CHAPTER 3

PROPOSED POLICY DEPLOYMENT MODEL

3.1 INTRODUCTION

The literature review shows only very little research on this policy deployment process. There are only few approaches available for policy deployment. The approaches given by various authors deploy only the target or the means and do not explain the process of deployment meaning in a more conceptual manner. But to achieve the target effectively, the means of achieving the target has to be deployed. Also, the success of any organization is reflected upon by its performance, which in turn reflects the performance of the individual. So the performance of the individual can be measured easily by monitoring the achievement of targets.

There is a need for a model which integrate and deploy both target and means. Hence, a new model is developed based on the inputs from various literatures and author’s experience in this area, which deploy both the targets and means simultaneously. The performance measurement system namely the balanced scorecard is also integrated in the deployment process. For this deployment process, initially the annual policy has to be created which is derived from mid and long-term plan. The mid and long-term plan has to be arrived from Vision and Mission. Thus, the entire process is discussed in the following section.

If we take any management, it consists of three key functions namely retainment, improvement and breakthroughs. These are on a maturity
scale, i.e., it is not possible to improve without retainment and no breakthroughs until improvement is a culture. As indicated in the Figure 3.1 there is a share of responsibility of the above three functions by the levels of management. The junior management is responsible for more of retainment (nothing but maintaining the standards and follow standard operating procedures) and less of improvement function in their own areas.

When we move up the ladder the middle management also has a responsibility of maintaining standards but larger portion on the improvements and small participation on breakthroughs. But the top management is to focus more on breakthroughs and little on routines. The retainment action is taken care by the concept called Daily Management. Daily management is a concept where every management level personnel who are to establish, sustain and continuously improve their own responsible managing, works.
Policy deployment is a system which integrates an organization’s ongoing internal and external environmental assessment with its mission and vision and the setting, aligning, deployment and achievement of short and long-term targets and means in order to move the organization toward its mission and vision. Thus, the Policy Deployment process aligns the organisation to focus on breakthrough improvements indicated in the annual plan.

3.2 STEPS IN POLICY MANAGEMENT PROCESS

Akao had given a ten-step procedure for the policy deployment process and many other authors have given a five-step procedure for the same PD process. So, from the literatures studied and also from the authors own experience in the field, the proposed model is explained through the seven step procedure as described below:

1. Setting Mission and Vision
2. Long-term plan
3. Mid-term plan
4. Annual Business plan
5. Deployment of Policy and Action plan
6. Action plan implementation and periodic monitoring of results
7. Evaluation/Diagnosis of policy

3.2.1 Setting Mission and vision

3.2.1.1 Mission Statement

A mission statement is defined as “a broadly defined but enduring statement of purpose that distinguishes a business from other firms of its type and identifies the scope of its operations in product and market terms” (Pearce 1982).
The mission statement addresses the core beliefs and identifies target markets and core products. Mission statements should be inspirational. They should supply energy and motivation to the organization. The effective mission statement includes the following:

- **Inspire change:** While the mission statement doesn’t change, it should inspire great change within the organization. Since, the mission can never be fully realized, it should propel the organization forward, stimulating change and positive growth.

- **Long-term in nature:** Mission statements should be written to last 100 years or more. While strategies and plans will surely change during that time period, the mission should remain the bedrock of the organization, serving as the stake in the ground for all future decisions.

- **Easily understood and communicated:** Mission should be written in plain language that is easily understood by all readers. A compelling and memorable mission is one that reaches people on a visceral level, speaks to them and motivates them to serve the organization’s purpose.

### 3.2.1.2 Vision Statement

A vision statement is defined as “a mental image of a possible and desirable future state of the organization, which articulates a view of a realistic, credible, attractive future for the organization, a condition that is better in some important ways than what now exists” (Pearce 1982).
A vision statement provides a word picture of what the organization intends ultimately to become which may be 5, 10 or 15 years in the future. This statement should not be abstract; it should contain as concrete a picture of the desired state as possible and also provide the basis for formulating strategies and objectives.

