

Hoshin Kanri

Becoming the best of the best and staying there!



2 years ago Toyota appeared untouchable then followed the product recalls

*

BP was Master Class, then the Gulf Oil fiasco

*

Rolls Royce engines equalled the best in the world, then the Trent Engine failure

*

Then there was the case of the Staffordshire Hospital deaths

*

the Hungarian Aluminium sludge disaster

Etc., Etc., Etc.,



All of these failures cost billions and all of them were quality related why?

We have had ISO 9000 for nearly 4 decades surely this sort of thing could not happen today so why did it and how can we stop it in the future?

Let's take another look at Quality.



The 'Toyota Way' led the world in the principles of quality management

*

The others operated highly structured quality management systems

*

The Hungarian Aluminium company was audited just two weeks before the disaster and everything appeared fine!



So what is wrong?

What can we do?

Has 'quality' failed or are we missing something?



Is there something better than quality?



We do not think so



We think that in the case of Toyota they lost their way temporarily and maybe some of the others never found it!

Toyota had it right for decades, That is how they came from obscurity in the 1950s to world leader in the late 2000s. but have admitted that they took their eye off the ball, I think they are focused again now!



So what is the 'right' way?



We believe that there has been too much
reliance on Quality Management Systems

Of course, we need systems, they are
essential

*I live not so far from a nuclear power
station and would not sleep at night if I
did not think they had good systems!*

But



It does not matter how much System you have, if people do not really care, *and the system itself is flawed nobody will notice it and nobody will fix it.*

