How does a strategy reach the people who carry it out?

Hoshin Kanri — Japanese policy management — links long-range goals to annual plans, departmental targets and daily work, then checks progress on a fixed rhythm.

WHY IT MATTERS

Strategies stall between the leadership team and the people doing the work. Hoshin Kanri builds that link: each level agrees its part, and progress is audited monthly and annually (Akao, 2020).

BY THE NUMBERS

6
steps, from five-year vision to annual audit (Akao, 2020)

1963
Toyota puts its first hoshin on paper (Liker & Shook, 2025)

~60 yrs
of hoshin kanri practice at Toyota (Liker & Shook, 2025)

HOW IT WORKS

Set a five-year vision and a one-year plan, deploy them to departments, execute, then audit monthly and annually (Akao, 2020). Catchball — the back-and-forth between levels until both hold the target — turns a top-level goal into an owner's commitment. Throughout, Hoshin Kanri applies Plan–Do–Check–Act across the organization (Lean Enterprise Institute, n.d.; Liker & Shook, 2025).



Applies PDCA: Plan–Do–Check–Act

WHEN TO USE IT

- When priorities are set but not reaching functional owners
- When goals change faster than reviews happen
- When moving from an annual plan to a rolling review rhythm

Where Horizon12 uses it: HorizonNorth — paired with HorizonAxis — cites Hoshin Kanri.

GO DEEPER

Credit. Emerged from Japanese Total Quality Control in the early 1960s. Toyota first documented its hoshin in 1963; Bridgestone is credited with formalizing the term and published a study of it in 1965 (Liker & Shook, 2025). Standard English reference: Akao (2020).

Sources differ on detail: Akao's own history dates Bridgestone's first systematic approach to 1962 (Akao, 2020). PDCA descends from the Shewhart and Deming cycle (Moen, n.d.); Deming himself preferred PDSA (The W. Edwards Deming Institute, n.d.). The X-Matrix is taught in Jackson (2006); no source we found establishes who created it.

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BOTTOM LINE

Hoshin Kanri keeps a strategy connected to the work. The strategy still has to be chosen first. Run HorizonAxis and HorizonNorth free, then book a Strategy Blueprint ($5,000–$9,500) to turn the gap into a signed-off plan.