

Operating Plan Framework (*Version 1.0*)

Organization:

Products:

Services:

Situation Orientation

Official Documents and Plans

Get copies of their official documents:

- Business Plan's Operations section
- Manufacturing / Creation Plan(s)
- Capital Estimates for significant equipment centres / resources
- Any other official reports that identify costs of ownership, etc.

NB: Validate all numbers with the Controller and/or Finance!

Process Structure

Artisanal / Craft

Job shop

Discreet batches

Assembly line – connected batches (flow)

Continuous flow (discreet product)

Process industry

Product / Service Structure

- Volume*
- Low – Few Products / Services
 - Low – Multiple Products / Services
 - Medium – Few Products / Services
 - Medium – Multiple Products / Services
 - High – Few Products / Services
 - High – Multiple Products / Services

<i>Standardization</i>					
<i>Low</i>		<i>High</i>		<i>Customization</i>	

Product / Service Line(s)

Identify each distinct product and service + group into lines / families where possible:

(attach separate sheets as needed)

Value & Cost

For **each** product / service, determine:

(attach separate sheets as needed)

- Annual value it creates / Revenue goals?
- Annual cost / Cost goals?
- Annual profit / Profitability goals?
- Volume produced?
- Value / cost / profitability per unit produced and/or service rendered?
- Value / cost / profitability by product / service type?
- Value / cost / profitability by customer segments and by each customer?

Workforce

Create and populate an organigram:

(attach separate sheets as needed)

Operations Management

Who is in what management role(s)?

(attach separate sheets as needed)

For each manager / supervisor:

(attach separate sheets as needed)

Gather relevant details of who is in what positions for how long

+ past histories / roles inside and out of organization

Gather relevant details of supporting and/or blocking tendencies and philosophies

How does he/she make decisions?

- What are the management reports they use to manage?

- How do they manage with them? (by exception, trend, bonusable results, etc.)

None	Exception	Trend	Bonusable results	Other:
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- How much do they trust the information given? Why?

Low	Medium	High
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- Who do they consult? For what reasons?

- How collaborative are the decisions?

Low	Medium	High
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How much trust do managers exhibit with those in the operations line?

Low	Medium	High
-----	--------	------

How much trust do managers exhibit with other managers?

Low	Medium	High
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How willing are they to listen to and work with front-line staff?

Not willing	Select willingness	Willing
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Front-Line (Hourly/Field/etc.) Workforce

Number of workers?

Shifts worked?

Hours worked (gross # and breaks)?

Unionized?

No	Partially	Yes
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Key people / positions?

Bonus Structure(s) (if any)?

How else are they "motivated"?

Big Picture Goal(s)

What are the organization's top 3 BHA goals for the next:

- month?
- quarter?
- year?
- 5 years?

What are operations' top 3 BHA goals for the next:

- month?
- quarter?
- year?
- 5 years?

Business System(s)

Do you have a documented, proven, repeatable process for creating / delivering your product / service?

+ How often is process compliance audited? No Somewhat Yes

Forecasting

Do you have a documented, proven, repeatable process for forecasting your product / service?

+ How often is process compliance audited? No Somewhat Yes

How sensitive is the production schedule to the sales forecasts?

Low Medium High

What forecasts exist?

By product / service? By machine/workstation?

Who provides these forecasts?

What information creates the forecast? Are they based on actual orders or projections?

How often are forecasts provided?

By product / service? By machine/workstation?

How accurate are the forecasts?

Low Medium High

Do forecasts change often?

+ Why?

+ Faster than their delivery cycle? Yes For some items Some "seasons" No

What long-lead items do you have that are beyond your forecasting time horizon?

What is the "Product" Lifecycle Plan for each product / service?

+ Where is each product / service within its Lifecycle Plan?

Supply Chain

Do you have a documented, proven, repeatable supply chain process for your product / service?

+ How often is process compliance audited?

No Somewhat Yes

How important is supply chain performance to the product / service production, quality, and/or cost?

Low Medium High

What percentage of the product / service final value is purchased from the supply chain?

0% 20% 40% 60% 80% 100%

Has the supply chain caused production, quality, and/or cost issues in the past?