*It is then a disaster waiting to happen
And it will!*

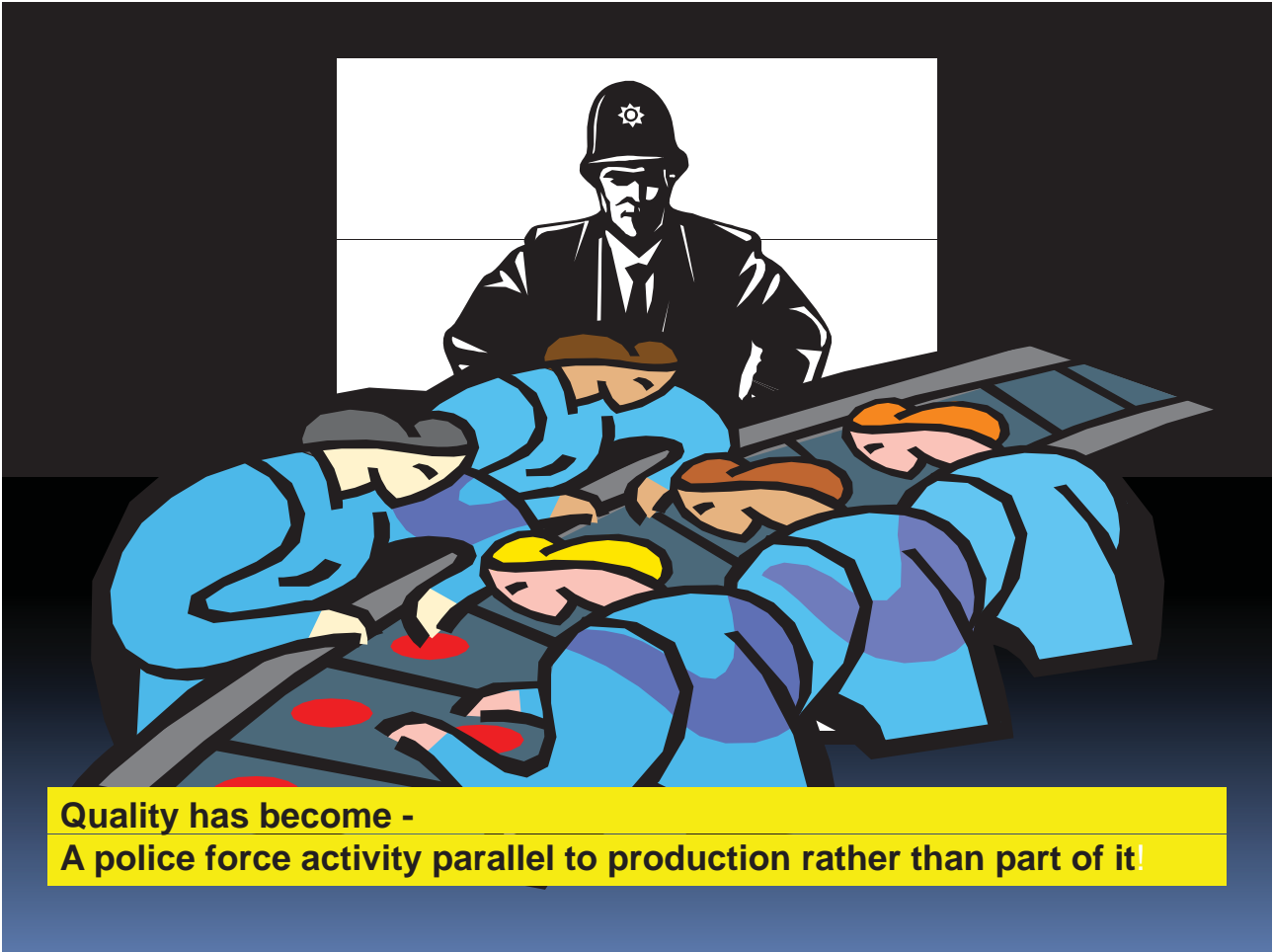


The trend over past decades has been to focus entirely on systems and surveillance
Quality itself has become a sort of policing activity bound up in standards, conformance, compliance, rules, regulations, regulations regulations!

If things have gone wrong then the remedy has been more severe systems, more auditing, more blame!

This is not the way!





**Quality has become -
A police force activity parallel to production rather than part of it!**

If people do not care, if people just do their job according to 'regulations' then no amount of quality control is going to make any difference.

*Somehow we need to capture the hearts
and minds of our people,*

How?

VISION

'Putting Quality at the heart of the organisation and people at the heart of quality'



We also need some underlying beliefs

Each person is (or should be if we have trained them properly) the expert in his or her own job

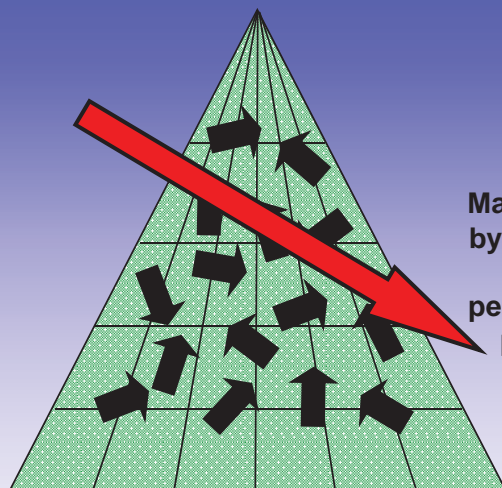


We need to

Harness the creativity, skills, job knowledge of all the people in our organisation to make us the best in our field (Corporate IQ!)



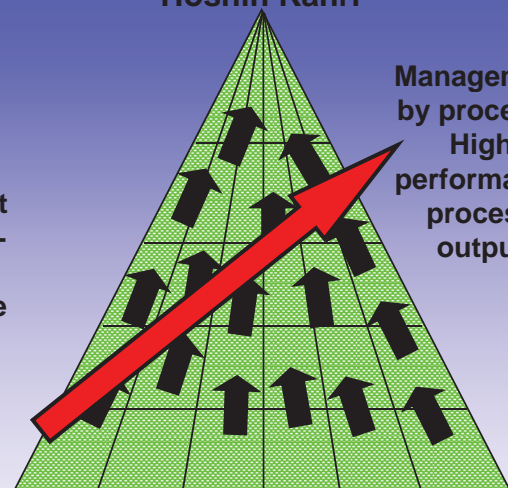
Typical organisation



Management by function - Low performance process output

We do not want to look like this?

Global High Performer using Hoshin Kanri



Management by process - High performance process output

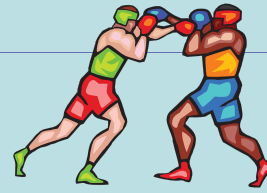
We want to look like this?



We need to move from this

Functional management – Departmental

goals more important than corporate goals –
when things go wrong blame the other
departments –



Whose fault was it! it is a terrible waste of energy

To this

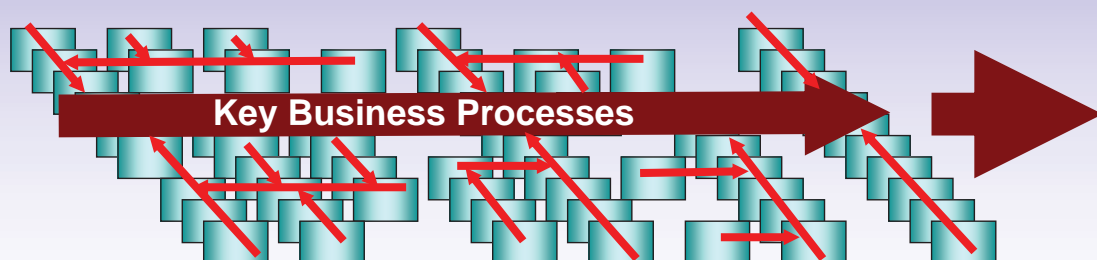
Hoshin management - Corporate goals ARE Departmental goals – If
things go wrong – find what is wrong with the process
– *attack problems not people!*



