



**Six Critical Questions For Driving
Enterprise Alignment And Lean Culture
Presenter: Tracy O'Rourke**

- ◆ What are the six critical questions?
- ◆ Why are the six critical questions important?
- ◆ How will these questions help organizations on the Lean Journey?
- ◆ What activities and tools help organizations answer the six critical questions?

- ◆ Not started on the Lean Journey yet or less than a year?
- ◆ 1-4 years?
- ◆ On the journey over 4 years?



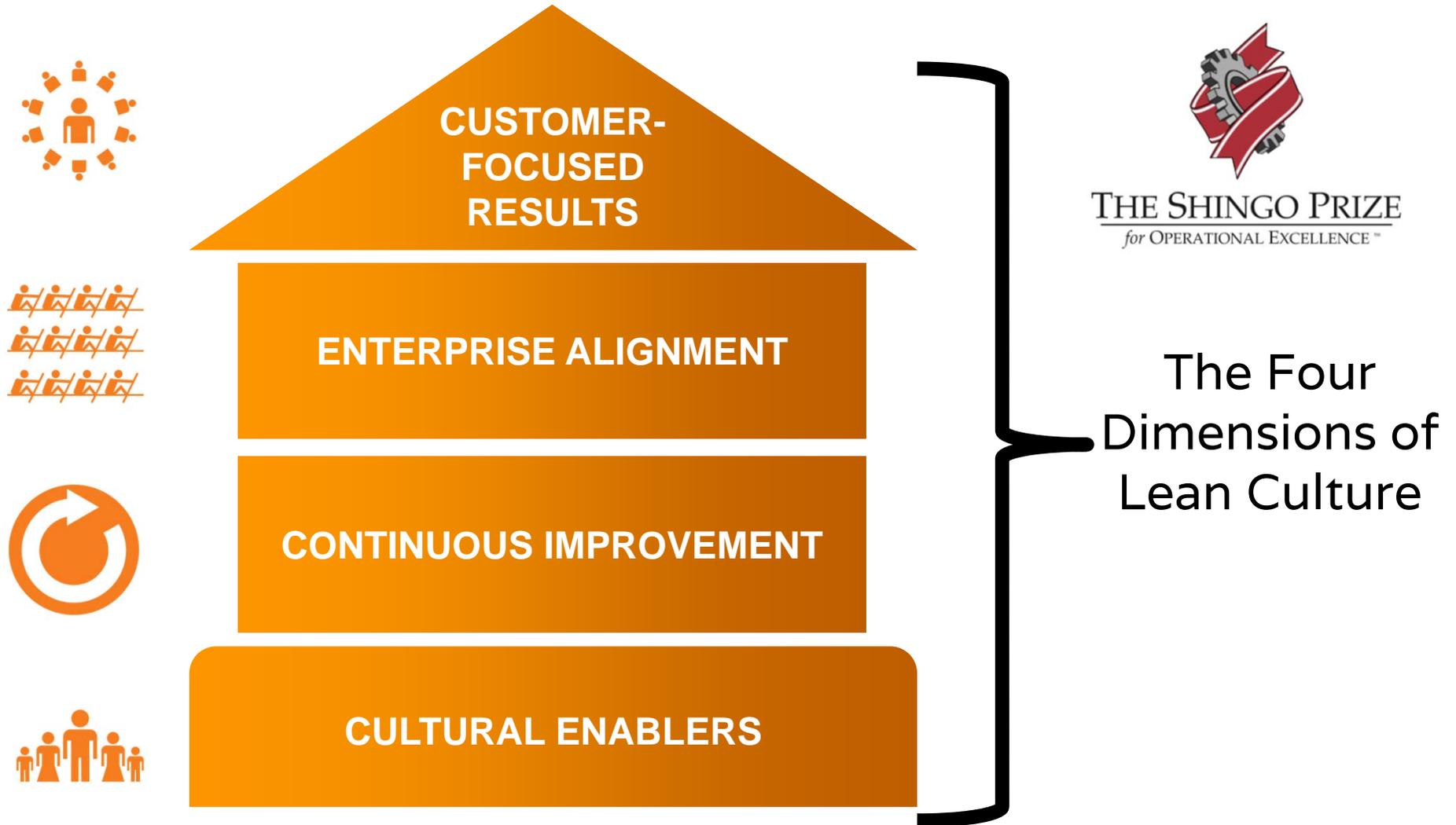
“The work of government is noble. The people of government are amazing. The systems of government are a mess.”

Ken Miller, author of “We Don’t Make Widgets”

