

## **TCT Update**

### *General Lighting Makes New Productivity Gains with Total Cycle Time™*

Just seven months after General Lighting launched Total Cycle Time™ (TCT), OSRAM SYLVANIA 's largest division, supported by the corporate business improvement team (BIT), is making advances in first-pass-yield, machine efficiency, employee empowerment and more.

### **An All-out Fight Against Time**

OSRAM Sylvania's long-running experiment with Total Cycle Time™ (TCT) has blossomed into a corporate-wide battle against time. From entering orders to fulfilling them, TCT is moving rapidly across OSRAM SYLVANIA , enabling us to identify and remove performance barriers and introduce processes that improve our service, efficiency and profitability.

Buoyed by major successes at Precision Materials and Components (PMC) and Automotive & Miniature Lighting 1993, OSRAM SYLVANIA recently launched TCT at our Research & Development and Equipment Development operations in the United States and Germany and General Lighting. The 30-month General Lighting program kicked off at the Sylvan Street fluorescent lamp plant last June and in distribution centers at Allentown, Pa., Columbus, Ohio, and Westfield, Ind. In October, plants in Maybrook, N.Y., St. Mary's, Pa., Manchester, N.H., and Versailles, Ky., all began TCT initiatives. General Lighting also extended TCT to its Winchester, Ky., facility this January.

Determined to be the "lighting industry leader by exceeding customer expectations," General Lighting formed seven cross-functional teams (CFTs). CFTs are multi-disciplinary teams of employees from one or more locations that focus on specific

processes relating to General Lighting products, innovation, quality and customer service. "Anyone who can add expertise to a CFT is included," says results manager Herbie Locke of Thomas Group, Inc., the Dallas-based consulting firm who developed TCT. "A single team can easily include people from finance, manufacturing, engineering and marketing."

CFTs today include a Business Development team working to identify key market opportunities; a Sales & Marketing CFT striving to raise revenues through a sharper focus on customer needs; an Order Fulfillment CFT dedicated to streamlining production planning, scheduling and shipping, a Price Administration and Collection CFT focused on pricing and invoicing, an Equipment Development studying ways to raise machine productivity; a Design/Development Team charged with accelerating time-to-market; and a Sylvan Street CFT focused on fulfillment, sales and inventory management.

"The CFTs are doing a good job identifying issues and taking corrective actions," says Locke. "Some CFTs," he conceded, "are not moving as fast others, but we're very pleased so far, and the program is still just getting off the ground."

### **Business Improvement Teams Lead the Way**

A team effort involving thousands of employees, General Lighting's TCT initiative receives its strategic direction from a corporate Business Improvement Team (BUT) and a General Lighting BIT, both based in Danvers. The Corporate BIT provides a coherent vision for how TCT affects the company as a whole. "The Corporate Bit, for example, may determine that OSRAM SYLVANIA 's cash flow would be better if PMC rather than General Lighting carried specific inventory," says Locke. "Only, they have that perspective."

The General Lighting BIT established the division's TCT mission and rollout plan. It established the entitlements -- i.e. opportunities -- to improve first-pass-yields, machine up time, inventory targets, logistics and other business-critical processes. It also identified, analyzed and mapped major processes that do not add value. The BIT then set up the seven CFTs, which it continuously supports and monitors.

### **Sylvan Street Rises to A New Level of Performance**

Sylvan Street began TCT by examining areas most critical to General Lighting's mission and centered on improving three major drivers: first-pass-yields, machine up time and machine efficiency. The facility's CFT, led by plant manager, John Anderson, next targeted five cross-functional areas, including scheduling, costs, employee empowerment and materials. The plant then launched several barrier removal teams (BRTs), consisting, in most cases, of employees who work in related areas within the facility.

BRTs attack barriers precisely where they occur and are created to solve process-oriented problems and usually disbanded when the problems are solved. "We developed a game plan to improve our performance and significantly changed how we think and work," says Anderson. "In our first five months, we improved equipment up-time a full percent, first-pass-yield by two percent and machine efficiency by four percent -- and that's just the start."

### **Hurdling Barriers with Ingenuity**

Among many barriers Sylvan Street has hurdled date, one of the most important was the CFTs decision to close down sub-performing production lines. "We now fix problems rather than letting them persist," says Anderson. Another critical improvement, according to Anderson, was the Materials BRT's decision to move final-run quality checkers from a separate building to the manufacturing floor. "Final-run is an informational task that was always considered a separate function from manufacturing," he says. "The BRT discovered we were wasting time and labor moving product between buildings. Now final-run is on the production line, and we're gaining major productivity."

Sylvan Street's five Equipment BRTs are also making progress. Comprised of employees from individual production lines who meet daily for up to 30 minutes, each BRT measures its performance against TCT objectives for first-pass-yield, equipment downtime, etc. In one case, Production Line 22's BRT spotted a downturn on the line's sealer and loader machine's productivity. The team then scheduled a weekend equipment replacement that significantly improved the line's output. "By identifying the problem and changing the equipment, we learned how long the machine lasts and can now replace it before performance starts to degrade," says Anderson.

Equipment Line 23's BRT achieved similar results when it discovered a shrinkage problem in the 96 T8 fluorescent lamp was due to a wide eight-foot glass tubing. The team promptly narrowed the tubing's design specification and cut the shrinkage in half. It then applied barrier removal techniques and specified the tube to be straighter, which reduced shrinkage to just three percent. "It was like a game-winning home run," says Anderson. "I'm thrilled with what we've accomplished. Our work force is more enthusiastic work force and we're a much more competitive plant."

## GETTING A GRIP ON PERFORMANCE (D2)

### *A User's Guide to OSRAM SYLVANIA 's New Pay and Performance Management Process*

The old numerical rankings are gone and a new performance process is underway. You've already set your own objectives and ultimately will be rated against a set of new standards and skills. Here, in this user's guide to performance management, you'll find out exactly what they are and what the program really means to your job and your pay.

#### **What's Performance Management?**

Performance Management is an ongoing process designed to effectively manage OSRAM SYLVANIA's human resources. The new process, launched last October, relies on continuous communication, appraisal, development and/or re-deployment. Its purpose is to link your performance with OSRAM SYLVANIA 's business objectives, to motivate you to achieve superior results and to guide your performance by identifying and promoting core competencies and skills critical to OSRAM SYLVANIA 's success and profitability.

To date, OSRAM SYLVANIA has established four core competencies by which you are to be evaluated. These include a *commitment to continuous improvement, customer service orientation, change management and collaboration*. Known as the four Cs, these behavioral standards go beyond the mere meeting of objectives; they seek to determine *how* you meet your objectives. To this end, you also are being measured against technical skills specific to your job, such as a production supervisor's mastery of equipment on the line or an attorney's grasp of contract law. OSRAM SYLVANIA is further assessing performance using *other skills and competencies* vital to your job. Supervisors, for example, are evaluated on their ability to implement the Performance Management process, as well as OSRAM SYLVANIA 's core competencies and their job objectives.

