

CREATIVE RESOLUTION

STRATEGIC LEADERSHIP:

Building Profitability & Company Brands in Turbulent Times

Big Thinking & Hoshin Lean Planning

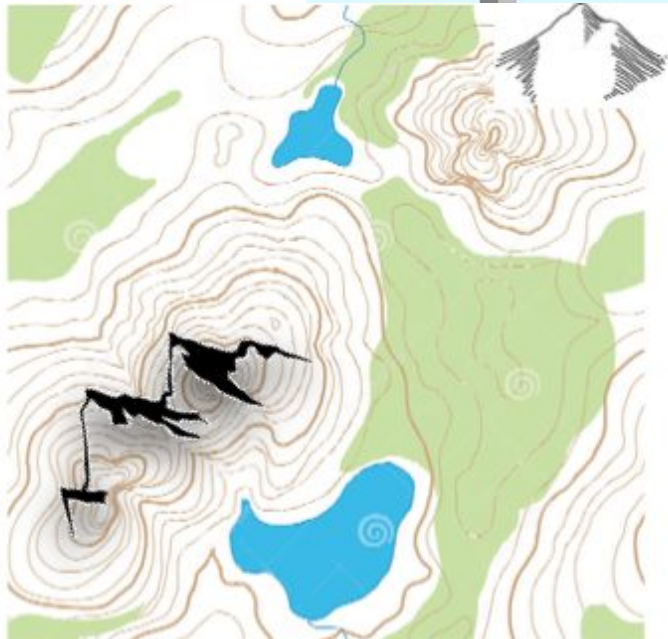
Wiring Harness Manufacturer's Association Conference
February 13th, 2014





What if ...

“Simplicity means achievement of maximum effect with minimum means.”
(Dr. Koichi Kawana, renowned Traditional Japanese Garden Designer)





Today's Agenda

“Why are we here? To have fun. To learn. To make a difference.”
(Dr. W. Edwards Deming)



- Welcome & Introduction
- What is “Big Thinking?”
- Direction & Distance
 - ★ *Experiential Activity: Building a Plane, while flying it ...*
- What is ‘Hoshin Lean Planning?’
- Map for Visibility (X-Matrix)
- Practical Exercise: Plan & Organize
- Result: Breakthrough Performances
- Questions & Closing



Little Things Matter: Manage Your Energy

“I never made any of my discoveries through the process of rational thinking alone.”
(Albert Einstein)

- Focus: Please disable or airplane mode all cell phones
- Listen: Explore questions that matter to you
- Make the **Ideal Real** (New Heights)
 - Learn Something New
 - Do Something Nice for a Colleague
 - Reflect: How I will make a difference at work
- Honor Confidentiality



BIG Thinking ...

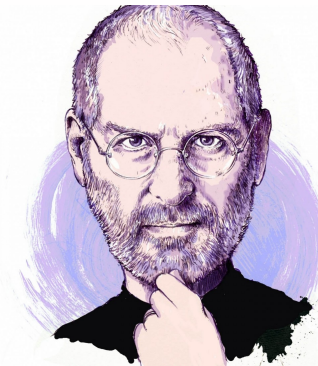
Big Returns, Big Ideas

Set Your 'Vital Few' Priorities Straight with Right Direction, Right Actions
Expand your vision of where you want to be ...

Henry David Thoreau



“So simplify the problem of life, distinguish the necessary and the real. Probe the earth to see where your main roots run.”



Steve Jobs

“Focus & Simplicity ... You have to work hard to get your thinking clean to make it simple. But it's worth it in the end because once you get there, you can move mountains.”

**Are you stuck in the comfort zone?
If so, then be a beginner!**



Begin the way you want to carry on



Almost 100 Years Later

So what HAPPENED HERE?

1. Probably had a plan simply for plans sake
2. Not understanding the new environment or focusing on results.
3. Partial commitment. Full engagement from the top.
4. Not having the right people involved
5. Writing a plan and keeping it on the shelf.
6. Unwillingness or inability to change
7. Wrong people in leadership positions
8. Ignore marketplace reality
9. No accountability or follow through
10. Unrealistic goals or lack of focus & resources



scattered screams ...





