

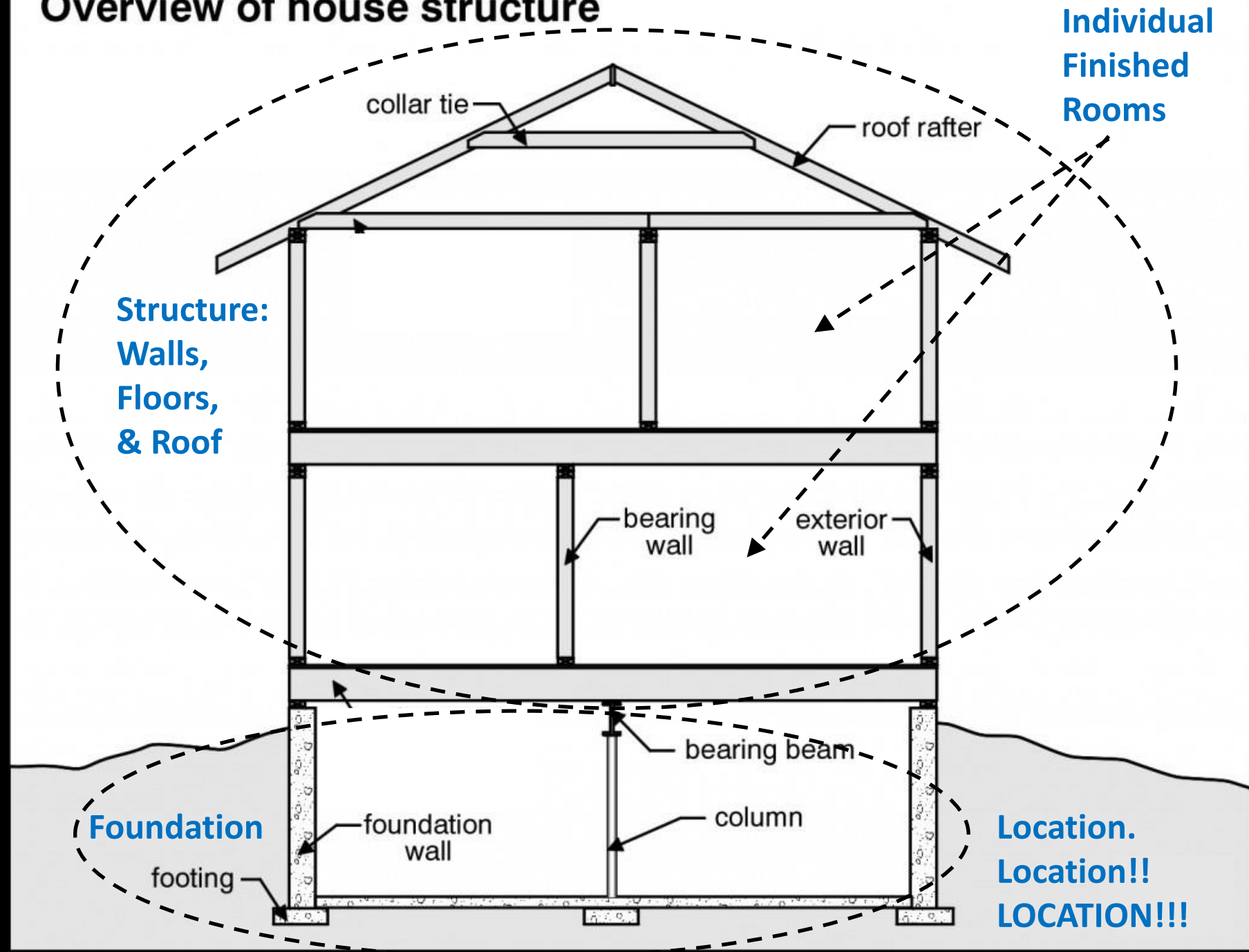


Lutron's 5 Principles & Quality Standards of Excellence

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Overview of house structure



Lutron's Business

Where did Lutron build our Business?

