Contributing Hoshin Kanri to Address ISO 9001:2015 Requirements

Elizabeth A. Cudney, Ph.D. Missouri University of Science and Technology

> Kristin Case, P.E. CaseConsults

Why Use Hoshin Kanri to meet new ISO 9001 requirements?

- Hoshin Kanri is a validated technique that meets multiple requirements in ISO 9001:2015
- Natural overlap
 - Design and implementation of quality management system is influenced by the organization's context, purpose, and strategy
 - Based on Plan-Do-Check-Act cycle
 - ISO 9001 is not prescriptive (defines what, not how)

Hoshin Kanri

- Systems approach to managing change
- Methodology to improve performance of critical business processes
- Two levels of hoshin kanri:
 - 1. Management or strategic planning*
 - 2. Daily management

Hoshin Kanri

- Links business goals to entire organization
- Promotes breakthrough thinking
- Process oriented not task oriented
- No bad people just bad processes

Hoshin Methods

- A. Hoshin strategic plan summary
- B. Hoshin action plan
- C. Hoshin implementation plan
- **D.** Hoshin implementation review

5 Key Steps to Hoshin Implementation Review

- 1. Measure system performance (9)
- 2. Set core business objectives (6.2)
- 3. Evaluate business environment (4.1)
- 4. Provide resources (7.1)
- 5. Define system processes (4.4)

Numbers shown in red represent the clause from ISO/FDIS (FINAL DRAFT International Standard) 9001:2015

1. Measure the System Performance

- Develop plans to manage strategic change objectives
- Initial direction must be adaptable
- Planning process must be adaptive to respond to business changes
- Regular assessments of planning and implementation

2. Setting Core Business Objectives

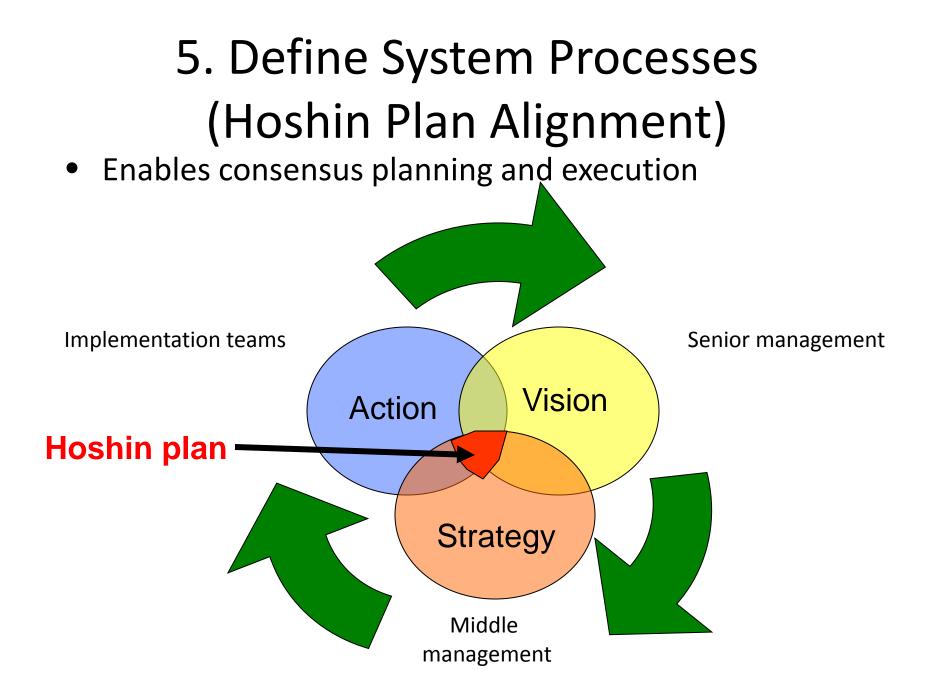
- Apply "catchball" to incorporate group dialog
- "Tossing an idea around"
- Provides optimal objectives for overall business system

3. Evaluate the Business Environment

- Understand needs of management's customers (what ISO 9001 calls "interested parties"):
 - Stockholders
 - Employees
 - External customers
 - Etc.
- Environmental analysis includes technical, economic, social, and political aspects of the business (what ISO 9001 calls "context")
- How does business perform relative to competitors?

