

RECOGNIZING **B**USINESS **E**XCELLENCE IN THE  
COMMONWEALTH OF **V**IRGINIA



“Considered the **Nobel prize** of manufacturing,  
the Shingo Prize for Excellence in Manufacturing... awards...sites  
that have achieved dramatic performance improvements....”

Business Week

**Application Guidelines 2005**





Shingo Prize Mission ..... 1

Shigeo Shingo ..... 1

Shingo Prize Model ..... 2

Achievement Criteria ..... 3

    Section I - Leadership Culture & Infrastructure ..... 3

        Leadership ..... 3

        Empowerment ..... 4

    Section II - Manufacturing Strategies & System Integration ..... 4

        Manufacturing Vision & Strategy ..... 4

        Innovations in Market Service & Product ..... 4

        Partnering With Suppliers/Customers & Environmental Practices ..... 5

        World-Class Manufacturing Operations & Processes ..... 5

    Section III - Non-Manufacturing Support Functions ..... 6

    Section IV - Quality, Cost & Delivery ..... 6

        Quality & Quality Improvement ..... 6

        Cost & Productivity Improvement ..... 6

        Delivery & Service Improvement ..... 7

    Section V - Customer Satisfaction & Profitability ..... 7

        Summary of Achievements ..... 7

Business Scoring System ..... 8-9

Business Prize Requirements ..... 10

    Eligibility ..... 10

    Examination Process ..... 11

    Application and Site Visit Fees ..... 11

    Instruction for Submission of Business Applications ..... 12

Business Intent to Apply Form ..... 13

Notes ..... 14

The Shingo Prize was established in 1988 to promote an awareness of lean manufacturing concepts and to recognize companies that achieve world-class manufacturing status. Today, the Shingo Prize is regarded as one of the premier manufacturing award and recognition programs. *Business Week* considers the Shingo Prize, "the Nobel Prize of manufacturing . . ." The prize is presented to manufacturing sites that have achieved dramatic performance improvements. Prize recipients produce phenomenal statistics such as reducing set-up times by 1 million a year, achieving inventory turns of 250 per year and cutting lead times from months to hours, yet they continue to strive to improve their core manufacturing practices. The Shingo Prize highlights the value of using lean/world-class manufacturing practices to attain world-class status.

The mission of the Virginia State Level Shingo Prize is to:

- Facilitate increased awareness of excellent-to-world-class manufacturing practices and techniques that maintain and enhance a company's competitive position in the global marketplace.
- Foster an understanding and sharing of successful core manufacturing and business improvement methodologies.
- Encourage research in all aspects of manufacturing by both academic and business practitioners.

The state level Prize is open to manufacturers in the Commonwealth of Virginia. It is awarded annually to recognize:

- Companies, divisions and plants that demonstrate excellence in manufacturing practices that translate into excellent customer satisfaction and business results.

## SHIGEO SHINGO

The Prize is named for Japanese industrial engineer Shigeo Shingo who distinguished himself as one of the world's leading experts in improving manufacturing processes. Dr. Shingo has been described as an "engineering genius" who helped create and write about many aspects of the revolutionary manufacturing practices which comprise the renowned Toyota Production System.

Dr. Shingo is the author of numerous books including *A Study of the Toyota Production System*; *Revolution in Manufacturing: The SMED System*; *Zero Quality Control: Source Inspection and the Poka-yoke System*; *The Sayings of Shigeo Shingo: Key Strategies for Plant Improvement*; *Non-Stock Production: The Shingo System for Continuous Improvement*; and *The Shingo Production Management system: Improving Process Functions*. He was a genius at understanding exactly why

products are manufactured the way they are, and then transforming that understanding into a workable system for low-cost, high-quality production.

In 1998, Utah State University recognized Dr. Shingo for his lifetime accomplishments with an Honorary Doctorate in Business. The Shingo Prize Model was developed as a world-class manufacturing model that incorporates many of Dr. Shingo's practices as well as exemplary practices from other sources. The Shingo Prize Model, however, is not just a production model. It is an overall systems model that incorporates all aspects of business operations and processes. The model was developed to promote lean/world-class business practices that result in world-class performance and the ability to compete globally

