Policy Deployment

Hoshin Kanri

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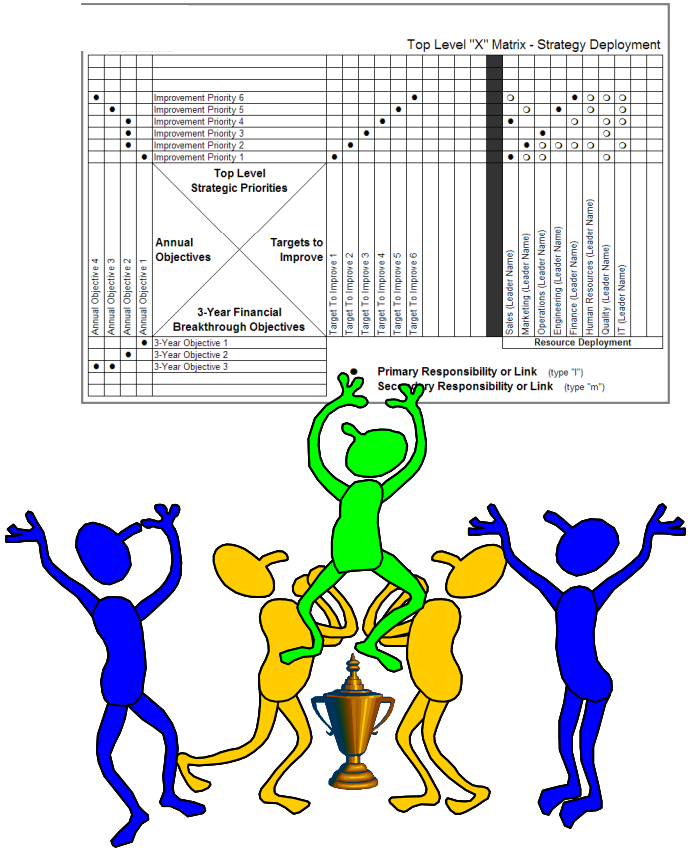

Policy Deployment

…Turning Theory Into Action

What is Policy Deployment?

Policy Deployment or Hoshin Kanri

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Hoshin Kanri was developed in the 1950s in Japan in order to drive down strategic key entity goals **systematically** and **sustainable** into operations

- Ho = direction
- Shin = needle
- Kanri = Management and control

Hoshin Kanri = management and control of the organization's direction needle (compass) or focus.

Hoshin Kanri provides us with standardized tools for step-by-step entity wide strategic planning, an inherited continuous improvement process and the control of success.

Hoshin Kanri

a companywide planning and controlling system

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- All employees and managers are involved
- Starting with the corporate vision key long term objectives are deduced (Breakthrough‘s)
- These Breakthrough objectives are cascaded systematically and stringent to different levels
- At the end every employee or manager has his own strategies and objectives deduced from the top level.
- All employees are aligned to the corporate vision and the same objectives.

Why use Hoshin Kanri?

