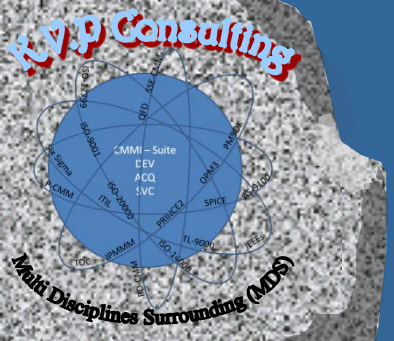
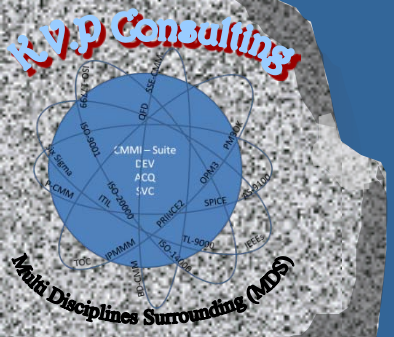
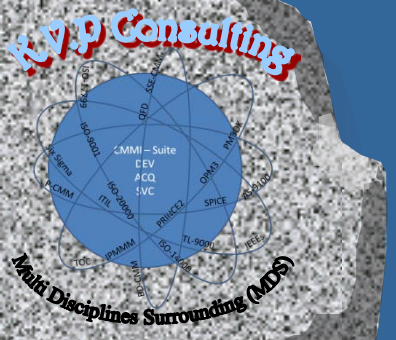


Design
Your
Business Processes
to Embrace People
in an Agile Approach
and
Support High Maturity (OPM)



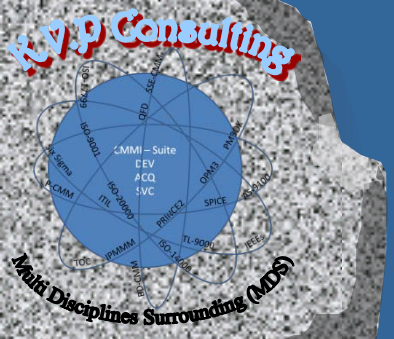
Definitions

- Agile - Agile methods emphasize face-to-face communication over written documents when the team is all in the same location
- OPM - The purpose of Organizational Performance Management (OPM) is to proactively manage the organization’s performance to meet its business objectives



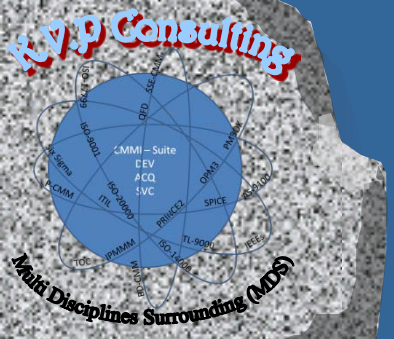
Specific Goal and Practice Summary

- SG 1 Manage Business Performance
  - SP 1.1 Maintain Business Objectives
  - SP 1.2 Analyze Process Performance Data
  - SP 1.3 Identify Potential Areas for Improvement
- SG 2 Select Improvements
  - SP 2.1 Elicit Suggested Improvements
  - SP 2.2 Analyze Suggested Improvements
  - SP 2.3 Validate Improvements
  - SP 2.4 Select and Implement Improvements for Deployment
- SG 3 Deploy Improvements
  - SP 3.1 Plan the Deployment
  - SP 3.2 Manage the Deployment
  - SP 3.3 Evaluate Improvement Effects



Definitions

- High Maturity - focuses on continually improving process performance through incremental and innovative process and technological improvements. The organization's quality and process performance objectives are established, continually revised to reflect changing business objectives and organizational performance, and used as criteria in managing process improvement. The effects of deployed process improvements are measured using statistical and other quantitative techniques and compared to quality and process performance objectives



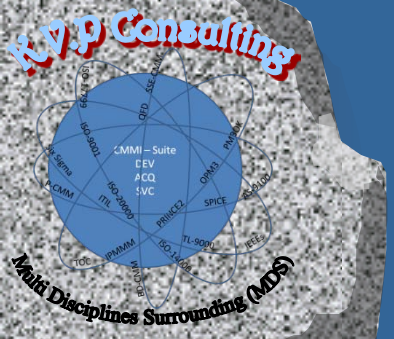
The Solution We Chose

Strategic Policy Deployment (SPD)