Typical elements in vision statements include the desired scope of business activities, how the corporation will be viewed by its stakeholders (customers, employees, suppliers, regulators, etc.), area of leadership or distinctive competence and strongly held values. The vision statement should be consistent with mission and it should be verifiable. The characteristics of effective vision statement includes:

- **Conciseness:** The very best vision statements are those that grabs the attention and immediately draws in without boring with pages of mundane rhetoric. Often, the simplest visions are the most powerful and compelling one. If everyone in the organization is expected to act and make decisions based on the vision, the least we can do is creating something that is simple and memorable.

- **Appeals to all stakeholders:** A vision statement that focuses on one group to the detriment of others will not win lasting support in the hearts and minds of all constituencies. The vision should appeal to everyone who has a stake in the success of the enterprise: employees, shareholders, customers and communities.

- **Feasibility:** The vision shouldn’t be the collective dream of senior management; it must be grounded solidly in reality. To
ensure that, we must possess a clear understanding of the business, its markets, competitors and emerging trends.

- **Inspirational**: Vision should represent a word picture of the desired future state of the organization. The vision statement should not only guide but also arouse the collective passion of all employees. To be inspirational, the vision must first be understandable to every conceivable audience from the boardroom to the shop floor.

Both vision and mission statements are required in planning and organizational management processes but they have different purposes within these processes. The mission and vision statement set the direction based on which the long–term plan, mid-term plan and the annual business plan are arrived at for implementation as given in Figure 3.2.

![Figure 3.2 Derivation of mid and long-term plan from Mission/Vision](image)

### 3.2.2 Long-term plan

The long-term plan, which is derived from the vision statement, sets out the business directions and broad targets. The organization uses its
overall organizational strategy and its internal and external environmental assessments to identify the critical areas to focus on over a period of five and more years in order to move towards its vision.

These critical areas can be determined through the use of tools and methods such as analysis of strengths, weakness, opportunities and threats (SWOT), scenario planning, the use of the Pareto principle and the seven management and planning tools. The formation of long-term plan is shown in Figure 3.3.

![Figure 3.3 Formation of Long-Term plan](image.png)

### 3.2.3 Mid-Term Plan (MTP)

The mid-term plan is for a period of three years rolled over every year. The mid-term plan (MTP) is derived from long-term plan. The MTP document sets out milestones and deliverable targets. The following are the major items affecting company environment which can be used as a basis for establishing the mid-term plan:

- In world market, trade friction, international specialization, local production, internationalization of people, domestic reductions have to be consider.
• In international market diversification, two polarization, affluence, highly informed society, change in distribution channel are to be considered.

• In new market development, new product, market size, vertical and horizontal expansion of current market, technology transfer have to be taken care.

• In case of competition, distinct product, production engineering, balance and synchronization, microfabrication, GT, CAD, CAM, R&D, patent strategy have to be considered.

• There may be product liability problems against users and also to society.

• Changes due to use of advanced technology in R&D, electronics, Optotechnology, biotechnology.

• Systemization in high value added products, balance between hardware and software, stratification and standardization.

• Changes due to pollution namely industrial and home wastes, air pollution, noise, vibration, etc..

• The other items include plant site, energy / resource conservation, and international material sourcing.

As a result of analyzing the above items, the MTP document is prepared that describes:

• Strategic Objectives: Business size, Market share, New Products / process technologies and New systems

• Manufacturing Objectives: World class practices, Quality Improvements, Process improvements, Capacity, Product
location, Cost reduction, Sourcing, Manpower, and Training and Employee Involvement.

- **Business Issues:** New business, Technical know-how, Financials, New location, Acquisition, Alliances and Disposal

From this document, a strategy map is prepared, a one page graphical representation of what the company must do well to successfully execute the strategy of the company.

### 3.2.4 Annual Business Plan (ABP)

The “Annual Business Plan” is set in relation with the Mid-Term Plan (MTP) as in Figure 3.4, with the backdrop of the national economy, assessment of customers plans, product offerings, competitive position and market share targets and also with last year analysis.

