

Aligning the "DNA" of the Organization


Strategy | Systems | Scorecard

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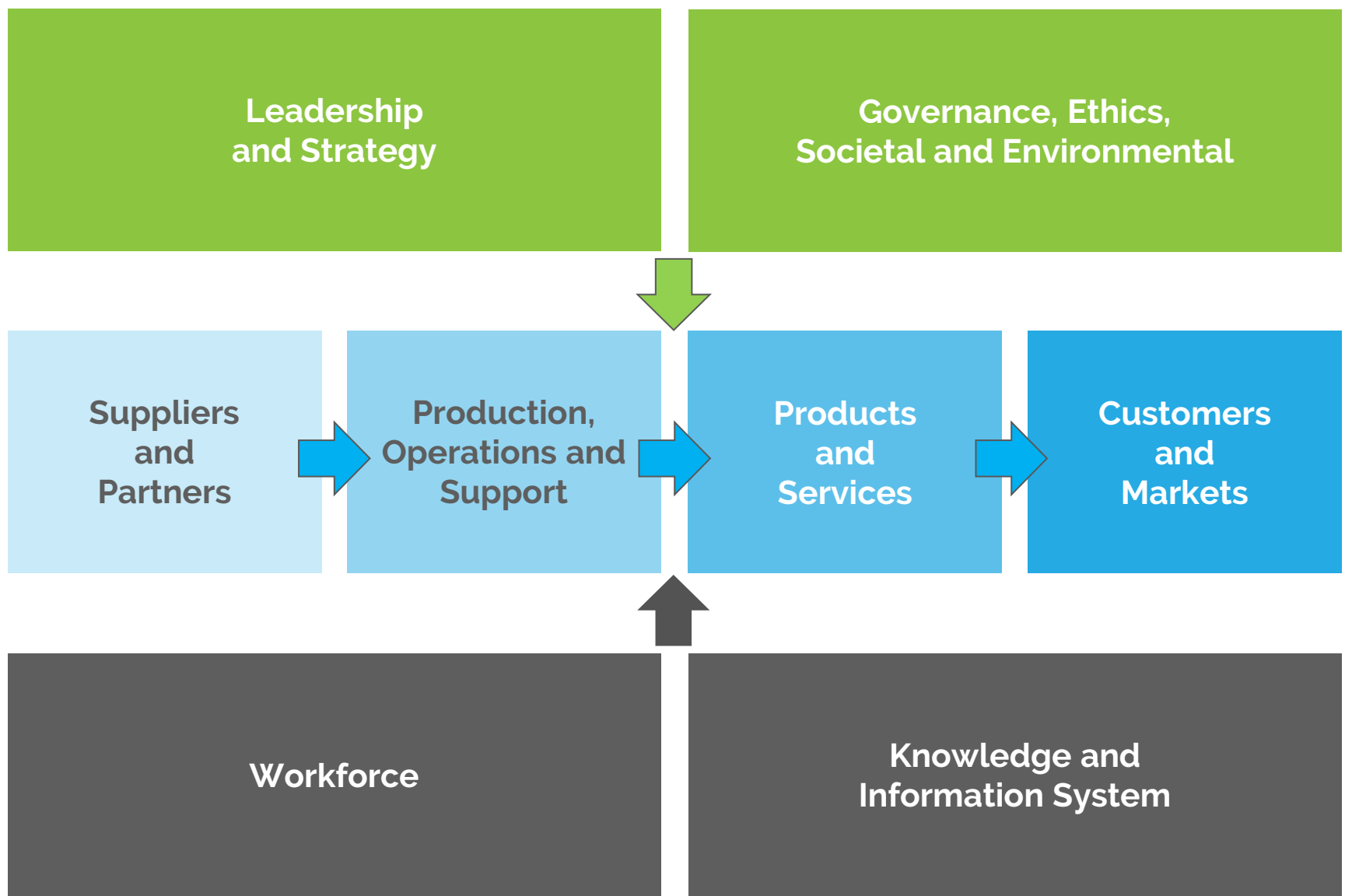




