



## **STRATEGY DEPLOYMENT**

*Best Practices and Leadership Behaviors that  
Deliver Breakthrough Results*

### Industry Week Best Plants Conference

co-presented by Pactiv Corporation and TBM Consulting Group, Inc.

April 2010





# Your Presenters Today

## **Kevin Quinn**

Vice President of Operations, Pactiv Corporation

Mr. Kevin Quinn is currently Vice President, Operations for Pactiv Corporation, headquartered in Lake Forest, Illinois. Mr. Quinn oversees 29 manufacturing facilities and 7 regional distribution centers throughout North America. Mr. Quinn joined Pactiv in 1999 following stints at Tenneco Corporation, Mobil Oil (chemical division), and the U.S. Navy. Mr. Quinn received a B.S. Engineering from the U.S. Naval Academy in 1981 and received his M.B.A. from Georgia State University in 1992.

## **Dan Sullivan**

TBM Partner and Executive Vice President, TBM Consulting Group, Inc.

Dan Sullivan is responsible for all of TBM's US and Mexico consulting operations. He has been a respected consultant, both internationally and in the U.S., for more than a decade. Sullivan came to TBM from the automotive industry. He worked at Ford and Nissan Motor Manufacturing Corporation in leadership positions in both engineering and manufacturing operations. During his 13-year career at Nissan, Sullivan developed expertise in all aspects of Toyota Production System principles. Sullivan is a graduate of the Georgia Institute of Technology, with a degree in Industrial Management.





# What We'll Cover Today

- What is a high-performance business system
- Strategy deployment overview
- Pactiv presentation
  - Pactiv Performance System (PPS)
  - Pactiv strategy deployment process
  - Benefits and lessons learned



