



"Strategy to Action and Back Again"

Minnesota Council for Quality
Performance Improvement
Network (PIN)

Gary Floss
10 Jan 2007

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Key Objectives

1. Provide a systematic planning context
2. Show how the "A3" methodology aids in planning development and deployment
3. Comment on experiences-to-date

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Some material presented comes from our University of St. Thomas course: Strategic Quality Management

John Fechter:
Medtronic



Gary Floss:
Marvin Windows & Doors

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Premise

- Developing strategy is a complex process: it requires a solid > information base on customers, market needs, competitors, resources, and > other environmental factors.
- But as difficult as developing strategy > can be, deploying that strategy -- actually implementing the action > plans that will support strategic objectives -- is usually far more > challenging for most organizations.
- It is critical to carefully translate strategy into action -- > to convert oftentimes lofty strategic goals into tangible, > implemental action plans, human resource plans, and financial plans.
- The "A3 storyboard tool methodology" provides a structured > problem-solving approach that can be used to translate strategy and > systematically identify and resolve organizational problems.

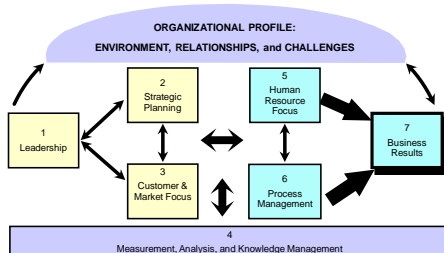
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Objective

Provide a systematic planning context

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Malcolm Baldrige Performance Excellence Criteria



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Course description -- From the UST website

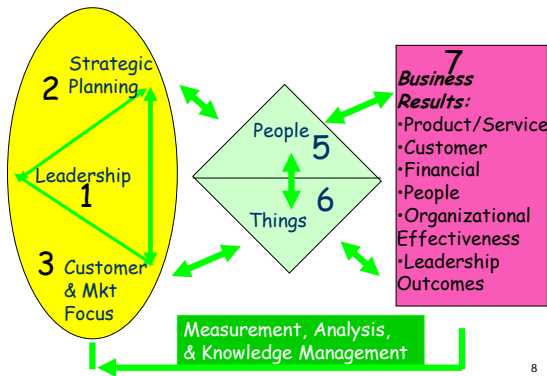
Strategic Quality management is presented as a model in three parts:

Driver → System → Results

DSR

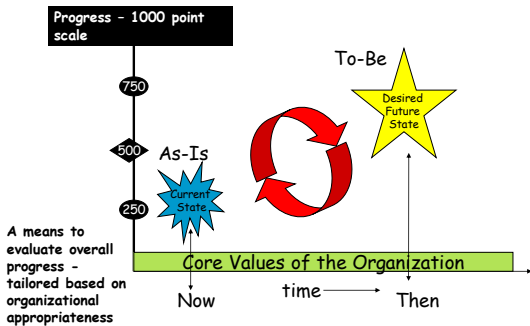
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Driver System Results



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Time-based profile of the challenge



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Key Excellence Indicators: Strategic Planning

- Balance of short- and long-term views
- Aggressive goal setting
- Strong work process alignment with strategy
- Systematic approach to addressing all sources of risk

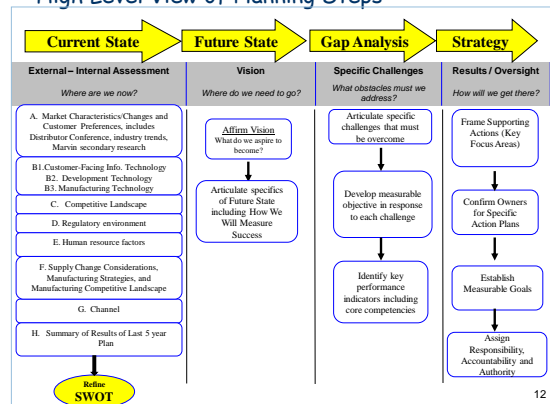
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Key Excellence Indicators: Strategic Planning

- Critical targets and goals based on customer requirements and market directions
- Strong involvement of key suppliers, partners, and customers

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High Level View of Planning Steps



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A. Market Characteristics

Observation	Opinion (O) Fact (F)	Source
1.	F	
2.	O	
3.	Action	
Etc.	F	

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Organization - SWOT Analysis Highlights

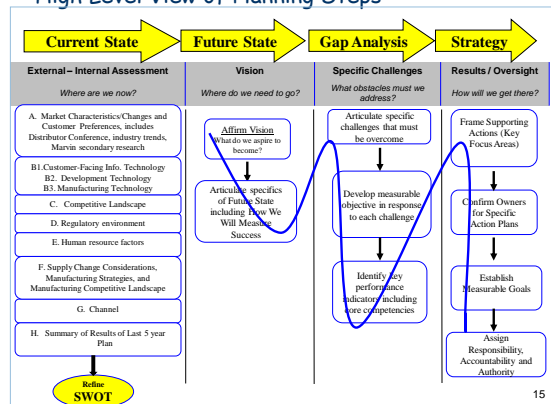
Strengths

Initial - 9/27/07

Item	Ranking	Key Measure	Trend
1.			
2.			
3.			
Etc.			