The analysis of last year’s performance data is done in order to understand the existing problems and clarify the tasks. From the analysis one can be able to understand why the targets were not achieved and also the problems of implementing the process. Then, they have to study the information about in-house conditions to understand the problems. For eg. they can look at the forecasts of new products, new technology, production, sales, people, products, money, quality, quantity and the cost. They also have to study the information on the external environment to understand or clarify problems. For eg, they can have a look at the forecast data on international economic changes, domestic changes and industrial changes. Finally, the problems discovered are arranged and stratified. From that, important problems are isolated as critical ones by giving weights (eg., Pareto analysis).
The key elements in the business plan are tabulated and released as Annual Policy for deployment, indicating company-wide targets and major measures. The chief of operations reviews every quarter of this document and amend if required reflecting the current business requirements.

![Diagram of Annual Policy derivation]

**Figure 3.4 Derivation of Annual policy from Mid and Long-term Plan**

### 3.2.5 Deployment of Policy and Action Plan

Once the company has obtained the annual policy (President’s Policy) through the analysis, it is time to deploy the policy throughout the organization.

There is very little evidence on the work done on deployment process. The flag method and tunnel method is purely on deploying the ‘targets’ alone and some other methods deploy only the ‘means’. It is vital that the ‘means’ has to be deployed first along with the targets otherwise the targets may be achieved by any other means. To ensure this, the researcher has developed a process, which shall take care of both, based on literature and his own experience. It is also important to make this process effective and consistent. Since it involves people and it is dependent on them alone, to have a successful implementation the process should take care of every ‘individuals’ requirements.
Hence, it is felt that the individuals performance management should also be incorporated. The Balanced Scorecard (BSC) methodology helps predominantly in this area. As its name implies it aims to bring a balanced approach to management decision-making that stresses the importance of a mix of financial and nonfinancial corporate goals. Unlike, Hoshin Kanri it does not involve any specification of an annual vital few and there is no recognized organising framework for its deployment or use in daily management. It is not directly comparable with hoshin kanri, since it is a tool mainly for measuring the performance of the individual rather than the alignment system itself. It can be used during the catchball process and later at periodic reviews of hoshin strategy. Hence, integrating these two would give results. Literatures show some initiatives in this process but there is no evidence on practical model.

So, a new model is developed which deploy both target and means to all levels in the organization and the performance of the individual is also measured during the deployment process. The proposed policy deployment model is shown in Figure 3.5. The deployment process given in figure 3.9 is explained through the figure 3.5.
Figure 3.5 Proposed Policy Deployment model
Consider an organization with the structure as given in figure 3.6. The organization is headed by the President and his immediate subordinates are considered as department heads. Under the department heads, there are section heads and under the section heads there are module heads. Similarly, further levels continue.

![Figure 3.6 Organization Structure](image)

The President’s policy is considered as annual policy, which consists of target and major measures. Each department heads, section heads and module heads have their own measure of performance (MOP) for their role in the organization. Thus, the company-wide President policy is deployed to various departments and their sections through a process of catchball session. The deployment consists of both the things namely the one derived from the annual policy and also the individual MOP from the role as given in figure 3.7.
3.2.5.1 Catchball Process

The process of aligning the hoshins through the use of factual analysis is known as “Catchball”. Gary Siegal (1991)says that:

“Ideas generated at one level of an organization are passed up or down to people at other organization levels. Those receiving the idea ‘catch’ it, modify it so that it is relevant to the work done at their level, and pass it along to another level. This is called catchball. A major benefit of catchball is that it helps to vertically integrate an organization. Communication is enhanced, people participate in developing ideas, and when the ideas are implemented, the chances of success are high because people at all levels in the organization shaped it so that it would work best in their environment. Each person will know how his or her work relates to the strategic and tactical operation of the business. Those who use Hoshin Kanri say that cross-functional teams work better if the organization is first vertically integrated”.

Thus, catchball is a critical process to hoshin kanri success. It refers the commitment to continual communication that is essential to the development of realistic targets and means and to their deployment at every level of the company. Feedback system is put in place to break down linear communication flows and allow for bottom – up, top – down, horizontal, multi-directional communication about targets, means and their deployment progress. In order to establish such a communication system there must already be in the company a commitment to total employee involvement and an understanding of the crucial role each employee plays in the continuous improvement process.
In the figure 3.7, the terms MP and CP refers to managing point and checking point and the procedure for developing is given in Appendix 2.

