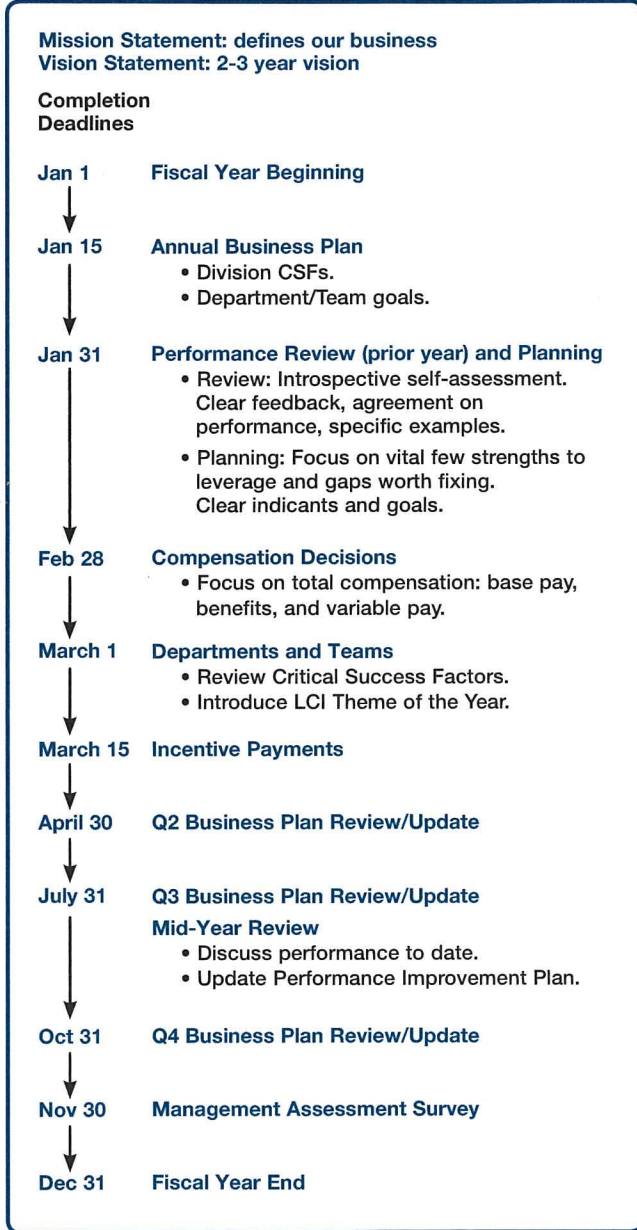


# LCI: LAITRAM CONTINUOUS IMPROVEMENT PROGRAM

## I. Business Philosophy: Defines Company Values

### II. Timeline



### III. Principles to Practice

#### BE THE BEST YOU CAN BE

Values drive choices, shape habits, and determine happiness.

- We are each a work in process. By nature we change; by choice we improve.
- Be introspective. Understand strengths and weaknesses.
  - Admit mistakes. No "victim mindset."
- Never compromise philosophy principles. No "errors of intent."
- Passion to improve. Ideas matter. Learn from experience—yours and others'.

Be objective when making decisions.

- Seek truth. Face facts as they are, not how you want them to be.
- Challenge assumptions. Use reason to integrate all relevant facts.
- Don't let envy, ego, or other emotions distort your view.

Make a difference. Be self-managed.

- Begin with the end in mind. Focus on the vital few; next action(s).
- Think like an owner. What's best for the company? Frugal mindset.
- Push for what you believe to be important.
  - System is fair. People make mistakes.
  - Appeal decision up the chain and/or speak confidentially to HR.
  - Don't play "ain't it awful." Fully support the final decision or leave.

Have fun at work. Take pride in yourself, your work, and the Company.

#### MAKE THE TEAM THE BEST IT CAN BE

Commitment: Give it and expect it from others.

- High performance teams: clear purpose, shared vision, passion, and values.
- Deliver excellent work; get the right things done.
- Highest and best use of each team member's talent and skills.
- Understand importance of individual impact on team and company.

Build trust and open communication.

- Listen. Keep an open mind. Seek first to understand.
- Ask, "Who should know this?" Use appropriate channels; no email debates.
- Be completely honest. Avoid surprises. Be proactive with bad news.
- Appreciate and acknowledge the contributions of others.
- Presume competence and good intentions. Loyalty to the absent.

### IV. Manager/Supervisor Role

Create an environment where talented and motivated people thrive.

- Champion the LCI Program. Set the example.
- Help each individual succeed. Highest use of each person.
- Promote continuous improvement. Shared values/goals.

Limit active priorities. Clear on vital few and next action.

- Systematically review issues. Communicate process to resolve.

Encourage initiative. Give guidance. Expect self-management.

- Ask questions. Don't control. Measure results. Expect mistakes.
- Give feedback in context. Focus on the important. Promote introspection.

Create a challenge culture of mutual trust and partnership.

- No egos. No barriers. No secrets. No politics.

### V. Productivity

#### A Team of High Performance Teams

- Specialize, collaborate, and align.
  - One team: no "us vs them."
- Flat structure; decentralized teams of experts.
  - "All workers manage and all managers work."

#### Simplify

- Define a clear and limited purpose.
  - Begin with the end in mind.
  - Understand what's important and why.
- Limit active priorities.
- Clarify and reduce process steps to essentials.
- Simple information and language.
  - "Roughly right" fit for purpose.
  - Short reports, simple graphs and pictures.
  - No complex data.
  - Use examples to clarify concepts.

#### Operational Excellence

- Zero-defect execution; eliminate errors and waste.
- Measure and communicate what's important.
- Smooth throughput; eliminate bottlenecks.

#### Continuous Discovery, Innovation, and Learning

- Experiment with ideas. Test fast, fail fast, adjust fast.
  - Low-cost mistakes.
  - Learn by doing, assess, and redirect.
- Feasibility to test and de-risk.
  - Small steps; 80/20 phasing; assess at each stage.
- Challenge assumptions; avoid false confidence.
  - Ask, "How do I know?"
  - Deep drill to understand facts firsthand.

#### Group Meetings

- Understand purpose, context, and agenda.
- Seek first to understand other views.
  - Don't interrupt or dominate discussion.
- No conclusions before understanding the facts.
- Seek truth and share ideas.
- Speak up when you disagree.

#### LCI Teams for Problem Solving

Small groups with people closest to the problem and cross-functional expertise.

1. Select and clarify the problem.
2. Evaluate causes.
3. Develop and test a solution.
4. Implement and measure results.