Strategic Policy Deployment

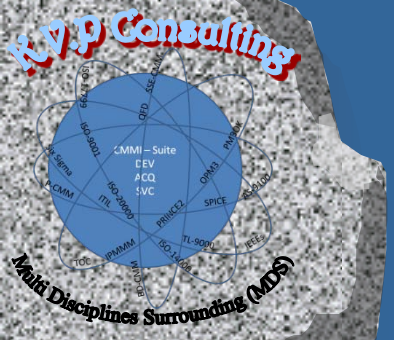
- Combination of:
  - Clear & Aligned Priorities
  - Behavior Changes
  - Change in Thinking (PDCA)
  - Elimination of Waste

…to achieve Business Results



Strategic Policy Deployment

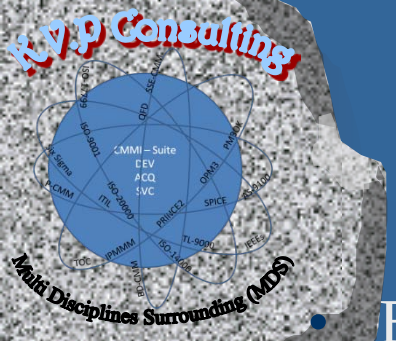
- A process to *focus* upon Goals, that cut across the corporation
- *Aligns & links* resources & action in pursuit of those Goals.
- Enables progress towards the Goals to be *measured*
- Enables rapid *root cause corrective action* if results vary from goals
- Drives *process* improvement
- Individuals & teams get clarity on their impact upon the Goals
- It becomes the yearly implementation of our long term strategic planning process.



Policy Deployment as a Tool

Policy Deployment is an effective tool to use for answering the following questions:

- How do we identify our critical goals?
- How do we develop plans and align our activities?
- How do we communicate our goals and activities level by level?
- How do we align the abundant talent of our team members on the critical few?
- How do we sustain our activities?
- How do we quickly change course when required?
- How do we learn from our experience?



Magnitude of Change

- Behavior Change
  - Discipline
  - Emphasis on ***how*** the organization will deliver the priorities
  - Catchball to understand the priorities and the means to deliver them
  - Gemba – look for evidence the plan is proceeding and in control
- Clear and Aligned Priorities
  - Start with top management priorities and link/translate at every level
  - Critical few metrics match Excel commitments
  - Must deselect

Achieving Enterprise-wide Alignment

Develop

Deploy

Execute

Catchball

Annual Strategy Review

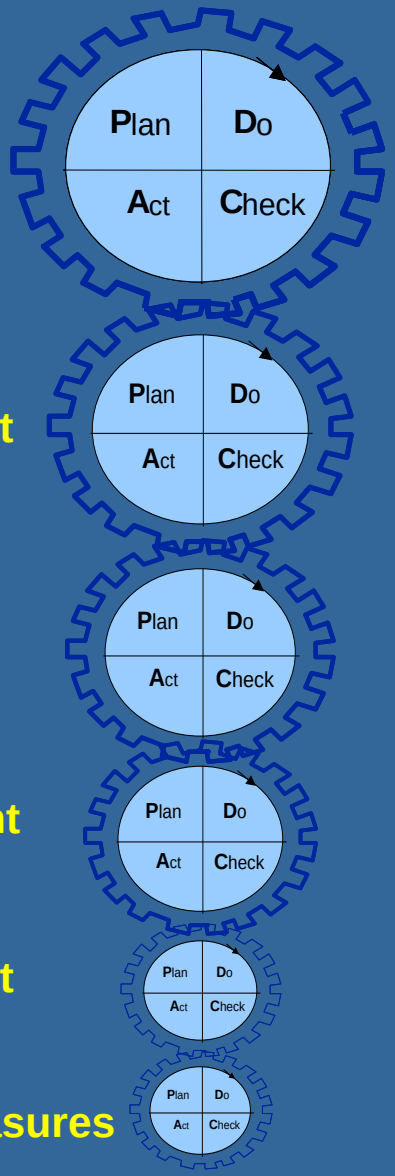
Annual Commitment Plan

Policy Deployment Plan

Improvement Tracking

Management by Fact

Countermeasures



- Clear vision and focus ("what" and "how")
- 3-Year business objectives
- Measures of success

- Quantified business objectives
- Integrated cross-organizational performance plans and funding (Corporate, Group, BU, SPG, Shared Services, Departments)

- Specific strategic initiatives to achieve business objectives
- Clear responsibility, accountability and measurable outcomes

- Performance reviewed frequently with focus on gap closure.

