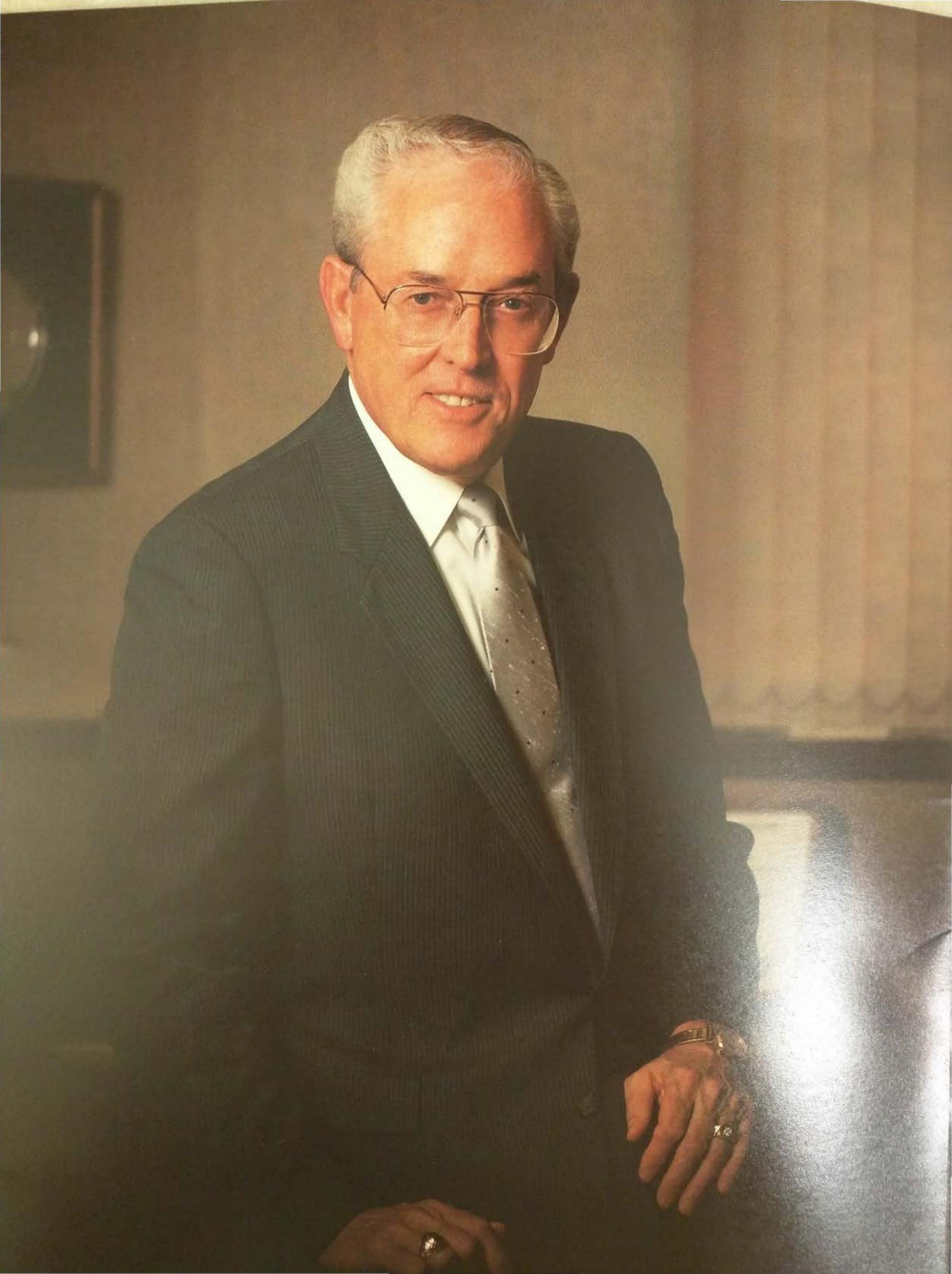


Excellence
The Packard Electric Ethic



“Striving for Excellence by performing all endeavors with ever-increasing effectiveness is the foundation of progress.”

from the *Packard Principles*



One of Packard Electric's published objectives is *to strive for and ultimately achieve Excellence in everything we do.*

We believe in Excellence for reasons of survival and growth.

