

We will be getting started in just a few minutes.....
While you are waiting, here's a different strategy perspective.



Strategy Huddle™

with MyStrategicPlan

Welcome!

Powered by



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

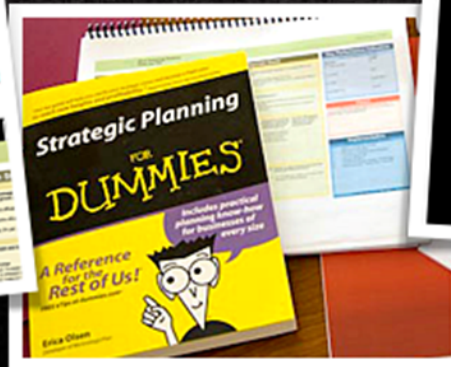
Details

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



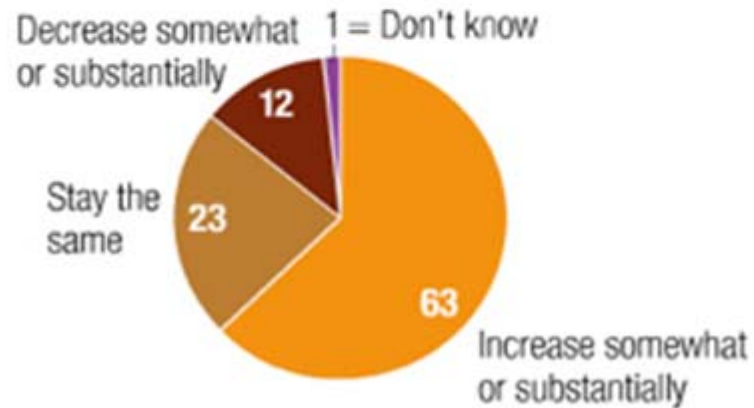
Agenda

- I. Strategy Stat of the Month
- II. Balanced Scorecard Question
- III. Strategy Review Question
- IV. Visiting Strategy Leader
- V. Tap into the Wisdom of the Crowd: Your Questions (Time Permitting)

Role of Government

% of respondents,¹ n = 1,167

How do you expect the government's involvement in your industry to change in the next 3–5 years?¹



Strategy Stat

Source: *How business interacts with government: McKinsey Global Survey results*

What is the Balanced Scorecard and why use it?

USING THE BALANCED SCORECARD

What are some examples you have of putting the Balanced Scorecard to use in your organization?

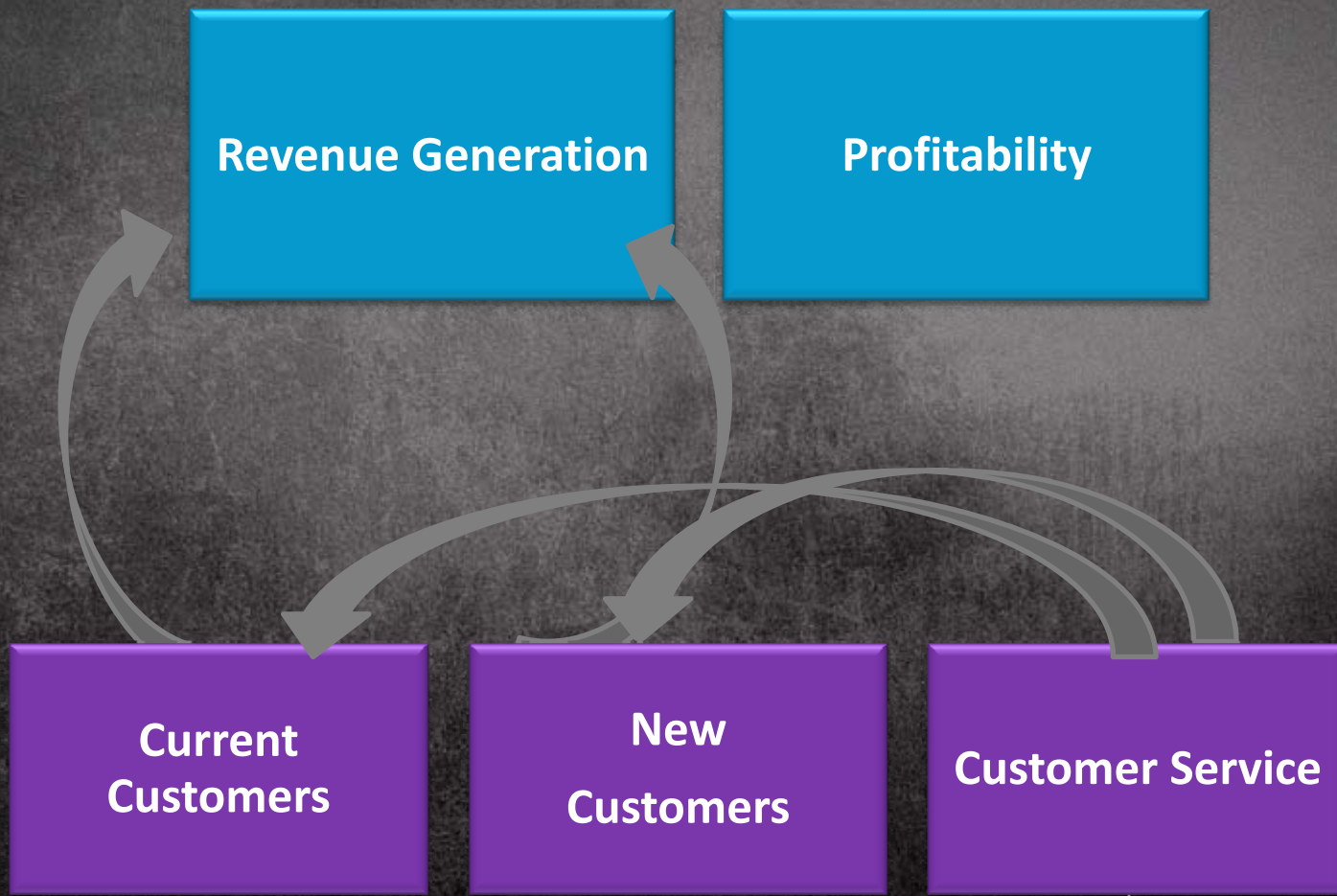
LOOKING AT THE “BALANCE”

