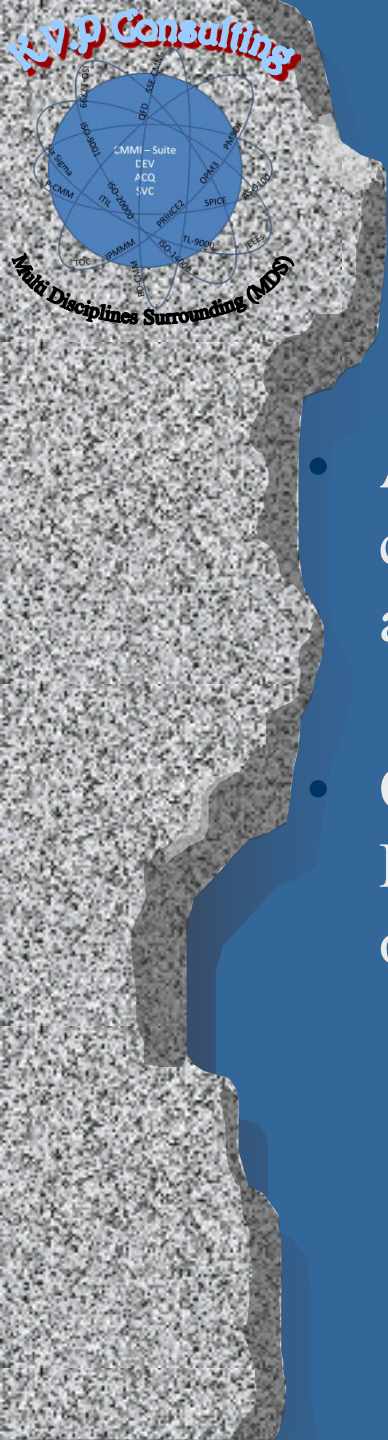
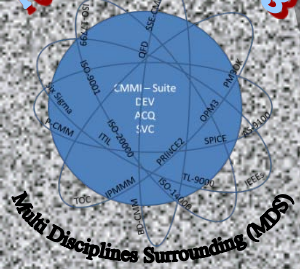


Design Your Business Processes to Embrace People in an Agile Approach and Support High Maturity (OPM)