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High Level View of Planning Steps

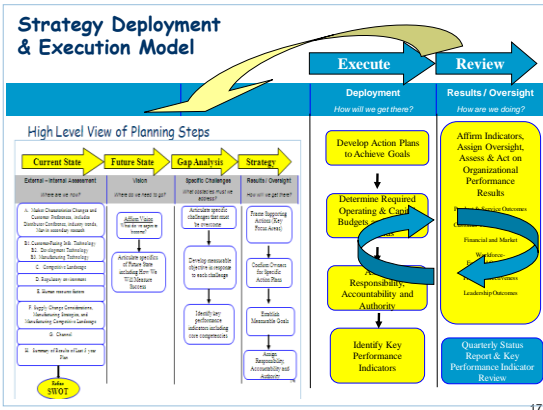


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Profiling a Strategic Challenge

Owner:				
Strategic Challenge #1:		Strategic Objective		Key Focus Areas – Action Plans
Key Measurements		Current Metric Level (YE 2007)		1 Year Goal 5 Year Goal
Dependencies	Risks	Assumptions	Critical Resources	Actions Requested for Next Meeting

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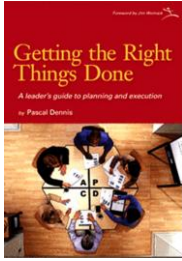
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Objective

Show how the "A3" methodology aids in planning development and deployment

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A3 Reference: "Getting the Right Things Done" by Pascal Dennis



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DEFINE	Business Unit or Dept. -- Lorem Ipsum		IMPROVE								
	<u>Background</u> Lorem ipsum										
	<u>Current State</u> Lorem ipsum										
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ANALYZE	<p>Due this A3 list changed</p> <p style="text-align: right;">REV</p>		20								

DEFINE	Business Unit or Dept. -- Lorem Ipsum		IMPROVE								
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ANALYZE	<p>Due this A3 list changed</p> <p style="text-align: right;">REV</p>		21								

What should be?
What gaps?
What priorities?

Actions --
Who, What, When
will close the gaps?

Team Name: Y

DEFINE	<p>Share Foods has identified human resources and partnerships, responding to the needs of member agencies and recruiting volunteers from a broad range of groups as key challenges to meeting its mission and vision.</p> <p>1. What do the criteria ask for? (<i>paraphrased</i>)</p> <p>5.2a1) asks how the organization builds relationships with customers.</p> <p>5.2a2) asks how the organization recruits, hires, and retains new employees.</p> <p>5.2a3) asks how you manage the workforce to achieve agility.</p>
	<p>2b. Current State</p> <p>Share Foods Development and Fund-Raising Committee uses a Donor Pyramid to develop strategies for building relationships and solicit support from potential financial donors.</p> <p>Share Foods uses a variety of recruitment strategies that leverage its positive reputation in the community and these are outlined in Figure 3.2.2. To provide training, a Job Rotation Program is used which is based on systematically designed processes for knowledge sharing and development.</p> <p>To ensure volunteer and diversity in its volunteer base, Share Foods has facilitated focus groups with the Hispanic and Hispanic communities to encourage more volunteering and partnering with these growing segments of SF's service area.</p>
MEASURE	<p>Within the relationships that it builds with customers, stakeholders, and donors, Share Foods uses focus group as its operation. To measure the market's trust and confidence in them, Share Foods annually surveys a representation of its member agencies, corporate contributors, volunteers, and donor supporters with the results reported in Figure 3.3.1b.</p>
ANALYZE	<p>2b. Gaps Identified</p> <p>Other than donors and financial contributors, Share Foods does not describe how it builds relationships to acquire customers, meet their expectations, and to increase loyalty and repeat business. There is no evidence that the methods used for this are measured or periodically used to improve over time.</p> <p>It is unclear how Share Foods recruits potential employees (other than volunteers), and a consistent approach is not evident for retaining members of the workforce.</p> <p>While Share Foods uses focus groups to help volunteers from growing ethnic groups, a systematic process is not evident to focus on diversity on volunteers' sign.</p>