The Mother of 'Business Nature' may be a serial killer

Internal Causes of Business Distress	External Reasons of Distress
<ol style="list-style-type: none"> 1. Inept Management 2. Poor working capital management 3. High cost structure 4. Uncontrolled hyper growth 5. Poor marketing execution 6. Fail post-acquisition integration 7. Lack of financial policies 8. Poor accounting or recordkeeping 10. Lack of effective strategic management 	<ol style="list-style-type: none"> 1. Competition 2. Inability to obtain sufficient working capital 3. Change in marketing demands 4. Shift in prices 5. Technology change 6. Labor issues 7. Government polices 9. Change in interest rates



CREATIVE RESOLUTION

STRATEGIC LEADERSHIP:

*Building Profitability &
Company Brands in Turbulent Times*



**This Journey
Begins with
Big Thinking**

What is the most successful strategy to help you achieve desired outcomes and mitigate risks to accompany a culture of continuous innovation?
(Hint: ID Attractive & Different for the Customer)

The Search for a Solution ...

This is the future calling ...

CREATIVE RESOLUTION

STRATEGIC LEADERSHIP:

*Building Profitability &
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**The Journey
Begins with
more
Big Thinking**

Q.2: In spite of knowing strategic planning is good for my organization, what prevents me from doing it?

The Search for a Solution ...

This is the future calling ...



Go for True North

When conflicted, access the Two Powerful Words ever:
Move Forward!

FUN PAPER AIRPLANE

Design it. Build it. FLY it!



- Focus: Direction & Distance
- Metaphor Making: Connection to Real Life

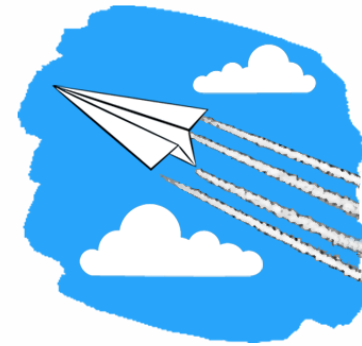


Live the — (Dash)!

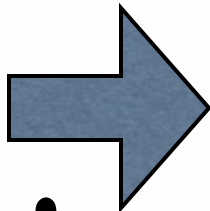
Name Your Plane

How do you want to be remembered?

- ★ Start Point (Birth) and End Point (Death).
- ★ Define the DASH with your epitaph.



**Desired
outcome!**





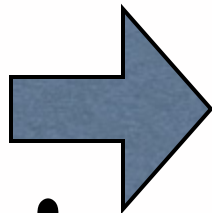
Live the — (Dash)!

So What?

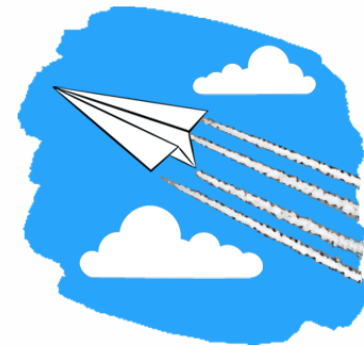
Create, Deploy, Monitor Progress

So visible. Too hard to forget

**Desired
outcome!**



Now What?



Ready, Ready, Ready ... Aim, Fire, Direct Hit



Hoshin Kanri

Ready, Ready, Ready ... Aim, Fire, Direct Hit: Turbocharge rapidly emerging business organizations to greater levels of quality, efficiency, profitability, and sustainable success

方針

Ho

A course ... a policy ... a plan ... an aim

Shin

Shiny Compass Needle

P-D-C-A CYCLE
(Plan-Do-Check/Study-Act/
Select)

管理

Kanri

Administration ... management ...
control ... care for ... in charge of

Methodology



- Breakthrough objective focus
- Development of plans: support the objective
- Progress review of plans
- Modifications & Planned Pivots, as required
- Key business processes: Continuous Improvement
- A highly visible tool for organizational learning