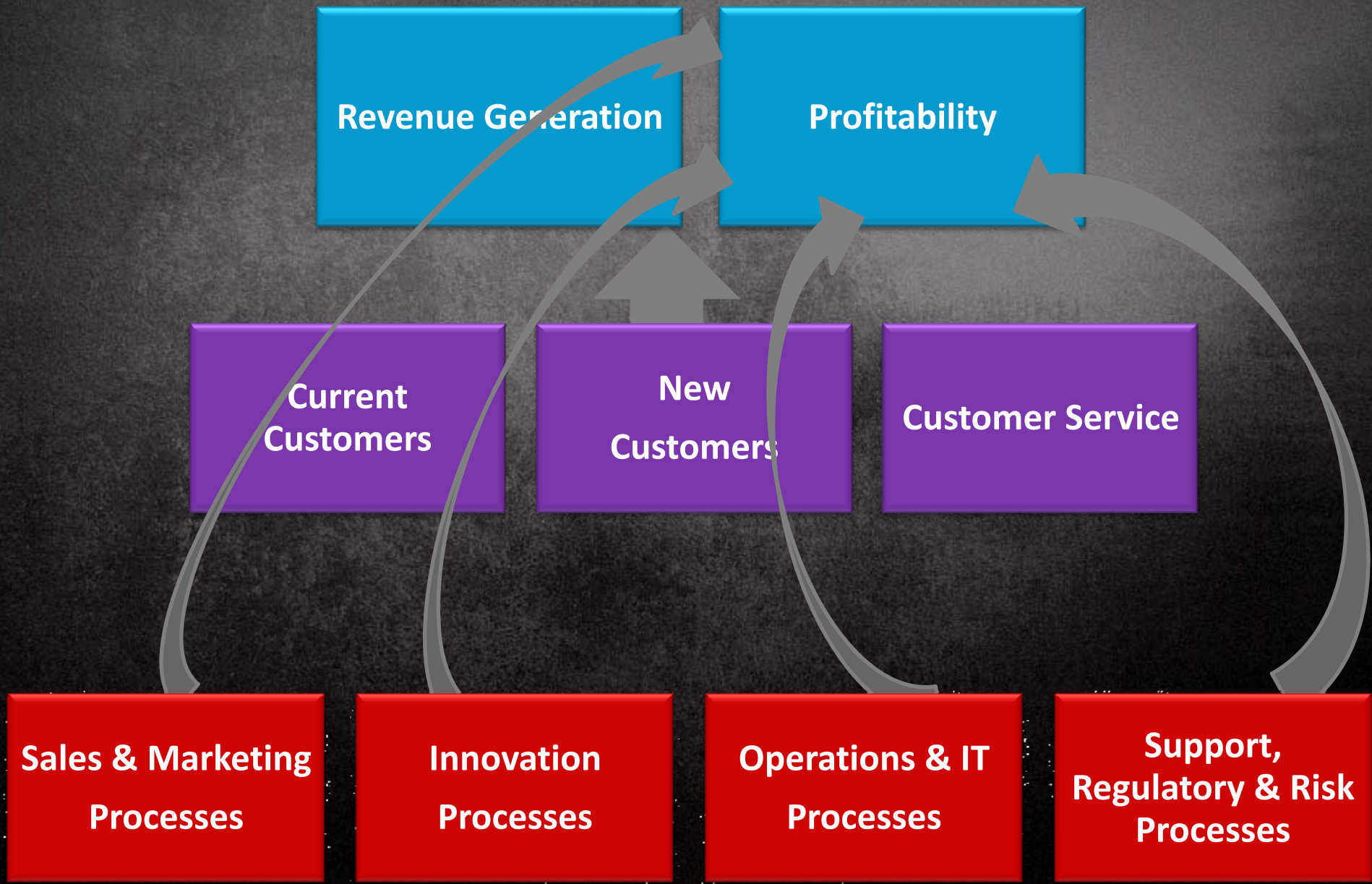
What organizations need to be strategic...



