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# 2010 CALPIA

## Strategic Business Plan

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The California Prison Industry Authority is a self-supporting, customer focused business that provides productive work, training, and skill development opportunities which reduce the recidivism of the California Department of Corrections and Rehabilitation inmates.





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# 1.0 CALPIA Overview

California Prison Industry Authority (CALPIA) is a self-supporting agency that provides vital public services at no cost to the California State budget.

CALPIA saves the state money, reducing the cost of incarceration by both increasing the safety of prisons and reducing the recidivism rate of inmates who are released to their communities after learning basic work skills.

By employing inmates, CALPIA increases the safety of California Department of Corrections and Rehabilitation (CDCR) institutions, reducing inmate idleness and teaching skills needed for inmates to succeed in the workplace. Some CALPIA inmate workers contribute part of their compensation to Victim's Restitution Fund which helps compensate the victims of crime in California. This amounted to over \$900,000 in FY 2007-08. Since 1992-93, CALPIA inmate workers have contributed over \$7 million to Victim's Restitution Fund.

Presently, CALPIA operates over 60 business enterprises in 23 CDCR institutions, providing goods and services for state, local, and federal agencies. CALPIA's products and services are diverse, with enterprises that include consumables such as food, office and institutional furniture, metal, clothing, modular building products, printing, optical and laundry services.

## The benefits exceed revenue

A substantial benefit CALPIA provides to the people of California is a more valuable citizen that is released into

society. Overall, the recidivism rate of CALPIA inmate workers is 25 percent less than the recidivism rate of the California prison general population. With a combined recidivism rate of approximately 10 percent, CALPIA's Career Technical Education (CTE) programs are among the most successful vocational training programs for inmates in the nation.

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**CALPIA's lowest recidivism rate saves the State of California millions of dollars per year in reduced incarceration costs.**

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Through the Inmate Employability Program (IEP), CALPIA inmate workers can earn national certifications in such fields as welding, metal work, linen management, electronics, and many others. In addition, CALPIA has teamed with trade unions around the state to offer various Pre-Apprenticeship Programs through the Career Technical Education Program (CTE). Through CTE, inmate workers can learn trades in carpentry, iron work, general labor, asbestos removal, and underwater construction. CALPIA provides graduates of CTE programs with tools and one year of union dues to assist in their success after re-entering society.





## Quality

CALPIA business enterprises are committed to producing quality products and services. Beginning with the Century Systems modular office systems product line, CALPIA has gained ISO 9000 certification for quality products and processes. CALPIA is committed to pursuing ISO 9000 certification until all of its product lines are certified. In addition to ISO certification, CALPIA has been recognized for quality in other enterprises. For example, inmate workers at the Corcoran State Prison Dairy have won the King's County Herd Improvement Association award for milk quality for seven consecutive years.



Governor Arnold Schwarzenegger has made inmate rehabilitation and reducing recidivism a priority in his administration. CALPIA's efforts to provide inmates with meaningful work experiences, training, and education will continue to be a vital part of achieving the Governor's rehabilitation goals.



Thanks to partnerships between CALPIA and the Northern California Carpenters Council, the International Association of Bridge, Structural, Ornamental and Reinforcing Ironworkers, and the Northern California District Council of Laborers, CTE graduates are eligible for placement in pre-apprenticeship jobs.

# 2.0 CALPIA's Mission

reflects the complementary priorities of providing inmate rehabilitation and operating a successful, self-sufficient business. CALPIA employees and customers are critical to achieving the mission. CALPIA's mission requires partnerships with other state agencies, private ventures, and key stakeholders.

## ■ Self-Supporting

CALPIA is a self-sufficient business that embraces the principles of customer service, quality, and innovation to generate revenues and maintain margins, ensuring adequate resources to support ongoing operations.

## ■ Staff Development

By investing in the development and training of employees, CALPIA creates a high quality workforce, encourages innovation and competency, attracts high quality recruits, and improves quality, efficiency, and effectiveness.

## ■ Customer-Focused

Through communication and partnership with customers, CALPIA strives to improve understanding customers' needs, build customer loyalty, and garner new customers and market share.

## ■ Innovative Business Enterprises

CALPIA prides itself in our ability to provide our customers with products that are high-quality and provide efficient solutions to their specific needs. From design to delivery, we work as a team and with our customers to ensure they receive products that meet their requirements and provide an efficient solution to their needs.

## ■ Quality & Continuous Improvement

The ongoing implementation of ISO 9000 standards throughout CALPIA demonstrates our commitment to both quality and continuous improvement.

## ■ Inmate Rehabilitation

CALPIA rehabilitates inmates by providing an opportunity to gain skills in a real world training and work experience.

## ■ Reduce Recidivism

CALPIA reduces recidivism by preparing inmates for success after their release from prison; provides valued training and skill development in certification and apprenticeship programs.

