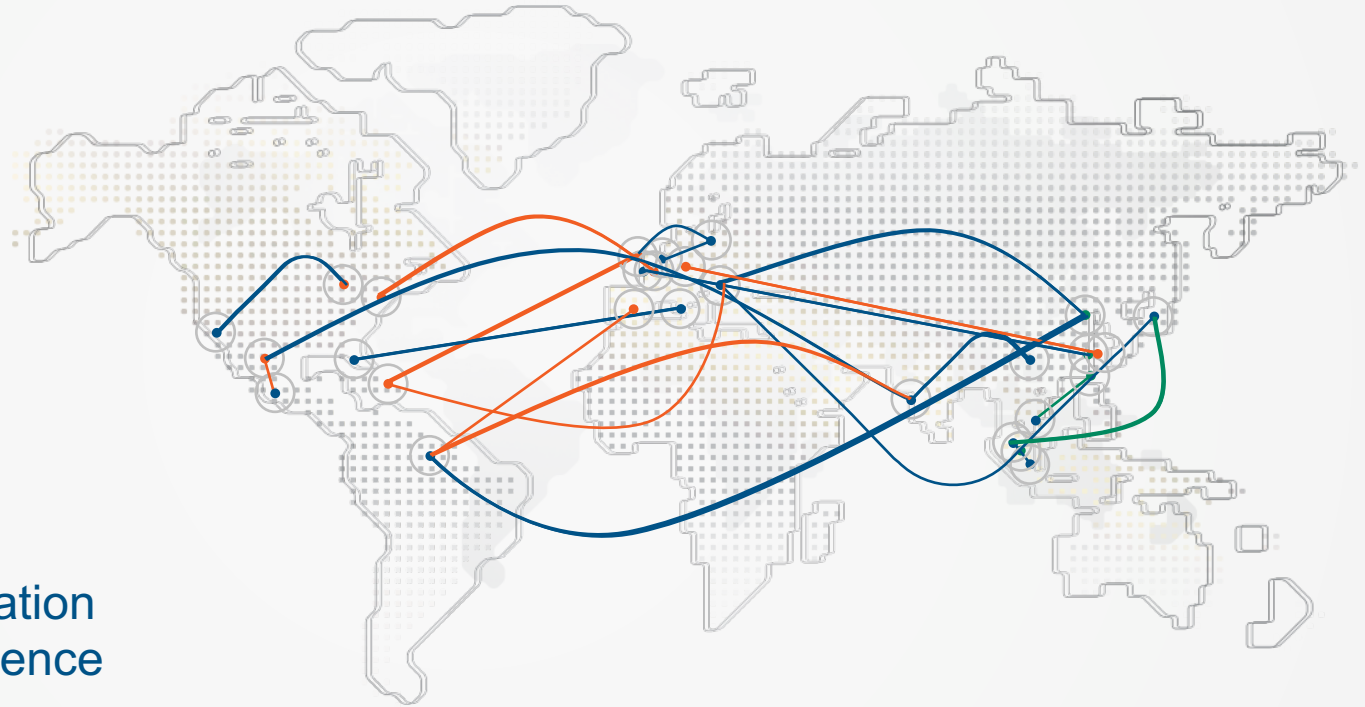# Engaging Leadership with Operational Excellence through Strategic Alignment and Visual Management

Business Transformation & Operational Excellence Summit

Presented by: Jeffrey Porada
March 23, 2017

JABIL

What is the GOAL for any company?

To **SURVIVE** in a hostile environment!

