

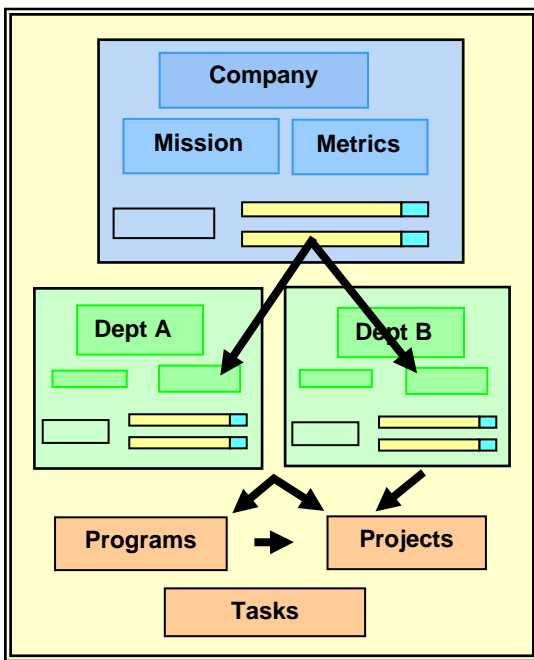


## CASE STUDY: Strategic Goals and Objectives Deployment

### Background

Company is a midsize aerospace/defense contractor in weapons training systems, strong software engineering and integration core competency. They embarked on a two year development of an Enterprise Management System (EMS), in order to continue to the next level of development of cutting edge technology. This included the achievement of the Software Engineering Institute's, Capability Maturity Model Integration (CMMI Level 3) proficiency to meet the U.S. Department of Defense requirements.

### The Initiative Cascade



### Mission

Y-Change was invited to assist in establishing and deploying a closed loop company strategy setting process, with goals and objectives relatable at each level of management. Every participating manager, from the top to supervisor, would be linked to both management above and below, providing a cascade allowing management to have visibility over the length and breadth of the corporate strategy implementation tasks & activities. Additionally, the goals and objectives would be tied to each manager's annual performance appraisal, with quarterly progress reviews, to ensure accountability to the process.

### Findings

The prior approach had each individual list their annual goals & objectives on their appraisal form, which was usually filed away, out of sight, until the next yearly review. Top level strategy was confined to briefly stated financially oriented objectives representing direction to improving sales and profits or cutting costs by some increment over the previous year. Second level executives avoided any participation, desiring rather to place the responsibility for support of strategic goal setting with the next level down. Many managers were simply unclear on what tasks were expected of them to support the corporate strategy. Therefore, business was conducted, as usual, with fire fighting and heroic problem solving being the order of the day.

The culture encouraged securing business, up-front, and then worry about delivery as deadlines neared. This approach created cost overruns, missed schedules, misuse of resources and talent and an 'expeditor' mentality, especially among the Program Managers. In spite of these evident failings, the 'family' culture encouraged lack of accountability and functional parochialism, as they sought to pursue a matrix organization.

## Action Plan

Initially, establishing a 'piloting' approach was recommended, to avoid taking on a company culture, which was noted for killing improvement projects through delay and denial. The 'been there, done that' attitude had to be overcome.

The Quality Department was chosen for its strong leadership and generally, excellent adherence to process. Since it was manageable from a size standpoint, the first pilot Goals & Objectives Program was instituted. In a matter of weeks, the department was able to set a series of G & O's which covered quality process improvement, EMS achievement support, and personal development.

The success of implementation was noted by the senior management sponsors, and the project was expanded to over 250 in Engineering. The plan will eventually involve all functions of the company.

## Aligned Goals, Initiatives & Projects

Initiatives/Projects	Status	Area
Reduce Costs	●	Consumer Products
Reduce cost per unit	■	Operations
Supplier/Material Savings	●	Pump Division
Rework Reduction	■	Vernon Plant
Rework Reduction	■	Operations
Justify Morento product lines	●	Finance
Whse realignment	▼	Finance
Stockroom Team	▼	Manufacturing
Stockroom Team	▼	Manufacturing
Obsolescence	●	Manufacturing
Create comp plan rewarding HI performance	PL	HR
Meet productivity performance targets	■	Manufacturing
Outsourcing Process Team	▼	Manufacturing
Outsourcing Process Team	▼	Assembly
New Equipment	▼	Morento Supplier
Quick Changeover	●	Manufacturing
Quick Changeover	●	Manufacturing

The use of the Y-Change application ensured that there was visibility of the process, and provided a tool that management could use to quickly assess whether their strategy was being supported by each manager, appropriately.

Working within a knowledge based environment, such as software development and engineering, requires more than a computer application and training.

The cornerstone of success was built on a strong consultative selling approach with each manager, with the Y-Change associate being a mentor, facilitator and contributor to assisting everyone to see the benefits of using the Y-Change approach.

Through a series of expanding 'pilots' and the ability to create real time, valuable, dashboard type management reports, the action plan is well on its way to eventually encompassing the entire company, worldwide.

## Results & On-going Benefits

The Y-Change application was also seen as a potential answer to one of the more serious issues, that of a consistent approach to monitoring and controlling each customer program. It allows management the ability to view program activities, and status on a real time basis, giving them the ability to drill down, at any time, to determine cause, effect and resolution of risks to successful program management. Feedback, from the participants, has been very positive with their seeing improved communication over the direction of their area, more frequent assessment and feedback on their activities, and a more productive use of their time through better planning and awareness of critical management issues. Significant cost savings have been attained, with the elimination of many cumbersome, time consuming reports and PowerPoint presentations.

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