## ■ Victim Restitution

CALPIA provides a means for inmates to begin the restitution process by redirecting a portion of the inmate's pay to the Victim Restitution Fund.

## ■ Increased Public Safety

CALPIA reduces inmate idleness and increases the stability of the living environment of inmates, which in turn reduces inmate violence and leads to increased stability and safety within CDCR institutions.



# 3.0 CALPIA Vision

focuses on an improved organization that produces quality products and services, meets customer needs and offers a new image and brand for CALPIA.

■ Inmate Potential

CALPIA will, to the greatest extent possible, provide work opportunities for all eligible inmates, contributing to their rehabilitation and successful re-entry into society.

■ Social Benefit

CALPIA will continue to benefit the people of the State of California by reducing the recidivism rates of inmates and reducing the cost of incarceration.

■ Staff Development

CALPIA will develop its staff by providing training and skill development that enhance careers, increase employee retention, and provide succession planning. CALPIA will pursue opportunities to attract talented new staff to strengthen the organization.

■ Quality Products

CALPIA will continue to implement ISO standards, improve product and service quality to meet customer needs, introduce greener products and become a vendor of choice for public agencies.

■ Business Management

CALPIA will adopt the most appropriate business management techniques to strengthen the successful operation of CALPIA enterprises and be recognized as the highest return on taxpayer investment.

■ Product Innovation

CALPIA will develop innovative, sustainable and successful product lines and services.

■ Infrastructure Modernization

CALPIA will develop, implement, and ensure the enactment of policies and procedures that are agile, efficient, and meet technical and environmental requirements. CALPIA will invest in the factory, support, and information technology infrastructure to ensure efficiency, effectiveness, and maintainability.



# 4.0 CALPIA Quality Focus

CALPIA is focused on providing high-quality goods and services to its customer, and is committed to looking for ways to improve.

## ■ Customer Focus

Customers are a key success factor for CALPIA; we strive to understand our customers, and to refine our products and services to meet their needs providing exceptional value at reasonable cost.

## ■ Leadership

CALPIA leadership is a critical behavior to our quality efforts. Leaders are encouraged to emerge in the organization to achieve greater quality and results.

## ■ Involvement of People

CALPIA involves its staff, customers, and other stakeholders in running and managing the business to achieve high-levels of quality.

## ■ Continuous Improvement

CALPIA is focused on continually improving its people, processes, and products.

## ■ Factual Approach to Decision Making

Information and knowledge are keys to success; making decisions based on facts improves CALPIA's organization and addresses customer needs.



# 5.0 CALPIA Core Values

are customer-focused. Through communication and partnership with customers, CALPIA strives to improve understanding customers' needs, build customer loyalty, and garner new customers and market share.

## ■ Inmate Rehabilitation

CALPIA strives to provide appropriate work and training programs to aid in inmate rehabilitation in order to reduce recidivism upon release.

## ■ Customer Focused

CALPIA appreciates its many customers and strives to be the provider of choice by exceeding customers' expectations for quality, price, and service.

## ■ Self-Sufficiency

Financial self-sufficiency is essential to CALPIA; recognizing that operating our business efficiently is necessary to promote responsible growth for inmate opportunities.

## ■ Environmental Responsibility

CALPIA is committed to gaining expertise in an effort to promote principles of sustainability in our operations, practices and products. We will continue to reduce our impact on the environment and introduce green products/processes to support our customers' needs where possible.

## ■ Communication and Teamwork

CALPIA must work together to promote communication by sharing information and proactively collaborating to remove organizational barriers.

## ■ Accountability

CALPIA is accountable for its actions and the consequences of all programs.

## ■ Partnership and Collaboration

CALPIA works with customers, businesses, communities, labor, and other offender programs to maximize opportunities for rehabilitation, reduce recidivism, and promote safety.

## ■ Staff Development and Well-Being

CALPIA fosters an environment that supports the professional development, safety, and personal health of all staff.

## ■ Innovation & Entrepreneurship

Revitalizing CALPIA products proactively meets customers' changing needs; remaining self-sufficient with an entrepreneurial spirit.

## ■ Quality

CALPIA will continue to improve internal processes and operations through ISO 9000 activities and quality management principles in order to produce high-quality goods and services at a competitive price, delivered in a timely manner.



# 6.0 CALPIA Strategic Initiatives

CALPIA's priorities align with

the "Strategic Initiatives" which follow. These Strategic Initiatives not only address immediate needs, but also address items that will position CALPIA to make important progress toward future goals.