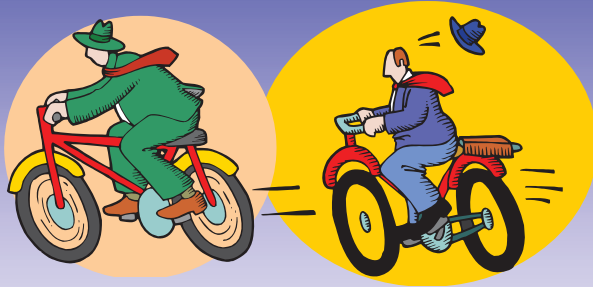
‘Value’ Chain Interconnections

Multiple interacting suppliers and sub supplier processes
each comprising – people, methods, materials, equipment,
environmental variation and measurements makes for a
complex system

Imagine each contributing to the VISION and each has its
specific KPIs integrated into the Corporate whole



Olympic hero Chris Hoy knighted as sport stars grab honours



Do we want to look like this?----- or this?



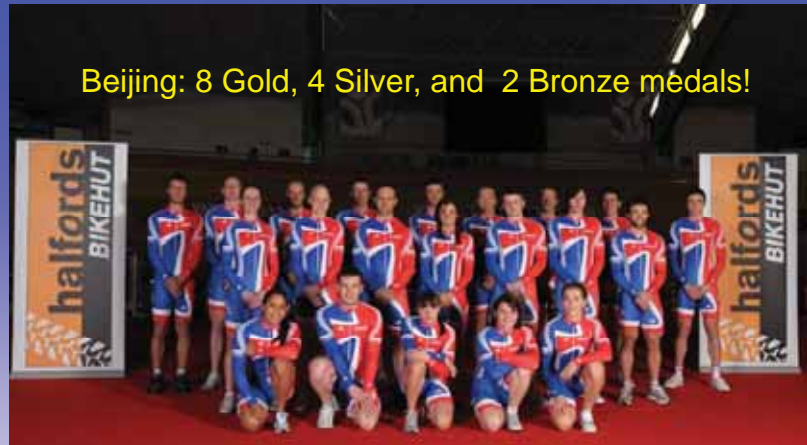
David Brailsford
Olympic team
coach said:
"Everybody in our
team dedicate their

lives to the pursuit of a
dream - to win a gold medal.
When they do get
recognised in this way it is a
fantastic honour."





David Brailsford also said:
“It was by attention to detail that gave us the advantage over the other teams.



We considered everything even the smallest improvements that would give us a competitive edge. It was the accumulation of these small details that made us unbeatable.

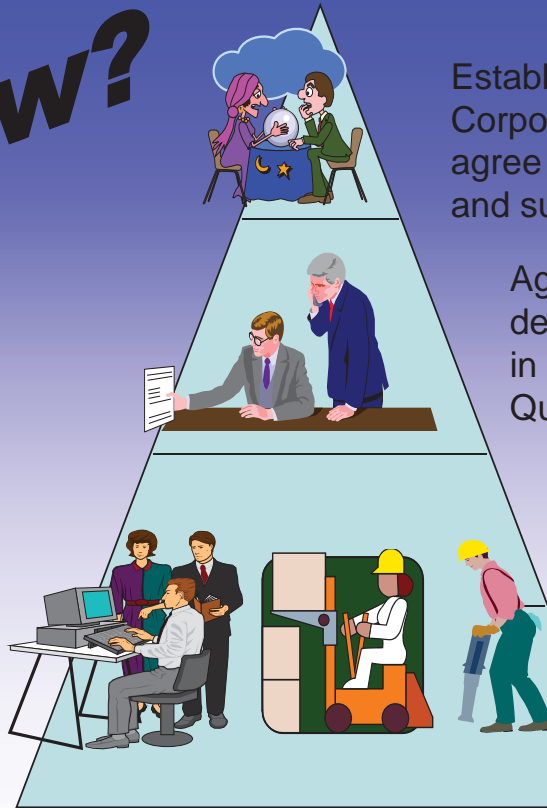


in Toyota from a labour force of 40000 people they have over 2,600,000 improvement suggestions per year of which 96% are implemented!
(Their recent failure was for a different reason)

Quality Circle at work in Kraft Foods Venezuela December 2008



How?



Establish Vision and Mission, Set Corporate goals and targets - agree overall programme, monitor and support.

