



MISSOURI
QUALITY
AWARD

Sprint



Together with NEXTEL
Facility Engineering and Management

2005 Missouri
Quality Award
Application
Summary



2005

Missouri Quality Award Winner

Medium - Service



**FACILITY ENGINEERING and
MANAGEMENT**

Sprint Restricted

CATEGORY 1 - LEADERSHIP

1.1 Senior Leadership

1.1a Vision and Values

1.1a(1) The director of Facility Engineering & Management (FEM), a member of the Network Services leadership team, actively participates in the planning of Sprint's long-term, overall strategy. The planning process includes an analysis of the industry direction, creation of broad objectives, and direction setting priorities. Upon finalizing the long-term strategy, FEM then develops its business objectives for both short and long term goals, which support Network Services, Network Engineering and FEM business plans. FEM's overall strategy supports the FEM mission, "To plan, design, construct and maintain technical facilities". The FEM leadership team meets with all associates within their workgroup to set objectives that will meet and/or exceed targets and goals in a way that empowers each associate and encourages innovation. These objectives are written in associates' LINK, an individual performance management system, and rolled up through the leadership team levels to directly support Network Services goals. Each group prioritizes their objectives and looks for improvement opportunities for Sprint as a whole. Strategies drive initiatives, which in turn drive detailed work plans that have specific targets against the key measurements. The initiatives and objectives from this process become the content for individual LINK objectives and management incentive plans (MIP) further discussed in Category 2.1.

Customer and stakeholder interest are considered in the performance expectations of strategic and objective setting exercises. FEM continually communicates with customers and stakeholders through monthly Process Partner meetings, vendor meetings, and vendor briefings on FEM projected capital growth to ensure performance expectations can be met, and Service Level Agreements (SLA) with customers outlining timely and accurate expectations from one another. Sprint's purpose outlines its commitment to the three major components of operation, commitment to customers, shareholders and employees.

The strategies and objectives for FEM, Network Engineering and Network Services are communicated to associates in a number of ways, from open forums encouraging communication and understanding, to e-mail notifications. They are discussed in staff meetings, LINK setting sessions, executive all hands meetings, and are published in the *FEM Business Plan*, distributed annually to each associate. The FEM Business Plan includes the following:

- High level organizational charts
- Mission statements
- Sprint purpose and values
- FEM's leadership model
- Long and short-term strategic planning goals
- General corporate/community knowledge

FEM's Director is committed to fostering constructive two-way communication to support organizational goals and improvements through gathering feedback from the FEM Intranet sites called "Ask Nick" and "Ask FEM." This area of the FEM web site allows anyone to ask questions or make suggestions to our director or any of the work groups. The submissions automatically feeds to the Director or respective manager's e-mail account, and responded to within 48 hours.

1.1a(2) Sprint values integrity and wants to maintain its reputation for doing the right thing. The CEO of Sprint was a leader in the Telecom industry, in 2002, in certifying Sprint's financial statements with signed documentation to Congress. All associates complete an on-line training course for Sprint's Code of Ethics. As well, associates sign a condition of understanding and practice statement regarding company ethics with yearly on-line renewals. The Sprint Principles of Business Conduct are part of the employees' day to day responsibility. Failure to abide by these principles may result in disciplinary action, including the possibility of termination. To ensure ethical compliance with our vendors, FEM encourages the involvement of Legal and Supply Chain Management in all documentation involving Vendors to protect the integrity of Sprint, including non-disclosure agreements with vendors to protect intellectual property.

1.1a(3) FEM practices continuous improvement, replicating successful methodologies in all aspects of the business. FEM implemented the Baldrige Criteria throughout the organization in 1998, providing a framework for bringing customer and stakeholder needs into the development of relevant business objectives. The leadership team has been instrumental in supporting and expanding the use of the Baldrige Criteria in the Business Process Improvement (BPI) methodology. BPI is a tool utilized to facilitate process improvement. In total, the emphasis on using the Baldrige model has created a culture for improvement within FEM.

Key components throughout the FEM leadership system are to manage the business, efficiently meet customer requirements, design work systems, empower associate teams and achieve financial objectives. FEM continues to support the leadership system by enrolling members of the leadership team in examiner training for participation in Sprint's previous internal Baldrige evaluation process. The Baldrige framework encompasses a holistic leadership approach of what FEM has chosen as its leadership system. In 1999, 2002 and 2003, FEM filed applications for Sprint's internal Baldrige evaluation process and filed at the state levels in 2002, 2003 and 2005.

These important leadership principles have enabled FEM the ability to adapt to the ever-changing technology with fluctuations in short and long-term customer requirements. Management encourages and supports employees who volunteer to participate on Business Improvement Teams (BIT), where they can lead and make decisions for developing new ideas, along

with solutions on the behalf of Sprint management. Focusing on corporate initiatives helps FEM determine which services or process improvements would add value to a new customer. This strong focus on customer driven BPI provides a tactical direction and strategy for providing effective processes and unit cost reduction. The current FEM BIT teams are: Welcome Team, Sales Team, Vendor Management, Benchmarking, Community Relations, Customer Satisfaction and the Associate Well-Being.

FEM utilizes listening strategies and reciprocal feedback tools and processes in seeking continuous feedback from its customers, associates and vendors. Team members, customers and vendors offer feedback through the FEM Associate Well-Being Survey, the LINK 360° Feedback, LINK objective setting sessions, staff meetings, planning meetings, all-hands meetings, open door policy, department open houses, BPI team reviews, focus sessions, customer/vendor surveys, "Ask Nick," "Ask FEM," and the FEM email auto signature "Any Suggestions?".

The leadership team meets annually to discuss each associate's background, skills, education, and to identify high-potential candidates for promotions, training, job rotations and career development. Associates are also evaluated as candidates for the Mentor Program which teams the associate with a Director for executive mentoring and coaching.

1.1b Communication and Organizational Performance

1.1b(1) Each year, FEM hosts an employee All Hands meeting during which associates and FEM leadership gather to discuss current and strategic objectives and to hear topical guest speakers from other Sprint organizations. This event is supplemented by manager work group All Hands meetings used to enhance communication and build a strong sense of work group cohesiveness. FEM leadership regularly communicates with all team members through the annual business plan, monthly staff meetings, annual "All Hands" meetings, electronic news bulletins, LINK objectives, the FEM welcome package, and other corporate communications.

Within all FEM work groups, there is a variety of strategies designed to provide open lines of communication among all levels.

FEM utilizes the Sprint Excellence program, Extraordinary Achievement Award, Management Incentive Program (MIP), LINK objectives and dimensions, LINK 360° Feedback, and Individual Development Plan (IDP) measurements to guide associate development and acknowledge performance. The FEM leadership system places great emphasis on recognizing the efforts of all team members and actively seeks to praise outstanding contributions. FEM participates in the Sprint Excellence program and is committed to supporting this Sprint-wide associate recognition/reward program. Throughout the past four years, FEM has averaged 479 "On-The-Spot/Thank You" recognitions and 53 monthly awards, highlighting the consistent usage of these programs to reward associate achievement.

1.1b(2) FEM's approach to setting the organization's direction and reinforcing alignment with corporate objectives is based on the strategic planning process, which includes short and long-term plans. FEM tracks its success in meeting objectives and organizational performance by monthly key measurement Operational Balanced Scorecard Reviews. These Operational Review sessions are conducted monthly at all levels of management throughout Sprint to ensure targets are met and evaluated against current business directions and trends. New targets may be established to address changing business needs. Action items are developed to help ensure lagging objectives get back on track. Through the strategic planning process, LINK objectives and dimensions provide a key measurement of performance.

Operational Review sessions may initiate changes in priorities, BITs to be created, or innovative methods developed to meet objectives through specific action plans. This may include extreme changes such as in the leadership or organizational structure. If a BITs team is created, they receive approval from the leadership team, and are responsible for the actual implementation and communications of their plan to associates, customers and partners. Examples of some of the improvements developed by these teams are:

- Updating a new hardware/software package for Computer Aided Drafting (CAD) that positions FEM for the future
- Changes in training to better educate the engineers
- Welcome package (new employee orientation)
- Customer/vendor surveys
- FEM Associate Well-Being Survey

Changes affecting supplier/partners are quickly communicated via phone calls, emails, and supplier/partner meetings. Where applicable, changes affecting multiple organizational levels are communicated through leadership forums and executive communication to re-align objectives at all levels.

FEM also evaluates span of control to ensure proper staffing in support of goals and objectives. The leadership team encourages associates to serve on a wide range of enterprise, cross-functional teams to better understand and respond to the needs of the customer. These include:

- National Disaster Preparedness
- Fire Protection
- One Sprint Energy Team
- Land Acquisition Team
- Engineering Process Partner Team

By viewing financial performance and projected long term forecast data, in light of the strategic plan, FEM's leadership team ensures performance measures are closely linked to the needs of customers, FEM team members, and other primary stakeholders. FEM is committed to maintaining the highest standards of financial management. The leadership team utilizes historical and current data from the capital and expense financial reports to ensure all financial targets are closely monitored and met.

FEM measures for levels of customer satisfaction, financial performance metrics, employee satisfaction and training, process measures for work systems and output metrics, cycle time and regulatory compliance measures. Each measure illustrates FEM's performance operating indices, reflecting steady trending year over year and explanations for any anomalies or adverse trends. Key measurements also compare performance to other like organizations on many dimensions with comparative/benchmark data. Where applicable, 89% of FEM measurements show comparative/benchmark data.

1.2 Governance and Social Responsibility

1.2a Organizational Governance

1.2a(1) Sprint's Board of Directors are responsible for 1) evaluating the health of business conduct, 2) approving operating, financial, and other corporate plans, 3) retention of the CEO, 4) approving corporate conduct policies, 5) assess risks and business resiliency and 6) ensure processes to maintain the integrity of Sprint. They also have oversight of the overall company for the protection and interest of the shareholders. The Directors have measures in place to ensure this, with a requirement of at least two thirds of the board members be independent of Sprint.

To effectively deploy yearly objectives, monthly operational review sessions are held at all levels of the company, as well as, weekly and monthly status reports which feed up through the executive levels. This accountability ensures employee and management actions are in line with company mission, purpose, and values, and are part of the Sprint culture.

To ensure compliance with fiscal policy, no Project Authorization (PA) will exceed its fiscally authorized expenditure limits without prior executive approval. FEM manages the capital construction program by providing accurate and updated monthly forecasts of expenditures, recognition of budget limits, management of expenditures and adherence to fiscal policy. Projects are entered and approved in Web Spec, which is an on-line system for creating, monitoring and approving work activities. Levels of management approval are dictated by the dollar value of a project.

Sprint has an internal corporate audit team that provides services for all divisions within Sprint. The team develops an annual audit plan that has a focus on control work. This eliminates any potential "at risk" issues, which includes protecting the security of our systems, such as passwords and proprietary information. The audit team also conducts ad hoc requests on the product line to ensure Sprint's ability to deliver the Service Level Agreements (SLAs) to customers. There is also external audit team, KPMG, who conducts an annual audit of Sprint's financial results.

Financial and technical scope reviews are conducted with executives prior to committing funds to a program, ensuring use of capital commitments. Sprint strives to increase shareholder

value and provide a maximum Return on Investment (ROI) through physical audits, and both internal and external processes are in place to ensure stakeholder interests are addressed.

1.2a(2) Associates have the option of participating in the Sprint 401K plan and the Employee Stock Purchase Plan, which entitles them to proxy voting of issues and ratifying members of the board of directors, including the CEO of Sprint. Sprint is sensitive when it comes to corporate governance; it established a new Office of Ethics and Compliance with a Chief Officer assigned. Ethics plays an important role and affects customers, shareholders and the communities where Sprint conducts business and is a responsibility of all associates. Sprint executives were proactive as leaders in the telecom industry by certifying financial statements in 2002 with signed documentation to Congress.

1.2b Legal and Ethical Behavior

1.2b(1) Sprint is very aware of its products, services and operations, and their potential impact to the public. Bearing this in mind, many processes are in place to ensure environmental compliance with all agencies, including Environmental Protection Agency (EPA). FEM acts as the single point of contact within Network Services for all environmental compliance issues. FEM is responsible for keeping and maintaining all reportable records for air emissions, such as generators run hours, sulfur content in diesel fuel and fuel consumption. Sprint is well within the EPA guidelines, and has had no fines imposed as a result of non-compliance.

FEM anticipates public concerns through the participation of key associates in industry forums, government regulatory guidance meetings and EPA impact hearings. Care is taken during design and construction to ensure that compliance with federal/state/local code is achieved as well as accommodating a good neighbor posture. Many issues, such as noise, emissions, hazardous materials and aesthetics/appropriateness of structures are considered. Network Building Engineering (NBE) and Power Engineering & Standards (PEAS) plan to mitigate or alleviate potential impact from power systems such as the micro turbine, which produce no exhaust, and eliminates the disposal of lead acid batteries.

FEM prepares for these public concerns by proactively implementing new technologies. For example, upgrades to the fuel system to include Building Automation System remote capabilities not only as required, but exceeding the requirements by the EPA guidelines, based on expected changes in local, state, and federal regulations, primarily at the local level. FEM has been actively engaged in environmental protection since 1986 and set the standards for the corporate commitment to the environment. These standards have formed the basis for environmental protection regulation at the Local Telephone Division (LTD), PCS, and Network Services.