3.2.5.2 Managing point

Managing point (MP) is an item of measuring the output of process (Activity). It can be both i.e., the objectives derived from annual policy and also the one coming as MOP from the individual role. Managing point should be a measurable one. All the relevant company objectives must be addressed as managing point. Managing points also can be deployed to the next level.

3.2.5.3 Checking point

The checking point (CP) is an item of causing (affecting) managing point’s i.e., an item of measuring the state of the process. The value of MP is distributed to a group of CP’s and in some cases it is not a desirable
practice. It should not be a routine activity. It should be a measurable one. CP’s are deployed to next level but it is not necessary that all the CP’s has to be deployed.

### 3.2.5.4 Major Measures

Major measures (MM) can be defined as “guidelines for achieving a target”. In other words, it will show how to achieve the target. Since the major measures are showing the direction, the people in the deployment process can clarify the specific steps for achieving the target based on these major measures. With this the action plan with timetable can be determined easily.

For eg, “Reduction in rejection rate” is neither an implementation item nor a means. It is a target. But how to reduce the rejection rate is important, however, and the specifics related to them are action items. To improve on expected result one must first discover the weaknesses in the processes that produce these rejects. Thus, major measures show the way to discover and eliminate those weakness.

### 3.2.5.5 Deployment process

From the analysis, annual policy or the President’s policy is prepared with target and major measures for achieving the targets. Then the President’s policy is getting deployed to the immediate subordinates or the department heads. Thus, department heads have their managing point and the corresponding major measures from the President’s policy and also based on priority certain MOP’s from his role are also added as managing point and the corresponding major measures are prepared.

Then the department head identifies the responsible person for deploying the measures. All the measures are then classified according to the
four perspective of balanced scorecard and not in the QDCSME (Quality, Delivery, Cost, Safety, Morale and Environment) order. This is mainly for creating individual scorecard. Here the quality and delivery related measures are brought under the customer perspective, cost related measures are under financial or business perspective, safety and environment related measures are under internal business process or process perspectives and finally, the morale related measures are under learning and growth or organizational perspective.

Thus, for each and every measure, the related processes namely the checking points are listed and the targets for each one is identified through the catchball session. ‘X’ matrix format is used for determining the correlation between the objectives and major measures. Each checking points are allocated to the responsible person, which is the next level deployment ie., the checking point of department head will become the managing point for the section heads and the related major measure is also getting deployed as shown in figure 3.8.

The section heads will not only have the policies from the department heads but also have certain points as managing point from his MOP and the corresponding major measures are prepared. As department head, the same process is continued. Then, the section heads policy is deployed to module controllers in that section. Then the module controllers of various departments discuss their targets and major measures with their team and action plans are prepared for the Engineers/ Officers of the section. Hence, at the end of the deployment process, each measure will come up with an action plan table, which is to be implemented.

Thus, in the proposed policy deployment model which is in figure 3.5, the deployment takes place upto three levels i.e., from the President to the department head and from the department head to the section head and further to the supervisors or the module controllers, but the process can be extended
to many levels. The deployment process in these three levels is shown in figure 3.9.

Figure 3.8 General Remarks on Managing point and Checking point

Figure 3.9 Deployment Process
In general, managing points consist of the ones deployed from the upper level and ones set by him/her. It is desirable that if all the checking points to a managing point are OK then the managing point is automatically OK. Therefore, selection of proper checking point is very important. For this, daily routine work management (DRM) plays a major role. DRM helps continuous improvement through the process of capturing abnormalities and taking action towards occurrence prevention and recurrence prevention.

3.2.5.6 Daily routine work Management (DRM)

Daily routine work management (DRM) is a concept, it does not mean daily only. The gap analysis is done on control items. It may be weekly and monthly also. The achievement level of job responsibility is measured by control items. Therefore, all the departments (Managers) have control items as DRM. DRM have activities not only to maintain the present level but also to improve further. Since, DRM intents for daily work, it is mainly implemented by managers and supervisors.

3.2.5.7 Relationship between PD and DRM

- Since, a manager has job responsibility, a manager has to implement DRM. Then, a manager must have control items for DRM.

