



Getting the Strategy Done – The Relationship of Hoshin Kanri and Daily Management

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Session Agenda

Basic Thinking – Mark

Application of the Thinking – Geoff, Jarrod, and Brian

Q&A and Closing Discussion

Simply put....

Daily Management

Do we know if we are ahead or behind?

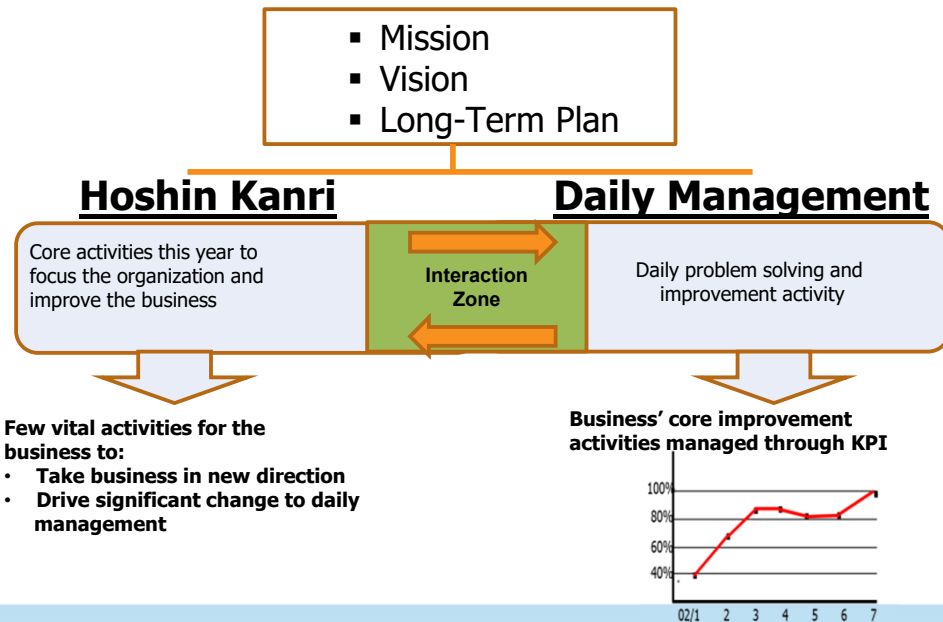
- every day, every hour, every minute

Hoshin Kanri

Do we know if we are winning or losing?

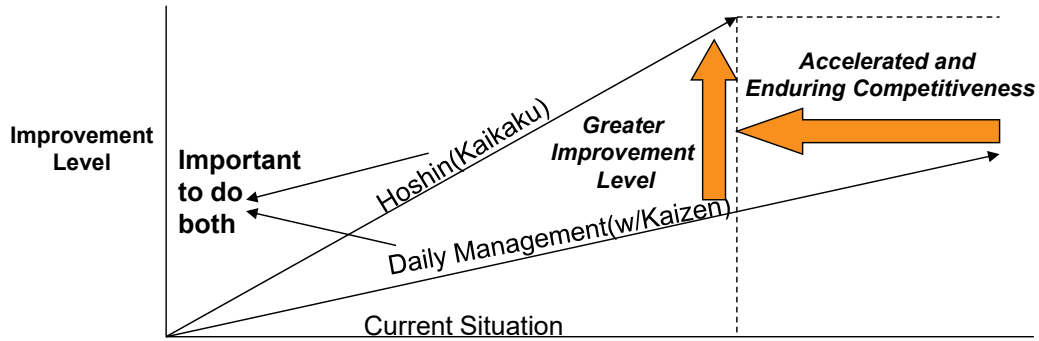
- this month, this year, in the next decade