FEM holds paramount the life safety of Sprint employees and

general public involved in the use of our equipment and facilities. We closely adhere to all electrical codes including National Electric Code (NEC), Life Safety Code 101, Occupational Health and Safety Association (OSHA), local codes and regulations, and Sprint Network Practices (NP).

1.2b(2) FEM ensures ethical behavior in all transactions and abides by all relevant guidelines in the Sprint Code of Ethics. This is presented to all associates at the time of employment and reinforced through periodic reviews and presentations by various members of Legal and Human Resources (HR) staff. Sprint associates complete an ethics questionnaire and certify their compliance with the company's ethics policy, The Sprint Principles of Business Conduct. The Business Conduct Process covers customer interactions, gifts, outside work, competitors, harassment, supplier relations and software use. Personal computers (PCs) are monitored for unlicensed software, which is either removed or verified to have been purchased to comply with the ethics policies.

Key ethical compliance, issues and/or challenges specific to FEM, such as bid developments/awards and relationships with contractors are initiated and reviewed by Supply Chain Management (SCM), which works closely with FEM to ensure ethical compliance. SCM is the organization within Sprint that has the responsibility to ensure and oversee the integrity and consistency of the bid process across Sprint. FEM creates Scope of Work (SOW) and Requests for Pricing (RFP) which set the terms and conditions for liability insurance, payments, schedules, contactor fees and competitive unit pricing for contractors to follow. SCM has a process for establishing a master contract list that is utilized by all Sprint business units.

1.2c Support of Key Communities

In 1989, Sprint established a Corporate Relations Department that manages an extensive charitable and community services program. Corporate Relations emphasizes support of local and regional organizations in communities in which the corporation has a presence.

In 1998, a FEM Community Relations Team (CRT) was formed to help plan and coordinate activities with Sprint Corporate Relations Team (SCRT), as well as to meet the unique interests of FEM and the community in which each group resides. The FEM CRT mission is to "encourage associate volunteerism to improve the quality of life in their communities," while enhancing the public image of the company. The CRT surveys FEM's associates in order to determine volunteer opportunities for the coming year. Community service organizers send their needs to the SCRT, at which point the SCRT forwards their requests to the FEM CRT leader. The requests are reviewed to see if the needs fit into the calendar of projects for the year. If there is an urgent need from the community, resulting from such events as national disasters, the team evaluates FEM's ability to respond.

FEM's key communities are the United Way campaign, March of Dimes, Leukemia Society, Harvesters, Salvation Army,

Alzheimer, Christmas in October, and Junior Achievement activities. Weekly email notices from the corporate CRT team of available volunteer opportunities that FEM's CRT posts on its bulletin board for all associates to view. The FEM CRT also attends the monthly corporate CRT meetings. Associates are encouraged to take the time, from their work schedule, to participate as needed. Results are published on the FEM Web site. FEM's leadership team supports these activities and participates personally in events, thus encouraging associates to be active in supporting the community.

Over the years, many FEM associates have participated in a wide range of community activities, contributing time and financial support for both Sprint and non-Sprint related events. In 2002, Corporate Relations launched a new recognition program, CRT Spirit, to reward Community Relations Teams (CRTs) for their dedication to volunteerism. Teams earn points for supporting Sprint's national community initiatives, such as United Way and Harvestor's food drive, for organizing "hands-on" projects that support Sprint's philanthropic focus or business unit community initiatives, as well as for reporting volunteer hours and complying with solicitation policies. Each team earning 250 points is a CRT Spirit Award winner and those earning 350 points or greater are awarded a second CRT Spirit Award.

FEM's CRT was a recipient of two (2) SCRT Spirit Awards in 2004 and 2005, which included two \$250 grants to the nonprofit organization of the team's choice, a celebration kit containing a certificate of achievement, a letter of recognition from a Sprint executive, and a desktop keepsake.

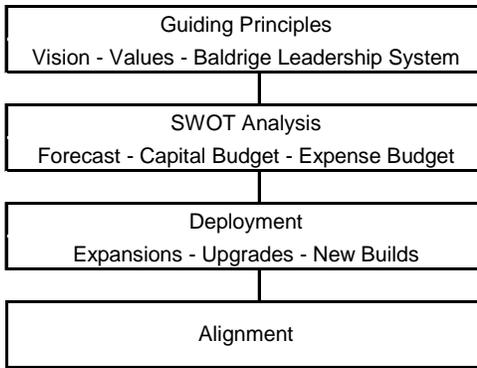
CATEGORY 2 - STRATEGIC PLANNING

2.1 Strategy Development

2.1a Strategy Development Process

2.1a(1) The FEM strategic planning process is a simple process that begins with the Sprint Values. These values are the guiding principles of how Sprint conducts business with an emphasis on the customer and their satisfaction. The development of the linked objectives, which support the Sprint values, requires the participation of a cross-divisional Executive Leadership Team. This team, including the FEM director, conducts annual planning sessions during the last quarter of the year during which data is analyzed regarding evolutions in technology, industry and business trends, internal indicators, and customer and vendor feedback. Once the high-level process is complete, the FEM leadership team holds planning sessions, reference Figure 2.1-1, to align objectives and budgets with the corporate direction.

Figure 2.1-1 FEM Strategic Planning Process



Analyze Forecast

As FEM begins its annual strategic planning cycle, the focus is on converting input from multiple Sprint organizations to infrastructure components: floor space, DC power, AC power, and HVAC. In addition to capacity-driven infrastructure augments, FEM factors in replacements for aged components, new technology research, and development opportunities for associates. Using a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis, strategic planners, lead engineers and managers review technology forecasts against existing capacity to determine **strengths** – those areas where capital or expense commitments are not required to satisfy needs. **Weaknesses** may include forecast needs with inadequate time to respond. Feedback to the planning and operations teams allow development of **opportunities** to satisfy challenging forecast needs in unique ways. Corporate expense targets are one of the **threats** that must be planned for. FEM's leadership team anticipate workload and analyze resources.

Capital and Expense Budget

The outcome of the SWOT analysis is FEM's 1 and 3-year budgets, the time period established at the executive level for both the capital and expense budgets. These budgets are defined by projects that are capital and/or expense impacting. Capital projects are those which cover the procurement and installation of depreciable assets; the expense budget addresses the financial requirements for human resources, maintenance services, rents and utilities for the coming year. As the capital forecast information is being analyzed, the FEM leadership team is determining the requirements for the appropriate workforce needed to carry out the projected plans. This includes determining the number of associates needed in the process and the range of skill sets of current workforce. The capital budgets outline projects, schedules, and associated funding to meet the physical space, power and environmental requirements obtained from the technology forecast. FEM managers and project engineers create assumptions to support these budgets and present them to the Executive Leadership Team.

Deployment

Detailed proposed budgets, both expense and capital are submitted to the Network Services Finance organization, rolled-up into the corporate budget package, and presented by

Finance to the CEO and Board of Directors for approval. Once the budgets are approved through the Executive Leadership Team, ensuring linkage with other Network Engineering groups, the project timeline for spending during the upcoming year is defined. Each engineer is responsible for designing their projects, obtaining quotes from vendors, building the specification, ensuring valid milestone dates are populated, holding project kick-off meetings, and project managing the activity through equipment turn-up and final fiscal processes, ensuring all costs are appropriate to the right account.

Alignment

On a monthly basis, the forecast expenditures are compared to actuals, with variance explanations recorded as to business driver changes and unforecasted needs. These monthly reviews include appropriate Finance analysts. The monthly reviews keep FEM on track for meeting quarterly commitments on expense budget and on capital budget. Monthly Operational Reviews are another checkpoint for identifying if priority programs and metrics are on track. Those that are in danger or are moving to a watch or jeopardy status are discussed with get-well plans developed to bring them back in alignment.

2.1a(2) FEM uses customer feedback gathered through surveys, industry reports and marketing forecasts to ensure key factors are addressed. The data provides an understanding of customer needs, expectations and opportunities. This data is also collected through a formalized survey, with quantified results. The survey leads to the development of action plans and may lead to actionable items within the strategic plan. During the strategic development process, FEM actively seeks input from Operations and Installation, to the 1– year capital and expense budgets/plans. The plans resulting from the input are analyzed by various impacted groups, and discussed as budget development proceeds.

FEM analyzes its capabilities, in relation to competitors, continually during the strategic development process by using customer feedback, industry and business trends, and financial considerations of technology opportunities. As part of the analysis and forecast work done in the strategy development, customer expectations for reliability, unit cost, cost of deployment, and the cost of maintaining network facilities are all analyzed. The effects of cost reduction and the utilization of buildings, including space and power, are evaluated. For example, FEM's Building Management Center (BMC) utilizes the industry standard cost per square foot comparison to measure projected maintenance expenditures and to analyze possible ways to decrease costs relative to its competitors. FEM, a member of the One Sprint Energy Team, reviews past utility costs for opportunities of expense reduction in network buildings. The result is lower overall utility rates, effectively reducing operating expenses using a One Sprint approach.

FEM defines potential strengths and weaknesses as a part of the reiterative strategic planning process; this is reinforced through the assumptions review and update. Skill sets and

associate strengths are reviewed annually, and the required resources are considered during the development of the annual strategic plans. Resources are redirected to priority services or projects, showing resource agility and ensuring FEM is able to meet changing demands from the business. In addition, key positions and subject matter experts have been identified; mentoring to backup those key positions is on-going.

Financial resources are considered through the development of scopes required to address specific projects. Project scopes for capital expenditures are reviewed and alternatives are analyzed before a submission for funding through the financial process. Capacity-driven requests receive the highest priority, followed by replacement of aged components. The priorities established determine the schedule for project approval submission to finance, which precedes the distribution of funds for deployment. The expense budget is reviewed and reforecast monthly to meet the business' changing needs.

Risk assessment is an integral and consistent part of the development process at all levels. FEM analyzes risks in three primary categories: financial and business risks, ethical and community risks, and human resource risks. Such risk assessment includes financial forecasts and ROI, deploying projects too soon or too late, changes in the dynamics of projects due to financial or planning cycles, change in key stakeholder groups, environmental risks including EPA regulations, noise pollution, building codes and permit requirements, and the risk of losing human resources due to changes in work environments and skill level requirements.

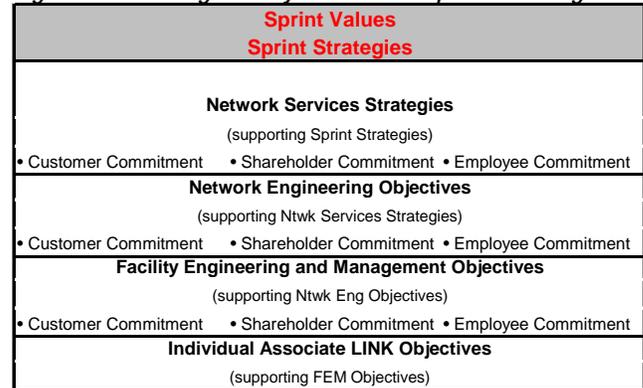
Supplier partnering for various projects is based on the technologies considered for deployment in both the planning and forecast cycles. FEM determines the project's systems, processes, human resources and partnering requirements necessary to meet these goals based on the forecast objectives. Supplier/partner needs are determined through regularly scheduled meetings, site visits and vendor survey data. Various FEM groups schedule quarterly, semi-annual and/or annual meetings with major partners/suppliers to review project forecasts, address service needs, assure adequate resources are available for implementation, as well as examine technological innovations. For example, as a result of risk analysis, the BMC identified the need for standardized maintenance services for the DC Battery Plants in the network. Through vendor partnership, one supplier now manages all preventative maintenance services to the plants in the network sites, resulting in consistent maintenance service, reporting and service recommendations.

2.1b Strategic Objectives

2.1b(1) The Network Services Strategies are reinforced and integrated into the priority programs for the coming year. The key strategies for Network Services are created to support the 2005 corporate strategies. In turn, Network Engineering and FEM develop business plans and objectives to support the 1 and 3-Year Plans. This method is employed throughout the

organization at different levels until the objectives are reflected in individual associate LINKs. FEM objectives are outlined in the Business Plan, which covers all aspects of the 2005 Network Services strategies and Network Engineering objectives.

Figure 2.1-2 Linkage of Objectives to Corporate Strategies



2.1b(2) The organizational challenges are addressed during the strategic development process based on the Network Engineering objectives set forth in the Network Services high-level objectives and the objectives and goals developed by FEM. The annual capital and expense budgets and LINK review process are used to assess the near term results. FEM holds monthly operational review sessions which provide an opportunity to monitor the status of the key measures and priority programs. FEM reviews the capital and expense forecast and actual expenditures each month, adjusting as business drivers change.

2.2 Strategy Deployment

2.2a Action Plan Development and Deployment

FEM develops and deploys action plans to support the strategic development process as outlined in Section 2.1.a. Each action plan in the deployment process has associated measurements to determine the success relative to the company's overall strategic objectives.

2.2a(1-3) FEM uses the tiered objectives, *Figure 2.1-1*, as its cornerstone to support Sprint's corporate strategic direction through the development of capital and expense budgets and deployment of project plans. These processes are designed to link the long-range corporate visions through the planning, implementation and review cycles.

Develop Short Term Budgets

In June, the process of defining the coming year's budget requirements is initiated. The 3-Year capital plan influences the yearly capital budget with the annual Business Plan influencing the expense budget. FEM managers, project managers and project engineers develop yearly Project Authorizations to support the expense and capital expenditures, and human resource requirements. The yearly project plans are reviewed and approved by executive management to ensure linkage to

the 3-Year Plan and Business Plan. The budgets go through an iterative process until the final capital and expense budgets are approved in December. This process allows executive review at the project level for scope, cost, and benefit.

