

Hoshin Planning (hoshin kanri)

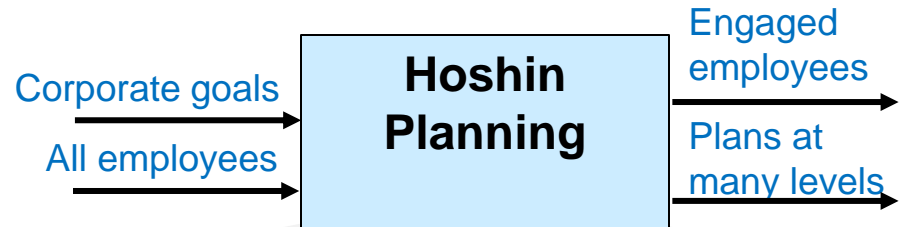
Problem

How to align employees with corporate goals?

Difficulty

Work with an SME

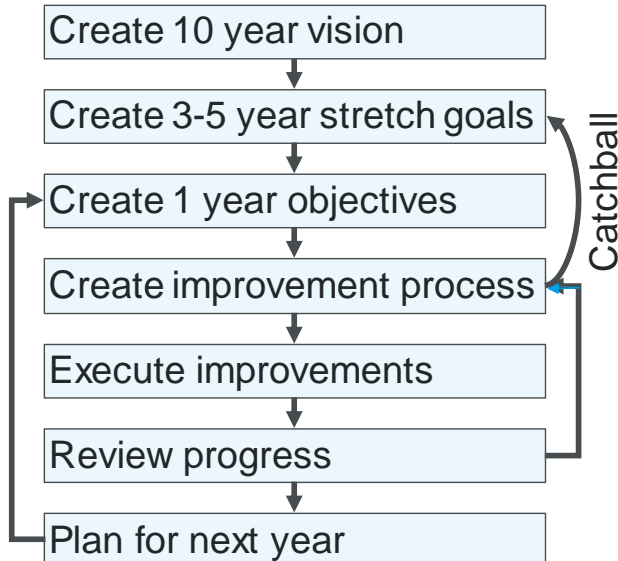
- **Hoshin Planning** creates corporate goals, disseminates them to all, and creates plans to achieve them.
- **Catchball** is a part of Hoshin Planning in which ideas are passed between levels of an organization's hierarchy for feedback and action planning.



1. Create a 10-year vision.
2. Build 3 to 5-year stretch goals, no more than 5.
3. Create yearly objectives
4. Use catchball process to determine how to achieve the yearly objectives (e.g., determine resource demands) and create metrics. Communicate info to teams for execution.
5. Methodically execute the yearly objectives.
6. At appropriate intervals, review if the yearly objectives are being met and update as needed.
7. Analyze & update objectives for the next year.

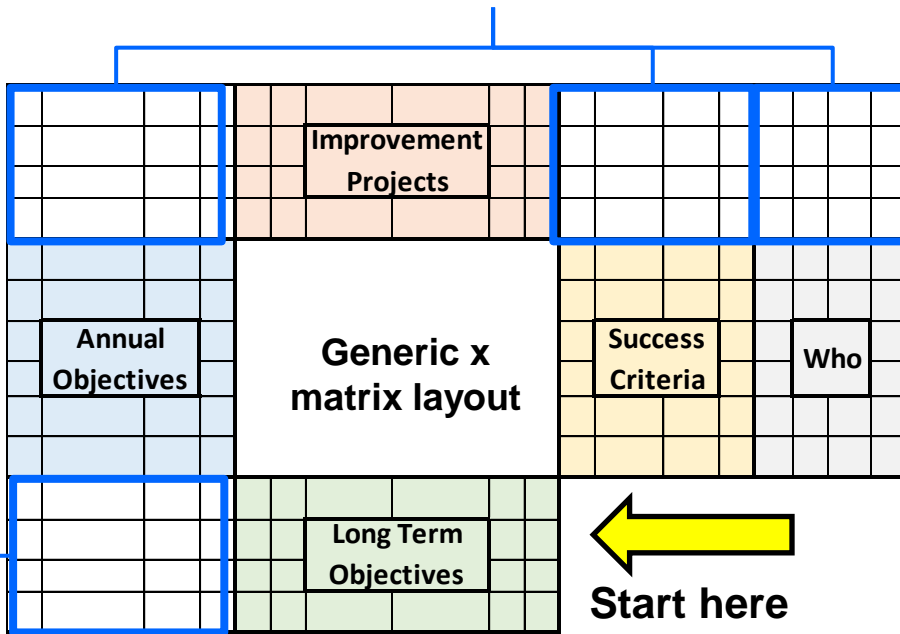
Benefits of Hoshin Planning

1. Creates a strategy for continuous improvement.
2. Aligns strategy with actions.
3. Hoshin catchball engages the entire organization.
4. Hoshin Planning provides structure & uniformity.



Hoshin Planning – Example – Improve Company

Corner grids show dependences between activities

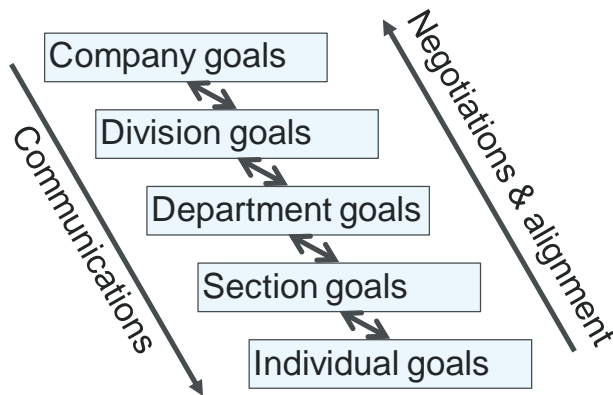


A hoshin kanri **x matrix**, also called a **policy deployment** (pd) document, includes “what,” “how,” “who,” and “how much.”

	X	Create new organic product lines		X	X	
X	X	Acquire competitors	X			X
Increase Company Valuation 5%		(2) Annual Goal	(4) Success Criteria	Acquire 2 Competitors		
Increase Customers 10%				Add 3 Product Lines	Alice	Bob
		(1) Long term goals				
X		Increase Company Valuation 15%				
	X	Increase Customers 20%				

Example: how to improve company

Catchball process



- In “catchball” objectives are passed, like a ball, from top-level management to every organizational level.
- Each level sends feedback and proposals up the management chain.

Hoshin Planning – Notes

Slide 1

1. Hoshin Planning is a Japanese concept and is translated as “policy management”, “management compass,” “policy deployment” or “strategy deployment”.
2. Hoshin Planning is not a planning tool. It is a communication tool which ensures alignment to top management, while allowing teams to determine solutions as needed.
3. Hoshin Planning tries to get all employees aligned on goals.

Slide 2

1. The hoshin kanri X matrix
 - is understandable by all employees
 - is a living document that is regularly updated