***“I would have aligned the
organization sooner,
that is where the real power was”***

David Spong

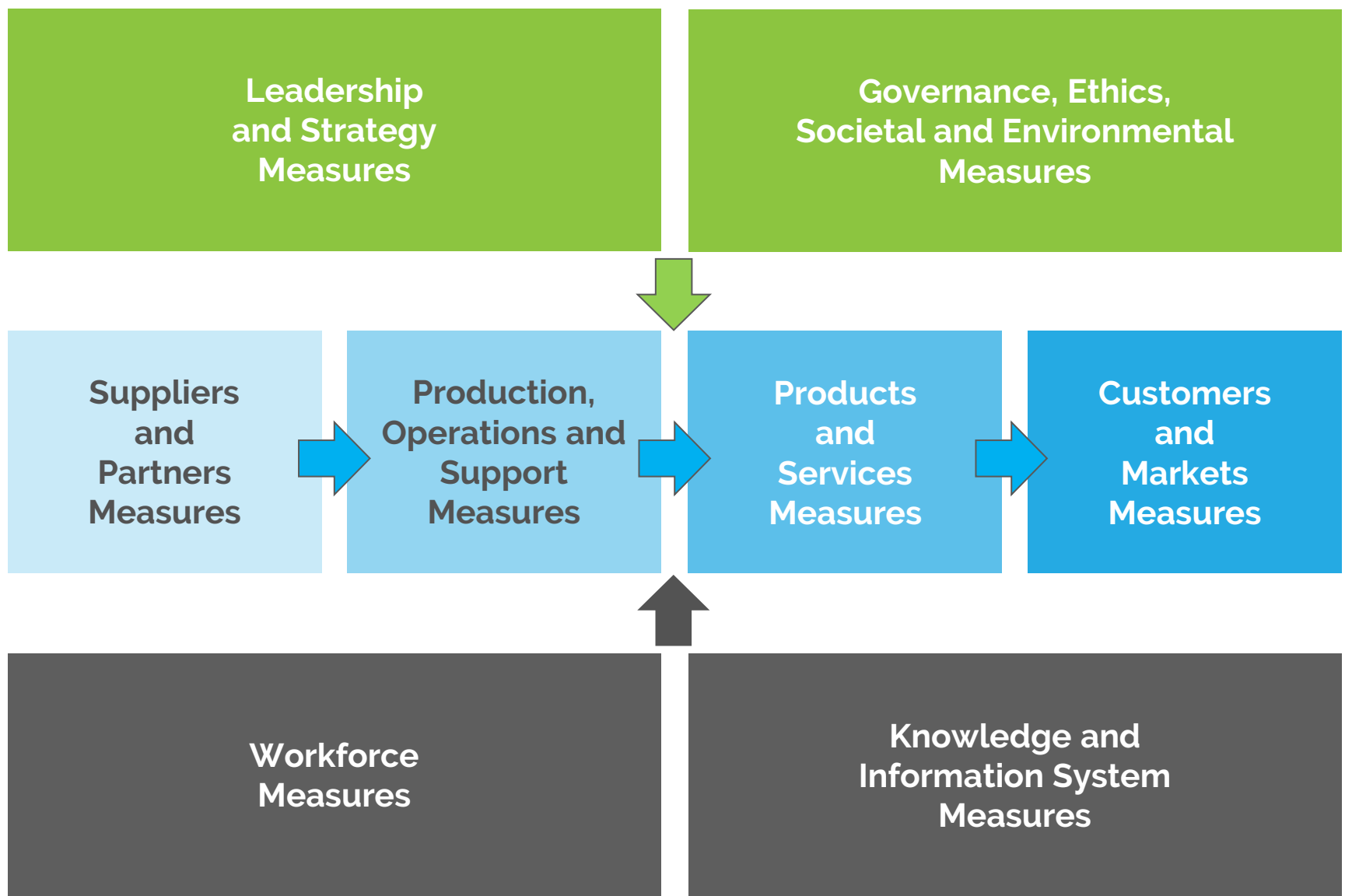
Organization Framework



Comprehensive Scorecard: A Systems Approach



Comprehensive Scorecard



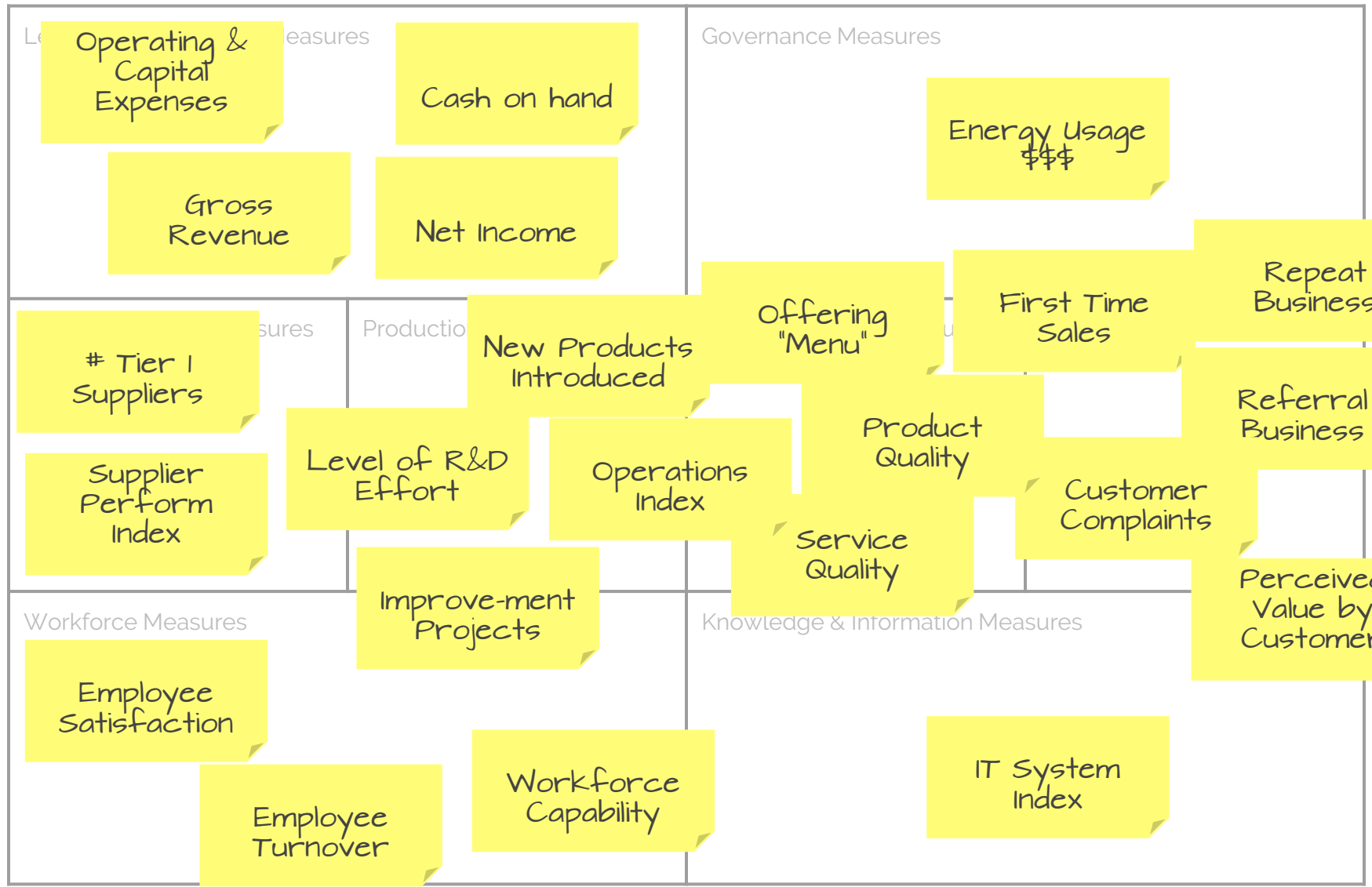
Comprehensive Scorecard Framework - Instructions

<p>Leadership & Strategy Measures</p> <p>6. Identify the leadership, financial, strategy development, and strategy deployment measures.</p>		<p>Governance Measures</p> <p>7. Identify the natural environment (energy sources, usage, and waste) and social responsibility measures.</p>	
<p>Supplier/Partner Measures</p> <p>3. Identify the supplier measures that predict operations and product measures.</p>	<p>Production Measures</p> <p>2b. Identify the operations measures that predict product measures.</p>	<p>Product/Service Measures</p> <p>2a. Identify the product measures that predict customer measures.</p>	<p>Customer Measures</p> <p>1. Identify the customer and market measures (perceptions and behavior).</p>
<p>Workforce Measures</p> <p>4. Identify the workforce measures that predict the operations, product, and customer measures.</p>		<p>Knowledge & Information Measures</p> <p>5. Identify the knowledge management and information systems measures that predict internal customer satisfaction with the systems.</p>	