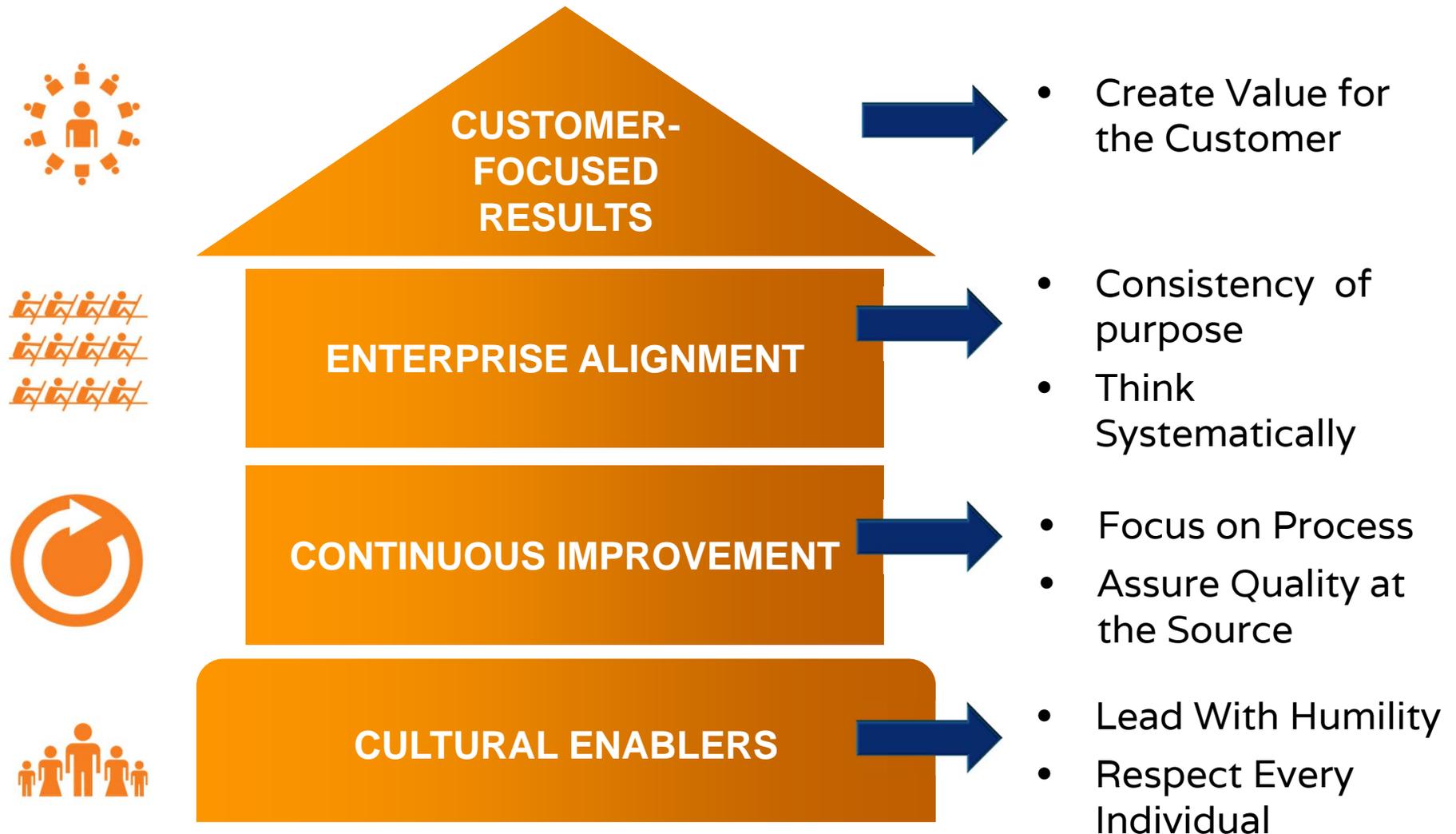
An Approach That Is All Too Common

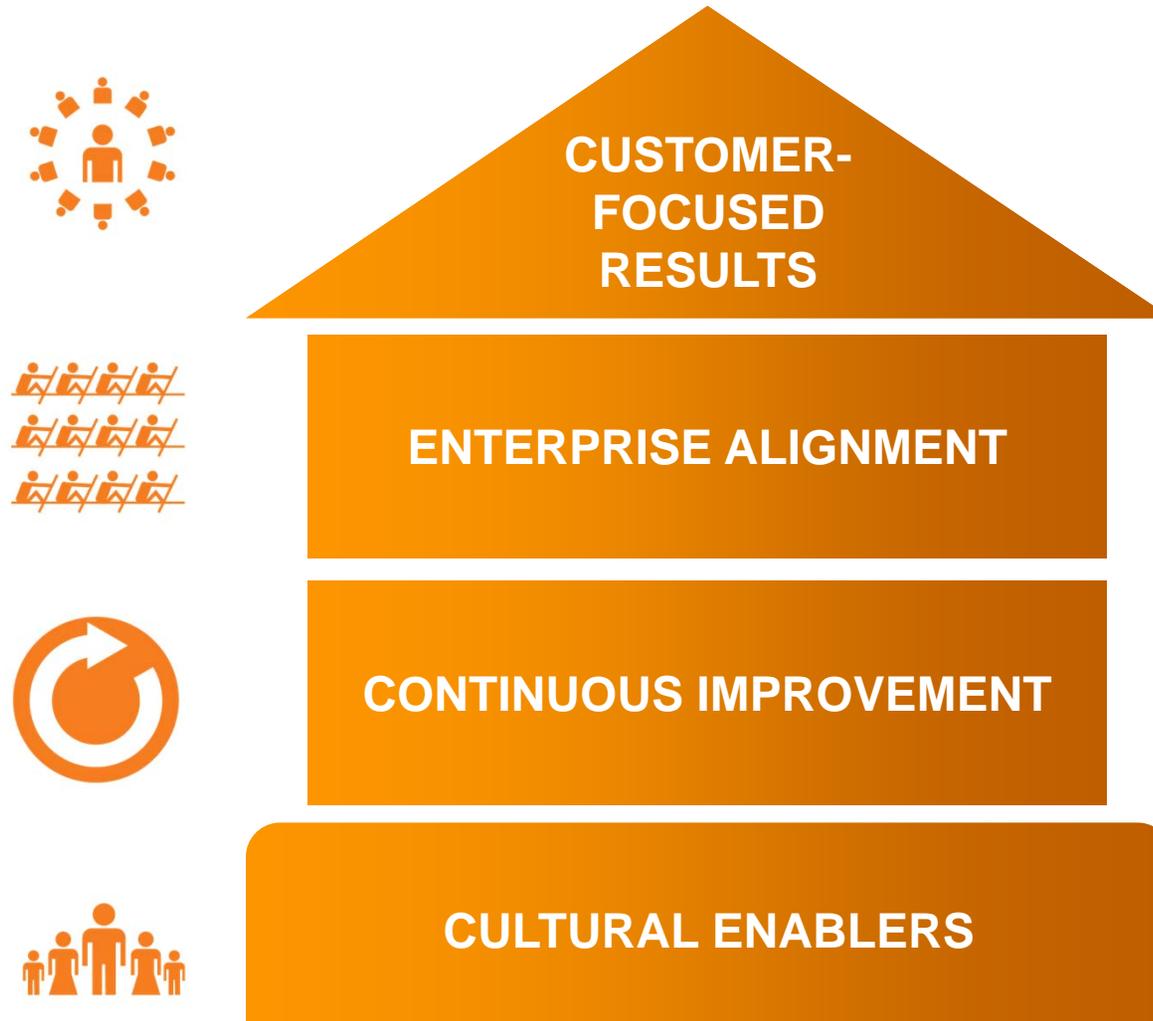
Train a bunch of “experts” –
Lean Leaders, Green Belts etc. –
so they can solve all your problems.

Simplified Shingo House



Every Dimension Connects Lean Principles





Each Dimension Supports the Others, and is Built Upon the Others.

Real and Sustained Lean Culture Requires An Integrated Approach Across All Four Dimensions

Roadmap Example:

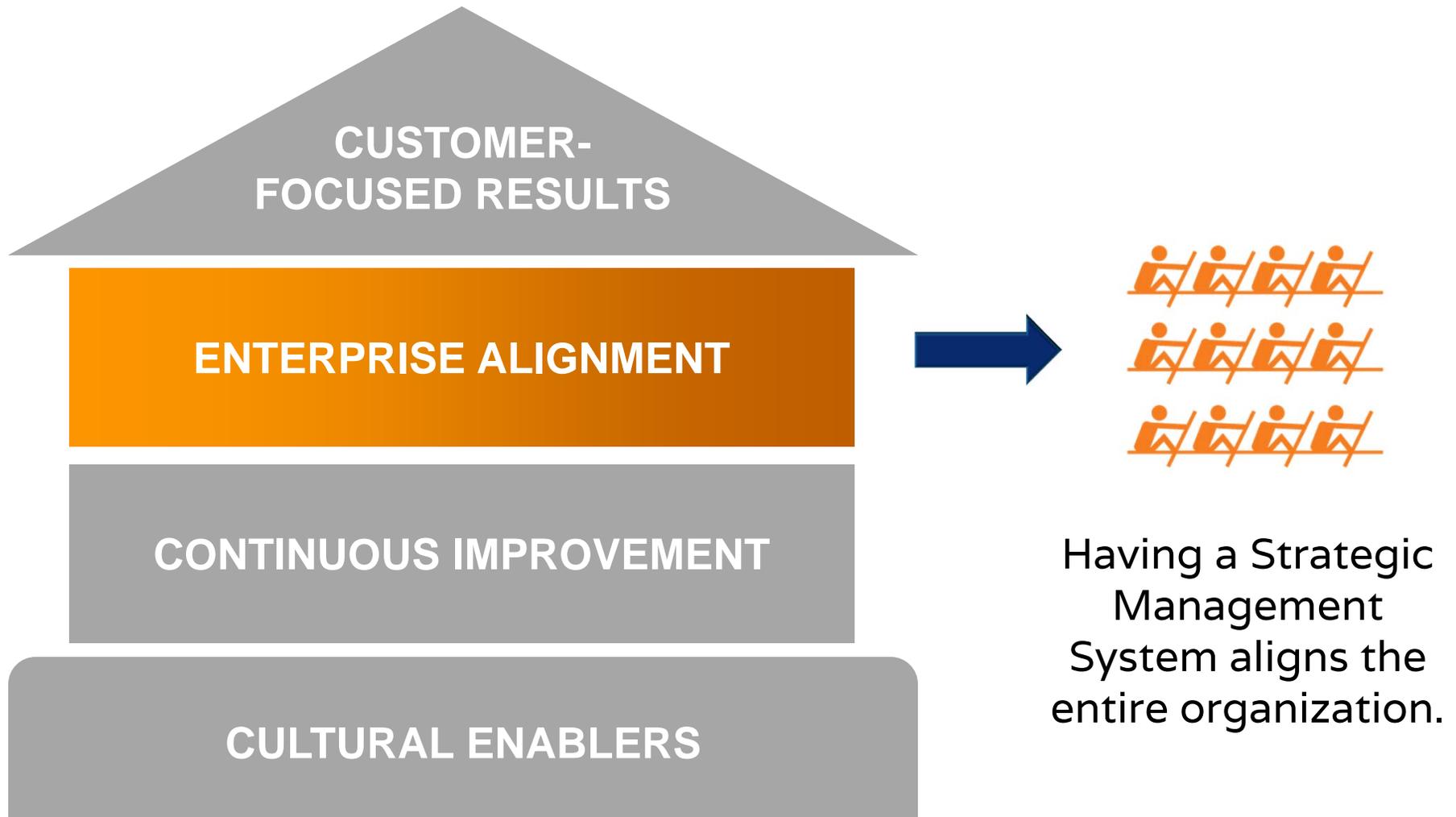
Dimensions



Timeline



This Session: Focusing on Enterprise Alignment



Why is Enterprise Alignment Important?



What is it?