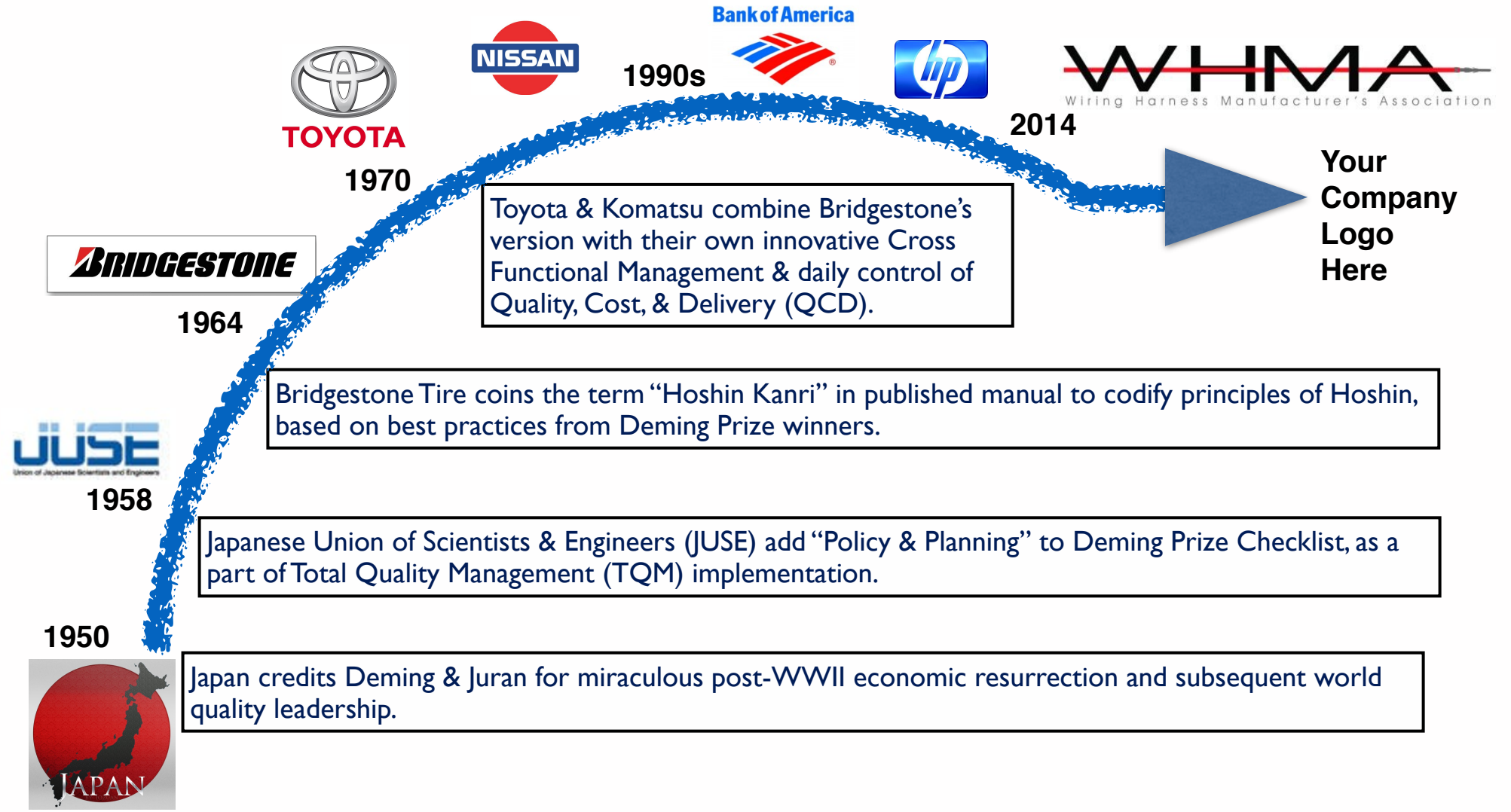
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管理



