

Hoshin Kanri
ASQ Northridge
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方針管理

PIVOT
Management Consultants

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Our Agenda for Today



- What Exactly is 'Hoshin Planning' ?
- The 'FADIR' methodology
- Traditional vs Hoshin Planning
- Aspects, Elements & Measures
- Lets Create A Plan

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What Exactly is 'Hoshin Planning'?

- 'We define Hoshin Planning as an approach to planning for breakthrough improvements towards an organization's vision. Hoshin Planning draws on systems thinking, teamwork, the PDCA cycle, and a series of creative and logical tools designed to accelerate the achievement of the 'Hoshin' objectives.'



What Exactly is 'Hoshin Planning'?

- '....an Executive-level process for developing and achieving business plans, whereby the plan and its related goals are deployed throughout the organization. The focus is on strategic, breakthrough priorities, developing appropriate implementation plans for all to follow, and deploying those plans throughout the organization.'


'The Process-driven Business'
Eureka and Ryan, 1993



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What Exactly is 'Hoshin Planning'?

- 'Strategic planning that selects a breakthrough objective annually, aligns the plans at all levels, and implements, reviews, and improves the plan on a regular and annual basis.'



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What Exactly is 'Hoshin Planning'?

- Origins at the Kobe shipyards and at Bridgestone in about 1965-67.
- The Japanese is actually 'Ho Shin Kan Ri'.
'Shining Metal Pointing Direction'.
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- A Compass! A VISION COMPASS!

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Hoshin Kanri - Driven by Vision - Not Today's Problems

- A system to translate the vision into tangible and measurable objectives for achieving the breakthrough.
- Alignment created by cross-functional planning to achieve short-term objectives each year.

Hoshin Kanri Backwards from Perfect

- Fosters learning through the review process... you become better planners every cycle.
- Follows the Plan-Do-Check-Act cycle of continuous improvement.
- The thought process that drives the plan is called 'Backwards from Perfect'
- Uses the Management Planning tools to creatively and systematically probe and assess possible strategies.

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Simply put . . .

- Hoshin Kanri is a system of *forms and rules* that encourages employees to analyze situations, create plans for improvement, conduct performance checks and take appropriate action
 - **Forms** provide the planning structure
 - **Rules** provide the process for using the forms

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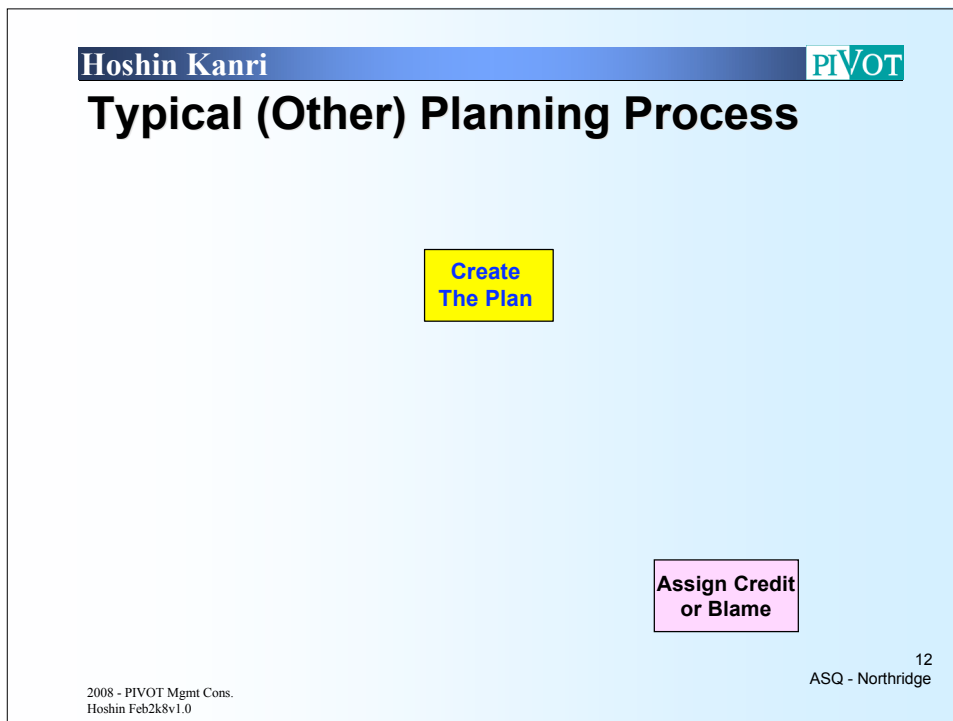
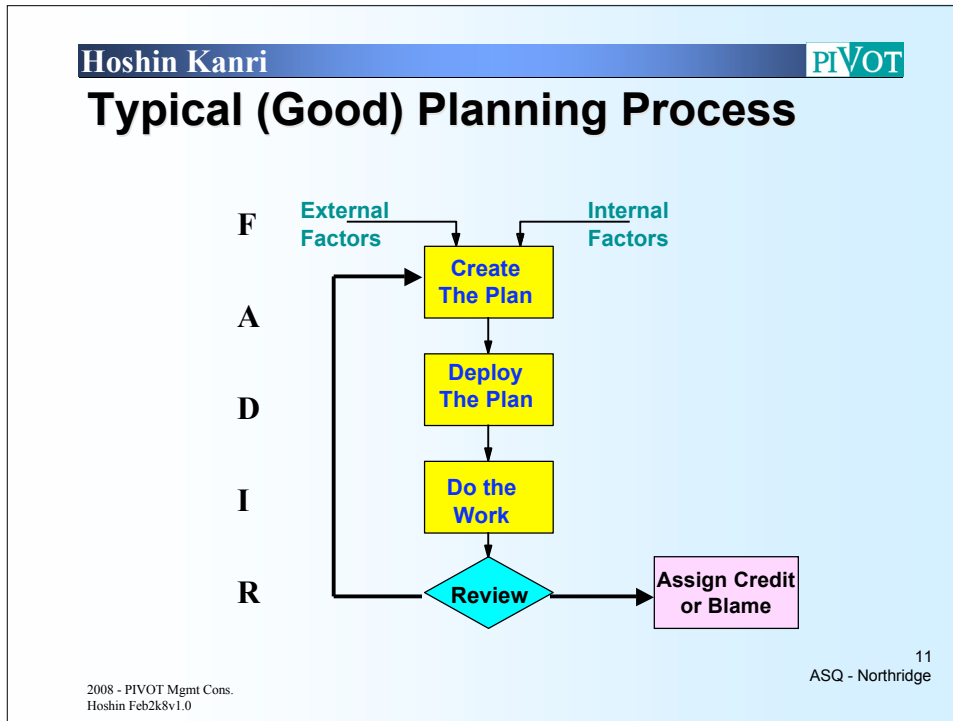
The Methodology: 'F-A-D-I-R'

