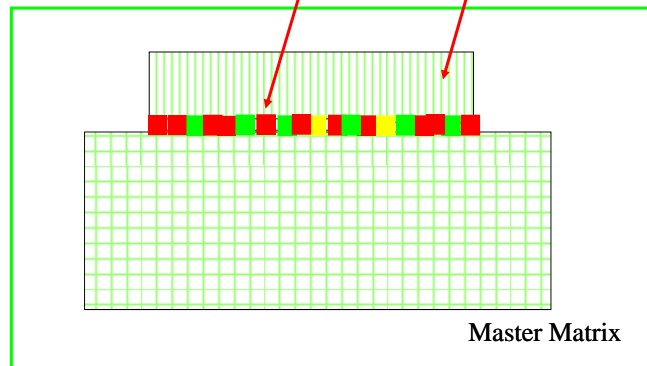
**There is a process and standard work in place**

[illegible]

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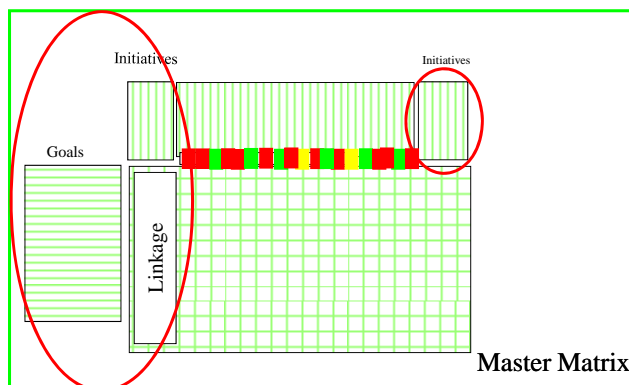
- Add the “important things to address” to the top row of the Master Matrix
  - State as things – no verbs
- Prioritize – not all things are created equal.
  - Red : Mission Critical
  - Yellow : Very Important
  - Green : Important



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- Review Goals from last year. Good to go or need to tweak / adjust ?
- Review Initiatives from last year. Good to go or need to tweak / adjust ?
- Test the support of the Initiatives in support of the Goals

- High Impact.
- & Some Impact.
- er Support.

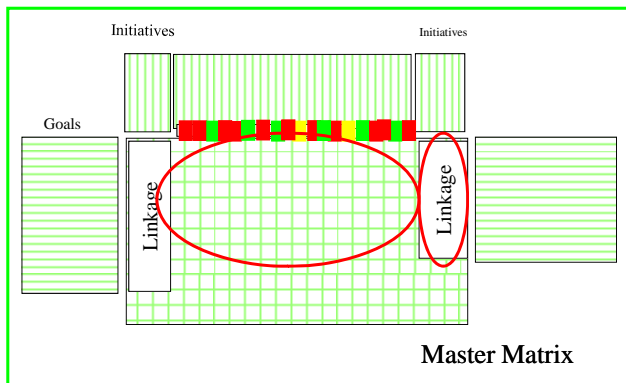


- Discuss through to understanding, calibration & consensus

**Consistency of purpose!**

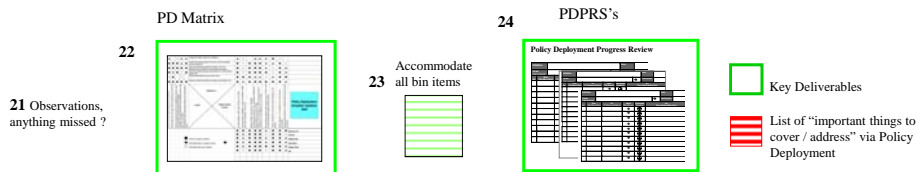
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- Review the “required Improvement Targets”
- With the “top row of the master matrix” in mind – what else should be an Improvement Target ?
- Test the support of the Improvement Targets to all of the Master matrix top row things.
  - Reflect on what the visual “tells us”.
  - Adjust appropriately



Discuss through to understanding, calibration & consensus

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- Observations – have we missed anything ?
- The Policy Deployment matrix is essentially complete less the ‘responsibility section’.
- Refresh the Plan, Do, Check, Act documents or develop new if necessary.
- Prepare communications plan for balance of folks in the organization.