Hoshin Background

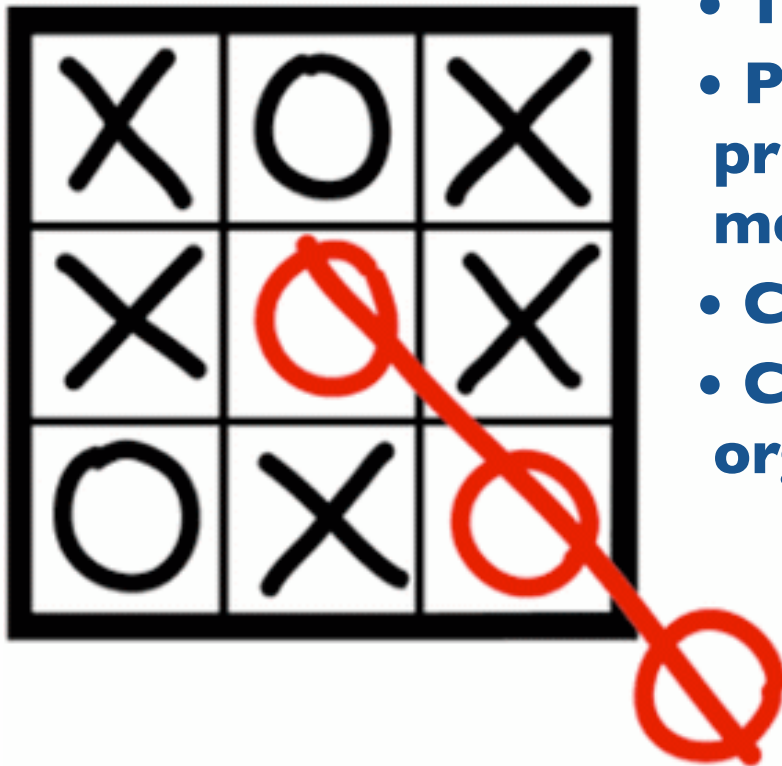


CREATIVE RESOLUTION

CHAMPIONS FOR
STRATEGIC DEPLOYMENT



CORE MINDSET: VISIBILITY



- **Take complex: confront & capture**
- **Permits info manipulation, analysis, priorities, communication, dialogue, monitor**
- **Create visibility around key elements**
- **Communication of details to organization**

Exposes flakey thinking



Hoshin Lean Planning

SLI #12:

**“Efficiency is doing the right things right;
Effectiveness is doing the right things (in the right order).”
(Peter F. Drucker)**

- Performance Excellence Roadmap (P-D-C-A)
- Key Elements: Vision. Objectives. Priorities. Metrics
- Creation Sequence & Experiments:
 - ☑ Long & Mid-Term Strategy. Annual Goals. Tactics. Operational Work. Measures
- Map out goals & strategies in visual format



4-Step+ Planning

1

ESTABLISH VISION. DIRECTION. DISTANCE.

Purpose & desired future. Goals, Objectives, Key Performance Indicators (KPI), & Critical Success Factors (CSF)

2

ASSESS & TARGET STRATEGIC POSITION.

World class. Competitive advantage. Current situation.
Modified SWOT Analysis.

3

DEVELOP 3-5 YEAR & ANNUAL OBJECTIVES

Identify strategies, priorities, measures for success

4

TARGET METRICS: GOALS & OBJECTIVES

Key Performance Indicators (KPI), Critical Success Factors (CSF)

