Toyota's Obeya Management System

Day 2

Toyota's Engine for Leadership & Operational Excellence

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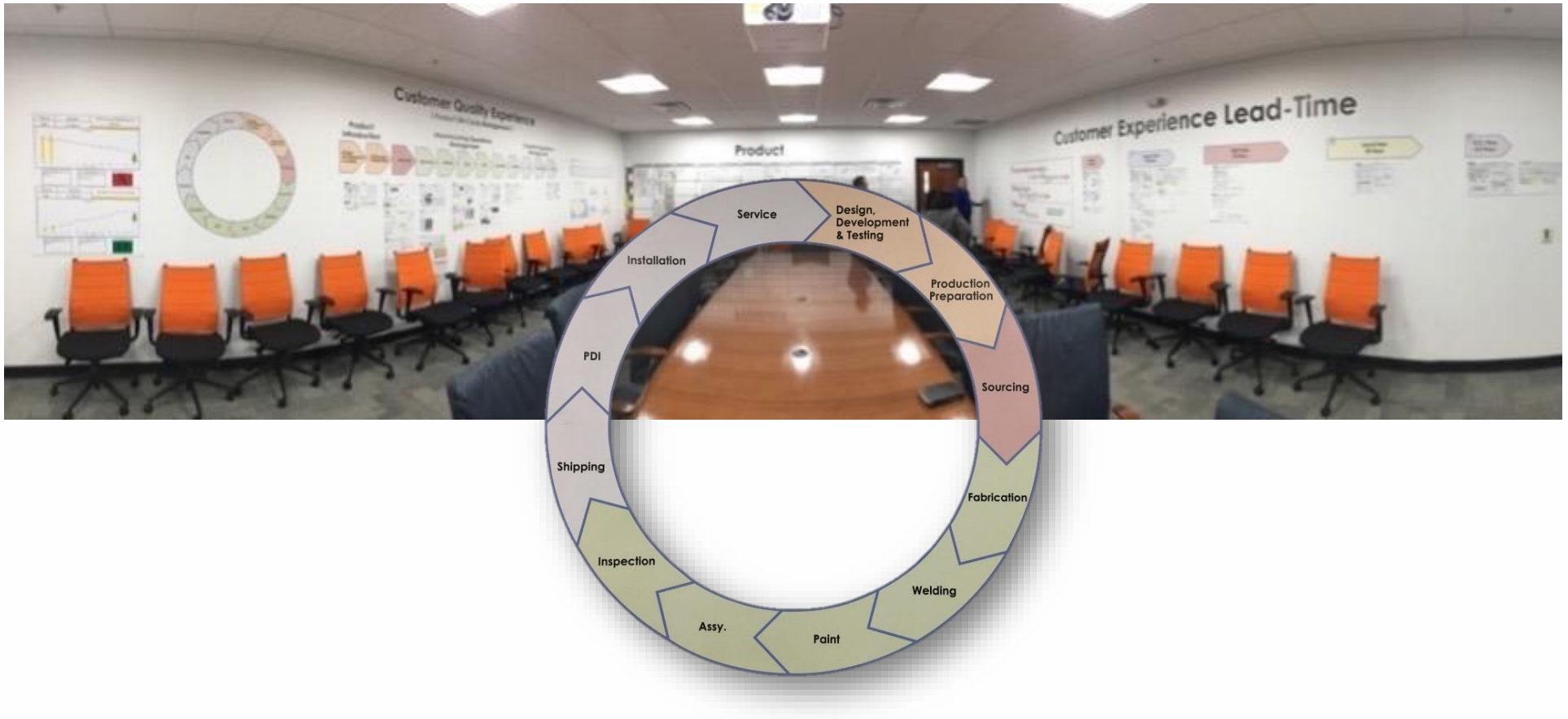
WHAT WE WILL COVER IN OUR TIME TOGETHER TODAY

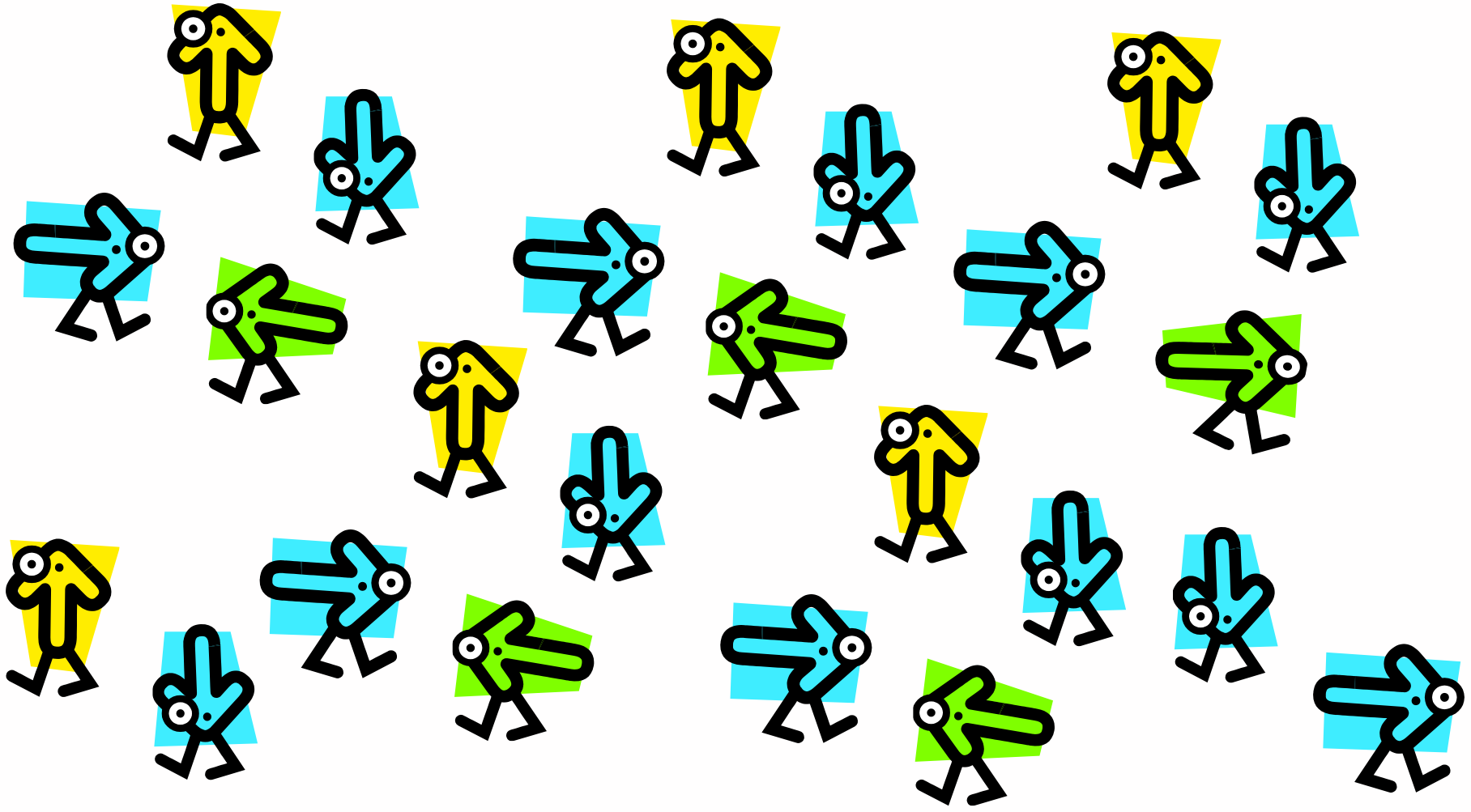
- Red Ball
- Overview of Hoshin Kanri and Deployment
- One Voice Leadership
- Hoshin Kanri Development and Deployment Flow
- Managing Hoshin
- Lagging Indicators vs. Leading Indicators
- Overview of Toyota's Floor Management Development System (FMDS)
- The Five Missions of Shop-Floor Management
- FMDS, Problem Solving, and Leader Development
- Team Leadership through Three Pillar Management
- FMDS Do's and Don't
- Your Questions
- Reflections

The Obeya System and Hoshin Kanri at Toyota



Does Everyone Understand the Direction and Priorities?

Does everyone understand this system of aligning their goals with the company?



Probably Not!

Alignment Plummets Between Top Executives and Their Direct Reports

Strategic alignment falls off a cliff from the organization's top executives to their direct reports and continues to decline, although more gradually, among lower-level managers.

Based on data from 4,012 respondents across 124 companies, with high response rates at each level, who took the survey between 2012 and July 2017.

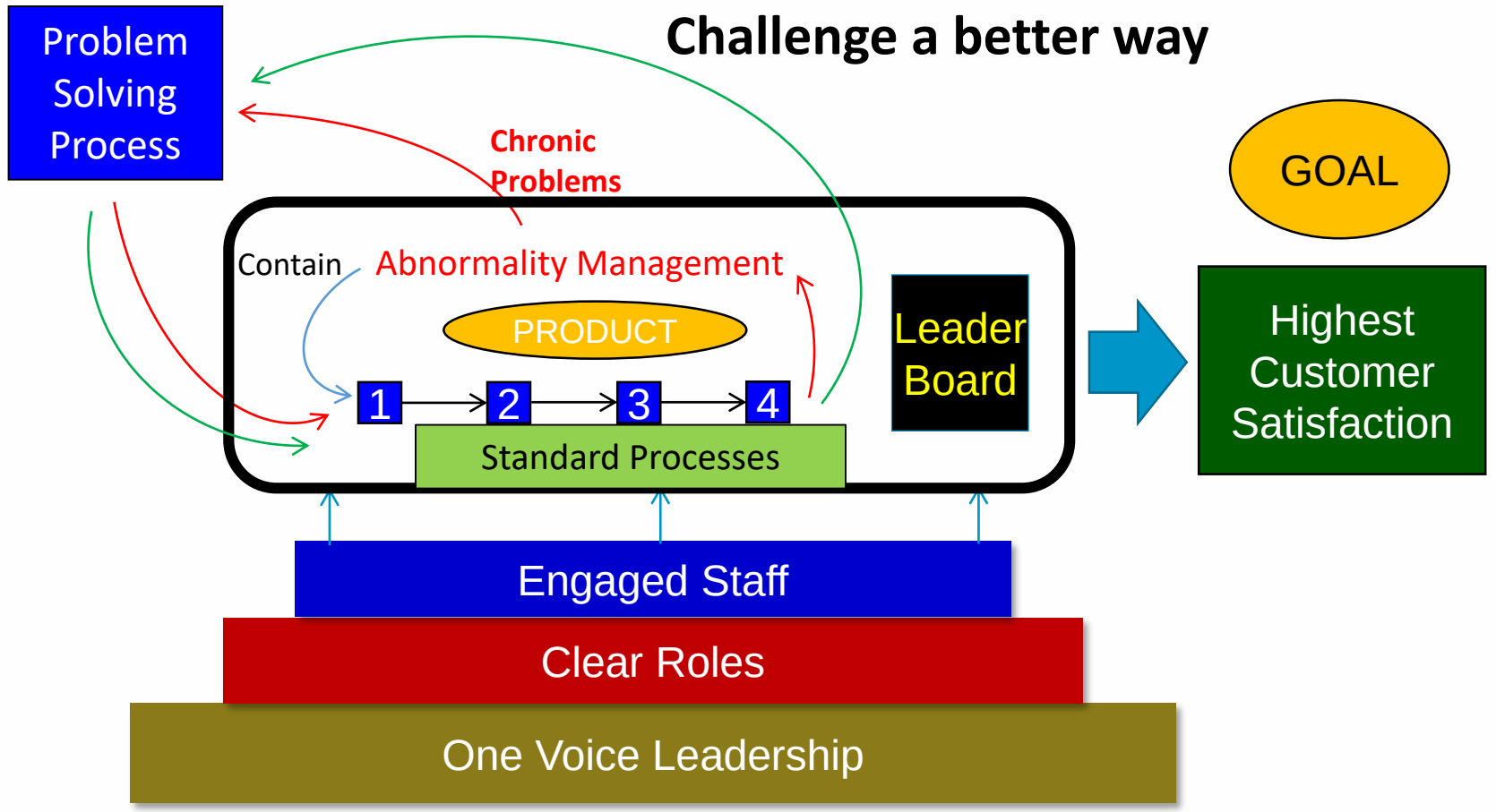
Source: "No One Knows Your Strategy — Not Even Your Top Leaders,"
By Donald Sull et al., *MIT Sloan Management Review*, February 2018
sloanreview.mit.edu/x/59329

What is Hoshin Kanri?

方针 管理

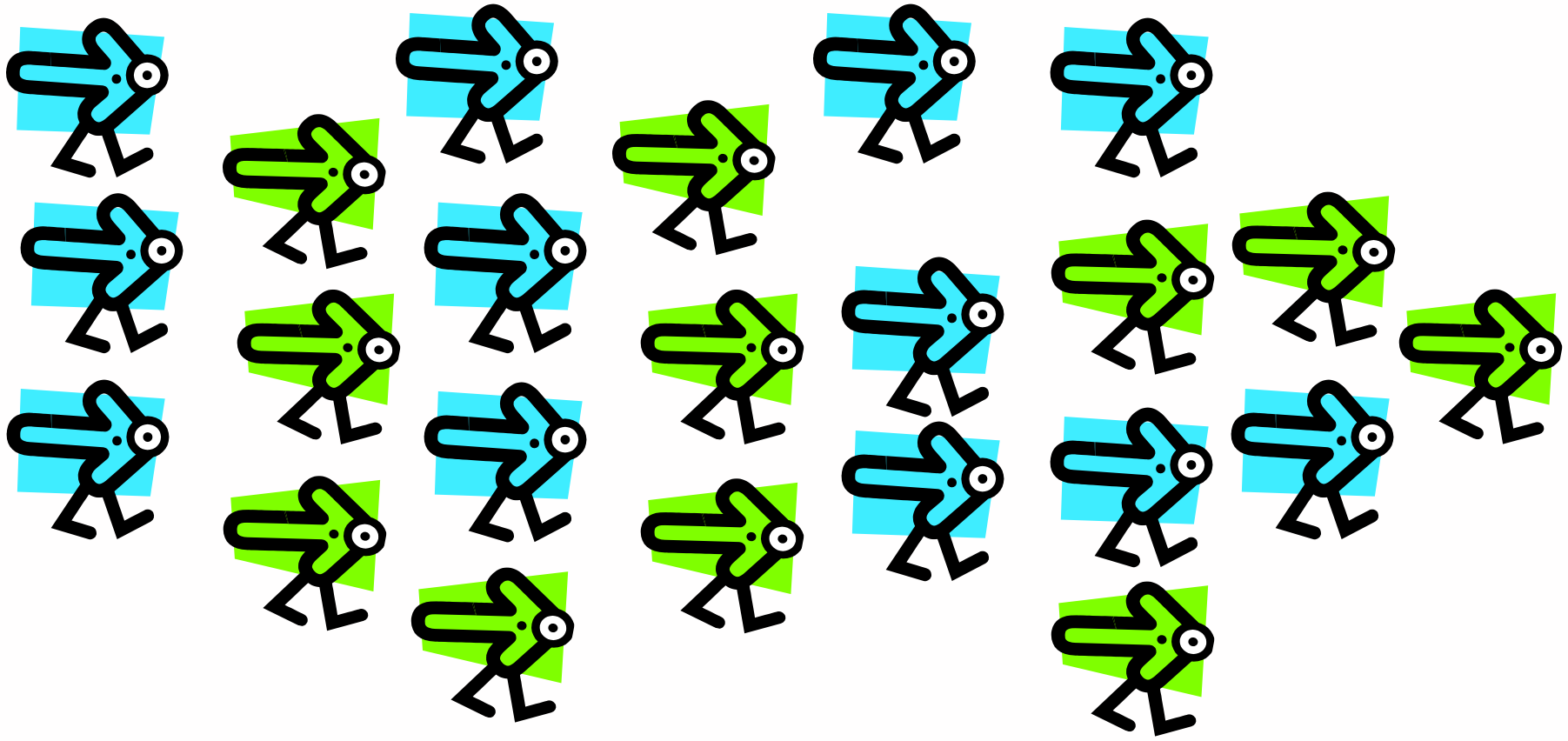
Hoshin = Direction Kanri = Execution

Ideal Work Environment for Enterprise Excellence



Hoshin Planning Seeks to Align Resources and Insure Unity of Effort

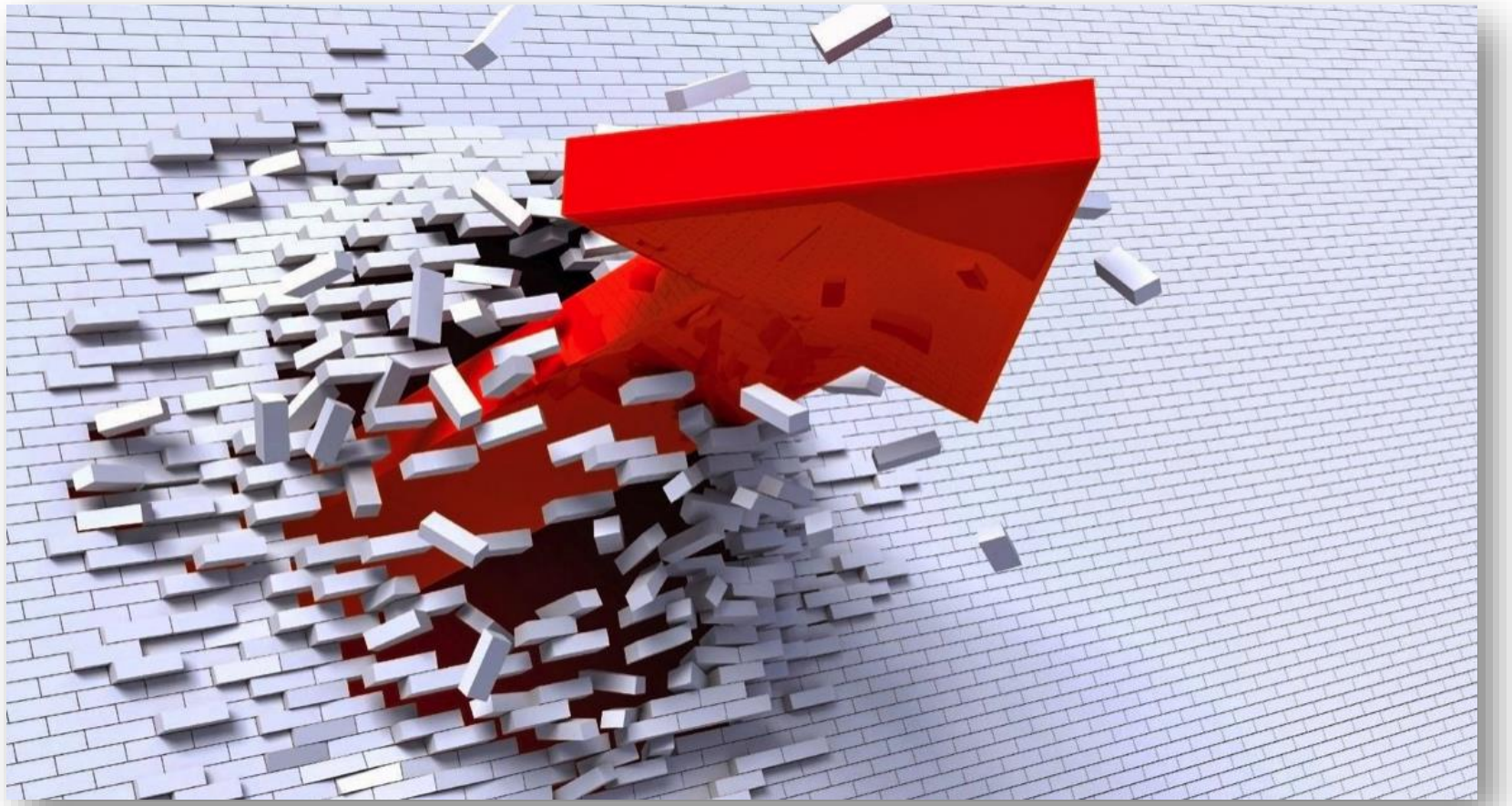
After Hoshin Kanri
Company Planning with PDCA