Develop Business Case

For both the capital and expense, FEM provides data such as maintenance costs for facilities/systems, utility increases, and risk factors which support the business case. For capital programs, the annual capital budget approves the business plans but does not provide fiscal authorization. Fiscal authorization is obtained through the Project Walk-Through process. Appropriate documentation is prepared, open discussion held with VP-Finance and VP-Engineering, leading to authorization for capital expenditures. Lead project engineers have project oversight responsibility and assist in developing the scope, funding requirements, and timelines. FEM works with strategic partners to develop cost opinions, possible solutions, and identify possible risks. Should changes occur to the 1 and 3-Year Plans that affect a business case or PA, a revision is created and routed through the fiscal authorization process.

Human Resource Allocation

Workforce allocation is based on the resource needs determined during the development process, with the 1 and 3-Year Plans being used to assess headcount requirements by skill level. The requirements are built into the annual budgets for executive management approval. The resources are allocated by FEM, based on the objectives set forth to meet the 1 and 3-Year Plans and Forecast. FEM managers work with each associate identifying their abilities and outlining individual skill sets through the use of the Individual Development Plan (IDP). The information is used to develop LINK objectives for each associate. Adjustments to the way human resources are allocated may change as the deployment of action plans evolve. These adjustments help ensure goals and objectives are met in the most cost effective and efficient way possible.

In support of FEM's professional objectives, associates are encouraged to utilize the Development Activities Guide (DAG), available on the University of Excellence web site which provides various courses and books to aid in developing associate Individual Development Plans (IDP). Training courses are linked to Sprint's core dimensions and tracked on associate's IDP. Skill sets and mandatory and recommended training are identified based on technical expertise needed for many positions. FEM also utilizes the Sprint Excellence recognition program to reinforce, acknowledge, and reward quality performance and to motivate the work force.

Budget Review (Review/Authorization Required)

The project and budget owner(s) presents the budget and PAs detailing the scope, cost, benefits, alternatives reviewed and business drivers to executive management and other stakeholders. These sessions provide an opportunity to perform a final technical and financial review before proceeding. Project owners must demonstrate linkage to the 1 and 3-Year Plans,

Business Plan and marketing forecasts. A PA identifies costs related to attaining the project's goals, allowing executive management to make the most informed decision. The link between market drivers and expenditures is tightly bound. Approval is provided in accordance to financial policy to authorize the expenditures.

The expense budget program is developed based on the assumptions documented regarding maintenance activities, rents and utilities for the coming year. These expenditures are forecast at monthly intervals, with spending varying depending on forecasted needs each month. During the review process, the expense budget may be adjusted up or down based on market and /or business drivers. Once finalized, the budget is presented to and reviewed by Executive Management. When the expense budget passes the review process, it is rolled up as part of the corporate expense budget for the coming year.

Action Plan Implementation

After the budgets are finalized in December, the capital project and expense budget plans move into implementation. For the capital program, detailed design specification and installation instructions are developed and issued by the responsible project engineer in order to deploy the required elements. The capital projects are measured against the original scope, cost, and commitment timelines identified in the Business Case or PA. During the implementation phase, the expense budget and associated expense projects and services are measured against the monthly budget forecasts. During deployment, if there is a major scope change, change in customer requirements or change in key stakeholders causing the project to be non-compliant to its fiscal authorization or budget approval, a review with executive management is required to reassess funding commitments and address budgeting, scope and human resource issues. As business drivers change during the year, budgets, both capital and expense, are adjusted upward or downward as required.

2.2a(4)

FEM's key human resource plans fall under the Employee Commitment section of our 2005 Business Plan. Some of the long term plans include the identification and recommendation of training development for high-potential associates, Baldrige Criteria training for all new FEM managers, and the evaluation of results from the Associates Well-Being Survey. FEM also addresses short term Employee Commitment objectives such as cross-functional training and participation in the Link 360 feedback program. These are measured to ensure employee satisfaction, development and goals.

FEM has developed a number of key measures to track progress on the deployment of action plans, and to reinforce FEM's organizational alignment. The key measurements are developed based on the strategic objectives set forth in Category 2.1, ensuring alignment with the 1 and 3-Year Plans and addressing the needs of all key stakeholders. The key measurements have parameters based on benchmarks,

projected goals and past performance. In addition, each key measurement result, tracked graphically, lists the affected stakeholders, and overall impact of other measures or processes and provides an explanation of anomalies or adverse trends and/or action plans in place to meet projected goals.

FEM measures the expense budget and wireline and wireless capital forecasts against actuals. These key measurements ensure fiscal compliance, and they are an indication of whether operating expense and capital expenditure performance are in line with revenue performance. The results of this measurement have a direct impact on FEM's future strategic development process and one of the key stakeholders, the Sprint stockholder.

FEM measures human resource requirement and allocation issues including comments from the annual Associate Well-Being survey, employee retention rates, training, overtime, participation in the Excellence Awards program, and productivity and cycle time. These key measurements allow FEM to measure the level of satisfaction, skill, and work load of the associates. This is critical, as the associates are another key stakeholder and key resource in the strategic planning process. Performance is also tracked in the following ways:

- Comparisons of capital PA measures actual results against the financial budget, schedule and assumptions of the project. Human resource requirements are also considered and adjustments are made to the budget to support the additional human resources or to determine a process change to improve existing productivity.
- IDP results are measured during trimester associate reviews for conformity to plan and demonstration of skills.
- The annual Associate Well-Being survey provides feedback on employee satisfaction. It measures the success of the previous year's action plans in addressing associates' areas of concern.
- The Task on Arrow (TOA) tool and associated Create, Retrieve, Update, and Delete (CRUD) sheets are used to develop cycle time, duration and rework measurements. This allows identifying possible gaps in processes and sets a benchmark for improvement.

Alignment

The final step in the Strategic Planning Process is alignment. This takes a number of forms including FEM's key measurements, which are tracked monthly and reviewed at the monthly staff and operational review meetings. Completed capital projects are reviewed for compliance with scope, cost and timelines by managers, project managers, and project engineers. The capital projects are assessed for impact on future requirements and dependant projects. Lessons learned are discussed during project review meetings upon completion and may lead to identification of standards development or updates. The 1 and 3-Year Plans are revised as necessary based on the capital project and key measurement analyses.

FEM currently utilizes trend data and forecasts, from MBUs and Planning, to forecast space and power exhaustion. FEM is

sensitive to keeping facilities out of the critical path. The development of the Sprint Infrastructure Tracking and Engineering System (SITES) database has enabled FEM to be more responsive to initiatives and to increase Sprint's agility in bringing in new revenue. It is the repository for annual forecast data, power component inventory, technical facility size, capacity information, and has recently been modified to accommodate cell site information. This tool is used across all FEM workgroups, allowing access to a centralized data store through specialized web-based user interfaces.

Assumptions Review and Update

By analyzing results of the complete Strategic Development and Deployment process including the key measurements, goals and objectives, as well as performance in regard to competitors, FEM is able to formulate action plans, make business process improvements, and develop educated assumptions for the next planning cycle that will impact the highest levels of the planning process. The assumption is a single resource document comprised of subsets from each Engineering discipline. FEM owns a portion of these assumptions, updated twice a year, including site constraints, strategic growth opportunities for facilities, and unit costs for the infrastructure, tying FEM's Strategic Development and Deployment process back to the strength, weaknesses, opportunities and threats documented in the SWOT analysis.

CATEGORY 3 - CUSTOMER & MARKET FOCUS

3.1 Customer and Market Knowledge

3.1a(1) FEM is an internal customer service organization and does not have direct interface with competitor's customers or markets. As an internal customer service organization, FEM does not compete with Sprint's competitors and/or markets.

FEM determines and targets potential customers based on the business needs within the Network Services organization as defined by the Network Services Leadership team, and through the One Sprint business transformation initiative. FEM provides a diverse selection of services to other Sprint organizations. These organizations need the services of FEM when dealing with installation of Wireline or Wireless equipment for:

- Database services for circuit information
- AC and DC power allocation
- Facility maintenance and alarms resolution
- New building additions
- Creation and management of network drawings

FEM's customers are departments such as Planning, Engineering, Operations and Installation. Most customer groups have the same or similar service requirements.

As a recent example of customer identification and acquisition, FEM acquired the responsibilities for the Wireless switch sites. Responsibilities include the facility planning, design,

construction, infrastructure support and management, facility surveillance, and maintenance.

FEM customer groups are determined from Sprint's strategic objectives. The criteria for targeting customer are:

- Can FEM improve big C customer experience?
- Can FEM improve operational excellence?
- Can FEM reduce cost, cycle time, eliminate redundant job functions, and standardize processes?

Once an internal customer is targeted, FEM makes presentations of best practices and procedures, offers tours, and uses customer referrals to secure new customers.

The annual Knowledge Fair gives potential customers a chance to see what services FEM can provide. The FEM sales team and a Business Improvement Process (BIP) team produced and distributed brochures and a video outlining FEM services.

Brochures were distributed during face-to-face meetings with various groups in Network Services to both existing and

Figure 3.1-1 Internal Customer Feedback Collection Methods

	Data Collection Methods (Listening and Learning Strategies)	Customer Contact Frequency	Follow-up Requirements (Methods)	Time bound
*	SLA Service Level Agreement/Review Meetings	As needed/ Annually	Changes, new direction, updates and revisions	30 days
All (FEM)	Ask Nick (link on web page)	As needed/On-going	Respond to Questions	24 hours
	Frequently Asked Questions	As needed/On-going	Publish on FEM Web Site	24 hours
	Knowledge Fair	Annually	Develop and Implement Action Plan from Survey	30 days
	Customer Satisfaction Survey	Annually	Develop and Implement Action Plan from Survey	60 days
	How are we doing? E-mail Auto Signature	As needed/On-going	Each Department Manager Responds	Same day
	Sales Team	As needed	Distribute FEM pamphlets	As needed
	Customer Partnership Meetings	Semi-Annual	Develop Action Plan from Meeting Notes	30 days
	Task on Arrow (TOA)	Annually	Implement Process Improvements	60 days
Unique to Specific Departments	Site Visits	As needed/On-going	Respond to Findings and Feedback	Annually
	Job Information Memorandum (JIM)	Daily	Response required	48 hrs
	Departmental Surveys (Web based, Phone Calls, etc)	As needed/On-going	Develop and Implement Action Plan from Survey	30 days
	Process Partner Forum	Monthly	Develop and Implement Action Plan	30 days
	Planning Meetings	As needed/On-going	Feedback and Action Plans	30 days
	Strategic Plan Analysis	As needed/On-going	Feedback	30 days
	Engineering Orientations	As needed/On-going	Feedback and Customer Contact	Same day
	Vendor Survey	Annually	Feedback and Customer Contact	90 days

The SLA (Service Level Agreement) process is the principle mechanism used by FEM to document key customer requirements, expectations, and their relative importance to customer performance and satisfaction.

The SLA is the equivalent to a "Process Workbench" in the Baldrige quality process. The SLA allows FEM to start out with a level 3 (defined process) and quickly move to a level 4 (managed process) and finally to a level 5 (optimized process).

potential customers. The FEM video ran on the Sprint Campus Television network several times during 2004.

3.1a(2) FEM's key customers are internal departments of Sprint. The internal customers' success is highly dependent on FEM meeting the service level agreements for cycle time and quality.

The key customer requirements and expectations are straight forward. The service and product must be delivered within the agreed upon time frames, meet entrance criteria, be within budget and occur in the forecasted month. There is also an expectation that there will be continuous process improvement resulting in better quality, lower cost and reduced cycle time.

FEM gathers customer requirements, expectations and complaints through a variety of listening and learning strategies, as displayed in Figure 3.1-1.

The SLAs are similar for customers in the Wireline and Wireless groups. In general, since these customers are all engineering, operations, or planning organizations, the same processes and tools will work within similar customer group. FEM recognizes that individual departments within these groups will have unique requirements that need to be addressed in services provided, and builds the unique requirements into the SLA.

FEMs objective is to provide a customized service to each customer while using standardized processes and tools for all customers.

SLA review meetings are conducted as requested by the customer or FEM. At a minimum, review meetings are held once a year. The review meetings provide a forum for discussion regarding current customer requirements, customer satisfaction/dissatisfaction, and identification of changes necessary to meet future business needs and direction. Once new or modified requirements are identified, the SLA is revised, dated and signed by appropriate parties as necessary.

All FEM departments solicit feedback through the annual Customer Satisfaction Survey process. The results from the customer satisfaction 2004 survey (FEM key measurement) shows consistent improvement with the current satisfaction level at 82%. Reference Chart 7.2.a(1-5). These results are published on the FEM web site for access by all associates and customers. The feedback from this survey is presented to the leadership team to review with their associates. Departmental action plans are developed, based on customer comments and survey results, in order to provide improvements and raise satisfaction levels.

FEM has implemented a real-time customer feedback method through an "Any Suggestions?" link on each associate's e-mail AutoSignature. The link allows customers to provide immediate feedback regarding service and expectations directly to each manager.

FEM maintains a focus, on what customers are likely to want and expect in the future, by receiving input from the customer base through the annual forecast. This forecast defines the equipment to be deployed throughout the Wireline and Wireless networks. FEM utilizes this forecast information to structure the capital and expense budgets to support all the services and products delivered by FEM.

