

Strategy Huddle™ with MyStrategicPlan

Welcome!

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Purpose & Ground Rules

Purpose Answer real-world questions, handle high-level strategy issues, and share best practices on strategy, execution, planning

Duration 45-60 minutes

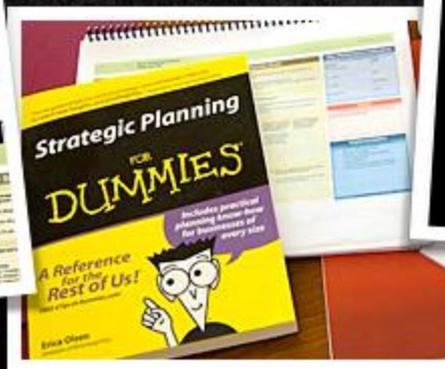
Your Role Ask questions: Questions can be submitted via the Chat Box on right at any time. **

Offer suggestions: Share your experience via the Chat Box during the topic at hand

Details Session is being recorded and a follow-up email this week will include a link to this huddle as well as the supporting slides.

About Us

- ⑥ In the past three years we have...
- ⑥ Managed 100+ strategic planning processes
- ⑥ Deployed 800+ strategic management systems (MyStrategicPlan, MyNonprofitPlan, MyChurchPlan)
- ⑥ Built consensus and commitment with 3,000+ executives, managers, boards
- ⑥ Empowered 1 million+ strategist & soon-to-be strategists



Agenda

- I. Strategy Stat of the Month
- II. How can we clear up the **confusion that always comes up in planning meetings?**
- III. What must a **leader do to drive strategy?**
- IV. How to incorporate **risk management** in strategic planning?
- V. Tap into the Wisdom of the Crowd: Your Questions (Time Permitting)

#1 Obstacle to Strategy Execution: Inability to manage change effectively or overcome internal resistance to change.

-Wharton-Gartner Survey

-Rankings of the Wharton-Executive Education Survey

Strategy Stat

Source: *Making Strategy Work*, Lawrence Hrebiniak

How can we clear up the confusion that always comes up in planning meetings?

