

Planning for Success

2012 - 2017
Strategic Plan

NC Department of Public Safety
Correction Enterprises



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Overview

NC Correction Enterprises (NCCE) provides meaningful job training for incarcerated offenders, teaching valuable job skills, contributing to a safer prison environment for staff and inmates, and providing valuable goods and services at a cost savings to the state of North Carolina.

NCCE is 100% receipt funded, operating at no cost to the taxpayers of North Carolina. NCCE generates operating revenue and capital solely through the efficient operation of prison industries. Correction Enterprises works to emulate successful private industries by embracing the principals of customer service, quality, safety and innovation to generate revenues and maintain margins, ensuring adequate resources to support ongoing operations.

NCCE employs approximately 375 staff and 2,100 inmates. Currently there are thirty-one plants in twenty-five different prisons across the state. Correction Enterprises' products and services are diverse, with seventeen manufacturing and service industries as follows:

Manufacturing

License Tags
Highway and Architectural Paint
Highway Signs
Wood Furniture
Upholstered Furniture
Textiles, Sewn Goods and Embroidery
Metal Products
Janitorial Products
Optical
Farming and Canning
Meat Processing

Services

Laundries
Printing
Quick Copy
Braille Transcription
Reupholstery
Warehousing and Distribution

Inmate Rehabilitation

Correction Enterprises aids in the rehabilitation of inmates by providing an opportunity to gain skills in a real world training and work environment. NCCE has partnered with the N.C. Department of Labor and the Community College System to provide certification and apprenticeship programs. Apprenticeship programs are currently offered in the fields of welding, printing, reupholstery, upholstery, wood furniture, digital design (embroidery), sewing machine repair, and digital printing. Most apprenticeship programs require inmates to participate in 480 hours of classroom training and 4000 – 6000 hours of on-the-job training. Correction Enterprises also partners with the United States Library of Congress to certify inmates in Braille Transcription and other Certifications.

Statutory Authority

Correction Enterprises, a section of Adult Corrections of the N.C. Department of Public Safety, is authorized by Article 14 of NC General Statute 148. (G.S. 148-128 through 148-134).

Stake Holders

The primary beneficiaries of NCCE's mission are the general public and the incarcerated offenders who participate in NCCE's work programs. Within North Carolina's correctional facilities, work helps to normalize the prison environment, reducing idleness and increasing the stability of the inmate, which in turn reduces inmate violence and leads to increased stability and safety within the prisons. This has a beneficial impact on public safety as offenders with skills and work experience have a better chance of becoming productive, tax-paying citizens once they are released from incarceration and rejoin society.

NCCE operations contribute to the North Carolina economy through purchases of raw materials and supplies from vendors, employee payroll and inmate wages. The wages earned by the inmate workforce are used for inmate personal expenses and to support their families. NCCE contributes annually to the state's general fund, the Crime Victims Compensation fund and the Department of Public Safety's annual budget. Annual contributions average \$7 million.

Customer Base

The goods and services produced by NCCE are sold to state agencies; institutions of government of the state, county and municipal level; not-for-profit organizations; and on a limited basis to state, county and municipal employees and retirees.

Table 1 – Sales by Agency Type

Department of Public Safety	58%
Department of Transportation	24%
Other State Agencies	9%
Hospitals	4%
Public Schools	2%
Cities & Counties	1%
Colleges and Universities	1%
Non-Profits	>1%
Employee Sales	>1%

Mission and Vision

Mission

To provide marketable job skills and transitional opportunities for inmates in a professional and safe work environment while providing quality goods and excellent service to our customers at a savings to the citizens of North Carolina.

Vision

To be the vendor of choice for our customers. To provide valuable inmate job opportunities to increase successful re-entry.



Core Values

The following beliefs (core principals) support our mission and vision statements:

Product Excellence

Committed to producing high quality products and services that exceed industry standards.

Quality Customer Service

Interact with customers in a knowledgeable, courteous manner that exceeds customer expectations. Strive to be the vendor of choice by providing exceptional service, responsiveness, competitive pricing and on-time delivery.

