

Hoshin Kanri

“Aligning Operational Goals to Strategic Goals”

Webinar

BMGI India

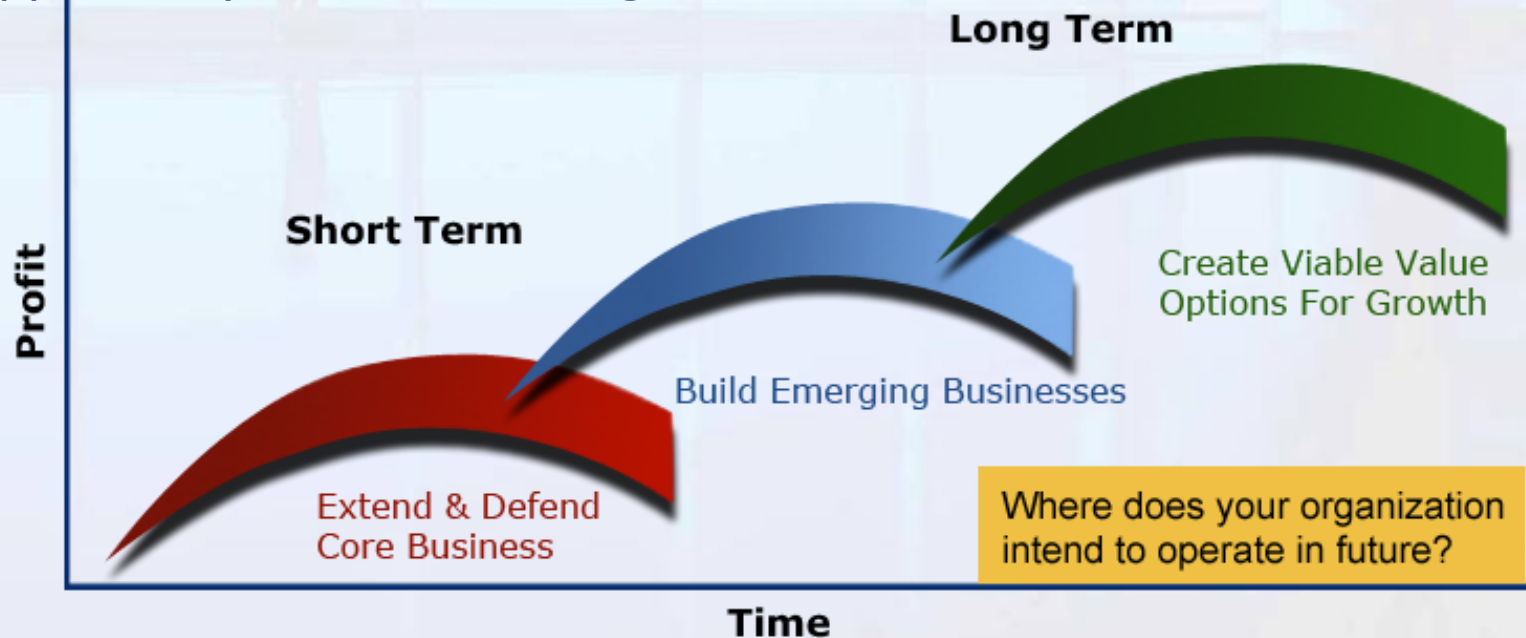
71B Mittal Court Nariman Point
Mumbai



BMGI

About BMGI

- Breakthrough Management Group International (BMGI) is the leaders in helping organizations to transform their business performance using Methodologies and Principles of Lean, Six Sigma, and Innovation
- We work with our clients' to improve bottom-line results and fuel top-line growth by identifying and unlocking the potential opportunity areas in the organization.



BMGI's Tool kit for Business Transformation

- Innovation
- Performance Excellence
 - Lean
 - Six Sigma
 - Design for Six Sigma (DFSS)
 - Enterprise Process Management
 - TRIZ
- Strategy Deployment
 - Hoshin Kanri
 - Balanced Scorecard
- Awards & Certification
- Corporate Social Responsibility



Faculties

Nirmalya Banerjee



- Leads Lean Practice at BMGI India
- Over a decade of experience in Training and Process Improvement
- Lean Master, Kaizen Champion and Six Sigma Master Black Belt
- Proven success in Organizational Transformation
- Expertise in Organizational and Process Assessments and deploying Strategy
- Keynote Speaker in many Forums
- Thought Leader for Lean and Six Sigma Applications in Construction and Healthcare

Shubhrangshu Barman Roy



- Examiner for Shingo Excellence Award
- Direct Acolyte of Sensei Masaaki Imai and Lean Master
- Proven success in Organizational Transformation
- Expertise in Process and Organizational Assessments, and deploying Strategy
- Extensive experience in Training and successful implementation of Kaizen and Kaikaku
- Thought Leader in Lean Applications in Construction and IT

Webinar “Housekeeping” Tips

- Please disable pop up blockers.
- Please keep your self on mute.

Asking Questions

- Use the “Raise Hand” icon or “Question / Chat” box in the lower right corner.
- Submit questions as they occur to you by typing in the box, then click submit
- Questions will be answered during Q&A session at the end of the presentation.

Webinar “Housekeeping” Tips

Questions & Answers

- We will do our best to answer as many questions as possible in the allotted time.
- Answer to unanswered questions will be answered on our website/forum soon.
- We shall notify you when they are available

<http://www.bmgi.groupsite.com>

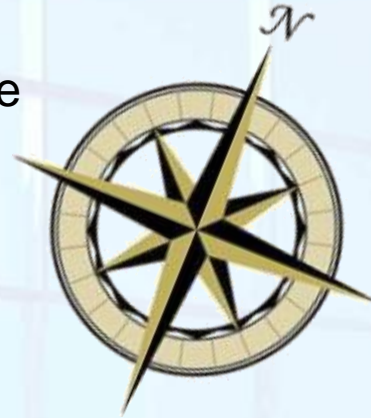
<http://www.bmgindia.com>

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 - Catchball Process
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Hoshin Kanri – Meaning

Hoshin – direction or shining needle



Kanri – management



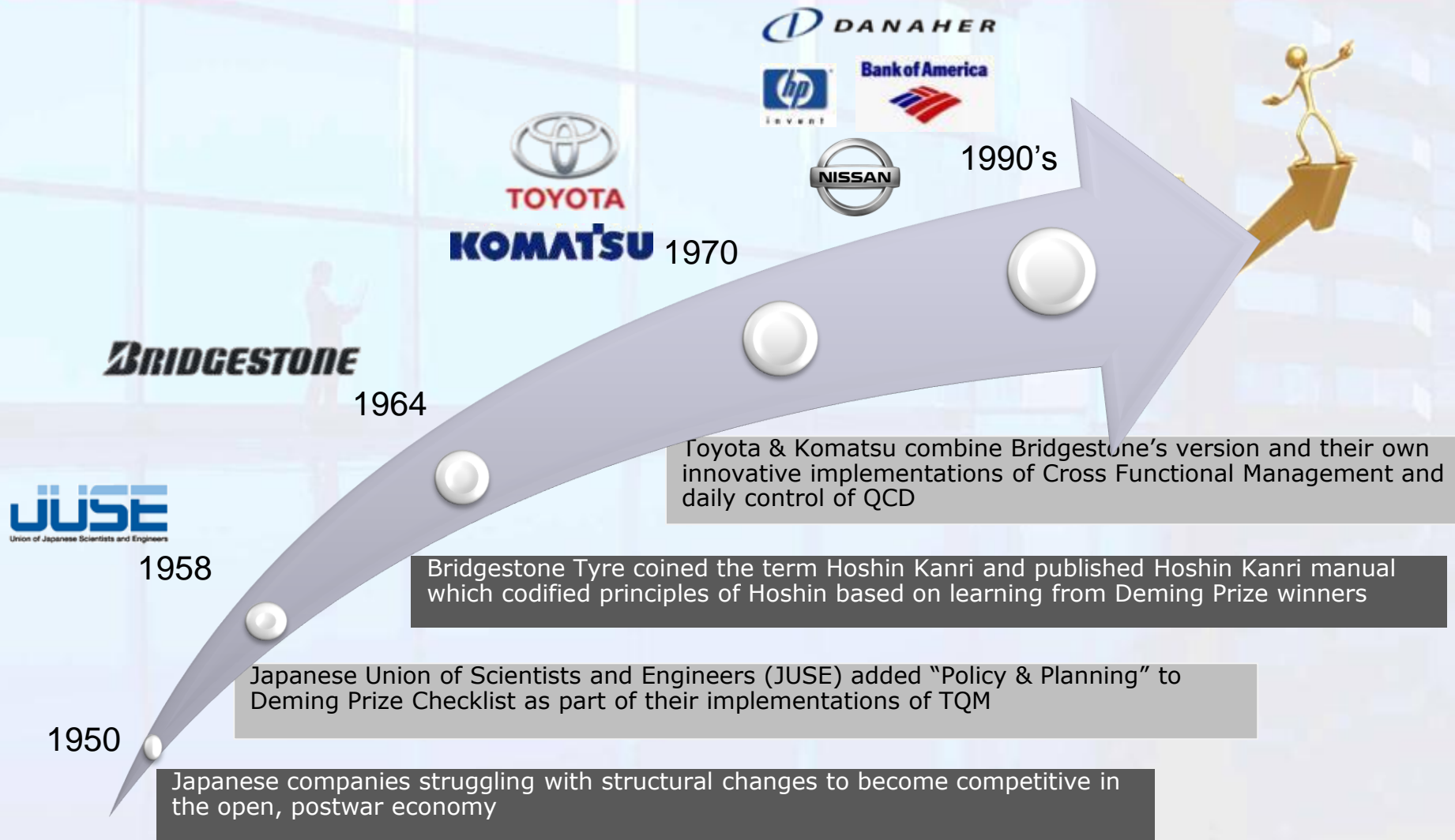
Policy

Deployment

Hoshin Deployment is a tool used to facilitate the creation of business processes that result in a sustained competitive advantage in Quality, Delivery, Cost & Innovation.