On the 3 Pillars of our Business Model:

1. Innovative Products
2. Superior Service
3. Differentiated and Superior Quality

The 3 Pillars of
Lutron's
Business Model

Lutron's Business

What is Lutron's foundation?

Lutron's 5 Principles

A diagram illustrating the foundation of Lutron's business. It features a large white rectangle representing the foundation, with a dashed black oval shape at the bottom. The oval is divided into two sections by a wavy line. The left section is labeled 'Lutron's 5 Principles' and the right section is labeled 'The 3 Pillars of Lutron's Business Model'.

Lutron's 5 Principles

The 3 Pillars of
Lutron's
Business Model

The Five Principles

The Five Principles

1. Take Care of the Customer with Superior Goods and Services
2. Take Care of the Company
3. Take Care of the People
4. Innovate with High Quality
5. Deliver Value to the Customer

This is also Lutron's Quality Policy

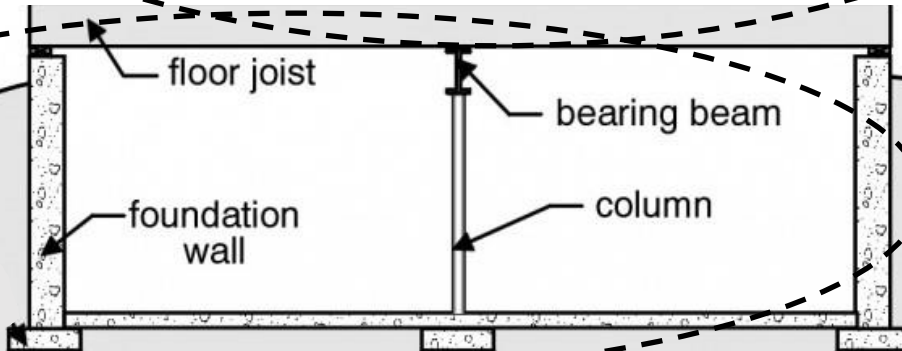
Lutron's Business

What gives the
5 Principles structure?

The Quality Standards
of Excellence

The Quality
Standards of
Excellence

Lutron's 5
Principles



The 3 Pillars of
Lutron's
Business Model

Quality Standards of Excellence

Developed to support our 5 Principles

1. Take Ownership of the Customer's issue until it is resolved:

- a. Our job is to take care of the customer... Not just solve their immediate problem.
- b. The Customer does not care whose problem it is.
- c. Problems facing current customers have priority over developing new products.
- d. Be relentless in communicating with the customer.
- e. Give feedback to the customer on the progress being made on their problem.

Quality Standards of Excellence

2. Always define the type of problem Critical, Major, Minor:

- a. Assume that there is a problem and prove that there isn't one.
- b. It is expected that you over-react to a suspected safety or quality problem.
- c. Properly escalate problems within the company.
- d. Anyone can put a product on hold.
- e. Involve all related parties immediately to help get to root cause: Suppliers, Manufacturing, Company experts, External Consultants, Field Service, Tech Support, and when needed Reps., Contractors, etc.

Quality Standards of Excellence

3. Work from the customer back through our process:

- a. Do containment first. Then look at other products or processes that may have the same issue.
- b. Quality should be measured and assessed from the customer's viewpoint. This maintains Lutron's reputation and image.
- c. Not delivering a product to customers is a quality problem.
- d. Always evaluate in this order Safety, Quality, Delivery, Cost.
- e. It may be necessary to temporarily add cost to deliver a Quality product on time.
- f. Send people into the field to visit actual customers and installations.
- g. We are always Empathetic, Courteous, Friendly and Responsive.
- h. We don't divulge suppliers, their issues or information to anyone outside of Lutron.