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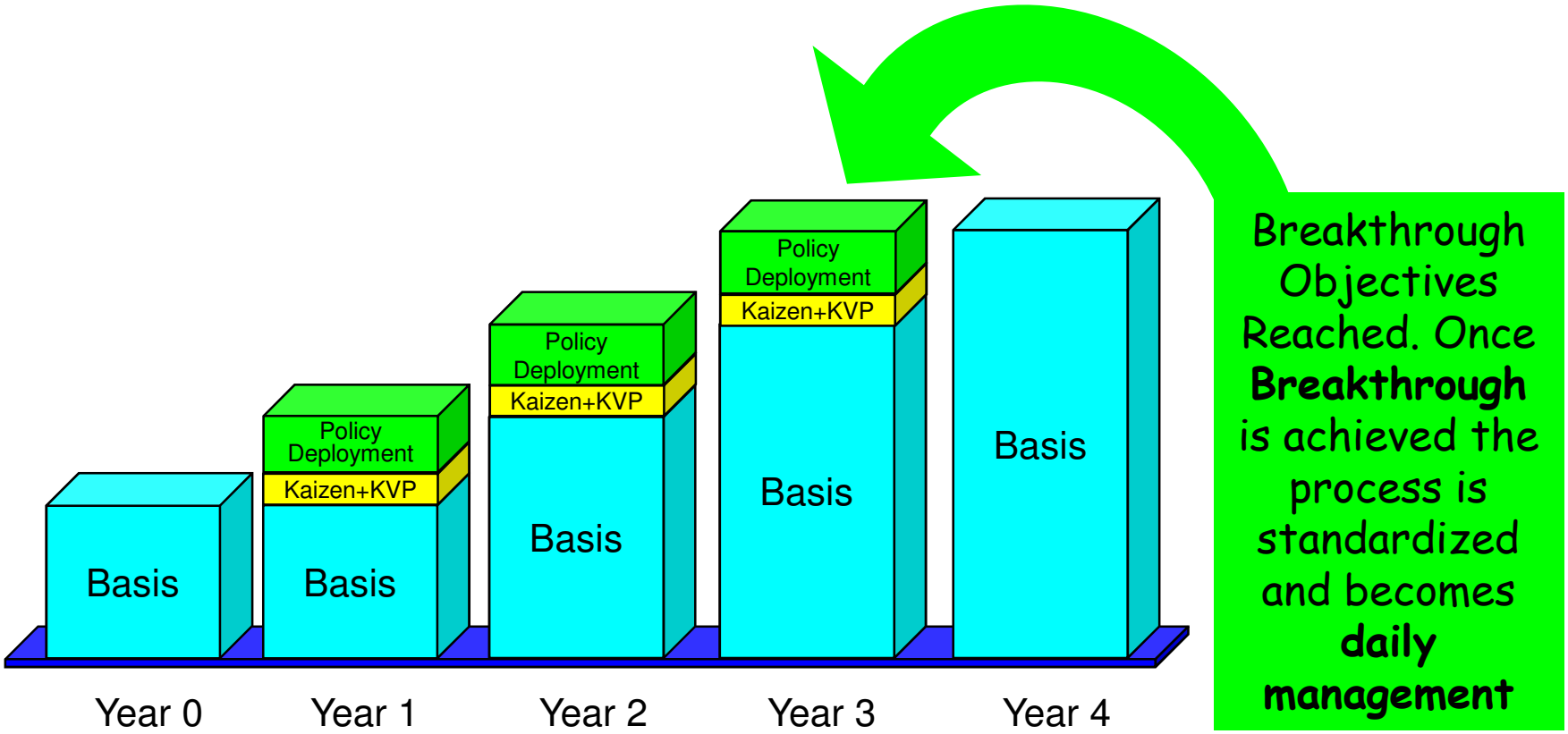
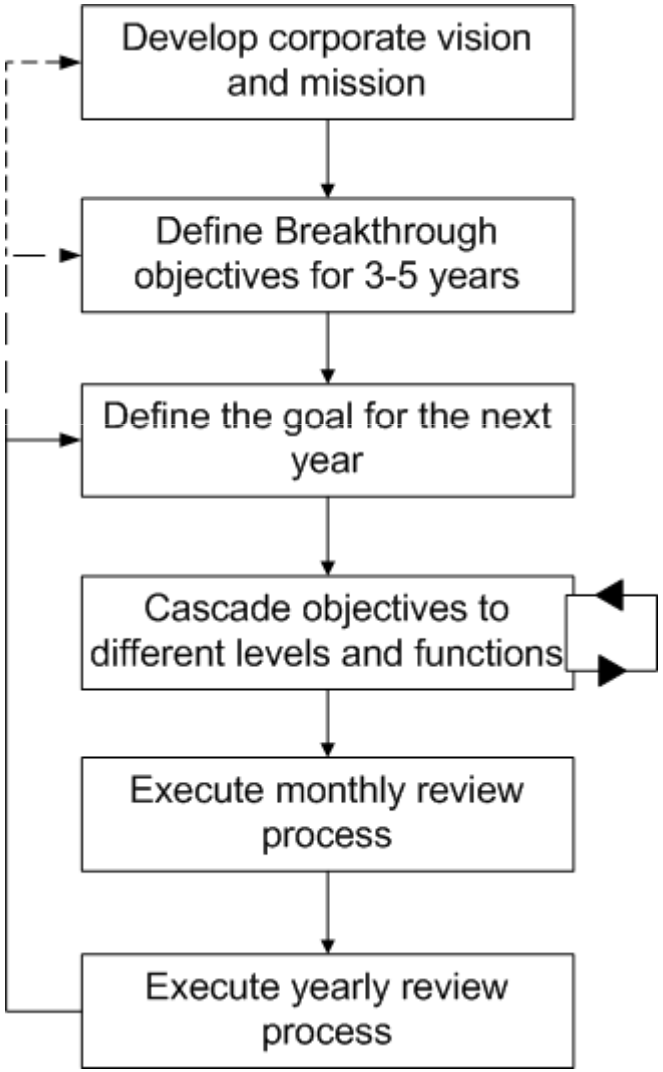
The goal is to build a sustainable competitive advantage