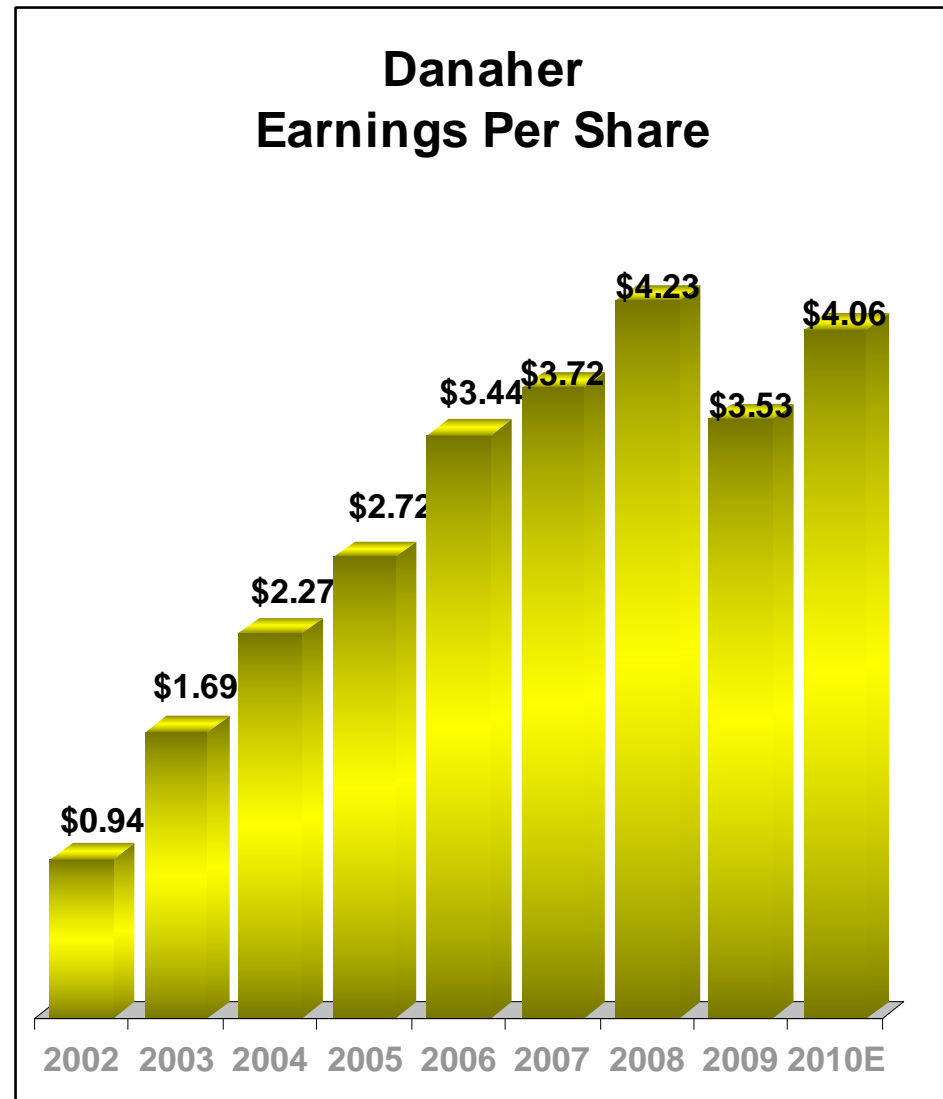


# A High Performance Business System

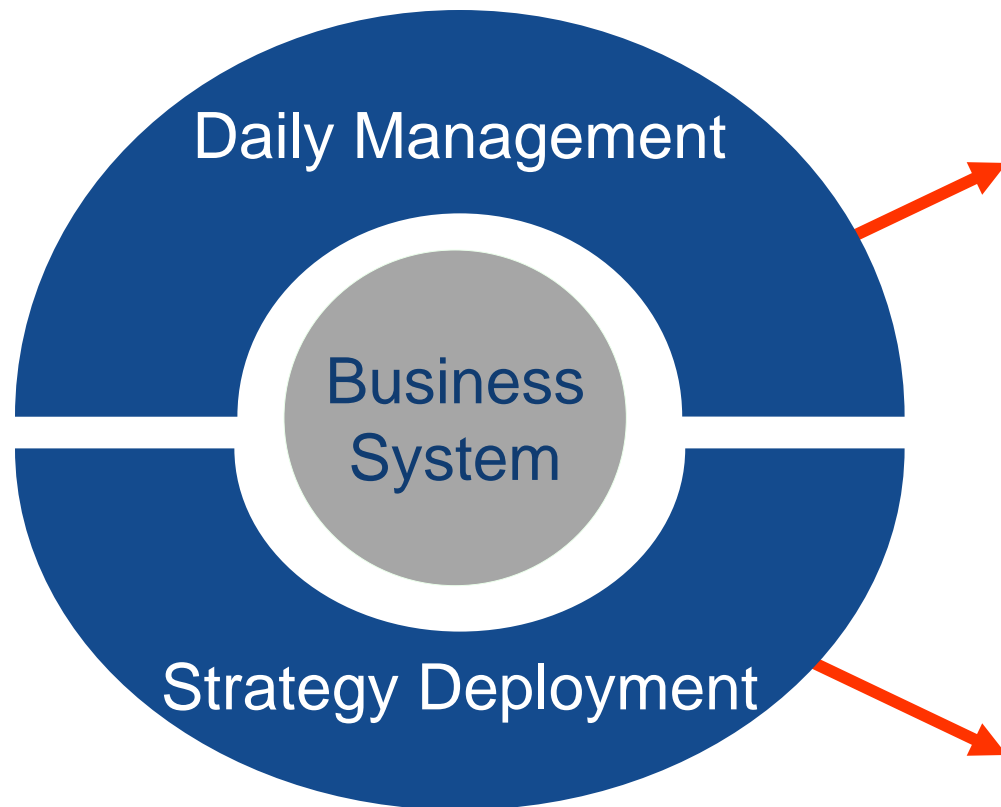
## The Gold Standard

HOW: The Danaher Business System – started in late 1980's

KEYS: Continuous improvement philosophy  
Strategic planning  
Employee engagement  
Enterprise-wide employee training  
Policy Deployment focus and passion  
Customer centric  
Product development and implementation  
“We compete for shareholders” mentality



# High-Performance Management System



## WORKING IN the business

- Kaizen focus
- Creates repeatable process
- Drives sustainment
- More functionally driven