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[illegible]

					<p>Attract, develop &amp; retain people and leverage talent that sustains the right culture</p> <p>Create and sustain a <u>global</u> culture of compliance</p> <p>Support the global alignment and leverage all resources, supply, and enterprise wide businesses practices to achieve cash, EBIT &amp; Working Capital objectives</p> <p>Excels <u>GLPDS, SCM, Advanced Manufacturing and Product Technology</u> to achieve product and development cost objectives</p> <p>Achieve low loss growth consistent with Goodrich strategies and Aerostructures Strategic Plan</p> <p>Achieve Enterprise Excellence through the <u>mandatory</u> application of TPS principles to achieve cost leadership and competitive advantage</p> <p>Pursue and sustain industry leading service levels to achieve a competitive advantage</p>									
<p>Active: stretch business and working capital plans</p> <p>Support company wide alignment of processes &amp; resources</p> <p>Active Industry Cost leadership position through Enterprise Excellence</p> <p>Be recognized as the "Customer Focused" leader in quality and Value Added products and services</p> <p>Support balanced growth through strategic plan, market positioning and initiatives</p>					<p>Initiatives</p> <p>Goals</p> <p>Improvement Targets</p>					<p>Achieve business plan results for overhead, working capital, and capital expenditures through end of 2010</p> <p>Cost and process Wins: Btu, E-E, Mark's, and Risk Assessment. Two continuous triple Improvement in business performance. Enterprise Excellence Assessment and Risk Assessment through end of 2010</p> <p>Deliver to and sustain 100% On Time Delivery and quality to contractual requirements through end of 2010</p> <p>Reduce scrap and rework rates by 50% and scrap disposal through 2010</p> <p>Maintain a plan and develop actions to sustain regulatory IP contractual and policy compliance in a global business environment</p> <p>Complete an ENACS risk assessment for the entire Value Stream including the Goodrich Risk Management Protocol by the end of Q3, and implement the Goodrich Risk Management Protocol for all Goodrich Medium and High Change &amp; Low Backlog by the end of Q4, 2010</p> <p>Standard Work and Visual Workplace all employees manufacturing hardware. Develop and maintain Prime Percent Load for the balance of employee, develop &amp; validate SPS for 25% of total capacity per year</p> <p>Support Global Supply Networked Joint Venture &amp; Technology Strategies</p>				
<p>● Owner of plan to achieve</p> <p>☞ Actionable items to support owners</p> <p>☞ Actionable items upon request</p>					<p>Goodrich</p> <p>Riverside Value Stream</p> <p>Policy Deployment</p> <p>2010</p>					<p>IT1     Beyer</p> <p>IT2     Cowan, Cook-GMT</p> <p>IT3     Avaraz, Avaraz</p> <p>IT4     Avaraz, Avaraz, Avaraz</p> <p>IT5     Cowan, GMT</p> <p>IT6     Avaraz, Avaraz</p> <p>IT7     Avaraz, Avaraz</p> <p>IT8     Avaraz</p>				




- Update / develop “Plan, Do, Check, Act items

Improvement Target	Plan	Do	Check	Act
1. Increase the number of people who use the library's online resources.	Develop a marketing plan for the online resources.	Implement the marketing plan.	Monitor the number of people who use the online resources.	Adjust the marketing plan based on the results.
2. Increase the number of people who attend the library's community events.	Develop a plan for community events.	Implement the plan for community events.	Monitor the number of people who attend the community events.	Adjust the plan for community events based on the results.
3. Increase the number of people who use the library's mobile app.	Develop a plan for the mobile app.	Implement the plan for the mobile app.	Monitor the number of people who use the mobile app.	Adjust the plan for the mobile app based on the results.