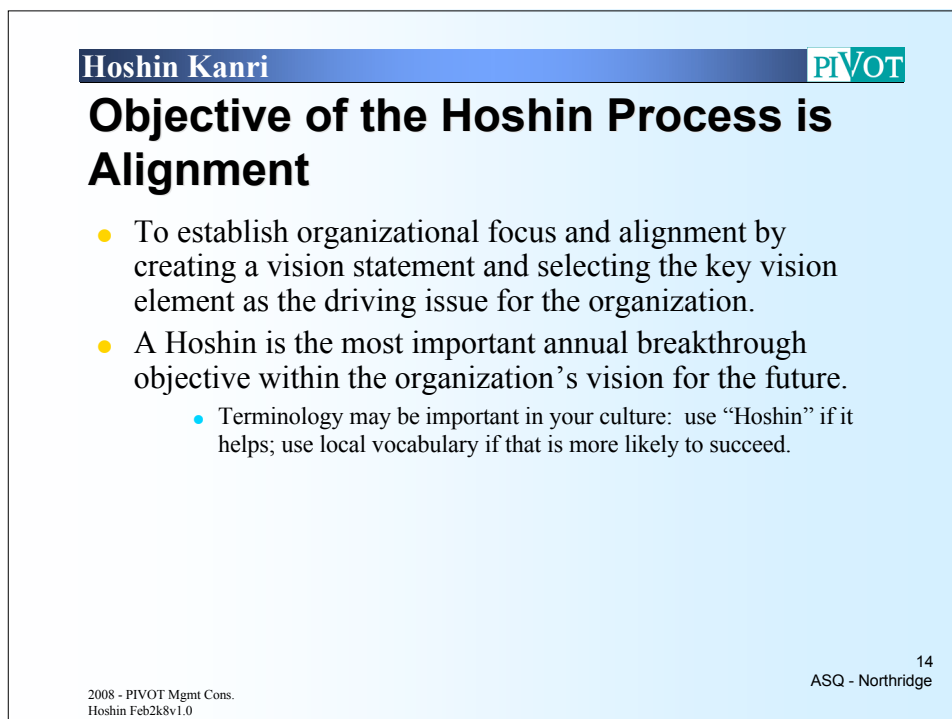
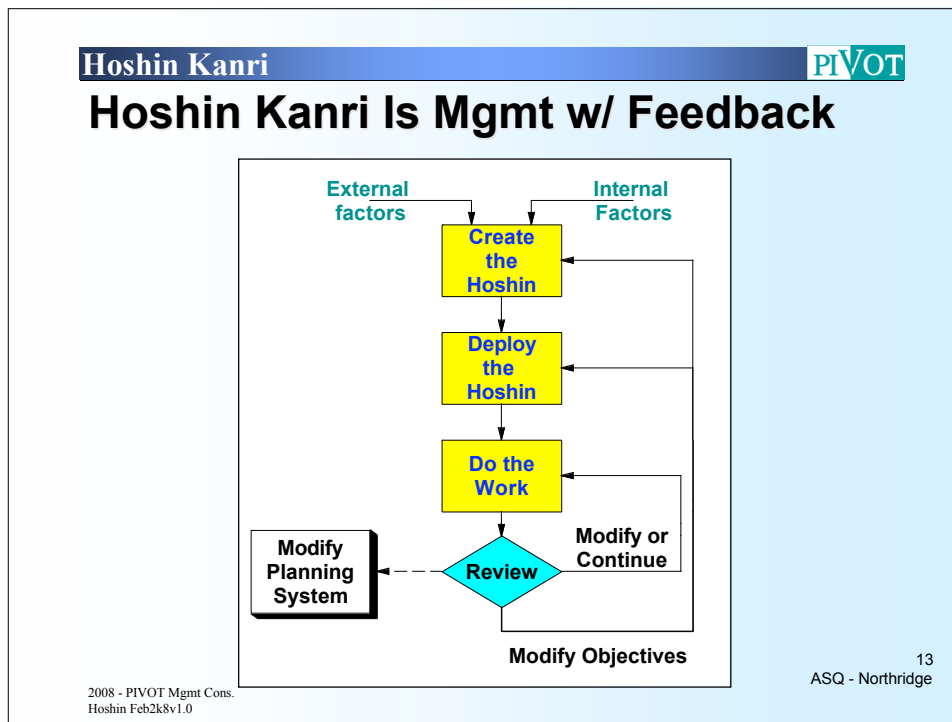
- **FIND** your hoshin.
- **ALIGN** the organization and your objectives.
- **DEPLOY** the plans.
- **IMPLEMENT** the changes.
- **REVIEW** and improve all along the way.



