

# [Strategic planning with the hoshin](https://assignbuster.com/strategic-planning-with-the-hoshin/)

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Strategic Planning With the Hoshin Process by David A. Kenyon 2007 The market economy requires constant monitoring and forecasting, determination of the long-term goals and the strategies of their achievement. The problem of the successful functioning and guaranteeing the continuous development of enterprises is the primary one in the conditions of the market economy, which provides a dynamic, changing, unstable environment. To manage the functioning of an enterprise in such conditions the managing system should be armed with a variety of reactions that give an opportunity to adapt to the constantly changing conditions. Strategic planning is the forecasting of the character and ways of development of the macro-system, tendencies of the industry development and their impact on the enterprise, its perspectives and stages of development, and that is determination of the business strategy for the enterprise. The Hoshin Process, described in the article, is often called operations strategy in Western literature. Operations Strategy, being the combination of the philosophical and operational levels of strategic management, represents the only possible method of surviving in the dynamic conditions of the global market economy. It is a general plan of the firm’s development and improvement at all the levels of its functioning, including all the aspects of objectives and goals. However, this plan is not a rigid and constant, but a dynamic and changing phenomenon. Due to this dynamics operations strategy provides an opportunity to meet and foresee all the market requirements, through usage of unique resources and competencies. Operations strategy has become the major method of maintaining sustainable competitive advantage of the firms.
The hoshin process, being a strategic planning methodology, provides an opportunity for long-term planning, breakthrough operations and day-to-day management. The article gives us an insight into the major requirements to the strategic management. The planning begins from positioning of the firm: where we are now and where we want to be. The strategy itself is a plan of overcoming the gap between the two points within a defined period. Objectives and goals being set, implementation of the strategy starts at all the levels of the organization. The hoshin methodology offers a systemized and standard strategic planning. The strategy is established by the upper management. However, strategic planning includes both top-down and bottom-up process. In the hoshin process the strategies are adapted to the mission, major objectives and goals of the organization at each level. This cascading model empowers the organization. Meanwhile, management of day-to-day operations remains important, while it is impossible to start any breakthrough operations till there are problems at places. Moreover, day-to-day operations are to contribute to the improvement of the organization. The hoshin process underlines the necessity of the overall involvement of the personnel into the realization of the companies’ goals and permanent monitoring and control of the day-to-day operations. Strategic plan is constantly reviewed and redone in accordance with the market requirements and present issues. The organizations using the hoshin process review their long-term operation plans annually, analyzing the results and methods of work, looking for the best decisions and highlighting the important issues for the next year. Strategy is always represented in documents, through schemes, tables, surveys, with the help of visual aids. Strategic plan is realized in steps, each time the results being monitored and priorities being distinguished. It concerns also the implementation plan (describing day-to-day operations necessary for the achievement of the goals within a defined period of time), which can be conducted with the help of Gantt charts, showing who, how and when should act. This plan also includes checkpoints and timelines for each event. The tables, charts and the like give an opportunity to see whether the goals are achieved in time. The hoshin process provides strict directions as to successful strategic and operation management.
References:
Kenyon, David A. Strategic Planning With the Hoshin Process. Retrieved from http://www. qualitydigest. com/may97/html/hoshin. html