Quality Standards of Excellence

4. Do not just fix the immediate problem!

Fix the process and drive continuous improvement:

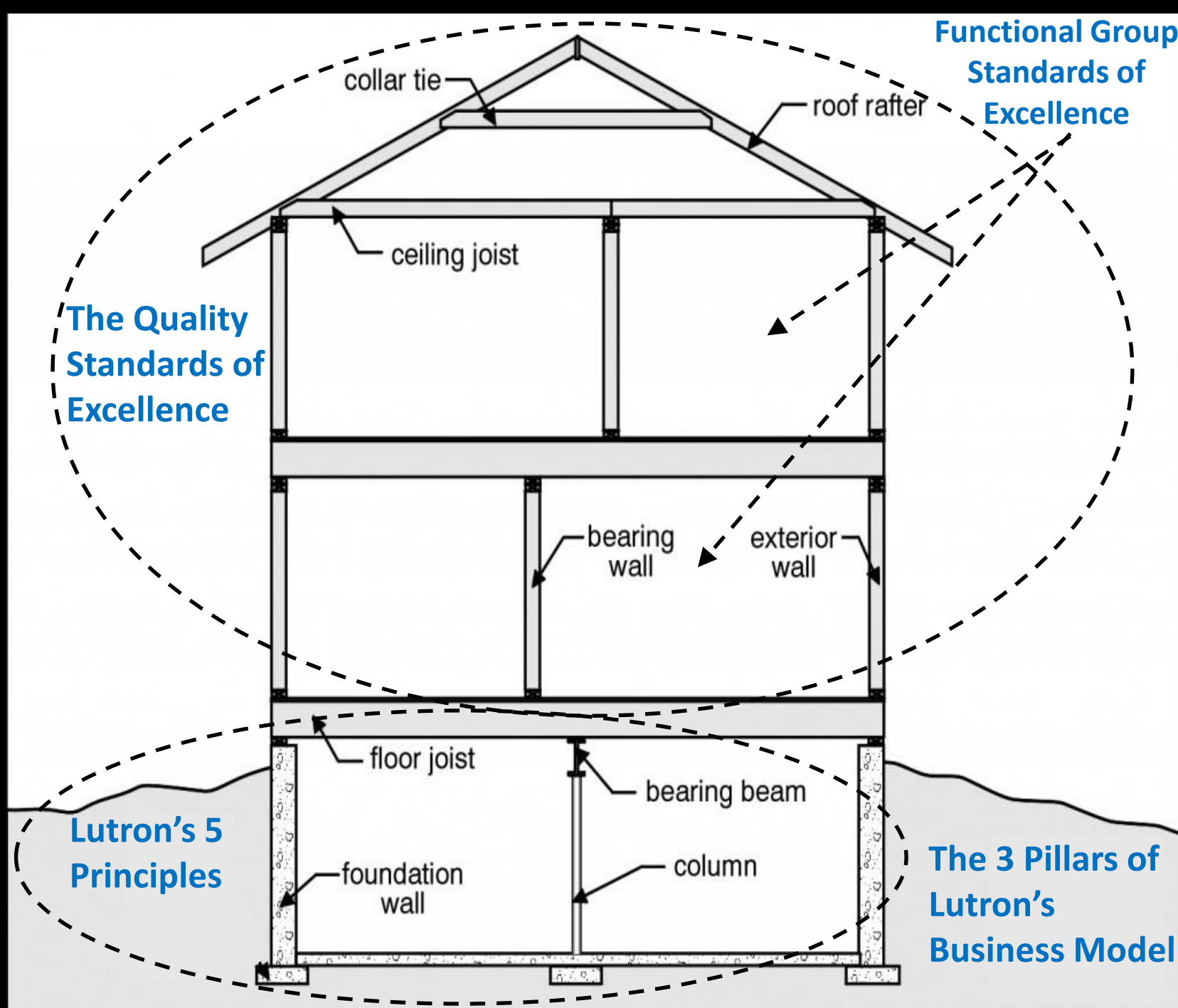
- a. Use quality tools such as Ishikawa to examine all possibilities to help arrive at root cause.
- b. Initial problems from the field may be an indicator of a larger issue.
- c. Solutions to customer problems will rarely be found in your chair.
- d. Develop, implement and then monitor the long-term corrective action.
- e. The Product Development process must design in quality and consider lessons learned from previous developments and data gathered from customer experiences.