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Outcomes of the Hoshin Selection Phase

- The organization’s priority for the year
 - Multi-year and multiple annual hoshins are possible, usually in later years
- The breakthrough objective and the annual strategies required to achieve it
- A communication plan for the planning process
- The relationship between the plan for breakthrough and the existing business plan

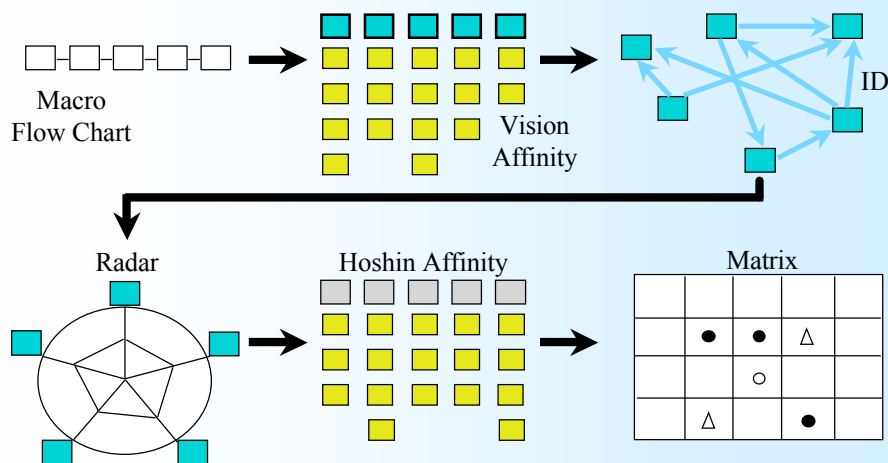
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Tools for Selecting the Hoshin