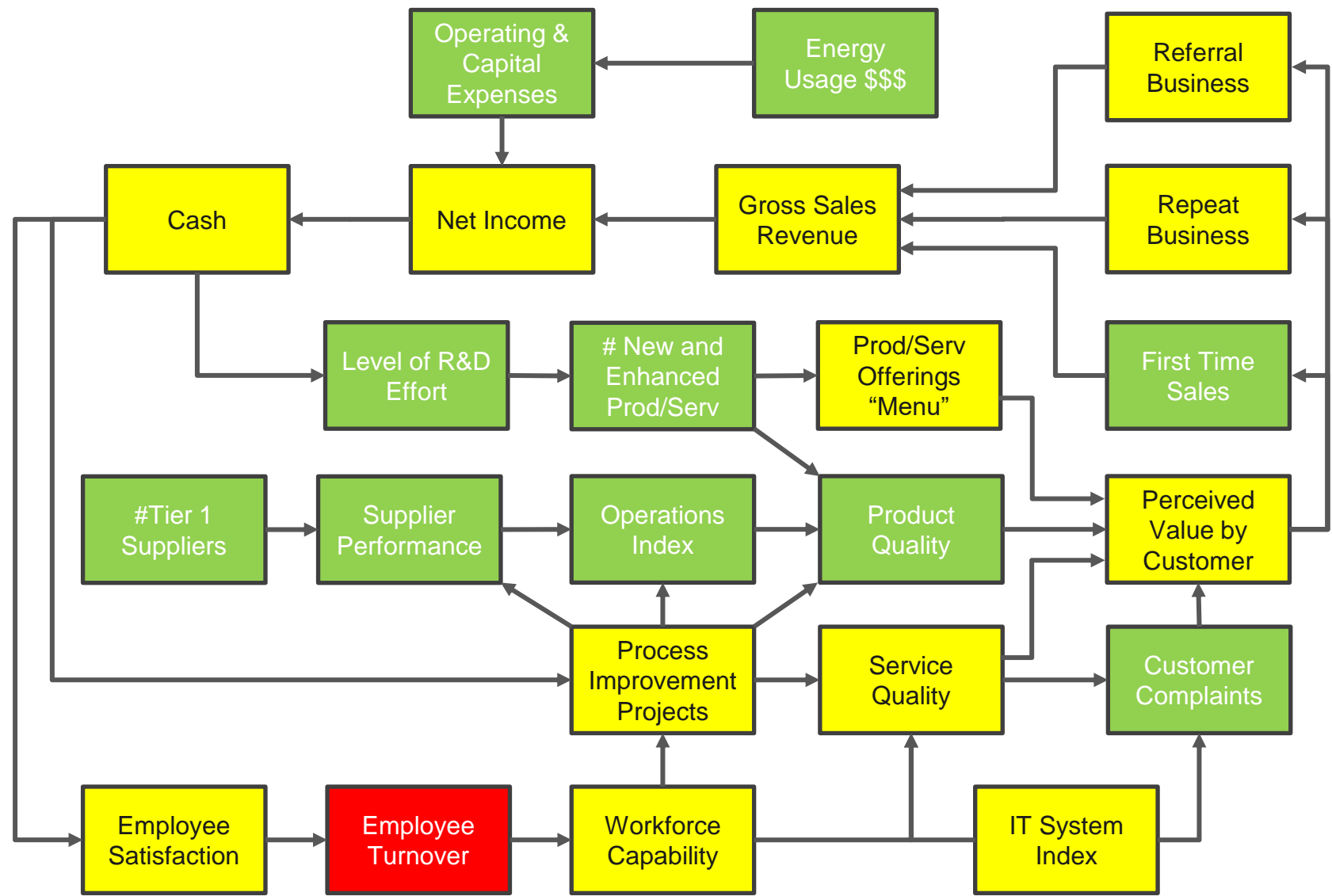
Comprehensive Scorecard Framework – Example Measures

<p>Leadership & Strategy Measures</p> <ul style="list-style-type: none"> • # Days Cash on Hand • Net Income • Operating & Capital Expenses • Gross Revenue & by Product/Service Line • Market share % and # New Markets Entered • Profitability • Return on Sales and Return on Net Assets • Profit Margins • Debt to Equity and Liquidity 		<p>Governance Measures</p> <ul style="list-style-type: none"> • Legal and Ethical (# Ethics Hotline Calls, # Confirmed Ethics Violations by Type). • Regulatory (Penalties \$, # Audit Findings by Type). • Community (Contribution to Charity \$, Volunteer Hours) • Natural Environment (GHG/CO2 Emissions, Recycling \$, Paper recycling tons, Energy Usage by Type) 	
<p>Supplier/Partner Measures</p> <ul style="list-style-type: none"> • Supplier Performance Index (Rejection Rate PPM, On-time Delivery, Cost Reductions, Reliability) • # Tier 1 “Preferred” Suppliers 	<p>Production Measures</p> <ul style="list-style-type: none"> • Operations Index (Cycle Time, Inventory Turns, Productivity) • # and Type Process Improvement Projects • # New/Enhanced Products & Services • Level of R&D Effort • Cost Reductions \$ 	<p>Product/Service Measures</p> <ul style="list-style-type: none"> • Product & Service Offerings “Menu” (% Customer Desired Features) • Product Quality (% Defects, % Returns, Refunds, Warranty Work \$) • On-Time Delivery • Service Quality (Response Time, # Abandoned Calls) 	<p>Customer Measures</p> <ul style="list-style-type: none"> • First Time Sales • Repeat Business • Referral Business • Perceived Value by Customer • Customer Satisfaction (% Top Box) • # and Type of Customer Complaints
<p>Workforce Measures</p> <ul style="list-style-type: none"> • Workforce Capability (% of # and Type Required) • Employee Turnover (% voluntary per year) • Employee Satisfaction & Engagement Survey • Employee Well-being (Absenteeism # Days, # Accidents and Near Misses, Injuries and # Missed Days) • Employee Development (# Courses Completed, % Cross-trained, \$ Spent on Training, Average # Training Hours/Employee per year) • Innovation & Improvement (Average # of Improvement per Employee, # Suggestions) 		<p>Knowledge & Information Measures</p> <ul style="list-style-type: none"> • # Best Practices in Knowledge-base • IT System Reliability (% Uptime) • Knowledge System User Friendly (User Survey Score) • IT System User Satisfaction Score (% Top Box) • % of Measures with Comparisons 	

