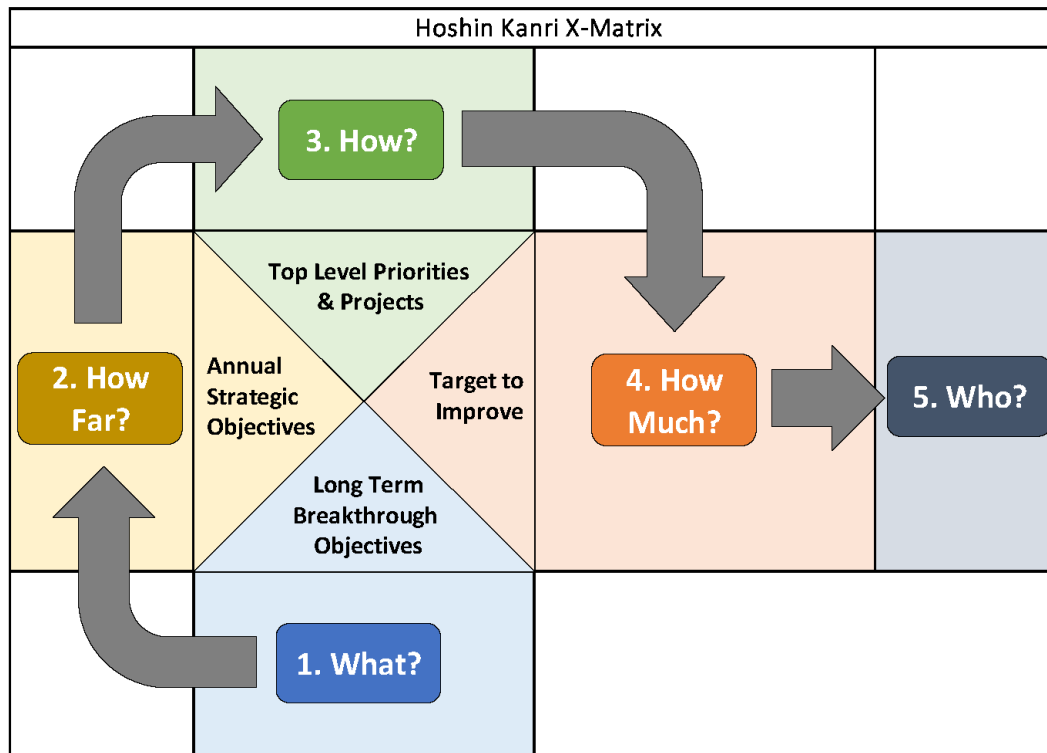


Study Guide: X- Matrix



WHAT IS THE X-MATRIX?

An X-matrix, also known as an "X-matrix diagram" or "Hoshin Kanri X-matrix," is a strategic planning tool used in lean management methodologies such as Hoshin Kanri, policy deployment, or strategy deployment. The X-Matrix is a visual representation that helps organizations align their strategic goals with their tactics and measures to achieve them.

The X comes from the X shape formed by a matrix located in each corner of the document.

Once you have in mind a specific strategic plan, the X matrix will contain the answer to the following questions.

- Why or what is our purpose? – What are we trying to achieve in the long term?

The answers are stated as a small set of breakthrough objectives the organization will pursue typically over a three-to-five-year period.

- What actions will we take now towards our ambitions?
- How much do we expect these actions to contribute towards our objectives in the following year?
- Who is responsible for taking each of these actions?

In the layout of the X-Matrix we see that each of the sections corresponds to answering the WHY, WHAT, HOW, HOW MUCH, and WHO.

The X- Matrix does not answer the question: WHEN? This is because the strategic actions outlined in the X-Matrix are based on an annual plan.

For the X-Matrix to function, it's necessary to review the progress of our action plans at least every month. This requires that we use other time-based progress tracking tools such as the bowling chart together with the X-Matrix.

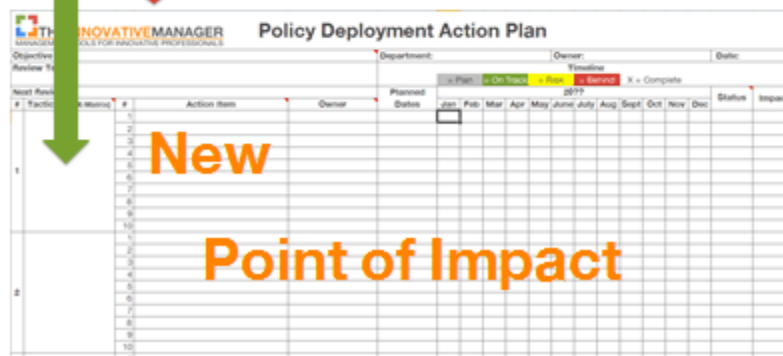
THE LEVELS OF THE X MATRIX



Level 1 X-Matrix: Top level organization planning



Level 2 X-Matrix: Division or Department Level planning
(strategic plan and relevant objectives for the division or department are directly transferred)



Action Plan: Team or Individual Level planning

It is common to have three different levels of interconnected X-Matrices. The top-level X-Matrix represents the President, CEO, business owner, or other top-level leader and their strategic targets.