The current economic situation dictates that CALPIA must address short-term revenue and cost reduction issues to ensure financial self-sufficiency. This includes finding efficiencies in current processes and improving the information available to make determinations of efficiency and profitability. CALPIA must invest in staff to increase proficiency and competencies and plan for future needs. We must work together as a team to remove organizational barriers and explore innovative new concepts, and improve communication. CALPIA must commit to improving the customer experience by understanding customers' needs and provide the same customer service we desire as a customer while shopping for goods and services. CALPIA must be creative in finding ways to continue to offer inmate workers the job skill and development opportunities which are instrumental to successful rehabilitation thereby reducing recidivism.



## ■ Streamline processes

CALPIA will continue to expand ISO 9000 efforts and identify opportunities to improve manufacturing, administrative and marketing processes. This will enable CALPIA to respond more quickly to changing market needs.

## ■ Reduce Costs

CALPIA will examine the cost of operations and pursue opportunities to reduce costs and eliminate inefficient use of available resources.

## ■ Introduce new products and enter new markets to increase the customer base

As customer's needs change, CALPIA must adapt product lines, accelerating the ability to provide for a changing set of needs by a growing set of customers. CALPIA is committed to gaining expertise to promote principles of sustainability in our products, our practice, and our operations. CALPIA is continuously working to improve environmental performance in our products and services. By searching out new products that assist our customers in meeting sustainability goals, we endeavor to reduce our environmental load.

## ■ Enhance existing IT systems in order to make information more available and accessible

CALPIA must make critical business decisions based on known information and existing data. Efforts to enhance current technical systems and decision-making capability are a core priority for CALPIA in the coming years. Enhancing the system and internal capabilities are critically important to navigating the current economy, and positioning CALPIA for future success.

## ■ Improve communications

CALPIA will focus on improving communication channels and teamwork.

## ■ Increase certifications for inmate workers

CALPIA continues to assist the rehabilitation of inmates providing certification of work skills, knowledge, and experience, preparing them for the job market upon their release.

# 7.0 CALPIA Goals, Objectives & Strategies The five overarching Strategic Goals (consisting of 18 Objectives and 60 Strategies).

## Goal 1: Maintain CALPIA’s financial self-sufficiency

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|---|---|
| <p><b>Objective 1.1</b><br/>Evaluate and maintain a sufficient margin</p> | <ul style="list-style-type: none"> <li>a) Evaluate and improve the margin on existing products</li> <li>b) Maximize reimbursable programs and opportunities</li> </ul>                    |
| <p><b>Objective 1.2</b><br/>Increase Revenues</p>                         | <ul style="list-style-type: none"> <li>a) Implement a strategic sales and marketing plan to increase profit</li> <li>b) Introduce viable sustainable new products and services</li> </ul> |

## Goal 2: Increase opportunities to foster inmate success

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| <p><b>Objective 2.1</b><br/>Match the right inmates to the right programs</p>                          | <ul style="list-style-type: none"> <li>a) Work closely with CDCR to develop inmate selection criteria</li> <li>b) Work closely with CDCR to develop inmate assignment criteria</li> <li>c) Set real world expectations of staff and inmates</li> </ul>                                 |
| <p><b>Objective 2.2</b><br/>Increase inmate employment in real-world work models</p>                   | <ul style="list-style-type: none"> <li>a) Open new, sustainable enterprises to employ additional inmate workers</li> <li>b) Modernize equipment and manufacturing methods (see also 5.2)</li> <li>c) Enhance inmate training, skill development, and certification programs</li> </ul> |
| <p><b>Objective 2.3</b><br/>Assist inmates in preparing for post-release employment and transition</p> | <ul style="list-style-type: none"> <li>a) Work with employers and community-based employment resources to connect inmates to potential employers</li> <li>b) Develop partnerships with post-release educational opportunities and transitional services</li> </ul>                     |