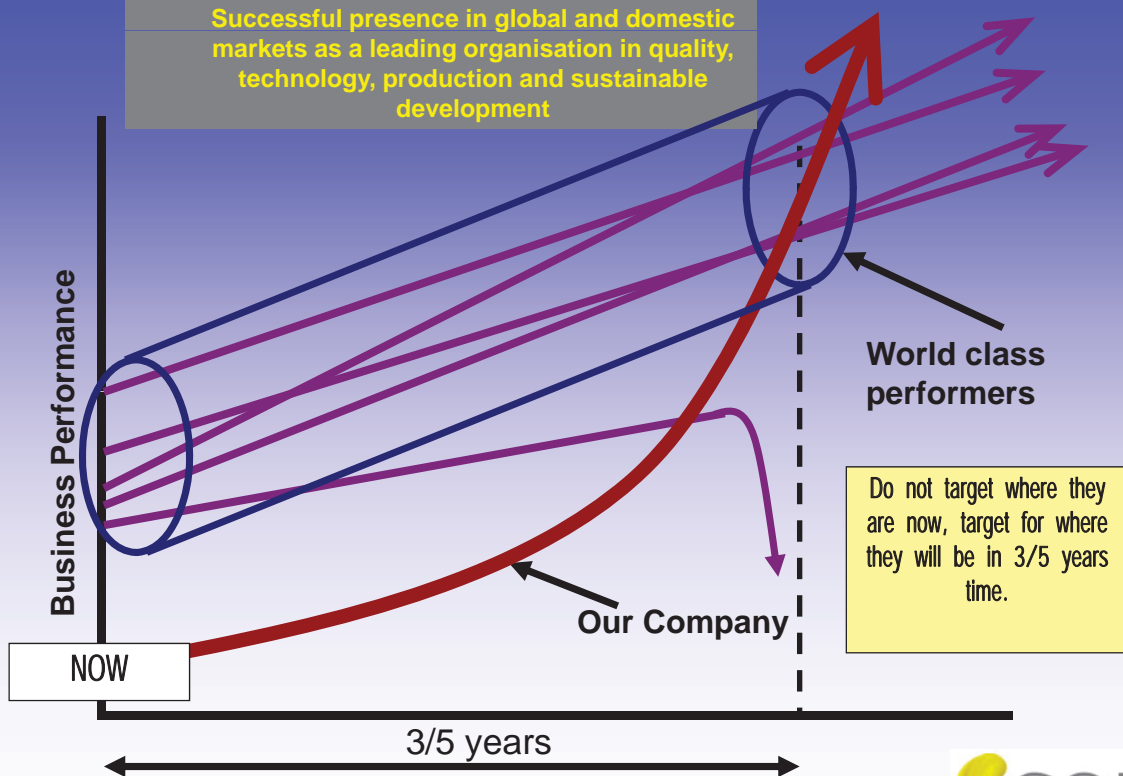
Agree and establish departmental goals, participate in project teams, support Quality Circles.

Agree and establish section goals, participate in continuous improvement activities through Quality Circles.



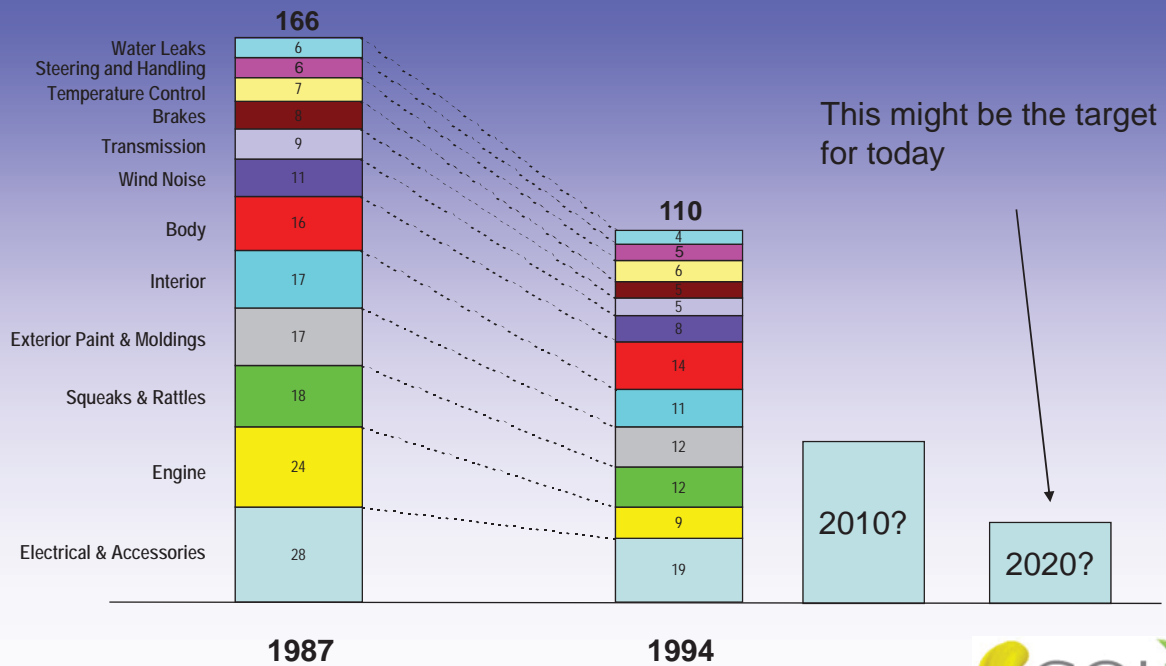
Set the goal from Benchmarking

Successful presence in global and domestic markets as a leading organisation in quality, technology, production and sustainable development



