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SESSION #5: BUILDING YOUR
PLAN PART 2

PLANNING SESSION AGENDA

- I. Confirm 2015 Corporate Goals (15-30 mins)
- II. Explain Department and Individual Goal Development Process and Expectations (60 mins)
- III. OnStrategy Training (if applicable) (60 Minutes)
- IV. Wrap Up



PHASE 3: BUILD THE PLAN

Our Strategy Management Process

Impact

Engage, Inspire, Execute.

Getting started:

Planning team

Create schedule

Gather documents



Determine Position



Develop Strategy



Build the Plan



Strategy Issues: Identify strategic issues to address

Mission: Determine your organization's core purpose. Use SWOT: Process the SWOT to set priorities.

Rollout: Communicate strategy to whole organization

Industry & Market Data: Identify market opportunities and threats Values: Identify your core beliefs.

Organizational Goals: Set shortto-mid-term SMART goals. (1+ yr.) Set Calendar: Establish schedule: for progress reviews

Customer Insights: Assess current satisfaction and future demand

Vision: Create an image of what success looks like in 5 years.

KPIs: Select key performance indicators to track progress.

Leverage Tools: Train team to use MyStrategicPlan

Employee Input: Determine strengths and weaknesses.

Competitive Advantages: Solidify your unique position Department Goals: Cascade org goals to departments. (12 months) Adapt Quarterly: Hold progress reviews and modify

SWOT: Synthesize the data into summary SWOT items. Org. Wide Strategies: Establish the approach for how you will succeed

Team Member Goals: Cascade dept. goals to individuals.

Update Annually: Review end of year, plan next year.

Long-Term Objectives: Develop a 3 year balanced framework of 6 or less objectives.

Forecast: Develop a 3-year financial projection.

Budget: Align a one-year budget with the plan.

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GOAL CASCADING

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SHORT-TERM GOALS & ACTION ITEMS OVERVIEW

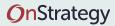
Who must do what by when?

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.



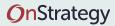
THE ANATOMY OF A GOOD SHORT-TERM GOAL OR ACTION ITEM



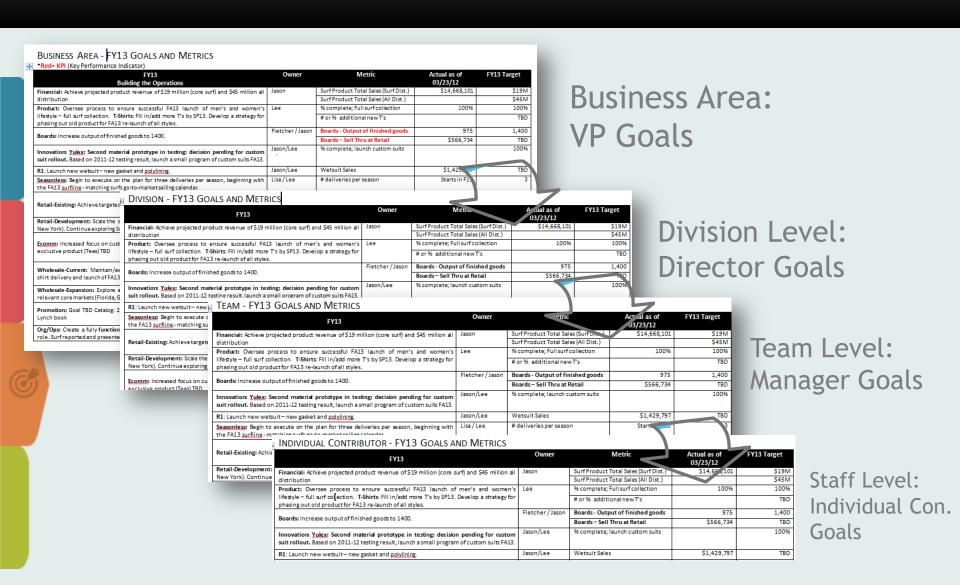


SPREADING GOALS TO DIFFERENT DEPARTMENTS

	DEPARTMENTS							
			Manufacturing	IT	Marketing	HR		
	1.	Improve net income by 10% by 12/31/11.	X		X			
0ALS	2.	Improve customer loyalty by increasing retention by 15% by 12/31/11.	X	Х	Х			
CORPORATE GOALS	3.	Increase employee retention by reducing turnover by 5% by 9/30/11.		X		X		
	4.	Improve operational efficiency through the implementation of an ERP system by 6/30/11.		X				



EVERYONE KNOWS THEIR PRIORITIES





OnStrategy • No cascading, no coordinated action. No coordinated action, no results.