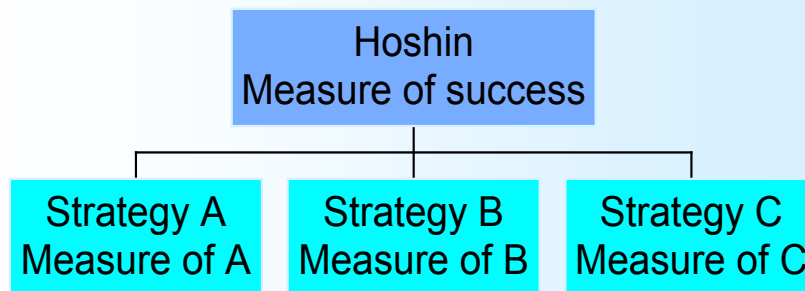
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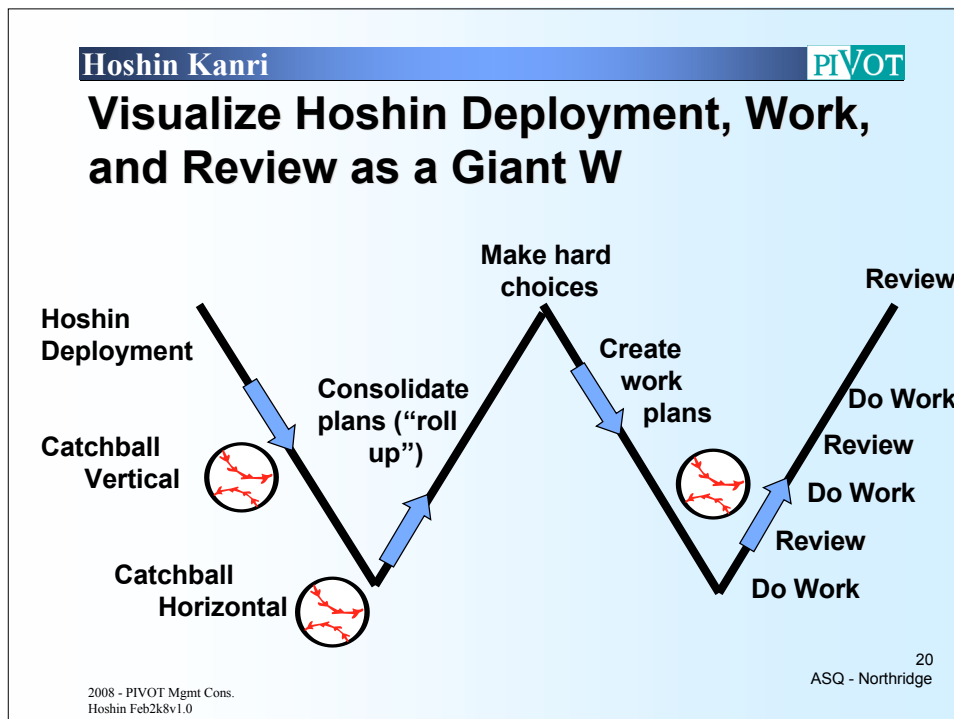
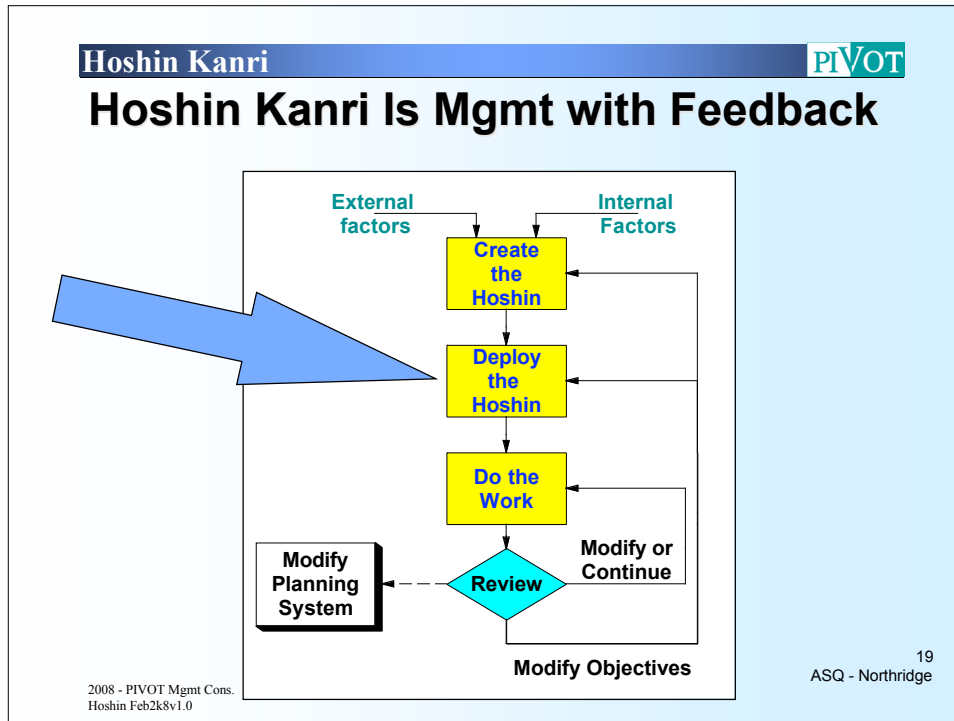
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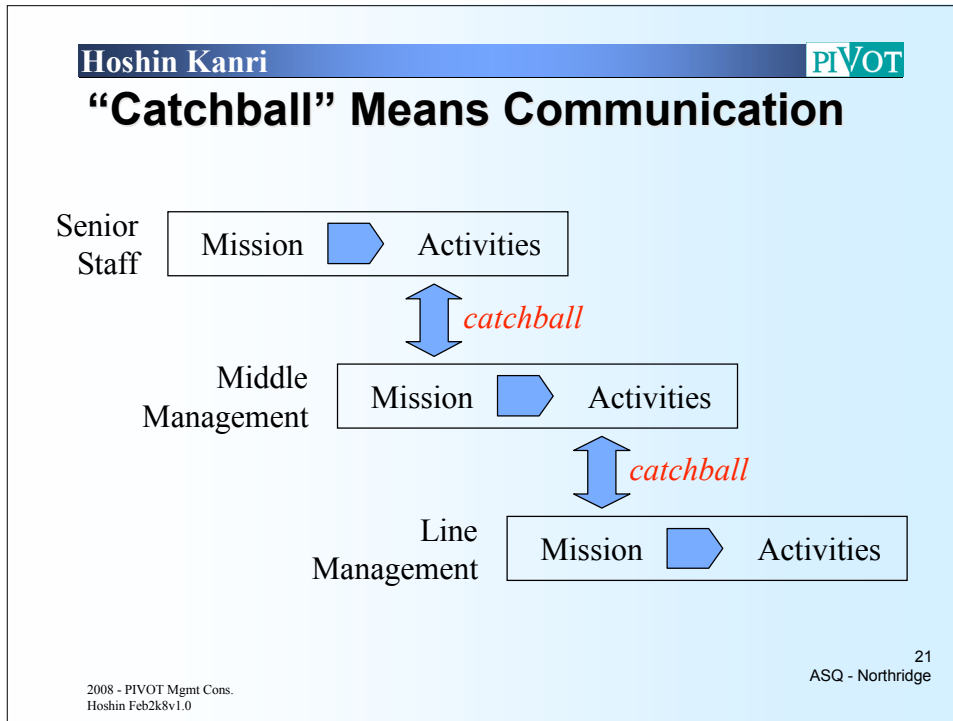
Create High Level Plan