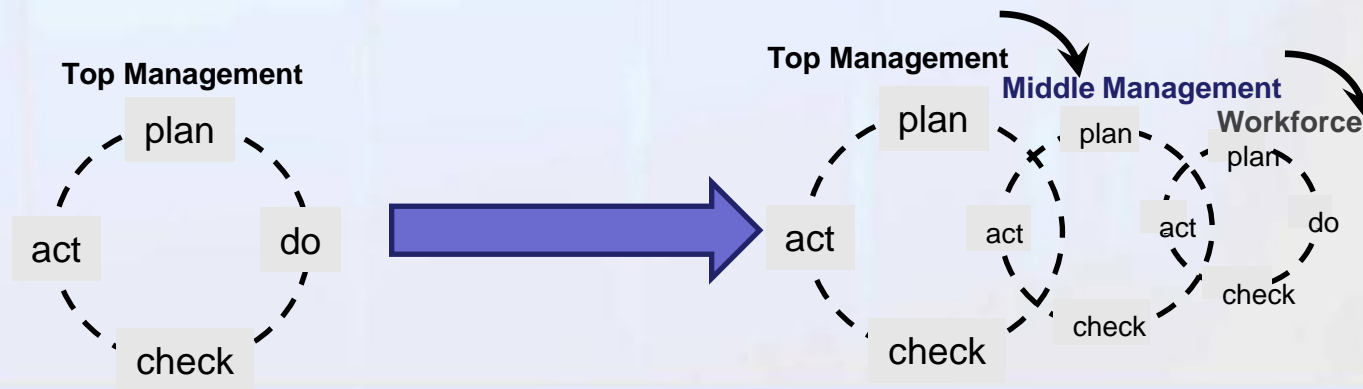


Background



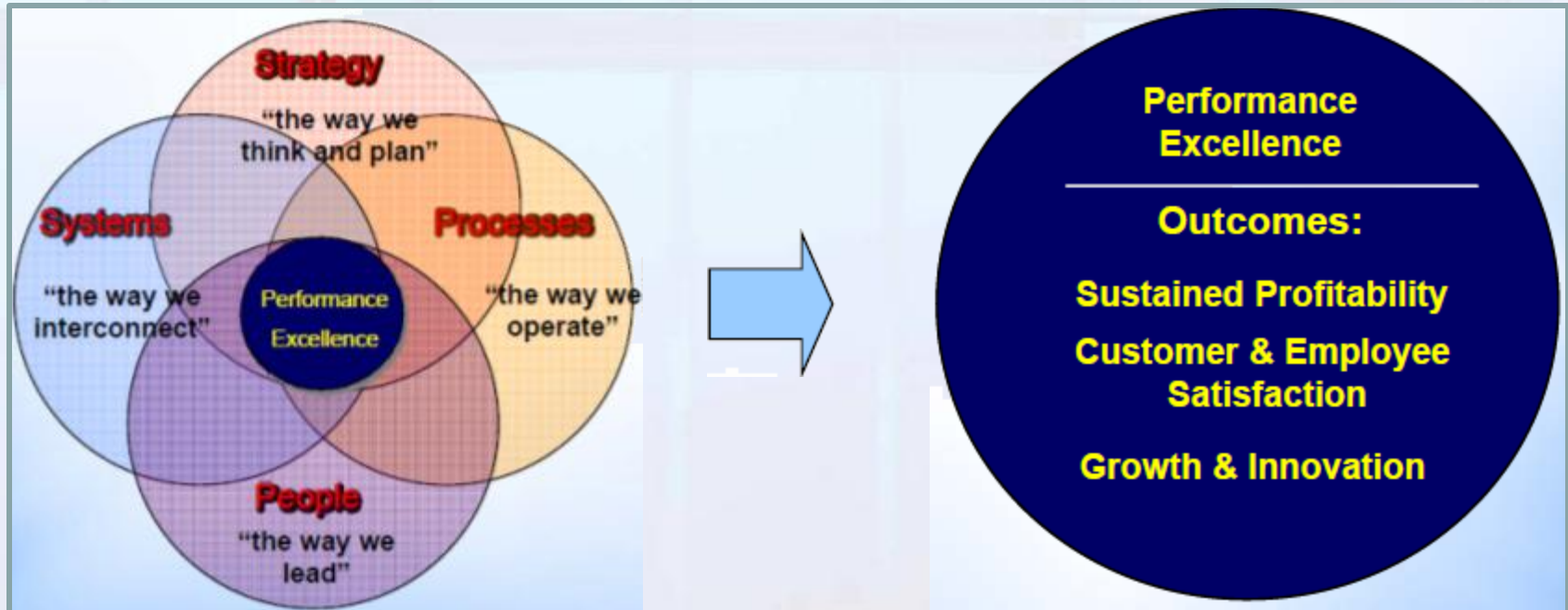
Hoshin Kanri – Basic Elements

- Driven by Organization's vision – not today's problem
- A system to translate the vision into tangible and measureable objectives for achieving the breakthrough
- Alignment created by cross functional planning to achieve short term (yearly) objectives
- Fosters learning through the review process
- “Catchball” as the driving force of alignment, clarification and employee involvement.
- At the heart of the Hoshin Process is the PDCA cycle of Continuous Improvement



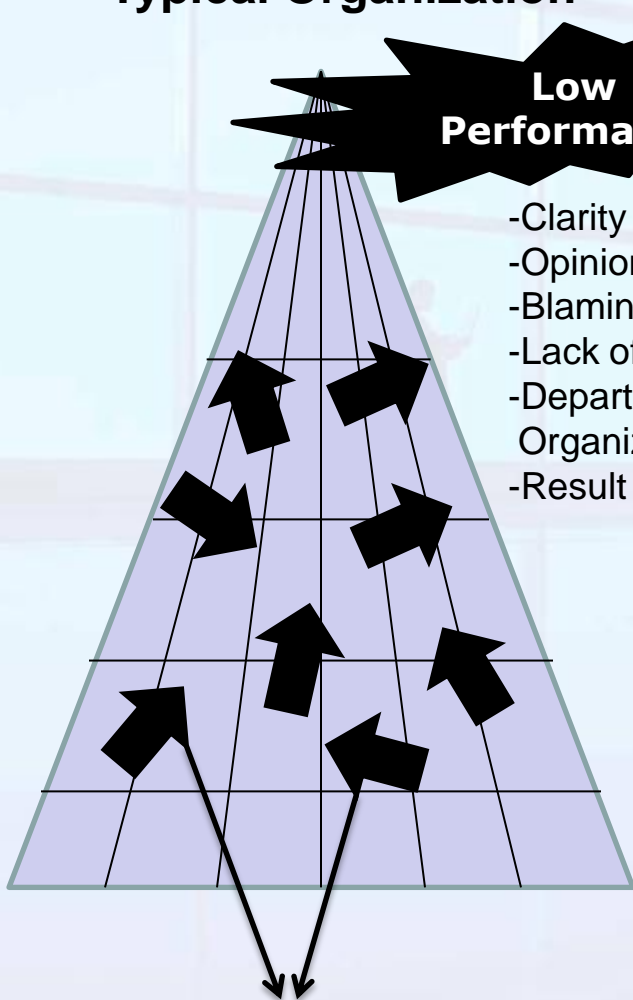
Why Hoshin Kanri?

