

# Hoshin Planning Overview

## Overview

Simply put Hoshin is a strategic planning process with built-in review, improvement, and learning activities.

The official phrase used to describe this style of strategic planning is hoshin kanri. When we break this phrase apart we learn that Hoshin means direction or policy and Kanri means management.

In other words, Hoshin Kanri is a management tool that helps keep the organization focused in the right direction.



## Benefits of Hoshin Planning

There are many benefits to Hoshin Planning.

First, Hoshin Planning aligns everyone towards a few high-impact objectives while also keeping them accountable for their commitments through visual management and review.

Next, the organization learns and improves the planning process through root cause correction action.

And finally, Hoshin Planning standardizes the reporting and presentation format while also reducing the number of ad hoc reports generated creating a form of Gemba focused management as we see in this example.

## 7 Step Hoshin Planning Process

There are 7 steps to the Hoshin Planning Process.

The first step of the Hoshin Planning process is to **develop the vision, mission, and key metrics** of the organization. This is an important step as it lays the foundation for the rest of the process.

The second step is to **identify breakthrough objectives** which are the vital few significant changes needed for the organization to achieve its vision.

Once we've identified 2 to 3 breakthrough objectives we'll **set annual improvement plans** which is the 3rd step in the process. And while we reference annual plans there is flexibility to create shorter planning horizons such as quarterly objectives.

The 4th step has us deploy these annual objectives top to bottom through a process called **catch ball** which develops consensus about "how" objectives will be met through two-way communication between management and their direct reports. As it turns out, the phrase catch ball comes from the idea of two people playing catch with a baseball.

The 5th step of the Hoshin Kanri process challenges the organization to **review results** on a weekly, monthly, and annual basis. To do this the organization will utilize tools such as the bowling chart to monitor how things are going. We see an example of a bowling chart here which we'll cover in much more detail in coming modules.

Step 6 of the Hoshin Kanri process is focused entirely on **problem solving**. During step 5 there will be occasions where we "miss" on an objective requiring a countermeasure to be implemented. By following the 8 steps to Practical Problem Solving, which we'll review later in the course, root causes to these problems can be identified and countered accordingly.

Now it should be noted that there are fundamental similarities between kaizen breakthroughs, problem solving, and hoshin planning since they all follow the Plan, Do, Check, Act process.

Finally, step 7 of the Hoshin Planning process is all about **reflection and organizational learning** as we constantly seek to understand and grow from our daily work.

## Learn More!

To learn much more about Hoshin Planning and many other lean thinking topics please visit <http://gembacademy.com> or call us at 1-866-599-1398.