- Root causes of performance gaps understood
- Empowered employees taking action through Kaizen methodology

Ensure Alignment:

Management EXCEL goals

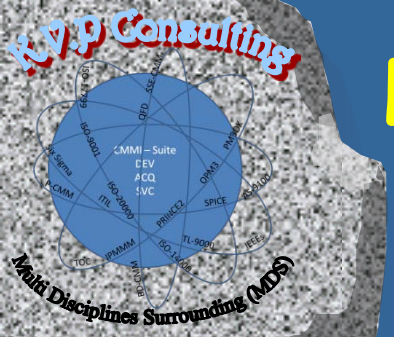
Performance Commitment Plans (PCP's)

Employee Development Plans (EDP's)

Performance Appraisals

Rewards

Highway



Your Destination
(Vision)

Keep improvement efforts focussed on the 'road' not out here !

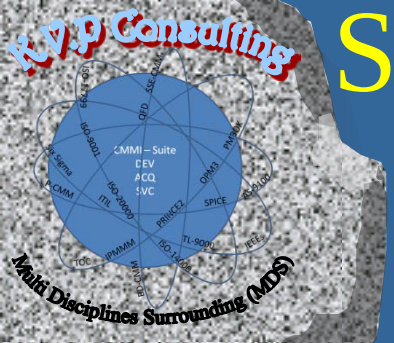
Use continuous improvement to remove the small obstacles on an ongoing basis

The 'road' is typically strewn with obstacles (boulders) some are large, some are small

Use policy deployment to remove the big boulders one at a time

Your Start Point
(Present situation)

