

2023 UK Lean Summit

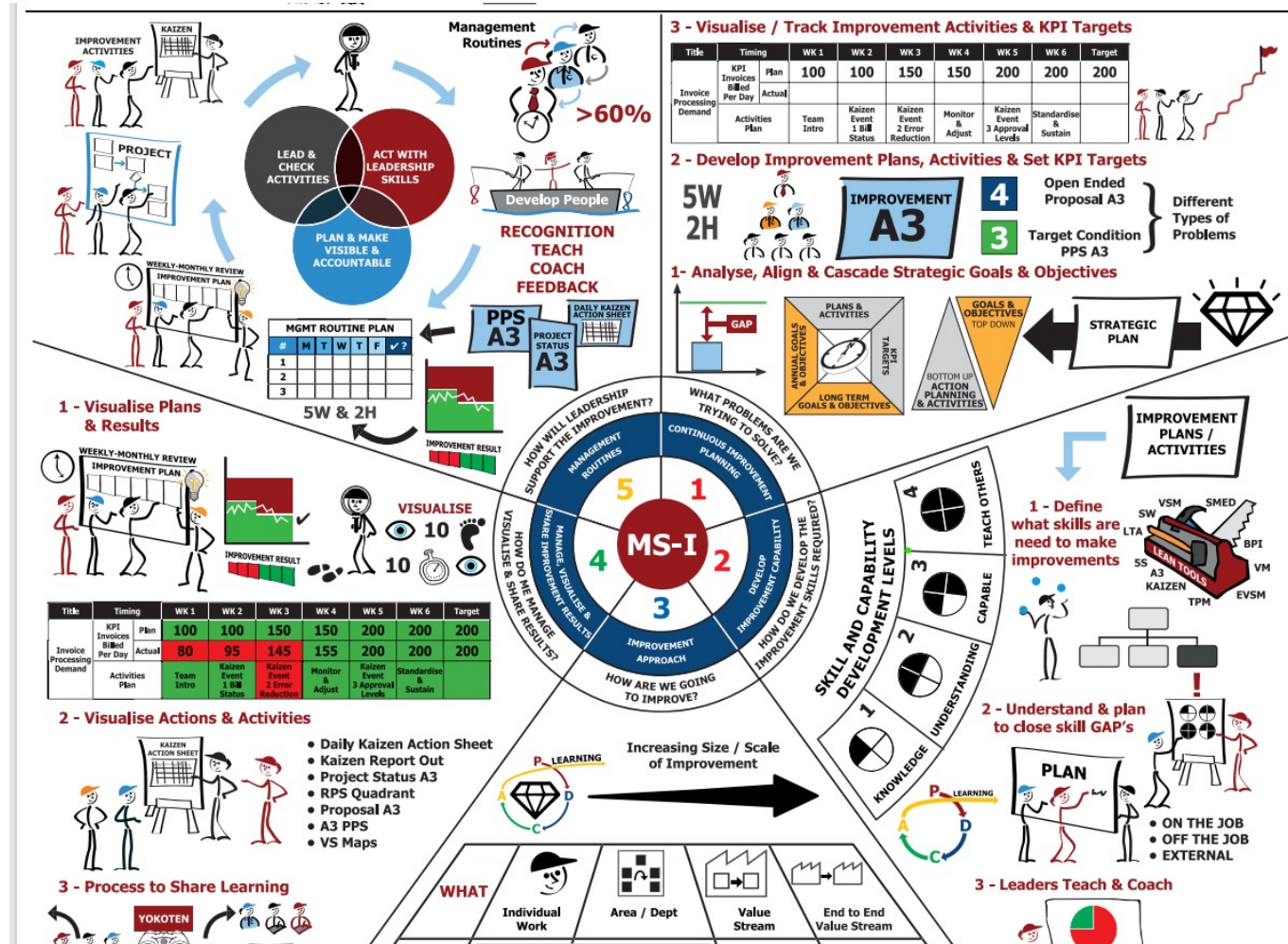
Lean & Digital - Aligning People and Strategy