ANALYZE	<p>Causes that need addressing to achieve goals</p> <p>A. Lack of definition of customer and stakeholder - better definition is needed of how relationships are built with customer and stakeholder groups other than donors and financial contributors.</p> <p>B. Unbalanced focus on workforce groups - recruitment techniques for potential employees should reach those of other workforce groups, such as volunteers. If other methods are used they should be defined and measured in a systematic way.</p> <p>C. Inconsistent focus on agility - recruiting volunteers from broad age groups has been identified as a key organizational challenge and results in managing service continuity in certain circumstances (open events and volunteer numbers). Aspects critical to agility should be defined, measured and measured for ongoing effectiveness.</p> <p>D. Lack of systematic feedback on key processes - approaches that can be measured and provide opportunity for evaluation, improvement, and sharing should be used especially on processes that address key organizational challenges.</p>
	<p>3. GOALS ACTIONS</p> <p>A. Improve definition of customer and stakeholders to ensure that all key groups are identified and methods for building relationships with them is defined and measured.</p> <p>A1. Review list of key customers, stakeholders, and regular agencies identified as identified in Organizational Profile to assure completeness.</p> <p>A2. Identify how each customer/stakeholder relationship is developed. If Donor Pyramid method is effective for all groups it should be amended to reflect these new segments. If additional methods are required they should be developed and defined so they can be measured to provide systematic feedback.</p> <p>B. Identify all workforce groups so that the methods for recruiting, hiring, and retaining them can be defined and measured in a systematic way.</p> <p>B1. Incorporate employees into strategies used for recruiting, hiring, and retaining volunteers. Continue to leverage Share Foods good reputation and effective methods. Review conventional workforce satisfaction and retention to assure the metrics are appropriate.</p> <p>C. Improve focus on aspects key to agility to assure flexibility and improve responsiveness.</p> <p>C1. Utilize the proven focus group methods to also focus on recruiting volunteers in the age groups needed to provide a diverse, agile work force.</p> <p>D. Improve systematic feedback through SMART metrics on key processes.</p> <p>D1. Review measurement for key process and assure they are Specific, Measurable, Attainable, Realistic, and Timely.</p>
COMMIT	<p>GOALS ACTIONS</p> <p>A. Monitor the results.</p> <p>A1. Review the measurements of the deployed actions and affected processes.</p> <p>B. Track the performance.</p> <p>B1. Review small levels, trends, and adjust appropriate comparison to understand true performance.</p>

<p>Improvement Strategy (A3 Questions):</p> <p>1. What is the key improvement opportunity to be addressed?</p> <p>2. What is the Current State key metric data (levels, trends, comparative data)?</p> <p>3. What is the "Business Case" for addressing this opportunity?</p>
<p>4. What is the desired future state (To-Be)?</p> <p>5. What are the gaps?</p> <p>6. What is the hypothesis regarding key "Causes"?</p>
<p>7. What are the characteristics of the improvement strategy?</p> <p>It is unclear how Share Foods recruits potential employees (other than volunteers), and a consistent approach is not evident for retaining members of the workforce.</p> <p>While Share Foods uses focus groups to help volunteers from growing ethnic groups, a systematic process is not evident to focus on diversity on volunteers' sign.</p>

<p>8. What are important actions to be implemented?</p> <p>9. What are the key metrics that will determine success of the improvement strategy?</p>
<p>10. What are possible "unintended" consequences that could occur as a result of the improvement actions?</p>

Problem Solving or Strategy Deployment

- Problem Solving
 - A DMAIC schedule to make change
- Strategy Deployment
 - "concept of catch-ball"; i.e., cascading strategies through linkage of objectives and action plans

A3s -- a family tree

- No A3 should stand alone
- All should link -- flow -- to the same tree



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Objective

Comment on
experiences-to-date

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A3 Comments

- “key themes”
 - “a bit mechanical”: while the criteria responses have an action plan; it often lacks a sense of direction; the “why” this is important in either the “customer excellence” or the “operational excellence” side of the balance
 - missing the “vision” aspect of the “To-Be” state; where is the organization (Share Food) trying to get and “by when”?

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A3 Comments

- What is the ideal circumstance for using an A3?

“If you have a story to tell about a project you are working on, or a potential for improvement in a particular department or organization. The A3 allows you to identify the current state of the topic you are presenting, allows you to identify where you want to go in the future and also how you are going to get there.”

“An A3 is an analysis tool that helps us clearly depict a problem, measurement, analysis, improvement and control steps in a story-boarding fashion.”

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A3 Comments

- What circumstances are not appropriate to use an A3?

“When there is not a topic, action, or project you are going forward with; there are no measurable data explaining where you are today and where you want to be in the future. I suppose an A3 can be written without this information; however you probably would not want to present it to anyone!”

“Plans that cannot be presented clearly & concisely in a story-telling method do not work well on A3 templates!”

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Summary:

- A3 methodology is a tool
- Like any tool, one needs to understand how to use it
- Using it requires a “systems perspective”
- Overall, it is part of a “closed loop” planning/execution cycle; a “massive PDCA process”

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