

Sustaining Continuous Improvement:

From Values to Results



Hoshin Kanri Workshop



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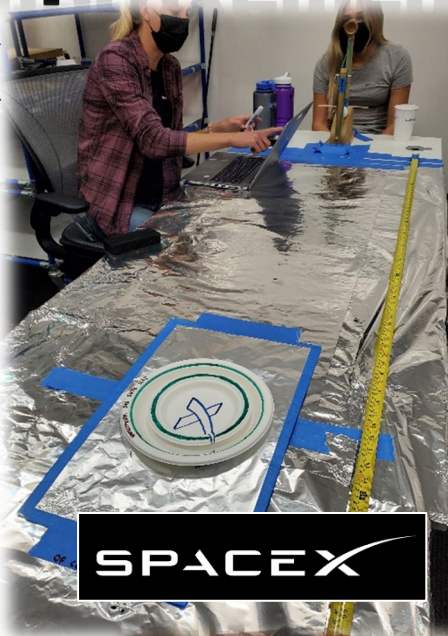
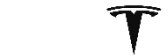
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Sustaining Continuous Improvement:

From Values to Results

Trainer, Facilitator, Practitioner of Continuous Improvement, ASQ Master Black Belt #8

Teck



KAISER PERMANENTE®



Sustaining Continuous Improvement: From Values to Results

Pilot, Builder, Aviation Nut



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Musician



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Husband and Dad

28 yrs.!



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Note about agenda- workshop builds on keynote

- 0800 Introductions (Name, Position, Family Fact and Why You're Here)
- 0830 Why is strategy so important? 3 Minute Brainstorming in groups- develop list of top 3 reasons per team
- 0840 Discussion
- 0900 Break
- 0915 Training on what Hoshin Kanri (strategy deployment) is (39 slides from Strategy Deployment Deck)
- 1015 Break
- 1030 What occurs if strategy is not clear and/ or not fully deployed?: Post It Notes- brainstorm, group with affinity process, multi vote and present the top themes to the other teams
- 1120 Discuss the power of convergence and agreement to the power of driving to the vital few breakthrough objectives
- 1130 Lunch
- 1215 Mission Activity (up thru slide 45): On a post it note, write down your company's mission statement. In teams, review your missions with each other. What is clear about the mission statements? What is missing? How do the companies represented use their missions. How are they based? Based on values? Why is an organization mission important?
- 1300 Report these key themes out to the remaining groups.
- 1315 Break
- 1330 Finish remaining slides (46-78) Company Specific Breakthrough Activity: What are your Breakthrough Objectives- spend 30 min. to brainstorm, group and rank your desired breakthroughs. Recall, these are the whats, not the hows. Also, breakthroughs should be aspirational statements. Think what does your organization want to become
- 1430 Break
- 1445 Power of the X-Chart: Given the example X-Chart provided to your team, please review. Answer these questions: 1) how are the long term and annual breakthrough objectives tied together 2) What is significant about the metrics? What's the difference in KPI's and Strategy Deployment Metrics? 3) How do we know the top-level improvement priorities are the most important elements to work on 4) How about who is responsible? How does the info help make sure nothing is forgotten/ focus lost 5) How about the dots- what do these tell you?
- 1600 Discussion and Closing
- 1615 Action Planning- how will you put what you learned today in action

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Goal:

The goal of this workshop is to put you in the position to experience elements of Hoshin Kanri

Outcomes:

- Introduction
- Basic Training
- Incomplete/ Ineffective Strategy
- Convergence
- Mission Exploration
- Breakthroughs
- Power of the X-Chart

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Introduction

- Name, Position, Company, Family Fact, Why Here
- Initial Brainstorming- Importance of Strategy



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Basic Training

- Research
- Overview



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So why are you here???

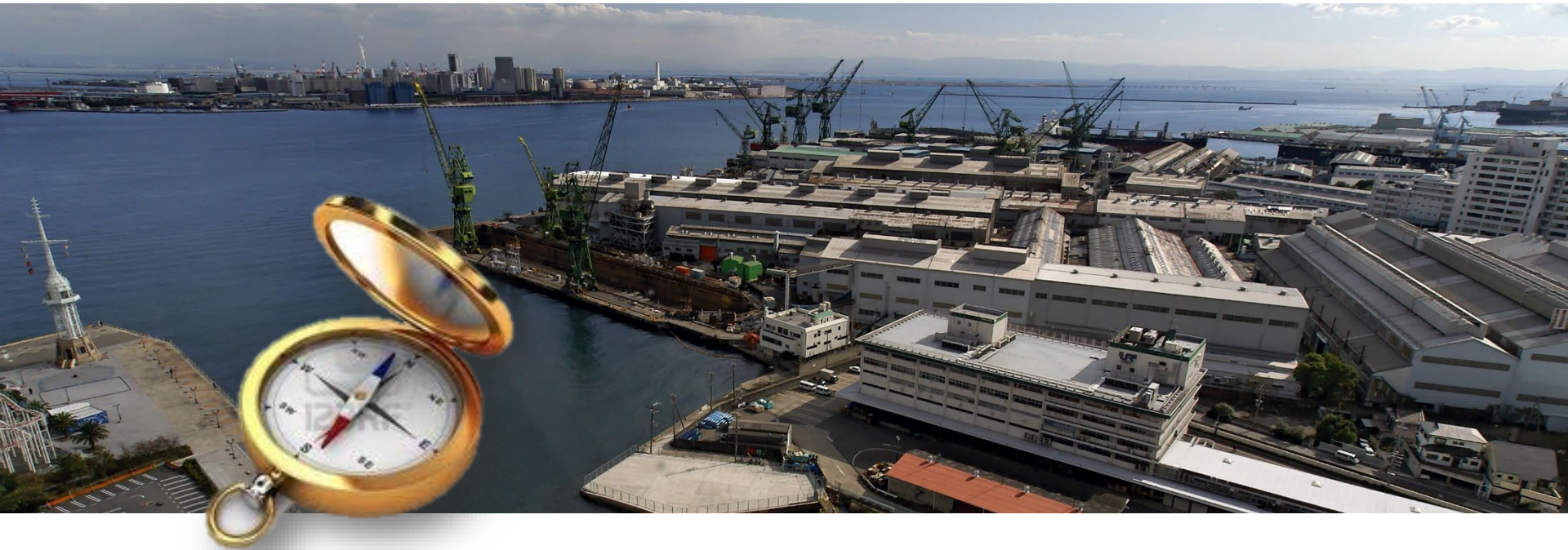
- 1) What is your biggest challenge regarding strategy?
- 2) What do you hope to explore today?



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Before we begin- What is Hoshin Kanri?



- Originated in the late 60's at Bridgestone and the Kobe Shipyards
- The Japanese words are really “Ho Shin Kan Ri”
- “Shining Metal Pointing Direction”
- A Compass that points to TruNorth!

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Before we begin... What is Hoshin Kanri



- Strategy Deployment
- Policy Deployment
- Dr. Yoji Akao- originator of Hoshin Kanri
- According to Dr. Akao,

“Hoshin Kanri is a method devised to capture and cement strategic goals as well as flashes of insight about the future and develop the means to bring these into reality.”*

*Akao, Yoji, ed. (Jap: 1988, Eng: 1991) (in English(tr. from Japanese)). [Hoshin Kanri, policy deployment for successful TQM](#). New York: Productivity Press (Originally Japanese Standards Association). pp. xiii. [ISBN 1-56327-311-X](#).

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Before we begin- Benefit of Hoshin Kanri

Through Hoshin Kanri, companies:

- Clearly articulate their values and mission
- Take this mission and build the long and short term vision (breakthrough objectives)
- Establish what the future looks like and develop a list of prioritized improvements
- Measure progress toward achievement of the breakthroughs- focused on root cause and countermeasures when we get off track- also moves the culture...
- Analyze critical value streams, deploying targeted continuous improvement (CI) to address issues and build operational excellence, resulting in a culture of CI

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Before we begin- Hoshin Kanri...

married with continuous improvement:

Think of it like this...

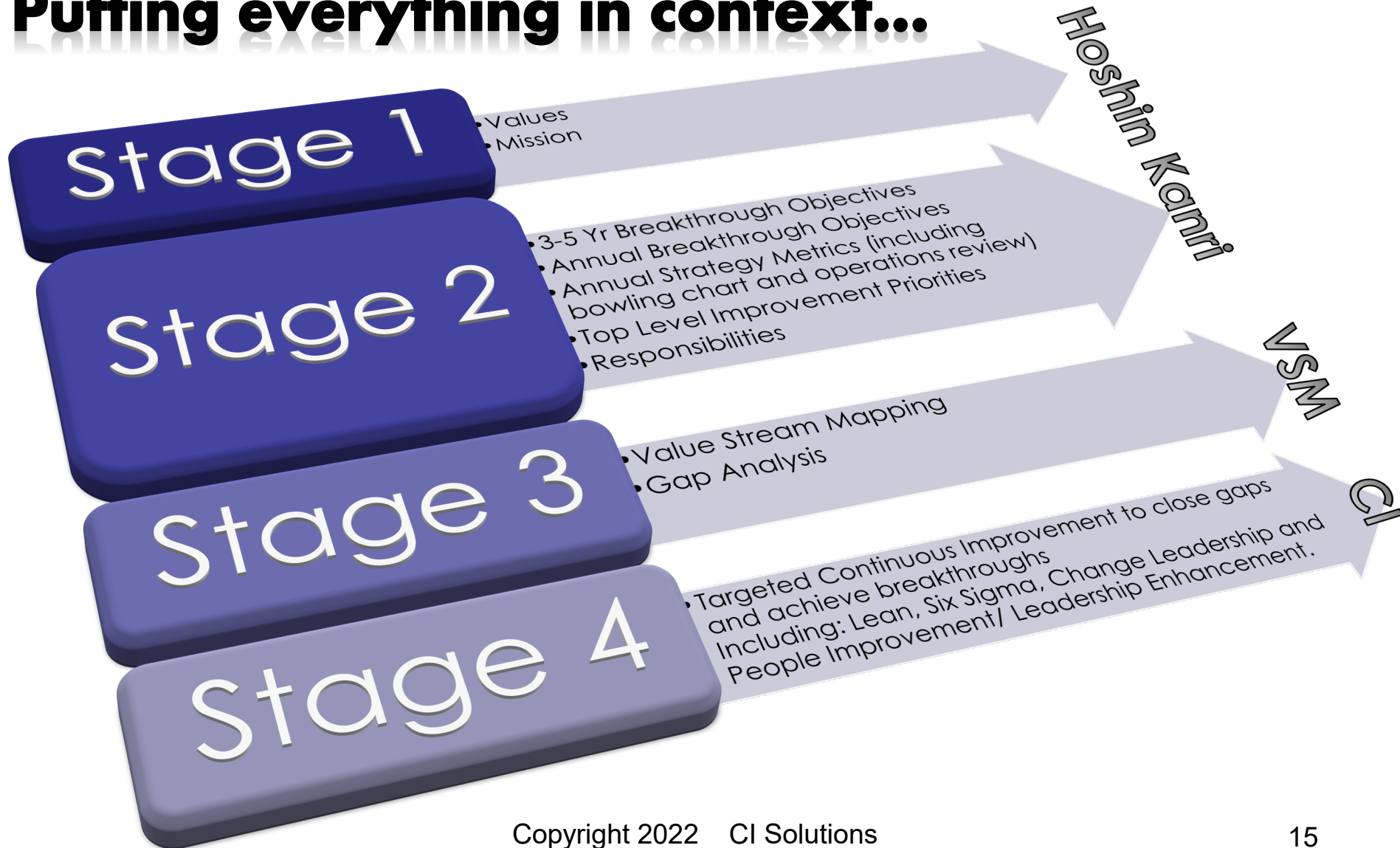
An interstate highway with multiple on-ramps depending on your organization and its needs...