What potential production, quality, and/or cost issues can the supply chain cause?

How global is the supply chain?

Value + quantity of parts?

- % of supply chain inside of Canada? 0% 20% 40% 60% 80% 100%
- % of supply chain inside of rest of N.A.? 0% 20% 40% 60% 80% 100%
- % of supply chain inside Eurozone? 0% 20% 40% 60% 80% 100%
- % of supply chain inside Asia-Pacific? 0% 20% 40% 60% 80% 100%
- % of supply chain in rest of the world? 0% 20% 40% 60% 80% 100%

What % of significant components to your products / services are "locked-in" long-term strategic contracts?

0% 20% 40% 60% 80% 100%

To what extent does your organization use supply networks vs. sourcing on your own?

None Somewhat Extensive use

How much are supply chain vendors strategic partners (partner experts) vs. mere suppliers?

Mere suppliers A mix of both Strategic partners

Manufacturing (& Assembly)

Do you have a documented, proven, repeatable manufacturing / creation process for your product / service?

+ How often is process compliance audited? No Somewhat Yes

How important is manufacturing performance to the product / service production, quality, and/or cost?

Low Medium High

Draw out the flows for each product &/or service (attach separate sheets as needed)

For each identified step, ask: (attach separate sheets as needed)

What happens / changes? (i.e., the value-add)

What enters?

What exits?

What gets consumed?

What waste is produced?
(avoidable / unavoidable)

Is this a Bottleneck? No Sometimes Yes

What are the standard costs (physical / labour)?

What are the actual costs (physical / labour)?

Do costs vary?
If so, why?

Who works here & what do they do?

- | | | |
|-----------------|-----|------------|
| - Unskilled? | #s: | Skills/do: |
| - Semi-skilled? | #s: | Skills/do: |
| - Skilled? | #s: | Skills/do: |

Testing

Do you have a documented, proven, repeatable testing process for your product / service?

+ How often is process compliance audited?

No Somewhat Yes

How important is testing to the product / service production, quality, and/or cost?

Low Medium High

What is the training and skill-level of your testing staff?

Are they regular or assigned on the fly?

How are testing results variances fed back into the line from corrective action?

Packaging

Do you have a documented, proven, repeatable packaging process for your product / service?

+ How often is process compliance audited?

No Somewhat Yes

How important is packaging to the product / service production, quality, and/or cost?

Low Medium High

How important is packaging to the product / service market acceptance?

Low Medium High

Inventory

Do you have a documented, proven, repeatable inventory process for your product / service?

+ How often is process compliance audited?

No Somewhat Yes

How important is inventory and inventory control to the product / service production, quality, and/or cost?

Low Medium High

What is the value / amount of **finished** goods in inventory?

What is the finished goods inventory turn-over?

What are the effects / costs of a finished goods “stockout”?

Has this ever happened?

If so, how often?

What is the value / amount of **Work-In-Progress** (WIP) in inventory?

What is the WIP inventory aging / turn-over?

What are the effects / costs of a WIP “stockout”?

Has this ever happened?

If so, how often?

What is the value / amount of **raw material / purchased goods** in inventory?

What is the raw material / purchased goods inventory aging / turn-over?

What are the effects / costs of a raw material / purchased goods “stockout”?

Has this ever happened?

If so, how often?

Which inventory items create the biggest inventory challenge?

(What are their associated products / services?)

What inventory controls are in place?

How effective are they?

Warehousing

Do you have a documented, proven, repeatable warehousing process for your product/service? + How often is process compliance audited?	No	Somewhat	Yes
How important is warehousing to the product / service production, quality, and/or cost?	Low	Medium	High

Delivery

Do you have a documented, proven, repeatable delivery process for your product / service? + How often is process compliance audited?	No	Somewhat	Yes
How important is delivery to the product / service production, quality, and/or cost?	Low	Medium	High
What are the biggest issues affecting effective delivery of the product and/or service?			
How critical are customers' demands for timely delivery? Are you able to meet timeliness requirements? Are customers asking for JIT delivery?	Low	Medium	High

After Sales Service(s)

Do you have a documented, proven, repeatable after sales service process for your product / service? + How often is process compliance audited?	No	Somewhat	Yes
How important is after-sales service to the product / service production, quality, and/or cost?	Low	Medium	High
How important is after-sales service to the sales of the product and/or service?	Low	Medium	High
How much do customers see you as a value-adding strategic partner vs. just a vendor?	Vendor	Value-add OR strategic	Value-add AND strategic

Quality

Do you have a documented, proven, repeatable quality process for your product / service?