## WORKING ON the business

- Breakthrough focus
- Creates significant competitive advantage
- Drives accountability
- Ensures execution and results

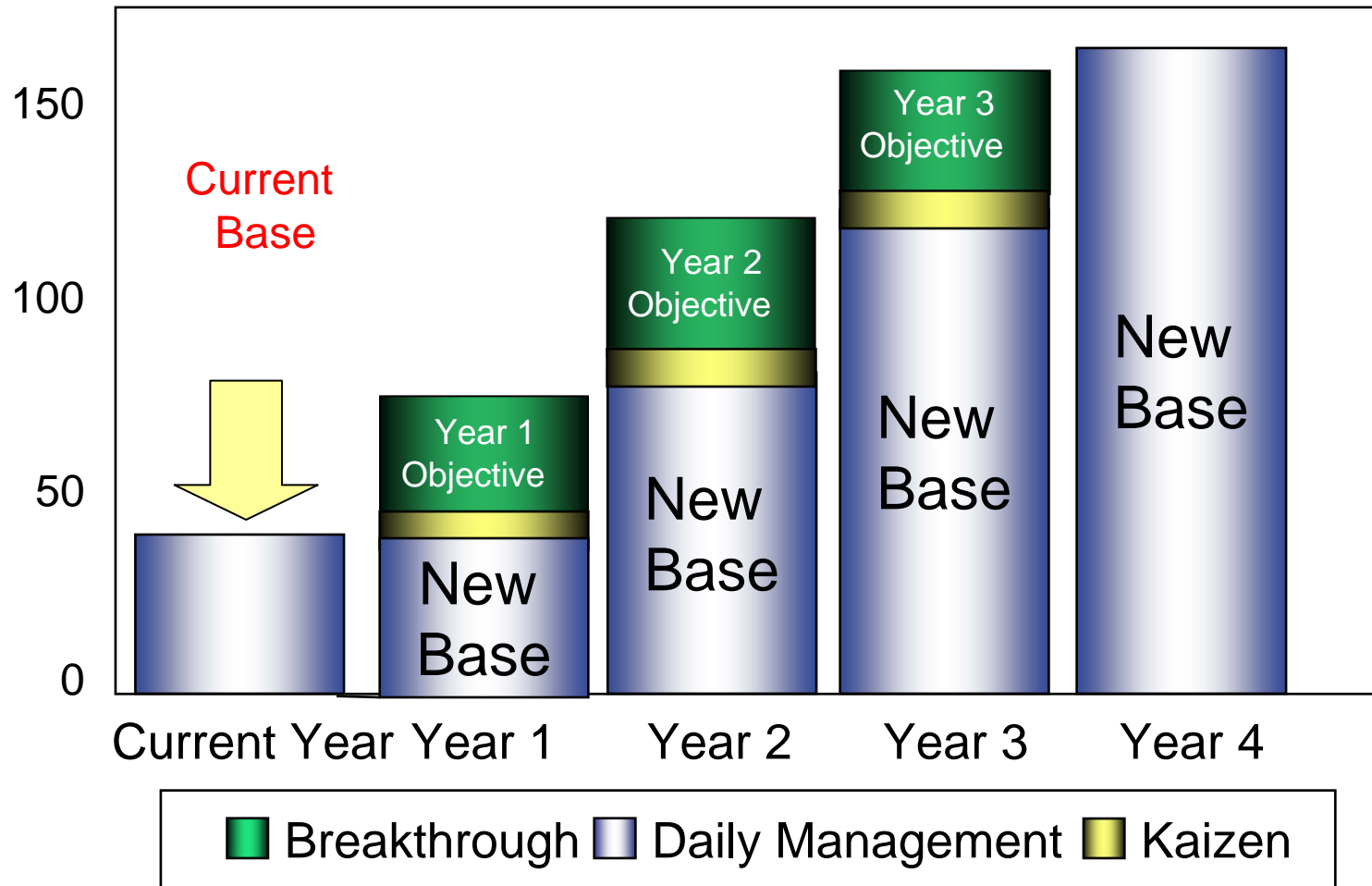


# Why use Strategy Deployment

- Enable progression to achieve 3-5 year **breakthroughs**
- Create focus on 1-year **execution plan** to stay on track towards breakthroughs
- Focus on the **critical few, customer-centric** objectives essential for long-term success
- **Align** breakthrough objectives with metrics, resources and support plans