The Relationship of Hoshin Kanri and Daily Management

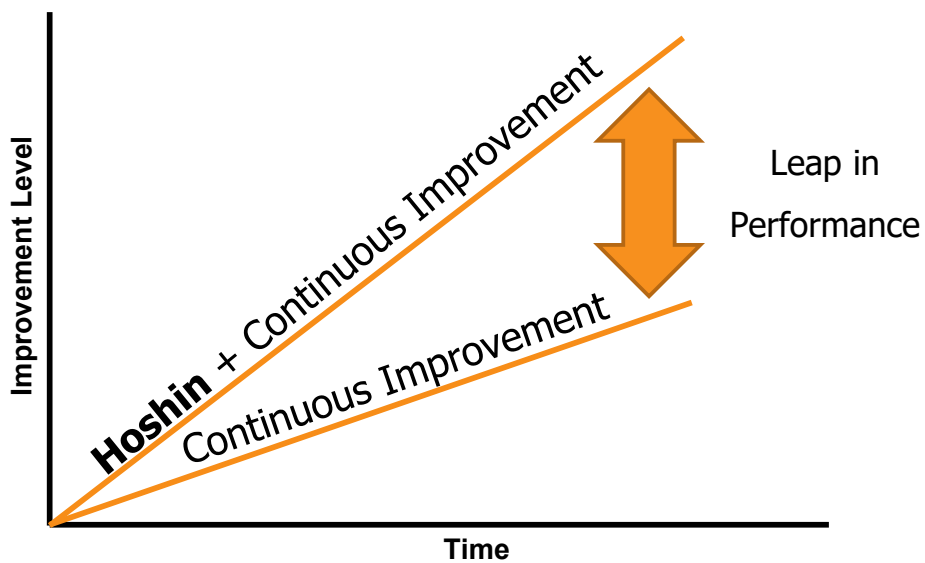


How to Manage Both?

- Daily Management is a building block to Hoshin Kanri
- Hoshin Kanri without Daily Management creates instability
- Daily Management without Hoshin Kanri impacts transformation speed



Relationship of Daily Management & Hoshin Kanri



What is Hoshin Kanri?

A management framework for strategy aimed at:

- Creating an organization capable of sustained high performance
- Producing results through structured PDCA thinking

Defines structure and standards for:

1. Establishing & executing strategic initiatives throughout an organization.

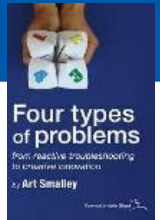
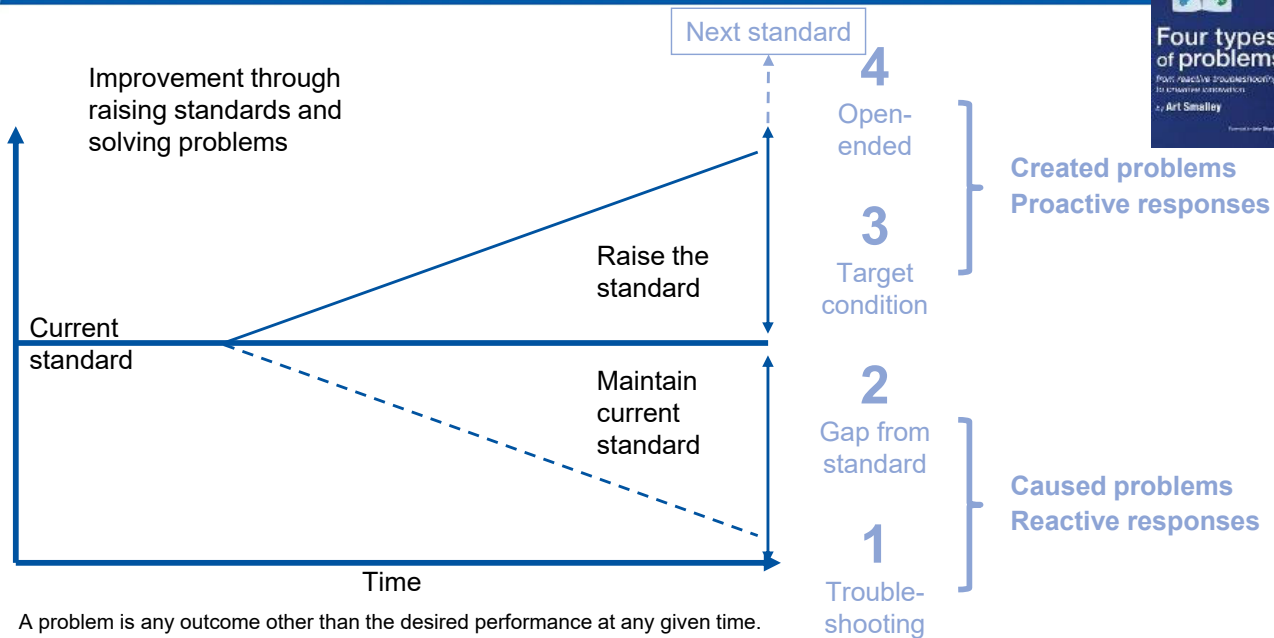
Focuses on Innovation