Problem Composition: 1987 and 1994

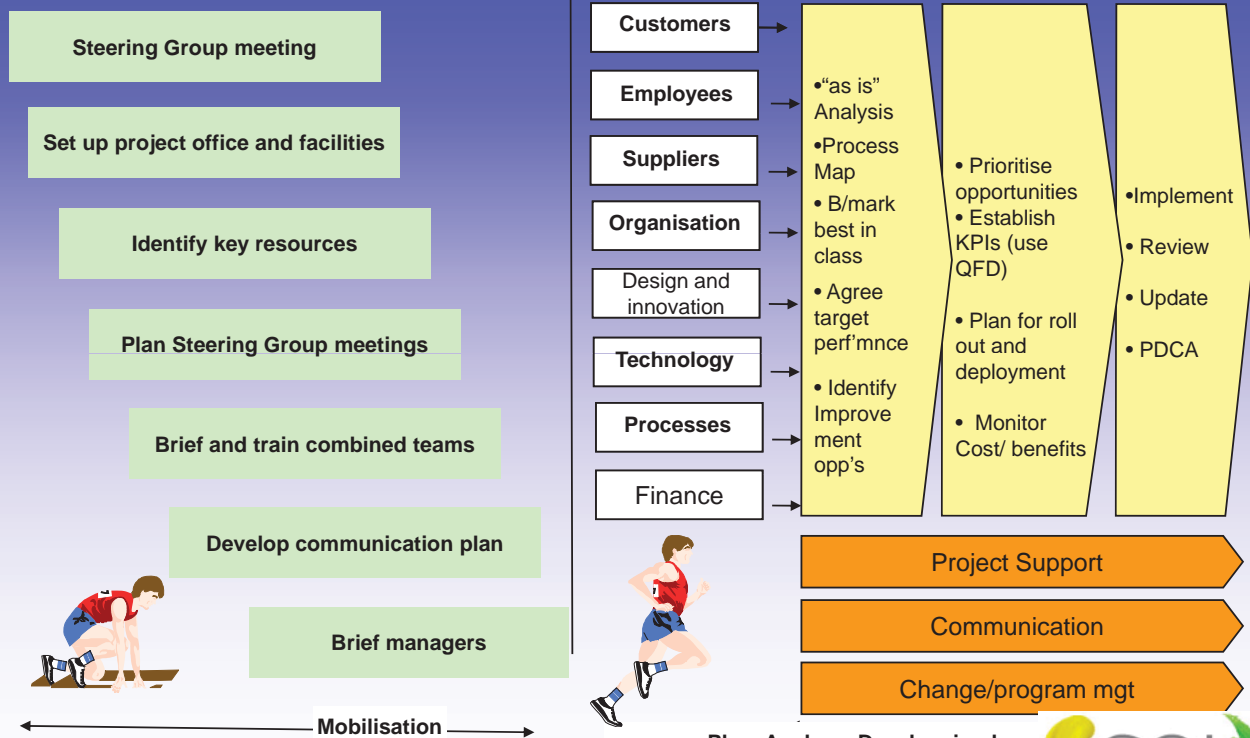
(Industry Average Problems Per 100 Cars)



