Being strategic is the end, planning is merely the means.
ONSTRATEGY BY THE NUMBERS

In the past three years we have...

- Managed 100+ strategic planning processes
- Deployed 800+ strategic management systems
- Built consensus and commitment with 3,000+ executives, managers, boards
- Empowered 1 million+ strategists & soon-to-be strategists

ONSTRATEGY OVERVIEW

Create Strategy Faster(er)  Empower the Team  Manage Execution
AGENDA

1. How and why having a strategic plan is critical to your organization’s sustainability
2. The key elements of a strategic plan
3. A schedule and process to develop your plan
4. Your Success Checklist for using OnStrategy

Our Strategy Management Process

Determine Position
- Strategy Issues: Identify strategic issues to address
- Industry & Market Data: Identify market opportunities and threats
- Customer Insights: Access current satisfaction and future demand
- Employee Input: Determine strengths and weaknesses
- SWOT: Synthesize the data into summary SWOT Items

Develop Strategy
- Mission: Determine your organization’s core purpose
- Values: Identify your core beliefs
- Vision: Create an image of what success looks like in 5 years
- Competitive Advantages: Identify your unique position
- Org. Wide Strategies: Establish the approach for how you will succeed
- Long-Term Objectives: Develop a 3 year balanced framework of 6 or less objectives
- Forecast: Develop a 3-year financial projection

Use SWOT: Process the SWOT to set priorities

Organizational Goals: Set short- to mid-term SMART (goal, due by)

KPIs: Select key performance indicators to track progress

Department Goals: Cascade org goals to departments (2x monthly)

Team Member Goals: Cascade dept. goals to individuals

Budget: Align a one-year budget with the plan

Rollout: Communicate strategy to whole organization

Set Calendar: Establish schedule for progress reviews

Leverage Tools: Team team to use MyStrategyPlan

Adapt Quarterly: Hold progress reviews and modify

Update Annually: Review end of year plan next year

Impact

WHY HAVING A STRATEGIC PLAN IS CRITICAL TO YOUR SUSTAINABILITY

Why plan? What does it do for your organization?
STRATEGIC PLANNING MEANS DIFFERENT THINGS TO DIFFERENT PEOPLE.

Articulated Plan = Having a Plan
- Mission, Vision, Goals, Actions, and KPIs for the next 24-36 months

Strategic Differentiation = Having a Strategy
- A unique value proposition developed from a clear understanding of market position and customer needs.

Organizational Engagement = Managing Strategically
- Everyone knows the strategic direction, understands their role and commits to accountability with an execution/governance process in place.

Organizational Transformation = Leading Strategically
- Team that is driven by shared values, consistently driving decision making based on the agreed upon strategy with data, structure and systems to support the activity.

OnStrategy
The Key Elements of a Strategic Plan

Consistent, aligned plans starts at the top:

- Vision
- Mission, Values
- Strategies & Long-Term Strategic Objectives
- Annual Goals
- Department Goals
- Individual Goals & Actions

Where?
Why?
What?
What-Outcome?
How-Output?
How?
Establish your processes, schedule and accountabilities

SCHEDULE & PROCESS TO DEVELOP YOUR PLAN

PLANNING TEAM

Determine Position
- Strategy Leader
- CEO
- Planning Team*
- Staff via survey
- Exec Team via survey

Develop Strategy
- Strategy Leader
- CEO
- Planning Team*
- Executive Team
- Board

Build the Plan
- Strategy Leader
- CEO
- Planning Team*
- Executive Team
- Managers
- Individual Contr.

Manage Performance
- Strategy Leader
- CEO
- Executive Team
- Managers
- Individual Contr.
- Board

* Ideal Planning Team: Strategy Leader, CEO, CFO, VP of HR, Board Pres.

OnStrategy
PLANNING & EXECUTION PROCESS

1. Why do we exist?
2. How will we behave?
3. Where are we going?
4. How will we succeed?
5. What is most important right "now"?
6. Who must do what?
7. How will we know we are progressing?