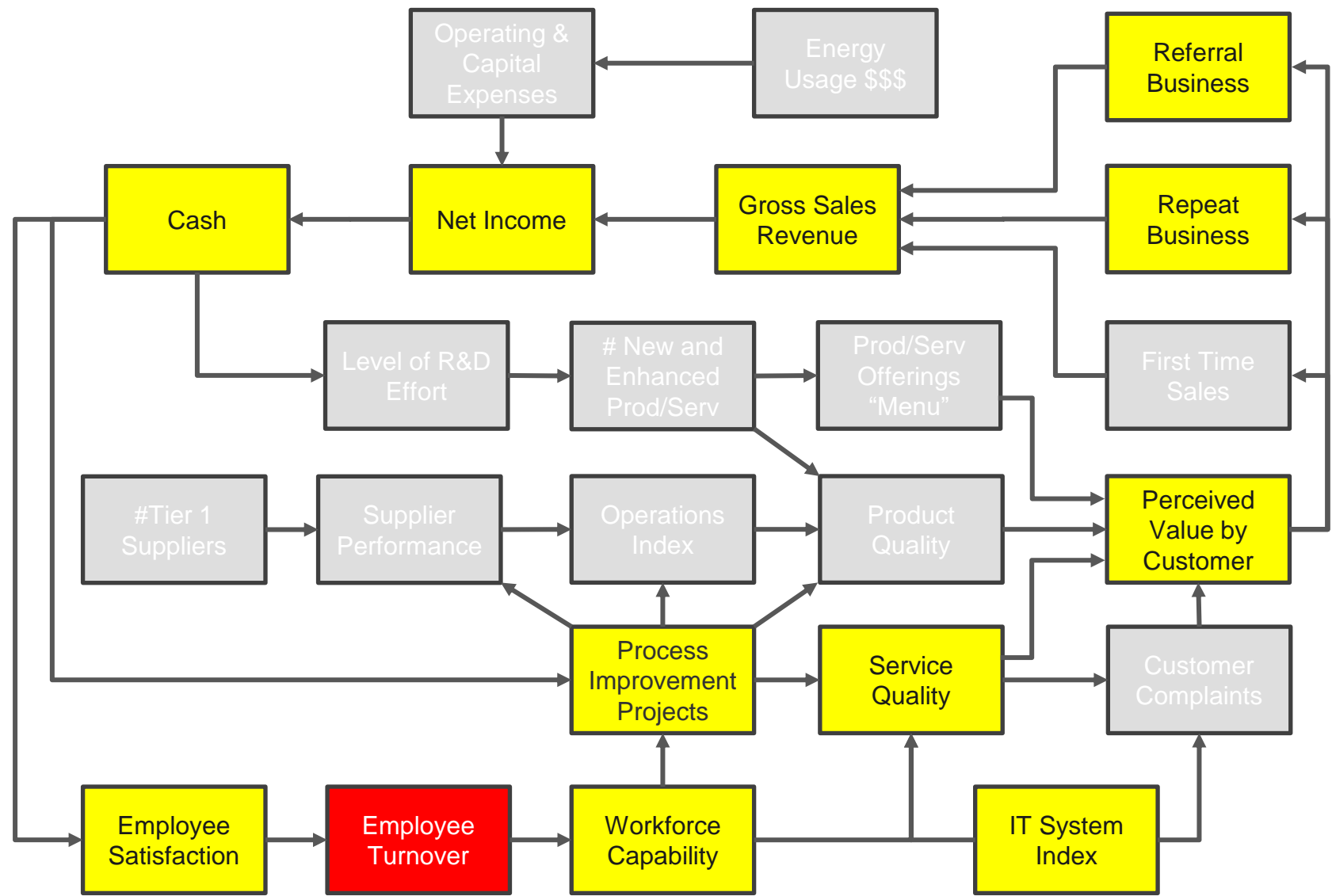
Comprehensive Scorecard Framework – Selected Measures



System of Measures Diagram – Example “Stop Light” Analysis



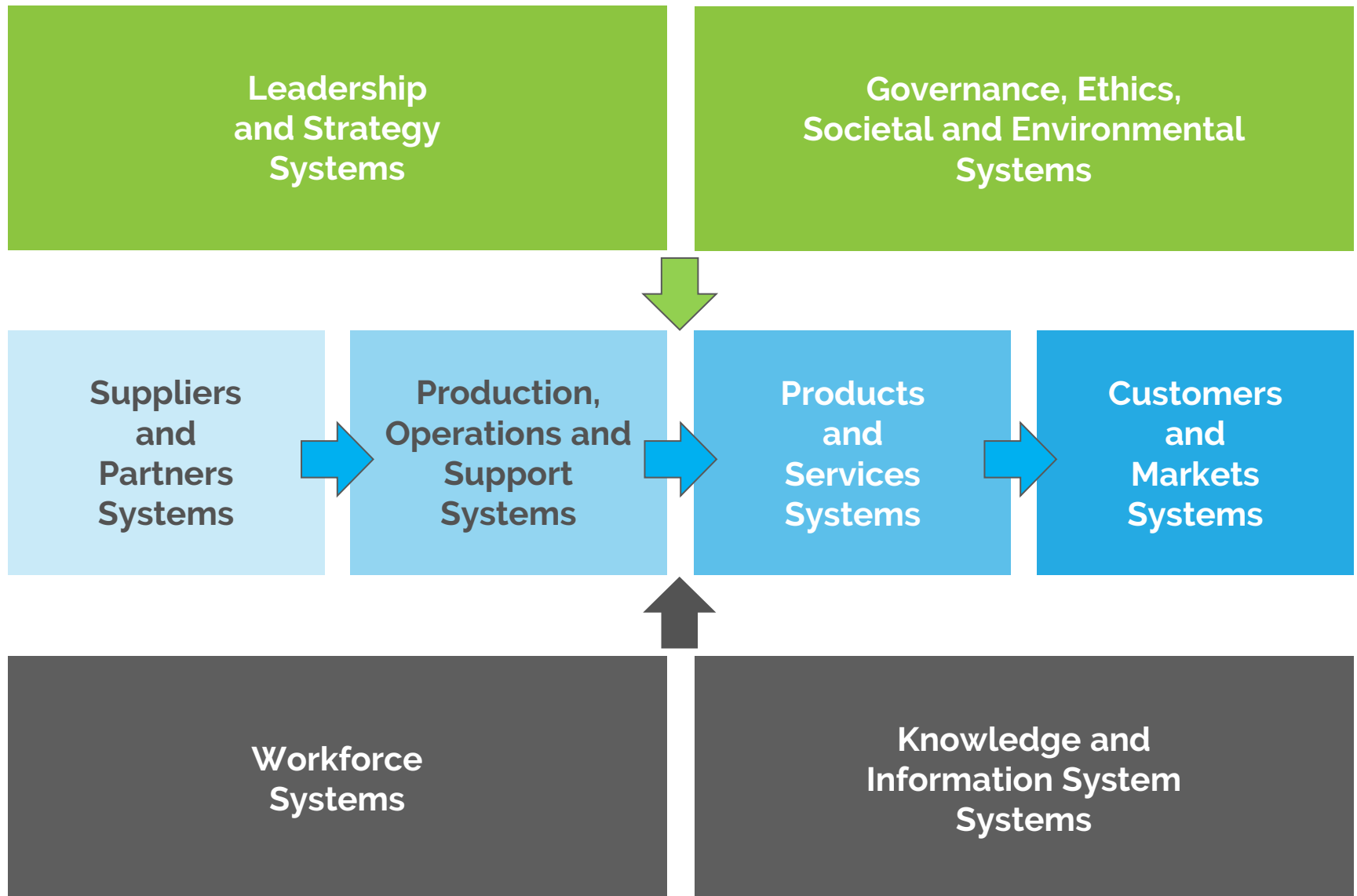
System of Measures Diagram – Example Reinforcing Loop



