Malcolm Baldrige National Quality Award Application
# Organizational Profile

- P.1 Organizational Description: i
- P.2 Organizational Situation: iv

# Leadership

- 1.1 Senior Leadership: 1
- 1.2 Governance and Societal Responsibilities: 3

# Strategic Planning

- 2.1 Strategy Development: 5
- 2.2 Strategy Implementation: 8

# Customer Focus

- 3.1 Voice of the Customer: 11
- 3.2 Customer Engagement: 13

# Measurement, Analysis, and Knowledge Management

- 4.1 Measurement, Analysis, and Improvement of Organizational Performance: 16
- 4.2 Management of Information, Knowledge, and Information Technology: 18

# Workforce Focus

- 5.1 Workforce Environment: 21
- 5.2 Workforce Engagement: 22

# Operations Focus

- 6.1 Work Systems: 27
- 6.2 Work Processes: 30

# Results

- 7.1 Product and Process Outcomes: 35
- 7.2 Customer-Focused Outcomes: 41
- 7.3 Workforce-Focused Outcomes: 43
- 7.4 Leadership and Governance Outcomes: 46
- 7.5 Financial and Market Outcomes: 49
Glossary of Terms and Abbreviations

501(c)(3) – An organization exempt from payment of income tax based on its status as a not-for-profit.

AAIM Management Association – AAIM was founded in 1898 by employers needing a regional resource for networking, surveying, and training.

BackOffice – A module of eCPH, the Enterprise Resource Planning (ERP) information system that is the backbone of CPH. It contains customer AR accounts and order information, billing, inventory, cost accounting, and other critical information systems used to run the business.

Blue Streak Team – The name given to a special, fast-track CQI Team usually appointed by Senior Leaders in response to a very immediate issue, challenge, or opportunity. They are charged to fast-track a PDCA process and report immediate Action Plans back to the Leadership Team.

Board of Directors (BOD/Board) – The governing body of CPH elected in convention by The Lutheran Church—Missouri Synod according to its bylaws.

Business Continuity Plan – CPH’s plan to maintain or restart business operations in the event of a disaster.

Call Center 6.0 – The software package used by the Call Center to manage the ACD phones, provide call service statistics, record customer calls for coaching, handle predictive dialing, Interactive Voice Response (IVR), and other advanced call center solutions.

Called Worker – An ordained or commissioned minister of The Lutheran Church—Missouri Synod. The role of a called worker is highly regarded as a vocation, and these people view their work as service to Jesus Christ, not simply as a job. As such, they are highly motivated to succeed. CPH employs many called workers, particularly in the Editorial Division.

Central Desktop – Online collaboration software and database tool used for VOC, VOE, CQI, and various functional teams.

Concordia Gospel Outreach (CGO) – The mission arm of CPH that provides Christian materials to people worldwide who are not able to afford them.

Contracts/Rights/Permissions (CRP) – CPH’s in-house department, responsible for the protection of intellectual property and copyright holdings.

Corporate Self-Assessment Team (CSA) – The CPH management team formed by the President to lead the Quality Journey, identify opportunities for improvement, and write the MQA and Baldrige applications.

CQI – Continuous Quality Improvement.

CTI – Computer Telephony Integration is the functionality in the Call Center 6.0 ACD System that allows CSRs to see the account information of in-bound callers before they answer the call. This is commonly known as a “screen pop” and provides more seamless, intuitive service to customers.

Customer Relationship Management (CRM) – CPH’s retail strategy and methodology for knowing and serving LCMS churches and schools in ways that deepen and build these relationships. It forms the basis of customer focus and promotes seamless communication with and feedback from customers who are vital to the sustainability of CPH.

CRM Insight – The proprietary tool used to gather data and information used in account planning, contacts, record-keeping, reporting, and management of individual relationships with LCMS churches and schools.

Customer Service Center (CSC) also referred to as Customer Care Center – CPH department that receives and processes retail orders via phone, e-mail, or fax and provides after-sales service to customers.

Customer Service Representative (CSR) – Frontline CPH employees in the Customer Service Center who take customer orders, solve problems, answer questions, make recommendations, and build loyalty with retail customers.

Dashboard – A Web-based information-sharing tool that gathers mostly real-time data and reports it in a concise format to the computer desktops of the entire workforce. It provides convenient, at-a-glance updates and warnings to guide decisions, particularly related to in-process KPIs. The Dashboard also provides easy access to many other tools, including the CPH Business Plan and its updates, CRM Insight, the Pub Plan, Customer Segmentation tools, etc.

Day School Curriculum – A core CPH product used by parochial schools to teach religion.

District – An organizing unit of LCMS congregations often based on the geographic location of member churches (e.g., Southern Illinois District).

Doctrinal Review (DR) – A process owned by the office of the President of The Lutheran Church—Missouri Synod. This is the formal process whereby all printed material published by CPH is reviewed to ensure doctrinal efficacy. Reviewers are unknown to CPH at the time of product review, and their task is to ensure that the proposed content is faithful to the Scriptures and the Lutheran Confessions. No CPH product is published without passing doctrinal review.

Dynamic Survey Engine – Automated tool that sends surveys to customers via e-mail after order shipment. Survey results are utilized to gauge customer satisfaction and loyalty. Results data can be segmented by core customer type or product group.

eCPH – An Enterprise Resource Planning (ERP) system used by CPH to run the business; used to collect and analyze numerous types of cross-functional data.

EP – Emerging Products, the Research and Development department specifically charged to work with the Product
Development teams to inculcate technology into product offerings.  

**Epicor Software Corporation** – CPH’s partner in delivering information technology for CPH use through its ERP system. 

**Goal Keeper** – The visual reminder for each employee of their Personal, Department, and Division goals and how they support the Corporate Goals. Issued in January for the fiscal year and kept at each work station. Also, the basis of CPH’s pay-for-performance program designed to reward workforce achievement of Corporate, Division, Department, and Individual goals. 

**Growing in Christ** – CPH’s Sunday School curriculum launched in 2006. 

**Horizons** – During Strategic Planning, the CPH Board and Senior Leaders set direction for short-, medium-, and long-term product development. These Horizons are later developed to the Action Plan level during annual Business Planning. 

**House Happenings** – CPH’s newsletter for employees and retirees, available online or paper. 

**IVR** – Interactive Voice Response technology in the Call Center 6.0 implementation that allows customers to enter orders by phone, during non-business hours. 

**Key Performance Indicators (KPIs)** – Measurement tools used by CPH to evaluate in-process and end-of-process performance. Many KPIs are reported electronically via the CPH Dashboard. 

**Lay Members** – Members of LCMS churches. Average pew sitters who hold no official responsibilities of ordained clergy or other called workers. 

**LCMS/Synod/Lutheran Church—Missouri Synod** – The parent organization and national church body that CPH was established to serve in 1869. 

**LT** – Leadership Team; made up of the SL and the Directors, who represent each of the key work system components. 

**The Lutheran Confessions** – The definitive expression of what Lutherans believe, teach, and confess about the Bible. The Confessions unify Lutherans and give common expression to their faith. 

**Lutheran Service Builder** – An innovative computer-based companion product to the newest Lutheran hymnal, *Lutheran Service Book* (launched in late 2006). 

**Management by Walking Around (MBWA)** – A management practice of Senior Leaders to help gain insight regarding employee engagement and in-process work as well as to increase their availability and visibility to the workforce. 

**Marketing Managers** – CPH employees responsible for the sales results of specific products organized by Sales Analysis Codes (SACs). They develop and write marketing plans to the Action Plan level, manage advertising budgets, and execute promotion, pricing, and other marketing activities for assigned core and other product lines. They participate on Core Product and Promotion Development Teams as part of that work system. 

**MQA** – Missouri Quality Award. 

**MyCPH** – CPH intranet site; central repository for corporate communication. 

**Open Door Policy** – Senior Leader’s stated policy and practice that allows complete employee access to any member of management at any time. 

**Operation F.U.N. (For a United Neighborhood)** – A free neighborhood event held annually by CPH to share the love of Jesus Christ with residents, particularly children, who live near CPH. Employees volunteer to work at Operation F.U.N. 

**PDCA** – CPH’s methodology for process improvement based on Deming’s “Plan, Do, Check, Act” model. 

**Pick-to-light** – CPH’s software-driven system to fulfill orders in the Distribution Center. It allows efficient picking of orders for retail and trade customers. 

**President’s Call to Action** – One of the CPH programs established for employees to submit their ideas for improvements in quality of work life, promotions, new products, process changes, or improvements of any kind directly to the President. 

**Product Investigator** – A data analysis tool, that provides a comprehensive, real-time, at-a-glance view of any unique stock number in the system. 

**Protestant Church-owned Publishers Association (PCPA)** – The organization of 33 denominationally owned publishing houses that meets to discuss industry issues. Peer groups in this organization share ideas, process improvements, benchmarking, and meet at an annual convention. 

**Publisher’s Review Committee (PRC)** – The organizing committee led by CPH’s Publisher that develops, approves, and gives direction for all new products as they move up the Horizons. Members include CPH employees from Editorial, Marketing, Finance, Production Control, and Design. Senior Leaders attend these meetings. 

**Resource Center** – A mini-bookstore run by a congregation on its church property to provide Christian resources directly to parishioners. This is one way CPH products are sold to lay members. 

**Retail** – Refers to the direct sale of CPH products at retail prices to end-user customers—churches, schools, organizations, or lay people. 

**Scripture** – The Holy Bible, the inerrant Word of God, which is the basis for all Christian teaching and all CPH products. 

**Secular** – Of or relating to the world, not church related. CPH sells its products in secular bookstores (such as Amazon.com and others) that have religion and education sections. 

**Seminary** – The theological institutions of the LCMS established for training ministers of the Gospel.
**Shepherd's Staff** – A Church Management Software system developed by CPH that contains modules for financial management, membership and attendance records. Customers may buy an annual contract agreement and receive support from the Help Desk.

**SL** – Senior Leaders; consists of President/CEO and Vice President/Corporate Counsel.

**SMART Goals** (Specific, Measurable, Attainable, Realistic, Timely Goals) – Principles used in the development of goals for the Goal Keepers of individual employees.

**Star Accounting System** – A software package utilized by CPH for budgeting, tracking, and reporting on labor hours and dollars expended in internal jobs within production areas (primarily in Product Development Work System).

**Stewardship** – The careful use and respect of the resources one is entrusted with. At CPH, stewardship principles guide day-to-day decisions as the company strives to provide the church with the resources it needs to proclaim the Gospel of Jesus Christ.

**Strategic Planning Process (SPP)** - An annual, comprehensive business planning and budgeting process fully integrated to the Action Plan level in every business unit.

**Sunday School Curriculum** – The curriculum taught in weekly Sunday School classes.

**Synod** – as in The Lutheran Church—Missouri Synod.

**The Center for Client Retention (TCFCR)** – A research firm in New Jersey contracted by CPH to conduct customer surveys and benchmarking studies.

**Tithe** – A portion of one’s annual income, either in-kind or cash contributions, voluntarily given to benefit a church and/or for the support of the clergy, school, and ministry needs. CPH tithes to the LCMS.

**Trade** – The network of Christian bookstores and distributors used to help sell CPH products.

**Vacation Bible School (VBS)** – A five-day program of fun Bible lessons based on a specific theme and often used by churches as a key evangelism tool in their children’s ministries during the summer months.

**Vendor Certification** – Process by which CPH analyzes key vendor performance and determines ongoing value of the relationship.

**Voice of the Customer (VOC)** – The collection process and analysis tools used by CPH to gather customer input and ensure it listens and incorporates that continuous customer feedback into strategic planning, product development, and continuous improvements.

**Voice of the Employee (VOE)** – The process and tools used by CPH management to ensure it listens and incorporates continuous workforce feedback into strategic planning, Core Competency work systems and processes, as well as business factors that affect work-life balance and the engagement of employees in Mission Focus.

**W4 Segmentation tool** – Business analytics utilized to analyze customer purchasing trends and identify New, Loyal, Lapsed, and Lost Customers.
PREFACE - ORGANIZATIONAL PROFILE

P.1 Organizational Description

P.1a(1) Concordia Publishing House (CPH) is the publishing arm of The Lutheran Church—Missouri Synod (LCMS). CPH was founded in 1869 to provide members of the LCMS with Christian ministry resources for worship, education, and the nurturing of their faith. Today, the company provides over 8,000 Christ-centered, Bible-based products in a variety of formats and languages. These are primarily printed resources, but increasingly materials are made available in digital formats.

CPH is a Christian ministry and a not-for-profit organization, placing priority on its Mission Focus (Figure P.1-1) and serving the LCMS with doctrinally approved materials. CPH is a self-sustaining operation, receiving no financial support from the LCMS. Profits are reinvested in future product development.

P.1a(2) CPH’s culture is best described as Christ-centered, mission-driven, and customer-focused. People work at CPH because of a personal commitment to follow Jesus Christ, and they consider it a privilege to earn a living while participating in this great mission. For many, there is personal fulfillment in sharing the teachings of the Lutheran Reformation, regarded as a true and correct interpretation of the Bible. CPH attracts and is intentional in recruiting employees with a strong sense of Christian faith, integrity, personal accountability, and a heart for the Mission, Vision, and Values of CPH. Where required, particularly in the Editorial Department, positions are filled by trained Lutheran pastors, teachers, and church workers of the LCMS. CPH is family-oriented, and people are respected and valued as friends, co-workers, and brothers and sisters in Christ. This strong CPH family orientation contributes to a committed, highly engaged workforce that is focused on building customer relationships, loyalty, and engagement. CPH’s Mission, Vision, and Values, reflected in Figure P.1-3, directly flow from the Mission of the LCMS.

CPH sells products directly to churches, schools, professionals, and lay members of the LCMS and other Christian denominations. The primary channels are call center phones, mail, e-mail, Web, and person-to-person selling at conventions/events and CPH-owned bookstores.

Figure P.1-1 Mission-Focused Strategic Directions

One of the challenges unique to a denominational publisher such as CPH is the expectation that the company have a wide breadth of product offerings. Our goal is to provide to churches any product or service that they need to efficiently run their parish. As a result, CPH is organized to support the development, production, marketing, and sales of six core product lines (Figure P.1-2). They are displayed in the order of relative importance to CPH’s organizational success. Curriculum products, like Sunday School, Day School, and Adult Bible Studies, are primarily used to educate members. Worship Resources, like Music and Bulletins, are utilized to prepare for and support worship services. Categories within the Books line support pastors (Professional), scholars (Academic), and congregation members (Devotionals, Spirituality, Children’s Books). Periodicals provide monthly or quarterly delivery of Lutheran content to customers via magazine subscriptions. CPH-owned bookstores, Multilingual, and Giftware product lines, make up the Other product group. Church Administration includes tools to run the “business” of the church with software solutions that track membership, giving, and copyright permissions for rights to use music.

Figure P.1-2 Core Product Lines

Figure P.1-3 Vision, Mission, and Values
Three Core Competencies have been cultivated to fulfill the key requirements of the church customer base, particularly the development of products that are theologically in alignment with the LCMS.

- **Product Development**—creating uniquely Lutheran-specific product, faithful to the Scriptures and the Lutheran Confessions
- **Customer Care**—delivering consistently excellent service that engenders long-term loyalty and grows customer engagement (advocacy of CPH)
- **Distribution**—delivering cost-effective goods and services customers require in the seasonal time frames needed to support their ministries

These Core Competencies are fundamental to CPH’s Mission Focus and the ability to differentiate CPH product in the Lutheran marketplace. They allow CPH to produce targeted materials for its customer base. They enable CPH to help customers find and purchase appropriate products needed for specific LCMS ministries. And they help CPH engage customers to identify future product needs. These key processes are those CPH does better than other denominational publishers in our industry (Figures 7.1-1, 7.1-2, 7.1-6, and 7.2-5).

A keen focus on our essential mission to aid “member congregations in their proclamation of the Gospel of our Lord Jesus Christ,” as articulated in our Mission Statement, impacts our business decisions. CPH purposefully proceeds with projects that show little or no return on investment. During the Publishing/Marketing phase of the Strategic Planning Process (SPP), CPH plans to take losses on certain resources that are critical to member congregations (e.g., books published for our church professionals). While considering the missional requirements of the business, CPH financially strives for a minimum of break-even operating income to ensure the long-term sustainability of the organization. Achieving the mission does not mean realizing profit at CPH.

**Figure P.1-4 Workforce Profile** [Removed for confidentiality]

P.1a(3) CPH’s diverse workforce profile provides a balance of ethnicities, age and experience levels, and part-/full-time statuses so CPH can meet the current and future needs of the company’s customers (Figure P.1-4).

The primary motivation for long-term service as well as a high level of workforce engagement at CPH is the personal satisfaction of working in Christian ministry and spreading the Good News of Jesus Christ (Figure P.1-5).

![Workforce Engagement Requirements](image)

**Figure P.1-5 Workforce Engagement Requirements**

The key workforce benefits include medical, dental, pharmacy, and vision plans; paid time off; matching 403b; paid holidays; and the Concordia Retirement Plan. There are no special health or safety workforce requirements outside of biannual equipment operation recertification.
CPH owns its five-story 380,000-square-foot building in historic south St. Louis. The facility includes Corporate Offices, a full-service Distribution Center and Warehouse, and a retail Bookstore. In 2004, CPH implemented eCPH, an Enterprise Resource Planning (ERP) system to integrate all business processes and information (Category 4.2). CPH maintains a distribution center that utilizes “pick-to-light” technology. A light-manufacturing operation produces boxed Offering Envelopes using digital printing capabilities. Through investments in technology and other improvements, CPH has reduced the workforce by about XX percent in the past seven years while growing both Workforce Satisfaction and Customer Engagement to the highest levels recorded.

CPH is a 501(c)(3) not-for-profit company. Ongoing financial stability is needed to support the development of future products the LCMS requires. CPH receives no funding from the Synod and sustains itself through the sale of its products and services. To ensure accountability and sustainability, CPH operates with the standard financial measures and board of directors’ governance and oversight expected in a for-profit business. CPH is EEO and OSHA compliant and is an open shop—employees have direct access to management.

CPH utilizes the Doctrinal Review (DR) approval process to meet the only church mandated requirement that all published products must be faithful to the Scriptures and the Lutheran Confessions (Figures 6.2-1 and 7.1-1).

CPH operates in accordance with the regulatory structure of the LCMS, outlined in its Constitution and Bylaws. Congregational delegates to the Synod’s triennial convention elect the CPH Board of Directors (BOD). Nine voting members are elected to staggered six-year terms. In addition, the LCMS President or his designee is a voting member of the CPH BOD. The Treasurer of the LCMS is a required ex officio member. The internal structure of CPH is a mid-size business with Operational Divisions. (See Organization Chart.)

CPH’s President/Chief Executive Officer is selected by, reports to, and is annually evaluated by the BOD. Reporting to the President/CEO is the Vice President/Corporate Counsel. These two are Officers of the company, referred to here as the Senior Leaders (SL). Directors represent each of the key work system components (Figure 6.1-1). With the SL, they make up the Leadership Team (LT). Directors report to the President/CEO.

