

# Strategy Huddle™ with MyStrategicPlan

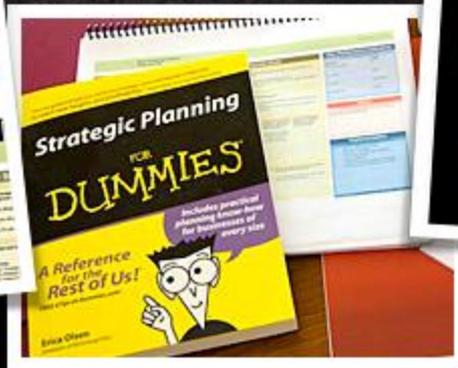
Welcome!

*Powered by*



- 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.

- ⑥ In the past three years we have...
- ⑥ Managed 100+ strategic planning processes
- ⑥ Deployed 800+ strategic management systems (MyStrategicPlan, MyNonprofitPlan, MyChurchPlan)
- ⑥ Built consensus and commitment with 3,000+ executives, managers, boards
- ⑥ Empowered 1 million+ strategist & soon-to-be strategists



## I. Strategy Stat of the Month

**Environmental Scan:** Being strategic is about be proactive to market shifts and trends, even in today's volatile climate. How do you effectively do environmental scanning when resources are tight and numerous initiatives are clamoring for attention?

## II. Environmental Scan – Overview

## III. Environmental Scan – Case Studies

## IV. Environmental Scan – How To

## V. Tap into the Wisdom of the Crowd: Your Questions (Time Permitting)

Once you've got **7 people** in a decision-making group, each additional member reduces decision effectiveness by **10%**,

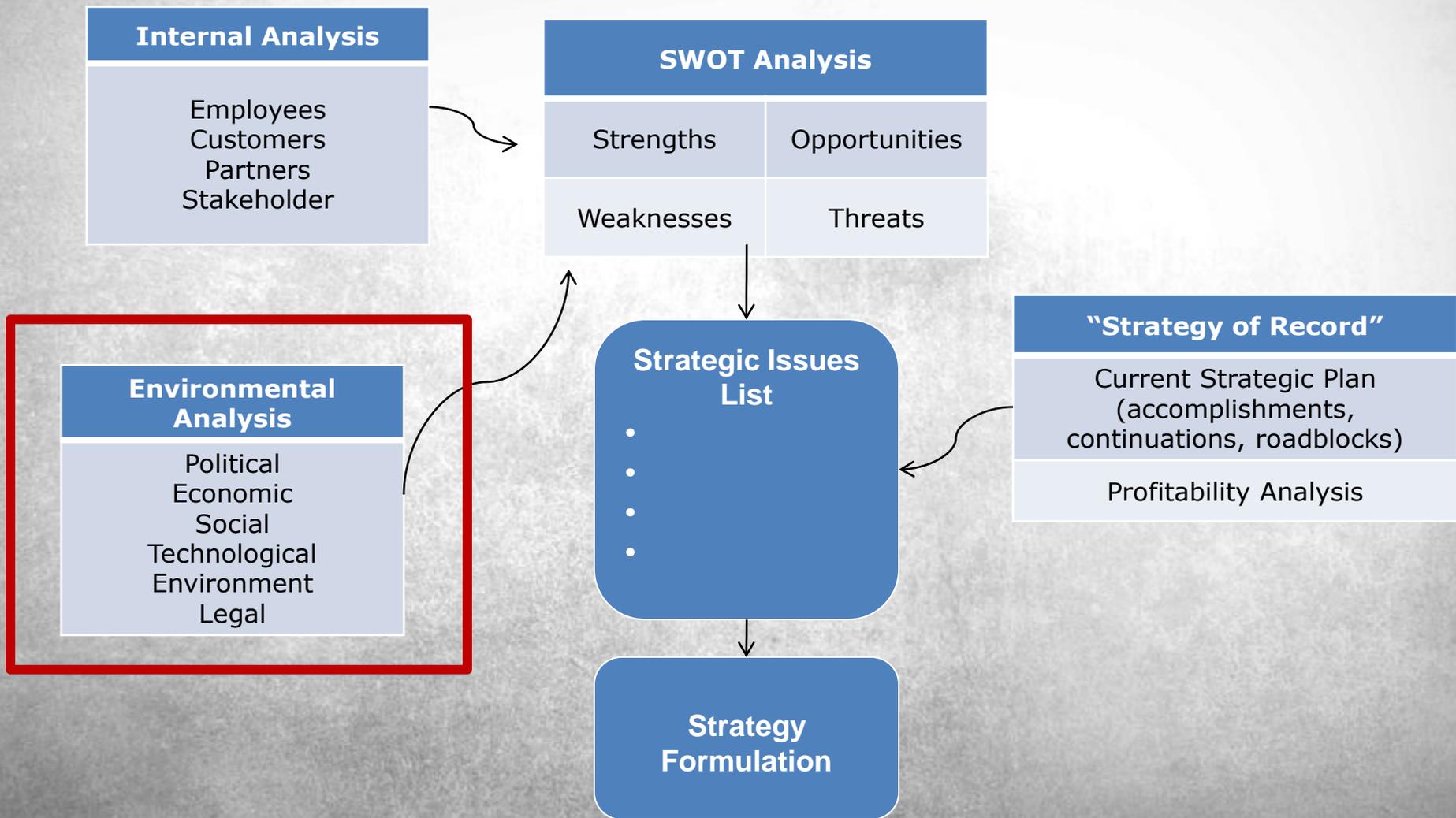
Marcia W. Blenko, Michael C. Mankins, and Paul Rogers, authors of *Decide & Deliver: 5 Steps to Breakthrough Performance in Your Organization*. Thus, a group of **17 or more** rarely makes any decisions