The Hoshin Kanri Process

From Mission to Action



The Hoshin Kanri “core”

The “X” Matrix

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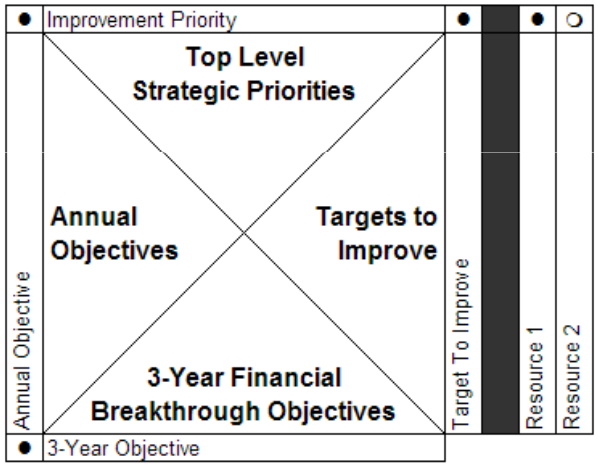

The X-Matrix is the „helmstand“ for the Hoshin Kanri System:

- In 6 h position Financial Breakthrough objectives are defined for the next 3 years
- In 9 h position the annual objectives are developed and established
- In 12 h position top level strategic priorities and action are created and set
- In order to measure and control the actions Targets to Improve (TTI´s) are created in 3 h position. Furthermore responsible employees for the actions are assigned

Cascading the objectives

The reconciliation process

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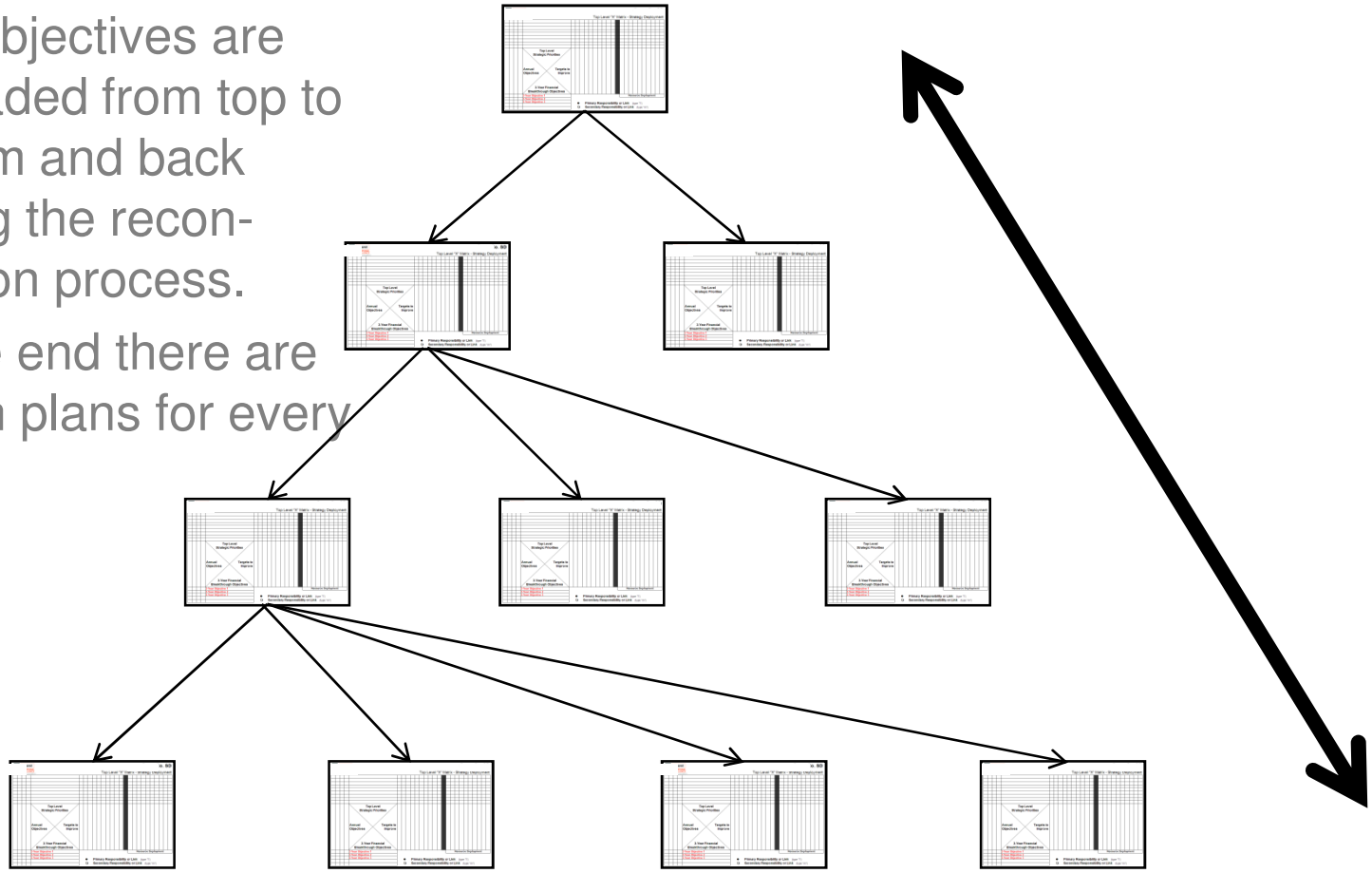
The objectives are cascaded from top to bottom and back during the reconciliation process.