"The new Performance Management process systematizes the skills of greatest value to OSRAM SYLVANIA so employees can better understand what's expected of them," says Jim Stokely, OSRAM SYLVANIA 's director of compensation and organizational development. "Now, when an employee and a supervisor discuss a performance issue, they're better able to look behind the curtain and resolve it. It's a much more feedback-driven approach."

### **How the New Process Works**

Phased in over the next two years, the new Performance Management process is an annual cycle of one-on-one planning, feedback and review and development sessions between you and your supervisor. During planning sessions, the first of which took place last October and November, you -- in cooperation with your manager -- will establish performance goals based on OSRAM SYLVANIA 's business objectives and departmental goals. These goals are then formalized in a Performance Plan that includes results-focused, time-bound objectives regarding action items, core competencies as well as technical and other skills.

Managers will meet with you routinely for feedback sessions, including a formal spring meeting this March or April, to update your performance plan. During feedback sessions, you and your supervisor will review your performance plan and exchange problem-solving ideas. This October, your manager will meet with you to evaluate your total performance, including your fulfillment of objectives, the four C's and your technical and other skills. They also will discuss developmental activities for the coming fiscal year and work with you to establish a new performance plan.

### **How Performance Affects Your Pay**

The new Performance Management process is based on a relative scale rather than the absolute numerical one to six scores used in OSRAM SYLVANIA 's former system. Under the new process, you will be receive standard, below standard, above standard or far above standard ratings on worksheets listing each performance dimension, core competency etc.

Fifty merit managers across the company, in consultation with supervisors managing groups of a 30 or more employees, will look closely at all employees under their domain and categorize them into the following categories: *clearly exceptional*, *successful* and *lowest*. Clearly exceptional employees, roughly 10 percent of OSRAM SYLVANIA 's salaried work force, will earn an eight-to-10 percent merit increase. Successful employees, roughly 75 to 85 percent of employees, will net up to a five percent annual increase and employees designated lowest will sustain their current pay.

"The difference between average and excellent used to translate into a one or two percent merit increase difference," says Stokely. "Now, exceptional employees will earn a higher reward for their contributions."

### **What the New System Means to You**

The new Performance Management process allows you to participate more fully in advancing your career. To take full advantage of it, you need to constantly align your performance with OSRAM SYLVANIA 's business goals, your department's objectives and the company's competencies and skills requirements. You also should routinely ask yourself how you can become more effective and more productive. If you discover an obstacle preventing you from achieving an objective or discover a process that can

improve your or your department's performance, communicate it. Openness and teamwork are the hallmarks of the new Performance Management process, and -- with the new merit increase system -- your contribution and creativity can now reap a higher reward than ever before.

"The new Performance Management process gives every OSRAM SYLVANIA employee his or her piece of the company's business plan," says Stokely. "It raises the bar for our performance as a company, and it's going to make a significant difference to us all."

### **Performance Management Glossary:**

Core Competencies: behavioral characteristics critical to OSRAM SYLVANIA 's business success

The Four Cs:

Commitment to Continuous Improvement: Striving for an ever-higher standard of performance

Customer Service Orientation: Providing value-added support to internal and external customers

Change Management: Flexibly adapting approaches to work more effectively with various co-workers, departments and customers

Collaboration: Working with others as a team to improve processes and solve problems

Technical Job Skills: Areas of technical or commercial expertise critical to job success

Other job skills: non-technical skills or work habits, such as written and oral communication, planning, organizing and on-the-job judgment

## **Prism Winter '96 Interviews**

### **Communications**

Paul Forbes - 10/31: 10 am (703-691-2440)

Susan Reminger - 10/30: 9:30 am

Vinnie D'Allesandro - 10/27: 8:30 am

Valerie Calogero, manager of national customer support - (317-867-6100) - Rose  
(National Customer Support Center, General Lighting - Customer Support, Promotions,  
Order Entry, Westfield, Indiana)

Judy Dube, human resources manager - (603-464-5533) - 10/30: 2 pm

Videoconferencing

(Hillsborough - automotive & miniature lighting -- Hillsborough and Seymour, Ind.  
Hillsborough makes actual light for OEM and aftermarket, Seymour makes assembly)

Charlie Jerabek, VP and GM of Automotive Lighting (Hillsborough)

### **TCT:**

Herby Locke, Thomas Group: 10/30: 4 pm

John Anderson - Plant Manager: 770-5756, 10/30

Rick Dolan - Corporate BIT -2540

### **Performance Management**

Jim Stokely: 777-1900 - 10/30: 3 pm

## COMMUNICATIONS BREAKDOWN

### *A Close-up Look at How We Share Information at OSRAM SYLVANIA*

The Communications Survey is complete and the Executive Committee is preparing its response. Meanwhile, you're bombarded with information everyday. Is OSRAM SYLVANIA sending the right messages? What can we do to improve? Prism, in the first of a two-part series, seeks to answer these questions in an up close look at communications at OSRAM SYLVANIA.

### **Mixing Myths and Messages**

An attractive production manager leads off OSRAM SYLVANIA's "Many Voices, One Vision" orientation video saying she never "dreamed" of the opportunity she received at OSRAM SYLVANIA. The camera cuts instantly to a line mechanic grateful to the company for helping him overcome his shyness. This is followed by a sales representative who likes OSRAM SYLVANIA's progressive ways and a project manager who loves his job and looks forward to coming to work every day. The tape is extremely professional and looks great. It reflects the company's view of itself and its objectives--two things every employee should grasp. But, does it tell the whole story? And if not: do employees want or need something more?

Clearly, OSRAM SYLVANIA's communications have matured from the 1950s when the "few" made decisions and the "troops" carried them out. Now, in Dean Langford's 11th year as president, the company is changing its culture. From Total Quality in the 1980s, to Total Cycle Time™ (TCT) and the new Performance Management process, employees today have more decision-making freedom than ever before. The company is giving employees more autonomy and using a team-oriented approach to getting the job done. Technologies from videoconferencing to voice mail are

improving lateral communications from employee-to employee. OSRAM SYLVANIA also provides several corporate and plant publications, videos and forums.

These vehicles, such as Prism, attempt to inform employees on issues of importance. OSRAM SYLVANIA's next challenge, however, is to explore how our communications line- up with our changing culture and business goals, and to separate the myths and our messages. "Our industry and the world has changed," says Vinnie D'Alessandro, OSRAM SYLVANIA's corporate communications director. "We're making every effort to change with them. I'm just not sure if we're changing rapidly enough."

### **The High Stakes of Communication (Possible Sidebar)**

Does communication matter? "Absolutely," says Paul Forbes, Chairman and CEO of the Forbes Group, the company that designed the recent OSRAM SYLVANIA survey. "Communication is critical to trust and teamwork, and it extends far beyond corporate communications. They're just the messengers. It starts with supervisors. That's who the company is to the average employee: the guy I work for; the guy who signs my evaluation."

