

# CM

# & E

CANADIAN  
MANUFACTURERS  
& EXPORTERS

Setting Direction in the  
Middle of a Storm – Hoshin  
Kanri

31  
DECEMBER  
2019  
June 25<sup>th</sup>, 2020

## CALENDAR

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

## BUSINESS

Issue 764  
Monday, Jun 14, 2016  
#Citydailynews

### 25 great jobs for people who love to travel

It is a process to allow an organization to focus resources on the greatest opportunities to increase sales and achieve the company's target. Marketing strategy's goal is to increase sales and achieve advantage over other competitors. It includes short-term and long-term activities of marketing that has to do with the analysis of a company's situation and contribute to its objectives. The objectives will be based on how you gain sales by acquiring and keeping customers.

A marketing strategy helps in making good messages with the right twist of marketing approaches in order to have a good outcome of your sales and marketing activities.

### Economy of the European Union

Branding is defined as the process of creating or making a unique name or design for a certain product. Having a good brand strategy allows you to have a major advantage in getting a large increase in your market competition. Your brand tells your customers what they can have or expect from the products and services you offer.



# ERWIN MATUSOC

Lean Facilitator

Canadian Manufacturers & Exporters



# Erwin M. Matusoc

Lean Facilitator

Hoshin Kanri Champion



- Facilitated over hundreds of successful Kaizen events
- Over 20 years of experience in Continuous Improvement, Quality & Productivity, Strategic planning & execution
- “Learn by doing” coached/trained by the Japanese for more than 10 years
- Supporting CME members across the country in their Hoshin Kanri Journey





# GUEST SPEAKER

**BRIAN PRIES**

General Manager  
Barkman Concrete

# COMPANY PROFILE

- Began 1948 by three brothers as a plumbing and heading company
- Started with precast concrete septic tanks and steps
- 1975 brought in one of North America's first automatic paving stone machines
- Market focus on Western Canada
- Seasonal production – 250 employees
- Family owned transitioning to third generation





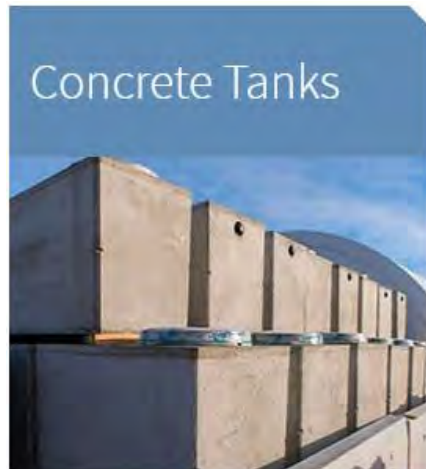
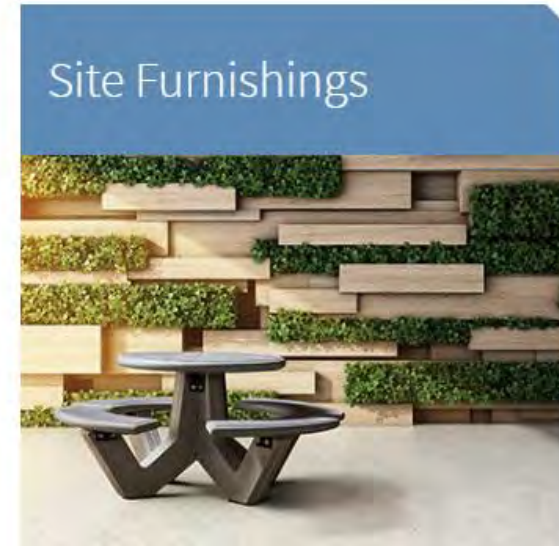
# HEADQUARTERS – STEINBACH, MANITOBA





# PRODUCT LINES

- Hardscapes
- Landscape Kits
- Site Furnishings
- Concrete Tanks
- Trenching
- Pole Base



