

Strategic Planning Using Hoshin Kanri

NICCOLO MACHIAVELLI
The Prince

ON CHANGE

“People will live quietly and peacefully so long as their old ways of life are undisturbed.¹”

This paper was delivered at the ASQ World Conference 2017 in Charlotte, NC.



Inviting and Managing Change with Hoshin Planning: Five Predictable Areas of Friction

By Lisa Boisvert

Hoshin Planning invites a commitment to a substantial breakthrough in performance, a revolution in thinking and practice. Achieving the breakthrough generally creates significant disequilibrium, a level of disruption that allows for transformational change in an organization.

threats.” Working backwards, we ask “What does it look like? What did we do?”

The answer identifies the big boulders in the path to the star. Those boulders are the Hoshins, and addressing them represents significant change for an organization.

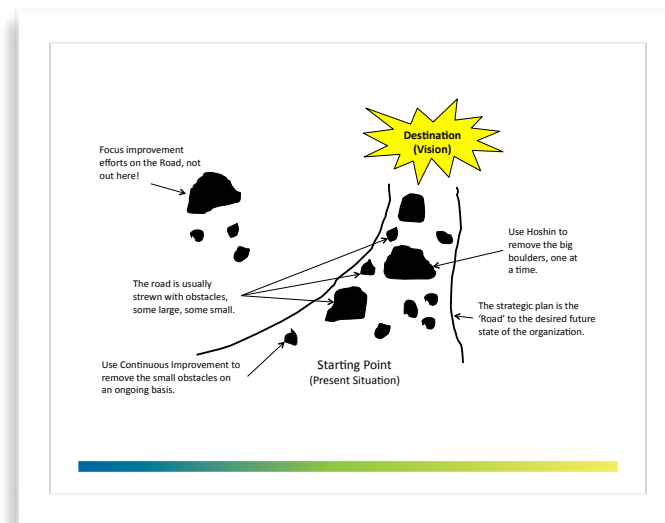


Figure 1: Hoshin Change Pathway²

We use Hoshin Planning tools and processes to paint a very concrete picture of that yellow star in Figure 1. We say, “It is 3-5 years from now, we are meeting our performance goals, we have eliminated obstacles, enhanced our strengths, taken the right opportunities, and deflected the

As the change associated with implementing a Hoshin Plan proceeds, organizations will likely face at least five predictable areas of friction.

One – Success versus Change
When times are good, it can be difficult to motivate for a change.

Sometimes a commitment to the radical focus and disciplined processes of Hoshin is born out of a crisis. At those times, the organization can be particularly open to changing something.

An early area of friction, though, arrives when things are good, financial measures look good, maybe repeat business is steady, employee satisfaction is high . . . why change?

ascents to plateaus. The trail climbs, winds, and at times is lost and has to be retraced. People in an organization move through change at different speeds. Which plateau someone is standing on you can sometimes tell by

behind, building encampments and brooding on ways to block the people behind them from getting any further. A kind of Hoshin filibuster.

We tolerate and support people being on different plateaus, while at the same time working on getting everyone within one plateau of the majority. It takes resources to serve people at each level of change. We need to invest as much as possible in those on the front plateau.

Two – Pace versus Risk
The degree of detail and quality in the Hoshin plan can mitigate your risk as you pick up the pace.

Hoshin planners use the Annual Plan Table (Figure 3) to flesh out the plan before implementation. Adding detail to the plan achieves at least three things that help manage the change:

- Spreads accountability for success of the plan
- Identifies measures, often for things that haven't been done by the organization before
- Specifies *how* the Hoshin will be achieved.

Top leadership isn't done until it slows the process down enough to lead the building of a more detailed plan. This will speed up the pace and lower risk when implementation does begin.

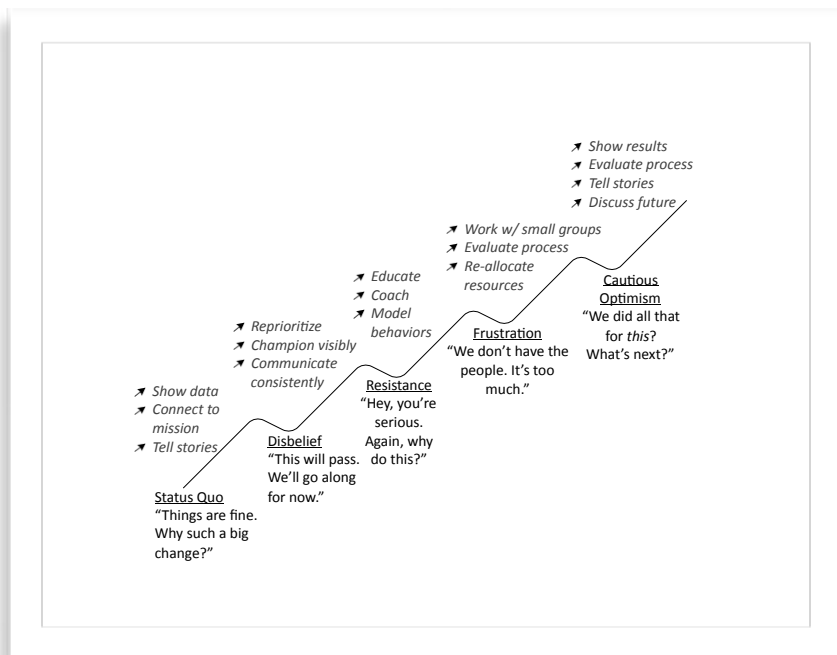


Figure 2: Hoshin Change Platforms³

If we're on a beach on a beautiful day, the sun is shining, the waves are a perfect size for surfing, maybe a little fuller than usual, it's great. The tsunami over the horizon might not be in our consciousness. In that case, leaders must explain the future conditions in which the organization must compete and succeed, and why that calls for change.

