

UNITED
STATES
MINT

STRATEGIC
PLAN

UPDATE

United States Mint Strategic Plan Update

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DEPARTMENT OF THE TREASURY
UNITED STATES MINT
WASHINGTON, D.C. 20220

To our Colleagues Mintwide

Working together, we have taken the American people's Mint--and ours—further than ever, and we've moved faster than anyone imagined. Walls filling with awards and recognitions and kudos testify to our growing reputation as well as to our growing strength and competence. As an organization and as co-workers sharing a common purpose, we are better than we've ever been, yet not nearly as good as we're going to get. The document in your hand is a good part of the reason why.

This is the updated version of the U.S. Mint Strategic Plan that we began fashioning together in late 1994. It features changes incorporated in the most recent planning session and will be finalized—although advancement never ends for us—in 1999.

Through many versions and many revisions, the plan has become the blueprint of a future that's more promising personally and professionally for the Mint and for each of us. Now, as our strategic plan guides our reorganization into strategic business units, all of us should re-acquaint ourselves with the plan's contents. And renew our commitment to its goals.

Sincerely,

Philip N. Diehl
Director
United States Mint

Greg Wikberg
President
American Federation of
Government Employees
National Mint Council

Mission of the United States Mint

The mission of the United States Mint is to manufacture the highest quality circulating, numismatic, and bullion coins at the lowest possible cost and to deliver them in a timely manner...to expand our markets through exceptional customer service, product development, and innovative marketing...to sell numismatic and bullion products at a reasonable price and profit, and to provide security over assets entrusted to us.

Our Vision of the Future

The United States Mint will provide outstanding products and services that surpass customers' expectations for quality and value. We will dedicate ourselves to excellence and integrity, providing a safe workplace and rewarding work for every employee. We will honor our obligations as a corporate citizen of communities where we live and work.

CIRCULATING COINAGE

VISION:

Produce coinage to satisfy the needs of Commerce in a cost efficient and safe manner with state-of-the-art manufacturing technology and equipment.

Goal 1

Produce coins and maintain inventories at sufficient levels to meet Federal Reserve Bank (FRB) requirement

Objective

Develop regional coin demand model for 37 Federal Reserve Banks

Strategy

- Develop database for regional modeling at 37 Federal Reserve Banks and Branches (1998)
- Implement database and develop 37 Federal Reserve Bank branch models (1998–1999)

Objective

Produce coins to meet Federal Reserve Bank yearly demand

Strategy

- Implement the Master Production Schedule (1998–2003)

Objective

Develop normal operating capacity by 1999 to produce 6 billion clad and nickel coins while maintaining sufficient capacity to meet Federal Reserve demand for pennies

Strategy

- Purchase and install coining and material handling equipment based on engineering studies (1998–1999)
- Reassess penny demand requirements in relationship to the production capacity of aging equipment (1999–2003)

Measures

- Frequency of time meeting minimum inventory level within normal operating capacity
- Federal Reserve Bank Customer Satisfaction Survey

Goal 2

Prepared to produce circulating commemorative quarters program as mandated by law

Objective

Implement State commemorative quarter program as authorized by law

Strategy

- Create circulating commemorative quarter business plan (1998)
- Develop Federal Reserve Bank, commercial banks, and public awareness plan (1998)
- Incorporate circulating commemorative quarter into Master Production Schedule (1998)

Objective

Produce State quarters at same cost as traditional George Washington quarter

Strategy

- Ensure that designs are efficiently coinable (1998–2008)
- Manufacture coins using normal circulating coin processes (1999 – 2009)

Objective

Determine nationwide attrition rate for State quarters

Strategy

- Establish 1996 as a baseline for attrition of the Washington quarter (1998)
- Periodically track attrition rate by state design and produce annual attrition reports (2000–2010)

Measures

- Production cost relative to Washington quarter benchmark
- Attrition rate of State quarter relative to Washington quarter

Goal 3

By 2002, reduce the average unit cost of circulating coinage by 15%

Objective

Establish 1997 benchmark cost baseline for each denomination

Strategy

- Collect and analyze cost data for each denomination (1998)
- Finalize benchmark (1998)

Objective

Acquire production technology to lower manufacturing costs

Strategy

- Automate process movement of blanks and coins (1998–1999)
- Automate count, bag and stack processes (1998–2000)
- Develop and implement process improvement teams (1998–2000)

Objective

Identify and eliminate activities that add no value to our products

Strategy

- Replace the melting of returned and rejected coins with mechanical destruction (1998–1999)
- Decrease count and bag operations by increasing bulk shipments to Federal Reserve Banks (1998–1999)
- Decrease machine down time by increasing preventive maintenance (1998–2003)
- Reduce inspections by improving supplier product quality (1998–2003)
- Review and modify internal process controls (1998–2003)

Objective

Reduce the risk associated with exposure to price volatility in the metals market

Strategy

- Implement a metals management team (1998)
- Determine appropriate benchmark for controllable metals cost (1998–1999)

Measure

- Average unit cost of circulating coin

Goal 4

Become a world leader in minting technology

Objective

Complete a study to determine the requirements for becoming a world leader in minting technology