**Revenue
Generation**

Profitability







Revenue Generation

Profitability

Current Customers

New Customers

**Sales & Marketing
Processes**

**Innovation
Processes**

**Operations & IT
Processes**

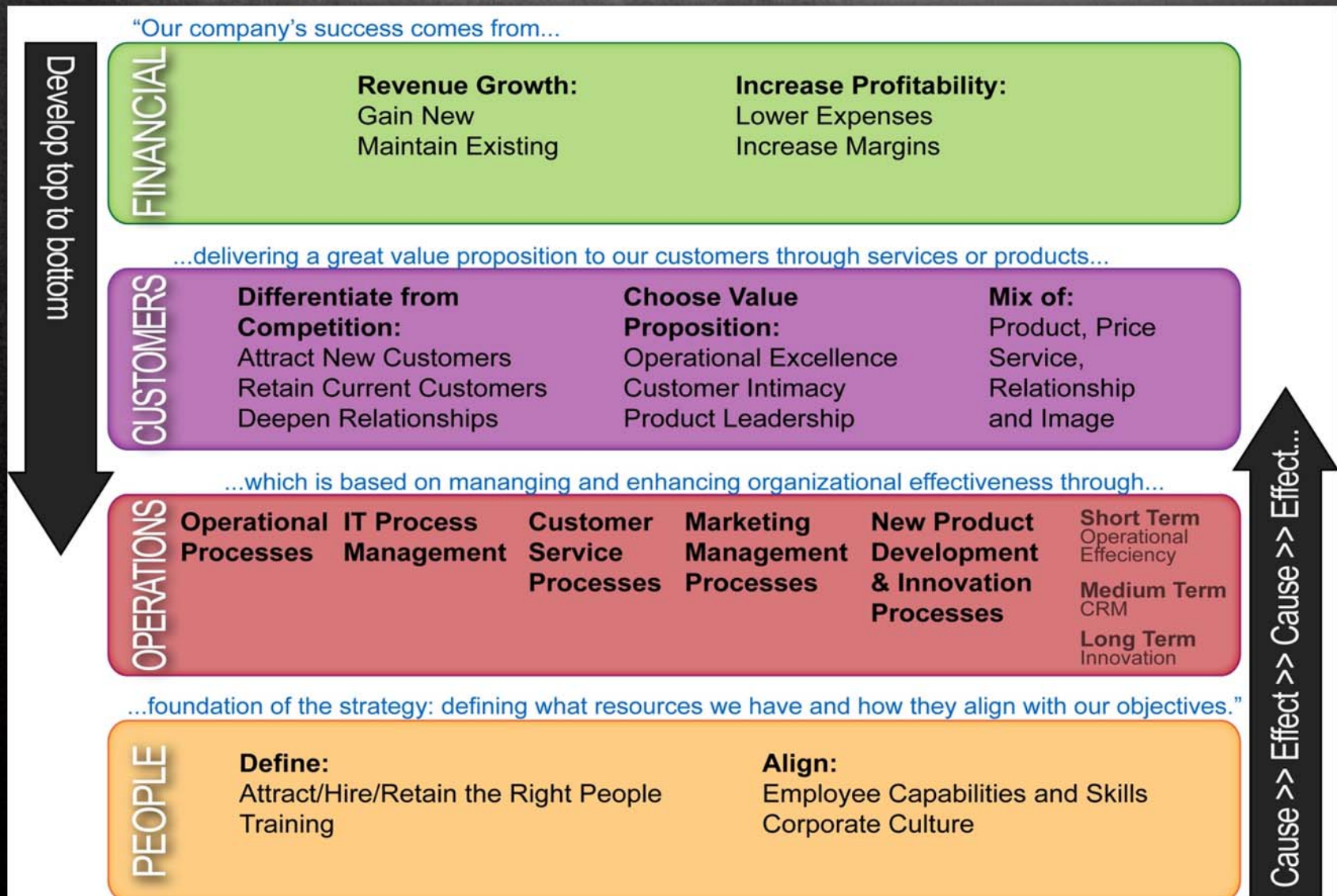
**Support,
Regulatory & Risk
Processes**