HOW CASCADING GOALS WORK

Reduce waste by 10% across the company by end of 2012.

Manufacturing Dept:

Reduce scrap by 5% from widget production by end of 2011.

Shipping Dept:

Reduce returns resulting from mis-picks by 5% by August 2012.

Administration Dept:

Institute a paper recycling program to reuse scrap paper for in-house printing by end of 2012.



PUBLIC SERVICES DRILLDOWN: SUPPORTS THE STRATEGIC THEMES IN RED

- 1. Ensure a Safe and Secure Community
- 2. Preserve Our Sense of Place
- 3. PROACTIVELY PLAN OUR LAND USE, INFRASTRUCTURE AND CONNECTIVITY. UNITE LAND USE WITH FUNCTION.
- 4. PROTECT OUR NATURAL AND ENERGY RESOURCES.
- 5. FOSTER A VIBRANT ECONOMIC ENVIRONMENT
- 6. OPERATE AN ACCOUNTABLE, RESPONSIVE AND ENGAGED CITY
 GOVERNMENT



PUBLIC SERVICES DRILLDOWN: SUPPORTS THIS CITY-WIDE GOAL

5. FOSTER A VIBRANT ECONOMIC ENVIRONMENT

- 5.1 Re-establish downtown as the City's civic and cultural center.
- 5.2 Actively drive and invest in a regional approach to economic development.
- 5.3 Continue to develop Las Cruces as a tourist destination.



PUBLIC SERVICES DRILLDOWN: DEPARTMENT-SPECIFIC OBJECTIVE

- 5. FOSTER A VIBRANT ECONOMIC ENVIRONMENT
 - 5.2 Actively drive and invest in a regional approach to economic development.
 - 5.2.1 Continued support of MVEDA and its mission.
 - 5.2.2 Update the City's Economic Development Plan.
 - 5.2.3 Promote economic development in the West Mesa Industrial Park and the Airport
- 5.2.4 Continue to promote Las Cruces area as a movie/film OnStrategy

PUBLIC SERVICES DRILLDOWN: TEAM-SPECIFIC OBJECTIVE

- 5. FOSTER A VIBRANT ECONOMIC ENVIRONMENT
 - 5.2 Actively drive and invest in a regional approach to economic development.
 - 5.2.2 Update the City's Economic Development Plan.
 - 5.2.2.1 Offer administrative ease through fast track permitting.
 - 5.2.2.2 Support a competitive utility rate structure.
 - 5.2.2.3 Attract sustainable energy industries.



GOAL CASCADING

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

ENSURE HONEST AND OPEN COMMUNICATION TO DRIVE ALIGNMENT AND MANAGING TO THE PLAN.

A view from the staff perspective:

- Clearly explain the organization's three to five key initiatives. And tell me why.
- Connect the big strategies with what you need me to do differently on "Monday morning, 8 am"—connect with my to-do list.
- Be specific and pragmatic. I need to know exactly what is expected.
- Create excitement and passion.
- Give me resources for at least two to six months (at least the first time).



SAVING YOUR DECISIONS

Update your Goals here.



BUDGET

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METHODS FOR CONNECTING BUDGET TO PLAN

Zero-based budgeting

- Most severe not likely to occur if this is not already part of your management approach
- Best way to align resources to strategic priorities

2. StratEx Budget

- Identification of goals or ideas that are outside of the current budget as "above normal operations"
- Ask managers to identify resources requirements during goal setting in terms of magnitude (\$, \$\$, \$\$\$)

3. Strategic Initiative Budget

- Similar to the above, but the pool of dollars is not distributed to functions, but rather managed as "strategic initiatives"
- Same ask to have managers identify those ideas that are outside of normal ops

4. None of the above



SAVING YOUR DECISIONS

Set your **Budget here**.



TEAM PRE-WORK FOR SESSION #6

1. Read the Phase 4 Guide: Managing Performance.