Jabil: 50 Years of Change

- Founded in Michigan, 1966

- World's Third Largest Electronic Manufacturing Services Provider

- Fiscal 2016 Revenue $18.4 Billion

- 37 Million Square Feet of Manufacturing Space

- 100 Sites on Five Continents
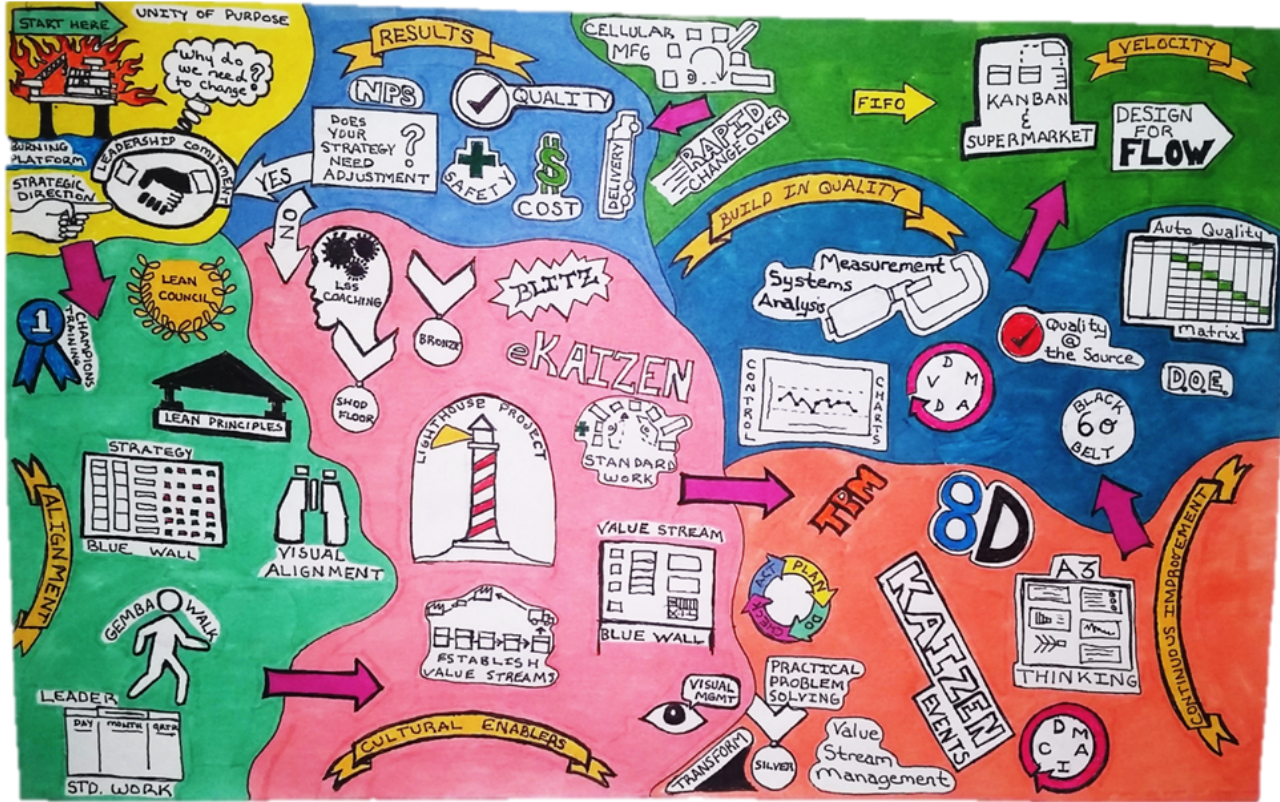
- Tenured Management Team

- 180,000 Dedicated Employees

Can we survive another 50 years?

The Corporate Lifespan

1955
1970
1985
2000
2016
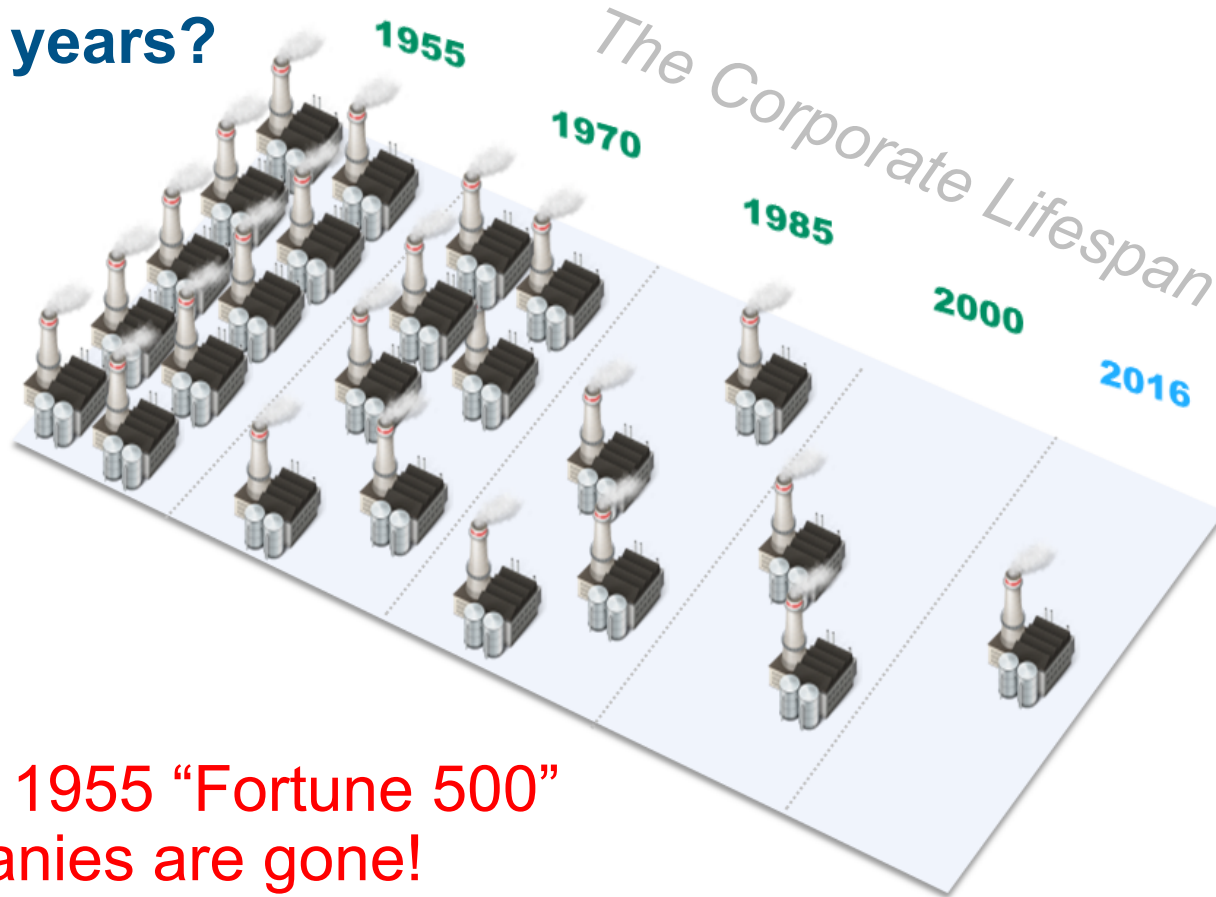
89% of the 1955 "Fortune 500" companies are gone!