**Human Resource
Management**

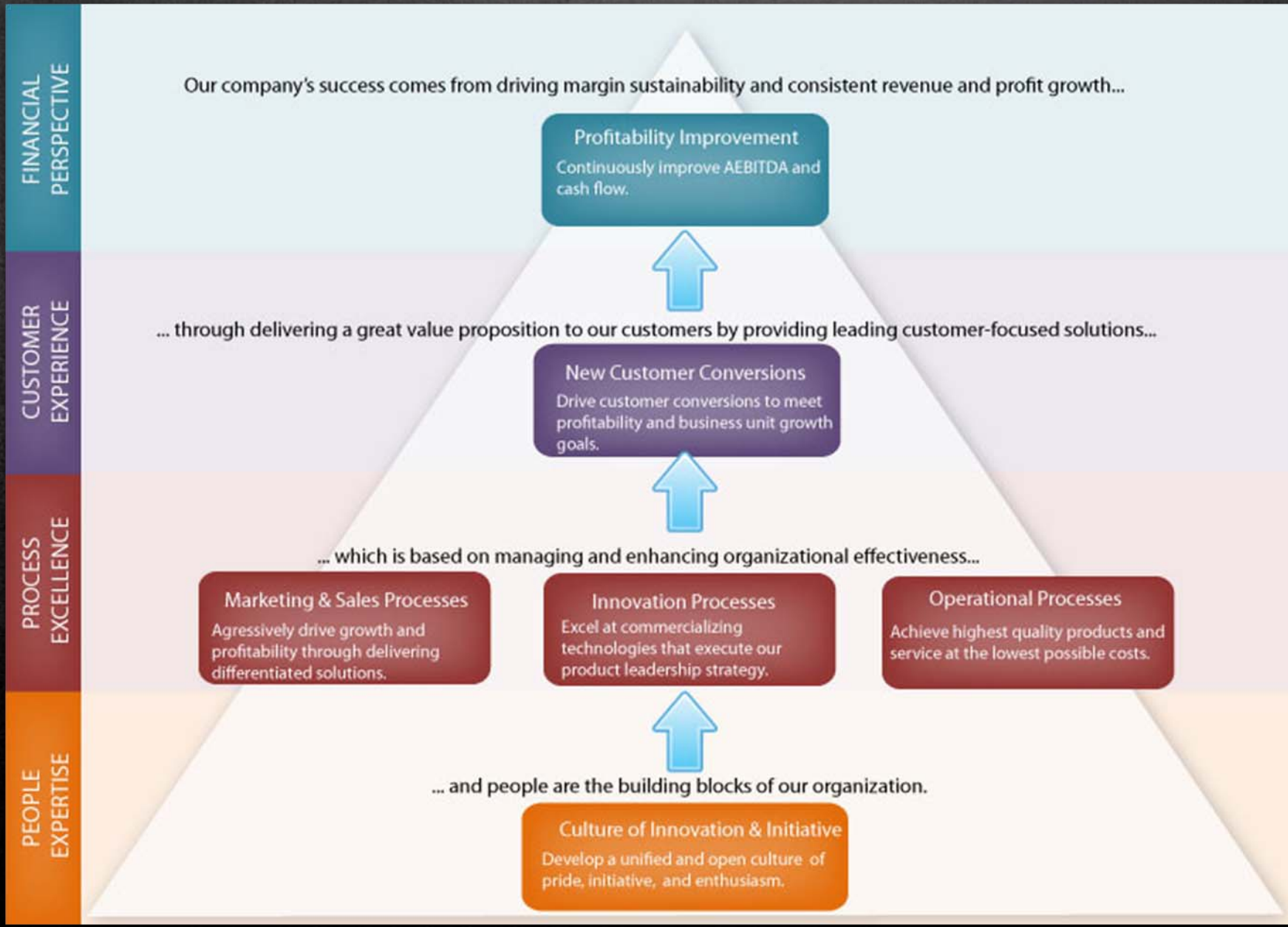
**Knowledge
Management**

**Culture &
Leadership**

Generic Strategy Map



Example — For profit (key initiatives)



City of Fernley - STRATEGY MAP

"Our city's success comes from..."

Develop top to bottom

Financial
Accountability

Ensure fiscal integrity,
stability, and equity of the
City's financial planning.

...defining what resources we have and how they align with our objectives

Community
Well-Being

Enhance, preserve and
maintain our cherished
quality of life.

Enhance the
maintenance and
reconstruction of our
infrastructure.

...delivering a great value proposition to our community through services or products...

Public Safety,
Service and
Citizen
Engagement

Provide outstanding
public safety and service
and promote citizen
engagement.

...which is based on managing and enhancing organizational effectiveness.

Organizational
Excellence

Continue organizational
development with a
"Commitment to
Excellence."

Cause >> Effect >> Effect...

Example #1 - Government

STRATEGY MAP - ND Office of Management & Budget

"Our agency's success comes from..."

Develop top to bottom

STAKEHOLDERS/ OUTCOMES

Informed Stakeholders
 Increased overall Stakeholder satisfaction

State agencies engaged in making North Dakota government great
 Increased engagement from state agencies

...delivering a great value proposition to our stakeholders through services or products...

SERVICES/ PRODUCTS

- Pro-actively enhance external communication**
 - Develop and implement OMB newsletter
 - Continuously enhance OMB website
 - Improve division specific outreach
- Pro-actively provide educational training**
 - Implement new contact orientation
 - Training in specific skills development
- Deliver great Customer Service**
 - Goals TBD at future date

...which is based on managing and enhancing organizational effectiveness through...

INTERNAL

- Improve internal communications**
 - Implement monthly internal newsletter
 - Improve inter-divisional communication
 - Increase internal social gatherings
 - Improve cross-divisional communication
- Improve, upgrade, & leverage technological capabilities**
 - Improve division specific technical capabilities (2007/2009)
 - Improve division specific technical capabilities (2009/20011)
- Streamline processes to add value**
 - Keep surplus property up & running
 - Financial stability/viability of supply & duplication

...defining what resources we have and how they align with our objectives."