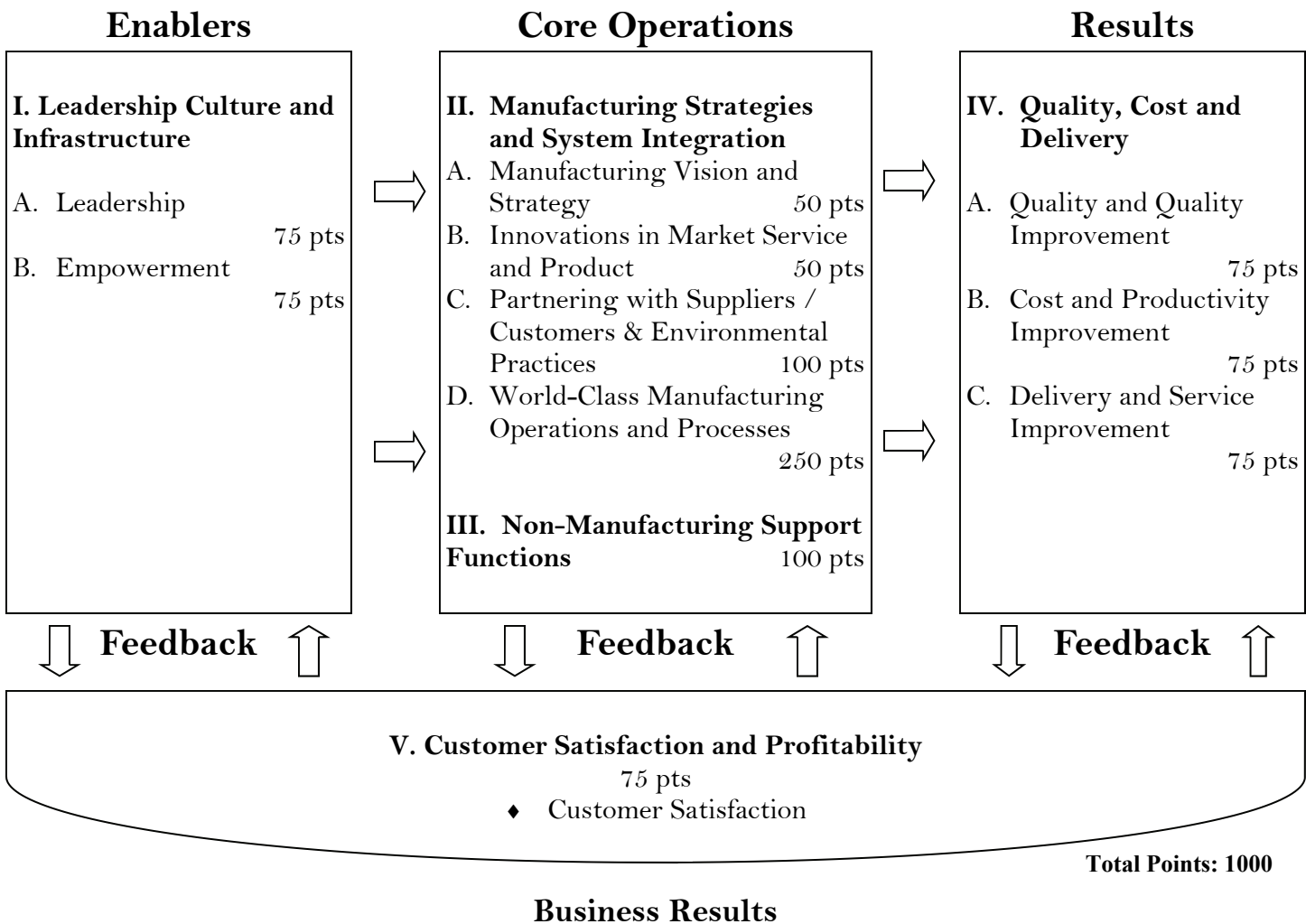


The Shingo Prize Model includes 11 key elements of world-class manufacturing. These elements are grouped into five categories, signifying that it is necessary to integrate them into a complete system to achieve world-class results. The Shingo Prize criteria do not prescribe specific methods, techniques, practices or processes. Rather, for each element the criteria lists practices and techniques that might be incorporated to achieve world-class level quality, cost delivery and business results. These practices and techniques may not apply to every organization. For example, world-class "quick changeover" practices should be strategically incorporated and deployed to fulfill lean, just-in-time capabilities only if changeovers are required on a company's manufacturing floor. In summary, "one single" best method, system, process or route to attaining excellent-to-world status does not exist.

Either a description of the "strategy and level of deployment" or the "results" as specified is required for all 11 elements. See pages 8-9 for the "scoring system" and "guidelines."

*"If you will take time to study the framework and elements of the Prize, you'll find a comprehensive system that, if adopted, will steer your organization unerringly to world-class excellence."*

Richard Schonberger  
President  
Schonberger & Associates, Inc.



The Shingo Prize recognizes organizations that use **world-class manufacturing strategies and practices** to achieve **world class results**. All applicants who receive a site visit will be publicly recognized as Finalists. Recipients will be selected from this prestigious group.

The Shingo Prize achievement criteria provide a framework for identifying and evaluating world-class manufacturing competence and performance. The criteria comprise a business systems model for manufacturing excellence, organized into five principle sections as pictured on the previous page.

The **world-class strategies and practices** that are referred to in the criteria are presented in sections I through III of these guidelines. World-class results are discussed in sections IV and V. There are expected measurements for quality, cost, delivery and business results. Any exceptions to reporting the expected measurements should be reviewed with a representative from the Shingo Prize office.