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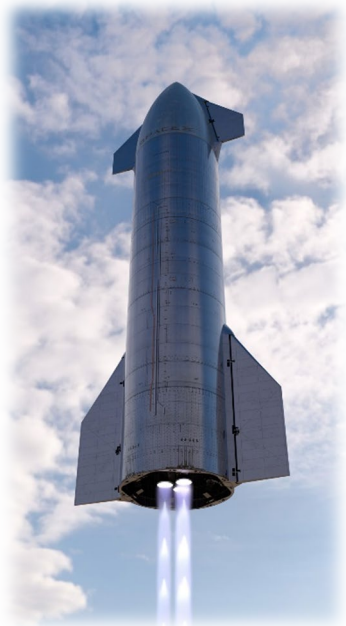
Putting everything in context...



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WHY: Hoshin Kanri?



Glimpse into
the future



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WHY: Hoshin Kanri?



Clear Direction

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WHY: Hoshin Kanri?



Vital Few- NOT Trivial Many!

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WHAT: Hoshin Kanri?

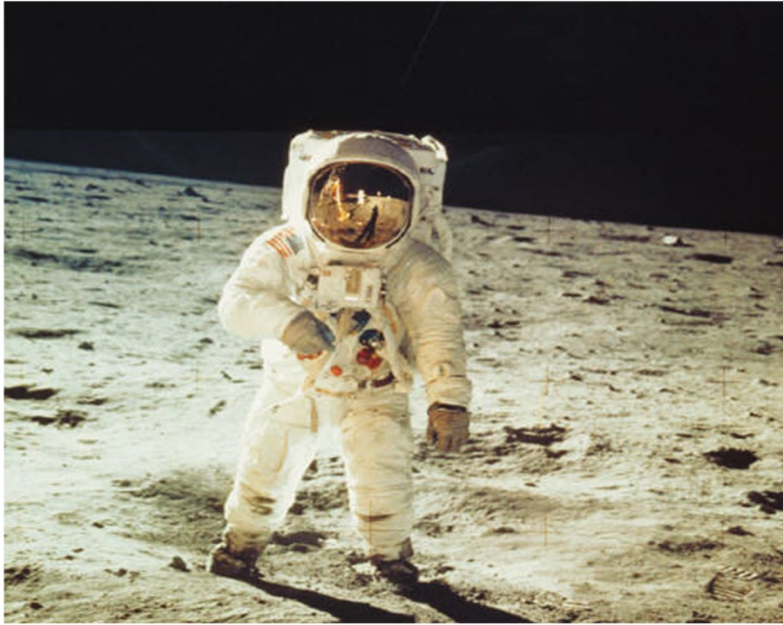
- Mission Founded on Values
- Vision Established
- Setting Goals and Measuring Progress
- Toward Achieving BREAKTHROUGH!

- Hoshin Kanri seeks to coordinate and integrate the activities of the various functions of a business in order to achieve near and long-term breakthrough objectives.

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WHAT: How High Is Breakthrough?



“ I believe this nation should challenge itself to put a man on the moon, and return him safely to earth by the end of this decade.”

- John F. Kennedy, 1961

What makes this breakthrough?
How does this inspire you?

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HOW: Hoshin Kanri?

- Systematic Process



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HOW: Hoshin Kanri?

- Consensus Building- Affinity Diagramming



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HOW: Hoshin Kanri?

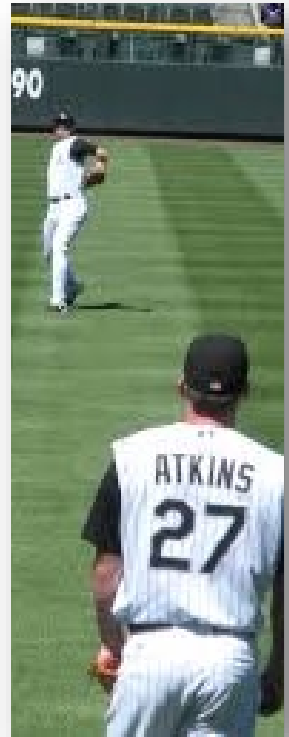
- Alignment through Catchball

A lean system to greatly improve bi-directional feedback and ownership — especially for complex decision making and policy deployment

Playing catchball ensures that everyone who should give input, does.

And ensures that everyone is committed to doing what everyone agreed to.

"Catchball" is a phrase that is referenced in the book *Value Stream Management for the Lean Office*, by Don Tapping and Tom Shuker.



SOURCE: <http://www.systems2win.com/c/catchball.htm>

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HOW: Hoshin Kanri?

Reduces/ Eliminates Fear
(Deming Principle #8)

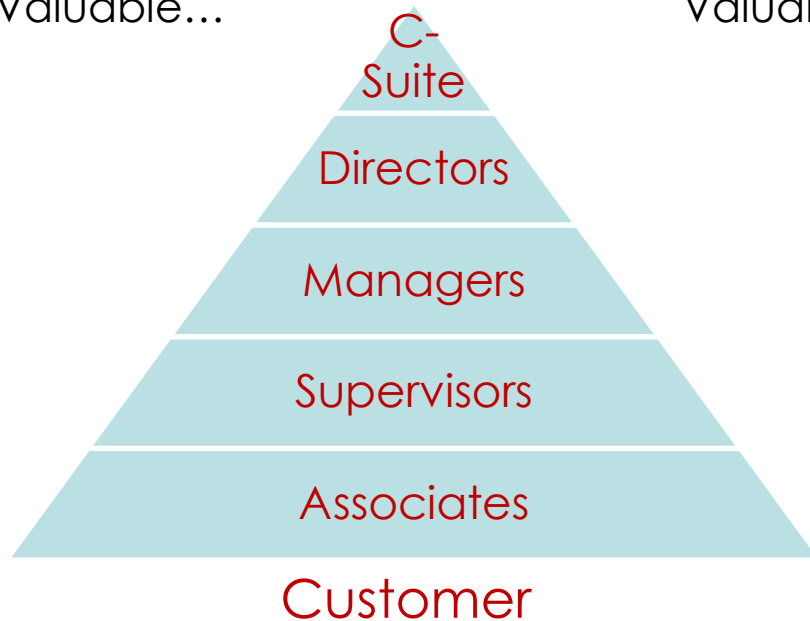
- Catchball promotes Moving...

From: Command and Control

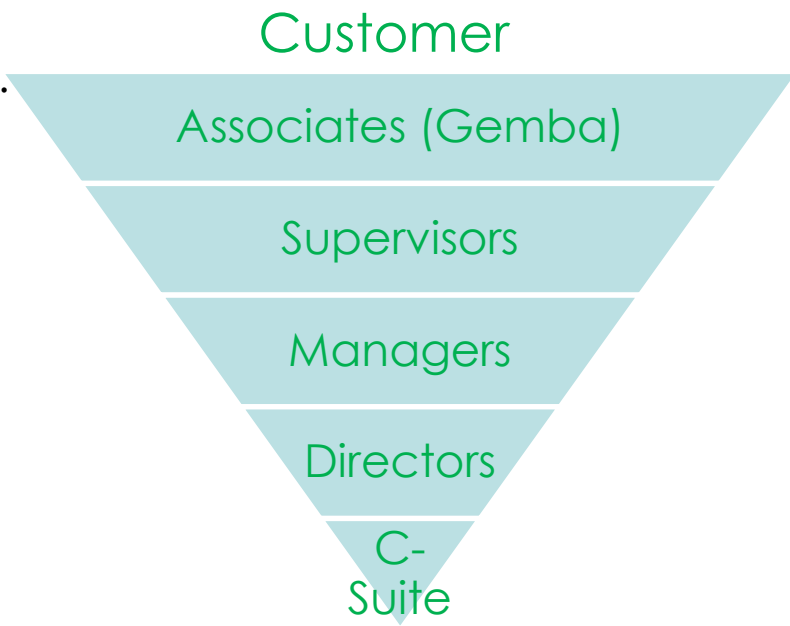
To: Servant Lead, Autonomous



Most Valuable...



Most Valuable...

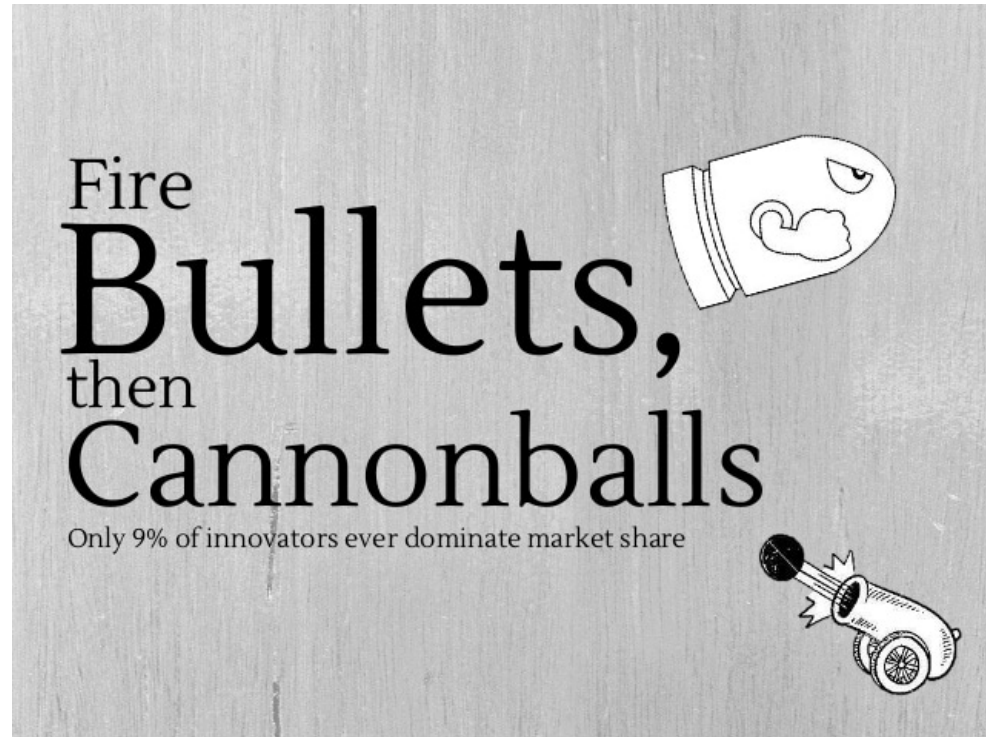
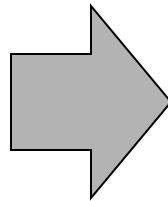
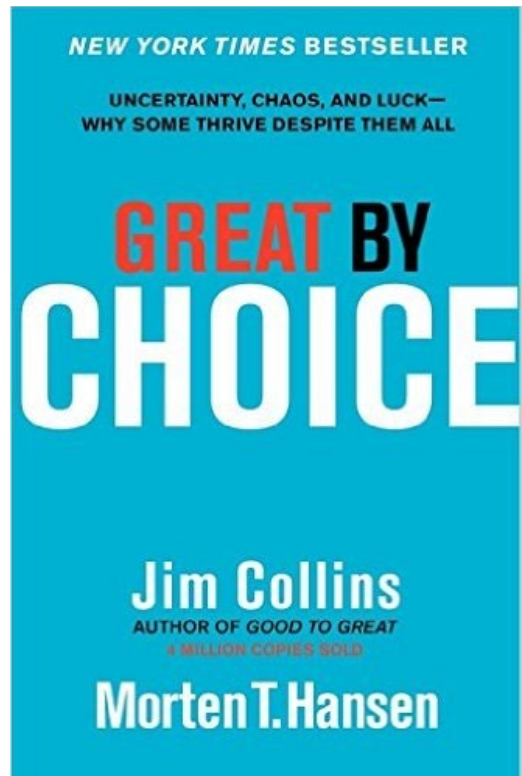


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HOW: Hoshin Kanri?