Key Points

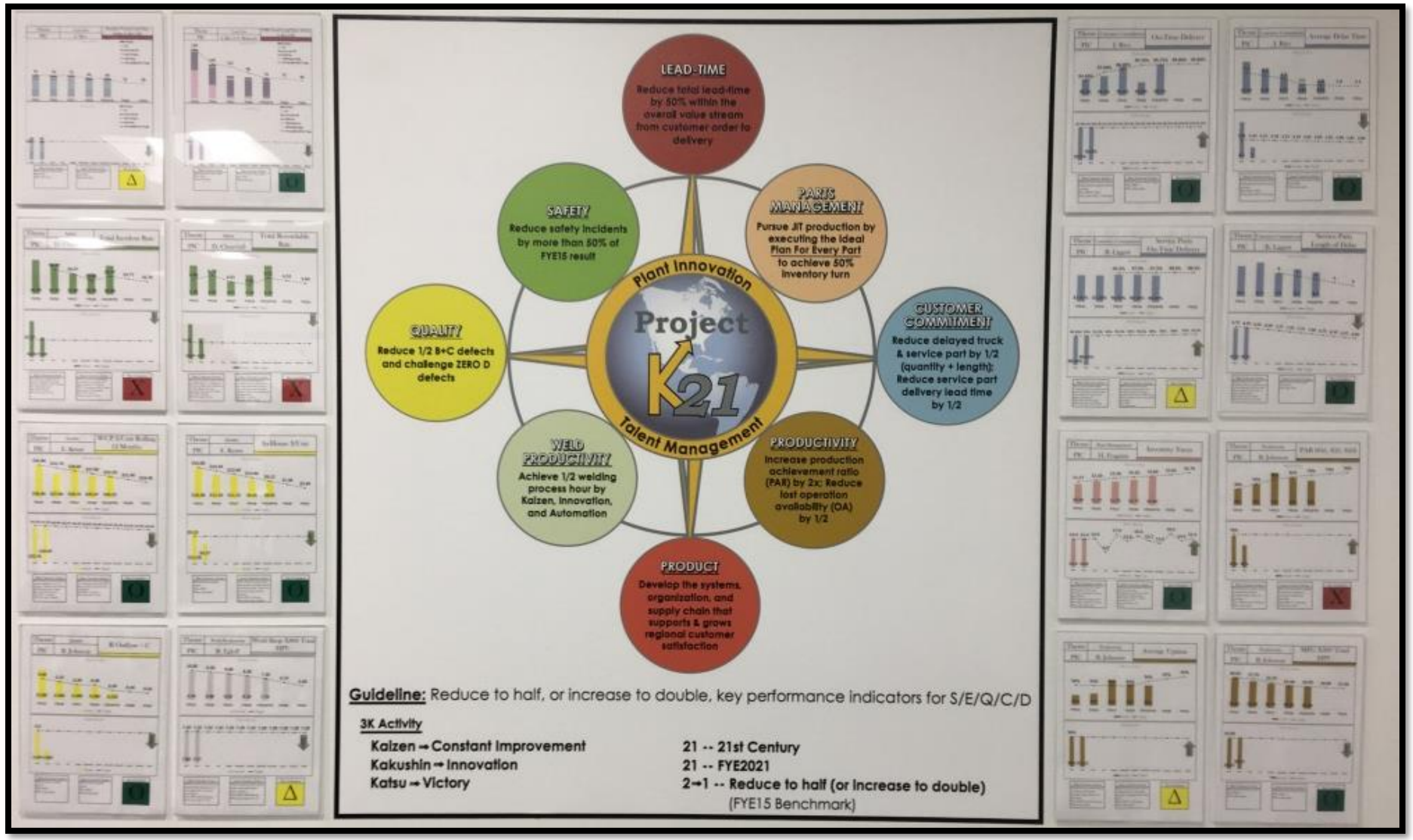
1. **What is Hoshin Kanri?**
2. Points of each step in Deploying Hoshin Kanri
    1. Hoshin Establishment and Deployment
    2. Hoshin Checks
    3. Actions
3. Associate's Role in Hoshin Kanri
4. Hoshin Kanri Process Simulation (Activity)
5. Summary

Hoshin is Management Kaizen for BREAKTHROUGH



Hoshin Breakthrough Vision: Bring Lexus to Kentucky!

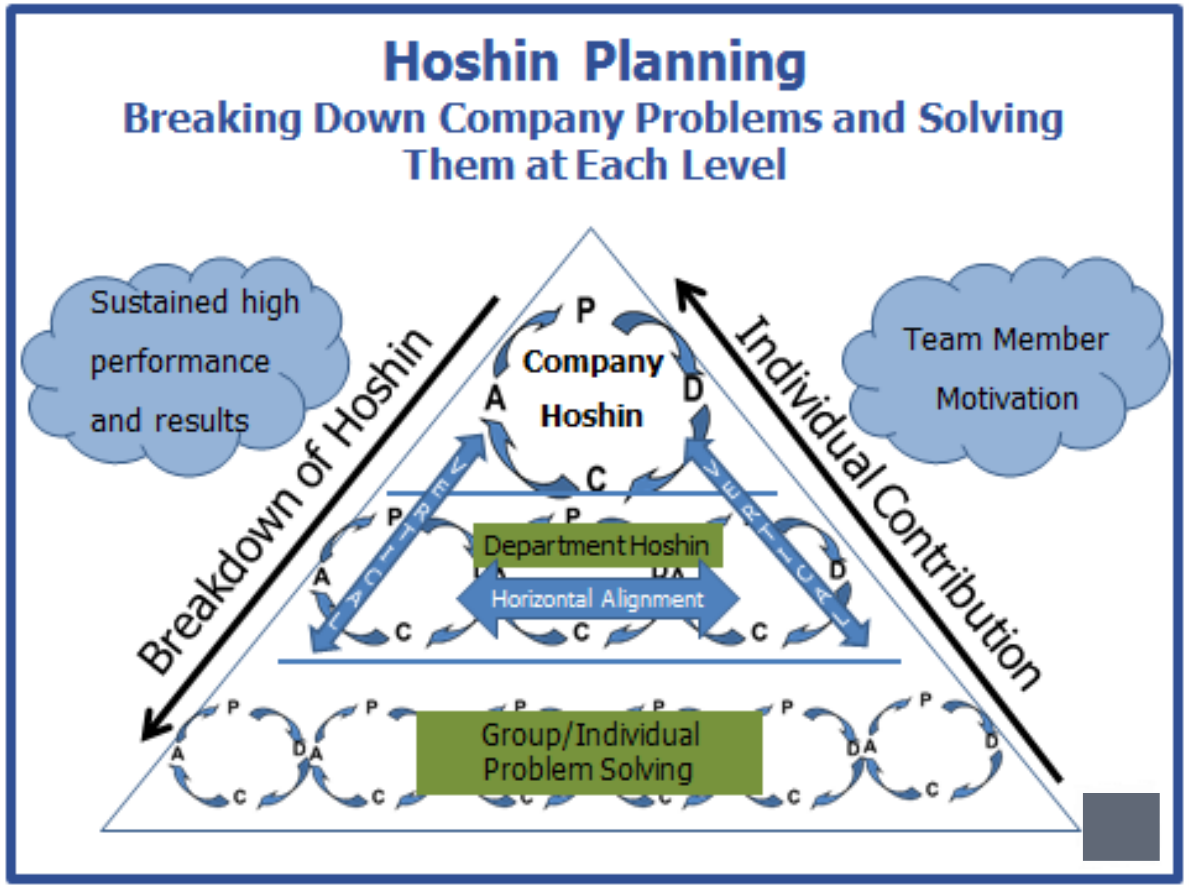
Mid-term Hoshin Vision at TIEM: with A3 Visual Thinking



Overview of Toyota's Hoshin Process

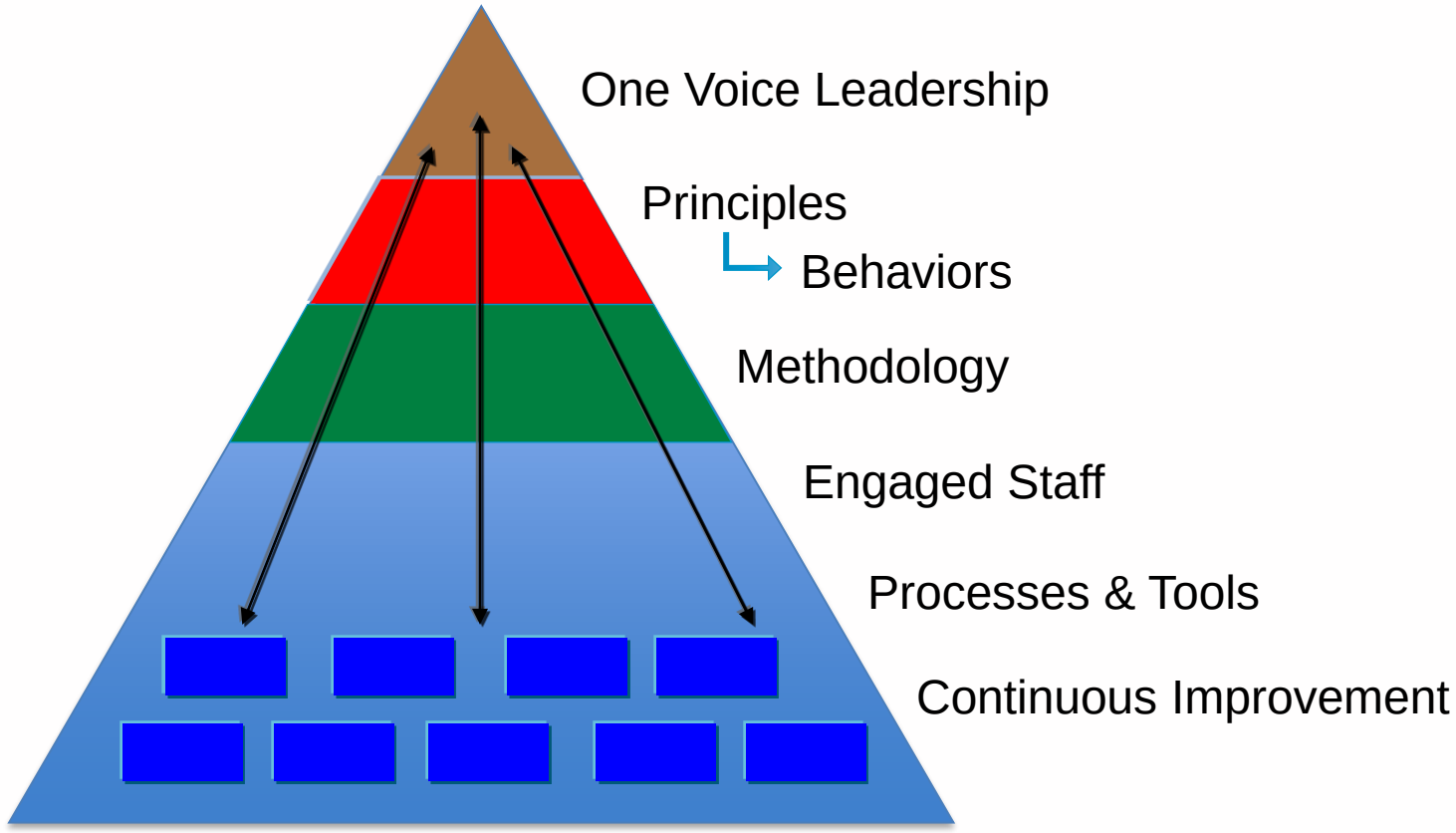
One Voice Leadership

Executive and Senior Leaders must *align* their Hoshin plans before deployment through the organization to ensure consistency of direction



Hoshin Kanri Requires One Voice Leadership

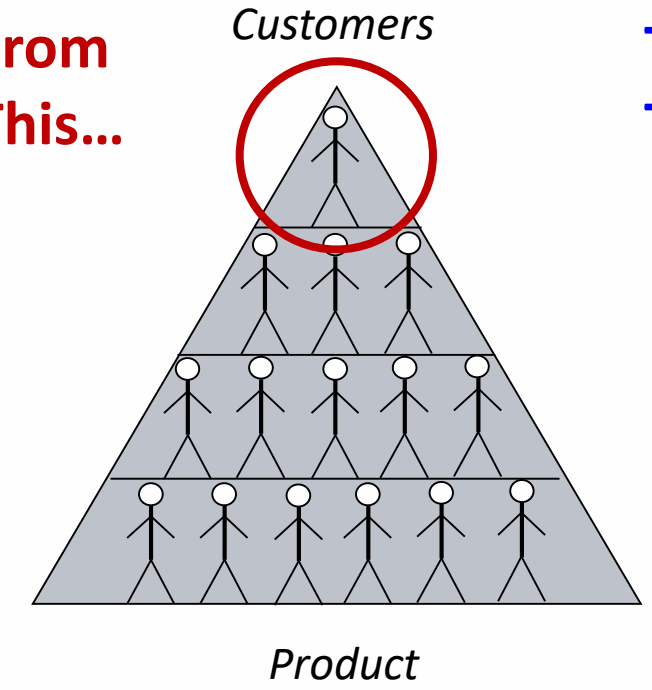
Consistent Principles Applied Via Every Day Behaviors



Toyota's Thinking on the Role of Leaders

The person in the process
is in the best position to improve the process

From This…



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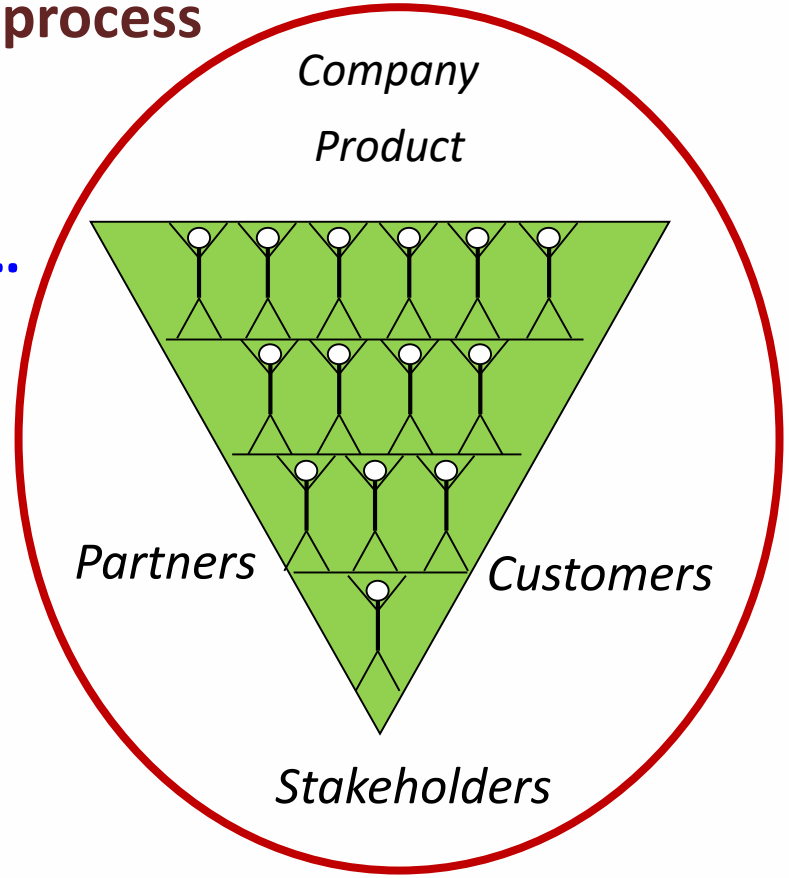
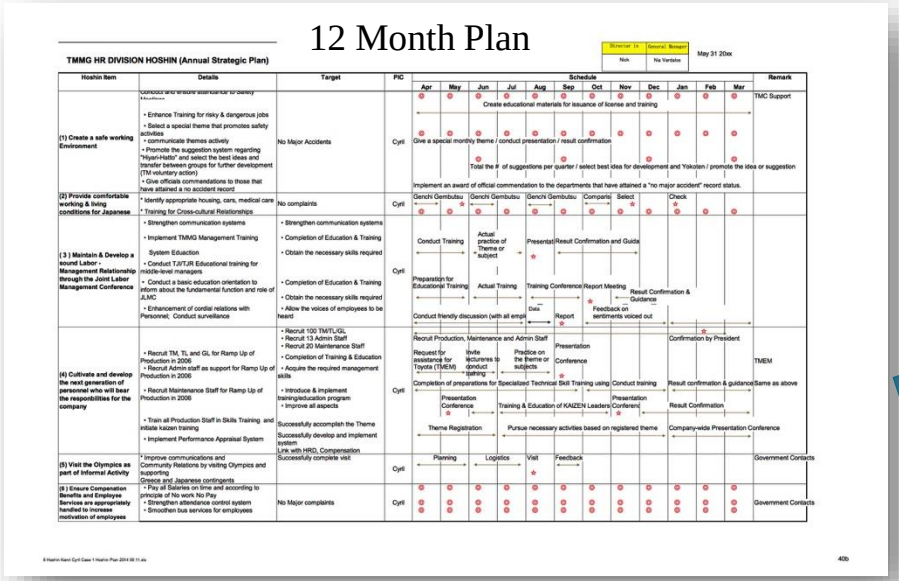


'You do not work for me; I work for you!'

Chairman Fujio Cho to TMMK Team

The Hoshin Process

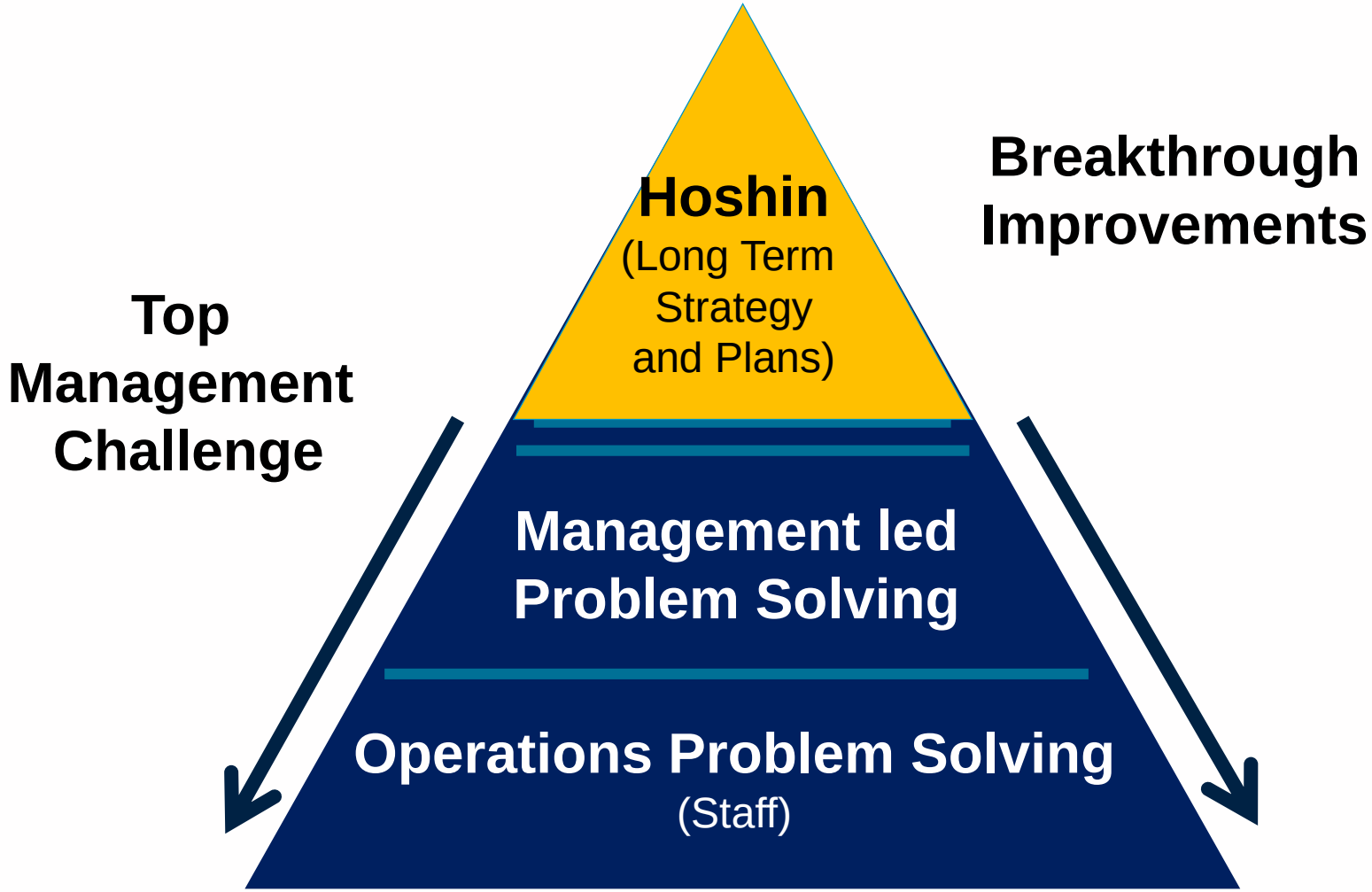
- Long term goals are achieved via a series of 12-month plans
- The Annual Hoshin process reviews the long term goals, adjusts as needed, then sets the next actionable 12 month plan


