Hoshin Kanri – From strategy to individual goal planning

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Integrys Energy Services
Session M26
Learning Objectives

• Understand the roll out and implementation process of Hoshin Kanri in our organization
• Understand the benefits and the lessons learned while implementing and executing Hoshin Kanri
• Understand the approach undertaken at different organization levels.
Learning Objectives

• Obtain a roadmap and template for you to use with your teams.
• Walk away with a clear understanding on how an X matrix can ease the load for both the employee and the leader
• Gain understanding on how an X matrix can help your change management efforts
A little history…

• Integrys Energy Services is non-regulated energy company serving commercial and residential customers across the US
• Our parent company, Integrys Energy Group, includes mostly regulated utilities
• Integrys Energy Group has 3500+ employees
• Integrys Energy Services has about 300 employees
• We are seven years into our quality journey
What is Hoshin Kanri?

• In Japanese, *hoshin* means shining metal, compass, or pointing the direction, *kanri* means management or control. The name suggests how hoshin planning aligns an organization toward accomplishing a single goal.

[en.wikipedia.org/wiki/Hoshin_Kanri](en.wikipedia.org/wiki/Hoshin_Kanri)
What is Hoshin Kanri

- The discipline of hoshin kanri is intended to help an organization:
  - Focus on a shared goal
  - Communicate that goal to all leaders
  - Involve all leaders and employees in planning to achieve the goal
  - Hold participants accountable for achieving their part of the plan, and understanding what it is

en.wikipedia.org/wiki/Hoshin_Kanri
Hoshin Kanri or X Matrix?

- A hoshin table can take many forms
- We chose the X matrix, or as we call it…

The Pinwheel!
The path for planning

Senior Management

Middle Management

Teams

Mission

Strategies

Objectives

Goals

Action Items
Level 1 – Senior Leaders
Basic Steps

• Step 1: Fill in the missions or directions
• Step 2: Identify your strategies or goals
  – Complete relationship boxes
• Step 3: Determine your objectives or actions
  – Complete relationship boxes
• Step 4: Assign responsibilities
  – Complete relationship boxes
What didn’t work well with…

• Senior Leaders
  – Walking into the meeting with no proof
  – Expecting them to “just get it”
  – Giving them instruction and sending them off
  – Starting with a blank slate
What worked well with…

• Senior Leaders
  – Lots of pictures!
  – A simple, non-business example
    • Should be a full set of plans
  – Bring feedback from employees on why and how this will help
  – Confidence
Level 2 – Team Leaders

- Objectives
- Goals
- Strategies
- Individuals

[ASQ logo]
Basic Steps

• Step 1: Copy your strategies over

• Step 2: Copy your applicable objectives and/or create new objectives
  – Complete relationship boxes

• Step 3: Copy your applicable goals and/or create new goals
  – Complete relationship boxes

• Step 4: Assign responsibility and metrics/targets
  – Complete relationship boxes
What didn’t work well with…

• Team Leaders
  – Sending them off without help
  – Allowing them to explain the process
  – Having them fill it in on their own
What worked well with…

• Team Leaders
  – Facilitate the first session with them
  – A simple, non-business example
    • Should be a full set of plans
  – Bring the whole team together
  – Confidence
### Level 3 – Leader & Employee

<table>
<thead>
<tr>
<th>Action Items</th>
<th>Goals</th>
<th>Metrics or Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action item five</td>
<td>Goal three</td>
<td>Metric one</td>
</tr>
<tr>
<td>Action item four</td>
<td>Goal two</td>
<td>Metric two</td>
</tr>
<tr>
<td>Action item three</td>
<td>Goal one</td>
<td>Metric thee</td>
</tr>
<tr>
<td>Action item two</td>
<td>Objective three</td>
<td>Metric four</td>
</tr>
<tr>
<td>Action item one</td>
<td>Objective two</td>
<td>Metric five</td>
</tr>
</tbody>
</table>

- **Quarter One**
- **Quarter Two**
- **Quarter Three**
- **Quarter Four**

- **Objective one**
- **Objective two**
- **Objective three**

- **Metric one**
- **Metric two**
- **Metric thee**
- **Metric four**
- **Metric five**
- **Metric six**
Basic Steps

• Step 1: Copy your applicable objectives and/or create new objectives

• Step 2: Copy your applicable goals and/or create new goals
  – Complete relationship boxes

• Step 3: Define your action items or tasks
  – Complete relationship boxes

• Step 4: Assign metrics/targets and due dates
  – Complete relationship boxes
What didn’t work well with…

• Leaders and Employees
  – Sitting in with them
  – Not tying it in with goal setting
  – Having either of them fill it in on their own
What worked well with...

• Leaders and Employees
  – Using it as a learning opportunity
  – A simple, non-business example
    • Another individual goal plan
    • The leaders should set an example here
  – Filling it out together
Employees and Their Goal Plans

• Most have SMART goals

- Specific
- Measurable
- Attainable
- Relevant
- Time bound and Targeted
Employees and Their Goal Plans

• Should be able to easily tie their goals back to the organization’s missions or directions

• Know how they personally can impact their team and the bottom line

• Know when they need to accomplish their actions and goals
Lessons learned

• Stay open minded
• Give it a chance, and help others give it a chance
• Be confident
• Provide examples
• Make it timely, start planning now
Moving forward

• Don’t make this a one time thing
• Have the team leaders share their matrix
• Review them quarterly at minimum to keep it fresh
• Laminate and/or display
• Find a central location for level 1 & 2
• Make the pinwheel your own!
Summary

• Hoshin Kanri and the X matrix can be a great visual tool to understand where they fit

• Productivity, pride and ownership increase when people know their impact

• Creates great touch points for communication transfer and relationship building
Questions?
Contact information

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  – Find me on LinkedIn
    • http://www.linkedin.com/in/juliemiller09
Example – Level 1

Strive to focus a significant portion of our CE activities on events related to operational efficiencies and strategy

Continually embed the concepts of OpEx throughout the company and make it a way of life

Reduce operational expenses
Obtain desired company growth levels

Maintain a focus on cost control and Operational Excellence

Objectives
Strategies
Teams
Mission

Operational Excellence
Human Resources
Account Management
Pricing
Supply
Executive
RESOURCES

Julie
Sue
Andy
Pat

ASQ
## Example – Level 2

<table>
<thead>
<tr>
<th>Goals</th>
<th>Objectives</th>
<th>Strategies</th>
<th>Individuals</th>
<th>Metrics or Champions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Careful selection of team members and establishing a cross-functional team</td>
<td>Engage project champions in the projects and process improvements (communications, scope change, project status)</td>
<td>Improve the strategy metric reporting process, and provide monitoring on metrics.</td>
<td>Julie</td>
<td>On-time Reporting, Participation rate, Champion attendance</td>
</tr>
<tr>
<td>Strive to focus a significant portion of our CE activities on events related to operational efficiencies and the execution of strategy</td>
<td>Continuously embed the concepts of OpEx throughout the company and make it a way of life</td>
<td>Obtain desired company growth levels</td>
<td>Meredith</td>
<td></td>
</tr>
<tr>
<td>Reduce operational expenses</td>
<td>Christine</td>
<td>Teague</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**Example – Level 3**

<table>
<thead>
<tr>
<th>Action Items</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Creation of champion plan for each assigned project</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvement and maintenance of the employee event tracker</td>
<td></td>
<td></td>
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Engage project champions in the projects and process improvements (communications, scope change, project status) | Careful selection of team members and establishing a cross-functional team | Employee participation rates | % of champion plans established |