# DEALER NETWORK

**Steinbach Office & Plant**  
152 Brandt Street  
Steinbach, Manitoba

**Winnipeg Office & Plant**  
909 Gateway Road  
Winnipeg, Manitoba

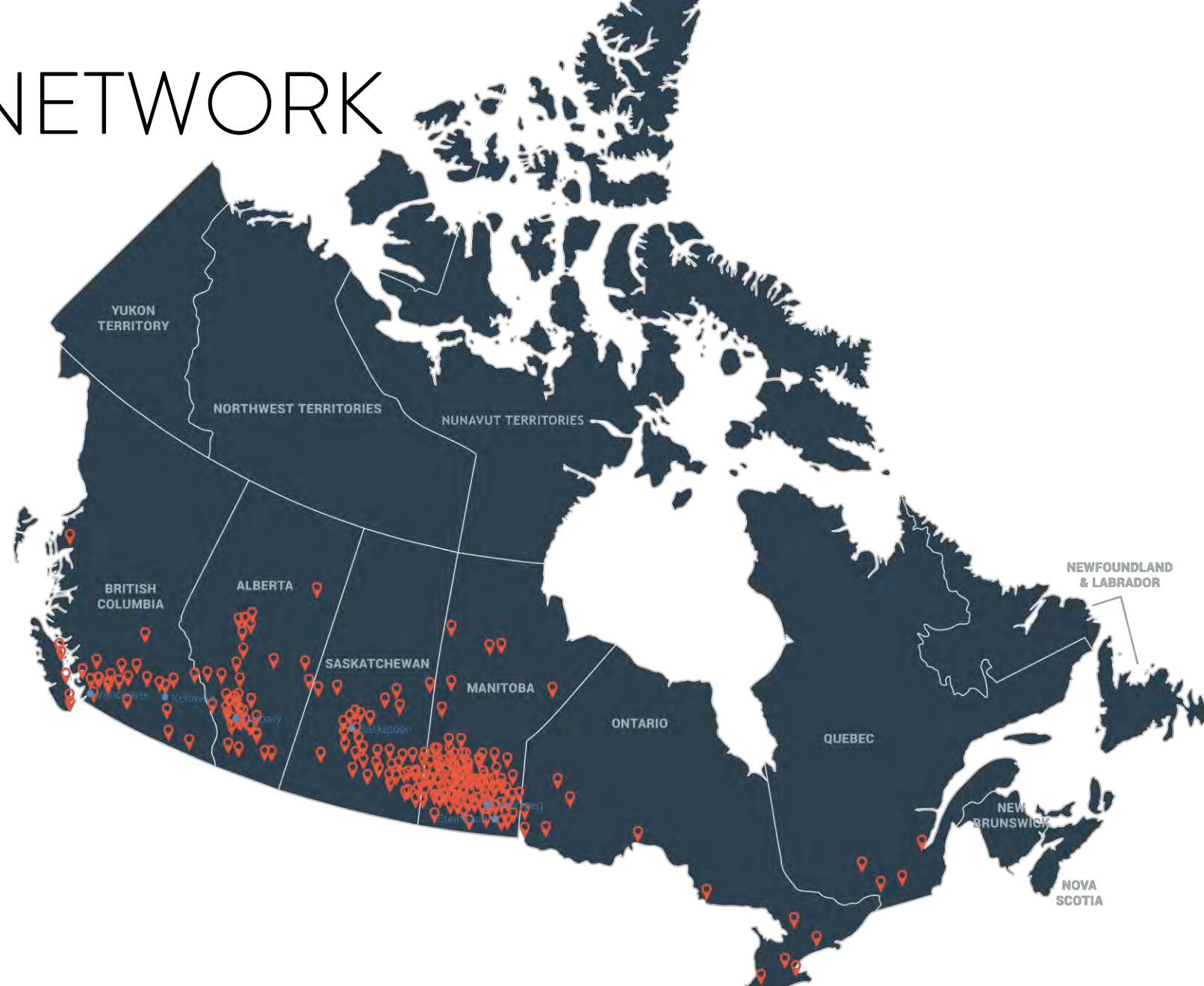
**Vancouver Office**  
2104-290 Newport Drive  
Port Moody, British Columbia

**Calgary Office & Plant**  
813 McCool St.  
Crossfield, Alberta

**Saskatoon Distribution Yard**  
3550 Idylwyld Drive North  
Saskatoon, Saskatchewan

**Kelowna Distribution Yard**  
1904 Old Okanagan Highway  
Westbank, British Columbia

**Surrey Distribution Yard**  
8167 132nd Street  
Surrey, British Columbia





# HOSHIN KANRI

- Hoshin Kanri- Japanese term for “Policy Deployment”
  - Hoshin is composed of two characters:
    - Ho – means “method or form”
    - Shin – means “shinny needle or compass”
  - Taken together **Hoshin** means a “methodology for strategic direction setting”
- Kanri means “management “ or “control”

Other names: Hoshin Planning, Strategy Deployment





OH!-SEAN CONNERY  
(HOSHIN KANRI)



# WHAT IS HOSHIN KANRI?

“A process for “deploying and sharing the direction, goals and approaches of corporate management from top management to employees and for each unit of organization to conduct work according to plan”

DR. SHIGERU MIZUNO  
CO-DEVELOPER OF HOSHIN KANRI



# TWO LEVEL OF HOSHIN KANRI

- Breakthrough Management or Strategic Planning Level

20%

## Hoshin Kanri Inputs & Outputs

### Inputs of Hoshin

- Reflection from last year
- Vision/ Long term Plans
- Top Management Input
- Input from Customers or other Oras
- Input from Team Members.
- External / Internal Benchmarking
- Own Thinking

### Hoshin

- Annual Business Objectives
- Activity Plan

### Outputs of Hoshin

- New Processes
- New Products & Services
- Process Improvements
- People Development