PEOPLE AND LEARNING

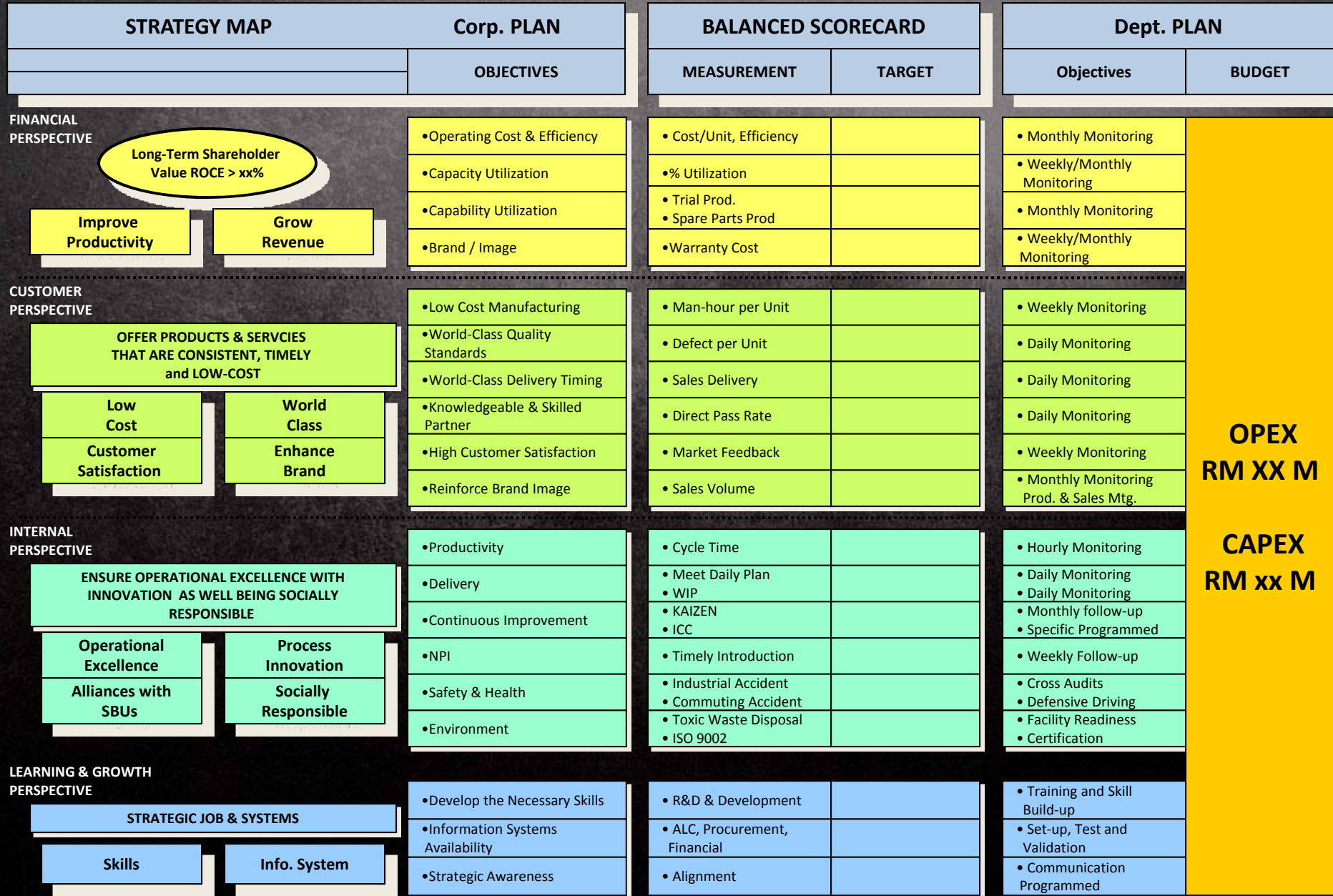
- Develop our workforce**
 - Increase retention & engagement of workforce
 - Revise Classification & Compensation system
 - Enhance professional development training
 - Pro-active hiring & recruiting
 - Develop / implement succession planning

Cause >> Effect >> Cause >> Effect...

Example #2 - Government

LOOKING AT THE “SCORECARD”

From Strategy Map to Scorecard



		Corporate Objectives	Measures	Target
Financial	1.1	Increase total Net Revenue to reach \$222MM willinois (12%) and \$202MM w/out illinois (1-2%)	2010 Revenue	\$222,000,000
	1.2	Increase EBITDA to reach \$116MM willinois (11%) and \$105MM w/out illinois (1-2%)	EBITDA Margin	\$116,000,000
	1.3	Pre-Tax Income Goal: TBD	2010 Pre-tax income	TBD
Customer	2.1	Focus on entering the illinois market and growing the AL market, selling 600 games in illinois and 165 new adds or 300 total games in AL	# of participate games	600 & 300
	2.2	Actively identify, research and analyze emerging markets through a formal, regulatory business development process that supports our growth objectives: ID 2X the market that would support this level of growth.	# of viable markets in the biz dev pipeline	2X the market
	2.3	Expand to other North American Indian Tribes outside of Oklahoma	# units	TBD
	3.1	Maintain Footprint: Maintain and protect our existing footprint in existing markets.	# of games in OK, MX, WS	See sales projections
	3.2	Grow Footprint: Grow current market footprint by additional income enhancing game placement.	# new game placements that are above the floor average win per unit (1% growth)	20%
	3.3	Customer Profitability: Increase the win-per-unit of our current install base.	Overall win-per-unit	TBD% increase from 2009
Internal Process	4.1	Product Development: Execute the 2010 product roadmap ensuring timely delivery of successful products with agreed features set.	Average on-time delivery to end of Alpha, Average on-time delivery through Beta	Within 2-weeks of milestone
	4.2	Product Management: Improve the effectiveness of our product management, moving from idea to market.	Demonstration of use of maps and stage gates (% complete); ROI on new products	100%
	5.1	Core Processes: Formalize and improve core processes to drive quality and innovative operating methods.	Core mapped processes	5
	5.2	Management Systems: Align the corporation through proactive strategic planning and performance management competency by implementing balance scorecards at the department level.	Review of performance on a quarterly basis with senior team.	4
	6.1	Systematically improve customer satisfaction and loyalty.	Satisfaction score from annual survey (mid-year) using quarterly survey as intermediary check-in	TBD% increase from 2009
People	7.1	Human Capital: Attract and train the superior talent to meet the growth requirements of the organization.	Retention	TBD%
	7.2	Knowledge Capital: Foster personal/professional growth by requiring associates to make a professional development commitment to their supervisor as part of an annual performance management process.	Associate survey - career development	68%
	7.3	Organizational Capital: Continuous improvement of a culture of innovation.	Associate survey - culture of innovation	75%
	7.4	Continually improve associate satisfaction.	Associate survey - Associate satisfaction, Voluntary turnover	TBD%