方针 管理

Hoshin = Direction

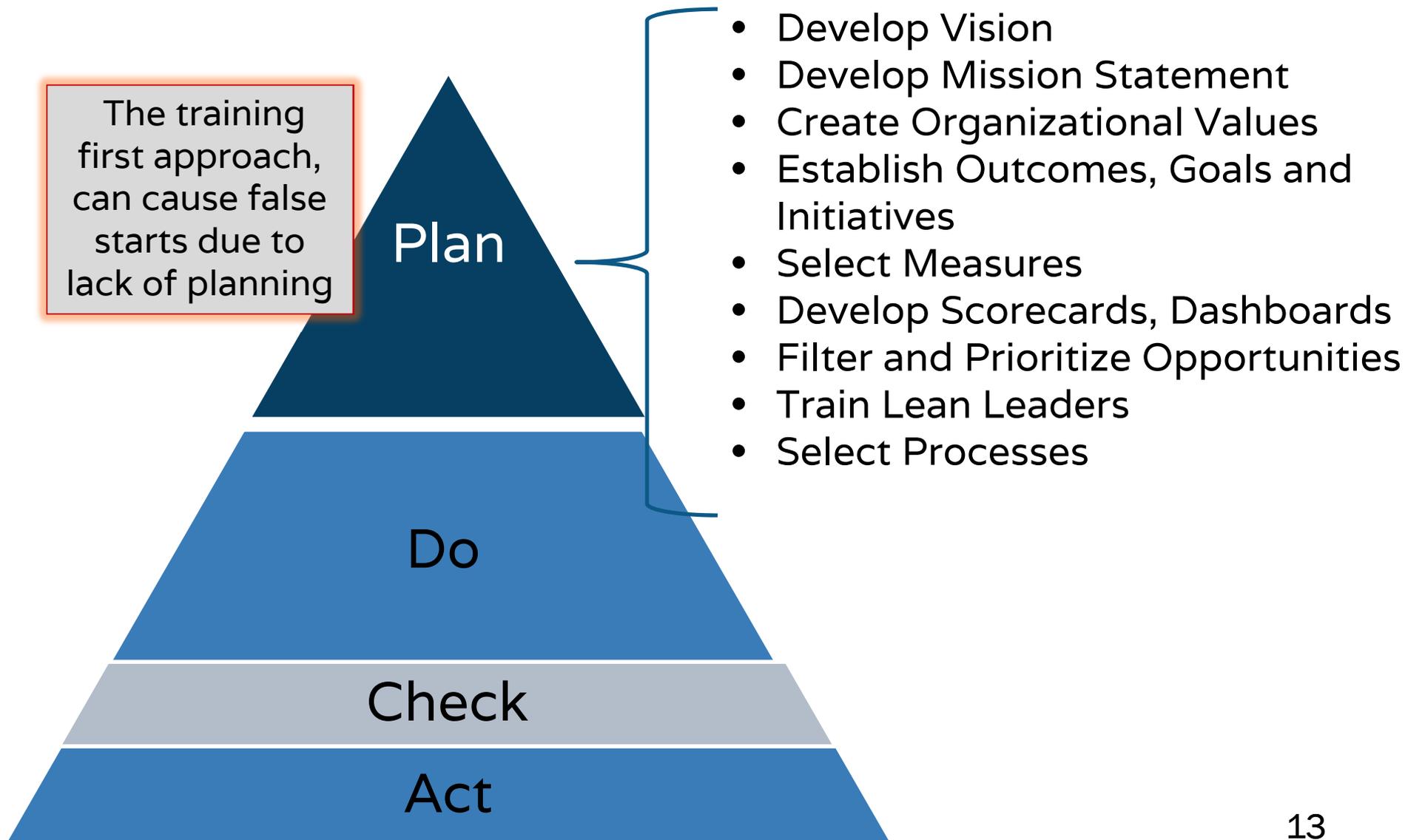
Kanri = Execution

A Japanese term *Hoshin* "compass needle" or "direction". *Kanri* means "management" or "control"

Hoshin Kanri is two-fold:

- 1) A systematic planning methodology for defining long-range key entity objectives. These are breakthrough objectives that typically extend two to five years.
- 2) Managing the day-to-day work required to run the business successfully.

Continuous Improvement Efforts



Six Critical Questions



- 1 Who are we and where are we going as an organization?
- 2 How do we measure performance against what's important?
- 3 How are we doing?
- 4 How do we decide where to focus our efforts & allocate resources?
- 5 What actions do we take to improve our ability to achieve our desired outcomes?
- 6 How do we sustain improvements and ensure our efforts are making an impact?



Question 1:

Who are we and where are we going as an organization?

Vision, Mission, Values, and Outcomes, Goals Initiatives

- ◆ A Vision: What the future will look like and what the company will become

“What do you want to be when you grow up?”

- ◆ The Mission: a concise statement developed from the *customer's perspective* that answers three questions:

- ◆ What do we do?
- ◆ How do we do it?
- ◆ For whom do we do it?



Organizational Values: Southwest



We operate with a
Warrior Spirit,
a Servant's Heart,
and a Fun-LUVing
Attitude.



Customer First: We forge partners with our customers and strive to exceed their expectations.

Global Perspective : Learning from the best in the world, we aim to become the best in the world.

Encouraging Teamwork: We recognize the human worth of each individual and collaborate to achieve

Welcoming New Challenges: Unbound by convention, we embrace the challenge of creation.

Encouraging Professional Excellence: We develop our strengths and think and act responsibly.

**Toyota knows that the key to
successful Lean transformation is
culture...**

...and culture cannot be copied.

- ◆ Does your organization have values?

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- ◆ If so, do employees breathe the values?

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- ◆ If so, do employees breathe the values?
- ◆ Do leaders enforce the values?

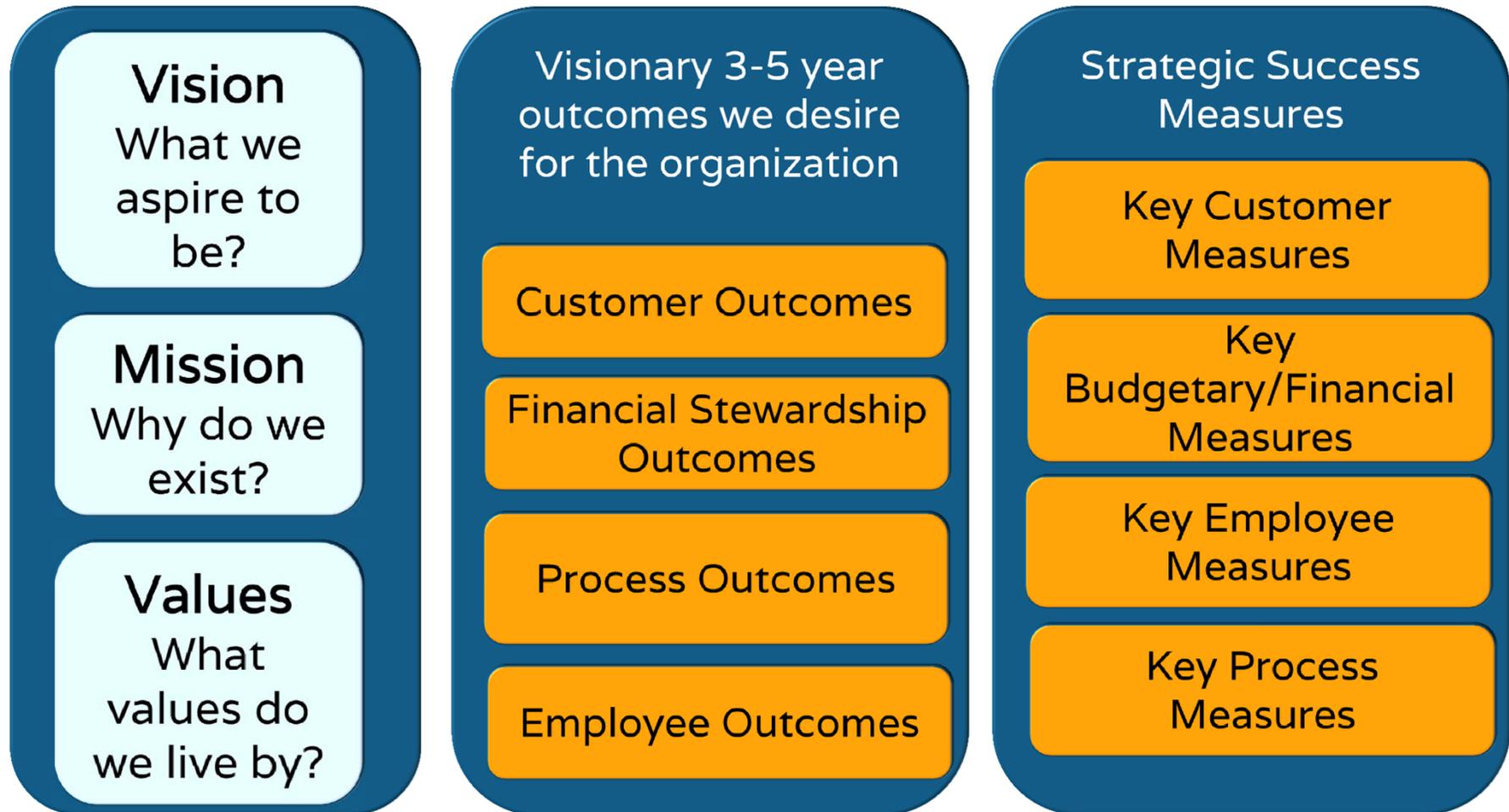
“When I started my organization, nobody told me that half of my energy would be spent building it, and the other half would be spent protecting and defending it against all of the things other people wanted it to be.”

-Excerpt from *Boundaries for Leaders*
By Dr. Henry Cloud

How Do We Achieve the Vision?



Clarity Map



Vision: The City of SeaTac is a premier global community offering a solid, sustainable economy and a healthy, inclusive, and vibrant quality of life.

The mission of the City of SeaTac is to deliver high value services in a financially responsible manner that enhances a safe, healthy and sustainable quality of life in partnership with the community.