PQCDSM Objectives



Non-Hoshin v/s Hoshin Management

Typical Organization

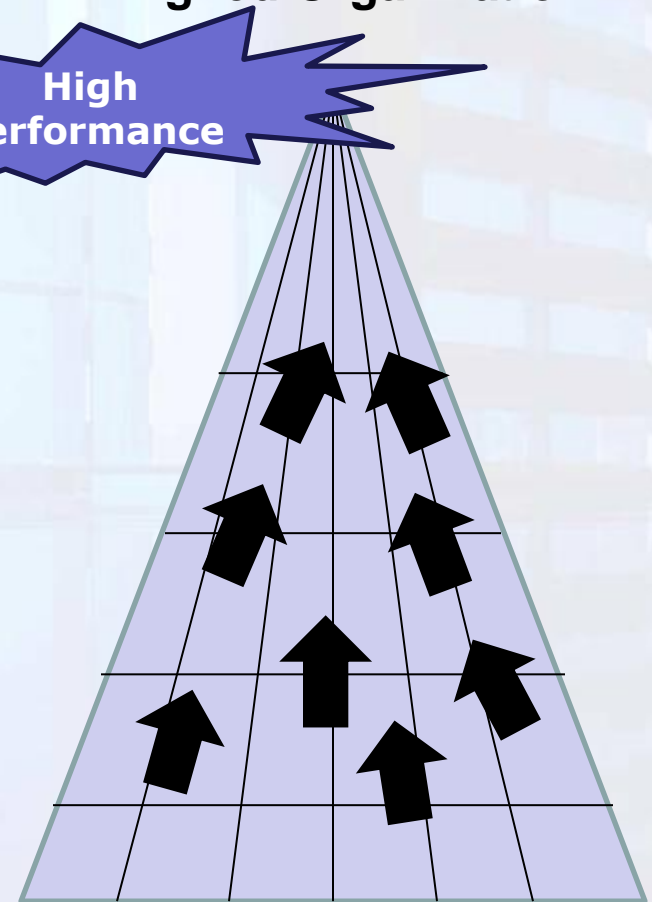


**Low
Performance**

- Clarity of Vision ?
- Opinion based decision.
- Blaming culture
- Lack of empowerment
- Departmental goals not Organizational goals
- Result based management



Aligned Organization



**High
Performance**

Operational Goals aligned to Organizational Goals

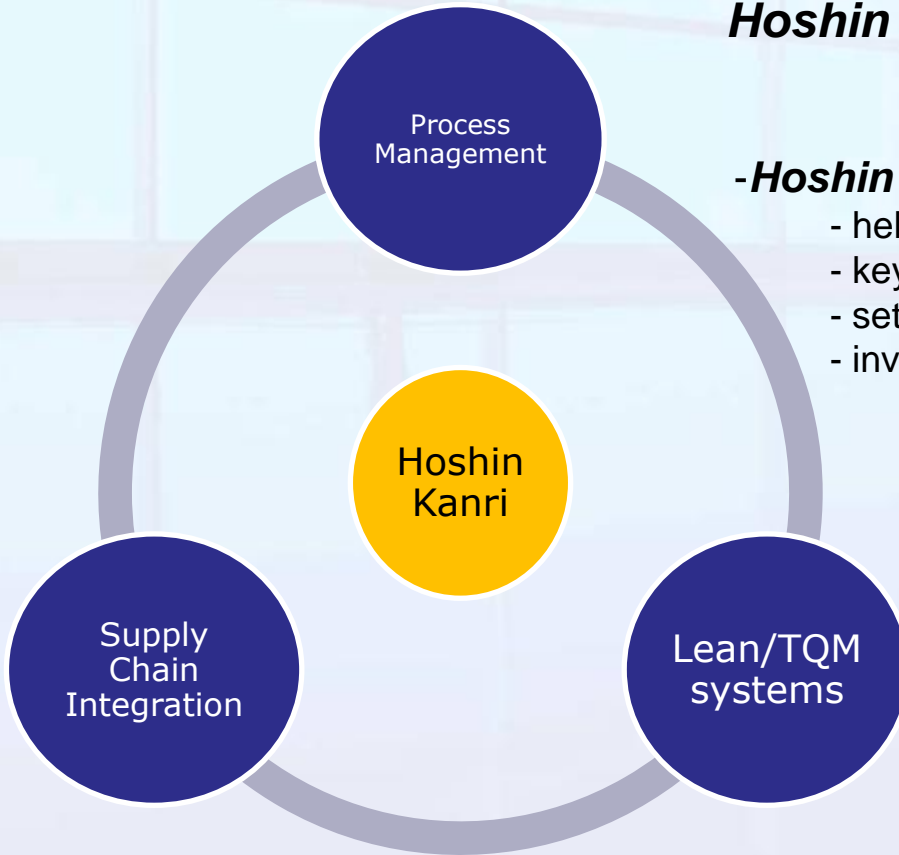
Hoshin Kanri – The Importance

A recent study by Dan Jones (author- *The Machine that Changed the World*) and his colleagues at Cardiff University's Lean Enterprise Research Centre stated four characteristics of highly successful businesses:

Hoshin Kanri topped the list

-Hoshin Kanri

- helps transform any organization
- key to superior organizational learning
- sets direction to make customers happy / beat competition
- involves & aligns everyone in the organization



Hoshin Kanri Road Map

SCAN

PLAN

DO

CHECK

ACT

Scan environment
-Porter matrix
-Product/market matrix
-Market/Technology Matrix
-VS Profit/Loss statement
-Business Assessment
-VSM's

Build Mid-Term strategy and the Annual Plan
-Identify 3- 5 year breakthrough opportunities
- Identify 6-12 months tactics
-Establish annual targets for process & Results
-Involve Tactical Teams & Operational Teams by playing CATCHBALL
-Complete & Confirm action paths

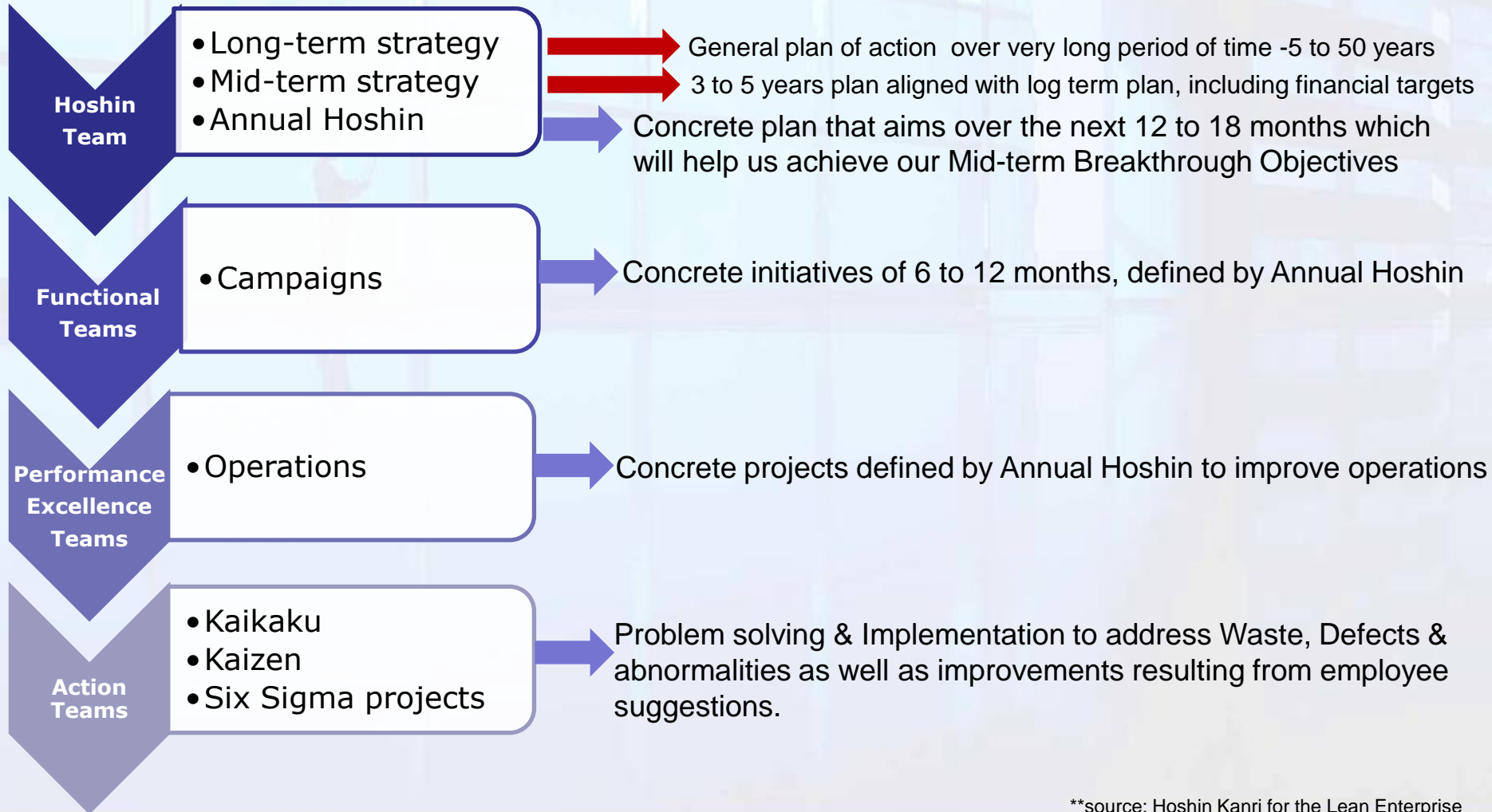
-Finalize project plans
-Develop leaders
-Eliminate waste and variability
-Implement improvements.
-Standardize reporting / review mechanism

