

SUGGESTION IMPROVEMENT PROGRAM



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10X - One Operational Excellence

A suggestion system is a process that provides employees with a formal way to submit ideas and suggestions to management. The goal of a suggestion system is to encourage employee participation in decision-making and problem-solving in the workplace. Suggestion systems provide employees with a platform to share their opinions and ideas on how to improve the organization.

- Employee suggestion systems encourage a culture of openness where employees feel valued for their contributions.
- These systems can lead to cost savings and operational efficiencies by tapping into the collective knowledge of the workforce.
- Recognition programs are often implemented alongside suggestion systems to reward employees for their ideas, fostering further participation.
- Effective employee suggestion systems include a clear process for submission, evaluation, and implementation of ideas.
- Companies that actively use suggestion systems often report higher employee morale and retention rates due to increased involvement in decision-making.

Read on to uncover how I wrote the book on a new suggestion system people will use because it pays them to. It took my many hours and long nights at work to re-write the policy on suggestion problem. Screw petty prizes, vouchers and gift cards as rewards. What is the answer to 99 out of 100 questions? MONEY. \$\$\$

ACME AUTOMOTIVE	PROCEDURE	DOCUMENT NUMBER EN_P10-01W101C	
	SIP SUGGESTION IMPROVEMENT PROGRAM	RELEASE DATE 07/07/2022	
		REVISION NUMBER 03	
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1.0 SIP Purpose

- 1.1 The purpose of this document is to write policy for the procedure and processes of the principle of actions undertaken for the Suggestion Improvement Program (abbreviated as SIP) for Acme Automotive Americas.

2.0 Scope

- 2.1 The scope of this document covers and is applicable to Duncan, South Carolina, Akron, Ohio and Troy, Michigan and Silao, Mexico.

3.0 SIP Participation Eligibility

- 3.1 Every Acme Automotive employee is entitled to submit a Suggestion Improvement Program (SIP) idea Improvement idea and can be submitted individually or as a group. The Acme Automotive Suggestion Improvement Program awards valuable ideas, ideas that help employees, customers, suppliers and the company.

4.0 SIP Improvement Ideas Impact

- 4.1 Suggestion improvement ideas should focus on having a positive impact in the following key business areas:-

Safety	idea/s that can provide a safer working environment
Cost	idea/s to reduce labor, supplies, materials, energy
Quality	idea/s to Improve product quality
Productivity	idea/s of doing the same with less or more with the same
Production	idea/s to improve production schedule achievement
Overtime	idea/s of reducing the need for overtime
Scrap	idea/s that can eliminate or reduce scrap and reworking
Defects	idea/s that can eliminate or reduce defects
Outbound Freight	idea/s to avoid having to expedite freight
Inventory	idea/s that can improve Inventory accuracy
Customer Service	idea/s to improve customer service
First time quality	idea/s that can improve first pass quality
Delivery	idea/s that help improve on-time delivery and in full
Redundancies	idea/s to eliminate or reduce unnecessary paperwork.
New products	idea/s that help develop new or improve current products
Breakdowns	idea/s to eliminate unplanned interruptions to production
Increase morale	idea/s that can improve worker involvement, retention, time to fill, job skill competency

- 4.2 As a guide we encourage our employees to think of ways that their job and other tasks that are carried out by themselves or other co-employees from another department that can be done better, faster, less expensive more efficiently. To facilitate good idea generation, we reference the specific industry recognized 8 Manufacturing Wastes and the 6 Machine Wastes. How can these wastes be either eliminated, reduced, increased, simplified or incorporated? The 8 Manufacturing Wastes are: -

- 1 Transportation
- 2 Inventory
- 3 Motion
- 4 Waiting
- 5 Over Processing
- 6 Over Producing
- 7 Defects
- 8 Skills

The 6 Machine Wastes are: -

- 1 Breakdowns
- 2 Start up yield to stable production
- 3 Defects
- 4 Speed Reduction
- 5 Minor stoppages and idling
- 6 Tool changeover times

4.3 Any ideas that can improve the listed areas above or other related areas would qualify. The only bad idea is the one never proposed that can have a positive impact on business results. No idea is too small but, we encourage Acme employees to think big. The idea for improvement shall have a proposed solution in which it details the current state condition using facts and data and a future state condition using facts and data detailing all the benefits of the improvement should it be adopted and implemented. The idea should have a positive impact and benefit to making an improvement to items listed in 4.1 and 4.2. The idea and solution should be thought through carefully with enough detail so the idea is clear and is possible with today's technology ideas that can impact business results are the consideration. If the idea will even make a small improvement in quality, cost, safety, productivity, customer service etc.