Values:
Service
Integrity
Teamwork
Accountability

Top 3-5 Year Outcomes

Achieve City Council Goals

Enhance our Community

Foster Employee Engagement

Sustain Financial Health & Stability

Build Infrastructure and Promote Development

Key Measures

- Resident satisfaction
- Progress on City Council goals
- Community engagement
- Employee alignment
- Employee capability
- Employee engagement
- Long term financial stability
- External financial validation
- Lifecycle cost of assets
- Economic development index
- Compliance index



Clarity Map



VISION

The City of SeaTac is a premier global community offering a solid, sustainable economy and a healthy, inclusive, and vibrant quality of life.

MISSION

The mission of the City of SeaTac is to steward the public's trust and deliver high value services in a financially responsible manner that enhances a safe, healthy and sustainable quality of life in partnership with the community.

VALUES

SERVICE

We deliver effective, quality and enduring service to all.

INTEGRITY

We maintain a foundation of trust by being honest, respectful and true to our word.

TEAMWORK

We work together to accomplish great results by valuing and respecting each other, being empathetic and communicating openly in the spirit of innovation.

ACCOUNTABILITY

We embrace transparency, responsibility and ownership in our decisions and actions.

TOP 3-5 YEAR GOALS

ACHIEVE CITY COUNCIL GOALS

Embrace and achieve City Council goals and policy direction.

ENHANCE OUR COMMUNITY

Enhance the livability of SeaTac by working hand in hand with community members and partners to create a safe, active and attractive city.

FOSTER EMPLOYEE ENGAGEMENT

Foster an environment where team members are engaged, informed, empowered and recognized for their value.

SUSTAIN FINANCIAL HEALTH & STABILITY

Continually improve upon the successes of today to ensure a balanced, healthy, and stable financial future for delivery of services.

BUILD INFRASTRUCTURE; PROMOTE DEVELOPMENT

Build and maintain enduring public infrastructure and promote economic development opportunities to enhance connectivity and quality of life.

“The essence of strategy is choosing what not to do.”

- *Michael E. Porter*

Organizational Reflection



Based on the organization's mission, vision, values, goals and initiatives

Stop	Start	Continue
What should the leadership team & organization STOP doing?	What should the leadership team & organization START doing?	What should the leadership team & organization CONTINUE doing?



Question 2:

How do we measure performance against what is important?

Scorecards, Dashboards and Daily Management Boards



fuels measurement at the tactical level

Enterprise Alignment Implementation



Catchball helps engage employees and open communication lines

Top Line Scorecard Sample

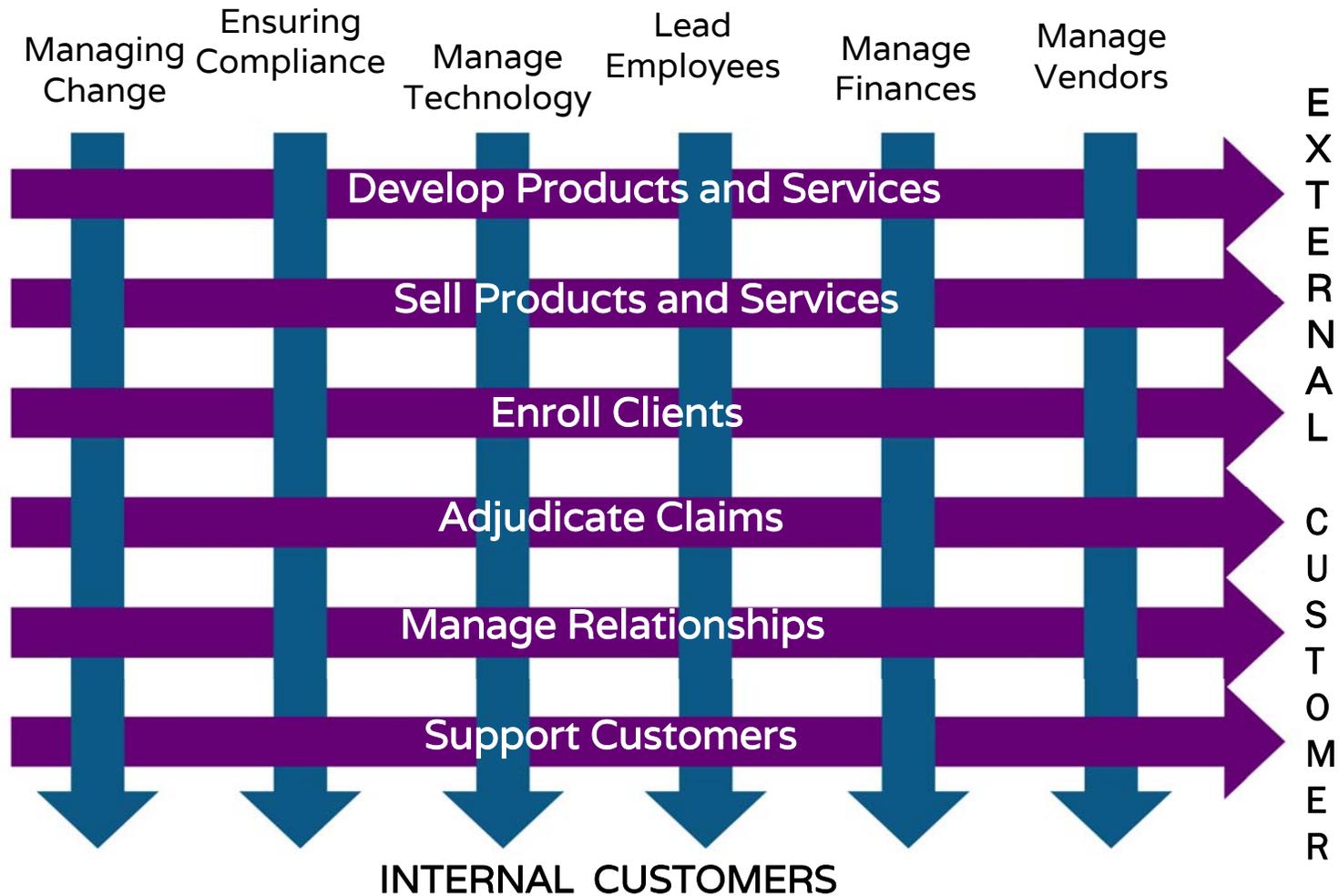


	Current	Target	Status	Progress
Achieve City Council Goals	100%	0.0%	●	↓
Enhance Our Community	\$0	\$0	●	↔
Foster Employee Engagement	0.0%	0.0%	●	↔
Sustain Financial Health and Stability	0.0%	0.0%	●	↔
Build Infrastructure and Promote Developn	0	0	●	↔

Financial Health and Stability

	Current	Target	Status	Progress
Long Term Financial Stability	0	0	●	↔
External Financial Validation	0	0	●	↔

Organizational Value Streams



Map core processes, identify customers and key measures

Definitions:

◆ Customers:

—User: Individuals or organizations who use or receive products, services from your process. Customers can be internal or external to the organization

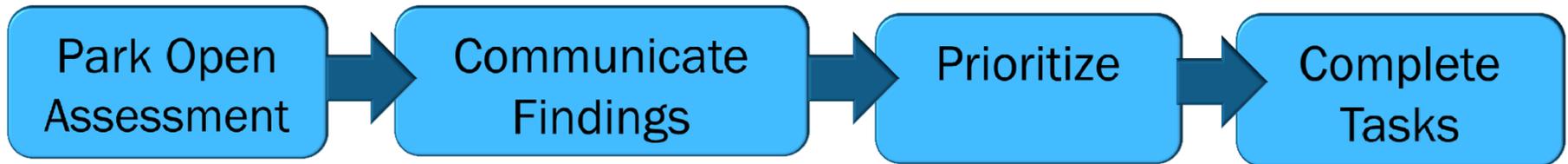
—Payer: Individuals or organizations who pay for your products and services (usually external customers)

◆ Stakeholders:

—Any person or organization that has a stake or interest in the outcomes of a product or service, but is not recipient of these products and services, ie. policy interest

**In many areas of government,
processes are designed for stakeholders**

Core Process: Open Parks



Output	Customer/ Stakeholder	Requirements
<ul style="list-style-type: none"> • Ready to Use • Clean & Safe • Special Requests completed 	<p>Customers:</p> <ul style="list-style-type: none"> • Park Patrons • Sports Field Users <p>Stakeholders:</p> <ul style="list-style-type: none"> • Maintenance (if safety) • Supervisor • Director 	<ul style="list-style-type: none"> • Feel safe • Clean environment • Correct setup • Prepped field • Visually appealing <ul style="list-style-type: none"> • Park use #'s • Revenue • Reputation • City Comparable