Shingo Prize applicants must prepare an Achievement Report that details key activities and results for each section of the Achievement Criteria based on relevant facts and data spanning a period of three years or longer should be reported. Each subsection's point values serve as a guide to determine the proper amount of material to provide.

## ENABLERS

### LEADERSHIP CULTURE & INFRASTRUCTURE

**I** (Section Total: 150 Points)

Implementing world-class strategies and practices requires and aligned management infrastructure and organizational culture. This section examines the management systems and organizational culture, the inputs or enablers in a systems model that are necessary to deploy world-class practices and achieve world-class performance. The two elements evaluated are leadership and empowerment.

#### A. Leadership (75 Points)

This subsection is designed to evaluate leadership at all levels of an organization with regard to application of world-class strategies and core business system practices that drive world-class results. Leadership creates an organizational culture and infrastructure that aligns the company's mission, strategy and policy to deploy lean/world-class practices and achieve world-class results.

Please discuss how your organization uses leadership to deploy world-class and lean strategies and practices to achieve world-class results. Examples of the items that could provide evidence in this section include, but are not limited to:

- Statements of vision, mission, values, strategies and goals
- A planning process for establishing and deploying vision, mission, values, strategies and goals (e.g., Hoshin Kanri, Policy Deployment, Management By Objective, etc.)
- Allocation of resources for deploying vision, mission, values and strategy
- Sustained personal commitment and involvement of **all** the organization's managers to find and eliminate waste, *muda*, or any value-added activities and costs.
- Knowledge management system and business results that are deployed to all levels of the company
- Communication and measurement of quality, cost and delivery standards throughout the organization
- An organizational philosophy that encourages and recognizes innovations, entrepreneurship and improves wherever they originate in the organization.



## EMPOWERMENT (75 POINTS)

The subsection is designed to evaluate the degree of employee empowerment to effect change within the organization, particularly as it relates to deploying world-class strategies and practices. Employee involvement and empowerment means that a highly specific environment exists that unleashes and fully utilizes each person's talents, skills, diversity and creativity through individual commitment and team effectiveness. This evolutionary process gives each employee the opportunity to feel confident, to be heard and to be respected. The result is job enrichment, maximum productivity, achievement of organizational objectives and a continued commitment of employee development.

Please discuss how your organization uses employee involvement and empowerment to deploy world-class strategies and practices. Examples of items that could provide evidence for this section include, but are not limited to:

- Magnitude of employee training in world-class practices, separating orientation training from regular employee training.
- Use of teams (e.g., corrective action teams, cross-functional teams, process improvement teams and/or self-directed teams) to deploy world-class strategies and practices to achieve world-class results
- Suggestion systems or other mechanisms that demonstrate management's willingness to receive innovative and/or improvement ideas from all sources.
- Recognition and reward systems for the company/plant (e.g., gain sharing), teams and/or individuals contributing to demonstrated improvements
- Company procedures that facilitate **all** employees sharing problems and exchanging ideas with customer and/or supplier employees
- Measures that document employee satisfaction and morale such as employee turnover, absenteeism and employee survey results
- Efforts to maintain an ergonomic, clean and safe work environment for **all** employees
- Specific safety program results, such as, reportables and lost time.

## CORE OPERATIONS

### II MANUFACTURING STRATEGIES & SYSTEM INTEGRATION

*(Section Total: 450 Points)*

This section focuses on the core manufacturing strategy, practices and organizational techniques deployed to achieve world-class results. It should provide information about the value chain practices and techniques the company uses to achieve world-class results.

#### MANUFACTURING VISION & STRATEGY (50 POINTS)

This subsection requires an outline of the company's manufacturing vision and strategy as it relates to the selection and use of the specific methods, systems and processes detailed in subsections B, C, and D of this section.

#### B. INNOVATIONS IN MARKET SERVICE & PRODUCT (50 POINTS)

This subsection is designated to evaluate a company's market service and product innovation. Any available information regarding competitors' benchmarking of services and products should be included. Two potential approaches could be pursued: (1) innovative efforts to reduce the cost of existing product(s) and product development; and (2) innovations in market service. Both approaches are viewed as enhancing business growth and performance. The second approach generally applies to companies that are primarily assemblers or those who manufacture a commodity-type product with limited opportunity for new product development.

The methods and processes documenting market service and product innovation may include, but are not limited to:

- Verifiable cost reductions in logistics, sales, service, post sales service, technical support, etc. for an assembler or manufacturer of a commodity product. Using quality function deployment, concurrent or simultaneous engineering, etc. for product development

- Benchmarking competitors' products and services
- New market development and current market exploitation
- Design for manufacturability, testing, maintenance, assembly, etc.
- Variety reduction
- Converting a commodity-type product to a more specialty differentiated product
- Innovations in market service and logistics
- Broadening sales mediums to include avenues such as e-commerce, the internet, etc.