Developing Effective Measures

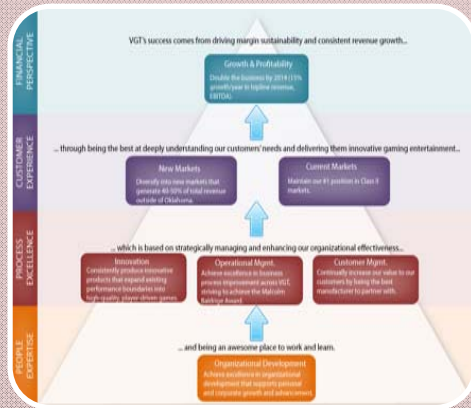
- ⑥ Provide a way to see if our strategy is working
- ⑥ Focus employees', managers' and board's attention on what matters most to success
- ⑥ Provide for employee development so as to empower the team
- ⑥ Explains the outcome we are seeking

Defined ownership
Precise unit of measure
that is verifiable
Specific data collection
frequency
Realistic monthly targets

Types of Measures

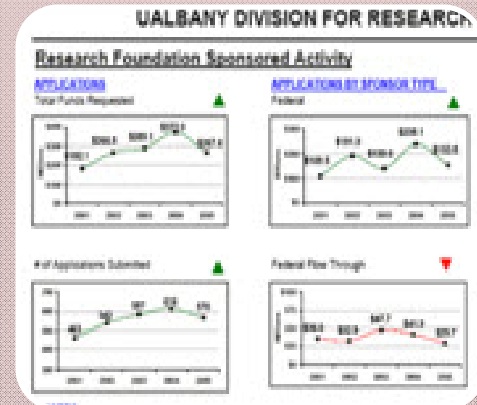
- ⑥ *Quantitative indicators* are numerical terms, such as the percentage of customers who buy widgets every year;
- ⑥ *Practical indicators* interface with existing processes, such as lists of employee capabilities; progress
- ⑥ *Directional indicators* demonstrate improvement or progress (or not), such as comparing last month's sales to this month's;

Putting the pieces together



Gaming Technologies, Inc.

	Corporate Objectives	Measurements	Targets	YTD	Jan.	Feb.
Revenue	1.1 Increase total Net Revenue to reach \$220MM within 12% and \$220MM within 10% 1.2 Increase EBITDA to reach \$100MM within 11% and \$100MM within 10% 1.3 The Top 100s Reg. 100	2010 Revenue EBITDA Margin 2010 Federal Income	\$22,000,000 \$16,000,000	\$0		
Customer	2.1 Focus on entering the Texas market and growing the Alabama market selling 800 games in Florida and 100 new titles in 500 top games in AL. 2.2 Actively identify, research and analyze emerging markets through formal, regulatory business development process that supports our growth objectives. 2.3 Expand to other North American titles in Texas outside of Oklahoma. (Review with Budget Projections) 3.1 Manage Product Migration and provide our existing players a variety of titles. 3.2 Grow Top 100's ownership membership by additional income enhancing game placement. 3.3 Customer Profitability: Increase the web per cent of our current title sales.	# of participation games # of title markets in the biz dev pipeline # of titles # of games in CA, WA, MS	800 2 # 20%	0		0%
Process Excellence	4.1 Product Development: Ensure the 2010 product roadmap ensuring timely delivery of successful products with agreed customer set. 4.2 Product Management: Improve the effectiveness of product management, ensuring that idea to market. 5.1 Core Processes: Formalize and improve core idea to market processes.	Average on-time delivery to end of Alpha. Average on-time delivery through Beta Demonstration of use of case and design gates/ completed management, timing from idea to market. Core management processes	100% 5	0%		0



Strategy

Map:

Visual Representation of the overall strategy

Scorecard:

Tracks progress of your objectives month-by-month.

Dashboard:

Visual representation of your progress

What are some examples you have of putting the
Balanced Scorecard to use in your organization?

Summary Actions

- ✓ Layout your existing goals/objectives in a strategy map to ensure your plan is balanced.
- ✓ Establish corporate measures that can be (ideally) tracked monthly.
- ✓ Determine responsibility for the data gathering.
- ✓ Revise your measures if they are not helping you see your strategy and progress.