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How to survive?
By driving a system of continuous transformation

Initiating a higher probability of survival…

Principles

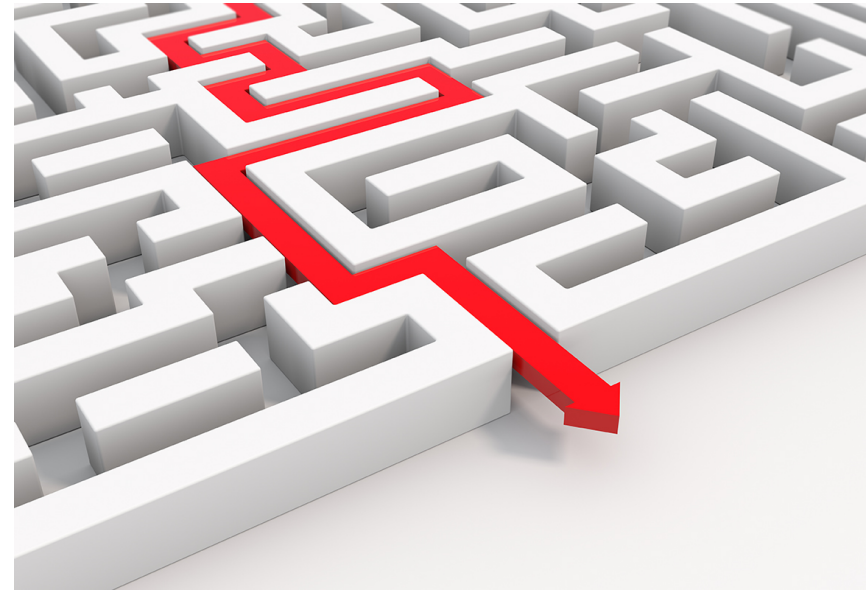**High performance organizations are led and managed by principles, not by tools.**

Systems & Tools

Lean systems and tools recognize, encourage, and strengthen adaptability and resilience.

