

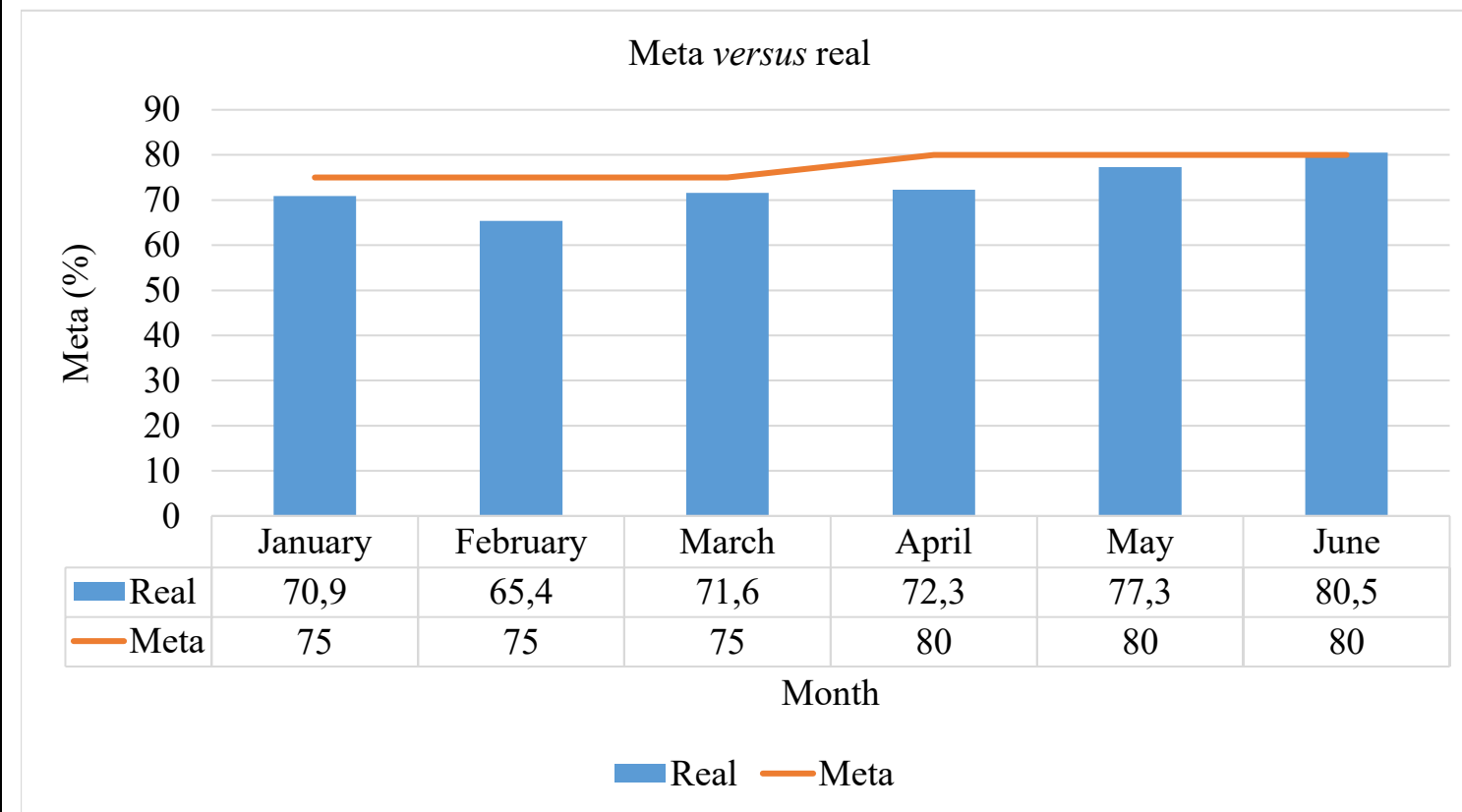
**Company:** Drinks Industry – France

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**Title:** Integrating the Hoshin Kanri and Key Performance Indicators approach into the industry

**Problem / Root Causes:** The management of the multinational beverage industry, of French origin, decided to implement a more effective policy to manage and execute its strategy. The change in management was due to the difficulties in achieving goals derived from the company's strategy. It was decided, therefore, to apply the strategic management model proposed by Hoshin Kanri and thus align functions and activities with the most important strategic objectives of the organization.

**Current Situation Analysis:** Over the years, top management has noticed the difficulty of achieving goals and objectives derived from the defined strategy. In the first half of 2018, there was a fluctuation in the levels of attendance of goals (in%), according to Chart below.



It was identified that the achievement of the global goals of the organization occurred as a consequence of some specific factors, such as the lack of performance indicators at the strategic, tactical and operational levels, above all.

**Tools Used for Solution:** To meet the demand for a level of excellence recognized at all levels of the company, with a better strategic execution, the following tools were used:

- Hoshin Kanri as a basis, to define the true north (vision) and unfold it into smaller goals, which can be more easily understood and achieved in a shorter period of time;
- PDCA cycle for the development of strategic planning efficiently ;
- KPI (Key Performance Indicator) to measure whether the set of initiatives are effectively meeting the objectives proposed by the organization;
- Plan of action to list important activities directed to achieve the defined strategy.

**Action plan:** Several actions were defined as a priority, the main ones being listed in the table below.

What	Why	Where	Who	When	How
Organizational Identity Alignment	A well-made vision is essential for the success of the methodology	Management	Production Management	20 days	Review and update Mission, Vision and Values
Define Annual Views - Hoshin	Facilitate understanding of the global vision	Management	Production Management	20 days	Summarize the global vision in a summary form that can be achieved in a year
Review and create new KPIs	Align strategy with local goals	Production	Production Management	15 days	From the definition of metrics and calculation formulas

**Results and Conclusions:** At first, with the adoption of punctual actions, it was possible to notice changes in all levels of the organization. However, it was noted at the operational level greater resilience in change management. To minimize this effect, periodic clarification meetings are held with "shop floor" personnel and doubts are addressed, improving communication and alignment among organizational levels. With 4 months of implementation of practices that meet the expectation of better management, in general, the achievement of registered and accumulated goals improved by approximately 15%. It is expected to reach at least a 50% advance by the month of December. With KPIs redefined, it was noticed that some identified instabilities were derived from poor calculations and did not depict the real indication of reality.