Underlying Organization Systems



Organization Systems



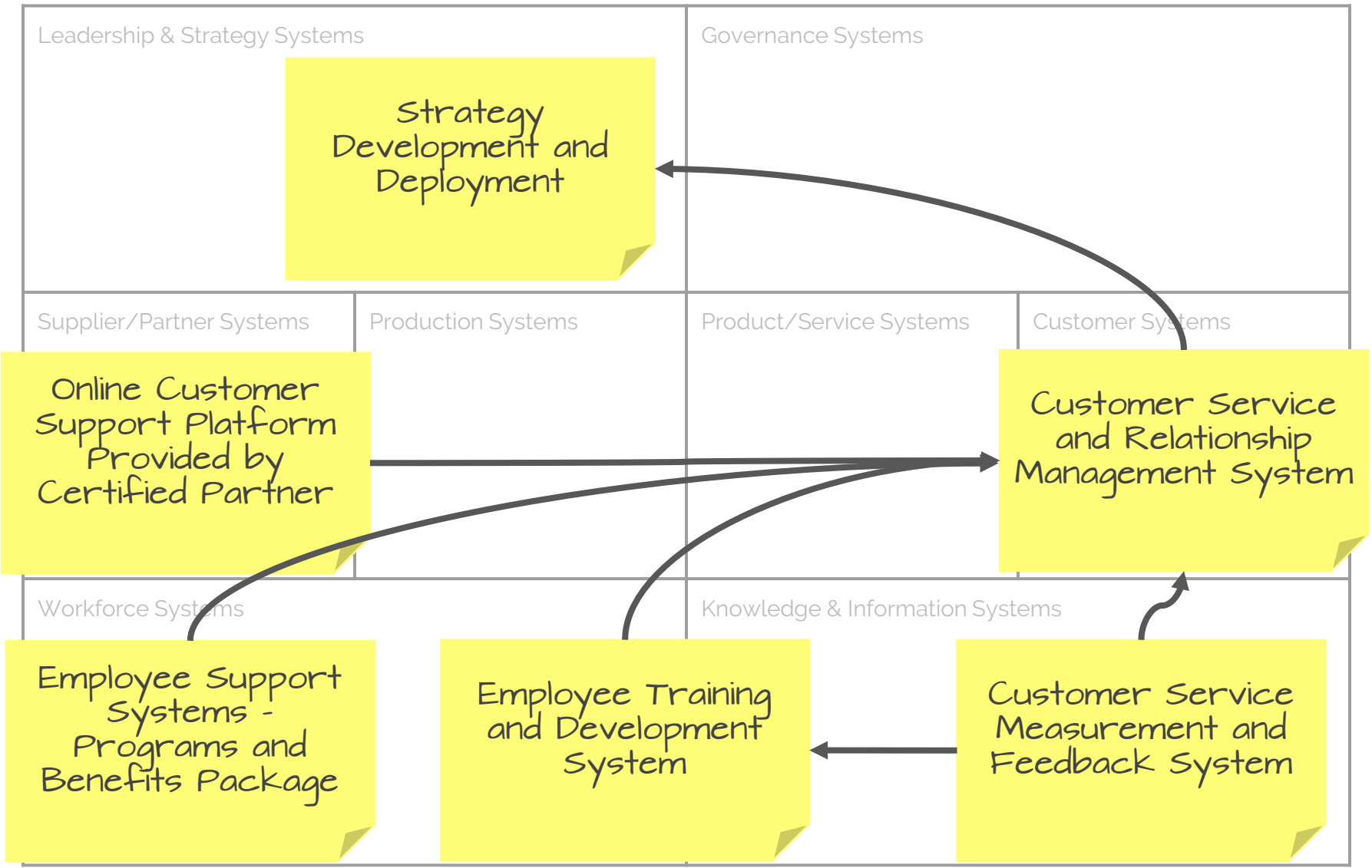
Enterprise System Framework - Instructions

<p>Leadership & Strategy Systems</p> <p>6. Identify the leadership, strategy development, and strategy deployment systems.</p>		<p>Governance Systems</p> <p>7. Identify the systems that address the natural environment (energy sources, usage, and waste) and social responsibility requirements.</p>	
<p>Supplier/Partner Systems</p> <p>3. Identify the systems that provide inputs to the production system.</p>	<p>Production Systems</p> <p>2b. Identify the systems that create the products and services.</p>	<p>Product/Service Systems</p> <p>2a. Identify the systems that design, develop, deliver, service the products.</p>	<p>Customer Systems</p> <p>1. Identify the systems that directly serve and support the customers.</p>
<p>Workforce Systems</p> <p>4. Identify the systems that attract, develop, engage, and support the workforce.</p>		<p>Knowledge & Information Systems</p> <p>5. Identify the knowledge management and information systems that support all other systems.</p>	

Enterprise System Framework – Example Systems

<p>Leadership & Strategy Systems</p> <ul style="list-style-type: none"> • Leadership System • Strategy Development • Strategy Deployment • Organization Performance Review 		<p>Governance Systems</p> <ul style="list-style-type: none"> • Legal & Ethical (Proactive and Reactive) • Regulatory Compliance • Financial Accountability and Auditing • Environmental Sustainability • Social Responsibility 	
<p>Supplier/Partner Systems</p> <ul style="list-style-type: none"> • Work Placement Planning • Supplier and Partner Selection • Supplier and Partner Management • Supplier and Partner Improvement 	<p>Production Systems</p> <ul style="list-style-type: none"> • Operations & Production Planning • Operations & Production Management • Operations & Production Improvement 	<p>Product/Service Systems</p> <ul style="list-style-type: none"> • Product and Service Offerings and Strategies • Product and Service Design and Development • Product and Service Delivery 	<p>Customer Systems</p> <ul style="list-style-type: none"> • Identification, Segmentation and Requirements • Customer Service and Relationship Management • Customer Complaint Resolution and Prevention
<p>Workforce Systems</p> <ul style="list-style-type: none"> • Workforce Capability and Capacity Planning • Workforce Attraction and Selection • Workforce Training and Development • Workforce Engagement and Improvement • Workforce Support System 		<p>Knowledge & Information Systems</p> <ul style="list-style-type: none"> • Scorecard Measurement and Aggregation of Data • Scorecard System Analysis • Knowledge Management System • Financial Analysis • Information System 	

