Lean Poster Series #17
Hoshin Kanri

Good e-Learning

What is a Hoshin Kanri?

Hoshin Kanri, or Direction Management in Japanese, is a strategic planning process with built-in review, improvement, and learning activities. It is a management tool, often used in Lean, that helps keep the organization focused in the right direction.

Benefits

1. It aligns everyone towards a few high-impact objectives while also keeping them accountable for their commitments through visual management and review.

2. It standardizes the reporting and presentation format while also reducing the number of ad hoc reports generated, creating a form of Gemba focused management.

3. The organization learns and improves the planning process through root cause correction action

7 Step Hoshin Planning Process

1 This is an important step as it lays the foundation for the rest of the process.

- The **mission** should clearly defines what the organization does to add value to their customer enabling them to better focus their resources and efforts.

- Once this has been defined it is time to work towards defining the vision of the organization. In order to do this correctly we must first assess its **values and metrics.**

- The **vision** enables organizations to define their ideal state of being. It will help us define the goals and objectives of the organization as it brings clarity to what the future will look like.

3 **Annual improvement plans**, or shorter planning horizons such as quarterly objectives, contain a detail project plan, including background, scope, target condition / goal, and breakdown of work packages (what, when, who).

5 **Breakthrough objectives** are the vital few significant changes needed for the organization to achieve its vision. They must:

1. Be stretch targets – Hoshin is about radical change made possible through collaboration and teamwork.

2. Be SMART - specific, measurable, attainable, realistic, and time-bound

3. Help us move closer to our ideal vision of where we want to be

7 One of the most important aspects of the Hoshin planning process is to **learn from both successes and failures.** Once a countermeasure has proven to work it is critical to share it throughout the organization. But instead of sharing the success vertically, meaning top to bottom, we instead work to share ideas horizontally, peer-to-peer. This horizontal copying of ideas that have worked is often referred to as **Yokoten** and is a key aspect of the way companies practicing Lean operate.

1 Develop the Vision, Mission and Key Metrics

2 Identify Breakthrough Objectives

3 Set Annual Improvement Plans
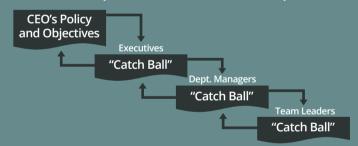
4 Catch Ball

5 Review Results

6 Problem Solving

7 Reflection and Organizational Learning

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4 A key concepts of Hoshin Kanri is **Catch Ball** which gets its name from the idea of two people throwing a ball back and forth much like you see when two people play catch with a baseball. Managers define the objective and collaborate with their subordinates on how the objective will be met. This process is iterative and top-down.

CEO's Policy and Objectives → Executives → "Catch Ball" → Dept. Managers → "Catch Ball" → Team Leaders → "Catch Ball"

6 During step 5 there will be occasions where we miss an objective requiring a countermeasure to be implemented. Root causes to these problems can be identified and countered accordingly. A technique that can be applied here is the 8 steps in Problem Solving:

1. Clarify the problem by providing background

2. Break down the problem by developing objectives

3. Set an attainable target

4. Analyze the root cause of the problem using tools such as 5 Whys or Ishikawa diagram

5. Develop countermeasures

6. Apply countermeasures

7. Review countermeasures results and process. Did the countermeasure help deliver the results we were looking for?

8. Standardize success and learn from failures