

# Management: Quality Leadership 100

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*People make the difference.*



If the annual *Quality Leadership 100* is any indication, the automotive industry is making a comeback. Many of the company's represented on this year's list have ties to the automotive market, as a manufacturer or supplier. Four of the top five companies fall into this category.

As is the case every year with the *Quality Leadership 100*, it is the employees who make a difference. Windings Inc., (New Ulm, MN) this year's number 5 company, is a 100% employee-owned company. The employees take pride in their work and the company's core values reflect their dedication beginning with rewarding commitment and results and treating all people with respect and valuing them as individuals. When employees are rewarded for their efforts, it makes them want to do even better and help make a company more successful.

Successful companies invest in their employees. All of the companies in the *Quality Leadership 100* provide monthly quality training for their employees, anywhere between 1 to 9 hours, on average. One company provides 10 to 14 hours of quality training per month.

It is this type of commitment that lands companies in the *Quality Leadership 100*.

## Survey Criteria

More than 400 manufacturers participating in the *Quality Leadership 100* were surveyed on criteria such as scrap and rework as a percentage of sales, warranty costs as a percentage of sales, rejected parts per million shipped, and contribution of quality to profitability and shareholder value.

Companies also were evaluated based on the number of quality programs in place; registration to various standards; percentage of employees dedicated to quality responsibilities; average number of hours monthly that employees receive quality training; and the role quality professionals play in the acquisition of test, measurement and inspection tools, software and services.

## 1. GM Powertrain

## Pontiac, MI

GM Powertrain designs, engineers and manufactures engines, transmissions, castings and components for GM vehicles and other automotive, marine and industrial original equipment manufacturers. It has operating and coordinating responsibility for GM's powertrain manufacturing plants and engineering centers in North and South America, Europe and the Asia-Pacific region, with global headquarters in Pontiac, MI.

The GM Powertrain team includes 86 facilities, 17 countries and approximately 48,700 members. Powertrain ranks among one of the world's largest automotive suppliers.

GM Powertrain traces its history to the myriad of automotive companies that combined to form GM in 1908. These companies included: Chevrolet, Pontiac, Buick, Oldsmobile and Cadillac.

For many decades, each division produced its own engines and transmissions. In time, it became evident that efficiency improvements could be made with increased administrative and manufacturing cooperation between all divisions. The consolidation began in 1983, with the assignment of the Toledo, OH, Chevrolet and the Windsor, Ontario GM of Canada transmission plants to the Hydra-Matic division. The marriage of the Hydra-Matic and GM Engine divisions in 1990 resulted in GM Powertrain. The subsequent addition of Central Foundry Division and Advance Engineering Staff in 1991 elevated Powertrain to corporate group status. In 1997, the formation of a GM global powertrain organization was announced, encompassing all of GM's powertrain engineering and manufacturing activities outside of North America. In 2010 Powertrain and the vehicle organization were joined, creating Global Product Operations.

All GM Powertrain engine plants are compliant with the ISO/TS 16949 standards.

For more information, visit [www.gmpowertrain.com](http://www.gmpowertrain.com)

## 2. TRW Automotive



Livonia, MI

With 2010 sales of \$14.4 billion, TRW Automotive ranks among the world's leading automotive suppliers. Headquartered in Livonia, MI, the company, through its subsidiaries, operates in 26 countries and employs more than 60,000 people worldwide. TRW supplies more than 40 vehicle manufacturers around the

world with a wide range of automotive systems, with a particular focus on advanced safety technologies.

Automotive products include driver assist systems, braking systems, steering systems, suspension systems, occupant safety systems (seat belts and airbags), electronics, engine components, fastening systems, and aftermarket replacement parts and services.

The company is guided by four strategic priorities: best quality, innovative technology, global reach and lowest cost.

**Best quality.** Drive quality in everything we do—products, launches, engineering. Ensure we make the product right the first time and deliver only quality products on time to our customers.

**Innovative technology.** Offer leading-edge systems and products that add value for our customers. Leverage leadership in active and passive safety systems to develop integrated product solutions.

**Global reach.** Position businesses globally to service key customers and grow with new markets. Pursue opportunities to diversify customer base.

**Lowest cost.** Relentlessly drive down costs to offer customers superior value. Utilize manufacturing programs (Six Sigma and operational excellence) to manage costs to optimal levels.

Bryce Currie, global vice president for quality at TRW, says, “As a provider of safety critical components and systems, quality is at the heart of what we do. We have developed global manufacturing processes and systems to ensure a consistent approach: One Company, One Process, One Standard. We have rigorous programs in place across all areas of our business to ensure that we drive continuous improvement in everything we do. We are proud to be recognized for our achievements in this area.”

For more information, visit [www.trw.com](http://www.trw.com).

### **3. Philips Hadco**

Littlestown, PA

Philips Hadco has been a leader in manufacturing high-performance, exceptional quality, decorative outdoor lighting products since 1953. Serving the municipal, utility, commercial and residential lighting markets, the company's lean, made-to-order philosophy and commitment to providing short lead times allows it to consistently meet or exceed customer expectations. Philips Hadco specializes in custom and modified products and utilizes the latest technologies available. All Philips Hadco products are manufactured to ISO 9001: 2000 standards.