Financial Stability

Require financial self-sufficiency through the prudent use of resources and continuous improvement.

Inmate Skill Development

Teach valuable skills that change behavior.

Professionalism

Commitment to integrity, respect and proactive communication that empower employees to be decisive, accountable and innovative.

Mission Focused

Passion for success through loyalty to our employees, stakeholders and inmates.

Staff Development

Promote an environment that supports career enhancement through training, mentoring and skill development.

Safe Workplace

Provide a safe environment that complies with industry safety standards. Promote safe working practices and protection of all staff and inmates through training and education.

Future Outlook

Several key factors were considered as part of the strategic plan development process that could potentially affect NCCE's future.

- The current economic situation dictates that Correction Enterprises must address short-term revenue and cost reduction measures to ensure financial self-sufficiency. Future budget cuts and/or adverse legislative action could lead to loss of revenue, reduced earnings and reduction in training programs.
- Prison Admissions – In January 2012 the Department of Public Safety implemented the Justice Reinvestment Act. It is estimated that this plan will reduce the prison population by up to 8%. This will significantly reduce the sales of textiles, food, and janitorial products.
- Medicaid Reduction – In October 2011 the state eliminated the reimbursement of eyeglasses for adult Medicaid recipients. This reduced income of Correction Enterprises total optical sales by approximately 40%.
- There are several potential market growth areas for NCCE including not-for-profits, state employees, government contractors, and municipal government sectors. There are opportunities to increase PIE Partnerships and expand new products that fit with current capabilities. NCCE also has the opportunity to leverage increased awareness of the NCCE brand to expand sales throughout its customer base.
- Expansion of e-marketing and e-purchasing systems should lead to increased market penetration. The university system is embracing a single e-purchasing system, SciQuest, which will offer NCCE a landing page, increasing exposure, brand awareness and market penetration. Larger municipal systems such as the City of Raleigh have expressed interest in a similar system.
- There is major growth potential in the area of inmate training. NCCE has developed an excellent partnership with the Department of Labor and the Community College System opening opportunities for new and expanded Apprenticeship and On-The-Job training programs.
- Employee morale is waning due to lack of employee raises and recognition over the past four years. There is opportunity to encourage input and feedback from employees to reengage and motivate staff.
- Correction Enterprises has an aging workforce with 27% eligible to retire with full benefits within the next five (5) years. NCCE must begin to hire and provide training to a younger set of employees and begin transferring business knowledge and expertise.

Strategic Goals

Goal 1: Improve Customer Experience

Customers are a key success factor for NCCE. Through communication and partnership with customers, NCCE will strive to improve the customer experience by understanding and anticipating customer needs, building customer loyalty and garnering new customers. We will endeavor to be the vendor of choice by exceeding our customer's expectations for quality, price and service.

Goal 2: Increase Opportunities for Inmate Success

NCCE must be creative in finding ways to continue to offer inmate workers the job skill and development opportunities that are instrumental to successful rehabilitation thereby reducing recidivism.

Goal 3: Increase Market Share

NCCE must clearly identify what percentage of the market we currently hold and set goals to increase market share across the board. There is opportunity to pass legislation to increase our customer base.

Goal 4: Maintain Financial Stability

Financial self-sufficiency is essential to NCCE; recognizing that operating our business efficiently is necessary to promoting responsible growth and additional inmate opportunities.

Goal 5: Improve Organizational Efficiencies

NCCE must invest in staff to increase proficiency and plan for future needs. We must work together as a team to remove organizational barriers, increase morale, explore innovative new concepts and improve communication.

Goal 6: Increase Environmental Responsibility

NCCE is committed to continuously working to expand our offerings of environmental sustainable products and to improve the environmental performance of our products and services. We will endeavor to promote sustainability and reduce our environmental impact by utilizing reuse, reduce and recycle methodologies in our raw materials and manufacturing processes.