- Promotes thinking Strategically and at Breakthrough levels...



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HOW: Values to Monthly Review

Step 0 (WHY): Mission from Values

Step 1 (WHAT): 3-5 Year Breakthrough Objectives

Step 2 (WHAT): Annual Breakthrough Objectives

Step 3 (HOW MUCH): Strategy Deployment Metrics- Not KPI's

Step 4 (HOW): Top Level Improvement Priorities

Step 5 (WHO): Primary and Secondary Responsibilities for Each Metric

Step 6: "Bowling Chart" to track Monthly Progress: Green- No Focus, Red- All the Focus

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Challenges: Hoshin Kanri

- Too many breakthrough objectives
 - Dilutes efforts
 - Nothing Gets Done
- No Catchball
 - Lower Levels not fully engaged
 - Strategy is not effectively deployed throughout the organization
 - No opportunity for leadership to gain flashes of insight from those close to the customer

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Benefits: Hoshin Kanri

- Constancy of Purpose (Deming Point #1)

Always and forever improve your processes and products/ services, "What your customers are paying you for."

- compete worldwide
- stay in business, maybe forever
- provide jobs (i.e. better business equals more opportunity to bring like minded people along to help serve expanding customer needs)

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Benefits: Hoshin Kanri

- Portrait of the Future
 - clear articulation of what tomorrow looks like
 - portrait is understood at all levels
 - future is also seen in terms of possible benefits
- Vital Few steps to get there
 - priorities are obvious and aligned
 - Conflicting Measurements are eliminated
 - Promotes focus on the vital few, avoiding the trivial many

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Benefits: Hoshin Kanri

- Instills strategic focus and root cause analysis
 - eliminates fire fighting
 - helps others see why we should dig deep
 - aligns activities to help realize the vision



**“You can’t be
both the arsonist
and volunteer
fire fighter!”**

Anonymous 2014

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Summary: Hoshin Kanri

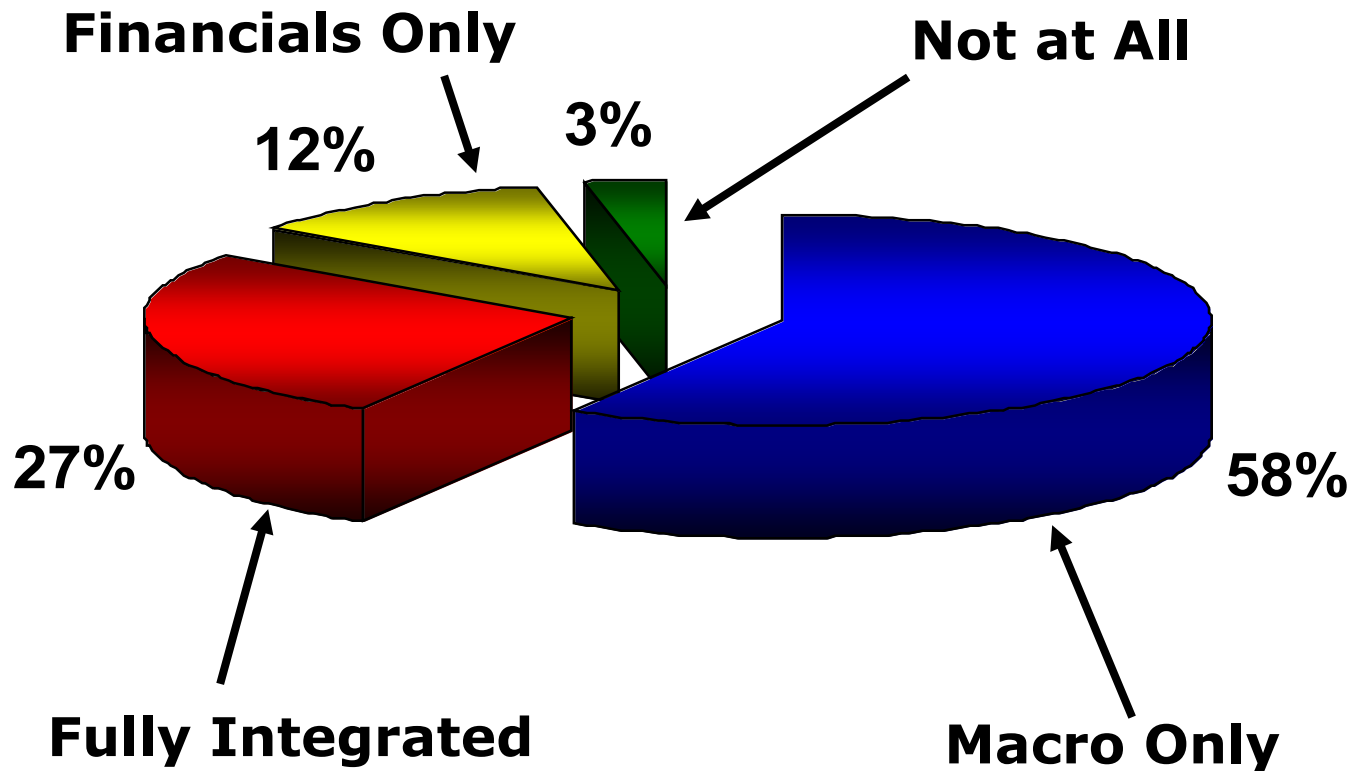
- One year plan reflecting the long-term vision and the 3-5 year strategic planning objectives
- Planning/implementation process that focuses on the critical few major long-term, customer focused, breakthrough objectives that are required for a company's long-term success
- Planning process that links major objectives with specific resources and support plans throughout the organization

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The Missing Link

Only 27% of Companies Integrate Strategy with Tactics

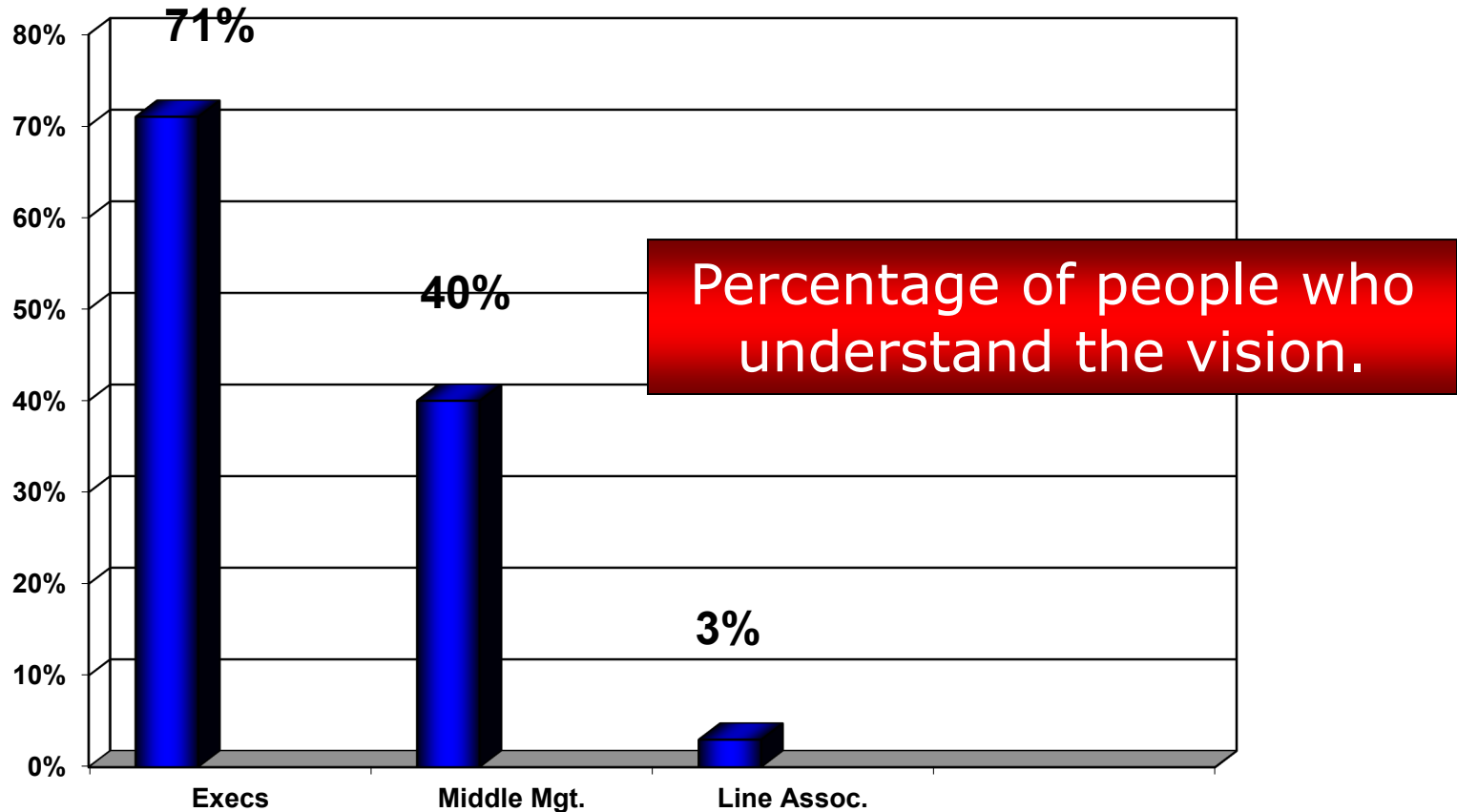


Source: Hackett, Benchmarking Solutions

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Why is it so Difficult to Implement Strategy?