5.0 SIP Procedure

5.1 Improvement ideas should be filled out completely using the SIP improvement idea submission form located at the SIP mailbox which is located on the wall in the break room. It requires all fields of the form to be filled out in full indicated by the prefix symbol * and posted in the SIP mailbox. The SIP administrator will make a collection of the SIP mailbox once a week.

5.2 The SIP administrator will make a collection of the SIP mailbox once a week.

5.3 The SIP administrator will initially evaluate each of the collected improvement ideas for merit. Once the determination has been made by the SIP administrator that a submitted improvement idea has merit it is given a serial number which will be the sequenced SIP number - plus the submitter's employee number (e.g. 68-12345).

5.4 The SIP administrator will enter the improvement idea with any electronic attachments into our current SIP submissions software tracker and save it for later review by the SIP Board members. The SIP Board members comprise of all the likely implementation managers that could be assigned to make a feasibility study of an improvement idea and possibly adopt it and implement it.

5.5 The SIP members will meet every two weeks to review the progress of any in-progress adopted improvement ideas and review newly submitted improvement ideas. Newly submitted improvement ideas are reviewed by the SIP Board members and the likely implementation manager is identified and he or she can make the decision to (a) immediately take an adoption of the improvement idea (b) take an adoption of the improvement idea for a feasibility study for adoption. (c) immediately take a non-adoption of the improvement idea explaining to the SIP for the non-adoption.

5.6 Every SIP can take one of three cases in their non-adoption or adoption

5.6.1 Non-adoption. Case 1. The improvement idea is a good idea and it has merit. However, it cannot be adopted for the reason/s the assigned implementation manager has immediately concluded. For example: the cost of implementation and maintenance would not be financially beneficial or that the affected customer would reject the improvement idea. In this case the implementation manager will fill out both a SIP Acknowledgement letter and a SIP Non-Adoption letter. The assigned implementation manager fills out SIP Non-Adoption letter explaining in it to the SIP submitter why his / her improvement idea is a non-adoption. Both letters are placed inside the same envelop and the implementation manager see to that the letters hand delivered to the SIP submitter directly by hand

5.6.3 Non-adoption. Case 2. The improvement idea is a good idea and it has merit. However, it cannot be adopted for the reason/s that the assigned implementation manager has concluded after completing a feasibility study. For example: the cost of implementation and maintenance of the improvement idea would not be financially beneficial or that the affected customer has rejected the improvement idea. In this case the implementation manager will initially fill out a SIP Acknowledgement letter and the implementation manager see to it that the letter is hand delivered to the SIP submitter. After completion of the feasibility study the assigned implementation manager fills out the SIP Non-Adoption letter explaining in it why his / her improvement idea is a non-adoption.

The letter is placed inside an envelope and the implementation manager see to it that the letter is delivered directly to the SIP submitter by hand.

5.6.3 Adoption. Case 3. The improvement idea is a good idea and it has merit. The improvement idea is assigned to an implementation manager and he or she conducts a feasibility study of the improvement idea and has concluded that the implementation and maintenance of the improvement idea is financially beneficial and the improvement idea is adopted for implementation. The implementation manager will fill out both a SIP Acknowledgement letter and an Adoption letter. The SIP Acknowledgement letter acknowledges the SIP submitter for submitting the good idea and that he or she will be receiving a submission bonus in their next paycheck. The assigned implementation manager fills out the SIP Adoption letter explaining to the SIP submitter why his / her improvement idea has been adopted, the results of the feasibility study and possible bonus payout could be pending financial validation of the improvement by the accounting department.

