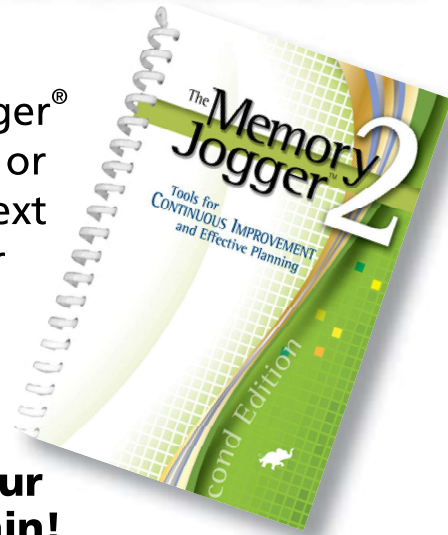


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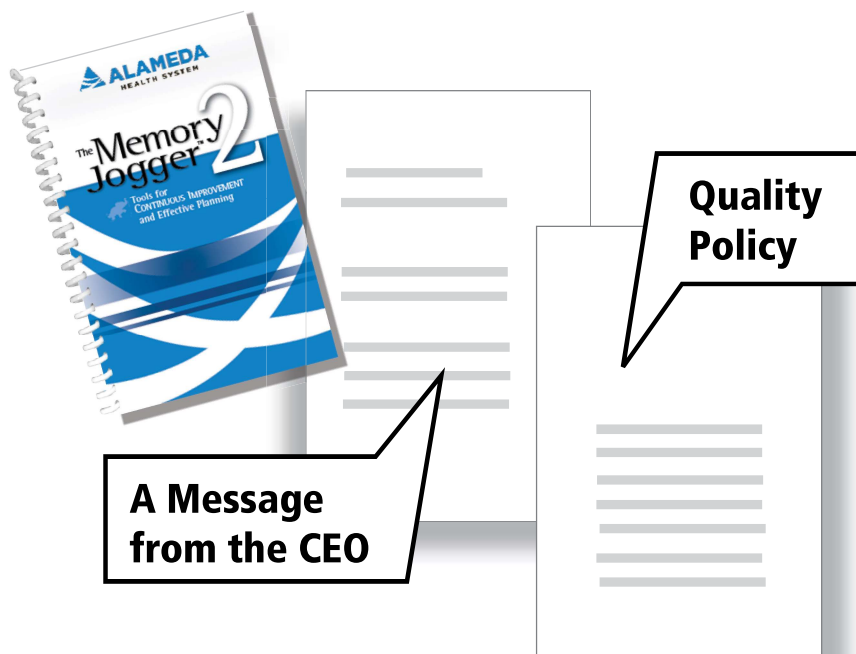


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Hewlett Packard implemented Hoshin in the early 1980s. Its interest was stimulated by its Japanese division, which went from the worst to best division between 1975–1980 as it competed for the Deming Prize. HP's Hoshin in the 1980s was to improve their quality tenfold. HP's healthcare division became a model for Hoshin implementation. When Philips bought the healthcare division of HP, that division helped Philips deploy Hoshin throughout the corporation.

Jack Welch at General Electric used Hoshin to help him make GE number one or two in each of its business markets. As employees left GE and went to other companies, Hoshin skills were spread to hundreds of organizations.

Joe Colletti has been a national leader in coaching companies on Hoshin for two decades. In writing this Memory Jogger, he has brought together the experience of many of the companies referenced in this preface as well as others with which he has worked. I hope this Memory Jogger is a good reminder of lessons learned in your Hoshin training. Be assured that GOAL/QPC will be happy to provide you with additional training and coaching to assure your company's success through Hoshin planning.

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CREATION SEQUENCE

The Hoshin Paradigm: Visibility

The core mindset that underlies the entire Hoshin process is to utilize visibility in all phases of one's work.

Key Definition



Visibility is the taking of the complexity of what an organization (or team or individual) is confronted with and capturing it in visual formats that allow that information to be manipulated, analyzed, prioritized, communicated, dialogued, and monitored.

The critical concept here is that visibility is not just a tool—it is a mindset. It is a fundamental approach to the way one does his or her work.



The critical questions asked by a person who has a visibility mindset might be:

- Looking at the complexities of my work, how have I made them visible?
- What maps do I have of the projects I have in place?
- How do I create visibility around what I am trying to do or manage?
- How can I use visibility to reduce the amount of time I spend communicating to others and participating in meetings?
- How useful are the visibility forms I now use? How might I modify them to make them more effective?