Goal 7: Implement New Product Development

As customer needs change, NCCE must adapt and develop new product lines, accelerating the ability to provide for a changing set of needs by a growing set of customers.

Objectives, Strategies and Performance Measures

Goal 1: Improve Customer Experience

Objective 1.1 Strive to be the vendor of choice for all customers. Obtain Customer Satisfaction rating of “satisfactory or above” for 95% of customers surveyed.

Strategy 1.1.1 Develop Customer Satisfaction Survey. Survey 10% of recent customers on a monthly basis. Develop a follow-up mechanism for less than satisfactory survey responses.

Strategy 1.1.2 Develop loyal relationships and partnerships through consultive selling.

Strategy 1.1.3 Improve understanding of customers, their changing needs/requirements.

Strategy 1.1.4 Increase quality and frequency of customer contacts.

Strategy 1.1.5 Provide customer education seminars and solicit their input on new products and additional ways to meet their needs.

Strategy 1.1.6 Provide on-going training that provides an internal and external customer service perspective for all NCCE staff.

Performance Measures: Capture, track and monitor customer data through the BIDS system. Track monthly customer survey responses. Annual Customer Service training provided to staff. Percentage of follow-ups provided to dissatisfied customers.

Objectives, Strategies and Performance Measures

Objective 1.2 Improve Delivery Times.

- Strategy 1.2.1 Research industry standards for manufacturing and distribution turn-times for all industries. Strive to meet industry standard turn-times.
- Strategy 1.2.2 Sales/Marketing/Web Development to coordinate all advertising and on-time delivery schedules/commitments with operations prior to publicizing.
- Strategy 1.2.3 Evaluate, analyze and redesign key processes that affect delivery times (ordering, production, distribution, etc). Compare to industry standards for each industry.
- Strategy 1.2.4 Set min/max inventory levels for all stock items.

Performance Measures: Track improvement in average time to complete orders from date of order entry (BIDS report). Track backorder statuses. Customer satisfaction surveys.

Objective 1.3 Improve use of technology to enhance customer experience.

- Strategy 1.3.1 Improve ease of ordering through website enhancements and interactive software development.
- Strategy 1.3.2 Expand the number of e-purchasing platforms that interact with the NCCE webpage to include local/municipal government entities using the same or similar web-based programs. (i.e. SciQuest).

Performance Measures: Track increase in on-line orders. Add ease of web use to monthly customer surveys. Quarterly web use reports. Track monthly customer survey responses.

Objectives, Strategies and Performance Measures

Goal 2: Increase Opportunities for Inmate Success

Objective 2.1 Increase employment opportunities for inmates upon release.

Strategy 2.1.1 Identify a permanent source of funding for a full-time Job Placement Coordinator within Correction Enterprises.

Strategy 2.1.2 Work with employers and community-based employment resources to connect inmates with potential employers.

Strategy 2.1.3 Explore expansion of inmate training opportunities in new industries showing positive job growth.

Strategy 2.1.4 Increase employer database by 100%

Performance Measures: Track released NCCE trained offender employment at 90 days/1 year/3 year intervals.

Objective 2.2 Increase training opportunities for inmates.

Strategy 2.2.1 Identify soft skills and pre-release training required to obtain/retain gainful employment.

Strategy 2.2.2 Implement a soft skills training program for all inmates who have worked with NCCE for 3 months or longer with a minimum of 75 inmates participating annually.

Strategy 2.2.3 Implement a pre-release training program for all inmates who are within 24 months of release with a minimum of 75 inmates participating annually.

Strategy 2.2.4 Add soft-skills training as a requirement in all DOL Apprenticeship related instruction programs.

Strategy 2.2.5 Increase number of industry certifications offered to inmates in non-apprenticeable trades.

Performance Measures: Implementation of training programs. Number of inmates participating in soft skills and pre-release training. Increased number of industry certifications offered.

Objectives, Strategies and Performance Measures

Objective 2.3 Increase NCCE staff awareness of their role in inmate training.

Strategy 2.3.1 Develop role model and soft-skills training class for NCCE supervisors. Incorporate training into NCCE Basic Training.