Although CPH is a not-for-profit company, it strives to comply with the principles of the Sarbanes-Oxley Act of 2002.

CPH’s primary market segment is Churches and Schools in the LCMS, with a secondary general Christian market segment. These markets look to CPH to provide resources for worship, teaching, and nurturing of the faith. CPH exists to serve these primary Customer Types: LCMS Churches, Other Churches, Schools, and Christian Homes (Figure P.1-6). CPH is intentional in listening to its customers to ensure it is providing new and updated core products, such as Sunday School and Day School curriculum, Vacation Bible School, hymnals, catechetical materials, and professional books—all considered necessities to the LCMS.
products. Bids, pricing requests, vendor quotes, and purchase orders are communicated via fax, locked e-mail transmission, or personal contact. Production scheduling and delivery is negotiated during the bid process. Custom manufacturer and buy-out vendor supply chain requirements are: accurate engineering and delivery specifications; inventory management/forecasting; courteous/respectful/ethical relationship; timely payment; and candid two-way communication.

Key distribution partners include FedEx and the USPS. These partners transport customer orders from CPH’s Distribution Center to the customer-defined destination. Daily physical hand off of packages via established production processes is critical to this partnership. Automated communication of packaging and shipping requirement data is handled via eCPH system integration with partnering systems. Exception-based communication is handled via phone, e-mail, and personal contact as necessary.

P.2 Organizational Situation

P.2a(1) Concordia competes with several denominational and non-denominational publishing companies, each of which has a number of competing product lines.

Figure P.2-1

[Removed for confidentiality]

In recent years, most Protestant denominational publishers have seen sales declines due to shrinking mainline church attendance. Additionally, the recent economic recession and current international economic conditions have contributed further to sales declines throughout the industry. In 2010, the American Association of Publishers indicated that 2010 sales in the Religious Book category showed an 11.6 percent decline from 2009. CPH has found new opportunities to serve other Lutherans and Christians with core product lines.

While customer loyalty to CPH is strong, minimal competition from non-Lutheran and other publishers is aimed mostly at a few very specific product lines. LCMS-specific content is of less significance to customers of products like Children’s Books, Bibles, Offering Envelopes, Vacation Bible School, and Church Software. Sales in these categories are driven by price, promotion, and perceived value. Changing technology and the rise of the Internet for sharing information have made it more important to protect intellectual property while finding cost-effective ways to rapidly serve customers with new online media, including Facebook, Twitter, and other applications (Figure 3.1-1).

P.2a(2) CPH’s delivery of LCMS-specific content and excellent customer care are the largest factors driving loyalty to CPH, ensuring sustainability and limiting competition (Figure 7.2-7). Changes in denominational loyalty are affecting most mainline church bodies as American Christians tend to “shop around” for churches. Like all denominational publishing houses, CPH faces growing competition to core lines due to the changing postmodern American culture and increased proliferation of the broader evangelical Christian church.

P.2a(3) CPH strives to benchmark processes and find comparative data with peer and best in class publishers. CPH uses financial and publishing industry benchmarks from the Protestant Church-Owned Publishers Association (PCPA). The Center for Customer-Driven Quality at Purdue University provides evaluation and national benchmarks for the Call Center (Figure 7.1-2). Workforce comparative data comes from AAIM. CPH seeks additional benchmarks from Missouri Quality Award winners, particularly in logistics and service measures. Norex comparative data helps evaluate website performance as that channel continues to grow (Figure 7.1-19). Process benchmarking with secular and denominational publishing houses is ongoing. However, the ability to obtain relevant comparative and competitive outcome data from these privately-held competitors is limited.

P.2b Identification of strategic advantages and challenges, and the determination of strategic objectives and resulting business, operational, and human resource tactics are the focus of CPH’s annual Strategic Planning Process (SPP). Figure P.2-2 shows CPH’s business, operational, and human resource advantages and challenges.

Figure P.2-2

[Removed for confidentiality]

P.2c The key elements of CPH’s Quality Improvement Process are:

• Annual SPP that garners input from customers, workforce, and marketplace analysis to identify and leverage strategic advantages, address strategic challenges, and establish long- and short-term strategic initiatives.
• Regular review of performance to goal at all levels of the organization.
• Annual review of operational processes, including search for benchmarking process and results data.
• Organization-wide embedded Continuous Quality Improvement (CQI) Representatives. These human resources identify and document continuous improvement initiatives, and communicate to their
work groups about improvement initiatives occurring throughout CPH. Bimonthly meetings ensure organizational sharing and tracking of improvement initiatives.

- Plan, Do, Check, Act methodology utilized to drive and systematize continuous process improvement.

![PDCA Process Improvement Process](Image)

**Figure P.2-3 PDCA Process Improvement Process**

**NOTE:** Throughout the application, where multiple cycles of learning have been realized, they are indicated by the use of ** at the first reference or at the beginning of the sentence.
CATEGOR Y 1 - LEADERSHIP

1.1 Senior Leadership

1.1a(1) The CPH vision and values identified in Figure P.1-3 were originally set by the President/CEO and Vice President/Corporate Counsel (Senior Leaders), based on the long-established LCMS Mission Statement. The Vision Statement was designed to purposefully highlight the key terms, strive, premier, and provider of choice, which clearly communicate the long-term direction to serve customers. Core Values were derived from workforce and customer engagement requirements. The CPH Board of Directors (BOD) adopted these statements, and as part of its role in the Strategic Planning Process (SPP), reviews them annually.

Vision and values are deployed through the company’s Leadership. Senior Leaders (SL) review and refer to them at All-Hands Meetings. The vision and values are posted on signs around the building; in the Employee Handbook; on MyCPH, the intranet site; and on employee and visitor ID badges. They are discussed with employment candidates and reviewed at new-employee orientation and in staff meetings. Leaders encourage everyone to internalize and memorize the CPH Vision Statement or refer to their badge when asked.

Specific efforts to communicate the vision and values to suppliers and customers include signage throughout the building, review at **annual vendor conferences, and prominent positioning on vendor and corporate websites, in advertising and promotional materials, on company cards/letterhead, and through contact with SL, managers, and employees.

SL intentionally model and reflect on all five corporate values at weekly staff meetings by purposefully focusing attention to the corporate-level Top 10 Key Performance Indicators (KPIs), reviewing Action Plan progress, and team reporting of product, service, or process innovation/improvements (Figure P.1-3).

As an example, the President models Customer Focus by publishing his cell phone number and e-mail address prominently on various customer communication vehicles, including www.cph.org and in letters to customers inviting questions and suggestions. Every one of the hundreds of responses are answered by him and then fed into the **Voice of the Customer (VOC) data base for ongoing analysis by product development, customer care, and distribution teams.

1.1a(2) Legal and ethical behavior is a cornerstone of CPH’s Christian practices. SL demonstrate and communicate that it is not enough to simply comply with the letter of the law and have set policies and expectations in place so that all are Accountable for behavior that mirrors Christian principles. They created and **annually update the Code of Conduct. Each year, the code is reviewed by the workforce, who are then tested for understanding and agreement before they sign it. The BOD also signs the document. The Code of Conduct is also reviewed during the Hiring and Employee Orientation Process. SL require annual training for legal compliance with employment laws and instituted a policy prohibiting the purchase of products made with slave or child labor. They require annual review of **vendor policies to ensure compatibility with the legal and ethical standards of the company, which is required to maintain Vendor Certification with CPH. They have designed and communicated the processes by which members of the workforce, customers, and the supplier base are to submit possible breaches of the Code of Conduct. The President currently teaches a business ethics class at a local university.

1.1a(3) SL create a sustainable organization that protects the heritage of this 141-year-old ministry. In 2004, CPH adopted the Baldridge Criteria for Performance Excellence and PDCA process-improvement methodology, which is utilized to create a focal point for the key measurements and process improvements necessary to ensure continued long-term operations. They use Step 2 of the SPP to annually, formally validate strategic challenges and advantages, and to review a prepared financial risk assessment to ensure long-term plans in the Publishing Plan and Marketing Plans are sustainable and achievable (Figure 2.1-1). Additionally, they work daily to build strong alliances with the LCMS national and district headquarters as well as LCMS churches, schools, and individuals to ensure that the future needs of the church body are considered in strategic planning and product development. For example, recognizing a need to encourage faster innovation in technology-based products, an Emerging Products Group was established in 2009. This further aligned VOC input to Horizon 3 product development and created another process for listening to customers as needs change in the church. It also aided in creating an environment in which calculated risk-taking is expected and evaluated as CPH serves all customer segments.

SL create a workforce culture of customer care. Leaders value personal interaction with the workforce, which is reinforced by daily walk-around and hands-on involvement. They are very available to CPH customers and other stakeholders, creating a significantly flattened organization than was
traditional. This more collegial atmosphere and culture have created greater agility and encourages efforts to “change the book” to improve what and how CPH serves customers. They also purposefully communicate that customer care is everyone’s primary responsibility, regardless of job function. Anyone may intervene or stop any process they believe will have an adverse impact on a customer, product, or project. SL evaluate daily the key customer-centric metrics to ensure that customer requirements are met. In their daily interactions with the workforce, they model the balancing behavior defined by the Mission-Focused Strategic Directions (Figure P.1-1).

SL create an environment for organizational and workforce learning. SL recognized the need for a more intentional **Learning Organization Plan in 2008 and created a new position, Corporate Trainer, to work toward increased growth and development for every employee. Currently, a professional development plan is developed by each member of the workforce during the annual performance review process. Members of the workforce are invited to take advantage of the tuition reimbursement policy to enhance skills to meet their current or future assignments. An example of personal commitment to this plan is the President’s return to school for a doctorate in education in 2007, which he received in 2009.

To prepare the workforce to address the technologically changing publishing industry, SL invested in PC systems and iPod Touch technology for home use by every employee. This created a non-threatening environment in which personal learning occurs naturally and innovation of new products using new technologies is encouraged (Figure 7.3-10). Staff is currently utilizing the iPad and several eBook formats for product applications.

SL develop and enhance their leadership skills by engaging with peers at a variety of publishing-specific conferences, attending continuing education courses, and maintaining professional certifications. Specifically, in 2009 the President earned his Doctorate of Educational Leadership and continues to maintain his involvement with higher education via a teaching position at one of the local universities. The Vice President has been a BOD member for Lutheran World Relief since 2008, bringing valuable BOD benchmarking ideas to his role at CPH. Feedback from annual BOD performance evaluation is also integrated into the Senior Leaders’ professional development plans.

SL participate in organizational learning, succession planning, and development of future organizational leaders. Potentially high-achieving and promotable staff members are identified by a Human Resources analysis of Performance Reviews, training results, and conversations with Directors and Managers. These members of the workforce participate in regular Leadership Development activities lead by SL and receive personal mentoring (Category 5.1). Based on MQA feedback, SL **established a Succession Planning Process and review the named participants annually as part of the HR Plan.

1.1b(1) SL use both scheduled and spontaneous opportunities to communicate and engage the workforce (Figure 1.1-1). One example is the Town Hall Meeting. These “all-hands” gatherings are used to share everything from Strategic Plans and quarterly results to recognition of CQI Team results and special celebrations of outstanding achievement such as the March 2009, 2010, and 2011 certifications of the Call Center as a Center of Excellence by the Center for Customer-Driven Quality at Purdue University. SL use such opportunities in front of the whole company to reinforce the continuous improvement message and to encourage Mission Focus. A major improvement in **communicating with employees was the 2007 creation of Luther Hall, a room large enough for the entire workforce to gather comfortably. For deployed staff, the room’s technology allows them to participate via webcast.

Figure 1.1-1 Senior Leader Communication Methods

CPH’s workforce believes it is in ministry together and that open and honest communication is not only valued but expected. SL lead by example with an open door policy to encourage frank two-way communication. Additionally, CPH employees know when they dial 1190, the President will personally answer, day or night.

SL take an active role in reward and recognition programs. They take great joy in attending all employee anniversary presentations. In doing so, they reinforce the CPH family atmosphere and use these opportunities to share corporate messages, highlighting how the honoree is aligned with the Mission Focus, has specifically lived out one or more of the corporate values, or perhaps has made a significant contribution to continuous improvement in some aspect of
their work. SL frequently visit or send notes and free lunch tickets to employees recognizing special daily performance.  

1.1b(2) SL believe that CPH, while a long-established successful ministry organization with very loyal customers, still faces significant challenges in today’s economic environment. They instituted a mindset in management that CPH must plan rigorously, execute effectively, and adapt more quickly to customer-driven change in order to succeed in the future. They require a continuously improving SPP (Figure 2.1-1), which details product development, customer care and promotion, and operational plans to the Action Plan level, annually, with three-year projections. Leadership has changed the organization to diligently “manage what it measures” and developed a set of **KPIs in 2004 (Figure 2.1-2) to enable review by all levels of the organization and to monitor progress toward daily service standards affecting customers. Top KPIs are aligned to one or more of the Strategic Objectives, support the Strategic Directions (Figure P.1-1), and visually organize data to show that the organization seeks to balance cycle time and cost improvement with increased quality and customer engagement. SL review these KPIs weekly with other top management. Quarterly, they share major indicators with the BOD. The development of Corporate, Departmental, and Individual goals as found in each employee’s Goal Keeper, plus tying year-end bonuses to attainment of goals, focuses the entire company on performance measurement and improvement. In addition, SL participate in rigorous financial-risk analysis of product concepts through a pro forma process during Publisher’s Review Committee (PRC). Product acceptance is evaluated by PRC.

1.2 Governance and Societal Responsibilities

1.2a(1) The organization’s governance structure described in the Profile (P.1b[1]) supports the foundational Christian tenets upon which CPH was built and ensures a high degree of accountability to the Synod’s congregations and members. Accountability for theological efficacy of CPH’s published products is guaranteed through Doctrinal Review (DR), a mandatory process that ensures products are faithful to the Scriptures and the Lutheran Confessions. Publication without DR certification is not allowed.  

SL report performance-to-plan quarterly to the BOD. Moreover, the governance structure dictates there is transparency in the operations of the company. Financial information is shared with employees, the BOD, and the Synod. Fiscal Accountability is achieved through reporting to the BOD and an annual audit by external auditors selected by the BOD.

CPH’s core value of Stewardship and overall fiscal Accountability are reinforced by SL reminders to all that CPH revenue comes from the money parishioners place in an offering plate. CPH as a company seeks to maintain adequate cash reserves to provide for the ongoing development of core product lines.

BOD members and employees **annually sign a stringent conflict-of-interest policy. The BOD is not self-perpetuating, and all members are elected by the Synod in convention. This process serves to protect stakeholder interests by placing Synodical members—who are customers—on CPH’s BOD.  

1.2a(2) The President/CEO performs formal performance reviews for the VP and Directors annually. Part of this year-end process includes measuring the achievement of current goals and the discussion and approval of future goals and Action Plans. Professional development plans for the upcoming year consider growth opportunities and concepts identified in the Performance Review Process. Informal performance appraisal and feedback is provided throughout the year, with quarterly discussion of Goal Keeper achievement to date. Quarterly reviews of Goal Keepers not achieving results always results in revised Action Plans for improvement. Likewise, the CEO is formally reviewed on an annual basis by the Executive Resources Committee of the BOD, which then shares its review with the entire BOD. As done throughout the company, the CEO’s evaluation includes discussion of the current year’s goals as well as establishing agreed upon measurable goals and professional development Action Plans for the coming year. The BOD also validates the CEO’s evaluation of the VP and reviews his goals and professional development plan. The BOD conducts a self-review of its performance at the December meeting. The current BOD is reviewing models of effective board governance as it strives to improve its contribution to the organization. BOD members are elected to six-year terms. They may be reelected once if the Synod in convention so desires.

1.2b(1) As a Christian organization, and mindful of what we believe as Lutherans, we have a passionate commitment to “doing no harm” to our customers, to our neighborhood, and to the greater society with all of the resources we provide. We are guided by what the apostle Paul writes in the New Testament: “I face daily the pressure of my concern for all of the churches” (2 Corinthians 11:28). We feel this burden keenly and it is what motivates our concern for our customers. A Christian worldview and CPH’s core value of Stewardship requires an emphasis on caring for the earth’s resources. There is an active employee-based CPH Green Team, responsible for promoting paper, cardboard, and metal recycling programs to minimize waste. The team surveys and educates the
workforce, holds special events, and encourages home and workplace recycling and other green initiatives. In 2008, the Production Control Group recycled thousands of pounds of film as it moved to digitized backlist products. The CPH cafeteria has incorporated recyclable and easily decomposed materials into its services. Employee recycling of aluminum cans has set a goal to recycle 100 percent of cans sold in the building. As a large consumer of paper, the organization partners with Forest Stewardship Council (FSC) certified paper vendors, committed to creating a “well-managed and sustainable forest” (Figure 7.4-6). In early 2011, SL are at work developing measurement tools for the “third bottom line, planet.” We are utilizing balanced scorecard methodology to determine specific efforts to be taken. Ideas under consideration include utilizing paper with a high percentage of post-consumer waste and creating additional recycle bins in the building.

Due to the customer base and type of products produced, public concerns are minimal and have never been an issue. In the past, customers expressed concern about products coming from China and the potential use of slave or child labor in factories under the control of the People’s Liberation Army. The resulting Human Rights policy is utilized to select and annually review trusted foreign suppliers.

The Consumer Product Safety Information Act, enacted in 2008, puts strict lead and phalates testing requirements in place for products intended for use by children 12 years of age and younger. Though there is a current stay on the enforcement of the act, CPH is electing to implement testing to ensure the safety of our customers (Figure 7.4-3).

CPH keeps abreast of changes to the legal and regulatory environment through annual continuing education courses taken by the CEO, VP/Corporate Counsel, Human Resource Manager, Executive Director of Finance, and other personnel. Learning is applied to ensure that CPH continues to remain in compliance. In addition, outside law firms and auditors are used when specific issues arise. Of particular concern is to ensure the organization remains compliant with employment and tax laws to ensure retention of its tax-exempt status. CPH has a goal of zero violations of regulations and laws and achieves that goal consistently (Figure 7.4-3).

1.2b(2) The BOD has ethical oversight obligations imposed by Synodical Bylaws. BOD members are independent and elected by the Synod in convention. They cannot be CPH employees. Members can be removed for malfeasance.

CPH has an ethics policy that indicates that members of the CPH workforce and BOD are accountable for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Each employee signs the policy annually after receiving training, which includes the violation reporting process across all levels of the organization. Violations of the policy are grounds for dismissal; however, no violations have been found (Figure 7.4-3).

Each vendor is required to agree to the purchasing ethics policy and ensure that their workforce is in compliance. The policy and violation reporting process is communicated annually at **vendor conferences. The policy can also be found on the vendor website. Violation of the policy results in removal from the bid list.

1.2c(1) CPH was originally created to support and strengthen the churches, schools, and other ministries of the LCMS with resources to help them in their ministries. Besides producing Lutheran resources to sell, CPH continues to support this key community (and customer base) with a variety of substantial programs to provide extra assistance in their ministries, as noted in Figure 7.4-4. Changes to or expansion of the CPH Mission and other sustainability discussions are held during the annual June Strategic Thinking Session (Step 3 SPP), which involves the BOD and SL.