Improve Business Results

LEI - 2014

- Daily Management Level or fundamental aspect of business operations

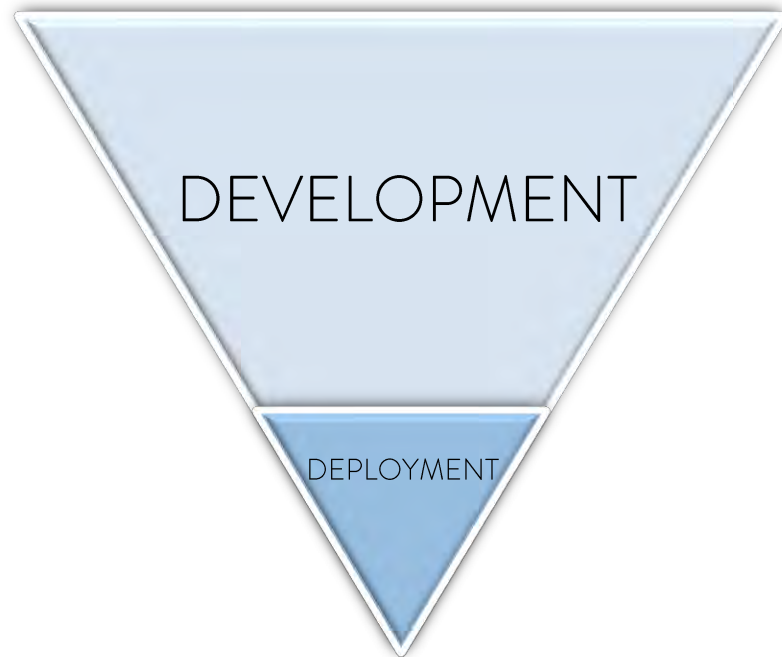
80%



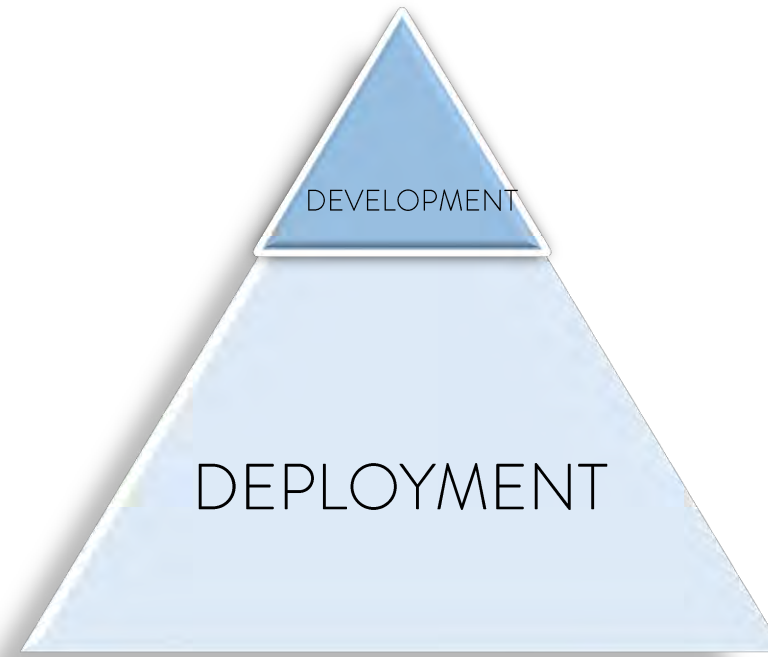


# STRATEGY DEVELOPMENT VS. DEPLOYMENT

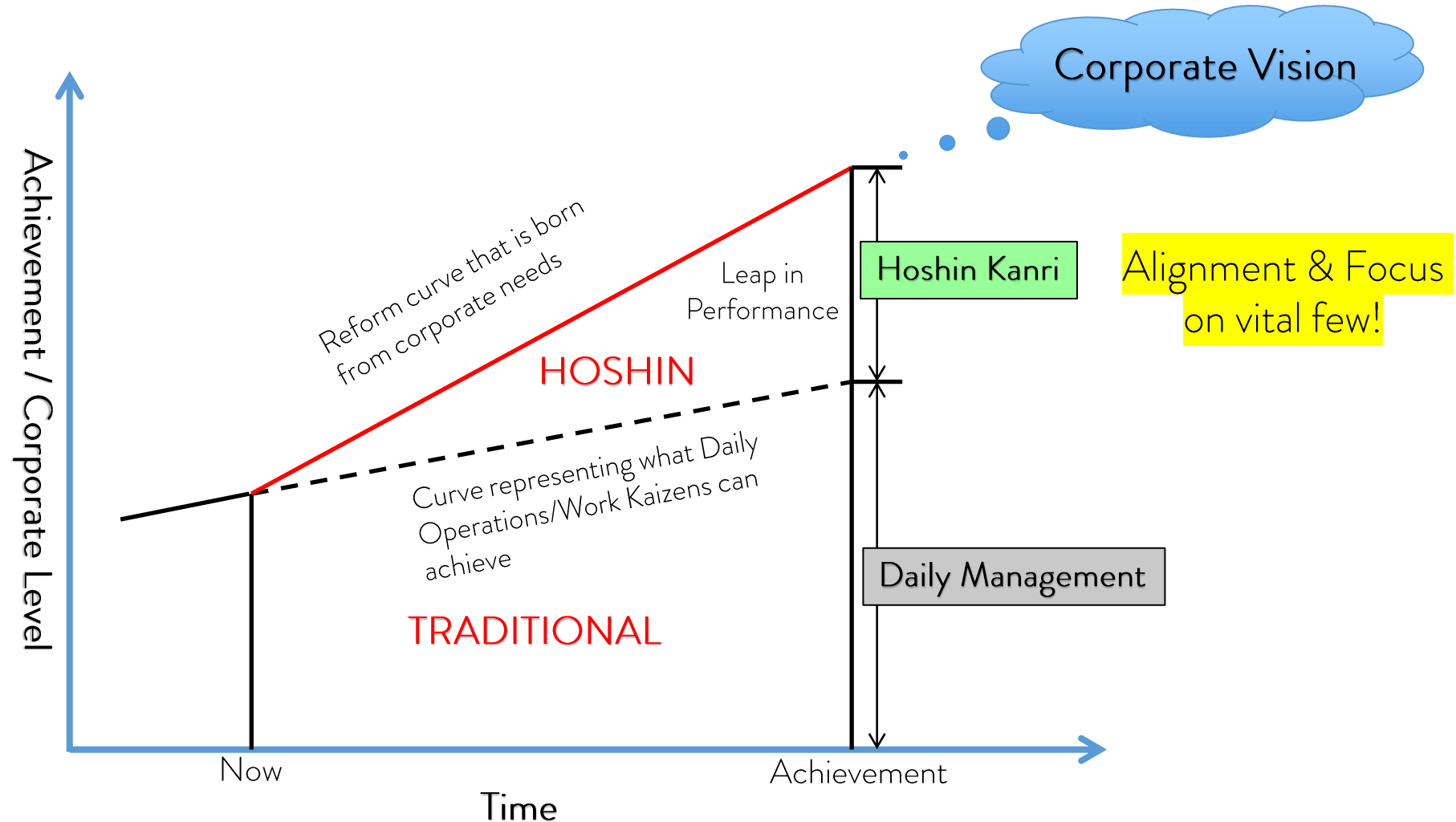
TRADITIONAL



HOSHIN



# RELATIONSHIP OF DAILY MANAGEMENT AND HOSHIN KANRI





# WHY YOU NEED HOSHIN KANRI?

- Focus the entire company on a few vital goals, rather than the trivial many

An organization implementing Hoshin Kanri manages three-to-five (long-term) breakthrough objectives

