

HID GLOBAL

North Haven, CT

and

The Shingo Prize

Intent to Apply



June 15, 2009



HID Global is the premier manufacturer of contactless access control cards and readers for the security industry and has shipped over 300 million credentials to customers worldwide. HID pioneered the development of radio frequency identification (RFID) technology for physical access control. HID's product line includes [iCLASS 13.56 MHz read/write](#) contactless smart card, 125 kHz [proximity](#), magnetic stripe, and [Wiegand](#) technology cards and readers. The company's card and reader technologies are utilized in diverse applications including access control, network log-on security, automotive vehicle identification, cashless vending, time and attendance, and biometric verification. Most security badges and cards around the world bear the HID logo.



HID SAMPLE PRODUCT

HID's customers include businesses and organizations in virtually all industry sectors including healthcare, retail, industrial, commercial, government, and educational institutions that have a need to protect or control people or information. HID's products are sold through a network of distributors, OEMs, and system integrators worldwide.

HID's world headquarters is located in Irvine, California. Operations serving the Americas are also based in Irvine, with regional offices throughout the United States, Canada, and Mexico. European operations are based in Haverhill, England, with regional offices in France, Germany, and Switzerland. The Asia/Pacific region is served by operations in Hong Kong with regional offices in China, Korea, Singapore, Australia, and Tokyo. HID's research and development center is located in Denver, Colorado.

HID employs approximately 2,000 people worldwide, with 20 sales offices, and 18 facilities handling manufacturing, processing and/or distribution, all over the world. The North Haven, CT facility is one of the seven manufacturing facilities that are true manufacturing operations; all the other facilities program and ship cards and readers. Although HID falls under the umbrella of the Global Technologies Division, HID Global is a self sufficient, self sustaining entity with no operational association to the above mentioned ASSA ABLOY subsidiaries. The North Haven facility is the facility for which this achievement report is written.

HID-CT has 115 full time and temporary employees in a facility of 50,000 square feet, and houses operations for graphics, document control, print shop, chip embedding, warehousing, wire processing and grading, card lamination and cutting, card programming, Wiegand strip manufacturing, as well as shipping/receiving, accounting, information technology, engineering (software, process, manufacturing), customer service, purchasing and planning, human resources, facility maintenance, and external sales and product management. Some aspects of sales, accounting, IT support and purchasing are shared with resources in Irvine, CA, but the majority of the operations are sustained through the workforce in North Haven.

In the years leading up to 2004, HID Global (especially CT) performed as a traditional batch and queue manufacturer with high inventories, poor on time delivery, low customer satisfaction and long lead times. The basics of lean manufacturing were implemented in 2005. The culture started changing and the effects were immediately visible. The organization went through a complete transformation throughout the second half of 2004 and in 2005 has continued on a rapid rate of sustainable change in support of HID's Corporate Mission and Vision:

HID will be the leading provider to the access control industry in worldwide markets. We will leverage our leadership position in cards, readers, intellectual property and our people.

We will lead the market by understanding the needs of end users and serving them through our regional facilities and superior customer care. HID will deliver innovative, reliable and open architecture security products and solutions.

HID-CT (NHV) is striving to set the standard, not only within HID and ASSA ABLOY, but also within the industry and around the world. With this goal in mind, NHV has retained the same mission statement as 2005, with 2 minor changes, and developed aggressive 2009 compass goals, which are...

Our mission: *To provide our customers with the highest quality trusted solutions, on time, every time, through our relentless pursuit of world class practices.*

Our 2009 Compass: *Our 2009 compass focuses on people, quality, speed and lean..*

It is HID North Haven's intent to set BHAGS (Big Hairy Audacious Goals) in order to continue to strive toward world class excellence. These goals are set by a cross-section of the North Haven workforce. Over 20 associates met over several sessions to set the goals for each year since 2007. The compass provides direction for the employees over each year. The company has committed to obtaining these metrics through the use of lean principles and waste elimination:

People 0/36 – Safety Index 0; Training hours 36

Quality 10,000 I/1500 E/DPMO – Measuring in defects per million, have fewer than 10,000 internal and fewer than 1500 external

Speed 95% 12 mo, 98% Q4, LT 5/2 - 95% on time delivery over 12 months, 98% on time in 4th quarter. Lead time five days to ship custom cards, and two days to ship “white/white” cards (PPP)

Productivity/Cost 15/20%+/20%+ – Improve turns to 15; improve units per direct labor hour by 20%, improve cost per unit by 20%

Customer Satisfaction 800 – achieve a Shingo score of 800

Below is a quick highlight of some of the 2008/2009 improvements:

- Value Stream Maps for custom cards providing plans for reducing lead time
- Systematic attack of company bottlenecks
- Created a single scheduling point

- Active involvement in community services and events
- On time delivery over 90% consistently
- Scrap reduced from over 6% to 3%
- Lead time reduced from 25 days to 4.5 days
- Cards shipped per month has grown from 300,000 to over 1.7 million



HID Global North Haven is proud of its continued journey down the lean path and is excited to continue to grow into a world class organization.

For more information, please contact:

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