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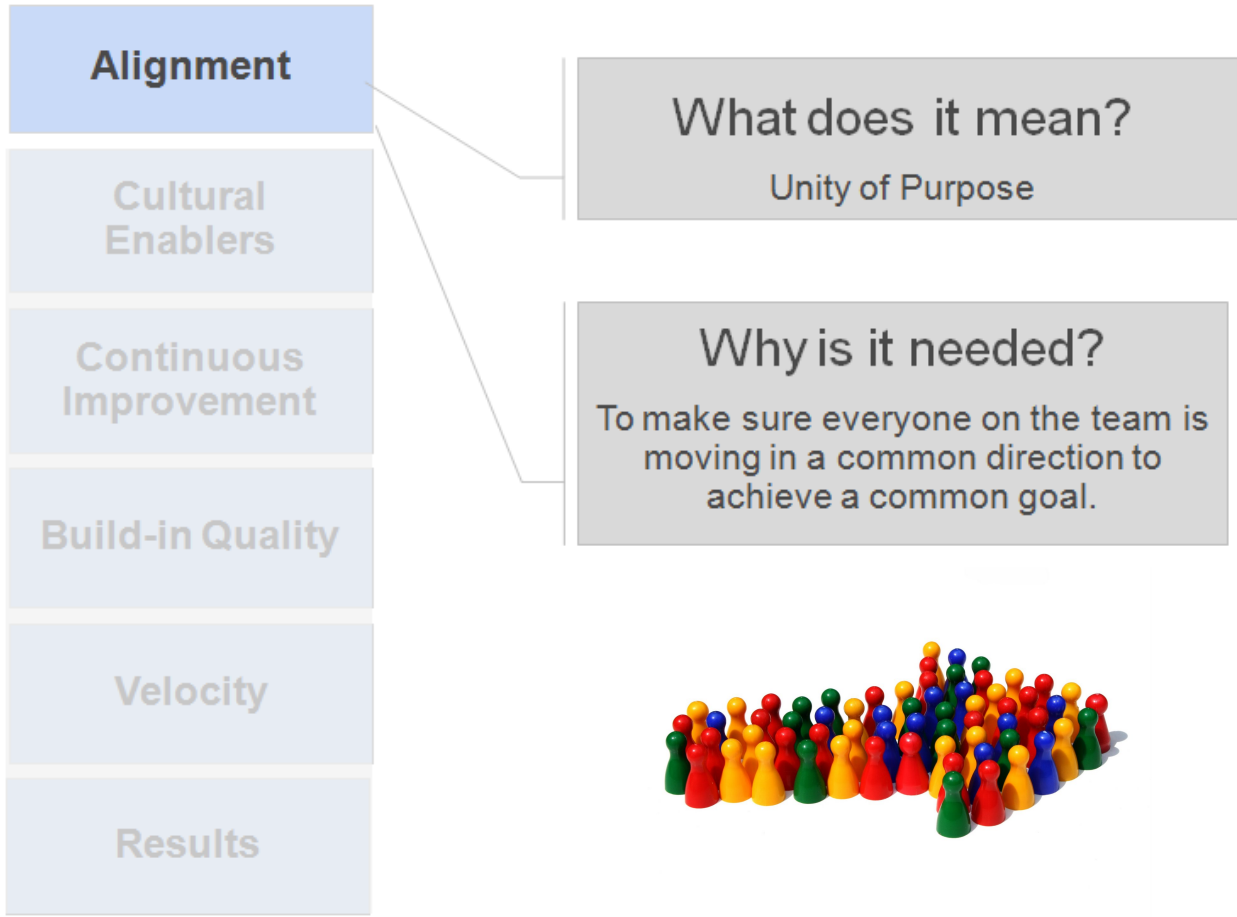# Navigating a successful lean transformation…

- Embed a behavior-based culture through lean principles

- Link business goals to continuous improvement efforts

- Make alignment visually available

- Transform by value streams

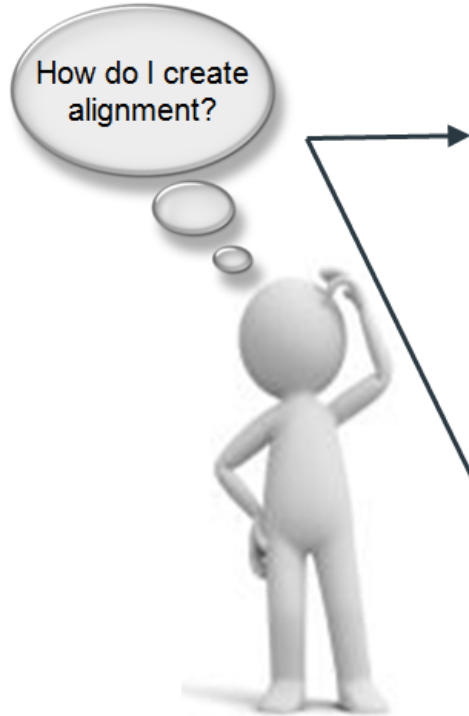- Learn by doing & modeling the desired behaviors

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What are the Lean Guiding Principles?

Alignment	• Create constancy of purpose • Align strategies, systems & goals
Cultural Enablers	• Develop people • Promote team work • Lead with humility
Continuous Improvement	• Embrace scientific problem solving • Relentlessly eliminate waste • Observe problems first-hand
Build-in Quality	• Never pass a defect onto the next process • Make problems visible
Velocity	• Focus on value streams • Create Flow: *Produce only what is needed, when it is needed, in the right amount* • Eliminate anything that stops the flow of value creation
Results	• Create value for our customers

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Strategic Alignment with Visual Management

Alignment
Cultural Enablers
Continuous Improvement
Build-in Quality
Velocity
Results

What does it mean?

Unity of Purpose

Why is it needed?

To make sure everyone on the team is moving in a common direction to achieve a common goal.

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Strategic Alignment with Visual Management

How do I create alignment?

Systems:

Strategy Development with the Lean Council

Visual Management
- Real Time Reaction
- Accountability
- Visual and involves everyone

Tools:

Site Strategy Blue Wall

Value Stream Blue Walls

Lean Council Meetings

Alignment Leadership Walks

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What is a Lean Council?