FEM is continually investigating new technologies to support future customer needs. The FEM new product process involves creating test-lab environments to test and assess products prior to deploying. Customers have the ability to visit a Test Lab before new technology is deployed for field trial testing and deployment to core network facilities.

3.1a(3) As customers' business needs and directions evolved over time, FEM initiated new listening and learning methods to meet customer requirements and changing needs. FEM established Process Partner Teams as a result of customer surveys and evaluation of customer feedback to identify the effectiveness of FEM customer knowledge and communication methods. These teams meet on a regular basis and have an agenda, covering items such as:

- Building relationships conducive to listening and learning
- Identifying gaps in customer service
- Improving customer satisfaction levels
- Implementing service and product changes

3.2 Customer Relationships and Satisfaction

3.2a Customer Relationship Building

3.2a(1) FEM and its customers are all part of a larger organization, Network Services. Sprint business needs drive who will become or remain customers of FEM. FEM gains new customers through ongoing business transformation and direct contact with potential customers. FEM internal customers are different than Sprint's external customers because the internal customers are not driven by normal purchase criteria and the exit barriers are at times high due to few to no alternatives.

Building relationships

FEM builds relationships, acquires new customers and strengthens relationships with current customers through the listening and learning strategies outlined in section 3.1a (3). Building relationships with internal customers is different than external customers in that both parties are driven by the same corporate goals and objectives. The relationships with internal customers are more like a partnership or alliance, with the common goal of satisfying the needs of external customers. FEM constantly strives to improve its customer relationships through the use of:

- "Any Suggestions?" feedback to FEM Director
- Annual Customer Surveys
- Web site feedback Frequently Asked Questions (FAQ) pages
- Customer training
- Open House and Knowledge Fair events
- Direct e-mail feedback

One of FEM's most effective customer feedback mechanisms is the SLA. SLAs provide customers a method to provide feedback and suggestions to improve FEM products and services, and appropriate escalation contacts or feedback on performance. Action items are then developed and tracked as outlined in the SLA.

Outside of the SLA process, FEM and customer group managers have an opportunity to meet informally on a bi-monthly basis to discuss a wide range of topics. The manager meeting provides the opportunity for customers to provide feedback or suggestions for improving the FEM customer relationship. Issues are discussed and action items assigned, as needed, and then reported on at the next manager meeting.

Customer Satisfaction

Internal customers do not hesitate to complain if their needs are not being met. Lack of performance by any upstream supplier affects performance of all downstream customers. Managers of the supplier and customer group report to a common manager at some point in the chain of command. There is a strong incentive to resolve internal customer complaints and concerns before they reach upper management. The performance expectations are documented by SLA and LINK processes.

The Customer Satisfaction Team distributes a yearly Customer Satisfaction survey and gathers results for analysis. The survey results give FEM valuable information, which is gathered at the

customer level and then reviewed by the leadership team and associates for revisions to product designs, changes in leadership direction or strategic direction of the group. Action plans are designed to address specific customer issues, implemented, and then compared to the results of the following year's survey.

Additionally, FEM meets with customers for regular reviews and discussions concerning products and services. Departments within FEM conduct monthly project coordination meetings and semi-annual partnership meetings with their customers. The meetings enable the customer to set their requirements for the service received and FEM to set standards and entrance criteria for their service requests.

Customer complaints are aggregated and analyzed for cause and effect through the use of the SLA metrics. The SLA metrics include FEM cycle time and commitments met, as well as customer entrance criteria. These metrics are reported monthly in FEM key measurements and presented in a balanced scorecard format for Operational Reviews. The performance indicators are shared with FEM customer groups on an ongoing basis through the FEM web page. By publishing the monthly results, FEM customers have the opportunity to compare themselves to other customers receiving service from FEM and to provide feedback on the level of service and quality they have received. In an effort to maximize customer satisfaction, customers are invited to attend vendor partnership meetings. This allows the customer to interact with FEM and the vendors providing the service.

3.2a(2) Access mechanisms and information flow

Physically, most internal customers are located in the same building or on the Sprint Campus in Overland Park, KS, except for Field Installation and Network Operations. Some contact is face-to-face, while most interactions are via email or telephone conversation. No contracts or sales barriers are in place to restrict communication. If a problem occurs, or there are changes in requirements or time frames, most of these issues are resolved with a meeting between the parties. SLAs are then updated with the changes.

FEM constantly strives to improve its customer relationships. The use of e-mail and e-mail auto-signature "Any Suggestions?", surveys, web site feedback formats such as Frequently Asked Questions (FAQ) pages, customer training, Open House events, bi-weekly manager meetings, and SLAs are all key access mechanisms. All provide multiple channels for FEM customers to seek assistance and provide feedback on performance, as well as suggest ways to improve FEM products and services. TOA documents have been developed by the FEM groups to identify process improvements based on customer feedback, current customer requirements, and future customer needs. Each FEM department addresses customer complaints per their unique customer relationship and the nature of the feedback information received.

3.2a(3) FEM also uses partnership meetings, SLA metrics, and TOA to further ensure that complaints are addressed and resolved. Complaints are aggregated and analyzed by departments. The plans for improvement are then driven throughout FEM via communication vehicles such as e-mail, all hands meetings, LINK objectives, department staff and leadership meetings, and vendor partnership meetings. Improvement plans are put into actionable time bound metrics that align with FEM goals and objectives.

3.2a(4) Through the application of the listening and learning strategies outlined in Section 3.1, the approaches to customer relationships are kept current with Sprint's strategic business plans and customer goals. The Business Plan is reviewed once a year and objectives are re-assessed in order to align with customer requirements. The continuous process of keeping up with customer business needs involves TOA sessions, partnership meetings, vendor reviews, customer surveys and SLAs.

3.2b Customer Satisfaction Determination

3.2b(1) FEM determines customer satisfaction and dissatisfaction level through the use of an annual customer satisfaction survey. FEM customers answer the questions based on their individual experiences with one or more of FEM's departments. The customers are encouraged to provide comments back to FEM. The comments may guide FEM to change, modify or add questions in the survey so the right questions are asked.

The types of customer satisfaction measurements vary widely within the FEM teams due to the diversity of the departments and subsequent customer groups. All FEM teams produce key measurements presented in a balanced scorecard format which are tracked to identify areas of improvement related to customer service expectations. The monthly productivity reports, and the key measurement reports, are tracked on a monthly and yearly basis. The customer feedback results enable FEM to maintain customer focused intranet sites with updated customer-related information. Action plans are developed to address customer dissatisfaction results. In turn, the action plans are deployed, tracked and re-measured for success.

3.2b(2) FEM departments employ various follow-up methods for customer complaints and issues. Departmental action plans are developed and initiated throughout the year in response to feedback received from the customer through personal contact, meetings, e-mails, phone calls, publishing of key measurements and SLA metrics. Action plans are also developed from the feedback received through the annual customer satisfaction survey. These action plans are implemented, reviewed throughout the year and success is measured against the following year's customer satisfaction survey results.

3.2b(3) The International Facility Management Association (IFMA) publishes benchmark information (Benchmarks II – Research Publication 13) for a "clean room" environment. "R.S.

Means” publishes a detailed list of maintenance industry standards for cost of services. The information from both sources is used to correlate the data prior to implementing into FEM standards. This data is used to generate a standard maintenance cost per square foot benchmark. FEM has gained new customers through its’ best practices in maintenance and repair, as a result of operating better than industry standard.

FEM maintains the facility infrastructure (environmental) equipment and power systems in network buildings, which are areas that can cause service interruption. The results clearly show Sprint as the number one carrier in terms of least complaints when benchmarked against competition for both the core network and environmental systems.

Sprint obtains and uses information from key companies whose business is to benchmark customer satisfaction within major industries. JD Power and Associates publishes the results of their studies, which indicates that Sprint continues to be a leader in customer satisfaction among high-volume and low-volume users for three of the past four years. Sprint’s main strengths are demonstrated in credibility, cost, value, and customer service. FEM affects this measure through internal customer satisfaction and ensuring facilities meet Sprint Standards.

3.2b(4) Through adherence to Sprint’s strategic plans and goals, One Sprint initiatives, and customer feedback and follow-up, FEM initiates new ways of determining the levels of customer satisfaction. FEM continues to apply the listening and learning strategies, outlined in Section 3.1a (2), to ensure that as business plans and objectives change, the approaches to customer satisfaction are kept current. The FEM annual customer survey results demonstrate positive customer satisfaction indicating an 82% satisfaction level for 2004. FEM has experienced continuous improvement in customer satisfaction which is an indicator of an effective approach. The frequency of customer partnership meetings increase as business strategies evolve. FEM departments are consistently developing new tools to meet customer needs and improve processes. The departmental intranet sites are updated on an ongoing basis, providing customers with current information.

CATEGORY 4 – MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT

4.1 Measurement, Analysis, and Review of Organizational Performance

4.1a Performance Measurement

4.1a(1) FEM utilizes a variety of systems and methods to collect, track, and catalog data necessary to measure the effectiveness of organizational functions. The Key Business Strategies, identified in section 2.1a(1), drive the selection of the Key Performance Measurements and supporting data. The information and data selected is determined largely by the strategic plan, Network Services objectives, market focus, competitor benchmarking, customer requirements and Service Level Agreements (SLA). Performance measures are selected at the executive level, and associate meetings identify objectives which support those measurements. The results of the meetings ensure linkage of objectives and the Business Plan.

Collected data are used to monitor, track, and continually adjust FEM’s performance as it relates to internal and external clients. For instance, FEM receives and analyzes annual sales forecasts and marketing data as a means to develop plans and budgets for network facility requirements. These plans are continuously validated as forecasts change. Both capital and expense budgets are analyzed on a monthly basis with the flexibility to adjust the original budget through the forecast based on current business needs. The performance measure is against the budgeted forecast view of monthly, quarterly and year-end forecasts.

Figure 4.1-1 lists a sampling of information and data needs as well as the systems and tools used by FEM to collect, and display key information and data. Selection of these information and data needs are driven by Network Services strategies around Customer Commitment, Shareholder Commitment, and Employee Commitment. Reference *Figure 2.1-2*

Figure 4.1-1 Sampling of Key Measures Information and Data Collection

Key Performance Measures	Metrics and Data	Data Collection Method	Type	Frequency
CUSTOMER COMMITMENT	FEM Cycle Time / SCA Cycle Time	SLA Reviews Staff Meetings Operational Review Meetings	Lagging Lagging/Leading Lagging	Weekly/Monthly/Annually Monthly Daily/Weekly/Monthly/Annually
	FEM Commitments Met	SLA Reviews Staff Meetings Operational Review Meetings Process Partner Meetings	Lagging Lagging/Leading Lagging Lagging	Annually Monthly Monthly Monthly

	INTERNAL/EXTERNAL Customer Satisfaction/Dissatisfaction	Annual Customer Satisfaction Survey Benchmarking Process Business Improvement Team (BIT) meetings	Lagging Lagging Lagging Leading	Annually Monthly Monthly Daily
SHAREHOLDER COMMITMENT	Maintenance Cost to Industry Comparison	Current industry benchmarks	Lagging	Monthly/Annually
	Expense to Actual, Capital to Actual	Budget Review Meetings	Lagging	Monthly
	Return on Investment	Budget planning meetings LINKS	Lagging Lagging	Annually Quarterly
EMPLOYEE COMMITMENT	OSHA Claims	National Safety Council benchmarks	Lagging	Monthly
	Employee Well-Being	Employee Well-Being survey Industry benchmarks	Lagging Lagging	Annually Annually

The tools and systems used to track FEM's success in meeting its goals provide FEM the ability to view and assess its performance against internal and external competitors and against its own benchmarks and comparative data. These tools and systems provide the feeder information needed to display the Key Measures that are reviewed at all levels of management. The Key Measures, in turn, are the basis for both performance measurement and decision making.

4.1a(2) Comparative data is used extensively throughout FEM to assess and select processes, services, and products. The FEM management team conducts a monthly Operational Balanced Scorecard Review meeting to check the status of each management group priority programs and key measures with decisions made based on project status. This review consists of FEM's performance in the areas of Customer Commitment, Shareholder Commitment and Employee Commitment. Each department manager shares performance results that align with FEM's key measurements and objectives. Data is provided with a high level overview of FEM objectives, capital budget status, expense budget status, floor space and power utilization, and cross connect fill rates. Metrics are also supported with data from each group for example: cycle time, rework, defects, and labor costs. Important information escalates to required levels of the executive leadership by providing priority programs which show if a project is meeting FEM's objectives.

4.1a(3) FEM ensures the relevance and effectiveness of metrics, data and data collection systems through a variety of methods that include automated systems, SLA reports and reviews, executive strategic feedback sessions, Leadership Team meetings, monthly/weekly reports and staff meetings, operational reviews and Process Partner Meetings. FEM's

Business Improvement Teams (BITs) maintain a tight focus on current industry standards and benchmarks, customer requirements, data analysis and information dissemination. The chart below provides an example of evaluation methods used by FEM.

FEM solicits and responds to critical feedback from internal and external examining groups and implemented action plans and best practices to improve its performance measurement system. Use of the Baldrige Criteria helped FEM streamline measures, metrics, and data collection systems, focusing on the linkage between corporate goals and FEMs supporting strategic objectives. Implementation of a Scorecard method of organizing and tracking metrics and results assembled the Key Performance Measures in one place improving accessibility and ease of use for analysis and action plan development.