Strategy 2.3.2 Work with OSDT on developing a role model and soft-skills e-portal training class for all NCCE staff.

Performance Measures: Implementation of training programs. Number of employees trained.

Objective 2.4 Increase Department of Labor certified apprenticeships and On-the-Job Training certifications.

Strategy 2.4.1 Pursue Department of Labor certified apprenticeships and On-the Job Training certifications for all Correction Enterprises industries.

Strategy 2.4.2 Increase number of inmates obtaining DOL Apprenticeships and OJT Certificates by 50%.

Performance Measures: Track Apprenticeship and OJT enrollment and graduation rates. Track increase in number of programs offered.

Objective 2.5 Partner with internal and external job readiness and transition/reentry programs.

Strategy 2.5.1 Enhance existing NCCE programs by developing stronger relationships with internal and external partners such as Employment Security Commission, Department of Labor, Division of Prisons Program Services, and the Division of Community Corrections.

Strategy 2.5.2 Educate staff on available transition programs in the community and through Adult Corrections. Incorporate training into NCCE Basic Training and e-learning portal.

Performance Measures: Number of partnerships built and frequency of contacts and information shared. Training incorporated into e-learning and Basic Training.

Objectives, Strategies and Performance Measures

Objective 2.6 Pursue funding through grant opportunities to increase training and job placement opportunities for inmates.

Strategy 2.6.1 Keep abreast of grant opportunities, particularly those offered through the Second Change Act.

Strategy 2.6.2 Work with the Governor's Crime Commission and DPS Team to apply for all inmate training grant opportunities.

Performance Measures: Number of grants approved and dollar amount procured.

Objectives, Strategies and Performance Measures

Goal 3: Increase Market Share

Objective 3.1 Identify market size and penetration for all 17 NCCE Industries.

Strategy 3.1.1 Identify funding to hire marketing analyst.

Strategy 3.1.2 Conduct market analysis. Determine frequency of need for market analysis.

Performance Measures: Completed analysis. Review by NCCE Executive Management Team.

Objective 3.2 Introduce legislation focused on increasing market base.

Strategy 3.2.1 Review current statutes and identify improvements that would positively affect NCCE operations.

Strategy 3.2.2 Develop strong relationship with legislators.

Performance Measures: Legislation introduced and passed.

Objective 3.3 Build reputation.

Strategy 3.3.1 Build strong brand image and awareness.

Strategy 3.3.2 Increase frequency of customer plant tours.

Strategy 3.3.3 Develop promotional material that effectively communicate product value, service and mission.

Strategy 3.3.4 Communicate NCCE's social and business benefits at every opportunity.

Strategy 3.3.5 Enhance customers' awareness of products, including value and benefit of products.

Performance Measure: Include customer survey questions on reputation, brand awareness and product quality in monthly surveys. Track repeat business and year to date sales against monthly forecasts.

Objectives, Strategies and Performance Measures

Goal 4: Maintain Financial Stability

Objective 4.1 Increase sales to \$100,000,000 by 2017.

Strategy 4.1.1 Expand product base through direct customer feedback and education.

Strategy 4.1.2 Expand customer base.

Performance Measure: Monitor Profit and Loss statement on a monthly basis to ensure sales are increasing.

Objective 4.2 Increase margins.

Strategy 4.2.1 Decrease overhead through reduction of costs of goods sold.

Strategy 4.2.2 Improve overhead rates through improved utility monitoring, reduction of scrap rate and remanufacturing of products.

Performance Measures: Compare scrap rates against industry standards. Monitor monthly overhead rates and profit margins.

Objective 4.3 Establish appropriate inventory levels for each industry.

Strategy 4.3.1 Create a dollar inventory benchmark for raw material and finished goods inventories based on plant production and sales history.

Performance Measures: Create an inventory compliance report to be produced by accounting and reviewed by management.

Objectives, Strategies and Performance Measures

Objective 4.4 Increase purchasing efficiencies.