1.2c(2) The CPH Mission Statement (Figure P.1-3) speaks clearly to our efforts to support and strengthen our key customer community. Besides dedicating the organization to provide products to support the church body, an example of CPH’s contribution to the Synod comes in the way of financial support. In years with a positive income from operations, CPH has historically provided 5 percent of its bottom line to the LCMS. The 2011 contribution increase to 10 percent indicates CPH’s continued mission focus. CPH also replaces CPH products at churches or schools experiencing losses from natural disasters. Additionally, a 20 percent personal discount on CPH products is granted to church professionals (Figure 7.4-4).

CPH key communities are the LCMS, other Lutherans, other Christian churches, and the physical area surrounding CPH. In many product lines, materials developed to support the LCMS can also be used in support of our other key communities. In 2010 SL, in concert with the HR department, indentified the **criteria utilized to (Figure 1.2-1) prioritize company efforts to support these communities.

SL model involvement in the LCMS community by assuming leadership positions on congregation and school boards in their home parishes and by donating time to help improve the local, district, and national organizations of the LCMS. In 2008, the VP/Corporate Counsel was elected to the BOD of Lutheran World Relief, a world-wide ministry serving disaster-stricken areas with emergency food, health care, and other human and financial aid. Most of the CPH workforce volunteers in various LCMS ministries, other local churches,
and charities of all kinds, donating over 14,000 hours annually (Figure 7.4-4).

Figure 1.2-1 Identification of Key Community Support Criteria

CPH identifies its inner city neighborhood as a key community and takes ongoing steps to strengthen it. While the neighborhood is socio-economically challenged, CPH remains an anchor in the area, making significant exterior capital improvements. CPH invested in neglected property adjacent to its building, converting it to green space. CPH also participates in the Chippewa-Broadway Business Association to keep abreast of community events and maintain relationships with local aldermen and police.

An example of CPH’s commitment is Operation F.U.N. (For a United Neighborhood). This event, now in its fifteenth year, provides an opportunity to share the Good News of Jesus’ love with neighborhood families. Currently, “Tools for School” provides backpacks filled with school supplies. SL participate and also recruit employees to donate time to make this a success.

CATEGORY 2 - STRATEGIC PLANNING

2.1 Strategy Development

2.1a(1,2) CPH’s annual Strategic Planning Process (SPP) is an eight-step, comprehensive business planning and budgeting process fully integrated to the Action Plan level in every business unit (Figure 2.1-1). **In 2007, CPH took an innovative approach of integrating a multiple-horizon SPP with supporting Publishing/Marketing and Operations plans that result in a short-range plan and a three-year long-range plan. Current year actual to goal measurement, analysis, and Action Plan revision occur concurrently to future year planning.

1. Early each calendar year, Core Product teams analyze data collected via Market Analysis and Voice of the Customer (VOC) and Voice of the Employee (VOE) listening methods (Figure 3.1-1 and Category 3.1a[2]) to define Core Product specific SWOT.

2. In late Spring, the Leadership Team (LT), consisting of SL and Directors use Core Product team SWOTs to develop and prioritize corporate SWOT. LT uses corporate SWOT to identify strategic challenges and advantages, validate/identify future core competencies, and validate Strategic Objectives (SO). The LT identifies specific Action Plans to address Strategic Objectives and creates Board of Directors (BOD) recommendations.

3. In June, the BOD holds a Strategic Thinking Session, led by SL. The BOD receives VOC, VOE, corporate SWOT, strategic challenges, advantages, proposed Strategic Objectives and supporting Action Plans, core competency assessment, and other input from management. The BOD validates the strategic challenges, advantages, objectives, and...
Action Plans. Long-term financial and other risk assessments are reviewed at this time.

4. With strategic objectives in mind, Core Product team sustainability planning includes a continual build out of the Strategic Horizon Product Development Waterfall to meet short-, mid-, and long-term customer expectations. Quarterly reporting to Directors regarding Action Item status ensures that the resulting Publishing/Marketing Plan is on target. The LT-approved Publishing/Marketing Plan is presented to all CPH department managers in September.

5. In September, Department managers each present an Operations Plan that details the facilities, equipment, and human resources necessary to support the Publishing/Marketing Plan.

6. In October, the LT evaluates the Operations Plans and negotiates resource priorities. HR and IT management closely review the Operations Plans to prepare supporting HR and IT plans to define the future state of CPH technical and publishing capabilities and workforce capacity, identifying potential gaps in resource requirements—including the growing need for advanced technical skills—and the processes necessary to eliminate those gaps in order for the successful execution of the Strategic Plan.

7. Publishing/Marketing, Operations, IT, and HR plans roll up to the annual CPH Business Plan and are approved by SL and the BOD in December. It contains a three-year projection to the product group level and enables BOD review, discussion, and planning for long-term investments, cash reserves, and customer-driven products that will sustain the company.

8. Corporate, Division, Department, and Individual goals are set in concert with the approved annual CPH Business Plan in December, closing the loop and aligning everyone in the organization directly with the Action Plans, Key Performance Indicators (KPIs), and goals. Goals are published in the CPH Goal Keepers that every member of the workforce receives. All CPH employees are responsible for helping build customer engagement both on and off the job, as members of the St. Louis Christian community. Customer engagement is considered CPH’s top priority and most important measure of ministry effectiveness. The completed CPH Business Plan guides the organization’s execution of its key work processes in Product Development, Customer Care (includes Sales), and Distribution. Regular evaluation of performance to plan and input from VOC and VOE are key to the development of revised Action Plans.

Though the publishing industry moves at a faster pace than ever, the acts of creative writing, editing, designing, and printing do take time. Standard production durations play a large part in how CPH sets three planning horizons. Horizon 3 is considered long range, with product and Operations Action Plans on this Horizon three or more years from fruition. Horizon 2 is considered mid-range, between years 3 and 1. Action Plans in this horizon are in the analysis/estimating phase. Ideas have been vetted and developed so that financial feasibility scenarios can be evaluated with resulting BOD approval. Horizon 1 is short-term. Action Plans here are considered to be “in production” and will be completed within a year. SL and Core Product teams take great care to ensure that we have viable product and operations Action Plans that are used to address each of the Strategic Objectives in all of the Horizons to ensure the long-term sustainability of CPH.

2.1b(1) CPH’s Strategic Objectives, including key measures, projections, and comparables, are shown in Figure 2.1-2. As a mission minded, not-for-profit organization, CPH carefully evaluates historical performance and action plan implementation schedules to set corporate goals/projections.

2.1b(2) CPH requires innovative products and services beyond those historically published as paper-based items. The CPH imperative to reach and supply LCMS customers with products and services they want remains fundamental and includes all LCMS congregations and schools. The churches and schools themselves are changing, requiring a variety of delivery options. To remain a thriving company, serving all of its LCMS constituencies, CPH recognizes that it must embrace available and emerging technologies as it creates and delivers both classic paper-based products and more digital, web-based, software-driven media options for congregations with contemporary needs. Additionally, CPH recognizes that business technology is also critical to consistently delivering materials to customers. Software tools are used to automate, speed up, and increase quality of standard processes.

Hardware and communication lines are integral to the 24/7 support CPH customers demand.

Three “pillars” fuel CPH’s ability to recognize and capitalize on opportunities for innovation: (1) CPH’s product development staff are theologically trained and have practical experience as church workers; (2) a company-wide predisposition to place emphasis on VOC and the ongoing gathering of customer feedback; (3) SL, Core Product teams, and other key employees, such as IT, HR, Finance, and Production Control, proactively monitor the latest trends in the economy, society, and secular and denominational publishing (of all media types). These “pillars” undergird the SPP, resulting in significant product innovations such as the propriety software, Lutheran Service Builder (the electronic portion of the LCMS Hymnal Project), a program that allows users to decrease preparation time for services. It is the first product on the market to integrate automatic copyright compliance by users, thus ensuring CPH and other copyright
holders are fairly compensated for the use of intellectual property. This innovation has created a secondary sustainable revenue stream in addition to that associated with the hymnal Lutheran Service Book. At the same time, Lutheran Service Builder has provided CPH an opportunity to respond to the deteriorating economic conditions of struggling congregations by allowing these church customers to enjoy the new hymnal with the rest of the LCMS without the initial high up-front cost that would be prohibitive for them at this time.

Long-term sustainability of CPH is reviewed during SPP and includes reevaluation of Core Product lines by the BOD and SL. In addition, Key Process changes, such as outsourcing of Periodical production and mailing, are approved to the Action Plan level, funded through the budget process, and executed over planned Horizon time frames, which are tied to both the Publishing Plan and the Business Plan. Follow-up evaluation of results is part of KPI review.

Ensuring the LCMS recognizes CPH as the “premier publisher and provider of choice” means a continued emphasis on serving customers directly. Investment in CPH’s Customer Service Center, Customer Relationship Management (CRM) strategies, Distribution, and IT systems, including the new W4 Customer Segmentation Tool used for targeted marketing, enables continued direct relationship-building with all LCMS customers.

<table>
<thead>
<tr>
<th>OBJECTIVE #1</th>
<th>Strategic Advantages</th>
<th>Strategic Challenges</th>
<th>Measures</th>
<th>Results</th>
<th>2011 Projections</th>
<th>2014 Projections</th>
<th>Comparables</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reach and apply customers with products and services they want...</td>
<td>Confidential</td>
<td>Confidential</td>
<td>Customer Satisfaction</td>
<td>Figure 7.2.1</td>
<td>99.2%</td>
<td>99.2%</td>
<td>90% Best Buy Winner</td>
</tr>
<tr>
<td>Confidential</td>
<td>Confidential</td>
<td>Customer Engagement</td>
<td>Figure 7.2.5</td>
<td>94.4%</td>
<td>92.7%</td>
<td>85% Pandora Call Center of Excellence</td>
<td></td>
</tr>
<tr>
<td>Confidential</td>
<td>Confidential</td>
<td>Workforce Engagement</td>
<td>Figure 7.2.4</td>
<td>80%</td>
<td>82%</td>
<td>ANON</td>
<td></td>
</tr>
<tr>
<td>Confidential</td>
<td>Confidential</td>
<td>Core Product Sales</td>
<td>Figure 7.1.8</td>
<td>Confidential</td>
<td>Confidential</td>
<td>Confidential</td>
<td></td>
</tr>
</tbody>
</table>

| OBJECTIVE #2 | Use technology to drive new and updated products and services. | Confidential | Confidential | eProduct Count Technology Customer Count | Figure 7.1.1-7.11 | 2,400 titles | 7,475 titles | 9.25% | PCPA, Competitor |
| Confidential | Confidential | IT Uptime | Figure 7.1.9 | 99.08% | 99.08% | 99.5% Best Buy Winner |
| Confidential | Confidential | Website Page Load Speed | Figure 7.1.3 | 1.5 sec | 1.5 sec | Best in Class and PCPA |
| Confidential | Confidential | Training Hours | Figure 7.3.10 | 6,800 hours | 7,000 hours | Not available |

| OBJECTIVE #3 | Enable LCMS to recognize CPH as the “premier publisher” and “provider of choice.” | Confidential | Confidential | Distribution Center Metrics | Figure 7.1.2 | 84% in 25 sec | 84% in 25 sec | 99% Best Buy Winner |
| Confidential | Confidential | On Time Ship On Time Complete | Figure 7.1.4 | 87.5% | 93% | Not available | 95% PCPA |
| Confidential | Confidential | Order Fulfillment to Web | Figure 7.1.6 | 98.5% | 98.75% | 99.2% Best Buy Winner |
| Confidential | Confidential | Project Budget Status | Figure 7.1.7 | 64% | 70% | Not available | Not available |

Figure 2.1-2 Strategic Objective Alignment
2.2 Strategy Implementation

2.2a(1) CPH carefully manages risk associated with Action Plans utilized to combat the strategic challenges of church body decline and publishing competition. The following example of the creation of the Emerging Products (EP) group is reflective of the process regularly utilized to recognize, study, and design strategic Action Plans. During Step 2 of the SPP, SL recognized a gap in our ability to deliver products and services utilizing technology. Because the opportunity spanned multiple product lines, SL elevated the issue to a corporate Strategic Objective. SL acknowledged a need to significantly increase our workforce knowledge regarding cutting-edge technologies utilized to delivery content. Considering methodologies in place in other organizations, SL evaluated different tactics (hire subject matter expert, hire consultant to advise, allocate a current resource to learn the ropes, provide hardware to employees in their homes to accelerate their learning, etc.) to bring about the desired organizational change. The decision to bring an industry expert into the workforce and allow the integration between existing product development staff and EP to drive the necessary organizational changes was made after considering the culture at CPH. Capability requirements for the new department were defined and a candidate search was initiated. After the hiring process, SL and the new EP department head worked collaboratively to determine the priority of EP projects and established time lines for implementation. As is true with organizations of all types, technology investments at CPH can be risky. Trying to decipher what customers want today and will need tomorrow when hardware and software are in a constant state of flux can make a novice of the most experienced. In this example, and as a standard operating procedure, CPH utilizes PDCA-type methodology to mitigate the risk level while developing the product and operations Action Plans to achieve Strategic Objectives.

2.2a(2) Key long- and short-range Product and Operations Action Plans, with their relation to Strategic Objectives, can be found on Figure 2.1-1 Corporate Goals established in step 8 of the SPP cascade via CPH Goal Keepers to every member of the workforce (Figure 2.2-2). Division/Department, and Individual goals support the Corporate Goals and ensure integration.

Action Plans are written for each product and promotion produced during the annual SPP by the **Editorial and Marketing Teams and are presented in the Publishing/Marketing Plan, for each product group. (Available on-site.) Deployment of Action Plans is made at the cross-functional team level for Product Development and promotions, using templated job processes to the task level (Figure 6.2-1). Plan copies are made available and updated through the Dashboard to appropriate business units and the production teams responsible.

All Action Plans for product and promotion are detailed in the Business Plan, supported through Department budgets and Operations Plans, and shared by Production Control with suppliers as appropriate to the job. The HR Plan, tied to Operations Plans, accommodates capacity changes and needs, and a final annual budget is approved by SL and the BOD in December.
Figure 2.2-1 Key Mission Action Plans

2.2a(3) SL are responsible for determining cash reserves, ensuring a minimum unrestricted cash and investment reserve level in excess of 15 percent of the previous year’s sales plus 25 percent of the previous year’s operating expenses, in order to manage the long-term sustainability of the organization. These cash reserves enable the execution of major new products like curriculum and products are intentionally timed for recycle as appropriate. For major projects on the Horizon 1 Publishing or Operations Plan, the budgeted amount to complete is considered Board Designated Funds on CPH’s balance sheet and is not available for the calculation of the unrestricted cash and investment reserve level.

CPH establishes annual budgets in support of all pre-approved products in the Publishing Plan. The same is true of the Marketing Plan and Department budgets that combine to form the Operations Plan. Individual product financial-risk assessment is done by the Marketing and Finance teams and approved during the Publishers Review Committee, Horizon 2, before proceeding to Pub Plan, Horizon 1 production. For Operations Action Plans of significance, the relevant Director and Finance evaluate and recommend, while SL approve risk assessments.

Figure 2.2-2 Goal Keeper
2.2a(4) In step 6 of the SPP, Human Resources identifies resources necessary to support approved strategies, including the following examples:

- Actively recruiting employees with specialized skill sets for open positions in the Emerging Products Group, Marketing, and IT as needed to achieve Strategic Objectives #1 and 2.
- Customer Engagement is being built primarily by an intentional CRM strategy that enables the entire workforce to build stronger relationships within their personal worshipping communities. This necessitates additional learning and development, which is conducted by HR as part of the Learning and Development Plan.
- Job description revisions with emphasis on securing mission-minded service professionals.
- Ongoing needs for LCMS-trained professionals in Editorial and other key positions are recruited through the extensive LCMS educational system.
- Technical expertise is needed in IT and the development teams charged with innovation of products and web-based services. Positions may be filled by outsourcing or through new hires.

The Senior Manager of Human Resources and SL consider potential impact to the workforce of outsourcing or possible layoffs during the annual SPP capacity and capability planning and evaluate resource impact at monthly status meetings.

2.2a(5) CPH uses various levels of in-process and outcome measures from a Top KPIs tool reviewed weekly to specific individual performance measures. These KPIs are built around the Mission Focus directions and are available on every desktop via the CPH Dashboard. Employees are encouraged to review them daily. Key measures of Action Plan implementation can be found on Figure 2.1-2. Corporate, Division/Department, and Individual goals set in concert with the approved annual CPH Business Plan close the loop and align everyone in the organization directly with the plan, KPIs, and goals.

2.2a(6) The LT formally reviews KPIs weekly via the stoplight indicators and ensures that process owners of “reds” include an updated Action Plan to address the off-goal status. In addition to being available for all employees via the KPI dashboard (with staff responsible to ensure that non-employee stakeholders are informed, as necessary), modified Action Plans are also disseminated via the weekly flow-down meetings, as necessary. An example of the process utilized to revise Action Plans is shown below.

Sales Action Plan Modification
- Identify the root cause of the budget variance.
- Shift sales projections based on revised product delivery dates or changes in trend purchasing behavior.
- Identify unanticipated new products to fill the gap.
- Quickly complete telemarketing and e-mail promotions along with social media communications to customers to push existing inventory items.

In case of any other significant issue being raised by VOC, or a major shortfall in projections, or failure to meet deadlines on critical Action Plans on the weekly agenda, the LT adjusts or reprioritizes resources as necessary, including the formation of Blue Streak CQI Teams.

2.2b Short- and long-term performance projections can be found in Figure 2.1-2. Note that detailed performance projections are presented in the Category 7 results charts noted in the Results column of Figure 2.1-2.

The CPH Business Plan and budgets recognize a need for consistently managed top line stability, moderate growth, and increasing product innovation as CPH seeks to expand sales to pan-Lutheran customers in more targeted product niches, while maintaining a breakeven income from operations. Mid- and long-term projections are the responsibility of Division managers and vary according to the group need. For example, in step 4 of the SPP, Marketing management’s Sales Projection Process is:

- Estimate sales for backlist/existing products to the SAC-level based on historical trends.
- Add key product sales changes based on Pub Plan (e.g., The Lutheran Study Bible).
- Consider impact of customer segment changes (e.g., Sunday School enrollment decreases).
- Review economic conditions and impact.
- Add projected new/front list product sales.
- Allow for promotional sales impact.
- Review and project impact of known competitive product and promotion efforts.
- Arrive at annual sales forecast.
- Compare forecast to goal to identify sales gaps.
- Evaluate Horizon 3 product concepts to identify possible additions to Publishing Plan to fill sales gap.
CATEGORIE 3 - CUSTOMER FOCUS

3.1 Voice of the Customer

3.1a(1) CPH has a loyal and vocal customer base, many of whom consider themselves to be “owners” of CPH because they are LCMS members. CPH encourages this ownership mentality and customer loyalty by actively and directly listening to its customers; by participating with them in national, district, and local ministries of the church; and by engaging them in the publishing process as authors, editors, reviewers, and advocates for theologically correct products and resources they want to use in congregations, schools, and Lutheran homes. Many different listening methods provide input into the Voice of the Customer (VOC) Process (Figure 3.1-1). Daily, customer comments and CPH’s responses are captured in the VOC data base. Data is tagged and systematically communicated to employees for review (4.1a[1]).