Hoshin Implementation Outline Plan

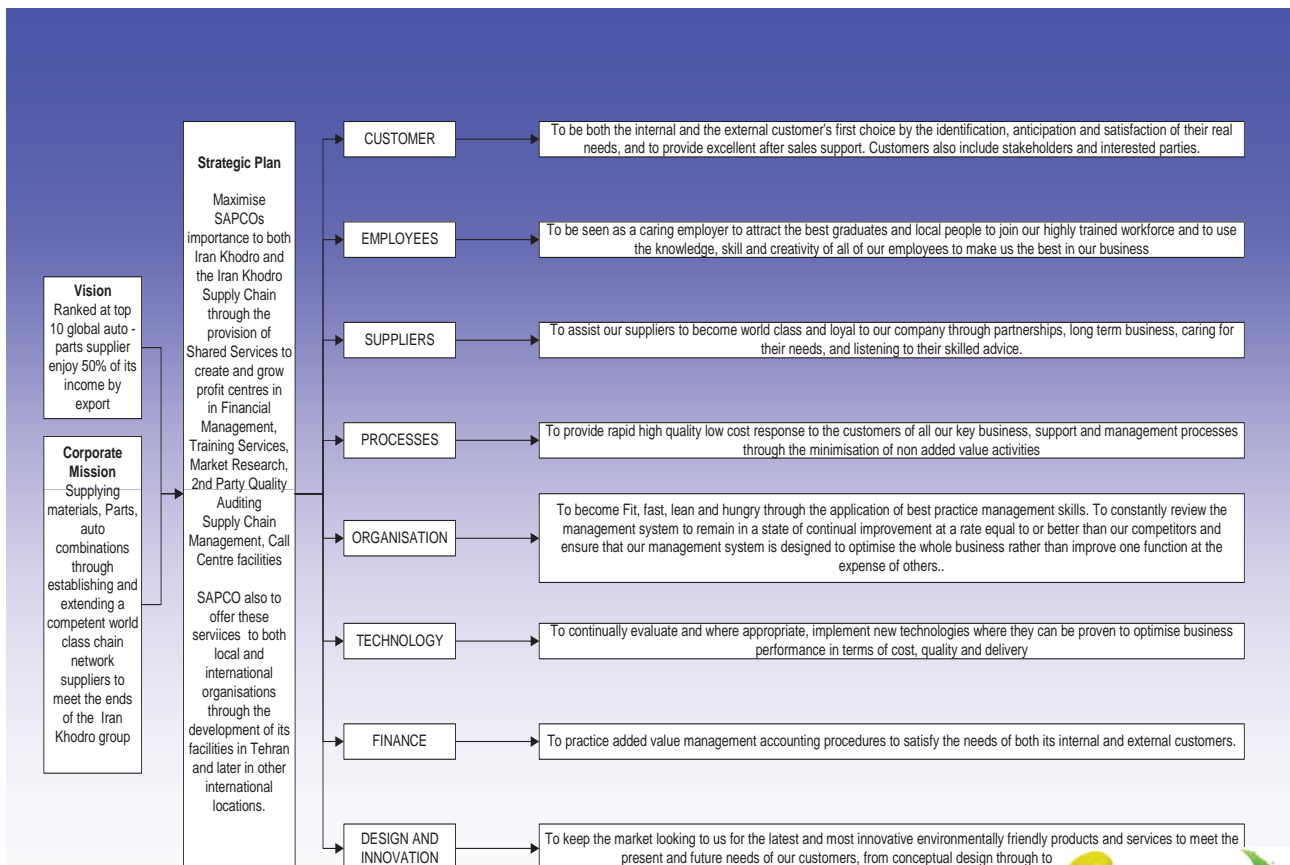
October/November

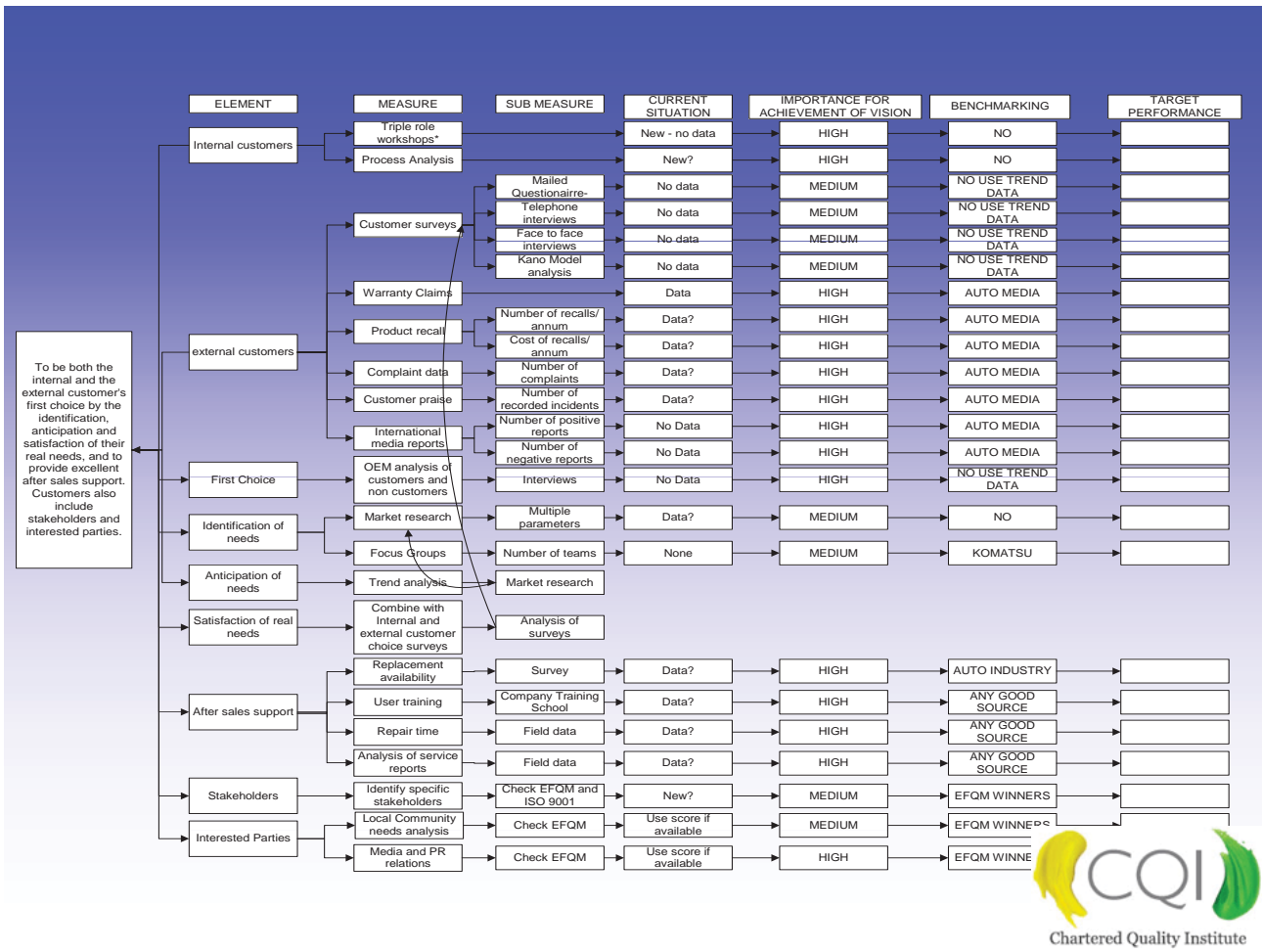
November onwards



Tree diagram format - Key Performance Indicators

MISSION ELEMENT	DRIVERS	MEASURE	CURRENT SITUATION	BENCHMARK SOURCE	TARGET
DEVELOP THE KNOWLEDGE, SKILLS & CREATIVITY OF OUR TEAM TO GENERATE INVOLVEMENT AND PRIDE AS WE CONTINUALLY IMPROVE OUR BUSINESS.	KNOWLEDGE	SKILL TESTING		WORLD-CLASS COMPANIES	
		EDUCATION PROGRAMMES		UNIVERSITIES AND COLLEGES	
		STAFF APPRAISAL		WORLD-CLASS COMPANIES	
	SKILLS	MULTI-SKILLING		WORLD-CLASS COMPANIES	
		TRAINING BUDGET		WORLD-CLASS COMPANIES	
		COURSES		UNIVERSITIES AND COLLEGES	
	CREATIVITY	SUGGESTIONS		WORLD-CLASS COMPANIES	