5.7 The improvement idea implementation manager is any company manager deemed by the SIP administrator as the person best qualified to further evaluate the improvement idea for feasibility and if determined to be feasible will then own the improvement idea's implementation through to completion. The feasibility study and subsequent cost analysis of the valid improvement idea is performed by the SIP implementation manager

5.8 During the feasibility study period a decision to Adopt or Non-adopt the improvement idea is made by the SIP implementation manager by conducting various decision making tools available to him or her such as a cost and data analyses, time studies, performance testing and interviews with affected parties.

6.0 Awards

6.1 Large bonus payouts (over \$1,000) will be paid at a rate of up to 75% of the value of the savings during the test period. The balance of the bonus for the annualized savings will be paid at the end of the year when the savings can be validated.

6.2 A submitted improvement idea that is good and it has merit and is entered into our current SIP software submissions tracker is eligible for a one time fixed 'SIP Submission Bonus' of \$40.00. The SIP Board Members jointly decide if this payout is awarded to the SIP Submitter regardless of whether the improvement idea is adopted or non-adopted. If awarded the payout is electronically credited to the SIP submitter's payout and entered as 'Suggestion Improvement Bonus'. This payout is limited to each company employee to a maximum of two bonus payouts per month. If a group SIP submission is made payouts are made to each member of the group and each member of the group is considered to have received bonus payout as an individual employee.

6.2.1 A group is defined by this procedure as a maximum of three (3) persons.

6.2.2 The payout for group Improvement Ideas will be distributed equally. Any proposal to have the payout distributed differently has to be communicated at the time of submission of the Improvement Idea.

7.0 Types of improvement ideas: -

7.1 There are two types of improvement ideas: -

7.1.2 Tangible Improvement Ideas - This is an improvement idea that has measurable financial benefits. Examples of tangible improvement ideas: reduction in labor, material price reduction, lower supply cost, productivity gains etc.

7.1.2 Intangible Improvement Ideas - Even though this type of improvement idea is beneficial to the company, it may not be possible to calculate a measurable benefit. Examples of intangible improvement ideas employee morale related ideas, improvements in customer service, etc. These improvement ideas will be awarded a SIP Submission Bonus on the intangible benefit of the improvement idea as determined by the implementation manager. The person(s) submitting the improvement idea can receive further payout after implementation of the idea and the amount of the payout is calculated by using the SIP Non Measurable Calculator in Attachment 2 to a maximum payout of \$4,500.

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8.0 Payout Eligibility

8.1 Not all improvement ideas are eligible for a payout. Excluded from payouts are: -

8.1.2 Improvement Ideas already in progress or planned by the department in question prior to the submission of the Improvement Idea. Improvement Ideas deferred by the General Management based on legitimate grounds (verifiable through appropriate documentation). Improvement Ideas that have already been submitted.

9.0 Determination of Job Duties

9.1 Job duties are all necessary functions that are required to accomplish the employee's official work duties and are therefore expected based on the work contract. Any eligible improvement ideas must be either completely or partially outside of the submitting employee's area of work

10.0 Types of Payouts

10.1 Akron and Duncan Plants

10.1.2 Gifts (up to the highest taxable amount) Monetary Payout.

10.2 Silao Plant

10.2.2 Payout has not been determined for Silao.

11.0 Calculation of Improvement Idea Payouts

11.1 Akron and Duncan Plants

11.1.1 The payout amount is calculated based on the cost saving the improvement idea yields, which are determined as follows (calculation of economical savings). The submitting employee receives up to 20% of the first year's savings – Maximum payout is \$4,500 per Improvement Idea. Compensation will take place with next payroll cycle after approval. A recalculation will be done after one year - if the calculable maximum amount is not being paid.

11.1.2 The calculated difference will be paid out.

11.1.3 Improvement Ideas are compensated as follows.

11.1.4 Level 1: good, but savings not calculable SIP Non-Measurable Calculator in Appendix 1 to a maximum payout of \$4,500.