Good communication, according to Forbes, requires that supervisors become listeners and teachers as well as bosses and that they lead by example. "Businesses run better when managers walk the talk," he says Forbes. "Most people want to do a good job. So, if you really want to build a 21st century company, you need independent-thinking employees who have a sense of partnership with the organization and its objectives."

Communications are especially important to companies like OSRAM SYLVANIA, where several plants often work together to develop a single product; and Forbes, over his 40-year career, has identified two basic communication models: A "command" model where the company decides the timing and content of communications, and two-way communications based on mutual understanding and joint problem-solving. "Command systems work well in war where it's a matter of life and death, but don't hold up in business," he says. "Two-way communications provide employees with a more viable social contract that produces better morale and results. Two-way communications should be woven into everything from the production line to corporate publications. It's a simple matter of listening and sensitivity."

### **A Growing Line-up of Information-Sharing Platforms**

OSRAM SYLVANIA is witnessing a virtual explosion on of new communications vehicles, from project teams and forums to technology-based services, such as email. Introduced in December 1985, email today enables 2,500 employees in departments and geographically dispersed project teams to rapidly transact their business. Email is also vital to OSRAM SYLVANIA's growing use of sales force automation and for dispatching company news. Voice mail is another time-saving service available to growing numbers of employees; and OSRAM SYLVANIA headquarters and Beverly, Ma, are now using broadcast voice messaging -- a facility that lets employees send a single message across the entire voice mail system.

Videoconferencing is also making its way across OSRAM SYLVANIA. Automotive & Miniature Lighting regularly videoconferences between its Hillsboro, N.H., headquarters and plants such as Seymour, Ind., for everything from product development to problem-solving, and with customers, including Ford, for key presentations. General

Lighting recently began videoconferencing between its Danvers headquarters and its Customer Service Center in Westfield, Ind., and to OSRAM SYLVANIA's world headquarters in Munich, Germany. "The travel time saved for Total Cycle Time (TCT) team meetings alone is incredible," says Valerie Calogero, General Lighting's national customer service manager.

Other OSRAM SYLVANIA communication vehicles include TCT and Performance Management, which are opening new communication pathways for all employees, quarterly employee meetings and videotapes such as "Many Voices, One Vision." However, the company's most widely-used information platforms are plants' daily, weekly and monthly newsletters. "Highlights," the daily paper at Automotive & Miniature Lighting headquarters in Hillsboro, N.H., for example, delivers information ranging from customer acquisitions and safety tips to employee recognition. Available on email, bulletin boards and the cafeteria, the two-page publication is read by nearly all of the facility's 956 employees. "Highlights is a communications lifeline," says human resources manager, Judy Dube. "We all depend on it to find out what's happening, and it has a very positive effect."

OSRAM SYLVANIA's largest newsletter to date is "Spotlight." Launched in March 1992, the widely-read biweekly newsletter goes to all corporate headquarters employees. Its "Business Briefly" section presents major company news and is sent across the company's email system. The publication also provides an "Open Lines" question and answer section, where employees can ask managers whatever they choose. "Open Lines can be very effective, but I don't think it gets used as often as it could be," says "Spotlight" editor, Susan Reminger. "There's still a trust issue. Also, some managers answer questions in a day. Others take three months and don't want to share bad news -- so we can't always respond as quickly or as well as we'd like."

OSRAM SYLVANIA's other major newsletter is "Prism" -- the company's sole corporate-wide publication. Established in June 1993 shortly after the OSRAM-SYLVANIA merger, "Prism" was evaluated in September 1994 by 120 employees in nine focus groups -- most of whom felt the magazine is written for customers and competitors and "reflects what the company wants to believe." Employees expressed the desire for more balanced coverage of company news and more attractive, colorful photos. "Prism" responded by redesigning its Fall 1995 edition and with issue-oriented articles, including this story.

"We want to upgrade 'Prism' with articles that discuss major events and trends," says Bob Tarutis, manager of corporate communications. "The idea is not only to inform employees about what's happening, but most importantly what it means to them."

### **Examining the Disconnects**

In a perfect world there would be no need for communications surveys. Managers and employees would use their communications skills to solve all problems, and everyone would share information as one. Since, in the real world, we can only strive for perfection, OSRAM SYLVANIA surveyed employees to gauge their view on the quality of information they receive and the vehicles that deliver the messages. The survey asked how free employees feel to communicate with supervisors and top managers, and what information is most valuable to them. Although results are not yet in, employees contributing to this article raised several important communication issues. Chief among these is a gap between what many managers say and what they do.

"There's a fundamental disconnect between what management is asking employees and their personal behavior," says one executive. "We need to lead more by example and send the right signal. That's the central challenge managers need to meet."

Sugarcoating is another issue for some employees. Many times, negative information regarding customers and products is overlooked by managers and unreported by company publications, leaving matters open to rumor and misinterpretation. The company, says one manager, also is prone to keeping mum on legal actions against it, even when the party bringing suit and the case itself have little or no credibility. OSRAM SYLVANIA, for competitive reasons, further tends to keep a tight lid on financial news, releasing it selectively by word-of mouth or on videotaped presentations if at all.

"There's a general reluctance to share bad news; and to assume that employees don't find out about it is naive," says "Spotlight's" Reminger. "If we lose a customer or have an environmental issue or a bad product, it makes more sense to acknowledge it. Ignoring it creates a communications gap that ultimately is more problematic. People can handle good and bad news in their lives. Why can't they be asked to handle it at work?"

Last year's cancellation of Employee Appreciation Day at corporate headquarters also caused a reaction. Although Dean Langford's July letter to Spotlight explained that feedback in a telephone survey indicated that many employees found the event "patronizing and insincere," the decision sparked widespread debate. "The reasons given just didn't make any sense," notes one employee, who says the day-long event was still very popular. "Rather than cancel it outright, why not address the cynicism and dissatisfaction directly?" asks another.

The lack of upward communication vehicles appears to be another major issue. Presently, "Spotlight," which is limited to Danvers, has the company's only written employee-manager question-answer forum. Also, quarterly plant meetings are usually the only setting where employees interact with top managers. "We do many innovative things, but sometimes I think people at corporate making some of the key decisions need to spend more time in the field," says Hillsboro's Dube.

Finally, supervisors, none of whom receive formal communications training, are often viewed as lacking in this critical area. "Supervisors' abilities to communicate vary greatly across the company, says Tarutis of Corporate Communications. "Working to make it more consistent is certainly worth exploring," he adds.

### **The Commitment to Come Together**

Determined to build a better tomorrow, OSRAM SYLVANIA today is dedicated to improving company-wide communications as we continue to change our culture. The employee survey, itself, is a first-step toward understanding how information-sharing can be improved, and the Executive Committee is still evaluating survey results. Clearly, processes, such as Performance Management, are already increasing two-way communications between supervisors and employees, and there are other positive signs.