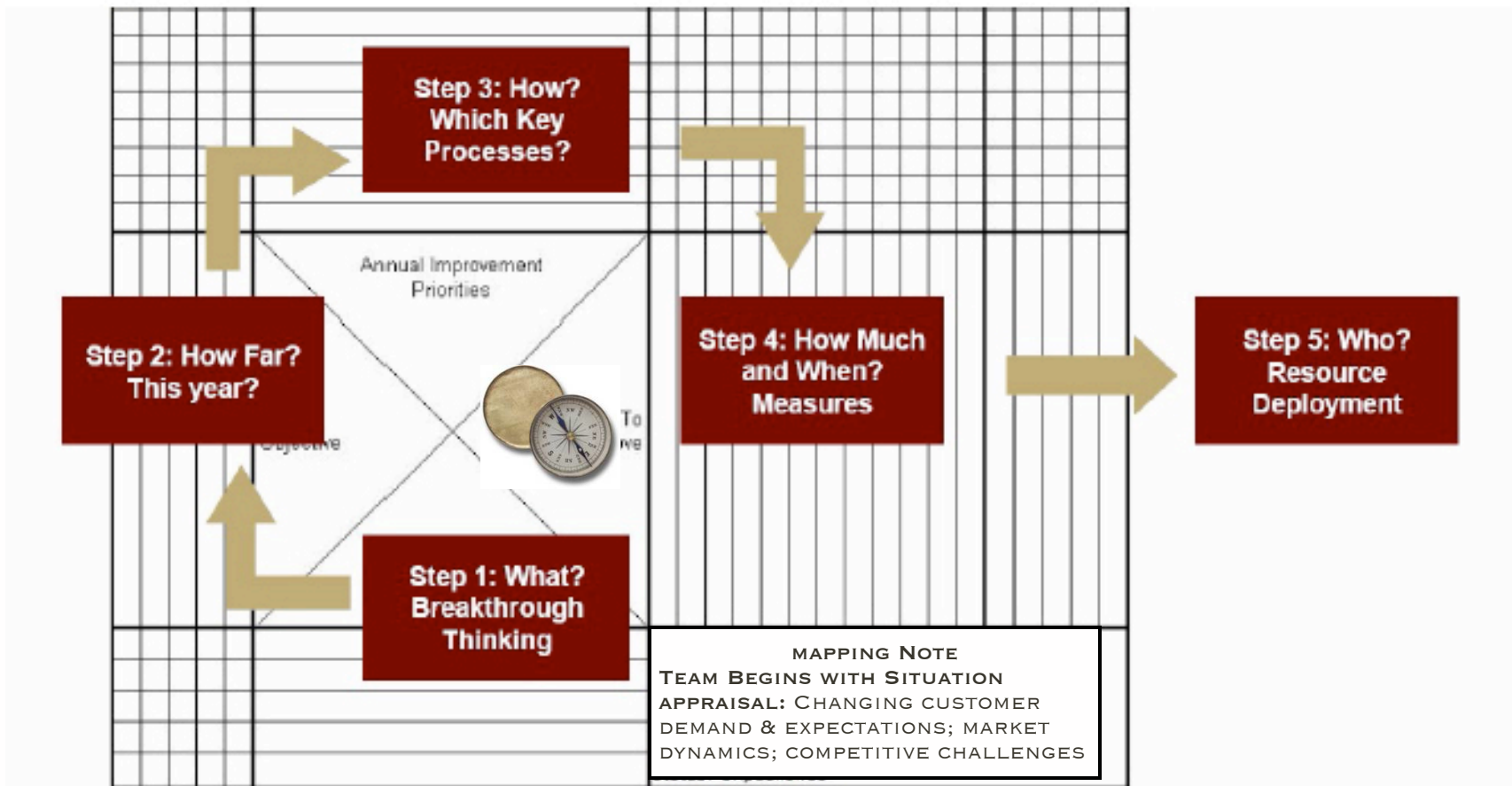
MONTHLY REVIEW & **NEXT STEPS: DEPLOY, MEASURE, INTEGRATE**



Mapping True North

**“When you do things in the right way, at the right time,
everything else will be organized.”**

(Shunryu Suzuki, Zen Master)