- On the other hand, a manager has a policy, which consists of managing point and major measures for PD. Here, some of the control items for DRM become managing points for PD and the balance remains as control items for DRM.
• Therefore, each manager has managing points for PD and control items for DRM.

• PD mainly aims for destruction of status quo and big improvement but DRM aims for maintenance of status.

• PD and DRM have the same purpose and we can say the PD is for General Managers and Managers and DRM is for Managers and Supervisors.

Thus, for relating PD and DRM, there are SDCA and PDCA cycle as in Figure 3.10. SDCA is about the management of work within set boundaries, whereas PDCA is about reactive improvement, once the work results have gone outside the boundaries. Thus, SDCA is DRM related and PDCA is PD related.

Figure 3.10 Activities of PD and DRM
In SDCA 'S' stands for Standardise. That is, the work has to be done whatever the standard applied, guided by a work instruction, manual, customer specification, etc. Then the work has to "do" and has to "check" to see whether it meets the customer requirements, and "act" to maintain whatever control over the process is deemed necessary to continue to meet the specification.

Now, when "check" stage produces a number of data points outside the limits of acceptability, the "ACT" of the SDCA cycle feeds into the "P" of the Plan-Do-Check-Act. In this cycle, refined by Deming from Shewhart's model, the 'plan' refers to a sub-set of natural steps, a logical progression to do the following steps:

1. Determining and expressing what the problem really is
2. Collecting data
3. Interpreting it and finding the root cause
4. Creating and implementing a pilot solution
5. Checking the pilot against the requirements to see if the plan is working, and if so...
6. Standardizing the solution (make it the new S-D-C-A cycle).

3.2.5.8 Steps for DRM

1. The first and foremost thing in the DRM is recognizing the role (Responsibility) and clarifying its purpose.

2. Next step is to determine the Measure of Performance (MOP) to measure the achievement level for the role.

3. Then a set of MOP’s is picked up which will be controlled as DRM and these MOP’s are called as Control Items.
4. Then the “Target” for control items are set and “Action Plans/Procedures” (Operation standards, Operation Manual, etc…) are devised to achieve the targets.

5. If necessary, checking points are set to measure the achievement level of action plan and the targets for checking points are also set.

6. Then the action plan/procedures, determined at step 4 is executed.

7. Then the achievement levels of control items (and checking points) are checked weekly or bi-weekly or monthly.

7.1 If the achievement level is OK, then the execution of action plan/procedures are continued.

7.2 If the achievement level is not OK, then make “Root – Cause Analysis” and drive the execution of action plan/procedures or revise the action plan/procedures.

Thus, check activity is made on both of “Result” and “Process”, but action activity is done only on “Process”.

Thus, daily routine work management system is the identification and monitoring of work processes that move the organization toward its vision and mission; and the overall coordination of standardization, continual improvement and problem solving efforts within the work processes. The major elements of daily management system include:

- The ongoing standardization and continual improvement of these work processes and their associated product and service outputs. Standardization is the definition and maintenance of
the “best” method for doing a particular work process. Continual improvement is the action taken to optimize a specific characteristic that might be acceptable to the customer.

- Solving problems, occur within these work processes or as a result of work process output. Problem solving is the action taken to get rid of an existing, specific, undesirable effect. There are generally two types of problems namely too much of something with a need to decrease or eliminate or too little of something with a need to increase.

- Communication to management, cross-functional teams, other infuction work groups, and external customers and suppliers.

- The creation of a work environment that recognizes and rewards full participation and involvement.

The DRM process is applicable to all section heads and to the engineers and officers of their section. Thus each section head has a set of Measures of Performance (MOP) derived from his role. Each section head and his team achieve the targets whichever set in the MOP through the process of daily routine work management. The linkage between Policy deployment process and DRM is shown in figure 3.11
3.2.6 Action plan implementation and periodic monitoring of results

Each objective consists of an action plan, which "operationally defines" the objective by expressing it in terms of specific actions or operations. An action plan can help the supervisor stay organized, coordinate his or her team's activities, and keep projects on schedule. The action plan states specifically what steps or tasks will be accomplished to achieve the objective. Mainly, it includes a schedule with deadlines for significant actions. Preparing action plans addresses potential problem areas, considers the cross-functional impact of the actions, and ultimately increases productivity.

