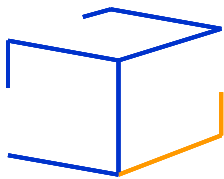


# **“Use Operations Vision to Enhance Improvement Strategy”**

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# Use Operations Vision to Enhance Improvement Strategy

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## Introduction

The good news is most companies are involved in improvement initiatives and programs. The bad news is the track record for sustainable and meaningful results is spotty! What tools and methods are available to help discriminate between valid improvement investments, keep initiatives focused, and align top floor and shop floor?

One method is to create an Operations Vision. The Operations Vision provides context for lean, six sigma, and kaizen investments. It describes a destination so that leadership can harness the energy of all their resources toward common goals. At a minimum, the Operations Vision is “future oriented”, provides organizational stretch, is compelling, and concisely communicates direction. This paper describes an Operations Visioning process and helps the reader understand how the vision can enhance a company’s improvement strategy.

## What Does the Operations Vision Do for Your Company?

For leadership to get excited and invest resources in developing an Operations Vision, there must be a value proposition. Part of the reason improvement initiatives fail is there is no common thread among various, numerous, and diverse improvement activities. In many cases, it is simply action without context. The value of vision in an improvement strategy can be summed up in the following verse:

“Vision without action is merely a dream;  
Action without vision just passes the time;  
Vision with action can change the world.”

Author Unknown

The Operations Vision serves three primary purposes. First, the visioning process provides a meaningful opportunity for the leadership of an entity (corporation, division, plant, etc.) to openly and objectively assess what is important to the entity, understand where and how they may be at “cross-purposes” with one another, and learn about what a Lean business means. The participants in and users of the process cut across all functions.



Second, the Operations Vision is a visible and important tool to create operational alignment. As a company is bombarded with varied and diverse improvement project opportunities, there is a tendency to defer to what is “hot”, what the boss wants, or what is easiest. Without the Operations Vision as sounding board, irrational decisions may be made. Horses hitched to the same wagon and pulling in the same direction get much better results than if the horses are pulling in different directions.

Finally, the vision is used to assess whether improvement investments, initiatives, and projects fit the company’s direction and align the entity with the corporate goals. In short, the vision helps filter out those initiatives that do not support the direction and raises the urgency of those that do.

## **Vision Elements – The Framework for Operations Vision**

The Operations Vision is built around a core set of vision “elements”. The element is simply a focus area that is highly important to the success of the entity and its operations. A good starting point is to identify ten vision elements that become the framework for the vision. Then each of the vision elements is further developed with brief 2-4 sentence descriptions. Thus, this becomes a word picture of the operations!

The following sets of vision elements and example element descriptions for three different entities are shown below to illustrate what the Operations Vision framework might include:

### **Example 1 - ABC Manufacturing Company Vision Elements:**

1. Exceptional Quality
2. Competitive Cost
3. Muda Recognition
4. Time and Responsiveness
5. Flexibility
6. Equipment Effectiveness
7. Inventory Management
8. Supplier Partnership
9. Management/Labor Relations
10. Safety

### **An Example of One Vision Element for ABC Manufacturing Company**

4. Time and Responsiveness:



We will support Logistics delivery goals by focusing on speed and responsiveness in all of ABC Co.'s business processes (dock-to-dock). We measure time as the primary basis of ABC Co.'s operational metrics. We will do the right things faster!

**Example 2 - XYZ Manufacturing Company Vision Elements:**

1. Delivery
2. Quality
3. Inventory
4. Cost
5. Standard Work
6. Speed and Flow
7. Value Added vs. Non-Value Added
8. Manufacturing Leadtime
9. Organization Structure
10. Housekeeping and 5S

**An Example of One Vision Element for XYZ Manufacturing Company**

1. Delivery
  - For standard products, we can receive an order today and ship tomorrow. During the busy season, this requires stocking and forecasting. During the slow season, we can make-to-order and ship the next day.
  - For routine and simple custom or non-standard products (reoccurring exceptions from standard), we can ship within one week.
  - For custom and unique products, we can respond to customers with shipment commitment within 5 days.
  - In short, the marketplace recognizes XYZ Co. as the leader in delivery performance.