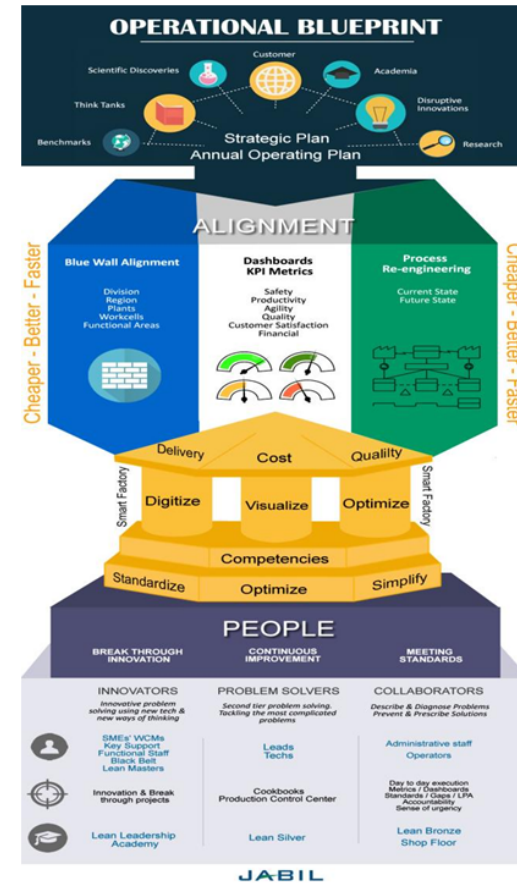It is a council of Leaders deciding on how to transform the way we do business.

The aim is to meet the business and customer needs, and develop the Lean Six Sigma Culture.

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Unity of Purpose…
Setting the direction…

CORPORATE STRATEGIC MODEL

DIVISION STRATEGIC MODEL

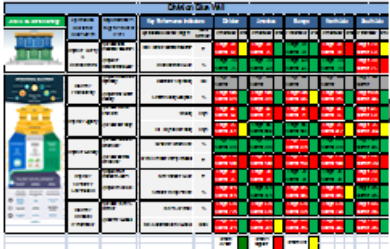# How do we know if we are winning the game?

The Blue Wall is our scoreboard…

Displays the strategic objectives and the critical metrics that allows the entire organization to visually monitor the performance.

It is used during lean council meetings.

14

The Visual Alignment System

Division Blue Wall

Regional Blue Wall
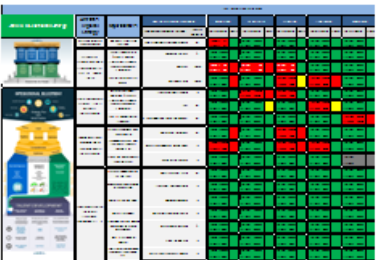
Site Blue Wall
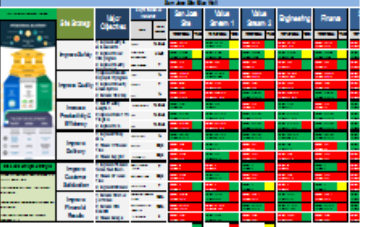
Value Stream Blue Wall

Standard Work

Standard Work Playbook

Area Scoreboard

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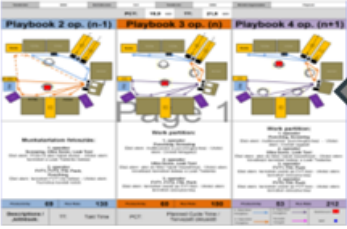
Transform through value stream management…

❶ Understand Strategic Need
Understand what Value is to our customers

❷ Define the Value Stream to be Mapped
Scope the process.

❸ Create a Current State Map
Understand how things currently operate

❹ Create a Future State Map
Our vision of the future

❺ Create the Value Stream X-Matrix
Planned and Purposeful improvements

❻ Learning by Doing
Do kaizen events and improvement projects

❼ Visual Alignment using Blue Walls
Daily accountability meetings at Blue Wall

❽ Seek Perfection
Did it Work? The Cycle never ends

ACT PLAN DO CHECK

What: Create Value for our Customers
Who? When? where? Everyone, Everyday, Everywhere

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Linking the value stream blue wall to the site strategy…

The Value Stream Blue Wall should ensure the focus of every employee to the execution of key business and site strategic objectives

Are you able to see how value stream objectives link to site objectives?

Are strategic objectives being achieved?

Do leaders and employees understand the strategic objectives they are aligning to?

Do employees understand how their actions link to their value stream and to the direction?

Is every task on the x-matrix aligned to key objectives?

Are daily actions ensuring proper focus on what is most important?

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Strategic Alignment Case Study
at
JABIL Chihuahua, Mexico

Site Strategy Blue Wall

1. Site Initiatives

2. Site performance

3. Recognition & Engagement

4. Kaizen Events & Gemba walk schedule

- Site X-Matrix

Section 1: Lean Initiatives tied to Lean Principles

-Every quarter the team review the initiatives, (Aligned with Lean Principles), in order to set the vision for this period of time.

- From this initiatives we start cascadating the strategy to the worcells and Functional Managers.