Scheduling coordinates resources. It is important to schedule employees, as well as scarce or time-based resources, such as equipment delivery schedules. Also, schedules should include project dependencies, resource dependencies, and resource allocation. Tracking of the schedule can
be reported by using a calendar and Gantt charts. Gantt is a time-line view of the tasks. Gantt chart is a bar graph where the length of each bar shows the start and finish dates for each action or task. Resource costs should be tracked by a budget that shows each action's cost. The supervisor should define best-case and worst-case time lines for tasks, and the probability for each case.

After implementing the action plans, the trends of the results and the achievement level of policies / Action plans are periodically monitored through Managing points and Checking points by the department heads and the section heads either monthly or quarterly. If there is any disparity between the target and the actual situation, the process or the work method is analyzed for factors that are to be corrected. For example, while checking the target, if it reveals bad results (non-achievement of the target), we have to act to recover the non-achieved portion or to prevent repetition. These are done through the PDCA cycle format to arrive at measures to minimize the gap. But if it reveals good results (achievement of the target or better) we have to act to maintain those results through quarterly, semi-annual or annual checks.

3.2.7 Evaluation / Diagnosis of policy

At the end of the year, each department head prepares a diagnosis report on the policy deployment process for the year to highlight overall gap areas and their diagnosis of the same. This acts like a feedback to fine-tune the policy deployment process in their department for subsequent years. Then, the top management or the President reviews the annual performance of the policy deployment process. Each year, the President assesses how each division or functional area carries out its policy management activities.

Thus the main purpose of Presidential diagnosis is to provide a deadline effect and thus indirect enforcement of the yearly PDCA cycle of the
divisions or functional areas; the date is announced one year in advance, so improvements must be finished by that date. Also, it will guide the divisions on how to strengthen their quality improvement systems. The diagnosis is not a check of the results, but a check of their analysis (PDCA) process. The yearly diagnosis gives the President another opportunity to show personal leadership of change. It also aids the President’s own learning process. During this diagnosis: The president hears and sees what is really happening (e.g., changes, latent problems, environmental pressures). This is important because subordinates hesitate to speak about problems and some presidents are disinclined to hear about them. He personally participates in the PDCA cycle and he is able to compare divisions and identify the strong and weak process.

The policy deployment diagnosis process is given below:

1. First step is determining the degree to which targets are achieved, that is the extent to which top policy has been deployed.

2. During the evaluation, not only the results but also the process for achieving the results have to be considered. In this, the heads do not limit to praise the good results and also do not scold if the results are bad i.e.,
   - A good process means a praiseworthy work method
   - Bad results need clarification of the causes and the bad process.
   - Praise of efforts made and encouragement are needed in order to prevent repetition of mistakes.

3. Then the top management has to keep in touch with the departments being diagnosed. They should recognize and praise the departments being diagnosed for their capability in analysis, problem solving and control. Also if the target is not achieved,
they have to clarify the reasons for failure and study the problems in terms of planning the target means. At the same time, they have to offer advice and instruction.

4. They have to judge and evaluate fairly after listening to the subordinates.

5. Finally they have to use the results of diagnosis to study company-wide critical problems, take corrective measures and perform company-wide PDCA.

The analysis of the performance acts as feedback to the Mid Term Plan document and also for subsequent year Policy deployment process. Self-examination at the year-end by the department head is done.

Thus, the deployment process in the figure 3.5 is explained. But any process without documentation is meaningless. For that various tools are available and one of them is using “Forms”. Various Forms are developed for documenting each and every action in the policy deployment process.