Strategy 4.4.1 Educate staff and purchasing agents on industry standard methodologies for the procurement of raw materials (i.e. indexes, allocations, etc.).

Strategy 4.4.2 Create a work group to analyze raw material acquisitions and work with Purchasing to increase efficiencies, decrease costs and decrease delivery times.

Performance Measures: Establish workgroup and analyze feedback from group, track purchasing turn-times and costs.

Objective 4.5 Establish Pricing Strategy by Industry.

Strategy 4.5.1 Compare current pricing structure to private industry approach.

Strategy 4.5.2 Establish and implement policy for pricing adjustments.

Strategy 4.5.2 Review and update pricing on an on-going basis.

Performance Measures: Monitor frequency and dollar-value of price changes. Ensure price changes adhere to pricing adjustments policy. Monitor margins.

Objective 4.6 Retool businesses that have established negative retained earnings trend.

Strategy 4.6.1 Research and conduct market analysis of downward trending businesses.

Strategy 4.6.2 Diversify businesses to offer related value added services. Expand product line or services where feasible.

Strategy 4.6.3 Conduct studies on impact of replacing unprofitable businesses with new businesses.

Performance Measures: Decrease in number of non-profitable businesses. Increase in margins.

Objectives, Strategies and Performance Measures

Goal 5: Improve Organizational Efficiencies

Objective 5.1 Improve Staff Morale.

- Strategy 5.1.1 Encourage feedback and input from employees to create a higher level of commitment and empowerment.
- Strategy 5.1.2 Increase opportunity for employee participation in professional development programs.
- Strategy 5.1.3 Set realistic performance expectations and ensure measurement data is fair and accurate.
- Strategy 5.1.4 Develop and implement a comprehensive workforce plan to include succession planning, recruiting and retention.
- Strategy 5.1.5 Enhance current and develop additional employee recognition plans.
- Strategy 5.1.7 Develop and implement leadership training program that focuses on building commitment, morale and teamwork.
- Strategy 5.1.8 Develop annual employee satisfaction survey.
- Strategy 5.1.9 Develop quarterly newsletter.

Performance Measures: Increased participation in staff development opportunities, development of workforce plan, development and implementation of leadership training. Employee surveys and feedback. Periodic on-site reviews/analysis.

Objectives, Strategies and Performance Measures

Objective 5.2 Improve internal processes and communication.

Strategy 5.2.1 Enhance the professional business culture and internal operational competencies through sound practices, employee participation and effective communication.

Strategy 5.2.2 Implement use of Division-wide Webinars to enhance communication and sharing of information. Strive to provide one webinar per quarter.

Strategy 5.2.3 Improve communication through standardized reporting, required staff meetings and efficient use of e-mail correspondence for division-wide announcements.

Performance Measures: Organizational performance against Business Plan. Number and quality of Webinars provided. Manager's meeting feedback. Employee surveys.

Objective 5.3 Improve Employee Development and Teamwork.

Strategy 5.3.1 Increase employee development opportunities by expanding professional opportunities for participation through focus groups, webinars and cross-training.

Strategy 5.3.2 Utilize cross-functional teams to determine ways to streamline processes and support innovation.

Performance Measures: Feedback from focus groups and cross-functional teams. Number of attendees at training webinars. TAP work plans and performance ratings for both managers and staff in completion of required cross training.

Objectives, Strategies and Performance Measures

Objective 5.4 Improve Internal Operations.

Strategy 5.4.1 Improve internal operations by conducting assessments to evaluate adherence to standard operating procedures and policies and make correction actions as needed.

Strategy 5.4.2 Development of Best Practices Committee to review and approve organizations best practices and develop policies.

Strategy 5.4.3 Develop Division-wide policy manual.

Performance Measures: Monitor and evaluate improvements. Number of Best Practices implemented division-wide. Development of Policy Manual. Feedback from Best Practices Committee. Feedback from employees.

Objectives, Strategies and Performance Measures

Goal 6: Increase Environmental Responsibility

Objective 6.1 Reduce Waste.

