



Our Journey Towards Performance Excellence

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What is Performance Excellence?



- A **systems approach** to business excellence
- A commitment to an ongoing journey of **Continuous Improvement** towards **Value Creation**
- A framework that has an ever-evolving set of **results focused criteria**
- It helps **make sense** of and **connects** everything that demands attention

Motorola Commercial, Government & Industrial Solutions Sector (CGISS)



- Oldest Motorola Sector
 - 14,735 Associates Worldwide
- \$4 Billion Annual Revenue
 - 27 Million User Worldwide
 - 7100 Points of Presence Worldwide
- Mission Critical Communication And Information Solutions
 - Handsets to Networks

What We Stand For...



Our Values

- Constant Respect for People
- Uncompromising Integrity in Everything We Do

75 Years Strong!



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Sample of Customers Worldwide



North America

- FBI
- State of Michigan
- U.S. Dept. of Defense
- L. A. Police Dept.
- U.S. Customs
- City of Chicago
- Hydro-Quebec, Canada
- City of New York

Europe, Middle-East and Africa

- mmO2 Airwave, UK
- London Underground
- C2000, Netherlands
- Telefonica, Spain
- Capetown Metro, South Africa
- State of Vatican City
- Lancashire, UK

Latin America

- Electro Paulo, Brazil
- PDVSA, Venezuela
- Petroleos Mexicanos
- Colombia National Police
- Carabineros, Chile
- Jalisco State, Mexico

Asia-Pacific

- Beijing Light Rail
- Korea National Police
- Shanghai Police, China
- Korea High-Speed Rail
- Beijing Telecom
- Singapore Mass Rapid Transit
- Hong Kong Police



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Heritage of Innovation and Leadership



1940



1st

Two-Way Radio

1964



1st

Pager

1995



1st

Totally Integrated Wireless, Data and Messaging Unit

1983



1st Portable Cellular Phone

1996



Consumer Two-way Radio

1998



Digital Private Radio Networks



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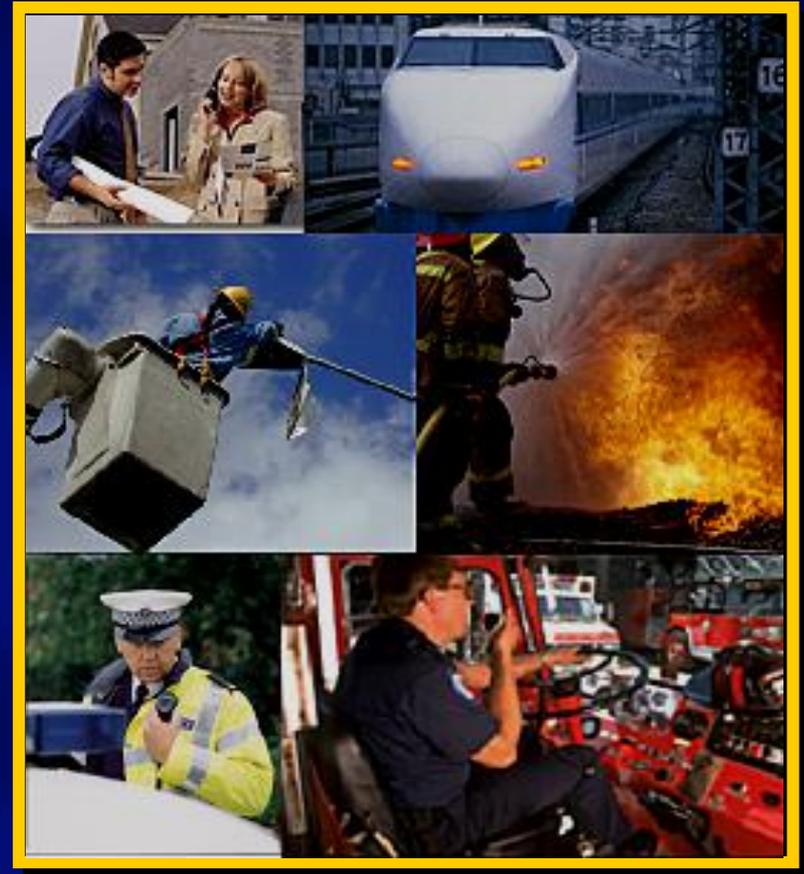
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Key Success Factors