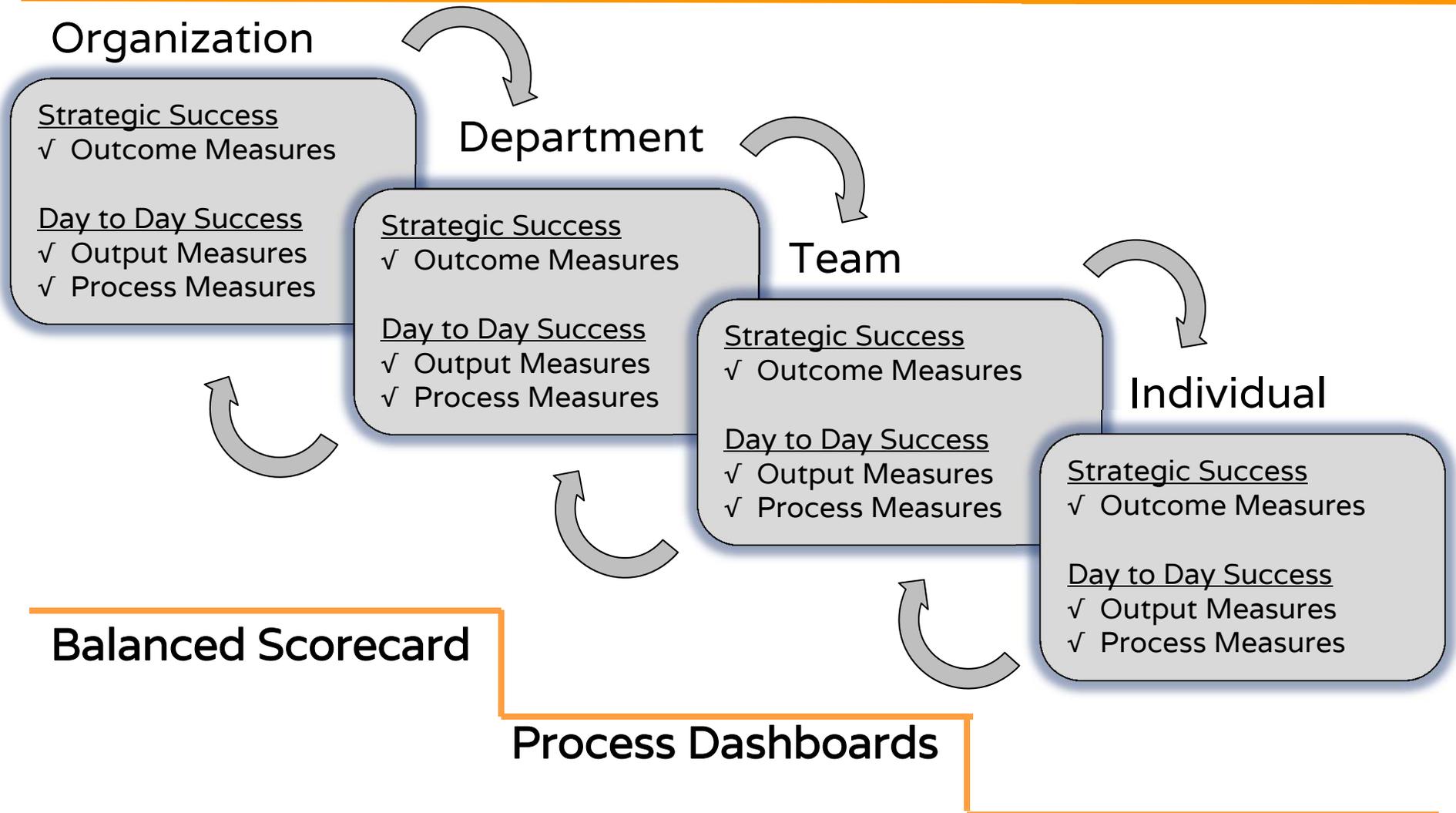
**Customer and Stakeholder Requirements
are not always the same!**

Daily Visual Management Boards

The goals of Daily Management Boards is to connect people to the processes they perform, communicate successes and issues in the work area and show goals versus actual performances.



Tiered Metrics Connect the Organization



Daily Visual Management Boards



Question 3:
How are we doing?

Tiered Metrics Review

- ◆ Create a sustainable review process
- ◆ Calendar and Implement the process
- ◆ Quarterly Review: Balanced Scorecards
- ◆ Monthly and/or Weekly Review: Process Dashboards
- ◆ Daily Review: Daily Visual Management Boards

**These elements should be items included in the
18 month Roadmap.**



Question 4:

How Do We Decide Where to Focus Our Efforts and Allocate Resources?

Project Types, Prioritization Tools

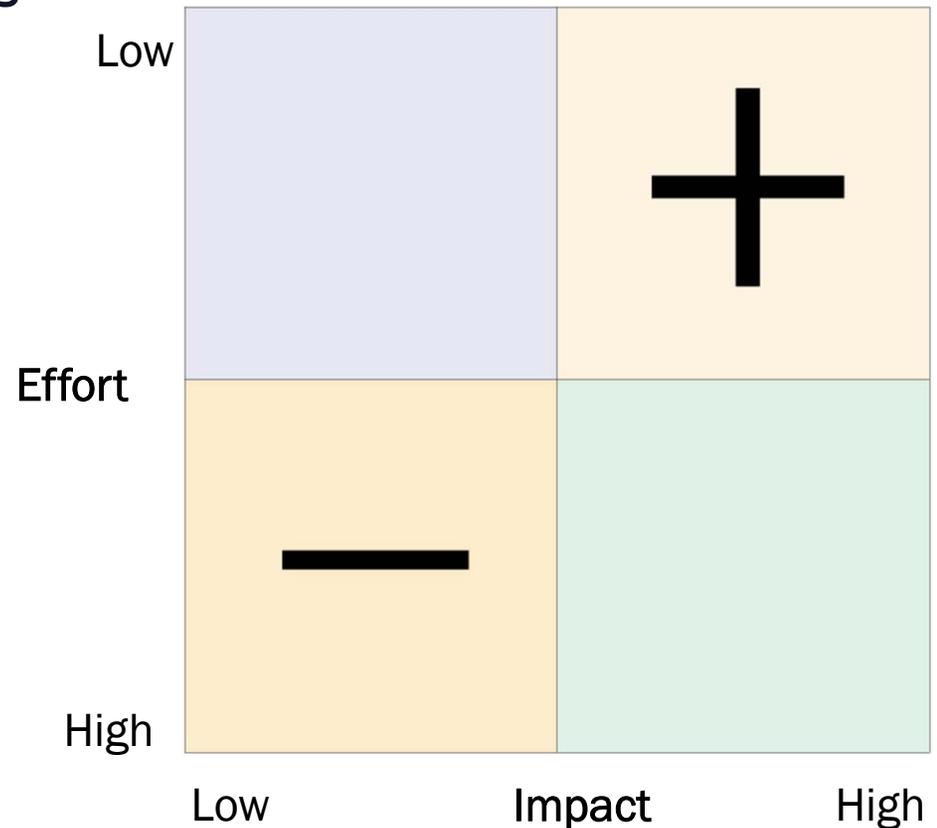
- ◆ Prioritize Opportunities
- ◆ Filtering Tools
- ◆ Project Prioritization
- ◆ Allocate Proper Resources
- ◆ Portfolio Management

What issues and opportunities align with strategic intent?

- ◆ Revolutionary: Large breakthrough multi-year effort
- ◆ Evolutionary: Mid-size cross-functional efforts
- ◆ Incremental: Smaller day-to-day, quick hits and departmental improvements

Impact Effort Matrix

- ◆ Filter based on two factors
 - How much effort is needed?
 - What is the impact?
- ◆ Useful in screening and narrowing possibilities