TRUE NORTH: X-MATRIX

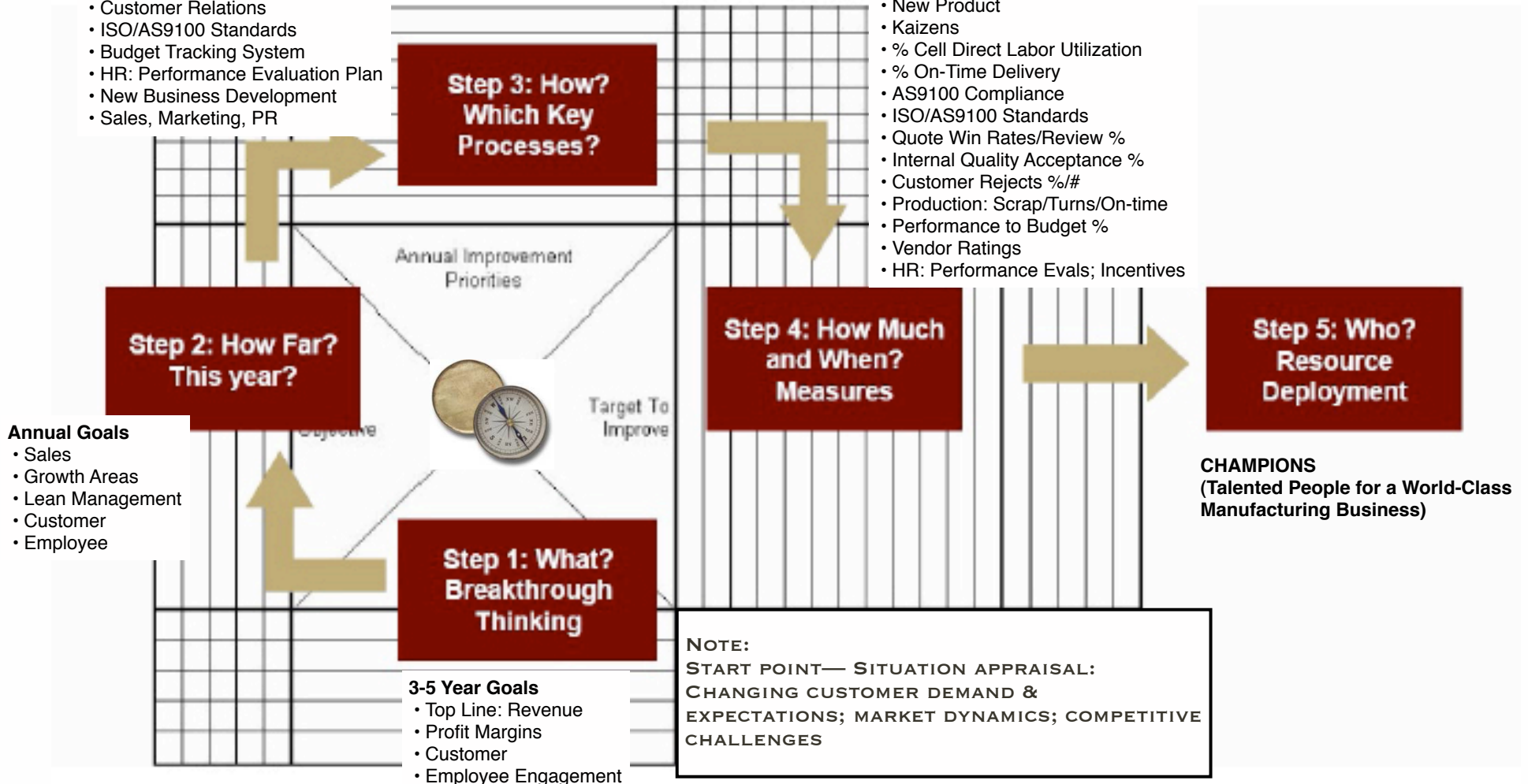
“In the long run, you only hit what you aim at.”
(Henry David Thoreau)

**Improvement Priorities
(Secure Strategic Advantage)**

- Quoting
- Supply & Inventory Management
- New Product Launch
- Supplier On-Time Delivery
- Production Best Practices
- Customer Relations
- ISO/AS9100 Standards
- Budget Tracking System
- HR: Performance Evaluation Plan
- New Business Development
- Sales, Marketing, PR

**Measurements: Targets
(Quantify Critical Success Factors)**

- Quote Turnaround
- New Product
- Kaizens
- % Cell Direct Labor Utilization
- % On-Time Delivery
- AS9100 Compliance
- ISO/AS9100 Standards
- Quote Win Rates/Review %
- Internal Quality Acceptance %
- Customer Rejects %/#
- Production: Scrap/Turns/On-time
- Performance to Budget %
- Vendor Ratings
- HR: Performance Evals; Incentives



- Annual Goals**
- Sales
 - Growth Areas
 - Lean Management
 - Customer
 - Employee