# 7.0 CALPIA Goals, Objectives & Strategies

continued

**Goal 3:** Improve the customer experience, increase customer loyalty, and garner new customers and market share

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| <p><b>Objective 3.1</b><br/>Provide customers with excellent customer service</p>  | <ul style="list-style-type: none"> <li>a) Establish an internal and external customer service perspective for all CALPIA staff</li> <li>b) Improve the customer-service training program to address internal issues and improve communication</li> <li>c) Build the customer point-of-view in every enterprise, product, and process</li> <li>d) Reward or recognize exceptional customer service</li> <li>e) Enhance customer communication, order management, customer contact, and customer service approach</li> </ul> |
| <p><b>Objective 3.2</b><br/>Increase the inherent value of CALPIA products by developing brand image</p>                                       | <ul style="list-style-type: none"> <li>a) Reinforce value of CALPIA products to State agencies</li> <li>b) Reinforce the value to California of reducing recidivism</li> <li>c) Develop promotional materials that effectively communicate product value, service and mission</li> <li>d) Enhance marketing of CALPIA brand and products</li> <li>e) Communicate CALPIA’s social and business benefits</li> </ul>  |
| <p><b>Objective 3.3</b><br/>Expand current and develop potential customer base</p>   | <ul style="list-style-type: none"> <li>e) Increase the inherent value of CALPIA products through developing a strong brand image</li> <li>f) Maintain and increase sales to existing customers</li> <li>g) Identify target markets and research new markets</li> <li>h) Establish measurable sales and revenue goals</li> <li>i) Improve ability to pursue bids (within and outside of California)</li> </ul>  |
| <p><b>Objective 3.4</b><br/>Improve customer insight and communication</p>   | <ul style="list-style-type: none"> <li>a) Capture customer data</li> <li>b) Improve understanding of customers , their changing needs/requirements</li> <li>c) Increase quality and frequency of customer contact</li> </ul>   |
| <p><b>Objective 3.5</b><br/>Increase value of products/enterprises to customer (design, quality, price point, warranty, delivery, service)</p> | <ul style="list-style-type: none"> <li>a) Align products competitively utilizing customer needs (i.e., requirements, price point, quality, warranty, etc)</li> <li>b) Introduce new and competitive product lines, including green products</li> <li>c) Enhance customers’ awareness of products, including the value and benefit of the products</li> <li>d) Improve delivery and repair/replacement time-lines</li> <li>e) Expand the ISO 9000 Quality Management System (see also 5.3)</li> </ul>                       |
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# 7.0 CALPIA Goals, Objectives & Strategies

continued

**Goal 3:** Improve the customer experience, increase customer loyalty, and garner new customers and market share

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| <b>Objective 3.6</b><br>Develop strategic alliances | a) | Develop partnerships with customers                     |
|   | b) | Develop partnerships with other correctional industries |
|   | c) | Develop partnerships with other entities                |

**Goal 4:** Ensure a well-developed, high quality workforce

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| <b>Objective 4.1</b><br>Recruit and retain qualified staff | a) | Develop a flexible organizational structure   |
|  | b) | Streamline hiring, development, evaluation, and promotion processes   |
|  | c) | Develop and implement a comprehensive workforce plan (including succession planning, recruiting, and retention) |
|  | d) | Develop and implement a statewide training and development plan to improve employee efficiency and competency   |

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| <b>Objective 4.2</b><br>Maintain a high record of employee health and safety | a) | Ensure safe workplaces in all CALPIA enterprises      |
|  | b) | Maintain and improve CALPIA Safety Plan and processes |
|  | c) | Expand safety training                                |

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| <b>Objective 4.3</b><br>Improve communication and teamwork | a) | Implement internal and external communication plans   |
|  | b) | Encourage feedback and input from employees   |
|  | c) | Improve communication (e.g., standardized reporting, staff meetings, company-wide announcements, website, intranet, and e-mail systems) |
|  | d) | Utilize cross-functional teams to streamline processes, improve products, and support overall innovation                                |



# 7.0 CALPIA Goals, Objectives & Strategies

continued

**Goal 5:** Improve internal processes, infrastructure, and information to support organizational stability and growth

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| <p><b>Objective 5.1</b><br/>Modernize information technology systems</p>                      | <ul style="list-style-type: none"> <li>a) Develop and maintain a comprehensive Information Technology Strategic Plan (including plan/schedule to update core systems and technical capabilities)</li> <li>b) Update and integrate core business systems, e.g. standardized reports and reporting tools</li> <li>c) Update network and support tools</li> <li>d) Enhance e-commerce and website features to facilitate sales</li> <li>e) Provide appropriate application and technical training to business and IT staff</li> </ul> |
| <p><b>Objective 5.2</b><br/>Modernize field/operation processes, equipment and technology</p> | <ul style="list-style-type: none"> <li>b) Update facility and other infrastructure</li> <li>c) Redefine manufacturing process and method</li> </ul>  |
| <p><b>Objective 5.3</b><br/>Re-engineer and streamline internal processes</p>                 | <ul style="list-style-type: none"> <li>a) Streamline administrative, operational, and marketing/sales processes</li> <li>b) Implement tools and techniques to support continuous improvement</li> <li>c) Expand the ISO 9000 Quality Management System (see also 3.4)</li> </ul>   |
| <p><b>Objective 5.4</b><br/>Measure performance</p>   | <ul style="list-style-type: none"> <li>a) Develop performance measures and benchmarks for CALPIA</li> <li>b) Set performance standards and goals</li> </ul>  |
| <p><b>Objective 5.5</b><br/>Identify and implement opportunities to “green” CALPIA</p>        | <ul style="list-style-type: none"> <li>a) Identify opportunities to realize/improve technical and environmental standards</li> <li>b) Reduce CALPIA’s carbon footprint, emissions, energy use, and other environmental impacts</li> <li>c) Introduce additional green products</li> </ul>  |