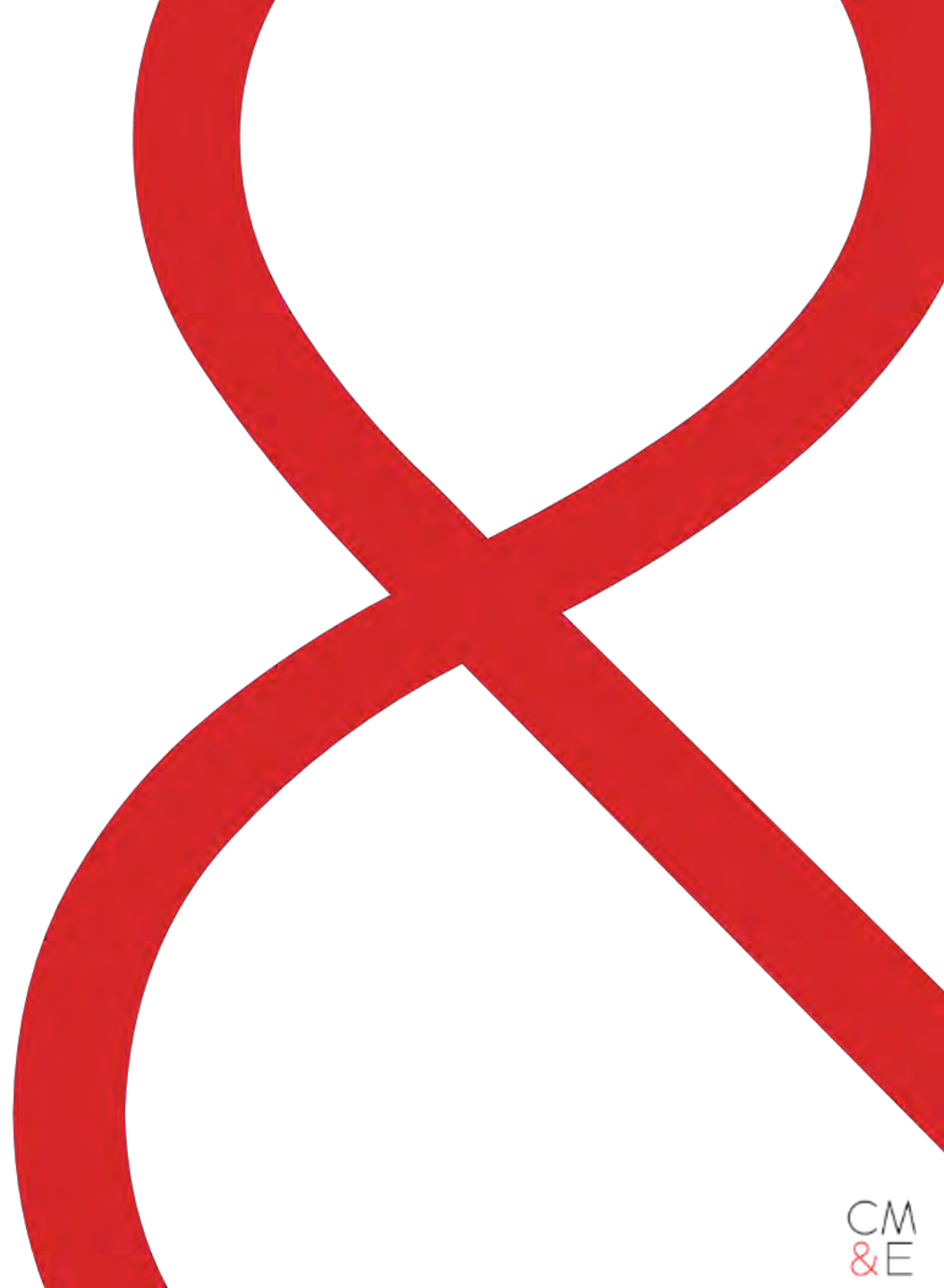


# 70%

Organization is attempting  
“more than” or “significantly  
more than” they can reasonably  
handle

Poll of 700+ subscribers

Source: The Karen Martin Group





“Deciding what not to do is as important as deciding what to do”

STEVE JOBS



# WHAT'S IN YOUR STRATEGIC PLAN?

HOW  
MANY  
PAGES IS  
YOUR  
PLAN?