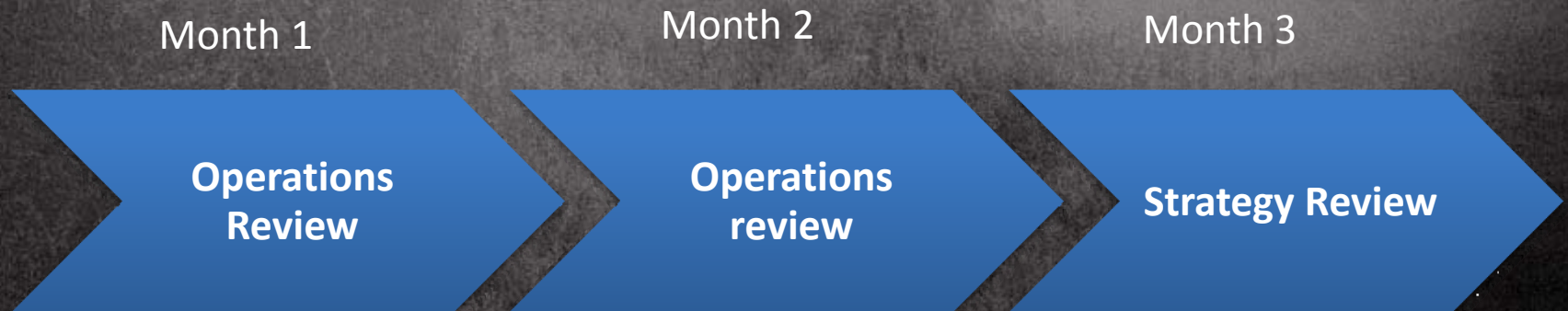
The balanced scorecard should help you tell a strategy story – every month.

How do I run an effective Strategy Review?

RUNNING STRATEGY REVIEWS

Option #1:

Quarterly Strategy Review - Overview



Core departmental-level leadership team.
Key staff.

Entire senior
management team.

No operations
review.

Discuss strategic
issues (chosen in
advance).

Option #1:

Quarterly Strategy Review - Detail

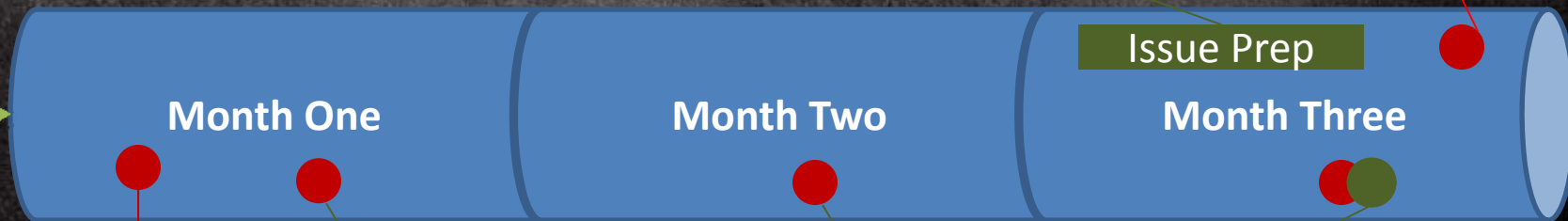
Quarterly Actions

Qtrly Board Report

- Strategy Development
- Strategy Execution

Teams prepare info about 2 strategic issues and external environment review.

Annual Strategy Update



Month One

Month Two

Issue Prep

Month Three

Roll-out (beginning)
Or
Adaptive guidance
(if necessary)

Department
Review
(1-2 hrs)

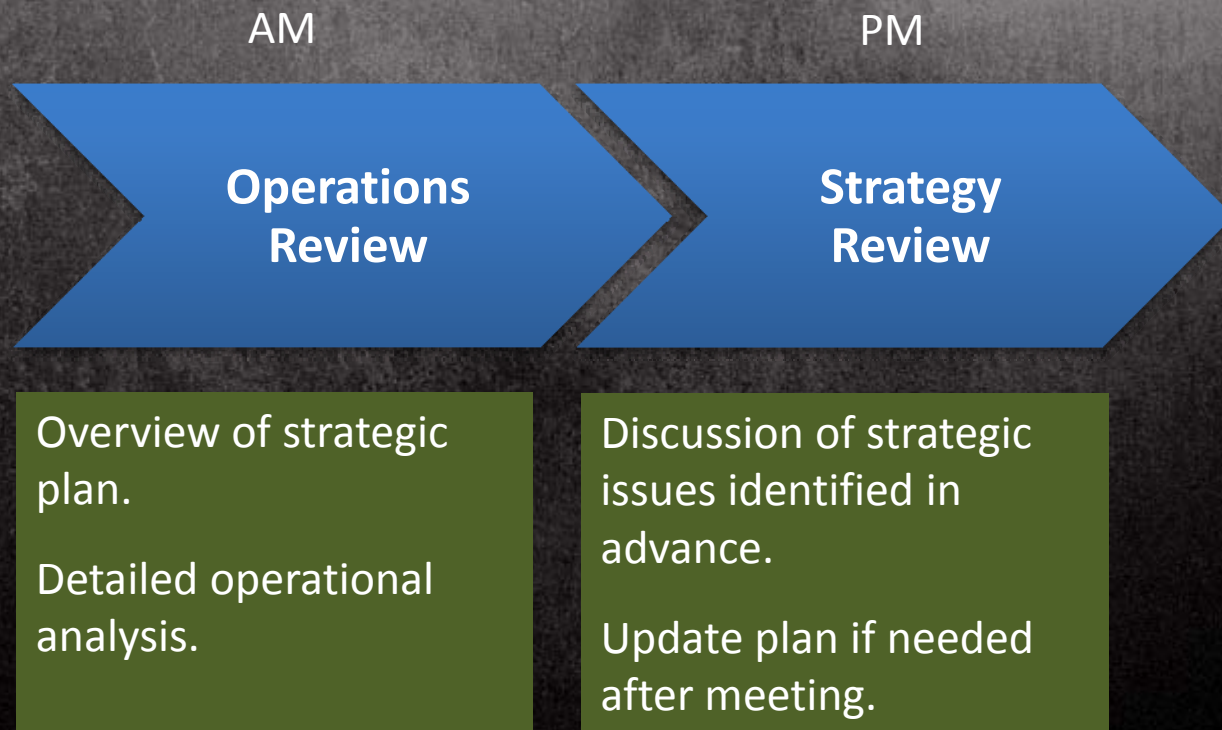
Department
Review
(1-2 hrs)