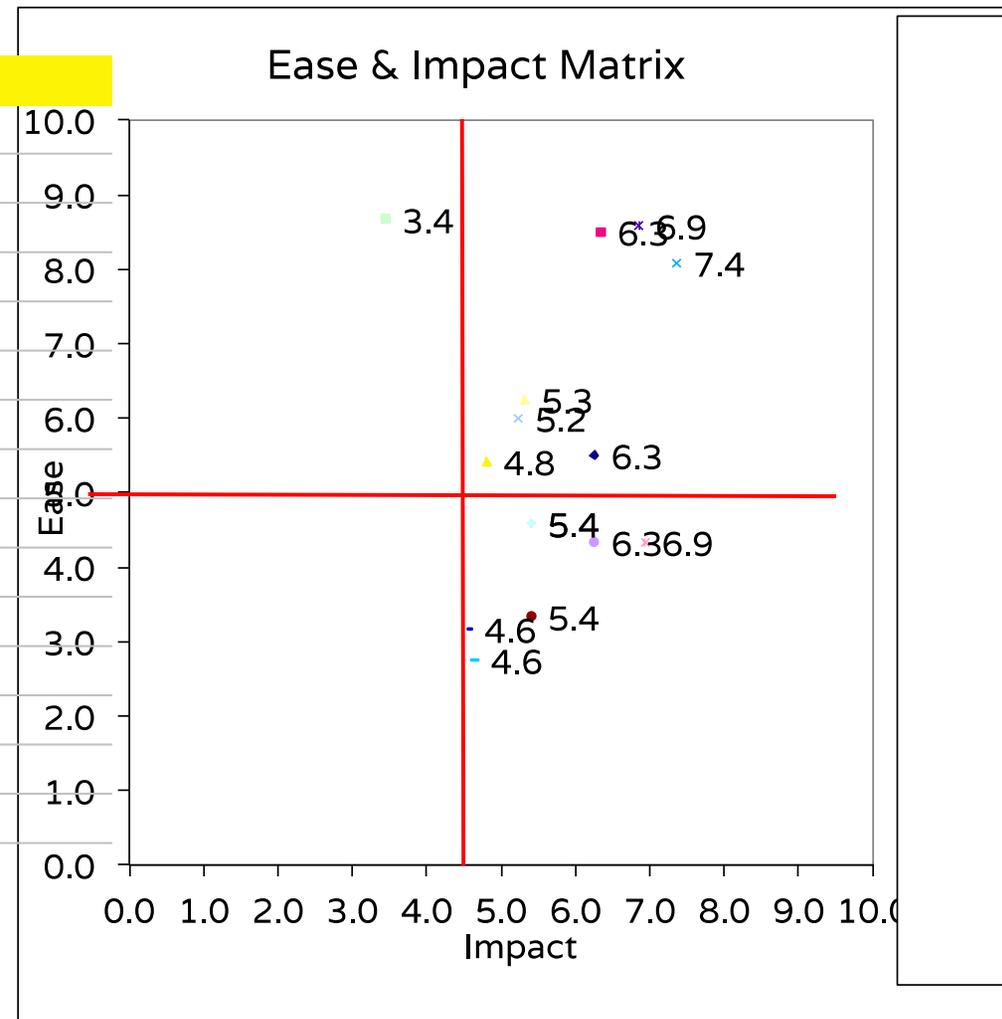


Impact Effort Matrix



Plot each option on scales for Impact and Effort

Project Name	
1	SAM Cleanup
2	Pole numbering
3	HATS too slow
4	Service order cycle Time
5	Eliminate wait time/long lines at service centers
6	Invalid usage (unbilled)
7	Clean up existing Service Orders
8	Erros in HATS on Service Orders/MP Orders
9	Multiple Systems
10	WSAs BTC + External Customers
11	Directory Updates
12	Disputes Clean up
13	Out of service customer cleanup
14	DSL disconnection
15	Vibe disconnection



Criteria Matrix



Criteria	Criteria Weight	Incoming TOA	Managed Accounts	New Accounts	Disbursements
	Scale 1-10	Scale choices: 0, 1, 3, or 9			
Top/Bottom Line Impact	5	3	1	3	3
Talented Resources Available	10	3	3	9	3
Improves Client Experience	10	9	9	9	9
Managed/Controlled Within Ops	9	3	3	3	3
A Good Project To Learn	8	9	9	9	9
Scoped Appropriately within 5 months	8	3	3	3	3
Data is Available/Accessible	8	9	9	9	3
TOTALS		330	320	390	282
Champion		Marc Ehlers	Marc Ehlers	Pat Johnson	Gary LaBarbera

This matrix works well if project selection is dependent on multiple criteria



Question 5:

What Actions Do We Take to Improve Our Ability to Achieve Our Desired Outcomes?

Project Approaches, Project Implementation and Tracking

Time spent working ON the process versus working IN the process

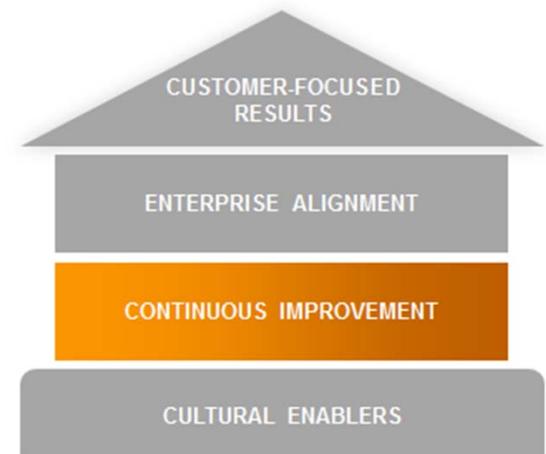


A Few Guidelines:

- Focus on the process, not the people
- Involve the people that work in the process
- As a leader, don't solve the problems for your people, instead, help them grow a problem-solving muscle

Determine the approach:

- ◆ Just Do It
- ◆ Gemba Walks
- ◆ Kaizen Events
- ◆ DMAIC Projects



Tracking Progress



Goals & Initiatives		Progress/Status	R-Y-G
1	Asset Movement (Sub-track 1) - Expand capability to enable internal transfer of funds (journal) between a High Yield Investor Checking and any Brokerage account	- Developing user requirements, including documentation of business rules	●
2	Asset Movement (Sub-track 2) - Develop capability to enable internal transfer of funds (journal) between any two High Yield Investor Checking accounts	- Developing user requirements, including documentation of business rules	●
3	Asset Movement (Sub-track 3) - Develop capability to enable external transfer of funds (MoneyLink/ACH) between High Yield Investor Checking account and an account at another financial institution	- Developing user requirements, including documentation of business rules	●
4	Asset Movement (Sub-track 4) - Enhance Pay Income feature to offer other channels for handling income distribution for all accounts	- Developing user requirements, including documentation of business rules	●
5	Remote Deposit Capture - Implement check image clearing technology in Ops Centers and Branches to improve funds availability to Savannah	- Deployed technology to B/D Ops (Orlando & Phoenix) in July. - Planning phased deployment to B/D Branches in October	●
6	Deposit holds (RFD analysis) - Align deposit hold policy and processing between B/D and Bank (leverage result of 6-Sigma Deposit Hold Relief Project)	- Preparing to commence analysis in Q4	●
7	Bank Deposits at B/D Ops Centers - Add capacity to handle increasing Bank deposit volume leveraging existing B/D operational process and infrastructure	- Implemented the processing of Bank deposits at B/D Ops (Orlando & Phoenix) in August.	●
8	E-mail Deposit Receipts - Provide clients with e-mail acknowledging receipt of their mailed-in deposits	- Implemented Proof of Concept; continuing monitoring and data collection for further analysis and decision on broader rollout for B/D and Bank	●
9	E-mail Alerts - Develop capability to disseminate e-mail alerts for acknowledging successful creation of cashiering transactions (MoneyLink and IPA check requests)	- Completing testing (QA & UAT) in October. - Planned for production release in November.	●

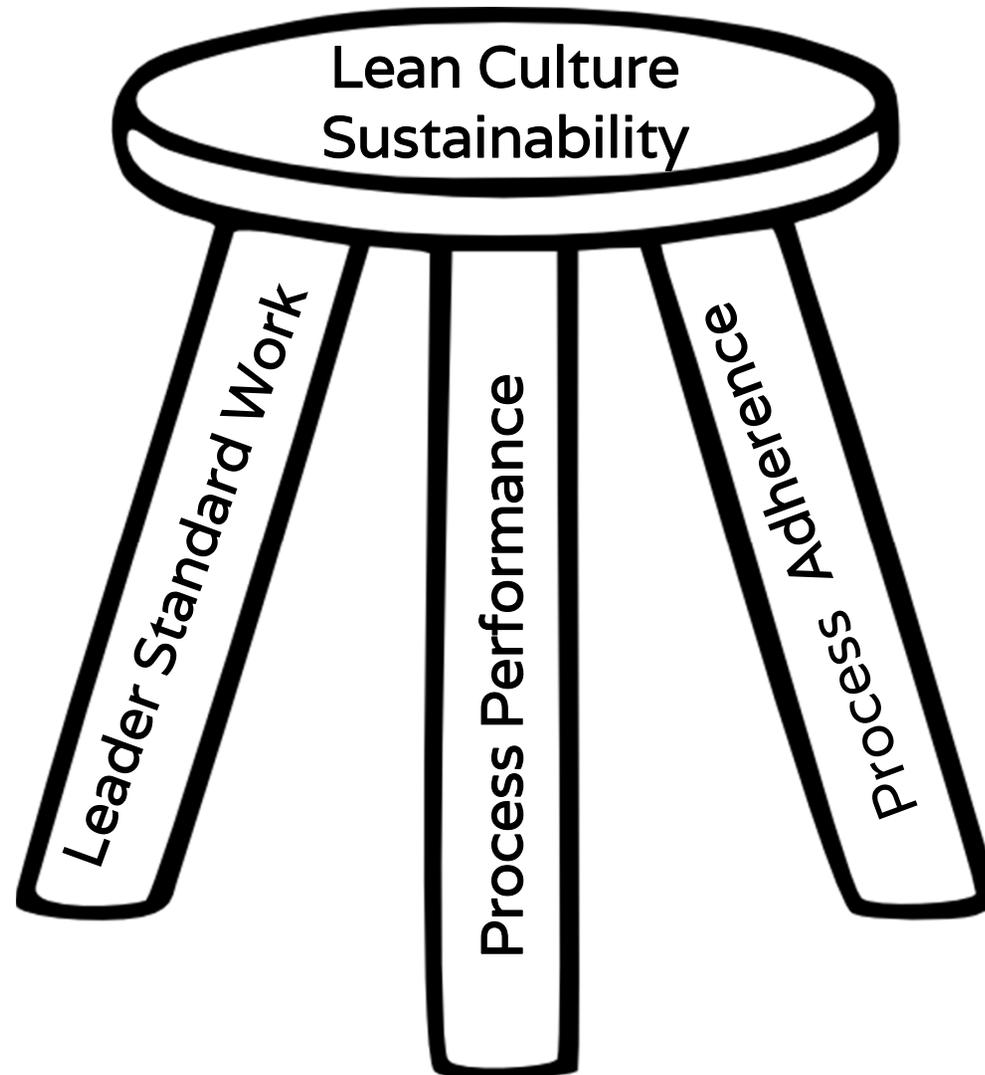


Question 6:

How Do We Sustain Improvements and Insure Our Efforts Are Making an Impact?