RULE OF  
THUMB

The number of  
pages in a strategic  
plan is inversely  
proportional to its  
clarity and focus

# WHY YOU NEED HOSHIN KANRI?

- Creates alignment and increase employee engagement – people who are charged with executing the plan should participate in the planning process itself

## EMPLOYEE ENGAGEMENT?

The principles necessary to drive **Execution** are the same principles necessary to create **Engagement**





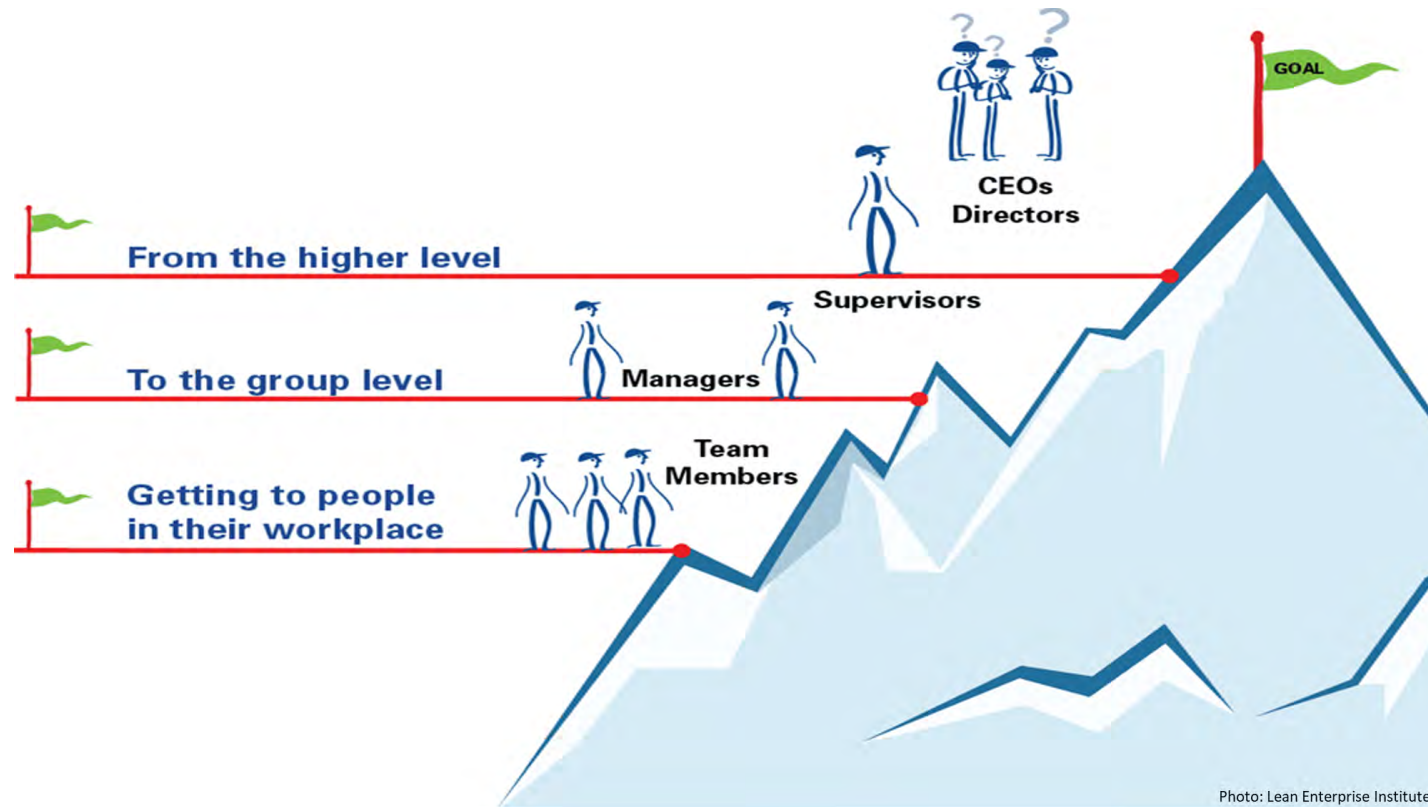
# What occurs if strategy is not clear and/ or not fully deployed?



## Misalignment Creates Confusion for You

# WHY YOU NEED HOSHIN KANRI?

- Communicates the key goals to all managers and staff - focuses the organization on projects that move it toward its strategic direction



# SYMPTOMS THAT YOUR ORGANIZATION NEED TO DO HOSHIN KANRI

- Project failures
- Too many priorities
- Insufficient details
- Long lead times for improvement
- Missed budgets versus forecasts
- Lack of active review
- Corporate vision does not match organizational activities.