Learning Session

Lean & Digital - Aligning People and Strategy

Learning Session - Introduction



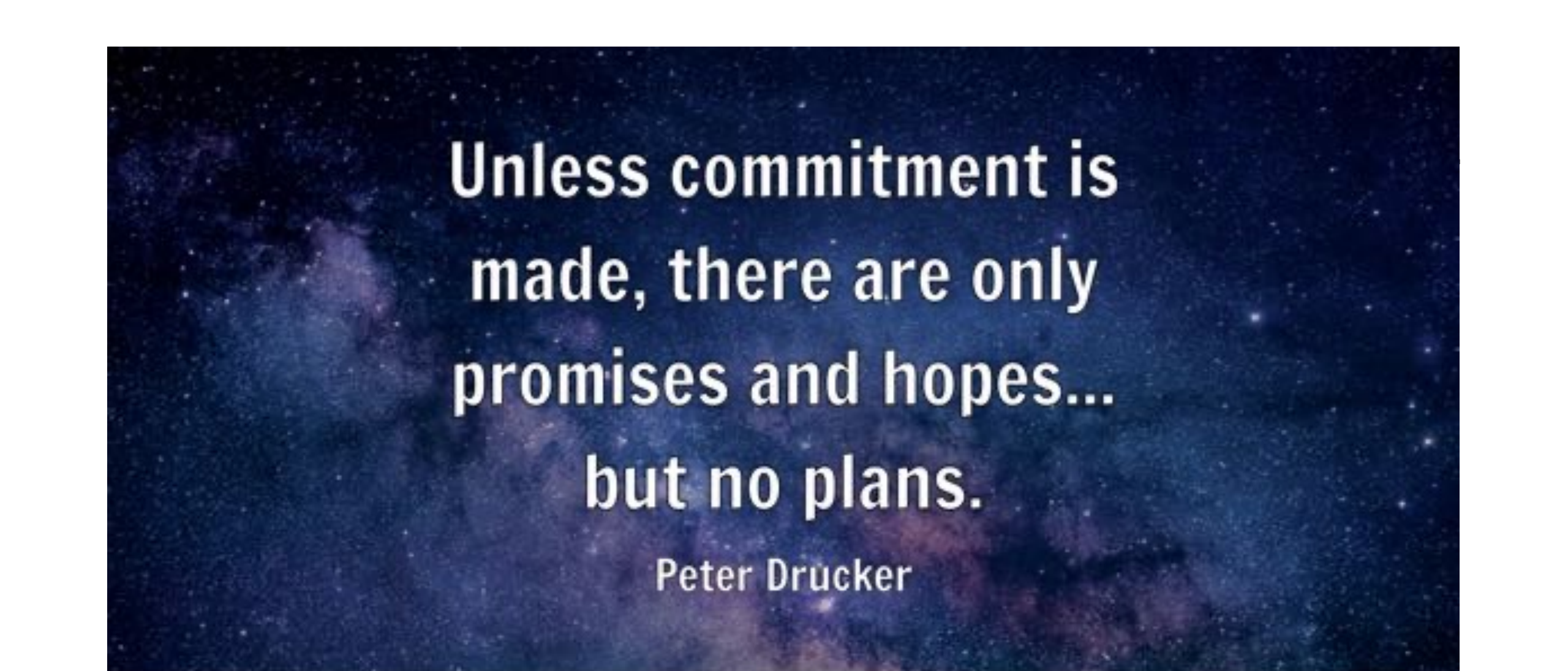
Cascading Strategic Goals & Objectives

There are multiple methodologies on how to manage & cascade objectives

- OKRs (Objectives and Key Results)
- OGSM (Objectives, Goals, Strategies and Metrics)
- Hoshin Kanri
- ...a terminology that fits the organisation

All are different ways of establishing a vision, developing objectives/goals, identifying how you'll know if you've achieved it and what activities need to happen.