### C. PARTNERING WITH SUPPLIERS/CUSTOMERS & ENVIRONMENTAL PRACTICES (100 POINTS)

This subsection is designed to evaluate the company's efforts to deploy world-class practices by partnering with suppliers and customers, and to assess how well the company integrates suppliers and customers into the value-creating process.

Discuss how your organization uses partnering to deploy world-class practices and/or achieve world-class results. Documentation in this section may include but is not limited to:

- The integration of the company, its suppliers and its customers in establishing value-creating methods and practices across company boundaries in production or product development
- Distribution and transport alliances to insure product quality and productivity
- Initiatives regarding environmental issues (i.e., recycling, reducing industrial waste, ISO 14000, etc)
- Supplier satisfaction measures
- Union partnership initiatives
- Benchmarking projects for process improvement
- Cooperative endeavors with schools and training organizations to ensure a qualified workforce
- Cooperative community endeavors that demonstrate the company and its employees are socially responsible

1. In providing evidence of waste, please keep in mind the following definition of waste reduction: *Waste is any activity which utilizes equipment, material, parts, space, employee time, etc. beyond the minimum amount required for value-added operations to ensure manufacturability.* Seven basic categories of waste which a business should strive to eliminate could include, but are not limited to: *Overproduction, Waiting for Machines, Transportation Time, Process Time, Excess Inventory, Excess Motion, and Defects*

2. 5S denotes the following basic factory and office improvements:

1. Sort—sort through what you have and throw out what you don't need
2. Straighten—organize what remains, making space visual and self-explanatory
3. Shine—clean up tools, equipment, and workplace and keep them spotless
4. Systematize—follow work standards scrupulously
5. Sustain—maintain discipline in 5S

### D. WORLD CLASS MANUFACTURING OPERATIONS & PROCESSES (250 POINTS)

This subsection focuses on deploying the world-class/lean manufacturing practices necessary to achieve world-class performance. This section could include intermediate results and anecdotal evidence concerning the techniques and practices listed below.

Please discuss how your organization uses any of the world-class/lean manufacturing practices or other similar activities. Documentation could include, but is not limited to:

- Time-based or just-in-time manufacturing
- Systematic identification and elimination of all forms of waste<sup>1</sup>
- Value Stream Mapping
- Value Analysis
- 5S Standard and Disciplines<sup>2</sup>
- Standard work
- Total productive, preventive or predictive maintenance
- Quick changeover or setup reductions (SMED)
- Source inspection and *poka-yoke*
- Visual workplace/visual manufacturing
- Cellular manufacturing
- Continuous flow
- Multi-process handling and automation (*jidoka*)
- Pulling work through the production sequence (*kanban*)
- Distributing work intelligently and efficiently (*heijunka* or load leveling)
- Six sigma or statistical process control
- Theory of constraints
- Breakthrough *kaizen* events (*kaikaku*)
- Tools of quality (i.e., pareto charts, storyboarding, cause and effect diagrams, 5-whys or similar problem-solving techniques)
- Production Process Preparation (3P)



### III NON-MANUFACTURING SUPPORT FUNCTIONS

*(Section Total: 100 Points)*

This section is designated to evaluate (1) the degree of integrated between manufacturing and all non-manufacturing functional units: and (2) the extent to which improvement techniques and strategies have been applied in non-manufacturing functions up and down the value stream (new product development efforts are detailed in Section IIB and need not be repeated here). Non-manufacturing support functions may include accounting, finance, human resources, sales and marketing, materials, purchasing, quality, MIS, etc. Address only those non-manufacturing functions that fall under the scope or control of the applicant site.

Evidence could include, but is not limited to, a discussion of:

- Alignment of non-manufacturing functions to support the manufacturing function
- The integration of non-manufacturing functions with manufacturing
- Incorporation of continuous improvement in the mission or vision statements, goals or strategies of all non-manufacturing functions
- Elimination of waste or non-value-added activity in all functional units of the organization (e.g., closing of financial books in hours rather than days)
- Commitment to continuous improvement projects and/or change processes in long-range plans, capital budgets, training and human resource development, marketing plans and strategic reviews by all functional business units.

### OUTPUT RESULTS

#### IV QUALITY, COST & DELIVERY

*(Section Total: 225 Points)*

This section is designated to evaluate the outputs of core business systems or the performance of the world-class/lean practices described in sections II and III of the criteria. Evidence in this section includes multiple measures of quality, cost and delivery. Each measurement presented, should be documented with three or more years of data. When measurements have been in place less than three years, present whatever data is available. Data reported should show, to the extent possible,

not only the trend, but also the performance level attained and potential industry benchmark comparisons. The current goal for each key measure should be reported as well. Note that there are expected measurements for quality, cost, delivery and business results. Any exceptions to reporting the expected measurements should be reviewed with representation from the Shingo Prize office. Results data reported may be based on either “profit or cost center” policy. An expected measures spreadsheet and definition elaboration will be provided to each applicant upon notification of an intent to apply. The spreadsheet must be included in the Achievement Report. Adjustments for extraneous factors such as inflation and changes in product mix should be clearly documented.