Process Performance, Process Adherence, Leadership Behaviors and Leader Standard Work

The Three Legged Stool of Sustainability



Process Performance



Use Scorecards, Dashboards and Daily Visual Management Boards to track performance.

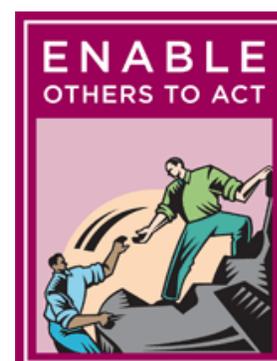
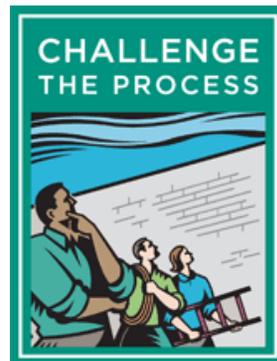
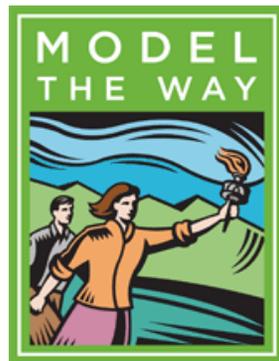
Questions:

- ◆ Does the process exist?
- ◆ Are employees adhering to the process?
- ◆ Is the process sufficient in meeting customer needs?

How?

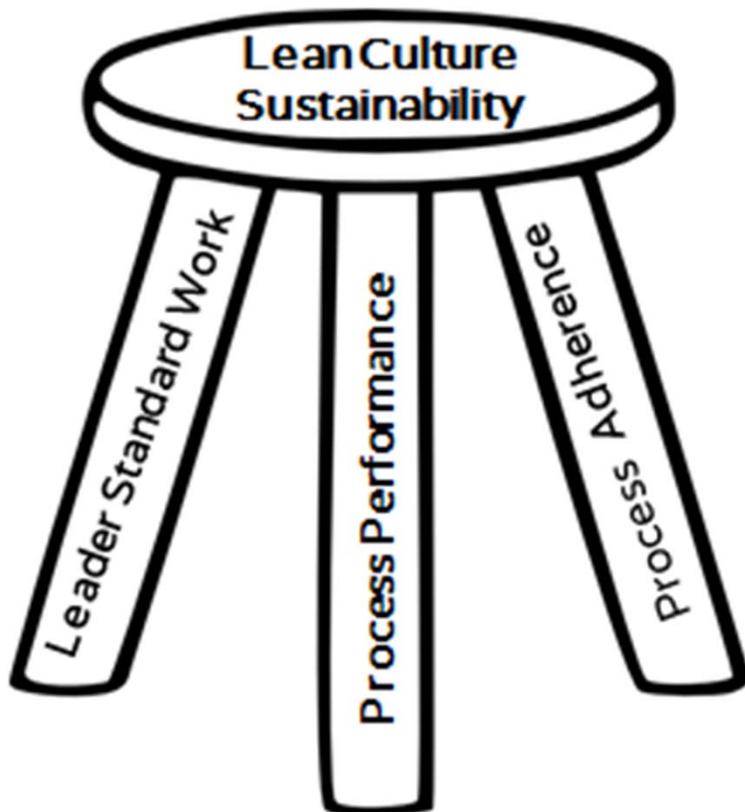
- ◆ Managing at a glance – Visual Management
- ◆ Make problems visible – Expose process abnormalities
- ◆ Conduct Gemba Walks – Observe and ask
- ◆ Look for non-standard work, labor, inventory, and output

- ◆ Commit and Defend Organizational Values
 - What you create and what you tolerate is the culture
- ◆ Integrate the five practices of exemplary leadership
 - Evidence backed correlation to employee engagement

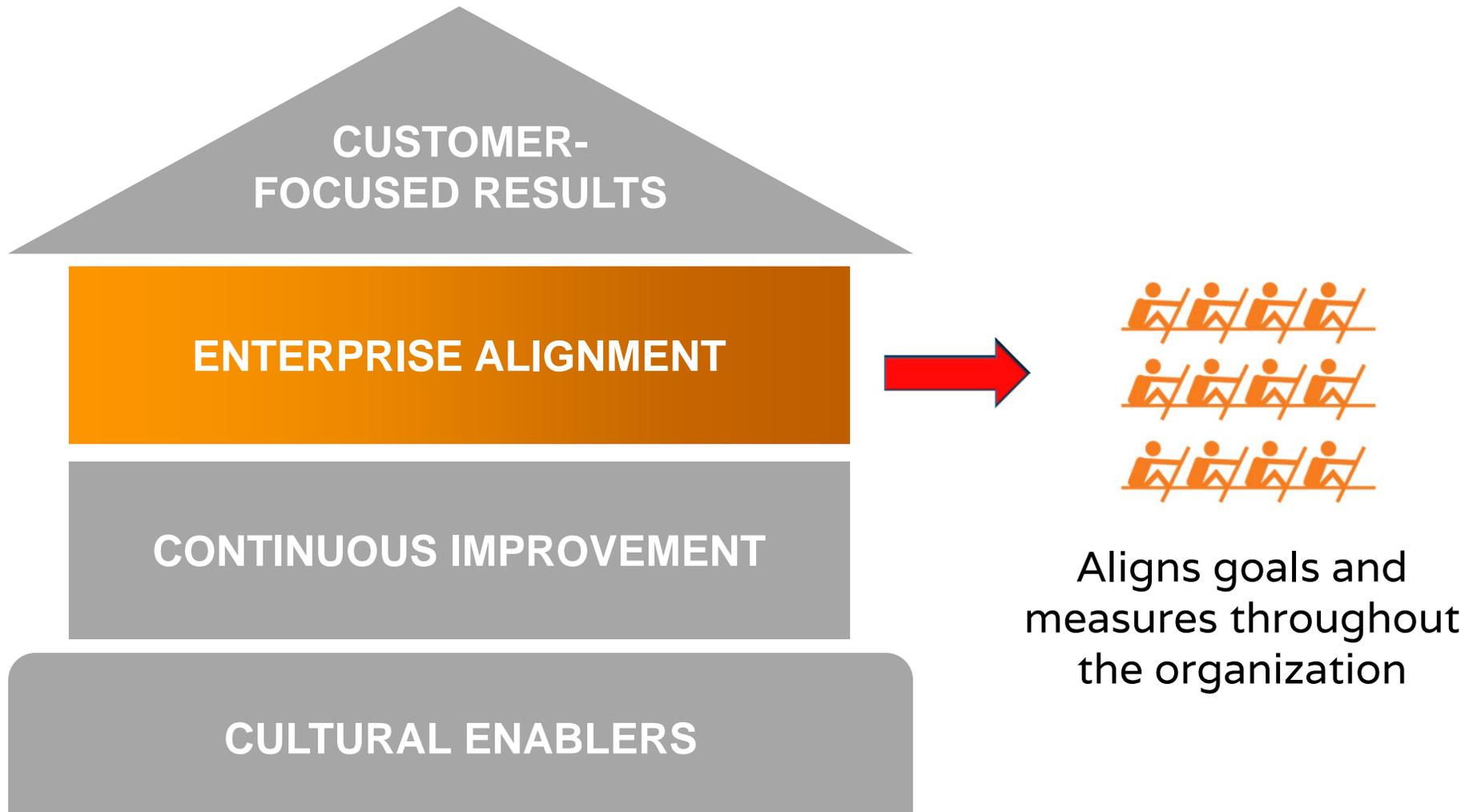


- ◆ Integrate Lean Leader Tools/Leader Standard Work
 - Scorecard & Dashboard Reviews
 - Gemba Process Walks
 - Reflection Meetings
 - Daily Management Boards

**Primary Leader Role:
Build the problem-solving muscle of your people**



Who owns the
three-legged
stool of
sustainability?