- Customer Intimacy
- Operational Excellence
- Technology Supremacy



Customer Intimacy



Single Area of Focus: Customer

- Ability To Build Strong Relationships With Customers
 - Customer-Focused Employees
- Anticipating Customer Needs Before They Do
- “Trusted Partnerships”
 - Extremely Strong Brand Recognition
- Commitment To Customer Life Cycle Support

Operational Excellence



- Process Driven Culture
 - 6 Sigma
- Best-In-Class Performance
 - # 1 in Customer Satisfaction
 - # 1 in Market Share
 - # 1 in Quality

Technology Supremacy



Where We Excel

- Dedication to Helping Customers Be Successful
 - 640 Digital Systems in 65 Countries
- Commitment to Worldwide Standards
- Development of Technology
 - First To Market
 - Most Complete Mission Critical Solutions

Why Pursue Performance Excellence?



People

Leadership



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Alignment Results in Success



**Outstanding Results
Exceed Stakeholder Expectations
Collectively Win**



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Our Performance Excellence Journey



2001 - 2002

Baseline Analysis

May 1999

Approach

HIGH PERFORMANCE BUSINESS SYSTEM

Results

June 1999

Deployment

1999 - 2002



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Role of The Senior Leader



1.1.a.1: How do senior leaders set and deploy organizational values, short-and longer-term directions, and performance expectations, including a focus on creating and balancing value for customers and other stakeholders? Include how senior leaders communicate values, directions, and expectations through your leadership system and to all employees.

Performance Excellence Scorecard



Performance Excellence Scorecard

Strategic Direction		Performance Measurement	
Vision	Current Year Initiatives	Business Processes	Business Results
Strategic Objectives			
Corp.	CGISS	Group	Division

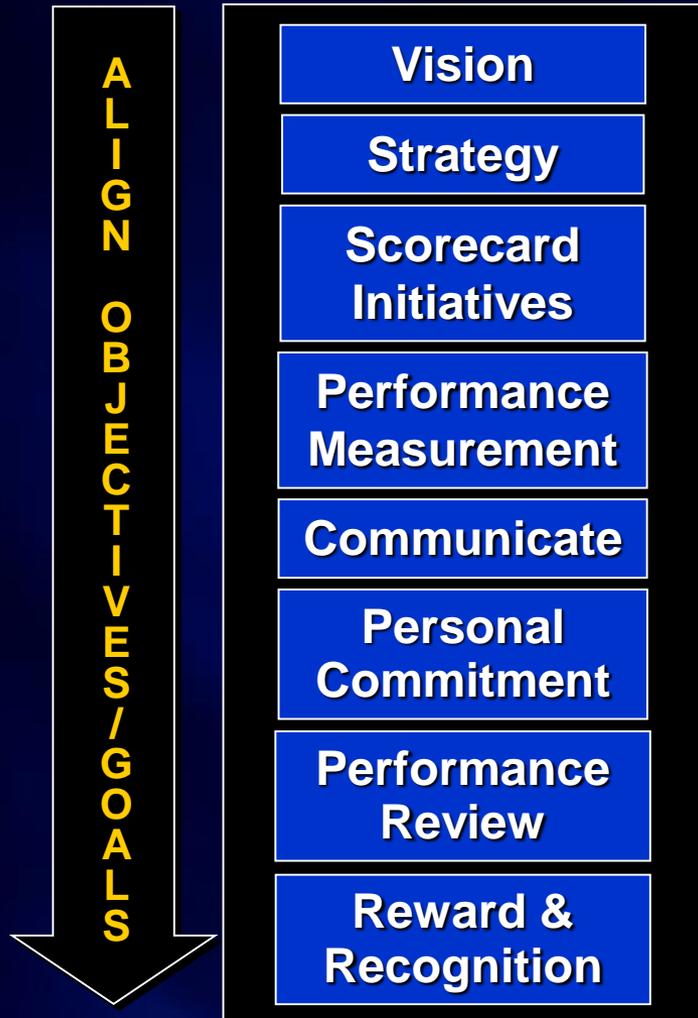


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Align the Entire Organization



- Strategy Creates Performance Excellence Scorecard Initiatives
- Scorecards Cascaded Throughout The Organization
- Organizational And Individual Goals Aligned Through Personal Commitment
- Reward And Recognition Directly Linked To Scorecard Results



