SUSTAINING YOUR STRATEGY

by Paul W. Davis

Through Hoshin Kanri Planning, MSAE is providing members with the tools to move beyond strategic vision.

"The best laid plans of mice and men often go awry," wrote Robert Burns in To a Mouse. Most likely, this observation rings true with anyone who has spent much time in organizations. Well developed plans often fail—but why? A strategic vision is necessary, but certainly not the only ingredient necessary for success. So, why do plans fail? While there are several common reasons for failure, there is a new solution used in the corporate environment called Hoshin Kanri, which can increase the odds of successfully implementing your strategic vision.

Why Many Plans Fail

(1) Plans set in stone that cannot adapt to a changing environment will be ignored. The terrorist attacks of 9/11 changed the airline industry in the matter of a few minutes. Regardless of how well designed the airlines' strategic plans were on September 10th, they could offer little guidance by September 12th.

Of course, this is an extreme example. However, most organizations set annual plans and do not revisit them until a year has passed. Since it takes time to plan, a yearly plan will be months old before it even starts. By the end of the planning cycle, a yearly plan can easily be 12-14 months old. How many of us can really predict 12-14 months out what will happen?

(2) Plans that are too complicated will end up on a shelf. Plans hundreds of pages thick that only a few people have read offer little organizational guidance. A plan needs to help align an organization. A good plan focuses on the “critical few” and is easily communicated to a broad range of people.

(3) The Charge of the Light Brigade was ordered by a planner who didn’t know the territory. Plans must involve all levels of an organization. The general is primarily responsible for planning, but often the foot soldier really knows the territory and can contribute valuable information that could directly impact the probability of a plan’s success. The best plans require a give and take between the various levels of an organization.

(4) A plan without measures is wishful thinking. A plan must have measurable ways to test its effectiveness and ensure accountability. All measures involve these three Cs: Counting, Consequences and Commitment. How will you know you are meeting the needs of your members? How do you know you are progressing toward your vision? These questions describe what you will “Count.” What happens if your conference attendance drops? What happens if your membership grows? These are questions about “Consequences.” Who is responsible for finding additional income if your membership shrinks? Who is responsible for the quality ratings of your conferences? These are questions about “Commitment.”

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Hoshin Quick Start: Total Turnkey Solution

Hoshin Quick Start is a total turnkey solution containing three parts:

1. A two to three hour Hoshin training course designed to teach frontline employees basic Hoshin concepts. Also included is a leader's guide with detailed instructions and overheads and a reproducible participant manual.

2. Excel Worksheet Template that helps an organization track goals visually. With this worksheet, the user can produce Pareto analysis and Radar Charts of goal progress. The worksheet can easily be put on a corporate intranet so that goals are visible to managers and co-workers.

3. Comprehensive Coordinator’s guide that explains how to customize worksheets. The guide also explains how to collect the information needed to create the Hoshin process.

Matrix to show the link. We also put our vision and mission in the center of the matrix to make it constantly visible. The matrix allows us to convey a lot of information simply and visually. Anyone can easily see how the various goals are connected to the vision and mission. The process forces an organization to focus on the “critical few” goals that are most important.

In larger organizations, the process of “catch ball” would continue until all levels of the organization had a chance to discuss the goals and the measures. For example, a director of membership might develop five or six annual goals to meet the board's growth goals. In turn, her staff might create five or six goals that will help implement the Membership Department’s commitments to the plan.

The lower right side of the matrix is reserved for what we call “FAST” or “Target” action items. These are quick assignments or projects that need to be tracked. An “X” is put in the matrix to show the link between the target action item and an annual goal. One of our annual goals was to produce a top-level leadership retreat in the fall. During a board meeting in May, the board decided that we needed to make the theme of the retreat “Radical Innovation.” Finding materials and speakers on this theme became a “FAST” action item for us.

The Matrix is the heart of Hoshin Quick Start. From the Matrix, there are links to a number of very useful tracking and reporting tools. Each annual goal links to a worksheet that tracks the progress of the goal. Each goal's monthly performance is graphed, and there is a place to analyze gaps between the actual and the target performance. Goals that are tracking to plan are green. Goals that are not tracking show up as red. Gap analysis is a critical component of Hoshin planning. If a goal is not tracking according to plan, adjustments and commitments need to be made.

Individuals and/or work teams examine why the goal is not being met. Hoshin Quick Start will create Paerto charts to help analyze which factors are most critical to meeting the goal. Countermeasures are created, and responsible parties and due dates are assigned.

There are many reasons why a goal might not be tracking according to plan. Perhaps more resources are needed to meet the goal. Perhaps the goal is no longer as important as it was when it was established, and a new priority has taken its place. Hoshin ensures that whatever the reason is, it will not remain a secret. The whole organization knows the goal is not being met and is able to respond to try to solve the problem.

It is not unusual for each individual or department to track five to eight goals. In large organizations, this might easily become overwhelming for a manager who wishes to track the performance of a large number of direct reports. Fortunately, Radar Charts allow a quick review of all the goals and their progress for each individual or department. The farther a goal is from the center of the Radar Chart the more complete it is.

A manager or board can easily see where the problems are and spend time focused on helping meet these goals, confident that the other goals are being met.

Hoshin’s Focus: Problem Solving, Not Blame

A Hoshin process will bring an organization’s problems quickly to the surface. It
becomes clear who is meeting goals and who isn’t. If the leaders of the organization use Hoshin to punish those who aren’t meeting goals, Hoshin will soon be viewed by the workforce as a stick used to beat up on them and not a tool for helping them create higher performance.

For example, a janitor in a company that uses Hoshin was asked by a visitor (customer) to his plant what Hoshin was all about. The janitor showed the visitor his matrix and explained that his top goals were to make sure his area was free of dirt and clutter. He then showed the visitor how his goals were linked to a company goal to successfully implement a program called 5S that stresses cleanliness. He then showed the visitor how 5S was linked to a top level goal to sell parts to one of the big three automakers. The visitor was from one of the big three automakers and was very impressed. Does your strategic vision generate this kind of understanding and action? If not, Hoshin will help move your organization beyond strategic vision to sustained action.

(Author’s note: To learn more about Hoshin, visit www.leanhelp.org. There you will find a very good, free downloadable paper on Hoshin by Matt Kraus. You might also find it interesting to read Beyond Strategic Vision: Effective Corporate Action with Hoshin Planning by Michael Cowley and Ellen Domb.)

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**MEMBER BENEFIT**

**ORGPRO WINNER ENJOYS WEEK AT DISNEY**

Thanks to the Flint Area Convention and Visitors Bureau and MSAE, Bonnie V’Soske, manager of meeting planning for the Michigan State Medical Society (MSMS), spent a week in Florida with her granddaughter, Tristyn. “What fun it was to see Disney through the eyes of a 10-year-old,” V’Soske says.

The Flint Area CVB gave away airline tickets at last year’s ORGPRO conference as a prize for winning a music trivia game during one evening’s social event. “Association executives needed to interact with the MSAE supplier members to find the right answers to the game,” explains V’Soske. “Thank you to all of the supplier members who helped me get the answers and ultimately win the trip. It was wonderful to enjoy a totally unexpected week in sunny Florida in March.”

V’Soske added that the newly remodeled Flint Airport was convenient to fly to and from, and provided easy access, easy parking and friendly faces to help with check-in. For more information on this year’s special events at ORGPRO, see page 28.

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(L to R) Bonnie V’Soske, granddaughter Tristyn and husband John in front of the Cinderella's castle at Walt Disney World.