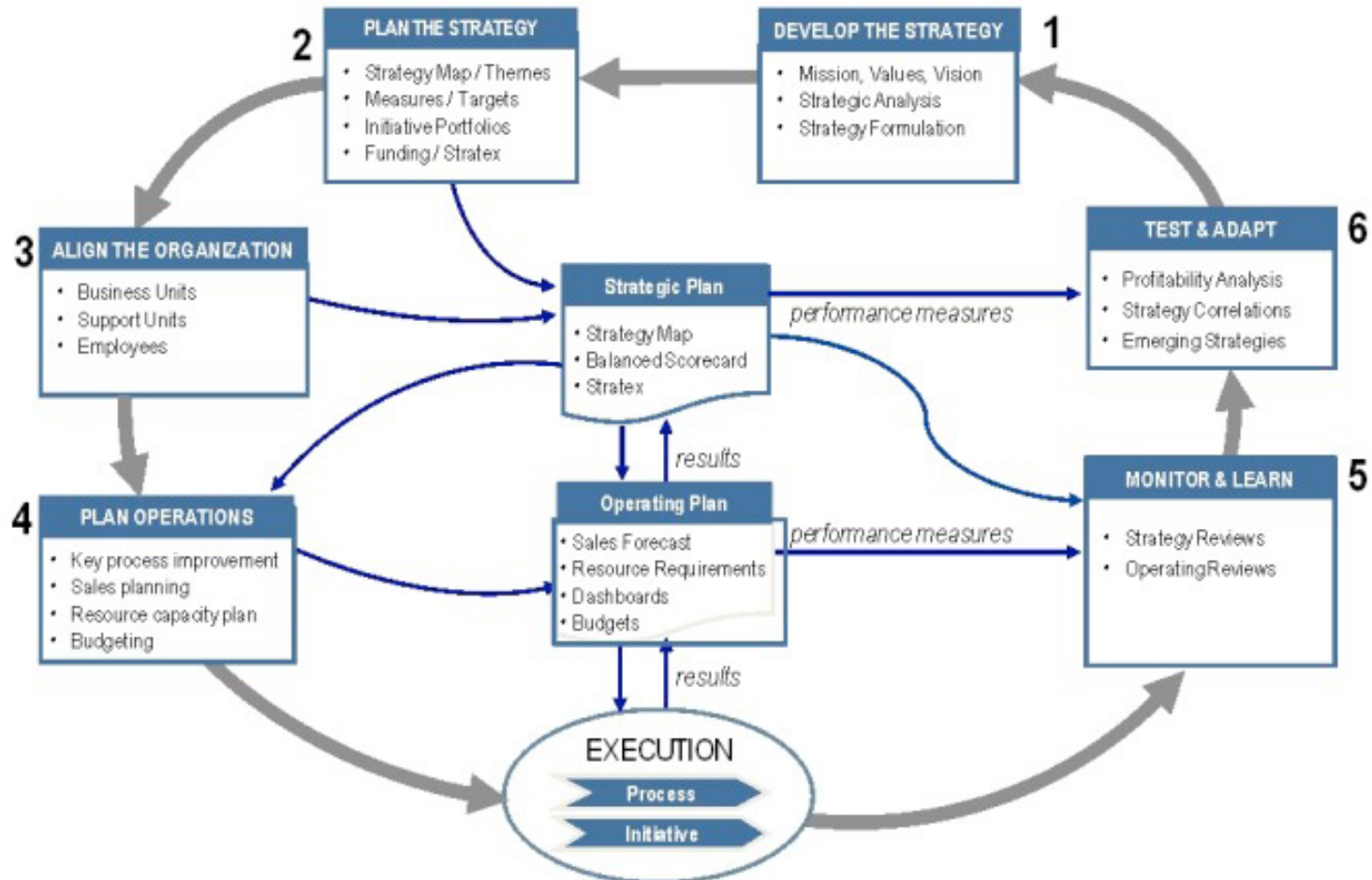
- 3-5 Year Goals**
- Top Line: Revenue
 - Profit Margins
 - Customer
 - Employee Engagement



Navigate the Complexities

“Come my friends, ‘tis not too late to seek the Newer World.”
(Alfred Lord Tennyson)

Strategy Execution: Linking Strategic Planning and Operational Execution





Call to Action #1:

The best way to predict your future

方針
管理

is to create it

Call to Action #2: Be a Strategic Leader!

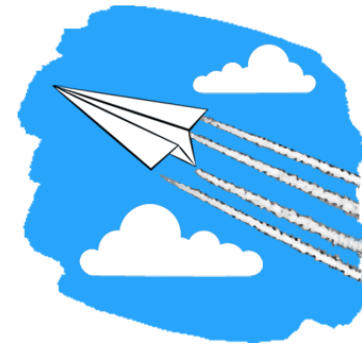
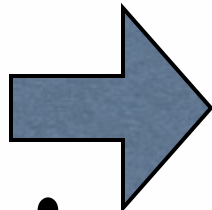
PEOPLE MAY DOUBT
WHAT YOU SAY
BUT THEY
WILL BELIEVE
WHAT YOU DO



Call to Action #3:

Live the — (Dash)!