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



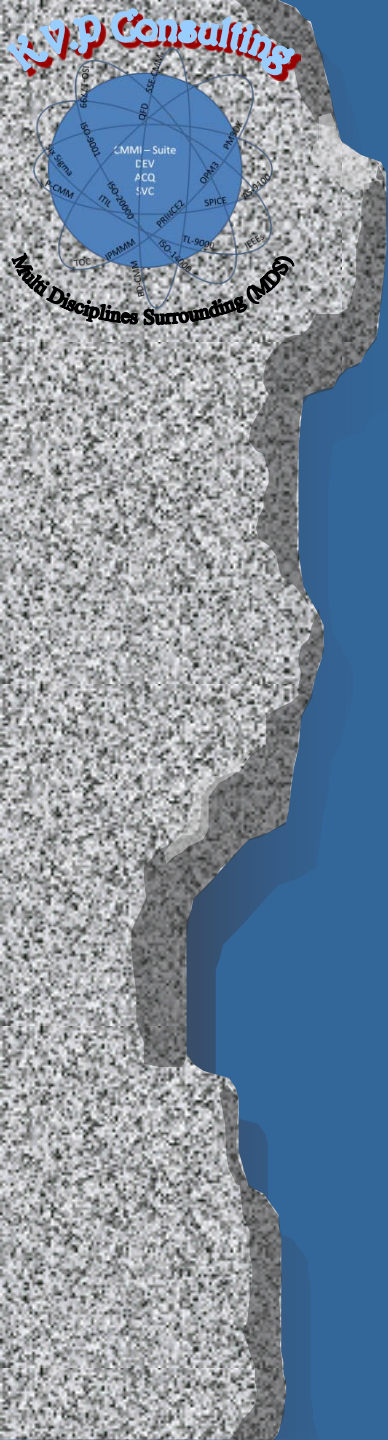
Specific Goal and Practice Summary

- 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**



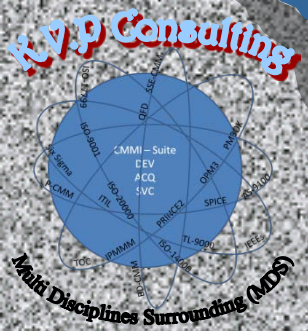
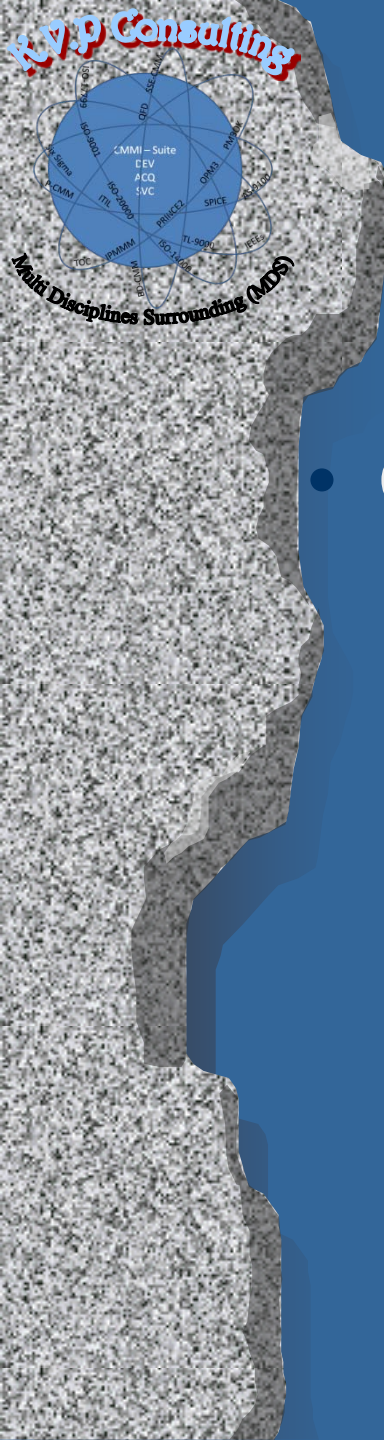
Definitions

- **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)