At the end there are action plans for every level.



The Point Of Impact

Action Plans

From strategic priorities to action

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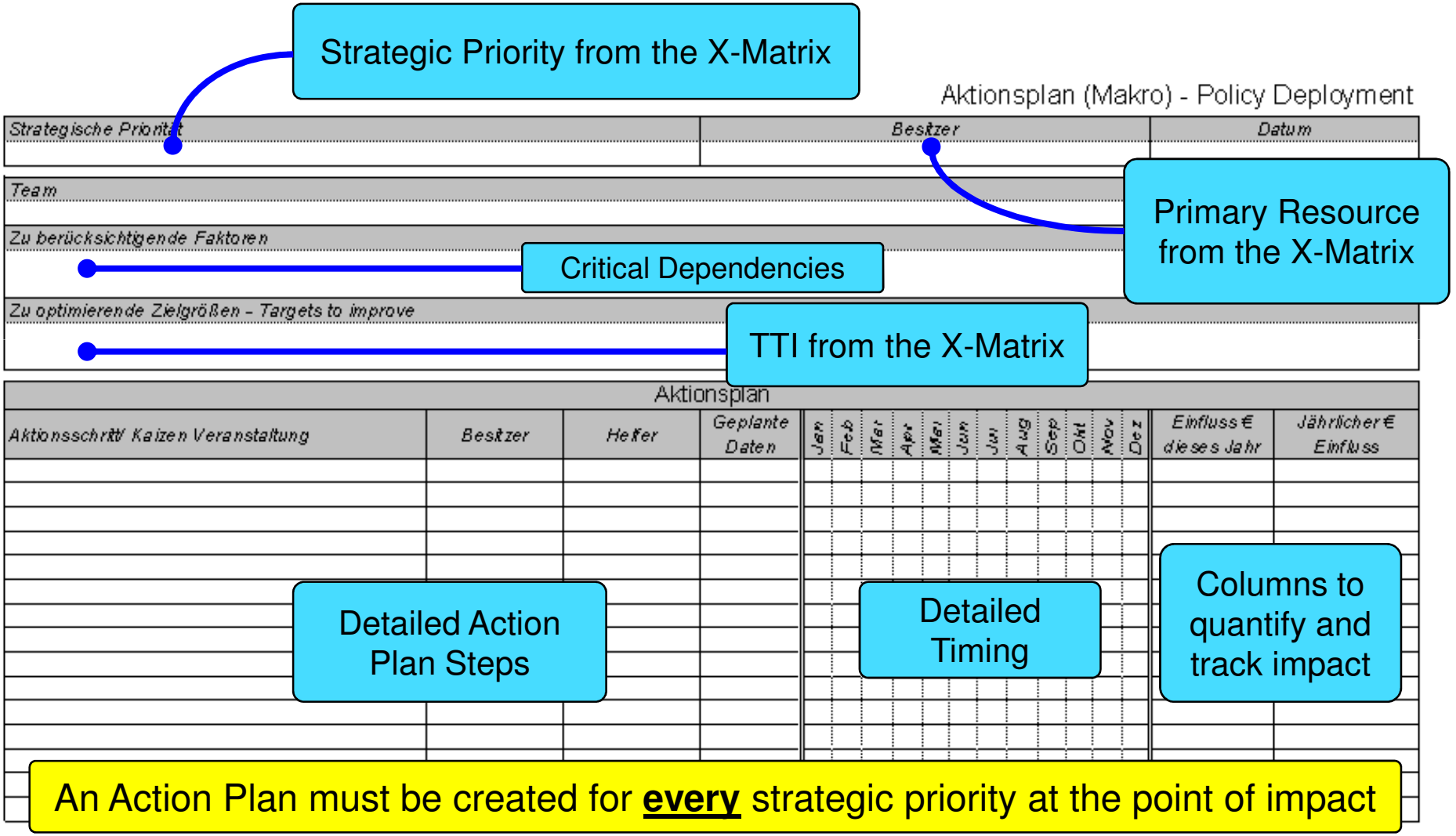