3.3 FORMS USED IN POLICY DEPLOYMENT

The various forms developed are

a) Annual policy (AP)
b) Target tally sheet
c) Measure of Performance 1 and 2 (MOP1 & MOP2)
d) ‘X’ matrix
e) Managing point and Checking point Form (MP/CP)
f) Action plan Overall (AOP)
g) Action plan detailed (ADP)
h) Trend charts for MP/CP (TC/MPCP)
i) PDCA table (PDCA)

j) Daily routine work management (DRM)

k) Self-examination (Self-exam)

### 3.3.1 Annual Policy (AP)

For documenting the President Policy, the developed form is called as “Annual policy”(AP) which is given in table 3.1. It consists of target and major measures. In the target side, it has the serial number from 1,2,3… and if any subdivision exist it will be represented as 1A, 1B… The current level and the achievement level should be indicated in the “From” and “To” column and the other column represents the indication of results, i.e., which is better either increasing or decreasing and this will be represented by arrows i.e., upside arrow for increasing the better and downside arrow for decreasing the better. The major measures are indicated by alphabetical letters. Thus, the President’s policy or the annual policy is documented.
3.3.2 Target Tally Sheet

This is the sheet, which gives the department-wise target for all the objectives in the President’s policy. The targets in the annual policy are fixed only from this target tally sheet. Table 3.2, shows the consolidation of the targets of various departments.

Table 3.2 Target tally sheet

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<td>To</td>
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<td></td>
</tr>
<tr>
<td>Total</td>
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</tbody>
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3.3.3 Measure Of Performance

For each and every individual in the organization there are certain objectives for their role. Those objectives are called as Measures of Performance and are documented in MOP sheet. The MOP sheet is classified into MOP1 and MOP2 as shown in table 3.3 and 3.4.

MOP1 lists the role and the measures of performance. MOP2 has list of Measures of performance to be considered for the current year with current levels and targets. Also there is a provision for indicating whether the particular MOP has to be considered in PD or DRM.
### Table 3.3 MOP1

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**Role:**

**Measures of performance:**

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### Table 3.4 MOP2

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**LIST of MOP's - TARGETS FOR THE YEAR 200X-200Y**

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<thead>
<tr>
<th>Revision No:</th>
<th>Date:</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3.3.4 ‘X’ Matrix

The X-Matrix is a variation of the Matrix Diagram, which is one of the seven new management tools. The X-matrix is useful for comparing two pairs of complementary lists, with each pair occupying the diagonally opposite lists.

The ‘X’ matrix format as given in table 3.5 is used for determining the correlation between the objectives and major measures. On one side it has the company objectives and company major measures and the other diagonally opposite side will have the concerned department’s objectives and major measures. Using this format, correlation between company objective and department objective can be obtained.

Table 3.5 ‘X’ Matrix
3.3.5 MP/CP Form

The managing point, major measure and checking point with targets are documented in this MP/CP form which is shown in table 3.6. It will be applicable to both the department head and section head if the deployment is up to three levels. If the deployment process continues to some more levels then this form will be applicable to all the levels except the final level in the deployment process. Here, all the objectives will be in the order of four perspectives of balanced scorecard.

In the Reference number, if the objective is 1.1 then, the first 1 represents the company objective reference or the President policies reference and .1 represents the serial number in the particular policy. Next is R.1, here R stands for the objective taken from the role and .1 stands for the serial number for the particular MOP.

Next is the Managing point (MP), it consists of measures derived from annual policy and some of the measures from his/her MOP. Managing point should be a measurable one. It must be a noun and the subset of MP’s can be bullet points. Here all the relevant company objectives must be addressed. Current level of the objective has to be indicated to have comparison. The targets for the objectives should be a quantitative one. The target value should be indicated in numbers and not “% reduction from current level’ like that.

Major measures (MM) are nothing but a guideline to achieve the result set in MP. It must be a verb. For each and every managing point, there can be a single or multiple major measures.

Checking point (CP) is MM related, process related and schedule of activities and also breakdown of MP’s. It should be a noun and has to be a
measurable one. It should not be a routine activity. Here all the CP’s need not be deployed to the next level. The value of MP is distributed to a group of CP’s, in some cases it is not a desirable practice. Current level has to be indicated to have a comparison with the set target.

Here, the target value has to be indicated in numbers for measurable items. As already said, the target value should be in number and not like “% reduction from current level”. Finally, the remarks column indicate the name of the person to whom the CP has to be deployed.