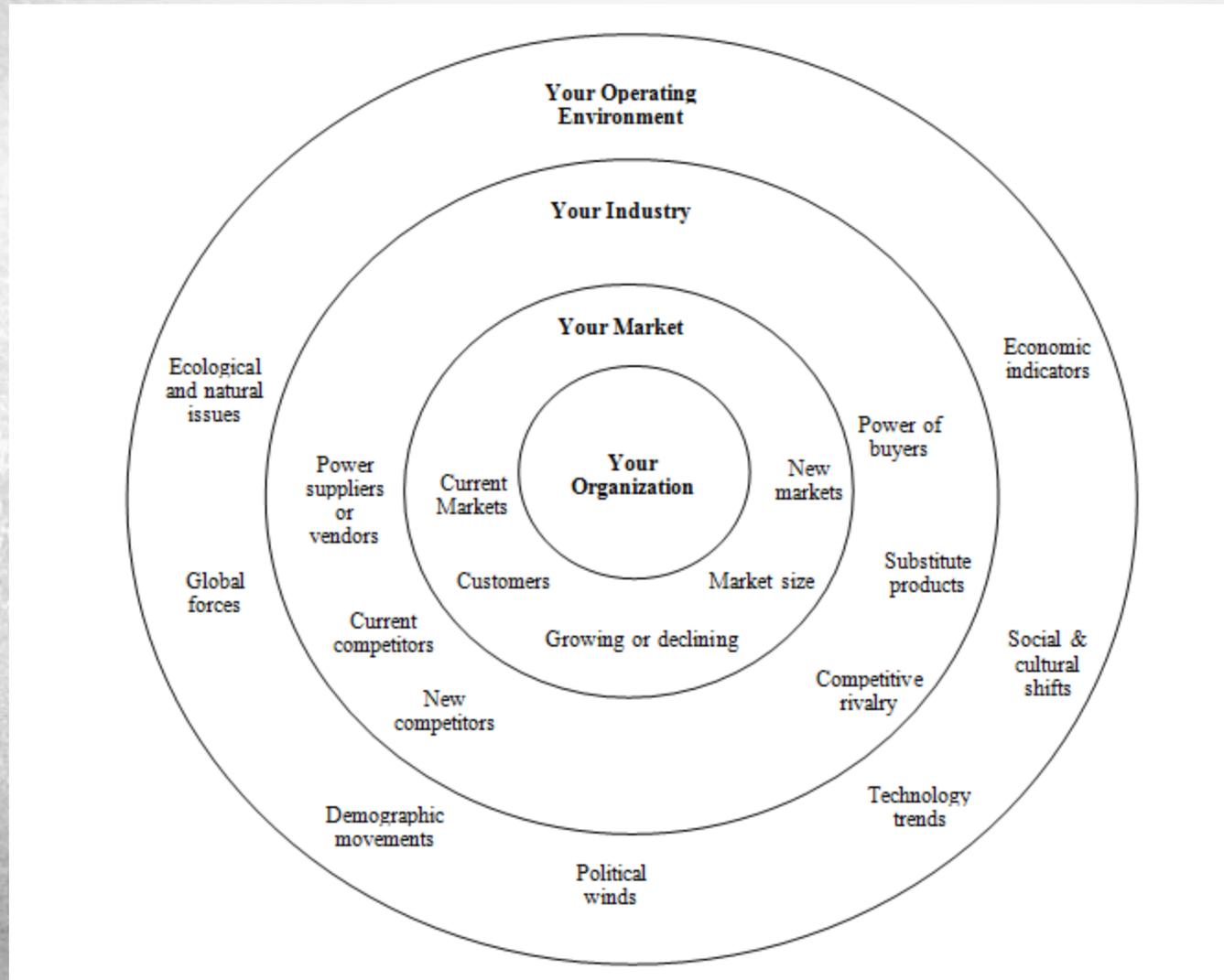
Source: Daily Stat, HBR

**Environmental Scan – Overview:**

**AN ENVIRONMENTAL SCAN  
FRAMEWORK AND AN ONGOING  
PROCESS**

## Using your data to develop your strategy.





## Political:

- ⑥ Government type and stability.
- ⑥ Freedom of press, rule of law and levels of bureaucracy and corruption.
- ⑥ Regulation and de-regulation trends.
- ⑥ Social and employment legislation.
- ⑥ Tax policy, and trade and tariff controls.
- ⑥ Environmental and consumer-protection legislation.
- ⑥ Likely changes in the political environment.

## Economic:

- ⑥ Stage of business cycle.
- ⑥ Current and projected economic growth, inflation and interest rates.
- ⑥ Unemployment and labor supply.
- ⑥ Labor costs.
- ⑥ Levels of disposable income and income distribution.
- ⑥ Impact of globalization.
- ⑥ Likely impact of technological or other change on the economy.
- ⑥ Likely changes in the economic environment.

## Socio-Cultural:

- ⑥ Population growth rate and age profile.
- ⑥ Population health, education and social mobility, and attitudes to these.
- ⑥ Population employment patterns, job market freedom and attitudes to work.
- ⑥ Press attitudes, public opinion, social attitudes and social taboos.
- ⑥ Lifestyle choices and attitudes to these.
- ⑥ Socio-cultural changes.

## Technological Environment:

- ⑥ Impact of emerging technologies.
- ⑥ Impact of Internet, reduction in communications costs and increased remote working.
- ⑥ Research and development activity.
- ⑥ Impact of technology transfer.

- ⑥ GDP (Gross Domestic Product), GNP (Gross National Product) and GNI (Gross National Income)
- ⑥ Growth, trends and cycles
- ⑥ Population, employment, unemployment
- ⑥ Government
- ⑥ Consumers
- ⑥ Investment and savings
- ⑥ Industry and commerce
- ⑥ Balance of payments
- ⑥ Exchange rates
- ⑥ Money and financial markets

**Environmental Scan – Overview:**

**LOOK AT QUICK HIT RESOURCES  
TO KEEP YOU ON TOP OF TRENDS  
AND MEGATRENDS**

## Global Trends

- Aging population
- Immigration and diversity
- Population growth
- Suburban sprawl
- Assimilation (cultural)
- Redefinition of family and role of family