11.1.5 Level 2: Calculated savings will be paid according to above guidelines

11.1.6 Level 3: Approved Safety Suggestion will be paid out via \$40 SIP Submission Bonus. We do not want to incentivize safety. Safety is a given and is celebrated not incentivized by monetary payouts.

11.1.7 Non-Adoption of otherwise merited improvement ideas are compensated with \$40 SIP Submission Bonus.

11.2 Silao Plant

11.2.1 Payout has not been determined for Silao

12.0 Taxation of the Payout

12.1 The taxation of the payouts is based on the specific laws and regulations of the country / region.

13.0 Regulation of the execution of the Improvement Ideas

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17.0 Right to Object

17.1 The employee has the right to object to the decision made by the SIP Board, within 6 weeks. Objection can be submitted either orally or in writing. The Improvement Idea will then be re-evaluated in the next SIP Board meeting based on the reasons of the objection. The employee should be given the chance to explain his or her objection in person. If the employee is still not satisfied with the decision of the SIP Board, he or she can contact the Plant Manager directly. The plant manager will be the final arbiter on the objection.

18.0 Release of the Improvement idea to the submitting employee

18.1 Improvement ideas are work product and are the property of the company, not the employee. A non-adopted Improvement Idea does not automatically permit the employee to release the idea to a third party. If the submitting employee wants to give the idea to a third party – prior written permission from an officer of the company must be obtained, prior to releasing the idea to third parties.

19.0 Observance of priorities

19.1 Should it be determined that a non-adopted Improvement Idea is being executed at a later date - the first decision of the SIP Board is to be lifted and the improvement idea re-evaluated based on the observance of priorities. The improvement idea remains eligible for payout for 1 year - from the original date of receipt by the SIP Administrator. The eligibility for payouts can be extended for another 3 years, if the improvement idea is extended by resubmission before its expiration. It is the employee's responsibility to ensure the extension of the improvement idea - if he or she believes that it could still be executed after the duration of 3 years. The priority remains if a rejected Improvement Idea is being executed at a later date, due to or based on a new Improvement Idea of the same or similar content submitted by another employee. However, the new suggestion must be assessed accordingly.

20.0 Communications

20.1 Communications of Acknowledgements, Adoptions or Non-Adoptions to SIP submitters is done by the prescribed SIP letter headed template letters which are edited and further written by the implementation manager to be specific in detail to the improvement idea in question. We want to give a 'personal touch' (so often lacking in today's electronic commerce) to our communications between the SIP submitter and any member of the SIP Board of members. Any letter albeit SIP Acknowledgement, SIP Adoption or SIP Non-Adoption is to be 'hand delivered' to the SIP submitter. How this is done shall be that the implementation manager writing the letter to the SIP submitter will use the appropriate SIP letter template (kept in the implementation manager's own SIP folder) fill out the letter with the SIP Number (sequenced SIP number – plus employee number) with a brief highlight of the SIP Description (e.g. 'Packaging density improvement on 2300A G05 wheel housing liner') the letter is manually signed using an ink pen, folded, placed in a company envelope the SIP submitter's name is hand written on the front of the envelope. It is then given 'by hand', 'in person' 'directly' to either the SIP submitter's shift manager, superintendent or team leader with instructions for him or her that they are to do the same and deliver the letter 'by hand' 'in person' 'directly' to the SIP submitter.

21.0 Definitions

- 21.1 **Improvement** – [noun] im-prove-ment 1 : the act or process of improving 2 a : the state of being improved especially enhanced the value or excellence b : an instance of such improvement in a current state : something that enhances value or excellence
- 21.2 **Suggestion** – [noun] sug-jes-tion 1 a : the act or process of suggestion b : an idea or plan put forward for consideration.