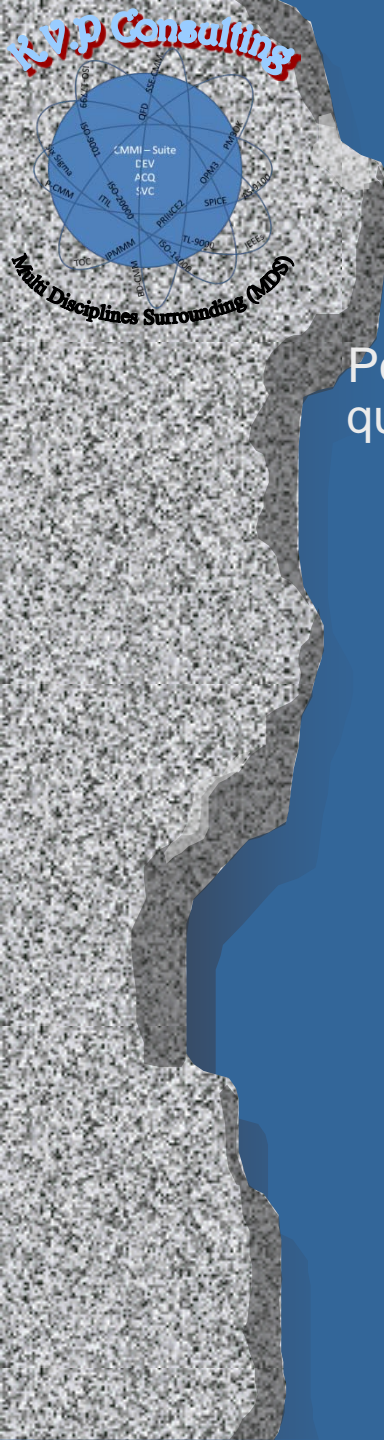
Strategic Policy Deployment

- 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

Catchball

Develop

Deploy

Execute

**Annual
Strategy
Review**

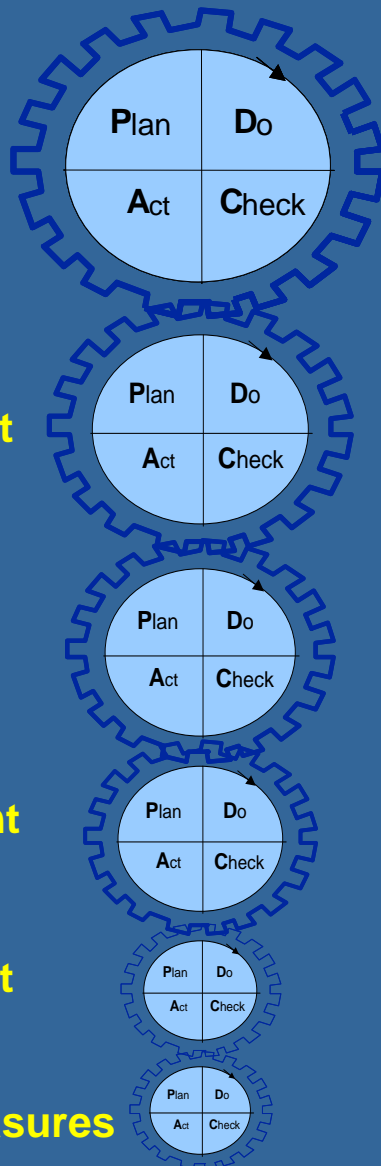
**Annual
Commitment
Plan**

**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:**

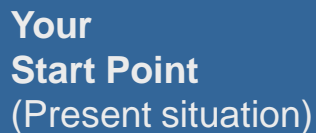
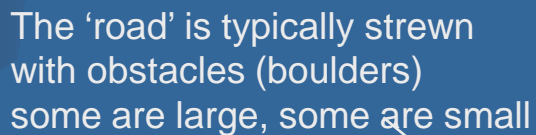
Management
EXCEL goals

Performance
Commitment
Plans (PCP's)

Employee
Development
Plans (EDP's)

Performance
Appraisals

Rewards

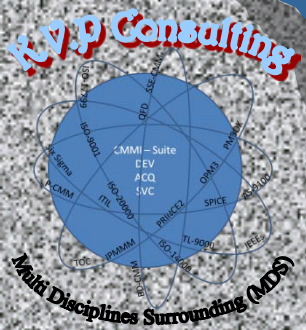


Use continuous improvement to remove the small obstacles on an ongoing basis

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



Your Destination (Vision)



Strategic Policy Deployment Process

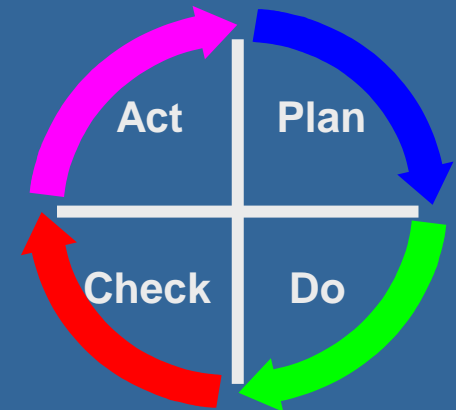
Strategic Focus

Step 1
Choose the Focus

Step 2
Align the Organization

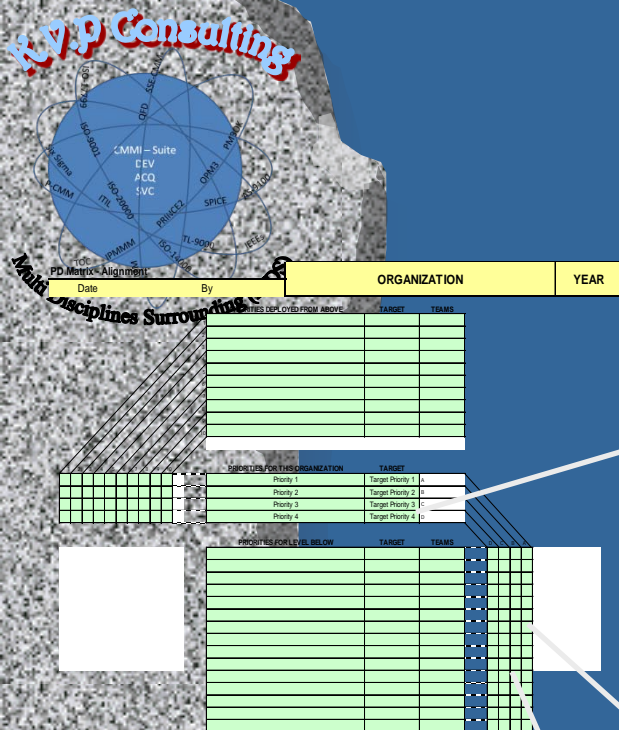
Step 3
Implement the Plan

Step 4
Review and Improve



Operational Focus

The Forms Link...