Packard and its power and signal distribution systems business is in an international competitive struggle. The solution to such competition lies in producing the highest quality services and products at the lowest cost.

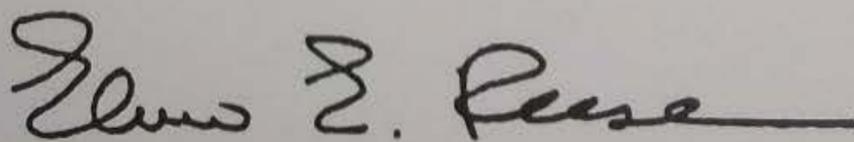
As we explored ways to improve our competitiveness, and hence our survival and growth, we looked at various techniques and examined many successful companies. Regardless of their differences, there was a common feature in these companies. Each had a fanatical *commitment to its customers* and a dedication to doing things right every time.

In other words, a company best ensures its future and the well-being of its employes by satisfying customers and eliminating waste.

That is why Excellence is the primary objective at Packard Electric. Our customers expect and deserve it. Excellence goes beyond product quality; it must be present in design, manufacturing, service, maintenance, personnel...every workday activity of every Packard partner: employes, suppliers and contract workers.

Preservation of jobs is not the only reason for Excellence. There is no satisfaction in scrapping mistakes, repeating work and making excuses. So in addition to being practical, Excellence is enjoyable.

Packard has always been a leader in product quality and technology. We are continuing our leadership by making Excellence an ingrained part of everything we do.



General Manager



The Meaning of Excellence

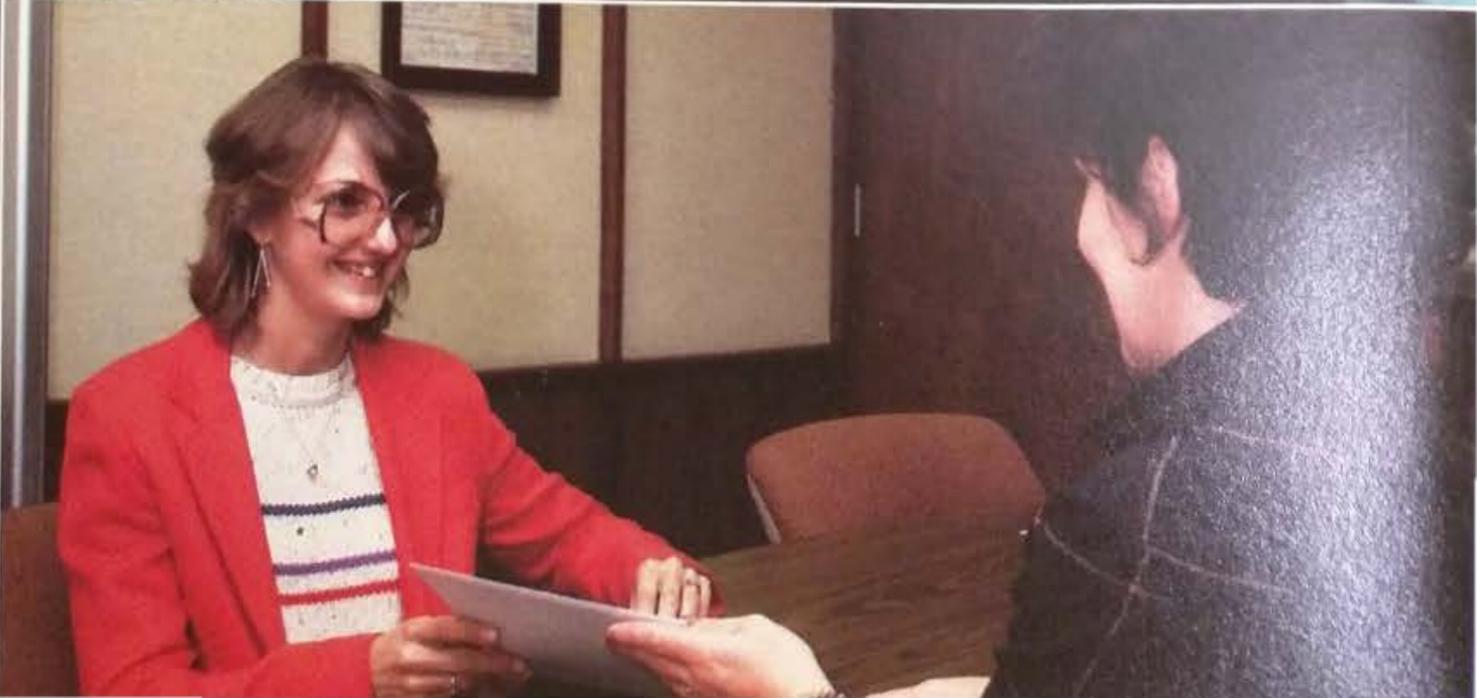
The definition of Excellence is simple: *exceeding your customer's expectations.*