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Section 2: Site Performance

Metrics	Site Goal	Site Result	...	n	Lexmark	Thermo	HP	ITW
Accidents	0	0		0	0	0	0	0
CC	0	1		0	0	0	0	0
OBA	655	465		0	0	0	0	0
FPY	94.73%	95.21		89	99.23	95.24	100	92.56
SA	85.00%	85.93		00	100	89	100	74
SMT Prod	67.60%	73.26		0	87.49	40.66	0	0
BE Prod	89.86%	81.05		02	94.72	94.3	87.99	0
OTD	100.00%	98.9		00	100	100	100	100
OLE	31.03%	27.99		52	31.54	31.54	48.22	19.96
OEE	15.99%	13.78		0	0.29	3.89	0	0
Scrap	1.73%	0		0	0	0	0	0
DII	45.34	42.18		02	26.37	80.5	47.96	85.83
DOW	5	5.03		65	0.75	6.49	1.87	38.21

- Data from Electronic Blue Wall
- Site performance from last week (Including trends from last 13 weeks)
- SME - Metric Owner fill Electronic Blue Wall, Workcell manager fill Phisical Blue Wall

Section 3: Screen for Communication & Engagement

-Screen use to post videos about recognitions, Kaizen Events, Value Stream Mapping, Deliver Best Practices, etc

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Section 4: X-Matrix, Kaizen Events & Leadership Walks
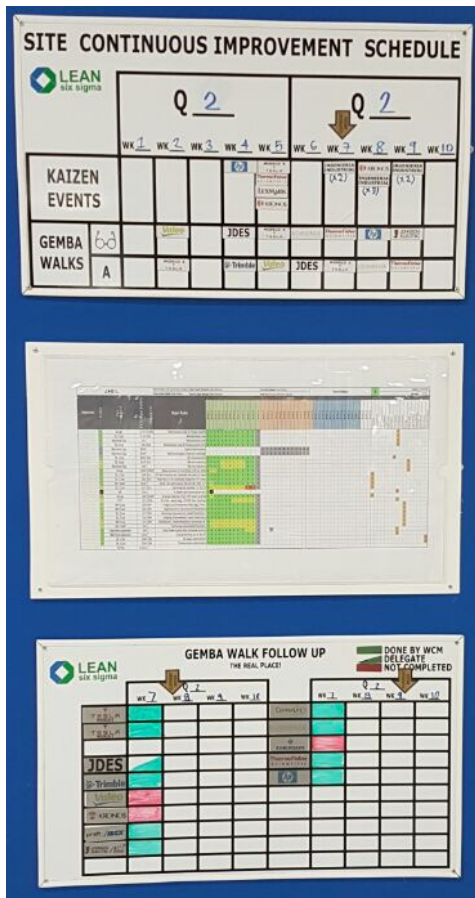
This board shows the schedule of Kaizen Events and Leadership Walks

This Sections is showing the action plan which contains the continuous improvement projects led by senior management.

Accountability board to validate that workcell managers are performing workcell Gemba walks in a timely manner.

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Value Stream Blue Wall

Workcell Name

Meeting Std Work
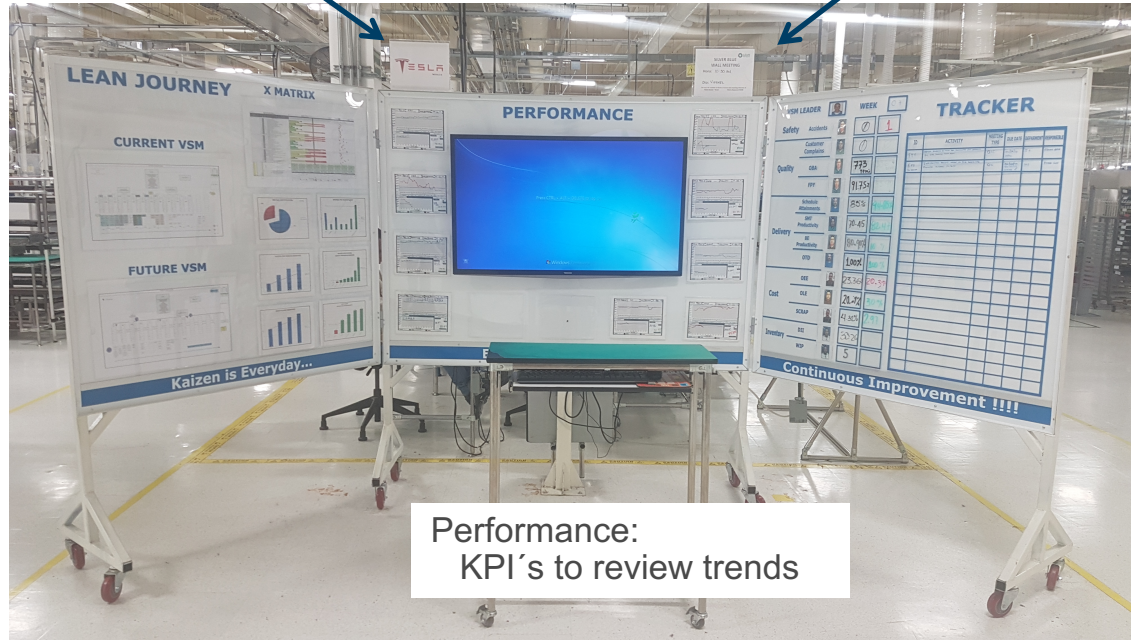
Lean Journey:

• Current VSM

• Future VSM

• Action Plan

• Lean KPI´s

Execution:
Weekly KPI´s Data
(aligned with Site
Blue Wall)

Performance:
    KPI´s to review trends

Lean Journey
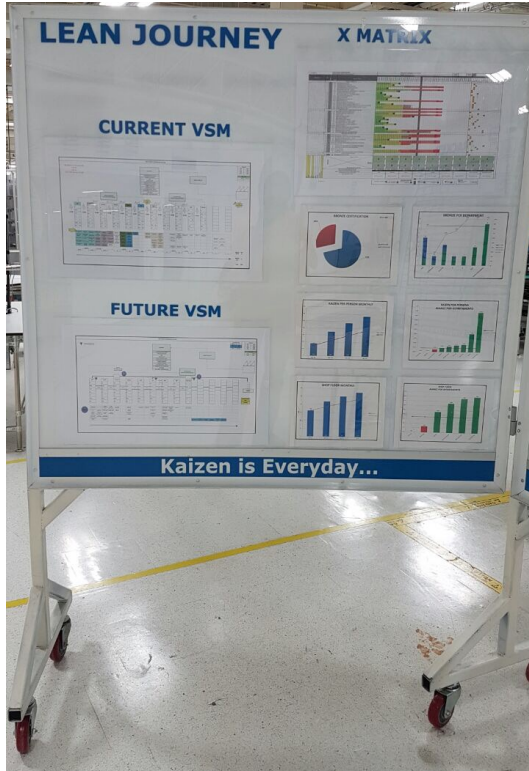
- Value Stream Mapping Current State.

- Value Stream Mapping Future State.

- X Matrix Action Plan

- Lean Six Sigma KPI´s

    - Certifications (count)

    - Projects per person.

Operational Performance

Main KPI´s are posted in this section to review trends during blue wall meetings.

Operational Meetings are being performed using this section of the Blue Wall

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Execution

- Main KPI´s result from Last week are posted here, including the picture of every owner to increase accountability.

- All KPI´s are aligned with Site Blue Wall.

- Action Tracker Section to ensure every red has a reaction plan.

Lean Gallery

- **Achievements** Section: To post recognitions.

- **Kaizen of the month**: To post the best kaizen of the month and recognize the leader.

- **Suggestion System:** Includes 3 sections:

> 1. Suggested ideas,
>
> 2. Pending ideas.
>
> 3. Closed ideas

-Including the picture of the responsible to implement the suggestions.

-Feedback from originator is required for both, closed and rejected ideas (Evidence: operator signature)

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Functional Department Blue Wall

- Action Plan

- Recognition

- LSS KPI´s

-Manufacturing department Performance (Specific Mfg KPI´s)

Blue Wall Meetings

SITE BLUE WALL

- Weekly Lean Council (Staff) at floor.

Leader: Ops. Director

Attendance: Ops Director direct reports (Senior management)

Agenda: Review Lean Initiatives, Last week Performance, Kaizen Event & Gemba Walk Schedule.

VALUE STREAM BLUE WALL

- Weekly meeting.

Leader: Workcell manager

Attendance: Core Team.

Agenda: Review 4 sections of Blue Wall: Lean Journey, Performance, Execution and Suggestion System.

FUNCTIONAL BLUE WALL

- Weekly meeting

Leader: Manufacturing Manager

Attendance: Manufacturing Leaders

Agenda: Review weekly performance, X-Matrix Review, Lean Journey review.

Leadership Walks

Staff

5´s

Waste

System

Workcells

LPA

5´S

Findings

Summary

1. Key elements for success

    -   X-Matrix review at Lean Council meetings

    -   Model Blue Wall (Model Workcell Manager)

    -   Design and content standardization

    -   Downstream implementation (Including Leadership behaviors

    -   Tier 2 eng relocation to the shop floor ("Doritos")

2. Challenges

    -   Workcell manager historical dependence on Lean Team to execute continuous improvement activities

    -   Discipline for execution

3. Next Steps

Information Technology

*A non-manufacturing
Value Stream Management
Case Study Example*

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Information Technology

Supplier	Inputs	Process	Outputs	Customer

Supplier
- Employees
- Capabilities
- Divisions
- External Customer
- Shareholders
- Partners

Process
- Provide platform for exchange
- Entity to make business faster and better
- Systems, tools and data
- Enabler
- Expert in data and data delivery

Outputs
- **Flawless Execution of Systems Support**
- Continued Improvement
- Optimum Cost
- Secure, Agile, Anywhere
- Data Integrity
- Innovative use of technology
- Thought Leadership
- Information/Business Intelligence

Customer
- Employees
- Capabilities
- Divisions
- External Customer
- Shareholders
- Partners

What is our big Y?