4.1b Performance Analysis and Review

4.1b(1) Categories of data systematically analyzed by FEM align with and provide input to the selected Key Measures. These Measures are then aligned with annual objectives provided by Network Services senior leadership. The FEM Management Team analyzes organizational performance by reviewing Key Measures and major programs during monthly Operational Balanced Scorecard Review meetings. This information is presented and discussed with executive leaders. Additionally, organization performance is reviewed at all levels during LINK reviews.

FEM correlates the results of data/information analysis with follow-up actions/process changes to improve the results and deliverables. *Figure 4.1-4* provides an example table of the analysis, action, and results approach used in making key business decisions.

Figure 4.1-4

Key Performance Measures	Metrics and Data	Analysis	Action Plan	Results
CUSTOMER COMMITMENT				
SHAREHOLDER COMMITMENT				
EMPLOYEE COMMITMENT				

Strategic plans are adjusted as necessary throughout the year to ensure continued linkage to Sprint's 3-year Corporate Business Plan. FEM departments consistently look for ROI opportunities through process changes that result in cost reduction, cost avoidance or shortened delivery intervals. Designing for, recognizing, tracking, and reporting on ROI and cost avoidance are LINK objectives for all FEM groups.

Several of FEM's Key Measures were identified by using the Task on Arrow (TOA) process. Reports on rework, rejects, cycle time, duration, entrance/exit criteria and cost reductions are reviewed to determine how effectively FEM is meeting specific operational and corporate initiatives.

Another element of FEM's business analysis is provided by FEM's Benchmarking Team. Internally, FEM compares itself to other organizations within Sprint, as well as against historical data, to ensure its measures continually align with overall corporate strategic and organizational directions. FEM also performs comparisons against relevant external sources, as evidenced by the Maintenance Cost to Industry Comparison.

4.1b(2) FEM distributes information, including analyses results, inside and outside the organization in a variety of manners. The most common vehicles for communicating results include:

- Weekly and monthly activity reports
- Monthly staff meetings, all levels
- Monthly budget planning sessions
- Training sessions
- Monthly objective setting and operation review meetings
- Web, server based and hardcopy reports
- Annual Knowledge Symposium
- Customer/Partner meetings
- Annual SLA review meetings
- BPI/TOA methodology
- email
- Phone calls
- Vendor meetings
- Quarterly LINK reviews

To determine changes in the strategic plan and refine organizational objectives, analyses of feedback data from customer and employee surveys are reviewed by the leadership team during staff meetings and Operational Balanced Scorecard Review sessions. Data from completed projects are analyzed by managers, project managers and project engineers during project post-mortems. The 1 and 3-year plans are revised as necessary, based on these analyses. These meetings are also used to identify and implement changes to standards and procedures.

Business results that challenge established parameters can affect the strategic plan positively or negatively. FEM process owners and the management team use analysis to expose anomalies in results. Once understood, the data and the process are reviewed and appropriate action is taken.

4.2 Information and Knowledge Management

4.2a Data and Information Availability

4.2a(1) The FEM organization ensures the quality of data and information through continuous process improvement, frequent updates, consistent reporting formats, and easy to read graphics.

On-line data and information dissemination and analysis are made possible through the use of a mix of enterprise approved software, and applications developed in-house for specific uses. Data is stored on servers that can be accessed by all those with the established rights. Most applications have been web-enabled (e.g., SITES, DTS) to allow maximum access across FEM and, when appropriate, other Sprint organizations. This is especially important for those persons working in the field. The use of enterprise approved software, such as Microsoft Office, Autodesk, and Adobe Acrobat, provide a visual and structural consistency of format, resulting in reports and presentations that are easy to use, revise, share and replicate.

External communications with suppliers are accomplished through meetings and surveys. Vendor quarterly or semi-annual meetings are designed to review projects, share FEM's future capital requirements, discuss new industry and Sprint standards, and explore technological advancements for incorporation into new projects. Action plans, developed from the results of the annual FEM vendor surveys, are also presented in this forum. Monthly meetings are conducted to share with, and gain information from, associates and process partners (such as Engineering, Finance, Accounting, Supply Chain Management, and the Tax Department).

Presentation of FEM's performance metrics was improved by implementing a balanced scorecard format. FEM's measurement metrics include a stoplight status indicator to provide a quick visual reference of the current target status. A status ranging from blue-exceeding target, green-on target, yellow-watch, to red-jeopardy, is placed on the metric to indicate the current status of each measurement. Yellow indicates the metric is in watch status with no action necessary at this time and red indicates in-jeopardy with action plans in place to bring it back on target. Management reviews the metrics data and the priority programs at the monthly Operational Balanced Scorecard review with the Director to evaluate any variance affecting these measures and to identify any repeated anomalies for possible process improvements. All engineering Directors then review their data with the VP of Network Engineering who then reviews data with the Chief Network Officer.

Employee performance data is communicated in one-on-one trimester LINK review meetings with the appropriate supervisor or manager as well as more frequent meetings on an as-needed basis. Employee training and personal development is communicated through the use of e-mail and the University of Excellence website. To obtain employee feedback on how well

FEM is meeting the needs of the employee base, it conducts an Associate Well-Being survey annually. This survey is not the only form of obtaining feedback from the associates yet it is the most formal.

4.2a(2) The FEM organization utilizes the services of the KC Premise group, manned by IBM employees, to ensure data reliability, user friendliness, and security, for both data and database files. This is accomplished by the performance of daily and weekly server backups, cross checking of data by other organizations internal and external to FEM, and real time updates and file sharing, all of which meet or exceed Sprint's Enterprise Security Rules. A Service Level Agreement (SLA) between the two groups ensures timeliness and quality of data and application updates.

FEM and KC Premise adhere to Sprint's Enterprise Architecture & Strategy group's vision of creating an integrated, business-focused, strategic technology direction that will enable Sprint to meet its objectives.

A systematic approach is utilized to evaluate hardware and software purchase/creation/updates for reliability and user-friendliness. Requestors are required to submit customer requirements for new software applications and updates to current applications to the KC Premise group. The KC Premise group then:

- Analyzes customer requirements.
- Determines hardware requirements for selected software.
- Purchases or creates software with input from users.
- "Beta" tests new/upgraded software with selected users before full roll out is completed.
- Formally trains users prior to the release of new software.
- Maintains a log of all system outages to monitor reliability, and orders system replacement/upgrades accordingly.

The security of FEM's hardware and software is also approached systematically. This includes:

- Multiple Microsoft Internet Information System group roles are used to identify access privileges associated with each website or application, based on individual job function and the type of access requested.
- Authorized system users are made aware of security requirements regarding their User ID.
- Shared user accounts are not created or issued.
- Server access is approved or denied by the application owner and the KC Premise group.
- Historical records of access granted/denied are maintained in the server access database.
- Domains are used to access desktops, servers, websites and secure applications.
- Password management meets or exceeds the Best Practice corporate standard.

4.2a(3 and 4) As with the data and information itself, FEM management completed a critical systems reliability analysis around three major components: availability, functionality and

performance. The management team also has the opportunity of reviewing systems on a regular basis during strategic planning sessions, objective setting sessions, operational balanced scorecard reviews, and other venues. Continuous process improvement as practiced by FEM requires that all aspects of data collection and reporting, including software and hardware, be kept current and relevant to their purpose. Business Continuity Plans are in place for the BME which is deemed a critical function for Sprint. The following processes and partnerships are utilized by the management team to help them make the best decisions regarding software/hardware upgrades and purchases:

- FEM purchases all hardware and software through the Enterprise Solutions Center (ESC). This ensures that FEM is purchasing the most current technology and systems that meet Sprint standards.
- FEM partners with the KC Premise group, reference 4.2.a.(2), to improve existing applications and create new ones.
- FEM has implemented an application quality scorecard process. This process grades applications, identified by FEM as strategic applications, on the following Institute of Electrical and Electronics Engineers (IEEE) and internal criteria for software engineering quality. This scorecard is reviewed quarterly and serves as input to our software lifecycle management.

4.2b Organizational Knowledge Management

Information received from both internal and external sources, is disseminated to employees according to FEM's formal communication plan, which is available for review by all employees via the FEM website. Data can range from corporate news items, associate requested information, updated vendor information, best practice, and information to keep associates apprised of current changes in the industry. Each group in the organization maintains a website containing a variety of information that is updated on an on-going basis, such as near real-time schedules, activities, and/or work logs that are available to both internal and external customers, suppliers, partners, and vendors. The group web pages conform to published One Sprint guidelines, as outlined on the Corporate Brand Identity Standards website.

FEM conducts regularly scheduled vendor and customer Business Improvement Team (BIT) meetings, designed to improve communications and transfer relevant knowledge between the various participants. FEM groups also plan and conduct a variety of group meetings using the Sprint Quality Handbook PAL format, where relevant information is disseminated and action items are assigned for individual and group completion. FEM groups also partner with architecture, engineering firms, and other consultants in an exchange of design and operational criteria, which is beneficial in identifying problems and developing solutions.

Annually, FEM organizes and hosts a one-day informational

knowledge event where specific topics are showcased by FEM. Current and potential customers are invited to attend the event and learn how the groups can assist them by providing services to help meet their objectives. FEM has had multiple presenters at Sprint's Annual Best Practices conference, and provides guest speakers to other organizations' All Hands meetings to replicate identified Best Practices across the entire Sprint organization.

In July 2004, the FEM Research Library was established, with books, videos and cassette tapes which are available for employees to check out and review. Reference material categories include Best Practices, Career Development, Coaching, Communication, Customer Service, Facilitating, Leadership, Management and Managing Your Career.

FEM management encourages associate development in cross-functional learning. Associates have numerous opportunities to learn about interfacing groups as well as providing insight to how they do their jobs through Job Shadowing, and guided tours. The BME and the Power Test Lab offer scheduled informational tours so associates can expand their knowledge base of how to plan their work around these developments and further assist customers in implementing their requests.

FEM participates in Task-On-Arrow (TOA) sessions with various customers and partners, and publishes the TOA process flows using website and team mailings. Sprint uses the TOA process in many activities as a two-fold purpose for documenting the process and obtaining continual feedback. The accessibility to each of the practices enables other groups to view and copy best practices across organizational boundaries. FEM teams with Engineering and Finance groups to hold monthly Process Partner meetings that are designed to facilitate information sharing and process discussions across organizational lines.

4.2c Data, Information, and Knowledge Quality

FEM ensures the integrity, timeliness, reliability, security, accuracy, and confidentiality of its data, information, and organizational knowledge by means of a number of separate processes. These processes are designed to act as checks and balances in the quality and accuracy of the various knowledge stores. All groups in FEM follow the Sprint Security Standards in regards to physical security and "The Protection of Proprietary Information" policies for data and information security and confidentiality.

FEM groups develop and publish inter-departmental SLAs and Engineering Records Practices and Procedures (ERPP) of process expectations with customers that ensure timeliness, accuracy and reliability. The SLAs can be found on each group's respective websites. These SLAs are reviewed and updated annually by all parties associated with the agreement. This assures timely attention to internal and external customer requests. Confidentiality is ensured by entering into agreements with partners regarding the sharing of proprietary information, in

accordance with Corporate Security Protection of Proprietary Information guidelines.

On a yearly basis, FEM submits a Vendor Satisfaction Survey to its 80/20 suppliers. This survey provides suppliers with an avenue to provide specific feedback to FEM. This feedback is compiled by the Vendor Satisfaction Team and compared to previous year's data. This data comparison is used to compile recommendations to improve supplier satisfaction. These recommendations are provided to the FEM Leadership Team and based on these recommendations; departmental action plans are developed and implemented.

CATEGORY 5 - HUMAN RESOURCE FOCUS

5.1 Work Systems

5.1a Organization and Management of Work

5.1a(1) FEM is structured to maximize performance and support the company's goals through the alignment of workgroups and objectives with Network Services and Sprint corporate strategies. FEM's emphasis on continual learning, cross training, knowledge-sharing, cost savings and recognition results in a pro-active workforce that is able to respond quickly and creatively to organizational goals and objective changes.

As business needs change, the FEM team reviews and adjusts workgroups and/or objectives accordingly. For example, in 2003 Network Engineering integrated wireline and wireless technologies to optimize synergies.

Associates are trained in quality tools and skills. During associates first six months of tenure with FEM, attendance to a one day training session on the Malcolm Baldrige National Quality Program criteria and application process is required. Management support, training, and the creation of opportunities for all associates to participate in process improvement and work system design, empowers, and enables associates to contribute to their full potential.

FEM management listens to its employees and adopts their suggestions through different avenues; one of those is the Associate Well Being Survey. Action plans are developed from the survey results. An example of an action plan that has already been implemented is the addition of an 'alternate contact on employees' voice mail and e-mail systems, in the event that the employee is absent or unavailable.

5.1a(2) FEM supports the Sprint Diversity Statement, highlighting the understanding that the "strength in the organization comes through diversity in all meaning – racial and cultural, abilities and disabilities, aptitudes and attitudes." FEM follows the Fair Employment Practices, partnering with Human Resources to ensure a diverse pool of candidates is developed for open positions. Sprint uses a national bulletin board of job opportunities at job grade level 79 and below through the internal Career Portal. To ensure diversity, Human Resource recruiters monitor the hiring process to ensure that no barriers

exist to discourage qualified minorities or women from applying.

