Achieving Higher Performance Results and Greater Employee Engagement Through Business Plan Deployment

June 12, 2014

Joe Mazzeo
Integrated Lean and Quality Solutions, LLC
Business Plan Deployment

Topics Discussed:

• Your Business Plan Objectives
• Lean Manufacturing Overview
• Defining BPD
• The BPD Process
• The Planning Cycle
• The Role of Leadership
• Making BPD Visible and a Daily Process
• Summary
Presentation Take-Aways:

- An understanding of what Business Plan Deployment is and how to apply it to your business environment
- How BPD fits within Lean Manufacturing Principles
- BPD can help improve a company’s operational and financial performance
- Think about the concepts:
  - How can I apply this idea to my business?
  - How can I make this work for my business?
- Everything discussed can be scaled to fit
Business Plan Deployment

Topics Discussed:

• Your Business Plan Objectives
• Lean Manufacturing Overview
• Defining BPD
• The BPD Process
• The Planning Cycle
• The Role of Leadership
• Making BPD Visible and a Daily Process
• Summary
Lean Manufacturing and Business Plan Deployment....

High Precision/Clean Room Environment
- Medical/Orthopedic
- Automotive
- Electronics

Hotel / Services

Transportation

Hospitals

Heat Treating

Machine Shops / Short Runs

...Applies to all Industries/Businesses/Services
Your Business Plan Objectives:

- Do your employees know and understand your company's objectives?
- How effectively are the top line goals communicated?
- Would your employees be able to communicate how they are directly contributing to the achievement of those objectives?
- Are your employees able to measure their performance and directly link it to the company's overall performance metrics?
- What does "Achieve Market Quality Leadership" mean to a production operator?
Your Business Plan Objectives:

- Do your employees know and understand your company's objectives?

How effectively are the top line goals communicated?

NOT BEING ABLE TO PROPERLY ANSWER THESE QUESTIONS RESULTS IN A LOSS OF OPPORTUNITY FOR EMPLOYEE ENGAGEMENT

- Are your employees able to measure their performance and directly link it to the company's overall performance metrics?

- What does "Achieve Market Quality Leadership“ mean to a production operator?
Translating Your BPD

- “Translate" the goals into specific objectives and actions down through the organization in a manner that is appropriate to all levels.

- Business Plans need to be "translated" and into the language of the production floor

- Allows everyone to understand how they can directly impact and contribute to the achievement of the stated objectives
Topics Discussed:

- Your Business Plan Objectives
- Lean Manufacturing Overview
- Defining BPD
- The BPD Process
- The Planning Cycle
- The Role of Leadership
- Making BPD Visible and a Daily Process
- Summary
Lean Manufacturing System

System for:

- Eliminating Waste
- Build Value
- Support for the Operator
An effective Lean Manufacturing System is:

- A single, common manufacturing system
- Integrated / Inter-dependent principles
- Scalable to fit the needs and size of the organization
Lean Manufacturing Principles

How Do All the Principles Fit Together?

CONTINUOUS IMPROVEMENT
SHORT LEAD TIME
BUILT-IN-QUALITY
STANDARDIZATION
PEOPLE INVOLVEMENT
**People Involvement**

- Engagement
- Communication
- Team concept
- Health and safety

![Communication Board](image-url)

### Job Flexibility Chart

#### Ref-2C

<table>
<thead>
<tr>
<th>Group Leader</th>
<th>Jan-11</th>
<th>Feb-11</th>
<th>Mar-11</th>
<th>Apr-11</th>
<th>May-11</th>
<th>June-11</th>
</tr>
</thead>
<tbody>
<tr>
<td>J. Doe (T/L)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T. White</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T. LaCourse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>J. Wing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Persall</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>T. Bellant</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Verify quadrants filled in have supporting documentation to match in JIT binder.
- If the Actual does not meet the Plan, ensure the team has countermeasures written to close the training gap.
- Ensure monthly reviews and signoffs are occurring between TL &...
Standardization

- Workplace organization
- Standardized work

5S = Sift/Sweep/Standardize/Self-Discipline/Sustain
Built-in-Quality

Product Sample Retention Boards / Tables

Built in Quality

- Process and product validation
- Quality standards
- Quality management system
- Quality feedback and feed forward
Short Lead Time

- Simple process flow
- Supply chain management
- Scheduled shipping/receiving
- Lean containerization

Material Delivery Rack Locations

Job Element Sheet – Showing Color-coded Part-Cart Locations

Symbol Legend (SYM):

- Safety
- Ergonomics
- Quality
- Knack
- Critical

Doc. No.: DP-785

- KEY POINT (How) -
  - A
  - B
  - C

- REASON (Why) -
  - A
  - B
  - C

- REF -
  - 12A

- STEP (What) -
  - 1 Select the proper colored buggy to buffer the downloaded parts into.
  - 2 Fill out and attach "O.K. for Use" tag to the buggy.
  - 3 Place the buggy into the identified staging area for download/upload.
  - 4 Load or unload the buggy.