Supported by Continuous Daily Improvement

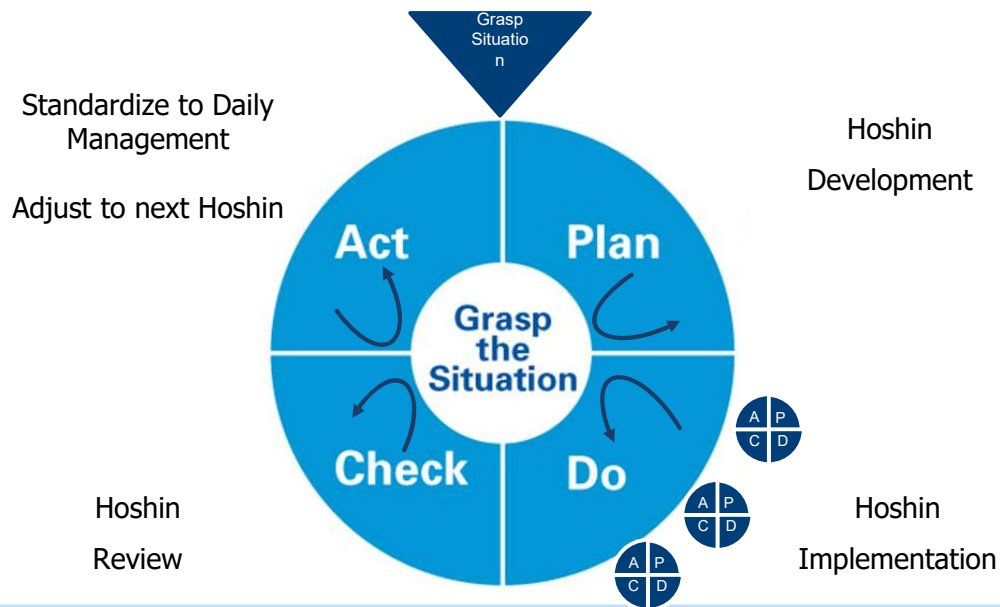
2. Developing capability through strategic delegation of responsibility & subsequent self-development.