Marketing, Editorial, and Operations Management use VOC to evaluate current product and process performance, gather new customer product ideas and needs, and identify problems or issues in need of improvement. The Publisher reads all VOC comments personally, particularly to identify product innovation opportunities. Additionally, aggregated data is used for Product Development and Marketing as valuable input considered in the SPP (Figure 2.1-1). This data is used to evaluate current issues and trends, changing or emerging new product and service needs, changing ministry requirements, complaints, suggestions, competition (including self-publishing efforts), and new customer expectations.

![Voice of the Customer Diagram](image)

**Figure 3.1-1 Voice of the Customer**

When choosing the appropriate listening method, CPH teams consider the customer type, market segment, information to be gathered, and customer-preferred communication style. In some cases, CPH utilizes multiple listening methods for a single product line. For example, VBS utilizes paper surveys in addition to links to web-based and Facebook surveys. In **2009, CPH began to utilize social media and web-based technologies to listen to customers. This service captures customer behavior data before and after each social media tactic is put in place. The real-time customer information enables CPH to react quickly when change is necessary. Corporate- and product-specific blogs, Facebook, and Twitter accounts allow two-way, rapid-fire communication with customers. Both Marketing and Editorial staff utilize Google alerts to track Web communication about CPH products and services.
Listening methods are dependent on the customer type and product life cycle. CPH utilizes focus groups, targeted product development surveys, and listening posts to gather customer requirements during Horizons 3 and 2 of the Product Development Process (2.1a[1,2]). Church and School professionals often contribute content to products in Horizon 1, the production phase. After-purchase e-mails and conventions/events are utilized to capture customer satisfaction data. There has been an ongoing program of both service and product satisfaction card surveys placed in CPH product shipments.

In an effort to get more actionable product/customer data, 2011 saw a significant improvement with the introduction of the Dynamic Survey Engine. This CPH-developed software program sends e-mail surveys to customers within 10 days of product purchase. The survey queries customers about both product and service satisfaction and includes a free-form field where customers can provide detailed information regarding dissatisfied responses. The survey also asks customers which communication methods they prefer, seeks future purchase intent data, and directly asks the question, “What product or service do you need or would like to purchase that CPH doesn’t currently offer?” Customers are also invited to request additional information. Customer responses are captured and analyzed. Specific Action Plans, including direct customer contact, are developed for customers expressing dissatisfaction. Dissatisfaction comments are also entered into the VOC data base. Product and service suggestions are routed to Core Product teams for consideration during SPP and sustainability discussions about attracting new customers and expanding relationships with existing customers. Product and service satisfaction results feed the Customer Satisfaction Key Performance Indicator (KPI), while “Do you recommend CPH products and services?” results feed to the Customer Engagement KPI. These KPIs are evaluated daily by Senior Leaders (SL) and are available online for evaluation by every member of the CPH workforce. Action Plans are revised should results drop below goal. Finally, customer responses can be segmented by customer and product so that CPH can drill down to identify specific areas for improvement.

3.1a(2) In 2010, CPH began to utilize The Center for Client Retention to **collect survey data from non-CPH customers. The survey specifically targeted ELCA and WELS churches along with churches of other denominations. The survey asked about customers’ overall impression of CPH as well as product-specific questions. Survey results are analyzed by Corporate Communications so that the feedback is considered when corporate image Action Plans are developed. Product-specific data is analyzed by Core Product teams to determine where efforts should be focused in an effort to gain market share via these non-customers. CPH marketers use the W4 Customer Segmentation Tool (3.2a[3,4]) to identify lapsed/lost customers and create targeted e-mail surveys to understand how to regain these customers. Additionally, CPH utilizes purchased prospect lists to market and/or survey potential customers. These potential customers are often included in many of the product surveys CPH performs. This data allows CPH to get feedback from potential customers for further targeted marketing efforts. Finally, CPH has a strong affiliation with LCMS seminaries, colleges, and universities. These are the learning institutions where the lifecycle of an LCMS pastor or professional church worker, CPH’s primary customer base, begins. In addition to our on-campus bookstore surveys, in **2010 CPH began to hold On Campus events, where CPH collects student feedback via on-site computers. Upon graduation, these pastors and teachers become key CPH customers.

3.1b(1) In addition to the Dynamic Survey Engine described in 3.1a(1), CPH also captures customer satisfaction data via unsolicited phone, e-mail, and in-person communication directed to members of the CPH workforce. All customer satisfaction feedback is captured in VOC and analyzed for trends with quarterly data reported to SL. CPH’s customer engagement metric has been through many cycles of learning. Since 2007, CPH has measured, “Would you recommend CPH to others?” via postcard surveys (Figure 7.2-5). **In 2011, CPH changed the customer engagement metric to “Do you recommend CPH?” and captures data via the Dynamic Survey Engine.

3.1b(2) To obtain information on CPH customer satisfaction relative to key competitors, the annual all-LCMS Church Survey directly asks customers, “Thinking of other companies that offer the same products/services as CPH, how would you compare CPH to other companies?” Customers are asked to provide a worse, same, or better ranking for each of the key customer requirements (Figure 7.5-8). Data is evaluated with special focus on customers indicating “worse” and Action Plans are written after customer-specific issues are identified.

3.1b(3) CPH also captures customer dissatisfaction data via the Dynamic Survey Engine (described in 3.1a[1]) and through unsolicited phone, e-mail, and in-person communication directed to members of the CPH workforce. Priority one is to fix the customer concern. The award-winning Customer Care Center is responsible for working with customers to make things right (1.1a[3], Figure 3.2-2). The Center for Client Retention survey to non-customers also reveals areas of dissatisfaction. Comments are reported verbatim and are used in SWOT and the Strategic Planning Process (SPP). All customer dissatisfaction feedback is
entered into VOC and analyzed for trends with data reported to SL.

Figure 3.2-1 VOC Product and Service Offering Process

3.2 Customer Engagement

3.2a(1) CPH uses the VOC Product and Service Offering Process (Figure 3.2-1) to meet customer requirements. To ensure that the correct questions are posed and data is interpreted accurately, CPH hires and utilizes qualified professionals in their respective fields (pastors, teachers, professors, etc.) as CPH Editors and Marketers (6.1b[1]). Because of the important role these resources have in understanding customer requirements for development of future products, CPH regularly sends both Editors and Marketers to conventions and events to build customer engagement. The Publisher and the Editorial Division are responsible for creating the CPH Publishing Plan and the intellectual content of new products on that plan. The Pub Plan provides the basis for managing and prioritizing new product development through Horizons of the Product Development Process (2.1a[1,2]). Marketing Managers have both product management and marketing responsibility for all Core Product lines. Marketers manage customer acceptance, sales, and promotional activity as well as profitability of the lines. During the data gathering/analysis phase of the SPP (Figure 2.1-1), the Editorial and Marketing teams work together to identify opportunities so CPH leverages all of the strength of the Core Competencies (P.1a[2]) to exceed customer expectations. Via the SPP, teams purposefully focus on identification of potential products, seek customer validation for new product ideas, and form Business Plans that forecast front list and backlist sales. These forecasts are compared to goal. When shortfalls arise, the teams seek to identify product concepts to fill the gap. To fill a 2011 gap, market analysis enabled CPH to **innovate for the release of the Three:13 product offering, a new gift line that is intended to reach far beyond the LCMS. The teams work to determine the specific Action Plans and budgets for each approved new and backlist product and promotion. Their work results in the Marketing Plan.

In response to existing customer demand and to garner new customers, CPH created the **Emerging Products Department in 2009. The department focuses on the development of new digital products and integrating technology into existing product lines. Sometimes referred to as R&D, the department was formed to work with all product teams to identify emerging markets and product needs to support Strategic Objective #2. CPH’s development of innovative products that utilize technologies such as eBooks, interactive smart boards, phone and iPad apps is driven by Emerging Products.

3.2a(2) CPH has always enabled communication via customer-preferred methods. CPH’s key means of customer support is via the 2009, 2010, and 2011 Purdue Call Center of Excellence award-winning Customer Care Center, where extensive training in service and product ensure world-class service levels are delivered by phone, e-mail, and help desk tools. Specific phone queues are utilized to support core product lines: Circulation phone lines assist Periodical customers; Custom Products and Ecclesiastical Arts phone lines support Worship Resources customers; Concordia Technology Solutions phone lines support Church Administration products customers; and the Retail phone lines support customers with Curriculum and Books products. CPH also purposefully employs workforce members with multilingual skills to meet the needs of our growing Multilingual product line, a subgroup in the Other Core Product line.

In addition to the listening methods detailed in Figure 3.1-1, CPH also utilizes a robust e-commerce website, targeted-product e-mail blasts, and 24/7 SL access to support customers. Customer type, specific product delivery methods, and current promotional trends are considered in planning customer communication. As an example, based on evaluation of software and curriculum industry trends and customer demands, some CPH products are transitioning to Web portal delivery. CPH considers product-driven portals to be the next generation of customer communication, providing shared environments, automated capture of customer requests, and agile delivery of content. Customers are asked about...
communication preferences in each Dynamic Survey, and such requests have affirmed CPH’s use of Twitter, Facebook, and several outbound blogs.

The core value of Customer Focus (Figure P.1-3) is deployed to the workforce in a variety of ways. Management focuses all internal communication around serving customers and is itself available to customers on a 24/7 basis, modeling a high expectation for responsiveness and focus on customers. There is a formal Standards of Service Policy, related to internal and external service standards and techniques, known to all employees. It is presented in orientation as well as during annual learning and development courses. Many CPH work processes, Desktop Procedures, KPIs, and system tools are in place to aid in providing world-class service levels to customers. Excellence in service is rewarded, acknowledged, and appreciated across the organization at special events and featured in House communications. All of these contribute to a culture of Mission-Focused service and a ministry-minded workforce. Customer Care standards are established in Desktop Procedures, trained and reinforced with all frontline staff, and monitored via a 30-point CSR Performance Evaluation completed by the Call Center Manager and Trainer on a regular basis. All phone conversations with customers are recorded to assure quality and provide actionable, valuable feedback to CSRs and their coaches. Notably, e-mail addresses (plus direct phone access to the President) for SL and Directors are on the Contact Us page of the website. A company-wide policy, the service standard dictates that all customer queries be handled the same business day they are received.

In 2009, a **CRM strategy was developed to include workforce-wide responsibility and Action Plans for engaging customers, non-customers, and potential customers in on- and off-the-job relationship building. Specialized training was conducted for the entire workforce and new communication and incentive tools were implemented to track success. The e-mail program, ishare@cph.org, allows all employees to share their stories of customer/community relationship building. With this tool, the workforce learns from one another and appropriate follow-up can be made by the Customer Service Department.

Annually, CPH attends more than 135 events to introduce products and gather VOC data. These face-to-face opportunities to interact with customers are vital. Marketers and Editors engage with existing and potential customers to discuss, recommend, and highlight existing products, while collecting valuable information for the development of future products.

CPH Bookstores provide service to students and faculty at the two LCMS seminaries (in St. Louis, MO, and Fort Wayne, IN) and at four LCMS centers of higher education (Concordia University, River Forest, IL; Concordia University, Ann Arbor, MI; Concordia University, Seward, NE; Concordia College, Bronxville, NY). Because many students at these schools will become pastors and church workers, particular effort is made to connect with them early in their church worker career. The bookstores utilize in-store events and promotions, social networking, and On Campus events in order to acquire new customers and increase their market share. Social networking websites like Facebook and Twitter have allowed the bookstores to reach students in a very personal manner that the competition cannot match.

Additionally, CPH employs wives of seminarians from the St. Louis campus as another way to ensure Mission-minded service while building future customer loyalty. Another CPH Bookstore is located within the Synod’s St. Louis headquarters. There, CPH employees interact with important LCMS stakeholders, making valuable connections.
Review of customer-facing and workforce-engagement methods and results are evaluated during the SPP by SL, HR, and Marketing management, who are responsible for implementation of the workforce-wide CRM strategy, as well as the CPH Business Plan.

3.2b(2) Customer complaints are resolved, on the first call by Customer Care Center frontline personnel, who are trained, empowered, and encouraged to “make it right” (Figure 3.2-2). If a customer is not satisfied, any employee may elevate the issue up the chain of Customer Care management (to the President, if needed). As mentioned in 3.1a(1) the new Dynamic Survey Engine captures customer complaints via e-mail surveys. A dedicated Customer Service Representative logs, investigates, and responds to each unhappy customer. All complaints are recorded in the VOC database. Each is categorized and tagged according to product or issue and available for analysis by Marketing, Editorial, and Operations managers during planning and review cycles. The Customer Care Manager conducts trend analysis of all data, ensures PDCA actions are taken to resolve any recurring problems, responds to customers to revalidate corrective actions have satisfied them, and sends a written report to the LT quarterly.

Figure 3.2-2 Complaint Management Process
CATEGORY 4 - MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT

4.1 Measurement, Analysis, and Improvement of Organizational Performance

4.1a(1) We select data and information based on several criteria: Does it support a Strategic Objective? Is the data actionable? Can the collection and analysis be reliably accomplished in a timely manner? Since 2004, CPH has had a process-based performance management system in place that ensures consistent measurement of the four work system components of Product Development, Customer Care, Distribution, and the Support processes. The Leadership Team (LT) is responsible for ensuring the high-level alignment between the Strategic Planning Process (SPP), the CPH Work System, key processes, goals, and Key Performance Indicators (KPIs). Alignment and integration of business operations result from our cascading goal system. Corporate goals, created to support the Strategic Objectives, flow down to Division/Department, and Individual goals via Goal Keepers created annually (Figure 2.2-2). Goals and Action Plans are selected, measurement methodologies are approved, progress is tracked by the LT, and results are communicated to and from the entire workforce. Information is collected through the ERP system, the Star system, the ACD phone network, VOC, the Dynamic Survey Engine, and other proprietary tools created by IT.

Most data is collected in real time, compiled by the system, and available for online drill-down via the KPI Dashboard or export for further analysis. The Dashboard allows total workforce access online to the following: the Strategic Planning Waterfall; the SPP and Calendar; Strategic Directions and Strategic Objectives; annual CPH Business Plans (to Action Plan level with most recent modifications); Marketing Plans and budgets; Publishing Plan (data base, three Horizons); Operations Plans; KPIs to at least three levels, with stoplight indicators; work system overview; process maps and flow charts (to three or more levels); online functionality to revise Action Plans in real time; and one-click access to online tools such as Product Investigator, CRM Insight, W4 Segmentation, and VOC.

Goals and associated measures are clearly and consistently communicated throughout the workforce by means of the KPI description/explanation contained within the Dashboard. Our information sharing, analysis, and resulting resource decision-making are all aligned to the accomplishment of our Strategic Objectives.

Our key organizational performance measures are reflected in the Dashboard as our Top 10 KPIs, with many listed in Figure 2-1.2. Each of these measures is linked directly to one or more Strategic Objectives, as shown in the referenced figure.

As a function of our SPP, we define key goals for the upcoming year. Performance to goal is assessed via the KPI Dashboard on a weekly basis by the LT in the Senior Staff Meeting. As many of our key measures reflect daily activity, the Dashboard is reviewed by employees, department managers, and senior staff on a daily basis. Several measures reflect changes throughout the day and are reviewable in virtually real time.

Regular evaluation of the data makes it possible to spot trends, make staff deployment decisions, observe results to needed changes in processes, and create Action Plans (including CQI teams) as a means of correcting any observed performance shortfalls.

4.1a(2) CPH validates and improves its measurement systems by benchmarking others within and outside of the publishing industry, and by adopting recommendations contained in MBNQA Feedback Reports. CPH is a member of the Protestant Church-owned Publishers Association (PCPA). Peer process benchmarking is the focus of PCPA’s annual meeting. The information CPH gathers from this relationship is critical to supporting and validating the company’s continuous improvement methodology. At this time, CPH is well ahead of our peers with regard to business process measurements, so there are limited results comparisons. These benchmark results, are also now recorded on the Dashboard. We strive to find best in class comparable data. As an example, our measure for Phone Service Level: Retail (a Top 10 KPI) was modified at the beginning of 2011 to exceed an industry standard measure for call centers as defined by the Center for Customer-Driven Quality at Purdue University.

4.1a(3) Customer feedback (including comments, praise, suggestions, criticisms, and complaints) is collected and tagged in the VOC repository (Figure 3.1-1). This data is used to evaluate current issues and trends, understand changing or emerging product/service needs and ministry requirements, resolve complaints, evaluate suggestions, learn about our competition, and determine customer expectations.
Aggregated data is included as valuable input into SPP for use by Editorial and Marketing staffs. The LT reads all VOC comments to help identify opportunities for product and process innovation. Product innovation ideas are directed to our Core Product teams for consideration, evaluation, and recommendations to the Publishing Plan and the SPP. Process innovation ideas are directed to a CQI team for evaluation and potential adoption.

4.1a(4) On a **semi-annual basis, we review our KPIs to determine the validity of retaining each measure, and track and record our findings on the KPI screen. A review can also be initiated if it is determined that a KPI is not providing the expected results, and those findings are recorded as well. For example, our Vendor Certification Process went through **multiple revisions before determining that the measurements being captured allowed for appropriate follow-up. Real-time daily reviews of data allow CPH to recognize, and quickly respond to, internal or external changes that may impact our existing measures or cause us to consider the addition of a new measure. Benchmarking activities may also lead to changes in performance measures. KPI adjustments are frequently made within 24 hours, and are then closely monitored to ensure that our assumptions and conclusions are valid.

Figure 4.1-1 CPH Performance Review System

<table>
<thead>
<tr>
<th>Reviewed by</th>
<th>Performance Measure Reviewed</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Workforce</td>
<td>Department Level KPIs</td>
<td>Daily</td>
</tr>
<tr>
<td>All Management</td>
<td>Top KPIs; Customer Engagement Measures, Daily</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sales Report</td>
<td></td>
</tr>
<tr>
<td>Senior Leaders and Directors</td>
<td>Top KPIs, Action Plans</td>
<td>Weekly</td>
</tr>
<tr>
<td>Total Workforce</td>
<td>Goal Keeper: Achievement Progress</td>
<td></td>
</tr>
<tr>
<td>Board of Directors</td>
<td>SPP Horizons, Financial Report</td>
<td>Quarterly</td>
</tr>
<tr>
<td>Senior Leaders and Directors</td>
<td>Top KPI Validation Review</td>
<td>Semi-Annually</td>
</tr>
<tr>
<td>Total Workforce</td>
<td>Performance Reviews, Goal Keeper Achievement,</td>
<td>Annually</td>
</tr>
<tr>
<td></td>
<td>Job Descriptions, Desktop Procedures</td>
<td></td>
</tr>
<tr>
<td>Board of Directors</td>
<td>Independent Financial Audit Report, SPP</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Horizons, Mission/Vision/Values Statement, Core</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Competencies, Strategic Objectives</td>
<td></td>
</tr>
</tbody>
</table>

Prior to 2010, CPH evaluated most performance data at a cumulative or overall level. The LT realized that evaluating segmented data allowed users to more rapidly recognize performance data outside of goal range. Analyzing customer, workforce, and product creation process data via appropriate segments yielded more informed decision making and root-cause analysis, helping identify best in class performance as well as improvement opportunities. In a **2011 major cycle of improvement, the CPH performance measurement system is now undergoing the report coding changes necessary to allow users to look at segmented data. The LT believes these more precisely segmented performance measures will enable users to predict future performance and identify specific areas where performance and process improvement can occur.