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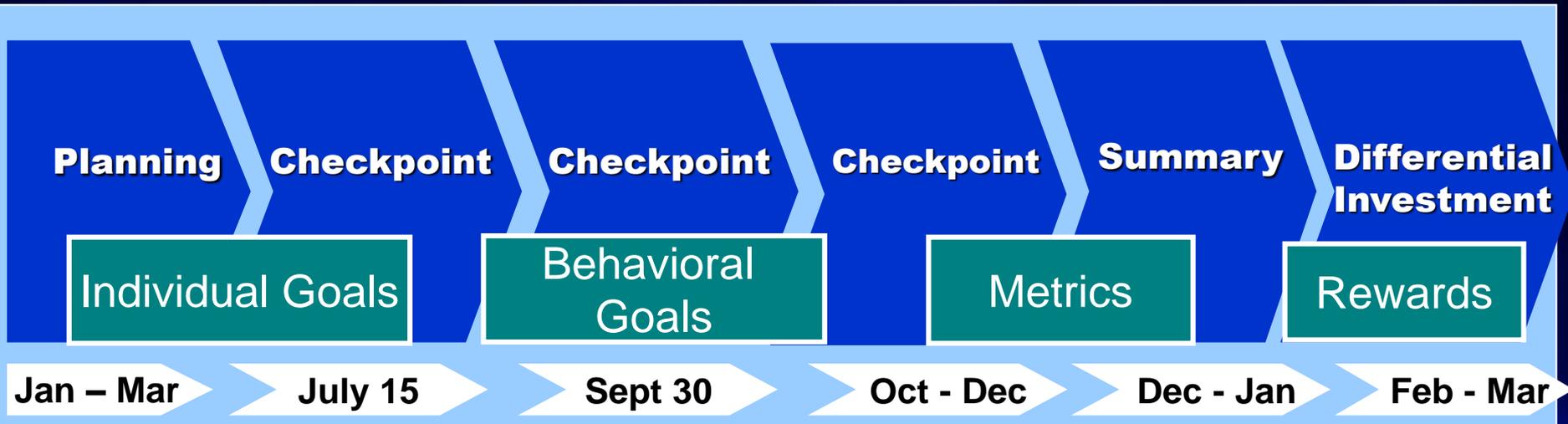
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Individual Personal Commitment