# Strategy Deployment Results





# What You Can Learn From Pactiv

- Pactiv wanted to establish one enterprise wide business system to leverage continuous improvement
- **Why**
  - Improve alignment across recent acquisitions
  - Drive Revenue Growth and Productivity
  - Achieve substantial Earnings Improvement
- **Key Learning from Today's Session**
  - Understand the approach
  - Gain insight to our process
  - Learn from our experience





## Company Overview

- \$3.4 billion specialty packaging company
- Leader in consumer and food service packaging markets
- Number one or two position in major product lines
- 46 manufacturing facilities
- 12,000 employees



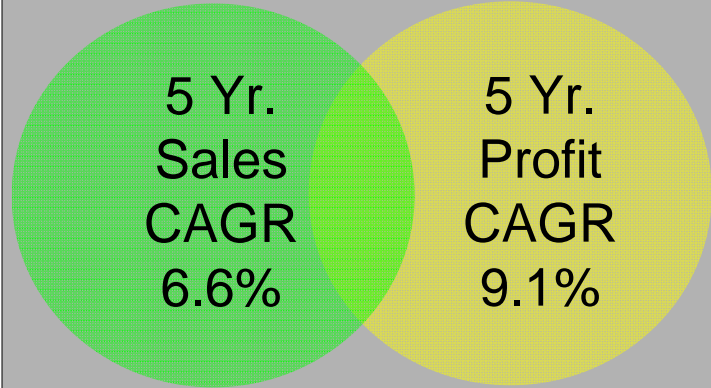
 **PACTIV** Pactiv Corporation





# Hefty® Consumer Products

38% of 2009 Sales





# Food Service / Food Packaging

62% of 2009 Sales

5 Yr.  
Sales  
CAGR  
5.2%

5 Yr.  
Profit  
CAGR  
7.5%



# The Pactiv Attitude





# The Pactiv Journey

## How we formed the Pactiv Production System

→ Commitment	<ul style="list-style-type: none"><li>• Senior leadership onboard<ul style="list-style-type: none"><li>– Corporate and plant dedicated resources to CI</li></ul></li></ul>
→ Readiness	<ul style="list-style-type: none"><li>• Awareness and training<ul style="list-style-type: none"><li>– All management levels</li><li>– Implementation Plans established</li></ul></li></ul>
→ Launch	<ul style="list-style-type: none"><li>• Phased roll-out across the facilities<ul style="list-style-type: none"><li>– Leverage learning opportunities</li><li>– Best practices established/shared</li></ul></li></ul>
→ Accelerate	<ul style="list-style-type: none"><li>• Extend beyond the manufacturing plants<ul style="list-style-type: none"><li>– Supply chain</li><li>– Logistics/distribution</li></ul></li></ul>