4.1c(1) When stoplight indicators show modified actions are necessary, we review plans (already online) or initiate assignments for corrective actions (including CQI teams) and reset priorities. CQI teams systematically share PDCA activity that is occurring throughout the building. The resulting lessons learned are then examined to see if there are other areas where the same changes might be applicable. Because of the relatively flat structure of the organization and the personal involvement of SL, these priorities and opportunities can be
quickly deployed to other organizational units and functional-level operations. At the same time, CPH can easily “change the book” (modify work processes), which includes modifications to Desktop Procedures and process flow charts as appropriate.

4.1c(2) With immediate access to multiple years of data, and the ability to analyze the data to a transaction or customer level, we are able to project a baseline for future performance based on actual data from comparable periods or products, including a list of likely customers for major product offerings. We also compare new product offerings to similar past product offerings, and look at sales trends for launches of similar programs to project first-year and lifetime sales. In addition, other factors are taken into consideration where they have a bearing on those baseline projections. Such factors include new competitors entering a market, price changes in existing competitive products, changes in the size of our marketplace, and technological advances in a product segment. VOC data is also evaluated when projecting future performance, such as growing interest in digital product versus printed product.

4.1c(3) Organizational performance review findings which indicate opportunities for process improvements are assigned to a PDCA team, which is then responsible for examining the findings and determining whether continuous improvement can be accomplished. Departmental meetings with mandatory flow-down items follow weekly Senior Staff Meetings to ensure uniform delivery of CQI process improvement information. Periodic Town Hall Meetings, where SL communicate directly with the entire workforce, are used to deliver critical or timely messages. Workforce-wide e-mails are frequently used to distribute information best delivered in printable form. A building-wide loudspeaker system enables immediate contact with the workforce for urgent messages.

We conduct an annual vendor conference, where revised standards/measures and priorities are shared with our suppliers, and changes to our vendor certification process are explained. Changes in priorities throughout the year are deployed to suppliers through a CPH-created vendor website that allows us to quickly and efficiently communicate the same message to multiple organizations, and via personal communication with these individuals, by phone, e-mail or face-to-face meetings.

4.2 Management of Information, Knowledge, and Information Technology

4.2a(1) CPH’s IT Department is responsible for planning, implementing, and managing all information systems used by the workforce. A CPH Business Technology Overview chart (Figure 4.2-1) shows the integration of all business systems.

Data and information are easily accessed through online query tools resident in multiple systems, including the ERP and Star systems along with the ACD phone system. CPH has also created tools that provide the ability to access and analyze data across multiple systems, including Product Investigator (product-related queries), CRM Insight (customer-related queries), W4 Segmentation (marketing segmentation tool), and the Sales Cube (sophisticated sales analysis). MyCPH, an online employee self-service feature of the HR system, provides the workforce access to the Employee Handbook, forms, schedules, internal news, and a variety of other HR-related items.

Data accuracy, integrity, and reliability are the responsibility of selected individuals performing the data entry, as well as management, which ensures the workforce is trained and tested before production system access is given. To systematically ensure the accuracy, integrity, and reliability of its data, information, and knowledge, CPH:

- captures data in a centralized, integrated system where validated data is multi-purposed, (e.g., all customer information, maintained in AR, is loaded into Sales Order Entry to speed order entry and minimize errors);
- limits data entry for core source data like customer and vendor account setup, to specifically trained members of the workforce;
- utilizes address and credit card validation to automatically detect and correct data entry errors;
- provides on-site data base administrators to ensure data integrity is maintained through regular system enhancements and updates;
- utilizes drop-down menus on input screens wherever possible; and
- uses checks and balances within the closed-loop ERP system to detect inconsistencies.

To ensure timeliness, most data is captured or entered real time, as transactions occur. Data is immediately available to users via the CPH-created tools referenced above. The up time performance of our systems is continuously monitored to maintain our standard of real-time data (Figure 7.1-19).

To ensure the security and confidentiality of our data, information, and knowledge, CPH takes the following steps:

- An information security policy exists that defines information security objectives, standards, and procedures. Desk procedures conform to this policy.
- Procedures are in place to ensure timely action relating to requesting, establishing, issuing, suspending, modifying, and closing user accounts.
- User access rights (network, application, and data base) are granted on a strict need-to-know, need-to-do basis, and reflect appropriate segregation of duties.
• Procedures are in place to maintain the effectiveness of authentication and access mechanisms (such as password length, password history, password expiration, and lockout for failed attempts).

• Controls are in place to ensure that all users are identified uniquely.

Figure 4.2-1 CPH Business Technology

4.2a(2) Data and information are made available to key stakeholders through the following methods:
• Customers: Customer Account tools on www.cph.org; Facebook; Twitter; podcasts; 22 different product/topical eNewsletters; blogs; YouTube; catalogs; On Campus events; conferences and events; outbound phone calls; and commercial advertising
• Workforce: ERP system; Star system; ACD phone system; CPH-created tools; user-generated reports; MyCPH intranet; CPH House Happenings newsletter; bulletin boards; mandatory departmental flow-down meetings; building-wide speaker system; and Town Hall Meetings
• Suppliers: Vendor website; annual vendor conferences; personal contacts; Facebook; Twitter; YouTube

4.2a(3) Organizational knowledge at CPH consists primarily of Customer and Marketplace knowledge (within the ERP system, Sales Analytics Cube, VOC); Workforce knowledge (resident within staff Desktop Procedures, experiences and reporting, VOE, and Central Desktop’s shared workspaces); and Process knowledge (contained within “the book” of online process maps and flowcharts).
In addition to the methods described in 4.2a(2), workforce knowledge is collected and transferred through Desktop Procedures, training/education sessions, orientation presentations, the Employee Handbook, and the MyCPH intranet. Customer knowledge is managed via the W4 Segmentation Tool and CRM Insight, and Dynamic Survey Engine results are captured and reported via VOC. Supplier knowledge is managed via the Vendor Certification Program and Vendor Portal.

Best practices are identified through MQA and Baldrige application feedback, benchmarking, and publishing industry groups. Via CQI Representatives and PDCA cycles of improvement, benchmarking data is utilized to continually improve processes. Regular CQI Representative communication about PDCA activity is shared in every work group.

Relevant knowledge for use in innovation and SPP is gathered through research, benchmarking, SWOT and business planning, VOC, VOE, PDCA suggestions, and product and service surveys, and is transferred through VOC and VOE databases, our Horizons tool, and our Publishing Plan and Business plans.

4.2b(1) IT is responsible for configuring, providing, managing, and delivering virtually uninterrupted availability of CPH’s computing environment, and for ensuring that it is both secure and user friendly. The following steps are taken:

• The process of application research, selection, and implementation for all CPH systems as well as software development for special needs involves the business users for system specifications, input screen design, user testing, and acceptance.
• Vendor-supplied updates and patches are installed at the earliest opportunity.
• All software applications are reviewed annually to assess the need for upgrading/replacing, and to include planned replacement into the IT Operations Plan and capital budget. As an example, a **review of our customer technical support call logging software initiated the planned replacement of two products with a single, more advanced replacement system.
• On-site personnel accomplish both routine and unplanned maintenance for network and desktop devices.
• All hardware components, from desktops to servers, are reviewed annually to assess condition, project remaining life, and to include planned replacements into the IT Operations Plan and capital budget.
• Hardware maintenance agreements are in place for servers, drives, and storage components to ensure timely response.
• Protective measures are deployed, including anti-virus software and firewall protection.
• Physical access to the server room, file/communications servers, data storage devices, and other critical/sensitive devices is appropriately restricted to authorized personnel. Access is reviewed for appropriateness on a periodic basis.
• Controls over perimeter and network security are in place.
• Software users are prohibited from having access to source code, the compiler, and programming documentation.

4.2b(2) All of our business system servers are protected by UPS devices to handle short-term power interruptions. Additionally, CPH has installed a natural-gas powered generator that is sufficient to operate critical servers, our phone switch, and building security systems while also providing power to a limited number of users in the event of a sustained outage. In the event of emergency conditions limiting building access, data and information can still be accessed in multiple ways. The e-mail system is externally hosted, and includes multi-site redundancy at the provider level. Our website is also externally hosted, and also includes multi-site redundancy at the provider level. Key management personnel are equipped with Smart phones, which allow mobile access to both voice and e-mail. VPN connectivity allows employees remote access to business systems. All servers and applications can be accessed remotely by authorized technical staff to perform needed work. CPH performs regular backups of all key system data. Backup tapes are created and moved to a secure, off-site facility. Tapes are maintained and backups are kept for defined periods.
5.1 Workforce Environment

5.1a(1) The HR Plan assesses capacity and capability needs annually during step 6 of the Strategic Planning Process (SPP) (Figure 2.1-1). In 2007, the SPP was modified to support the annual Business Plan with Operations Plans, allowing each department manager to request changes/additions in staffing levels, training for new skills and technologies, and to request capabilities they need in place to support the approved Action Plans for the upcoming year and beyond. The Directors, in consultation with the HR Manager, meet to prioritize essential positions/skills/knowledge/experience needed to achieve Strategic Objectives and new goals, resulting in the HR Capability and Capacity Plan. HR is then responsible for providing training necessary to bridge capability gaps and filling capacity gaps through the auxiliary staff, part-time retiree workers, and recruitment of new workers.

5.1a(2) The HR recruitment and hiring process follows:

- Open position request and job description reviewed and approved.
- Internal posting of open position (allows one-week effort to promote from within).
- Open position advertised externally if needed.
- LCMS educational system utilized to seek theologically trained, mission-minded professionals in business, IT, and other disciplines beyond Editorial. (HR also identifies summer internships at CPH for potential future employees.)
- Résumés received and reviewed; HR calls and conducts initial phone screening of candidates.
- Recruiter and multiple managers conduct values-based behavioral interviews.
- First-pass selection, followed by skills testing as needed to qualify for specific positions.
- HR conducts verification of résumé details and contacts references.
- Recommendation to hiring manager for decision.
- President meets selected candidate to discuss Mission, Vision, and Values.
- HR sends candidate for drug testing and runs appropriate background checks.
- HR tenders written offer.
- Hiring manager writes initial training plan.
- HR and Senior Leaders (SL) conduct corporate orientation program (monthly) to help new employees understand policies, procedures, benefits options, CQI focus, and safety issues. During orientation, employees hear from SL about CPH’s history; the Mission Focus, Vision, and Values; Goal Keepers; CQI and the company’s Quality Journey; and expectations for the future.
- HR follows up with new employees over the first several months and ensures formal management review at three and six months; validates successful training and testing has occurred.
- SL lunch with new employees after six months to gather Voice of the Employee (VOE) feedback and assess initial levels of engagement.

Due to the LCMS Mission Focus at CPH, new recruitment for all Professional Church Worker, key Management, and Customer Care positions is focused first toward members of the LCMS customer base. To ensure that CPH takes advantage of professional subject area expertise, more diverse workforce searches are held for many positions within the Office and Production workforce segments.

5.1a(3) Workforce resources are organized to support CPH’s Work System (Figure 6.1-1). The annual SPP (Figure 2.1-1) includes identification and communication of Strategic Objectives to the workforce. Corporate goals and Action Plans cascade down to Division/Department and Individuals to set expectations and align everyone in the organization. Divisions and departments use Job Descriptions, Desktop Procedures, Action Plans, and the fully integrated ERP and other systems to produce the products and services customers purchase. Annual CQI review of inter- and intra-departmental processes ensure work rules and Desktop Procedures are updated. Standard PDCA methodology is utilized to evaluate, test, and monitor process change with specific communication and training provided to the workforce members impacted by change and workforce-wide communication occurring via CQI Representatives. Training on detailed work processes ensures that the procedures are understood and consistently executed by the entire workforce. All members of CPH’s workforce have a physical copy of their individual Goal Keeper. Managers purposefully meet with members of the workforce regularly to review their individual goal progress. Consistent communication about ongoing review of Key Performance Indicators (KPIs), Voice of the Customer (VOC) data, and CPH’s Corporate goal progress, ensures that the measurement of performance and rewards for achievement of goals are shared across the organization. The CPH Family knows that we are all in this together and that Mission Focus is achieved only through daily performance excellence and improvement that focuses on customers (Figures P.1-1 and P.1-3).
5.1a(4) SL and the Leadership Team (LT) are responsible for protecting the long-term Mission health and viability of the organization. Many members of the LT have long-term publishing experience and serve in industry and church leadership positions. Purposeful, ongoing evaluation of printing and publishing industry changes to business practices and technology utilization is leveraged during the SWOT analysis phase of the SPP. This assessment is key to identifying potential future core competencies and the associated workforce capability and capacity requirements to support CPH’s short- and long-term Action Plans. CPH also utilizes the following techniques to prepare the workforce for changing capability and capacity needs:

- Cross-training employees (diligently working to avoid layoffs);
- State-of-the-art measurement and reporting tools allow employees to know exactly how they are performing; performance review cycles based on honest, two-way conversations;
- Pay-for-Performance, Goal Keepers, fair pay and benefits, and recognition to support excellence in the workforce;
- Learning & Development Plan and educational funding and opportunities at all levels;
- Internal transfer and functional training of employees when jobs are outsourced or eliminated due to change.

CPH recognizes workforce growth requirements during the annual SPP and builds the HR Plan (and supporting budget) necessary to meet the needs of the organization. The plan includes the use of contract, freelance, and auxiliary workers to meet temporary, excess workload demands.

5.1b(1) CPH employs its own Facilities management team, which is responsible for the safety and security of employees, visitors, and tenants as well as for the upkeep, maintenance, and improvement of its large building, which includes warehouse space, factory floors, distribution operations, and offices. The Safety Committee, comprised of Facilities, Human Resources, and Production personnel, works with an outside safety consultant to evaluate and ensure safe practices and procedures. The consultant provides annual mandatory safety training to the workforce. The Production management team completes safety inspection sheets on a monthly basis, forwarding any issues to the Director of Facilities. Employees are empowered to call the Director of Facilities with any issues, concerns, or requests (Figure 5.1-20).

The HR Department utilizes a variety of measures designed to provide a work environment conducive to supporting CPH’s mission (Figure 5.1-1).

Figure 5.1-1 Workplace Environment Factors

Employees are encouraged to participate in improving the health, safety, and security of their workplace through the President’s Call to Action, direct requests to managers and supervisors, and by serving as CQI Representatives. In the 2009 **Employee Opinion Survey, it was suggested that the restrooms be updated and made handicap accessible. This suggestion was implemented, and now at least one restroom on each floor for each gender is ADA compliant.

5.1b(2) CPH uses its management structure, development of its annual HR Plan, weekly Staff Meetings, and SL oversight of HR to ensure ongoing support and focus on its workforce. SL encourage the workforce to use VOE to submit ideas for improvements and they remain available to employees 24/7 to address any ideas, concerns, or suggestions. SL and the HR Manager meet annually to review CPH policies and benefits for alignment with the diverse needs of the workforce and marketplace changes. The biennial 2007 and 2009 Employee Opinion Survey results indicate that every CPH workgroup scored higher than the national norm rating for benefits (Figure 7.3-5, 7.3-6, and 7.3-7). The organization offers an outstanding Services and Benefits Package to support employees and their families. The package supports the personalized and variable needs of employees, allowing choices in flex-time and multiple benefits packages. Benefits are geared toward enhancing employee well-being, retention, and satisfaction while promoting and reinforcing CPH’s Mission Focus.

5.2 Workforce Engagement

5.2a(1) Several methods are used to gather opinions, information, suggestions, and ideas from the workforce to help SL and management assess employee engagement with CPH’s Mission Focus. For the past decade, CPH has conducted a biennial Employee Opinion Survey via AAIM. In a **2009 cycle of improvement, CPH added an annual Best Christian Workplace Survey, conducted by Best Christian Workplace Institute, and an internal Workforce Engagement Survey so...
that the mission aspects of the CPH workforce’s engagement/satisfaction could be identified. The resulting workforce engagement factors can be found in Figure P.1-5. Employees are encouraged to submit ideas that would increase workforce engagement/satisfaction to VOE at any time. VOE data is evaluated regularly by SL with resulting Action Plans for implementation of viable ideas. CPH’s workforce is a diverse mix of men and women with various education levels, interests, backgrounds, ages, races, denominational affiliations, and work experience levels. It includes theologians, pastors, professional church workers, teachers, directors of Christian education, production workers, and office staff (Figure P.1-4). Yet all segments indicate that the overriding reasons for working at CPH are related to it being a Christian organization with a mission-driven purpose. There is deep appreciation for the supportive CPH Family atmosphere and the open communication practiced at all levels. These factors motivate the highly productive, engaged workforce that is CPH (Figure 7.3-4).

5.1a(3) All members of CPH’s workforce are evaluated annually. The current appraisal system emphasizes continuous feedback to employees in areas where they excel and where improvement is needed. Evaluations include a two-way conversation where employees receive feedback and collaborate with management to set Action Plans for their development and improvement. Managers do not wait for annual reviews to praise staff members or to raise any concern about employee performance. Managers are trained to track performance throughout the year, so the formal annual appraisal becomes a review of goal achievement and a planning session to write a Professional Development Plan to help each person achieve his or her full potential.

Goal setting has long been part of the performance management system, but the 2006 **Pay-for-Performance initiative resulted in the CPH Goal Keeper, an industry best practice that aligns Corporate, Division/Department, and Individual goals in support of the three Strategic Objectives and focuses all employees on Customer Engagement. The Pay-for-Performance policy provides all employees the opportunity to share in a year-end bonus based on the attainment of the Goal Keeper. CPH’s compensation philosophy bases salary increases on merit alone. Managers recommend increases from a budgeted pool of salary increases allocated to departments. Increases are given during employee performance appraisals making a clear connection between pay and performance.

CPH’s Workforce Performance System is managed at the Department, Division, and Corporate levels. As a part of the performance appraisal process, department managers work in concert with members of the workforce to annually (1) review job descriptions; (2) develop individual Goal Keepers; (3) develop individual Professional Development Plans; and (4) complete a formal performance evaluation. Managers utilize Goal Keepers and performance evaluations to express opinions and ideas. The President often asks the workforce to “call 1190” (his personal phone) whenever an idea for improvement occurs or when they need his help.

