“The Dev Estimate”
Oil on Canvas.
Munch, Edvard.
1887
“Their first code review”.

William Frederick Yeames, oil on canvas, 1878.
“Pair Programming”  
Simon Vouet, 1625; Oil on canvas.
“Last Standup of a Successful Sprint”
Henri Matisse, 1909, Oil on Canvas.
“Enterprise Architect”
H. Rigaud c.1701
Hoshin Kanri

From Vision to Execution: Linking Strategy to Action with Hoshin Kanri

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Objectives

• Introduction to Hoshin Kanri
• Get familiar with some of the tools associated with Hoshin Kanri
• Understand what it can help accomplish and how it can integrate into existing agile processes
• “Feel” the process through a simple, relatable exercise
• Be prepared to start exploring Hoshin Kanri next Monday when you return to work
Two Major Obstacles to Business Agility:

• Link between strategy and execution
• Lack of focus
What is Hoshin Kanri?

“Hoshin” = Direction (Compass)  “Kanri” = Execution (control, logic)

“Policy Deployment”
What is Hoshin Kanri?

Hoshin is a communication and implementation tool which links Strategy (direction) with Operations (execution) to create focus on what’s important, clarifies why it matters to the organization and reduces confusion across the business

Key Benefits:
- **Clarity**: provides a “North Star”
- **Transparency**: visibility from Strategy to Execution
- **Reduces waste**: limits non-value added work
Hoshin Kanri in a nutshell

1. Identify what’s important in the long term
2. Define how what’s important can be validated across the organization at all levels
3. Continuously inspect empirical results
4. Adapt operations and strategies based on results
Tools/concepts commonly associated with Hoshin Kanri

• X-Matrix
• Bowling Charts
• Catch-Ball Process
X-Matrix
X-Matrix Explained

Define the "What" (3-5 Objectives)
X-Matrix Explained

- Identify near-term goals
- Define the "What" (3-5 Objectives)
- Improvement Priorities
- Annual Objectives
- Targets to Improve
- 3 Year Breakthrough Objectives
- Assignments
X-Matrix Explained

Define the "What" (3-5 Objectives)

Identify near-term goals

Define how the goals will be achieved

Improvement Priorities

Annual Objectives

Targets to Improve

3 Year Breakthrough Objectives

Assignments
X-Matrix Explained

Define how the goals will be achieved

Identify near-term goals

Identify measures used to validate goals are being achieved

Define the "What" (3-5 Objectives)
X-Matrix Explained

Define how the goals will be achieved

Identify near-term goals

Identify measures used to validate goals are being achieved

Annual Objectives

Targets to Improve

3 Year Breakthrough Objectives

Assignments

Clarify who is responsible for the improvements

Define the "What" (3-5 Objectives)
Example: Our Hoshin at Intel

<table>
<thead>
<tr>
<th>Objective</th>
<th>Improvement Projects                                                                PLL</th>
<th>Responsible Teams/ Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase leadership visibility into customer issues</td>
<td>Specific Action Projects</td>
<td>Marketing/L&amp;D</td>
</tr>
<tr>
<td>Significantly Improve Quality for Core Products</td>
<td>Improvement Projects</td>
<td>Agile Transformation Team</td>
</tr>
<tr>
<td>Improve overall Net Promoter Score</td>
<td>Specific Action Projects</td>
<td>Engineering</td>
</tr>
<tr>
<td></td>
<td>Specific Action Projects</td>
<td>Support</td>
</tr>
<tr>
<td></td>
<td>Specific Action Projects</td>
<td>Leadership</td>
</tr>
<tr>
<td></td>
<td>Specific Action Projects</td>
<td>Product Management</td>
</tr>
<tr>
<td></td>
<td>Specific Action Projects</td>
<td>Core Business Groups</td>
</tr>
</tbody>
</table>

Note: Objectives, goals have been modified to protect proprietary corporate strategy.
Example: Bowling Chart at Intel