Alignment Sheet

PD Tracking		Date		By		ORGANIZATION												YEAR	
Priorities this Team		Targets this Team																	
Priority 1		Target Priority 1																	
Priority 2		Target Priority 2																	
Priority 3		Target Priority 3																	
Priority 4		Target Priority 4																	
Priority 5		Target Priority 5																	
Priority 6		Target Priority 6																	
Priority 7		Target Priority 7																	
Priority 8		Target Priority 8																	
Priority 9		Target Priority 9																	
Priority 10		Target Priority 10																	
Priority 11		Target Priority 11																	
Priority 12		Target Priority 12																	
Priority 13		Target Priority 13																	
Priority 14		Target Priority 14																	
Priority 15		Target Priority 15																	
Priority 16		Target Priority 16																	
Priority 17		Target Priority 17																	
Priority 18		Target Priority 18																	
Priority 19		Target Priority 19																	
Priority 20		Target Priority 20																	
Priority 21		Target Priority 21																	
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Priority 24		Target Priority 24																	
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Priority 26		Target Priority 26																	
Priority 27		Target Priority 27																	
Priority 28		Target Priority 28																	
Priority 29		Target Priority 29																	
Priority 30		Target Priority 30																	
Priority 31		Target Priority 31																	
Priority 32		Target Priority 32																	
Priority 33		Target Priority 33																	
Priority 34		Target Priority 34																	
Priority 35		Target Priority 35																	
Priority 36		Target Priority 36																	
Priority 37		Target Priority 37																	
Priority 38		Target Priority 38																	
Priority 39		Target Priority 39																	
Priority 40		Target Priority 40																	
Priority 41		Target Priority 41																	
Priority 42		Target Priority 42																	
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Priority 68		Target Priority 68																	
Priority 69		Target Priority 69																	
Priority 70		Target Priority 70																	
Priority 71		Target Priority 71																	
Priority 72		Target Priority 72																	

Tracking Sheet

[illegible]

Date		Description		Amount		Balance		Total	
Month	Year	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
1	2	3	4	5	6	7	8	9	10
11	2019								
12	2019								
1	2020								
2	2020								
3	2020								
4	2020								
5	2020								
6	2020								
7	2020								
8	2020								
9	2020								
10	2020								
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7	2039								
8	2039								

Program Plan (multiple)

Figure 1 illustrates the relationship between a Prioritized Road Course, Creative exercises, Who, When, Process, and Capability. The diagram shows a grid with columns for Prioritized Road Course, Creative exercises, Who, When, Process, and Capability, and rows for most important, appropriate, and least important. A red box highlights the 'most important' row, and a blue box highlights the 'least important' row. A red arrow points from the 'most important' row to the 'least important' row, and a blue arrow points from the 'least important' row to the 'most important' row.

MBF for
red items

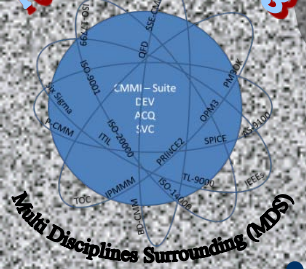
Figure 1 illustrates the process of identifying root causes for a problem. The process is divided into four stages:

- Stage 1: Problem Statement** - A problem statement is identified: "When I press the button, the light does not come on."
- Stage 2: Cause-and-Effect Diagram** - A cause-and-effect diagram is created, showing the relationship between the problem and its potential causes. The diagram shows "When I press the button" as the effect, and "The light does not come on" as the cause.
- Stage 3: Preliminary Root Cause** - A preliminary root cause is identified: "The light bulb is burned out."
- Stage 4: Root Cause** - The final root cause is identified: "The light bulb is burned out."

[illegible]

MBF,
Newspaper,
or problem
strip for red
items

[illegible]



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

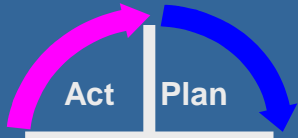
R - realistic

T - timed

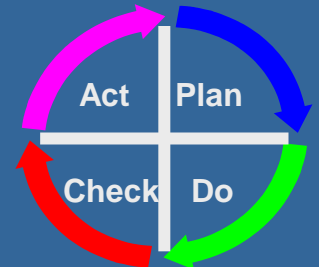
- Stay *focused* on the *plan*.
- Make *execution* of the plan as visual as possible.
- *Review* the plan on a regular basis.
 - Look at metrics daily/weekly
 - Formal reviews monthly
 - results vs. expected, as well as the *countermeasure* to fill the gap
- Ask *why* if the team is doing things that 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.



