

UNITED  
STATES  
MINT

STRATEGIC  
PLAN

*UPDATE*

# United States Mint Strategic Plan Update

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

**To our Colleagues Mintwide**

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

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

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

Sincerely,

Philip N. Diehl  
Director  
United States Mint

Greg Wikberg  
President  
American Federation of  
Government Employees  
National Mint Council

## **Mission of the United States Mint**

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

## **Our Vision of the Future**

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

## **CIRCULATING COINAGE**

### **VISION:**

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

## **Goal 1**

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

#### *Objective*

Develop regional coin demand model for 37 Federal Reserve Banks

#### *Strategy*

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

#### *Objective*

Produce coins to meet Federal Reserve Bank yearly demand

#### *Strategy*

- Implement the Master Production Schedule (1998–2003)

#### *Objective*

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

#### *Strategy*

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

#### *Measures*

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

## Goal 2

### **Prepared to produce circulating commemorative quarters program as mandated by law**

#### *Objective*

Implement State commemorative quarter program as authorized by law

#### *Strategy*

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

#### *Objective*

Produce State quarters at same cost as traditional George Washington quarter

#### *Strategy*

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

#### *Objective*

Determine nationwide attrition rate for State quarters

#### *Strategy*

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

#### *Measures*

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

## Goal 3

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

#### *Objective*

Establish 1997 benchmark cost baseline for each denomination

#### *Strategy*

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

#### *Objective*

Acquire production technology to lower manufacturing costs

#### *Strategy*

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

#### *Objective*

Identify and eliminate activities that add no value to our products

#### *Strategy*

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

#### *Objective*

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

#### *Strategy*

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

#### *Measure*

- Average unit cost of circulating coin

## **Goal 4**

### **Become a world leader in minting technology**

#### *Objective*

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

#### *Strategy*

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

#### *Measure*

- Completion of study

## **Goal 5**

### **Prepare to produce a dollar coin as mandated by law**

#### *Objective*

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

#### *Strategy*

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

#### *Objective*

Prepare key stakeholders for introduction of new dollar coin

#### *Strategy*

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

#### *Objective*

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

#### *Strategy*

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

#### *Measure*

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

## **NUMISMATIC AND BULLION PRODUCTS**

### **VISION:**

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

## **Goal 1**

### **Match the best in business in product quality and customer service**

#### ***Objective***

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

#### ***Strategy***

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

#### ***Measures***

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

## **Goal 2**

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

#### *Objective*

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

#### *Strategy*

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

#### *Measures*

- Sales revenue less circulating commemorative

### **Goal 3**

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

##### *Objective*

Create a customer-driven product development capability

##### *Strategy*

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

##### *Objective*

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

##### *Strategy*

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

##### *Measures*

- Profit margin on numismatic line of business

## **Goal 4**

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

#### *Objective*

Aggressively recruit new high-value repeat customers to the database

#### *Strategy*

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

#### *Objective*

Re-activate former Mint customers

#### *Strategies*

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

#### *Measures*

- Number of new and re-activated customers

# **PROTECTION**

## **VISION:**

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

## Goal 1

### Provide a level of security commensurate with changing threats

#### *Objective*

Provide quality protection in and around Mint facilities for all employees

#### *Strategy*

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

#### *Objective*

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

#### *Strategy*

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

#### *Objective*

Improve protection against heightened security threats to Federal facilities

#### *Strategy*

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

#### *Objective*

Improve intelligence gathering to identify new threats

#### *Strategy*

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

#### *Measure*

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

## Goal 2

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

#### *Objective*

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

#### *Strategy*

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

#### *Objective*

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

#### *Strategy*

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

#### *Measures*

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

# **ENABLING**

## **VISION:**

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

## **Goal 1**

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

#### *Objective*

Reduce the frequency and severity of workplace injuries

#### *Strategy*

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

#### *Objective*

Promote employee wellness

#### *Strategy*

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

#### *Measures*

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

## Goal 2

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

#### *Objective*

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

#### *Strategy*

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

#### *Objective*

Develop a highly motivated workforce

#### *Strategy*

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

#### *Measures*

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

## Goal 3

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

#### *Objective*

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

#### *Strategy*

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

#### *Objective*

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

#### *Strategy*

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

#### *Objective*

Obtain legal authority to provide workforce flexibility and personnel systems reform

#### *Strategy*

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

#### *Measures*

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