Table 3.6 MP/CP Form

<table>
<thead>
<tr>
<th>MP/CP</th>
<th>MANAGING POINTS &amp; CHECKING POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PERIOD: April 200x - March 200y</td>
</tr>
<tr>
<td></td>
<td>BUSINESS UNIT/DEPARTMENT:</td>
</tr>
<tr>
<td></td>
<td>Designation:</td>
</tr>
<tr>
<td></td>
<td>FUNCTION:</td>
</tr>
<tr>
<td></td>
<td>NAME:</td>
</tr>
<tr>
<td>MANAGING POINTS</td>
<td>MAJOR MEASURES</td>
</tr>
<tr>
<td>Ref. No</td>
<td>ITEM</td>
</tr>
<tr>
<td>--------</td>
<td>------</td>
</tr>
<tr>
<td>C</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td></td>
</tr>
<tr>
<td>P</td>
<td></td>
</tr>
<tr>
<td>O</td>
<td></td>
</tr>
</tbody>
</table>

3.3.6 Action Overall Plan (AOP)

The overall action plans or the major activities for each and every individual managing points are documented in this Form as given in table 3.7. It has the MP/CP reference number and there is a separate sheet for all the managing points. The plan and the actual results are indicated as Gantt chart.
3.3.7 Action detailed plan (ADP)

The detailed action plan or the key steps of each major activity in AOP is documented and monitored in the Form ADP which is given in table 3.8. It consists of MP/CP reference number and also the AOP reference number. As in AOP the plan and the actual for each and every key step is indicated as Gantt chart. There will be a separate sheet for each major activity in AOP.

Table 3.8 Action detailed plans (ADP)
3.3.8 Trend Charts for MP/CP

The trends of each managing point is documented in this Form (TC/ MPCI) as shown in table 3.9. It will be applicable to all the levels. MP/CP reference number has to be placed. Here, the previous year trend and the current year trend is drawn to have comparison. Also there will be many measures for each managing point and that individual trend is also drawn at the bottom of the sheet. For each managing point separate sheet has to be used.

Table 3.9 Trend charts for MP/CP (TC/MPCI)

<table>
<thead>
<tr>
<th>MP/CP Ref.</th>
<th>Business Unit / Department</th>
<th>PERIOD: April 200x - March 200y</th>
<th>Page: 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Function / Department Head</td>
<td>Managing Point:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Previous Year trend</td>
<td>Current Year trend</td>
<td></td>
</tr>
</tbody>
</table>

| Individual Measure trend |

3.3.9 PDCA Table

The PDCA cycle of each managing point is documented in this form as given in table 3.10. Here, the PLAN is nothing but the action plan of the managing point, which is implemented in DO. In the CHECK column the result and process are checked with the target and if there is any deviation in the result with the target, necessary action or the counter measure is reported in the ACTION column. Considering this as a plan the next PDCA cycle is rotated till the target is achieved. It will be applicable to all the levels.
3.3.10 Daily routine work management

The daily or the monthly activities are monitored through this form as given in table 3.11. For each action plan the gap and the causes are identified and necessary action with details and targets are mentioned and also the result confirmation date. The status of the process can also be indicated.

Table 3.11 Daily Routine Work Management (DRM)

3.3.11 Self Examination

At the end of every year, each individual in the deployment process prepares this self-examination form as given in table 3.12 for
evaluating the objectives in MP/CP. It will be the same as MP/CP form with slight modification. Here, the final overall results are indicated and the causes for not achieving the result are also mentioned, if any. Based on this, the next year plan is prepared. Also, this form acts as an individual scorecard for measuring the performance of the individual.

Table 3.12 Self-Examination (Self-Exam)

<table>
<thead>
<tr>
<th>MANAGING POINTS</th>
<th>MAJOR MEASURES</th>
<th>EXECUTION</th>
<th>RESULTS</th>
<th>CAUSES IF THERE IS A GAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ref. No.</td>
<td>ITEM</td>
<td>TARGET</td>
<td>SL No.</td>
<td>ITEM</td>
</tr>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

3.4 CONCLUSION

The various forms developed for all the levels in the policy management process have been discussed in detail. The proposed policy deployment model is applied in three Auto ancillary companies and the model is validated. The case studies of the three companies are discussed in the next chapter.