12 Month Plan

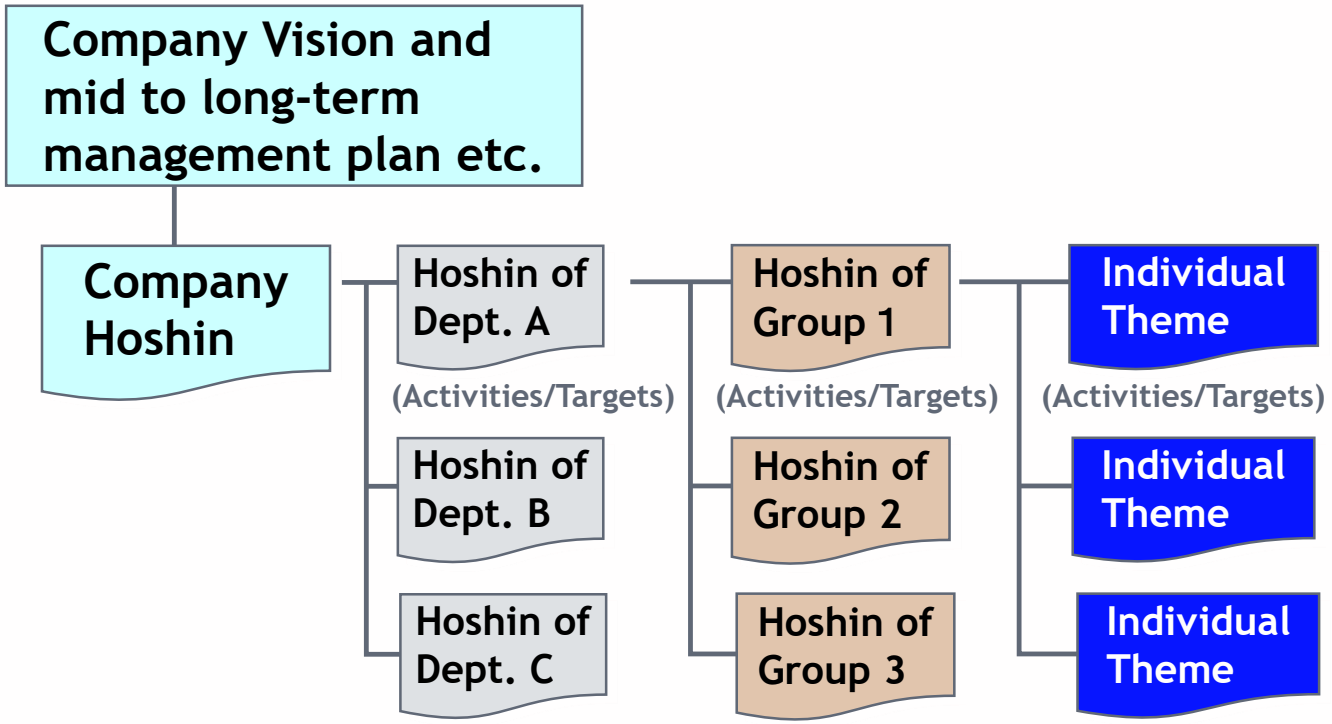
TMMG HR DIVISION HOSHIN (Annual Strategic Plan)

Hoshin Item	Details	Target	PIC	Schedule (Apr – Mar)	Remark
(1) Create a safe working Environment	• Enhance Training for risky & dangerous jobs • Select a special theme that promotes safety activities • communicate themes actively • Promote the suggestion system regarding "Hiyari-Hatto" and select the best ideas and transfer between groups for further development (TM voluntary action) • Give officials commendations to those that have attained a no accident record	No Major Accidents	Cyril	Create educational materials for issuance of license and training Give a special monthly theme / conduct presentation / result confirmation Total the # of suggestions per quarter / select best idea for development and Yokoten / promote the idea or suggestion Implement an award of official commendation to the departments that have attained a "no major accident" record status.	TMC Support
(2) Provide comfortable working & living conditions for Japanese	* Identify appropriate housing, cars, medical care * Training for Cross-cultural Relationships	No complaints	Cyril	Genchi Gembutsu / Genchi Gembutsu / Genchi Gembutsu / Comparis / Select / Check	
(3) Maintain & Develop a sound Labor - Management Relationship through the Joint Labor Management Conference	• Strengthen communication systems • Implement TMMG Management Training System Education • Conduct TJ/TJR Educational training for middle-level managers • Conduct a basic education orientation to inform about the fundamental function and role of JLMC • Enhancement of cordial relations with Personnel; Conduct surveillance	• Strengthen communication systems • Completion of Education & Training • Obtain the necessary skills required • Completion of Education & Training • Obtain the necessary skills required • Allow the voices of employees to be heard	Cyril	Conduct Training / Actual practice of Theme or subject / Presentat / Result Confirmation and Guida Preparation for Educational Training / Actual Training / Training Conference / Report Meeting / Result Confirmation & Guidance Conduct friendly discussion (with all empl / Data / Report / Feedback on sentiments voiced out	
(4) Cultivate and develop the next generation of personnel who will bear the responsibilities for the company	• Recruit TM, TL and GL for Ramp Up of Production in 2006 • Recruit Admin staff as support for Ramp Up of Production in 2006 • Recruit Maintenance Staff for Ramp Up of Production in 2006 • Train all Production Staff in Skills Training and initiate kaizen training • Implement Performance Appraisal System	• Recruit 100 TM/TL/GL • Recruit 13 Admin Staff • Recruit 20 Maintenance Staff • Completion of Training & Education • Acquire the required management skills • Introduce & implement training/education program • Improve all aspects Successfully accomplish the Theme Successfully develop and implement system Link with HRD, Compensation	Cyril	Recruit Production, Maintenance and Admin Staff / Confirmation by President Request for assistance for Toyota (TMEM) / Invite lecturrres to conduct training / Practice on the Theme or subjects / Presentation Conference Completion of preparations for Specialized Technical Skill Training using / Conduct training / Result confirmation & guidance Presentation Conference / Training & Education of KAIZEN Leaders / Presentation Conferenc / Result Confirmation Theme Registration / Pursue necessary activities based on registered theme / Company-wide Presentation Conference	TMEM Same as above
(5) Visit the Olympics as part of Informal Activity	* Improve communications and Community Relations by visiting Olympics and supporting Greece and Japanese contingents	Successfully complete visit	Cyril	Planning / Logistics / Visit / Feedback	Government Contacts
(6) Ensure Compensation Benefits and Employee Services are appropriately handled to increase motivation of employees	• Pay all Salaries on time and according to principle of No work No Pay • Strengthen attendance control system • Smoothen bus services for employees	No Major complaints	Cyril		Government Contacts

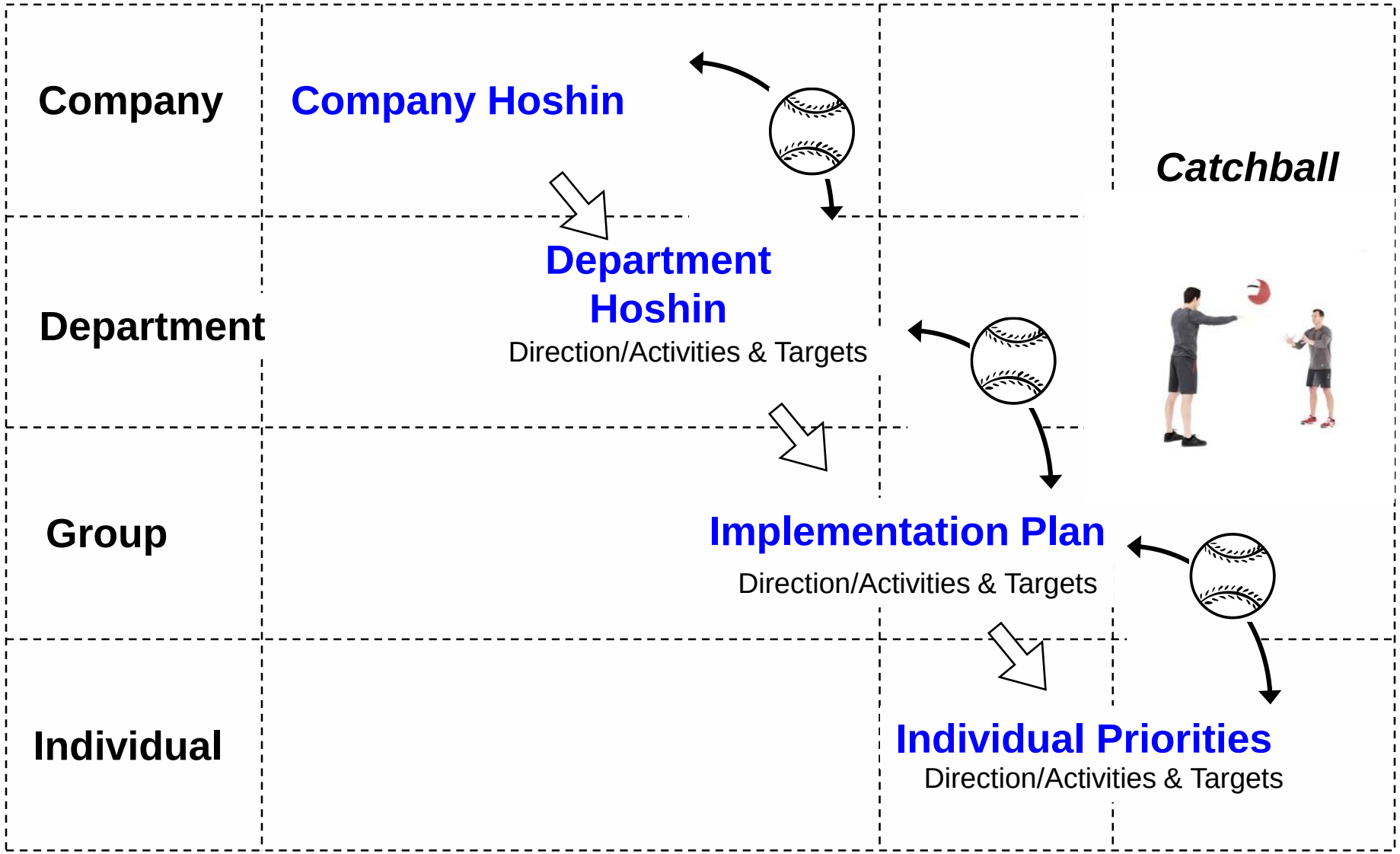
Total Problem Solving Culture



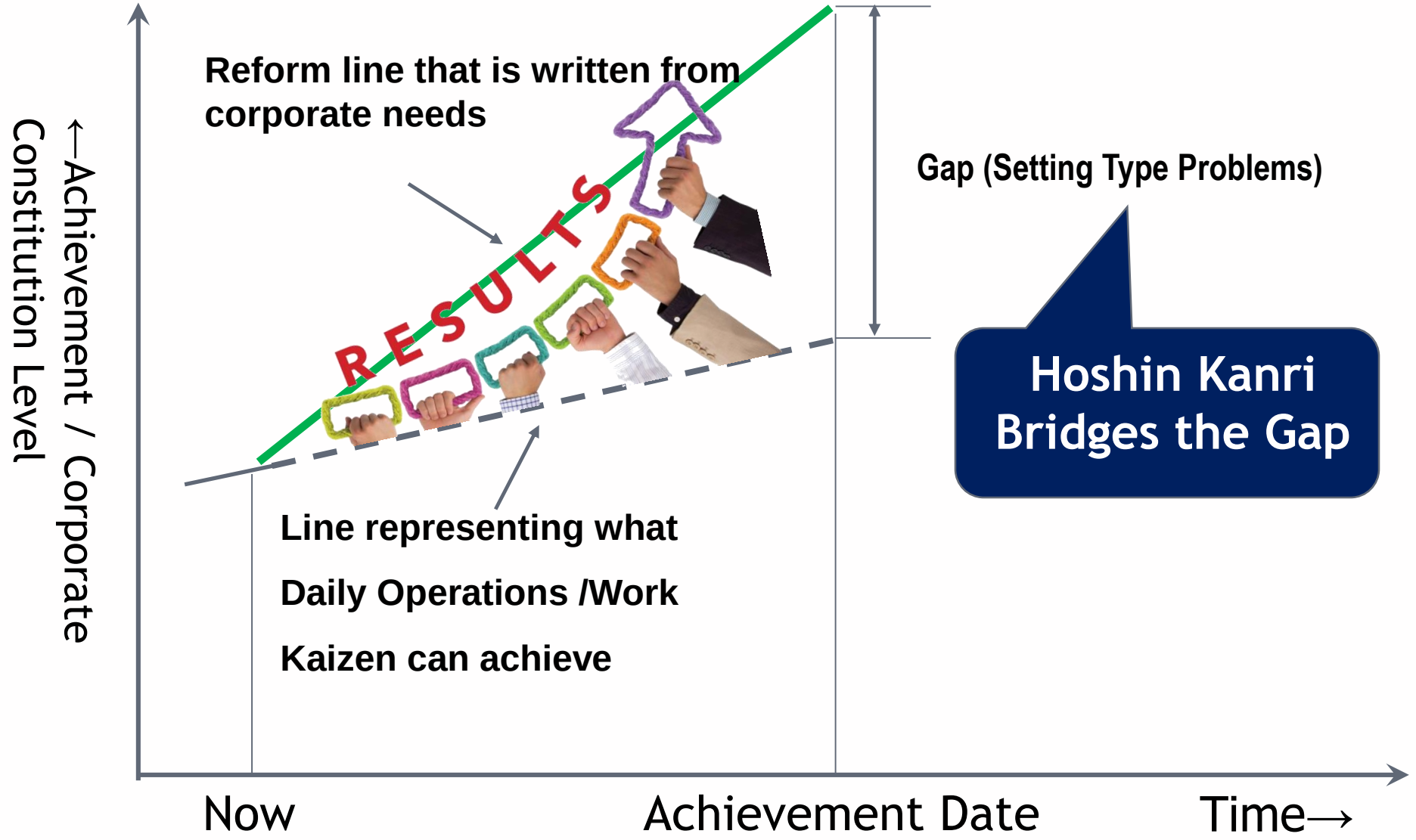
Hoshin Kanri System – Annual Hoshin System



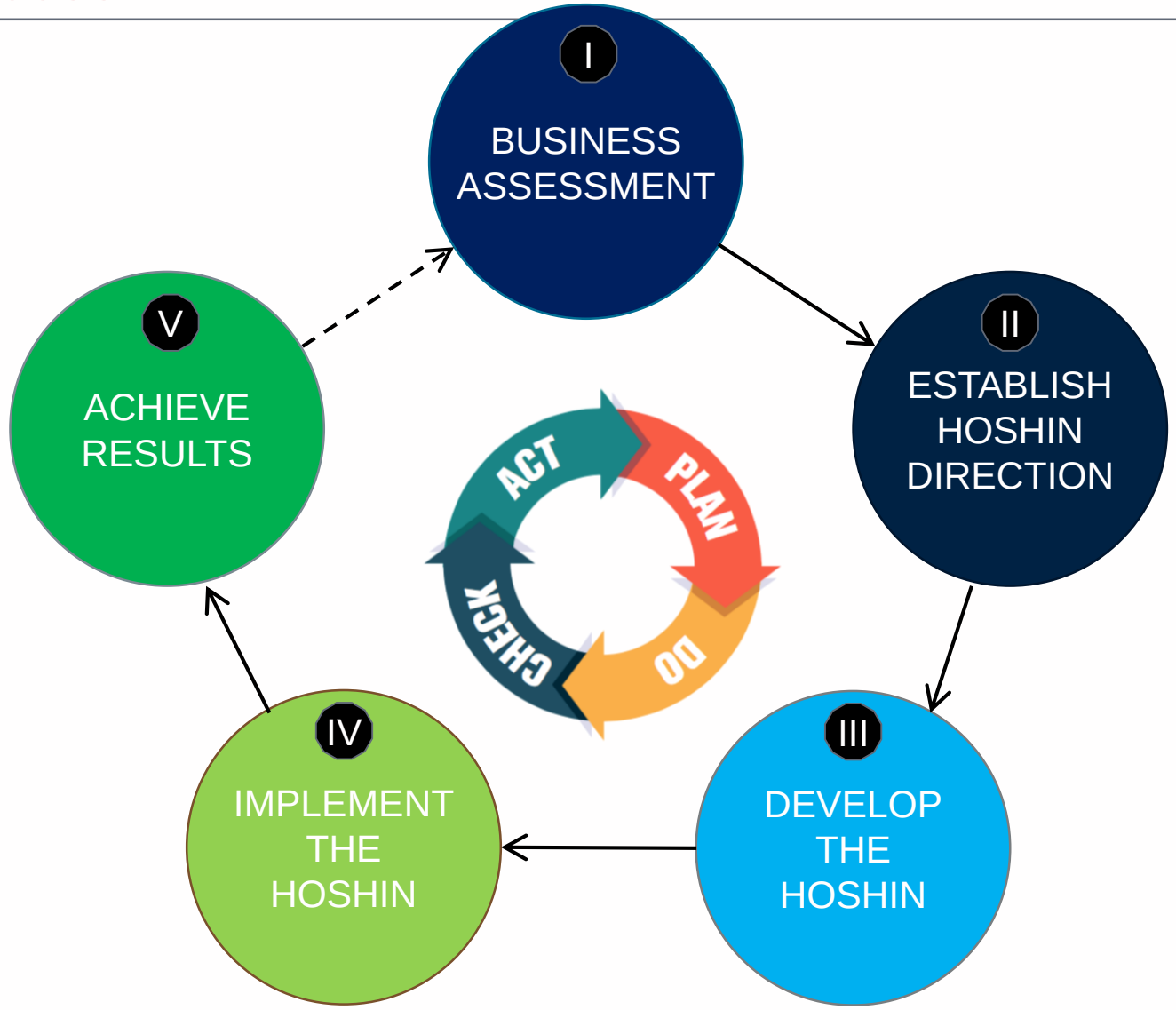
Hoshin Must Incorporate “Catchball” back and forth between the levels?



How is Hoshin Different?