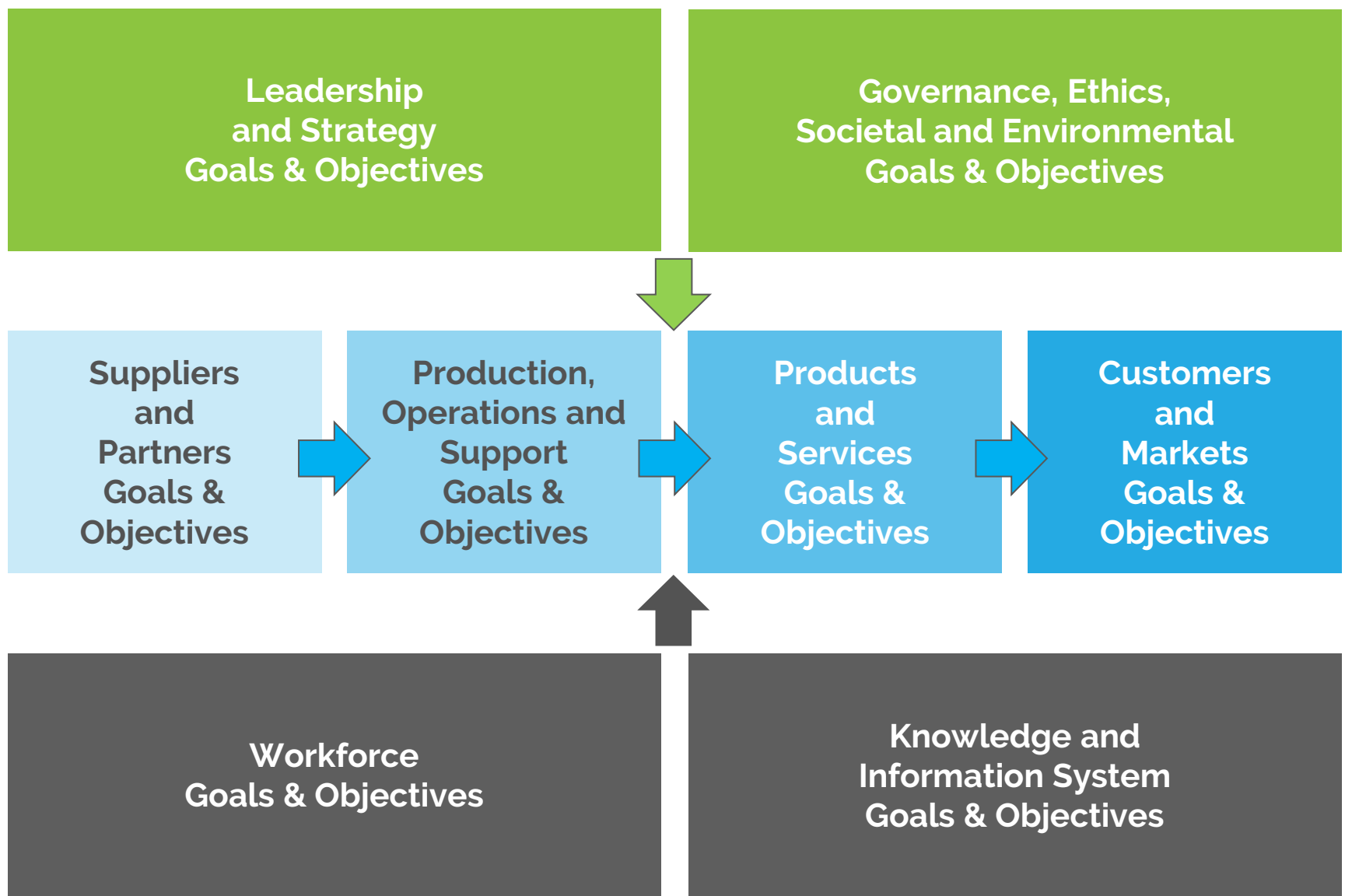
Enterprise System Framework – Example “Thread”



