

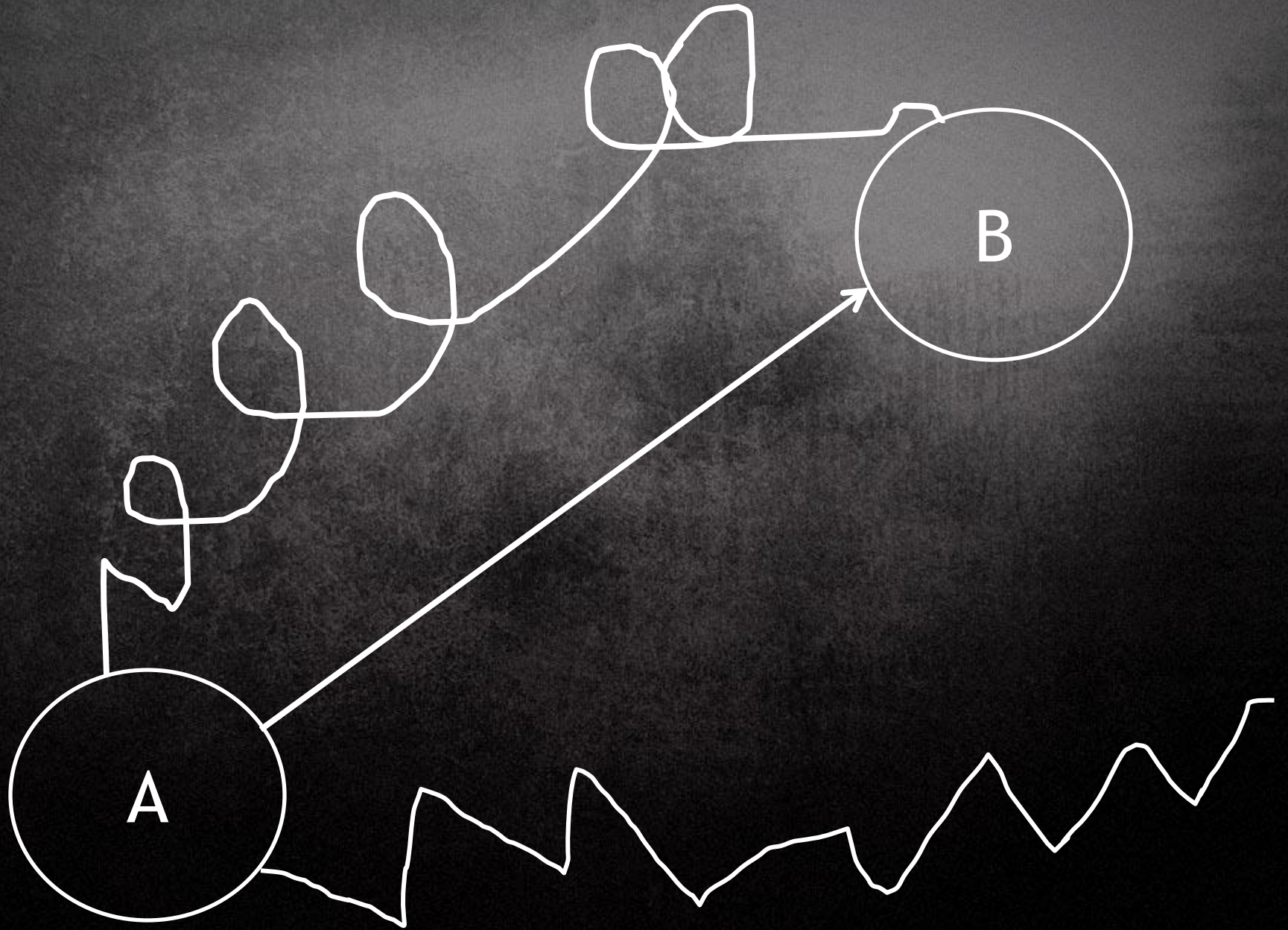
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Session #1: Getting Started

PLANNING PURPOSE

“The real path to greatness, it turns out, requires simplicity and diligence. It requires clarity, not instant illumination. It demands each of us to focus on what is vital and to eliminate all of the extraneous distractions”

- Jim Collins, author



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.

LEADERSHIP & STRATEGY

What sets leaders apart:

Focusing on the future

**Clearly communicating future and people's
stake in that future**

**Where the organization is on the path
from here to there**

BENEFITS OF STRATEGIC PLANNING

- Having clear priorities across the organization
- Connection to the bigger picture & an understanding of why
- Improved communication
- Better organization and link of the system
- Coordinated action across the organization - knowing what others are doing
- Effective leadership
- Working on what matters and is meaningful
- Knowing what is success and how we measure it
- Not everything being urgent all the time -proactive vs.