+ How often is process compliance audited?

No	Somewhat	Yes
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How important is quality to the product / service market acceptance?

Low	Medium	High
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What specialized QA tools / techniques exist?

No	Optional	Yes
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What formalized set of procedures for each operation at each workstation are there?

How often are these checked &/or revised?

What key steps have special QA measures?

(Ex: raw material, incoming component, finished product testing, etc.)

How is quality ensured in product / service?

Final testing only	Sampling at key stations	Continuous testing at key stations
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- If not continuous, how often are audits done to ensure efficacy?

Never	Sometimes	Routinely
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- How are QA variances dealt with?

No action	By exception / severity only	Always
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Maintenance

Do you have a documented, proven, repeatable maintenance process for your product/service?

+ How often is process compliance audited?

No	Somewhat	Yes
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How important is maintenance effectiveness to the product / service production, quality, and/or cost?

Low	Medium	High
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Draw out Maintenance's standard service-delivery process (if it exists):

(attach separate sheets as needed)

What % of maintenance is:

Reactive:	PM:	Predictive:
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Who drives maintenance? (% of time)

Operations EMERGENCY!:	Operations requests:	Maintenance planning:
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What are the key production or service creations steps for which maintenance is mission-critical?

Environmental

Do you have a documented, proven, repeatable environmental compliance process for your product / service?

+ How often is process compliance audited? No Somewhat Yes

What are the relevant environmental regulations affecting the product creation?

What are the relevant environmental regulations affecting the waste created?

Regulatory

Do you have a documented, proven, repeatable regulatory adherence process for your product / service?

+ How often is process compliance audited? No Somewhat Yes

What are the relevant regulatory regulations affecting the product / service creation / use?
What are the penalties for violating these?

Outsourcing:

Do you have a documented, proven, repeatable outsourcing process for your product / service?

+ How often is process compliance audited? No Somewhat Yes

How important is outsourcing to the product / service production, quality, and/or cost?

Low Medium High

What % of the steps / components of the product / service are outsourced?

0% 20% 40% 60% 80% 100%

What % of these outsourced steps is to single-source suppliers?

0% 20% 40% 60% 80% 100%

Safety:

Do you have a documented, proven, repeatable safety process for your product / service?

+ How often is process compliance audited?

No

Somewhat

Yes

Lost time due to accidents in the last year?

% of workforce / # of workers on modified duty?

Number + type of first-aid incidents in last year?

How are “near-misses” tracked?

What is your safety-related track record with the Government and/or Insurance providers?

Staffing / Scheduling / Training:

Do you have a documented, proven, repeatable staffing / scheduling / training process for your product / service?

+ How often is process compliance audited?

No Somewhat Yes

How important is training to the product / service production, quality, and/or cost?

Low Medium High

What is the staff turnover? Does it vary?

What is the absenteeism rate? Does it vary?

Who schedules employees for work? + How?

How integrated is the work scheduling and production forecasting?

Low Medium High

What are the critical skill and/or resource shortages?

+ effects of these?

What formal training efforts exist?

How is training done?

(may need to be workstation dependent)

Ad-hoc At the beginning Refreshers

How is training effectiveness evaluated?

(may need to be workstation dependent)

Ad-hoc At the beginning Continuously

When is training provided?

As a perk / Ad-hoc Scheduled In response to issues

What formalized training for each operation at each workstation is there?

How often is situation-specific training audited?

What is the target amount of \$ & time budgeted for training at each level and station?

What is the expected amount of \$ & time spent training by each level of management for each level and station?

Costs:

Do you have a documented, proven, repeatable cost-determination process for (each step of) your product / service?

