

BREAKTHROUGH

Lean Implementation & Training Resource Publication
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LEADING YOUR LEAN JOURNEY

By Aaron Styles

APPLICATION: HOW DO I LEAD HOSHIN KANRI?

As mentioned in last month's newsletter, we stated the three basic steps to creating a Hoshin Plan. They are: (1) Establish goals, (2) Establish a plan to meet your goals, and (3) Establish a system for progress review that ensures your plan is executed on time with the expected results.

ESTABLISHING GOALS

The first step here is to set the direction of your company. To do this, you define your Current Condition, which is a description of where your organization is right now. Next, you define an Ideal Condition that describes where your company will be in 100 years. Then, you must establish what defines success for your organization in the short term (6-12 months). This is called the Target Condition. Each of these "Conditions" is defined by a flow map, key performance indicators and a list of problems/opportunities expressed in dollars. Now you have a road map for your business. You know where you are now, where you want to be in the long run and where you plan to be in the short term.

As you travel on the path from the Current Condition through the Target Condition toward the Ideal Condition, you want to travel in a straight line in order to get to the Ideal Condition as quickly as possible. This creates a compass heading toward success (Toyota calls this "True North"). It helps to establish guiding principles when doing this. LMSPI has vast experience in creating these with organizations. Now you can define what your goals are. Usually, they have something to do with areas such as profit, customer satisfaction (cost, quality and delivery), service to community, and employee satisfaction. You set goals in each of these areas and establish key performance indicators (KPI) that you will use to track progress toward meeting those goals. This process explanation is highly simplified. When done right, it could take a full month for a solid, thorough assessment.

ESTABLISHING THE PLAN

Now that you have established KPI's and have set goals for each one, it is easy to assess the gap between the current measure and the goal. Once the gap is understood, you can begin to identify projects that can be executed to close the gaps. Here is where the Lean Tools come in. Now that you understand your problems, probably at a deeper level than ever before, you can (with help from an experienced Lean Practitioner) and with much greater accuracy identify which Lean Tools should be used. Each project should be clearly defined with a business case, a description of the current condition, a description of the target condition, an action plan for achieving the target condition, expected timing, and expected results. You will need to establish more than enough projects so that your plan over-performs the goals. The reason for this is that there is always significant uncertainty in estimating the results of each project and you want to be prepared in case the results of some of your projects do not meet expectations. This activity takes place at each level of the organization, beginning at the executive level, then senior managers, then managers, then junior staff. At the end, every individual, department, product and function should know their goals, the plan to meet their goals, and how their goals contribute to meeting the overall goals for the plant.

