

*Building on the momentum shared in the March 2026 Continuous Improvement Newsletter, please see below for an executive update highlighting what we've accomplished, what we've learned, and where focused leadership attention is needed based on activity and results from the past ~45 days.*

## **Our Focus**

***Remove frustration from daily work to drive performance for our customers***

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## **Recognition**

Brooklyn Park – North – Thank you Carly Bartick!

*Continuous Improvement in Action:* **Dave Peterson**



As part of the BP One Merger, the Shop Floor Project Team created a future state layout that included moving the warehouse. Dave P. led the change by being the first to move! He did this efficiently, ahead of schedule, and with a positive attitude. This set the tone for the rest of the Warehouse activities. We appreciate his initiative and leadership!

We recently launched our Safety Gemba process, including a new control board. The safety committee reviewed the elements of the board, and their purpose. We then split into groups to conduct the first Gemba's under the new process.

*"I really like the new board, its good! And those walks together makes it feel meaningful."*

*— Al Freitag, Assembler*

Phillips, WI – Thank you Anthony Rennock!

- **Steve Bogdanovic---Leader Sheeter assembly**
  - *"I am feeling less pain here in sheeter assembly value stream as we are getting more of the right parts when they are needed, things on the front end of the business are improving and allowing me to get the parts I need"*
- **Lon Balczewski---CO parts leader**
  - *"Participation in an RIE event is a great way to realize the complexities and challenges we as a BW team face. Coming together to discuss/implement common sense procedures results in greater growth/flow and helps to alleviate the frustration points."*
- **Craig Ulrich---Mach. Shop leader**
  - *"The small CI improvements sneak up on you, like one day you realize hey what happened all those things I use to have to go spend time on? They are not a thing anymore. I am seeing way less late releases and my fire fighting is still here but not nearly close to the level it was before."*
- **Nathan St. Sauver Jackson---People team admin assistant**
  - *"I own my own A3 I'm excited to run the rapid experiments. I feel empowered to go try new things and am excited that my voice/ideas matter."*
- **Sue Schantner---Paint area team lead**
  - *"As being on the 2<sup>nd</sup> shift the continuous improvement has been a great venue to help get information out to ears that may have not been able to hear from us previously. The continuous improvements I have personally been involved in have been an arduous journey for continuous improvement as it needs buy in and support from within the*

area's associates. The support has been very good from the improvement team members.

- **Austin Leitzke and Terryn Rasmussen--- Manufacturing engineering Co-Op's**
  - "We all have CI projects and everyone around us is here to help us. I have been receiving coaching on running my 1<sup>st</sup> A3 project."
  - "I use CI to help me find better ways to manage my work and to identify new areas to improve on."

## Momentum

Across our **seven CI Model Sites**, momentum is building:

- **6 of 7 sites improved their medal percentage** versus our JOP (FY24); one site remained flat.
- **Delivery (OTD)** and **Safety** show the broadest and most consistent gains across the portfolio.
- Standout movement includes **Brooklyn Park North (43% → 86%)** and **Phillips (22% → 56%)**.
- Kicked off effort with our **corporate Finance** team, focusing on building a **daily management and problem solving process** in Payroll & Treasury
- Training modules are kicked off for our on-line training with our first month complete in our pilot site (Green Bay) and we have launched **standard iDrive training** in Green Bay

While progress is uneven by site, the trend confirms that **daily management, disciplined problem solving, and leadership engagement are working where they are applied consistently.**

## By the Numbers

- **500+ team members engaged** across all seven sites
- **80+ CI events executed** (RIEs, Kaizens, VSMs, A3s)
- **5 of 7 Model sites have improved their Safety** since our starting point (2024)
- **6 of 7 Model sites improved the % of KPIs "on the podium"** for a medal