TCT is bringing a team approach to problem-solving that could be extended to communications. Prism will continue to build upon its new format and will revisit the communications question in an upcoming issue as well other relevant subjects. Moreover, supervisors, the most important communications link between employees and management, are now evaluated in part by their ability to implement Performance

Management -- a core competency that undoubtedly will improve their communication skills. The company also is committed to technology-based solutions to make day-to-day communications more effective across the entire company.

"I believe we'll get there," says D'Alessandro. "We may not be moving as fast as we'd like, but we're on the road, moving straight ahead. It's just a matter of time."

**Chart: OSRAM SYLVANIA 's Major Communication Vehicles**

Prism  
Spotlight  
Email  
Videos  
Voice mail  
Videoconferencing  
TCT  
Performance Management  
Plant Newsletters  
Department Meetings  
Sales Force Automation  
Plant Meetings

NOTE: Hillsboro/Westfield Sidebar will be written immediately on request

## **A Look at Hillsborough and Westfield (sidebar)**

- \* Quarterly Employee Meetings: Sol Asmar addresses status updates at each department regarding product lines and customer orders, safety, etc.
- \* Monthly Supervisor-Employee meetings; bulletin boards with benefit and general plant information
- \* Highlights Daily Newsletter: includes relevant business information from safety
- \* Locked confidential mailbox in the mail room where employees on all three shifts express concerns and issues in writing.
- \* Dube often intervenes to smooth out bones of contention: e.g. overtime dispute between supervisor and employees; refers suicidal worker with marital problems for employee counseling -- Dube Quote
  
- \* Westfield Rundown:
  - \* Sales force goes on email
  - \* Videoconferencing saves travel time and costs in TCT initiatives
  - \* Team approach to customer service -- also creates a team to solve problem in attendance policy
  - \* Open environment quote

## **Communications**

Dube: Human Resources Manager at Automotive & Minature Lighting, Hillsborough

Responsible for plant employee relations, safety, training

Large Room Quarterly Meetings: HR encourages employees two or three days before the meeting to submit any questions they want the plant manager to answer -- state of the business over the course of a day; Sol Asmar addresses status updates at each department regarding product lines and customer orders, safety, etc

Monthly Supervisor-Employee meeting once a month

Employee bulletin boards with benefit and general plant information

Voice mail, videoconferencing with other OSRAM SYLVANIA plants and customer

Highlights Daily Newsletter - published by Marianne Whitney of design engineering group

Paper includes relevant business information from safety tips to employee recognition, announcements of new customers and visitors. Also discusses issues of importance to customer relations. Department managers and plant employees email or hand-deliver information to Mary: She publishes them prior to the first shift. Those who have email receive it directly on their computers. Hard copies of the two-page publication are available in the cafeteria and posted on four bulletin boards in the plants. "Most of the 956 employees read the paper, according to Dube, "and it has a very positive effect.

Highlights, says Dube, is not only a public forum, it's a benchmark for when things don't happen or happen differently from when they're announced. For example, if we change our quarterly meeting, employees find in the paper.

What about issues of discontent?

Hillsborough maintains a locked confidential mailbox in the mail room where employees on all three shifts express concerns and issues in writing. Employees deposit these ideas in the box. Interestingly, 95 percent of the letters are signed, enabling Dube and other HR staff to respond. The mailbox, according to Dube, who often remains at for "bottom up" communication. It gives employees a chance to air a suggestion or grievance when Dube is unavailable and for second and third-shift workers.

On a more personal level, Dube often intervenes to smooth out bones of contention. In one instance last year, she helped resolve a conflict between an employee who wanted to work overtime on the halogen production line and the employee's supervisor. The employee felt she was being excluded from overtime compared to co-

workers. The employee had even cited OSRAM SYLVANIA policy, indicating her qualifications, but the supervisor stood his ground. "The issue was a matter of properly communicating the employee's qualifications for the specific kind of overtime," says Dube. "But the problem was solved by sitting the two people down in a quiet setting and talking about it. Ultimately, the employee got the additional training she needed, and is now working overtime with the supervisor's full cooperation and consent."

Dube also walks the floor regularly to "find out what's going on before it winds up on her doorstep," she says. "I want to find out what the concern are on the manufacturing floor before their full-blown major league problems." In one case, Dube helped a female employee who was suicidal. "I noticed her attendance was starting to slip, and I went on the floor to talk with her," says Dube. There, Dube discovered the employee's husband was having an affair. So, she took the employee in her office, encouraged her to consider her children, her job and all the OSRAM SYLVANIA lives in her life and referred her to Hillsborough's employee assistance program. "The employee subsequently received counseling and is doing well on and off the job," says Dube.

Valerie Calogero -- national customer service manager, General Lighting

120 customer service and transportation

"Communications can always be improved, but we do have many effective vehicles and there are a number of improvements being made. I think some great things going on in Sylvan St. -- we should all hear about that.

email critical; gets Spotlight on it - just put sales force on it -- "That was definitely a missing link; so we're very excited about that. Now we can get email from sales to quickly check out customer situations and effectively communicate company promotions."

Videoconferencing: cuts down on travel time and costs; critical to TCT barrier removal teams, such as the Price Administration and Collection barrier removal team including customer service, finance, price and policy departments from Westfield and Danvers.

"There are so many teams with members from both Westfield and Danvers, we needed to find a better way to communicate without everybody going to Danvers every week," says Calogero. "We just have to make sure rooms set up for video are available when they're needed." (October)

Two years ago, Calogero, in consultation with human resources, developed an employee survey on how the facility could work more efficiently and harmoniously, leading customer service to take a team approach to problem solving.

Team Approach: Customer service has team focused on specific industrial, commercial and consumer market channels. "The teams resolve a lot of customer service, training and productivity issues. They also are exploring how to use ISO 9000 requirements."

"It's a very open environment here. People bring up issues in their team meetings. They know they can talk to their immediate supervisors. In one case, when employees questioned Westfield's attendance policy regarding the use of sick time for vacation time, the service center put a team together to solve the problem. "The issue was fairness and consistency in the policy; so the team looked at the policy and came up with a new policy that everybody thought was clear and fair.

## Communications

D'Allesandro, vice president of corporate communications - been with OSRAM SYLVANIA since 1978

"Communications is a critical element of doing business." (EXPLAIN WHY)

Importance of Good Consistent Communication

"Communication is critical to OSRAM SYLVANIA 's success and our morale as a company. The consistency needs to be there. If you have to get back to 1000 people and tell them we're changing the way we told you to do something yesterday, you've got a credibility issue and you're communication is viewed as ineffective." Dube

### Background

Historically - authoritarian culture - few make decisions, troops carry them out

1985: Paradigm shift occurs with management change -- operations and managers given more autonomy; more entrepreneurial way of doing things:

Challenge is to handle this new freedom and to communicate effectively with one another to get the job done.