4. Providing Resources

- Two levels:
 - 1. Strategic objectives
 - 2. Daily management
- Hoshin aligning system to strategic change initiatives



5. Define System Processes (4.4.1)

- Organization shall determine processes needed:
 - Inputs and outputs
 - Sequence and interaction
 - Apply criteria and methods to ensure operations are effective and controlled
 - Ensure resources are available
 - Assign responsibilities / authorities
 - Address risks / opportunities
 - Evaluate processes and implement changes to achieve intended results
 - Improve processes

Hoshin Methods

- A. Hoshin strategic plan summary
- B. Hoshin action plan
- C. Hoshin implementation plan
- D. Hoshin implementation review

Hoshin Strategic Plan Summary

				HOSHIN STRATE	GIC	PL	AN S	UM	MAI	RY										
				Core Objectives																
٠	•		•	Reduce hospital acquired adverse events	•		٠	•									•	•	•	•
		•	0	Become the preferred employer in the region					•					•		•			•	
	٠			Limit out migration of patients		٠	0	0		•		•						•		
٠	٠	0	٠	Improve quality, safety, and service excellence	٠	٠	٠	•			٠					٠		•		•
0	0	•		Increase workforce engagement, retention, and satisfaction					•		٠						•		•	
	•			Address community needs								•		•						
٠	0	•	٠	Operational performance improvement		0					٠					٠	•	•		•
	•			Expand community wellness programs								•		•						
0	•		٠	Increase patient and family focus and patient satisfaction scores		•											•	•		
•	•			Increase physician referrals						•				•				•		
•		•		Become a lean organization							•			•	٠	•	•	•	•	•
٠				Increase operating margin						•			•	0	٠	٠	0	0		
			٠	Develop a program for regulatory readiness	•		•	•							0	0	0	0	0	•
•			0	Clinical documentation Improvement									•		٠	•		0		C
Improve financial performance	Be the community hospital/provider of choice	Achieve total workforce engagement	Become nationally recognized for clinical excellence and quality	Measures	Reduce hospital acquired infection must by 40% for all expected mass of conditions annually	Decile in the top 10 th percentile for patient experience of care annually	Reduce readmissions for AMI by 16%, pnounonia by 9%, and heart failure by 11% amually	Top 10 th percentile in mortality for AM3, pacamonia, and heart failure for fiscal year 2014	Aoheve and maintain 35% retention	Grow outpatient and ambulatory volumes by ${\mathcal D}^i$ amually	100% participation in a lean event annually	Perform a formalized community needs assessment and hold two community creats annually	90% of neonds reviewed which do notrequire physician quentes by the end of 2014	VP Strategy/CEO	CFO	000	CNO	CMO	VPHR	Director of Continuous immediation

Hoshin Plan Summary

- Details core objectives
- Focuses on safety, quality, delivery, and cost

Management Owner	Go	als	Implementation Strategies	Tar	get	Improvement Focus					
	Short Term	Long Term		Short Term	Long Term	Safety	Quality	Delivery	Cost		
		Owner Short	Owner Short Long	Owner Strategies	Owner Strategies Short Long Short	Owner Strategies Short Long	Owner Strategies Image: Strategies Strat	Owner Strategies Strategies Short Long Short Long Safety Quality	Owner Strategies Strategies Short Long Short Long Safety Quality Delivery		

Hoshin Action Plan

 Action plan that links core objectives to implementation strategies

Hoshin Objective:		Management O	wner:						
Department:		Date:							
Team:		Next Review:							
Situation Summary:									
Core Objectives:	Strategy		Targets and Milestones						
Goals									
Short Term:									
Long Term:									