Every Packard partner has customers. The customer is the user of that individual's service or products – the person who receives our work. This person, in turn, is a supplier to someone else until the succession reaches our final customer, the vehicle buyer.

Our jobs exist only because our products or services are wanted by a customer. If no customer wants them, there is no need for the job.

Exceeding the customer's expectations requires attention to detail, quality, timeliness and cost. This attention does not add to our expenses; rather it reduces them.

Packard Electric is reaching up and beyond to excel. Excellence is not a program; it is an attitude and a habit ...it is the Packard ethic.



The Absolutes of Excellence

Although Packard people, plant locations and job descriptions differ considerably, the Excellence ethic does not. We base it on six unchanging fundamentals which guide work activities:

1. *Your customer.* The focus and the reason for Excellence is your customer. Your job continues only as long as you satisfy your customer.
2. *Do it right the first time, every time.* This is our goal, and we will get only what we expect of ourselves.
3. *Innovation and continuous improvement.* This is the method by which we are moving toward Excellence. We are seeking better, innovative ways. Continuously.
4. *Customer feedback.* Adjustments are made and progress measured by feedback. This is our control. We should provide feedback to our suppliers and seek it from our customers.
5. *Caring.* People who care about their efforts and about each other will succeed.
6. *Recognition and security.* These are the rewards of Excellence.

These absolutes guide and focus the daily activities of every Packard partner.

**Identify Your
Customers**

**Define
Customer
Expectations**

**Agree on
Attainment**

**Define
Measurements**

**Determine
Performance
Gaps**

**Develop
Action Plan**

**Implement
Action Plan**

**Obtain
and Provide
Feedback**

**Reward
Excellence**

**Seek
Continuous
Improvement**

Excellence

10 Steps Toward Excellence

Excellence is rewarding but elusive. The quest for it can begin at any time, but the striving must never stop or else Excellence will slip away.

Our ten steps tell us how to proceed.

- ...know your customers and your services
- ...define customer wants and match your services
- ...agree that satisfaction is attained
- ...set measures through the customer's eyes
- ...identify gaps between you and your customer
- ...develop a plan to eliminate shortcomings – train, train, train
- ...communicate and implement the plan: reallocate, restructure, retrain
- ...talk to your customer; feedback is essential
- ...reward and recognize excellent performance
- ...never stop; seek continuous improvement

These steps, done correctly and repeated continuously, lead to Excellence.

Packard → Competitiveness/Growth ← Customers



The Benefits of Excellence

The purpose of Excellence and the measure of its achievement center on our customers.

In its simplest expression, the objective of Excellence is pleasing the customer and eliminating waste. But attaining Excellence is not nearly as simple as expressing it. It involves every Packard partner. Each one must understand the expectations of his or her customer, then exceed them.

Excellence is not accomplished by a lofty proclamation from top management or by the publication of a company booklet; Excellence is something perceived, accepted and practiced by everyone in the organization, from top to bottom.

The reduced costs, more useful information, more accurate data, quicker responses and better products resulting from Excellence will be recognized by customers — our internal customers and our external customers. The rewards are competitiveness and growth for Packard and its customers. For Packard people, the rewards are job security, greater opportunities and increased work satisfaction.

A Customer Is Not...

- ...an interruption, but the purpose of our work.
- ...dependent on us; we are dependent on that individual.
- ...a statistic, but a human being with feelings and emotions.
- ...someone to argue or match wits with.

A Customer Is...

- ...the top priority.
- ...the user of your service or product.
- ...internal (a co-worker) or external (one who buys from Packard).
- ...someone who brings us needs which we must satisfy.
- ...deserving of our most courteous and attentive treatment.
- ...the person who makes it possible for us to receive a salary.

A customer is the lifeblood of Packard Electric's business.



**PACKARD
ELECTRIC**

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