"The old ways worked if you look at the company's bottom line, but as our industry and world has changed, we need to change, and we probably haven't changes as quickly as we should have."

Generation of OSRAM SYLVANIA employees trying to meet that challenge through

Team approach to problem solving with varying degrees of success base on local cultures

### Communication Advances Since 1985

1. 12/1985: Email brings advent of formal corporate internal communications -- moved from telex. Now extends to 2,500 of 4,000 salaried employees across the company.

Email

used for business transactions and almost daily company bulletins.

"Now virtually indispensable."

2/85: Email news bulletins from Corporate Communications

2. Videoconferencing (Hillsborough) for regular meetings between Hillsborough and Seymour and Dearborn on everything from new product development and problem resolution -- even used it for presentations and meetings with new customers like Ford

10/95: General Lighting installed videoconferencing at national customer center in Westfield with OSRAM SYLVANIA headquarters in Munich -- Major productivity

3. Corporate wide voice mail: extends to almost every salaried employee

Beverly and Danvers sending broadcast voice mails; exploring corporate-wide broadcast voice mail messaging

4. Prism 6/93 -- Launched at time of merger in 2/93 - OSRAM buys Sylvania-

Mailed to home

(Replace Electrical Products News -- daily newspaper founded in 1985)

"We wanted to upgrade company publication with pieces that discuss major company event and trends. The idea is not only to inform employees about what's happening at the company, but most importantly what it means to them."

Fall 94: Hold focus groups of 120 employees in plants, sales and headquarter to evaluate Prism.

Focus Group Results: average reading time was 7 minutes, 5-20% of content read... Found people liked pictures, were interested in reading about themselves. Stories about others evoked "strongly competitive feelings or emphatic ones. Headquarters sends out "*mixed messages that confuse action to the point of immobility.*"

Discover disparity between what was being written and what was being done

Led to redesign of Prism in Fall '95 issue with shorter stories, more pictures, with more genuine tone -- (D thinks written at too high a level)

Set stage for audit\* - Hires Forbes

6A. Spotlight -- Susan Reminger: communications program manager, edit.. Strength is is timeliness, hard business news, pictures and friendly graphics -- brings people together

Launched 3/92 - direct response to employees information preferences for timely info Originally for HQ employees; OSRAM SYLVANIA Business Brief goes to everyone on email, hard copy of business briefly distributed to locations

Bus. Brief - addresses customers, competition, products and business news

Open Lines: Employees submit questions to Reminger. Managers answer: "I don't think it gets used as often as it could be. There's still a trust issue. Also some managers

respond in day; others take three months; so we can't always respond as quickly. And some of the managers don't want to share bad news."

7. Most plants have daily or weekly newsletter -- some case two-sided paper, including key events and milestones; staff marriages, birthdays

Quarterly plant wide meetings

8. Performance Management: Built into this is: written, oral communication  
*built into other job skills listed in new performance management program*

8a. 1995: Many Voices, One Vision Videotape

Begins with:

Production manager - never dreamed of such an opportunity

Line mechanic: "improved greatly as a person" - not as quiet and shy

Senior sales rep: 15 years" progressive outfit"

No title: "love my job, love what I do, look forward to coming to work everyday."

Ends with: constantly changing, part of spirit of continuous improvement, Encourages employees to be assertive, ask questions, treat each dept. as customer

9. Communication Audit - "measure effect of corporate messages"

10. Future: Upcoming Executive Committee Decisions will institutionalize better communications

### Communication Problems

Not enough feedback from employees -- operate in dark -- goes to soul of company

### Employee Appreciation Day

Tent, food, music, speeches, thank employees -- A few people brought up problems - complained about cold hot, long food lines. Letter from Langford in Spotlight abolishes the day.

Canceled event had been announced and after volunteers for the event had been solicited in Spotlight... "The reasons given just didn't make any sense," says one employee.

### Communication Needs

Managers and employees need to be more open, more comfortable with one another and more communicative -- each dept. is internal customer of another

Interdependence: 5 divisions can be involved in the manufacturing of a single lamp or bulb

### Quotes/Issues/Problems

Most people motivated to do a good job -- "If you really want to build the company of the 21st century, you need independently-thinking employees' aligned with corporate objectives who have a sense of partnership with the organization."

Propogandistic Communication Vehicles (Forbes): Confused between propoganda and communicating. "Real communication is a two-way process, and the most important part of it is listening. Otherwise, you're just spouting off and you have no credibility."

Lot of formal vehicles: the real question is whether the communications are open, responsive and honest about the problems that affect their lives -- and there's the problems. "OSRAM SYLVANIA 's communications tend to pass on the company's view of life and sugarcoat the world.

In some of the publications, I've read open questions and the answers have been very paternalistic. Typically, it's -- we're not gonna do that because the competition's isn't forcing us to," says Forbes.

"Sometimes things move too fast," says Dube," and we don't have time listen, read or think about things thoroughly enough before we make decisions. We're working in a very large company undergoing a lot of change in a short amount of time." Dube

Errant Communication:

"Sometimes correspondence comes out and two or three days later we're told not to pay attention to it because there was an error or it was incomplete. Many times, the we've already passed the original communication on and we have to correct it. That's frustrating for employees and creates a credibility issue."

### No Bad News

"Some managers are reluctant to share bad news; and to assume that employees don't have other ways to access that information is naive. If we've lost a customer or we have an enviornmental issue or a bad product, it makes more sense to acknowledge it. Ignoring it creates a communications a gap that ultimately is more problematic."  
Reminger

Suit brought by former PMI Exeter St. Plant that OSRAM SYLVANIA is violating OSHA safety regulations... Employee had record of filing suits -- but all OSRAM

SYLVANIA employees got to read about was what the Portsmouth Herald and other newspapers. "No one ever heard the company's point of view."

R. would like to present a more balanced account of news: "People can handle good and bad news; so why can't they be asked to handle it at work,?" asked Reminger. It might breed more trust, more unity and higher morale."

### Poor Communication

1. Added Performance Management Competency for Supervisors after the fact in late Sept.

Changing its mind, forcing HR staff to go back to supervisors to explain it to them

2. 1994 - salary budgeting -- no one rates as 3 who has more than 50% of range penetratin would get an increase -- two weeks before budget was due, they says if you had money left in your budget you could give raises: "That's like shutting the barn door after the horses have escaped."... Adjusts budget at last minute. At Hillsborough, there were several employees who got a zero percent increase bcasue the budget had already been submitted to headquarters.\*

Rather than pilot new programs at a single location to see where the bugs are, we rollout new program across the company, which maximizes our chance for miscommunications, which causes major frustration." Dube

EG: Get Peoplesoft record keeping database 1/95; transfer to new Cirridiean (sp) payroll system 10/2: need to make sure all records wre accurate so they could be transferred to Danvers for transfer to Cirridean. Our records were accurate, but when they did the transfer, many checks were inaccurate....