Strategic Policy Deployment Process



Step 1
Choose the Focus

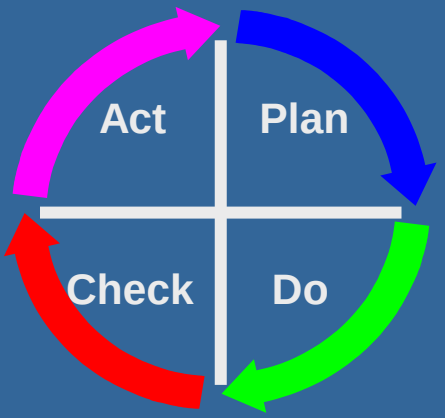
Step 2
Align the Organization

Step 3
Implement the Plan

Step 4
Review and Improve

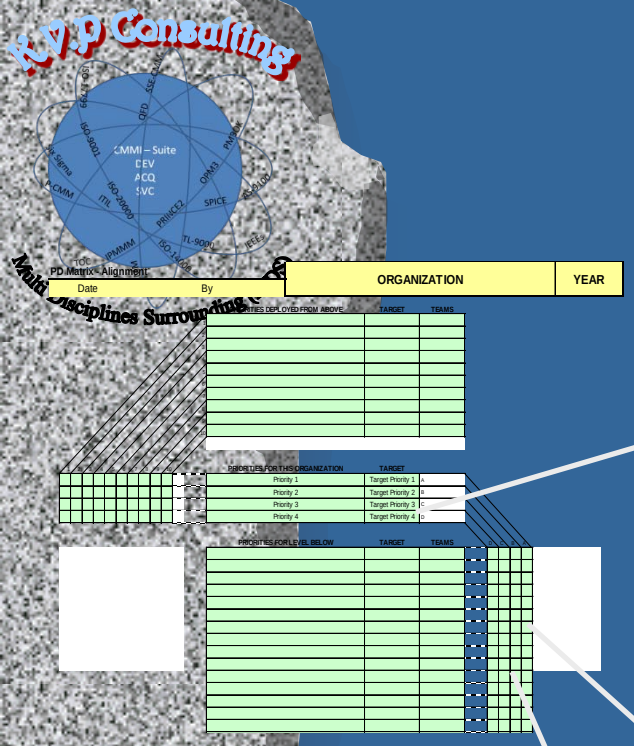
frequently

Strategic Focus

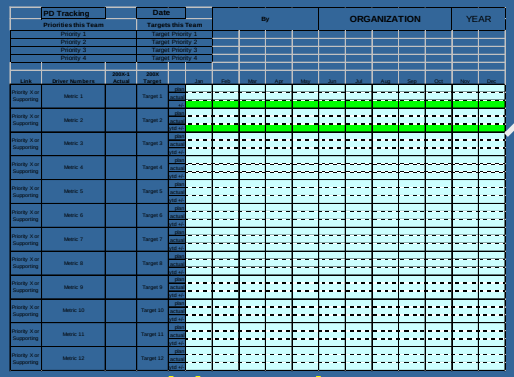


Operational Focus

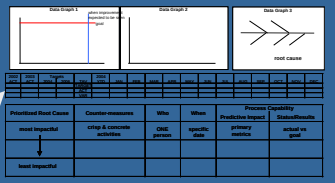
The Forms Link…

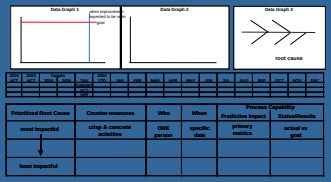


Alignment Sheet

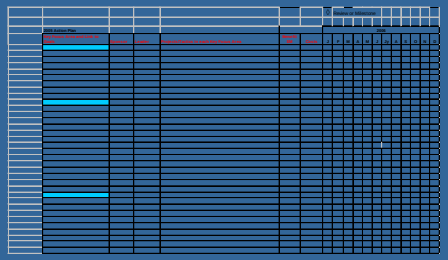


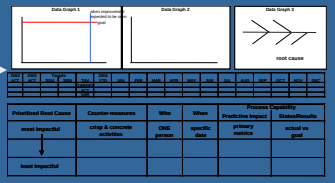
Tracking Sheet

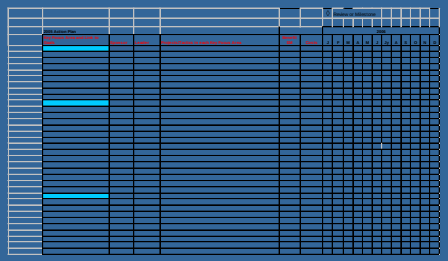


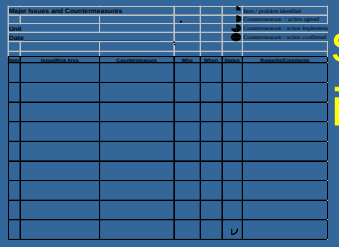


MBF for red items









MBF, Newspaper, or problem strip for red items

Program Plan (multiple)

Catchball

- Process to build consensus through dialog about the goals and how to achieve them.
- Two way communication that arrives at a collective wisdom on the priorities and the plans to deliver the results.
- Leader needs to have a vision of what is needed and how it may be achieved.
  - Team will provide input on the specific how.
  - The leader will confirm the plan:
    - Push the team to stretch further if the plan comes short of what he had in mind.
    - Question and develop understanding of the plan if the plan exceeds what he had in mind.

Targets

All priorities require a target so they can be measured.

Targets have to be achievable, challenging, based on reliable data, and SMART.

S - specific

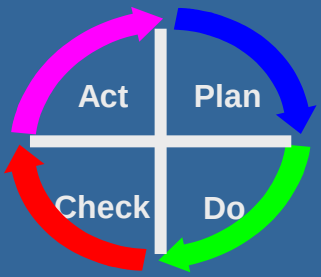
M - measurable

A - agreed

R - realistic

T - timed

The DO Phase

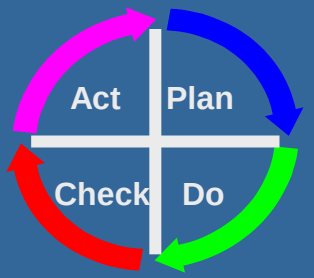


- Stay ***focused*** on the ***plan***.
- Make ***execution*** of the plan as visual as possible.
- ***Review*** the plan on a regular basis.
  - Look at metrics daily/weekly
  - Formal reviews monthly
    - results vs. expected, as well as the ***countermeasure*** to fill the gap
- Ask ***why*** if the team is doing things that are not in the plan.
- Question frequently by ***going to see***.
  - Schedule the time to look for evidence that the plan is proceeding and in control.