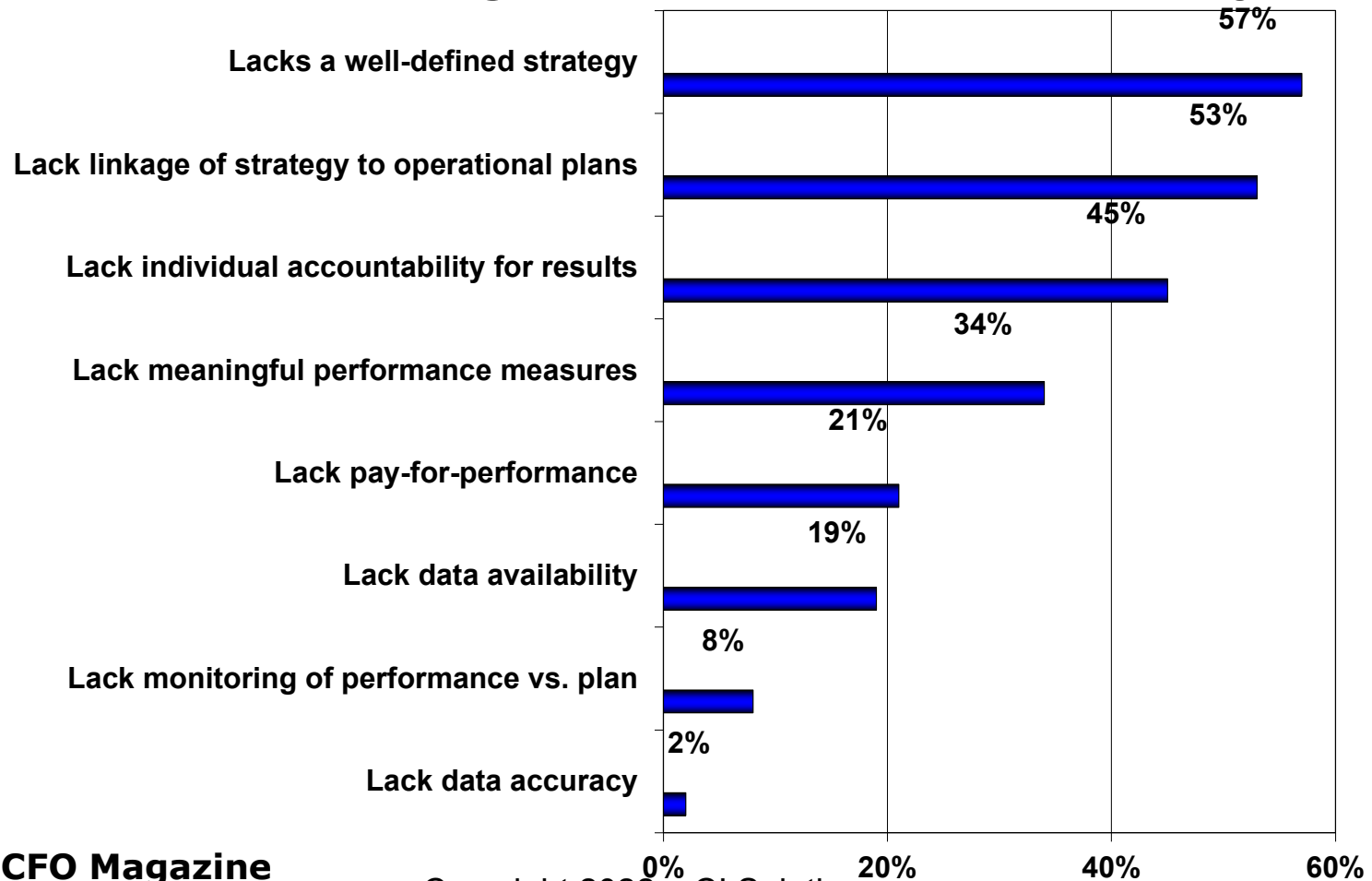
Source: CFO Magazine

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Survey

CFO Magazine survey of over 500 companies showed the lack of value in the planning process can be explained by:



Source: CFO Magazine

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Who Uses It

NISSAN



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Strategy Deployment vs. MBO Systems

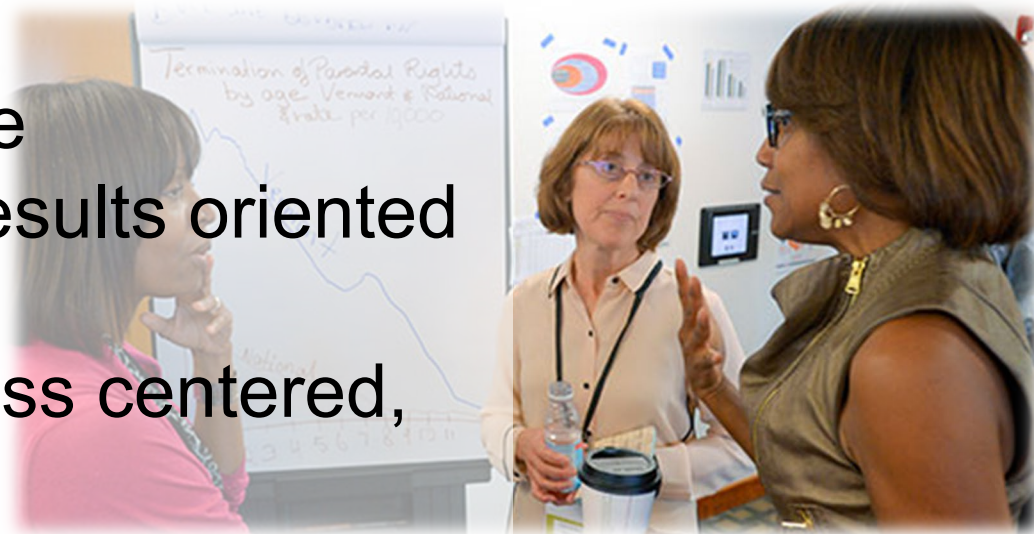
Management by Objectives (MBO):

- Concerned only with results



Hoshin Kanri:

- Concerned with the establishment of results oriented processes
- Data driven, Process centered, Results oriented



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Why use Hoshin Kanri?

- Facilitates multi-functional team work and common goals for all associates.
- Superior Customer Satisfaction
- Makes a major difference in Quality, Delivery and Cost. World-Class companies have proven the value.
- Yields superior results which are in concert with overall strategic objectives.



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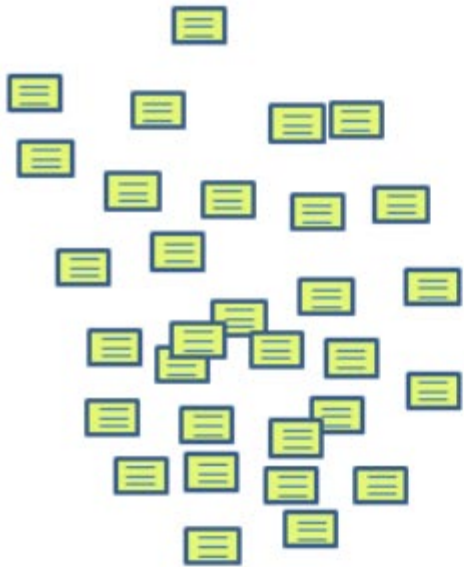
Activity: Strategy Clears the Way

- Trigger Question: What occurs if strategy is not clear and/ or not fully deployed?
- Post It Notes- brainstorm- 3 min., think quantity, not quality
- Group ideas with silent affinity process
- Multi vote (everyone gets a 9, 3 and 1- we will add the final scores to determine priority)
- Present the top 3 themes to the other teams

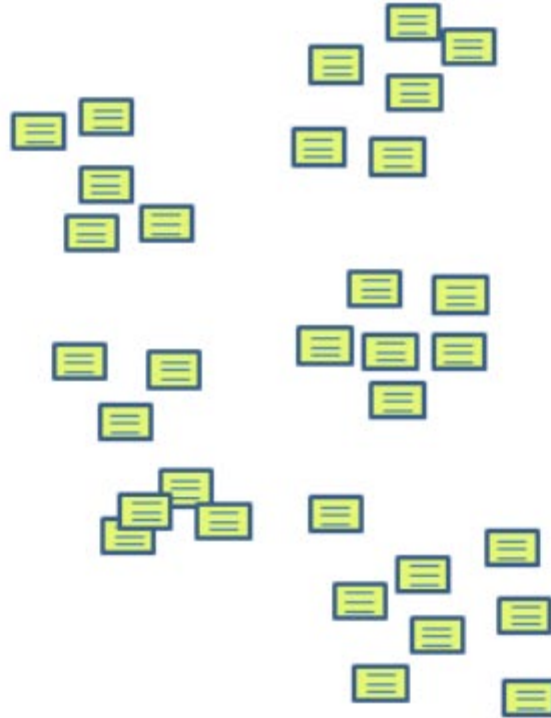
Sustaining Continuous Improvement:

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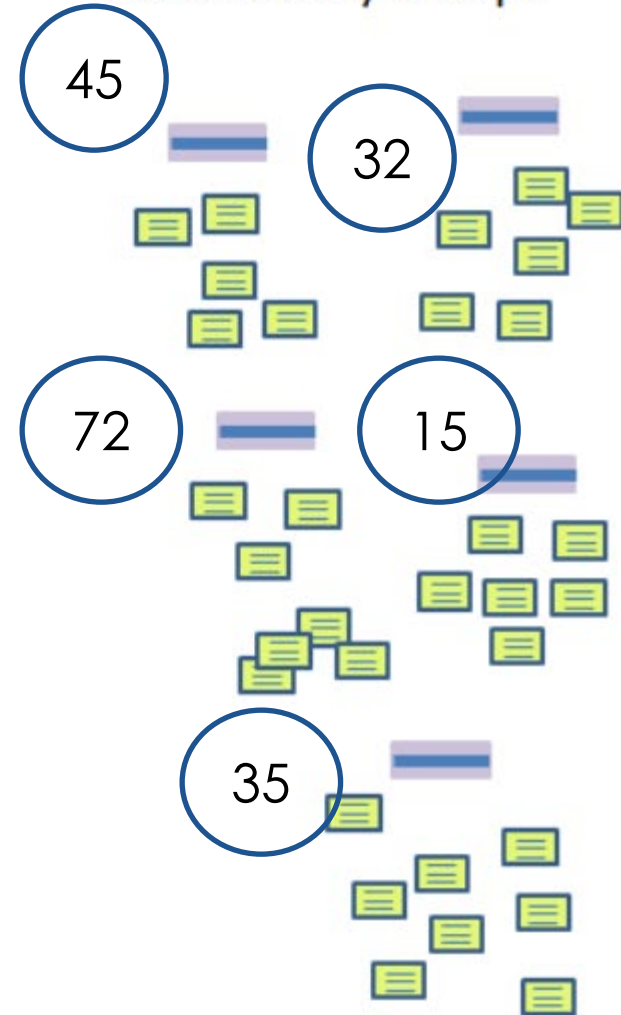
Generate Affinity Items
From Data



Organize Affinity Items
By Similarity



Label Affinity Groups



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Recall Hoshin Kanri - Consensus

- Consensus Building- Affinity Diagramming- Why is this so critical? Discuss...



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Hoshin Kanri- Steps

Step 0 (WHY): Mission from Values

Step 1 (WHAT): 3-5 Year Breakthrough Objectives

Step 2 (WHAT): Annual Breakthrough Objectives

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Mission

What is an organizational mission?

Answers the statement...."What are we here to do, day in and day out, and why is it important?"

1. Brainstorm the values and group them in an affinity diagram, labeling the groups
2. Start with a statement like "we make X products or we deliver X services"
3. Then ask "why is that important" three to five times. After a few "whys", the fundamental purpose of the organization will emerge as it relates to strategy.
4. Use the values (group labels from affinity) as foundational elements for the mission statement

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Step 0: Mission from Values

- Brainstormed Values
- Affinity Diagram: Main Categories
- Built Mission: aka “E-Missions” Statement

Air Hygiene’s core philosophy of “**Second-to-None (2-2-0)**”, demands **extra mile customer service** anchored on **dignified character** and **family-oriented principles** to deliver **unmatched quality** stack testing, **worth paying for every time**. Supporting this mission, we utilize **revolutionary technology** and Air Hygiene University to create the **best educated work force** to define the future of stack testing.

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Mission Activity

- On a post it note, write down your company's mission statement. (Get it if you don't have it...)
- In teams, review your missions with each other.
- Key Questions
 - 1) What is clear about each mission statement?
 - 2) What is missing?
 - 3) How do the companies represented use their missions?
 - 4) How are they based?
 - 5) Based on values, beliefs, culture, other?
 - 6) Why is an organization mission important?

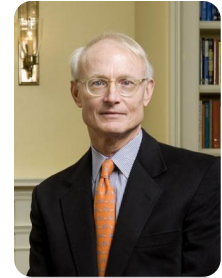
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What is Strategy?

“Operational effectiveness is not strategy.”