Drives creativity

Four Types of Problems

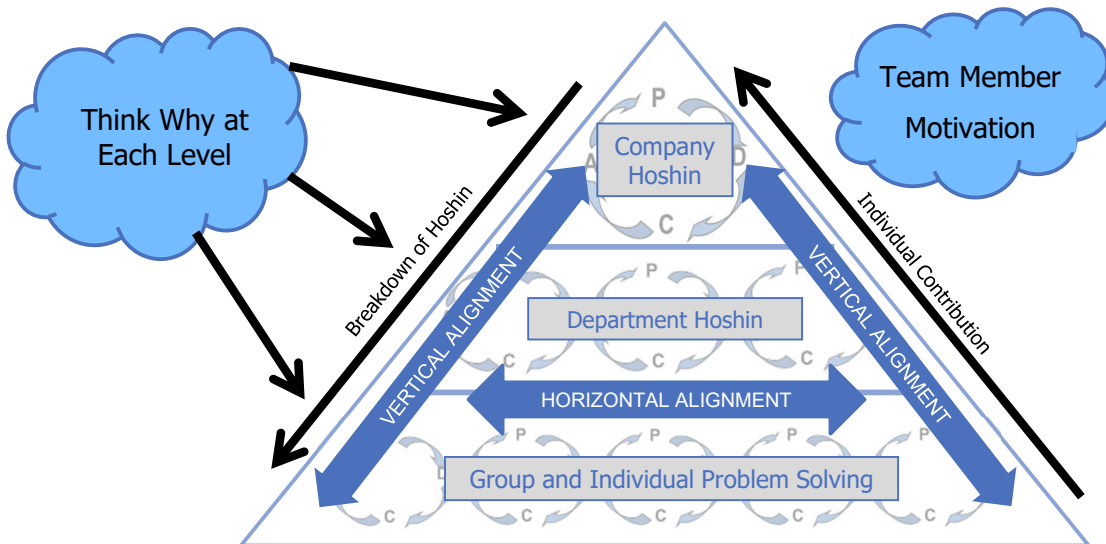


Hoshin is Company-Wide Problem-Solving

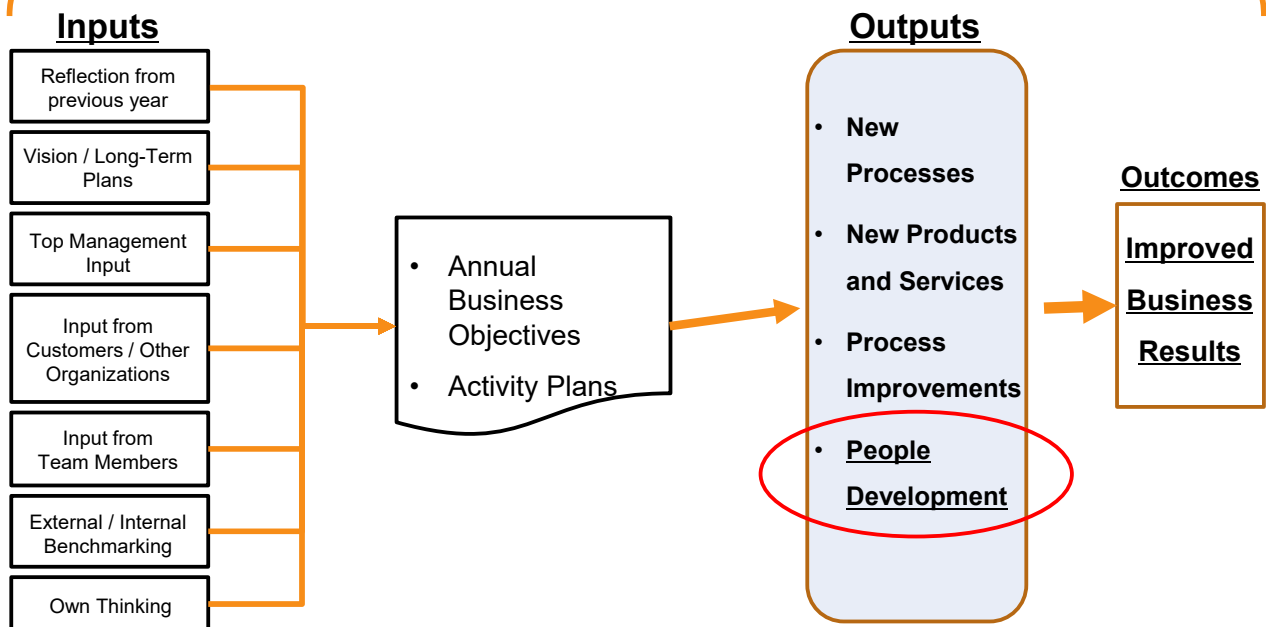


Hoshin

Breaking Down Company Problems & Solving Them at Each Level



Hoshin Kanri (Multi-year)



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Principles of Hoshin Kanri

- Focuses the organization on a few aspirational objectives
- Clearly distinguishes between strategy and daily management
- Starts with the problem(s) to solve for the organization
- Breaks down those problems at each level through a bottom-up/top-down mechanism to build ownership
- Builds structured management system and process with robust PDCA plus vertical and horizontal alignment
- Develops capability through strategic delegation of authority/responsibility and subsequent self-development
- Produces business results