- a plan



**Unless commitment is
made, there are only
promises and hopes...
but no plans.**

Peter Drucker

BrainyQuote®

Introducing Policy Deployment (Hoshin Kanri)



Companies invest both time and resources in developing strategies. Yet, many companies struggle to achieve the strategic goals or know when they have achieved them.



Hoshin Kanri is the process that organizations use to develop their long-term strategy. Giving direction, prioritising strategic goals and setting plans in order to transform the business.



Designed to align objectives by providing a framework to cascade goals and build commitment to achieve the goals and gain consensus – “catchball”. Creating clarity about your strategic challenges and making the entire organisation strive towards the same direction.

What are you looking to achieve?



Challenge the organization to achieve better results



Involve the whole business in the activities to deliver the goals and improvement activities



Effectively transform the business with strategic plans that have been translated into deliverable actions

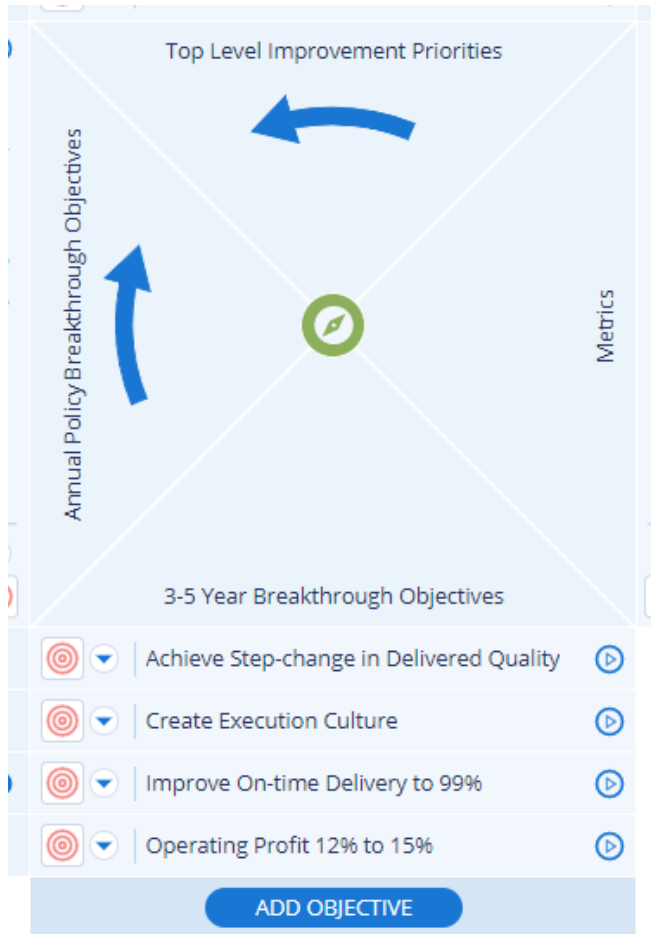


Capture new ideas to fill gaps for strategic planning

Introducing the x-matrix



The South – What is the long term vision



What do we need to achieve in the next three years to achieve our vision?

Who is accountable for achieving these breakthrough goals?