Site	Injury Rate		Warranty%		OTD - NE		OTD - Parts		OTD - Rebuilds		Efficiency in Mfg.		Utilization		Indirect Ratio		Inventory Turns		Lessons learned score card		% Medals	
	JOP	T3M	JOP	T3M	JOP	T3M	JOP	T3M	JOP	T3M	JOP	T3M	JOP	T3M	JOP	T3M	JOP	T3M	JOP	T3M	JOP	T3M
Wisconsin (Phillips)	3.2	1.0	4.1%	16.8%	71%	96%	81%	78%	96%	97%	108%	103%	83%	83%	73%	71%	2.5	1.7	3.9	4	25%	63%
Baltimore	1.8	1.2	2.6%	4.2%	80%	0%	84%	84%	66%	93%			83%	81%	69%	70%	2.7	3.3			38%	50%
Neuwied	1.8	0.0	0.9%	0.5%	75%	92%	86%	88%	79%	82%			91%	79%	48%	35%	1.2	0.9			50%	63%
Green Bay	2.3	3.3	3.8%	3.6%	45%	44%	66%	87%	51%	73%			76%	87%	84%	69%	2.4	2.0			13%	25%
Akron	3.3	0.0	1.5%	4.7%	82%	31%	76%	79%	50%	75%			82%	88%	112%	107%	2.3	1.8			25%	25%
Brklyn Prk (N)	1.7	0.0	0.7%	2.6%	47%	90%	n/a	n/a	69%	85%			61%	76%	56%	145%	4.0	3.6			43%	86%
CARR	0.0	0.0	0.05%	2.1%	78%	88%	74%	88%	37%	0%			26%	58%	57%	70%	1.7	1.6			25%	50%

## [DASHBOARD LINK](#)

\*IMPORTANT NOTE: With some recent changes to the dashboard and better use of the tool by me, the JOPs reflected above are modified from those reported in last month's communication and reflect full fiscal year 2024. This JOP will vary by sites as we continue to expand the coverage in the dashboard and have inconsistent historical data.

*When we systematically remove frustration from daily work, measurable results follow.*

## Top Portfolio Risk: Quality & Warranty

Quality and warranty performance remain the **single largest enterprise-level risk**, with warranty forecasted at **\$35M** for BWCo

- **Phillips:** legacy Grupak project led to significant warranty issues
- **CARR:** U2k released without full stage-gate discipline
- **Baltimore:** new design and assembly escapes
- **Multiple sites:** reactive containment outweighing prevention

This is the clearest area where **senior-level reinforcement of prevention, development discipline, and stage-gate rigor** will have the highest return. We must always focus on the ‘fire’ when it is burning, so a strong focus on root cause (of high priority problems) is critical to eventually freeing up capacity from chasing problems and moving to executing high value work.

## CI Maturity & Capability

CI adoption varies meaningfully:

- **Most mature:** Phillips and CARR (A3, X-Matrix, GEMBA embedded)
- **Building foundations:** Green Bay and Baltimore (MDI and structured problem solving gaining traction)
- **Early / stabilization mode:** Brooklyn Park North and Akron (daily management, layout, and capacity reset underway)

Standard	Phillips	Baltimore	Green Bay	Neuwied	Brklyn Park N	Akron	CARR
Leaders in Improvement	7 of 11 core active	8/14 participated	2 leaders 25 in MDI	Ext OPS team active	2/10 YTD	Nascent accountability	100% participated
Full-time CI Resource	2 HCs	Interviewing Open	4 HC 2 new hires	1 HC 1 Recruiting	1 HC	External support	50%>100% transition
Data-based Decisions	A3 thinking adopted	Pareto-driven prioritization	Pareto data flow cell	Power BI dashboards	Phase 1 Playbook	Daily plans emerging	ROI-based justification
GEMBA & Std Work	6 of 11 on Tier-2/3	Tier 1&2 in Kitting/Mach	MDI revamped April rollout	SQDCP weekly + bi-weekly	0/8 active	3pm huddle limited buy-in	Some walks
Problem Solving	A3 standard Rollout plan needed	Started Jan-Feb	iDrive just deployed Apr	Translated June rollout	0/8 trained	Not yet formalized	RCCM trained 4 team proj
Goal Deploy (X-Matrix)	L-2 complete bowlers	Infrastructure in place	L1 in Use. Stronger deployment for L2 & 3	Cascaded needs PDCA	Monthly reviews	Action plan created	3 yrs all elements

The pattern is consistent: **sites with stronger CI capability and leadership engagement move faster on KPIs.**

## Organizational Headwinds

Performance headwinds are overwhelmingly structural:

- **Green Bay:** facility consolidation and ERP disruption

- **Baltimore:** full NE schedule reset in November
- **Akron:** persistent attrition and capacity constraints

These conditions explain short-term metric volatility and reinforce the importance of **stabilization before acceleration**.