		PROJECTS		WORLD-CLASS COMPANIES	
		INNOVATION		WORLD-CLASS COMPANIES	
	INVOLVEMENT	TEAM WORK		WORLD-CLASS COMPANIES	
		PRESENTATIONS		WORLD-CLASS COMPANIES	
		SELF-IMPROVEMENT		WORLD-CLASS COMPANIES	
	PRIDE	ABSENTEEISM		LOCAL COMPANIES	
		SICKNESS		LOCAL COMPANIES	
		DISPUTES		LOCAL COMPANIES	
		LABOUR TURNOVER		LOCAL COMPANIES	
		RESPONSE TO JOB ADVERTS		WORLD-CLASS COMPANIES	
		PERFORMANCE IMPROVEMENT		WORLD-CLASS COMPANIES	
	BUSINESS IMPROVEMENT	SCRAP REDUCTION		WORLD-CLASS COMPANIES/	
		IMPROVED DELIVERY		WORLD-CLASS COMPANIES/	
CUSTOMER COMPLAINTS			TRADE ASSOCIATIONS		
SAFETY - LOST-TIME ACCIDENTS			WORLD-CLASS COMPANIES AND ROSPA ETC		





Hoshin Planning

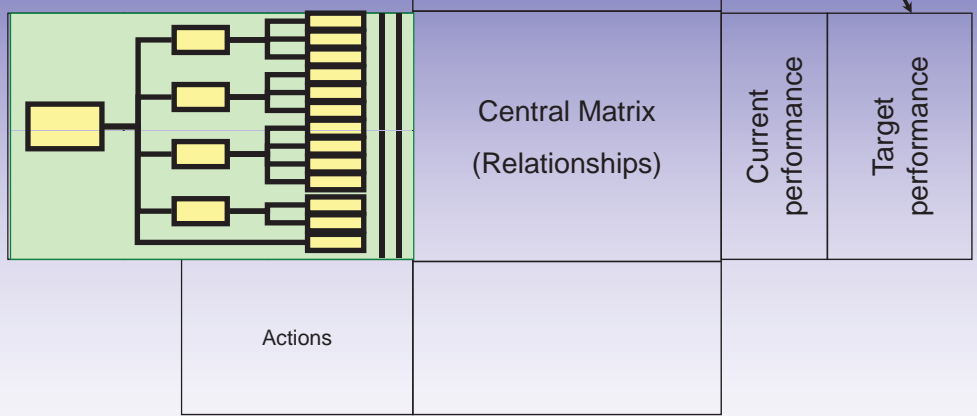
'CUSTOMER RELATED MANAGEMENT'