-Daily Management
-Check progress
-Self-diagnosis
-Analyze and score achievement
-Recognize achievement
-Make corrections if any

-Promote adherence to standard process
-Develop leaders and make succession plan
-Train, coach & mentor
-Repeat Hoshin cycle

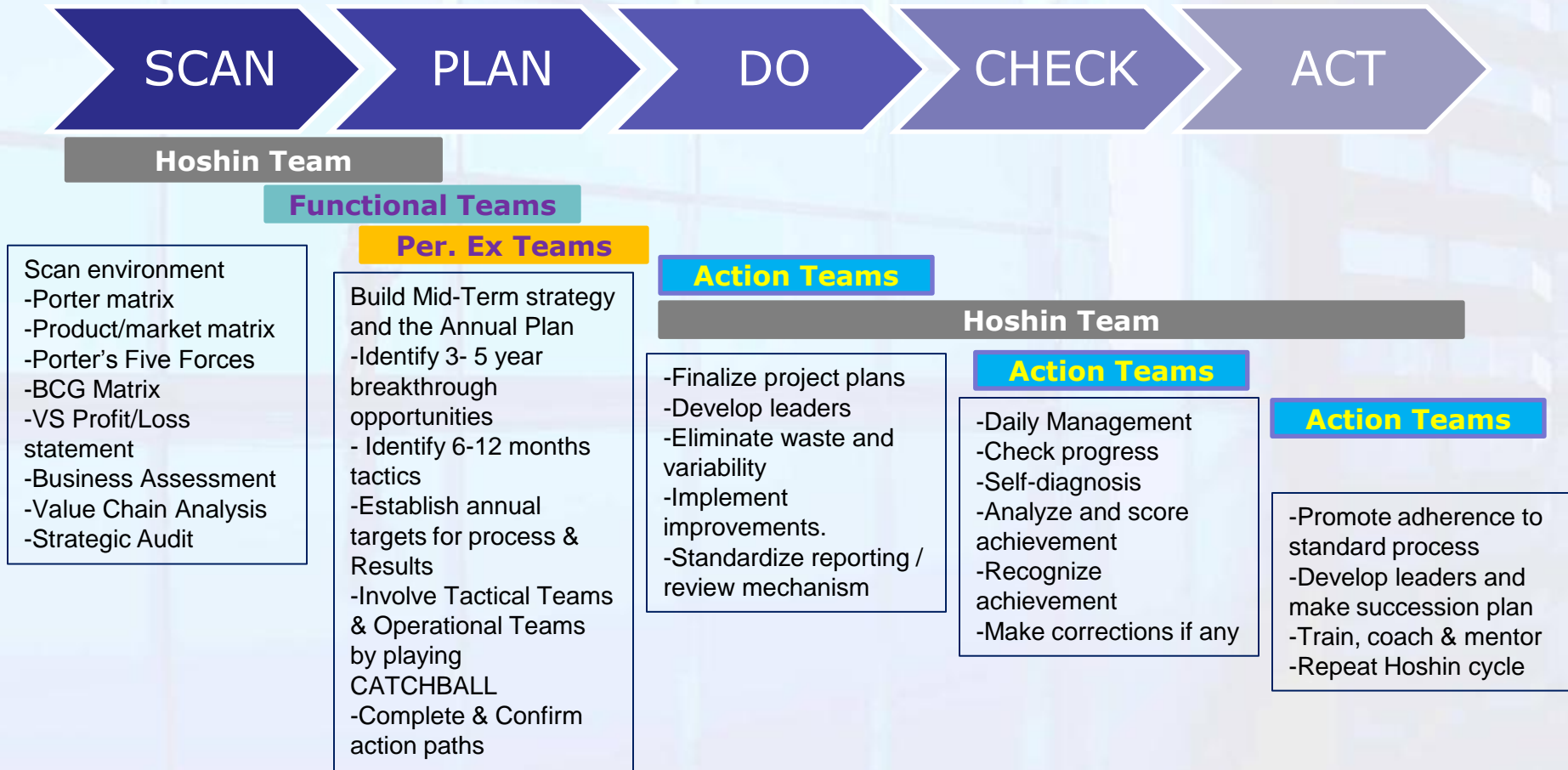
Teams and Experiments- The 4/8 Model

**Strategy is like a scientific hypothesis, the Hoshin Process involves every manager and employee in “testing” your company’s hypothesis about its strategy



**source: Hoshin Kanri for the Lean Enterprise

Hoshin Kanri Road Map & The Teams

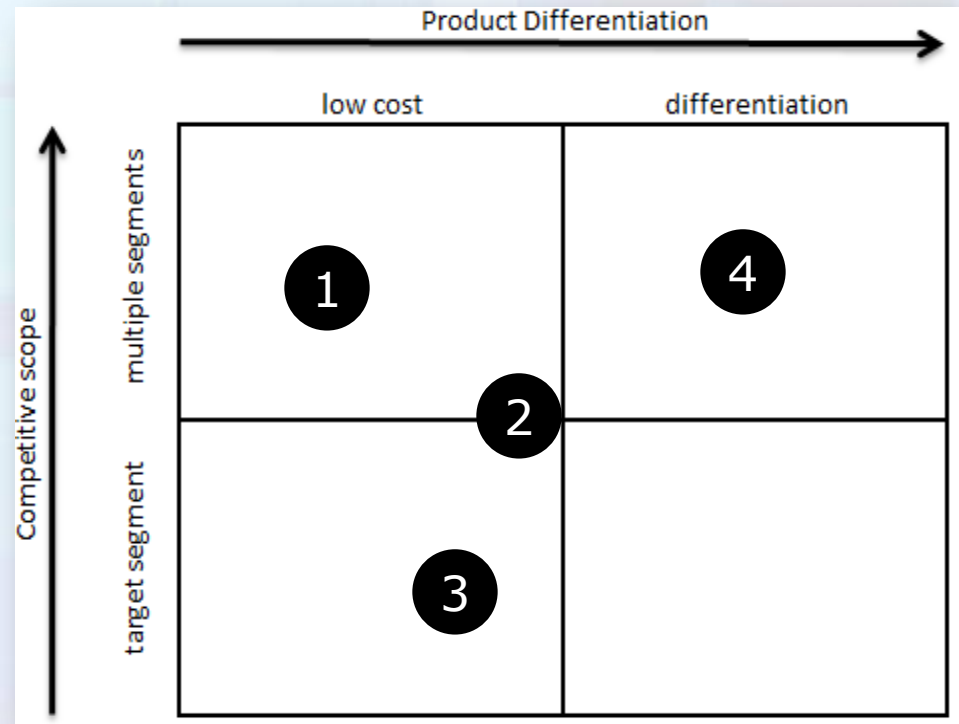


Scanning the Environment- The Tools

SCAN

	Market	Consumer 1	Consumer 2	Consumer 3	Consumer 4
Products					
Product 1		L	L	L	M
Product 2		M	H	H	H
Product 3		H	M	L	L
Product 4		M	M	L	L
Product 5		H	M	H	M