POLICY DEPLOYMENT PROGRESS REVIEW						
VALUE STREAM	CI PRIOR	ORGANIZATION	FACILITY	DATE	PAGE	
MANUFACTURING CHARGE PDR Ks		Aerodynastrics	CV	7/19/05		3 OF 3
INITIATIVE						
IMPROVEMENT PROJECT						
CORPORATE CI COORDINATION & SUPPORT						
NO.	PLN	NO	CHG	% COMP	ACT	ASSIGNED
	IF (THE MAJOR PLAN)	IF (MAJOR ACTIVITIES)	CHG (THIS REV)	% COMP	IF (THESE ARE THE DETAILED PLAN)	
1.	IF Training Team		➔	⓪	<ul style="list-style-type: none"> <li>Identify IF outsource team on only 4 core activities - 2940, 2943, 2818</li> <li>Identify Aerodynastrics team member to take "Web master" training to update Internet site, monitor site on 11/1/04 - 2943, 2818</li> <li>Coordinate with Strain 8.1.1 - 2940, 2818</li> </ul>	40000
	STRIDE	Assessments			<ul style="list-style-type: none"> <li>SETUO Assessments at Aerodynastrics, coordinate with Steve Davies</li> <li>Aerodynastrics effective Feb 22<sup>nd</sup> - 2935 - 2940</li> <li>2935 - 2940</li> <li>Aerodynastrics 8/14, 8.25 - Comp</li> </ul>	40000
2.			➔	●	<ul style="list-style-type: none"> <li>H6.4 Training</li> <li>10 attendees ( 4000, 2940, Williams, J - COMP)</li> <li>Attends Feb 4/19 - 4/23 - COMP</li> <li>Detlef Curtis &amp; Brian B - Comp</li> <li>Attends Feb 18 - 4/19 - 4/24 - Comp</li> <li>Yates to join "system 19" as to coordinate</li> <li>Coordinate with Steve Davies</li> <li>note SCI assessment</li> </ul>	40000
		Coordinate SCI Assessment at Jamestown	➔	⓪		40000
4.	Accommodate G & Visitors	Pump & Engine Controls	➔	●	<ul style="list-style-type: none"> <li>Demis for foundation Pump &amp; Engine controls - June 16</li> <li>Arrange for control, security, for Invoices - June 16 - COMP</li> </ul>	40000

**The daily focus/process is critical**

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**Enterprise Excellence Assessment Matrix  
Aerostructures**

Jan 2009 - Rev 8.2 - Aerostructures

**The Value Stream Leader:**

**Plum: Hyperlink to d**

The 2009 update incorp  
- Referenced document  
- In each column, the re  
- This 'Value Stream ge  
is the same that is used  
This EEA continues to r  
Time (TAT), SWIP & I  
Process Quality and Re  
hardware processes.

necessary.

Using this "Rev 8 Enterp  
Establish a new baseline

The Value Stream Leader  
Assessment of the Value  
- This "step back" review  
- An experienced "outsid  
in the glossary and rev  
CI focal for clarification.

**Aerostructures Conti**

**Revision History**  
Rev 8.1 Jan 21, 2009: ac  
Rev 8.2 Mar 16, 2009: ci

**GOODRICH**

**Enterprise Excellence Assessment Matrix - Value Stream**

Jan 2009 - Rev 8.2 - Aerostructures

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**The 10 columns are :**

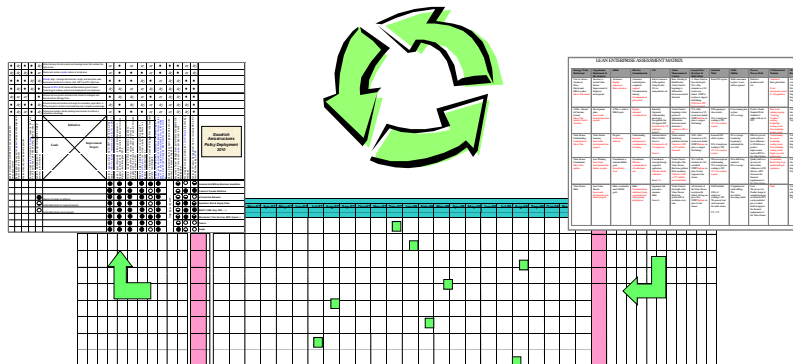
1. Strategy & Policy Deployment
2. Cultural Development
3. People Training & Development
4. Communications
5. EH&S Accountability
6. 5S
7. Visual Management & Control
8. Layout, Linkage & Flow
9. Standard Work
10. Product & Process Quality