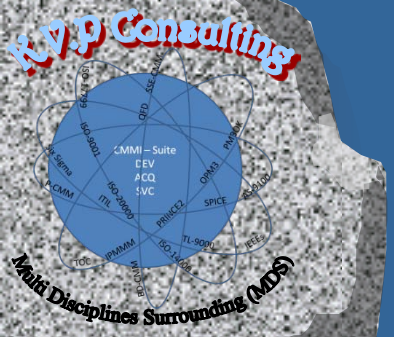
The CHECK Phase

Holding reviews maintains the discipline of the process:

- Confirm progress of current activities to expectations.
- Confirm the results to target. Look for trends.
- Evaluate the plan and results.
- Be visual.
- Hold timely, regular reviews daily/weekly/monthly, dependent on level.
  - Look at metrics daily/weekly
  - Hold formal reviews monthly
    - results vs. expected, countermeasures to close any gaps
- Reviews should be disciplined and structured.



A mini PDCA cycle takes place everyday as activities are checked constantly.



The CHECK Phase

- Counter measures are data driven looking at root cause.
- Check if previously identified counter measures are working and on track.
- Don’t react to noise.
- Escalate issues that can not be resolved to the next level.

The CHECK Meeting

The manager runs the review meeting.

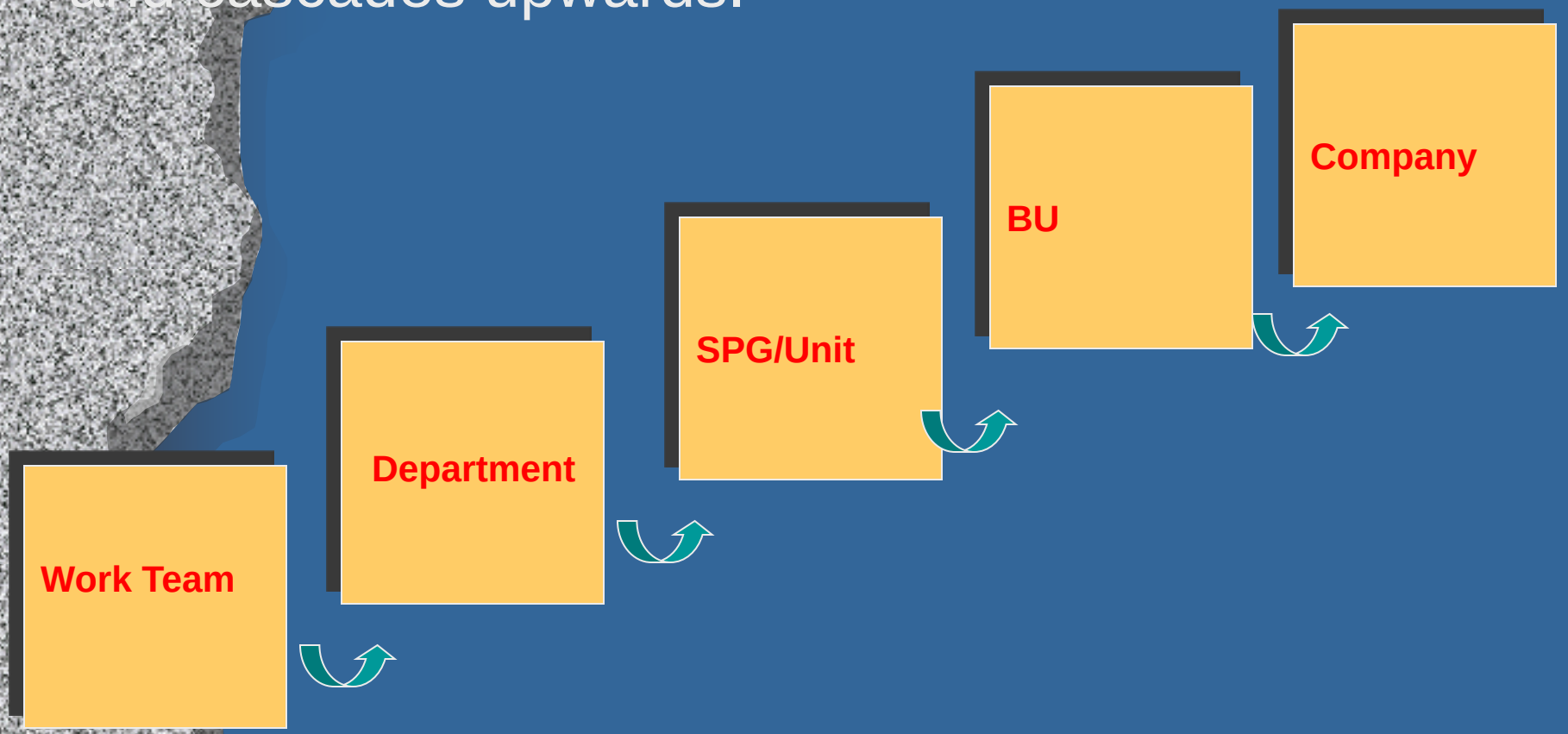
The manager should focus on standard work:

- Metrics Chart
- Action Plan
- Corrective Action for RED Items
- Key Items at Risk

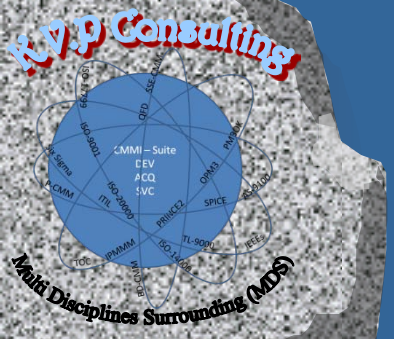
- Asking clarifying questions during the review process.
- Making sure that each person knows what is expected of them to move forward.
- Confirmation check – will this plan get us there?
- Follow up at Gemba before the next review for key issues.

Flow of the Check Process

The check/review process starts at the lower levels and cascades upwards.



- Lower levels may check more frequently.



Check Questions

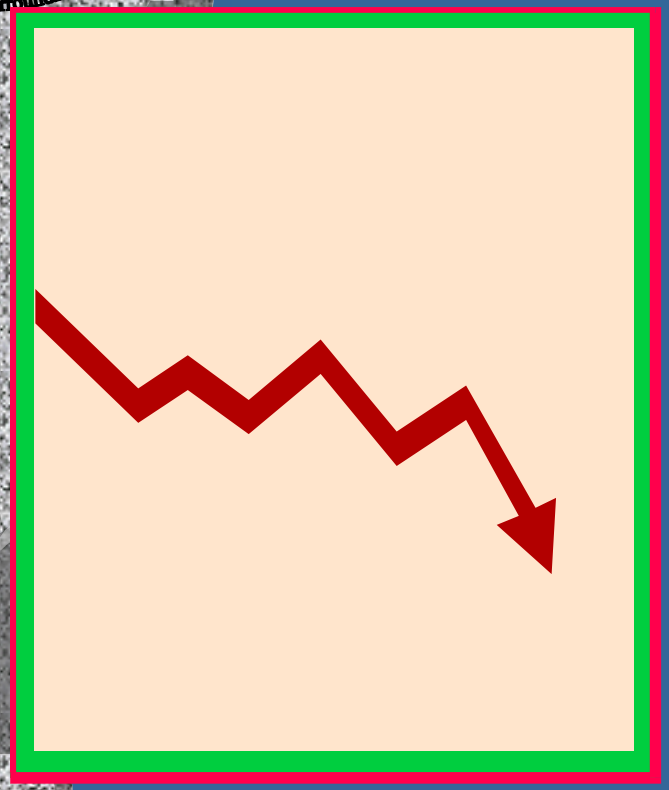
Policy Deployment – Questions to Ask

1. Do you have a plan?
2. Does the plan close the gaps to the goal?
3. Is the plan being executed on time?
4. Is the plan generating the expected business results?