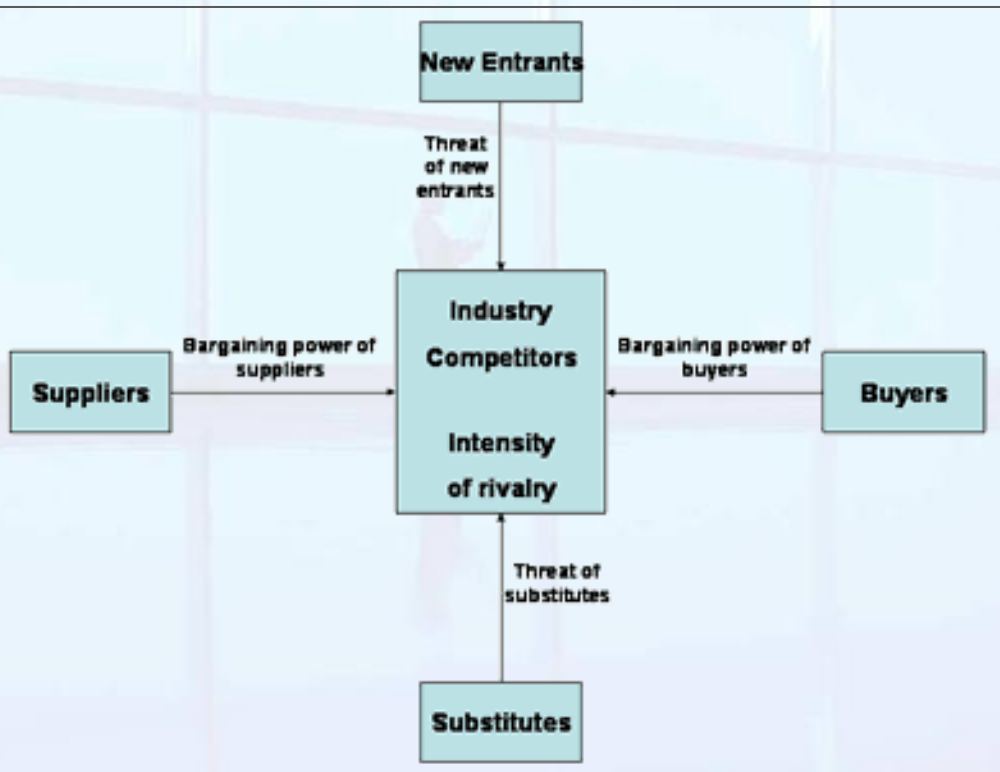
Product Margin/Market Matrix



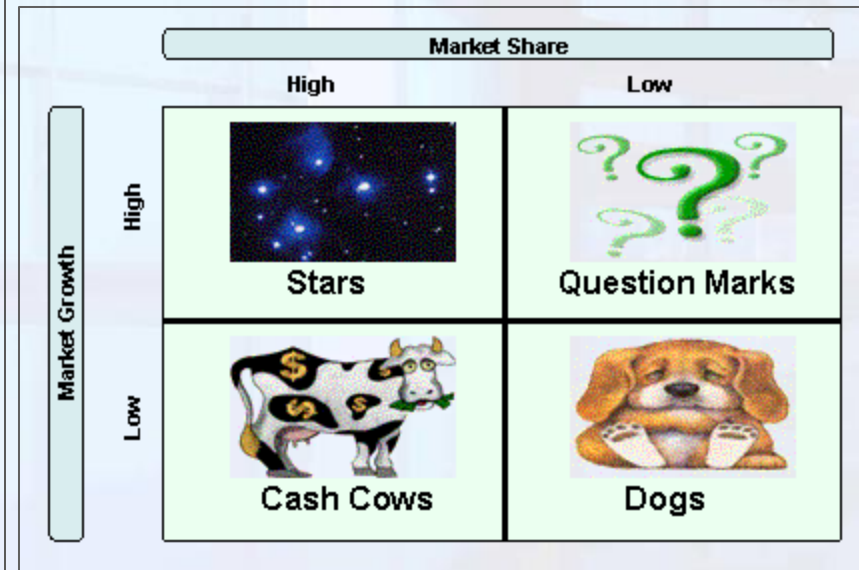
Porter Matrix for Competitor Analysis

Scanning the Environment- The Tools

SCAN



Porter's Five Forces Model



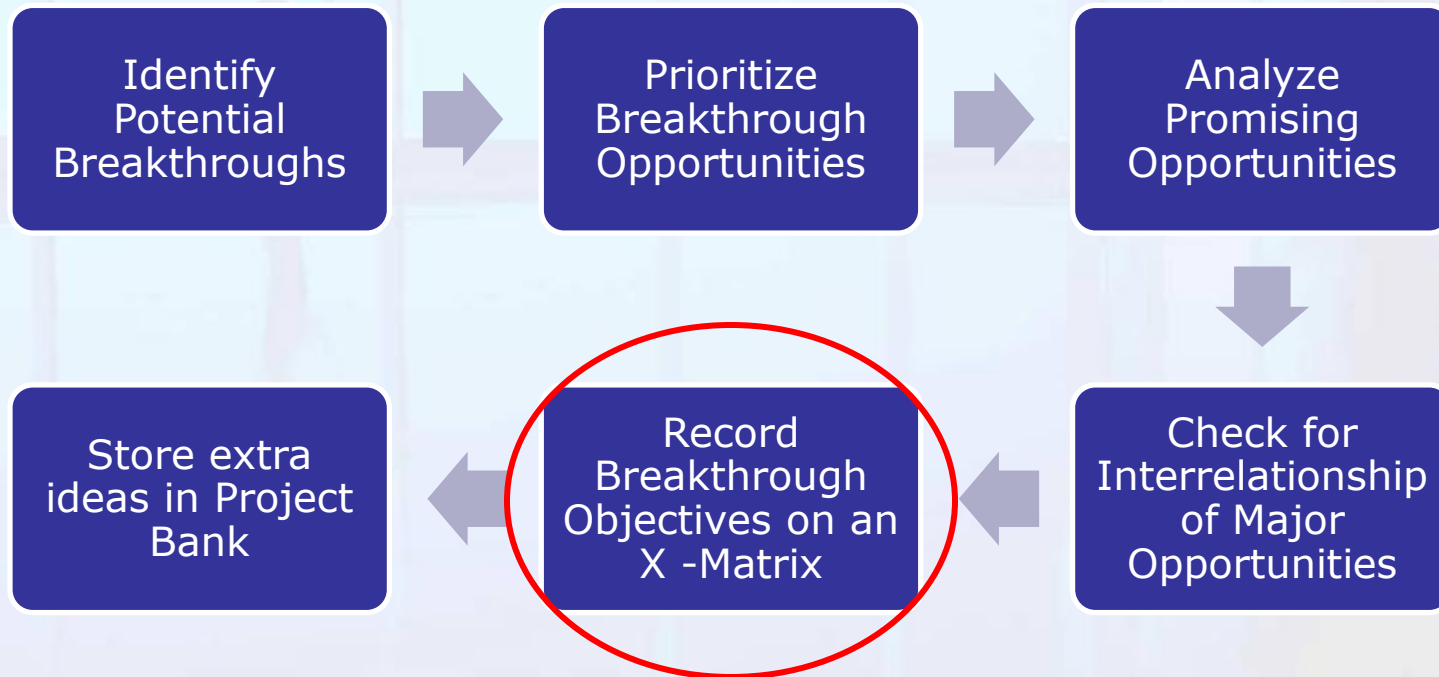
BCG Matrix

- Document the research, analysis & breakthroughs you do for the market & industry
- After the SCAN, the Hoshin team is ready to move to PLAN Phase