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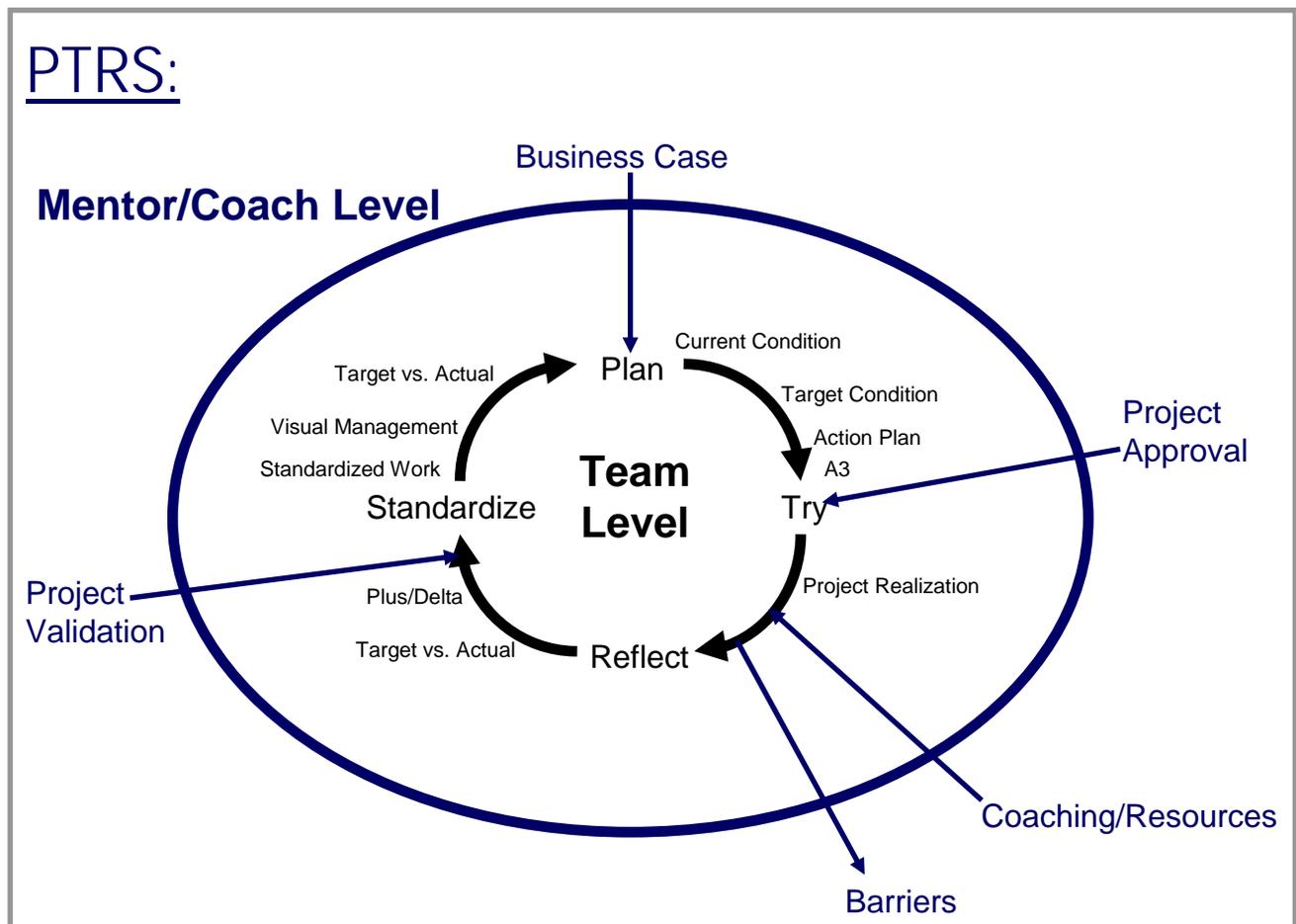
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ESTABLISHING THE TRACKING SYSTEM

Now that you have a plan, the real work begins. Tracking should take place frequently, with short review meetings. Focus should be on the action items in each project that are not on target in terms of timing and results. If projects fall behind significantly, a recovery plan is required. A relentless attitude is necessary and failure to meet project timing and results targets is not acceptable. It is the project leader's task to keep all actions on track and to report any barriers to management. It is management's task to remove barriers, coach the project leader, and provide necessary support.

Figure 1. Project Tracking



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PROCESS YIELDS RESULTS

Now you have a Lean Implementation that will generate significant results. Your Lean implementation driven by the Hoshin planning process will generate far greater return on investment than the more haphazard methodologies we have exposed in earlier newsletters. The activities of deeply understanding the Current Condition, then charting an Ideal Condition and Target Condition ensures all levels of the organization understand the implementation and how they contribute to it. The implementation becomes how you run your business, not a separate activity. The process forces your organization to adapt in order to support the transformation from the Current to the Target condition. You will eliminate many superfluous and counter-productive projects and initiatives. Your projects and initiatives will be well aligned. Resource problems are easier to identify up-front and proactively correct. You will always know where you stand, what needs to be done, where the problems are, and what the most important thing to work on is. Is this some kind of Orwellian Utopia? No. You will work harder than you ever worked before... and you will achieve results that are more satisfying than any you have ever achieved.

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UTILIZE LMSPI TO FACILITATE YOUR STRATEGIC IMPROVEMENT PLANNING FOR 2008!



LMSPI HAS VETERAN EXPERIENCE IN FACILITATING HOSHIN KANRI

Contact LMSPI to facilitate Hoshin Kanri with your management team to prepare a Strategic Improvement Plan for 2008.

Step 1: Contact LMSPI

- Jason Manarchuck, New Business Development, direct line is (865) 776-9159
- Online: www.LMSPI.com or just [click here now.](#)

Step 2: Presidential Introduction Meeting

- No-cost meeting in East Tennessee or Upstate South Carolina
- Meet your team and assess your production process
- Determine business needs and how best to engage LMSPI

Step 3: Project Scope for Strategic Improvement for 2008

- Determine time sensitive project that will drive most results
- Begin project and train your team during the process

Stay tuned!

Next month we will dive into the critical role and influence of mid-management.

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