Strategy

- Identify state of technology at other National Mints (1998)
- Benchmark with world class mints (1999)

Measure

- Completion of study

Goal 5

Prepare to produce a dollar coin as mandated by law

Objective

Complete appropriate research, development and design work, and ensure adequate production capacity

Strategy

- Develop and create prototype testing plans (1998)
- Complete pre-production work (2000)
- Conduct capacity planning (1998–2003)

Objective

Prepare key stakeholders for introduction of new dollar coin

Strategy

- Develop a public awareness campaign (1998)
- Execute public awareness campaign (1999-2000)

Objective

Develop contingency plan to produce additional Susan B. Anthony dollar coins to meet FRB demand

Strategy

- Coordinate with vendors for strip (1998)
- Address tooling and die needs (1998)

Measure

- Completion of testing
- Frequency of time meeting monthly Federal Reserve Bank orders

NUMISMATIC AND BULLION PRODUCTS

VISION:

Foster the health of numismatics by providing outstanding products and services, expanding markets, maintaining the long term value of our products, while making a reasonable return for the American taxpayer.

Goal 1

Match the best in business in product quality and customer service

Objective

Meet or exceed the critical customer service standards described in the Kurt Salmon Associates (KSA) study

Strategy

- Install customer service system as a front end to COINS (1998)
- Maintain best in business customer satisfaction ratings (1998–2003)
- Improve fulfillment by maximizing efficiencies of geographic proximity to shipping destinations and single shipments of multiple items (1999)

Measures

- American Customer Satisfaction Index
- Schulman, Ronca, and Bucuvalas, Inc. customer survey (SRBI)
- Internal performance tracking and measurement system

Goal 2

Generate \$400 million in revenue by the year 2000 (excluding circulating commemorative)

Objective

Increase the revenues of our operations by aggressively pursuing new customers, new market channels, and new product lines

Strategy

- Use customer service database (MARCUS) to increase revenues from existing customer base (1998–2003)
- Develop campaign plans with revenue projections for each numismatic product (1998) and .9999 gold (2000)
- Promote U.S. Mint brand and establish brand awareness in the market (1998–2003)
- Establish business partnerships to increase sales (1998–2000)

Measures

- Sales revenue less circulating commemorative

Goal 3

Deliver 10% profit margin on combined numismatic/bullion products by 2000 (excluding face value and seigniorage of circulating commemoratives and surcharges)

Objective

Create a customer-driven product development capability

Strategy

- Create research, analysis, and development (RAD) capability (1998)
- Implement value-based vs. cost-based pricing and consider shipping & handling charges on selected products (1998)
- Develop interactive Internet marketing capability (1998)
- Standardize product lines (1999–2002)
- Establish product test marketing protocols (1999–2003)

Objective

Reduce costs of selected products by 15% (excluding metal costs) by 2000

Strategy

- Use MARCUS implementation to identify business process improvement and cost saving opportunities (1998)
- Implement identified manufacturing cost saving opportunities (1998–2003)
- Eliminate non-value-added processes (1998–2000)
- Expand Supplier Partnerships (1998–2003)
- Continue aggressive management of mail costs (1998–2003)

Measures

- Profit margin on numismatic line of business

Goal 4

Add 250,000 new high-value customers by the year 2002

Objective

Aggressively recruit new high-value repeat customers to the database

Strategy

- Leverage the awareness of circulating commemorative quarters to expand customer base (1998–2002)
- Move circulating commemorative purchasers to high-value, repeat customers (2000–2002)

Objective

Re-activate former Mint customers

Strategies

- Create and test a model to determine what influences prices in secondary markets (1998)
- Identify targeted customers and develop customer-driven offerings (1998–2003)
- Maintain re-activated customers and increase their purchases (1999–2003)

Measures

- Number of new and re-activated customers

PROTECTION

VISION:

Maintain a highly professional police force with the tools and resources to respond to changing threats in our environment while making Protection a self-sustaining line of business.

Goal 1

Provide a level of security commensurate with changing threats

Objective

Provide quality protection in and around Mint facilities for all employees

Strategy

- Enhance police patrols, community policing, and employee safety awareness (1998–2003)
- Recruit a diverse police force (1998–2000)

Objective

Improve protection against external and internal loss of assets including threats to information system security

Strategy

- Upgrade access and egress screening techniques, detection surveillance, and communication and control equipment (1998–2001)

Objective

Improve protection against heightened security threats to Federal facilities

Strategy

- Improve protection against intrusion of explosives into our facilities (1998–1999)
- Improve protection against ground threats outside the perimeter (1998–1999)
- Improve protection against other specific exterior threats (1998–1999)

Objective

Improve intelligence gathering to identify new threats

Strategy

- Pursue closer liaison with other law enforcement agencies (1998–2003)
- Coordinate information gathering and disseminate information (1998–2002)

Measure

- Losses as a percent of reserve value
- Crimes against persons

Goal 2

Provide security consulting and physical custody services to law enforcement agencies and other Government agencies

