



## **New Balance Executional Excellence (NBEE™)**

For several years, New Balance has been working hard to incorporate “Lean” techniques into our entire enterprise. Lean is a term developed by Jim Womack (Lean Enterprise Institute) used to describe the Toyota Production System (TPS) that is aimed at eliminating waste and transforming operations from mass production to continuous flow. Having seen Toyota’s success and ready to reinvigorate our own on-going commitment to continuous improvement, New Balance followed Womack’s direction of “Lean Thinking” and began to incorporate the Principles of Lean Manufacturing into our domestic manufacturing operations.

New Balance continues to adapt many of the principles of Lean thinking that best fit our unique company and has developed our own terminology – New Balance Executional Excellence (NBEE™) -- to better reflect our culture, mission and goals. We know that execution is key to the company’s success, as is operational excellence.

This natural progression from our company core value of continual improvement will engrain these NBEE™ principles into the mainstream of our business practices. NBEE™ is a focus area for the company not only because it reduces lead time, improves quality and reduces work-in-process time, but because it engages our workforce, harnesses idea generation and empowers teams and individuals. NBEE™ will also result in quality products at reasonable prices delivered when our retailers want and where they want. By delivering on this promise, our retailers will experience lower inventory levels, higher turns and ultimately higher profit margins.

The company’s success to date is the direct result of committed associates who know their business operations best. NBEE™ has been implemented in manufacturing and will be introduced in product development and overseas manufacturing with a longer term plan to phase NBEE™ thinking into the office environment.

The overall goal of NBEE™ is to create a program that infuses a variety of process improvement strategies – particularly Lean – and make it New Balance’s own.