

OnStrategy

RUNNING A GREAT STRATEGY
REVIEW

LEADER SESSION AGENDA

- I. Strategy Review Fundamentals (Recap)
- II. Preparing for the Strategy Review
- III. Running the Strategy Review
- IV. Next Steps

PHASE 4: MANAGE PERFORMANCE

Our Strategy Management Process

Impact

Engage. Inspire. Execute.

Getting started: ✓ Planning team ✓ Create schedule ✓ Gather documents



Determine Position

Strategy Issues: Identify strategic issues to address

Industry & Market Data: Identify market opportunities and threats

Customer Insights: Assess 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: Solidify 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.



Build the Plan

Use SWOT: Process the SWOT to set priorities.

Organizational Goals: Set short-to-mid-term SMART goals. (1+ yr.)

KPIs: Select key performance indicators to track progress.

Department Goals: Cascade org goals to departments. (12 months)

Team Member Goals: Cascade dept. goals to individuals.

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



Manage Performance

Rollout: Communicate strategy to whole organization

Set Calendar: Establish schedule for progress reviews

Leverage Tools: Train team to use MyStrategicPlan

Adapt Quarterly: Hold progress reviews and modify

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

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STRATEGY REVIEW FUNDAMENTALS

The monthly or quarterly review meeting is the heartbeat of the strategy management process.

How will we use the plan as a management tool?

Definition:

Implementation is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals.

Outcome:

Synching checking in with your plan into the “rhythm of your business”

COMMON PITFALLS IN IMPLEMENTATION

- Lack of ownership
- Lack of communication
- Getting mired in the day-to-day
- Out of the ordinary
- An overwhelming plan
- Not considering implementation
- No progress report
- No accountability

QUARTERLY STRATEGY REVIEW - OVERVIEW



Core departmental-level leadership team.

Key staff.

Entire senior management team.

No operations review.

Discuss strategic issues (chosen in advance).

** Steps based on an article from Balanced Scorecard Collaborative (BSC) Report,*

December 2006

PREPARING FOR THE STRATEGY REVIEW

THE STRATEGY LEADER'S ROLE

- Create a cadence of accountability
 - Dedicate a standard time for your strategy reviews to create consistency
 - Set up regular alerts and notifications to remind team members of upcoming strategy review sessions
- Communicate expectations clearly
 - When does the plan need to be updated?
 - What information should team members bring?
 - What should team members be prepared to speak to during the session?

THE INDIVIDUAL CONTRIBUTOR'S ROLE

- Communicate progress
 - Update status honestly. Not everything will be green all the time
 - Report on the measure for the month
 - Add comments for context
- Prepare to speak to what's truly important
 - Bring your individual Action Plan
 - Identify the top 3 accomplishments from last month
 - Identify any roadblocks you're facing
 - Identify the main focus areas for next month

RUNNING THE STRATEGY REVIEW

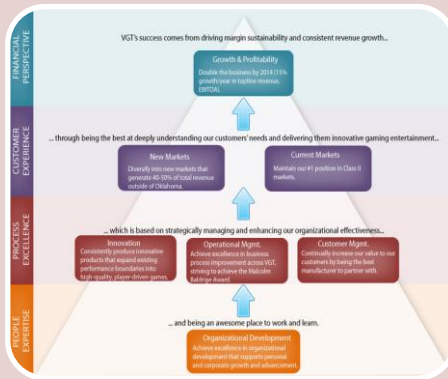
THE STRATEGY LEADER'S ROLE

- Determine meeting structure
 - Function by function or strategic objective by strategic objective?
 - Identify strategic topics to address
- Make progress visible
 - Standard reports or dashboards?
- Focus on the big picture
 - Recap the key takeaways with meeting review questions

STRATEGY SESSION AGENDA

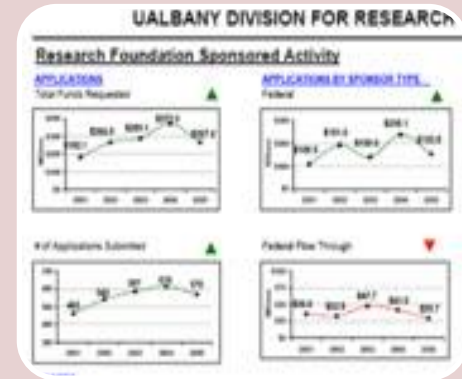
Item	Responsibility & What to Bring
<u>Overview - Clarify the Agenda</u>	CEO
<u>Corporate Scorecard Status</u> 1. Report on corporate KPIs - on and off target	CEO
<u>Dept. or S.O. Scorecard Status:</u> 1. Note accomplishments. 2. Report on status of your goals and measures. 3. Determine steps to get off track items back on track.	Department Manager Bring overall “team action sheet” and “department full plan with status”.
<u>Strategic Issues/Topics:</u> 1. Address any items that came up in the team updates. 2. Discuss (formally or informally) strategic issues in order of critical importance to the business. (Brief the issue, identify alternatives, suggest solutions, identify next action.)	Issue leader Bring issue briefing material
<u>Meeting Review</u>	CEO

MAKE PROGRESS VISIBLE



et Gaming Technologies, Inc.

	Corporate Objectives	Measurements	Targets	YTD	Jan.	Feb.
Financial	11 Increase Net Revenue to meet ECOM Mktg (2%) and ECOM Mktg (2%)	2012 Revenue	\$22,000,000	\$1		
	12 Increase EBITDA to meet \$10MM Mktg (1%) and \$10MM Mktg (1%)	EBITDA Margin	\$10,000,000	\$1		
	13 Pay To Income (Real TDR)	2012 Pay to Income				
Customer	21 Focus on getting the latest tablet and getting the customer experience 2012 games (1000) and 2012 games (1000) and 2012 games (1000)	# of participant games	800	0		
	22 Acquire (death, search and analysis emerging markets) through a formal, regular business development process that supports a growth objective	# of viable markets in the pipeline	2	0		
	23 Expand to other North American Indian Tribal markets (e.g. Ontario, New York, Michigan)	# of tribes				
	31 Maintain Fulgent Migration and protect our equity in the market in early market	# of games in OCM, US				
	32 Invest in R&D (low cost) and protect by additional income relating game placement	# new games (low cost) that are above the floor average (low cost) (1% growth)	20%	0%		
	33 Customer Profitability (increase the average profit of our current product line)	Overall average profit				
Process Excellence	41 Product Development (ensure the 2012 product launch, ensuring timely delivery of essential products)	Average on-time delivery and # of late releases				
	42 Product Management (improve the effectiveness of product management, ensuring that ideas in market)	Conversion rate of ideas and stage gate (1% complete) ROI on new products	100%	0%		
	51 Cost (Process) (improve and improve cost)	Cost savings	\$			



Strategy Map:
Visual Representation of the overall strategy

Scorecard:
Tracks progress of your objectives month-by-month.

Dashboard:
Visual representation of your progress

MEETING REVIEW QUESTIONS

- What were our three most important strategic accomplishments of the last 90 days - how have we changed our field of play in the past 90 days?
- What are the three most important ways we fell short of our strategic potential?
- In the last 90 days, what are the three most important things that we have learned about our strategy? (NOTE: We are looking for insight to decision to action observations.)

STRATEGY LEADER NEXT STEPS

- Schedule your first strategy review
- Clearly communicate expectations to your team
- Develop your strategy review agenda
- Prepare reports/presentation materials
- Repeat