3. Not being honest about General Lighting's lack of profitability - fear of competition - justified by fear of competitors- communicated in videos and by word of mouth

"I think we should be much more open about things that aren't going well as well as those things that are going well," says Bob Tarutis.

4. Inconsistent Supervisors: "Supervisors' communication skills varies greatly across the company. At present, there's no formal training for supervisors on how to communicate with their people. There are places where it's done very well and those where it's done very poorly." Tarutis

5. Open Lines: one employee writes about the need for elder care and day care, causes me to be late for work and take time off: Manager's Response: Competition isn't forcing us to solve those problems, but when they do the company will address it

6. Managent Inaccessibility:

One, says Calogero are our quarterly employee meetings with presentations by Hennie Peters. "He gave us the big picture of what was happening at General Lighting, and we had a question and answer session. I think people held back; but it was appreciated.

Now employees will be viewing a video based on the Danvers employee meetings. Hennie will still visit the plant, but -- because of time constraints -- he won't be able to meet with all the employees. "It's disappointing, but it's a realistic decision based on the time Hennie has to spend with us," says Calogero.

#### Forbes: Command and Control Model

"Command economies, like the Soviet Union, have collapsed. Although it works in war where it's a matter of life or death, the model in corporations doesn't hold up over time," says Forbes. "And when you have a management that says: "Daddy knows best, it doesn't work any better in a corporate setting than it does in a family."

#### Need for Demand Communication: Survey: Employee-driven Communication

#### A NEW SOCIAL CONTRACT

Providing information that people want when they want it: EG Internet AOL.. Difficult to do that in a company, first step is to LISTEN... Survey: identify issues, hold focus groups, one-on-one session to isolate issue that people want to know more about and how to deliver it. Question 20 on survey.

#### Survey Results: (See Survey)

Question 21: 4s or 5s

Question 20: not getting but need direct communication from their supervisor  
First-line managers not considered an important part of management by top management; not given proper training

Most people won't miss Prism; videos too long, don't get to see them -- EG: video releasing key financial information given to supervisors to show employees

Visits by and exchanges with top managers viewed important

Daily news papers valued by employees -- closer better, the better

People want more profit, sales and business information as it relates to what their doing more than what's happening in Germany or OSRAM SYLVANIA 's voluntary information

#### Solutions

"We do a lot of innovative things, but sometimes I think we need to slow down and think things out thoroughly." Dube... People at corporate making some of the key decisions need to come and spend more time out of the field."

*commitment to two-way communication; engender trust among employees, make people feel part of the team, end hierarchical culture; better training to supervisors\*...*

*"Instead of bosses, they need to become bosses, teachers, listeners and communicators. Concepts that are very unfamiliar to middle managers."*

Communications dept. are just facilitators, deliverers of the message

"Communications is not the Communications department or management so much as it their company supervisors: That's who company is to the average employee: the guy I work for; the guy who signs my evaluation." Forbes

Dube: Human Resources Manager at Automotive & Minature Lighting, Hillsborough

Responsible for plant employee relations, safety, training

Large Room Quarterly Meetings: HR encourages employees two or three days before the meeting to submit any questions they want the plant manager to answer -- state of the business over the course of a day; Sol Asmar addresses status updates at each department regarding product lines and customer orders, safety, etc

Monthly Supervisor-Employee meeting once a month

Employee bulletin boards with benefit and general plant information

Voice mail, videoconferencing with other OSRAM SYLVANIA plants and customer

Highlights Daily Newsletter - published by Marianne Whitney of design engineering group

Paper includes relevant business information from safety tips to employee recognition, announcements of new customers and visitors. Also discusses issues of importance to customer relations. Department managers and plant employees email or hand-deliver information to Mary: She publishes them prior to the first shift. Those who have email receive it directly on their computers. Hard copies of the two-page publication are available in the cafeteria and posted on four bulletin boards in the plants. "Most of the 956 employees read the paper, according to Dube, "and it has a very positive effect.

Highlights, says Dube, is not only a public forum, it's a benchmark for when things don't happen or happen differently from when they're announced. For example, if we change our quarterly meeting, employees find in the paper.

What about issues of discontent?

Hillsborough maintains a locked confidential mailbox in the mail room where employees on all three shifts express concerns and issues in writing. Employees deposit these ideas in the box. Interestingly, 95 percent of the letters are signed, enabling Dube and other HR staff to respond. The mailbox, according to Dube, who often remains at for "bottom up" communication. It gives employees a chance to air a suggestion or grievance when Dube is unavailable and for second and third-shift workers.

On a more personal level, Dube often intervenes to smooth out bones of contention. In one instance last year, she helped resolve a conflict between an employee who wanted to work overtime on the halogen production line and the employee's supervisor. The employee felt she was being excluded from overtime compared to co-workers. The employee had even cited OSRAM SYLVANIA policy, indicating her qualifications, but the supervisor stood his ground. "The issue was a matter of properly communicating the employee's qualifications for the specific kind of overtime," says Dube. "But the problem was solved by sitting the two people down in a quiet setting and talking about it. Ultimately, the employee got the additional training she needed, and is now working overtime with the supervisor's full cooperation and consent."

Dube also walks the floor regularly to "find out what's going on before it winds up on her doorstep," she says. "I want to find out what the concern are on the manufacturing floor before their full-blown major league problems." In one case, Dube helped a female employee who was suicidal. "I noticed her attendance was starting to slip, and I went on the floor to talk with her," says Dube. There, Dube discovered the employee's husband was having an affair. So, she took the employee in her office, encouraged her to consider her children, her job and all the OSRAM SYLVANIA lives in her life and referred her to Hillsborough's employee assistance program. "The employee subsequently received counseling and is doing well on and off the job," says Dube.

Valerie Calogero -- national customer service manager, General Lighting

120 customer service and transportation

"Communications can always be improved, but we do have many effective vehicles and there are a number of improvements being made. I think some great things going on in Sylvan St. -- we should all hear about that.

email critical; gets Spotlight on it - just put sales force on it -- "That was definitely a missing link; so we're very excited about that. Now we can get email from sales to quickly check out customer situations and effectively communicate company promotions."

Videoconferencing: cuts down on travel time and costs; critical to TCT barrier removal teams, such as the Price Administration and Collection barrier removal team including customer service, finance, price and policy departments from Westfield and Danvers.

"There are so many teams with members from both Westfield and Danvers, we needed to find a better way to communicate without everybody going to Danvers every week," says Calogero. "We just have to make sure rooms set up for video are available when they're needed." (October)

Two years ago, Calogero, in consultation with human resources, developed an employee survey on how the facility could work more efficiently and harmoniously, leading customer service to take a team approach to problem solving.

Team Approach: Customer service has team focused on specific industrial, commercial and consumer market channels. "The teams resolve a lot of customer service, training and productivity issues. They also are exploring how to use ISO 9000 requirements."