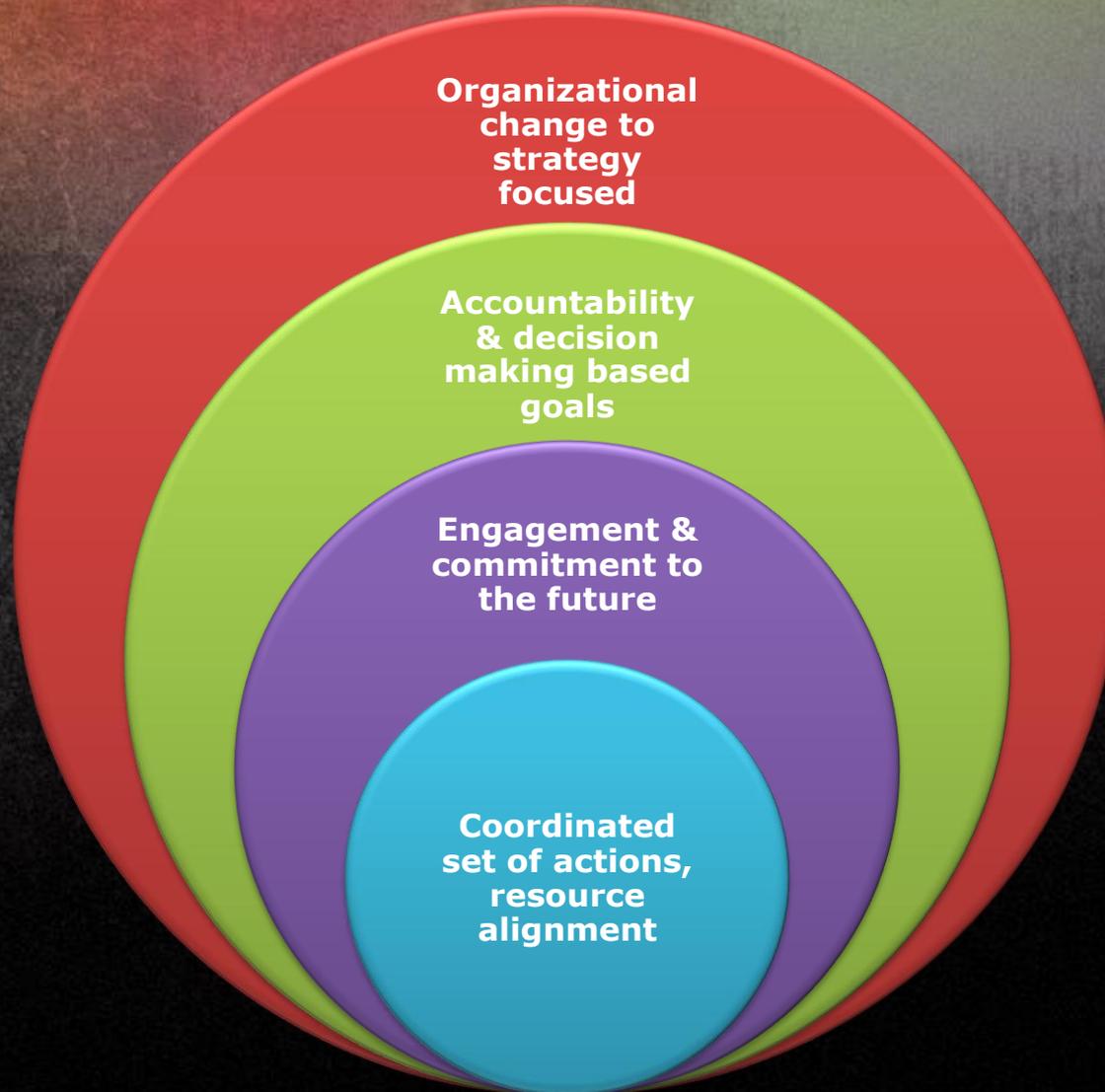
TOPIC: PLANNING MEETING CONFUSION

Strategic Planning is a Contested Construct

Ask yourself and leaders, what is it that we mean by strategic planning?

- Articulated set of mile markers for the next 3+ years (long-range planning)
- Analysis to define our competitive position
- Method to improve accountability
- Process motivate and inspire our team
- Tool to drive organizational change