- 13.1 New improvement idea is entered into the SIP submissions software tracker (Excel Spreadsheet) and its submission status is unassigned
- 13.2 SIP Administrator assigns a number to the Improvement Idea
- 13.3 SIP Administrator assigns the Improvement Idea to the appropriate implementation manager for a decision on its submission status which the submission status is changed to either, 'Adoption' immediately determined or after the conclusion of a feasibility study merits its adoption or 'Non-Adoption' immediately determined or 'Feasibility Study' in which a feasibility study needs to be performed.
- 13.4 If a feasibility study has been completed its Submission Status is changed to either Adoption, Non-Adoption. Consequently, if the improvement idea is adopted the Implementation Status has to change to 'In Progress'.

14.0 Composition and tasks of the SIP Board

- 14.1 The SIP Board comprises all departmental managers, the likely implementation managers. The SIP Board is called into session every two weeks to decide on the submitted and assessed Improvement Ideas and review of the implementation status of current adopted improvement ideas which can either be 'In Progress', 'Non-Adoption', 'Delayed' or 'Implemented'. The SIP Board assigned implementation manager decides on the adoption or non-adoption of the submitted improvement idea and determines the payout amount. The SIP Board can invite the employee that submitted the idea to the meeting.

15.0 Start, planning, realization and evaluation phases Improvement Ideas after feasibility study

- 15.1 The submitting employee receives a letter – hand delivered by that employee's manager, superintendent or team leader via the implementation manager about the status (acknowledgement, adoption or non-adoption) of his or her Improvement Idea as well as the amount of the payout. In case of a non-adoption the reason is entered into the SIP software submissions tracker. The improvement idea follows a basic project implementation management having a start phase, a planning phase, a realization phase and an evaluation phase by specific project management methods as determined by the implementation manager. Project review is then tracked and reported in the SIP software submissions tracker.

16.0 Suggestion Improvement Program ideas that are not eligible

- 16.1 It should be understood that the Acme Automotive Suggestion Improvement Program this is not an avenue for the listing of complaints and personal gripes. This program should be used to bring to light problems and opportunities that exist in the job roles and duties of an employee in production and other areas of the plant and then offer solutions that will benefit employees and their co-workers and the company. Examples of invalid SIP Improvement Ideas include but are not limited to the following: -

- 16.1.1 Improvement ideas related to a project or idea that is already under consideration
- 16.1.2 Opinions rather than specific recommendations
- 16.1.3 Duplications of previous improvement ideas
- 16.1.4 Improvement ideas not offering a well-defined solution
- 16.1.5 Improvement ideas related to known technologies
- 16.1.6 Computer development improvement ideas to make applications work as planned
- 16.1.7 Corrections to mistakes or obvious errors
- 16.1.8 Debugging of new processes, equipment or methods
- 16.1.9 Improvement ideas relating to company policies
- 16.1.10 Routine housekeeping improvement ideas
- 16.1.11 Non-Routine Maintenance
- 16.1.12 Personnel improvement ideas or complaints
- 16.1.13 Restoration use of a previous existing standard/s
- 16.1.14 Improvement ideas that are generated during a Kaizen event

Attachment 2 – SIP Non-Measurable Calculator



PAYOUT FOR NON-MEASURABLE SUGGESTIONS						
CRITERIA	EVALUATION	POINTS	TOTAL POINTS	\$	TOTAL POINTS	\$
P1 Impact of improvement based on application	None	0	1	\$50.00	21	\$370.00
	Minor	7	2	\$60.00	22	\$420.00
	Moderate	13	3	\$65.00	23	\$475.00
	Major	19	4	\$70.00	24	\$550.00
	Extraordinary	25	5	\$75.00	25	\$650.00
P2 Number of applications for which the suggestion can be used	One	0	6	\$85.00	26	\$750.00
	Minor	1	7	\$90.00	27	\$850.00
	Moderate	3	8	\$105.00	28	\$900.00
	Major	6	9	\$120.00	29	\$1,050.00
				10	\$130.00	30
P3 Expected length of utilization of the improvement idea (7 years average program life)	< 1 Year	0	11	\$140.00	31	\$1,600.00
	> 1 Year	1	12	\$150.00	32	\$1,850.00
	> 3 Years	3	13	\$160.00	33	\$2,100.00
	> 5 Years	6	14	\$185.00	34	\$2,350.00
	> 7 Years	9	15	\$210.00	35	\$2,650.00
P4 Internal efforts in time, labor, materials to implement the suggestion	None	0	16	\$240.00	36	\$2,900.00
	Minor	1	17	\$265.00	37	\$3,150.00
	Moderate	3	18	\$290.00	38	\$3,700.00
	Major	5	19	\$315.00	39	\$4,200.00
				20	\$345.00	40
P5 Additional implementation requirements	None	0				
	Minor	1				
	Moderate	3				
	Major	5				
TOTAL POINTS = (P1 + P2 + P3) – (P4 + P5) = \$ ACCOUNTING TABLE						