To ensure that diverse ideas are considered, employees have the option to submit ideas beyond their manager to VOE or their CQI representative. These programs have built in fail-safes to prevent ideas from being dismissed without real consideration. In fact, employees are regularly asked to provide additional insight or to contribute to the PDCA process with the CQI team. In the publishing industry, only 1 out of every 10 books is financially successful, so CPH understands that not every project is going to be profitable. As a result, the company is willing to take some risks to allow employees to flesh out and test ideas to determine if an idea should be fully implemented.

5.2a(2) In 2002, SL restructured CPH to flatten the organization and remove the barriers and silo mentality that hindered best practices in communication, problem-solving, and continuous improvement. (**See Organization Chart.) To ensure that a consistent flow of organizational culture communication exists, the President meets often with the workforce at All-Hands events; uses the PA system to encourage the CPH Family and keep employees in the loop on goal achievement and issues of interest; and holds a weekly meeting with his direct reports to ensure consistent flow of information, review of KPIs, and ongoing Action Plan progress (Figure 1.1-1). The Vice President and Directors then meet with department managers and staff in mandatory flow-down meetings designed to consistently share information with the entire Workforce regarding eight key topics:

1. The Dashboard/KPIs/website
2. Marketing/Sales Performance
3. Progress on Action Plans/accomplishments
4. Policy and procedure updates
5. CQI results
6. Innovations in product, service, or process
7. Upcoming events
8. Open issues

CPH’s culture is Christ-centered, mission-driven, and customer-focused. It is also informal, collegial, and very family-oriented. Management is intentional in planning events, communicating often, and seeking input from the workforce formally, at least quarterly, to ensure CPH keeps building its strength of a highly engaged workforce. An open door policy exists throughout the organization and people, who feel they are working in ministry together, feel free to...
recommend (1) salary increases and (2) Pay-for-Performance bonuses. Division Directors approve (1) individual Goal Keepers; (2) individual Professional Development Plans; (3) formal performance evaluations; (4) salary increases; and (5) Pay-for-Performance bonuses. Directors also work in concert with department managers to (1) develop and monitor Department/Division goals (Action Plans) to support Corporate Goals/Strategic Objectives and (2) to produce Operations Plans that consider workforce capability and capacity needs during the SPP.

HR utilizes Operations Plans to compile a corporate-wide (1) Workforce Capability Plan; (2) Learning and Development Plan, (3) Leadership Development Plan; and to allocate the necessary budget to support these plans. HR utilizes the Business Plan allocations to develop the Corporate (1) salaries-increase budget and (2) the Pay-for-Performance budget. Finally, HR works with SL to ensure that a viable Succession Plan is up to date.

CPH recognizes individuals and teams who excel in any aspect of the work system. Teams are recognized in Senior Staff Meetings as well as in House Happenings, a bimonthly CPH news flyer, on bulletin boards, and at All-Hands Meetings. Individual performance is recognized by managers across departments, by SL, and, often, by co-workers with free lunches, notes, and cards; department celebrations; and gift cards or other tokens of appreciation. This type of recognition contributes to a feeling of appreciation and stresses the importance of celebrating everyone’s achievements. There are monthly Employee Appreciation events, planned and conducted by an all-employee volunteer committee.

5.2b(1) SL and the HR Manager meet frequently to ensure ongoing review and improvement of CPH’s workforce engagement. The workforce is surveyed every two years by an outside consultant, AAIM, to determine employee satisfaction, engagement, and commitment to CPH’s Mission, Vision, and Values. In the most recent online survey (October 2009), 92 percent of employees voluntarily participated.

Survey results are segmented by employee type and Department or Division to ensure all employee groups and needs are considered in HR policy and operations planning. (Details available on-site.) **Employee feedback and continuous improvement has led to a significantly enhanced benefits package that employees report they value (Figure 7.3-4).

Turnover, absenteeism, grievances, and safety are also monitored to validate workforce engagement (Figure 7.3-4).

CPH’s regrettable turnover rates (Figure 7.3-3) are below national averages and would be even lower if not for the fact that CPH employs a number of wives of seminarians for two years before they leave for vicarage assignments (Figure 7.4-4). Anticipating this particular turnover helps management prepare and train in advance for replacements. **Using advanced Call Center functionality, in 2008 CPH began to deploy these valuable CSRs into the field to serve remotely during the vicarage year. They then return to CPH during the fourth year of seminary study.

5.2b(2) HR is responsible for analyzing these surveys and reporting correlations to business results, as part of the SPP. The scores from the 2009 Employee Opinion Survey indicate a high level of workforce engagement, which is also shown in turnover rates that are lower than the national average, few grievances, and fewer OSHA-recordable accidents. CPH believes that workforce engagement is a key indicator of the company’s ability to delight customers; therefore, CPH correlates the workforce engagement and customer loyalty performance measures (Figure 7.3-8). Similarly, CPH notes the connection between Customer Service Workforce Training and Customer Satisfaction (Figure 7.3-14) because it is felt that a workforce trained on both product features and business tools is able to provide the excellent service level our customers demand.

5.2c(1) CPH addresses Learning and Development from both a Corporate and Individual perspective.

A Corporate Learning & Development Plan is developed, budgeted, and managed by HR as part of the annual HR Plan, and written during SPP in support of the Business Plan. The HR Plan includes a needs assessment based on Strategic Objective Action Plans and training requests found in Operations Plans. The needs assessment focuses on the preservation of current, and development of future core competencies.

All three of CPH’s Core Competencies require specialized training, handled at the Department or Division level. As an example, there is a full-time trainer in the Customer Care Center who focuses on four-to-six week sessions for training new CSRs. As a result of **VOC and benchmarking efforts, this trainer also conducts skill assessment, development, and product knowledge sessions (45 weekly sessions per year) to enhance support of Customer Focus (Figure 7.3-14).

SL are committed to ensuring a workforce that is proficient in the latest computer technology in order to give CPH a strategic advantage in a time of change for traditional publishers. Such a workforce will be needed to fully achieve the second Strategic Objective, using technology to deliver products and services to customers. In 2005, personal computers were purchased for every employee to be used in their homes. In 2006 and 2007 respectively, CPH provided paid high-speed Internet access and an iPod Touch to each
Leadership Development; receiving cross-training or special and development system. Innovative ideas are submitted. CQI Representatives play an integral role in CPH's learning.

The Corporate Trainer works closely with management from each of the workgroups to develop appropriate curriculum. Workforce members schedule mandatory and self-selected learning sessions through the employee web portal, MyCPH. All sessions are available in classroom sessions or as online training. Learning assessments exist for both classroom and online learning. Employee attendance and scores/results are tracked on MyCPH.

Mandatory sessions cover CPH’s criteria for performance excellence; Mission Focus and Strategic Directions/Objectives; Goal Keepers; use of PDCA methodology for continuous quality improvements; crisis communications; ethics policy compliance; safety, harassment, customer relationship management, and other items of importance to the entire workforce. (Complete schedule available on-site.) Managers receive additional training on performance evaluation effectiveness and other management best practices and technologies (Figure 7.3-10, 7.3-11 and 7.3-12). Outside training consultants are used when in-house expertise is not available.

CQI Representatives play an integral role in CPH’s learning and development system. Innovative ideas are submitted through the PDCA process and then passed on to the appropriate CQI Representative who guides the idea through CPH’s process improvement steps. The CQI Representatives are also responsible for sharing ideas with their respective departments.

Professional Development Plans, developed during the annual performance review cycle, are used to identify development opportunities for workforce members. Examples include: being identified as a subject matter expert or as a candidate for Leadership Development; receiving cross-training or special assignment opportunities to enhance skill development; and/or being designated for advanced education reimbursement or enrolled in off-site specialty training.

CPH recognizes that investing in the education of its employees today will not only motivate and prepare those individuals but also provide ongoing dividends for the company. As part of their Professional Development Plans, CPH invests in its employees through a tuition reimbursement program at the undergraduate, graduate, and post-graduate levels. Personal development is also tracked by HR. (Database available on-site.)

To protect organizational knowledge (Category 4.2a) and ensure a smooth transfer of individual skills and experience from long-term employees, the HR Plan requires notification 90 days before retirement. The timing requirement ensures that Desktop Procedures are updated and retirees are actively involved in personally training their replacements. Additionally, CPH requests ongoing contact with each retiree in case questions arise. Because of the loyalty and personal commitment of CPH retirees, most are available and willing to assist the company and customers whenever needed. Some even return as part-time consultants in their areas of expertise or as auxiliary workers to fill in capacity shortages.

Cross-training and regularly updated personal and department Desktop Procedures ensure that departing workforce members do not take invaluable workforce knowledge with them.

**A previous mentoring program was improved in 2008 when the current Leadershship Development Program was designed to help prepare high-potential individuals, identified by SL as capable of assuming future leadership positions and increased responsibilities. SL lead this effort and meet with this group monthly to discuss CPH Mission Focus issues, values, and personal responsibility. They encourage continued excellence and the pursuit of educational opportunities while also providing exposure to important functional disciplines within the company. Specific opportunities exist to participate in Business Book Club, retreats, seminars, long-term planning sessions, writing the MQA and Baldrige applications, peer evaluation and feedback, enrollment in professional associations and events, and paid continuing-education classes and certifications.

5.2e(2) All company Learning & Development sessions are evaluated by participants after one week and after two months of completion. HR uses an electronic survey tool to assess the level of learning, gather data about the application of learning, and garner feedback regarding the perceived value of the training to the employee. The survey helps trainers improve their presentations and effectiveness and identify additional training needs (Figure 7.3-12, 7.3-13). Follow-up surveys are
also sent to the participants’ manager after two months to determine if managers have seen an improvement in the employees’ skills or performance as a result of training.

In the Customer Care Center, every new CSR goes through a four-to-six week training session. Each CSR must successfully complete a detailed test before serving customers. All current CSRs scored 90 percent or higher on the assessment. The high level of competency and ongoing coaching and training of vital frontline CSRs directly contributes to CPH’s benchmark-level customer satisfaction ratings and the Call Center Certifications achieved in 2009, 2010, and 2011 (Figure 7.3-14).

5.2c(3) As a small organization (250 people) where employees tend to build whole careers, it is not easy to provide advancement into higher positions. However, CPH does reward excellence and promotes from within the company whenever possible. (SL and most Directors have been promoted from within the company.) CPH is committed to providing employees with challenging opportunities beyond traditional career progression, such as involvement in special projects, becoming an MQA Examiner, serving as a CQI Representative, or as a team lead for a corporate computer system upgrade.

CPH’s approach to succession planning, learned through MQA assessment, includes identification of a named backup for every SL, Director, and Manager position. These mentoring relationships ensure at least one other person is trained and able to step in for up to six months in the event a position is temporarily vacated. If the vacancy becomes permanent, it allows time for recruitment of a permanent replacement from within or outside the company.
CATEGORt 6 – OPERATIONS FOCUS

6.1 Work Systems

6.1a(1) The design of the CPH Work System has evolved with multiple cycles of learning via process-based management tools, evaluation of Core Competencies, and multiple MQA evaluations and feedback. With fewer than 300 employees, CPH purposefully cultivates the intimate, family atmosphere via a single integrated work system.

The annual Strategic Thinking Event of the Board validates the current Core Competencies and determines necessary future competencies upon which the work system is based. Product and Operations development Horizons and initiatives are defined during Step 4 of the SPP (Figure 2.1-1). It is in the Publishing/Marketing Plan step where specific initiatives for each product line and other needs are defined. These initiatives are communicated to Division Management, who is responsible for ongoing evaluation of internal production methods and results to determine if those services could be better provided by any external source. These managers determine where voids exist and if current resources can be mobilized to fill changing needs or if external resources must be sought. During the Operations Plan development process, they identify the technology, human resources, machine, and capital requirements that are necessary to support the Publishing/Marketing Plan, and assign a CQI Team to design new or revised work processes using PDCA methodology.

During the process of identifying resources necessary to implement Action Plans, CPH evaluates its key processes to validate whether CPH is a low-cost provider of services. By benchmarking within the vendor base and reviewing competitors’ offerings, CPH evaluates industry changes that could lead to production improvements. As an example, CPH made the decision to outsource magazine fulfillment after CQI evaluation of changes in the printing/mailing industry determined that some key vendors could provide lower cost distribution with comparable service levels than possible internally.

Recommendations for improvement may advance through a CQI Team at any time, but are likely to surface during the annual Operations planning and budgeting cycle. An example of mid-cycle work system innovation is the outsourcing of Print-on-Demand services for backlist book products achieved in 2009.

6.1a(2) CPH utilizes a variety of listening methods to gather VOC and customer requirement data (Figure 3.1-1). Core product teams utilize the VOC Product and Service Offering Process (3.2-1) to prioritize product releases meeting customer requirements (Figure P.1-6). Workforce surveys, goal setting, and performance evaluation processes are utilized to determine workforce requirements (Figure P.1-5 and Category 5.2a[1]). Annual vendor conferences with custom, buy-out, and distribution vendors are designed to foster partnership and information sharing so that there is a mutual understanding of future business needs. Internal collaborative cross-functional team meetings are critical to understanding work system requirements between the key work system components.

6.1b(1) The CPH Work System is comprised of four key work processes aligned with the three Core Competencies (P.1a[2]) necessary to meet the customer requirements of delivering products that are faithful to the Scriptures and the Lutheran Confessions in a cost-effective, timely, and customer-friendly manner. CPH’s Workforce currently executes most key processes, but partners with custom manufacturing/buy-out vendors to provide physical manufacturing necessary to the Product Development System, and transportation vendors to complete the physical shipment of customer orders in the Distribution Systems. The top level work system flow chart is shown below in Figure 6.1-1. Drill-down to all current processes, measures, and task levels are available on-site.

CPH’s key work system components are the operations of Product Development, Customer Care, and Distribution. These three are supported by the administrative processes of HR, IT, Finance, and Facility Management.

Product Development: Concordia’s theologically trained employees contribute a competitive advantage in its marketplace. That advantage begins with editorial commitment to the doctrine of the LCMS. The staff in Editorial is comprised of educated, trained, certified, and called workers of the LCMS. Most have direct experience in the field, doing the same ministry work as many CPH customers, and are familiar with customer needs and concerns. Many hold advanced educational and theological degrees, which enable them to provide editorial direction that ensures scriptural and confessional content. They enable CPH to achieve a high level of success as new manuscripts go through the rigors of the Doctrinal Review Process (Figure 7.1-1). The team of Marketers, Graphic Designers, Copy Editors, Proofreaders, Production Coordinators, and Buyers that support the Editors in the production process also bring unique skills and knowledge to support delivery of specialized editorial content.

Customer Care: The long-term relationship CPH enjoys with career pastors and teachers of the church requires a level of
product and service training beyond most Call Centers. Customers expect detailed, specific knowledge and advice about CPH’s 8,000 products and their use in the field. CPH invests in extensive ongoing training of Customer Service Representatives with in-depth product knowledge, knowledge-based tools, the ERP system, and the Call Center Management phone system with CTI, IVR, and other features used to coach a highly successful service team (Figures 7.3-10 and 7.3-14). They bring additional value to CPH customers. The results of The Center for Client Retention surveys and the 2009, 2010, and 2011 Certifications as a Center of Excellence by Purdue University as well as the Voice of the Customer feedback received daily, all support the fact that CPH’s care of customers is a key factor in long-term retention, loyalty, and engagement (Figure 7.2-5).

**Distribution:** CPH sells materials to customers in a variety of ways. A customer may place an individual stock order, enroll in a single or a bulk subscription for future materials, or order product customized for their use. Supporting over 8,000 inventory items, the Distribution Center allows CPH to commingle all those methods and distribute to customers as they choose. The warehouse system allows for pack-out quality checks to ensure customers always get the correct items (Figure 7.1-13). The Distribution Center’s logistics software is integrated with Sales Order entry and the customized Circulation Management System. Real-time management information enables positioning and right-sizing of resources during peak demand, ensuring CPH meets shipping standards set by customer expectations. (Process Maps and Desktop Procedures for all functions are available on-site.)

Work system evaluation is a part of the SPP. All work system processes undergo an annual review to ensure cross-functional integration requirements are met. Mid-cycle adjustments necessary to meet customer requirements or changing business needs are run through the PDCA process and implemented immediately.

6.1(b)2 Cost control comes in many forms at CPH. Cost center and project budgets are measured and reported regularly. When a budget is exceeded, CPH works to ascertain the root cause of the problem and communicate the results to team members to prevent reoccurrences. True performance issues are addressed with a plan for remediation and training. In 2009, a new budget estimate-to-actual measurement process and top level KPI was launched to enable quick response when department-level tasks or Teams approach the budget spending limit on a job.

Production Control uses a systematic process to drive cost of goods down in Product Development. The Estimator-Buyers use annually refreshed historical “hours per page” data to set targets for future development, benchmark other publishers, and set vendor target pricing. They also use the Vendor Certification Program to focus purchases with fewer vendors. Editorial, Design, and Copywriting departments involved in the Product Development process use chargeable utilization metrics to drive down costs. The Call Center evaluates uptime per agent metrics to manage cost in Customer Care (Figure 7.1-2). Distribution Center management utilizes per line pick standards to measure performance and control costs.

The templated job process provides quality-assurance on every piece, as each job has a sequential checklist guiding it through a production process with built-in fail safes (i.e., substantive editing to copyediting to designing to proofreading).

CPH is blessed with a talented workforce. Via division of job duties, the company is able to develop and maintain many areas of expertise. This expertise is leveraged to gain the greatest efficiency and performance from human resources. CPH is also a highly automated work environment. Computing systems allow access and validate data easily. For example, the pick-to-light and carton pack-out system ensures customers get the material on their order and inventory replenishment functionality predicts stock outs.
6.1c CPH has a Business Continuity Plan, originally written in 2006, that has evolved **each year during the SPP** (Operations and Budgeting phase) and now includes an IT Disaster Recovery Plan (Category 4.2b[2]) and a Crisis Communication Plan with mandatory training for the Workforce. These enable the company to reestablish mission-critical services; retrieve critical data; and manage effective communication to customers, the Workforce, and the public in the event of an emergency.

Located in the central U.S., CPH considers tornado activity and earthquakes to be environmental threats.

Steps have been taken to eliminate or minimize the impact to CPH’s operations, including uninterruptible power supply
units for servers; a back-up generator for building-critical functions such as security and communications; a CO2 protection system in the data center; remote access to the Nortel switch to handle incoming calls; a building-wide sprinkler system; and a regular off-site backup of both business computer files and in-process Product Development files. Refinement in late 2009 led to a detailed biweekly testing plan for emergency power systems critical to CPH systems. (Available on-site.)

Other potential threats or crisis situations are identified in the Crisis Communications Plan, and situational management procedures are in place with specific guidelines to use in the event of an editorial, product safety, or significant customer concern.

Management personnel are assigned responsibility to lead the company through an immediate situational assessment, develop appropriate media and customer communication, manage workforce concerns, and allow resumption of services as quickly as possible. Division Directors have written processes necessary to restore functionality in their respective areas. Resources are directed first to the most critical functions, with recovery efforts dictated by the nature of the disaster. Communication is approved by the President and delivered by the Manager, Corporate Communications.