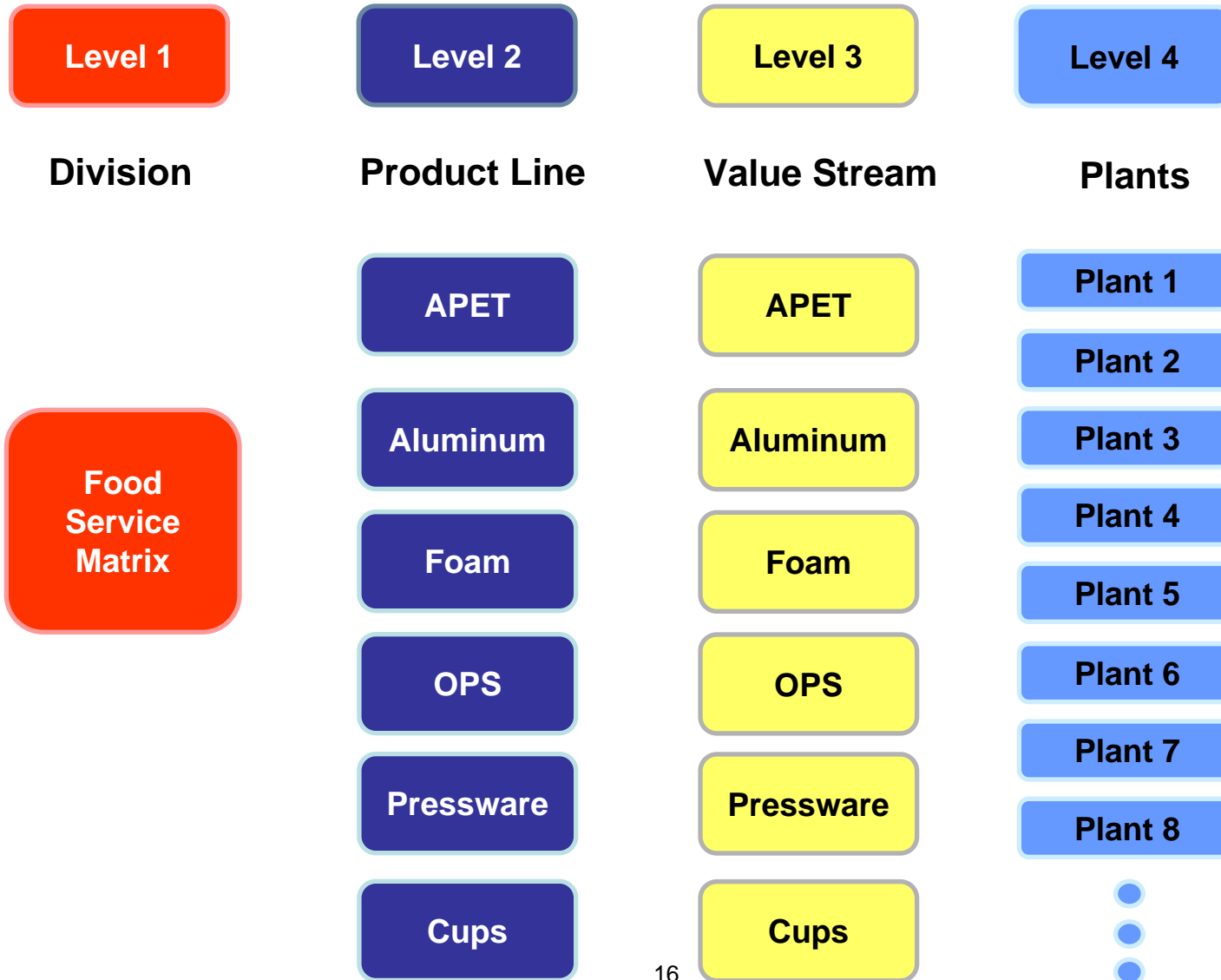


## Why Strategy Deployment at Pactiv

- Needed to develop standardized processes across the organization to sustain improvements
- Leverage recent acquisition quickly
- Align each business to overall organizational 'breakthrough' goals and objectives
- Increase collaboration and sharing of best practices



