

Creating Organizational Alignment

Employees at the Ford Motor Company's Cleveland Engine Site are building the cadence of continuing improvement.

Rebecca A. Morgan

As children, many of us played the telephone game – the one that began with a whispered sentence into the ear of a child at one end of a line of children. That first child whispered what he heard into the ear of the child next to him, a pattern repeated until the whisper reached the child at the other end of the line. Laughter erupted as we heard how very different what the last child heard was from the real sentence that began the game. Unfortunately, there is nothing at all funny about the similarly ineffective processes of strategic and operational communication that many companies use today.

Having gained widespread attention by quickly climbing from low-level performer to a company leader, the employees of Ford Motor Company's Cleveland Engine Site recently shared with AME members the methodology they have developed to keep the entire team focused together on a single set of well-understood priorities.

After hearing the site's Lean Manufacturing Manager Todd

Fierro explain the deployment process and its supporting visuals, the workshop participants went to the shop floor to observe weekly work-group meetings. They observed workers discussing improvement activity progress and problems in support of upper-level strategies. As hourly employee Eddie Thomas said, "The company realizes that it is necessary to get the employees involved in how the business is run. We need to understand the business." Fierro couldn't agree more.

Basic to the flow policy deployment system is creation of a sustainable work group-based culture that involves the entire plant in connecting corporate strategy with the shop floor. A second aspect is a consistent visual system that can be easily interpreted by

employees from different departments and functions. The work group-level involvement is based on the six sigma thought process of Define, Measure, Analyze, and Improve/Control (DMAIC) and is visually presented that way by shop floor workers. A third and still developing component is ongoing reinforcement of the operational cadence engendered by the flow policy deployment system.

The system is based on the logic of inputs and outputs, then focusing on the first questions we learned good communication should answer – who, what, why, when, where, and how. That logical flow, coupled with consistent visual presentation, makes obvious the relationship between any shop floor improvement activity and the out-

In Brief

Getting employees involved in how the business is run at Ford Motor Company's Cleveland Engine Site is proving a useful strategy. Author Rebecca A. Morgan describes in this article their methodology for keeping the entire team focused on a single set of well-understood priorities. It isn't a complex approach, but it is hard work.

put it is intended to improve. The walls of the primary office training and meeting room are filled with the visuals, kept current at all times. The shop floor work group meeting areas display current team DMAIC information, all of which is discussed at least weekly by the work groups. There's nowhere to hide, and no reason to hide.

The Process: Start with True North

The first step in this method of creating organizational alignment is to have a clear true north. A succinct vision statement can provide that. For the Ford Cleveland Engine Site, long known for its muscle engines but more recently for struggling performance, it is, "Be Proud. Be Cleveland." This "vision" is intended to recognize the facility's rich heritage while identifying a need for change. That phrase is clearly posted on the upper left hand corner of the training/conference room (TCR) wall 1 and labeled "Mission." It is a constant reminder that the long-term workers in the facility are quite capable of producing high-quality engines. Any successful strategy will build on that knowledge, not ignore it.

Once the purpose of the system is understood, it's time to define inputs and outputs. Outputs are how the success of the organization will be measured. They are the "What" of the system. For Ford's Cleveland Engine Site the outputs are Safety, Quality, Delivery, Cost, Morale, and Environment (SQDCME). For each output, one or more specific metrics is defined. Then for each,

target values by time period over the planning horizon are identified, reflecting business unit stretch requirements.

Between the mission statement and the outputs, a clear picture of success emerges. The tough part is getting everyone focused exactly in the same library, on the same shelf, in the same book, on the same page about how to get there. The rest of the process is designed to do just that.

Inputs are systemic categories or attributes fundamental to obtaining the desired outputs. Defined at the management team level, they include things like leadership, quality, workgroups, manufacturing process control, and supply chain management. For each input, a list of statements is created that defines a superior level of performance for that input. For example, under "leadership" a statement might be, "Models behavior that is expected of and respected by all employees." Once these inputs are defined and the "statements of excellence" are listed, the Ford site management team grades their current status against those statements. With each input having a potential score of ten, one had a current value of zero, and several had current values of five or less. To bloat your own grade fools no one. Each input category has an accountable management team member name assigned to it, along with a target value for the year. The management team works together to set priorities, which helps in setting those target values, and then each accountable manager is responsible for developing the strategy for improving the current score

to the target score. Each Input is posted on TCR wall 1, under the heading "Inputs," with the name of the accountable manager clearly documented along with the current and target scores. Anyone entering that room sees that summary.

Create Shared Understanding of Priorities

The "Why?" step of the process is intended to help everyone understand the priorities the same way. When Ford's Cleveland Engine Site first began this system, they performed a basic gap analysis. They defined a competitive business framework and then compared their current state against that. The identified differences were leading them into a noncompetitive position. If they were to reach the output targets that success required, some of the gap had to be bridged, and fast.

For Ford, the initial focus was on creating a framework for effective work groups. That meant developing an infrastructure supportive of work groups, structured work group meetings, a focus on the outputs, and widespread accountability. A focus on the lean behaviors of: 1) respect for people, 2) continuous learning and improvement, and 3) commitment to being process- and results driven became key to the site's leadership in setting initial priorities.

Lean Time Management

With many challenges on the table, the question of "When?" became a front burner issue. The management team turned to lean time

management. They created a standardized calendar reflecting Monday through Friday and hour by hour from early morning to early evening. Each output is assigned day(s) and times where the focus is on that output. For example, quality may be every day from 7:30 a.m.-8:30 a.m. and on Thursdays from 2:00 p.m.-4:00 p.m. There is plenty of “open” time on the calendar, but the assigned times assure focus and resource commitment on the target outputs. It’s very difficult to say, “I didn’t know about the meeting” when the meeting is the same time and day and place every single week.