#### A. QUALITY & QUALITY IMPROVEMENT

*(75 Points)*

The objective of the quality & quality improvement category is to insure that no human or machine errors ever get into customers' hands and that in-process defects are continually being reduced. The goal is zero defects. Both trend and level data should be presented and the basis/definition for all quality measurements should be reported.

Expected measurements::

- Rework as a percent of sales or production costs
- Customer rejects due to quality (ppm)
- Finished product first pass yield and percentage
- Unplanned scrap rate(s)

Supplemental data could include:

- Overall cost of quality as a percent of sales, total manufacturing cost or other appropriate baseline
- Process variation measures
- Warranty cost as a percent of sales
- Other appropriate measures

#### B. COST & PRODUCTIVITY IMPROVEMENT

*(75 Points)*

The purpose of the measured cost and productivity improvement category is to assess the improvement trend and level in cost and productivity. Both trend and level data should be presented and the basis/definition for all cost and productivity measurements should be reported.

Expected measurements::

- Total inventory turns separated as appropriate into raw, WIP and finished goods.
- Value added per payroll dollar (sales minus purchased goods and services divided by total payroll dollars)
- Manufacturing cycle time (start of product production to completion)

Supplemental data could include:

- Physical labor productivity (units/direct hour)
- Energy productivity
- Product cost reduction
- Percent machine uptime
- Changeover reductions
- Resource utilization (e.g., vehicles, plant and warehouse floor space, etc.)
- Transport and logistics effectiveness and cost
- Other appropriate measures

**C. DELIVERY & SERVICE IMPROVEMENT**  
(75 Points)

The purpose of the delivery and service improvement category is to identify whether customers are getting what they need in the time and quantity necessary. Both trend and level data should be presented and the basis/definition for all delivery and service measurements should be reported.

Expected measurements::

- Percent of line items shipped on-time (define on-time window) and/or percent of complete orders shipped on-time (define on-time window)
- Customer lead time (order entry to shipment)
- Premium freight as a percent of production costs

Supplemental data could include:

- Mis-shipments
- Warranty response and service
- Other appropriate measures

**OUTCOME RESULTS**

**V**

**BUSINESS RESULTS**  
(Section Total: 75 Points)

This section is intended to evaluate the outcomes and quality, cost and delivery on customer satisfaction and business results. For each measurement presented, three (3) or more years of results should be documented.

**Customer Satisfaction** - Evidence of customer satisfaction may be presented through any valid approach used by the company. **Survey data should describe sample size, survey format, frequency and efforts to avoid bias.** Measures reported must be clearly defined and could include, but are not limited to:

- Market share
- Reorder rate
- Customer survey results
- Customer awards
- Customer audits
- Field performance data
- Other appropriate measures

**Profitability** - Measures of level and trend should be clearly defined and should document the unit's overall relevant business financial attainment.

Expected measurements:

- Operating income on sales ratio
- Operating income on manufacturing assets ratio

Supplemental data could include:

- Reductions in fixed and/or variable costs
- Cash flow
- Product line margins
- Other appropriate measures

**SUMMARY OF ACHIEVEMENTS**

Write a two to five page report summarizing the company's accomplishments relative to the level of achieved excellence in manufacturing. The summary will not be scored, but will be used as a quick reference document.

*"...there are many such prestigious awards being provided in the industry. But I think there's one very crucial point which differentiates the Shingo Prize...one of the major issues to be dealt with is the concept of muda, or waste. In no other prize-giving activity, do they question the muda. ...For that matter alone, I think, the Shingo Prize is very unique and you should be proud of the existence of such an award in the United States and now being extended to Mexico and Canada.*

Masaaki Imi, Chairman  
KAIZEN Institute of Japan



The Shingo Prize Examiners review business applications based on two evaluation dimensions: (1) Strategy & Deployment and (2) Results. Each of the Achievement Criteria's subsections requires applicants to furnish information relating to one or both of these dimensions. Sections I through III refer primarily to information on Strategy & Deployment. Sections IV and V refer primarily to overall organizational results. However, it is fully appropriate to include "intermediate" results (number of leadership initiatives, number of teams, team participation rates, number of suggestions per year, cycle time reduction in a specific process, etc.) in sections I through III.

Specific factors relating to each evaluation dimension are described below.