FEM capitalizes on the diverse workforce by positioning a varied team on all work systems. By including the knowledge and skills of a diverse team, FEM ensures that associates positively impact Sprint and the local community on a professional and personal level. FEM encourages associates to participate in Community Relations, and Diversity organizations such as One Sprint Diversity Council, Enlace, Diamond Network, Working Parents Forum and the College Recruiting Program, to assist employee growth and team development. FEM encourages employees to balance their personal life with their careers through Time-Off Without Pay and Flex Schedule programs.

5.1a(3) FEM implemented a formal Communication Plan in 2003 to ensure comprehensive, effective, and relevant communication between peers, workgroups, managers, associates, FEM and its partners. The Communication Plan, developed by a team of FEM associates, highlights what makes communication effective. The plan includes various means of communication and tips on e-mail etiquette. The Weekly and Monthly Activity Reports (WAR/MAR) are shared across all manager groups, which are then distributed to each member of the group. Network Engineering's monthly newsletters are distributed to all employees to ensure continuity of information from senior management. Daily informal communication is essential and conducted through email, phone calls and open discussion.

Each year FEM brings associates together for a one day All Hands meeting. The meeting is held to promote better communication across FEM work groups, provide updates from management on organization progress and discuss future directives. The meeting is a day mixed with interaction, competition, and team building. A volunteer committee of FEM associates plans details for the entire day. Monthly staff meetings (for all workgroups) and Business Improvement Teams (BITs) also provide a consistent venue for associates to bring new ideas to the table for discussion and potential implementation.

BITs are made up of volunteer representatives from each workgroup and provide a forum for issue-focused information sharing and improvement activities. The results are communicated to all of FEM by individual team members using various presentation formats and documentation. BITs information is also available via the FEM web site.

5.1b Employee Performance Management System

FEM supports the use of LINK, Sprint's performance management system. LINK is an ongoing, integrated, comprehensive performance management system consisting of two approaches. The first supports company objectives and employee development. In supporting company objectives, these "line of sight" goals and objectives are set at the VP level, and must support at least one of the five transformation goals of 1) revenue growth, 2) increasing customer loyalty and brand

strength, 3) customer focus, 4) improving processes and systems and 5) decreasing cash costs. Updates are provided in staff meetings, one-on-one sessions, document distribution and informative discussions. The second approach to employee development is managed through the Individual Development Plan (IDP), required in conjunction with the LINK, contains both current performance development goals and career development goals. The IDP is designed to provide associates with the skills and knowledge needed to perform their current job effectively; prepare associates to shift skills quickly when changes occur; and plan career development activities. The employee's IDP is developed by the employee in conjunction with their supervisor to ensure support of FEM's strategic plan and associate knowledge skills needed.

Through management and associate developed LINK objectives, utilizing the "SMART" criteria (Specific, Measurable, Attainable, Relevant, and Time-bound), FEM associates develop well defined and understandable job responsibilities that contribute to the achievement of organizational objectives and support associate career growth. LINK review/feedback sessions between supervisor and associate, held on a trimester schedule, provide an opportunity to discuss performance and progress, make "business driven" adjustments to objectives, and create action plans to address specific issues.

The annual salary program compensates associates based on their performance against LINK and Management Incentive Plan (MIP) objectives and core dimensions. Sprint implements an alpha rating performance review system, where review of LINK objectives and IDPs are focused on "differentiation" in assessing the performance of associates. This system is designed to provide greater financial rewards to the higher performing associates, while giving lower performing associates the opportunity and incentive to improve their performance through feedback, counseling and career development activities. Updates are provided in staff meetings, one-on-one sessions, document distribution and informative discussions.

The MIP objectives, which apply to employees in job grades 74 through 79, are designed to reward individual's efforts in accomplishing business unit or departmental objectives that support Sprint's business goals. The MIP is based on the premise that Sprint's business objectives can best be supported through a management-incentive plan that links a portion of compensation to continuous, accelerated improvement of goals and objectives that the associates can influence.

Recognition and compensation programs used by FEM include:

- Sprint Recognition Program (SRP) (Non-monetary)
- SRP Monetary Awards
- Extraordinary Achievement Award
- Annual ROI Breakfast Celebration
- Annual team building events
- Shift Differential Pay
- Common Merit Review (CMR)
- Management Incentive Program (MIP)

FEM is utilizing the LINK 360 tool for employee performance feedback. This is an online tool where setup, feedback, and a summary of all results are online and automated as opposed to meetings, forms to fill out, etc., allowing for quick turnaround of results for review. During a LINK 360 review between the employee and the employees' manager, this information is used to help the employee update their IDP to address any needed improvements. FEM associates are expected to complete a LINK 360 review every 18 months.

5.1c Hiring and Career Program

5.1c(1) FEM hiring is accomplished by following Sprint's standard recruitment policies and procedures. FEM ensures recruited individuals possess required skills for the position through the creation of job specific employment requisitions based on Position Questionnaires (PQ). The hiring manager partners with HR representatives to ensure that procedures are followed and skill sets are met by the position candidate. During the hiring process, a hiring manager completes a candidate skill set matrix, which compares the required skills of each candidate. The HR representative works with the hiring manager until the recruitment process is complete.

5.1c(2) FEM recruits associates with the necessary skill sets and knowledge required to meet business needs. By working closely with HR during the hiring process, FEM ensures that the diversity of candidates is representative of the diversity in the community. FEM strives to retain employees through competitive compensation, participation in recognition programs, and supplying the associates with the tools and guidance for career succession planning.

5.1c(3) FEM participates in Sprint's Succession Planning program whereby associates, at job grade level 77 and above, provide input that addresses their strengths, weaknesses and area of interest. The managers then add their own assessment of the associate's promotion potential, leadership skills, and areas of expertise. From this evaluation, the Succession Planning is used to help the associate develop activities in training, job assignments and special projects. All this information, stored in a corporate database, is used as a resource to obtain candidates to interview for open positions.

Also, for those individuals who display leadership skills to succeed at higher levels of management, the associate is recommended to participate in the Leadership Development Program (LDP) and/or Executive Candidate (EC) Program. Each recommended associate is reviewed with HR in terms of development and leadership opportunities.

The Leadership program identifies individuals within each organization's lead team to participate in Sprint's LDP. The mission of LDP is to identify and develop pools of talented, diverse leaders who are ready to move into key management positions at all levels in Sprint. LDP participants complete assessments and identify on-the-job development activities to develop their leadership skills. The LDP is a one year

development process, requiring commitment from management, selected associates, executive coaches and mentors.

The FEM leadership team also holds an annual "Associate Review Session". The inputs to this session include: current IDP, resume, associate review sheet prepared by the manager or supervisor, and a Personal Development Sheet. The associate review sheet lists strengths and weaknesses, promotability and performance information. The Personal Development Sheet located on the FEM website allows the associate to provide input on strengths, future career goals, areas of interest and job satisfaction.

5.2 Employee Learning and Motivation

5.2a Employee Education, Training, and Development

5.2a(1) IDPs outline specific training and educational objectives to develop or improve associate skills and knowledge in their current or future career objectives at all levels. As the Strategic Plan and current year Business Plan are reviewed, associate training needs for new technologies are identified and incorporated into associates' IDPs. These IDPs support Sprint's immediate and projected goals. The associate's career path is refined throughout the year based on plan changes. The University of Excellence Development Activities Guide (DAG) is a valuable tool to assist associates in determining appropriate activities for specific dimension development opportunities. FEM associates are encouraged to develop their skills through training courses. Over the last five years, FEM has averaged 49 days of training per year for each associate. As of 2004, a target of 50 hours per associate each year was established. IDPs are reviewed each trimester to ensure training objectives are met and adjustments are made as required. FEM has 63% of its associates who have acquired a higher education, and 8% holding a graduate degree.

Associates are exposed to business issues and executive management decision-making by dealing with various job levels while providing the ability to assess their interest and development needs. Further development and exposure opportunities are provided through presentations and technical scope reviews to the executive team. FEM utilizes a variety of educational tools and programs to assist and encourage associates with their on-going career planning.

5.2a(2) FEM IDPs are created between supervisor and associate to aid in meeting organizational objectives. All courses are selected to support at least one of the following: a) Improve associate knowledge/skills in current job; b) Improve associate knowledge/skills for future job as identified in associate's career plans; c) Address developmental opportunities identified in performance evaluation; d) Support Sprint dimensions & company objectives.

Based on review results, IDPs may be modified to improve associate knowledge and skills. Associates are encouraged to take a course in areas outside of the scope of FEM, or totally

unrelated to their current job to assist them in other career opportunities. FEM associates are required to complete Fundamentals of Sprint Quality training and ethics recertification every year. New employee orientation is conducted at the corporate level where these are addressed initially along with safety in the workplace and at the FEM orientation where organization specific information is addressed.

5.2a(3) All associates create an IDP with input from management. As part of the IDP, associates target 2-3 specific behavioral dimensions as opportunities for growth, and determine the activities (such as attending classes or job shadowing) that will help them reach their development goals. The IDP is reviewed with management, on a trimester schedule, to discuss progress and make business and/or career driven adjustments. To assist the associate with development, job family requirements are made available through the Development Activities Guide (DAG) on the University of Excellence web site. This tool suggests behavioral dimensions and development activities to prepare them for each dimension of the IDP. The IDP is used as a guide of training courses for the associate's development.

FEM has developed task/group specific documented training materials to educate associates on departmental processes and company expectations. As processes, procedures, or work tools change, associates are involved in assessing, outlining, and developing revisions to update training programs. Upon completion of internal training, feedback is solicited and appropriate updates are implemented to the training material. This solicitation directs FEM toward process training improvements.

Associates participate in seminars and vendor demonstrations to incorporate organizational and industry knowledge pertaining to their present job responsibilities and potential career development. These types of activities introduce associates to new areas of interest and provide information on the training and education to gain or enhance skills in these areas. FEM associates partner with vendors to develop training on new products and regulations, thus integrating knowledge assets into the education and training process.

5.2a(4) FEM delivers and participates in many types of training. Input is requested from associates, supervisors, and managers when a training course needs to be developed or updated. The new development needs are identified as an outcome of process reviews and analysis of results. FEM first looks at the options available for internal University of Excellence (UE) training because of the wide variety of technical and non-technical training available. Specialized training, such as vendor-specific, hands-on technical courses, are often provided as part of the material purchase costs and fill a specific need. FEM also investigates the opportunity to use internal Subject Matter Experts (SME) to train associates. Existing training content, media and delivery methods are reviewed when business drivers change or in response to new direction in

strategic plans.

5.2a(5) Reinforcing the use of new knowledge and skills occurs during informal discussions, as each associate returns from training. Associates are asked how they will be able to apply the skills learned. A follow-up discussion occurs with each associate during the trimester LINK and IDP reviews. Associates demonstrate use of the acquired skills through results provided in LINK write-up, and examples that correlate to behavioral subdimensions chosen by the associate to focus on for the year. Managers then ensure the associate is provided with opportunities via task assignments to use the skills learned.

In the event an associate leaves FEM on their own merit, either through job transfer, promotion or retirement, partnering is formed with the individual and other associates prior to the position being vacated. Job shadowing is implemented and information is shared to ensure the transition is seamless and non-impacting to customers. All required documentation is reviewed and stored on an accessible shared server drive for easy access and retrieval.

5.2a(6) For training classes that FEM holds, after session surveys are used to capture student feedback regarding course content, delivery, and relevance. Following the training sessions associates attend through UE or other resources, supervisors or managers initiate one-on-one discussions inquiring as to the relevance, content, and delivery method of the training. Each associate is asked to provide feedback indicating if the training was a good use of their time and should be recommended to others in the organization. When a course is highly recommended by an associate, they are asked to share that information with their peers.

5.2b Motivation and Career Development

FEM supports corporate-level and internally developed motivational and development tools, as shown in *Figure 5.2-2*.

Figure 5.2-2. Associate Development & Motivational Tools

ASSOCIATE DEVELOPMENT TOOLS	
▪ University of Excellence (UE)	▪ Mentoring
▪ External Training	▪ Cross Training
▪ LINK, LINK360	▪ Sprint Quality Training
▪ Educational Assistance	▪ Job Rotation
▪ Individual Development Plans (IDP)	▪ Job Shadowing
ASSOCIATE MOTIVATIONAL TOOLS	
▪ Excellence Recognition Program	▪ FEM All Hands Mtgs
▪ Promotion Opportunities	▪ Merit increases
▪ Management Incentive Plan (MIP)	▪ Team Builders
▪ Extraordinary Achievement Awards	▪ Flex Time
▪ Lunches/Celebrations	

Each year associates are requested to participate in the Associate Well-Being Survey. Following receipt of the departmental Associate Well-Being Survey results each year, associates participate in brainstorming and development of action plans. The action plans focus on two or three key survey questions the workgroups designate as an opportunity for

improvement. The action plans provide opportunities for associates contribution throughout the year, with quarterly updates to the leadership team and posted to the FEM website.

All associates are provided with the opportunity to use the Personal Development Sheet which was designed in response to an Associate Well Being Survey. This sheet is used during the annual Leadership team Associate Review sessions, and is also the groundwork for one-on-one discussions during annual IDP development.

All of FEM supports the Sprint Recognition program, recognizing associates who make significant contributions within the department, as well as throughout the company. In 2004, there were 570 On Line Thank You awards received or awarded by FEM associates and 94 monetary Excellence Awards. This validates FEM's efforts to develop a customer focused workforce and correlates to a consistent improvement in customer satisfaction levels.