- Michael Porter



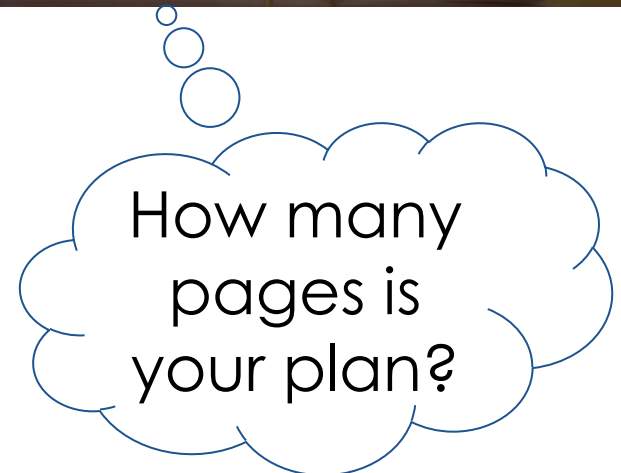
- Operational effectiveness enables superior execution of the necessary operational tasks.
- Strategy is where we roadmap sustainable competitive advantage and long-term growth.
- Deploy a distinctive strategy that changes the rules in our favor.
- However, before we can concentrate on growth, we must have our core business (in terms of operational effectiveness) in order.

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What's in a strategic plan?

- The mission statement (thesis sentence), situation/market analyses (body) and objectives/actions (conclusion) should flow together in a simple and logical story.
- **Rule of Thumb: The number of pages in a strategic plan is inversely proportional to its clarity and focus.**

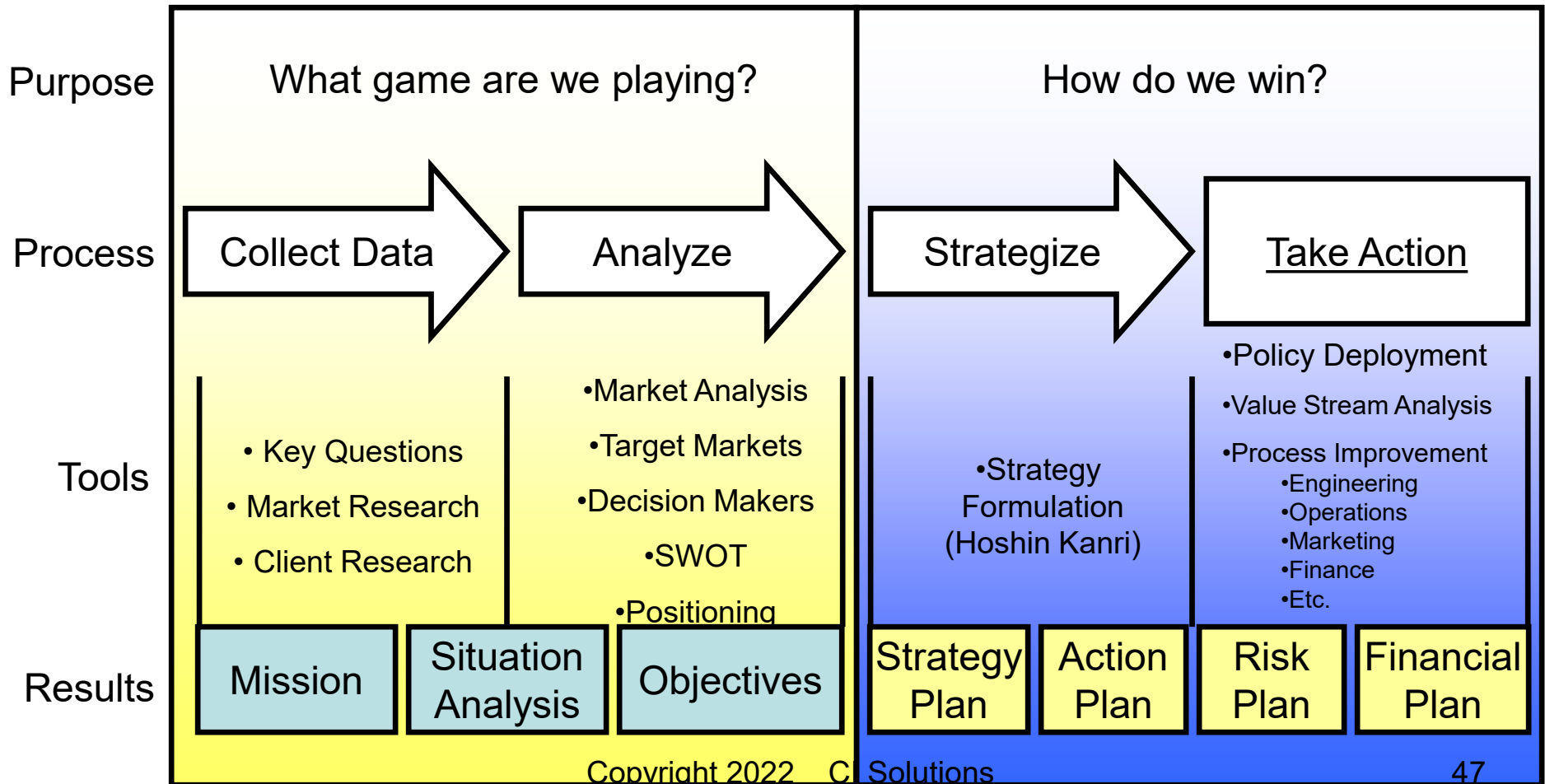


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Strategic Planning Model

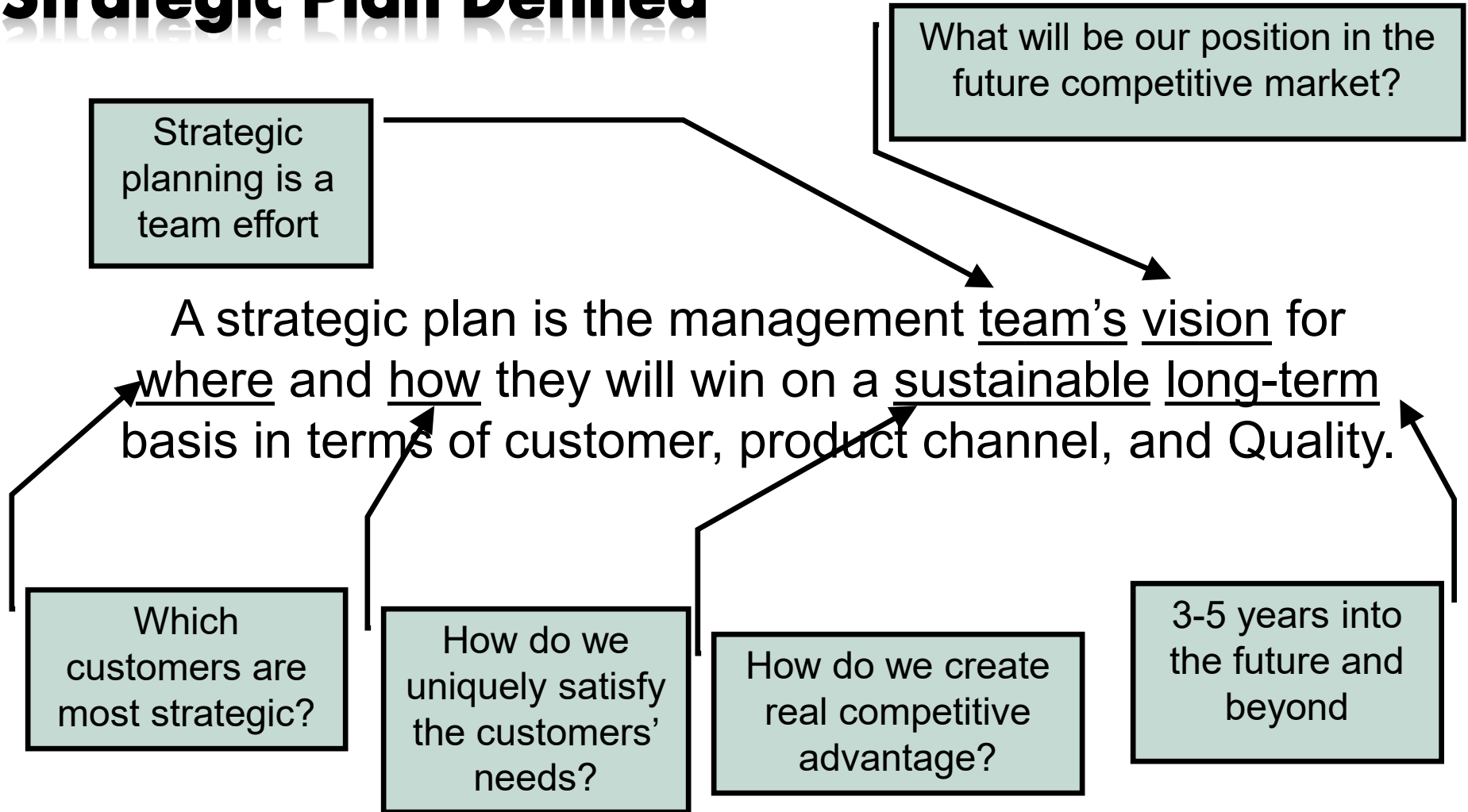
Identify → **Satisfy**



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Strategic Plan Defined



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Hoshin Kanri- Steps

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Strategic Planning:

Develop 3-5 Year Breakthrough Objectives

Breakthrough Objectives should:

- Represent significant change & improvement
- Require the organization to stretch itself
- Be characterized as Home Runs & Grand Slams
- Usually require multi-functional efforts and teamwork
- Usually, no standard or system exists for this level of breakthrough

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Strategic Planning:

Develop 3-5 Year Breakthrough Objectives

Identifying Breakthrough Objectives:

Use of consensus building tools are vital when establishing Breakthrough Objectives!

Management Consensus is Essential !

Catchball

Benchmarking

Brainstorming

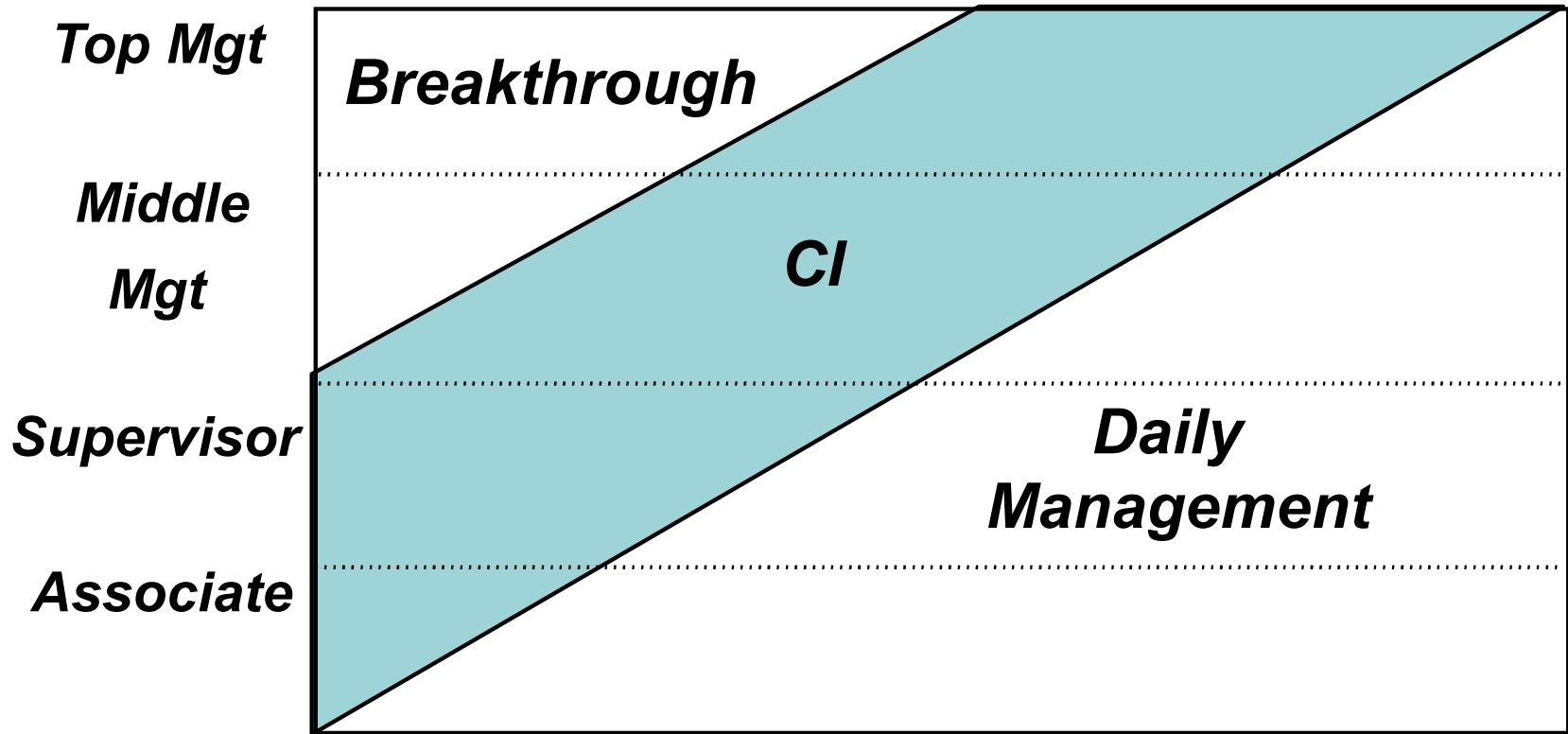
Affinity Diagram

Effective strategic planning should facilitate the identification of breakthrough objectives!!