Designing a Midterm Strategy

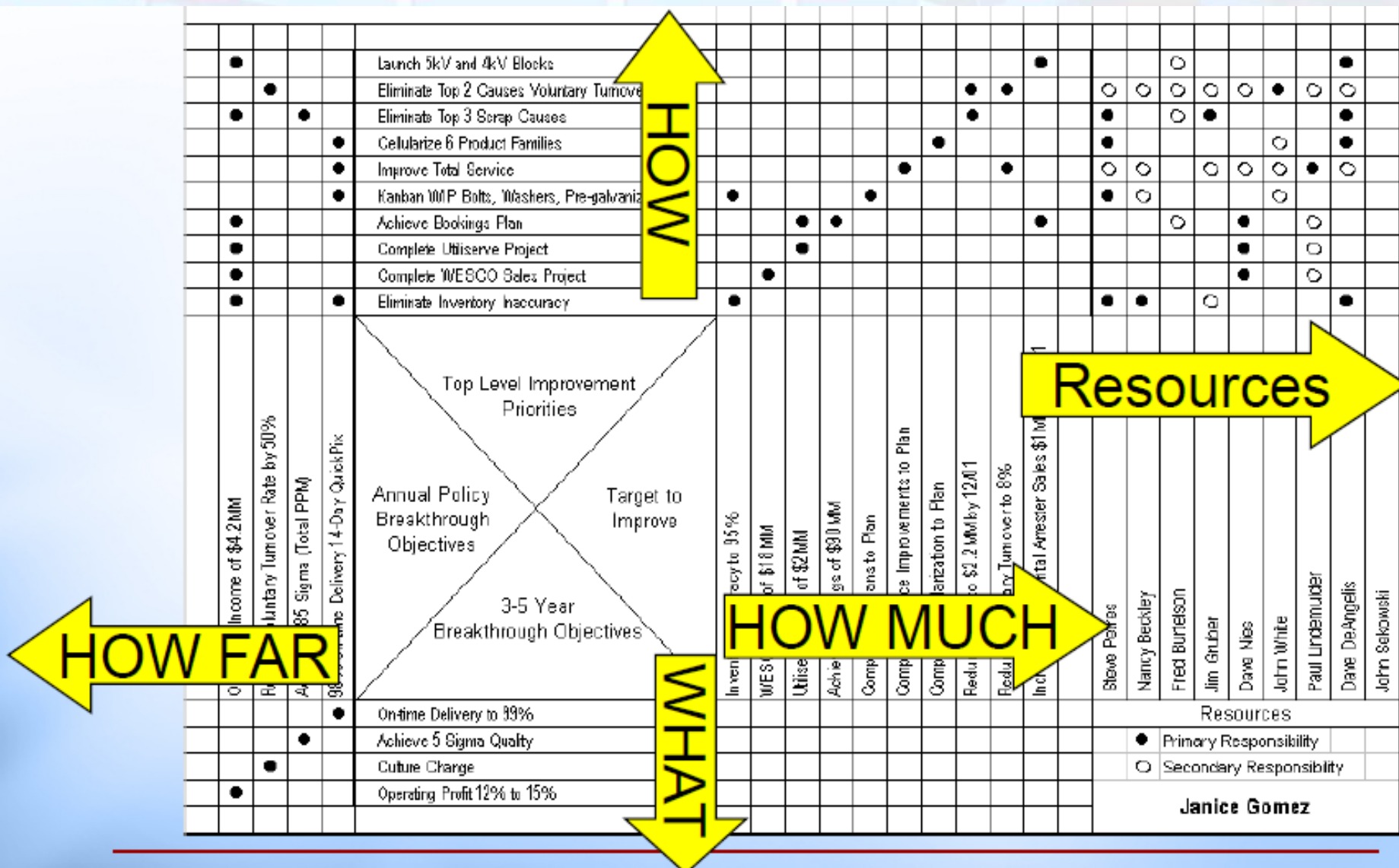
PLAN

- Hoshin team begins to build the Midterm Strategy and Annual Hoshin.
- The team chooses breakthrough objectives to eliminate specific gaps between company's vision and its current capabilities.