STRATEGIC PLANNING MATTERS TO THE LIFE OF YOUR ORGANIZATION

95% of the organization doesn't understand strategy

90% of organizations fail to execute their strategies successfully

60% of organizations don't link strategy to budgeting

Organizations that use strategic planning are 12% more profitable

70% of organizations that use a formal process to manage strategy out-perform their peers

Courtesy of the Balanced Scorecard Collaborative

ELEMENTS OF A STRATEGIC PLAN

WHITEBOARD VIDEO

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Overview of the Strategic Planning Process

Strategy means leading your
resources...
...organizing & prioritizing the
short-term focus to reach the
long-term.

WHAT IS STRATEGY REALLY?

Good strategy is characterized by....

- A clear direction and reason for existing
- Diagnosis of the situation/challenge
- Choice of an overall **guiding approach/policy** that directs and constrains action without fully defining its containment. Like guardrails on a highway.
- Design of **coherent, coordinated actions** to address the challenge

Six “Strategy” Questions

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?

CONSISTENT, ALIGNED PLANS STARTS AT THE TOP

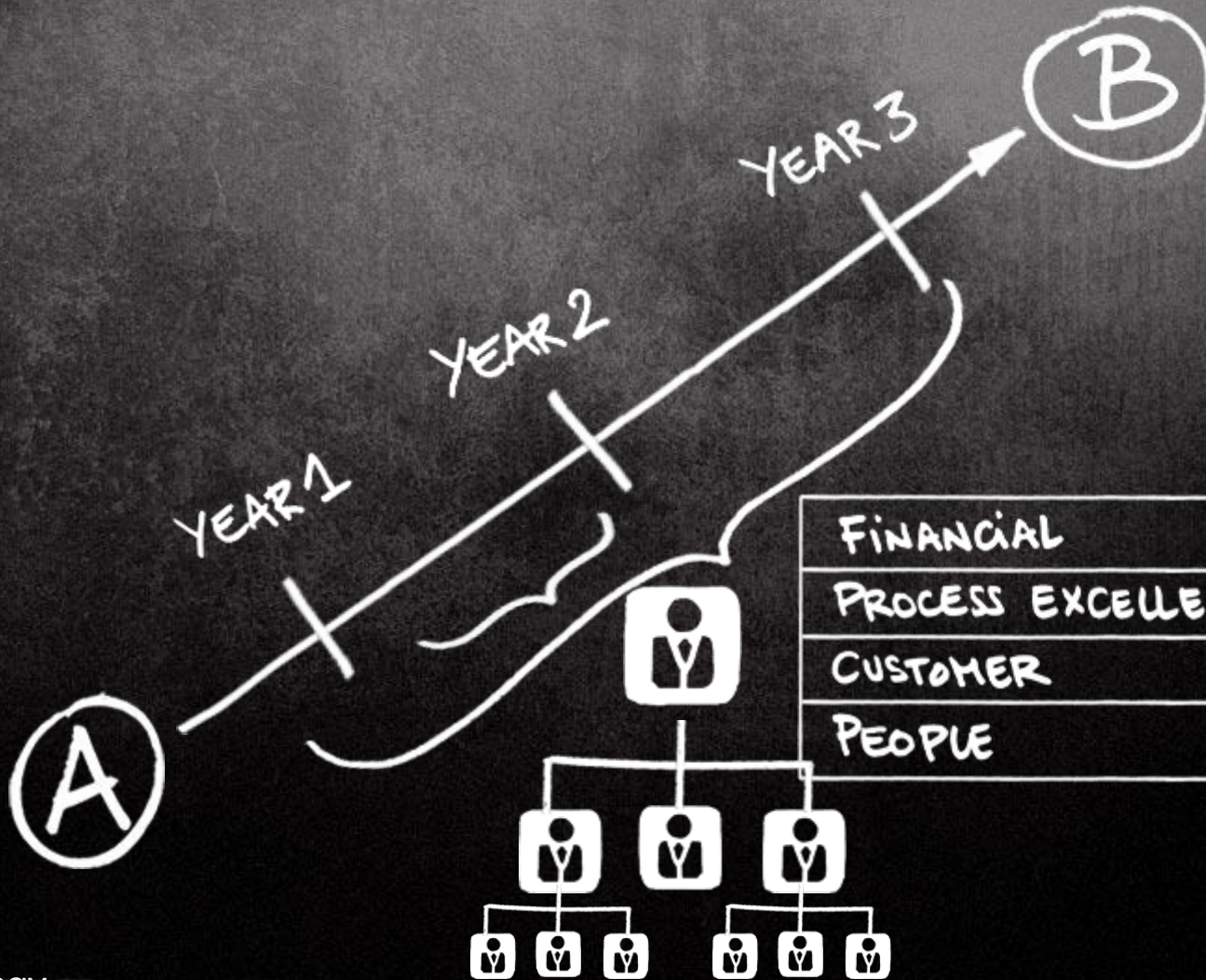


Access your SPI to
help identify your
process.