It may be helpful to think of the change associated with Hoshin Planning as a series of

the things he or she says, as shown in Figure 2.

The best leaders stay agile, trying things, like the actions next to the arrows in Figure 2, until something works, and moving back and forth between the plateaus depending on who they are coaching.

It can be tempting to charge up the slopes at the pace of the fastest climber. But it can happen that a group of people are left a couple of plateaus

Three – Leading Edge versus Inclusion

Sometimes leaders must maintain protected, or exclusive, spaces to breed innovation.

The Annual Plan Tables are cascaded down and over and across the organization for a short period of time, picking up edits and ideas and then bouncing back up. The flow of those planning tables and the discussions around them is called “Catchball.”

It’s at this point that I often see the membership on the teams assigned parts of the plan change somewhat. Innovative thinkers are moved into leadership roles, and other members are sometimes left behind.

The friction can be addressed with very active team facilitation and program management. It’s the wrong time to step back and let things sort themselves out. Leaders need to create the conditions in which their “A” teams can thrive.

Area of Friction Four – Pace versus Review

Specific, direct, and streamlined review is a key success factor to deploying a Hoshin fully and on time.

The Review Table (See Figure 4) codifies the performance on the plan. At least four great

things come out of review.

- Activities that aren’t working are stopped, allowing resources to be redirected.
- Activities that are working are strengthened.
- Process improvement and project management skills development is demonstrated.
- Organizational succession plans develop, with new people stepping into leadership roles.

Part of managing large-scale change is to spread accountability. The first Hoshin review meetings can be a little tough. Deming advised us to drive out fear, de-personalize process performance review, and to see failures as opportunities to make an improvement or see a breakthrough.

This doesn’t mean tolerating under-performance, though. We have to make the measures. Notice in Figure 4 that there are no half-filled circles. A goal is either made or missed.

Hoshin invites clean assessment of achievements. And Hoshin review allows people to make changes to the plan as they go

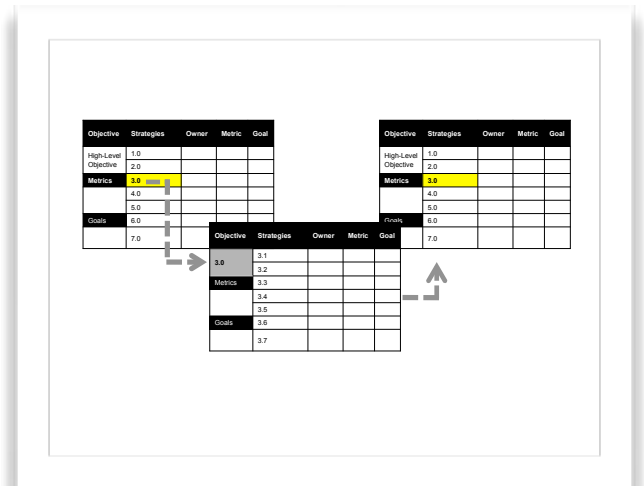


Figure 3: Catchball with Annual Plan Table⁴

along, in a structured and transparent way.

FROM THE FIELD

JOHN FRANKOVICH

Hoshin Planning Program Manager, NV Energy

ON CHANGE AND PROGRESS USING HOSHIN

“If the organization is truly learning and making changes and executing Hoshin after Hoshin, just think how easy it is to do each successive Hoshin, and people walk out excited and skilled, and then we do it again with more people. Hoshin creates career progression opportunities for people, it builds leaders, it makes us learn together.⁵”

**Area of Friction Five –
Outcomes versus Leadership
Team Health**

Change is advanced or thwarted substantially by how well the leadership team is leading and how they are perceived as part of the change.

Outcomes can sometimes be good while leadership team health is bad. But that type of leadership will be less likely to be able to sustain the gains from the Hoshin work or repeat the process.

Alternatively, outcomes can be bad, but team health be perceived as good. This can get a group stuck in a “too nice” place that doesn’t achieve results.

Leaders need to include in their review meetings an evaluation of their own work together.

Review Date:	Strategy Owner:	Strategy: 2.0			Hoshin Objective:	
		Sub-Strategy: 2.5				
Strategy or Tactic (Plan)	Goal (Plan)	Actual Performance (Do)	Made/Missed (Check)	Root Cause of Deviation (Check)	Corrective Action (Act)	
2.5.1						
2.5.2						
2.5.3						
2.5.4						
2.5.5						

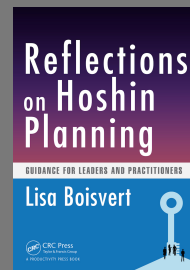
Figure 4: Hoshin Review Table⁶

Invite and Manage Change with Hoshin

Well-done Hoshin Planning uses change as a path to growth, learning, personal development, and the building of a community around a shared set of focused work.

Author

Lisa Boisvert is founding principal at the consulting firm Business Centered Learning, LLC in Cambridge, Massachusetts. More about their work with organizations implementing Hoshin Planning can be found at www.bclearning.com



References

- ¹Machiavelli, Niccolo. *The Prince*, Chapter III.
- ²Cowley, Michael. *Beyond Strategic Vision: Effective Corporate Action with Hoshin Planning*. New York: Routledge, Taylor & Francis Group, 2011, p. 6.
- ³Boisvert, Lisa. *Reflections on Hoshin: Guidance for Leaders and Practitioners*, CRC Press, 2016, p. 101.
- ⁴Boisvert, p. 73.
- ⁵Francovich, John. NV Energy, June 20, 2014, interview.
- ⁶Boisvert, p. 182.