The monthly review process

Check action plans and measure TTI´s

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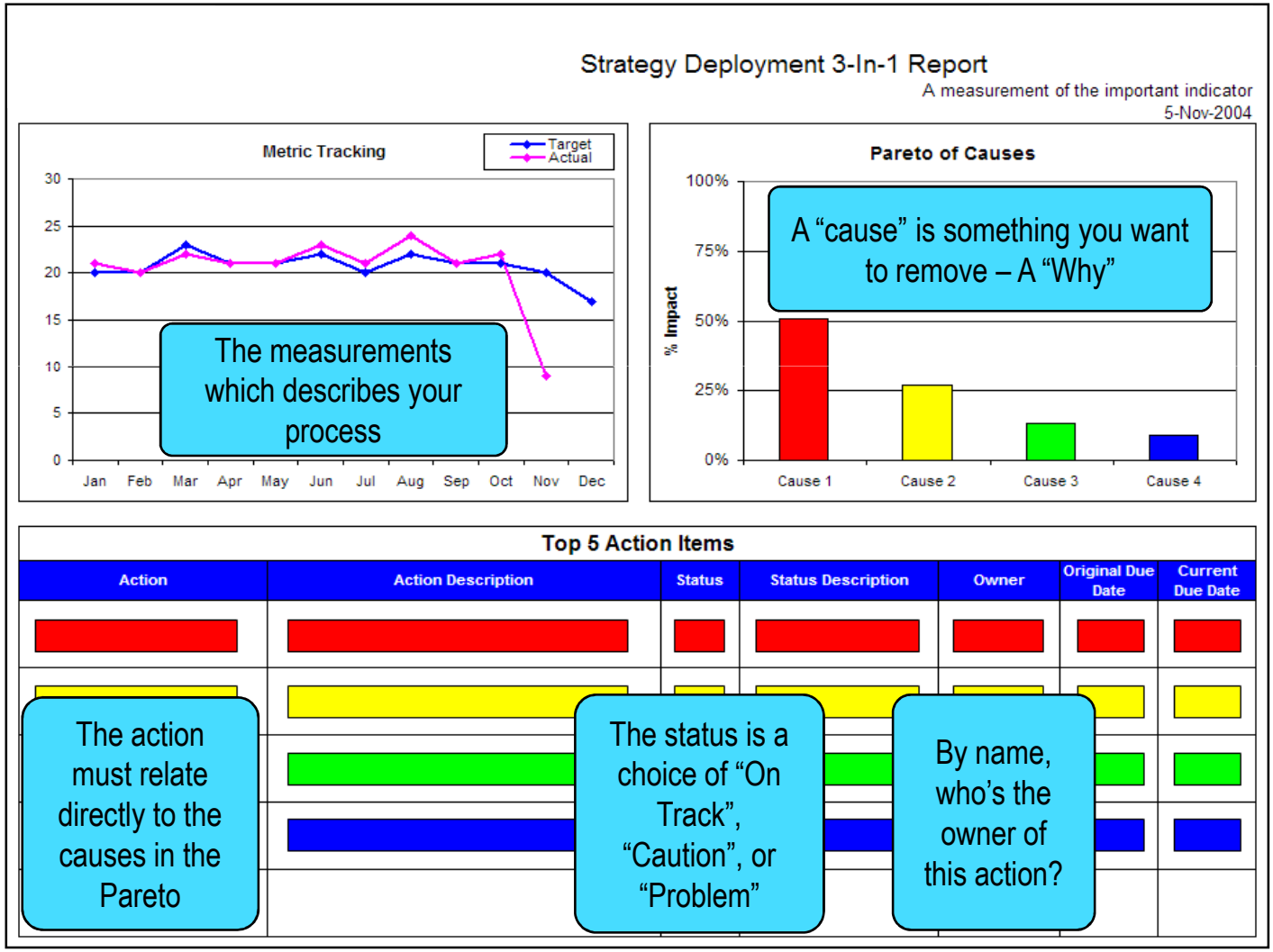
- The results are controlled from the management on a monthly base
- The review process is also cascaded and drives down to all necessary levels
- If objectives are not reached the responsible person has to analyze the root causes and define countermeasures in order to get back „on track“

Monthly Review Process

3 in 1 charts

Metrics Tracking, Pareto and Countermeasures

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