- Define metrics and goals for the hoshin objective
 - $Y = F(X1, X2, X3, X4, \dots)$
 - Start with available data and models. Improve using the feedback built into the hoshin process.
- Create strategies to accomplish the hoshin objective
- Select strategy owners

Use the Tree to Start the Deployment Process








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- ## Hoshin Plan: 2 Aspects, 5 Elements, 2 Measures
- Business Fundamentals
 - Breakthrough Plans
 - The Business Fundamentals Plan
 - Long Range Plan
 - Annual Plan
 - Review Tables
 - Abnormality Tables
 - Performance Measures
 - Deliverables
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Let's Try It!

Business Fundamentals Planning Table

Location: _____ This Period: _____
 Prepared by: _____ Date: _____
 Situation: _____

Mission based on situation:
 Objective: _____ Performance Measures / Deliverables: _____

Key Strategies necessary to achieve Mission:
 Activity: _____ Performance Measures / Deliverables: _____

Hoshin Annual Planning Table

Location: _____ This Period: _____
 Prepared by: _____ Date: _____
 Situation: _____

Objective based on situation:
 Objective: _____ Performance Measures / Deliverables: _____

Key Strategies necessary to achieve objective:
 Activity: _____ Performance Measures / Deliverables: _____

Abnormality Table

Process Name: _____
 Prepared by: _____ Date: _____
 Problem Description: _____

1 Root Cause Analysis

2 Solution Description

3 How was solution verified

Hoshin Planning Table

Location: _____ This Period: _____
 Prepared by: _____ Date: _____
 Situation: _____

Objective based on situation:
 Objective: _____ Performance Measures / Deliverables: _____

Key Strategies necessary to achieve objective:
 Activity: _____ Performance Measures / Deliverables: _____

Periodic Review Table

Date: _____ Prepared by: _____ Date: _____
 Objective Description: _____ Performance Measures / Deliverables: _____

Expected results this period

Actual results this period


Analysis of deviation from expected results

Lessons learned & implications for next period

Expected results next period


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