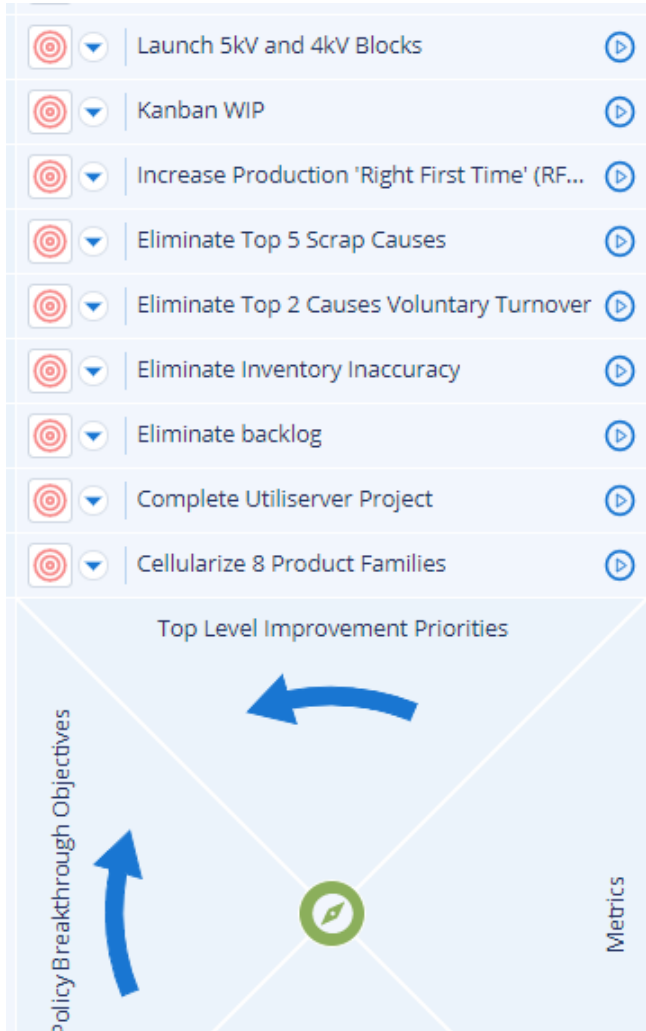
The West – What to solve this year



For each breakthrough what needs to be achieved this year?

The Annual Plan.

The North - How

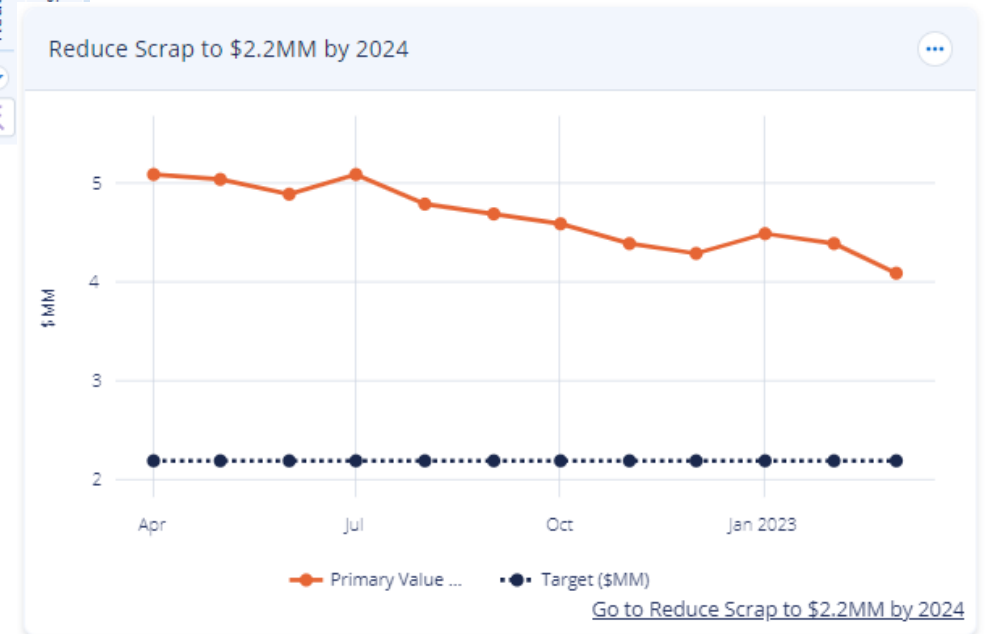


The action plans / improvements of how we will achieve these goals.