PLANNING PROCESS



FINANCIAL
PROCESS EXCELLENCE
CUSTOMER
PEOPLE



PLANNING TEAM



Determine
Position



Develop
Strategy



Build
the Plan



Manage
Performance

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

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

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

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

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

STRATEGIC ISSUES

WHITEBOARD VIDEO

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[How to Identify Strategic Issues](#)

STRATEGIC ISSUES DEFINITION

What are we trying to fix,
accomplish or avoid as a result of this
process & plan?

Definition:

Strategic issues are critical unknowns that are driving you to embark on a strategic planning process now. These issues can be problems, opportunities, market shifts or anything else that is keeping you awake at night and begging for a solution or decision.

THE ANATOMY OF A GOOD STRATEGIC ISSUE



EXAMPLES

- What is the best method to meld the different cultures and build a strong team to most effectively deliver on mission?
- How do we build and incorporate consistency in our growth strategies, standardized operating procedures and communications in light of frequent changes in leadership?
- How do we best meet the growing operations and service demands in light of consistent budget cuts?

USING YOUR STRATEGIC PERFORMANCE INDEX

M3 Planning
5,811,416.8

Perform

Overall Strategic Perf

Market Awareness

Depth of Environment

Customer Understand

Understanding the Co

Organizational Vision

Sense of Core Purpos

Embedded Core Value

Crystal Clear Future C

Financial Health

Revenue Growth

Profitability Improvem

Customer Developmen

Customer Acquisition

Customer Retention

Continuous Process I

Innovation & Operati

Technology Capabilit

Execution Readiness

Organizational Comm

Human Capital Manag

People Expertise & Str

Culture of Learning &

Strength of Leadersh

Green (Top Performer)
Yellow (Mid Performer)
Red (Bottom Performer)
Benchmarked against

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Introduction & Purpose

The Strategic Performance Index is a leadership assessment measuring organizational success across key areas of growth, viability and sustainability. Individual strategic competencies are aggregated into a Strategic Performance Index. The index is a measurement of leadership's perspective of strategic performance across six success factors universally recognized as contributing factors essential for effective strategy design, implementation and ongoing performance management. These success factors include specific organizational competencies within: market awareness, organizational vision, financial health, customer development, process improvement and the management of human capital.

Utilizing a survey-based methodology, the Strategic Performance Index and associated Success Factors measure perception across 17 unique Strategic Competency Areas associated with the competencies required for the successful creation and execution of highly-effective organizational strategies. The associated competencies are universal. They are relevant to for-profit companies, non-profit organizations, educational and government entities.

An organization's Strategic Performance Index and measurements across the six Success Factors and underlying Strategic Competencies are used as an effective tool for measuring alignment and dispersion among the perception of an organization's leadership team.

- Is the leadership team aligned on vision, mission and values?
- Is there consensus around the organization's competitive advantages and its ability to identify, retain, and build customer relationships?

In this capacity, the Index is a vital tool for identifying areas of opportunity, alignment and consensus-building prior to initiating Strategic Planning competencies.

The Strategic Performance Index and associated measurements are also a benchmarking tool. It establishes a benchmark for comparing individual organizational performance against the performance of similar organizations defined by size, industry or trade. As a benchmarking tool, these measurements identify areas of strength and opportunity. The information is a useful starting point and should be combined with additional strategic insight prior to strategy design, including environmental analysis, customer insight, employee insight, market trends and operational considerations.

Jump into your SPI report to identify your strategic issues.

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PLANNING TEAM DISCUSSION POINTS

- How will we grow, stabilize, or retrench in order to sustain our organization into the future?
- How will we diversify our revenue to reduce our dependence on a major customer?
- What must we do to improve our cost structure and stay competitive?
- What is our new value proposition given that our customers are buying substitute products and we have new competitors?
- How and where must we innovate our products and services?
- Our industry is moving toward commoditization; what should we do?

LEADER EVALUATION-DID WE GET IT RIGHT?

Are your strategic issues comprehensive and critical?

- Are you clear about how we intend the organization to be different as a result of this process?
- Did you identify issues, concerns or areas of focus that are external such as customers, market or competitors?
- Did you include at least one issue that is internally facing such as process efficiency, profitability improvement, organizational structure or innovation?

SAVING YOUR DECISIONS

Update your [Strategic Issues here](#).

TEAM PRE-WORK FOR SESSION #2

1. Complete SWOT worksheet.
2. Read pages 6-9 in the Strategic Planning Essentials Guide.