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GOODRICH		Objective Evidence Worksheet		Value Stream Goals	Workplace Objective Evidence
People Training & Development		Enterprise Excellence Drivers			Jan 2009 - Rev 8.2 - Aerostructures
1	People assessment in place. Plan developed.	3.1.1	Leadership team identified and Multiskilling Matrix is developed and posted. <i>Skills Gap and Training Matrix Template</i>		
		3.1.2	Leadership has an annual training and development plan in place for all identified 'essential skills'. <i>Skills Gap and Training Matrix Template</i>		
		3.1.3	All employees have completed the CI Overview training as presented by the Value Stream Leadership or the Facility CI Focus. <i>CI Overview module</i>		
		3.1.4	The Value Stream Leader has attended the Day to Day Coaching class. <i>Day to Day Coaching course CA507-116</i>		
		3.1.5	Leadership can share three examples of "Learning Together" activities they did as a group that focused on Leadership and / or Continuous Improvement during the current year. (these could be book / article reviews, videos, ...) <i>Goodrich Intellectual Property Awareness training</i>		
2	Intellectual Property training in place	3.1.6	100% of Leaders have completed Goodrich Intellectual Property Awareness training. <i>Goodrich Intellectual Property Awareness training</i>		
	"Learning Together" in place.	3.1.7	All required BCEC modules are completed by all employees per the Corporate timeline. <i>Value Stream and BCEC Timeline</i>		
		3.1.8	One member of the leadership team has completed all classes of the "Project Management training" where required or as determined by the Value Stream leadership. <i>Project Management course CA507-8506</i>		
	Involvement in CI activities.	3.2.1	Facilities and Value Stream have been developed on the posted Multiskilling Matrix. <i>Skills Gap and Training Matrix Template</i>		
	Skills gaps identified	3.2.2	50% of employees have completed Goodrich Intellectual Property Awareness training. <i>Goodrich Intellectual Property Awareness training</i>		
3	Active CI engagement	3.2.3	50% of Leadership have attended the "Aerostructures two week Lean Practitioner Training". <i>Day to Day Coaching course CA507-116</i>		
	Opportunity for on-going development	3.2.4	25% of the Value Stream Leadership has attended the Day to Day Coaching class. <i>Day to Day Coaching course CA507-116</i>		
	Leadership accountable for leading CI activities	3.2.5	Leadership can share three examples of "Learning Together" activities they did as a group that focused on Lean book / article review. <i>Project Management</i>		
	Skills gaps have plans in place	3.2.6	Two members of training where. <i>Project Management</i>		
	Active involvement engagement	3.3.1	Plans are in place. <i>Skills Gap and Training Matrix Template</i>		
4	"Learning Together" active	3.3.2	75% of Leaders. <i>Goodrich list</i>		
	Skills gap are being closed	3.3.3	100% of employees. <i>Goodrich list</i>		
	Good multi-skilling base	3.3.4	All employees as Stream Leaders. <i>Day to Day Coaching course CA507-116</i>		
	Proactive, active, frequent CI engagement	3.3.5	Leadership can focus on Lean book / article review. <i>Project Management</i>		
	A constant pursuit of thorough CI understanding	3.3.6	Four members of training where. <i>Project Management</i>		
5	Comprehensive Multi-skilling	3.3.7	Five members of training where. <i>Project Management</i>		
	Workforce fully engaged in CI	3.4.1	Plans that are Matrix, are effective. <i>Skills Gap and Training Matrix Template</i>		
	A Learning Value Stream	3.4.2	100% of Leaders. <i>Goodrich list</i>		
		3.4.3	75% of Leaders. <i>Goodrich list</i>		
		3.4.4	Leadership can focus on Lean book / article review. <i>Project Management</i>		