5.3 Employee Well-Being and Satisfaction

5.3a Work Environment

5.3a(1) The Associate Well-Being Survey (AWS) is administered annually to FEM associates. The statements to which associates respond cover key components for gauging overall employee satisfaction. FEM recognizes the value of this tool in assessing employee satisfaction and promotes 100% participation of FEM associates in the annual AWS. Manager group results are provided from which action plans are developed to address areas of improvement selected by the associates. The success of the action plan implementation is calculated based on continual improvement in AWS results. For six years in a row, FEM achieved a higher overall satisfaction level than its parent groups and Sprint Corporation (77% FEM, 70% Network Engineering, and 66% Sprint). A new corporate survey was initiated in 2003 and distributed to a random selection of associates rather than the entire associate base. Therefore, making it impossible to obtain Director specific results and this created a challenge to obtain comparative data. So, in 2004, FEM initiated its own internal survey, the Associate Well-Being Survey using similar survey questions to keep a pulse on the FEM workforce satisfaction.

Ergonomic work areas are designed for maximum efficiency and safety of associates. During new employee orientation, associates are provided a copy of Sprint's ergonomic handbook. FEM associates have access to the corporate help desk and the Environmental Health & Safety (EHS) website for reporting any environmental issues or needs of their workspace, i.e., climate control, lighting, and maintenance.

Corporate emergency evacuation plans are in place. In addition, FEM associates have developed evacuation plans for special needs co-workers, ensuring that primary and secondary partners are identified to assist during drills and emergencies. Associates volunteer to become safety marshals, completing

extensive training and are assigned an area of responsibility. The same process is used across all FEM locations.

5.3a(2) For an urgent event or need, an Emergency Preparedness plan is in place. Associates from each workgroup volunteered to become lead and back-up Safety Marshals. The Safety Marshals and back-ups completed six training courses to ensure they are prepared for potential emergencies. The courses are: First Aid, CPR, Blood Borne Pathogens, Fire Evacuation for Coordinators, Hazard Communication, and Office Ergonomics & Back Safety. The Safety Marshals, identified by red nametags at their cubes, are assigned responsibility for a group of associates in the proximity. Awareness meetings have been held so each associate knows who their Safety Marshal & back-up are, what evacuation routes are to be used, and where the group is to assemble for roll call, should evacuation occur. The entire plan is located on the FEM website for all associates to access. The plan includes instructions for all FEM locations.

FEM has taken proactive steps to mitigate the effect of emergencies at technical facilities. These include the installation of a very early warning smoke detector system at all major network sites, gas suppression systems, and redundant HVAC and DC power components. During dangerous situations, the BMC provides direction to technical facility employees, such as do not enter because of hazardous material spills or by providing clean-up instructions. All FEM master agreements with vendors/partners include response time expectations for critical situations. When a partner is called to perform in critical situations, FEM recognizes and rewards the efforts, i.e. plaques presented to BMC vendors following the 9/11 disaster. The purpose of the Business Continuity department is to have contacts, communications and procedures in place to allow Sprint to provide business continuity to customers in the event of an emergency or disaster.

5.3b Employee Support and Satisfaction

5.3b(1) An overall view of associate satisfaction is a result of the annual Associate Well-Being Survey (AWS). The survey addresses key factors such as: associate pride, working conditions, compensation, cooperation, and opportunities for advancement. Following the year's survey results, FEM workgroups select two or three items as opportunities for improvement. The teams create and update action plans quarterly that include improvement descriptions, measures of completion, and timeframes.

5.3b(2) All associates have access to corporate programs such as Flex Time, Voluntary Time Off, Family Medical Leave Act, Americans with Disability Act, Employee Assistance Program (EAP), and short-term disability to increase their ability to deal with obstacles and maintain a healthy lifestyle on and off the job. Corporate training is available to all associates on diversity, discrimination, sexual harassment and business ethics. FEM encourages all associates to take advantage of the various benefit options. All associates and their families, may join the

Sprint World Headquarters' Fitness Center. The Fitness Center provides full service workout areas and instructor led fitness programs. FEM associates located in Reston have the opportunity to join the Sprint Fitness Center located there. All FEM associates can participate in the multitude of corporate benefit offerings, as listed in *Figure 5.3-1*, all contributing to maintaining the high satisfaction levels recorded for FEM through EAS and Associate Well-Being survey results .

Figure 5.3-1 Sprint Benefit Offerings

Educational Assistance Program
Employee Stock Purchase Plan (ESPP)
Financial Planning
U.S. Savings Bond Payroll Savings Plan
Employee Discounts
Employer Quality Partnership for Quality Health Care
Health and Dependent Day Care Reimbursement
Retirement Savings Plan 401(k)
Sprint's Work/Life Solutions – Employee Assistance Program

5.3b(3) Sprint annually conducts an independent electronic Employee Pulse Survey, allowing associates an opportunity to contribute opinions on the strengths and weaknesses of the organization. The annual survey asks employees to rate their satisfaction level with issues such as insurance benefits, work group cooperation, and working conditions. FEM capitalizes on both formal and informal assessment methods to determine employee satisfaction.

FEM uses formal Associate Well Being Survey feedback sessions to analyze the survey results and provide open discussion of all significant concerns, including those not specifically covered by the survey questions. Associates determine the areas to address and establish action plans accordingly. FEM survey results, which have an 88% response rate, are reviewed in a formal setting quarterly and compared against previous year results in relation to associate satisfaction. The leadership team uses the feedback to prioritize improvements to the leadership process and to help develop changes in the associate support climate.

FEM promotes the informal "Open Door" policy and has a place on the FEM web site called "Ask FEM". Here, associates have the opportunity to directly submit questions to the Director in a written format as an alternative to a one-on-one discussion.

Figure 6.1-1 Key Processes, Requirements and Measures

Key Process	Maturity Level	Key Customer Requirement	Key Measure
Collocation Management	5	◆ Prepare the site for collocation	◆ Cycle time %
Engineering Database Management	4	◆ Accurate and timely entry of network components in provisioning database	◆ The number of internally caused errors ◆ Additional work caused by customer or supplier errors
Power Engineering	4	◆ Have power capacity available to facilitate turn-up of network components	◆ Cycle time % ◆ Meeting service and product delivery commitments to customers ◆ Actual versus Forecast
Cross Connect/Overhead Engineering	4	◆ Cross connect and overhead superstructure capacity available when needed	◆ Cycle time % ◆ The number of internally caused errors ◆ Meeting service and product delivery commitments to customers

FEM encourages all associates, including management, to take advantage of the LINK 360 program which promotes objective feedback from peers and management. FEM established a target of having 33% of associates complete a LINK 360 every year on a staggered cycle.

5.3b(4) FEM's key measures include three that are diagnostic of the employee environment and support climate. They are: Associate Well Being Survey, OSHA compliance, and Work Smart/Work Carefully program. Data related to these measures are collected, tracked, analyzed and reported on a schedule appropriate to that measure. Results that do not fall within acceptable parameters become candidates for process improvement and action plan implementation to keep on track in meeting strategic objectives. These measures provide the data for understanding how effective we are at the "people" part of business and any improvement affects our business results in a positive way. Additional measures are tracked, such as hiring, promotions, transfers, and terminations, with the leadership team deciding annually which measures are "key" based on business and economic factors.

In addition to the above-mentioned measures, feedback and information provided through less formal vehicles such as the "Ask FEM" feature on the web site is used to determine opportunities for improvement. Prioritization of opportunities for improvement is done by individual work groups to ensure the broadest impact to the associate base and to draw on varied backgrounds for brainstorming improvement ideas.

CATEGORY 6 – PROCESS MANAGEMENT

6.1 Value Creation Processes

6.1a Value Creation Process

6.1a(1) FEM's key processes, outlined in Figure 6.1-1, are determined by evaluating each for value in supporting and facilitating Sprint's ability to provide retail domestic voice services, data, internet/on-line, wholesale, and international services to our customers. The processes contribute to the profitability and business success to our stakeholder, customer, and organization through cost management, network reliability and increase productivity.

			◆ Actual versus Forecast
Tactical Site Planning	4	◆ Accurate and timely assignment of floor space, cross connect and breakers	◆ Cycle time % ◆ Meeting service and product delivery commitments to customers
Strategic Site Planning	4	◆ Ensure Right sizing of assets ◆ Maximize floor space utilization	◆ Documented savings ◆ Documented Floor utilization charts
Standards Management	4	◆ Published guidelines for AC and DC components, cross connects, overhead and cabling	◆ Documented Saving ◆ Space Utilization
Technical Drawing Management	4	◆ Accurate and timely representation of sites and routes	◆ Cycle time % ◆ The number of internally caused errors ◆ Additional work caused by customer or supplier errors
Capital/Expense Management	4	◆ + / - 5% of Capital Forecast ◆ Ensure spending occurs within intended timeframe ◆ + / - 3% of Expense Forecast	◆ Comparing Actual to Forecasted dollars ◆ # of Work Orders in non-spending status ◆ Actual versus Forecast
Facility Design & Construction Management	4	◆ Ensure facilities are ready to accept equipment in the timeframe required	◆ Cycle time % ◆ Meeting service and product delivery commitments to customers ◆ Actual versus Forecast
Maintenance Management	5	◆ Costs will be lower than industry standards ◆ + / - 3% of Forecast ◆ Equal to or better than industry norms ◆ Reduce Network errors causing network outages	◆ BMC maintenance and repair costs per square foot as compared to industry standards ◆ Comparing Actual to Forecasted dollars ◆ Documented savings

6.1a(2) Key value creation process requirements are determined by conducting monthly, quarterly or annual reviews with customer and supplier SMEs (subject matter experts) and cross functional process owners to identify specific requirements. By incorporating input from customers, suppliers and partners, FEM conducts further detailed analysis for costs, effectiveness and risk assessment. When applicable, members of the Information Technology Services organization are invited, as key team members, to ensure the effective design and launch of any new application.

6.1a(3) FEM ensures that suppliers and customers are involved at all levels of development, reference Figure 6.1-2. They provide input during the requirement gathering phase, provide assistance in the development of training materials, and participate in testing and final acceptance before final deployment. During any phase, suppliers and/or customers may request changes through development/process meetings. Requests are reviewed and consensus reached. If a change is necessary, the impact to the 1 and 3-year plan is then analyzed to minimize schedule impacts.

New technology and organizational knowledge are incorporated into the design process of Task-On-Arrow (TOA), business case evaluation, cause and effect relationships and root cause analysis. Innovation is critical to process efforts; therefore, each process and sub-process owner applies and uses these tools.

When a process is being developed, entrance and exit criteria, key requirements and measures are identified during the design, implementation, and acceptance phases. FEM implements these processes to ensure they meet customer requirements, the strategic plan and Sprint's business plan. Cycle time thus becomes critical and is measured to meet turnaround timelines. FEM productivity is also measured as an indicator that proper resources are in place to meet commitments and promised deliverables. In addition, cost controls are ensured as a

measure for success with opportunities for implementation of improvements

6.1a(4) FEM's processes are reviewed through monthly Operations Reviews with FEM's leadership team, as well as internal day-to-day system automated reporting processes.

In-process measures are used in managing these processes by establishing objectives and frequently reviewing results. The frequency of the measures, as illustrated in Figure 4.1-1, show the breadth of FEM's reporting. The objectives are reviewed and/or updated monthly, quarterly or annually. If results are not within established tolerances, analysis is completed and corrective actions are taken where appropriate. A key concept for FEM is the regular use of Tasks on Arrow (TOA) with a systematic yearly review of each process. The sub process owners and their team members conduct this process review using the information resource or Create-Retrieve-Update-Delete (CRUD) transactions of the TOA.

These processes are managed by using customer, supplier and partner input through contract negotiations, Requests for Proposal (RFP's), pre-bid meetings, Employee Attitude Survey, Cost Accounting and Engineering partnership teams, FEM Customer Satisfaction Survey, Vendor Key Partnership Meetings, Vendor Surveys, and SLAs. FEM also uses post construction vendor/supplier performance as provided through regular meetings and surveys (monthly, quarterly, annually) as appropriate. Procedures are also in place for periodic auditing through the use of on-site inspection teams and yearly reviews with specific vendors at the site.