- REF -
  - 1

- Element Numbers(s):
  - 1

- Group Leader
  - Date
  - 10/22/10

- Lead Technician
  - Date
  - 10/20/10

- Initial Review & Update Signatures

- Final Review & Update - See Training Signature Sheet or Training Matrix
### PRIORITY CHECKS (Performed by all levels of the organization)

<table>
<thead>
<tr>
<th>Q</th>
<th>Description</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Is the team member (TM) following the posted PPE requirements?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PPE sheet: present on workstation board, current, and signed off. (Ref 1A or 1B)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>PPE Sheet: being adhered to by the operator. (safety glasses, gloves, no finger rings, non-slip shoes, etc) (Ref 1C)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Walkie Truck Pre-Op Inspection completed if applicable to area. (Ref 1D)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Take shelter/evacuation map: needs to be visually located in the work area. (team room) (Ref 1E &amp; 1F)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Verify Lockout Placard is posted on operation, is current, (reviewed on an annual basis) and is understood by the operator. (Ref 1G)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Verify SOP’s are being used at the workstation, are listed on the PPE, and are posted at the job. (Ref 1H &amp; 1I)</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Has the TM been qualified to requirements of the job, documented through JIT, identified on the Flex Chart and rotating in the team?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Verify there is JIT documentation for each team member that supports the information posted on the flex chart. (Ref 2A, 2B, 2C)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Does the JIT have the required signatures: safety, quality, and production (Ref 2B)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Flex chart: sign-offs validating monthly reviews; bottom quarter of sheet filled in (target vs plan) (Ref 2C)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Verify if there are any countermeasures written under &quot;People&quot; on the level 5 board if training plans (target vs actual) are not achieved according to the flex chart. (Ref 2C)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Verify training (Bay City specific) has occurred for those people with full Harvey quadrants (documentation located with JITP sheets)</td>
<td></td>
</tr>
</tbody>
</table>

---

**Continuous Improvement**

- Problem-solving
- Process Verification
- Andon - call for help
- Layered Audits
- Business Plan Deployment

---

**ILQSolutions.com**
Business Plan Deployment

Topics Discussed:

• Your Business Plan Objectives
• Lean Manufacturing Overview
• Defining BPD
• The BPD Process
• The Planning Cycle
• The Role of Leadership
• Making BPD Visible and a Daily Process
• Summary
Where does Business Plan Deployment fit into a Lean Manufacturing System?
Business Plan Deployment fits into Lean Manufacturing’s Continuous Improvement Principle.
Business Plan Deployment

Definition:

- BPD enables the total organization to:
- Set targets
- Develop actions
- Integrate plans
- Remain focused to achieve company-wide goals
- Manage change
Purpose

• Aligns all employees to work on one set of common objectives
• Allows all employees to help contribute to the success of a company’s business plan
• Develops a culture of Continuous Improvement
BPD:
• Applies to all functions within an organization
• Can be scaled to fit the size of the organization
Business Plan Deployment

Topics Discussed:

• Your Business Plan Objectives
• Lean Manufacturing Overview
• Defining BPD
• The BPD Process
• The Planning Cycle
• The Role of Leadership
• Making BPD Visible and a Daily Process
• Summary
The ACME Manufacturing Company

- Manufacturing Leadership
  - Plant Manager
  - Manufacturing Plants

- Functional Area
  - Quality
  - HR/LR
  - Finance
  - Purchasing

Non-Integrated Manufacturing Plan
In order for a company to achieve its VISION, it must have the following in place:

- **Concrete GOALS**
- **Specific OBJECTIVES**
- **Clear & Measurable TARGETS**
- A **METHOD to reach the targets / GAP CLOSURE PLAN and Strategies**

BPD Elements

Common Measurements

Regular and Consistent Reviews

Coordination
GOALS

Setting BPD Goals

BPD Starts With Senior Leadership:

- Establishing the strategic direction and setting specific goals for the organization to achieve
- Starts with the company’s annual business planning and implementation cycle
- While a company may select a wide range of goals, fewer, more focused goals are better
- Allows for successful cascading throughout the organization and achievement of the objectives.
Example BPD Goals

Safety – Achieve Safety Leadership

People – Develop and Engage a Qualified Workforce

Quality – Achieve Market Quality Leadership

Responsiveness – Meet Customer Demand

Cost – Maintain Profitability
Setting BPD Objectives

For an effective BPD process, company leadership must ensure:

• Strategic direction is developed to attain business results using Lean Manufacturing principles

• Conflicting issues and objectives between strategies and staffs are prioritized and resolved

• Specific ownership is assigned to implement and track BPD implementation

• Business Plan initiatives for specific areas such as quality, cost, etc, are developed and achievable

• Progress and best practices are shared at frequent performance reviews
BPD Targets

Are My Targets SMART?

Specific
Measured
Agreed
Realistic / (But with STRETCH)
Timed

ILQSolutions.com
BPD Actions/Methods

- Activities that are planned to achieve the **OBJECTIVE** as measured by the **TARGET**.
- Provides for gap closure
- **Methods are:**
  - The “How” of the annual plan
  - Specific
  - Timed and scheduled on the annual plan
  - Assigned to individuals responsible for carrying them out
  - Supported by detailed action plans
  - Signed by the responsible individuals
ACME MANUFACTURING COMPANY

2014 Business Plan Deployment

QUALITY GOAL: Achieve Market Quality Leadership!

OBJECTIVE 1: Implement Process Failure Mode Effects Analysis (PFMEA) across all manufacturing sites

TARGET: 50% of all operations have PFMEAs in place with supporting control plans

<table>
<thead>
<tr>
<th>RESPONSIBILITY</th>
<th>METHOD SUMMARY</th>
<th>TARGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vice President – Manufacturing</td>
<td>Ensure PFMEA training and Resources are provided</td>
<td>100% of Manufacturing leadership and technical resources trained</td>
</tr>
<tr>
<td>Plant Manager</td>
<td>Implement plan to train and identify operations for PFMEA implementation</td>
<td>100% of Staff, production, manufacturing engineering and quality departments trained; 50% of operations identified and PFMEAs completed</td>
</tr>
<tr>
<td>Production Supervisor and Team</td>
<td>Implement control plans and daily process monitoring</td>
<td>All department employees trained in Control Plans and performing daily audits</td>
</tr>
</tbody>
</table>
Business Plan Deployment
Performance Evaluation System

- = Meets Expectation
- = Needs Improvement
X = Not Meeting Target
**ACME MANUFACTURING COMPANY**

**2014 Business Plan Deployment**

<table>
<thead>
<tr>
<th>Goal 1</th>
<th>Achieve Market Quality Leadership through the Implementing a Lean Manufacturing System (LMS) with &quot;Built in Quality&quot; so that we only accept, build and ship defect free products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal 2</td>
<td>Achieve competitive quality costs with AJAX manufacturing</td>
</tr>
</tbody>
</table>

### Overall Status

![Overall Status](X)

---

#### Goal 1

**Objective:** Implement LMS to Build Quality in Station

**Methods Summary:**
- Implement plan to train for PFMEA implement.

**Responsible:** Plt Mgr

**Target:**
- Reduce spills by 30% EOY

**Schedule & Control Plan:**
- May 2014: 50% of Ops PFMEAs complete
- Dec 2014: 100% of staff Eng.....trained

**Status:** 7

---

#### Goal 2

**Objective:** Support Detailed Plans Needs to Exist for all Methods

---

**Translating the Business Plan Objectives**

---

**Supporting Detailed Plans Needs to Exist for all Methods**
Goal 1: Achieve Market Quality Leadership through implementing a Lean Manufacturing System (LMS) with "Built in Quality" so that we only accept, build, and ship defect-free products.

Goal 2: Achieve competitive quality costs with AJAX manufacturing.

### Objective 2.0
**Objective:** Reduce Cost of Quality

**Methods:**
- Deploy statistical engineering resources to support problem solving - Dec 2014

**Target:** $10M in savings from projects - Dec 2014

### Translation of Business Plan Objectives

**Status Legend:**
- Green: Meets or Exceeds Target
- Yellow: Improvements Needed
- Red: Target Missed
Who is involved in BPD?