Aligning the Focused Strategy



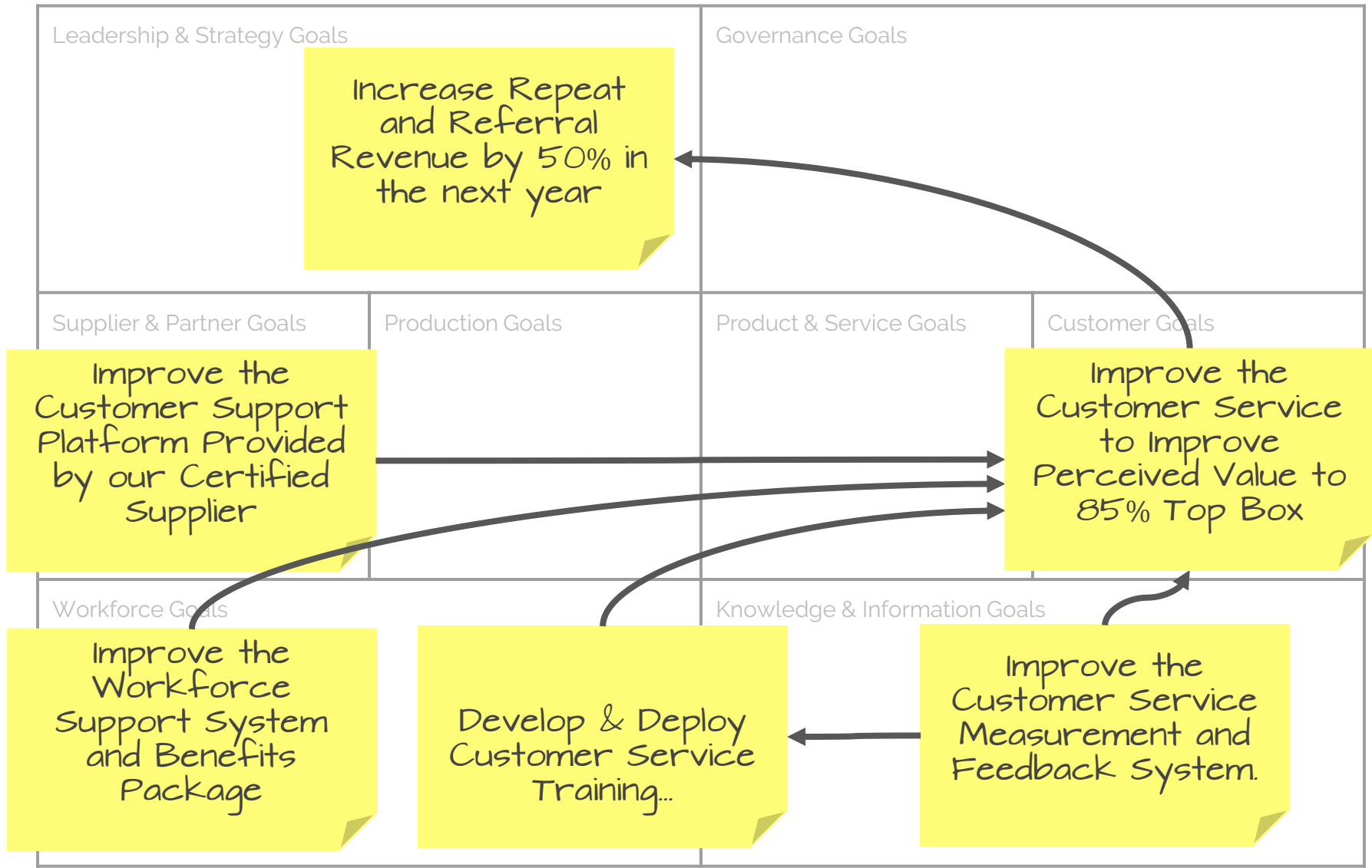
Focused Strategy



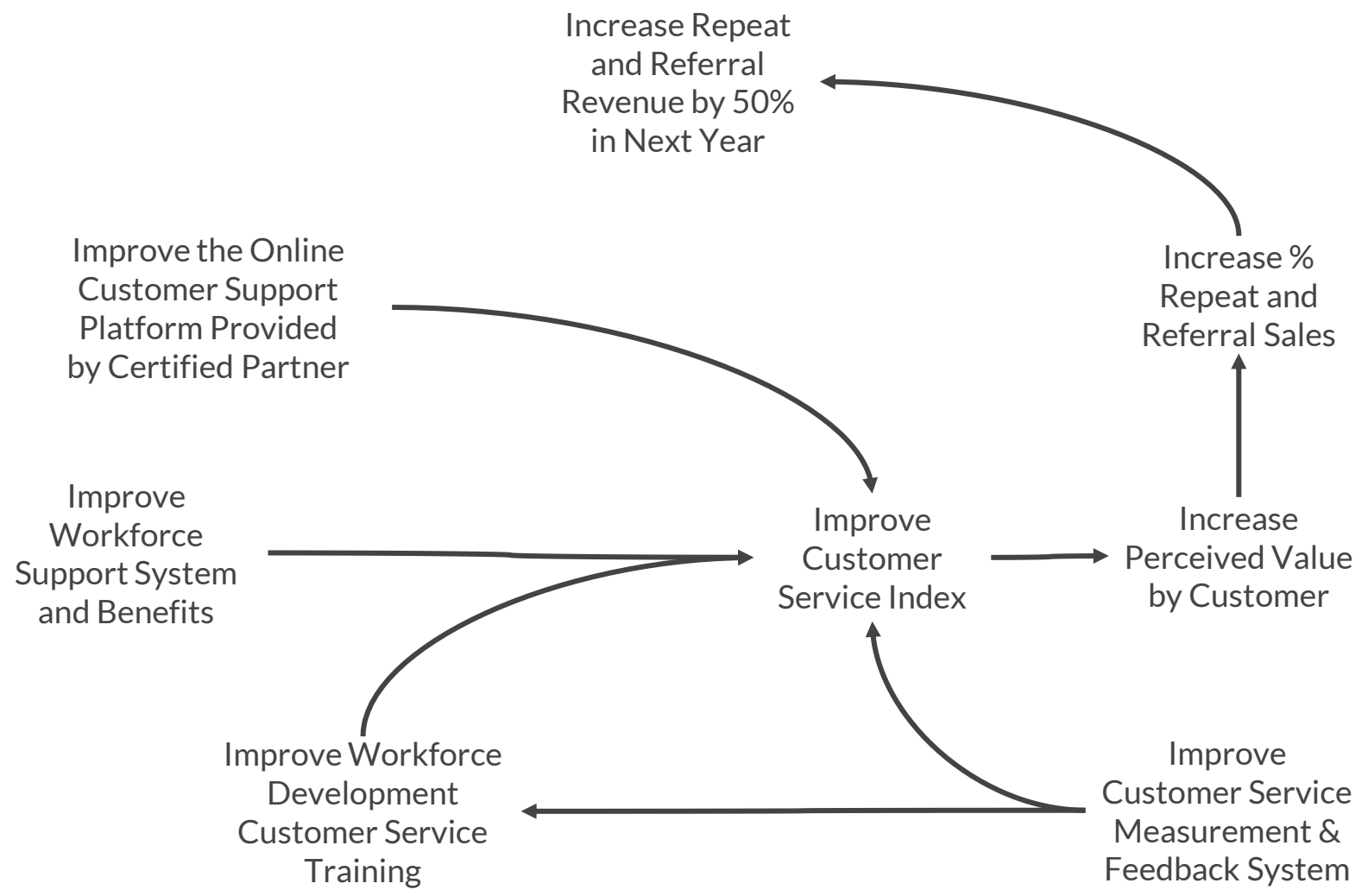
Focused Strategy Framework - Instructions

<p>Leadership & Strategy Goals</p> <p>6. Identify the goals that focus on improving the strategic performance not already identified in other areas.</p>		<p>Governance Goals</p> <p>7. Identify the goals that address the natural environment (energy sources, usage, and waste) and social responsibility.</p>	
<p>Supplier & Partner Goals</p> <p>3. Identify the goals to improve supplier/partner performance.</p>	<p>Production Goals</p> <p>2b. Identify the goals to improve operational performance.</p>	<p>Product & Service Goals</p> <p>2a. Identify the goals to improve product performance.</p>	<p>Customer Goals</p> <p>1. Identify the goals to improve customer satisfaction.</p>
<p>Workforce Goals</p> <p>4. Identify the goals that address the improvement of workforce capability, capacity, engagement, and well-being.</p>		<p>Knowledge & Information Goals</p> <p>5. Identify the goals that address improvement of the knowledge management and information.</p>	