CPH conducts emergency drills to ensure workforce safety and exit strategies are in place (Figure 7.1-24). Building access is controlled via photo ID individual workforce security badges. A panic button is installed in the lobby to enable reception personnel to communicate for emergency help.

Finally, CPH has a mission-focused recovery plan for customers faced with a natural disaster. CPH budgets for and replaces any church or school products that are destroyed in a natural disaster (Figure 7.4-4).

6.2 Work Processes

6.2a(1) **Annually, CPH does a review of all internal processes to ensure that stakeholder needs are met. Business, competitive and technology changes are considered as work teams evaluate their internal and cross-functional processes. Ongoing PDCA process improvements are regularly communicated so that changes in other parts of the organization can be considered in this process review. In the design of any new process, CPH begins by gathering information about the desired outcome. Utilizing process maps, we strive to understand the inputs necessary to ensure the outcome. Mapping task input requirements to task output deliverables with end-to-end process design, specifications are set for each task and thus the cumulative, whole process.

Standard processes are designed with a combination of critical path and non-critical tasks, standard durations, major milestones, and decision trees so that teams utilizing the process can scale the implementation to fit the specific project needs. Standardized process design is completed where 80 percent of the “opportunities” conform to a standard set of rules. Custom process design for the 20 percent non-conforming opportunities is addressed at an individual team level, where team members utilize PDCA to collaborate and design the specific process to accomplish the desired outcome.

All process design teams utilize recent PDCA improvements and understanding of new technologies along with combined organizational knowledge to drive innovation into processes. During the early years of CPH’s Quality Journey, the Leadership Team, using cycles of PDCA, developed and revised process flow charts, Desktop Procedures, and various checklists and control mechanisms, which have been refined and are currently in place to manage daily work. At CPH, this is called managing by “the book.” When changes to “the book” become necessary, usually during the Operations Plan phase of SPP, CQI Teams initiate changes using the PDCA methodology.
### Key Work Processes

<table>
<thead>
<tr>
<th>Key Business Process</th>
<th>Key Requirements</th>
<th>Performance Measures</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leadership Processes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governance Process</td>
<td></td>
<td>Fiscal, legal, ethical</td>
<td>7.4-3</td>
</tr>
<tr>
<td>Key Community Support</td>
<td></td>
<td>Key Community Support</td>
<td>7.4-4,5,6</td>
</tr>
<tr>
<td><strong>Product Development Processes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DR-approval Process</td>
<td>Products compliant with LCMS doctrine, delivered on schedule with good value</td>
<td>DR compliance</td>
<td>7.1-1</td>
</tr>
<tr>
<td>Templated production processes</td>
<td></td>
<td>Product/Promo On-Time Starts</td>
<td>7.1-4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product/Promo On-Time Completes</td>
<td>7.1-5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Project budget adherence</td>
<td>7.1-7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product Satisfaction Survey Cards</td>
<td>7.2-2</td>
</tr>
<tr>
<td><strong>Customer Care Processes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voice of the Customer</td>
<td></td>
<td>Customer Service Satisfaction</td>
<td>7.2-1,3</td>
</tr>
<tr>
<td>Complaint Management</td>
<td></td>
<td>Customer Engagement</td>
<td>7.2-5</td>
</tr>
<tr>
<td>Customer Relationship Management Process</td>
<td>Customers loyal to CPH products</td>
<td>Orders/Complaint</td>
<td>7.2-4</td>
</tr>
<tr>
<td>Product Benefit – Promotions Process</td>
<td></td>
<td>Personal contacts</td>
<td>7.2-6</td>
</tr>
<tr>
<td>Sales, Marketing</td>
<td></td>
<td>Home Revenue</td>
<td>7.5-10</td>
</tr>
<tr>
<td>Order-taking Process</td>
<td></td>
<td># New Customer Accounts (On-site)</td>
<td></td>
</tr>
<tr>
<td>Accounts Rec Management Process</td>
<td></td>
<td>Retail phone service level</td>
<td>7.1-2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AR days outstanding</td>
<td>7.5-3</td>
</tr>
<tr>
<td><strong>Distribution Processes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vendor Performance Process</td>
<td>High-quality product, matching customer order, in timely manner</td>
<td>Vendor certification results</td>
<td>7.1-9</td>
</tr>
<tr>
<td>Order-fulfillment accuracy</td>
<td></td>
<td>Inventory accuracy</td>
<td>7.1-18</td>
</tr>
<tr>
<td>Shipping processes</td>
<td></td>
<td>% order accuracy</td>
<td>7.1-13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Shipping standards</td>
<td>7.1-6</td>
</tr>
<tr>
<td><strong>Finance Support Processes</strong></td>
<td></td>
<td>Inventory turns vs. excess inventory</td>
<td>7.1-16</td>
</tr>
<tr>
<td>Inventory Management processes</td>
<td>Self-sustaining business decisions to ensure long-term financial stability of CPH</td>
<td>In-stock availability (On-site)</td>
<td></td>
</tr>
<tr>
<td>Financial reporting processes</td>
<td></td>
<td>Operating as % of sales</td>
<td>7.5-2</td>
</tr>
<tr>
<td><strong>IT Support Processes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>System availability</td>
<td>Reliable software and hardware to support customer orders</td>
<td>Minutes uptime</td>
<td>7.1-19</td>
</tr>
<tr>
<td>Web development and maintenance</td>
<td></td>
<td>Web sales</td>
<td>7.1-23</td>
</tr>
<tr>
<td><strong>Human Resources Processes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workforce safety</td>
<td>Hiring and support of human resources</td>
<td>OSHA/lost/restricted work days</td>
<td>7.4-3</td>
</tr>
<tr>
<td>Benefits Management processes</td>
<td></td>
<td>Benefit Satisfaction</td>
<td>7.3-4,5,6,7</td>
</tr>
<tr>
<td>Performance Management Process</td>
<td></td>
<td>Workforce Engagement</td>
<td>7.3-4,5,6,7</td>
</tr>
<tr>
<td>Workforce Development Process</td>
<td></td>
<td>Workforce training</td>
<td>7.3-10,11,12,13</td>
</tr>
<tr>
<td>Capacity Planning Process</td>
<td></td>
<td>Payroll as % of sales</td>
<td>7.3-1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Overtime hours worked</td>
<td>7.3-2</td>
</tr>
<tr>
<td><strong>Facilities Management Processes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Safe working environment</td>
<td>Facilities Customer Service Survey</td>
<td>7.1-20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Disaster-planning drills</td>
<td>7.1-24</td>
</tr>
</tbody>
</table>

Figure 6.2-1 Key Work Processes
Customer, workforce, supplier surveys completed throughout the year are utilized to garner key stakeholder requirements. Additional customer contact is made via convention, at CPH-owned bookstores and during employee weekly faith life activities.

CPH’s key work processes are Product Development, Customer Care, and Distribution, supported by HR, IT, Finance and Facilities administrative processes, (Figure 6.2-1). The backbone of CPH, the Product Development process, is driven by the SPP, with specific Product and Corporate ideas tracked via the Strategic Planning Waterfall through the three planning Horizons. A fast-track gated-approval process is utilized for most single products, books, or single component titles.

- **Strategic Horizon 3, Emerging Opportunities:** New product ideas and information are gathered and entered into the horizon planning tool. This electronic tool serves as a repository and tracking device for new product and operations ideas to ensure that the project progress is recorded. After the product idea has been vetted by the Editorial and Marketing teams, the idea proceeds to . . .

- **Strategic Horizon 2, Publisher’s Review Committee:** Team produces initial product concepts, identifies the target customer, develops cost/revenue forecasts to arrive at margin analysis, and brings all this information forward for review at Publisher’s Review Committee (PRC). Customer, partner, and vendor input is sought at this stage to ensure that the product delivers great customer value and meets their requirements. CPH utilizes target pricing with vendors and historical per page cost data to drive production costs down during the quoting phase. Once PRC signs off on the viable product, capital and human resources necessary to deliver the product are identified and secured. With all these things in hand, the product is sent forward for BOD approval. The time to move specific products through this horizon varies widely, from two weeks to a year, depending upon the complexity and uniqueness of the product. Once BOD approved, the product moves to . . .

- **Strategic Horizon 1, Board Approved:** This is the true production phase at CPH. Duration is dependent upon the product type; typical duration ranges from two to twelve months.

CPH uses the same strategic Horizon process for big and small projects, but delves deeper for extensive curriculum lines and other innovative products. Such large projects are treated with more attention to detail due to the sizeable financial investments required or unfamiliarity with customer requirements or new production processes. This comprehensive approval process also takes into consideration that though an individual title/component may not be financially feasible alone, that title may be required to support the product line as a whole. In addition, specific market research with focus groups is completed to ensure the product will meet customer needs. (A new Sunday School curriculum project is currently tracking through the full-blown process. Details available on-site.)

Because there is a wide range and variety of product lines, production processes vary across lines. CPH uses highly detailed, template job production processes (Job Templates) with 10 or more processes to define product-specific inputs and outputs. These Job Templates define task precedence, outline standard task duration, and assign departmental responsibility.

Templates also ensure quality control steps are taken including:
1. Substantive editing
2. Copyediting, technical editing
3. Proofreading for grammar, punctuation
4. Designed for user friendliness
5. Production control/manufacturing specs
6. Marketing/meets customer need

Staff is trained to use these templates to guarantee the necessary quality control, but is empowered to modify task durations; human resources assigned, and budget hours to tailor a unique schedule for each specific product. CPH gains all the benefit of great quality control and the flexibility to enable us to respond to market demands. Once a product-specific schedule is created from the template, Production Control uses the schedule to monitor, and budget for each job (Action Plan). CPH evaluates performance to schedule (target to actual) to measure cycle time. Additional reporting tools are used to predict short-term resource allocation issues. (Available on-site.)

CPH reviews its product development processes **annually, engaging functional stakeholders in the review to ensure integration of any process changes are made across all functions. For example, in 2010, CPH benchmarked its Product Development processes with a like product-minded church-owned publisher. Due to accounting treatment differences, the opportunities are not reflected on some of the results charts, but we gained much insight into possible improvements and can celebrate that we lead the way in budgeting and measuring our internal production costs. To our delight, we have confirmed that our production practices are on par if not superior to our peers in Christian publishing.** **2011 benchmarking with a best in class secular publisher is currently in process. Changes in technology along with changes to product mix and employee capability and
experience are used to redesign inefficient or outdated processes. Recent process improvement work on integrating the financial feasibility analysis and production of electronic product development with printed product development via the new Portal production template and Internal Go Ahead (IGA) analysis tool is an example of the PDCA process revision in use.

In 2008, CPH made a major product development workflow process change with the InCopy/InDesign implementation. Through the next 18 months, several cycles of learning ensured that CPH capitalized on the enhancements offered via this new standard in publishing workflow. There have been significant increases in team collaboration and a 10 percent reduction in production schedules. Via study of PCPA and secular publishing company processes, we have identified the utilization of XML tagging as the next cycle of production improvement. Currently in Horizon 2 analysis phase, XML file and identification tagging integration will allow for a more automated conversion of type for alternative digital deliveries. This addition will greatly improve our ability to repurpose content for delivery in multiple formats. The goal is to easily deliver product or parts of products in whatever ways the customer wants it. The XML workflow utilizes file tagging and identification to enable more efficient production.

6.2b(1) Our key work processes are the core of our work system. These processes align with our core competencies to deliver customer value. During the Planning phase of PDCA process design, we determine the in process and outcome measures necessary to ensure that the process meets requirements. The Do step ensures that a test of the process is completed. During the Check step we validate the data against the planned in-process and outcome measures. The Act step allows us to either (a) double back through the process for further revision if the process outcomes are not met or (b) if outcome measures are as expected, fully implement the process across the organization. Key processes and outcome measures can be found in Figure 6.2-1.

Day-to-day operation of these processes are deployed via Desktop Procedures. Every department is responsible for ongoing improvement, documentation updates, training, and distribution of their Desktop Procedures. HR is responsible for the security and annual review of the electronically shared documents. These procedures are detailed descriptions of tasks to be performed and processes to be used in daily work. In many areas, checklists document expectations and provide a disciplined way to communicate, implement, and monitor procedures for systematic error reduction, consistent quality, and efficiency. Procedures are updated and redistributed when any CQI Team successfully tests and then makes a process improvement.

Job Descriptions are also used to implement some processes at CPH and to support the core value of Accountability. These define who is responsible for tasks within each department and link with other outputs to form interdepartmental processes. Job Descriptions are reviewed annually to verify changes.

CPH uses KPIs to track both in-process and outcome measures. There have been several cycles of development of those currently used to measure performance at Division, Department, and Individual levels. Productivity and efficiency reports by resource type, call abandon rates, call wait times, accounts past due, in-stock percentage, inventory turns, performance to original budget, and so forth are utilized to measure performance and processes to meet customer needs. (Figures 7.1-21, 7.1-22 are examples of in-process measures.) KPI review frequency is dependent upon the specific process being tracked. Departments like Customer Care and Distribution track call volume and shipping standards throughout the day. Production Control utilizes milestone tasks to track project schedule status and manage project budgets, weekly. Finance tracks sales daily. The methods by which the results are shared also vary according to the type of data delivered and the intended user. Some results are updated via automation and evaluated via computer. Other measures are posted interdepartmentally so that users keep them front of mind.

As part of a semi-annual review of KPI efficacy or when it is determined that the data seen via KPI is no longer predicting expected results correctly, management reevaluates the KPI to determine why the measurement is no longer effective and how it should be changed. For example, the vendor certification process went through three such revisions. The first data capture and item weighing did not provide the level of performance differentiation CPH was seeking. Production Control tested and revised until the measurement was real and the resulting data was actionable.

Key performance outcome measures are CPH’s indicators of effective process implementation. New plans, implemented with necessary cycles of learning, continue to yield improved measures. Example: Job Template changes and revised standards for manuscript submission increased on-time starts in 2008, 2009, and 2010 (Figure 7.1-4).

6.2b(2) Supply chain management begins in the Product Development process and continues through the Customer Care and Distribution processes. Key outcome measures are utilized to track projects through the development cycle including outsource custom and buy-out vendors. The Vendor Certification Program measures key supplier performance for custom-manufactured materials. Each incoming product is scored on product quality, timeliness of delivery, and overall vendor performance (Figure 7.1-9). The scores rank vendors
as Gold, Silver, and Bronze. CPH uses the results in bidding and placing future work and for consolidating existing projects under highly-rated vendors. Scores are shared with vendors semi-annually in addition to immediate feedback given to acknowledge excellent performance or document poor performance. Vendors scoring at the Bronze level are given a 1-year probationary period to improve performance scores. Vendors failing to improve scores are removed from the vendor listing.

In a 2011 cycle of improvement, Production Control is leveraging the knowledge gained via the custom-manufacturer Vendor Certification program to design, test, and implement a mirror Buy-out Vendor Certification program. Utilizing the core value of **Stewardship**, vendor performance issues will be tracked with exception-based methodology that is fitting for this vendor base.

CPH pushes the responsibility for manufacturing quality to the vendor supplying the product or service through the use of its Print Quality Policy, designed and implemented in 2007. This policy walks through a remediation process in the event of manufacturing error, and defines quality inspection expectations (Figure 7.1-10). Data is collected regarding quality procedures used by key vendors to ensure that appropriate processes are in place in their facilities. (Print Quality Policy available on-site.) These expectations are updated and reviewed annually.

Additional key performance indicators are utilized to manage supply chain performance results through the Customer Care and Distribution Processes. Call service level expectations and shipping standards are evaluated daily to ensure timely processing of customer orders through the Call and Distribution Centers. Finally, late, lost, and on-time performance metrics for key distribution partners ensure that customer shipments meet customer expectations.

6.2b(3) CPH utilizes PDCA methodology for most process improvements (Figure P.2-3). The entire workforce has been trained in PDCA, and currently there are over 40 CQI Representatives who lead cross-functional teams to implement ideas (Figure 7.3-9). These teams are pulled together to change “the book” with process improvements, cost and cycle time reductions, and quality improvements. Opportunities for improvement may result from the review cycles shown in Figure 4.1-1, from customer input, or as a result of benchmarking best in class and peer organizations. Managers, SL, and CQI Representatives regularly initiate new PDCA teams.

Where a significant initiative or opportunity is identified, cross-functional teams, with Director Sponsorship, work in depth to implement Strategic initiatives. This is a more formal approach to planning, testing, measurement, and analysis with multiple cycles of process reevaluation. Example: The InDesign-InCopy Workflow implementation in 2008 required this effort to change the Product Development Process as will the upcoming XML project.

All CQI initiatives follow these basic guidelines:
- Cross-department and cross-functional needs are considered during PDCA to increase efficiency or eliminate the potential for errors or duplication of effort.
- Errors require root-cause analysis.
- Encourage the use of data by a broad spectrum of system users to ensure examination of the facts and point out inconsistencies.
- Seek to adopt new technologies to provide process improvements.
- Document and communicate all changes in Desktop Procedures and Job Descriptions.
- The use of PDCA is often iterative when data collection and “checking” yields additional opportunities for modification and improvement.

CQI Teams track all activity in a single worksheet. Centralizing the data allows CPH to track results and ensure changes are communicated to the entire organization. A cycle of learning led to a more localized CQI information sharing process in 2010. Bimonthly, departmental, peer-led CQI information sharing sessions now have the dual agenda of continued Baldrige training and purposeful sharing of current PDCA projects and progress across the organization.
Prior to 2010, CPH evaluated most performance data at a cumulative or overall level. The Leadership Team (LT) realized that evaluating segmented data allowed users to more rapidly recognize performance data outside of goal range. Analyzing customer, workforce, and product creation process data via appropriate segments yielded more informed decision making and root-cause analysis, helping identify best in class performance as well as improvement opportunities. In a major cycle of improvement, the CPH performance measurement system is now undergoing the report coding changes necessary to allow users to look at segmented data. The LT believes these more precisely segmented performance measures will enable users to predict future performance and identify specific areas where performance and process improvement can occur.

### 7.1 Product and Process Outcomes

#### 7.1a CPH results measures used to track customer-focused performance are based on our key customer requirements (Figure P.1-6), which are garnered via a variety of listening methods. Customers consider biblical and doctrinal integrity of products a key requirement. **Synodically chosen DR reviewers evaluate the content of each product to ensure doctrinal integrity. In 2011, an entirely new set of people were incorporated into the pool of reviewers. Training to help reviewers understand their responsibility is underway. 2011 data reflects the learning curve that new reviewers experience as they gain an understanding of their scope of responsibility.** DR Approval on First Submission (Figure 7.1-1) measures the input received by the editorial team as they comply with Synodical Doctrinal requirements. All materials published by CPH are approved by the LCMS DR process.