“How?” and “Where?”

At this point we understand the mission, we have high-level strategies for major input categories, we understand the target outputs of the system, we know why we have the priorities we have, and we understand the time management system during which we will execute. That takes us to the “How?” and “Where?” of the system.

Functional departments develop strategies for their area of responsibility for each output - in Ford’s case, SQDCME. Each production department as well as service departments like finance and human resources (everyone better be focused on contributing to reaching the outputs) document those strategies under the appropriate output heading. The tactics tied to those strategies are documented as well, with accountable names and time-tables for completion.

There are two sets of strategies now, one input driven, and one out-

put driven. They are both needed and they must be brought together. The first, the inputs, are management site strategies for creating an environment that supports both near-term and long-term excellence. The second set was created by functional department heads to enable their part of the organization to contribute to reaching the targeted output metrics. They are local strategies, applying to a subset of the organization. Someone has to make sure these strategies are consistent with one another, which brings us to “Who?”

Accountability

Ford uses a matrix reflecting the names of those responsible for providing that coordination. The X-axis lists the input category leaders. The Y-axis lists the functional leaders. Each leader (input and functional) has assigned clear accountability for coordinating his strategies. At the points of intersection are the names of those responsible for coordinating the two strategies. Because the process is completely transparent, very few conflicts arise; nonetheless, this very visible “go to” coordinating body simplifies clarification.

At this point, we’re still in the conference room, but we have a lot of the planning done. Because all hourly workers have been brought up to this room to understand the overall planning process and because this is where most of the DMAIC training of production workers is done, it is important to take a minute to revisit the visual part of the Ford Cleveland Engine Site alignment process.

Visual Alignment

On Training/Conference Room (TCR - named the Henry Ford Vision Center) Wall 1 is the word “Mission” with the phrase, “Be proud. Be Cleveland” posted below. On that same wall, each input is posted, showing its name, the name of the accountable management team member, the current score, and the target score for the current year.

On TCR Wall 2 is the word “What” and a chart of the outputs, QSDCME. Each one is a different color, and that color-coding is used consistently throughout all other visuals. For each output, each target value by time period is listed. Actuals are posted as they become available.

To the right of the “What” is the “Why?” This is a display explaining the gap analysis used in setting their priorities. It has been updated as they have progressed, with the more current information simply taped over the initial work. They are not losing track of why they started where they did, nor why the current priorities are as they are.

To the right of that and still on Wall 2 is the “When?” lean calendar. The standardized meeting schedule is color-coded using the same colors as the Output/What? chart. White space means the time is not pre-assigned to an output.

The How? /Where? functional strategies and tactics are along TCR Wall 3. At the top is the name of the department along with the name of the accountable functional head. Then color-coded by output color, every strategy is documented. Under the strategies are major tactics,

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with planned completion dates and responsible names. These charts are kept current at all times.

On TCR Wall 4 is the "Who?" matrix that coordinates the input and output-driven strategies.

All of the visuals discussed so far are living documents, kept up to date. They are in the primary conference room, which is also frequently used for training. Most all training of hourly workers on DMAIC basics occurs in the room, providing the background information of how priorities, strategies, and output targets are set.

On TCR Wall 4 is also the DMAIC training board. The training documents are not live documents. To see those, go to any work group meeting area on the production floor. That is where they are created and maintained by the hourly production workers who make the muscle engines that Ford and its sister companies sell.

The real key to the success of this process is how it connects strategy to execution on the shop floor. All the work described so far gets the staff on the same page, and that is not unimportant. But any process that is going to be successful over time has to rely on the active involvement of the work groups in production.

The output-driven functional strategies include production area strategies with expected improve-

ments in metric values. Those are rolled out to the workgroups where they work together to develop workgroup tactics for each SQDC-ME output. Following the DMAIC thought process, under each output heading the work group posts a "Define" chart that lists the plant, department, and work group target metrics. Below that is the "Measure" chart, where they record their actual measurements of the metric they are tracking. Below that is the "Analyze" chart where they put any documents, list opportunities, suggested fixes, or other relevant information. The bottom chart for each output is the "Improve/Control" chart that includes historical information. These are kept in the work area, updated daily or as appropriate, and discussed weekly when every production line is shut-down for 30 minutes for the work groups to have structured work group meetings to address continuous improvement in the output-defined areas.

Direct Involvement

The Ford Cleveland Engine Site plan for organizational alignment looks at inputs and outputs and answers the very human questions of who, what, where, when, why, and how. It is all posted in the most visible place in the building, color-coded consistently to focus on the

most important things, and time is allocated accordingly. Every worker in the facility is involved directly in defining how his work helps the company reach its goals in those areas, and can see how the priorities were set.

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Fierro and his team are now working to bring that same focused cadence to the rest of the day-to-day thinking and to other activities reaching beyond the site. All activities from staff support to the AME event must fit the established cadence. This relentless alignment has delivered results in the SQDC-ME scorecard. The Cleveland Engine Site was recognized in 2004 with six of the company's ten safety awards, including Safest Powertrain Plant as well as most improved. The site received the President's Quality Award for 2005 and now leads the company with the best overall warranty results (over 30 percent improvement from 2004 levels). Productivity improvements have resulted in the site's best hours per unit monthly average ever. Having a strong signal is one thing; reducing sideline noise is quite another. Eddie Thomas is willing to do his share. "The company is saying to us, 'We want you to help lead: he said. "And our workforce is jumping at this opportunity to share the knowledge we've gained over the years."

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