What can we measure? Outages? (Self inflicting) **P1s**

How do we define "Success"? No outages - **0** (Self inflicting) **P1s**

Using Continuous Improvement to integrate the Voice of the Customer and drive Operational Excellence

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Enterprise Value Stream Framework
Information Technology

Support Current Platforms	Develop New Platforms	Implement New Platforms

Tier 3 – Product / Service Value Streams

Planned Value Stream Transformations in 2016:

1. Incident Management
2. Problem Management
3. Change Management
4. Program Management
5. Service Request Management
6. SAP Functional & Technical Service

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Current State Critical Incident Value Stream Map

Education to Sites on P1 Definition

Monthly # of P1s resolved
Aug15 = 317
Feb16 = 30

ServiceNow

Monthly # of P1s opened
Aug15 = 1529
Feb16 = 124

New Priority Matrix

Manual PRB creation process to reduce False PRBs

PRB Created

Monthly # of False P1s
Aug15 = 1225
Feb16 = 101

False P1s

Priority Changes

Simplify

Receive Call and Complete Form → Contact Global Response Team

Outsourced to Dell

Validate P1 Incident

Assign Incident Manager

Can GRT Resolve Incident

No

Single Site or Multiple Teams Required

Multiple Teams

Open Conf Bridge

Assign COE Subject Matter Expert

Resolve Incident

Validate Fix

Close Incident

Yes

Single Site

Send to Site

GRT Verify Closure Info

xMatters
• Auto informs GRT
• Triggers notifications
• Improve Time to Resolve

BT Integration
* SIP Meetings
* Improved Comm on Priority Changes

36

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Reduce Unplanned Outages

of P1 Resolved by Month

UCL=279.7	
X̄=171.8	
LCL=63.9	

Process is stabilizing
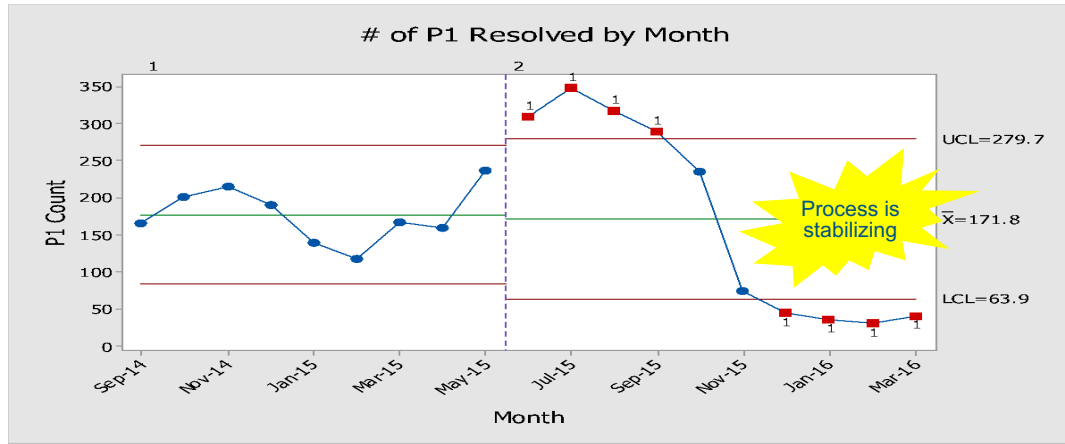
Actions – Last 30 days	Planned Actions – Next 30 Days
✓ Launched monthly cadence with BT for P1/P2 review	❑ Complete analysis of P2s into CoE categories and roll out to CoEs
✓ Deployed process to review breached P1s	❑ Complete VSM for P2s
✓ Launched CSat process for Production Systems to validate improvement	❑ Complete CSat analysis for Production Systems
✓ Reviewed P2s and action plans for driving sites	❑ Visit 3 sites in China and review IT Systems performance
✓ DFSS training and templates complete	❑ Review past due Problem tasks and identify process gaps for closure
✓ DFSS training complete for IT STS PMO	❑ Complete DFSS Tollgate reviews for Level 1 projects
✓ Recorded and Shared Video success stories from employees embracing DFSS	❑ Complete VSM loftware printing
	❑ Partner with Lean enablement & Consulting Group for DFSS & DFLSS training curriculum

Deliver Best Practices Competition

- Supports and promotes Lean culture

- Recognizes and rewards best practices with measureable and adoptable practices that can be implemented globally

- 5,200+ teams have competed since 2009

- 200 projects recognized at Global Competitions

- 80% of sites participate

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"Change before you have to."

- *Jack Welch*
  Former CEO, GE

Ask yourself?

What would your site/organization look like if you transformed?

What would it look like if you don't?

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