+ How often is process compliance audited? No Somewhat Yes

How much waste / scrap is there in the manufacturing processes?
(avoidable and unavoidable)

How is this waste / scrap measured and tracked?

To what extend are common components leveraged? None Very little Somewhat Usually Often All the time

Other:

Management System(s)

“What is important at / in this step”?

“How do you know you have done a good job?”

Do you have a documented, proven, repeatable **overall process** for managing your product / service creation / delivery?

No

Somewhat

Yes

KSF – Production / Productivity

(attach separate sheets as needed for each KPI)

KPI –

Importance / Criticality (of this KPI)?

Very Low	Low	Low Med.	Med. High	High	Very High
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Current Budget / Quota? + Who set these? How?

Current Results?

Historical Results?

Which group/shift performs better than others?

Results variability within a group and/or shift?

Very Low	Low	Low Med.	Med. High	High	Very High
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How is performance measured?

tool + process

When is performance measured

summary/detail?

Who measures performance?

Anything else get recorded?

(e.g. downtime, ideas)

How is performance reported?

summary / detail

When is performance reported?

summary / detail

Who reports performance?

Who gets performance reports?

Do they have regular meetings? (+ Agenda?)

No	At times	Yes
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Who (if anyone) decides what to improve?

How are improvement ideas captured?

By whom?

How efficient are these efforts?

How are identified opportunities linked to external results?

(e.g. field reports / market or financial needs, etc.)

How are performance variances followed-up upon?

How much of customer-initiated improvements / innovations are actually fed back to the initiating customer(s)?

KSF – Quality

(attach separate sheets as needed for each KPI)

KPI –

Importance / Criticality (of this KPI)? Very Low Low Low Med. Med. High High Very High

Current Budget / Quota? + Who set these? How?

Current Results?

Historical Results?

Which group/shift performs better than others?

Results variability within a group and/or shift? Very Low Low Low Med. Med. High High Very High

How is performance measured?

tool + process

When is performance measured

summary/detail?

Who measures performance?

Anything else get recorded?

(e.g. downtime, ideas)

How is performance reported?

summary / detail

When is performance reported?

summary / detail

Who reports performance?

Who gets performance reports?

Do they have regular meetings? (+ Agenda?) No At times Yes

Who (if anyone) decides what to improve?

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How are identified opportunities linked to external results?

(e.g. field reports / market or financial needs, etc.)

How are performance variances followed-up upon?

How much of customer-initiated improvements / innovations are actually fed back to the initiating customer(s)?

KSF – Value

(attach separate sheets as needed for each KPI)

KPI –

Importance / Criticality (of this KPI)? Very Low Low Low Med. Med. High High Very High

Current Budget / Quota? + Who set these? How?

Current Results?

Historical Results?

Which group/shift performs better than others?

Results variability within a group and/or shift? Very Low Low Low Med. Med. High High Very High

How is performance measured?

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How are identified opportunities linked to external results?

(e.g. field reports / market or financial needs, etc.)

How are performance variances followed-up upon?

How much of customer-initiated improvements / innovations are actually fed back to the initiating customer(s)?

KSF – Safety

(attach separate sheets as needed for each KPI)

KPI –

Importance / Criticality (of this KPI)? Very Low Low Low Med. Med. High High Very High

Current Budget / Quota? + Who set these? How?

Current Results?

Historical Results?

Which group/shift performs better than others?

Results variability within a group and/or shift? Very Low Low Low Med. Med. High High Very High

How is performance measured?

tool + process

When is performance measured

summary/detail?

Who measures performance?

Anything else get recorded?

(e.g. downtime, ideas)

How is performance reported?

summary / detail

When is performance reported?

summary / detail

Who reports performance?

Who gets performance reports?

Do they have regular meetings? (+ Agenda?) No At times Yes

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By whom?

How efficient are these efforts?

How are identified opportunities linked to external results?

(e.g. field reports / market or financial needs, etc.)

How are performance variances followed-up upon?

How much of customer-initiated improvements / innovations are actually fed back to the initiating customer(s)?

KSF – Cost

(attach separate sheets as needed for each KPI)

KPI –

Importance / Criticality (of this KPI)? Very Low Low Low Med. Med. High High Very High

Current Budget / Quota? + Who set these? How?