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Strategic Planning: Develop 3-5 Year Breakthrough Objectives



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Strategic Planning:

Develop 3-5 Year Breakthrough Objectives

Daily Management

- Routine, day to day activities
- Limited cross-functional interface
- A standard is usually in place
- Improvements characterized as bunts & singles
- Progress needs to be monitored through the KPI process

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KPI's vs. Strategy Deployment

Measurement Systems:

- ▶ KPI (Key Performance Indicators)
 - Used to monitor the progress of existing daily management systems
- ▶ Strategy Deployment Measures
 - Used to track progress of the implementation of breakthrough objectives (found on the Bowling Chart)

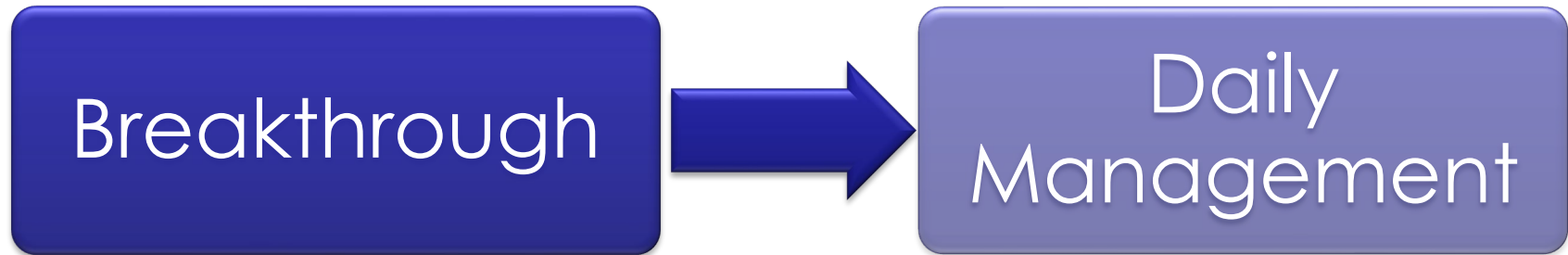


These measures should be communicated independently...do not confuse strategy deployment with daily management (KPI) measures!

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Breakthrough to Daily Management



- Once a Breakthrough Objective is achieved, the process for achieving the objective will become standardized.
- Therefore, the processes that are established when achieving Breakthrough Objectives will eventually become a part of the Daily Management systems of your organization.

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How High is Breakthrough?

Aim High Because ...

- Customers demand it (continually rising expectations)
- Competitors aren't standing still
- Requires you to change paradigms

“You must aim above the target to hit the target”



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WHAT: Hoshin Kanri?

- Defined by breakthrough...
 - Listen for examples of breakthrough?
 - What do you hear that has come to pass?
 - How has CSA been touched by this vision?



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Hoshin Kanri- Steps

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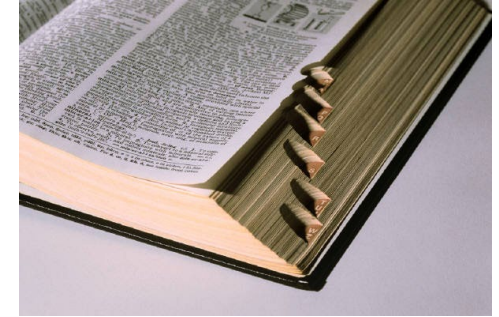
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Develop Annual Objectives



Defined:

Annual Objectives are those objectives that we need to achieve this year which will enable us to reach our overall 3-5 year Breakthrough Objectives

Annual Objective Yr 1

+

Annual Objective Yr 2

+

Annual Objective Yr 3

...etc.

=

**3-5 Year
Breakthrough
Objective**

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Breakthrough Activity

Company Specific Breakthrough Activity:

- What are your Breakthrough Objectives- spend 60 min. to brainstorm, group and rank your desired breakthroughs. Recall, these are the whats, not the hows. As a reminder, breakthroughs should be aspirational statements.
- Think what does your organization want to become.
- Share among the team members and identify the reasons why clear breakthrough objectives are key to achieving a strategy...
- Be ready to present...

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Hoshin Kanri- Steps

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Deploy Annual Objectives

4 Part Process:

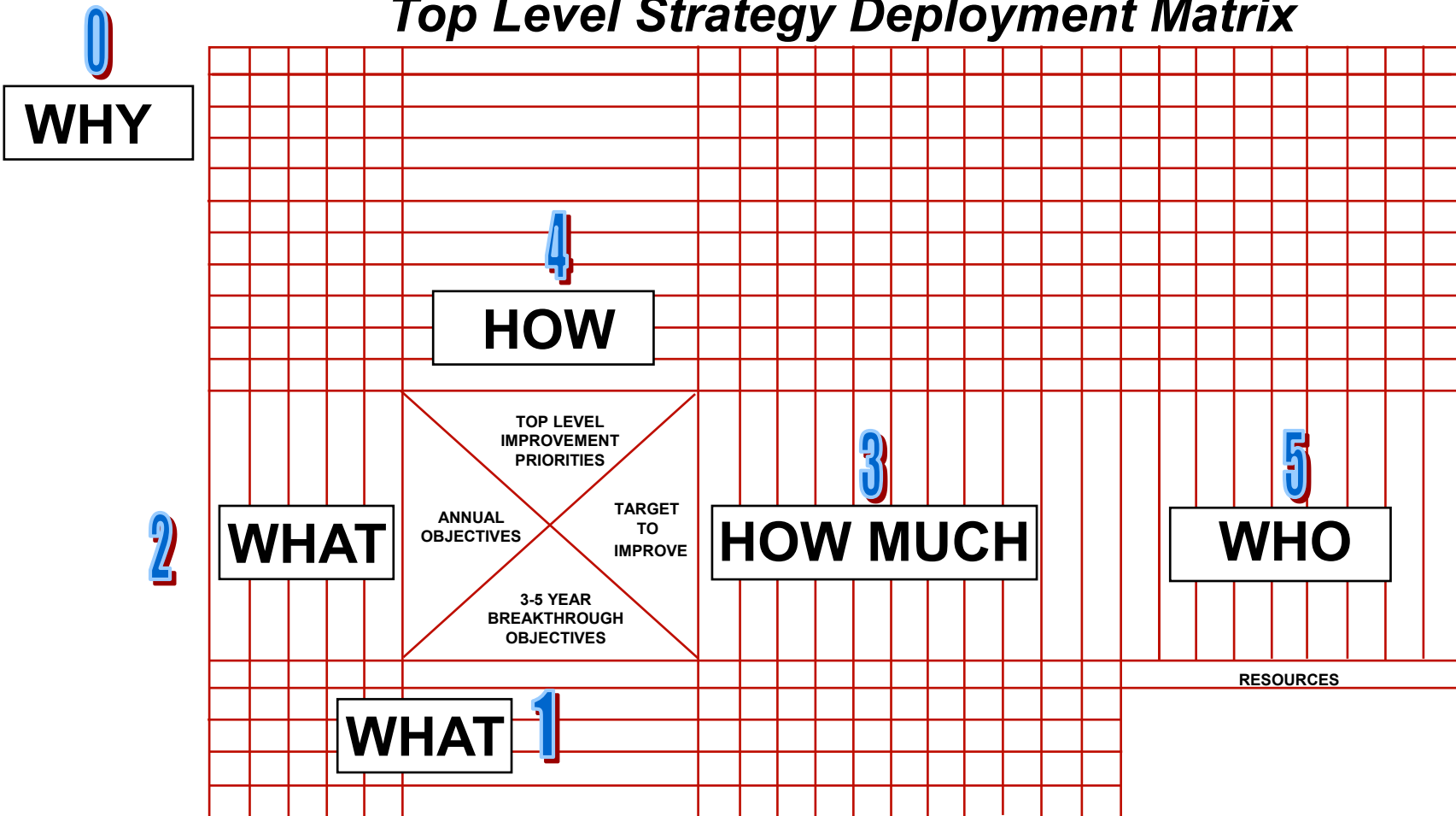
- A. Identify the critical few processes most vital to achieving the breakthrough objectives.
- B. Focus improvements on these strategically vital processes.
- C. Document your commitments and establish appropriate targets using the Strategy Deployment Matrix- Fill in the How Much (Step 3), the How (Step 4) and the Who (Step 5).
- D. Cascade improvement efforts in each function or unit of the organization on the targeted work processes- Operations Review (Step 6 and 7).

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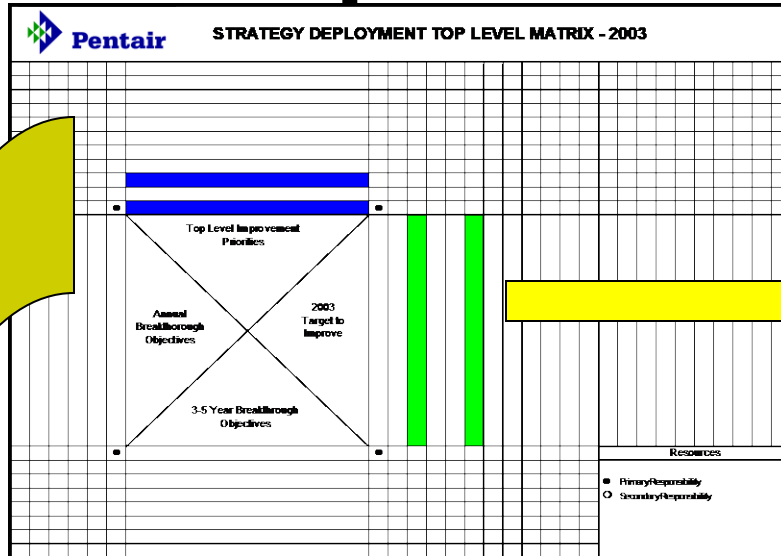
Introducing the X-Chart