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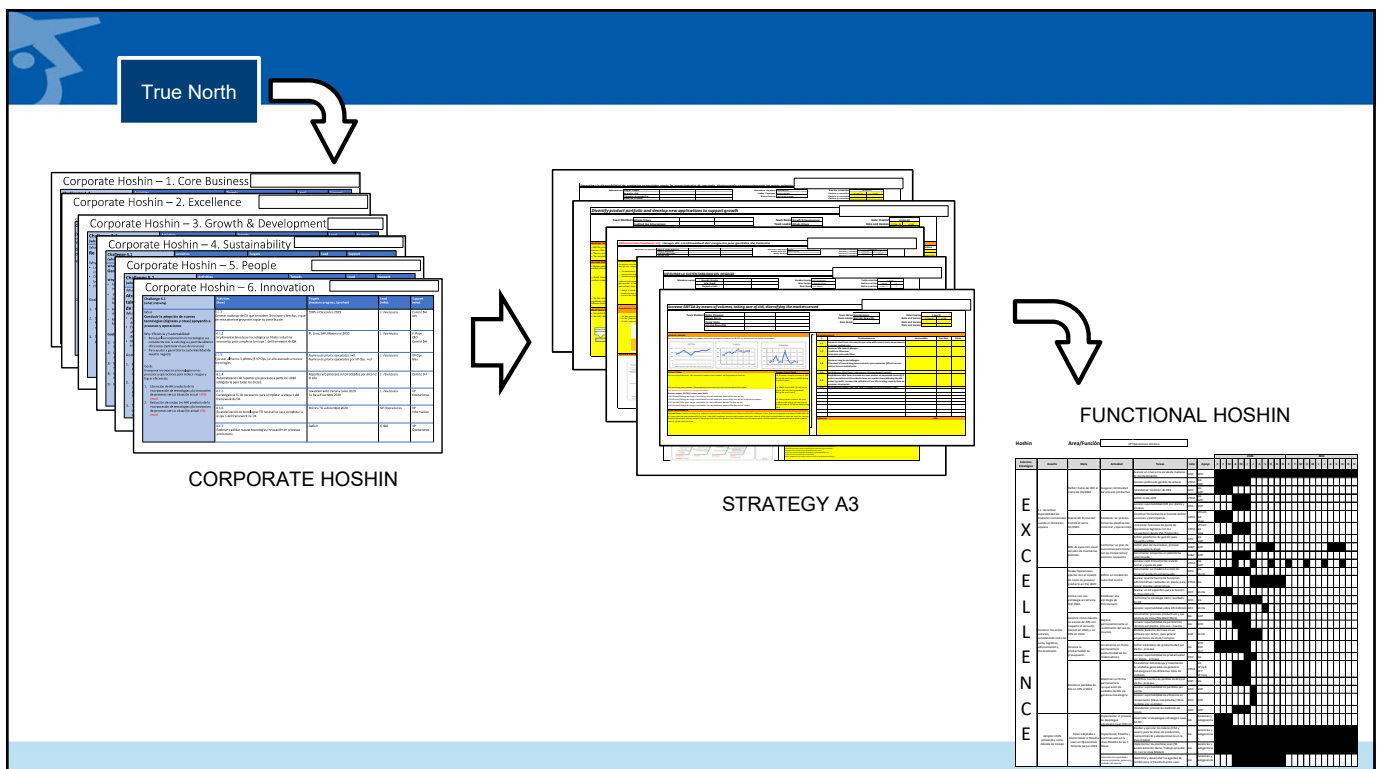
Hoshin Kanri vs Traditional Strategy

Hoshin Kanri

- Vital few
- Innovation AND implementation
- Involvement/Engagement
- Metrics and milestones
- Results and process
- Challenge with support
- PDCA
- Top-down and bottom-up
- Customer, Employees, Company
- Vertically and horizontally
- All employees
- A structure for development

Traditional Strategy

- Important many
- Innovation only
- Communication cascades
- Metrics only
- Results only
- Delegation
- Perfect planning
- Top-down only
- Financial needs
- Vertically only
- Executives only
- A structure for executive accountability



What is Daily Management?

Deliver a high-quality product (zero defects) at minimum cost that meets customer expectation



What is management's responsibility in achieving this goal?

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What is Daily Management?

It is **NOT** leadership's responsibility to drill into the details of every task



However, it **IS** your responsibility to know whether those tasks are producing high quality products at minimum cost on time to the customer

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The Purpose of Daily Management

- System for hoshin execution and daily performance relative to customer expectations and business need
- Allows one to quickly understand current state of operation – ahead or behind to plan
- Visualizes when behind or when abnormality exists
- Establishes mechanism to ask for help to catch up or fix abnormality, or when necessary, to highlight systemic issues for more in depth problem solving or hoshin
- Defines structure to communicate and align

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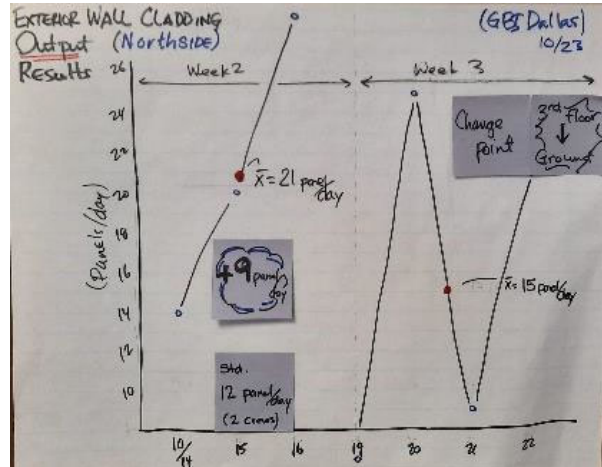
Principles of Daily Management

- “Daily” Management needs to be managed in hours and minutes
- Abnormal condition must be made easily visible
- Leaders must go to the job site to see – can’t be done from the office
- As much as possible the job site should “show” abnormality – boards are good, but how can we see by observing the work?