The Matrix

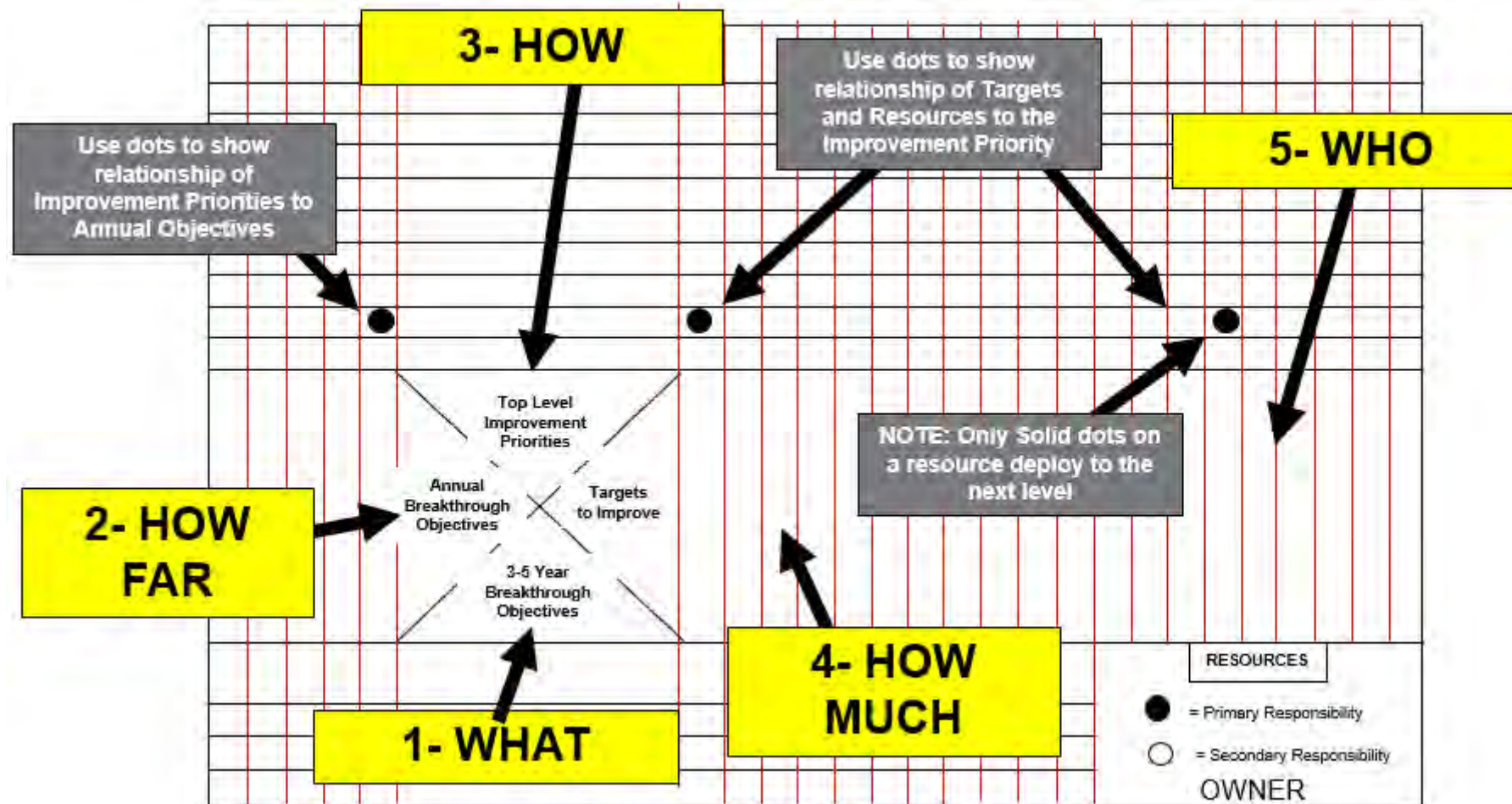


OK! THEN, WHAT'S NEXT?

OH!-SEAN-CONNERY  
(HOSHIN KANRI)

# THE X-MATRIX

X Matrix – Tracking tool used as part of the Hoshin Kanri



# SAMPLE - TOP LEVEL X-MATRIX

[illegible]



# CASCADING STRATEGY TO ACTION

Top Level



2nd Level



- 3 Year Breakthrough Objectives NOT VISIBLE
- Support Annual Breakthrough Objectives

3rd Level

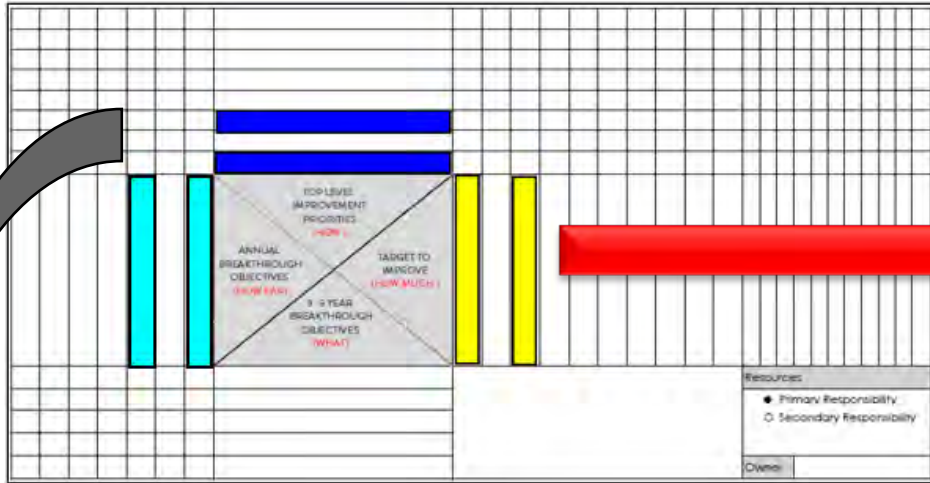


- 3 Year Breakthrough Objectives NOT VISIBLE
- Annual Breakthrough Objectives NOT VISIBLE
- Support Top Level improvement priorities