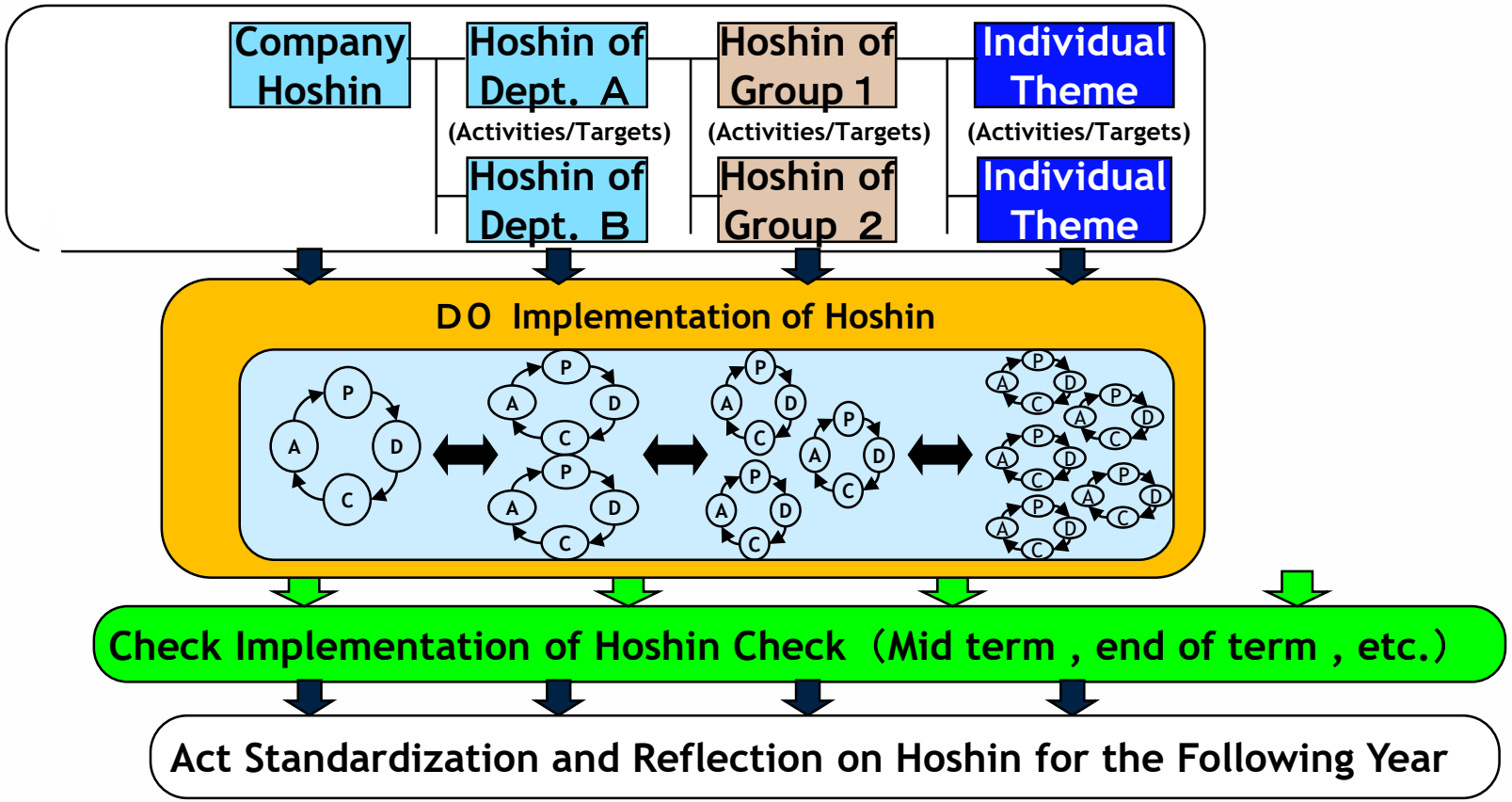


Hoshin Kanri Process

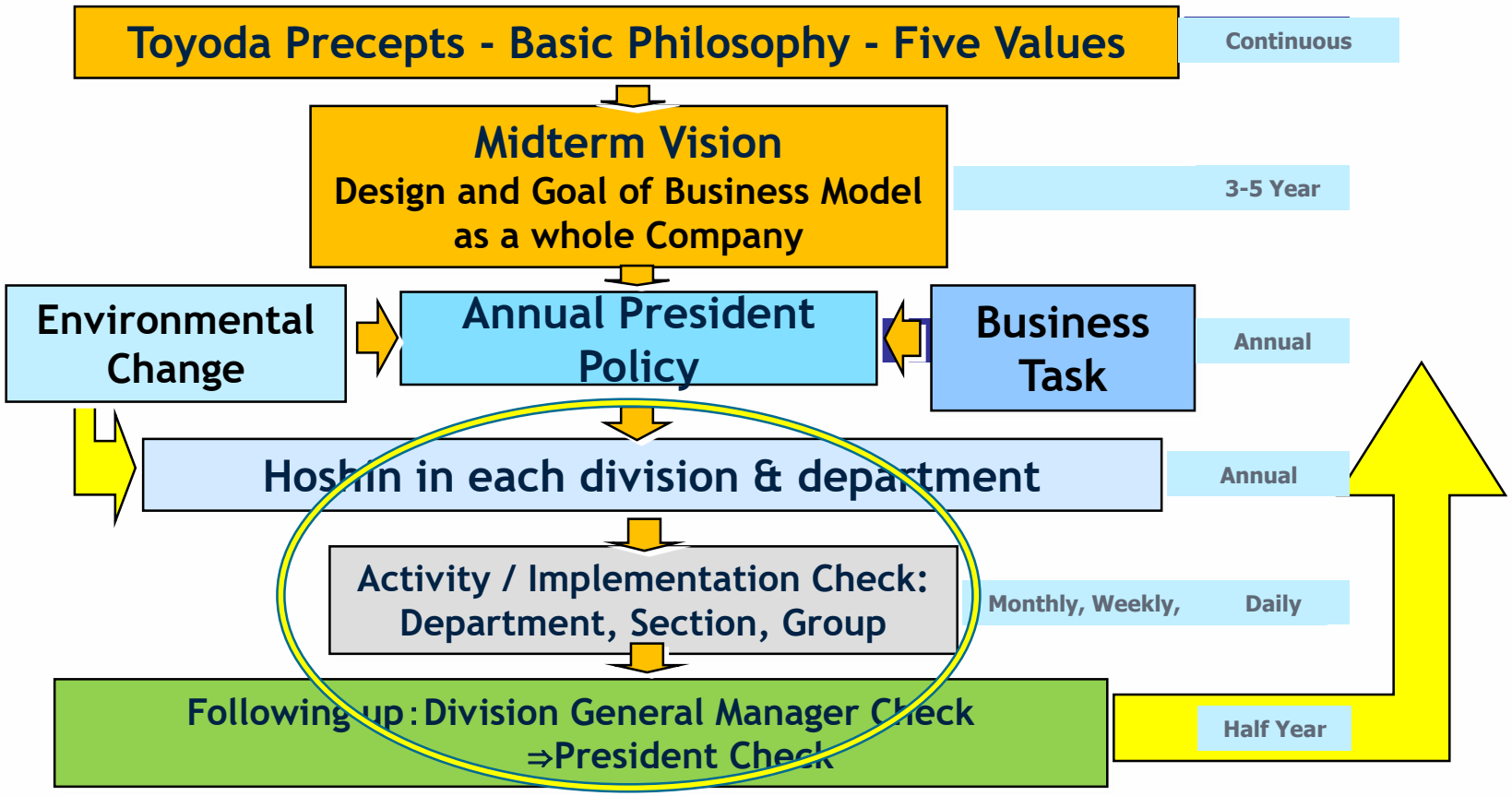


Hoshin Kanri Flow

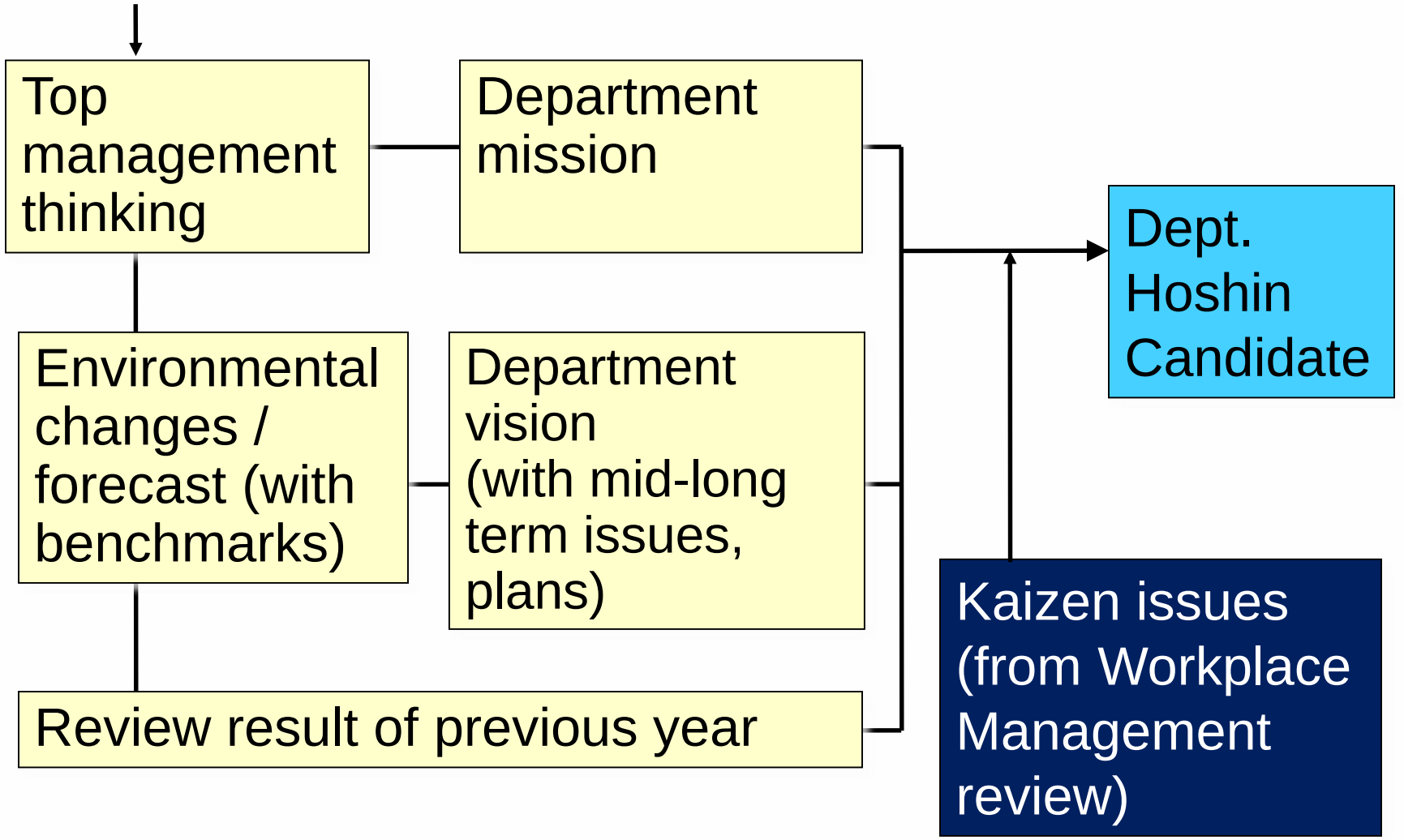
PLAN
Hoshin Strategies
and Deployment

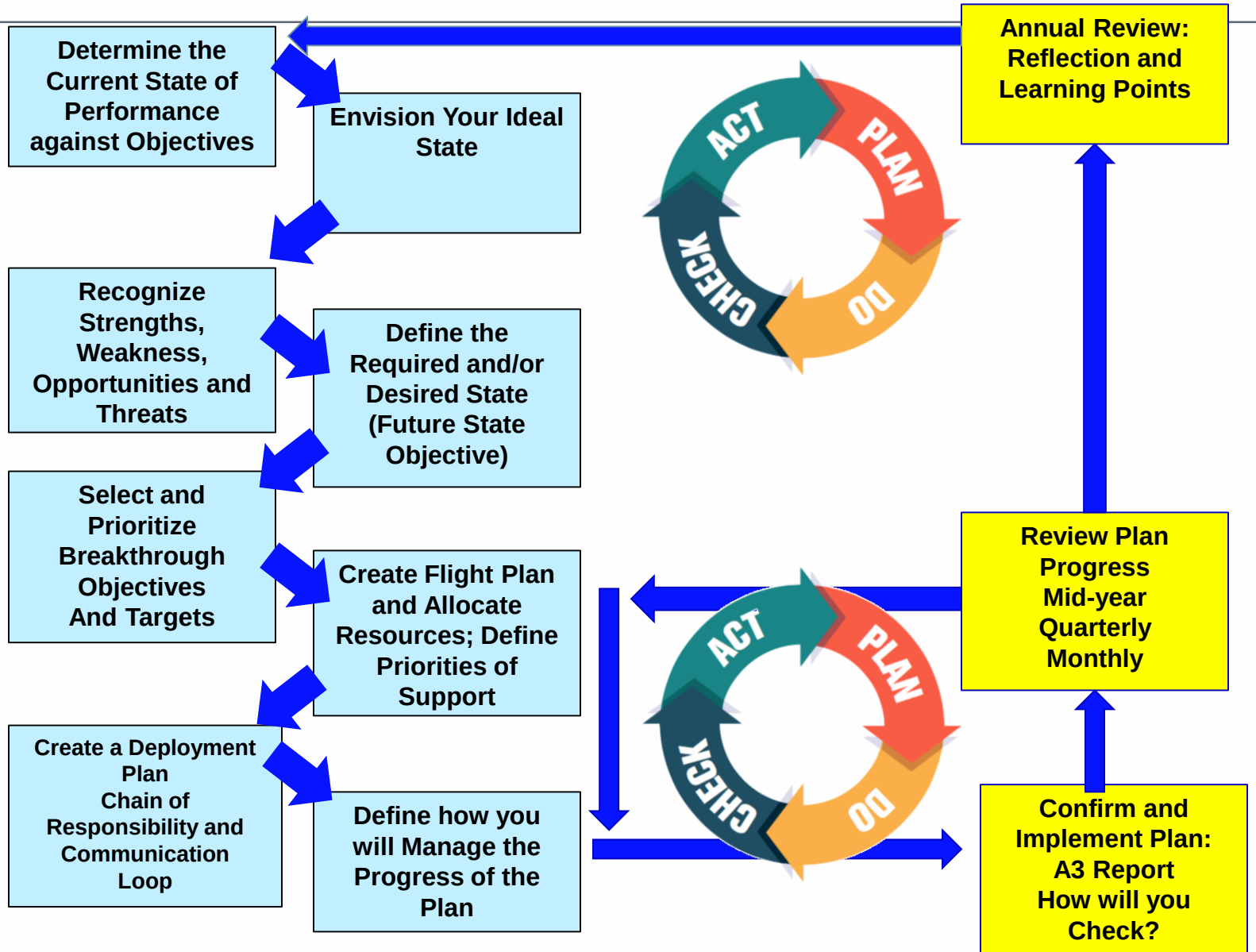


Hoshin Management Flow and Timeline for Planning and Review



Grasping the Current Situation during Problem Identification



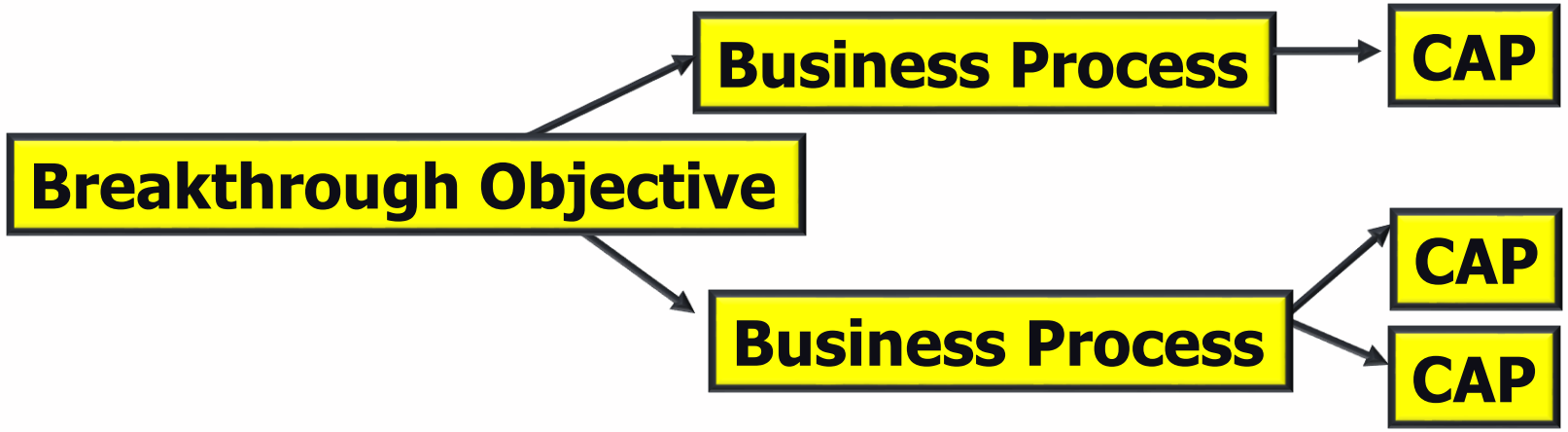

Determine the Current State of Performance against Objectives
Envision Your Ideal State
Recognize Strengths, Weakness, Opportunities and Threats
Define the Required and/or Desired State (Future State Objective)
Select and Prioritize Breakthrough Objectives And Targets
Create Flight Plan and Allocate Resources; Define Priorities of Support
Create a Deployment Plan Chain of Responsibility and Communication Loop
Define how you will Manage the Progress of the Plan
ACT
PLAN
DO
CHECK
ACT
PLAN
DO
CHECK
Annual Review: Reflection and Learning Points
Review Plan Progress Mid-year Quarterly Monthly
Confirm and Implement Plan: A3 Report How will you Check?

SWOT Analysis of Hoshin Missions

- **S-O**: Pursue opportunities that are a good fit to your strengths
- **W-O**: Overcome weaknesses to pursue opportunities
- **S-T**: Identify ways to use strengths to reduce vulnerability
- **W-T**: Establish a defensive plan to minimize threats

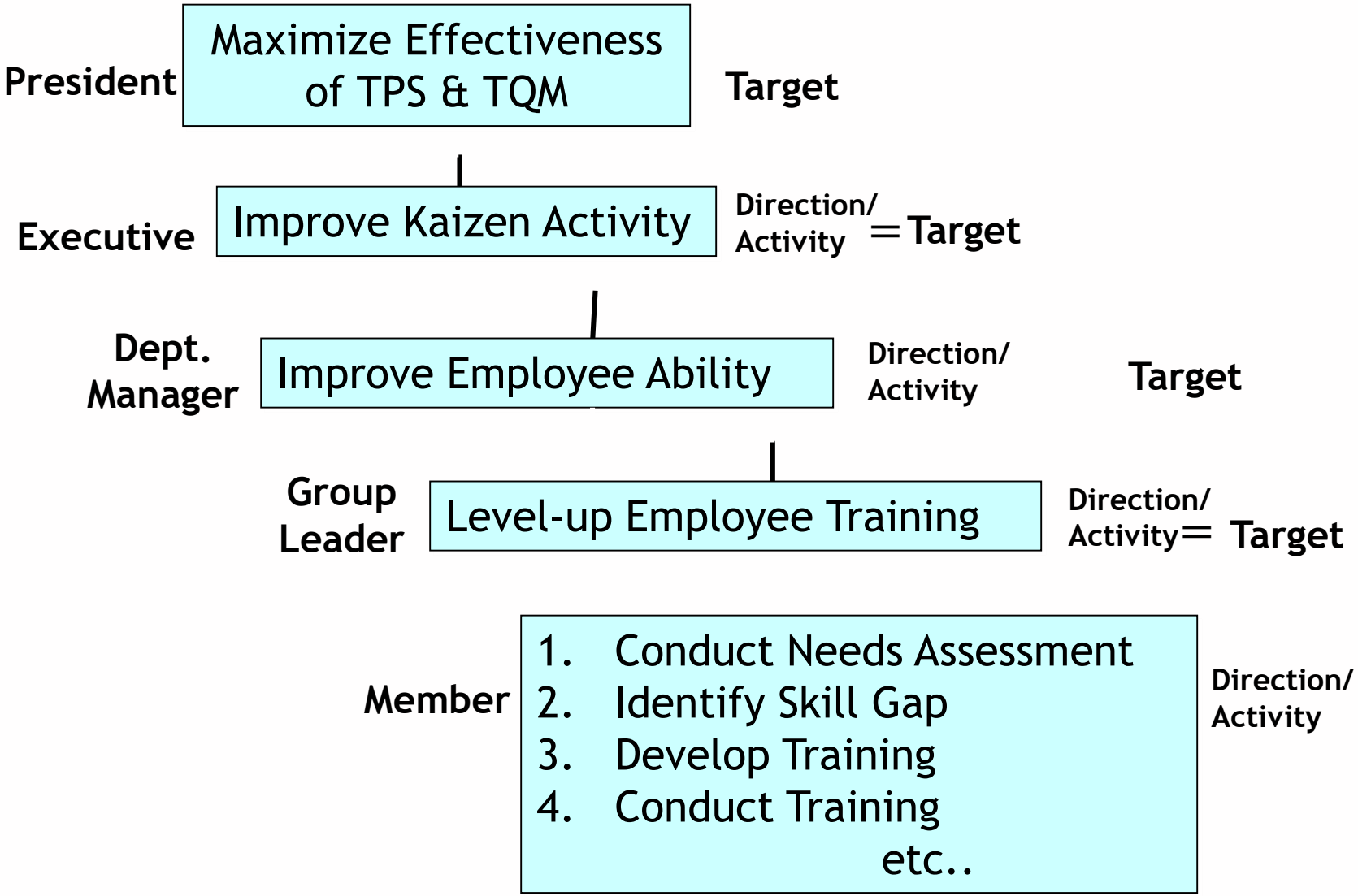
Critical Annual Priorities

- Which processes will be impacted by the Critical Few?
- What will be changed in these processes to achieve the goals?



