



## TenStep Supplemental Paper

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### **Get Everyone Working Together Using Hoshin Kanri “Catch-Ball”**

Japan is home to many industrial concepts such as poka-yoke, lean, Taguchi methods, the fishbone or Ishikawa diagram, and Hoshin Kanri. After the Second World War, Hoshin Kanri was largely responsible for the highly efficient policy management in Japanese companies.

Hoshin Kanri is a concept that helps organizations to realize a vision by transforming it into actionable and measurable strategies throughout the company. 'Hoshin' is a Japanese word that can be roughly translated as shining metal, compass, or pointing the direction. 'Kanri' means management or control. In the industrial context, Hoshin is usually referred to as a policy, vision, purpose, and long-term direction of the company. Hoshin Kanri in short means policy management or policy deployment. Hoshin Kanri is popular amongst most industries as it helps motivate employees to achieve a common goal/vision.

#### **The Methodology**

In the Hoshin Kanri methodology, top management first creates the annual company goals, objectives and strategies. Middle managers scrutinize these and provide their inputs and suggestions. Quality control managers give their inputs as well. This refined policy is finally passed for practical implementation. This entire process is called ‘catch-ball.’

The term “catch-ball” comes from the concept of throwing the goals, objectives and strategies back and forth throughout the entire hierarchy of the management chain. This is synonymous to catching the ball and hence is called catch-ball. This process helps to involve all employees in the process. Setting the company directives by catch-ball also stresses the need for a high level of senior management participation.

#### **Senior Managers are Key to Quality Control**

In Hoshin Kanri, senior managers must play a far more important role than just monitoring subordinates. They must devise strategies to ensure high product standards and thereby high quality products. It is their responsibility to monitor the quality process and ensure that the quality goals are achieved. .

Since Hoshin Kanri is based on company wide participation, it follows the belief that industrial activities must not be repetitive and mechanical. Instead, they must be creative and innovative.

#### **Convert Company Targets to Individual Targets**

Catch-ball also helps align company and goals and objectives with individual targets. If the company target is not the individual target, employees will never have a clear idea of their goals. However, if the individual target is the same as the company's, then employees can work together towards the same objective.



## TenStep Supplemental Paper

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Classification of targets is also necessary. Targets can be essentially classified as intermediate and final. Intermediate targets are reference points that ensure that the road to the final target is maintained. Deploying targets throughout the organization requires a thorough understanding of the employee attitude. Based on employee attitude, two popular and efficient methodologies are suggested for efficient target deployment. They are:

- Top-down
- Bottom-up

### **Top-Down Catch-ball**

The typical scenario for a top-down methodology is cited in the example given below.

A customer asked for a 10 percent price cut on his merchandise from a car radio company. The production and design managers got together to chalk out plans to achieve this target. They looked at possible areas within their assembly line where costs could be reduced. However, hours of discussion and scrutiny revealed that such a large price cut on their merchandise was not possible. Instead of giving up, a catch-ball process was used to refer the problem to upper management. The managers suggested that the entire process of scrutinizing the supply chain cost be repeated with a higher degree of accuracy. The catch-ball then went back to the team.

The frontline engineers, along with the managers, scrutinized the entire assembly line for cost reduction again. Precise and detailed analysis revealed a potential cost reduction of 13 percent. Elated with this finding, the company went on to supply merchandise to the customer at a discount of 10 percent. The exercise benefited both the customer and the company!

### **Bottom-Up Catch-ball**

In another company, managers set the targets for employees. To keep track of the progress and realize the final target, intermediate targets had to be met as well. However, the company observed a discrepancy between the proposed intermediate targets and the actual results.

To overcome this problem, the company tried the bottom-up catch-ball. Senior managers passed the ball to the shop floor and the frontline personnel to refine the target, as well as ideas for how to achieve it. Target proposals were devised to suit the condition and the processes of the shop floor workforce. The ideas were then passed up to management for validation and approval.

### **Lessons**

The top-down and bottom-up methodology both can work well. Sometimes it is more obvious that one method may need to be used over the other. For instance, if you are creating sales targets, the process probably needs to be top-down. However, if you are trying to make a process more efficient, the people executing the process might have the most valuable input. Hence, bottom-up might be better. However, each process results in



## **TenStep Supplemental Paper**

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ideas going up and down the organization, which is a sign that a Hoshin Kanri “catch-ball” process is being utilized.