If the answer is negative, take countermeasure

Monitor effectiveness of countermeasure

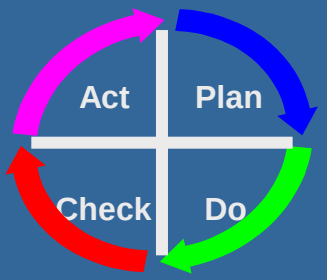
Look for trends – not just red/green



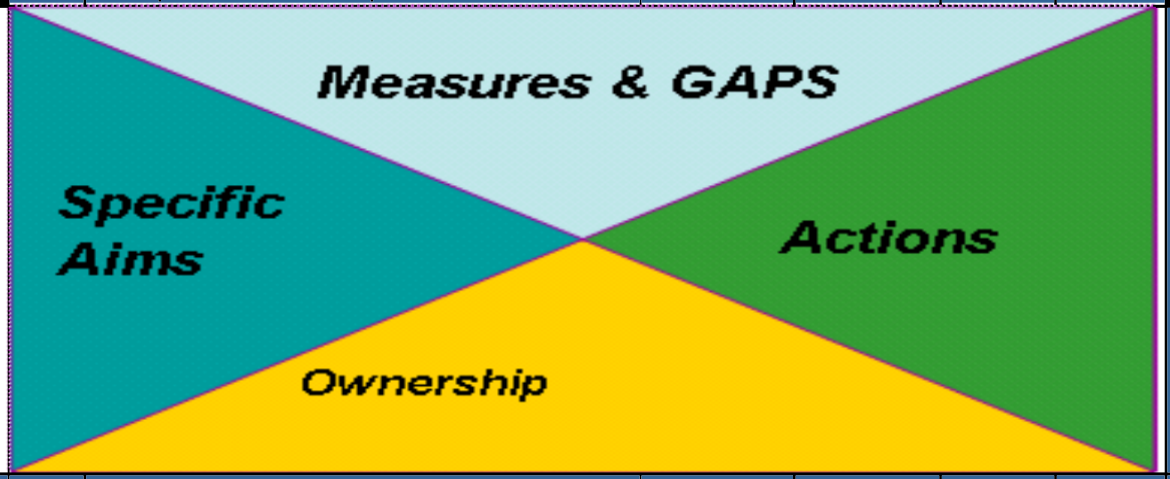
- Metrics chart gives an overall view if on track
- Use graphs and charts to see what is really happening.

The ACT Phase

- If off track:
  - Review the plan and countermeasures to confirm that gap from the plan can be closed.
    - Is the plan itself valid or does it need to be modifid?
  - Follow up to determine if actions on the countermeasures have been done.
  - Go to GEMBA to check to see if progress is being made on critical issues
- If on track
  - Lock in the condition with standardized work
- Confirmation Check
  - Does the plan and countermeasures link to the goal/vision?
  - Does it seem reasonable?



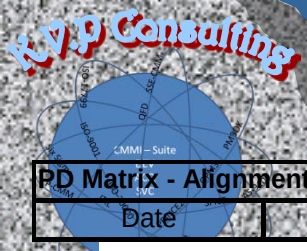
ID		Segment	Frequency	Base Line	Target
	On Time R&D Schedule	All IL R&D	Monthly		>10%
	On Quality R&D	All IL R&D	Quarterly		TBD
	On-Spec to book: R&D rework cost	All IL R&D	Quarterly		<95%
	On-budget R&D	All IL R&D	Monthly		Equal
	On-time R&D milestones	All IL R&D	Quarterly		>10%
	Operating Profit	All IL			
	ROI	All IL			
	Customer Satisfaction scores	All IL SPGs			
	Market shares	All IL SPGs			
	Attrition rate (Top performers)	All IL SPGs			
	% emp. w/ 100% accomplishment	All IL SPGs			



	R&D Excellence	Customer focus	Build the "A" team	Benchmark financial performance	Implement SW Process	Implement Personal Accomplishment System	Implement cost models, financial reporting and responsibility process	Implementing Customer Intimacy/Loyalty process	Implementing an "A" team Growth Process
Avi							S		
Ehud					S				
Eli						L			S
Hezi					S			L	
Kuti					S			L	
Larry							L		
Ronen						S	S		L
Dov									
Kobi					L				

K.V.P Consulting

Multi Discip



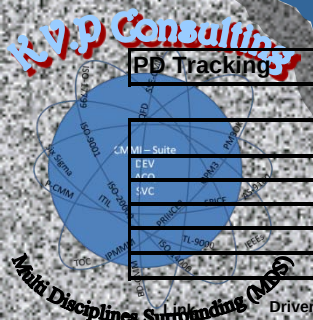
PD Matrix - Alignment		ORGANIZATION	YEAR
Date	By		

	PRIORITIES DEPLOYED FROM ABOVE	TARGET	TEAMS
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

1	2	3	4	5	6	7	8	9	10	PRIORITIES FOR THIS ORGANIZATION	TARGET	
												A
												B
												C
												D
												E