Now, It's Your Turn

Example of Hoshin Breakdown



Setting Hoshin Items

Expressions that are easily understood are used for specific procedures.

(1) Why "Purpose"

(2) What "Target Problem"

(3) How "Method"

Example

NG: Enhance the education curriculum for different ranks.

OK: Promote the internalization of shared values (why), by reviewing the education curriculum for different levels (what) based on trainee and management needs (how).

Setting Hoshin Targets

Perspective on Setting Targets

When Issues are solved, exactly how things will be changed should be clarified.

(1) What "Evaluation Standard /Performance Indicator"

(2) How Much "Target Level"

(3) When "Deadline for Accomplishment"

Example of <u>What</u>:

Review education curriculum in order to share values	A. Amount Reviewed B. Trainee Eval. C. Manager Eval.	A. % of Courses Reviewed B. Trainee Survey Eval. Score C. Manager Survey Eval. Score

What Should You Measure? Only the Most Important

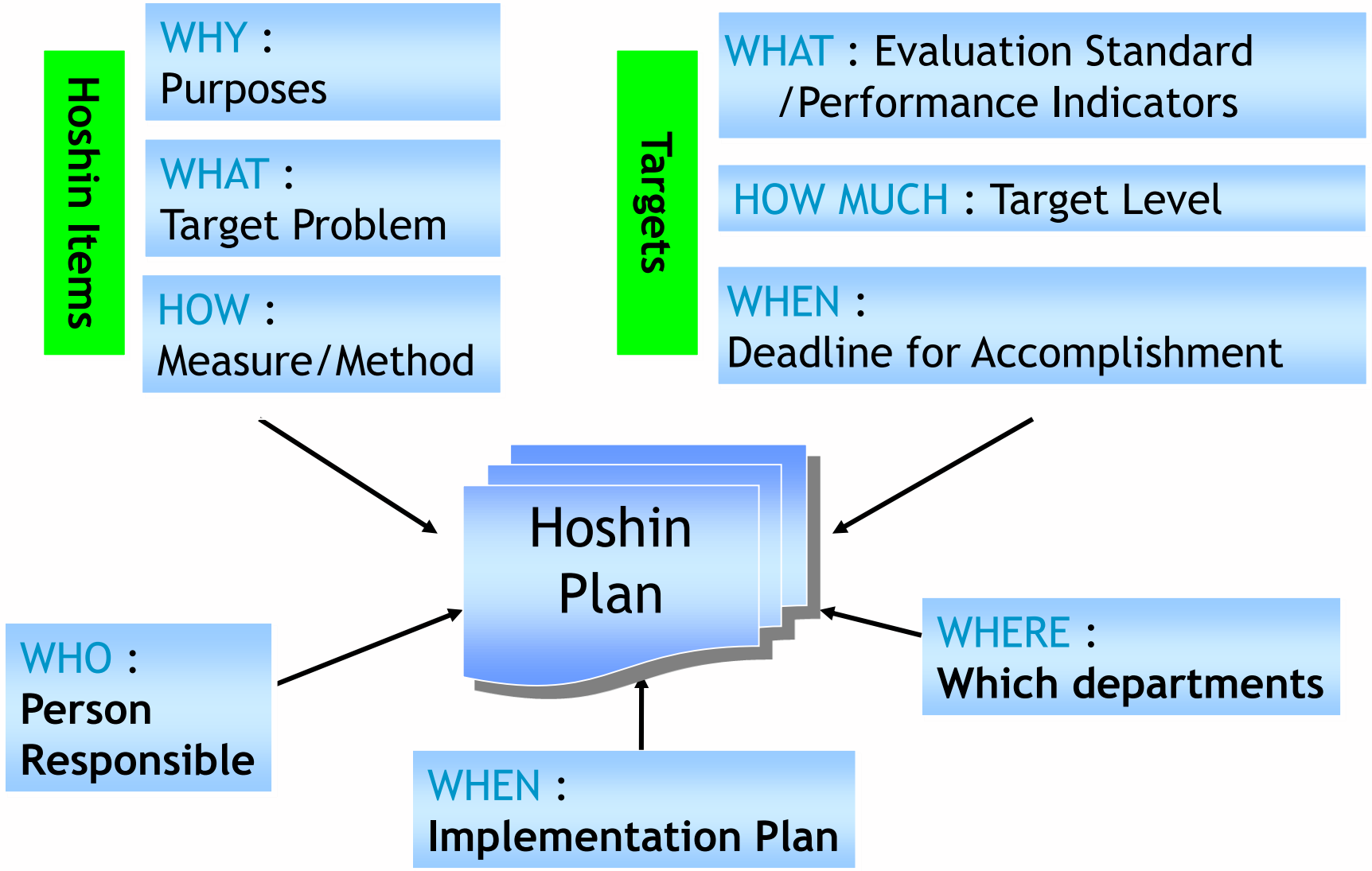
1. Define what must we improve
   - **Voice of the Business**: What must we improve for our stakeholders and shareholders? Are we part of the growth plan for the organization?
   - **Voice of the External Customer**: If we had your Top 5 Customers here, right now, what would they say you need to improve to gain more of their business? How would they measure these improvements?
   - **Voice of our Operation**: People, Processes, Performance?
2. Set Targets "State what you really need to accomplish without prejudice"
3. Prioritize Measures: Top Five/Hot Five:

"If you fail these measures, will you will be fired?"

-Takashi Tanaka

4. Catch-ball – Determine who will lead. Ask: How can we? What can we do?
5. Check alignment: Tie in Company Hoshin to Plant Hoshin to Shop-floor Hoshin: Set SQDCP-HRD KPI
6. Manage Progress: How will you check and mentor? How often?

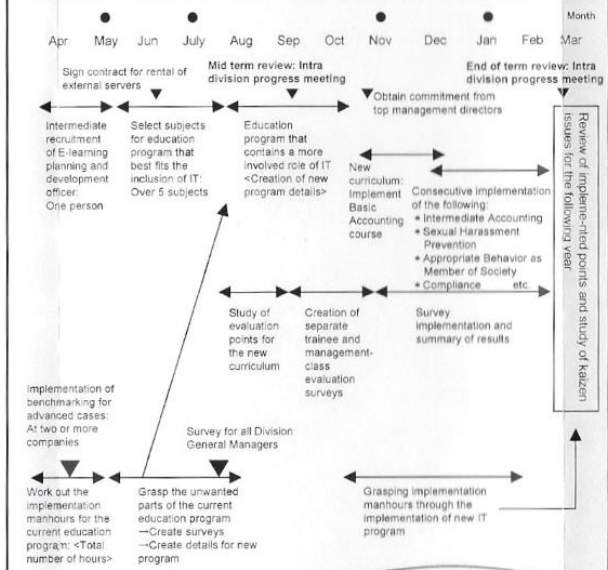
Hoshin Planning



Example of a Hoshin Plan

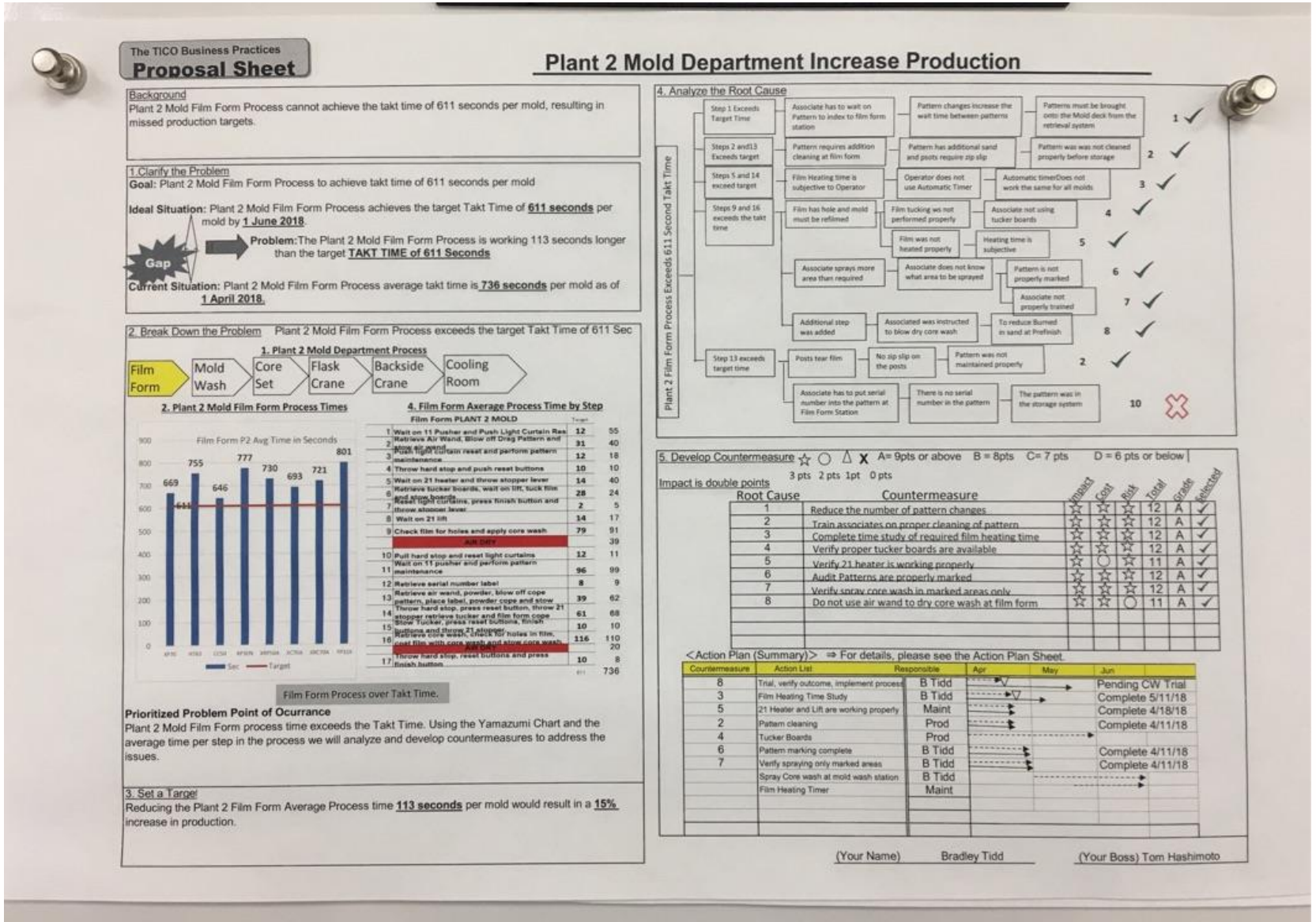
Example of Hoshin Plan

T Company Personnel Division Education Group Hoshin

Associated Top Management Thinking, Division Missions, Visions, etc.	Hoshin	Targets	Implementation Plan	Officers in Charge	Associated Organizations
・Enhance value sharing and problem solving capability ……① ・Need for providing a more efficient and effective education curriculum based on the education framework ……② ・Personnel Division Vision: "Developing personnel strategies in which diverse human resources that possess shared enterprise guiding principles and values can play an active part globally. " ……⑥	1. In order to promote the internalization of values that must be shared, a review based on the needs of trainees and management-class is made on the curriculum for each rank.	1. Review implementation rate:Above 50 % 2. Trainee evaluation score for the new curriculum on average:Above 80% 3. Management-class evaluation score for the new curriculum: Average of over 80%		←●: Intra Group Progress Meeting Beppu, Takizawa, Ushida, Hongo	Corporate Management Planning Division Personnel Planning Group External Consultants
・Need for providing a more efficient and effective education curriculum based on the education framework ……② ・Environment Change = IT Promotion ……⑤ ・Increase work efficiency due to work load increase ……⑧ ・Increase knowledge on education method that utilizes IT technology ……⑩	2. In order to conduct a more efficient and effective education, the manhours needed to implement the education curriculum is reduced through the utilization of IT technology.	1. New implementation of education curriculum that utilizes IT:Over 5 subjects 2. Trainee evaluation score for the new IT program:Average of over 80% 3. Management-class evaluation score for the new IT program:Average of over 80% 4. Reduction rate of implementation manhour due to the introduction of a relevant IT enhancement program:Over 30%		←●: Implementation of Intra Group Progress Meeting Horio, Yuzawa, Shiba, Abiru	Corporate Management Planning Division IT Promotion Division External Server Providers

The Rest is Omitted

EX. Hoshin A3 to Improve Productivity for Mold Dept.



The TICO Business Practices
Proposal Sheet

Plant 2 Mold Department Increase Production

Background
Plant 2 Mold Film Form Process cannot achieve the takt time of 611 seconds per mold, resulting in missed production targets.

1.Clarify the Problem
Goal: Plant 2 Mold Film Form Process to achieve takt time of 611 seconds per mold

Ideal Situation: Plant 2 Mold Film Form Process achieves the target Takt Time of **611 seconds** per mold by **1 June 2018**.

Gap

Problem: The Plant 2 Mold Film Form Process is working 113 seconds longer than the target **TAKT TIME of 611 Seconds**

Current Situation: Plant 2 Mold Film Form Process average takt time is **736 seconds** per mold as of **1 April 2018.**

2. Break Down the Problem Plant 2 Mold Film Form Process exceeds the target Takt Time of 611 Sec

1. Plant 2 Mold Department Process

Film Form → Mold Wash → Core Set → Flask Crane → Backside Crane → Cooling Room

2. Plant 2 Mold Film Form Process Times

4. Film Form Axerage Process Time by Step

	Film Form PLANT 2 MOLD	Target	
1	Wait on 11 Pusher and Push Light Curtain Res	12	55
2	Retrieve Air Wand, Blow off Drag Pattern and [illegible]	31	40
3	Reset light curtain reset and perform pattern maintenance	12	18
4	Throw hard stop and push reset buttons	10	10
5	Wait on 21 heater and throw stopper lever	14	40
6	Retrieve tucker boards, wait on lift, tuck film and spray boards	28	24
7	Reset light curtains, press finish button and throw stopper lever	2	5
8	Wait on 21 lift	14	17
9	Check film for holes and apply core wash	79	91
	AIR DRY		39
10	Pull hard stop and reset light curtains	12	11
11	Wait on 11 pusher and perform pattern maintenance	96	99
12	Retrieve serial number label	8	9
13	Retrieve air wand, powder, blow off cope pattern, place label, powder cope and stow	39	62
14	Throw hard stop, press reset button, throw 21 stopper retrieve tucker and film form cope	61	68
15	Stow Tucker, press reset buttons, finish buttons and throw 21 stopper	10	10
16	Retrieve core wash, check for holes in film, coat film with core wash and stow core wash	116	110
	AIR DRY		20
17	Throw hard stop, reset buttons and press finish button	10	8
		611	736

Film Form Process over Takt Time.

Prioritized Problem Point of Ocurrance
Plant 2 Mold Film Form process time exceeds the Takt Time. Using the Yamazumi Chart and the average time per step in the process we will analyze and develop countermeasures to address the issues.

3. Set a Target
Reducing the Plant 2 Film Form Average Process time **113 seconds** per mold would result in a **15%** increase in production.

4. Analyze the Root Cause

5. Develop Countermeasure ☆ ○ △ X A= 9pts or above B = 8pts C= 7 pts D = 6 pts or below

Impact is double points 3 pts 2 pts 1pt 0 pts

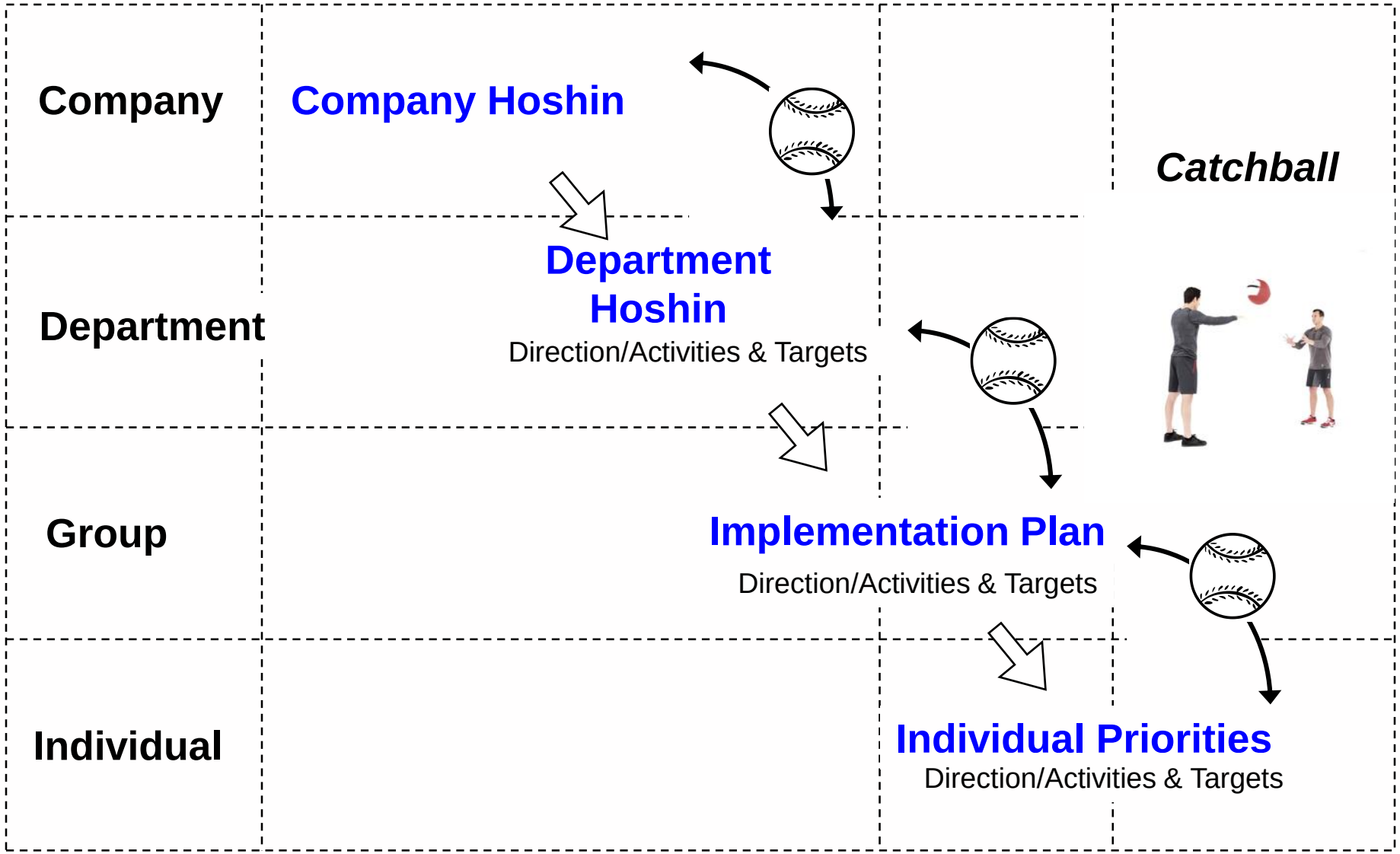
	Root Cause	Countermeasure	Impact	Cost	Risk	Total	Grade	Selected
1		Reduce the number of pattern changes	☆	☆	☆	12	A	✓
2		Train associates on proper cleaning of pattern	☆	☆	☆	12	A	✓
3		Complete time study of required film heating time	☆	☆	☆	12	A	✓
4		Verify proper tucker boards are available	☆	☆	☆	12	A	✓
5		Verify 21 heater is working properly	☆	○	☆	11	A	✓
6		Audit Patterns are properly marked	☆	☆	☆	12	A	✓
7		Verify spray core wash in marked areas only	☆	☆	☆	12	A	✓
8		Do not use air wand to dry core wash at film form	☆	☆	○	11	A	✓

<Action Plan (Summary)> ⇒ For details, please see the Action Plan Sheet.