Current Results?

Historical Results?

Which group/shift performs better than others?

Results variability within a group and/or shift? Very Low Low Low Med. Med. High High Very High

How is performance measured?
tool + process

When is performance measured
summary/detail?

Who measures performance?

Anything else get recorded?
(e.g. downtime, ideas)

How is performance reported?
summary / detail

When is performance reported?
summary / detail

Who reports performance?

Who gets performance reports?

Do they have regular meetings? (+ Agenda?) No At times Yes

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How are improvement ideas captured?
By whom?
How efficient are these efforts?

How are identified opportunities linked to external results?
(e.g. field reports / market or financial needs, etc.)

How are performance variances followed-up upon?

How much of customer-initiated improvements / innovations are actually fed back to the initiating customer(s)?

KSF – Other???

(attach separate sheets as needed for each KPI)

KPI –

Importance / Criticality (of this KPI)? Very Low Low Low Med. Med. High High Very High

Current Budget / Quota? + Who set these? How?

Current Results?

Historical Results?

Which group/shift performs better than others?

Results variability within a group and/or shift? Very Low Low Low Med. Med. High High Very High

How is performance measured?
tool + process

When is performance measured
summary/detail?

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(e.g. field reports / market or financial needs, etc.)

How are performance variances followed-up upon?

How much of customer-initiated improvements / innovations are actually fed back to the initiating customer(s)?

IMPROVEMENTS & INNOVATION:

Product / Service Process Improvements:

Do you have a documented, proven, repeatable process for consistently **improving** how your products / services are made / delivered?

No Somewhat Yes

Are improvement efforts strategic or tactical?

Tactical A mix of both Strategic

What is the improvement budget?

Who is / are responsible for improvement efforts?

In operations?

How many different process improvements were attempted last year focused on:

- Faster (process)?
- Better (process)?
- Cheaper (process)?

#:	What::	Results
#:	What::	Results
#:	What::	Results

How is staff chosen for innovation / development efforts?

Ad-hoc / volunteers Secondment Specialists Dedicated

How many *different* improvement efforts are underway at present?

Highest # in recent history: Present #:

What has been the most in the recent past history?
What are they?

How involved are senior managers in improvement efforts

- Participants Little to none Select / somewhat Highly
- Champions Little to none Select / somewhat Highly

What are your top 3 or 5 improvement opportunities?

What common vision or purpose around improvements can everyone articulate?

What % of improvements comes from internal feedback vs. customer feedback?

What systems solicit customer feedback?

How can these systems be improved?

What mechanisms exist for connecting back with clients about their feedback?

What is the trend for the # of improvement ideas?

How often do you consult with technical experts outside of the organization for guidance / help improving?

How often do you technical experts outside of the organization contact you to as an improvement leader?

New Product / Service Development / Innovations:

Do you have a documented, proven, repeatable process for consistently **improving** your products / services?

No Somewhat Yes

How important is new product / service development to overall sales?

Low Medium High

Are innovation efforts strategic or tactical?

Tactical A mix of both Strategic

What is the innovation / R&D budget?

Who is / are responsible for new product development efforts?

How many different product / service innovations were attempted last year focused on:

- Faster (product / service)?
- Better (product / service)?
- Cheaper (product / service)?

#:	What::	Results
#:	What::	Results
#:	What::	Results

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How many *different* innovation / development efforts are underway at present?

Highest # in recent history: Present #:

What has been the most in the recent past history? What are they?

How involved are senior managers in innovation / development efforts

- Participants Little to none Select / somewhat Highly
- Champions Little to none Select / somewhat Highly

What are your top 3 or 5 innovation / development opportunities?

What common vision or purpose around innovation / development can everyone articulate?

What % of innovations / developments comes from internal feedback vs. customer feedback?

What systems solicit customer feedback?

How can these systems be improved?

What mechanisms exist for connecting back with clients about their feedback?

What is the trend for the # of innovation / development ideas?

How often do you consult with technical experts outside of the organization for guidance / help innovating / developing?

How often do you technical experts outside of the organization contact you to as an innovation / development leader?