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Process Level Performance Measure Example

Hospital Construction – Process: Attaching Exterior Panels



- Visual with key points
- Daily Tracking Number of Panels attached per day
- Simple number, not a ratio or percentage

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Thinking and Doing Daily Management

- The Structure of Daily Management – **C) Meetings & Huddles → Go See**



Huddle:

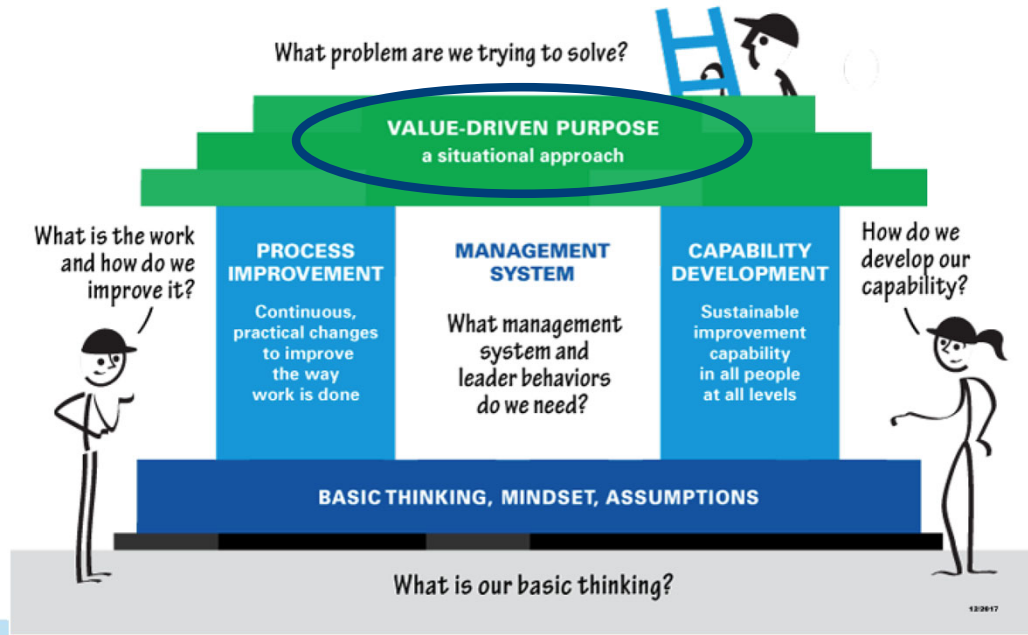
1. Alignment of Information Flow through the Organization; **Timing and Sequence**
2. Visualization of Key information

Go See:

1. Clear purpose(s)
2. Grasp the facts
3. Respect the work that is being done

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Lean Transformation Framework



Summary Table of Hoshin Kanri and Daily Management

LTF Dimension	Hoshin Kanri	Daily Management
Purpose/ Problem To Solve	<ul style="list-style-type: none"> Innovate the organization by leadership Address long-term fundamental business problems 	<ul style="list-style-type: none"> Give ownership for improvement to everyone Address daily, hourly improvement to the front line
Process Improvement	<ul style="list-style-type: none"> Focus on management of longer term and challenging business improvement 	<ul style="list-style-type: none"> Focus on management of daily improvement to work processes
Capability Development	<ul style="list-style-type: none"> Leadership development through challenging and cross-functional objectives 	<ul style="list-style-type: none"> Capability of each Team Member to improve her job every day Management to visualize and support
Management System	<ul style="list-style-type: none"> Long term strategic PDCA that reviews progress to corporate objectives monthly, annually, longer term 	<ul style="list-style-type: none"> Reviews progress to KPIs daily, hourly, to the minute
Fundamental Thinking	<ul style="list-style-type: none"> Focus on innovation Build this capability 	<ul style="list-style-type: none"> Focus on continuous improvement Build this capability