<table>
<thead>
<tr>
<th>Improve NPS score in Core Products by 10% for FY 2018</th>
<th>Owner: Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD Sum</td>
<td>YTD Avg</td>
</tr>
<tr>
<td>Plan (% improvement)</td>
<td>5.6</td>
</tr>
<tr>
<td>Adj. Forecast</td>
<td></td>
</tr>
<tr>
<td>Actual</td>
<td></td>
</tr>
</tbody>
</table>

**Targets are too aggressive!**
Adjust accordingly...

<table>
<thead>
<tr>
<th>Provide NPS training to all Core Products Personnel by Q3 2018</th>
<th>Owner: Marketing</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD Sum</td>
<td>YTD Avg</td>
</tr>
<tr>
<td>Plan (% of people trained)</td>
<td>66</td>
</tr>
<tr>
<td>Adj. Forecast</td>
<td>43.78</td>
</tr>
<tr>
<td>Actual</td>
<td>47</td>
</tr>
</tbody>
</table>

**We can do even better!**
Adjust accordingly...

<table>
<thead>
<tr>
<th>Decrease tier 4 defects in production by 30% by Q3 2016</th>
<th>Owner: Agile Transformation Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>YTD Sum</td>
<td>YTD Avg</td>
</tr>
<tr>
<td>Plan (% of defect reduction)</td>
<td>30</td>
</tr>
<tr>
<td>Adj. Forecast</td>
<td>25</td>
</tr>
<tr>
<td>Actual</td>
<td>37</td>
</tr>
</tbody>
</table>
We need to double sales by 2015

That’s a serious stretch boss. I’m not sure the team will buy it...

We’ve got no choice, the stock’s taking a battering and we need to project growth fast, plus the team can always do more...

Ok, we’ll give it a go, but don’t be surprised by the result...

The boss needs us to double sales in three years, I’d like achieve that in 2.

How? Best we’ve ever done in one year was 20% and that was with double the resources we have now...

Look, if we shoot for the stars, at worst we’ll hit the moon...

I’m not sure this makes sense, but ultimately it’s your call...

XYZ Achieved 200% of quota last year – it shows it can be done – so I’m setting quotas on this basis this year....

But nothing’s fundamentally different ... What makes you think we’ll get a different result this year?

Look we need sales people who can deliver... If that’s not you...

Time to dust off the CV...

Source: Grant Chow , http://www.slideshare.net/grantcrow12/i-nexus-presentation-pex-conference-jan-2013www
Catchball

Catchball is a fact-based inter-level negotiation process which ensures goals and means are aligned and realistic

Key benefits:
- Opens up new channels of communication between company leaders and process owners, which greatly improves the quality of the organization’s shared knowledge about its processes, people and relationships.
- Forges new relationships necessary to execute the strategy.
- By engaging multiple levels of the organization in genuine give-and-take negotiations—by getting their buy-in—people understand the “why” and can easier commit to the “how”
Catch-ball Example

“Become a Leading Security Partner to Fortune 2000 by 2020”
Executive Management

“Increase end-to-end solution offerings from 25% to 40% of Fortune 2000 by 2017”
Senior Leadership

“Significantly improve quality for Core Products”
Management

“Decrease tier 4 defects in production by 25% by Q2 2016”
Programs/Teams
Caveat: Mindset over Process

Hoshin Kanri is a method; be careful how it’s used

Values (How we behave)

Principles (How we think)

Methods (What we do)

Tools (Helps us do)

Examples:
- Working Software over comprehensive documentation
- Deliver working software frequently...with a preference to the shorter timescale.
- Scrum, Hoshin Kanri
- Scrum Board, X-Matrix
Pop Quiz: Does deploying Hoshin Kanri mean you HAVE to use these tools?

Absolutely not!
Forming Hoshins is an excellent pre-cursor to Epics and helps limit organizational WIP. It belongs at the portfolio level.

During periodic planning sessions, revisit the Hoshins, evaluate progress and update the goals as appropriate.

Integrate specific metrics into the Acceptance Criteria for the Epics and Stories to validate whether Hoshins need to be adjusted.
Our Taxonomy

Portfolio
- ISECG and Intel strategies that are in alignment

Solution
- Products that align to deliver a Common Solution(s)

Release
- Deliverables from a solution that can be combined into a release including features, Dot release, or updates.