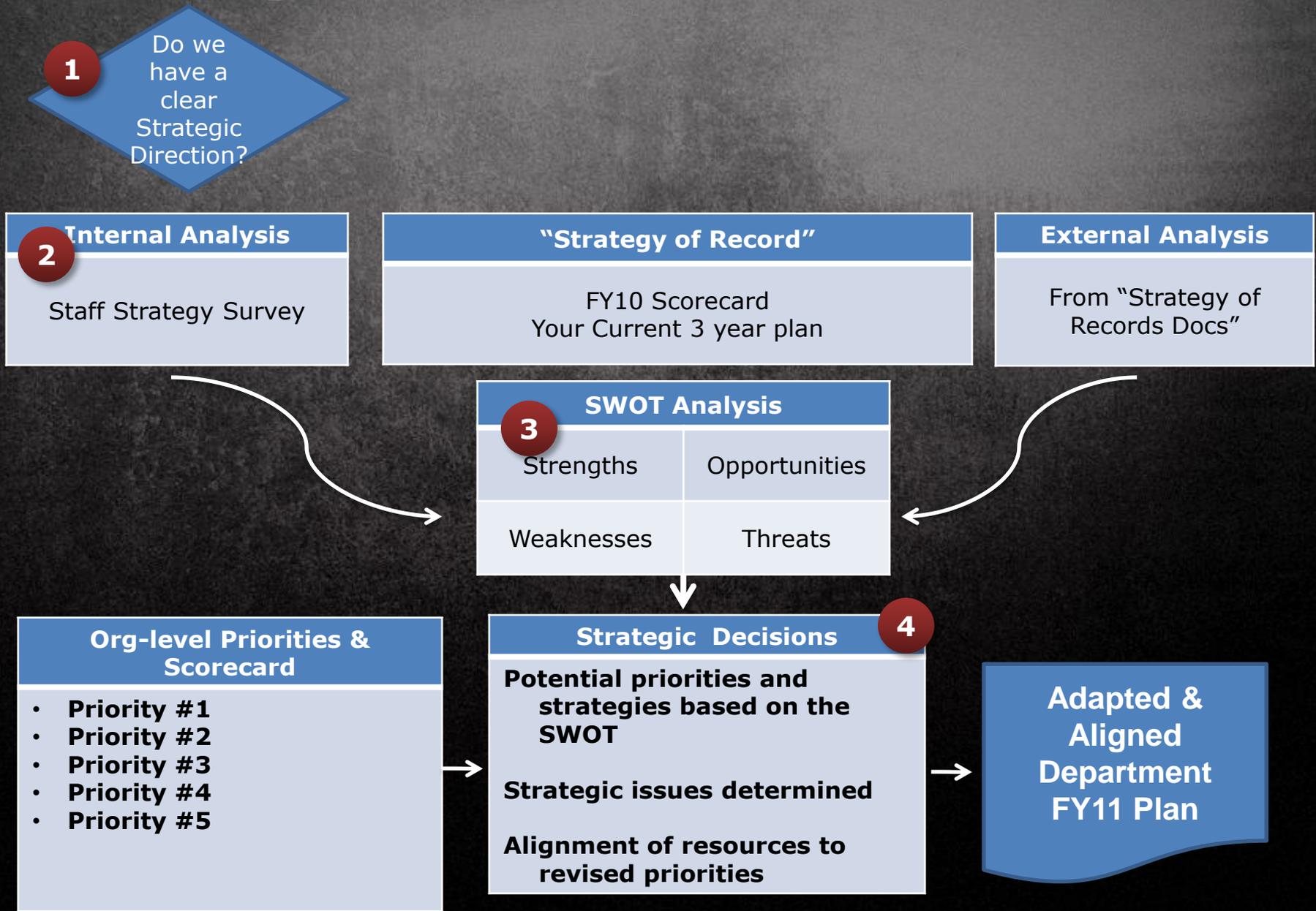
Getting at the True Outcome



More Pitfalls

- ⑥ Language, language, language
- ⑥ Who is making the decisions?
 - Informing, recommending, deciding
- ⑥ Knowing what comes next
 - Show a visual that fills in the blanks
- ⑥ Closing the loop

Example of Process



Summary Actions

- ⑥ Clarify with all senior team members what they mean by strategic planning.
- ⑥ Produce a visual of the strategic planning process with indicators back to outcomes.
 - Don't ask expectations, repeat outcomes and how we are going to deliver on them.
 - Clarify everyone's roles.
- ⑥ Develop a glossary of terms and stick to it.

What must a leader do to drive strategy?

TOPIC: DRIVING STRATEGY

OBSTACLES TO STRATEGIC EXECUTION	WHARTON -GARTNER	WHARTON Executive	Top 5 on Both
Inability to manage change effectively or to overcome internal resistance to change.	1	1	X
Trying to execute a strategy that conflicts with the existing power structure.	2	5	X
Poor or inadequate information sharing between individuals or business units responsible for strategy execution.	2	4	X
Unclear communication of responsibility and/or accountability for execution decisions or actions.	4	5	X
Poor or vague strategy.	5	2	X
Lack of feelings of "ownership" of a strategy or execution plans among key employees.	5	8	
Not having guidelines or a model to guide strategy-execution efforts.	7	2	
Lack of understanding of the role of organizational structure and design in the execution process.	9	5	

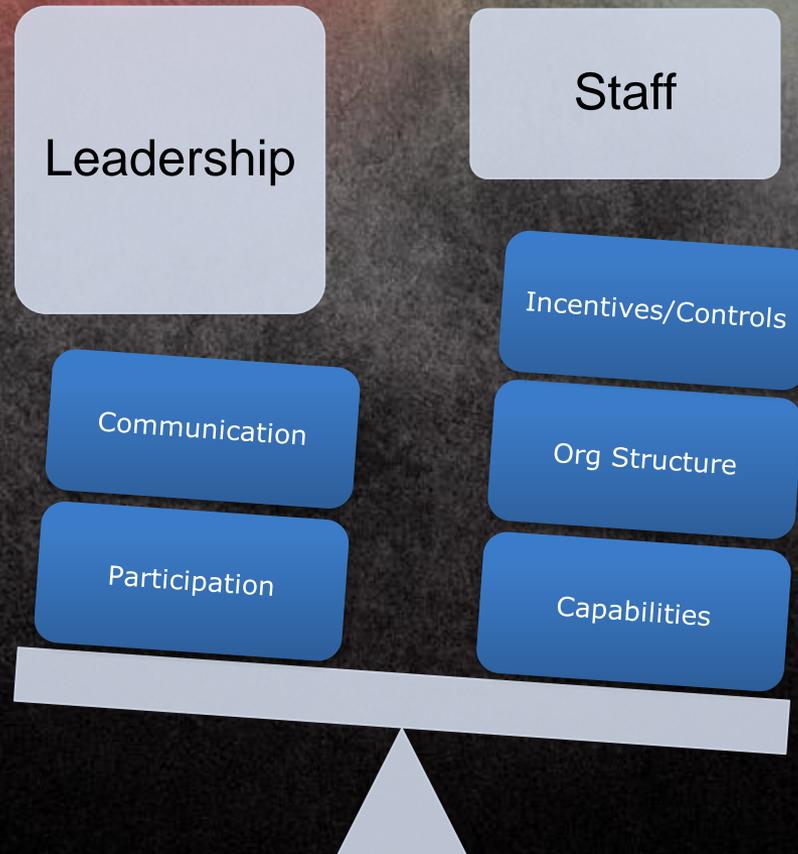
Making Strategy Work, Lawrence Hrebiniak