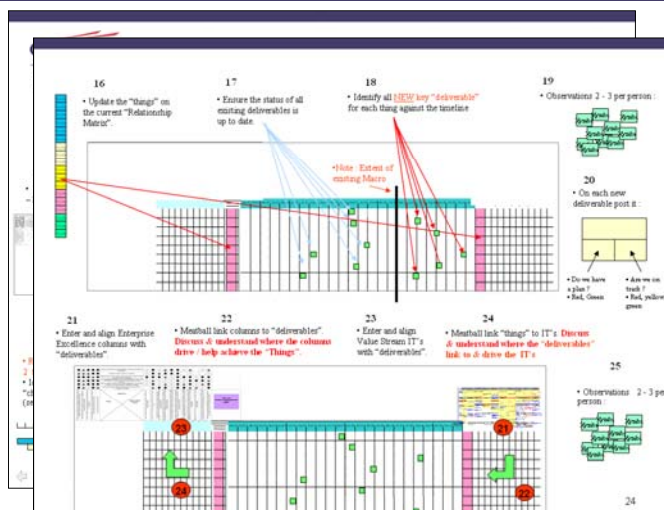
- Each column has 5 levels.
- Each of the 5 levels "raises the bar" of the requirements.
- They follow an "Awareness, Understanding, Commitment, Habit continuum.
- Baselines and "goals" are established each year.
- End of year assessments are done by "external" to the Value Stream "CI calibrated folks"
- Progress to the annual Enterprise Excellence Assessment goal is linked to compensation for every employee

- The need to “tie it all together”
- The opportunity to further develop a “focused, calibrated team”
- The Macro process facilitates this



The need & opportunity to “stand back/reflect” and look at the whole, from a “different, higher flight level”

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Detailed Process and Standard Work In Place

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**Inputs to Macro Plan:**

- End of Previous year Enterprise Excellence Assessment
- Current Year Enterprise Excellence Assessment Requirements and goals
- How did we progress against prior year's Macro Plan?
- Any long term specifics we need to focus upon?

**Tie macro level items to Enterprise Excellence Assessment and current year Policy Deployment Matrix.**

Linked Annual goals (PD), Roadmap (EEA), Long term higher level view (Macro Plan)

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	1994	1998	2000	2002	2004	2006	2008	% change
Facilities	16	15	11	9	9	9	10	- 38%
Square feet	5.04 m	4.90 m	3.90 m	3.66 m	3.66 m	2.54 m	3.74 m	- 26%
Employees	13,300	4,593	4,558	3,678	3,819	4,307	4,812	- 63%
Shift distribution percentage	65 / 25/ 10	80 / 15/ <5	85 / 10 / <5	85 / 10 / <5	85 / 10 / <5	85 / 10 / <5	89 / 10 / 1	☑
Typical DTM	35+	27+	16+	12+	<10	>10	>10	- 71%
Sales	\$1.0b	\$1.1b	\$1.2b	\$1.0b	\$1.2b	\$1.4b	\$1.9b	+ 90%
Sales / employee*	\$75K	\$210K	\$279K	\$289K	\$295K	\$347K	\$395K	+ 426%
Spares OTD to customer request date**	<42%	<42%	42%	70%	85%	95%	95%	+ 126%
Delivered Quality	96.3%	96.4%	97.5%	97.3%	98.1%	98.4%	98.9%	+ 2.6% pts

\* Includes contract labor  
 \*\* 2001 to 2006  
 Financials exclude Cargo / EPP

- *Twice as much*
- *In half the space*
- *With a third of the resources*
- *In a quarter of the time*
- *On schedule - 100%*
- *"Best in class" quality*

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- **A robust Policy Deployment, Enterprise Excellence and Macro process ...**
  - ... and Standard Work for each
- **Be aware of initiatives**
  - External deviations, confusion for those who will be or those who want to be confused ...
- **Consistency of purpose and how to achieve**
  - Beat a consistent drum
- **TPS - real easy to understand and one the most difficult things we have undertaken.**

Consistency of purpose ...



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