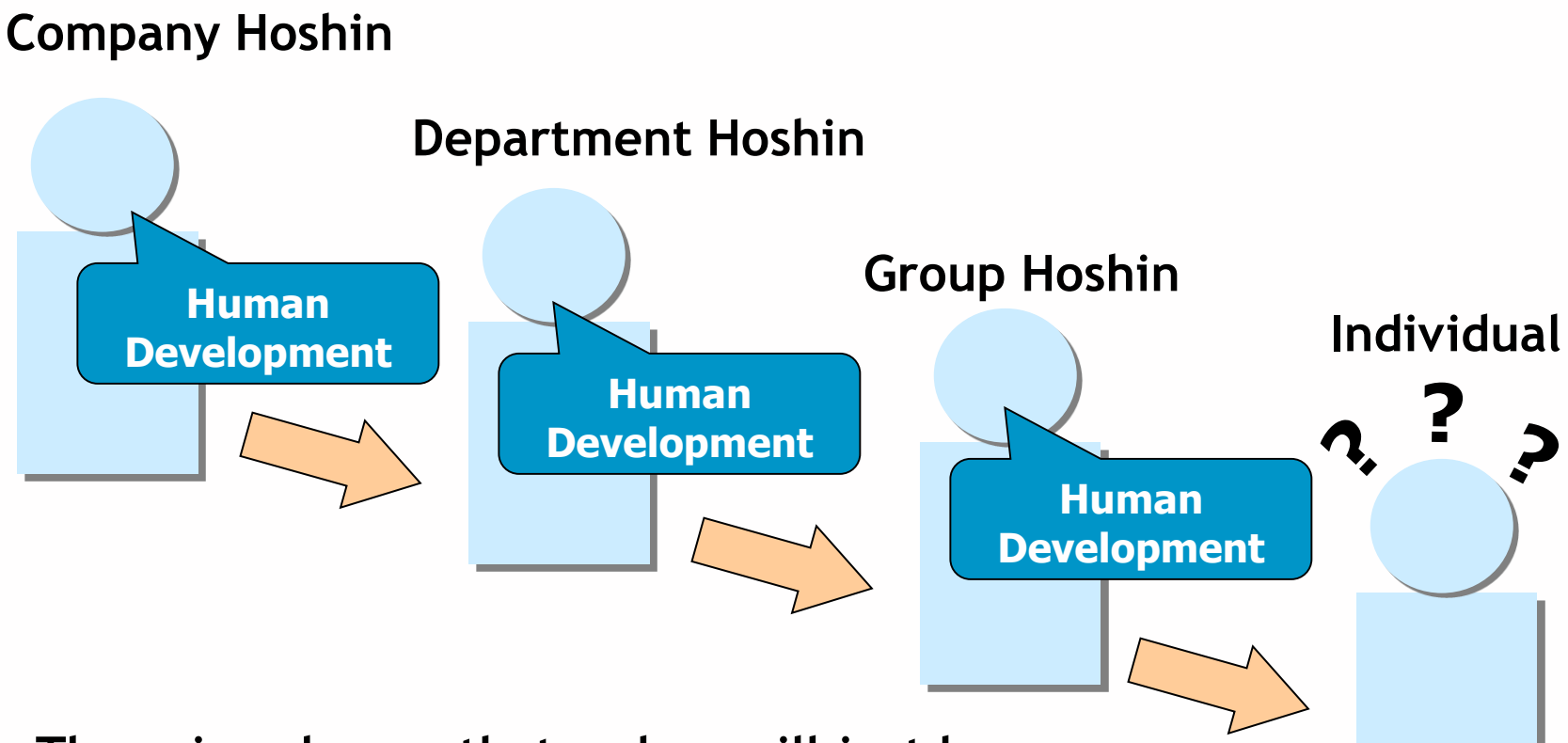
Countermeasure	Action List	Responsible	Apr	May	Jun
8	Trial, verify outcome, implement process	B Tidd			Pending CW Trial
3	Film Heating Time Study	B Tidd			Complete 5/11/18
5	21 Heater and Lift are working properly	Maint			Complete 4/18/18
2	Pattern cleaning	Prod			Complete 4/11/18
4	Tucker Boards	Prod			
6	Pattern marking complete	B Tidd			Complete 4/11/18
7	Verify spraying only marked areas	B Tidd			Complete 4/11/18
	Spray Core wash at mold wash station	B Tidd			
	Film Heating Timer	Maint			

(Your Name) Bradley Tidd (Your Boss) Tom Hashimoto

Hoshin Must Incorporate “Catchball” back and forth between the levels?



Beware of “Tunnel” Management



There is a danger that orders will just be passed on down the line without any idea for specific actions.

The Purpose of Hoshin Checks

Purposes of Checks:

- To turn over the Kanri Wheel (PDCA)
  - Make Corrections on the Implementation Plan for each Theme and Set New Action Plan.
  - Grasp Kaizen Issues at the Management level that include Establishment of Hoshin and Deployment Methods

Check Points:

- Check not only results, but also processes.
- Check not only implementation processes for each theme, but also Workplace Management processes.

Rapidly Turning Over The Check Cycle

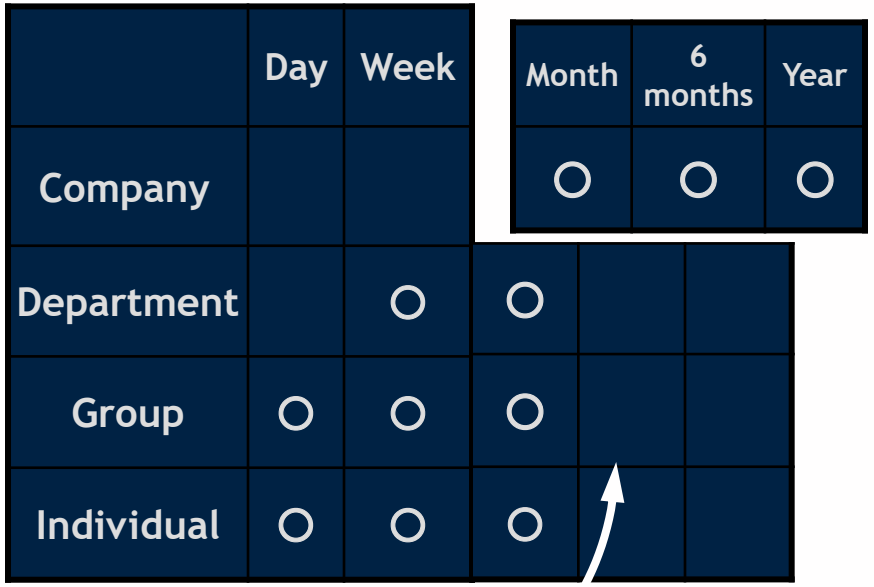
Rapidly turning over the check cycle and immediately taking Action is Important

Check Results

Check results on Monthly, Quarterly, Half Yearly, Yearly for company and department

+

Process Management (Action)



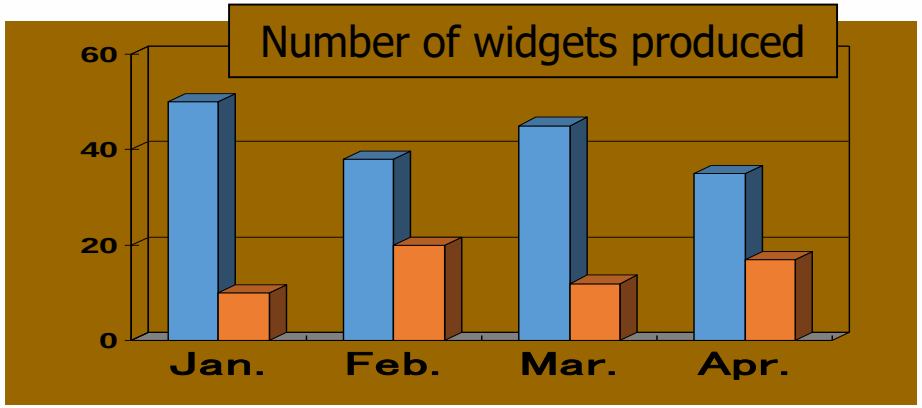
- Grasping the gap between the daily plan and actual performance
- Analyzing the gap causes and clarification of actions to be taken the following day

Visual Management for Hoshin Check

Visualization of progress situation → **Awareness sharing of issues** → **Quick action**

Example of Visual Management

1. Numerical presentation
2. Numerical data compiled into graphs.
3. Qualitative data color coded and progress evaluated



Progress	study	start	check	confirm	delay
Sticker	●	●	●	●	●

Theme	PIC	April	May	June
Multi-processing through the creation of widget pro-cessing jig	Tim	→	→	→
		●	●	●

Hoshin Evaluation Format

Division / Department _____ _____
Signature / Date (VP) _____ _____
GM _____ _____
Mgr _____ _____

HOSHIN REVIEW

Reference		Objective	Implementation Plan	Responsibility	Target	Related Areas	**Evaluation**	**Results/Highlighted Activity**	**Reflection/Action Plan**
Co.	Div.								

Example of Hoshin Plan

Example of Hoshin Check Report

T Company Personnel Division　Education Group End of Term Hoshin Check

Evaluation Standards ◎:Rate of achievement above 120%, ○:Above 100%, △:Above 80%, ×:below 80%

Associated Top Management Thinking, Division Missions, Visions etc.	Hoshin	Targets	Achievement Status	Evaluation	Contributing Factors to Success or Failure	Points and Efforts to be made for the following year
・Enhance value sharing and problem solving capability ……① ・Need for providing a more efficient and effective education curriculum based on the education framework ……② ・Personnel Division Vision: "Developing personnel strategies in which diverse human resources that possess shared enterprise guiding principles and values can play an active part globally" ……⑥	1. In order to promote the internalization of values that must be shared, a review based on the needs of trainees and management-class is made on the curriculum for each rank.	1. Review implementation rate: Above 50 % 2. Trainee evaluation score for the new curriculum on average over 80pts. 3. Management evaluation score for the new curriculum: Average of over 80pts.	1. Review Implementation Rate: 45% ・Part of the Low level manager training curriculum has yet to be reviewed 2. Trainee Evaluation: 82 points ・Though part of the upper level manager curriculum has received a high evaluation of an average of 95 points, part of the middle manager curriculum dips below 80 points 3. Manager Evaluation: 63 points ・The top management evaluation for senior manager curriculum is particularly low	△ ○ ×	It took more time than planned in building consensus with top management concerning capability requirements, and creating senior management curriculum structure. In curriculum scores that fell below 80 points many of the trainees found the terms difficult to understand. The understanding of top management level was in adequate.	Clarification of capability requirements setting methods and appropriate staff training Expand the use of external consultants Inclusion of a glossary of difficult terms in the text and the utilization of these terms in staff training Inclusion of understanding activities plan for top management level in processes
・Need for providing a more efficient and effective education curriculum based on the education framework ……② ・Environment Change = IT Promotion ……⑤ ・Increase work efficiency due to work load increase ……⑧ ・Increase knowledge on education method that utilizes IT technology ……⑩	2. In order to conduct a more efficient and effective education, the manhours needed to implement the education curriculum is reduced through the utilization of IT technology.	1. New implementation of education curriculum that utilizes IT:Over 5 subjects 2. Trainee evaluation score for the new IT program:Average of over 80% 3. Management-class evaluation score for the new IT program: Average of over 80% 4. Reduction rate of implementation manhour due to the introduction of a relevant IT enhancement program:Over 30%	1. Curriculum Number: 4 subjects ・Of the 5 subjects that were aimed at, compliance education was not implemented. 2. Trainee evaluation: 83 points ・Since business trip man hours have been reduced the targets of 4 subjects have been achieved. 3. Manager Evaluation: 84 points ・Since there has been a good evaluation due to the reduction in business trip man hours and review of unwanted curriculum etc., 4 subjects have exceeded targets. 4. Reduction in man hours: 41% ・Through the sorting out of unneeded curriculum, the scope of efficiency is expanded. (10%)	△ ○ ○ ◎	Since everything was originally developed, development man hours have exceeded the assumptions. There has been a need for Kaizens in regards to operationality. Sorting out unwanted curriculum was successfully performed through the surveys conducted on trainees and management.	Collaboration with Group Enterprise and increase the efficiency of development processed through the effective use of commercial software Operationality Kaizens taking into account trainee needs Standardization of unwanted curriculum review process and the lateral deployment to other group processes
		The Rest is Omitted				

Ex. Department Hoshin in Support of Company Hoshin

Authorized By: Mr. E. Okuyama, SVP & GM

Prep. By [Owner]: M. Nasir. G

Date: 26 Oct 2012

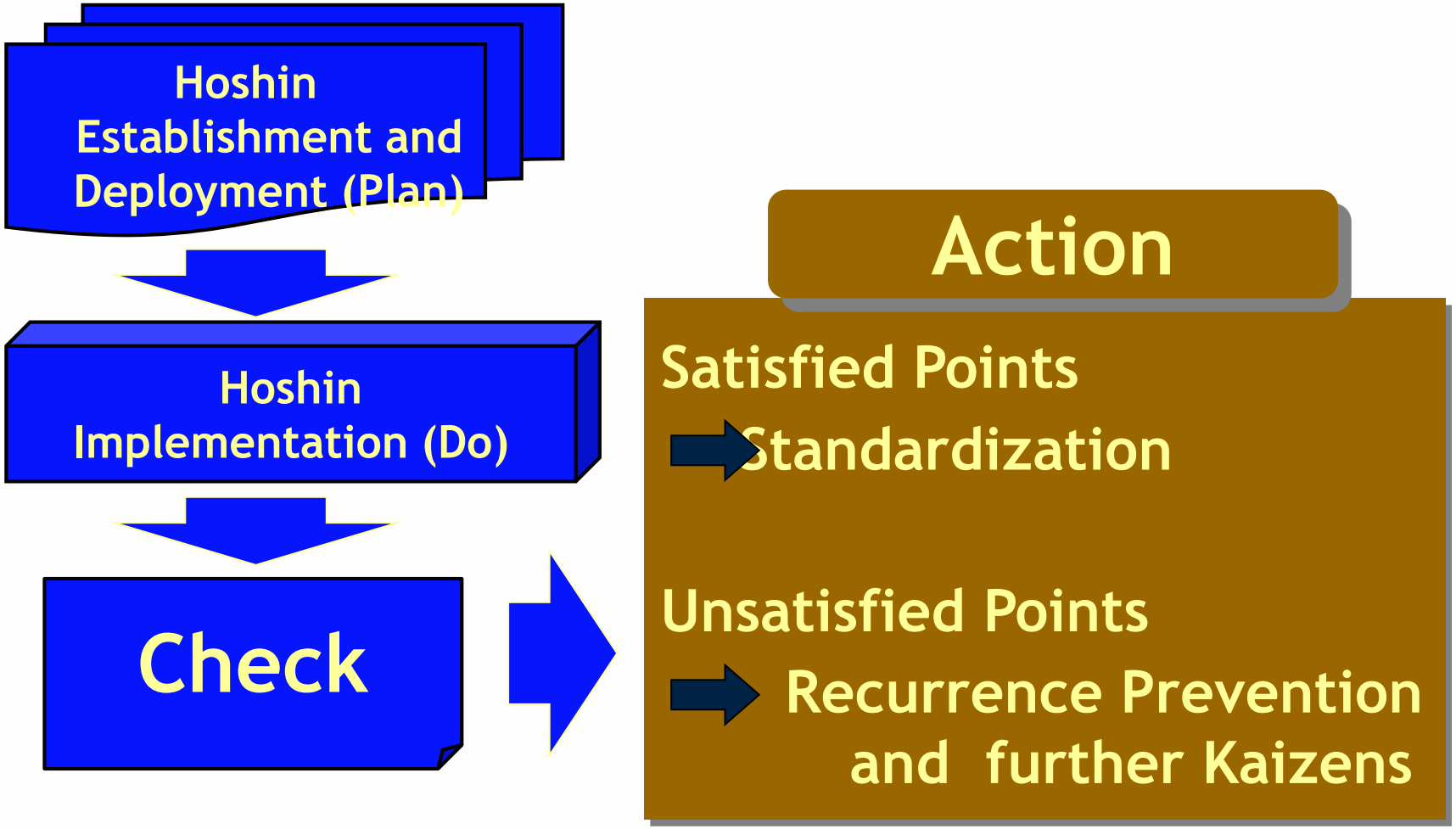
Maintenance Department/Section Hoshin Initial/Mid/Final Review for the year 2012-13.

(Circle Appropriate Event)