### STRATEGY & DEPLOYMENT

Strategy is the means, processes or methodologies and organization pursues to achieve its business plan and manufacturing goals. Deployment is the action the organization takes to achieve the intended strategy. Scoring is based on:

- The acceptance and use of the Shingo's comprehensive view of "waste" as any non-value added activity and its prevention as the only path
- The degree of organizational focus on value-added activities
- The existence of goals focused on continuous improvement and world-class manufacturing
- The understanding of the importance of business processes as an area for analysis and improvement
- The effective use of appropriate tools, techniques and technologies in a variety of improvement initiatives
- The demonstrated cooperation and integration between employees' efforts at all levels

### RESULTS

Results are an organization's demonstrated achievements in reaching each manufacturing and business goal. Scoring is based on:

- The demonstrated improvement trend in each key area
- The level of performance in each key area
- The use of outside benchmarks in intelligent goal setting
- The choice and use of appropriate measures for each specific purpose, and the proper technical adjustments
- The intelligent use of the measured results to stimulate further improvement

When using this scoring grid, select the quadrant that tends to best describe the company's current practice based upon the individual descriptors, then qualitatively decide whether the current practice is high, mid, or low. A qualitative percentage is selected and multiplied by the point value of the criteria element to determine a current practice score.

STRATEGY & DEPLOYMENT	
Organizations which fully match the descriptors would score at the top of the indicated range, etc.	
<b>100%</b> <b>I</b> <b>80%</b>	<ul style="list-style-type: none"> <li>◆ Tenacious strategic focus on high-value-added processes and issues</li> <li>◆ Major, fully completed waste prevention applications that could be considered best practices examples</li> <li>◆ Clear and ingrained use of all appropriate human technical resources in an integrated manner</li> </ul>
<b>80%</b> <b>I</b> <b>60%</b>	<ul style="list-style-type: none"> <li>◆ Recognition of strategic priorities with frequent consideration beyond day-to-day issues</li> <li>◆ Many good waste-prevention projects, some of which are around key processes and issues</li> <li>◆ Frequent use of appropriate human and technical resources to reach beyond the conventional solution, but occasional problems in getting integrated action</li> </ul>
<b>60%</b> <b>I</b> <b>40%</b>	<ul style="list-style-type: none"> <li>◆ Existence of some strategic ideas but rarely applied systematically</li> <li>◆ A few good waste-prevention/reduction applications, more are planned as time permits</li> <li>◆ Some use of human and technical resources beyond conventional, but difficult to get integrated cooperation and action</li> </ul>
<b>40%</b> <b>I</b> <b>20%</b>	<ul style="list-style-type: none"> <li>◆ No evidence of strategic focus; reactive only to day-to-day issues</li> <li>◆ Minor, incomplete, limited-value applications of waste reduction</li> <li>◆ No evidence of use of human and technical resources in problem solving</li> </ul>

RESULTS	
Organizations which fully match the descriptors would score at the top of the indicated range, etc.	
<b>100%</b> <b>I</b> <b>80%</b>	<ul style="list-style-type: none"> <li>◆ Excellent improvement trends in key strategic areas and within the waste-prevention projects</li> <li>◆ High and predictable levels of performance with active programs based on goal setting</li> <li>◆ Creative choice of appropriate indicators with demonstrated validity</li> <li>◆ Evidence of ingrained, routine feedback of results to those responsible for improvement</li> </ul>
<b>80%</b> <b>I</b> <b>60%</b>	<ul style="list-style-type: none"> <li>◆ Generally good improvement trends in the key strategic areas and in improvement projects</li> <li>◆ Good level of performance in most areas and projects; some attention to goal setting</li> <li>◆ Appropriate measures used with demonstrated validity</li> <li>◆ Good evidence of feedback of results to those involved in improvement on a regular basis</li> </ul>
<b>60%</b> <b>I</b> <b>40%</b>	<ul style="list-style-type: none"> <li>◆ Good improvement trend in some key areas and applications</li> <li>◆ Reasonable-to-good level of performance in some areas and applications</li> <li>◆ Adequate choice of measures used but little demonstrated validity</li> <li>◆ Little evidence of results feedback as a routine</li> </ul>
<b>40%</b> <b>I</b> <b>20%</b>	<ul style="list-style-type: none"> <li>◆ No apparent improvement trend in key areas; mixed results in applications</li> <li>◆ Levels of performance that are either low or not predictable</li> <li>◆ Poor choice of measures and insufficient use</li> <li>◆ No evidence of systematic feedback of results</li> </ul>



The state level Shingo Prize for Excellence in Manufacturing recognized companies and plants located in the Commonwealth of Virginia that have demonstrated outstanding achievements in manufacturing & business processes leading to outstanding quality, cost, delivery and business results. Additionally, the application process itself serves as a vehicle for improvement. Applicants receive feedback, within the scope of the Achievement Report, on possible improvements and suggestions for development.

### ELIGIBILITY

The Business Prize may be awarded to any qualifying applicant in each of the following categories.