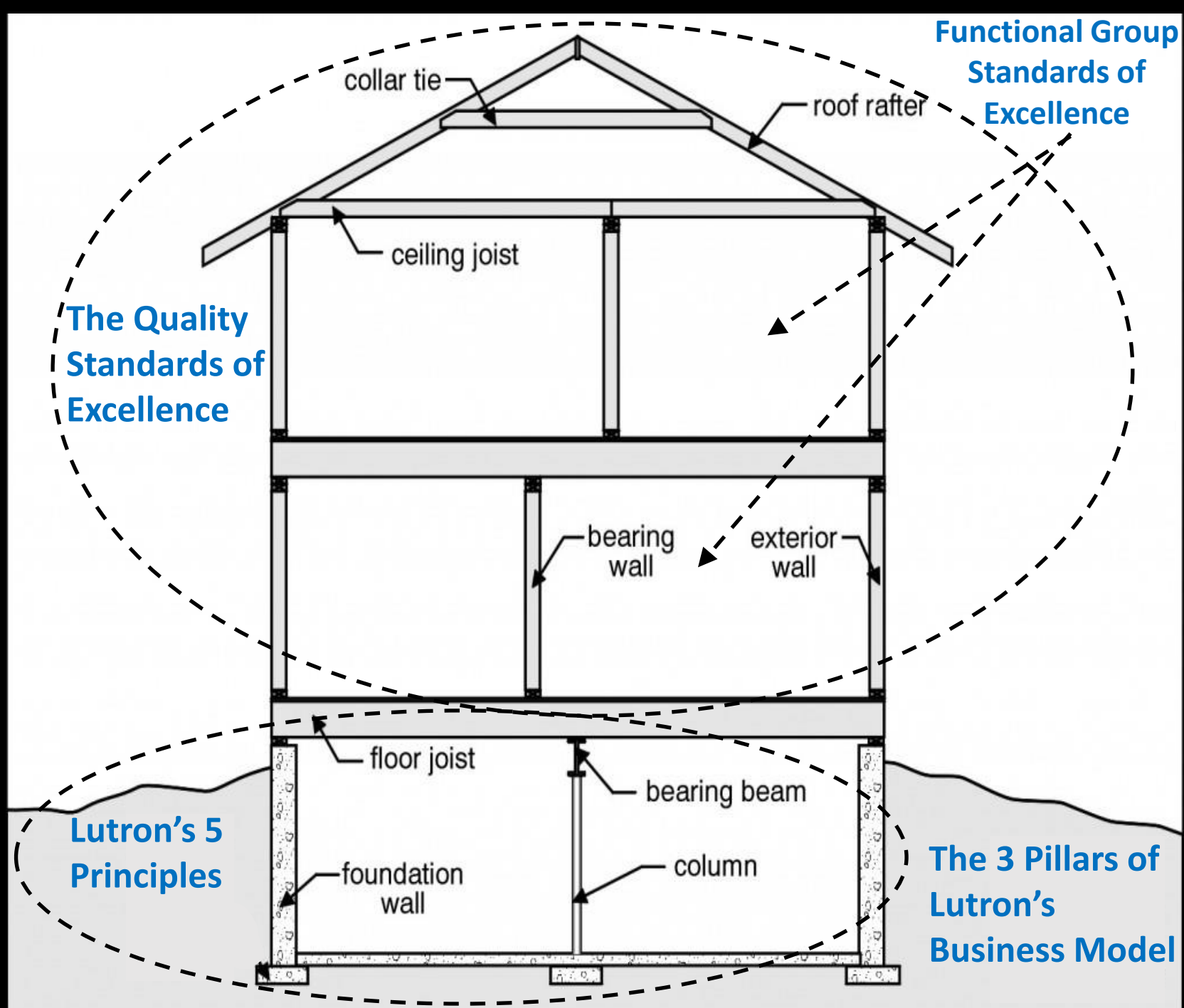
Lutron's Business

How is this specific to
me and what I do?

Functional Group
Standards
of Excellence:

Customer Service
Field Service
Manufacturing
Etc.





This is Lutron's:

Business Model

5 Principles

Standards of Excellence

THIS IS OUR CULTURE!!