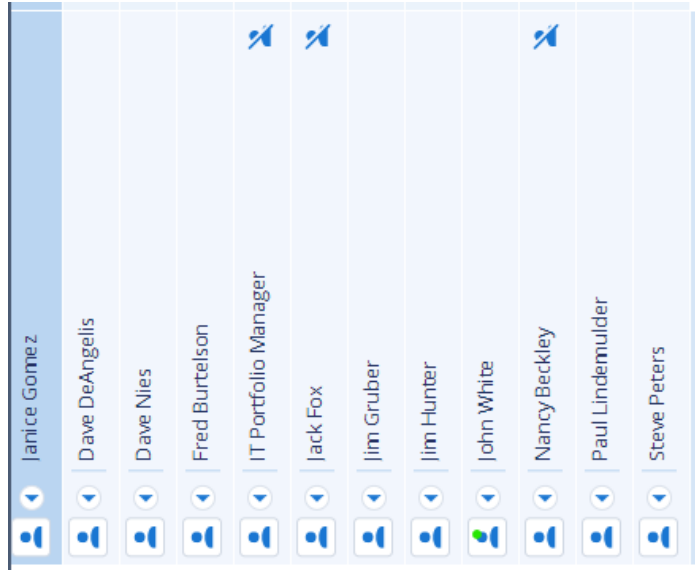
East – How will we know



Measure performance to ensure we are on track to deliver the goals.



Far East – Who is accountable



A screenshot of a Microsoft Teams chat list. The list contains 12 entries, each with a profile icon, a name, and a status indicator. The names are: Janice Gomez, Dave DeAngelis, Dave Niles, Fred Burtelson, IT Portfolio Manager, Jack Fox, Jim Gruber, Jim Hunter, John White, Nancy Beckley, Paul Lindemulder, and Steve Peters. The 'IT Portfolio Manager' entry has a blue 'X' icon, and 'John White' has a green 'A' icon.

Janice Gomez	
Dave DeAngelis	
Dave Niles	
Fred Burtelson	
IT Portfolio Manager	X
Jack Fox	X
Jim Gruber	
Jim Hunter	
John White	A
Nancy Beckley	X
Paul Lindemulder	
Steve Peters	

Who is going to deliver the plans / improvements?

Organizational alignment and individual accountability.

Connecting the Dots

The image displays a project management interface with a central strategy diagram and a task grid.

Central Strategy Diagram:

- Top Level Improvement Priorities:** Indicated by a blue arrow pointing upwards.
- 3-5 Year Breakthrough Objectives:** Indicated by a blue arrow pointing downwards.
- Annual Policy Breakthrough Objectives:** Indicated by a green circle with a compass icon in the center.
- Metrics:** A vertical label on the right side of the diagram.

Task Grid (Left Panel):

Reduce Voluntary Turnover Rate by 50%	Launch 5kV and 4kV Blocks
Operating Income of \$4.2MM	Kanban WIP
Improve Customer Success	Increase Production 'Right First Time' (RF...)
Achieve 3.85 Sigma (Total PPM)	Eliminate Top 5 Scrap Causes
98% On-time Delivery High Volume produ...	Eliminate Top 2 Causes Voluntary Turnover
	Eliminate Inventory Inaccuracy
	Eliminate backlog
	Complete Utiliserver Project
	Cellularize 8 Product Families

Task Grid (Right Panel):

Achieve Bookings of \$90MM	Complete Assembly Production %RFT	Complete Cellularization to Plan	Complete Kanbans to Plan	Complete Service Improvements to Plan	Customer Satisfaction With Delivered Qu...	Increase Incremental Arrester Sales \$1M...	Inventory Accuracy to 95%	On-Time Deliveries Delay to Target Date	On-Time delivery	Reduce Scrap to \$2.2MM by 12/01	Reduce Voluntary Turnover to 8%	Utiliserve Sales of \$2MM
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Team Assignment Panel (Bottom Right):

- Janice Gomez
- Dave DeAngellis
- Dave Niles
- Fred Burtelson
- IT Portfolio Manager
- Jack Fox
- Jim Gruber
- Jim Hunter
- John White
- Nancy Beckley
- Paul Lindemulder
- Steve Peters

Legend (Far Right):

- 0. Toggle tool
- 1. Alternative Primary Responsibility
- 2. Primary Responsibility
- 3. Secondary Responsibility
- 4. Team Member

Buttons: ADD TEAM MEMBER

Common errors to avoid

When building out the strategy some common errors to keep in mind.