At the second level, you have the leaders who report to the top level of the organization.

In a Level 1 Matrix, the top person in the organization will include names of people at the second level as being responsible for one or more improvement priorities. When a person is named as a primary resource in this way, they must create an X-Matrix to answer how, to what degree, and who will achieve it.

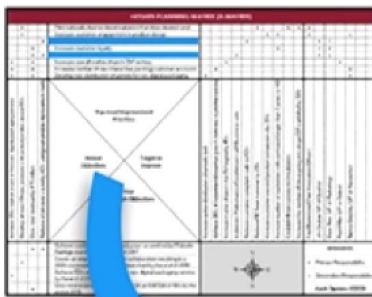
At the third level you will find project teams, departments, sections, plants, wards, or other units.

For larger organizations, it is not unusual to have more levels as needed, to connect the top-level objectives with frontline teams. The objectives on a top-level X-matrix are on a long-term horizon (3 to 5 years). Once these objectives are broken down into yearly goals, these goals become the objectives for the levels below.

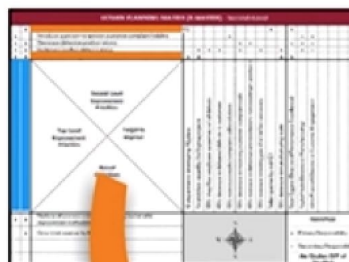
Within a strategic plan, each X-matrix is owned and managed by ONE person. Each manager or leader is responsible for taking action on the X-Matrix, meeting timelines, and achieving targets. Each matrix represents only one of several people reporting to the top manager, this means a top-level matrix will require several second-level matrices. Each person may support one or more objectives deployed from their leader's X-Matrix but they all will be in one document.

THE X-MATRIX ROLE IN THE PLANNING AND EXECUTION PHASES OF STRATEGY DEPLOYMENT

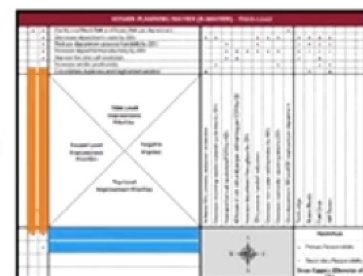
Top Level



Second Level



Third Level



The X-Matrix plays a role in both planning and execution of the company strategy. This is how:

- Supports critical thinking.
- Focuses on a vital few objectives.

- Enables collaboration.
- Creates alignment.

This is done through the process of creating an X-Matrix at each level of the organization. The objectives and actions in the X-Matrix are linked to the ones above and below it.

Each person responsible for an X-Matrix follows the same steps to think of what they need to do, and with what resources.

To build a strategic plan, we have to build consensus. We do this through the catchball process.

The catchball process is a crucial component of the X-matrix methodology, particularly within the context of Hoshin Kanri. It's a communication and collaboration process that involves iterative discussions and feedback loops among various levels of the organization to refine and align the strategic plan outlined in the X-matrix. Here's how the catchball process typically works within the X-matrix framework:

- **Initial Drafting:** The process begins with the development of the initial X-matrix, where senior leaders define the organization's long-term objectives, strategies, metrics, and targets.
- **Sharing with Key Stakeholders:** Once the initial draft of the X-matrix is prepared, it's shared with key stakeholders across different levels of the organization, including middle managers, department heads, and frontline employees.
- **Feedback and Input:** Stakeholders are encouraged to provide feedback, suggestions, and input on the proposed objectives, strategies, metrics, and targets. This feedback is crucial for ensuring that the strategic plan is comprehensive, feasible, and aligned with the realities of the organization's operations.

- **Iterative Discussions:** Through a series of iterative discussions and meetings, the X-matrix is refined based on the feedback received from stakeholders. This may involve revising objectives, adjusting strategies, fine-tuning metrics, or setting more realistic targets.
- **Negotiation and Consensus-Building:** The catchball process fosters negotiation and consensus-building among stakeholders. It provides an opportunity for different parts of the organization to express their perspectives, share insights, and reach agreement on the strategic priorities and actions needed to achieve them.
- **Finalization:** After multiple rounds of catchball discussions and revisions, the X-matrix is finalized. It reflects a shared understanding of the organization's strategic direction and the collective commitment of stakeholders to work towards achieving the defined objectives.
- **Execution and Monitoring:** Once the X-matrix is finalized, the organization begins executing the strategic plan outlined in the matrix. Continuous monitoring and review of performance against the established metrics and targets help ensure that the organization stays on track and makes necessary adjustments as needed.

Overall, the catchball process promotes collaboration, alignment, and ownership of the strategic plan throughout the organization, ultimately enhancing the likelihood of successful execution and achievement of desired outcomes.