Even a cursory overview will show that what gives the M&P tools their power and effectiveness is their capability to display a complexity of information in formats that can be readily analyzed and assessed by an individual or team. Hoshin maximizes the use of these tools—especially matrices—in each of its major phases.

Use Visibility Tool Variants for Strategic Plan Creation

What Is It?

The M&P tools used in this strategic step will vary according to the strategic planning analysis process used by the leadership team. The M&P tools most frequently used at this step are variants of:



- Affinity diagram
- Interrelationship digraph
- Prioritization matrices
- X/Y matrices

Why Use It?

As noted above, one of the key benefits of the underlying methodology of Hoshin Kanri is that it helps to create visibility around all the key elements of the complexity required by strategic planning. This means that from the very first steps in the process, the leadership team will use the M&P tools and visibility charts of their own creation to capture all of their deliberations, analyses and strategic goal creation processes. In this manner, the leadership team can amplify its own creativity and insight in the creation and setting of the organization's strategic direction. In addition, the visibility generated by the tools will be used to communicate the details of the plan to the rest of the organization.

How Do I Do It?



As the leadership team develops its strategic organizational goals, it will use the M&P tools to capture the flow of its analysis and its decision making. Whatever strategic goal generation process it chooses to use, the team makes each key element of the analysis visible. This means that the team will utilize the M&P tools in ways that are of its own creation. For example, in its prioritization of strategic drivers, the team may



develop criteria for determining the direction of the influence arrows based on its own experience with the interrelationship digraph. Accordingly, it might establish a criteria such as “operational variables automatically drive the support variables.” Likewise, when the leadership team has decided what the goals and strategies for the organization are, it will capture them in a matrix of its own design. For example, some teams prefer an X/Y matrix/tree chart, while others utilize a more complex four-sided X matrix. As an organization’s experience with the Hoshin process evolves, the detail and specifics of the planning matrices will change over time.



X/Y Matrix/Tree Chart



Goals	Measure	Owner	Time-line
Strategies			
<i>Objectives</i>			
1.0 Expand XYZ Market share	25% XYZ mkt	JC	Q4
1.1 Enter AB Market	10% AB mkt	JC	Q1-Q4
1.1.1 Launch A Sales calls	10% A mkt	MC	Q1



DEPLOYMENT AND DIALOGUE SEQUENCE

The deployment sequence is the most important part of the strategic planning process. The most ideal strategic plan is useless without a deployment process that effectively cascades the plan down through the organization. What differentiates Hoshin from other strategic deployment processes is its catchball or dialogue feature. The goals and strategies of the organization are not directly deployed down the organization hierarchy but are dialogued up and down the organizational chain. The term catchball was initially used as an English translation for a Japanese baseball concept of playing catch with a baseball by throwing the ball back and forth among all the players. More contemporary translations use the concept of horizontal and vertical dialogue to describe what happens in the deployment process.

This catchball or dialogue process enables the organization's leadership team to validate the feasibility of the plan that they have created in the creation sequence. It is also able to engage other levels of organizational management and employees in the strategic planning process, thus gaining the benefit of



their insights, wisdom, and buy-in to the achievement of the plan. Not only does this deployment process legitimize the strategic plan for senior leaders but it also helps to ensure that each level of the organization gets the capital, human resources, and support it needs to successfully achieve its respective plan commitments.

Deployment and Dialogue Sequence



Steps

2.1 Next Level Down (NLD) Unit Cascade and Communication

2.2 Development of Objectives and Projects

2.3 Creation of Unit (NLD) Matrix

2.4 Expansion of the Top-Level Matrix

2.5 Conduct the Walkabout Meeting

2.6 Finalization of the Plan

2.7 Subsequent Plan Deployment

What Is It?

The first step in this sequence is for leadership team members to meet with their respective direct reports and key individuals in their operating units. They review how the Hoshin goals, other goals, and strategies were derived and then work with their respective teams to begin the process of developing that unit's contribution to the strategies that impact its function.



Why Use It?

Without an explanation of the detail and evolution of the strategic goals and strategies, the NLD management is left to its own assumptions about the context, meaning, and focus for the goals and strategies. Any incorrect assumption at this point in the deployment process could result in potentially serious deviations from the intended results of the goals and strategies. Alignment around the Hoshin goals is of particular importance.