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 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.



Check Questions

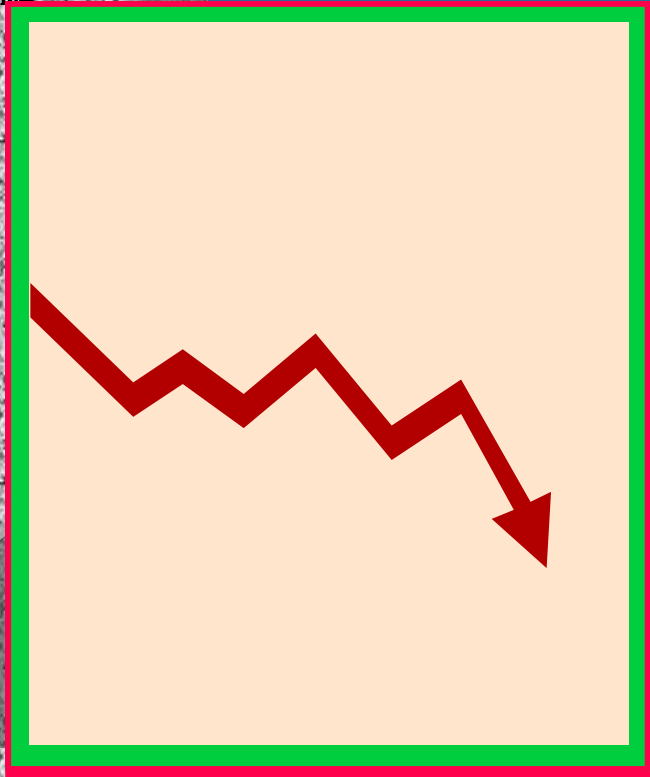
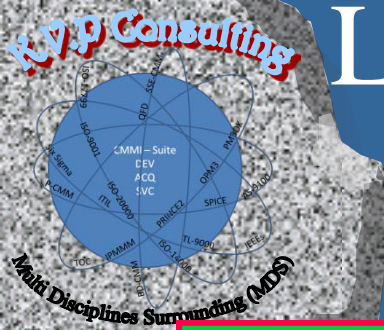
Policy Deployment – Questions to Ask

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

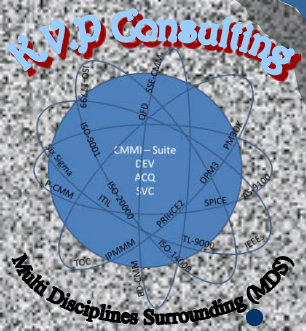
4 → Is the plan generating the expected business results?

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:

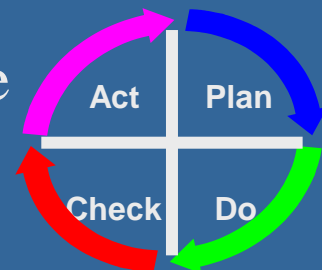
- Review the plan and countermeasures to confirm that gap from the plan can be closed.
 - Is the plan itself valid or does it need to be modified?
- Follow up to determine if actions on the countermeasures have been done.
- Go to GEMBA to check to see if progress is being made on critical issues

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									
						<div><div><div>Measures & GAPS</div><div><div>Specific Aims</div><div>Ownership</div><div>Actions</div></div></div></div>										

PRIORITIES DEPLOYED FROM ABOVE

TARGET

TEAMS

1			
2			
3			
4			
5			
6			
7			
8			
9			
10			

PRIORITIES FOR THIS ORGANIZATION

TARGET

		A
		B
		C
		D
		E

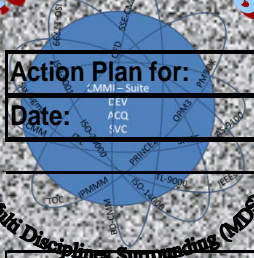
PRIORITIES FOR LEVEL BELOW

TARGET

TEAMS

[illegible]

[illegible]