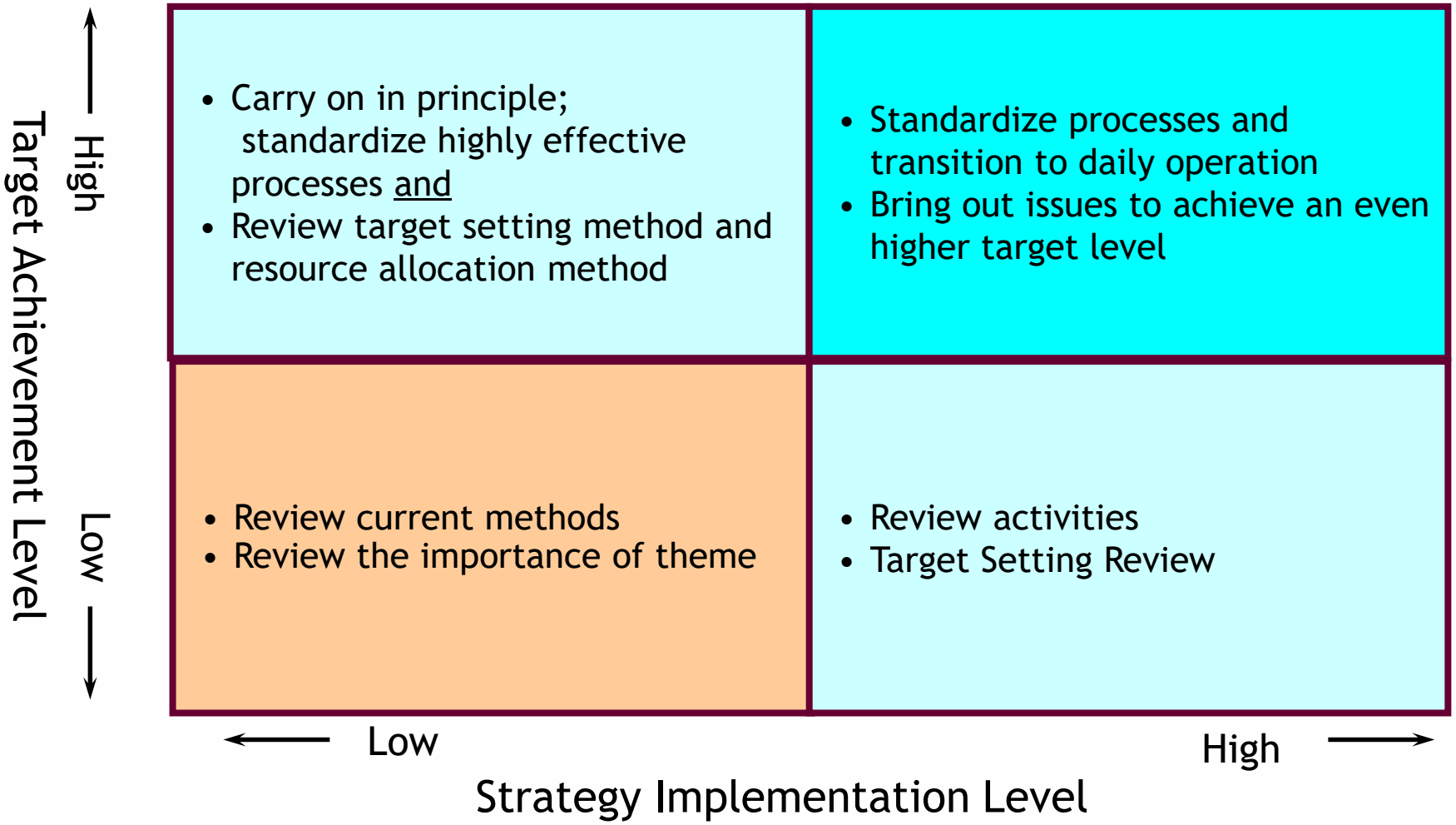
<Optional>

Upper Level Hoshin Ref:-	AP#1 Ref No.	AP #1 (Hoshin) / Prioritized Theme	Result KPI: Ap #1 Level (2015)	Result KPI: '12-'13 Target	Result KPI: Current Actual	Result KPI: Evaluation (◎, △, ×)	Current Progress Status	Process KPI: Target	Process KPI: Current Actual	Process KPI: Evaluation (◎, △, ×)	Future Actions: What	Future Actions: When	Future Actions: Who
1	Safe and Speedy repair	◆ **Safety Consciousness improvement by** (1) 5 min KY activity & small group activity. (2)Improve safety condition.	Zero Incidents	Zero Accidents	Accidents data (MNT) — Master ON condition -2 member Repair work; C/M - implemented rule for 1)Two member working & 2)Safety switch bypass.	△	(1) 5 min KY Activity On going. (2) Unsafe Condition listing completed , C/M Under Progress for Heavy object lifting	1) 100% 2)As per Schedule	5 Min KY % Compliance — T/M, 3U, Target; B/D MNT, Planned MNT	△	(1)Prioritize 5 min KY item (Planned and B/D) - **Target - One 5 min KY/ Day** (2)Prioritize Stop 4 (A , B,D,E)in unsafe condition and follow up C/M . Motivation Up by appreciation of Best MNT man in Safety	(1) Nov 2012 (2)Mar 2013	DM
		◆ **4S Improvement by** Land Lord concept. (" My work clean work , My area clean area")	Level 5 (4S shitsuke sheet)	Level 3	TM / 3U	△	1.Landlord concept established 2 .Daily 4S audit abnormality with GL & DM by Mgr	4S-Level 3	T/M, 3U, Target; Spl tools & Masters, Parts Storage, Manuals, Oil storage, Work Table, GL Mgmt	X	(1) Relay out Mnt Dept in 3 unit to Improve 4S and set base for Senmon Hozen activity. (2) Level Up 4S through weekly C/M follow up . Motivation Up by appreciation of Best MNT man in 4S	Jan-13	Mgr
		Establish **standardized work for repair activities** through Maintenance skill training.	MTTR < 30 Min (Global Target)	MTTR < 30 Min	MTTR; Spares 13%, Mech Skill 37%, Elect Skill 37%, Process 13%; Analysis of B/D data	△	(1) Maintenance skill training - Rescheduled due to ATIA trg. (2) Standardization for belt change completed in Transmission. (3) FTA Trg material Development completed.	100% as per plan	Skill Training progress status — FST-ELECT, FST-MECH, MNT SKILL	△	(1) Prioritize and update the Contents of Skill training based on Major breakdown report / GL board review. (2) Specialist development utilizing Model machine(M/Cing centre) as per AP # 1 schedule.	Dec-12	DM
2	Prev. MNT & Reoccur. Prev	◆ **Establishing strong foundation for Ownership Maintenance**	MTBF > 1000 hrs	MTBF > 500 Hrs	MTBF in Hrs — TARGET >500 Hrs	X	1) Deep cleaning and MNT ledger ongoing. 2)My cell / Line Re enforcement started through TM involvement in weekly review.	No. of machines 3U - 125 TM - 67	1) OM activity summary; Red Tag in Numbers: Raised 3 U 2960, T/M 859; C/M 3 U 2835, T/M 736; MNT Ledger. Number of m/c: Target 3 U 125, T/M 67; Actual 3 U 119, T/M 62. 2) All member Participation- My cell Activity	○	(1) Development of OM Dojo & strengthen Red to white conversion activity. (2) Prioritize My cell for Critical Process. (3) Model 4S activity in A line	Feb-12	DM
		◆ **Worst(Top) 10 breakdown countermeasures** by (1)TBP and (2)Process problem solving steps(FTA- for five theme)	Major B/D Numbers < 9 / Month	same as AP #1	Major Breakdown: TM 38 31 7; 3U 40 32 8; Others 8%, OM related 13%, Design 38%, Preventive 41%; Analysis of Major Breakdown	△	1) Worst 10 B/D Activity - Under progress (Activity started in July 2012)	1 A3 / Month	Number of Chronic problem solved / A3: T/M 9 6 3; 3U 9 8 1. Root Cause :for low speed : Low Process knowledge and skill	△	(1) Follow up through weekly review for worst 10 B/D and revise PM activity. (2)Pursue the concept of common support group to synergize effectiveness.	Dec-12	1)Mgr 2)DGM
2	Safe and Speedy repair	◆ **Spare parts** (1) Optimization thro Commonization (2) Localization	3.2% of Investment	Ultimate Target - Zero line stop. Target < 0.5 hrs/ day	Line stop due to Non availability of Spare parts — RTM line stop, 3U Line stop in Hrs	△	(1)Commonization Activity - Trial completed. (2) Localization of wear parts / Fixture parts under Progress .	CTM CR Target Rs 29 Mio	Spare Parts Status (In Numbers): Sourcing CTM 450, NMPR,PO 292, Parts received 34; RTM: To Start from 'Dec 12	○	(1)Yokoten Localization activity to RTM . (2)Improve system of ordering and visualization of new spare parts .	Jan-12	DM
3	Prev. MNT & Reoccur. Prev	◆ (1) Establish relationship and network within Toyota India group (2) Development of system and structure for TKAP machine tool supplier association	Not applicable	100% As per schedule	1) Activity yet to start . Rescheduled due to Prioritization to spare parts Localization activity. 2) Draft Concept Paper prepared for TKAP Machine tool association to be discussed further	X	(1) Preliminary Discussion with TKM started . (2) Monthly Meeting with PE On going .	5 Meetings	2) 4 Meetings with PE - New Machine spare parts identification Process level Up	X ○	(1)Reschedule the activity 2)Continue the monthly Interaction with PE .	Dec 2012	DGM
2	Management	◆ **Senmon Hozen Activity**	Gold	Bronze	TM / 3U	△	Evaluation completed and Kadai are identified . Activity under progress with dedicated Manpower in T/M Unit	-	The Main Gap is observed in Safe and speedy repair . 1)Spare Parts control Management system MNT Skills visualization. 2) 3Unit just started the activity	-	(1) T/M unit -Improve the communication to Involve All member . (2) 3 Unit-Identify dedicated Manpower in 3 units to speed Up the actions	Nov-12	Mgr
1	——'	◆ Motivation level Up through appreciative work environment .	——'	Participation level 100%	Item: QCC T/M ○ 3U ○ E/G ○; Hiyari ○ ○ ○; 5 Min KY X ▲ ○	△	1) Member Participation in QCC is observed 100%--> Good improvement	Theme Completion in 1st Cycle	QCC Progress Status (1st Cycle) — RTM, CTM, 3U, E/G; Number of circles, Theme completion	○	(1) QCC Continue to support 2nd cycle . (2) HH - Segregate into hard and soft C/M & Communicate (3) Follow up on 5 Min KY	Continuous	DM

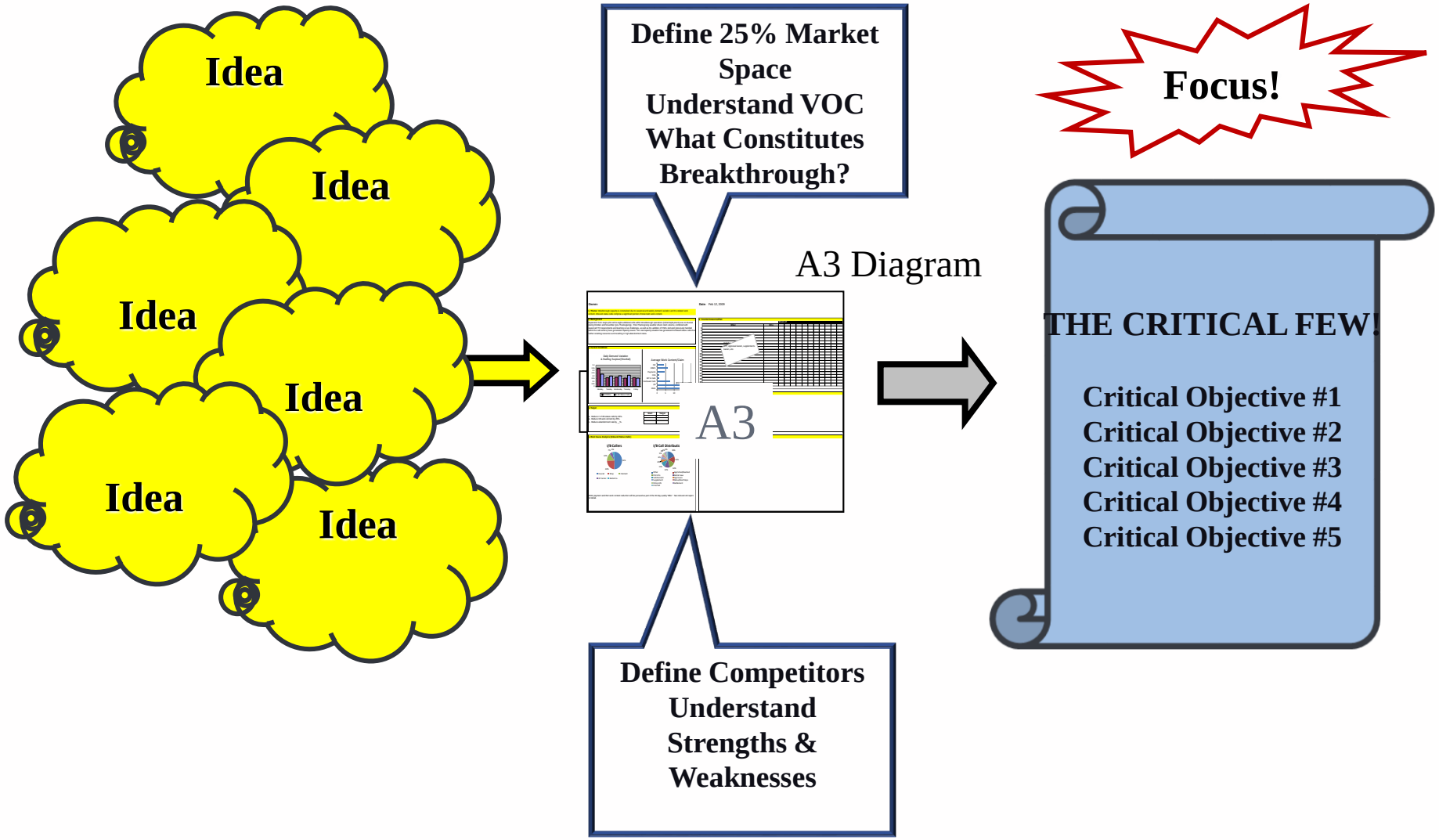
Things to Keep in Mind about Actions



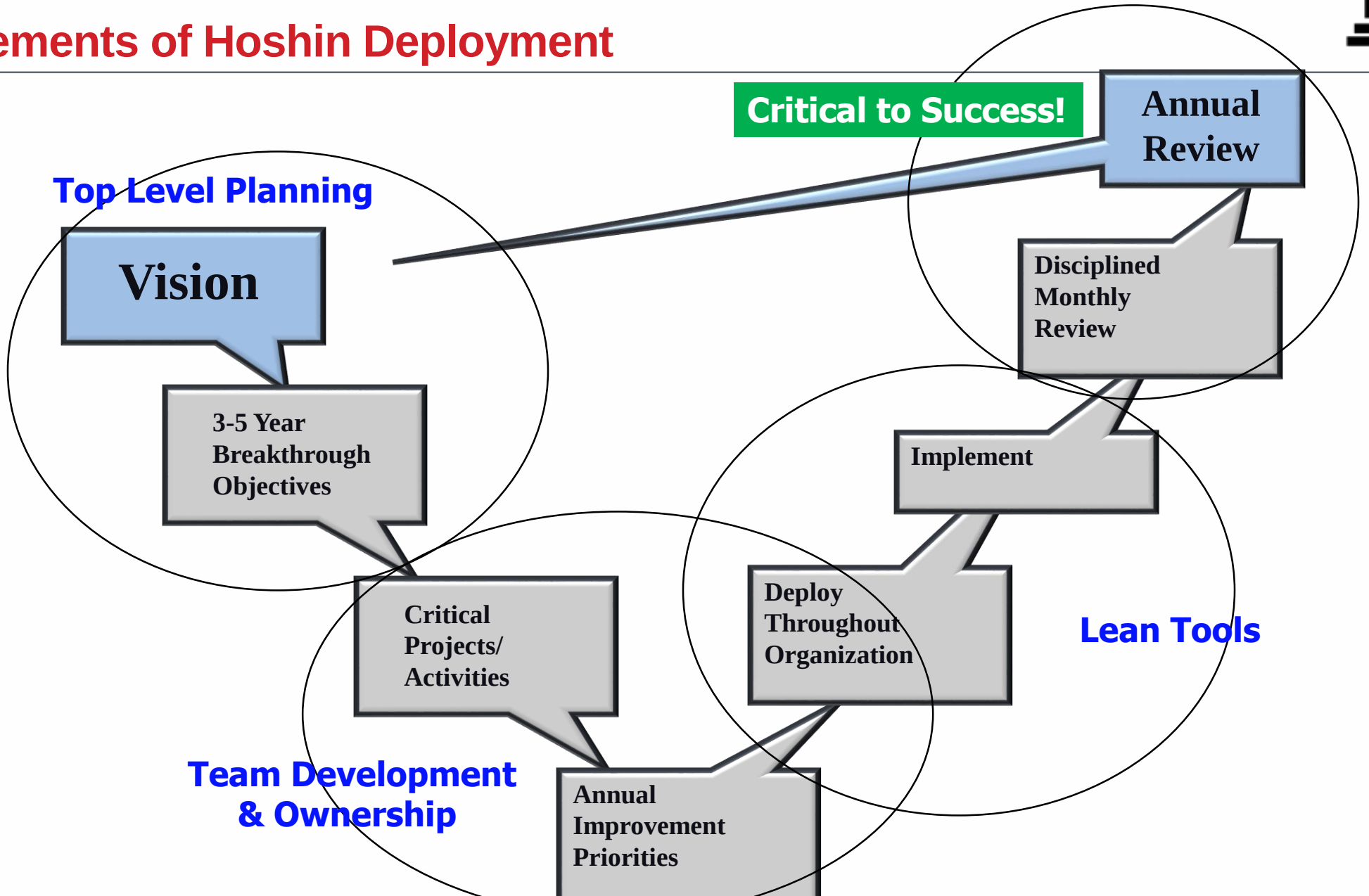
Orientation



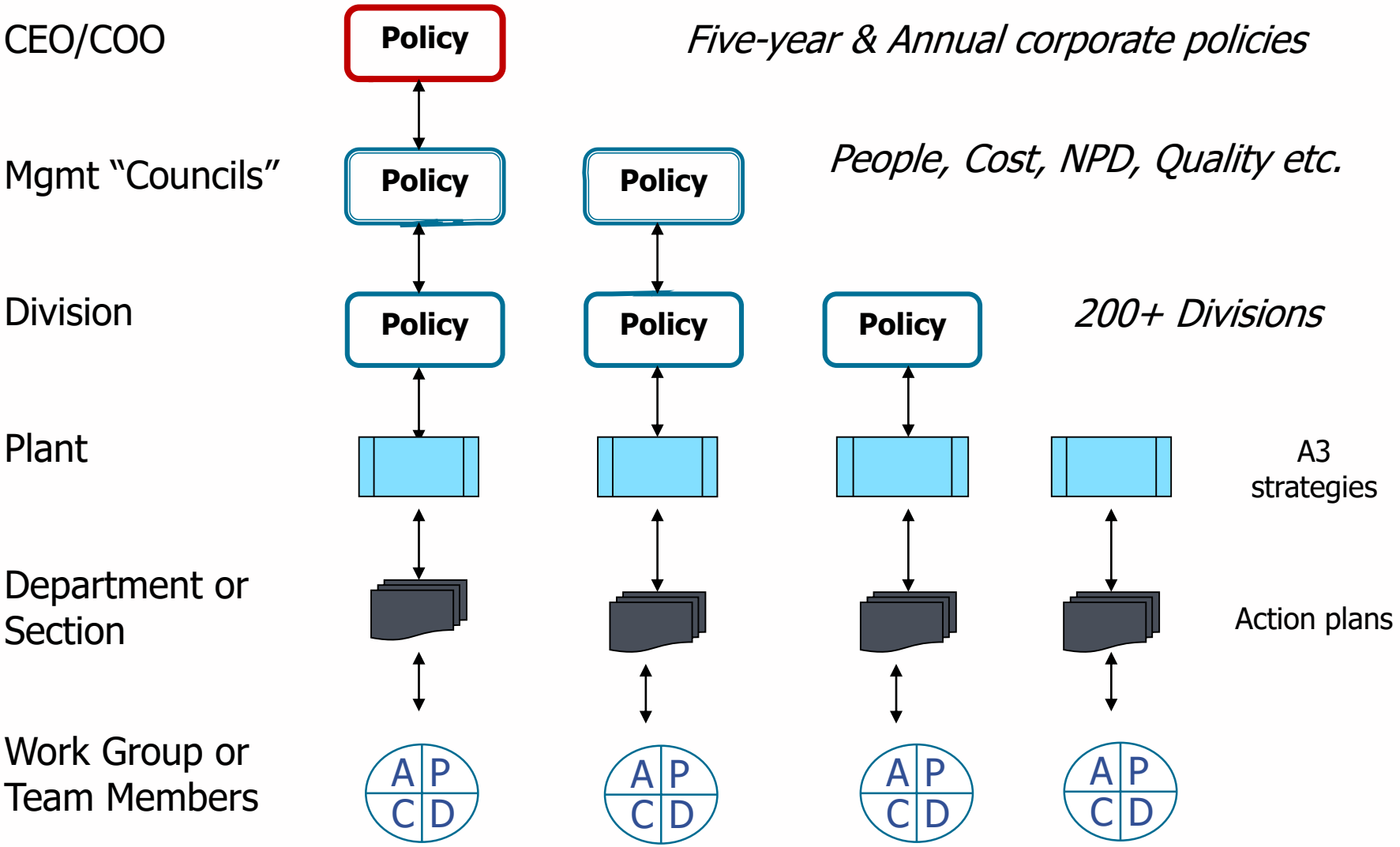
The Hoshin Distillation Process



Key Elements of Hoshin Deployment



Deploying Policies at Toyota



48

Hoshin Process and FMDS Activity

Company Hoshin

Main KPI		
Sub KPI Plant 1	Sub KPI Plant 2	Sub KPI Plant 3

Toyota (TIEM) Hoshin Vision K21 "Breakthrough" Initiatives Only

Plant 1 Hoshin

Main KPI		
Sub KPI GM 1	Sub KPI GM 2	Sub KPI GM 3

Toyota (TIEM) Annual Hoshin FY '18

Department/Section Hoshin

Main KPI		
Sub KPI MGR 1	Sub KPI MGR 2	Sub KPI MGR 3

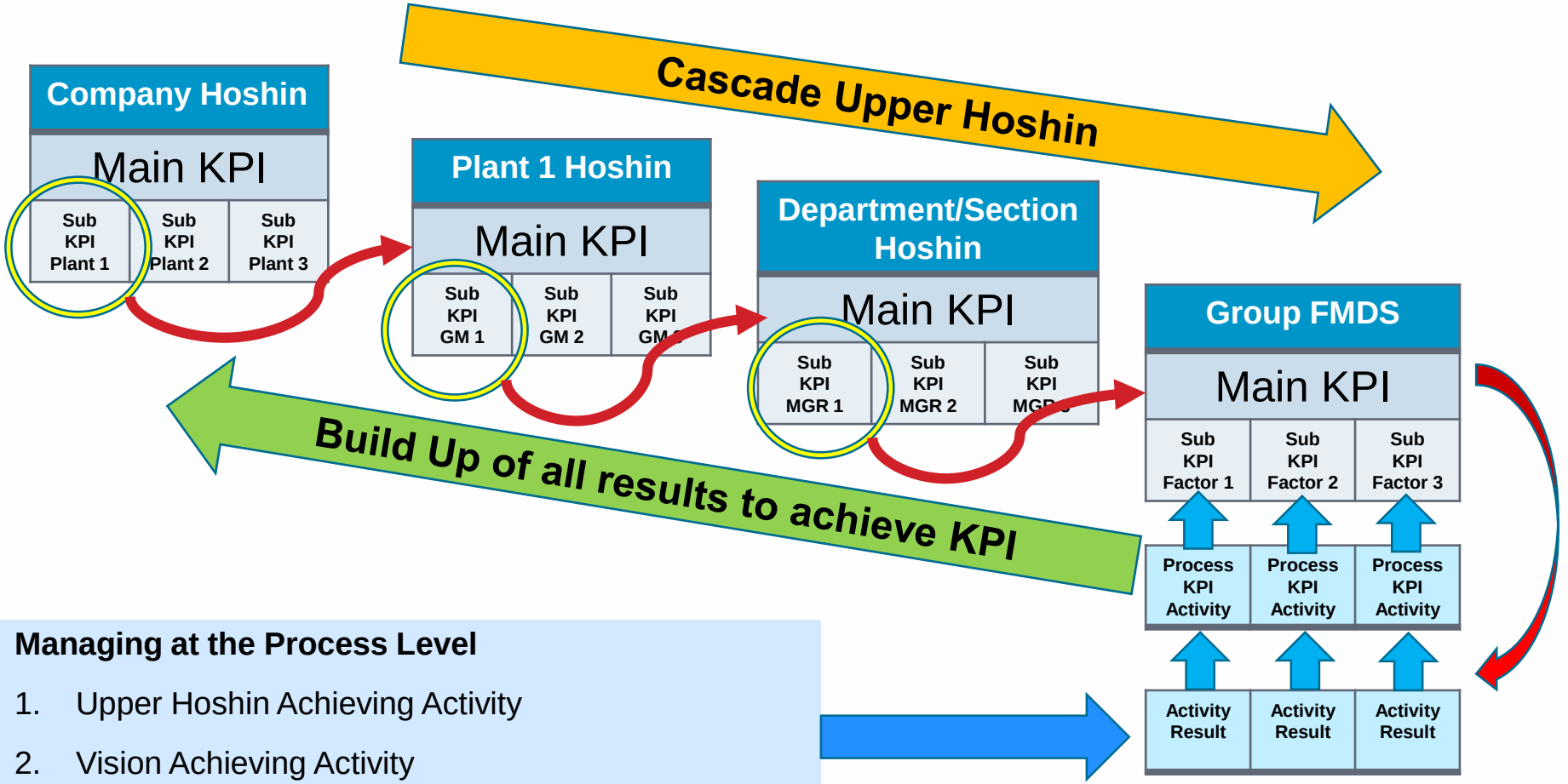
Toyota (TIEM) Hoshin Management By Department/ Section
"A3 Management"