Component
- Scrum teams contributing to portions of the deliverables and solutions
Leveraging Hoshins and Agile

1. Hoshins (Strategy; Years)
2. Solutions (Objectives; Quarters)
3. Release (Epics; Improvement priorities, Months)
4. Sprints (Stories; Actions; Days, Weeks)
“Feeling”
Hoshin Kanri
Workshop at-a-glance

We’re going to help Joe, the Agile coach, improve his life.

*Joe has decided he wants to make fundamental changes in his life; he has identified a Hoshin that he’d like to accomplish within the next 2-3 years.*

1. Assign roles in the group as described in the Resource Sheet
   • Place post-its on your badge to identify yourself

2. Identify 2 strategic, annual objectives using the First Things First Matrix
   • Separate the important from the essential; narrow down and focus

3. Complete the X-Matrix to create alignment across stakeholders
   • Cascade the objectives through to execution; cooperate with stakeholders on metrics using catchball
Instructions:

• Break up into teams of 8-10
• Assign stakeholder roles (Joe, family member, co-worker, friend, etc.)
• Joe owns the vision, but he wants buy-in from his family, friends and co-workers; this is a collaborative exercise! (Catch-ball)
• Prioritize the objectives using the First Things First Matrix
  • Choose no more than two
• Fill out the X-Matrix to identify long-term and short-term ways to accomplish the Objectives
  • Use Catchball to collaborate on realistic goals
  • Remember the role of the stakeholders
  • Use SMART criteria
Thank You!

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Intel Security

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• [@jhesselberg](https://twitter.com/jhesselberg)
Sources:

• Gail Ferriera, Presentation, Agile2015
• Wiebe Nijdam, How to Deploy Hoshin Kanri Successfully, 2014
• David Bovis, Don’t Waste Time..., 2015
• Pete Abilia, Hoshin Kanri for Lean Policy Deployment, 2014
• Randy Kesterson, The Basics of Hoshin Kanri, 2014
• Thomas Jackson, Hoshin Kanri for the Lean Enterprise, 2006
• David Hutchins, Hoshin Kanri: The Strategic Approach to Continuous Improvement, 2008

• Agile Art from classicprogrammerpaintings.com
## First Things First Matrix

<table>
<thead>
<tr>
<th>Important</th>
<th>Urgent</th>
<th>Non-Urgent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q-1: Quadrant of Necessity</td>
<td><strong>Urgent</strong>&lt;br&gt;- Impending deadlines (that are important and have long-term consequence to your life)&lt;br&gt;- Crises/Emergencies&lt;br&gt;- Resolving immediate problems&lt;br&gt;- Certain e-mails that may change your life (e.g., job app, biz opprt)</td>
<td><strong>Q-2: Quadrant of Quality and Personal Leadership</strong>&lt;br&gt;- Building long-term solutions/systems&lt;br&gt;- Relationship building&lt;br&gt;- Building your dream career/business&lt;br&gt;- Personal/Skill development&lt;br&gt;- Improving your health/wellness&lt;br&gt;- Finding your life partner</td>
</tr>
<tr>
<td>Not Important</td>
<td><strong>Q-3: Quadrant of Deception</strong>&lt;br&gt;- Interruptions/Distractions&lt;br&gt;- Most phone calls/e-mails&lt;br&gt;- Attending inconsequential meetings&lt;br&gt;- Spending a lot of time on a task (report, e-mail) that has little to no impact to your goals/life in long run&lt;br&gt;- Dealing with others’ requests</td>
<td><strong>Q-4: Quadrant of Waste</strong>&lt;br&gt;- Mindless TV/web surfing / chatting&lt;br&gt;- Reading gossip sites/forums&lt;br&gt;- Watching/reading news (to an extent)&lt;br&gt;- Certain phone calls/e-mails&lt;br&gt;- Excessive gaming&lt;br&gt;- Idling&lt;br&gt;- Any time wasting activity</td>
</tr>
</tbody>
</table>