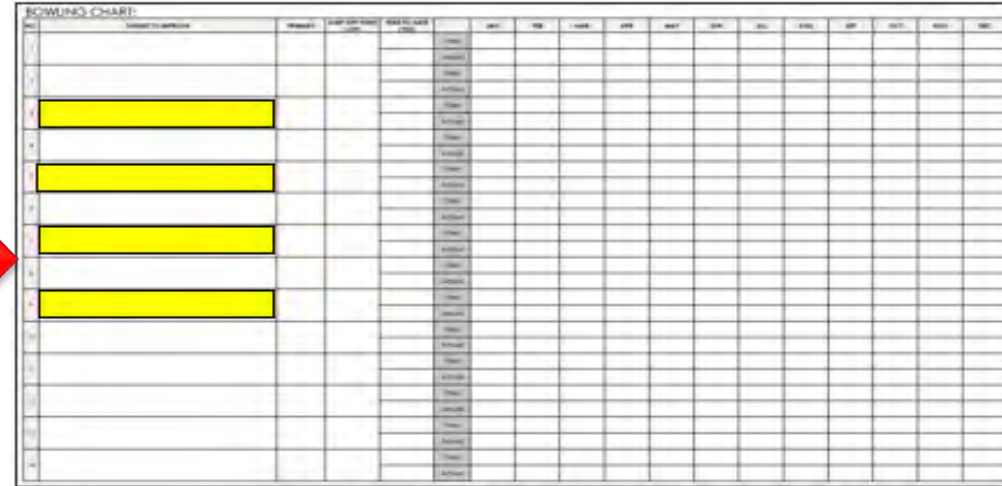
## X-MATRIX CLOCKING

# CASCADING STRATEGY TO ACTION

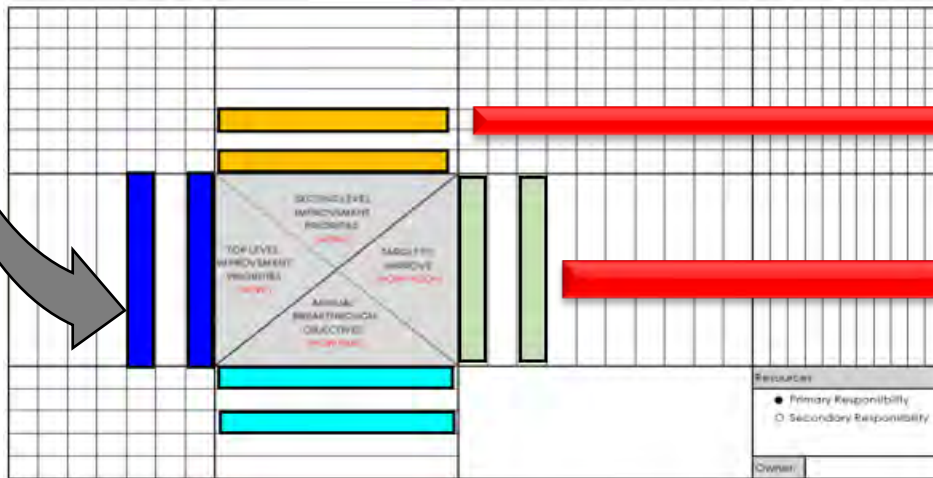
TOP LEVEL: X-MATRIX



TOP LEVEL: BOWLING CHART



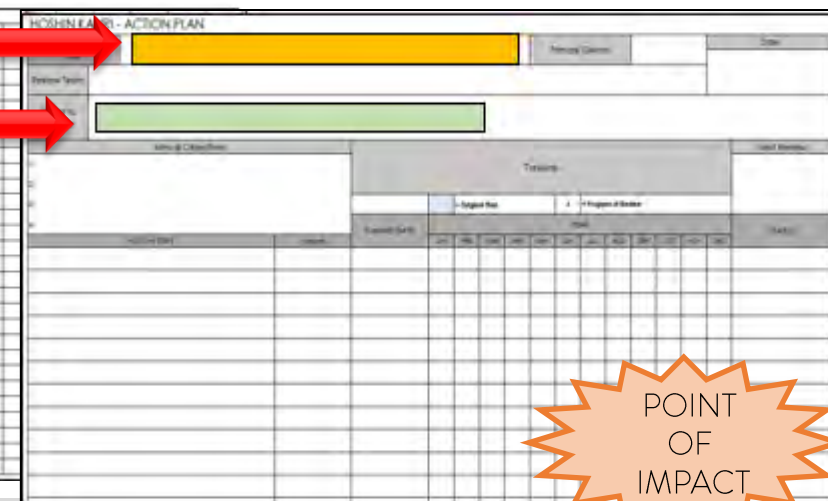
2ND LEVEL: X-MATRIX



2ND LEVEL: BOWLING CHART




ACTION PLAN



# SUMMARY

- Hoshin Kanri help organizations map strategy to action
- Focus and alignment of organizational objectives is a key purpose of Hoshin Kanri
- Hoshin deployment is based on basic principles of Lean





How do you describe your strategy  
formulation and execution plan  
before Hoshin Kanri?

# FIVE YEAR PLAN

## First attempt at strategic planning in 2009

- This was basically the “textbook” form of plan with high-level goals, departmental goals and objectives
- Not very good at communicating and implementing plan throughout the org.
- However, we set a 5-year plan and actually hit it
- Discovered the power of focused planning




# WILDLY IMPORTANT GOALS

Began implementing 4DX planning process in 2015

- Great concepts in here, such as focusing in a few important objectives, getting out of the whirlwind, lead vs lag measures, scoreboards, etc.
- Getting better at extending planning to departments, not just at a high level
- Discovering the ability to communicate direction through scoreboard





How did you start rolling out  
Hoshin Kanri in your organization?



# CRAWL WALK RUN


- Our Continuous Improvement Champion brought me to a one day seminar to introduce us to the concept, followed by reading a number of books, decided to “take a shot”
- Our executive team went through Hoshin Kanri on our own during our 2 day annual planning session
- We used the catch ball process to roll out the Top Level Improvement Priorities to our Leadership team through an event we called Barkman Conference Week (Barkman Con)
- During our Annual General Meeting we reviewed our strategic direction with the entire company



# REFINEMENT

- Had CME facilitate Hoshin Kanri on our 3<sup>rd</sup> year using the process. The facilitation refined our perspective moving through the process to drill down to more effective targets and metrics.
- Refined our Barkman Con event to maximize the engagement through the Influencers Forum.
- Near the end of Barkman Con week I went around to each of the departments to announce the Top Level Improvement Priorities.
- We now have a complete Strategic Planning roll out plan to engage our company. Executive Planning – Barkman Con Week – AGM Week





What are the **SUCCESS** and  
**CHALLENGES** with your  
initial implementation?



