

REMEC Defense & Space, Inc., is a leading provider of RF and microwave products for the defense and space industry. Based in San Diego, the company has 1000+ employees.

In order to compete with other defense contractors locally and nationally for top talent, REMEC's leadership, under the helm of Jack Giles, CEO and Dave Schmitz, President, embarked on a comprehensive employer of choice initiative to help establish REMEC as a great place to work and viable choice for highly talented technical workers.

"The Excellence initiative provides a framework to help us transform REMEC D&S from a good company to a great company."

- Jack Giles, CEO

Enroll and Engage All Employees

The Excellence initiative began with a series of two-day leadership retreats for senior leaders in which participants developed goals for improved communication, increased accountability, enhanced customer service and for creating a work environment where employees choose to work, choose to dedicate themselves and choose to stay.

The program then cascaded down to include all managers, supervisors, and individual contributors, who participated in a series of two-hour Excellence Super Sessions. Within nine months every employee at REMEC was exposed to the six Excellence principles and had a personal Excellence action plan, generating a momentum, and excitement about the future.

As one engineer said, "People feel better about themselves and their job, but more importantly they are trying to work smarter and build a better workplace. There is a lot of pride and people are happier."

"Our vision to be recognized as a world class supplier and leader in our industry will only be possible through a collective mission to unleash the full potential of every person in the organization. Unleashing this potential is a matter of Excellence in mind set and purpose."

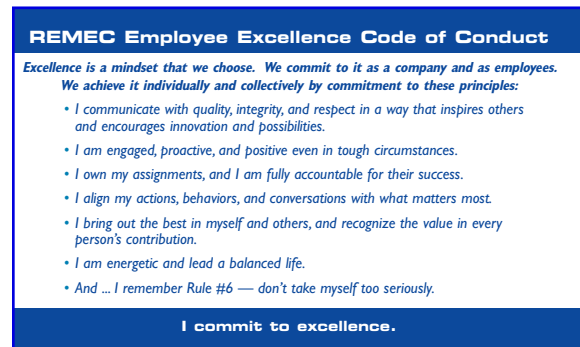
- Dave Schmitz, President

Establish a Code

REMEC's Excellence Code of Conduct was developed to formalize the new "ground rules" or expectations for the new REMEC 'way'. The Code acts as a reminder for individuals to uphold the principles of Excellence and an ongoing source of learning and continuous improvement. Every employee at REMEC displays the Code along with their ID badge as a visual representation of their commitment to excellence in everything they do.

"Mounted posters of the Excellence code in key locations act as a constant reminder of our commitment to Excellence. Not a day goes by without some kind of meaningful discussion about how we can achieve a higher level of excellence in our design, manufacturing and delivery so that we can exceed our customers' expectations."

- Roman Burtyk, VP Engineering



Identify Ambassadors

Long-term 'stickiness' and measurable impact on the bottom line was a priority for REMEC's leadership. In order to ensure the initiative wasn't viewed as a fad, or flavor of the month, an Excellence Executive Committee was formed to champion continued reinforcement. The EEC, a group of rotating managers and directors, meets bi-weekly to review progress, approve Excellence activities and take actionable steps to leverage the full value of the program.

Excellence Ambassadors, a group of peer-nominated employees, coordinate Excellence activities and serve as advocates to encourage Excellence behaviors. In 2008 these Ambassadors will also serve as 'buddies' to assist with the

integration of new hires into REMEC's culture of Excellence.

Integrate

The success of the Excellence initiative is in its integration into the day-to-day operations of the company. The Excellence program, under the guidance of SVP and General Manager, Gene Joles, has become part of the 2008 operational strategy and serves as a foundation to meet company's key performance indicators.

The Excellence 2008 Roadmap is a comprehensive approach to integrating the Excellence behaviors through sustained communication campaigns; company-wide activities; standard meeting agenda items; one-on-one coaching conversations and team action plans.

"Integrating the Excellence program into our 2008 Operational Strategy and Deployment Process will establish an accountability for Excellence and help drive our employee relations, quality, delivery, cost and growth goals."

- Gene Joles, SVP and General Manager

Reward and Recognize

The success of any organizational change initiative depends to a great extent on sustained reward and recognition of desired behaviors. After all, you get the behavior you reward. The PERC recognition program held over a 3-month period, encouraged employees to award *Peer Excellence Recognition Cards* to co-workers when they were observed exhibiting one of the Excellence behaviors.

Colorful postcards with note space on the back were generously distributed. Monthly drawings for prizes and the opportunity to spin the Excellence Wheel to win management sponsored "perks" boosted morale and provided a fun and meaningful framework to actively reinforce, recognize and reward Excellence.

"The PERC cards along with our gold, silver and bronze awards for outstanding performance have generated an excitement. More than ever employees feel valued and appreciated. We are finding that employees are more motivated to go above and beyond expectations."

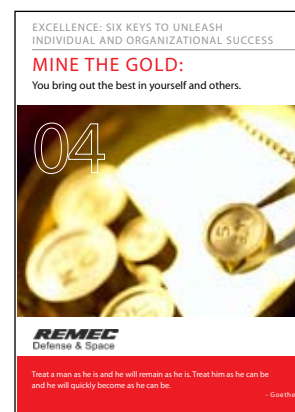
- Mary Townsend, Sr. Manufacturing Manager

Track Progress and Measure Business Impact

Key performance measures including improved retention, increased employee morale, reduced employee complaints as well as productivity and quality measures will be measured monthly in order to demonstrate business impact.

"A key measure of our success in creating a great place to work is retention. When employees choose to stay, that tells us we are doing the right things. In 2007 the Excellence initiative combined with an employee opinion survey, salary adjustment and other important people initiatives contributed to a 20% reduction in turnover."

- Nyla Marson, Sr. Human Resources Manager



Curious what Excellence can do for your organization?

7500 participants from 350+ companies have applied the Excellence principles with remarkable results:

- 75% increased productivity by 10% - 50%
- 95% improved communication
- 87% are more accountable
- 91% improved relationships with customers

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