HOUSE OF QUALITY

To improve customer loyalty

Can be transferred to Staff objectives

From tree Diagram

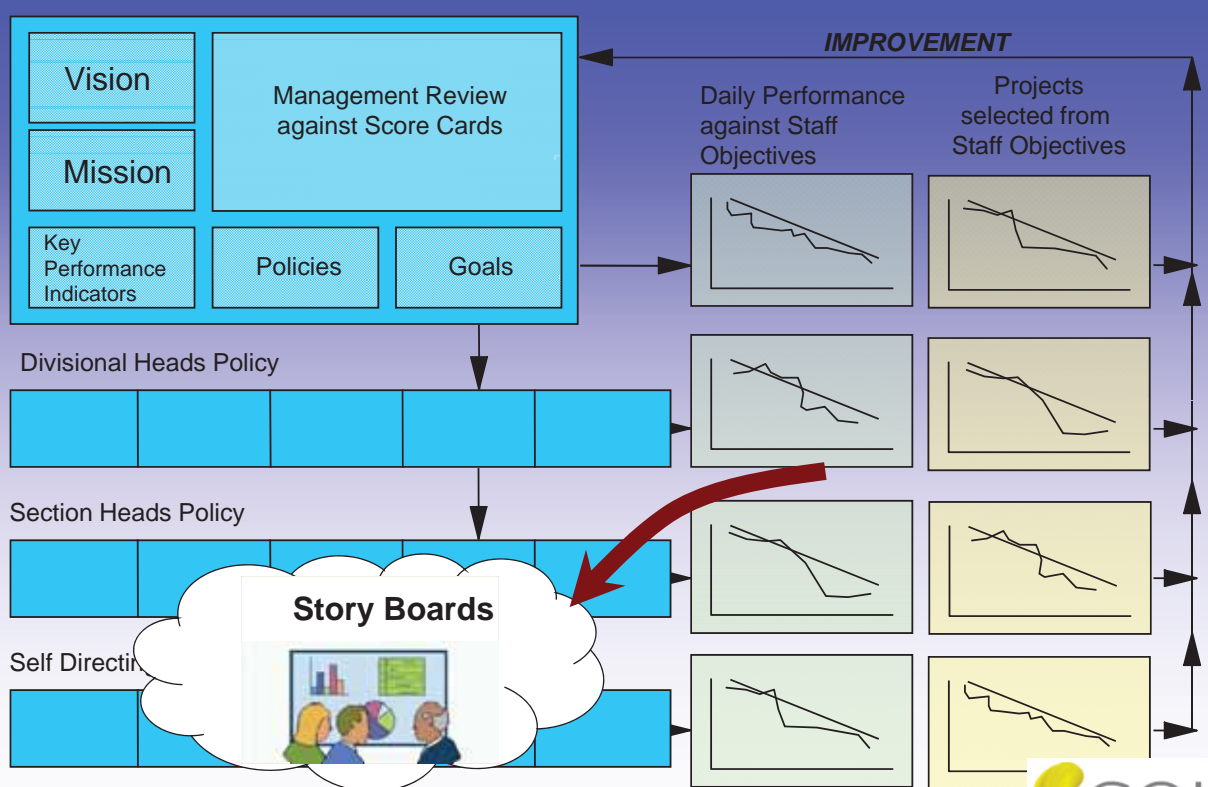


Performance & In-process Measures	Departments in Company or functions in own department						Previous established criteria	Importance of the parameter	Level of customer expectation	Actual level achieved by Mobarakeh	Ratio between expected and achieved
	Engineering services	Sales	Planning and production control	Production	Transportation	Packaging					
On time delivery	○	○	○	○	○	△	Promises kept	5	85%	35%	0.41
Provision of Technical Services	○	○	○	○	○	○	Product application	2	100%	70%	0.70
Prompt handling of complaints	○	○	○	○	○	△	No of days	4	80%	100%	1.25
Good quality (Physical Characteristics)	△	○	○	○	○	△	The product standard	5	100%	55%	0.55
Suitable Price	○	○	○	○	○	△	Market price band	4	100%	90%	0.90
Effective communication	○	○	△	○	○	○	No of meetings	2	50%	50%	1.00
Provision of consultation	○	△	△	○	○	○	No of con				
Packaging	○	○	○	○	○	○	Packaging				
Provision of credit	○	○	○	○	○	△	Financial				

Department	Oncology	Date		
Name	Hassan G.	Signature	Hassan G.	
Position	Supervisor			
Endorsed by (Name)		Signature		
Position				
Mission Element	Customer focus			
KPI	Measure	Current Performance	Target Performance	Planned completion
Deterioris	Kgpt rratias	85%	100%	
Surface defects	He at rjids	4%	0%	



Multiple story boards for visible management



Finally! Award achievement



We all seek recognition for our achievements no matter how small.

Look what people will do to get a Gold Medal in the Olympic Games!



8 features of Global High Performance

1. To not just
2. policies for all
- 3.
4. 'Best in class' and the
5. 'Charter Deploy
6. Continuous Sigma
7. Self Directed teams
8. Attack pro



Global High Performer