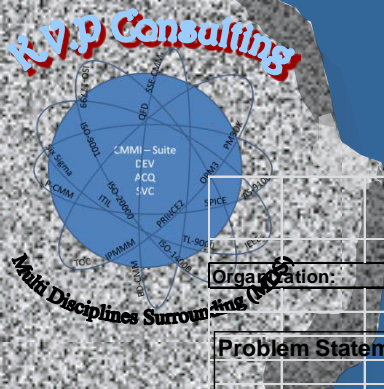


? Actual Completion

Status

[illegible]

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		

Data Graph 1

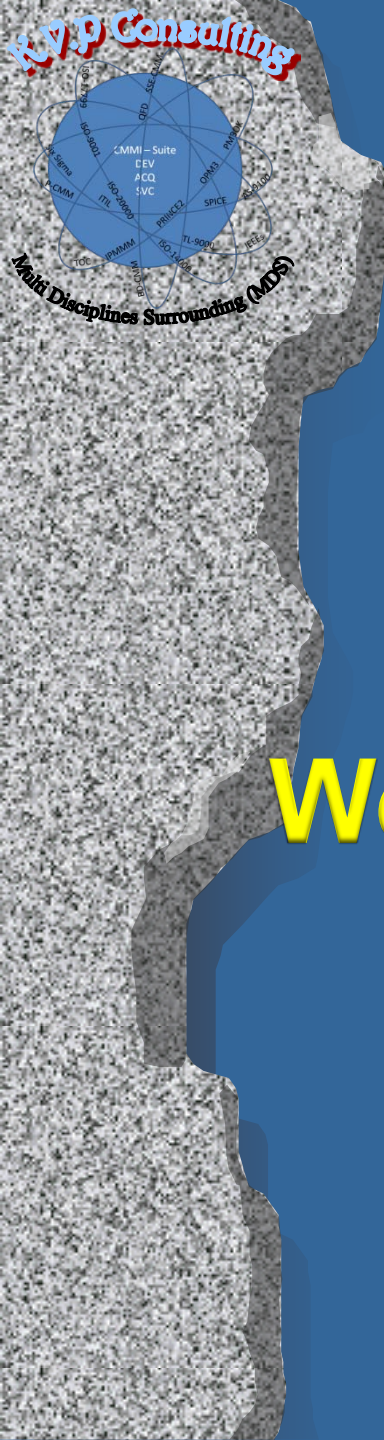
What is the problem that is preventing us from being on target?

Data Graph 2

Data Graph 3

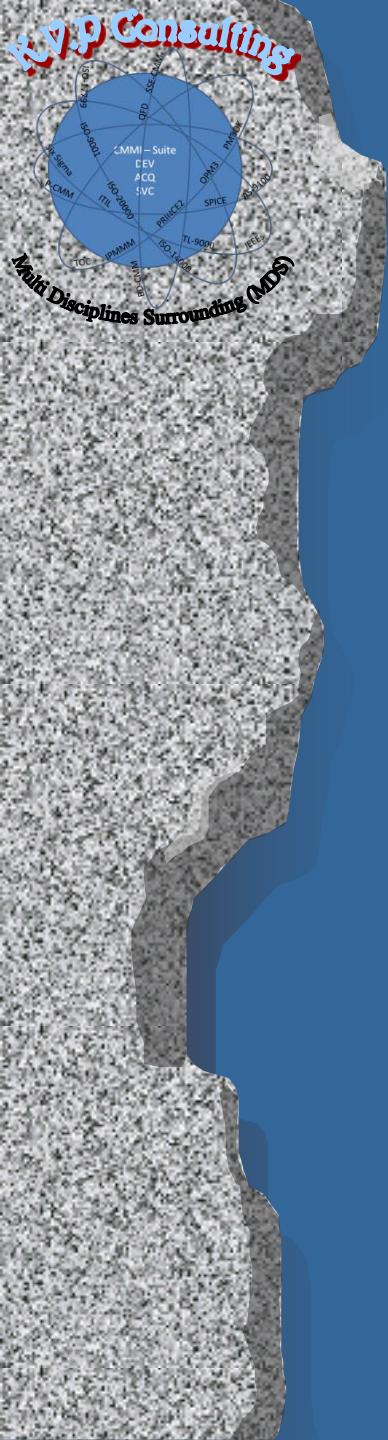
What analysis has been done to determine the root cause of the problem?

[illegible]



Tool (Excel Based) Walkthrough

We will go through a real file
and data for discussion



Contact

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