**Example 3 - Church Vision Elements:**

1. Foundation
2. Hope
3. Spiritual Growth
4. Ministry
5. Thinking Church
6. Critical Mass
7. Refuge
8. Missions and Outreach



9. There's Something Going On
10. Accessibility

### **An Example of One Vision Element for Church**

9. There's Something Going On – Something relevant for all ages/generations of members and visitors. There's something going on 7 days a week...not just on Sunday morning. We offer exciting, fun, Christian programming for children, an outstanding music ministry with varied offerings, a visual arts program, and varied seniors' programs.

Notice that in the three examples, the sets of vision elements cover several basic subjects (cost, delivery, and quality for the manufacturing examples and spiritual growth, ministry and outreach for the church example) while including several subjects that are unique and/or especially important to that entity (ABC includes "time and responsiveness", XYZ includes "housekeeping and 5S", and the church includes "refuge"). Each entity's Operations Vision will be a reflection of that entity...it is not "one size fits all" approach.

One of my manufacturing clients, Eberspaecher NA, recently executed the Operations Visioning process. Jeff Paquin, Plant Manager of the Brighton, Michigan plant, had the following commentary on how the Operations Visioning process impacted his plant: "What the Operations Visioning process did for my team and business plan was to define the very core business elements on which we focus, driving us to true North in the midst of economic/business/launch chaos. I use the process and vision as a rallying point for my team...especially during stressful moments in the week when it seems that there aren't enough hours in the day to satisfy non-core demands."

The Operations Vision helped Mr. Paquin's plant be a "relative" oasis of tranquility in a desert of distractions and external disruptions. In the midst of a near economic meltdown, subsequent recession, and complex launch of products for two new customers, the Operations Vision kept the operations grounded and focused.

### **How Do You Create the Operations Vision?**

This section describes a methodical process to create the Operations Vision. To construct the vision elements and descriptions deliverable, the process is focused on three formal sessions, plus some work between sessions by subgroups of the Operations Visioning team. The process serves as a means to an end, but you should keep in mind that what people learn and how they grow in their relationship with others is as valuable, if not more valuable, than the documented output of the Operations Visioning process. The primary steps in the process are:



1. Decide on “entity” scope (is it for a plant, a multi-plant division, or a whole company?). A clearly understood entity scope will help with understanding the impact of organizational boundaries and reducing the risk of scope being too big (too bold) or too narrow (too timid).
2. Secure support of top leadership of the entity plus one level up (this process must start at and be supported by top leadership). If top leadership understands how they are beneficiaries of the process, they may be more likely to provide visible support.
3. Recruit the cross-functional visioning team of 8-12 people. This is not just for the people perceived as lean practitioners. It is for the broad group of leaders, whether they think of themselves as lean influencers or not. Participants might include:
  - General Manager / Plant Manager
  - All Functional Direct Reports (a well-defined Operations Vision impacts and is impacted by all functions, including HR, accounting, engineering, sales and marketing, quality, and materials)
  - Certain Managers and Supervisors (include key people who are critical to your operation and either understand or have the potential to understand the power of Lean)
  - Selected High-Potential People (these people are the next generation of leadership)
  - Divisional Leadership
4. The process facilitator and visioning process “owner” should meet one-on-one with visioning team members to set and manage expectations and to deliver pre-session assignments. (Lean Thinking is a great book to use as a study and discussion tool to help get everyone “on the same page”).
5. Conduct Session 1 – Get Organized and Set Baseline.
  - *Objective:* To orient the leadership group to world class operations, purpose of an Operations Vision, and align all stakeholders to entity’s needs. After breaking the 8-12 person visioning team into subgroups of approximately 4 people each, conduct three exercises to get common understanding of current situation, definition of needs (given future demand and corporate expectations), and initial definition of future state.
  - *Deliverable:* Documentation of subgroup exercises (current situation, what works well/needs improvement, vision elements topics, and pre-session reading/discussion assignments).