Senior Management
Quarterly Review
($\frac{1}{2}$ day)
(Decisions on
strategic issues)

If necessary, update
dept. plans and budgets
for next quarter

Option #2:

Senior Management Monthly Strategy Review - Overview

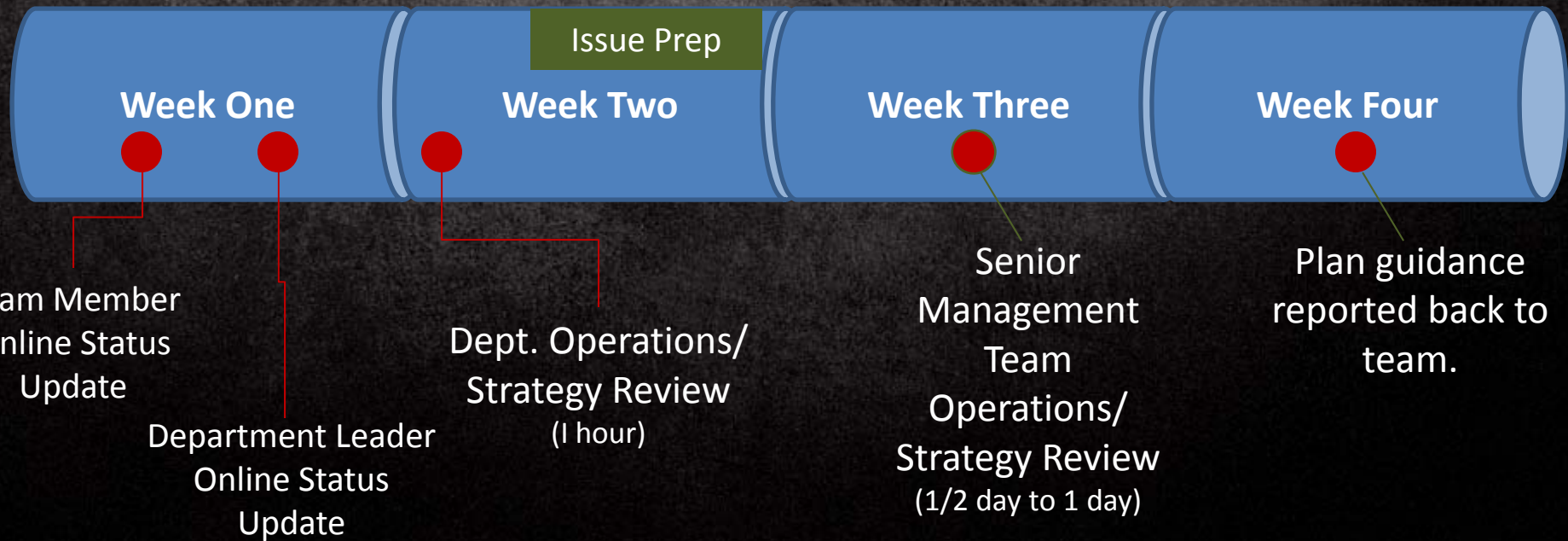


Option #2:

Monthly Strategy Review - Detail

● Strategy Development

● Strategy Execution



Strategy Session Agenda

Item	Responsibility & What to Bring
<u>Overview – Clarify the Agenda</u>	Department Mgr
<u>Corporate Scorecard Status</u> 1. Report on department KPIs – on and off target	Department Mgr
<u>Dept. 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.	Team Leader 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>	Department Mgr

Executive Decision Making Overview

- ⑥ Decision-making requires linkage between information, analysis, and action.
- ⑥ Builds on the organization of as much **information** as possible from as many sources as possible.
- ⑥ A comprehensive planning process that is directed at **one issue at a time to drive toward action.**

Discussion vs. Dialogue= Which mode are we in?

Summary Actions

- ✓ **Pick an option** or a combination of options that work best for your organization
- ✓ **Schedule** your reviews for the year; draft the agenda
- ✓ **Outline the specific data points** and “reports” that need to be prepared by directors/senior leaders
- ✓ Ensure the discussions are exciting not “death by meeting”

The outcome of a good strategy review session is to keep your plan relevant and alive.

Daryl VanderWilt – Project Director
Strengthen Rural Iowa
www.StrengthenRuralIowa.org

VISITING STRATEGY LEADER

Strengthen Rural Iowa (SRI)

SRI Mission: “to build and enhance the capacity of small rural Southern Iowa nonprofit organizations to better serve the region’s most vulnerable citizens.”

SRI Vision: “to be the region’s principal provider of training, technical assistance and collaboration designed to equip and unite nonprofit organizational partners in addressing essential community social needs and economic recovery.”

Time Permitting: Tap into the Wisdom of the Crowd

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

Next Huddle

- 🕒 9am PT on Wed, April 28th
- 📧 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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