The ACME Company

Strategic Direction

Manufacturing

Engineering

Purchasing

Quality

Human Resources

Finance

Plant Managers

Business Unit Manager

Department Supervisor

Team #1

Team Board

Performance Reviews at all Levels

Translating the Business Plan Objectives
Who is involved in BPD?

- Plant Manager
- Business Unit Manager
- Department Supervisor
- Team #1

BPD Initiatives Posted as Team Actions and Targets

Translating the Business Plan Objectives
Topics Discussed:

- Your Business Plan Objectives
- Lean Manufacturing Overview
- Defining BPD
- The BPD Process
- The Planning Cycle
- The Role of Leadership
- Making BPD Visible and a Daily Process
- Summary
**Business Plan Deployment Planning Cycle – Development Timing**

- **Sept**
  - Company/Mfg Leadership: Establish Annual Goals and Objectives
  - Mfg Teams & Staffs: Initial set of Mfg/Staff Requirements
  - Mfg Leaders: Provide Input Mfg Staff SWOT Analysis

- **Oct**
  - Mfg Teams & Staffs: Complete SWOT Analysis
  - Develop first draft of BPD Objectives/Methods
  - Mfg Leaders: Communicate BPD to Plants

- **Nov**
  - Complete BPD one page Summaries
  - Gain approval of BPD content
  - Mfg Teams & Staffs: Complete Plant SWOT Analysis
  - Mfg Leaders: Plt Mgr Meetings

- **Dec**
  - Plants develop BPD’s
  - Mfg Teams & Staffs: Initial set of Mfg/Staff Requirements
  - Mfg Leaders: Provide Input Mfg Staff SWOT Analysis
  - Complete Plant SWOT Analysis

- **Jan**
  - Staffs begin implementation of BPD’s
  - Plants begin implementation of BPD’s
Business Plan Deployment

Topics Discussed:

• Your Business Plan Objectives
• Lean Manufacturing Overview
• Defining BPD
• The BPD Process
• The Planning Cycle
• The Role of Leadership
• Making BPD Visible and a Daily Process
• Summary
BPD Implementation: Role of Leadership

Senior Leadership

• Establish and maintain vision and strategy
• Help eliminate barriers to BPD implementation
• Facilitate regular / frequent reviews with a focus on development / achievement of the business plan
• Assure that countermeasures are: 
  – Assigned
  – Tracked
  – Implemented
• Ensure Best Practices are converted to common systems/procedures
BPD Implementation: Role of Leadership

Manufacturing Plants

- Provide leadership to achieve the specific objectives
- Communicate / rollout the plan throughout the plant
- Develop / cascade the required supporting actions
- Use visual management to make the business plan visible
- Hold regular / frequent reviews with focus on status toward achievement of the business plan
- Assure that countermeasures are:
  - Assigned
  - Tracked
  - Implemented
- Best Practices are converted to common systems/procedures
Business Plan Deployment

Topics Discussed:

- Your Business Plan Objectives
- Lean Manufacturing Overview
- Defining BPD
- The BPD Process
- The Planning Cycle
- The Role of Leadership
- Making BPD Visible and a Daily Process
- Summary
BPD: Visualize and Update

- Post the Plan in an accessible location
- Check progress to the Plan often
- Make updates and notations to Plan directly on the original Plan in a different color
- Do not delete items from the Plan
- Review countermeasures
Visual Management

BUSINESS PLAN DEPLOYMENT

ACME Plant

PLAN

DO

CHECK

ACT

STATUS

Safety

People

Quality

Responsiveness

Cost

Safety

People

Quality

Responsiveness

Cost

PLAN

DO

CHECK

ACT

STATUS
Business Plan Deployment

Topics Discussed:

• Your Business Plan Objectives
• Lean Manufacturing Overview
• Defining BPD
• The BPD Process
• The Planning Cycle
• The Role of Leadership
• Making BPD Visible and a Daily Process

• Summary
Business Plan Deployment

Summary:

BPD is a management tool to:

• Provide focus and direction
• Establish clear and quantifiable targets
• Align business activities focused on objectives
• Challenge the organization to develop action plans to meet objectives
• Track performance
• Allow all employees to contribute to the success of the plan
• Drive Continuous Improvement
• Improves company performance and profitability
Thank you!

About Joe Mazzeo

- Owner of Integrated Lean and Quality Solutions, LLC
- Broad experience in manufacturing and quality
- Providing Leadership, Lean Manufacturing and Quality Management services
- Member of: ASQ / SME / SEMA

To download a copy of this presentation, visit: www.http://ILQSolutions.com/presentation