# SUCCESSSES

- The immediate success of our implementation was the ability to align the entire organization at every level
- Engagement through the catch ball process gave us a new outlet to address real concerns from multiple departments at the same time
- The catch ball process helped us to refine a couple of our goals
- The X-Chart helped to communicate our goals to our Leadership Team and show the metrics that we were using on one simple visual tool






# CHALLENGES

- Walking through Hoshin Kanri on our own, compared to our facilitated session showed us that our previous goals were not as pin pointed as they needed to be
- Maintaining the bowling chart during our busy season was challenging. Lost momentum
- Communicating out progress reports were sent through a written summary to our production departments. Challenging to provide context. New Barkman Sixty video messages are helping to build context with the correct voice to deliver the updates





What are the benefits you  
gained from embracing  
Hoshin Kanri?

# FOCUS ON THE IMPORTANT

- X-Chart form of strategic plan “entire plan on one page” one of biggest wins
- Constantly force ourselves to not pick more than three strategic initiatives
- Ability to tie every objective and metric to your top strategic initiatives, together with accountability





# EMPLOYEE ENGAGEMENT

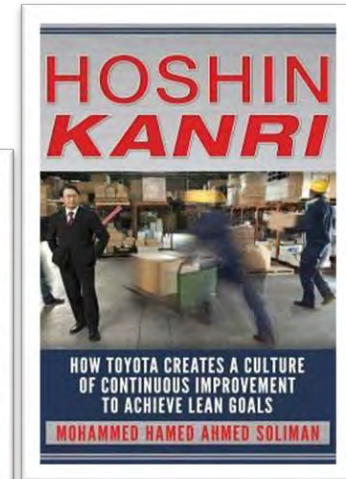
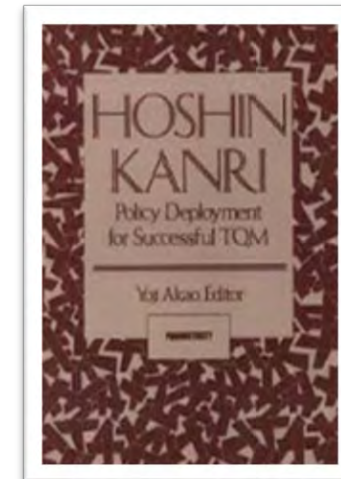
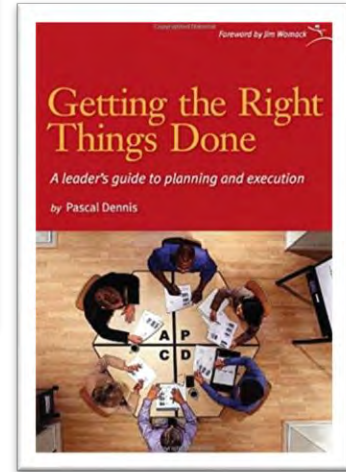
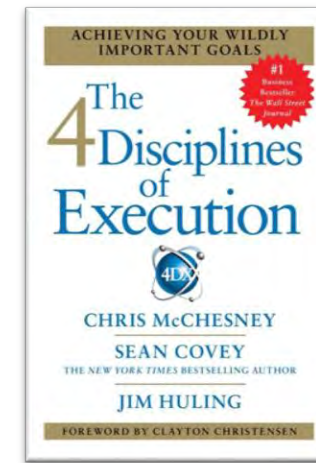
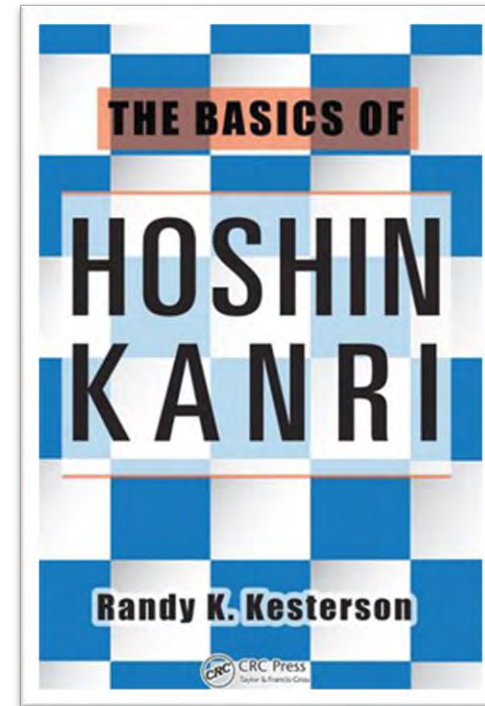
- Alignment company wide
- A criteria lens for capital expenditures and budgeting
- A communication language for strategic direction
- A direct correlation of effort/focus and results





# RESOURCES - BOOKS

- The Basics of Hoshin Kanri – Randy Kesterson
- Hoshin Kanri – Yoji Akao
- Getting the Right Things Done - Pascal Dennis
- Hoshin Kanri – Mohhamed Hamed Ahmed Soliman
- The 4 Disciplines of Execution – Chris McChesney, Sean Covey, Jim Huling





# QUESTIONS FROM PARTICIPANTS?



THANK YOU FOR ATTENDING

Erwin Matusoc

Lean Facilitator

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