

# FOCUS. DISCIPLINE. RESULTS.

With strategy deployment, Pactiv aims to align all business levels on singular goal of breakthrough achievements.

Pactiv Corp. has been in an acquisition phase in recent years, not surprising given that growth is identified by the Lake Forest, Ill.-based manufacturer as one of its strategic objectives. Most recently the company, which manufactures consumer and foodservice packaging (Hefty is one of its brands), completed a \$200 million acquisition in April, and last year it picked up a North Carolina manufacturing plant and its associated plastics business.

Pactiv has expanded into a \$3.4 billion company with 46 manufacturing facilities and some 12,000 employees. But with growth comes complexity and a need to manage that complexity. The company's answer: strategy deployment.

What is strategy deployment? Also referred to as hoshin kanri, policy deployment or hoshin planning, strategy deployment is "about execution," describes Dan Sullivan, executive vice president of TBM Consulting Group. At its simplest, it's described as a disciplined approach for achieving breakthrough results (not simply incremental gains). It does so by establishing three- to five-year breakthrough objectives as well as the focus, alignment and action plans required across an organization to achieve those objectives.




**In order to advance "breakthrough objectives," each Pactiv plant develops an annual improvement plan and targets.**

Pactiv introduced strategy deployment in its foodservice division about two years ago, according to Kevin Quinn, vice president of operations at Pactiv Corp. (Quinn discussed his company's strategy deployment process in a co-presentation with TBM's Sullivan during IndustryWeek's Best Plants conference in April.) While "complexity" is the short answer as to the impetus for strategy deployment, Quinn outlined more specific drivers for Pactiv's implementation: to standardize processes across the organization to sustain the gains of its continuous improvement efforts; to quickly leverage a recent acquisition; to align all levels of the business to Pactiv's overall organizational breakthrough goals and objectives; and to increase collaboration and sharing of best practices.

Quinn described how Pactiv developed three-year breakthrough objectives, which were translated into one-year goals, annual improvement priorities and measurable targets in support of those shorter-term goals. The annual goals, Quinn explained, are a subset of the breakthrough objectives or "what you can reasonably accomplish in one year" while in pursuit of the three-year objectives. As TBM Consulting's Sullivan explained, the one-year execution plan is a means to stay on track toward the longer-term breakthrough objectives.

Key to the strategy deployment process is its cascading nature. For Pactiv that meant not only did the division level establish breakthrough objectives and associated improvement plans, but also the levels below the foodservice division (product lines, value streams and plants) developed annual improvement plans and targets, ultimately in support of the breakthrough objectives.

Another key to Pactiv's process are monthly review meetings at all levels. These meetings address progress against targets, discuss poor results and determine whether appropriate countermeasures are in place to deal with them; review resources applied toward projects; and review whether appropriate projects and plans are being pursued.

Quinn acknowledged that unexpected situations may arise that conflict with a well-developed strategy deployment process. When that happens, it's discussed at the monthly meetings and priorities may have to change. "Life does get in the way," he says. "But it doesn't happen all that often." 

Pactiv Corporation has been a client of TBM Consulting Group for over three years. To learn more about how Pactiv is using the strategy deployment process, [click here](#) to ac-

cess the webinar, Strategy Deployment: Best Practices and Leadership Behaviors that Deliver Breakthrough Results.

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