## Consumer Trends

- Age complexity
- Gender complexity
- Life stage complexity
- Income complexity
- Sensory experiences\*
- Connectivity
- Individualism
- Less is more

Source: ISBM Trends 2010 Study

- ⑥ IBIS Reports
- ⑥ 2010 US Census
- ⑥ Local government resources
- ⑥ Small Business Development Centers
- ⑥ Industry Trade Organizations
- ⑥ Business newspapers

**Environmental Scan – Case Study:**  
**REALLY PUTTING YOUR  
ENVIRONMENTAL SCAN TO USE**



## Case Study: UPS – CEO Guidelines

1. Less focus on *perfect* forecasting.  
*"Normally, we spend a lot of time trying to really refine one good forecast, develop a business plan, and hold our people to it. We realize that in today's environment any forecast you make is going to be wrong by the time you make stride."* - Kurt Kuehn
2. Establish a range of possibilities – such as high, mid, low – and plans to operate in those different environments. Make sure to go low enough.
3. Look at ratios instead of a fixed goal. (i.e. revenue to cost)

## Economic Indicator: New housing starts

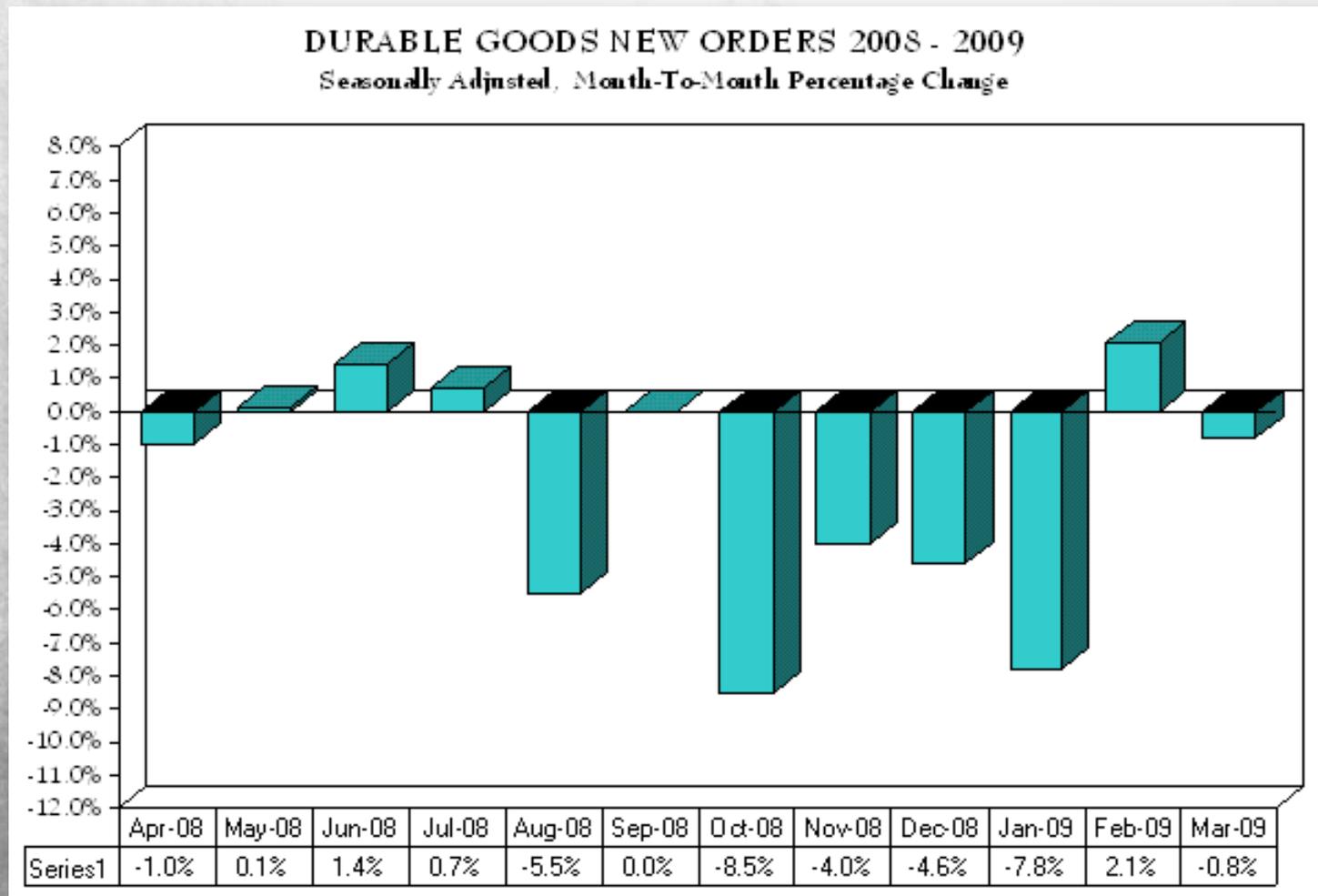
- Lead Time: 6 months
- Current Action: Staff reduction