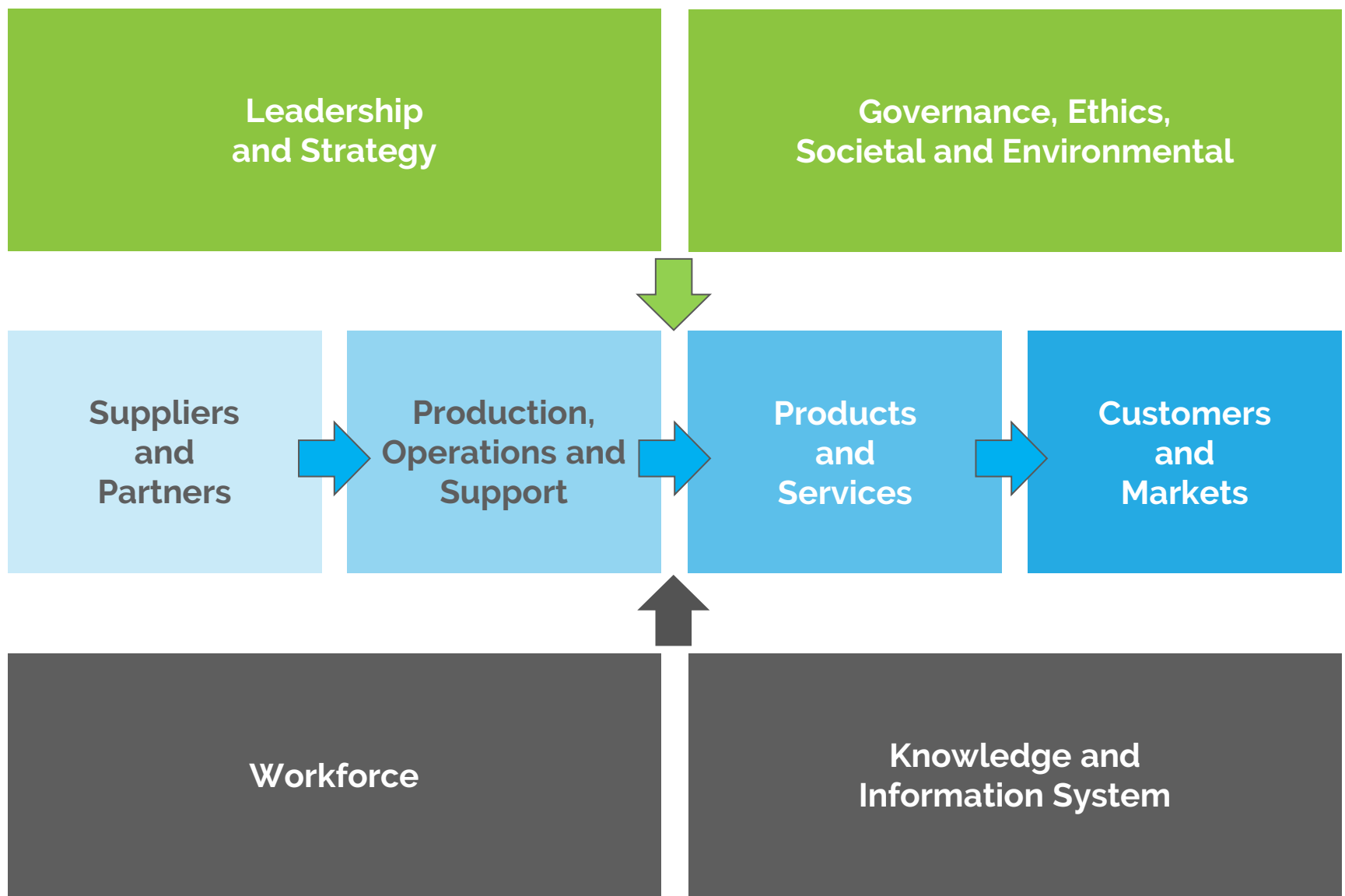
Focused Strategy Framework – Example “Thread”



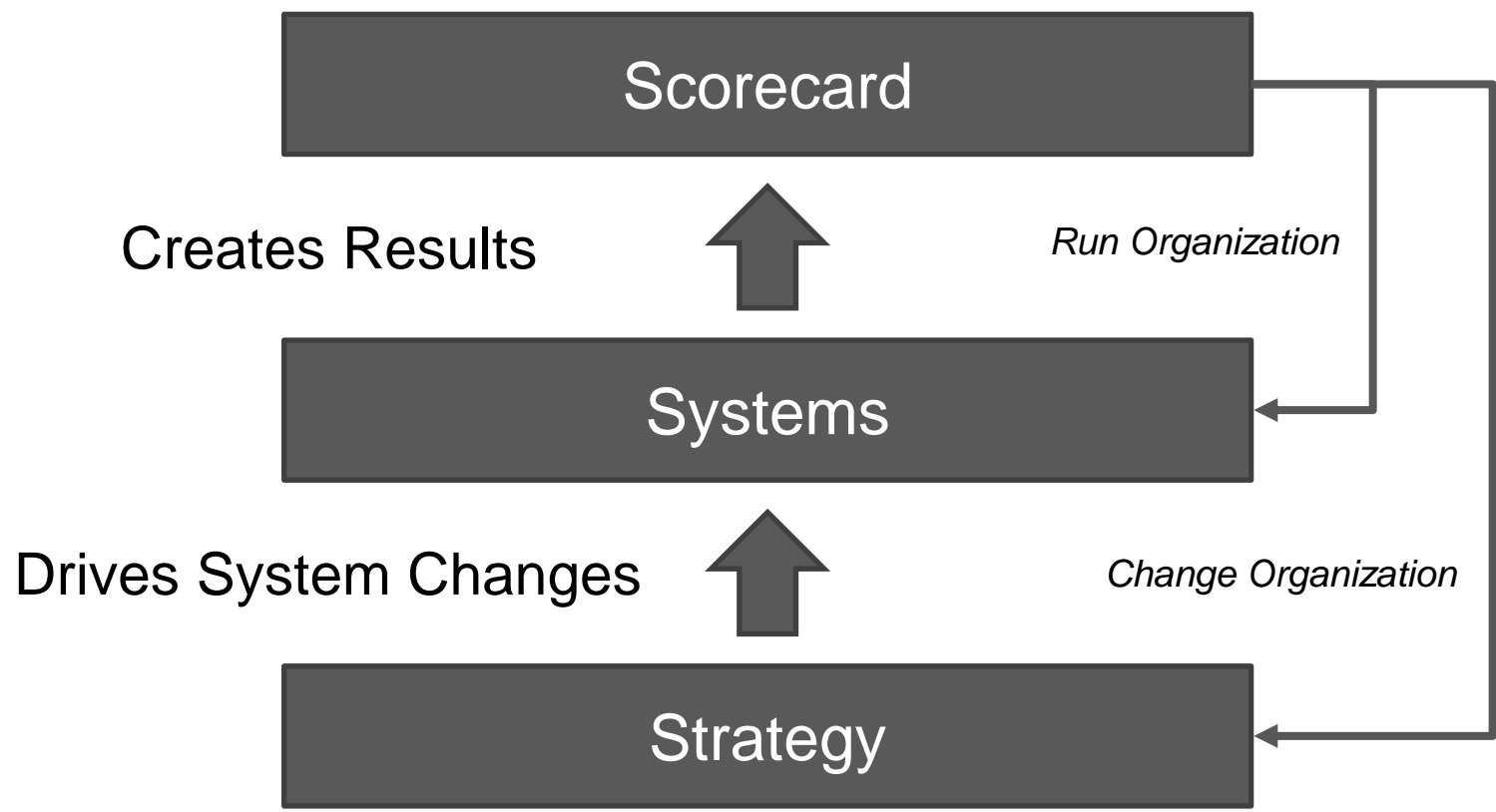
Strategy System Diagram – Example



Organization Framework



Alignment





Mahalo