Strategy Huddle™ with MyStrategicPlan

Welcome!

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m3planning
# 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

- In the past three years we have...
- Managed 100+ strategic planning processes
- Deployed 800+ strategic management systems (MyStrategicPlan, MyNonprofitPlan, MyChurchPlan)
- Built consensus and commitment with 3,000+ executives, managers, boards
- 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
How can we clear up the confusion that always comes up in planning meetings?
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

Organizational change to strategy focused

Accountability & decision making based on goals

Engagement & commitment to the future

Coordinated set of actions, resource alignment
More Pitfalls

Language, language, language

Who is making the decisions?
  – Informing, recommending, deciding

Knowing what comes next
  – Show a visual that fills in the blanks

Closing the loop
Example of Process

1. Do we have a clear Strategic Direction?

2. Internal Analysis
   - Staff Strategy Survey

3. SWOT Analysis
   - Strengths
   - Opportunities
   - Weaknesses
   - Threats

4. Strategic Decisions
   - Potential priorities and strategies based on the SWOT
   - Strategic issues determined
   - Alignment of resources to revised priorities

External Analysis
- From “Strategy of Records Docs”

Org-level Priorities & Scorecard
- Priority #1
- Priority #2
- Priority #3
- Priority #4
- Priority #5

FY10 Scorecard
- Your Current 3 year plan

Adapted & Aligned Department FY11 Plan
Summary Actions

- Clarify with all senior team members what they mean by strategic planning.

- 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.

- Develop a glossary of terms and stick to it.
What must a leader do to drive strategy?

TOPIC: DRIVING STRATEGY
<table>
<thead>
<tr>
<th>Obstacles</th>
<th>Wharton-Gartner</th>
<th>Wharton Executive</th>
<th>Top 5 on Both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inability to manage change effectively or to overcome internal resistance to change.</td>
<td>1</td>
<td>1</td>
<td>X</td>
</tr>
<tr>
<td>Trying to execute a strategy that conflicts with the existing power structure.</td>
<td>2</td>
<td>5</td>
<td>X</td>
</tr>
<tr>
<td>Poor or inadequate information sharing between individuals or business units responsible for strategy execution.</td>
<td>2</td>
<td>4</td>
<td>X</td>
</tr>
<tr>
<td>Unclear communication of responsibility and/or accountability for execution decisions or actions.</td>
<td>4</td>
<td>5</td>
<td>X</td>
</tr>
<tr>
<td>Poor or vague strategy.</td>
<td>5</td>
<td>2</td>
<td>X</td>
</tr>
<tr>
<td>Lack of feelings of “ownership” of a strategy or execution plans among key employees.</td>
<td>5</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Not having guidelines or a model to guide strategy-execution efforts.</td>
<td>7</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Lack of understanding of the role of organizational structure and design in the execution process.</td>
<td>9</td>
<td>5</td>
<td></td>
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*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

Leadership
- Communication
- Participation

Staff
- Incentives/Controls
- Org Structure
- Capabilities
Summary Actions

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

TOPIC: RISK MANAGEMENT
What is Risk?

“Risk is a function of how poorly a strategy will perform if the ‘wrong’ scenario occurs.”—Michael Porter

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

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.

- 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

<table>
<thead>
<tr>
<th>Financial</th>
<th>Customer</th>
<th>Internal Process</th>
<th>People and Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currency fluctuations</td>
<td>Brand</td>
<td>Product development</td>
<td>Recruitment</td>
</tr>
<tr>
<td>Interest rates</td>
<td>Customer preferences</td>
<td>Supplier dependency</td>
<td>Retention of key employees</td>
</tr>
<tr>
<td>Liquidity</td>
<td></td>
<td>Physical assets</td>
<td>Intellectual property</td>
</tr>
<tr>
<td>Tax</td>
<td></td>
<td>Customer concentration</td>
<td></td>
</tr>
<tr>
<td>Divestments</td>
<td></td>
<td>Health and safety</td>
<td></td>
</tr>
<tr>
<td>Financial markets</td>
<td></td>
<td>Legislative changes</td>
<td></td>
</tr>
<tr>
<td>External factors</td>
<td></td>
<td>Compliance</td>
<td></td>
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<tr>
<td>M&amp;A activity</td>
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Mapping Metrics & Risk Indicators

**Objective**

- Patient access
  - # of patients admitted to the hospital
  - Daily Census (vs. capacity)

- Patient registration
  - Scheduling speed
  - Available appointments
  - Speed and ease of registration
  - Integrity of information captured during registration
  - Correct identification of patient needs (DRG)*

- ED* capacity and flow management
  - Nurse and physician scheduling
  - Bed availability
  - Coordination between admission points and bed management

**Success Factor**

- Patient scheduling

**Operational Driver**

- Knowledge of available system capacity
- Scheduling speed
- Available appointments
- Speed and ease of registration
- Integrity of information captured during registration
- Correct identification of patient needs (DRG)*
- Nurse and physician scheduling
- Bed availability
- Coordination between admission points and bed management

**Performance / Risk Indicators**

- Unit meeting notices (#)
- Time to make appointments (from request)
- Time to 3rd available appointment
- # of scheduling attempts unable to make an appointment
- Unit at capacity
- Time to register patient (ED and DA)
- Patient satisfaction rating with registration
- Customer service training (%)
- # of registration errors
- # of denials from incorrect patient information
- % of time that patients wait for to be seen more than X minutes
- Wait time from the decision to admit a patient from the ED to placement of the patient in an inpatient bed
- # of bed availability updates
- # of available beds
# Taking Action on Risks

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

<table>
<thead>
<tr>
<th>Short-Term</th>
<th>Longer-Term</th>
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<tbody>
<tr>
<td><strong>Outcome:</strong> Adapt existing strategy</td>
<td><strong>Outcome:</strong> Develop a new strategy</td>
</tr>
<tr>
<td><strong>Recommended tools:</strong></td>
<td><strong>Recommended tools:</strong></td>
</tr>
<tr>
<td>– Strategy Review Process</td>
<td>– PESTEL &amp; SWOT</td>
</tr>
<tr>
<td>– KPIs</td>
<td>– Current strategic plan</td>
</tr>
<tr>
<td>– Goal cascading</td>
<td>– Scenario Planning</td>
</tr>
<tr>
<td>– Employee action plans</td>
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Tap into the Wisdom of the Crowd

Any insights you would like to share related to on of today’s topics?

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

- 9am PT on Wed, May 26th
- Send in questions for the next Strategy Huddle to admin@mystrategicplan.com (reference the Strategy Huddle in the subject line)
- Interested in sharing/presenting a best practice as a Strategy Leader? (reference the Strategy Huddle in the subject line)
- Follow us on Twitter @MyStrategicPlan
- 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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