Six Critical Questions

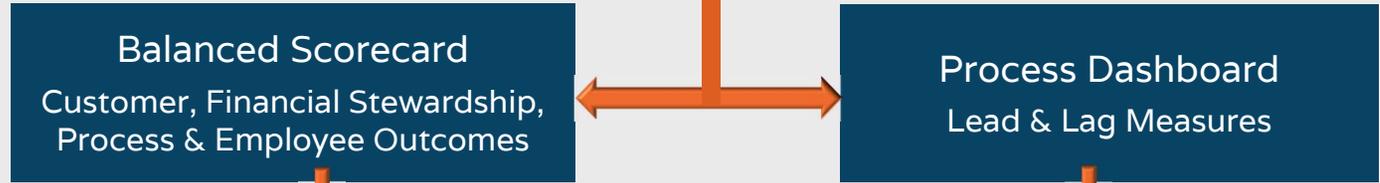


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2 How do we measure performance against what's important?



3 How are we doing?



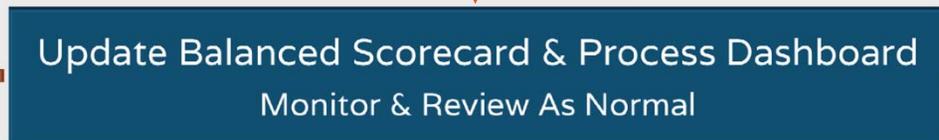
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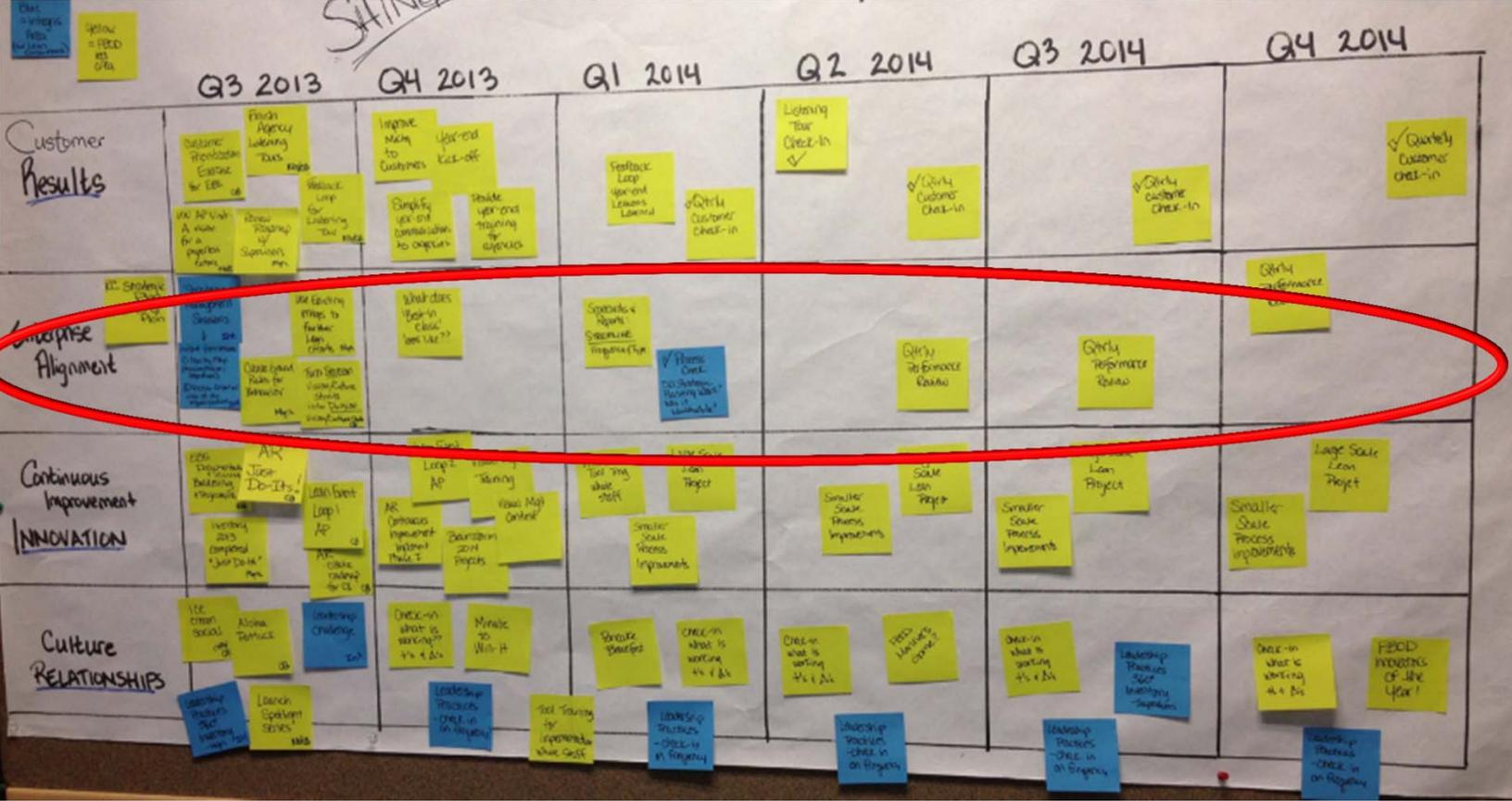


6 How do we sustain improvements and ensure our efforts are making an impact?

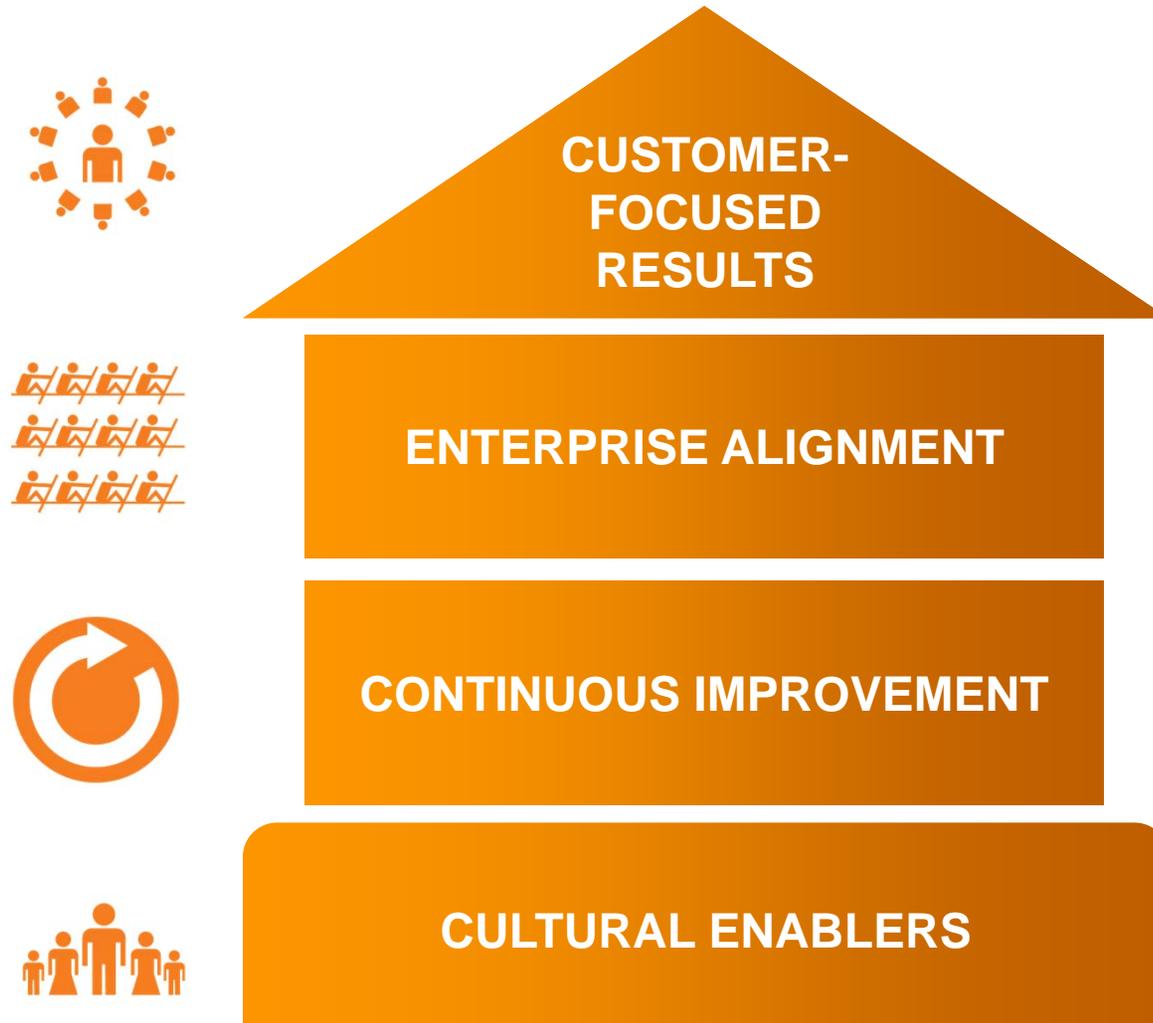


Enterprise Alignment Actions on the Roadmap

Dimensions



Timeline 



Each Dimension Supports the Others, and is Built Upon the Others.

Don't say "I can't because..."

Say, "I could if..."

-Amy Besel

Department of Social and Health Services



INTEGRIS

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