How Do I Do It?



This step in the deployment sequence involves each leadership team member, his or her direct reports, and, in some circumstances, key individuals with specific expertise relative to the identified strategies. Leadership team members meet with their direct reports and key individuals and review the following:

- The situation appraisal data used by the leadership team in the creation sequence
- The drivers that the leadership team identified as key for the organization
- Using the deployment matrix template as a guide, the evolution of each of the goals, especially the Hoshin goals and their significance
- The development process and details of the leadership's selection of strategies

After this review, the leader responds to any questions from the rest of the group. At this point, the group determines which strategies require their function's



participation either directly or indirectly and identifies the champion and team to be charged to develop objectives for each of those respective strategies. Once this is done, a timetable is established for a second meeting of the group to review and consolidate the proposed objectives.

Finally, a brief tutorial on how to complete the deployment matrix template is given to all champions and team members so that they know how to develop their objectives and complete the deployment matrix template.

- # There are times when certain strategies have a champion outside of the unit but require the participation of a member of the unit in the development (and eventual execution) of objectives related to those strategies. Accordingly, individuals from the unit are designated to be part of the team assigned to those respective strategies.

- # The leadership team member should review the champion/team designations to ensure that a single individual or group is not being over-assigned or overloaded.



Deployment and Dialogue Sequence



Steps

2.1 Next Level Down (NLD) Unit Cascade and Communication

2.2 Development of Objectives and Projects

2.3 Creation of Unit (NLD) Matrix

2.4 Expansion of the Top-Level Matrix

2.5 Conduct the Walkabout Meeting

2.6 Finalization of the Plan

2.7 Subsequent Plan Deployment

What Is It?

At this step of the process, the objectives that address each of the strategies and the projects that achieve the identified objectives are developed by the strategy champions and teams within each organizational unit.

Why Use It?

Strategies are usually too broad to be captured in a single project. The purpose of creating objectives is to break up the strategies into manageable clusters of projects.

How Do I Do It?



The objectives are developed by the NLD unit managers or key individual experts designated as the



champions and teams for each of the strategies. The champions and teams use a combination of visibility tools to develop the objectives and projects for the strategies they have been assigned. They follow a process similar to that which the leadership team used to create the strategies for the organization:

1. Review the context/detail of the strategies assigned.
2. Using an affinity diagram, brainstorm the question. What are all the things that need to be done to achieve this strategy?
3. The header cards on the resulting affinity diagram are the potential objectives for the strategy under consideration.
4. The champion and team review those potential objectives and consolidate them using the rule of four as a guideline.
5. Once the objectives have been identified for each strategy, the champions and their teams develop measures, responsibility, and timelines for each objective.
6. Next, the team uses the affinity diagram used in the generation of the objectives as a starting point for determining the projects/operational focus areas that will be required to achieve each of the objectives.
7. Once the projects have been identified, the teams develop measures, responsibility, and timelines for each project to the extent possible.
8. When finished, the objective champion updates the work of the team on the unit deployment matrix.



Unit X Deployment Chart



Goals	Status	Measure	Champ	Team	Time-line
Strategies					
<i>Objectives</i>					
<i>Projects/Ops.</i>					
1.0 Increase Total Sales		25%	RB	AA	Q1-4
1.1 Target AMX Mkt.		2 new prod.	EE	YY, BV	Q1-Q3
1.1.1 Launch A		Q2	KN	BC, DS	Q1-Q2
1.1.1.1 Dev. A		Q1	JC	YK	Q1-Q2
1.1.1.2 Mkt. A		Q2	YY	WS, SD	Q1
1.1.2 Launch B		Q3	JC	MI, GF	Q3
1.1.2.1 Dev. B		Q2	SE	YY, SE	Q2
1.1.2.2 Mkt. B		Q3	RF	SE,WL	Q3
1.1.3					

Deployment and Dialogue Sequence



Steps

- 2.1 Next Level Down (NLD) Unit Cascade and Communication
- 2.2 Development of Objectives and Projects
- 2.3 Creation of Unit (NLD) Matrix**
- 2.4 Expansion of the Top-Level Matrix
- 2.5 Conduct the Walkabout Meeting
- 2.6 Finalization of the Plan
- 2.7 Subsequent Plan Deployment