Source:  
Forecast.org

## Economic Indicator: Durable goods manufacturing

- Lead Time: 10 months
- Current Action: Sales & marketing ramp up



<b>Success Indicators</b>	<b>2006-07</b>	<b>2007-08</b>
Public Perception of Safety		
Progress on Flood Control and Infrastructure Projects		
Fire Insurance Rating		
Open Space Access and Connectivity (Total park acreage required)		
Access to Recreation, Arts, and Culture		
Mobility and Convenience		
Clean Water		
Available Water		
Number of Regional Agreements for Shared Services		
Affordable Housing		

Good	Caution	Falling Behind
		

Success Indicators	2006-07	2007-08
Economic Vitality (Job growth, unemployment rate, sales tax, etc.)		
Taxable Value of Downtowns		
Population Living Downtown		
Citizen Survey: Satisfaction Index		N/A
Number of Citizens Attending Public Events		
Washoe County's Bond Rating		
Budget Growth: Less CPI and Population Growth Ratio		
FTEs Per Capita		
Wellness Program: Employee Participation		
Workforce Development		

Good	Caution	Falling Behind

**Environmental Scan – How To:**

**CREATE AN ENVIRONMENTAL  
SCAN TEMPLATE**

### Narrowing in on Environmental Data

- ⑥ Would you say your company is becoming more effective at meeting customer needs?
- ⑥ Has your company recently implemented a significant innovation campaign or launched numerous small-scale innovation pilots?
- ⑥ Is your company becoming more collaborative with outside firms?