Does Your Strategic Plan Fit Within Your Current Organizational Structure and Culture?



If you do not have buy-in with the people who formally and informally hold power in your organization, fix it now.

Leading Change



Summary Actions

- ⑥ Communicate with consistency, and with a comprehensive outlook.
- ⑥ Convert strategic goals into results-oriented incentives and controls.
- ⑥ Assess the capability of your organizational structure to address the demands of your strategy.
- ⑥ Get the right people in right tasks.
- ⑥ Be the change you wish to see.

How to incorporate risk management in strategic planning?

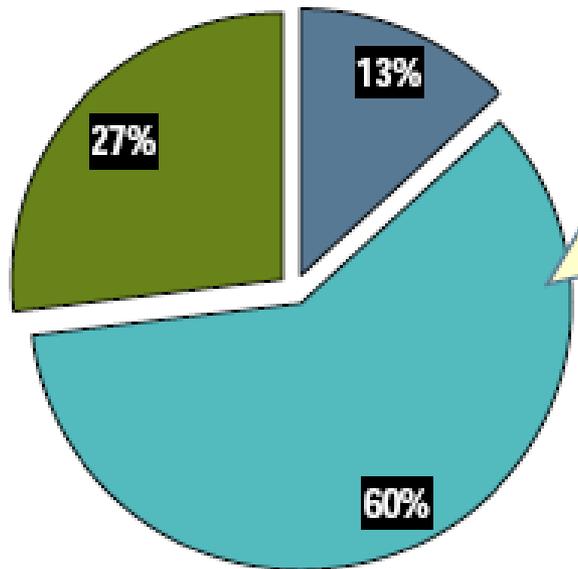
TOPIC: RISK MANAGEMENT

What is Risk?

- ⑥ “Risk is a function of how poorly a strategy will perform if the ‘wrong’ scenario occurs.”–Michael Porter
- ⑥ A strategic risk[is any risk that] targets one or more of the crucial elements in the design of your business model(e.g., customers leave you, industry changes, brand loses power, company stops growing, etc.) –Adrian Slywotzky
- ⑥ Strategic Risk Management (SRM)is “how well a business strategy will perform under different scenarios and events” and whose goal is to “preserve and enhance value.”–Mark Frigo

Inability to effectively manage strategic risk is a major cause of shareholder value destruction.