Strategy 6.1.1 Increase recycling efforts.

Strategy 6.1.2 Increase reuse/repurposing to formulate new products.

Strategy 6.1.3 Decrease scrap rates.

Strategy 6.1.4 Review and reduce annual trash contracts.

Performance Measure: Review of Annual Recycling Report, Comparison of historical recycling data, reduction of landfill tipping fees.

Objective 6.2 Develop new Environmentally Friendly Products/Services.

Strategy 6.2.1 Survey customers to determine need for recycled products.

Strategy 6.2.2 Solicit feedback from staff on ideas for environmentally friendly products.

Strategy 6.2.3 Survey other state industries for ideas.

Performance Measure: Develop customer, staff and state industry surveys. Review surveys for potential new products/services.

Objective 6.3 Increase energy efficiency.

Strategy 6.3.1 Conduct an ROI Analysis for replacement of older, less efficient HVAC equipment (boilers, chillers, heat pumps, etc.).

Strategy 6.3.2 Conduct energy efficiency study of older infrastructure for replacement consideration (i.e. windows, doors, etc.).

Performance Measures: Review of utility and fuel costs, completed ROI Analysis for less energy efficient equipment.

Objectives, Strategies and Performance Measures

Objective 6.4 Increase customer awareness of sustainability efforts.

Strategy 6.4.1 Sales and Customer Service will educate external and internal customers of sustainable efforts incorporated by NCCE.

Strategy 6.4.2 Create marketing material to educate external and internal customers of sustainable efforts.

Performance Measures: Feedback from external customers. Number of marketing campaigns directed at sustainable products. Increase in sustainable product sales. Number of articles published in newsletters, annual report etc. on sustainability efforts.

Objective 6.5 Increase use of sustainable raw materials.

Strategy 6.5.1 Review raw material specifications to include acceptance/use of sustainable raw materials.

Strategy 6.5.2 Review finished goods production processes to determine additional uses for sustainable raw materials.

Performance Measures: Plants to track increased use of sustainable raw materials.

Objective 6.6 Conserve Water/Natural Resources.

Strategy 6.6.1 Investigate use of cleanup water.

Strategy 6.6.2 Investigate use of rewash water.

Strategy 6.6.3 Investigate means to recycle fire pump water.

Performance Measures: Reduced water bills. Completed investigations with implementation where applicable.

Objectives, Strategies and Performance Measures

Goal 7: Implement New Product Development

Objective 7.1 Create New Product Development Teams.

Strategy 7.1.1 Create new product development teams that will include staff and inmates for each product or service group. Teams will conduct brainstorming sessions on improved service and new products.

Strategy 7.1.2 Teams will develop at least two (2) viable new products or services per year.

Strategy 7.1.3 Teams will solicit new product ideas from vendors and customers.

Strategy 7.1.4 Leadership team will review all new product ideas and will consider legality, cost, opportunity and benefit prior to approval of any new product or venture.

Performance Measures: Number of new products/services implemented, increased sales as a result of new products. Feedback from development.

Objective 7.2 Solicit customer involvement in new product development.

Strategy 7.2.1 Create ad-hoc customer focus groups to concentrate on specific industries that are slow in sales. Focus groups will provide new product ideas and feedback.

Strategy 7.2.2 Sales staff to solicit and present new product ideas brought back from trade shows, customer visits and other customer contacts.

Strategy 7.2.2 Sales/Customer Service will conduct customer surveys, encourage plant tours and workshops to increase product and capability awareness with customers.

Performance Measures: Feedback from customers, employee feedback, new product ideas. Increased sales.

Objectives, Strategies and Performance Measures

Objective 7.3 Recognize employees for new product ideas.

Strategy 7.3.1 Develop reward recognition/bonuses for new product ideas that are successfully implemented.

Performance Measures: Recognition program approved and developed.
Employee awareness of recognition program. Number of bonuses paid.

Correction Enterprises recognizes and appreciates the following employees for their contributions in the creation of this Strategic Plan.

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