PRIORITIES FOR LEVEL BELOW	TARGET	TEAMS		E	D	C	B	A

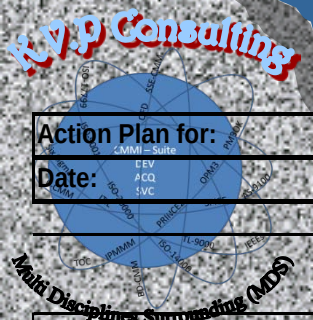
Multi Disciplines Surrounding (MDS)



PD Tracking	Date	By	ORGANIZATION	YEAR

Priorities this Team	Target

Link	Driver Numbers	2005 Actual	2006 Target		Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	YTD
Priority X	Key Metric Priority 1		Target 1	plan													0
				act est													
				+/-													
				qtr +/-													
Priority X	Key Metric Priority 2		Target 2	plan													0
				act est													
				ytd +/-													
				qtr +/-													
Priority X	Key Metric Priority 3		Target 3	plan													0
				act est													
				+/-													
				qtr +/-													
Priority X	Key Metric Priority 4		Target 4	plan													0
				act est													
				+/-													
				qtr +/-													
Priority X	Key Metric Priority 5		Target 5	plan													0
				act est													
				+/-													
				qtr +/-													
Priority X or Supporting	Metric 6		Target 6	plan													0
				act est													
				+/-													
				qtr +/-													
Priority X or Supporting	Metric 7		Target 7	plan													0
				act est													
				+/-													
				qtr +/-													
Priority X or Supporting	Metric 8		Target 8	plan													0
				act est													
				+/-													
				qtr +/-													
Priority X or Supporting	Metric 9		Target 9	plan													0
				act est													
				ytd +/-													
				qtr +/-													
Priority X or Supporting	Metric 10		Target 10	plan													0
				act est													
				ytd +/-													
Priority X or Supporting	Metric 11		Target 11	plan													0
				act est													
				ytd +/-													



Action Plan for:

Date:

Icons for Timeline Below

? Proposed Start

? Actual Start

? Proposed Completion

? Actual Completion

Task Details	Responsible Person	$ Cost	$ Benefit	Plan Dates		Status R/G	Status								
				Start	Finish		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep

MBF format for Red Items

Policy Deployment Improvement Target Countermeasure Analysis Management by Fact Summary

Organization:	Leader:	Target:	Date:

Problem Statement:

What is the problem that is preventing us from being on target?

Data Graph 1

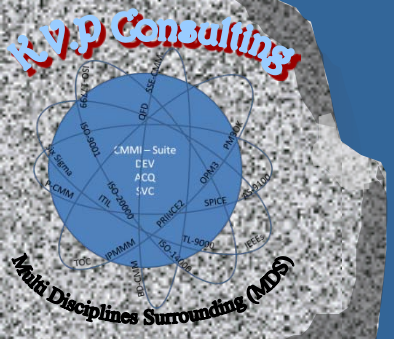
Data Graph 2

Data Graph 3

What analysis has been done to determine the root cause of the problem?

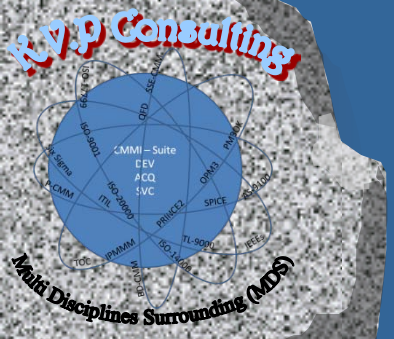
2002	2003	Targets			2004												
ACT	ACT	2004	2006	TAV	YTD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
				TARGET													
				ACT													
				VAR													

Prioritization & Root Cause	Counter Measures & Activities	Who	When	Process Capability	
				Predictive Impact	Status/Results

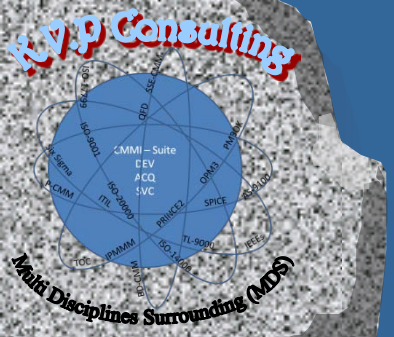


Tool (Excel Based) Walkthrough

We will go through a real file and data for discussion


K.V.P Consulting
CMMI – Suite
DEV
ACQ
SVC
Multi Disciplines Surrounding (MDS)

Questions ?



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