"It's a very open environment here. People bring up issues in their team meetings. They know they can talk to their immediate supervisors. In one case, when employees questioned Westfield's attendance policy regarding the use of sick time for vacation time, the service center put a team together to solve the problem. "The issue was fairness and consistency in the policy; so the team looked at the policy and came up with a new policy that everybody thought was clear and fair.

## TCT Update

Herby Locke: results manager of General Lighting  
Rick Dolan: vice president of manufacturing, General Lighting  
John Anderson, plant manager, Sylvan St.

### TCT at GL

ustomer service and transportation and Sylvan St. plant begin TCT in June

### Done against backdrop of Cycles of Learning: Barrier Removal

analyze how process is performed, how it can be performed better, submit recommendations to those involved, make changes, analyze it again

EG: why invoice has wrong part number, what's required to correct error, implement actions

EG: Pricing: team improving pricing - barrier - sales people paid incentives on revenue rather than margins... Team decided to base incentives on combination of sales plus margins went into effect this October

### Barrier Removal

CFT Paradigm Shift: SHUTTUNG LINES DOWN -

CFT Decision to shut down lines with significant percent of shrinkage, solve the problem...

BRTs: 1. Scheduling: Get schedule from Danvers -- but can improve on meeting it  
2. Cost:, Materials will dissolve when they complete their tasks. 3. Employee 4. Empowerment 5. Equipment.

## TCT Update

Herby Locke: results manager of General Lighting  
Rick Dolan: vice president of manufacturing, General Lighting  
John Anderson, plant manager, Sylvan St.

### TCT at GL

Danvers, Westfield - c

*Feedback:* Manager and employee meet routinely for feedback sessions, including a spring meeting to update the performance plan. Exchange ideas on problem-solving etc.

Manager and employee meet to review employee's performance and plan developmental activities for new year

*Review and Development:* Sept. you rate performance, October: plan developmental activities for new year...

"The system was insufficient to give employees adequate performance feedback. Our goal was to establish a more effective development tool that could elevate employee performance and provide a better input into pay decisions for salaried employees. Also based on continuous improvement. "We have got to be raising the bar. We cannot be satisfied with yesterday's performance."

\* Evaluation: Meeting Objectives, Core Competencies and Skill standards

Rated based on meeting objectives; Also based on performance weighed against 4 Cs - rated standard, above standard or below standard "for each dimension of performance";

evaluation will be results against job objectives, and behaviors against competencies and skill standards. Job objectives will be quantified. Worksheet with competencies and technical and other skills will also be evaluated.

customer service and transportation and Sylvan St. plant begin TCT in June

1. Set Goals
2. Establish BITs
3. Establish Permanent CFTs - representing critical processes
4. CFTs map all processes from June - August

5. Analyze process maps and identify processes that do not add value
6. Create substitute processes
7. Organize Barrier Removal Teams -- to eliminate barriers that created the need for substitute processes -- "continuous process that will go on through the program."

#### Done against backdrop of Cycles of Learning: Barrier Removal

analyze how process is performed, how it can be performed better, submit recommendations to those involved, make changes, analyze it again

EG: why invoice has wrong part number, what's required to correct error, implement actions

EG: Pricing: team improving pricing - barrier - sales people paid incentives on revenue rather than margins... Team decided to base incentives on combination of sales plus margins went into effect this October

#### *Corp BIT*

Corporate BIT and GL BIT kicked off this June --

Corp BIT oversees total TCT effort, including GLT, PMC and Automotive and Miniature Lighting: periodic review looking for opportunities to leverage TCT benefits. Also established information technology priorities, consignment inventories at customer sites, planned rollouts of TCT initiatives at OSRAM SYLVANIA, high level barriers affecting the company as a whole. Effective in removing barriers and improving upon supply chain critical to company's investment in inventories and assets. May determine, for example, that OSRAM SYLVANIA's best interest is for PMC to carry inventory rather than General Lighting -- a decision that could dramatically improve the company's cash flow.

No CFTs report to Corp. BIT

#### TCT Goals (SEE MISSION STATEMENT)

Improved customer satisfaction, profitability, cash flow and cycle times

#### 7 Key Cross Functional Teams Report to GL BIT

GL BIT focusing on fulfilling opportunities identified by Thomas Group, including first-pass-yields, machine uptime, inventory targets, logistics etc. The General Lighting BIT focused making General Lighting more profitable by improving operations. Also monitors cross-functional teams, established across seven major areas to date, including

1. Business Development Team - not in plants - at lighting center

2. Sales & Marketing - not in plants, at Danvers lighting center - what we should be selling, achieving highest possible margins by making prices in line with costs,

3. Order Fulfillment

4. Replenishment - logistics of production planning, scheduling and transporting - Danvers

5. Price Administration and Collection -

6. Equipment Development

7. Design/Development Team

### TCT Progress to Date

Organized in June, teams consist of representatives that have influence on the team's objectives and established TCT objectives until September. People, for instance, from General Lighting Distribution Centers in Allentown and Columbus, participated, as well as employees based in Massachusetts. "Anyone who could add expertise to the CFT was included," says Locke.

In October, GL began rolling out TCT to General Lighting's other factories, including Manchester, Maybrook, St. Mary's and Versailles. The factories are all being integrated with existing General Lighting CFTs. They also have their own CFT dedicated to specific to their individual operations," Locke explained. Manchester's CFT, for example, is chaired by the plant manager, supported by one function manager for six key operations: manufacturing, engineering, design development, equipment development, finance and logistics. The plants to date have developed performance measurements similar to those developed at Sylvan Street. They also formed barrier removal teams and created substitute processes. General Lighting, supported by the Thomas Group, will consolidate entitlement and performance measurements from all participating plants to monitor General Lighting's total progress using TCT.

General Lighting also extended TCT to Winchester beginning this January.

To date, most of the CFT's have done an above average job in identifying issues and corrective. "Some, Locke conceded," are not moving as fast others, but we're very pleased at the rate that they're going."

### Sylvan St. CFT

Sylvan St. - make fluorescent lamps: CFT focused on upgrading plant operations.

"We started by going through training with the Thomas group and then by identifying what we were going to drive for," says Anderson.

Began with a **vision of entitlement** to become the lighting industry leader in specialty fluorescent lamps, optimize our ability to introduce new products by exceeding customer expectations, quality, cost-competitiveness and response time. Enhance our leadership position by making time our primary strategic and operational business tool through TCT methodology.

To achieve entitlement: the Sylvan CFT established three major drivers on cockpit chart

- \* high first-pass-yield
- \* empowering of employees, developing teamwork, capitalizing on employee talent
- \* continuous improvement
- \* Safety performance
- \* Improved Scheduling -Handled by Fulfillment team

#### Sylvan Process Right Now to Key Horizontal Manufacturing Lines

Total Equipment uptime: 79% from 78%, entitlement 90%

Total first-pass yield: Lines 21-25: 87% from 85% shooting for 90%

Machine efficiency: 70% from 66% = (First-pass-yield X equipment uptime) 81% goal

#### Barrier Removal

CFT maps processes, identify barriers, creates barrier removal teams in August to achieve Sylvan Street's TCT entitlements or objectives. Meets weekly: studies cockpit chart, consult with BRTs -- what they're doing and where they need help -- plan next steps

Sometimes substitute processes instead of removing barriers -- a costly process not good\*

"We have a game plan to remove barriers in each of these areas and make our improvements.

