



## Cooperative Governance at Texas Nameplate



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Being a manager at Texas Nameplate Company, Inc. (TNC) is like being an elected official. You need to make decisions based on the needs of your constituents. Of course, no one here is elected per se. Our front-line employees are the constituents we need to please. Like other businesses, not every employee gets a vote in decisions, but unlike other businesses everyone does get an opinion and those opinions must be taken into account with each vote. As an organization, we actively seek out these opinions and find ways to implement innovation and improvements from every level. We call this Cooperative Governance.

Cooperatives are non-profit, member owned with a board of directors all moving toward the same goal. There are some general types of Cooperatives including worker, social, agriculture and housing to name a few. And there are seven Cooperative Principals all cooperatives are based on. I'll let you Google those. At TNC, we use the principals of value, purpose, partnership, transparency, accountability to drive our Cooperative Governance. In the same way that someone might use religious values to guide their everyday life, we use the principals of our Cooperative Governance to drive how and why we make decisions.

So how does Cooperative Governance work at a for-profit, privately owned company? Desmond Tutu once said, "A person is a person through other persons." This describes our philosophy at Texas Nameplate Company, Inc. We need someone to punch the part just as much as we need someone to sell the part, draw the part and clean the break room. All these people are important. There are no individual victories because we are all aligned to the same mission. I win when we win. One way we have embedded this is with our JETS (Just Earning Time and Saving resources) program. After 9/11 the economy started to decline. Previously we had a profit sharing program, but when profits started to fall we needed to find ways to reward and recognize without spending a lot of money – because we didn't have any to spare. So the JETS program was born. When we meet our billing target, with high on-time delivery and low non-conformances – we, as a company, earn more paid time off. It's a team effort to achieve those goals and we gain or lose JETS time as a team. Since 2006 we have earned 29 days of paid time off . . . on top of our own paid time off benefit.

Our Cooperative Governance is a "bottoms up" approach to decision making. We implement this with our Performance Improvement System. Here is the nitty-gritty. It's all the ways we communicate and gather feedback. We use our front-line employees to guide decision making at every level within the company. From this group synergy, we make improvements and innovations across the entire company. In order for the front-line employees to be able to make these decisions we need to continually and purposefully inform and educate them on business issues. It is a constant cycle requiring an intense amount of transparency and accountability on behalf of the Senior Leaders. Engaging employees to this level requires the Senior Leaders to be committed to action based on the feedback. Last year 86% of the TNC employees "felt confident that management was going to use the results of the survey constructively." Each year after the survey is complete it is posted in the hallway for everyone to review. They can even make copies if they wish. We discuss the results, as a company, during the following monthly Group Meeting and create action plans for the year. Nothing is hidden.

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Another example of transparency and accountability is our intranet and Dashboards. The intranet has information pertaining to sales, customer service, and strategic planning – including all strategic objectives, strategic goals with projections and current action plans. Although all employees are invited to all meetings, they can also read the notes on the intranet. We have two Dashboards – Real-time Dashboard and Pipeline Dashboard. The Real-time Dashboard displays our Key Performance Indicators with updates every 30 seconds. These include: On-time Delivery, Production Cycle-Time, Sales, Non-conformances, Customer Complaints, Quote Time, and Quote Hit Ratio. Each one displays with red, yellow, and green as a visual indicator for meeting or exceeding daily targets. The Pipeline Dashboard displays all the work in the shop per department. It also shows all the work coming in. This is vital information when scheduling vacations or analyzing employee capacity and capability. All employees have access to this information and it integrates into their daily work.

Although we have a CEO/President, Dale Crownover, his role has shifted from being an active participant of day-to-day operations to being a mentor and guide, gently keeping us on track to accomplish the company mission. With our Cooperative Governance, executive decisions are kept to a minimum. The only exception is to save the stakeholders from themselves. To support this we highly value moderated processes – or using third parties. Our Mystery Shopper Program, Customer Survey and Employee Survey are all administered by third parties. We use third parties for our taxes, various legal issues, to stay compliant with environmental issues, and to keep our information technology current. Our ISO 9001 and 14001 are externally audited annually and internally all year long. We always strive to be better and we know the answers are not always within our own walls.

If you were to come tour TNC (consider this your personal invitation) you would hear story after story of different binds and scraps we've been in. Somehow disasters seems to find us. And that's okay because one thing we are spectacular at, is comebacks. Go ahead, tell us we can't do something – I dare you. Once one of our suppliers informed us they would no longer carry a product we desperately needed. We had eight months to find a solution or we'd be out of business. So we invented our own. Another time we were told we'd never be able

to receive a Baldrige award – we have two. The bottom line at TNC is we all get in a room and talk about it. And with only 38 employees this isn't hard. What is hard is doing it again, and again, and again. Especially when you've worked with the same people for 20 plus years. After a while you can predict what they might say about a particular topic and it hinders you from sharing. But do it anyway. You would be amazed at what people can overcome when they are all passionate to meet the same overall mission. And with practice people can put their own needs aside and do what is right for the whole. But be patient. It really does take practice. And small victories. Set them up for success with a few easy ones, it makes climbing the mountain easier when you have already been part of the way.

So how did we get here? One way. Baldrige. Being a two-time winner has taken TNC on a journey that raised our expectations. We simply expect more. We are self-starters, systematic and results oriented people who love a process. So one day, when our boss stopped showing up for work, we kept going. When our Vice-President relocated, we did not hire another one. Instead, we purposefully took a step forward to govern ourselves. And we did it cooperatively. With our unique family culture, high employee tenure, dedication to exceptional quality and high expectations for performance excellence, we already had the foundation to make a smooth transition from hierarchy model to a cooperative model. Today we have embedded the Cooperative Governance within our culture and aligned it to meet our business needs. Thanks to Baldrige we've made another comeback!

\*Texas Nameplate is a two-time recipient of the Baldrige Award and a recipient of the Texas Award for Performance Excellence