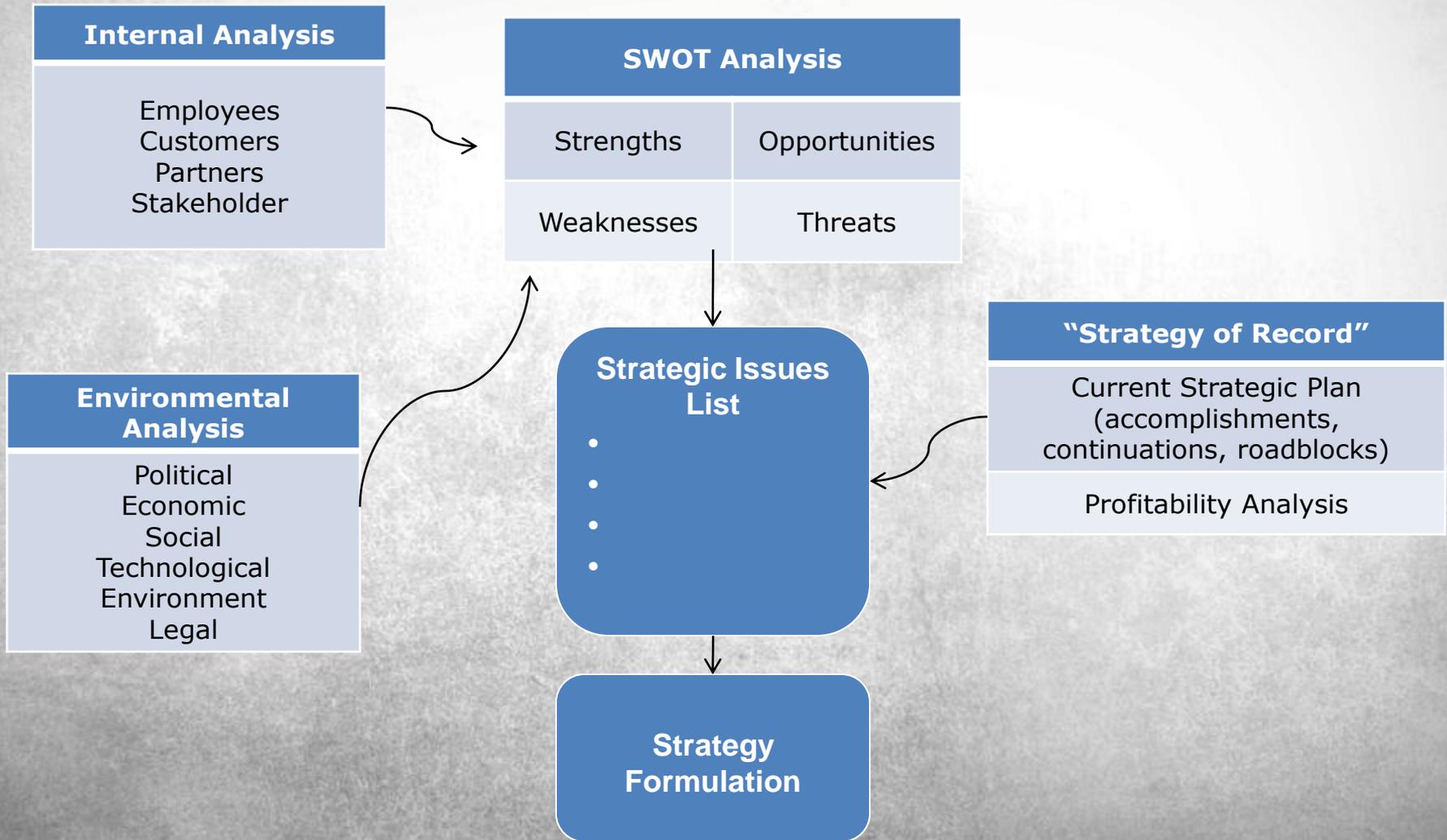
## Forecasting with Environmental Data

1. Identify one to three key economic indicators that are related to your industry. Initially guessing is acceptable. Run a regression analysis to determine causation.
2. Locate the data source and frequency of reporting.
3. Determine the lead time of the indicator on your company.
4. Use the change in the indicator as a variable in your financial forecast.

## Modeling with Environmental Data

1. Determine if you need an effective, dynamic financial model.
2. Determine revenue drivers and potential of 10%, 20%, 30%, 40%, and 50% decrease in revenue.
3. Don't just stop when your cash flow is in the red.
4. Determine key actions you will take at each revenue reduction to return your organization to solvency.

## Driving your strategic analysis



- ⑥ Determine the size and scope of your environmental scanning
- ⑥ Identify a set of 3-5 key environmental indicators that you estimate drive your business
- ⑥ Locate a set of consistent data sources, frequency of release, and validity
- ⑥ Don't' forget to get to the "so what"

Any insights you would like to share related to one of today's topics?

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

- ⑥ 9am PT on Wed, October 27<sup>th</sup>
- ⑥ Send in questions for the next Strategy Huddle to [admin@mystrategicplan.com](mailto:admin@mystrategicplan.com) (reference the Strategy Huddle in the subject line)
- ⑥ Interested in sharing/presenting a best practice as a Strategy Leader? (send email to [admin@mystrategicplan.com](mailto:admin@mystrategicplan.com) and reference the Strategy Huddle in the subject line)
- ⑥ Follow us on Facebook & Twitter @MyStrategicPlan
- ⑥ 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.

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