1. Large manufacturing companies, which can include:
  - ◆ Whole company
  - ◆ Division or Business Unit
  - ◆ Single Plant
2. Small manufacturing companies, which can include:
  - ◆ Whole Company
  - ◆ Division or Business Unit

Manufacturing entities in existence three or more years, located and operated in Virginia that conform to the U.S. Standard Industrial Classification (SIC) of Manufacturing are eligible to apply for the Prize. For individual entities engaged in both service and manufacturing, classification is determined by the larger percentage of sales. Additional eligibility requirements that an entity interested in challenging for the Shingo Prize must meet include the following:

- ◆ If a single applicant business entity individually comprises more than 50 percent of the business unit, then the entire business unit must be included in the application, unless the business unit can provide a substantive justification that the remaining entities are not integral to the operation of the business unit or applying entity. Questions regarding eligibility should be clarified prior to submitting the Intent to Apply Form.
- ◆ A prize recipient is ineligible to re-apply for the Prize for five years
- ◆ At least 50% of the business' revenue must be derived from manufacturing activities

**Small businesses** are defined as independent corporate entities with fewer than 500 full-time equivalent employees. Small businesses may challenge for the Prize provided that the above provisions are met. A division or business unit of a small company may apply as a separate entity. In order to apply, the entity must be operated essentially as a complete business.

**Large businesses** are defined as corporate entities with 500 or more full-time equivalent employees. Large business entities may challenge for the Prize according to the following provisions.

- ◆ Manufacturing business entities (subsidiaries, business units, divisions and plants) wishing to apply must have at least 50 full-time equivalent employees and have clear lines of distinction from other organizational units. Separate organizational units of a large business may compete individually, but must apply in the large business category, regardless of the number of employees in the specific unit.
- ◆ Multiple entities within one company, subsidiary, business unit, or division may apply individually in the same year, unless the applying entities together comprise a clear majority of the next larger business unit (i.e., company, subsidiary, business unit or division), in which case the application will automatically be considered on the basis of the larger entity.

### APPLICANTS NEED TO PROVIDE

1. **Intent to Apply Form** - organizational information sufficient to determine eligibility (see page 13).
2. **Achievement Report** - written documentation of the company's efforts and achievements in manufacturing excellence conforming to the criteria outlined in these guidelines. The Achievement Report should generally not exceed 100 pages.

## EXAMINATION

All applicants who receive a site visit will be publicly recognized as finalists. Recipients will be selected for this prestigious group.

The examination process has four steps; First, Achievement reports are submitted and distributed for review by members of the examiner board. The review will occur before June 15, 2005. The high scoring applicants are designated as Finalists and will receive site visits. Second, Site visits will be conducted between June and August. Third, based on the application review and site visit results, the board of examiners will recommend Finalists to the Shingo Prize Board of Governors to become prize recipients. Finally the Board of Governors reviews the recommendations and may either ratify or reject the Board's recommendations. Companies will be notified by the end of August. Decisions made by the Board of Governors are final and not subject to appeal. Business applicants will receive written feedback on notable accomplishments on and opportunities for improvement based upon the items reviewed during the Achievement Report and site visit.

### SITE VISITS

Candidates for the Shingo Prize will receive a site visit by a team of examiners. A single facility application will generally require a team of three (3) to eight (8) examiners.

- The primary objective of the site visit is to

verify clarify and amplify the information contained in the Achievement Report. should be prepared to update all metrics reported in their Achievement Report during the site visit. Companies will generally be notified at least ten working days in advance of a site visit.

### TIMETABLE

Intent to Apply Forms are due on **March 20, 2005.**

Achievement Reports are due on **June 1, 2005.** Site visits will be conducted between **July 1 and August 30, 2005.**

Since applications are receive only once a year, some flexibility in the Achievement Report submission date is possible. If additional time is required, please contact the Shingo Prize office to discuss an extension.

### CONFIDENTIALITY

All applications, Achievement Reports, commentaries and evaluation information are held confidential. All individuals involved in the review, handling and processing of reports sign a nondisclosure agreement which is held in the Shingo Prize office. Examiners are assigned in such a manner that conflicts of interest are avoided. Business entities that have representatives on the Board of Governors or Board of Examiners are allowed to challenge, but their representative will be disqualified from participation in the examination, review and selection process for the category

## APPLICATION AND SITE VISIT FEES

### APPLICATION FEES

An application processing fee of \$3,000 for large Businesses or \$1,250 for small businesses must be submitted with the intent to apply form on or before March 20, 2005. Companies submitting the intent to apply form after March 20, 2005 are subject to an additional \$1,000 late processing fee. Application fees will be refunded if the applicant is found to be ineligible to compete.

### SITE VISIT FEES

Applicants selected for a site visit pay an additional fee. The cost of each site visit is based in part on the nature and size of the applicant entity. Fees generally run between \$2,000 and \$9,000 for a single facility location. Please call the VMA for projected costs for very large locations or multi-facility applicants.