CFT Paradigm Shift: SHUTTING LINES DOWN -

CFT Decision to shut down lines with significant percent of shrinkage, solve the problem...

EG: Materials Barrier Removal Team Executes Paradigm:

Final-run quality staff hundreds of yards from manufacturing floor in a different building. Recognized this was a barrier to efficiency. Moved department to manufacturing floor. Will work with production teams on quality issues -- and when identified -- shut the line

down\* .. "Final run has always been considered a separate function and informational part of manufacturing. Now, they're an integral part of running the line," says Anderson.

BRTs: 1. Scheduling: Get schedule from Danvers -- but can improve on meeting it  
2. Cost:, Materials will dissolve when they complete their tasks. 3. Employee 4. Empowerment 5. Equipment.

Teams:

1. Equipment Team will be ongoing: the plant maintains a BRT in each of the plant's five lamp manufacturing unit's: 21-25. Teams made up of production line employees, who meet daily for 15 to 30 minutes and set barriers against first-pass-yield, final run quality and an equipment downtime analysis -- a system Sylvan Street developed as part of the plant's TCT initiative. First-pass yield improves from 86% to 90%

EG: Sealer and loader chain -- Recognized device beginning to fail on line 22. 10/2: Team evaluated machine's downtime, first-pass-yield and final quality run. Scheduled equipment change during weekend, significantly improving the system's performance. "By identifying and changing the machine, we learned how long the machine lasts; so we're going to change the system next time before its performance starts to degrade," says Anderson.

Team 23 applied the lesson to its sealer and loader machine, which changed before it failed.

EG: Team 23 Barrier Removal also discovered a problem with the 96 T8 fluorescent lamp. Extremely high 70 percent shrinkage was causing a sub-par first-pass yield. Team discovers that the problem was in the lamp's eight-foot glass tubing. "Central Falls glass plant was doing a great job meeting the specification, but the specification was too wide," Anderson says." Sylvan then asked Central Falls to make a trial glass production run at a tighter tolerance. This cut the shrinkage rate in half to roughly 15 or 16 percent. The team then applied barrier removal techniques and asked Central Falls to make the glass straighter, reducing shrinkage to three percent -- a first-pass-yield of 97 percent. "It was like a game-winning home run," says Anderson.

### Benefit

"I'm thrilled with what we've accomplished," says Anderson. "We're making strides by focusing on areas that held us up. The net result is an across the board improvement and a more enthusiastic work force and a much more competitive plant."

## **TCT Update**

### *General Lighting Makes New Productivity Gains with Total Cycle Time™*

Just six months after General Lighting launched Total Cycle Time™ (TCT), OSRAM SYLVANIA 's largest division, supported by the corporate business improvement team (BIT), is making major strides in first-pass-yield, machine efficiency, employee empowerment and more.

### **An All-out Fight Against Time**

- \* General Lighting takes aim against time in 2.5 year program, starting with Sylvan Street and distribution centers in Allentown and Columbus and Westfield.
- \* TCT initiatives migrate to Manchester, Maybrook, St. Mary's and Versailles in October; Winchester begins in January
- \* General Lighting Mission Statement -- to be the lighting industry leader
- \* Division forms seven cross-functional teams
- \* CFTs map all processes from June - August
- \* Analyze process maps and identify processes that do not add value
- \* Create substitute processes
- \* Organize Barrier Removal Teams -- to eliminate barriers that created the need for substitute processes
- \* Cycles of Learning -- "continuous process that will go on through the program."

### **Business Improvement Teams Lead the Way**

- \* General Lighting develops vision statement -- foundation for initiative
- \* Corporate and General Lighting BITs provide strategic direction
- \* Thomas Group Quote from Herby Locke

### **Sylvan Street Rises to A New Level of Performance**

- \* Major drivers: high first-pass-yields, machine up time and machine efficiency
- \* Establishes five cross functional teams -- Scheduling, Cost, Empowerment etc.
- \* Also creates a wide range of barrier removal teams dedicated to implementing tasks monitored by cross-functional teams
- \* Quote from Anderson on TCT's favorable impact

### **Hurdling Barriers with Ingenuity**

- \* Following TCT methodology, Sylvan Street has removed many barriers to productivity: one of the first, however, was a paradigm shift -- Now shuts lines down when production falls below performance standards
- \* Line 22 team improves first-pass-yield on faltering sealer and loader chain by installing new one

- \* Line 23 team learns from Line 22 and retires sealer and loader chain before performance degrades
- \* Line 23 also solves shrinkage problem with 96 T8 fluorescent lamp
- \* "Little victories add up to game-winning home runs," says Anderson

### **Sylvan Street's Key Performance Gains (Chart\*)**

Equipment Up-time: June 1995 78%, November 1995: 79%, Entitlement: 90%  
Equipment first-pass yield: June 1995: 85%, November 1995: 87% Entitlement: 90%  
Machine efficiency: June 1995: 66% November 1995: 70% Entitlement: 81%

\* Insert January 1996 figures if possible -- John Anderson is the source...

## **GETTING A GRIP ON PERFORMANCE**

### *A User's Guide to OSRAM SYLVANIA 's New Pay and Performance Management Process*

The old numerical rankings are gone and a new performance process is underway. You've already set your own objectives and ultimately will be rated against a set of new standards and skills. Here, in this user's guide to performance management, you'll find out exactly what they are and what the program really means to your job and your pay.

#### **What's Performance Management?**

- \* Definition of performance management
- \* New Program Approach: Feedback-driven, Relative vs. Absolute etc.
- \* New Program Methodology: Core Competencies, technical/non-tech. skills
- \* Stokely Quote

#### **How the New Process Works**

- \* Phased in over two years
- \* Process: Setting Objectives, Feedback sessions, Reviews
- \* Evaluation: Meeting Objectives, Core Competencies and Skill standards

#### **How Performance Affects Your Pay**

- \* Merit Increases: Merit managers, Group rankings, Percent of increase for clearly exceptional, successful and low
- \* Stokely quote

#### **What the New System Means to You**

- \* Give employees more responsibility for their own careers
- \* Actively participates in planing and review meetings, document progress toward personal objectives
- \* More open, cooperative communication with managers
- \* More consistent rating across departments

#### **Performance Management Glossary: (Brief Definitions of the following)**

##### *Core Competencies:*

Commitment to Continuous Improvement

Customer Service Orientation

Change Management

Collaboration

Technical Skills  
Other Skills and Competencies