6. Conduct Session 1 Post-Meetings and Interim Worksteps.
  - *Objective:* 2-3 people from Operations Visioning team analyze and distill the output from Session 1. The purpose is to begin to articulate “world class” as it relates to the entity and to define the gap between current state and “preliminary” future state. To extent possible, use metrics to frame up world class and the gaps.
  - *Deliverable:* Condensed and succinct Session 1 output.
7. Conduct Session 2 – Define Set of Vision Elements.
  - *Objective:* Review and discuss output from Session 1 to develop/confirm consensus. Begin to develop deeper understanding of the critical few key concepts and vision elements. Define the preliminary set of vision elements.
  - *Deliverable:* Rough definition of key “world class” concepts and vision elements for the plant. This definition will be unique to the entity.
8. Conduct Session 2 Post-Meetings and Interim Worksteps.
  - *Objective:* 2-3 people from Operations Visioning team refine the output from Session 2 and identify any issues that need attention by the whole group. Provide deliverable to whole group for review ahead of next session.
  - *Deliverable:* Final output from Session 2 (with particular focus on the preliminary vision elements) and list of issues that impede consensus or will be roadblocks to developing vision.
9. Conduct Session 3 – Describe Vision Elements, Celebrate Success, and Initiate Next Steps.
  - *Objective:* Review and confirm consensus on set of vision elements for the entity. Work in subgroups to “draft” the descriptions for each element of the vision. Provide output of the Operations Vision as input for the vision action plan.
  - *Deliverable:* “Draft” Operations Vision output that will be refined by smaller group of Operations Visioning team and then presented to the plant leadership team for approval to rollout to entity and prepare vision action plan.
10. Conduct Brief Session Wrap-Up, Determine Next Steps, and Celebrate!

There will be a follow-up phase (Action Plan Development) to this series of sessions (Operations Vision Development). In the Action Plan Development phase, a focused team will use the output that was shared with and approved by the leadership team. Their responsibility will be to refine and wordsmith the Operations Vision, develop a



rollout strategy to share the vision with all stakeholders, and to develop action plans to execute the Operations Vision. This is a separate process that will be addressed in a subsequent paper.

## **How Do You Leverage the Operations Vision?**

Once you have the Operations Vision in a “working” form, what do you do with it? The short answer...share it and build on it! The Operations Vision is a living document. However, if it is done effectively, the Operations Vision is not a “nervous” document. Rather, it is a stable document that should only be modified when compelled by a significant business development or by recognition that something is missing.

Specific ways to use the Operations Vision include:

- To unify executive leadership and plant teams around a core set of principles.
- To provide direction and input into planning and growth.
- To align and challenge priorities – if a project does not support the Operations Vision, it is probably not a priority project.
- To guide the development of an overall improvement gameplan – you can link lean initiatives, kaizen events, training and development, organization structure, and capital expenditures to the vision.
- To help individuals deeper in the organization make quick and effective decisions.
- To provide guidance to the workforce about how the entity will “look, feel, and smell”.

In the church example, the Operations Vision provided common grounding to a very diverse task force that was charged with leading a physical building initiative. The group represented a cross-section you would expect to find in a church...a combination of professional people, hourly workers, business owners, retired people, etc. There was no boss or clear chain of command that one would find in industry. The vision provided common purpose, a tool to refer back to when we found ourselves in circular discussions, and valuable resource to take to the congregation as part of our investment recommendation. The vision helped us be more efficient and effective!

In the manufacturing examples, the visioning process provided a forum to expose differences of opinion and achieve common ground in a professional and non-threatening way. Once the Operations Vision was developed, the leadership had a tool to go forward with one voice to enhance improvement strategies and achieve greater performance throughout the organization. They leveraged the vision to the benefit of the entity.

Although there are multiple ways to start the Operations Visioning process, it is very difficult if you do not have senior leadership’s support and commitment. This is clearly articulated in Mr. Paquin’s comments: “I have found that in my own implementation of





the Operations Visioning process, if the vision is not driven/believed by the CEO and that the vision actions are not clearly understood by the Executive committee, extraneous muda will exist causing undo frustration. While driving Operations Visioning from the plant level, I have found myself educating and reeducating the Exec group in order to clear a path for change. If world class manufacturing was easy to achieve, there wouldn't be any room at the top of the mountain. Having a clear vision of the top via Operations Visioning at least gives us all the same opportunity to achieve the goal!"

## **In Conclusion**

For most companies, "improvement" is a significant investment. Today's marketplace requires that we spend funds wisely and get significant results. Improvement projects and initiatives that are disconnected, at odds with one another, or simply irrelevant cannot be tolerated. The Operations Vision is one tool to help leadership set direction, align resources, and energize an organization for the betterment of all stakeholders.

## **Author's Bio**

Jeff Sipes is Principal of Back2Basics, LLC. He specializes in Lean, operations improvement, and manufacturing strategy. He achieved Lean Silver Certification from SME, AME, and Shingo Prize. Using skills gained as a machinist apprentice, production supervisor, VP Operations, and external consultant, Jeff assists manufacturing companies throughout North America to realize performance potential. Jeff has a passion for improvement and thrives on helping companies achieve their potential.

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