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PLANNING SCHEDULE

<table>
<thead>
<tr>
<th>Getting Started</th>
<th>Month 1</th>
<th>Month 2</th>
<th>Month 3</th>
<th>Month 4</th>
<th>Month 5</th>
<th>Month 6</th>
<th>Month 7</th>
<th>Month 8</th>
<th>Month 9</th>
<th>Month 10</th>
<th>Month 11</th>
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<td>Phase One</td>
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PHASE 1: DETERMINE POSITION

INTERNAL - STRENGTHS/WEAKNESSES

<table>
<thead>
<tr>
<th>Capabilities:</th>
<th>Resources:</th>
<th>Processes:</th>
<th>Current Customer:</th>
<th>Other:</th>
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<tbody>
<tr>
<td>Human</td>
<td>Financial</td>
<td>Operational</td>
<td>Customer mix</td>
<td>Technology management</td>
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<tr>
<td>Organizational</td>
<td>Physical</td>
<td>Customer</td>
<td>Satisfaction</td>
<td>Communication</td>
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<td>Knowledge</td>
<td>Intangible</td>
<td>management</td>
<td>Loyalty</td>
<td>Productivity</td>
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</table>

<table>
<thead>
<tr>
<th>Current value chain</th>
<th>Strength of your value prop</th>
<th></th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Customer Value chain</th>
<th>Strength of your value prop</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty</td>
<td>Strength of your value prop</td>
</tr>
</tbody>
</table>

5/9/2014
# External - Opportunities/Threats

<table>
<thead>
<tr>
<th>Operating Environment:</th>
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<tbody>
<tr>
<td>Political/legal</td>
</tr>
<tr>
<td>Environment</td>
</tr>
<tr>
<td>Social</td>
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<tr>
<td>Technological</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Industry:</th>
</tr>
</thead>
<tbody>
<tr>
<td>New competitors</td>
</tr>
<tr>
<td>Substitute products</td>
</tr>
<tr>
<td>Power of suppliers</td>
</tr>
<tr>
<td>Power of buyers</td>
</tr>
<tr>
<td>Competitive rivalry</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Market:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growing, shrinking</td>
</tr>
<tr>
<td>Size of markets</td>
</tr>
<tr>
<td>New markets</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Competitors:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Who they are</td>
</tr>
<tr>
<td>Strengths, weaknesses</td>
</tr>
<tr>
<td>Strategies</td>
</tr>
</tbody>
</table>
PHASE 2: DEVELOP STRATEGY

MISSION STATEMENT OVERVIEW

What is our purpose?
Why do we exist? What do we do?

Definition:
The mission statement describes an organization’s purpose or reason for existing.

Outcome:
A short, concise, concrete statement that clearly defines the scope of the organization.
VALUES STATEMENT OVERVIEW

How will we behave?

Definition:
Your values statement clarifies what your organization stands for, believes in and the behaviors you expect to see as a result.

Outcome:
Short list of 5-7 core values.

VISION STATEMENT OVERVIEW

Where are we going?

Definition:
A Vision Statement defines your desired future state and provides direction for where we are going as an organization.

Outcome:
A picture of the future
COMPETITIVE ADVANTAGE OVERVIEW

What are we best at?

**Definition:**
A characteristic(s) of an organization that allows it to meet their customer’s need(s) better than their competition can.

**Outcome:**
A list of 2 or 3 items that honestly express the organization’s foundation for winning.

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**Competitive Advantage – Building**

**Unique Strengths**
What you do well

**Core Competencies**
What you do better than your competitors

**Competitive Advantage**
How you provide value
LONG-TERM STRATEGIC OBJECTIVES OVERVIEW

What must we focus on to achieve our vision?
What are the “big rocks”?

**Definition:**
Long-term, broad, continuous statements that holistically address all areas of your organization.

**Outcome:**
Framework for your plan - no more than 6

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BALANCING YOUR STRATEGIC OBJECTIVES

- **Financial**
  Revenue and Expenses

- **Customer**
  Acquire, Retain, Service

- **Internal Processes**
  Operations, IT, Marketing, Sales, PR, Financial, Innovation

- **People & Learning**
  Hire, Retain, Train, Culture
PHASE 3: BUILD THE PLAN

ORGANIZATION-WIDE GOALS OVERVIEW

What is most important right now to reach our long-term objectives?

Definition:
Annual statements that are specific, measurable, attainable, responsible and time bound. These are outcome statements expressing a result expected in the organization.

Outcome:
Clear outcomes for the current year.
**SHORT-TERM GOALS & ACTION ITEMS OVERVIEW**

**Who must do what by when?**

*Definition:*
Functional goals/action items support the accomplishment of the annual objectives and align with individual performance plans.