1. Operational not transformational
2. Tradition, we've always had the goal
3. Check the metric
4. Enough is enough (not a wish list)

Spot the Common Errors

Exercise

Executing the Plan

Name	Owner	Traffic Light Status	Trend	Performance		YTD 2023	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021	Jan-2022	Feb-2022	Mar-2022	Apr-2022	
☐ <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Improve On-time Delivery to 99%	▶ Janice Gomez	RED		93.22	TARGET		100	100	100	100	100	100	100	100	100	100	100	100	100	100
					ACTUAL		89.79	90.43	90.73	89.74	94.19	93.45	98.91	99.47	94.17	91.31	93.06	98.67	N/C	
☐ <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> 98% On-time Delivery High Volume product line	▶ Janice Gomez	RED		95.25	TARGET		100	100	100	100	100	100	100	100	100	100	100	100	100	100
					ACTUAL		98.11	98.59	98	81.88	89.19	87.7	98.61	99.34	97.14	91.31	93.06	98.67	N/C	
☐ <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> On-Time delivery	▶ Steve Peters	GREEN	→	98.98	TARGET		98.000	98.000	98.000	98.000	98.000	98.000	98.000	98.000	98.000	98.000	98.000	98.000	98.000	98.000
					ACTUAL		92.00	96.00	96.00	25.00	69.00	60.00	98.00	98.00	98.00	97.00	96.00	95.00	92.00	
☐ <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Production rate	▶ Steve Peters	RED	→	76.84	TARGET		95.000	95.000	95.000	95.000	95.000	95.000	95.000	95.000	95.000	95.000	95.000	95.000	95.000	
					ACTUAL		92.000	89.000	83.000	76.000	78.000	70.000	86.000	93.000	74.000	78.000	94.000	95.000	95.000	
☐ <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Simplify the Production Process to Increase Production Rate b...	▶ Steve Peters	RED		49.99	TARGET	100	83	100	100	100	100	100	100	100	100	100	100	100	100	
					ACTUAL		20	17	17	20	20	20	20	20	20	20	20	20	20	
☐ <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Freight % COGS - Sweden	▶ Ron Sykes	RED	↗	80.00	TARGET															
					ACTUAL															
☐ <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Voluntary Turnover Rate	▶ Steve Peters	GREEN	→	100.00	TARGET		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
					ACTUAL		0.200	0.110	0.120	0.500	0.250	0.200	0.200	0.180	0.200	0.200	0.200	0.200	0.200	
☐ <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Customer Complaints	▶ Janice Gomez	N/A		N/A	TARGET															
					ACTUAL															
☐ <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Reduce Late Deliveries from Supplier D on Evening Shift	▶ Jack Fox	RED		4.79	TARGET	100	0	0	0	0	0	0	0	0	0	0	0	4	20	
					ACTUAL		20	20	20	20	20	20	20	20	20	20	20	20	20	

Important to create a cadence of reporting to ensure that each level of the cascade is being reviewed regularly.

Tools like Bowling Chart, Action Plans, CI Trackers as well as BI analytics will support this activity.