Wait...but there is some common stuff

LTF Dimension	Hoshin Kanri and Daily Management
Purpose/ Problem To Solve	Purpose – transform the organization through engagement - Meet the needs of the customer Problem to Solve – Start from there
Process Improvement	Build processes that put ownership for improvement in the hands of those responsible
Capability Development	Learn through the work and improving the work
Management System	Leadership engagement - top down and bottom up
Fundamental Thinking	We need both innovative thinking and daily improvement to succeed and they can feed each other



GRAND RAPIDS
CHAIR CO



Grand Rapids Chair - Introduction

GRAND RAPIDS CHAIR CO

- Family-owned, 150 employees
- We craft products to foster human connection
- P D Q +
- Make-to-order, short lead-times



Grand Rapids Chair – Transformation

GRAND RAPIDS CHAIR CO

- Why Hoshin? 2020 and 2021 experiences
- 2022's Hoshin plan – A3 & the linkage to Strategy
- 2022 Reflection: how A3 is beginning to impact GRC
- Planning for 2023, shift of

Grand Rapids Chair 2022 Weekly Plan

Area	2022	2023	2024	2025	2026	2027	2028	2029	2030
Business Strategy
Customer Experience
Operational Excellence
Financial Performance
Human Resources
Technology
Community & Environment

Legend:
█ Completed or on track
█ Not started
█ In progress
█ Not applicable

Jarrood's Presentation Outline (proposal)

Strategy → Company Hoshin → Dep't Hoshin → Hoshin Execution

- Current Condition
 - MIFC
 - Data
 - Process Mapping
- Plan
 - A3 Thinking
- Execution
 - Swim lanes
 - Resource alignment
 - Bottlenecks
- Scorecard
 - Alignment to business metrics
 - Effecting results as planned

Grand Rapids Chair - Hoshin Execution

Grand Rapids Chair - Hoshin Sharing

G ASSEMBLY & CONVEYANCE HOSHIN

A3 owners share new updates to plan at Hoshin meeting.

G ASSEMBLY & CONVEYANCE VISUAL SCHEDULE

Each swim lane owner speaks to red tasks that impact milestones & documents the concern on the issues list. This is the signal to pull and/or share if additional support is needed.

G ASSEMBLY & CONVEYANCE METRIC TRACKING SCORECARD

Each swim lane owner updates metrics, shares progress & highlights when milestone goals are reached.

Attendees: Managers, Sr. Managers, Engineers & CI's

Conversations around overlapping rub points between project resources & additional support if needed.

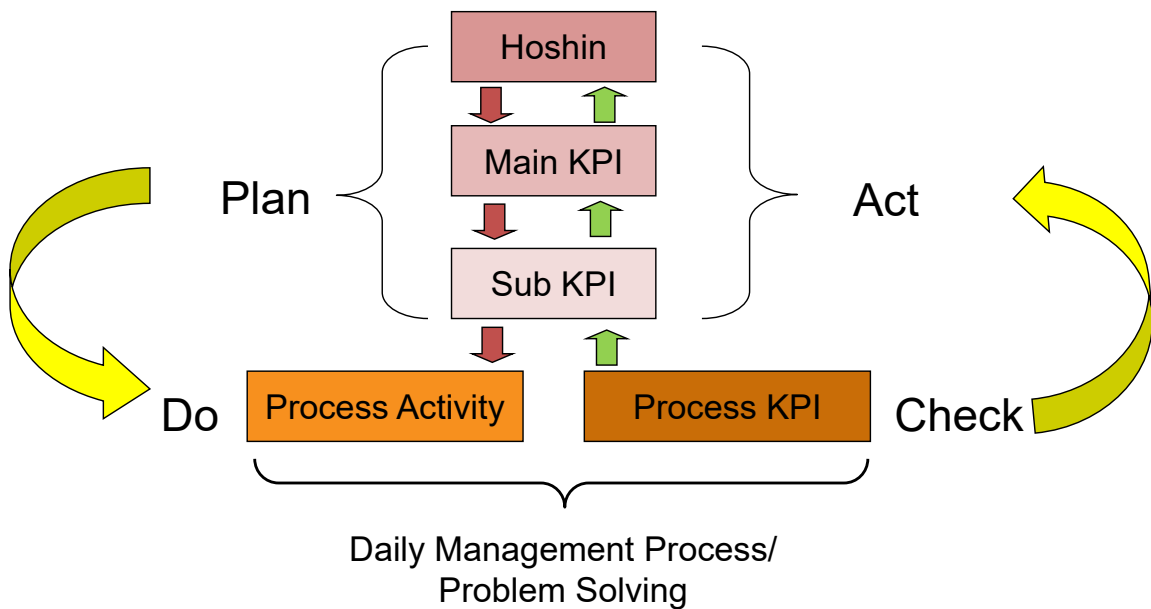
The group reviews the current condition process to see if changes need to be made. The owner of the document(s) make the updates before the next meeting.