**Desired
outcome!**





Call to
Action
#4:

Find
the
way
that
works!

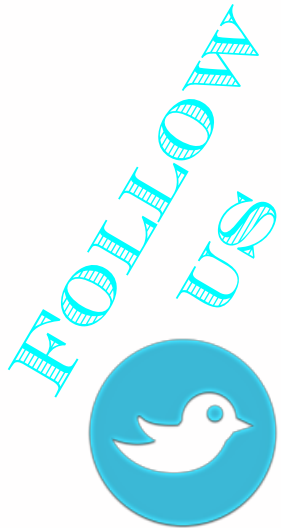
“ I haven’t
FAILED.
I’ve just found
10,000
 ways that
won’t work”

~Thomas Edison~



Summary & Questions:

Implementing great strategy starts today



@jmacdonaldaz



What specific things will you do differently when you return back to the office?

Please email response to: jmacdonaldaz@mac.com

Please text response to: 520-360-3900



**CREATIVE
RESOLUTION**

Twisted dreams and scattered screams ...
Every road goes somewhere

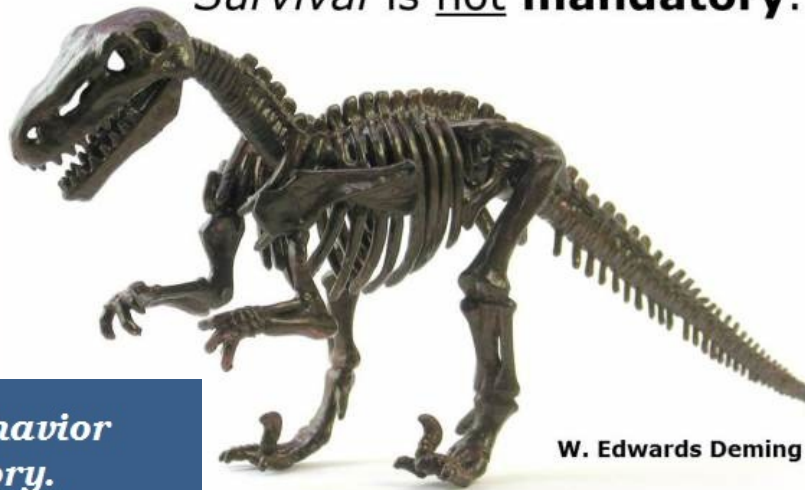


Inspiration Credit

Legendary Einsteins' for business & quality excellence performances

It is not necessary to **change**.

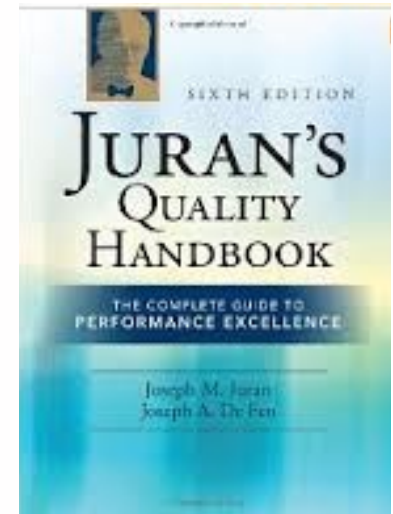
Survival is not **mandatory**.



W. Edwards Deming

*"Rational behavior
requires theory.
Reactive behavior
requires only reflex
action."*

W. Edwards Deming



80/20 Rule Pioneer

★ Simplicity

CREATIVE RESOLUTION

★ Patience

★ Compassion

CHAMPIONS FOR
STRATEGIC LEADERSHIP



About US!
And, the last 35
years

- Leadership & Management Contractor (C-Suite)
- 100s+ Strategic Planning Processes
- 100s+ Deployed Strategic Management Systems
- Consensus Building & Strategic Commitment
 - 1,000s+ Executives, managers, boards
 - Performance Excellence Scorecard
- Empowered & Mentored Executives
 - 1,000s+ Strategists & Leaders & Managers