Toyota Hoshin Management By Shift through FMDS

Group FMDS

Main KPI		
Sub KPI Factor 1	Sub KPI Factor 2	Sub KPI Factor 3
Process KPI Activity	Process KPI Activity	Process KPI Activity
Activity Result	Activity Result	Activity Result

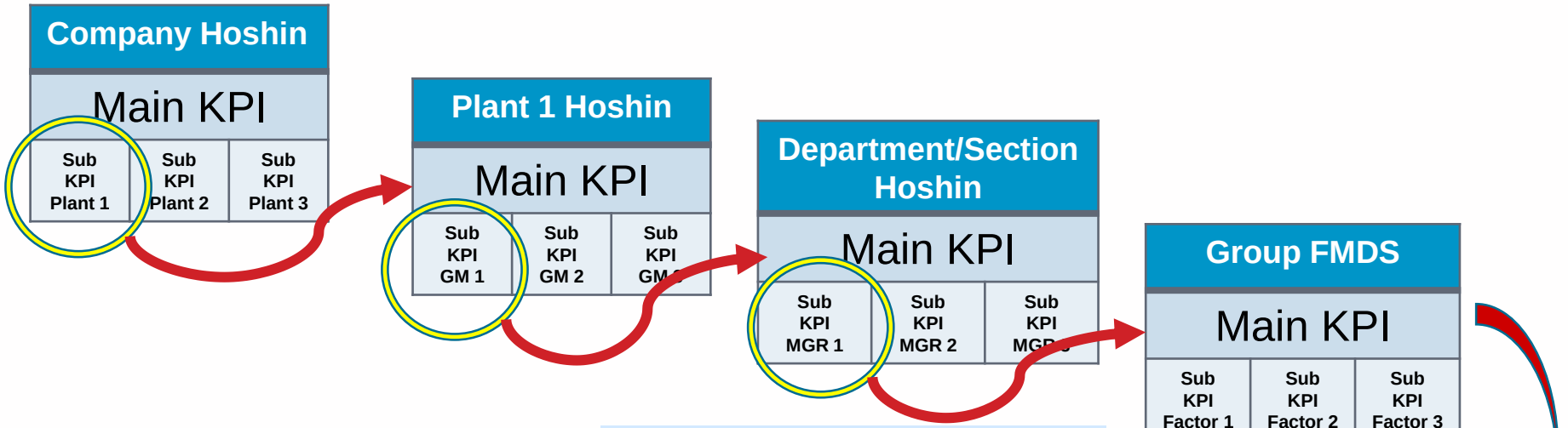
Hoshin Process and FMDS Activity



Managing at the Process Level

1. Upper Hoshin Achieving Activity
2. Vision Achieving Activity
3. Daily Control; Sustainment Management Activity

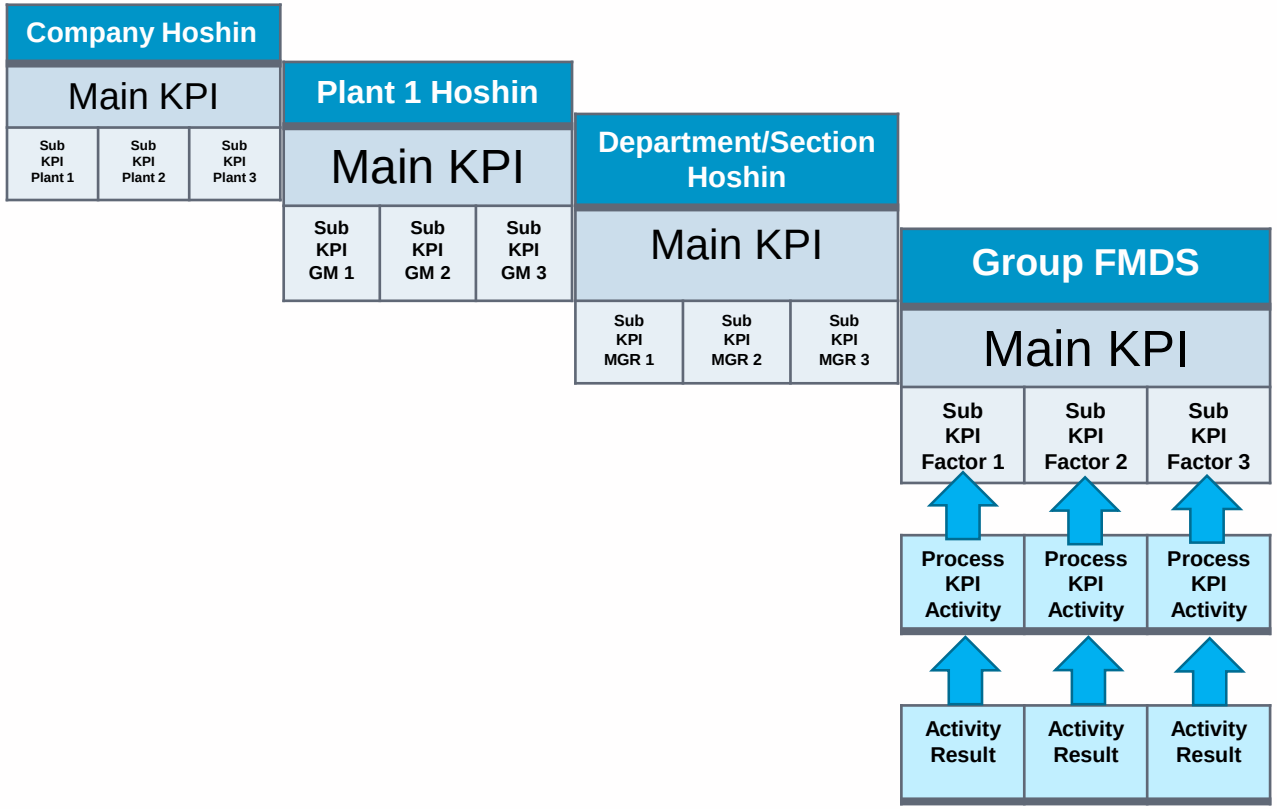
Hoshin Process and FMDS Activity



The Department or Section Manager gathers direction from upper level Hoshins and communicates to Section to create Section Hoshin

The Assistant Mgr understands Goals, Plans Actions to support Mgr Hoshin and Communicates to Groups or Shift Supervisors

Hoshin Process and FMDS Activity

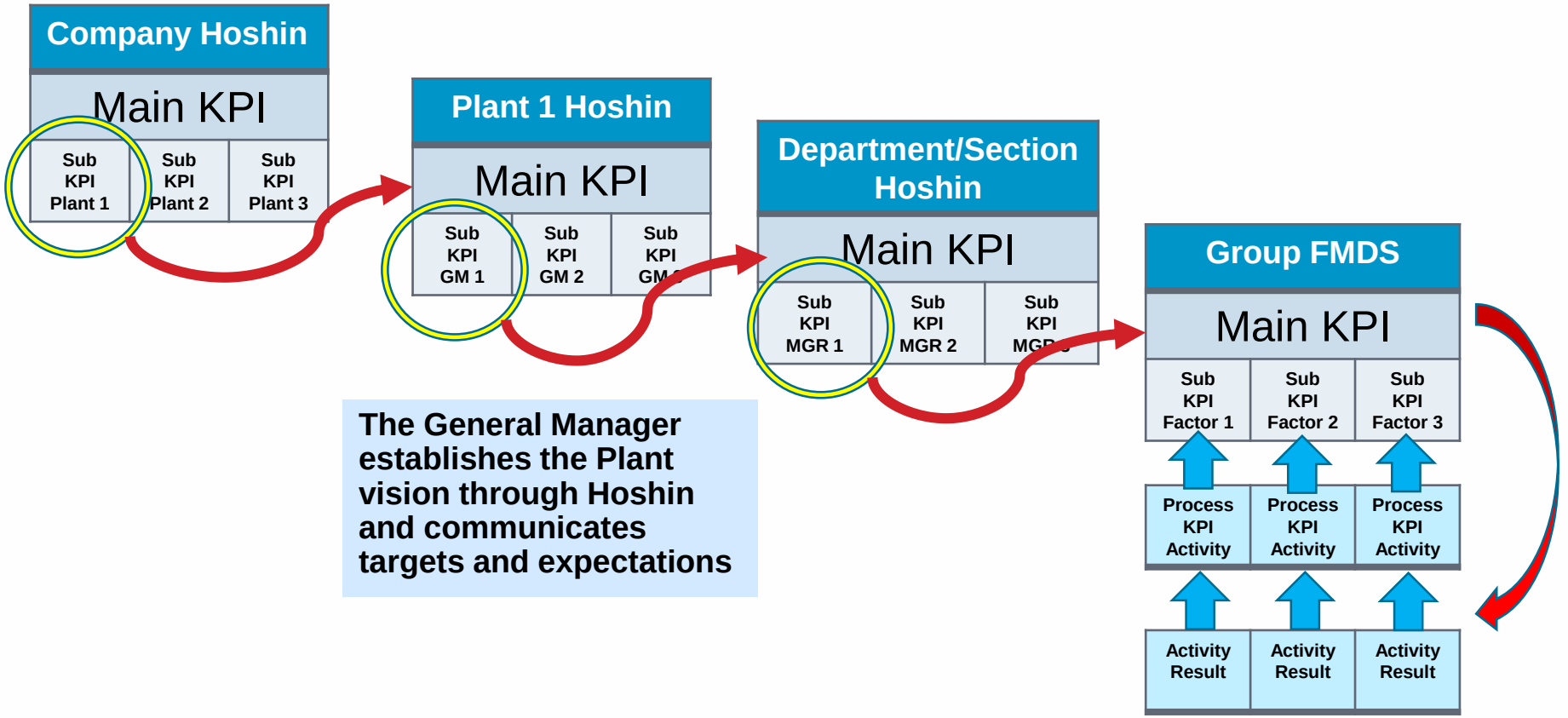


Group Leaders/Supervisors Grasp the Area Plan, Plans Group actions to support Hoshin Targets, and Communicates to Group Members targets and collaborates to develop Sub-KPI and Process Activities

Team Leaders implement group plan components, secure resources, supports team-members and Group Leaders through standards and suggest improvement activities to achieve targets

Team members follow implementation plan and standards, suggest improvement activities and participate in problem solving

Hoshin Process and FMDS Activity



Catch Ball Process Steps

- **Level II**
  - Review Level III A3's, matrices, and bowling charts
  - Modify/refine level III and II documents
  - Approve red-yellow-green
  - conditions for each project
- **Level I**
  - Review Level II A3's and matrices
  - Modify/refine level II and I documents

- Create visual "Line of Site" charts for each **Level III** and integrate into management standard work

Line of Site Exercise

Think of your responsibilities in this upward cascade.

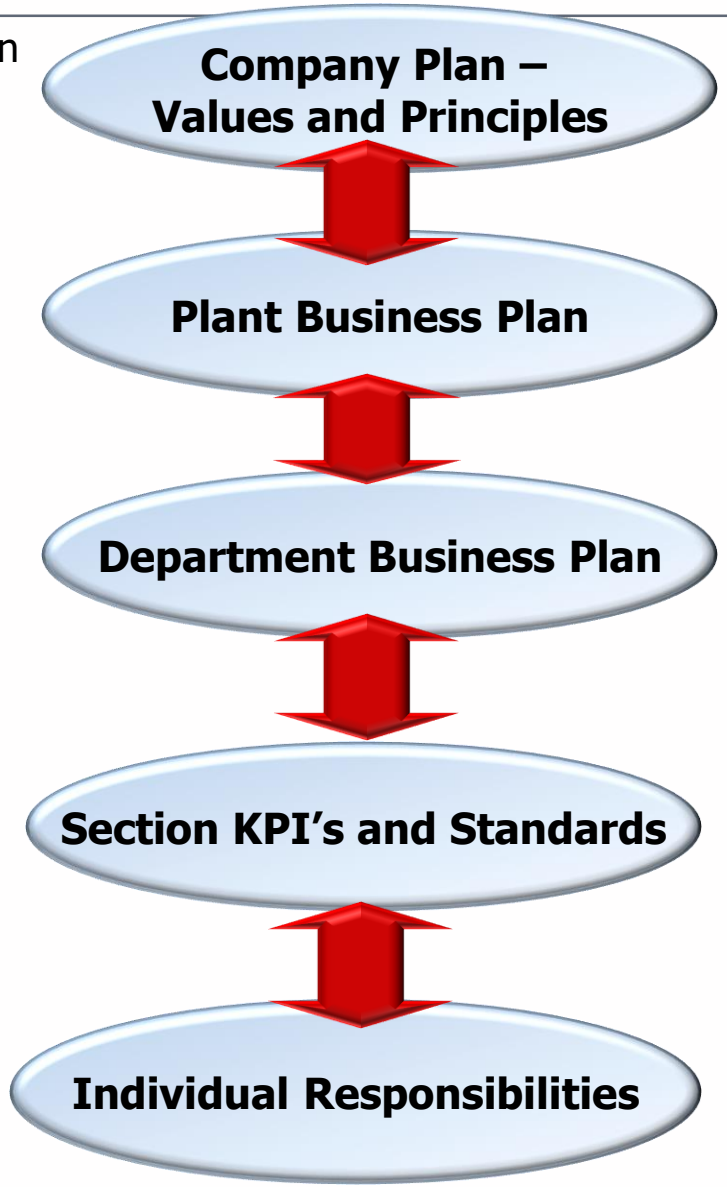
Your direct responsibility is your cost center or section, which supports your department, which supports the Plant Business Plan.

Are you aligning your responsibilities properly?

In other words is what your doing on a daily basis "value added" to the company's goals?

You must establish and share the direction you are heading in!

Without a plan we keep covering old territory!



Macro Level – Company

MACRO vs. MICRO PDCA Thinking– What does that mean?

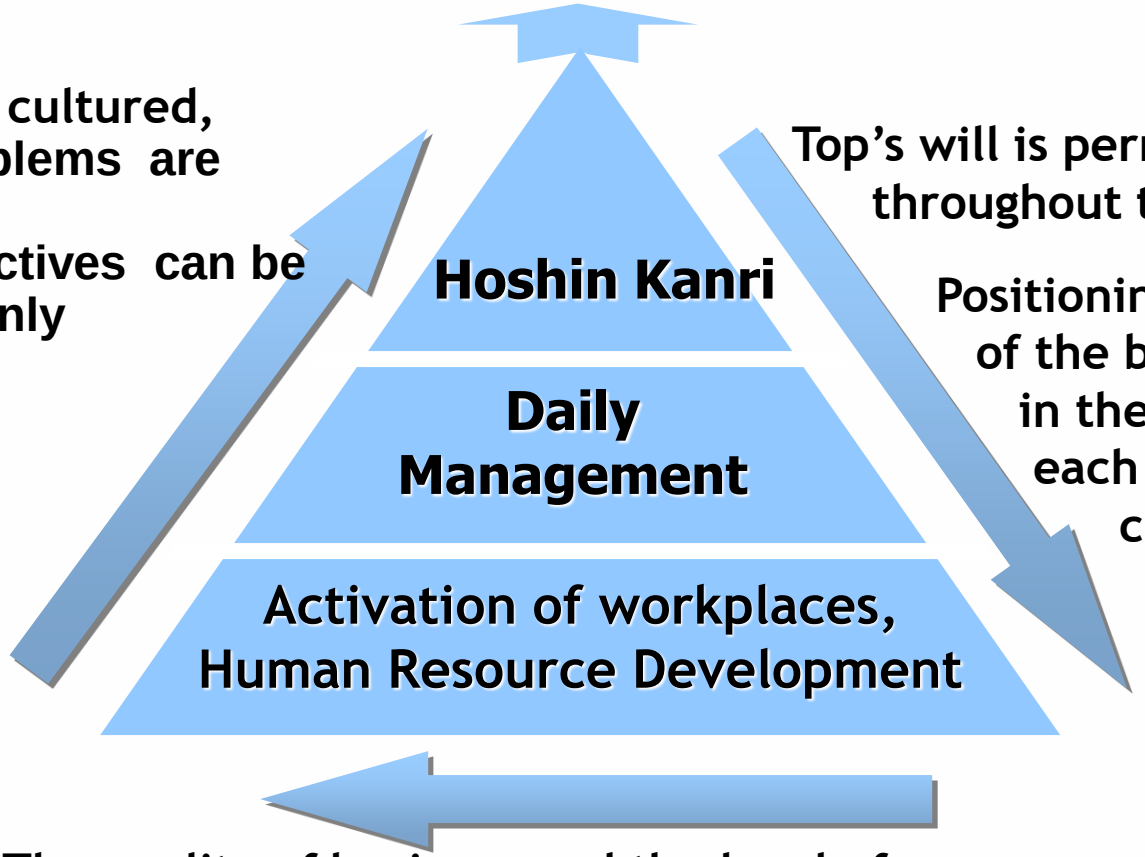
KPI=Key Performance Indicators' – S, Q,D C, HRD

Micro Level – You!

Summary of Hoshin Activity

Vision and Strategy of Company

By PDCA being cultured, important problems are solved & business objectives can be attained certainly & effectively.



Top's will is permeated throughout the company

Positioning and the role of the business in their charge of each post become clear.

- The quality of business and the level of management are improved and then human resource are developed.
- Workplaces are activated by good communication.

SINE PARI