

Strategic Planning Using Hoshin Kanri

FROM THE FIELD

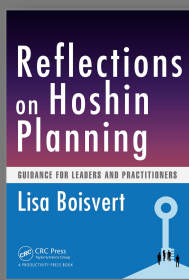
TIM ROWE

CEO, Cambridge Innovation Center

ON ORGANIZATIONAL STRUCTURES

“To get something done, you have to use a company’s apparatus. To use it you have to use it as it was designed. The bigger a company gets the harder it is to break down the apparatus.”¹

This white paper is an excerpt from the 2016 book *Reflections on Hoshin Planning*



Hoshin Hacking: Six Strategic Planning Ideas from Startup Companies

By **Lisa Boisvert**

Startup companies are lightweight and energetic. They move like hummingbirds, picking up and depositing ideas like pollen. They hack new ways around what bigger traditional companies do to build products and grow businesses.

Why would bigger, traditional companies practicing Hoshin Planning care about how startups do things? After all, nine out of ten startups fail.² Well, Hoshin deals in breakthroughs, strategic changes that involve increased risk and often-unprecedented activities in an organization. So the conditions we build around Hoshin work ought to be different, more startup-like, than those we have for other work.

Here are six startup-style ideas to consider as you use Hoshin Planning to achieve strategic objectives:

Idea One – Small “o” organization

Create a minimalist, supra structure for the Hoshin work, and lighten up on the bureaucracy.

Startups get their work done with organizations that are small, non-hierarchical, and

comfortable with turnover among team members. Their work is completed in intimate spaces described as “disclosive” by the trio of social scientists Charles Spinoza, Fernando Flores, and Hubert Dreyfuss.³

In disclosive spaces, people share an “organized set of practices for dealing with oneself, other people, and things that produces a relatively self-contained web of meanings.” It’s a protected space, where you don’t get in trouble for making up new language or trying unusual things.

Consider the following ideas for creating a lightweight “disclosive” space for the Hoshin Planning work.

- ♦ Free people who are active on a Hoshin from other responsibilities for awhile
- ♦ Suspend some rules of organizational hierarchy (e.g. allow promising junior leaders to lead teams of people at higher levels)

- ◆ Encourage people to exchange ideas with whomever they want, regardless of usual patterns of communication between departments and suppliers
- ◆ Suspend some HR rules during the Hoshin cycle (e.g. give a hall pass to Hoshin teams on travel, flex time, budget restrictions on experimentation and education)
- ◆ Support the development of a shared vocabulary around what makes the Hoshin important and new

Idea Two – Mission Obsession and Transparency

Be mission-obsessed and share as much information as possible among people working on the Hoshin.

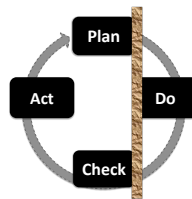
For startups, there is no hard separation between c-suite brainwork and the daily mechanics of the organization that get product or service to customers. Founders of small companies get their own hands dirty in day-to-day work and let their thinking and feelings about the work show. People in startups talk and test ideas constantly. Founders are open and transparent and generally share financial and other information freely. Startup founders are on a

determined mission to have an impact, often in a way that is consistent with their own personal values. And successful startup leaders are tireless in pursuing that mission.

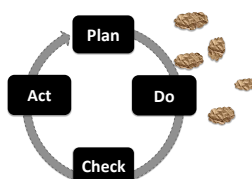
Hoshin leaders increase the odds of a Hoshin's success when they show their passion and purpose, and are transparent with information.

Idea Three – Kicked Up PDCA

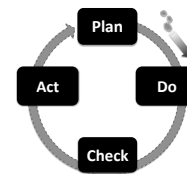
Complete more and faster cycles of experimentation in the Hoshin implementation.



Startups move fast, worry less about the future, and move on from failures quickly. Where traditional organizations have barriers in the Plan-Do-Check-Act (PDCA) cycle, startups just blast right through those barriers.



They try, they fail, and they try again, keeping the cycle spinning.



Once a Hoshin is chosen, strategy teams should stay in a loose, innovative pace of discovery and change until the means to meet the Hoshin objective are the best they can be.

FROM THE FIELD

REBECCA XIONG

Co-Founder
SocMetrics, a social media marketing firm

ON STEADY EXPERIMENTATION

"We had a software product that took us over a year to develop based on customer feedback. It failed ultimately because it was too far ahead of the market need. Then we tried a product offering that took us two months to make. It failed, too, due to lack of clear need. Then we made one in a week. That one targeted the right need and took off."⁴

Idea Four – Freedom from Conventions, Banality, and Taboo

Protect the Hoshin from the stultification of current conventions.

Timing the sharing of an idea can influence how well it takes off. Spinoza, et al describe the counterintuitive hypothesis that if a new thought is “formulated carefully, it will seem obviously true. And this will stand in its way.” Naysayers will discount an idea as something that must have already been considered, since it makes so much sense.

There is value to maintaining a dialogue around how things looked before this breakthrough idea was formed and keeping the new possible state looking as distinctly different as possible.

I like Paul Graham’s suggestion in his book *Hackers and Painters*, that people not broadcast and defend an idea too soon; “To do good work, you need a brain that can go anywhere. And you especially need a brain that’s in the habit of going where it’s not supposed to. Great work tends to grow out of ideas that others have overlooked, and no idea is so overlooked as the one that’s unthinkable.”⁵

Hoshin thinking and workspaces should be full of “anything goes” dialogues in

the early stages of alignment and implementation, where conventions and taboos are suspended while fresh ideas are considered.

Idea Five – Cooperation and Repurposing

Think more openly about possible partners and suppliers. Repurpose/redesign successful designs or ideas that already exist.

Cooperation

Hoshin Planning practitioners today can more easily accomplish their work in ways that rely less on internal abilities or existing relationships with suppliers.

Try new and perhaps unexpected partners who can contribute well to the new things the organization will be doing as a result of the Hoshin objective being implemented.

ZipCar founder Robin Chase calls the fluid network of virtual and real partners in which startups exist today, Peers Inc, a “transformation of the relationship between companies and people.”⁶ These new more flexible relationships can increase the pace and quality of a Hoshin plan aimed at producing a new product or service or innovating the organization’s value chain.

Repurposing

A corollary of cooperation is using practices or designs from

others and repurposing them. “I’ve been told that I’ve reinvented the wheel,” says Michael Burto, Founder of the electric bike wheel startup, GeoOrbital.⁷ And in a way he has. But he didn’t invent the wheel, the bicycle, or electric-powered locomotion. He puts those things together in a new way that solves a problem for his customer group.

About 90% of patent applications are for improvements on existing patents.⁸ Hoshin action teams seeking breakthroughs can consider what is already out there that might be used differently to produce a breakthrough.

Idea Six – Entrepreneurialism *Cultivate entrepreneurial energy among people working on the Hoshin.*

Business is personal for entrepreneurs. They are usually doing what they love. They are attracting people to the impact they want to have. It’s more than having a good idea. It’s personal engagement, magnetism, and the ability to communicate in the language and at the emotional pitch of their users.

Startup leaders tell stories of experiences or ideas that are very different from typical ways of thinking, explain why those ideas have become viable, and

show how to relate the new idea to the current situation. These leaders are often good at imagining themselves in the position of their customers.

A Hoshin Planning leader's personal, focused and passionate curiosity about what customers feel strongly about encourages people in the organization to bring their own energy and spirit to the Hoshin Planning work they do.



Author

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