G ASSEMBLY & CONVEYANCE MIFC

G ASSEMBLY & CONVEYANCE CURRENT CONDITION: STAFFING

G ASSEMBLY & CONVEYANCE CURRENT CONDITION: PROCESS

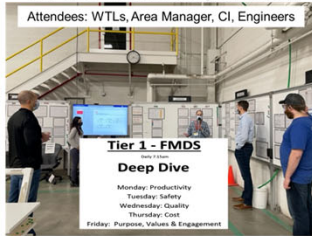
Connection – Hoshin to Daily Management



Daily Management System / FMDS

Tier 1 Area FMDS: Daily at 7:15am

Attendees: WTLs, Area Manager, CI, Engineers



- Department KPI metric graphs & activity sheets are posted: WTLs are responsible for updates before 7:15am
- Each department WTL shares a deep dive of daily KPI metric: Making connections to A3's/8-steps, WTL weekly plans & FAC/TMO plans
- Each department WTL shares the KPIs metrics at their board: if the KPI category is red, they then share the top issues
- The group reviews Voice of the Team concerns

Tier 2 CFMDS: Daily at 8:00am

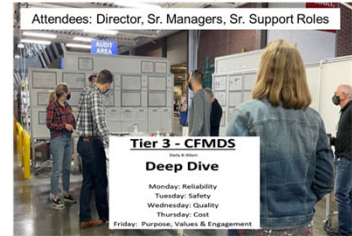
Attendees: Sr. Manager, Area Managers, CI



- Area KPI metric graphs & activity sheets are posted: Manager's are responsible for updates before 8:00am
- Each area manager shares a deep dive of daily KPI metric
- Each area manager shares a roll-up the department(s) KPIs metrics
- A3 plans are created based on immediate concerns & posted: Area manager shares on plan progress & requests resources if needed to achieve targets

Tier 3 CFMDS: Daily at 8:30am

Attendees: Director, Sr. Managers, Sr. Support Roles



- Area KPI metric graphs & activity sheets are posted
- Each Sr. Manager shares a deep dive of daily KPI metric
- Each Sr. Manager shares a roll-up their area(s) KPIs metrics
- Sr. Manager shares on A3 plan progress & requests resources if needed to achieve targets

Daily Management Deep Dive

	Monday	Tuesday	Wednesday	Thursday	Friday
Tier 3: Deep Dive	KPI: Reliability TOPIC: OPEN A3s TOPIC: TREND	KPI: Safety TOPIC: OPEN A3s TOPIC: TREND	KPI: Quality TOPIC: OPEN A3s TOPIC: TREND	KPI: Cost TOPIC: OPEN A3s TOPIC: LV. GAPS	KPI: Engagement TOPIC: PURPOSE AND VALUES
Tier 2: Deep Dive	KPI: Reliability TOPIC: OPEN A3s TOPIC: TREND	KPI: Safety TOPIC: OPEN A3s TOPIC: TREND	KPI: Quality TOPIC: OPEN A3s TOPIC: TREND	KPI: Cost TOPIC: OPEN A3s TOPIC: LV. GAPS	KPI: Engagement TOPIC: PURPOSE AND VALUES
Tier 1: Deep Dive	KPI: Productivity TOPIC: A3 UPDATE TOPIC: TREND	KPI: Safety TOPIC: SAFETY GO & SEE TOPIC: TREND	KPI: Quality TOPIC: A3 UPDATE TOPIC: TREND	KPI: Cost TOPIC: FAC/TMO SHARING C.P.M.	KPI: Engagement TOPIC: GALLUP
Daily Huddle: Deep Dive	KPI: Productivity TOPIC: PREVIOUS WEEK'S PERFORMANCE	KPI: Safety TOPIC: PREVIOUS WEEK'S PERFORMANCE TOPIC: SAFETY SUGGESTIONS	KPI: Quality TOPIC: PREVIOUS WEEK'S PERFORMANCE	KPI: Cost TOPIC: FAC/TMO SHARING C.P.M.	KPI: Engagement TOPIC: GALLUP