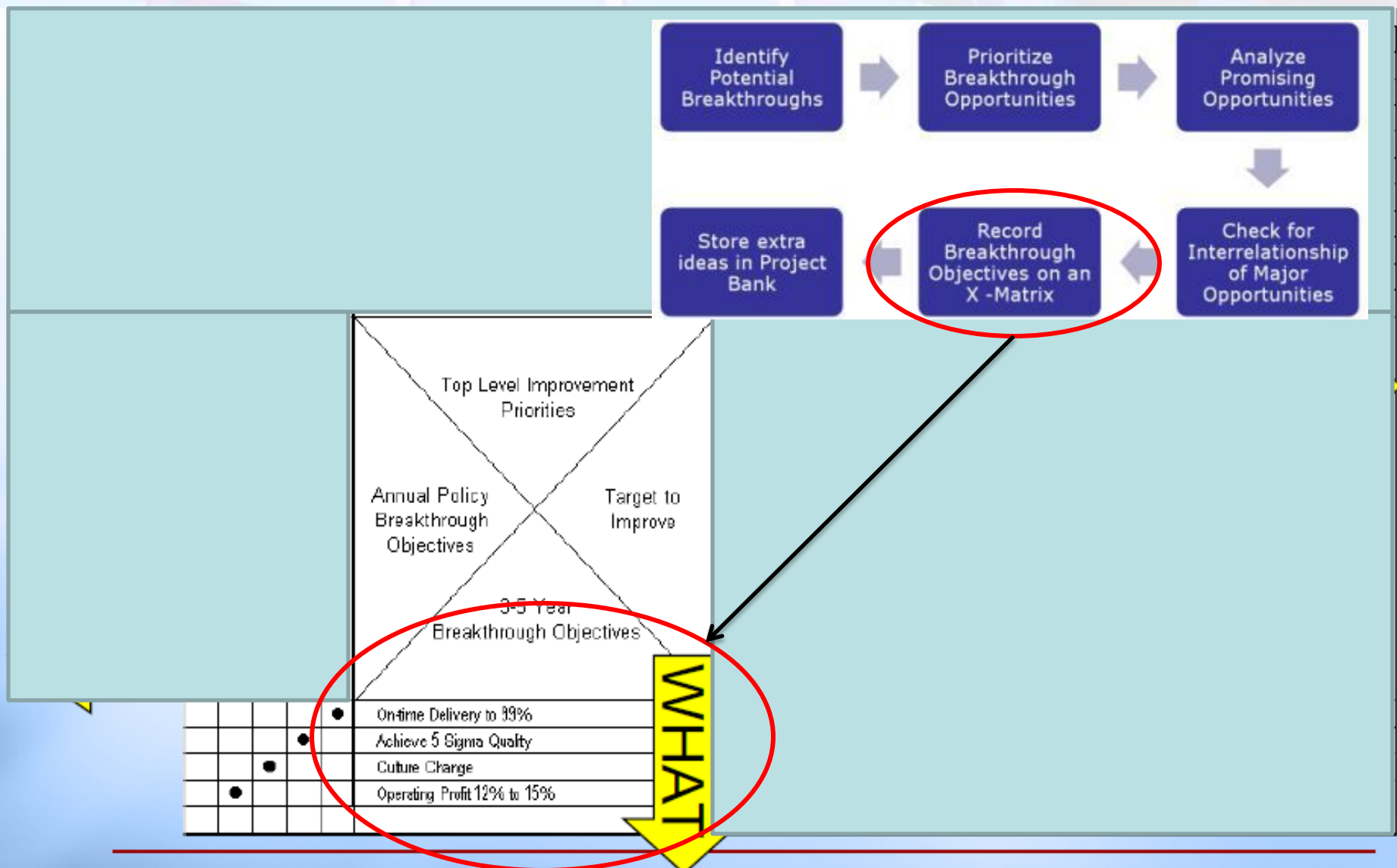


**source: Hoshin Kanri for the Lean enterprise

The X-Matrix



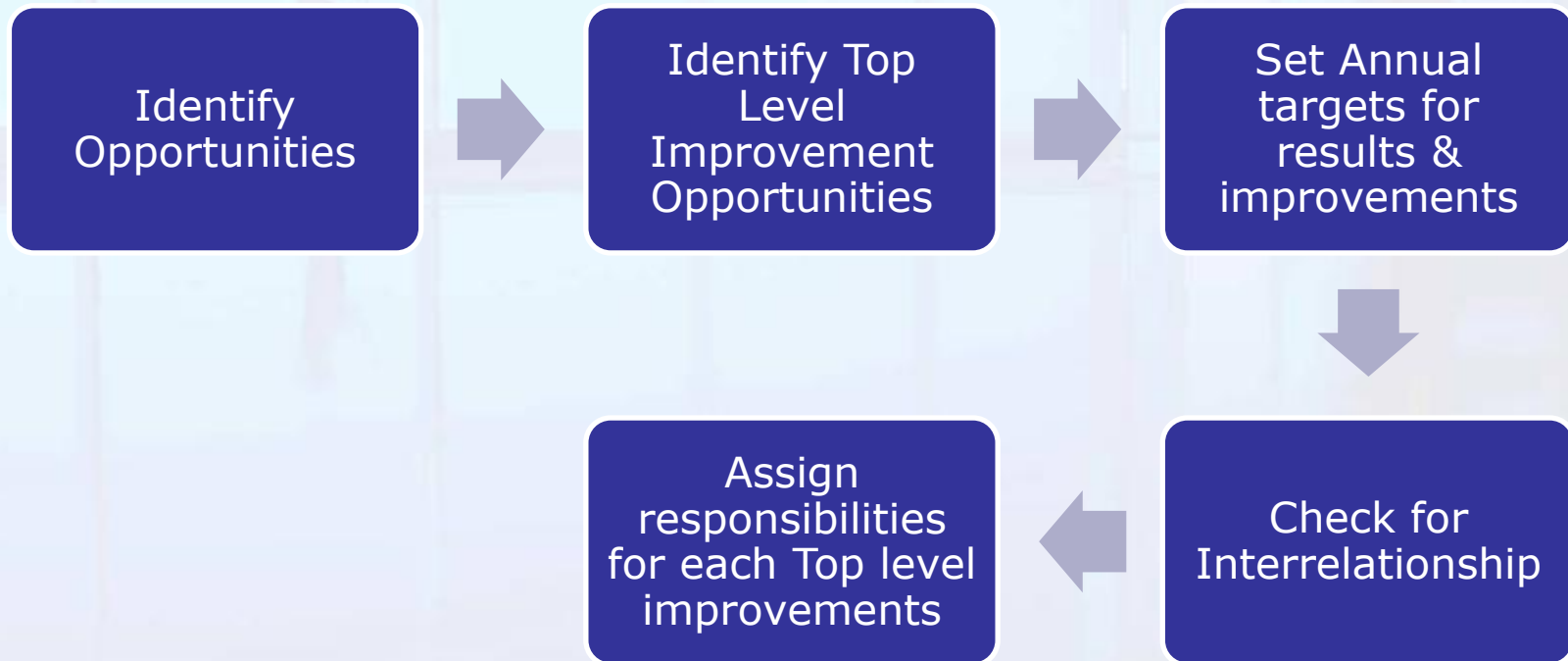
The X-Matrix



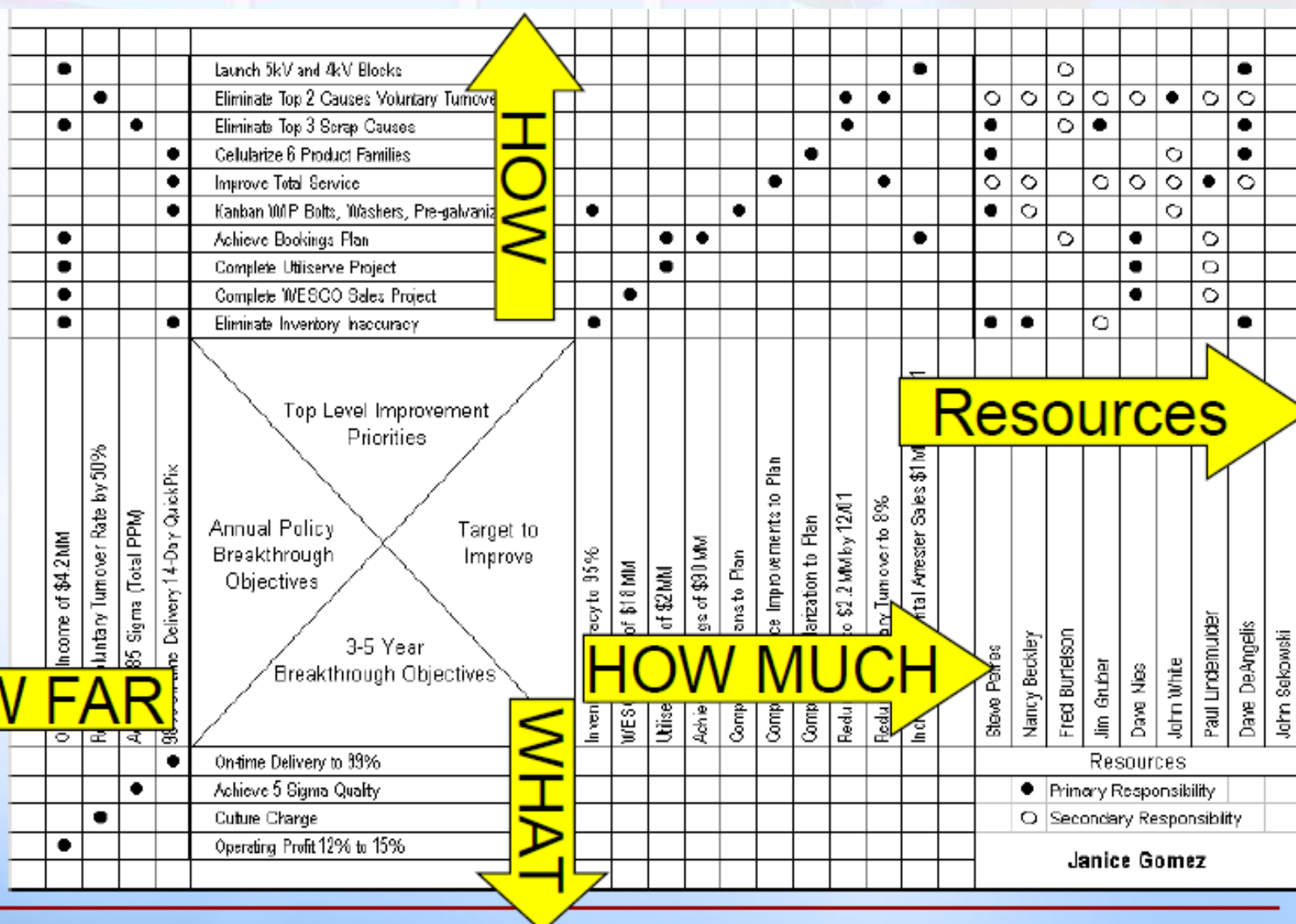
Designing the Annual Hoshin

PLAN

- Annual objectives are those that we need to achieve this year which will enable us to reach our overall 3-5 year Breakthrough Objectives.
- Carried out by the Hoshin Team