Top Level Strategy Deployment Matrix

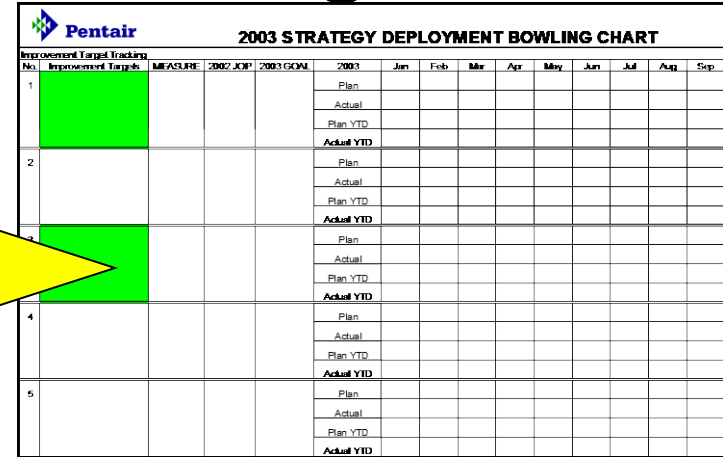


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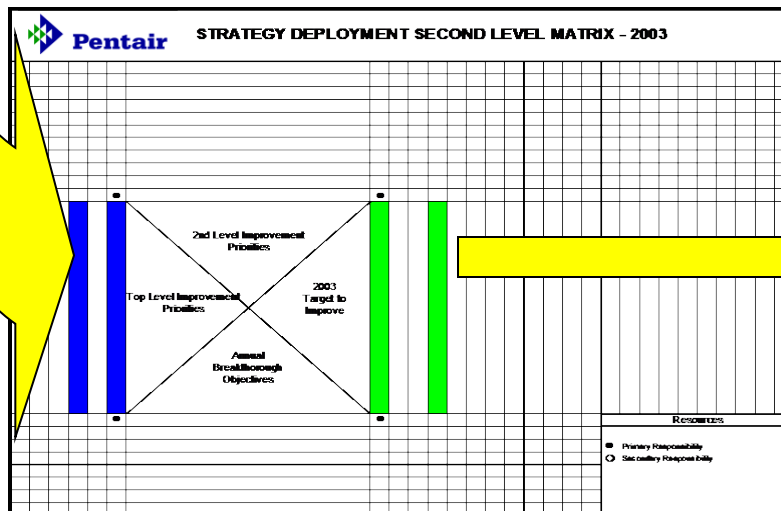
Top Level



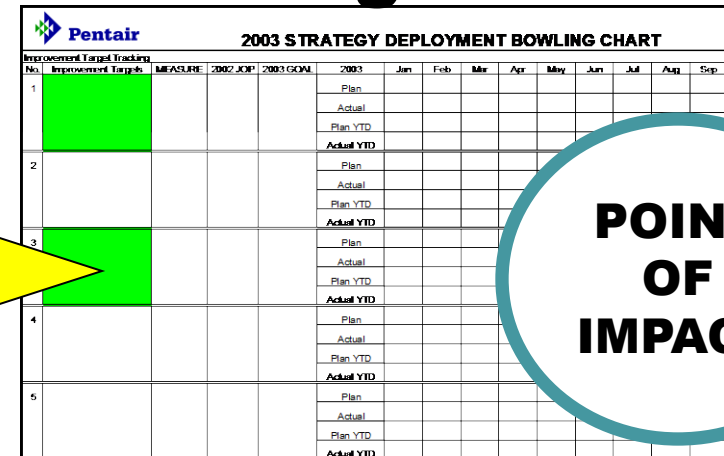
6 Bowling Chart



Second Level



Bowling Chart



POINT OF IMPACT

Sustaining Continuous Improvement:

From Values to Results

Deploy Annual Objectives

Establishing Targets

- ▶ All targets should be objective and measurable.
- ▶ Targets should be established based on "jumping-off" points do not use averages!!
- ▶ Targets should show continuous improvement trend.
- ▶ Exceptions to targets should be followed with appropriate countermeasures.

Targets are a means to measure the effectiveness of a given process. Do not confuse targets with objectives! These are the Measurements.

Sustaining Continuous Improvement:

From Values to Results

Deploy Annual Objectives

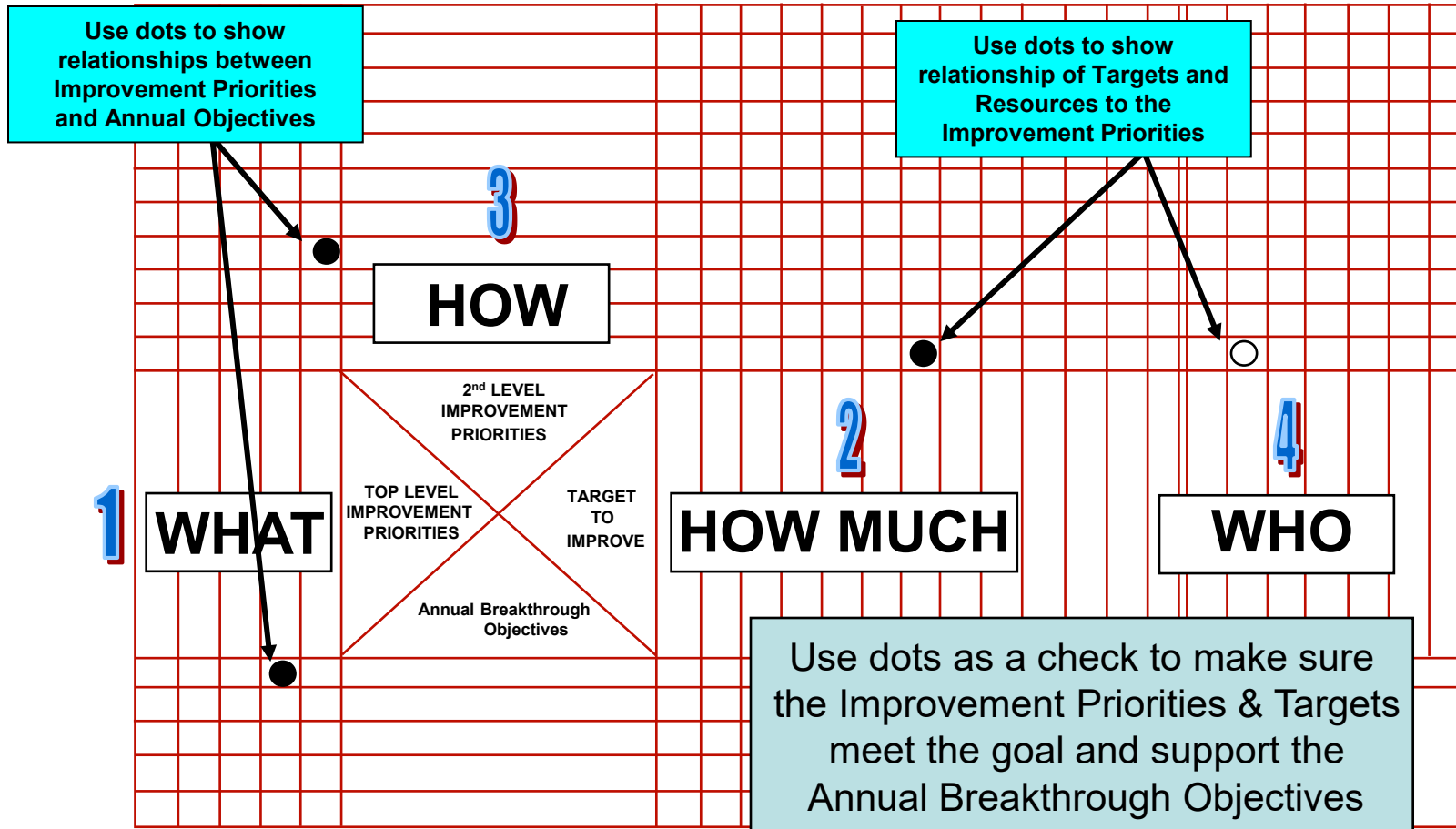
- Annual Objectives from the Top Level Matrix are cascaded down to the 2nd Level Matrix
- Improvement Priorities from the 2nd Level Matrix are cascaded down to the next level, etc.

Sustaining Continuous Improvement:

From Values to Results

Deploy Annual Objectives

2nd Level Strategy Deployment Matrix



Sustaining Continuous Improvement:

From Values to Results

STRATEGY DEPLOYMENT MATRIX - 2002 - TOP LEVEL

	●		Develop 2nd half growth plan Co. A, Co. B, Co. C Breakthroughs												○	●	○									
●			Improve ABC profitability through price increase and reduction in operating expense								●						●	○								
●	●		Reduce variation in key business processes focusing on S&OP				●	●	●	●	●						○	○		○	●	○	○			
	●		Leverage growth through Asian operations										●	●			○	○	●							
		●	Drive Core business growth in XYZ through a promotion			●											●									
		●	Drive core business growth in Tools through innovative new XYZ products and distribution penetration			●						●					○		●			○	○			
		●	Reduce variation in key mfg. Processes focusing on turning, grinding and heat treat	●			●										○	○	○	●	○					
Achieve \$XM in variances in 2002			<p style="text-align: center;">Top Level Improvement Priorities</p> <p style="text-align: center;">Annual Breakthrough Objectives</p> <p style="text-align: center;">2002 Target to Improve</p> <p style="text-align: center;">3-5 Year Breakthrough Objectives</p>	Reduce Internal PPM Avg from 30.4K to 4.6K in 2002	Grow X Tool Sales from \$XM to \$YM in 2002	Achieve \$XM in Sales/\$YM in CM from Promotion	Variances from \$XM to \$YM in 2002	Inventory Turns from X to Y	Establish and implement a business process with Depot by 6/2002	Improve Delivery to 97%+ in 2002	Meet new product milestones for XX, YY, ZZ	Complete product roads by 2/2002 and achieve a min. of 4 on staff and team survey scores	Improve ABC profitability from X% to Y% in 2002	Achieve \$XM Upside Growth	Grow Global OPP (non-domestic China) sales from \$XM to \$YM in 2002	Grow OPP sales in China from \$XM to \$YM in 2002	Group Exec	Special Markets	Tool Division	Asia	Manufacturing Ops. / R & D	Marketing / R & D	Finance	Six Sigma	Human Resources	
Grow Global XYZ from \$XM to \$YM and domestic China from \$XM to \$YM																										
Grow US Tool Sales from \$XM to \$YM																										
Improve from 3.4 Sigma to 4.1 Sigma																										
	●			Achieve 5 Sigma Quality by 2005	●					●	●							Resources								
		●		Grow US Sales at 8% CAGR from \$XM to \$YM, resulting in share of 46% by 2005		●							●	●	●			●	Primary Responsibility							
		●		Leverage Asian Cost Base to grow sales in China to \$XM and Global OPP Sales to \$YM by 2005												●	●	○	Secondary Responsibility							
●				Become Tool Global Low Cost Provider with Target to achieve US costs at 1.15x China costs by 2006	●	●	●	●	●					●												

Sustaining Continuous Improvement:

From Values to Results

STRATEGY DEPLOYMENT MATRIX - 2002 - SECOND LEVEL																										
●						Capture Co. "A" and Co. "B" business. Capture 100% Co. "C" Manufacturing											●	●	○	○	●			○		
			●			Expand sales in XYZ and strategic accounts										●		○	○		○	○	●		○	
		●				Drive S&OP process										●		●	○	○			○			
	●					Improve ABC profitability through operating expense reduction and gross margin improvement and												○	○	●					○	
				●	●	Develop XYZ into industrial power brand through focused brand building execution														○	●					
					●	Drive superior marketing programming to support new product breakthroughs													○	○	●				○	
					●	Drive focused industrial end user sales programs to facilitate share growth and distributor conversion													○		○	●				
					●	Drive ACME strategic supplier position and grow sales through focused national accounts													○	○	●	○			○	
Develop 2nd half growth plan Co. A, Co. B, Co. C Breakthroughs	Improve ABC profitability through price increase and reduction in operating expense	Reduce variation in key business processes focusing on S&OP	Leverage growth through Asian operations	Drive Core business growth in XYZ through a promotion	Drive core business growth in Tools through innovative new XYZ products and distribution penetration	<div style="text-align: center;"> <p>2nd Level Improvement Priorities</p> <p>Top Level Improvement Priorities</p> <p>Annual Breakthrough Objectives</p> <p>2002 Target to Improve</p> </div>	Grow ACME sales from \$XM to \$YM	Convert 1 \$500K+ distributor per industrial sales region by 12/02	Achieve shared position at distributor "D" by 10/02	Grow new products from \$XM to \$YM	Grow brand awareness from 12% to 20%	Execute combined price increase / terms changes to achieve 2% effective increase	Reduce operating expenses from X% to Y%	Drive S&OP improvement to achieve 97% service level	Grow XYZ from \$XM to \$YM	Co. A to \$WM 12/02, Co. B to \$XM 12/02, Co. C to \$YM 12/02			President	VP Finance	VP Industrial	VP Marketing	VP Sales Latin America	Director Sales	Director of Distribution	
●				●	Improve from 3.4 Sigma to 4.1 Sigma		●	●	●	●	●								Resources							
			●	●	Grow US Tool Sales from \$XM to \$YM														● Primary Responsibility							
	●	●			Grow Global XYZ from \$XM to \$YM and domestic China from \$XM to \$YM											●			○ Secondary Responsibility							
					Achieve \$XM in variances in 2002											●										

Sustaining Continuous Improvement:

From Values to Results

Hoshin Kanri- Steps

Step 0 (WHY): Mission from Values

Step 1 (WHAT): 3-5 Year Breakthrough Objectives

Step 2 (WHAT): Annual Breakthrough Objectives

Step 3 (HOW MUCH): Strategy Deployment Metrics- Not KPI's

Step 4 (HOW): Top Level Improvement Priorities

Step 5 (WHO): Primary and Secondary Responsibilities for Each Metric

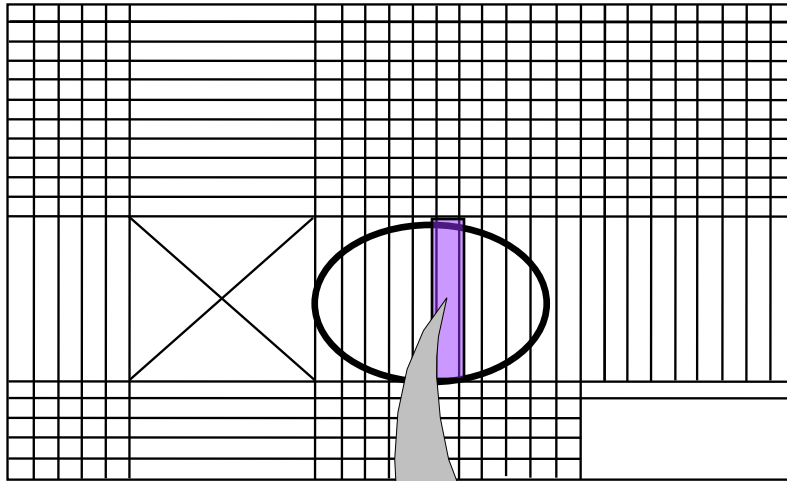
Step 6: “Bowling Chart” to track Monthly Progress: Green- No Focus, Red- All the Focus

Step 7: Root Cause/ Countermeasure Sheets in Operations Review: 70-80% RC/CM, 20-30% Historical

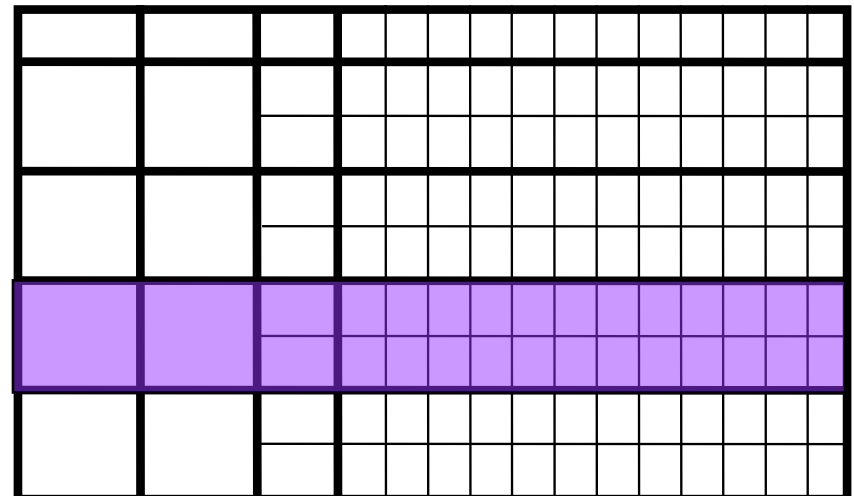
Sustaining Continuous Improvement:

From Values to Results

A Bowling Chart for Every Measurement



Targets



Sustaining Continuous Improvement:

From Values to Results

Monthly Review Process

Monthly Review Meeting Focus:

- 20-30% Historical Focus
 - Focus on exceptions
 - Root Cause Analysis
- 70-80% Future Planning
 - Strategy Deployment Countermeasures
 - Keep us out of the ditch



Sustaining Continuous Improvement:

From Values to Results

Strategy Deployment Countermeasure - March 2002



Poor Example

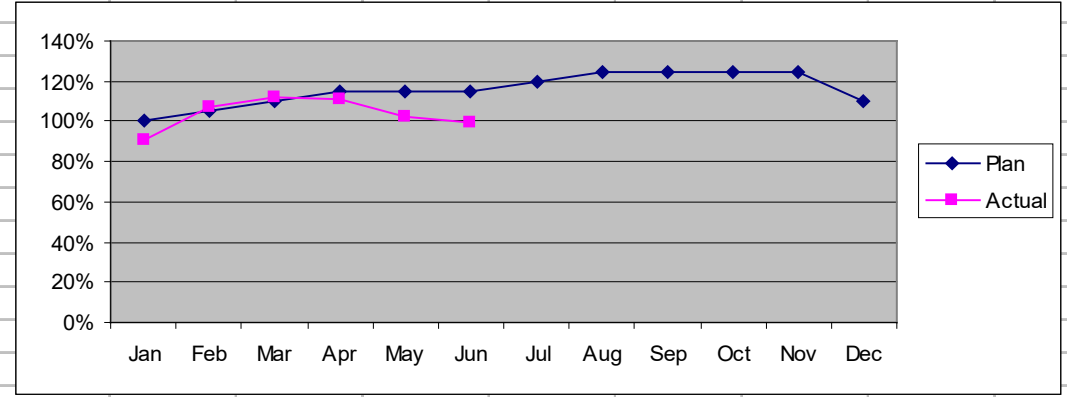
Pentair

SD Measure - Labor Productivity

Root Cause Analysis

- 1) Weather - Heat wave causing high absenteeism
- 2.) Training - Large amount of temps who lack proper training
- 3.) Lack of resources to kaizen low productivity areas
- 4.) Data unavailable to track

Manufacturing Labor Variance



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Plan	100%	105%	110%	115%	115%	115%	120%	125%	125%	125%	125%	110%
Actual	91%	107%	112%	111%	102%	99%						

Action / Countermeasure	Responsibility	Target Date	Status
1.) CER for air conditioning unit written	Joe Maintenance	8/30/2002	CER being written
2.) Team formed to study training for new hires and temps.	John Smith	On-going	Team will have first meeting 7/15/02
3.) Work with HR to relax hiring freeze and hire more resources	Jane Doe	On-going	Requisition made to HR
4.) Need systems support to gather data	Eugene Poindexter	12/15/2002	Eugene on vacation for two weeks

Sustaining Continuous Improvement:

From Values to Results

Strategy Deployment Countermeasure - March 2002

Pentair

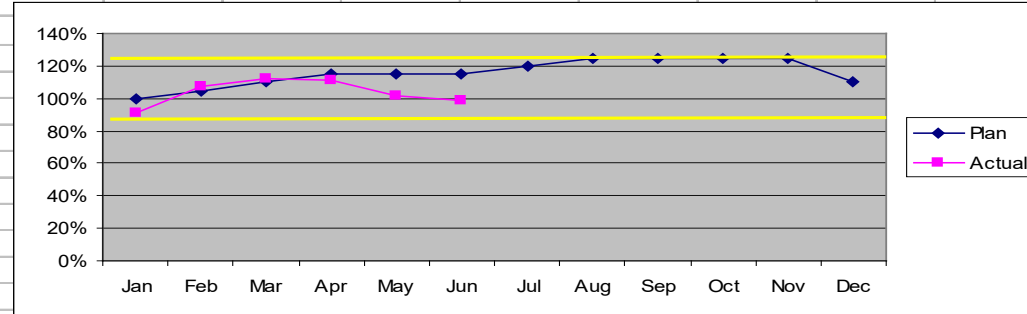
Good Example

SD Measure - Labor Productivity

Root Cause Analysis

- 1) Poor quality of Part XYZ responsible for 5% productivity impact. Tooling was worn at supplier due to no PM program.
- 2.) Operator over T/T on ABC line, due to part XYZ variation. Problem accounts for 3% of total plant productivity impact.
- 3.) Unscheduled downtime in ABC, DEF, GHI areas. Accounts for 2.5% productivity impact
 ABC-Lathe bolt sheared due to lack of lubrication
 DEF-CNC Drive motor burnt out due to overheating and lack of air flow
 GHI-CNC Grinding wheel failed prematurely-No backup in house
 (see attached)

Manufacturing Labor Variance



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Plan	100%	105%	110%	115%	115%	115%	120%	125%	125%	125%	125%	110%
Actual	91%	107%	112%	111%	102%	99%						

Action / Countermeasure	Responsibility	Target Date	Status
1.) Tooling worn at supplier causing defect, 100% inspect short-term containment in place until tooling is replaced next month. Tooling to be put on scheduled replacement 6 months prior to end of useful life.	Joe Supplier	7/30/2002	New tooling being fabricated, est. completion 7/20/02
2.) Hour by hour chart implemented on assembly line to track T/T performance. Process monitoring program implemented at supplier to control mold temperatures and prevent recurrence.	Jane Assembly	7/1/2002	Complete
3.) Preventive maintenance program being implemented. Maintenance SWAT team formed as a short-term countermeasure for unscheduled downtime.	John Maintenance	6/10/2002 7/30/2002	Maintenance in final stages of PM implementation Completion - 7/30/02
ABC-Include weekly lubrication schedule in PM program	John Maintenance	Complete	
DEF-Operator performed PM - daily clean air intake (added to 5S checklist)	John Operator	Complete	
GHI-Setup kanban on grinding wheels with supplier. One backup wheel will be kept on hand at all times.	Joe Kanban	7/5/2002	

Sustaining Continuous Improvement:

From Values to Results

Power of the X-Chart- Activity

- Power of the X-Chart:
- Given the example X-Chart provided to your team, please review. Answer these questions:
 - 1) How are the long term and annual breakthrough objectives tied together?
 - 2) What is significant about the metrics? What's the difference in KPI's vs. Strategy Deployment Metrics?
 - 3) How do we know the top level improvement priorities are the most important elements to work on?
 - 4) How about who is responsible? How does the info help make sure nothing is forgotten/ focus lost?
 - 5) How about the dots- what do these tell you?

Sustaining Continuous Improvement:

From Values to Results

Power of Hoshin Kanri- Discussion

- What have you learned?
- What will you do differently next week
- How does this impact the way you plan?
- What would you tell the President/ CEO about what you learned?

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Sustaining Continuous Improvement:

From Values to Results

TruNorth Alignment®

Thanks...



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