**Figure 7.1-1 DR Approval on First Submission**

CPH measures its ability to meet customer service requirements via the Call Center Metrics (Figure 7.1-2). The new 2011 standard of 80 percent of calls answered in 25 seconds reflects CPH’s response to benchmarking. The 2009 and 2010

**Figure 7.1-2 Call Center Metrics**

### CPH measures its ability to meet customer service requirements via the Call Center Metrics (Figure 7.1-2). The new 2011 standard of 80 percent of calls answered in 25 seconds reflects CPH’s response to benchmarking. The 2009 and 2010
Purdue Call Center of Excellence awards are also evidence of performance excellence in the Call Center. As indicated by the inbound calls per hour data, customers are migrating their purchasing and product research practices to the Web. To ensure that service levels on the Web are high, CPH utilizes Web Page Load Speed (Figure 7.1-3) as a second measure to provide excellent customer service.

CPH ensures on-time delivery of product by measuring both the On-Time Starts (Figure 7.1-4) and On-Time Completes (Figure 7.1-5) of products. Positive trends continue as CPH looks to segmented and comparative data to identify areas for improvement.

CPH also considers cycle time for order fulfillment an integral component of on-time delivery and utilizes the Distribution Shipping Standard (Figure 7.1-6) to measure performance. The 2009 trend variance is due to a major new product release that included the option for personalization. When performance dropped below standard, an Action Plan was written to accommodate the unforecasted demand for personalization.

Since meeting budgets is critical to maintaining competitive pricing, CPH considers the customer requirement for competitive pricing and terms when measuring the Percentage of Projects Delivered on Budget (Figure 7.1-7). An overall favorable trend continues as Action Plans are implemented to maintain established budgets.

Core Product Sales (Figure 7.1-8) are considered a key measure of product quality. As church purchases are limited by offering plate giving, the recent economic downturn has impacted sales. <CONFIDENTIAL> Through its 141-year history, CPH has used this revenue to fuel future project and development activities. <CONFIDENTIAL>

CPH partners with print suppliers for the physical manufacturing of many products. Vendor Certification (Figure 7.1-9) and Incoming Goods Quality (Figure 7.1-10) measures are utilized to ensure that supplier performance is managed. 

Analysis of 2011 data has spurred a revision to the Vendor Certification program.
Figure 7.1-8 Core Product Sales

Figure 7.1-9 Vendor Certification

Figure 7.1-10 Incoming Goods Quality

Figure 7.1-11 Customer Count for Technology Products

Figure 7.1-12 eProduct Growth

Figure 7.1-13 Order Accuracy
CPH utilizes Customer Count for Technology Products (Figure 7.1-11) and eProduct Growth (Figure 7.1-12) to ensure that the customer requirement for products that meet technology needs is met. The performance trends reflect implementation of Action Plans to support Strategic Objective #2 (Figure 2.1-2).

Order Accuracy (Figure 7.1-13) demonstrates CPH’s success at meeting the customer requirement of accurate shipments, comparing favorably to a Baldrige winner.

7.1b(1) Due to the repetitive nature of the work, CPH is able to utilize productivity measures in primary distribution areas, including Lines Packed Per Hour (Figure 7.1-14) and Cost Per Set of Offering Envelopes (Figure 7.1-15). Root-cause analysis of on-time complete failures led to an Action Plan to improve Cycle Time in Receiving (Figure 7.1-17). CPH measures process effectiveness in the Core Competency area of Distribution via Inventory Accuracy % (Figure 7.1-18). Steady Inventory Turns (Figure 7.1-16) performance compared to other PCPA houses indicates process effectiveness in inventory management.
As computing systems are critical to business effectiveness and to support customer purchasing and research habits, CPH utilizes IT Systems Uptime (Figure 7.1-19) to measure both internal ERP systems (eCPH) and website (cph.org) performance.

The effectiveness of support services (Figure 6.1-1) is measured via Internal Service Satisfaction (Figure 7.1-20). Efficiency in Operations is measured in CPH’s only true manufacturing area via Waste Reduction in Offering Envelopes (Figure 7.1-21).

Efficiency in inventory management has resulted in lower Finished Goods Inventory as a % of Sales (Figure 7.1-22). The years 2008 and 2011 are slightly higher due to The Lutheran Study Bible release. Due to the nature of the businesses, CPH maintains no inventory in either the Periodical or Church Administration core product lines.

Successful migration of customer orders to the Web (Figure 7.1-23) increases overall efficiency as the integrated nature of the cph.org ecommerce website and the eCPH ERP system allow CPH to take orders without human intervention.
7.1b(2) CPH’s Business Continuity and Disaster Recovery Plan is supplemented by Emergency Preparedness drills (Figure 7.1-24) practiced regularly.

7.1c Accomplishment of Mission Action Plans is critical to CPH’s long-term sustainability. Figure 7.1-25 demonstrates CPH’s progress on Mission Action Plans that support the Strategic Objectives. **This revised figure reflects historical trend performance data** <CONFIDENTIAL>.

<table>
<thead>
<tr>
<th>Figure 7.1-24 Emergency Preparedness</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Alarm Date</strong></td>
</tr>
<tr>
<td>7/6/2007</td>
</tr>
<tr>
<td>9/28/2007</td>
</tr>
<tr>
<td>4/22/2008</td>
</tr>
<tr>
<td>4/29/2008</td>
</tr>
<tr>
<td>7/21/2008</td>
</tr>
<tr>
<td>12/23/2008</td>
</tr>
<tr>
<td>3/13/2009</td>
</tr>
<tr>
<td>10/13/2010</td>
</tr>
<tr>
<td>10/18/2010</td>
</tr>
<tr>
<td>3/25/2011</td>
</tr>
<tr>
<td>4/8/2011</td>
</tr>
</tbody>
</table>

**Figure 7.1-25 Key Mission Action Plan Accomplishment**

<table>
<thead>
<tr>
<th>Strategic Objectives 2009-2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reach and supply customers with products and services they want.</td>
</tr>
<tr>
<td><strong>2009 Product</strong></td>
</tr>
<tr>
<td>Border box set</td>
</tr>
<tr>
<td>New Every Morning</td>
</tr>
<tr>
<td>How to Respond update</td>
</tr>
<tr>
<td><strong>2010 Operations</strong></td>
</tr>
<tr>
<td>Workforce-wide CRM</td>
</tr>
<tr>
<td>100%</td>
</tr>
<tr>
<td>eBook line introduction</td>
</tr>
<tr>
<td>Confirmation Builder</td>
</tr>
<tr>
<td>Bible Study Builder</td>
</tr>
<tr>
<td>Prayer Book app.</td>
</tr>
<tr>
<td>eLSO</td>
</tr>
<tr>
<td>Revamp convention presence</td>
</tr>
<tr>
<td>TCEFR non-customer survey</td>
</tr>
<tr>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
</tr>
<tr>
<td>One in Christ 1–5</td>
</tr>
<tr>
<td>Three: 13 roll out</td>
</tr>
<tr>
<td>Confidential</td>
</tr>
<tr>
<td>Confidential</td>
</tr>
<tr>
<td>100%</td>
</tr>
<tr>
<td>CIP refresh</td>
</tr>
<tr>
<td>GRC process revision</td>
</tr>
<tr>
<td>Dynamic Survey automation</td>
</tr>
<tr>
<td>100%</td>
</tr>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

© 2011 Concordia Publishing House. All rights reserved.
7.2 Customer-Focused Outcomes

7.2a(1) The CPH Core Competency of Customer Care is supported by performance levels exceeding both a Baldrige winner and media industry benchmarks.

With a 2011 cycle of learning designed to provide more actionable customer satisfaction data, CPH revamped the measure of Overall Customer Satisfaction. To score as a satisfied customer under the new standards, a customer must indicate they are satisfied over all 7 customer requirements, i.e., they must be 100% satisfied. Even with this more stringent standard, CPH customer satisfaction exceeds Purdue Industry Benchmarks. Overall Customer Satisfaction is reflected in Figure 7.2-1. Performance measures on all key drivers of customer satisfaction exceed overall benchmark levels, even with the less personal survey methodology implemented in 2011. Customer Product Satisfaction (Figure 7.2-2) and Customer Service Satisfaction (Figure 7.2-3) segmented data shows that customers report satisfaction with their key requirements. Figure 7.2-2 also shows customer satisfaction with CPH technology offerings. CPH’s customer dissatisfaction measure, Number of Orders per Complaint (Figure 7.2-4), significantly outperforms the Purdue benchmark.
7.2a(2) Customer engagement is measured via customer responses to the survey question, “Would you recommend CPH to others?” (Figure 7.2-5). A four-year favorable trend is anticipated to adjust as CPH begins to utilize the more anonymous Dynamic Survey Engine to e-mail survey customers and the introduction of a more stringent “Do you recommend CPH?” question. The ability to track and segment customer responses along with the active “Do you recommend” will yield more actionable Customer Engagement data and allow CPH to progress on its journey to engage customers.

CPH builds relationships via many different Listening Methods (Figure 7.2-6). The 2007 and 2010 peaks result from triennial church conferences that allow CPH to interact directly with a much larger proportion of the LCMS customer base.

Loyalty across customer life cycle is measured by tracking customers who have purchased for the previous 3 years (Figure 7.2-7).
7.3 Workforce-Focused Outcomes

7.3a(1) CPH’s mission-motivated, highly engaged, customer-focused workforce is critical to the accomplishment of the company’s Mission and Vision.

The publishing industry benchmark for workforce capacity planning, Payroll & Benefits as a % of Sales (Figure 7.3-1), shows CPH on par with other PCPA houses. The sharp downturn seen in 2008–09 reflects the Voluntary Retirement Package CPH offered employees as an Action Plan response to negatively trending data. CPH also utilizes % Hours Overtime worked (Figure 7.3-2) to validate capacity across the workforce.

7.3a(2) OSHA workforce safety measures are reflected in Fiscal, Legal/Regulation, Safety & Ethics results (Figure 7.4-3). Workforce survey results regarding safety in the workplace, shown in Figure 7.3-4, outperform the AAIM National Norm benchmark. CPH considers Regrettable Turnover (Figure 7.3-3) the final measure of workforce satisfaction with workforce climate. Here, CPH performs better than both National and Midwest Bureau of Labor statistics.
7.3a(3) CPH utilized workforce surveys to gain an understanding of the workforce-engagement requirements. Overall Workforce Engagement (Figure 7.3-4) shows performance significantly better than AAIM National Norm benchmarks. Segmented workforce-engagement results, Figures 7.3-5, 7.3-6, and 7.3-7, allow CPH to better understand areas for improvement. CPH believes that workforce engagement is a key indicator of the company’s ability to delight customers; therefore, CPH correlates Workforce Engagement to Customer Engagement, Figure 7.3-8. Customer Engagement numbers reflect the more stringent “Do you recommend CPH?” engagement question.

7.3a(4) To overcome the strategic challenge of recruiting and developing skilled staff and to sustain the workforce-wide continuous quality improvement efforts, CPH measures several facets of workforce development. Figure 7.3-9, Workforce Volunteering for CQI Service, shows the steady increase in the numbers of CQI Representatives and Baldrige criteria examiners. Training Hours, Figure 7.3-10, shows a steady overall increase in training hours. During the SPP, HR identifies specific areas of focus for the coming year that lead to the peaks in different training categories by year. Figure
7.3-11 illustrates that training is spread proportionally across all workforce segments. In a **2009 cycle of improvement, CPH began to ask workforce members if they learned a new idea during training. Training Effectiveness results are reported in Figure 7.3-12. Additionally, HR also asked workforce members to validate if the learning was applied in their work or personal life. Figure 7.3-13 shows the Learning Transfer rate that workforce members reported. Moderate increases in training hours correlated to overall customer satisfaction improvement, validating the efficacy of Customer-Service-specific training in Figure 7.3-14. The 2011 projection for Customer Satisfaction correlation to CSR training reflects the higher standards established for Overall Customer Satisfaction.
7.4 Leadership and Governance Outcomes

7.4a(1) The AAIM biennial workforce engagement surveys specifically target workforce satisfaction with SL trustworthiness and communication (Figure 7.4-1). Workforce-segmented data compared to AAIM National Norm helps SL design specific Action Plans for improvement.

SL support is critical to creating the continuous quality improvement bias for action. Figure 7.4-2 represents key events in CPH's 10+ year quality journey. Systematically driving efforts that span across Strategic, Process Improvement, Workforce, Customer, and Business Systems is a performance measure of Leadership effectiveness.
SL systematic review and communication of cascading corporate goal results data (2.2a(5,6)) is the key approach utilized to achieve the Strategic Objectives that support the Corporate Vision. Modified Action Plans created when performance metrics data varies from target are critical to the creation of a sustainable organization. Key Leadership Outcomes are displayed in Figure 7.4-7. The updated figure reflects the more stringent Customer Satisfaction and Engagement approaches implemented in 2011, the new DR reviewer training period, and updated call center standards for call answer time.

7.4a(2,3,4) CPH leadership operates with high Judeo-Christian values and standards. Key fiscal, legal, regulatory, safety, security, and ethics measures are reported in Figure 7.4-3.

7.4a(5) CPH does a great deal to support the LCMS community. CPH supports the LCMS monetarily with the annual tithe to the LCMS, discounts to Church Workers, Event Gifts, and Disaster Recovery. CPH operates as a not-for-profit and purposefully invests in products that support the mission of the church, but that may not be financially viable. CPH also

---

**Leadership Outcomes**

<table>
<thead>
<tr>
<th>Strategic Objective #1</th>
<th>Overall Workforce Engagement</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>2011</th>
<th>Figure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christian Values</td>
<td>74%</td>
<td>86%</td>
<td>91%</td>
<td>Q4</td>
<td>Q4</td>
<td>7.3-4</td>
</tr>
<tr>
<td>Meaningful Work</td>
<td>51%</td>
<td>59%</td>
<td>64%</td>
<td>Q4</td>
<td>Q4</td>
<td>7.3-4</td>
</tr>
<tr>
<td>Family Atmosphere</td>
<td>69%</td>
<td>78%</td>
<td>82%</td>
<td>Q4</td>
<td>Q4</td>
<td>7.3-4</td>
</tr>
<tr>
<td>Reward and Recognition</td>
<td>71%</td>
<td>78%</td>
<td>84%</td>
<td>Q4</td>
<td>Q4</td>
<td>7.3-4</td>
</tr>
<tr>
<td>Honest Communication</td>
<td>81%</td>
<td>90%</td>
<td>94%</td>
<td>Q4</td>
<td>Q4</td>
<td>7.3-4</td>
</tr>
<tr>
<td>Pay</td>
<td>48%</td>
<td>50%</td>
<td>59%</td>
<td>Q4</td>
<td>Q4</td>
<td>7.3-4</td>
</tr>
<tr>
<td>Benefits</td>
<td>89%</td>
<td>94%</td>
<td>96%</td>
<td>Q4</td>
<td>Q4</td>
<td>7.3-4</td>
</tr>
<tr>
<td>Safety</td>
<td>90%</td>
<td>92%</td>
<td>97%</td>
<td>Q4</td>
<td>Q4</td>
<td>7.3-4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategic Objective #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Product Sales</td>
</tr>
<tr>
<td>2008</td>
</tr>
<tr>
<td>Customer Product Satisfaction</td>
</tr>
<tr>
<td>Customer Service Satisfaction</td>
</tr>
<tr>
<td>Overall Customer Satisfaction</td>
</tr>
<tr>
<td>Customer Engagement</td>
</tr>
<tr>
<td>Core Product Sales (in thousands)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Strategic Objective #3</th>
<th>Overall Product Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>2009</td>
</tr>
<tr>
<td>DR First Submission</td>
<td>94%</td>
</tr>
<tr>
<td>On-Time Status</td>
<td>83.3%</td>
</tr>
<tr>
<td>On-Time Completion</td>
<td>73.2%</td>
</tr>
<tr>
<td>Call Center Metrics</td>
<td>91% calls in 60 sec</td>
</tr>
<tr>
<td>Distribution Shipping Standard</td>
<td>97.78%</td>
</tr>
<tr>
<td>Sales Migration to Web (code count)</td>
<td>44,710</td>
</tr>
<tr>
<td>Projects on Budget</td>
<td>NA</td>
</tr>
</tbody>
</table>

**Figure 7.4-7 Leadership Outcomes**

© 2011 Concordia Publishing House. All rights reserved.
supports the local community and provides tools that make it simple for workforce members to contribute (Figure 7.4-4). In 2009, CPH began to invite customers to “round” their order up to the nearest dollar, with the change going to support specific projects (Figure 7.4-5). CPH has long worked to sustain the planet. Figure 7.4-6 communicates the variety of efforts that CPH has in place to support our third bottom line, planet.

![Figure 7.4-3 Fiscal, Legal/Regulation, Safety & Ethics Results](image1)

![Figure 7.4-4 Support of Key Communities](image2)

![Figure 7.4-5 Round-up Program](image3)

![Figure 7.4-6 Planet Bottom Line—Social Responsibility](image4)
7.5 Financial and Market Outcomes

7.5a(1) CPH’s main focus as a not-for-profit organization is supporting the Mission and Vision as well as ensuring sustainability in the future; CPH manages expenses in relation to sales to achieve a minimum of breakeven operating income. Sales and Operating Expenses Variance, Figure 7.5-1, exhibits that CPH utilizes key measures to gauge performance year-round and creates revised Action Plans when budget variances occur. Figure 7.5-2, Operating Income as a % of Sales, shows CPH performs favorably in comparison to the PCPA benchmark. The 2007 spike reflects impact of the hymnal release and the associated sales peak. In the Accounts Receivable Days Outstanding measure, Figure 7.5-3, CPH consistently outperforms both PCPA and Educational Publisher benchmarks. In Figure 7.5-4, Current Ratio, CPH measures current assets to current liabilities to measure liquidity. <CONFIDENTIAL> When measuring EBITDA, Figure 7.5-5, CPH ensures that funds are available to develop future products.
7.5a(2) Figure 7.5-7, Marketplace Spending per Member, shows CPH market share performance <CONFIDENTIAL>.

**In a 2010 cycle of learning, CPH began to include questions on the LCMS All-Church survey relating CPH performance to other publishers. A large portion of customers indicated that CPH’s performance is better than, or the same as, other publishers (Figure 7.5-8). CPH utilizes data collected via customer listening methods to determine products for future development.

Organizational success in the publishing industry correlates to the new products released on an annual basis. Sales Impact of New Product by Year (Figure 7.5-9) shows the first 12 months of product sales based on the bin date of the product. The 2007–10 trends show steady improvement in new product revenue. Though most physical shipments (and sales) of the hymnal took place in 2007, this chart attributes 12 months of sales to the late 2006 bin date.

CPH’s efforts to reach new customers includes an initiative to reach home customers directly. Figure 7.5-10 shows positive growth trends in Books, Periodicals, and Curriculum. The negative trend in Other reflects a mid-course revised Action Plan. Analysis of 2006 and 2007 data indicated that though good top line sales resulted from a high gift mix in seasonal catalogs, the sales were not profitable. In a **2008 cycle of learning, the seasonal catalogs were “right-fitted” with fewer gifts. Resulting sales and profitability data indicates that though the product mix change had impact on top line sales, catalog profitability did a 360.