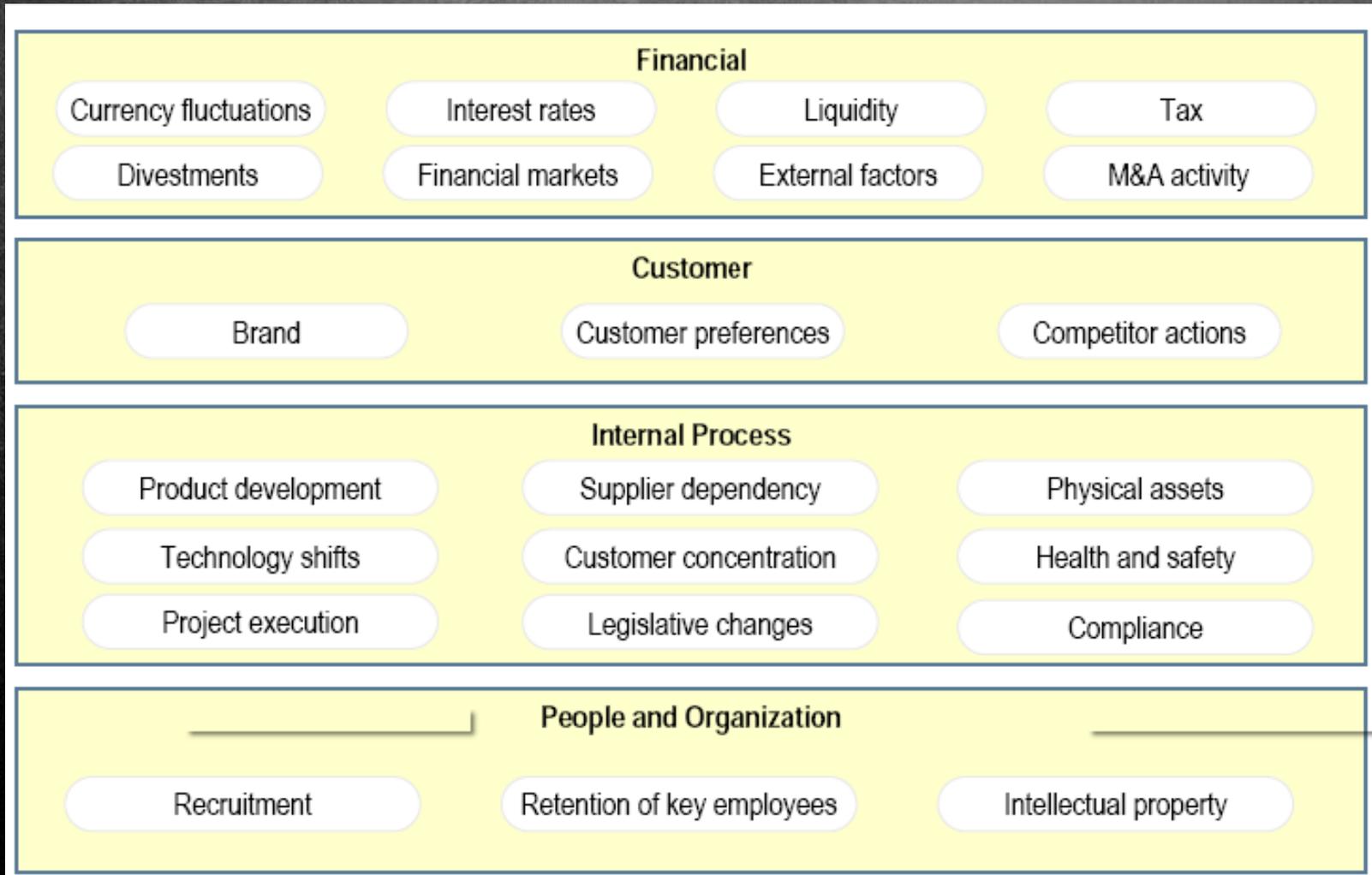
Causes of Shareholder Value Destruction



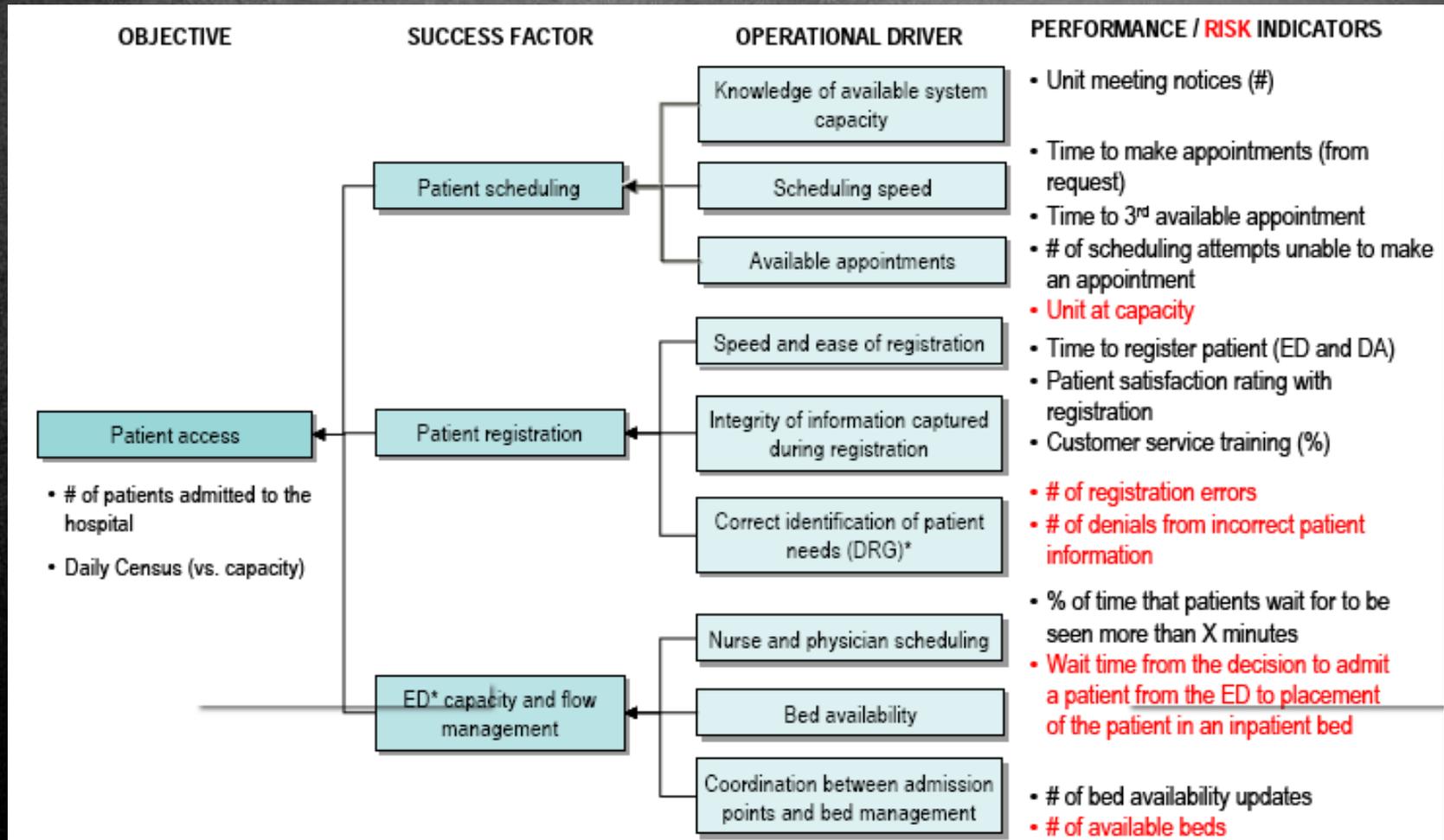
■ Compliance failures ■ Strategic mistakes
■ Operational blunders

- In their 2004 research report examining 1,200 firms with market capitalizations over \$1 billion during the 5-year period from 1999 – 2003, Booz Allen analyzed the lowest performing companies that trailed the S&P 500 for that period.
- Key Findings:
 - 13% due to compliance failures;
 - 60% attributable to strategic mistakes, such as misjudging customer demand or competitive pressure, or management ineffectiveness.
 - 27% due to operational blunders
- According to Booz Allen, “risk governance is the key to finding the balance between control and innovation. Companies need to develop a process that both protects shareholder value, by eliminating earnings surprises, and also enhances it, by fostering growth.”

Most Common Types of Risk



Mapping Metrics & Risk Indicators



Taking Action on Risks

Objective	Significant Risks	Factor	Actions / Initiatives
Continuously improve patient access	Incorrect patient diagnosis caused by incorrect documentation	20	<i>Establish Diagnosis Documentation Review Process</i>
	IT system failure	16	<i>IT Infrastructure Assessment</i>
	Process error due to inexperienced staff	6	<i>Staff Hiring Process Review</i>
	Process error due to lack of proper training	4	<i>Registration and Scheduling Process Training and Testing Program</i>
	Process error due to lack of process documentation	2	<i>Registration / Scheduling Process Documentation</i>

Two Ways to Deal with Risk

Short-Term

Outcome: Adapt existing strategy

Recommended tools:

- Strategy Review Process
- KPIs
- Goal cascading
- Employee action plans

Longer-Term

Outcome: Develop a new strategy

Recommended tools:

- PESTEL & SWOT
- Current strategic plan
- Scenario Planning

Tap into the Wisdom of the Crowd

Any insights you would like to share related to one of today's topics?

What are some strategy or execution questions you would like to discuss?

Next Huddle

- ⑥ 9am PT on Wed, May 26th
- ⑥ Send in questions for the next Strategy Huddle to admin@mystrategicplan.com (reference the Strategy Huddle in the subject line)
- ⑥ Interested in sharing/presenting a best practice as a Strategy Leader? (reference the Strategy Huddle in the subject line)
- ⑥ Follow us on Twitter @MyStrategicPlan
- ⑥ Today's session is being recorded and a follow-up email this week will include a link to this huddle as well as the supporting slides.

Contact Information

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- ⑥ Our office hours are Mon-Fri 9am-5pm (PT).