

# What is the Hoshin Process

A brief overview of what this most powerful strategic planning process will do for your organization (6 Hours)

## Purpose:

- Identify the vital key issues which will enable the Organization or department to create a strategy (i.e. become an effective team or optimize the organization)
- Have the management group prioritize the vital key issues and thus, know where to start.
- Align the entire management group on the next (first) steps for the Organization or department to implement the strategy (i.e. become an effective team or optimize the organization)

## Process Method:

- Get each member of the management group to fully participate in the Hoshin session to:
  - (1) Ensure all vital key issues are considered;
  - (2) Develop a clear sense of ownership by each member of the management group;
  - (3) Reduce and/or eliminate the resistance to change.
- Phase 1: Establish the foundation for the Hoshin including a review of Deming's theory of management, discussion of heavy loss sources and vital gain opportunities, and how they apply to your organization.
- Phase 2: Identify the vital key enablers / issues that will allow the Organization or department to create a strategy (i.e. become an effective team or optimize the organization)
- Phase 3: The interrelationship process: **a process to determine root causes.**
- Phase 4: **Review** the results of the interrelationship process, identify the next steps and get agreement thereon.

## Intended Outcomes:

- A sequenced list of all the vital key issues (the next steps) that will allow the Organization or department to create a strategy (i.e. become an effective team or optimize the organization) and the specific steps that will lead there.
- An aligned management group fully committed to working in sequence on these vital key issues revealed in the plan.

# The Hoshin Optimum Leadership Process

A brief history of where and how this most powerful strategic planning process originated, and why it works so successfully.

This process has part of its roots in the Japanese Hoshin process, a strategic planning process that is virtually unknown outside of Japan. Ironically, the Hoshin grew out of American quality pioneer Dr. W. Edwards Deming's work with the Japanese, which subsequently turned their country into the world's quality leader.

The Hoshin (in Japanese, HO=*Method*, and SHIN=*Shiny Metal Star Showing Direction*, like a **compass** needle) is the first step major Japanese organizations take before undertaking any new initiatives, be it building a new plant, designing new products and services, hiring personnel, preparing a marketing or sales campaign, etc.

It is their primary tool for discovering the vital key sequenced steps needed to be taken in order to become the leader in their respective domains. In essence, it is one of their top "Secret Weapons" in achieving business / quality leadership, as it simply and elegantly surfaces all the vital key issues that need to be addressed, totally aligning, unifying, and energizing the whole organization to achieve its stated aim(s).

MetaQuality's founder, Marshall Thurber, went to Japan to research the Hoshin in detail. Marshall combined what he learned first-hand from the Japanese with his proven mastery of superlearning technologies, the dialogue vs. discussion process, and his comprehensive background with both Dr. R. Buckminster Fuller and Dr. Deming, resulting in the most powerful strategic planning tool available - the Hoshin.

The initial session is typically a two-day process, involving a maximum of fifteen members of an organization's leadership. The process is highly interactive and cooperative. It ensures that each participant's input is given full and equal consideration. The result: full *resolution* (as opposed to compromise) and *integration* of all issues surfaced in the process, and the clarifying of your organization's core driving values and vision. It also provides your organization with the next steps it needs to take to reach its aims, with the *greatest efficiency* (minimum waste) and *maximum impact* (focusing on the "vital few" vs. "the trivial many").

## What is Hoshin Kanri?

A useful metaphor for Hoshin Kanri is the Compass. A compass can help provide guidance and direction especially in times of change.

Hoshin Kanri is a systems approach to manage change , implement strategic initiatives throughout an organization using a step-by-step planning, implementation, and review process. Hoshin Kanri improves the performance of business systems by aligning the management team on a set of specific steps that will influence all the steps in a process. A business system is a set of coordinated processes that accomplish the core aim. For every business system there are measures of performance and desired levels of performance. Hoshin Kanri provides a planning structure that brings selected critical business processes up to the desired level of performance.

### **Hoshin Kanri is applied at two levels:**

The Strategic Planning  
Strategies—Business Simulations

The Daily Management Strategies  
—Business Operations

### **Purpose...**

The purpose of Hoshin Kanri (or Policy Deployment) is to make it possible to get away from the status quo and make a major performance improvement by analyzing current problems and deploying strategies that respond to environmental conditions. Policy Deployment cascades, or deploys, top management policies and targets down the management hierarchy. At each level, the policy is translated into policies, targets and actions for the next level down.

With Policy Deployment, top management vision can be translated into a set of coherent, consistent, understandable and attainable policies and actions that can be applied at all levels of the company and in all functions of the company. When these actions and policies are applied, they result in a vision becoming a reality - and major, continual improvement in performance.

At the beginning of the Policy Deployment process, top management sets the overall vision and the annual high-level policies and targets for the company. At each level moving downward, managers and employees participate in the definition—from the overall vision and their annual targets—of the strategy and detailed action plan they will use to attain their targets. They also define the measures that will be used to demonstrate that they have successfully achieved their targets. Then, targets, in turn

are passed on to the next level down. Each level under top management is, in turn, involved with the level above it to make sure that its proposed strategy corresponds to requirements. Regular reviews take place to identify progress and problems, and to initiate corrective action.

Policy Deployment ensures that everyone in the company is made aware of the overall vision and targets, and the way that these are translated into specific requirements for their own behavior and activities.

## Hoshin Kanri & [Deming's Plan-Do-Check-Act \(PDCA\) Cycle...](#)

[Hoshin Kanri](#) can be thought of as the application of Deming's Plan-Do-Check-Act (PDCA) cycle to the strategic management process. The PDCA cycle represents a generic approach to continual improvement of activities and processes.

IN THE '**PLAN**' STEP, a plan of action is developed to address a problem. Corresponding control points and control parameters are created. The plan is reviewed and agreed.

IN THE '**DO**' STEP, the plan is implemented.

IN THE '**CHECK**' STEP, information is collected on the control parameters. The actual results are compared to the expected results.

IN THE '**ACT**' STEP, the results are analyzed. Causes of any differences between expected and actual results are identified, discussed and agreed. Corrective action is identified.

The Plan-Do-Check-Act Cycle is a logical sequence for behavior. PDCA implies that once one cycle of the sequence is completed with the '**ACT**' step (in which corrective action is identified), the '**PLAN**' step (in which a plan to address how corrective action will be generated) of the next cycle should be started.