*Outcome:*
Goals at the manager and individual level that clearly explain who is doing what by when with a clear deliverable.

**GOAL CASCADING**

<table>
<thead>
<tr>
<th>Number</th>
<th>Level</th>
<th>Who is responsible</th>
<th>Time Frame</th>
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<tbody>
<tr>
<td>1</td>
<td>Long-Term Strategic Objective</td>
<td>Not assigned - far reaching and very broad</td>
<td>3-5 years</td>
</tr>
<tr>
<td>1.1</td>
<td>Corporate Goal</td>
<td>Corporate-wide - not assigned</td>
<td>18-24 months</td>
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<tr>
<td></td>
<td></td>
<td>Must have Target and Measure (KPI)</td>
<td></td>
</tr>
<tr>
<td>1.1.1</td>
<td>Department Goal</td>
<td>Assigned to Department responsible for seeing this goal completed.</td>
<td>12-18 months</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Must have Target &amp; Measure</td>
<td></td>
</tr>
<tr>
<td>1.1.1.1</td>
<td>Team Member Goal</td>
<td>Assigned to Team Member responsible for seeing this goal completed.</td>
<td>6-12 months</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Must have Target &amp; Measure</td>
<td></td>
</tr>
<tr>
<td>1.1.1.1</td>
<td>Team Member Action</td>
<td>Assigned to Team Member responsible for seeing this action completed. Short term items only.</td>
<td>30, 60, 90 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Must have Target &amp; Measure</td>
<td></td>
</tr>
</tbody>
</table>

*OnStrategy*
KEY PERFORMANCE INDICATORS OVERVIEW

How will we measure our success?

Definition:
Key Performance Indicators (KPI) are the key measures that will have the most impact in moving your organization forward. We recommend you guide your organization with measures that matter.

Outcome:
5-7 measures that help you keep the pulse on your performance

PHASE 4: MANAGE PERFORMANCE
### SETTING UP FOR EFFECTIVE EXECUTION

1. Narrow the focus - select high priority goals.
2. Empower the team to act on lead measures.
4. Create a cadence of accountability.

### MAKE SURE THAT ALL STAKEHOLDERS GET THE RIGHT INFORMATION NEEDED TO EXECUTE.

<table>
<thead>
<tr>
<th></th>
<th>Strategy</th>
<th>Execution</th>
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</thead>
<tbody>
<tr>
<td>Public, citizens, customers</td>
<td>Websites, summary Sheets</td>
<td>Newsletters, Press Releases</td>
</tr>
<tr>
<td>Board</td>
<td>Executive Summary</td>
<td>KPI Dashboard</td>
</tr>
<tr>
<td>Senior Staff</td>
<td>Full Strategic Plan</td>
<td>KPI Dashboard</td>
</tr>
<tr>
<td>Managers</td>
<td>Department Plan</td>
<td>Dept. Dashboard</td>
</tr>
<tr>
<td>Staff</td>
<td>Individual Plan</td>
<td>Action Plan</td>
</tr>
</tbody>
</table>

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SUCCESS CHECKLIST

YOUR SUCCESS CHECKLIST:

- Ensure you have the right plan structure.
- Customize your plan to your organization.
- Take the Strategic Performance Index and identify other assessment tools to help jump start your process.
- Identify and commit to your ideal schedule/timeline.
- Take advantage of all of our resources and trainings.

OnStrategy
GET EXPERTISE WHEN YOU NEED IT
ONE-ON-ONE GUIDANCE FOR THOSE TROUBLE SPOTS IN YOUR PLANNING

mystrategicplan.com/strategic-planning-consulting

Quick Start Coach

Strategy Support

Strategic Plan Review

Customer / Employee Surveys

Plan Set-Up

Execution Workshop

UPCOMING TRAININGS

- Setting Strategic Objectives and Cascading Goals
  May 14 | 12 p.m. PT

- Strategic Planning 101
  May 21 | 12 p.m. PT

- Execution, Execution, Execution
  May 28 | 12 p.m. PT
To view one of our latest white papers titled, “Guide to the Balanced Scorecard”
Go to:
http://mystrategicplan.com/create-a-holistic-strategy/

CONTACT INFORMATION

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