

OnStrategy

Session #1: Getting Started

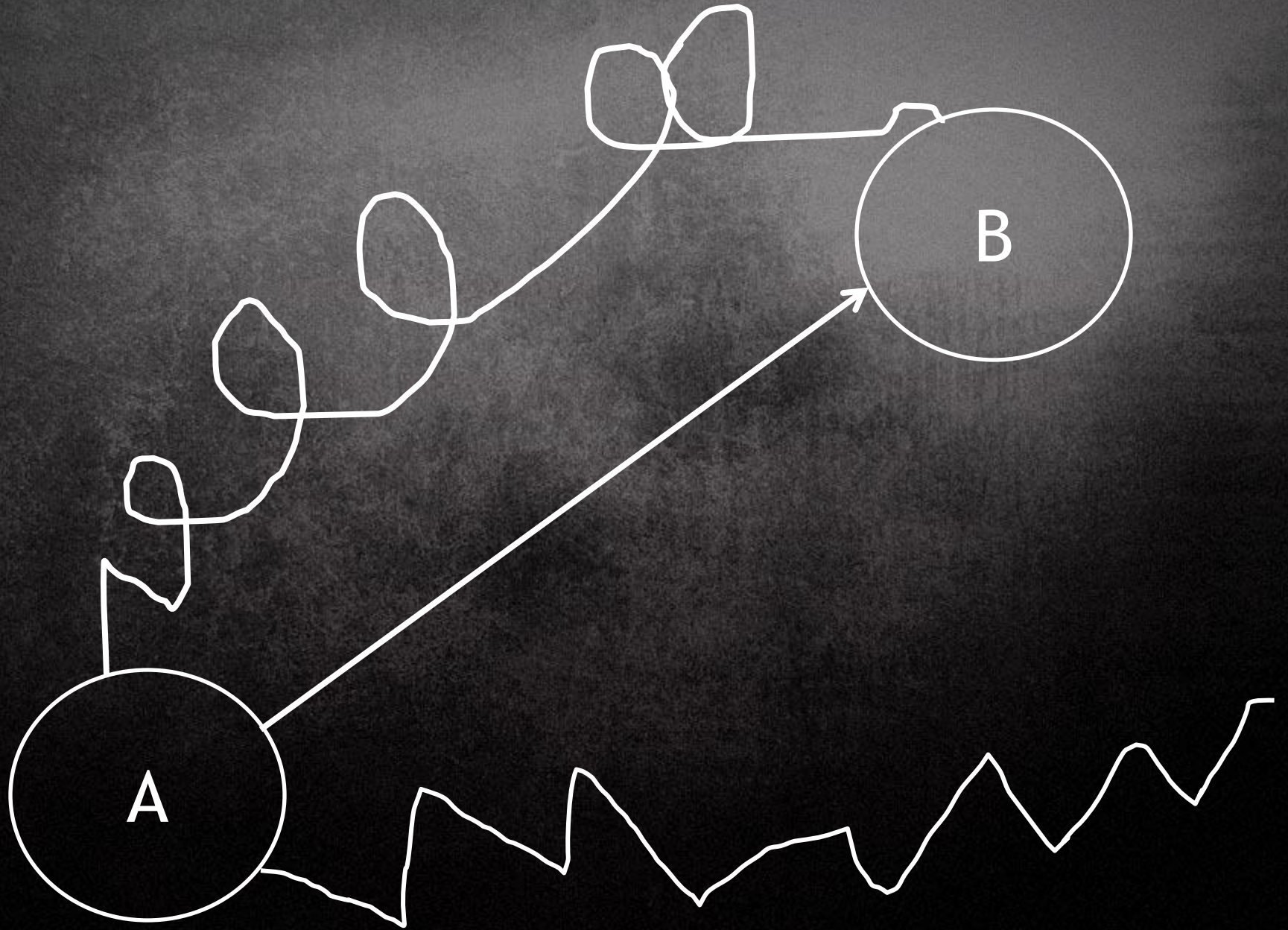
AGENDA

- I. Clarifying the planning purpose/benefits
- II. Elements of a strategic plan
- III. Establishing our planning process & team
- IV. Summarizing your strategic issues

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



STRATEGY MEANS DIFFERENT THINGS TO DIFFERENT PEOPLE

Organizational Transformation

High-performing team that is driven by shared values, consistently driving decision making based on the agreed upon strategy.

Organizational Engagement

Everyone knows the strategic direction, understands their role and commits to accountability.
An budget/execution/governance process is in place.

Strategic Differentiation

A unique value proposition developed from a strong market position and customer needs.

Articulated Plan

Established Mission,
Vision, Goals, Actions,
and KPIs for the next 24-
36 months.

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

CLARITY

55% of managers can't name one of their organization's top five priorities

FOCUS

92% of employees have difficulty prioritizing strategic activities

ALIGNMENT

40% believe they have poor vertical alignment of strategy tied to goals

CONFIDENCE

Credibility
+
Vision

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

Elements of a Strategic Plan

1. What does success look like? (Vision)
2. Why do we exist? (Mission)
3. How will we behave? (Values)

SWOT: Diagnosis of the current situation

4. How will we succeed? (Strategic Objectives)
5. What is most important right “now”? (Initiatives)
6. How will we measure success? (KPIs)
7. Who must do what? (Tactics)

CONSISTENT, ALIGNED PLANS STARTS AT THE TOP



Complete the SPI to
help identify your
priorities.

PLANNING PROCESS

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 organizational goals to departments. (12 months)

Team Member Goals: Cascade department 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

Review Quarterly: Hold progress reviews

Reference your custom planning process.

PLANNING SCHEDULE

| | Month 1 | Month 2 | Month 3 | Month 4 | Month 5 | Month 6 | Month 7 | Month 8 | Month 9 | Month 10 | Month 11 | Month 12 |
|-----------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|----------|
| Getting Started | Grey | | | | | | | | | | | |
| Phase One | Teal | Teal | | | | | | | | | | Teal |
| Phase Two | | Red | | | | | | | | | | Red |
| Phase Three | | | Orange | | | | | | | | | |
| Phase Four | | | | Green | Green | Green | Green | Green | Green | Green | Green | Green |

GATHERING EXISTING DOCUMENTS

External Data:

- Market studies, industry benchmarks, industry pubs
- Competitive analysis or list of competitors
- Customer survey data

Internal Data:

- Org chart
- Last years P&L - if possible
- Previous business plan, strategy plan, marketing plan, sales plans
- Meeting structure

PLANNING ASSUMPTIONS


Definition:

A planning assumption is something that is a given in the organization or the environment. Usually, there are 2-3 planning assumptions.


Examples:


- Where you are starting the “planning trail”
- Planning timeframe
- Projects that are underway which are not movable
- Decisions that have been made that can’t be undone.
- Investor/elected officials expectations on the organization
- Who is participating in the planning process?

PLANNING TEAM

 Determine Position

 Develop Strategy

 Build the Plan

 Manage Performance

- Planning Team*
- Staff via survey
- Exec Team via survey

- Planning Team*
- Executive Team
- Board

- Planning Team*
- Executive Team
- Managers
- Individual Contr.

- Planning Team*
- Executive Team
- Managers
- Individual Contr.
- Board

* **Ideal Planning Team:** Strategy Leader, CEO, COO, CFO, Marketing/Sales, 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?

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?

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.

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See the example SPI report to see the insight you can gain about your organization.

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](#).

HOMWORK FOR SESSION #2

1. Complete SWOT worksheet.
2. **Optional-** Read the full Phase 1 Guide: Determine your Strategic Position