Objective

Enhance the Police Department's high level of expertise through our specialty missions

Strategy

- Present a prospectus on the potential market, revenues and ROI for marketing high security storage to other Government agencies (1998)
- Broaden expertise of U.S. Mint Police through training at the FBI Academy, sponsorship of national professional meetings, and provide consulting services to other Government agencies (1998–2000)
- Market high security storage to other Government agencies (1998–2001)

Objective

Provide commercial protection business advice and assistance to Mint business units and other Government agencies

Strategy

- Address increased vulnerability to security threats posed by information technology through the coordinated action among the Chief Information Officer (CIO), Consolidated Information Systems (COINS) team and Numismatics Business Team (1998–2003)
- Assess new risks related to new business practices of other Mint operating units (1998)
- Standardize numismatic and coining protection process measures (1998)

Measures

- Completion of security test program
- Credit card fraud as a percentage of credit card sales
- Revenue and profit generated by storage services

ENABLING

VISION:

Support the Mint's Strategic Business Units through partnership and innovation to provide necessary training, tools and technology, streamlined processes, and a highly motivated, customer focused workforce.

Goal 1

Match the best in business in minimizing health and safety risks and promoting employee wellness

Objective

Reduce the frequency and severity of workplace injuries

Strategy

- Conduct facility-specific Occupational Health and Safety (OHS) risk assessment (1998-2003)
- Develop OHS action plans based on facility risk assessments (1998–2003)
- Encourage employee participation in OHS prevention and risk management (1998-2003)
- Incorporate OHS into planning process by conducting safety impact assessment prior to acquiring new technologies (1998–2003)
- Incorporate OHS as a critical element in employees' and frontline leaders' performance evaluations (1999–2003)
- Clarify and ensure consistency in injury reporting (1998)

Objective

Promote employee wellness

Strategy

- Conduct benchmark study of corporate work-life programs addressing employee health and family needs (1998)
- Provide training and information on health issues (1998–2003)
- Develop site-specific initiatives regarding a family friendly workplace (1999)
- Examine feasibility of health and fitness program for all employees at each site (1999)

Measures

- Organizational Assessment Survey: work and family / personal life items; health and safety items
- Number of worker compensation cases per 100 employees by business line
- Number of lost time cases per 100 employees by business line

Goal 2

Match the best in business by investing in training and education that improves our employees' ability to meet our mission

Objective

Increase flexibility of the workforce by expanding career opportunities and broadening workers' skills

Strategy

- Complete Frontline Leadership program and conduct diversity training pilot (1998)
- Prepare an annual strategic training plan (1998–2003)
- Ensure that employees have the opportunity and guidance to create individual Development Plans (IDP) and attain Tuition Assistance (1998–2003)
- Identify opportunities for developing career ladders and multi-track career paths (1998–2003)
- Conduct training needs assessment as part of project and equipment planning or acquisition (1998–2003)
- Benchmark training and development expenditures by personnel level against manufacturing leaders (1998–2003)
- Set training and development expenditure goals based on benchmarking study (1999–2003)
- Implement comprehensive system of core competencies (2000)

Objective

Develop a highly motivated workforce

Strategy

- Study gain sharing and goal sharing and develop plan for implementation (1998)
- Conduct a study of alternative compensation methods including skill-based pay and pay banding (1998–1999)
- Eliminate workforce de-motivators by reinvigorating process improvement teams, suggestion programs, Local Site Committees, Local Partnership Councils (1999 – 2003)

Measures

- Training as a percentage of payroll by Strategic Business Unit
- Number of employees who have IDP's by Strategic Business Unit
- Number of employees who use tuition assistance by Strategic Business Unit
- Organizational Assessment Survey: Training items by line of business

Goal 3

Obtain additional legal authority, acquire information systems, and improve organizational structure as needed to operate as a self-directed business enterprise

Objective

Ensure that the Mint has the necessary information technology to accomplish its mission

Strategy

- Expand access to and support of Mint Web site (1998–2003)
- Implement appropriate applications for imaging technology (1998)
- Maintain state of the art system security for new information technology (1998)
- Upgrade the Mint's telecommunications system
 - San Francisco, West Point, Fort Knox (1998)
- Implement automated forms management (1998)
- Implement COINS (1999)

Objective

Reduce general and administrative (G&A) expenses by 10% by the year 2000

Strategy

- Benchmark general and administrative expenses against manufacturing organizations and set intermediate goals to reduce those expenses (1998–1999)
- Assess impact of Strategic Business Unit reorganization (1998)
- Review administrative functions to identify opportunities for savings
 - Finance, AIS, Procurement, OMS (1999)
- Implement cost saving opportunities identified through administrative reviews (1999–2000)
- Set strategies for intermediate goals based on G&A Benchmark study (1999–2000)

Objective

Obtain legal authority to provide workforce flexibility and personnel systems reform

Strategy

- Obtain Performance Based Organization (PBO) authority (1998)

Measures

- Successful implementation of automated technology
- Successful implementation of COINS
- G&A expenses as a percent of total cost
- G&A in absolute dollars
- Passage of PBO authority