Core values include treating their employees with dignity and respect as each person is considered a valuable asset to the team. They also are focused on new product development, creating quality systems and developing lean initiatives, which eliminate non-value-added waste. Finally, a customer-centric, service mentality is at the core of their belief system and they strive daily to ensure that customer experiences with the company are always positive.

One major component to Hadco's success today is their custom and modification capabilities. This process started early on in Hadco's history, when Howard Daum, Hadco's founder, met with Walt Disney in the 1960s and together they designed the decorative lighting for Disney's new family fun park, Disneyland. Not only did Hadco provide all of the original decorative lighting for Disney's first park, but also many of the decorative luminaires used in Disney World, the country pavilions at the Epcot Center and Euro-Disney as well. This strong heritage still fuels the "yes, we can" attitude and approach to its business today.

Cutting-edge technology has always been a major ingredient in Hadco's formula for success. In 2000, light emitting diodes (LEDs) became available as a new source for white light and Hadco led the way in the outdoor market by offering some of the first commercially available landscape luminaires with this new technology.

Today, Hadco offers a multitude of LED luminaires ranging from one watt, step and garden lighting to decorative, commercial luminaires which offer the equivalent performance of a 300 watt or greater HID luminaire at a fraction of the energy use.

For more information, visit [www.hadco.com](http://www.hadco.com).

#### **4. Subaru of Indiana Automotive Inc.**

Lafayette, IN

Subaru of Indiana Automotive Inc. (SIA) is an Indiana-based



manufacturer of the Subaru Outback, Legacy and Tribeca line of vehicles. SIA is the only Subaru auto assembly plant in the United States. SIA Associates also build the Toyota Camry through a business collaboration with Toyota.

For fiscal year 2011, the company projected production of 257,000 vehicles, the largest number of vehicles produced since the plant began production in 1989.

The SIA quality policy—quality is the top priority—is the cornerstone of defining SIA’s commitments of its quality expectations. This policy is displayed throughout the facility as a reminder to associates, and visitors, of SIA’s commitment to manufacturing the highest quality vehicles for customers. Specific quality objectives and targets are implemented to meet and exceed product requirements. At SIA, “our quality is what makes a Subaru a Subaru.”

In 2004, SIA became the first automotive assembly plant to be zero-landfill. SIA achieved this outstanding accomplishment in May of 2004 and has remained zero landfill. SIA sends nothing from its manufacturing process to the landfill. In other words, a typical household puts more trash in the ground than SIA’s entire manufacturing facility.

In 1994, SIA established a goal of being certified to the ISO 9001 quality management standard. At first, this was a requirement for selling vehicles in Germany. However, over the years the ISO 9001: 2008 quality management system had progressed into the company’s daily work structure, providing focus on the quality of all business processes, the expected outcome (product) and the need to continually improve the system to benefit the overall growth of the organization. SIA was recognized as the first North American automotive manufacturer to receive ISO 9001 certification.

The commitment to quality goes beyond manufacturing. In 2003, SIA became the first automotive assembly plant to be designated as a Backyard Wildlife Habitat by the National Wildlife Federation. SIA’s more than 800 acres serves as a home for various wildlife including white-tail deer, rabbits, Canadian Geese, Mallard Ducks, squirrels, beavers, coyote, snapping turtles, frogs, red-tail hawks, blue heron and the Bald Eagle.

For more information, visit [www.subaru-sia.com](http://www.subaru-sia.com).

## **5. Windings Inc.**

New Ulm, MN

Windings Inc. specializes in the production of stators, rotors, insulated lamination stacks, precision wound coils, other custom wound products and higher level assemblies, including full motors and generators.



With more than 45 years of experience in building components for electromagnetic/motion conversion applications, Windings has produced and supplied critical components to manufacturers in the motion control, medicine, avionics, aerospace, defense, power generation and automotive fields. That experience is a valuable resource companies utilize to overcome production issues, reduce development time and minimize cost.

Windings Inc. enjoys dual certifications to the ISO 9001: 2008 and AS 9100 (Rev B) quality management systems. It also is compliant with the EU's Directive 2002/95/EC, restriction on hazardous substances.

The company's vision statement is poignant: Grow the value of the enterprise while being remarkable.

Their vision statement also plays into their mission statement: "We will build partnerships with our customers to provide remarkable value and a competitive advantage in custom manufactured motors and components. Our core purpose is to provide service and product to our customers with value that helps them to be successful in order to provide stability and longevity for Windings and security of employment for Windings' employees."

In 1998, Windings Inc. formed an employee stock ownership plan for a planned purchase and transition of company stock to the employees of Windings. The higher sense of responsibility that comes with employee ownership has made Windings even more responsive to customer needs and encourages innovation to bring greater value to its customers. In 2008, the company became 100% employee-owned.

As an employee-owned company, Windings core values reflect the employees' commitment:

Reward commitment and results.

Treat all people with respect and value them as individuals.

Place a high value on trust and integrity.

Offer employees as much choice, freedom and fun as possible without damaging the company or other people.

Value flexibility and willingness to make a superior effort for its customers.

For more information, visit [www.windings.com](http://www.windings.com).

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