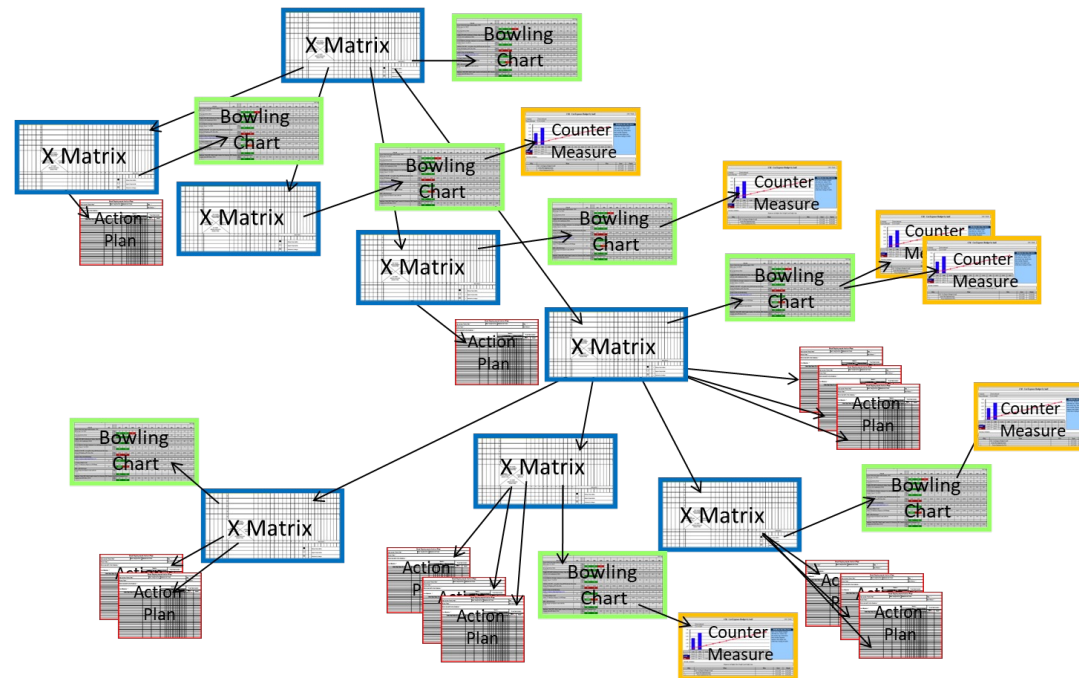
BRACE YOURSELVES

**A SPREADSHEET IS
COMING**

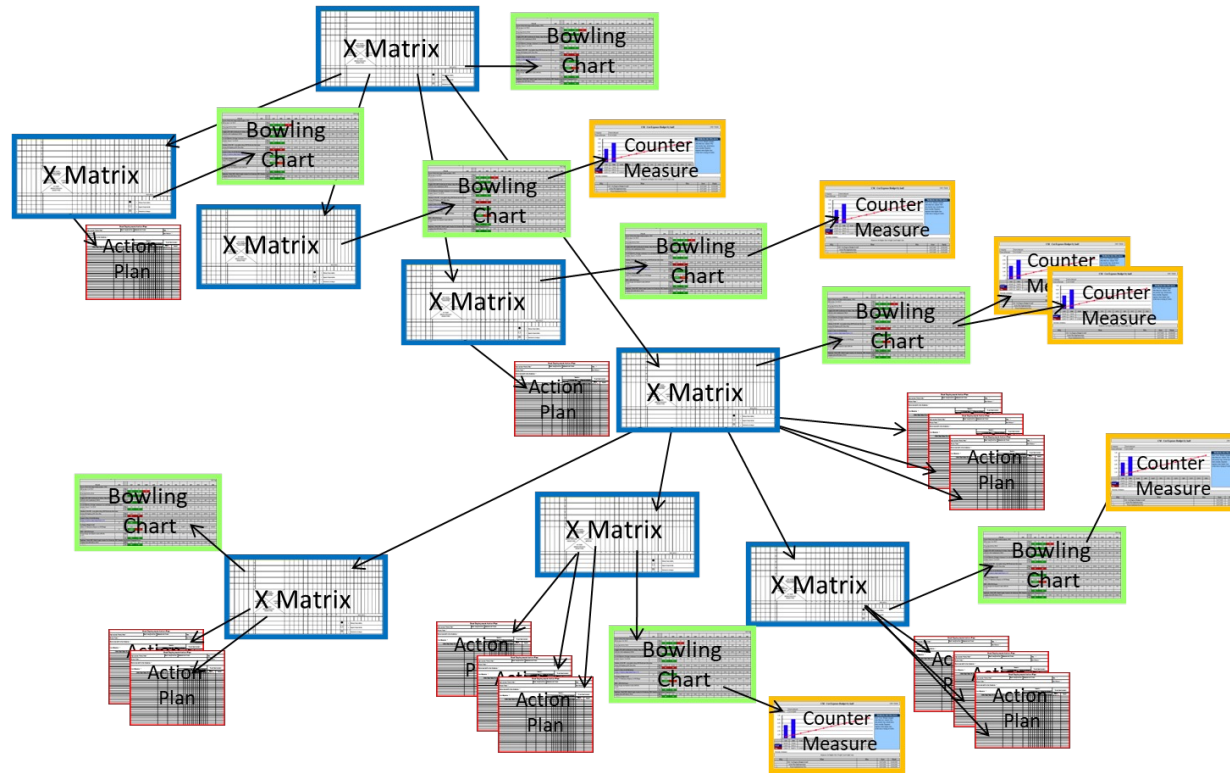


Why digitalise

- Excel is available to most organisations as part of the MS corporate package so readily available & familiar to all and an easy option for starting
- Once scaling is needed, with more than 3 levels of cascading activities or even bottom up problem solving to align with the breakthroughs, control starts to be lost and becomes an administrative burden

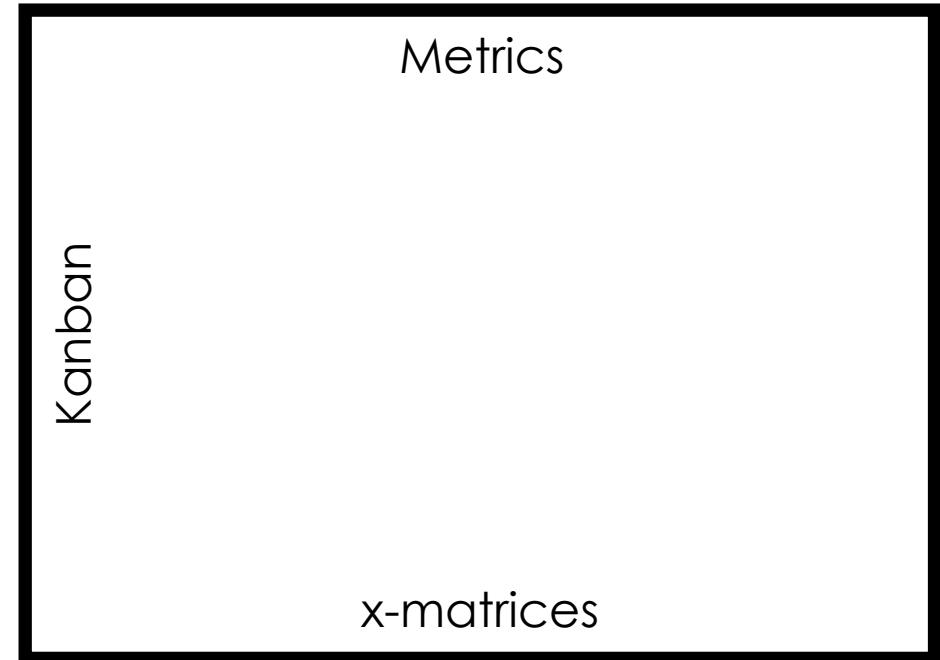
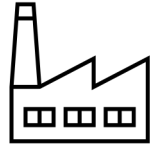


Some of the challenges as you scale



- Multiple Versions of the truth
- Time spent reconciling data
- Time spent chasing inputs
- Time spent manipulating data
- Time spent generating reports
- Difficult to hold managers accountable for delivery
- Reporting lag creates unnecessary delays
- Late interventions mean less likelihood of successful execution
- Connecting all systems without manual re-keying

Customer example – Strategy War Room



Take a problem and cascade

Exercise 2

Challenges

- Change: any introduction of a digital solution is to accompany a process change or a required change in behaviour – so you have to be ahead of the game, early introductions, engagement with all parties
- People will like their existing systems (even if they don't) or are familiar with it and will need to re-learn
- Thinking buying a solution will solve all the problems without the investment of time (people) and changing current process

Learning Session – close

- Open forum – questions?



Making Solutions about Partnership

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strategy deployment
...transformation through partnership