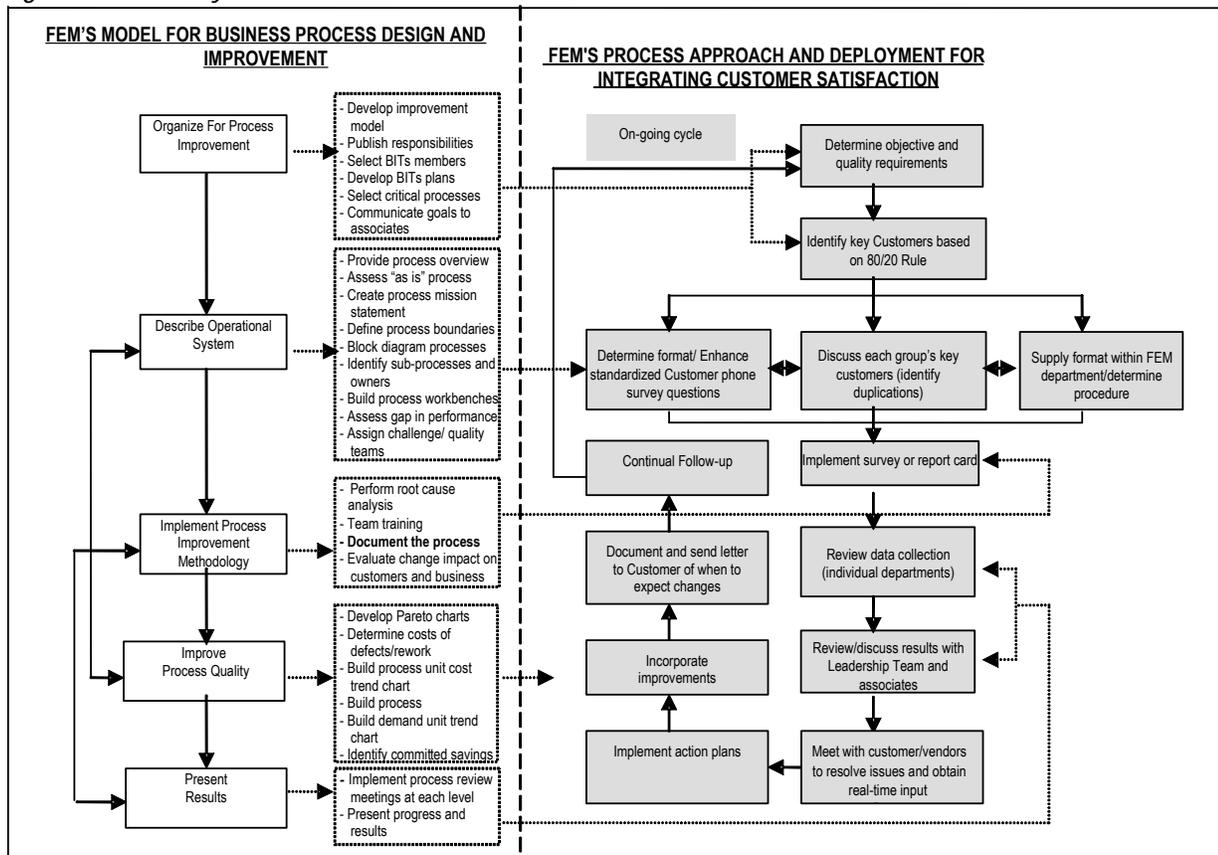
6.1a(5) Overall costs associated with inspections, tests, and audits are minimized by utilizing FEM engineers in lieu of outsourced resources. In addition to in-house quality assurance and quality control inspections and audits, FEM engages in a prevention based approach in ensuring quality goods and services. Inspections are standardized for frequency and based

on historical data for quality. Identifying entrance and exit criteria is used to define work requirements and desired outcome, which reduces and minimizes defects and rework. Another process utilized to prevent defects and rework is the Methods of Procedures (MOP) process. This is a formal process using standard forms with signatures, which provide the means for Field Operations to review and approve a critical stage of implementation that could jeopardize the operation of the functional site. In the event of an unanticipated issue during planned activities, root cause analysis is performed to determine what triggered the event, and how to ensure no repeats.

requirements through a variety of listening and learning strategies including customer surveys, customer partnership meetings, web-based feedback and complaints, open house meetings and site visits. The importance of customer requirements gathered through these strategies are illustrated by FEM through the development of SLAs, TOAs, activity time lines, process benchmarking, and process improvement action plans. Service Level Agreements provide the framework for defining day-to-day responsibilities and putting agreed upon metrics in place. The SLAs are formally reviewed each year, but can be opened for review at any time business or organizational needs change. Figure 3.1-1 shows data collection methods used by FEM to determine customer requirements and priorities.

6.1a(6) FEM improves its value creation process, Figure 6.1-2, by hosting annual planning meetings with internal customers to review the 1 and 3-year business plan and seeking direct feedback from the user community. FEM gathers customer

Figure 6.1-2 FEM Key Value Creation Process Model

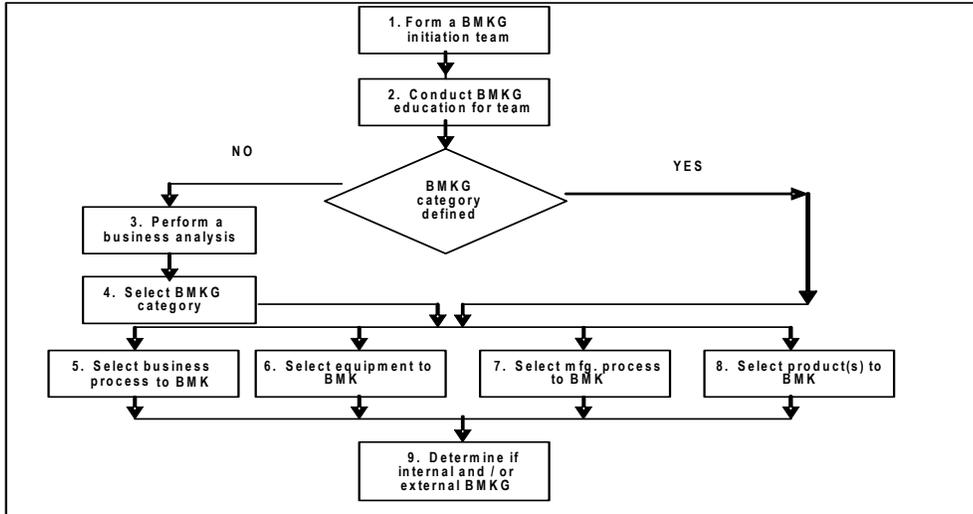


Business Improvement Teams (BIT) develop and share process improvements to FEM and customer groups. Monthly and quarterly meetings share successes and best practices. FEM uses standards based functional benchmarking for building standards and environmental protection standards. A formal benchmarking BITs team assists in documenting benchmarked areas, identifies areas to benchmark, benchmarking against partners, conducts studies for best practices, and makes

strategic recommendations for FEM. Reference Figure 6.1-3.

FEM performance requirements and improvements are tracked and reviewed at regular intervals. Feedback and improvements are shared with partners and customers through meetings, emails, conference calls, and customer requirement surveys. Teams may be formed to address identified issues, and develop corrective action plans.

Figure 6.1-3 Benchmarking Model



6.2 Support Processes and Operational Planning

6.2a Support Processes

6.2a(1) FEM's identified support processes are typically all internal to Sprint except for the Information Technology group recently outsourced. These support processes are required to be used as driven by corporate directive. FEM meets with owners or team leads to ensure that all support process

stakeholders understand and commit to meet the project requirements. FEM then shares findings with its key support process owners, including: information gained at one-on-one meetings with customers/partners, joint team efforts, executive team review meetings, and TOAs. Reference Figure 6.2-1 and Figure 3.1-1.

Figure 6.2-1 Support Key Processes, Measures, and Requirements

KEY SUPPORT PROCESS OWNERS	PROCESS	KEY REQUIREMENT	MEASURES
HUMAN RESOURCES MANAGEMENT	- Hiring - LINK - Managing Benefits - IDPs - Excellence Recognition Program	- Hire the most qualified in timely manner - Appropriately reward employees - Provide adequate associate benefits - Develop high potential associates - Recognize associate achievement	- Hiring Interval - Quarterly review of LINKS - All receive yearly Package - Associate development displayed on the job (LINK) - Number of Excellence awards
FINANCE MANAGEMENT	- Capital/Expense reporting - 3 Year Forecast - Revision/Publication - PA	- Keep capital/expense budget within variance - Manage executive level revisions - Manage the capital programs	- Data due within 5/8 days of month close - Completed meetings - 3 year Plan Document delivered by March each year
UNIVERSITY OF EXCELLENCE	- Sprint Corporate Training Programs - Development Activities Guide (DAG)	- Provide sufficient level of training for associates - Develop managers through training - Develop Quality focused associates - Yearly Training Guide	- Employee Feedback - Number of Students - Number of hours trained - Employee Evaluations
INFORMATION TECHNOLOGY SERVICES (ITS)	- Requirements gathering - System Development	- Identify new, innovative applications to meet FEM process improvements	- User Acceptance & Beta Test of Application - Application "On Time" Delivery
STANDARDS	- Development, review and approval of standards for AC and DC power, cross connects, overhead and cabling	- Testing and approval of new products - Documentation to support standards publication	- Quantity of standards created and/or reviewed - Vendor partnerships meetings on new technologies
SALES/MARKETING	- Yearly and 3 Year market sales forecast	- Generate accurate customer growth forecast by business segment	- "On Time" forecast document (due Aug) customer growth (+/-)
REAL ESTATE	- Property Acquisitions - Rental/Purchases	- Negotiate purchase agreement - Negotiate Right of Way (ROW) - Easement	- In time to meet Business Plan - Number of times in Critical Path of Objective
SUPPLY CHAIN MANAGEMENT (SCM)	- Bid Process - Master Agreement - Standard Agreement	- Bid Analysis - Contract Issuance	- Competitive Bid - Contract Execution on start of renewal date
SUPPLIER DISBURSMENTS	- Payments	- On time payment to vendors and suppliers	- Pay within 45 days of receipt or per contract

6.2a(2) Key support process requirements are determined through negotiation with affected customers, suppliers and support partners to ensure inclusion in processes. External customer input is provided by Sales/Marketing and incorporated into the 1 and 3-year plan. Members of FEM staff serve on various cross-functional development teams to participate in the actual development of all processes. Following this systematic

Business Process Improvement (BPI) approach, FEM brings in SMEs who represent customers, suppliers and cross-functional support process owners to identify specific requirements. Each proposed requirement undergoes further detailed analysis for cost, effectiveness and probability. When new applications are involved, members of the ITS/KCPREM organization are invited, as key team members, to ensure effective design and launch.

6.2a(3) FEM suppliers and customers are involved at all levels of development, including: input during requirements gathering, development of training materials, acceptance testing, and final acceptance before rollout. New technology and organizational knowledge are incorporated into the process design. These elements emerge through partnership meetings and by FEM employees who are kept up-to-date by attending technical, marketing and sales classes conducted by Sprint's University of Excellence or outside vendor seminars and technology conferences.

FEM incorporates specific process measures such as cycle time, productivity, cost control, and other efficiency and effectiveness factors into the design of these processes. Additionally, these processes are primarily cross-functional and include partners and suppliers.

FEM implements these processes to ensure they meet design requirements by meeting with customers at the beginning of a project. Test cases, analysis and design are all completed, based on signed-off customer requirements. Upon completion of unit, system, and integration testing, the application is presented to the customer for user acceptance testing, beta testing, iteration changes, and final approval. This process minimizes design changes.

6.2a(4) Key performance measures or indicators used for the control and improvement of FEM support processes are listed in Figure 6.2-1. They incorporate factors such as on time delivery and minimum deliverables.

Processes are managed by using customer, supplier and partner input. Input is obtained through the use of the TOA concept as a clear linkage between customer requirements, process measures and standards as demonstrated through Associate Well-Being Survey, Cost Accounting and Engineering partnership teams, FEM Customer Satisfaction Survey, Vendor Surveys, and SLAs. Reference Figure 3.1-1.

Monthly in-process performance measurements are used to ensure that all processes meet design requirements. These measurements include SLAs, e-mail, surveys, web site feedback formats such as frequently asked questions, real time customer feedback method through a "How are we doing?" link on associate e-mail AutoSignature, site audits, and user acceptance and beta testing by customers and suppliers.

6.2a(5) FEM ensures support performance by defining requirements up front and measuring their performance based upon delivery. Defects are fed back into the process through emails and phone calls, creating a continuously improving process. Surveys are conducted and metrics area examined at partnership meetings with suppliers. This allows FEM to eliminate nearly all audits and inspections and their associated cost as well as preventing future defects, rework and variability. Support departments are a shared resource throughout the entire company which enables all improvement and lessons learned to be shared equally.

6.2a(6) FEM relies on SLAs and TOAs to document and control many support processes. For example, SLAs are in place with the IT organization to ensure system reliability and graduated response time – for non-critical to critical applications. Escalations points of contacts are also identified in case issues arise. The SLAs and TOAs are kept fresh and updated to reflect business changes by complying with established annual review time periods. For example, the Finance Management TOAs and SLAs were reviewed mid-year because of numerous changes within Finance.

6.2b Operational Planning

6.2b(1) Most of the support processes utilized by FEM are through other corporate teams. In the case of IT, FEM provides forecast information for major system development needs for each upcoming year. This allows the IT team to staff appropriately. Resource allocation is determined by the use of Activity Based Management (ABM), a tool which tracks the fluctuation of major activity functions, such as Project ID (PID) management, and time spent on the activity to determine if the cost of the activity is trending up or down. This tool provides managers with data to support the need for staffing changes based on quantity of activities and length of time required to perform the activity.

The standard process for business case approval includes a view of resources required to support new business investments or organizational changes. For example, when the BMC accepted responsibility for providing generator maintenance for cell site generators, the headcount required to support this function was included in the cost analysis. By capturing the resource costs in addition to the product and/or service costs, the decision was made based on a full view of the program cost.

6.2b(2) Business Continuity Plans have been developed and tested for all mission critical organizations. The Underwriters Laboratory (UL) monitoring team has an alternate location to which they can relocate and operate seamlessly should an emergency impact the primary site. In addition, back-ups of the UL monitoring data, which includes alarm point configuration and contact information, are stored off-site, and can be recovered and reloaded in a short time-frame to keep this vital team operational.