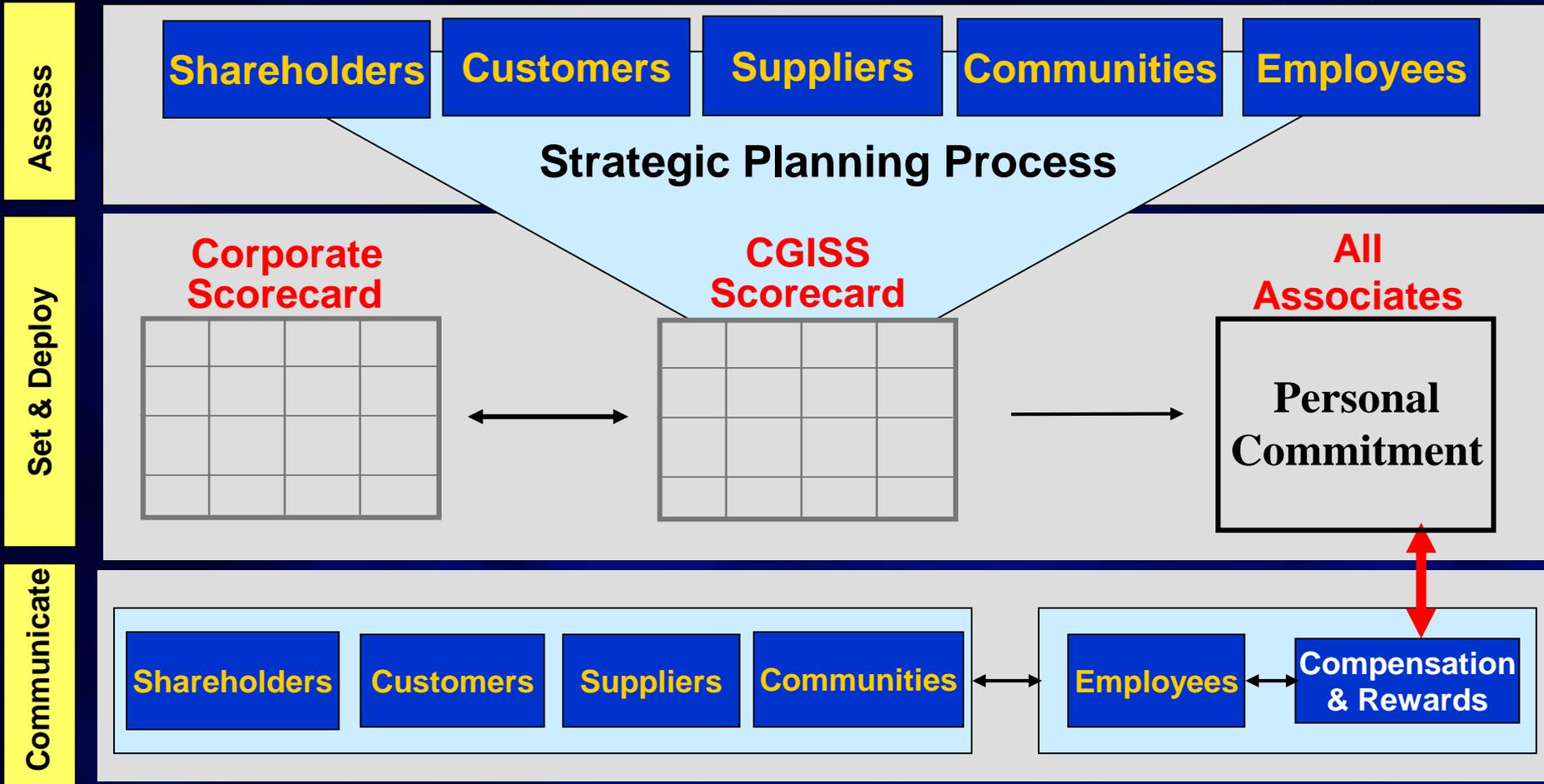


14,735 people make a **Personal Commitment**



Leadership

Creating & Balancing Value for Stakeholders



Customer Results



- High Level of Top 2 Box Customer Satisfaction in North American Region Over the Last Three Years. Customer Satisfaction Has Exceeded 91%
- Call Center Customer Service Satisfaction Consistently Reached 99% Satisfied.
- Best-in-Class Radio Manufacturer With Perception Ratings 20%+ Higher Than Competitors in Europe and U.S.

Financial and Market Results (vs. Competitive Baskets)



- Return on Assets Sustained Superior Performance
- Accounts Receivable Weeks Reduced (Improved) 51% Over the Previous Year
 - (2002 vs. 2001)
- Order to Cash Cycle Time Improved 74% Between 1997 and 2001
- Served Market Share Leader

Human Resources Results



- 100% of Top Talent Retained
- Employee Surveys Reflect:
 - 25 Point Improvement in “Employee Understands Division Performance Excellence Scorecard”
 - 20 Point Improvement “Employee Goals Linked to Division Scorecard”
 - 6 Points Better Than Benchmark for “Are You Proud to Be an Employee of CGISS”

Supplier and Community Results



■ September 11, 2002 Crisis

- Delivered Communications Products, Systems, and Accessories. “Superb Response“, said Customers

■ Community Outreach/Diversity

- Increased United Way Employee Contributions 24% Since 1999
- Named Association for Individual Development (AID) Contractor of the Year for Providing Skills Training and Work Experience

■ Education Outreach

- China Project Hope – Established 40 Primary Schools in Rural China
- Israel Education 2000 Forum –Increased Engineering Graduates 4X

■ Environment

- Green Malaysia Program – Received Malaysia Hibiscus Award for Recycling Seven Metric Tons of Batteries



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System & Product Development or “M-Gates”



- Customers
- Technology / Innovation
- Program Management
- Engineering
- Marketing
- Supply Chain – Manufacturing / Vendors
- Business Management
- Training / Documentation
- Regulatory – Safety / Environmental
- Regulatory – Standards / Spectrum

What's Next On Our Journey?



- Commitment to Stewardship
- Feedback Highlighted Opportunities for Improvement
- Rising Stakeholders Expectations Creates Need for Innovation and Agility