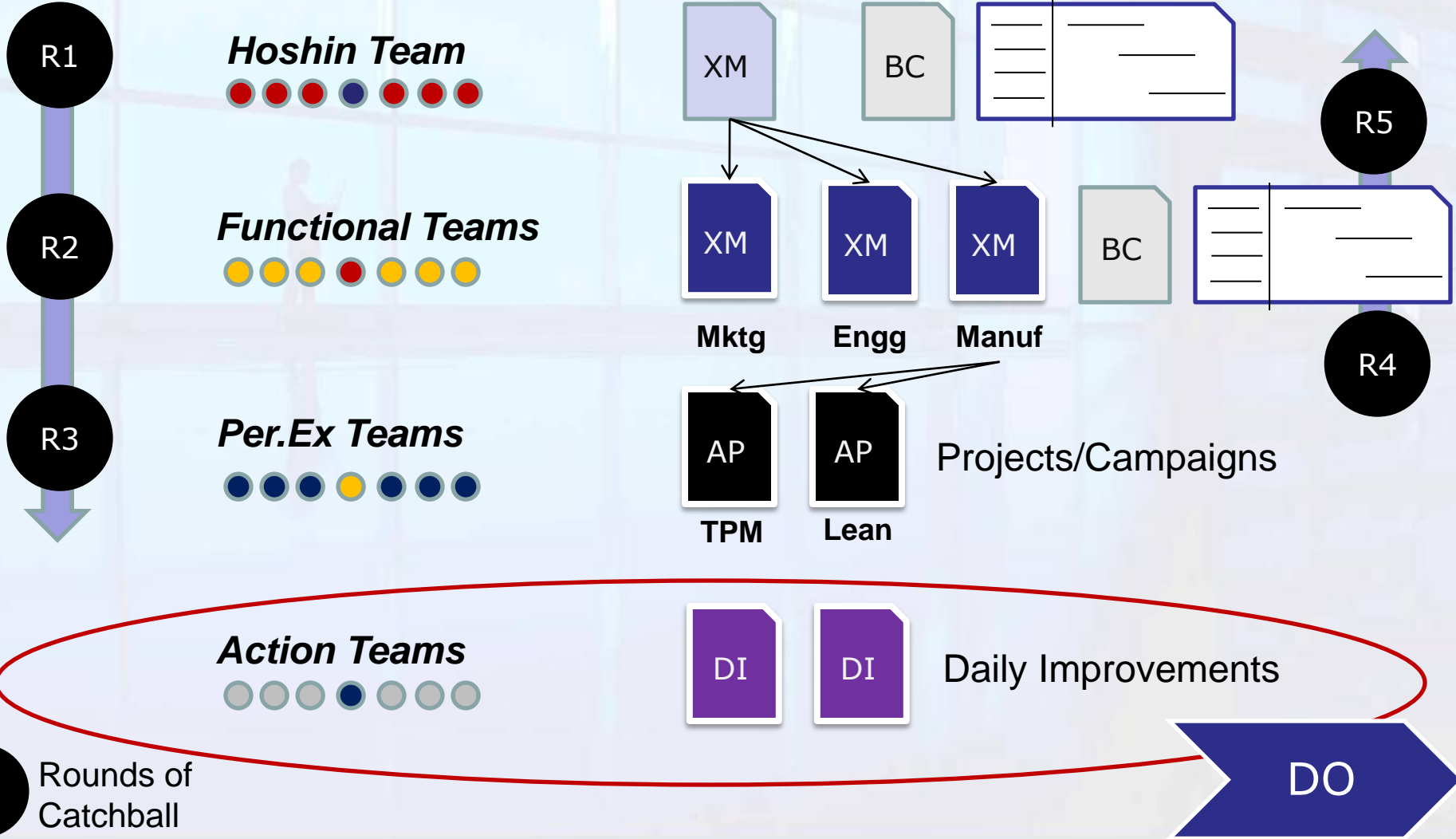


The X-Matrix- The First Draft



Organizational Alignment through Catchball

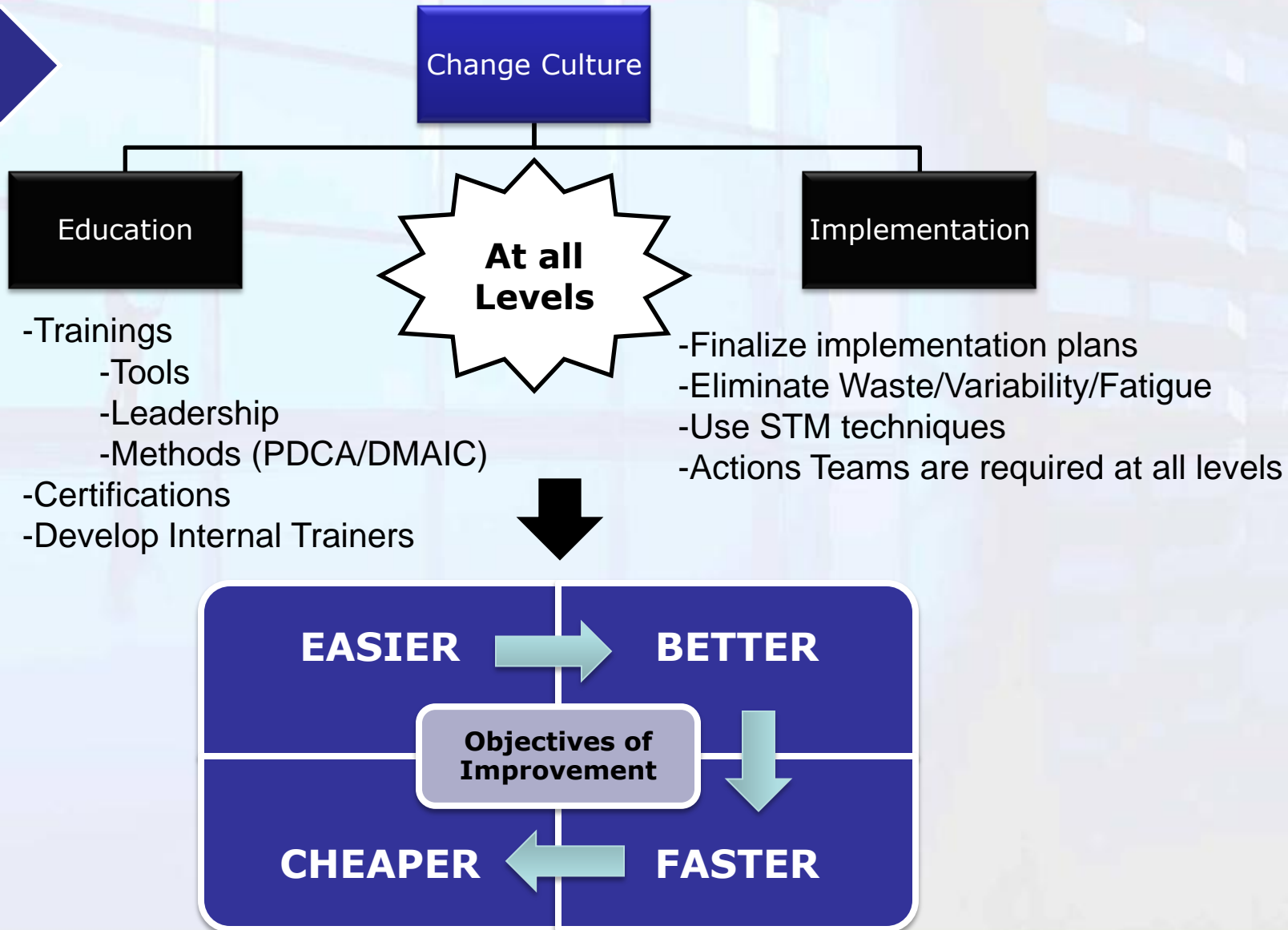
Site Level Deployment



Rx Rounds of Catchball

Learning by Doing

DO



Validate the progress

CHECK

ACT

Check Progress in Real Time

Visual
Hoshin
Management

Daily
Management
& Leader
Standard
Work

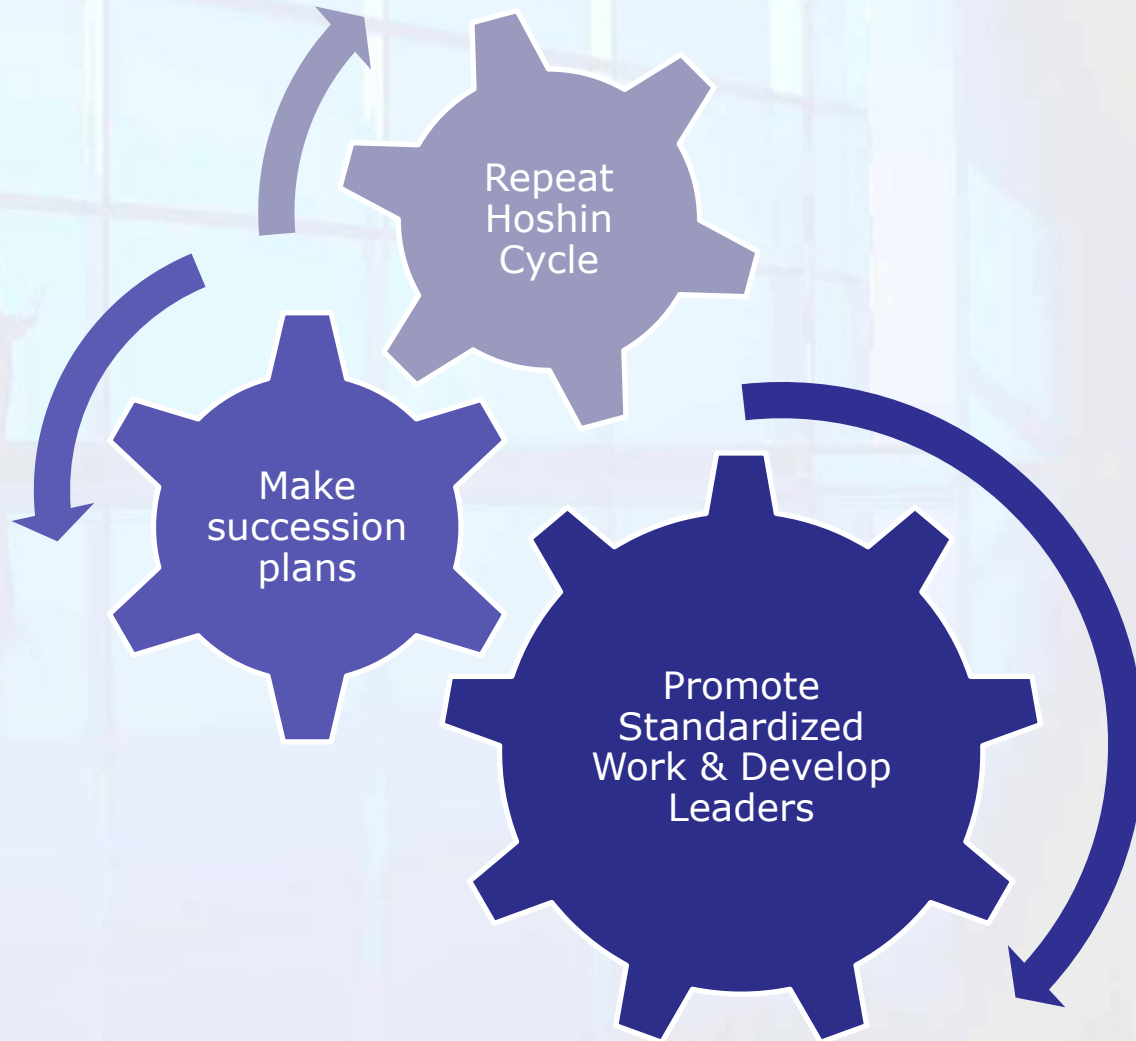
Performance
Audits

Cultural
Audit



Institutionalize Hoshin Kanri

ACT



Hoshin Kanri – Benefits / Limitations

Benefits:

- Participative- creates alignment & involvement towards breakthrough objectives*
- The planning process is continuously improved – the built in CI cycle helps.*
- Helps organization to focus on Vital Few, rather than Trivial many.*
- Integrates & encourages cross-functional co-operation to achieve breakthroughs.*
- The progress on plans is carefully monitored & feedback is fast .*
- Lets you think differently!!*



Limitations:

- Complete Involvement & Commitment required. Difficult in some cultures*
- Needs long term commitment, patience and support from Top Management*
- Because, its a learning process, at times it is slow*



New Thinking

*“If you always DO what you’ve always DONE,
you’ll always GET what you’ve always GOT*

Yogi Berra, Baseball Philosopher

*“If you always THINK what you’ve always THOUGHT,
then you’ll always DO what you’ve always DONE, and
you’ll always GET what you’ve always GOT.*

Greg Howell, Co-founder LEAN Construction Institute

Closing Thought

“The Greatest Mistake we make is living in constant fear that we will make one”



Questions
are
guaranteed in
life;
Answers
aren't.



Questions?

BMGI Today



BMGI Facts & Figures

- World Leader in Performance Excellence
- Global headquarters in Longmont, CO USA with 15 International Offices
- Over 200 active clients worldwide
- Over 100 successful deployments worldwide
- More than 150 full-time consultants across the globe



200+ World-Wide Customers



\$15+ Billion in Benefits