Three box solution strategic architecture planning

*After viewing Vijay Govindarajan’s* [*The Three Box Solution 2019 iEx Keynote Address*](https://youtu.be/1Dkyy45ybuY?t=678)*, work with your team to determine your one-page strategic architecture. Edit all italicized text, including this part (with your site/area/team member specifics). Revisit annually.*

**Non-Linear Shifts:** *Imagine the future of the healthcare industry in 2030. What will be the technologies of the future? The regulatory regime? Who will be the customers? The competitors? This is not a prediction exercise, but an imagination of what is possible: hypotheses based on weak signals.*

**Strategic Intent:** *What is your intent for the year 2030? This is NOT a mission statement. To be considered strategic intent, this must meet three criteria: Direction (where are we going), Motivation (why are we going there and why should your employees care), and Challenge (how large is the possibility gap?). A great example of strategic intent is this portion of JFK’s Moon Speech: “We choose to go to the moon [Direction]. We choose to go to the moon in this decade and do the other things, not because they are easy, but because they are hard [Challenge], because that goal will serve to organize and measure the best of our energies and skills [Motivation], because that challenge is one that we are willing to accept, one we are unwilling to postpone, and one which we intend to win, and the others, too [Challenge + Motivation].”*

**Core Competencies:** *What are we good at as an organization/team/work unit? What do we do well now, in this year?*

**Annual Priorities:***How will your organization/team/work unit allocate resources in the next 12 months that ensures that all three horizons receive them? Use the table below to divvy up your priorities + determine actual resources (time, money, experimentation, leadership support, etc.) across all three horizons:*

|  |  |  |
| --- | --- | --- |
| Performance Gap | Possibility Gap | |
| Horizon 1: Strengthens the Core (no risk) | Horizon 2: Adjacent to the Core (low risk) | Horizon 3: Disruptive to the Core (high risk) |
| Top Initiatives + Resource Allocation: *What are your top priorities + how will you resource them? Aim for about 50-70% of annual resources going to Box 1 initiatives.* | Top Initiatives + Resource Allocations: *What are your top priorities + how will you resource them?* A*im for about 20-30% of annual resources going to Box 2 initiatives.* | Top Initiatives + Resource Allocations: *What are your top priorities + how will you resource them? Aim for about 10-20% of annual resources going to Box 3 initiatives.* |

**New Core Competencies**: *Competition for the future will require your organization to build new core competencies. What might they be and how will you build them this year?*

The three-Box solution at-a-glance

*The Three-Box Solution* is a simple framework to innovate and execute and has been adopted by the VHA Innovators Network to better position the complex work of innovation within VHA. The resources below were pulled from the book. **To access *The Three-Box Solution*,** [**log into TMS**](https://ssologon.iam.va.gov/centrallogin/Default.aspx?appname=core&URL=https://ssologon.iam.va.gov/centrallogin/core/redirect.aspx&TYPE=33619969&REALMOID=06-345d7582-c96e-4888-9e5f-6e86468bf060&GUID=&SMAUTHREASON=0&METHOD=GET&SMAGENTNAME=-SM-JDZx1AxYAhQguyl0rfvd%2f5f46jynE%2bEoBtr6BQQU4NWuWIwCZNPIPHj210fDMxqs&TARGET=-SM-HTTPS%3a%2f%2flogon%2eiam%2eva%2egov%2faffwebservices%2fredirectjsp%2fredirect%2ejsp%3fSPID%3dhttps%3a%2f%2fwww%2esuccessfactors%2ecom%2fVAHCM03%26SMPORTALURL%3dhttps-%3A-%2F-%2Flogon%2eiam%2eva%2egov-%2Faffwebservices-%2Fpublic-%2Fsaml2sso%26SAMLTRANSACTIONID%3de893e435--b253a779--ceb0b895--b493cbdf--2361954d--27) **and search “Three Box” in Skillsoft to have a listen!**

# Background

* [*The Three-Box Solution*](https://hbswk.hbs.edu/item/a-three-box-solution-to-managing-innovation) was written by Vijay Govindarajan.
* Govindarajan is widely considered one of the world’s foremost expert on innovation. He has appointments with Dartmouth and Harvard, has written 12 books on strategy + innovation, and consults with many top Fortune 500 companies.
* *The Three-Box Solution* was published in 2016 and was adopted by the Innovators Network in 2019

# The Three Boxes

*The Three-Box Solution* is based around three areas, each separated by timeframe:

**Box 1: The Present** – Box 1 represents an organization’s current concerns. Govindarajan tasks us with managing the present. The skills and experience you apply in Box 1 allow you to operate at peak efficiency and execute linear innovations in your core businesses.

**Box 2: The Past** – Box 2 represents an organization’s historic concerns. While the past is integral to an organization’s present, it is important to allow distance between previous decisions and future decisions. Abandon ideas, practices, and attitudes that have lost relevance or could inhibit innovation. The skills of Box 2 allow you to selectively forget the past by identifying and divesting businesses and abandoning practices, ideas, and attitudes that have lost relevance in a changed environment and would otherwise interfere with your focus on inventing the future.

**Box 3: The Future** – Box 3 is geared toward what comes next. Take measures to insulate Box 3 from the present as well as the past. Generate breakthrough ideas and convert them into new products and businesses. The skills of Box 3 allow you to generate nonlinear ideas and convert them, through experimentation, into new products and business models.

# Creating a Culture Around the Three Boxes

The deceptively simple Three-Box Solution has only a handful of principles:

* Engage in both linear (Box 1) and nonlinear (Box 3) innovations to ensure success in the future.
* Success in Box 1 is the primary inhibitor of taking bold action in Box 3. You must develop the discipline of selectively forgetting the past (Box 2) or the past will prevent you from creating the future.
* Optimizing current business models in Box 1 and creating new business models in Box 3 must be pursued simultaneously, yet they call for different activities, skills, methods, metrics, mind-sets, and leadership approaches.
* Managing the three boxes is a journey, not a project. Businesses fail at it when they are sporadic rather than continuous in seeking balance. Like gardens that need regular watering and weeding, each box requires ongoing attention.
* Don’t think about the future as a far-off time. The future is now because you are building it day by day!

# Core Components of *The Three-Box Solution*