# Strategy Deployment Matrix









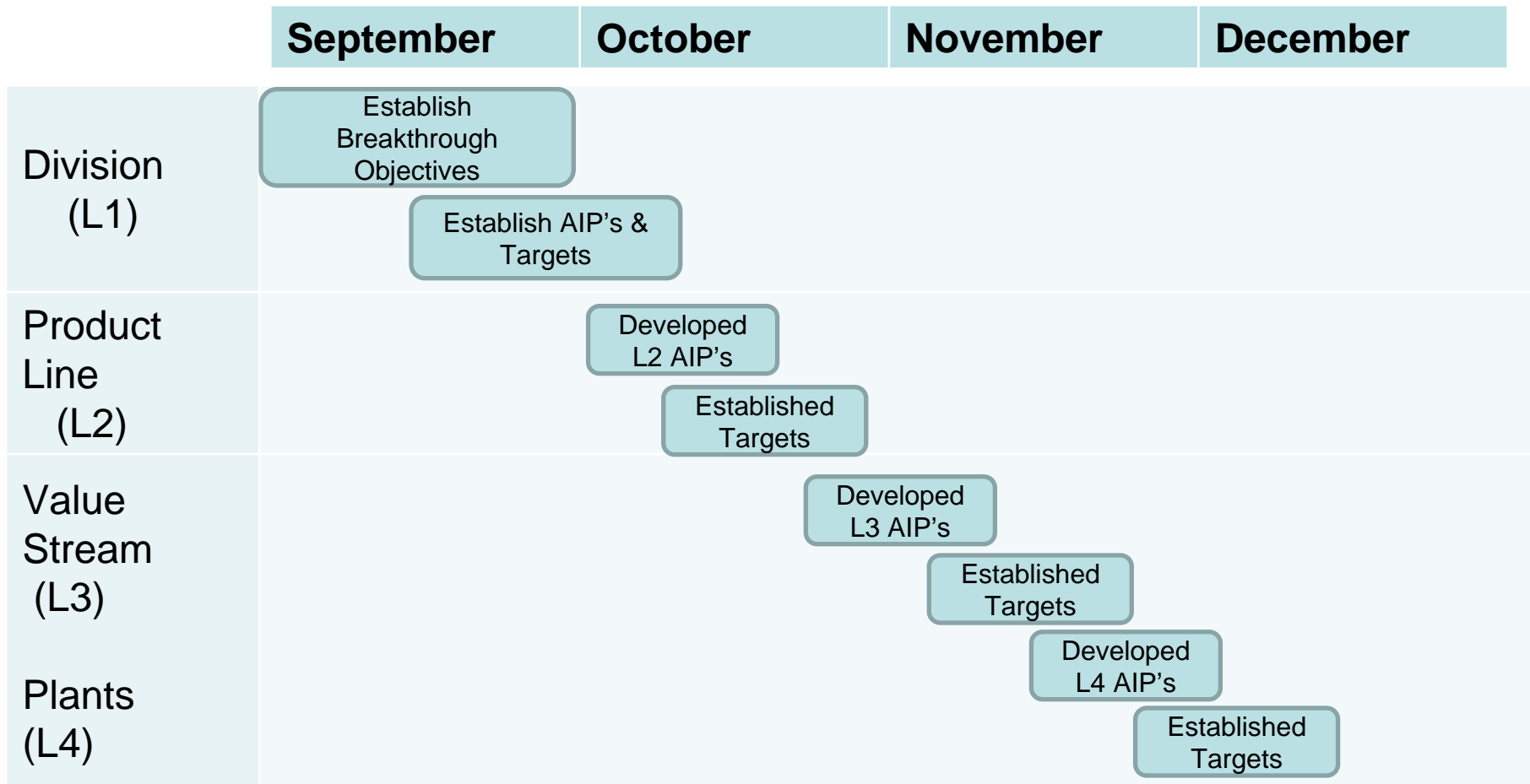








# Rollout of Strategy Deployment



## Monthly Review: Role of Leaders

- Lively review sessions to test understanding
- Don't try to solve the team's issues
  - Do they understand the situation with data
  - Are there resource conflicts
- Evaluate effectiveness of specific projects & action plans
- Evaluate effectiveness of the overall improvement process
- Decide what actions to take and when



## Monthly Review: Questions for Leaders

- Are we meeting targets with sustainable business processes?
- Do we understand the root cause of bad results?
- Are we working on appropriate counter measures?
- Are we focused on strategic break through objectives?
- Are we adequately resourced?
- Is improvement process inadequate?
- Are the implementation plays based on facts or opinion?
- Are we creating a blameless, learning culture using facts and data?





## Strategy Deployment: **Benefits**

- Root cause and counter measures facilitate problem solving – create a learning culture
- Focuses on critical few priorities for the business
- Everyone aligned to the same objectives
- Employees are deeply engaged
- Review cycle enables accountability and discipline
- Annual improvements are process-based – creating a sustainable approach





1. Establish a clear, understandable 3 year Strategy
2. Establish and Agree on Annual Breakthrough Objectives
3. Cascade down to point of execution (product lines, value streams, plants)
4. Train teams at all levels in the process
  - Annual Improvement Priorities, Targets to Improve, Countermeasures
5. Establish monthly review process – all levels
6. Sustainable results come from reliable processes



## More Information

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Questions & Answers?

**Thank you!**

