**Hoshin Planning**

Chart a successful year by planning your annual strategy using the Hoshin Matrix

| Type | Meeting |
| --- | --- |
| Purpose | Planning and Strategy |
| Topics | Goal alignment, collaboration, brainstorming, decision-making, productivity, team building, communication, consensus building, prioritization, strategic planning |
| Audience | Executives |

## **About this activity**

Hoshin Planning is a dynamic and interactive strategic planning session structured to help executives craft a clear, actionable strategic plan using the Hoshin Kanri template, a proven Japanese planning methodology. According to a study published in the International Journal of Production Research, organizations that implemented Hoshin Kanri reported a significant improvement in goal achievement, with 87% of objectives achieved or exceeded.

In this activity, participants will break down long-term goals into top-level priorities, annual objectives, metrics to improve, and accountabilities for each category. The strategic plan is entered into the Hoshin X template and the result is a one-page visual representation of the organization’s priorities for the coming year.

This activity is designed for executives to conduct high-level strategic planning and works best with a group of 24 or fewer in an in-person, hybrid, or remote setting.

#### Important details

| Best for groups of | Up to 24 participants |
| --- | --- |
| Preparation time | 15 minutes |
| Duration | 1.5 - 2 hours |
| Required materials | * Hoshin Planning template and example template * Laptop with access to Excel * Presentation equipment for projecting template (in-person) * Meeting platform, if virtual * Current strategic plan or long-term goals |
| Required location | * Indoors |
| Noise level | Low |

## **How it works**

#### Instructions

Before conducting the activity (15 minutes):

The facilitator should read the instructions and familiarize themselves with the instructions and how to navigate the Hoshin Planning template file in Excel. The facilitator should practice adding and deleting rows and columns to ensure comfort with this task prior to the session.

The facilitator should instruct participants to bring a copy of the organization’s current strategic plan and/or long-term goals, if available.

Conducting the activity:

Introduction (15 minutes):

The facilitator should introduce Hoshin Kanri as a comprehensive Japanese strategic planning and management methodology that aligns an organization's activities with its long-term vision and goals. It is also called "Hoshin Planning" and was originally designed for manufacturing, but has gained popularity worldwide in all business domains due to its effectiveness in improving organizational performance and achieving strategic objectives.

The following are key principles of the Hoshin planning method:

* Hoshin places a strong emphasis on aligning the entire organization, from top management to front-line employees, and ensures that everyone is working towards common goals and priorities.
* Hoshin helps identify and prioritize critical strategic objectives, ensuring that resources and efforts are concentrated on the most essential areas that will drive overall success.
* Hoshin uses a matrix to provide a clear and visual representation of progress toward strategic goals, which promotes transparency and accountability.
* Hoshin encourages collaboration and communication across different departments and levels within an organization. It breaks down silos and fosters a culture of teamwork.
* Hoshin emphasizes the importance of collecting data and feedback to track progress toward strategic goals.
* Hoshin assigns clear responsibilities for the execution of action plans and ensures individuals or teams are held accountable for their contributions to the organization's strategic objectives.
* While Hoshin involves short-term planning and actions, it is fundamentally driven by a long-term vision. It helps organizations maintain a strategic perspective while managing day-to-day operations.
* Finally, Hoshin Planning acknowledges that the business environment is constantly changing. It encourages organizations to be flexible and adapt their strategies as needed to respond to evolving circumstances and opportunities.

The facilitator should inform participants that they will be working as a group to complete a high-level Hoshin planning session to align annual objectives, priorities, and metrics to long-term organizational goals. The facilitator should display an example of a completed Hoshin Planning template for participants to review.

Long-Term Goals (15 minutes):

The facilitator will display the Hoshin template and have participants focus first on long-term goals. The facilitator should ask participants to prioritize the top long-term goals from their existing strategic plan or goal lists and the information should be entered into the template. If long-term goals have not yet been defined, participants should collaborate to come up with their top multi-year goals.

While an organization may have dozens of long-term goals, selecting the top 3-5 goals generally works best for this session.

Annual Objectives (15-20 minutes):

Now that long-term goals have been established, the facilitator should guide participants to define annual objectives that answer the question, “How far do we want to go in the next year?” For this session, it is recommended that the group stick to a handful of manageable objectives (5-7) and expand as needed in subsequent planning sessions.

Next, the facilitator should focus on the lower left grid where annual objectives and long-term goals meet. For each square, the facilitator will collaborate with the group to determine whether the annual objective is a main or secondary focus of the long-term goal and use the drop-down to add the correct symbol.

Top-Level Priorities (15-20 minutes):

Now that annual objectives have been established, the facilitator should guide participants to define top-level priorities for the coming year that answer the question, “How are we going to do it?” For this session, it is recommended that the group stick to a handful of manageable priorities (5-7) and expand as needed in subsequent planning sessions.

Next, the facilitator should focus on the upper left grid where annual objectives and top-level priorities meet. For each square, the facilitator should collaborate with the group to determine whether the top priority is a main or secondary focus of each secondary goal and use the drop-down to add the correct symbol.

Metrics to Improve (15-20 minutes):

Next, the facilitator should guide participants to define metrics to improve for the coming year that answer the question, “How will we measure success?” The group should start with any metrics already in place and expand as needed. For this session, it is recommended that the group define one metric for each top priority.

Next, the facilitator should focus on the upper right grid where metrics to improve and top-level priorities meet. For each square, the facilitator should collaborate with the group to determine whether each metric is a main or secondary focus of each top-level priority and use the drop-down to add the correct symbol.

Person or Team Responsible (15 minutes):

The last step in Hoshin Planning is to designate the person or team responsible for achieving the top priorities. The facilitator should fill in the individual or team names based on participant feedback.

Next, the facilitator should focus on the far right grid where the responsible person/team and top-level priorities meet. For each square, the facilitator should collaborate with the group to determine whether each top-level priority is a main or secondary focus of each individual/team and use the drop-down to add the correct symbol.

Wrap Up (15 minutes):

The facilitator should display the completed Hoshin Planning template and inform participants that their work is not yet done. One important part of the process is called “catchball.” This is when you pass these objectives and priorities down to your teams for their input and alignment, and they pass their feedback to you so that the template becomes a living, evolving document within the organization.

The facilitator should conclude by discussing the strategic planning process with participants, as time allows, using the following questions:

* Are the results consistent with what you feel the priorities are for the coming year?
* What do you like or dislike about the Hoshin Planning tool?
* Do you see this being useful in your continued strategic planning process?
* How do you plan to implement the catchball process with your team?

#### Rules

None

#### Example

See Hoshin Planning Template example.

## **Materials**

#### For facilitator

Hoshin Planning Template and example template

Laptop with access to Microsoft Excel or Google Sheets

Presentation equipment for projecting template (in-person)

Meeting platform, if virtual meeting

#### For attendee

Current strategic plan or list of long-term goals