## INSTRCUTION FOR SUBMISSION OF APPLICATION

### STEP 1. SUBMISSION OF INTENT TO APPLY FORM

A completed Intent to Apply Form (p. 13) is due on March 20, 2005, at the Shingo Prize for Excellence in the Virginia Manufacturers Association office. This form will be used to verify the eligibility of the applying plant, division or business unit. A notice of eligibility confirmation will be sent to the applying entity.

The Intent to Apply Form must be accompanied by payment of the application processing fee (\$3,000 for large businesses; \$1,250 for small businesses). Intent to Apply Forms should also be accompanied by a brief (2-5 page) description of the applying entity, its relationship to other plants, divisions or business units within the total company, and a brief history of the company. Intent to Apply Forms submitted after March 20, 2005 are subject to an additional late processing fee of \$1,000.

### STEP 2. PREPARATION OF THE ACHIEVEMENT REPORT

The Achievement Report should follow the same sectional designation contained in the Achievement Criteria guidelines (pp. 4-8), including a summary of all accomplishments relative to the achieved level of excellence in manufacturing. A copy of the Intent to Apply Form, and its accompanying 2-5 page history and description of the company, should be included at the beginning of the Achievement Report. The official language of the Achievement Report and site visit evaluation will be English.

The report must be typed or printed on 8 1/2 x 11-inch paper using a fixed pitch font of 10 characters per inch or a proportional spacing font of point size 12. Sheets should be printed on both sides, and may be printed either single or double-spaced. The report is generally limited to a maximum length of 100 printed pages. The report should be bound with a non-bulky, lightweight binding (no bulky ring binders).

### STEP 3. SUBMISSION OF ACHIEVEMENT REPORT

Eight (8) copies and one CD or zip disk copy of the Achievement Report, meeting all above-stated criteria and format requirements, are due on **June 1, 2005** and should be sent to the address listed below.

Virginia Manufacturers Association  
Shingo Prize for Excellence in Manufacturing  
1108 East Main Street, Suite 700  
Richmond, Virginia 23218

For questions or comments contact:  
Joseph J. Croce  
Vice President, Virginia Manufacturers Association  
804-643-7489 ext. 17  
FAX 804-780-3853  
[jcroce@vamanufacturers.com](mailto:jcroce@vamanufacturers.com)

**The Virginia Shingo Prize will be awarded at four levels:**

Platinum – Highest  
Gold  
Silver  
Bronze

**2005 SHINGO PRIZE FOR EXCELLENCE IN MANUFACTURING**

**APPLICANT**

Company Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

**HIGHEST RANKING OFFICIAL OF APPLYING ENTITY**

Name \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

**OFFICIAL CONTACT FOR CORRESPONDENCE**

Name \_\_\_\_\_ Title \_\_\_\_\_

Telephone \_\_\_\_\_ Fax \_\_\_\_\_

Email \_\_\_\_\_

**ELIGIBILITY INFORMATION**

Check One:

**Large Business:**  Whole Company  Division/Business Unit  Single Plant

**Small Business:**  Whole Company  Division/Business Unit

Industrial Classification according to U.S. SIC Codes \_\_\_\_\_

Please list all individual sites and/or facilities that make up your company, subsidiary, business unit or division. Indicate the number of employees at each site/facility, and whether the site/facility is to be included in the application.

Site/Facility	Number of employees	Included (Y/N)
_____	_____	_____
_____	_____	_____
_____	_____	_____

*This form should also be accompanied by a brief (2-5 page) description of the applying entity, its relationship to other plants, divisions or business units within the total company, and a brief history of the company that includes a description of the product lines, organizational structure, sales history, etc.*

**STATEMENT**

We understand that this Intent to Apply Form and the subsequent Achievement Report will be reviewed by members of the Board of Examiners, Board of Governors and staff of the Shingo Prize. If selected as a candidate, our organization agrees to host a site visit to verify information provided in the achievement report. We understand that if the company is selected for a site visit a site visit fee will be assessed.

**SIGNATURE OF AUTHORIZING OFFICIAL**

**X** \_\_\_\_\_ Date \_\_\_\_\_

**Name** \_\_\_\_\_ **Title** \_\_\_\_\_

*Note: Checks for application fees should be made payable to the Virginia Manufacturers Association*





“In the final analysis, national prosperity depends on improved productivity and, conversely, it is only on a foundation of increased productivity that we can build a wealthy nation and happy citizens.”

Shigeo Shingo



Virginia Manufacturers Association  
Shingo Prize for Excellence in Manufacturing  
1108 East Main Street, Suite 700  
Richmond, Virginia 23219  
Tel: 804-643-7489  
Fax: 804-780-3853

or

P.O. Box 412  
Richmond, Virginia 23218

<http://www.vamanufacturers.com>