Hoshin Implementation Plan

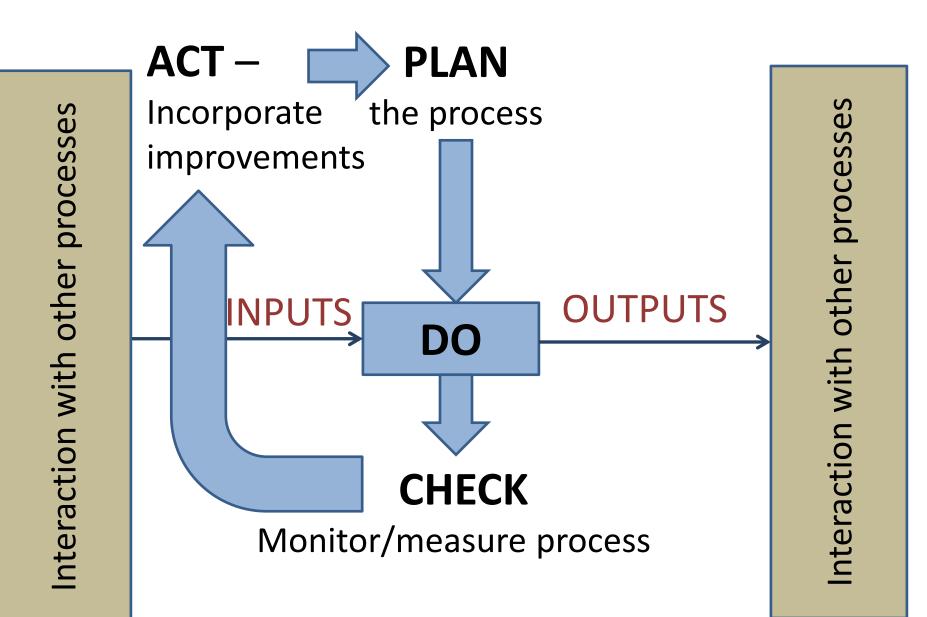
HOSHIN IMPLEMENTATION PLAN

Team: Nursing

Strategy Owner: Wesley

Date: 10/16/14

Core Objective	Performance			Schedule and Milestones											
				Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
Reduce hospital	Target	25%	2.1%	4.3%	6.4%	8.5%	10.6%	12.7%	14.7%	16.8%	18.9%	21.0%	23.1%	25.0%	
acquired adverse events	Actual	2.8%	2.4%	2.8%											
	Target														
	Actual														



Sample of Requirements from ISO/FDIS 9001:2015

- Context of the organization
- "Management Representative" not required
- Quality objectives
- Performance evaluation
- Management review

Context of the Organization (4)

- Understand purpose and strategic direction
- Determine relevant internal / external issues
- Identify "interested parties"
- Determine requirements of interested parties *Determine the scope of QMS*
- Monitor and review information related to — Internal / external issues
 - Interested parties and their needs

Leadership (5)

- Demonstrate *leadership* and commitment:
 - taking accountability for the *effectiveness* of QMS;
 - ensuring policy & objectives are communicated, understood, applied, compatible with strategy;
 - ensuring the integration of the QMS into the organization's business processes;
 - ensuring that resources are available;
 - ensuring that the quality management system achieves its intended results; promoting continual improvement;
 - supporting other relevant management roles as it applies to their areas of responsibility.

Objectives, Planning, Communication

- Quality objectives (6.2)
 - Measurable and consistent with policy
 - Be relevant to product conformity and customers
 - Be monitored, communicated, and updated
- Planning of changes (6.3)
 - Consider: purpose, consequences, resources
- Communication (7.4) relevant to QMS
 What, when, with whom, and how

Performance Evaluation (9)

- Determine what must be monitored and measured
- Determine methods and frequency to ensure valid results
- Include customer satisfaction
- Analysis and evaluation
- Results of analysis and evaluation provide input into Management Review

Management Review (9.3)

- Top management reviews QMS for suitability, adequacy, and effectiveness
- Includes same inputs as current ISO 9001
- Status of action items from previous review
- Changes to internal and external issues that are relevant to the QMS, including strategic direction
- Effectiveness of actions taken to address risks

Summary

- Use of Hoshin Kanri within an organization meets several ISO/FDIS 9001 requirements
- Hoshin Kanri outputs (X-matrix, Hoshin plan summary, Hoshin action plan, etc) provide objective evidence of meeting requirements
- Hoshin Kanri drives continual improvement as demonstrated by organizational performance measures and evaluations
- Aligns organizational strategy to core objectives to performance measures

Thank you!