PROCEDURE


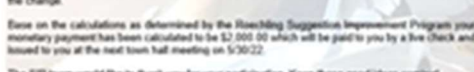
SIP

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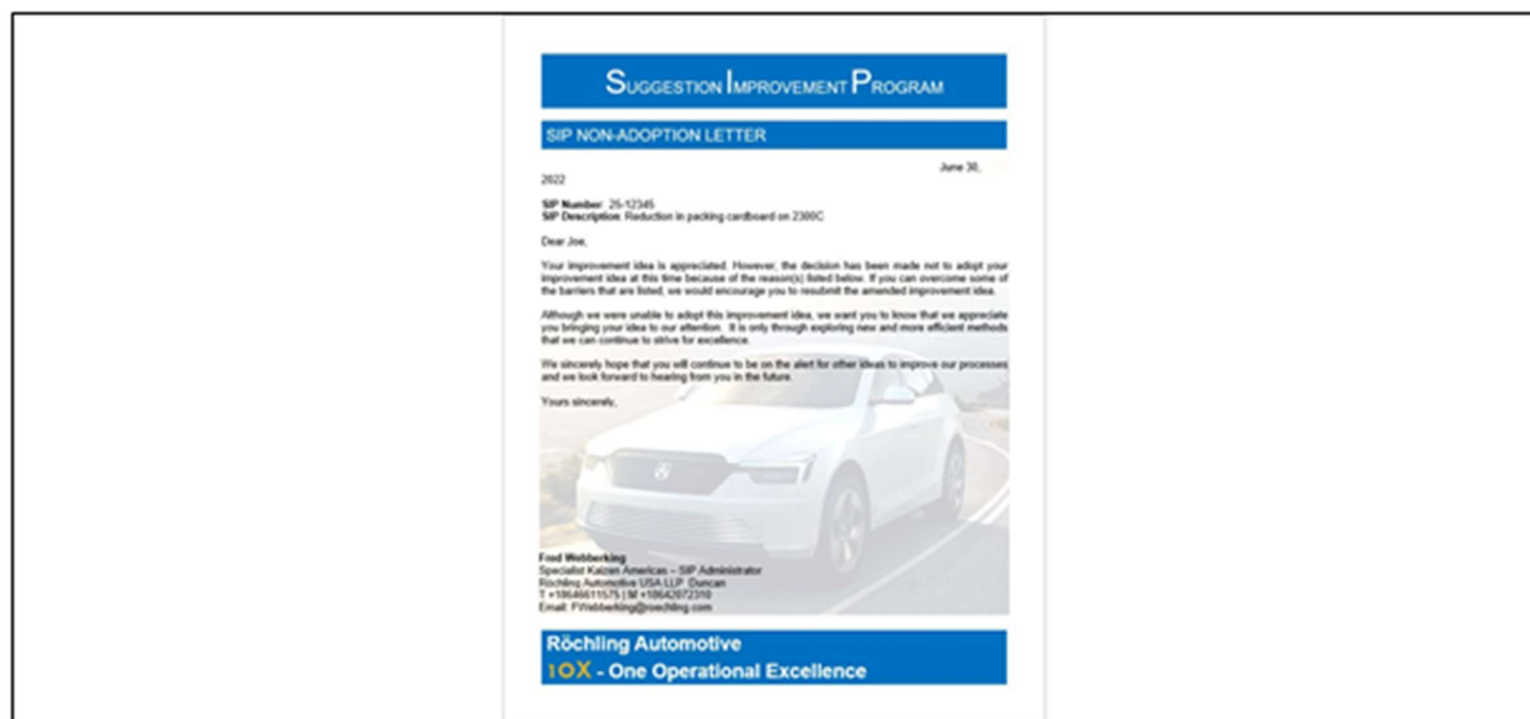
Attachment 3 – SIP Acknowledgement Letter (example)

