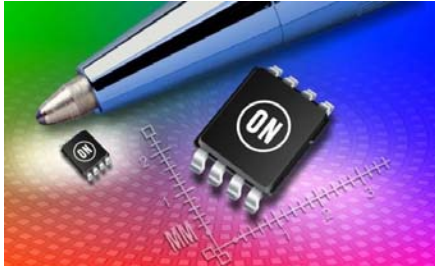


2004 Showcase in Excellence Awards Recipient

ON Semiconductor



Our Quality team plays a critical role in every facet of our company's operations, from technology development to after-sales support. In particular, over the last few years the team has developed change management methods that have enabled the company to complete consecutive transfer programs with no adverse customer impact in product quality and numerous consecutive months with zero transfer related delinquencies. The team will extend these process methods to new areas, so we can enjoy similar successes.

Company Information:

Highest Ranking Official: Keith Jackson, CEO & President

Contact Person: Dr. Keenan Evans, Vice-President & Director, Quality;
Keenan.evans@onsemi.com

Type of work: Semiconductor Manufacturing

Workforce: 1300 Employees at Phoenix, Arizona Headquarters

Bill George, Senior Vice-President, Operations & Technology

Highlights of Organizational Process:

The Product Transfer Process has detailed process flows and the requirements for each process step are documented. The requirement in each process step includes objective, responsibilities, inputs, task specifics, output and metrics. The metrics include Process Measurement, Process Feedback, and Customer Touch points. These are interspersed throughout the entire process.

Testimonial of Value

ON is committed to the AQA Core Values and Performance Excellence Criteria as a guideline for Organizational improvement. The Product Transfer process has shown that structure and discipline, relevant metrics to determine process success and continually improving the process while involving our Customers is the successful formula.

This process has **inputs** or linkages to several other organization processes such as Foundry Qualification, Subcontractor Qualification, Foundry and Outside Purchases, Production Part Approval (Automotive Customers), Process Change Notification (all other Customers), Change Management CAB (Change Action Board), Manufacturing CAB (Change Action Board), Program and Project Methodology, Global Audit and Construction Analysis Guidelines.

Participants: The appropriate team membership is assigned by management, at the source and destination, to plan and execute the transfer. Regularly scheduled team meetings are appropriate and necessary.

Cross functional teams from Manufacturing Support, Planning, Product Engineering, Quality plus the Project leader typically comprise the Core team. Each team member understands their role and contribution to the success of the process through tasks outlined in this or interacting processes. Our customers are notified and provided an opportunity for input very early in the process. They also are kept informed of project progress through the issuance of an IPCN (Initial Product/Process Change Notification) or through normally scheduled Customer Quality Review Meetings. The agenda of Customer Review Meetings include more than product transfers, however if the specific customer is impacted by a pending transfer, this is an additional agenda item.

Process Metrics:

Transfer Effectiveness

Criteria: 90 Days after Initial PCN (Product Change Notification) expires:

- Have there been customer complaints?
- Have there been delivery issues?

Performance: All Cost, Quality, Delivery Criterion has steadily improved over the two year period of measuring. Some indices show 100% improvement since the beginning of the changed process.

Customer Required Date Delinquencies

Criteria: Late Deliveries to Customers

Performance: The transfer process shows year over year performance improvement is currently driving this metric to zero (0).

Transfer Cost of Quality (TCOQ)

Criteria: After-market performance

Performance: A 90% decrease in TCOQ.

First Pass Success

Criteria: Qualification submission based on the project's stated goals are successful the first time.

Performance: Sustained 90% performance level.

This process exemplifies at least three of the Core Values and Principles from the Arizona State Quality Award, Managing for Innovation, Focus on the Future and Customer Driven Excellence. This key value creation process provides benefits for our customers and to our business. Successful implementation and continuous improvement of the Product Transfer process generates positive business results for our stakeholders.