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### CI Resourcing Matters

CI staffing levels directly correlate to pace of adoption:

- Phillips: **2 CI resources → sustained gains**
- Brooklyn Park North: **1 CI HC → doubled medal performance**
- Baltimore: **no full-time CI leader → slower standards adoption**
- Green Bay & Neuwied: resources in place, but several are **new and onboarding**

Closing CI capability gaps remains one of the **highest leverage actions we can take as leaders**.

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### Global CI Initiatives

#### **Best Practice sharing:**

Packaging is incorporating best practice sharing directly into their monthly operations review, which is proving to be a great way to surface ideas and lessons learned across the team. Papersystems & Converting will kick off a focused discussion session around the cylinder grinding process on Monday, we expect to generate valuable insights to help us drive improvement efforts in that area. These types of engagements lead to increased collaboration and a stronger commitment to continuous improvement. From an infrastructure perspective, the CI Knowledge Sharing Hub (a page in BW Way) is operational and ready to house best practices as they are found around Barry-Wehmiller.

#### **Global CI Council:**

Objectives:

1. **Create a Community** of Site Leaders who can Learn and Grow together
2. Provide an “open space” to **discuss obstacles and get community feedback/support**
3. Help reinforce the capability to **spread Wins** across Platforms, Sites and BW as a whole

Strategy:

1. Site CI Leaders participated in a Survey to help determine structure, scope, agenda and cadence of the council
2. Pilot set for US based Site CI Leaders
3. Confirm agenda and value thru the pilot and replicate in Europe by 3Q

Council Outline:

1. Participants; 13 Site CI Leaders, 3 BW Corporate Team Members
2. Monthly meeting cadence
3. Agenda (1 hour); Share BW Corporate CI News, Review pipeline of Completed and Planned RIEs, Team Selected Training Topic, Volunteer to Share a Win or Obstacle

**Status:**

1. Kickoff meeting held in March (12 participants)
2. 1<sup>st</sup> official meeting held in April (10 participants)
3. Europe kick off target in May
4. Aim is to incorporate the Best Practice Sharing process into the Council once it is live

**Training:**

- **Training is critical to CI.** Deep learning is required for long term success. The right training is imperative for successful learning. We will monitor and control key factors of training including the material revision status and the training effectiveness (surveys and project impact)
- **Quality over Quantity:** First we will prove out that we have effective training and trainers with a model area (started in Green Bay in April). Then we measure learner feedback and impact of their actions before claiming victory
  - Expanding to other platforms starting May
  - Problem Solving is being standardized by platform first
- **Awareness vs Expectations to deliver results:**
  - On-line, Lean (1, 2, 3) released to pilot group (~50) in April. Expand to all platforms in May. Track/drive completion to bring awareness (350+ in '26)
  - Problem solving- train those we expect to implement and track impact (150 identified leaders)

# of Team Members Completed	Current	EOY Target
On line Basics & Structured Problem Solving	96	150+
Webinars supported by CI team for awareness	211	350+

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**Looking Ahead (Next 90 Days)**

Our focus is clear:

- Shift **quality from correction to prevention.** Root cause problem solving focus on the right problems. Set expectations as leaders, expect action and be involved in follow up
- Strengthen **leader standard work and daily management.** Set expectations and follow up on commitments. Lead by example. Be the example
- Close **CI capability and resourcing gaps.** Ask for detailed training plans and provide focus to get approved positions hired
- Ensure CI is not an initiative, but **how we execute our work.** Change behaviors to build new habits focused on defining and managing processes as teams
- **Mid Year** review set with multiple meetings in May and actions/realignment activities expected to start by June, as defined by the leadership
- Build plans for expanding our structured **CI efforts across more sites** in each platform

Thank you for the leadership, engagement, and commitment driving this progress. The results we're seeing reinforce a simple truth: **when we reduce daily frustration for our teams, performance for our customers follows.** We have a long way yet to go, but **GAME ON!**