	 <p>SUGGESTION IMPROVEMENT PROGRAM</p> <p>SIP ACKNOWLEDGEMENT LETTER</p> <p>June 30, 2022</p> <p>SIP Number: 25-12345 SIP Description: Reduction in packing cardboard on Z300C</p> <p>Dear Joe,</p> <p>Thank you for submitting your improvement idea to the Röchling Suggestion Improvement Program. In acknowledgement for your idea submission we will be crediting your next paycheck with a bonus of \$37.00. Your idea has been assigned a number and is being initially assessed for merit to determine if your idea meets the criteria under the Röchling Suggestion Improvement Program. If an adoption has been determined your idea will be assigned to an implementation manager. He or she may need to contact you for further information about your idea. Within 30 days you will be notified if your idea is either an "adoption" or a "non-adoption". If an adoption has been determined the implementation manager will notify you by letter of the results of the final assessment and if your idea is eligible for a monetary bonus payment to you. If your idea is eligible for a monetary bonus payment to you the implementation manager will explain in the letter how the payment has been calculated and what your monetary bonus payment will be and how it will be paid to you. If a non-adoption has been determined initially or by the assigned implementation manager, he or she will notify you by letter the final results of the assessment and an explanation for the non-adoption. We would like to thank you again for your participation in SIP.</p> <p>Yours sincerely,</p>  <p>Fred Webberking Specialist Kalcan Americas - SIP Administrator Röchling Automotive USA LLP, Durcan T +13646611575 M +1364272310 Email: FWebberking@roechling.com</p> <p>Röchling Automotive IOX - One Operational Excellence</p>	
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Attachment 4 – SIP Adoption Letter (example)

	 <p>SUGGESTION IMPROVEMENT PROGRAM</p> <p>SIP ADOPTION LETTER</p> <p>June 30, 2022</p> <p>SIP Number: 25-12345 SIP Description: Reduction in packing cardboard on Z300C</p> <p>Dear Joe,</p> <p>Congratulations! Your idea has been determined by the implication manager for adoption. Below is a summary of your idea implementation and expected improvements.</p> <p>Based on the calculation for the savings and/or cost avoidance the final results of the assessment are as follows: Current layer pad usage per year \$12,000 or 15,000 layer pads</p> <p>Your idea for packaging density modification from 12 units per tote to 24 units per tote means that we will use 50% less layer pads. That's a savings of \$6,000.00 annually. The customer has approved the change.</p> <p>Based on the calculations as determined by the Röchling Suggestion Improvement Program your monetary payment has been calculated to be \$2,000.00 which will be paid to you by a live check and issued to you at the next town hall meeting on 5/30/22.</p> <p>The SIP team would like to thank you for your participation. Keep those good ideas coming!</p> <p>Yours sincerely,</p>  <p>Fred Webberking Specialist Kalcan Americas - SIP Administrator Röchling Automotive USA LLP, Durcan T +13646611575 M +1364272310 Email: FWebberking@roechling.com</p> <p>Röchling Automotive IOX - One Operational Excellence</p>	
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Attachment 5 – SIP Non-Adoption Letter (example)



Attachment 6 – SIP Mailbox



REVISION NUMBER	REASON FOR REVISION		DATE
01	Revised and edited by Fred Webberking		06/30/2022
02	Non-calculable pay table reviewed to equal 40 in total score		07/07/2022
SIGNATORY	DOCUMENT/FORM AUTHOR	DOCUMENT VALIDATION	DOCUMENT AUTHORIZATION
NAME	Fred Webberking		
JOB TITLE	CI Engineer		
DEPARTMENT	Special Projects		
DATE	07/07/2022		
SIGNATURE			

