

OnStrategy

SESSION #2: DETERMINE POSITION

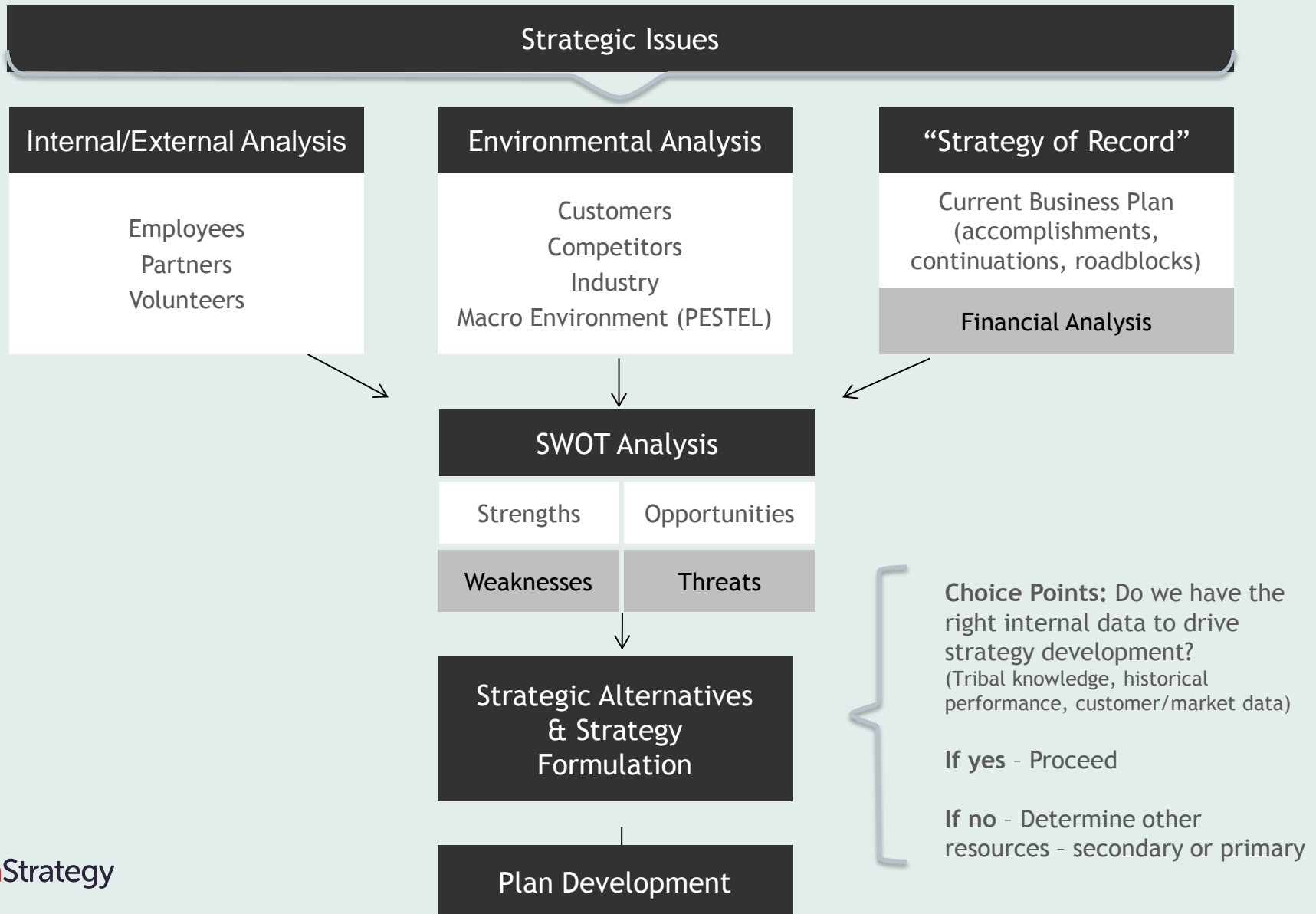
TEAM SESSION AGENDA

- I. Review the Purpose and Use of a SWOT (15 mins)
- II. Brainstorm your organization's Strengths, Weaknesses, Opportunities and Threats (60 mins)
- III. Synthesize the SWOT items into "Critical" and "Important" (30-40 mins)
- IV. Identifying your Customer/Stakeholder Segments (45-60 mins)
- V. Review next week's pre-work (5 mins)

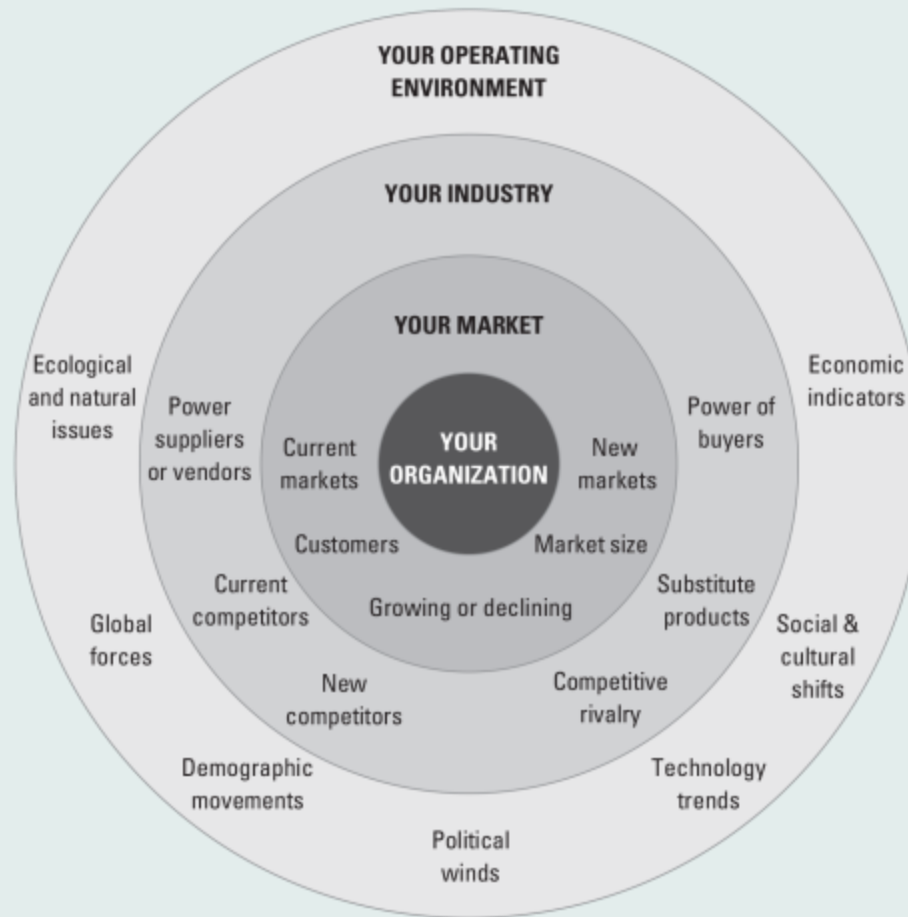
PHASE 1: DETERMINE POSITION



INPUTS TO A GREAT STRATEGY



A VIEW OF YOUR ENVIRONMENT



YOUR ORGANIZATION- ASSESS THE CORE

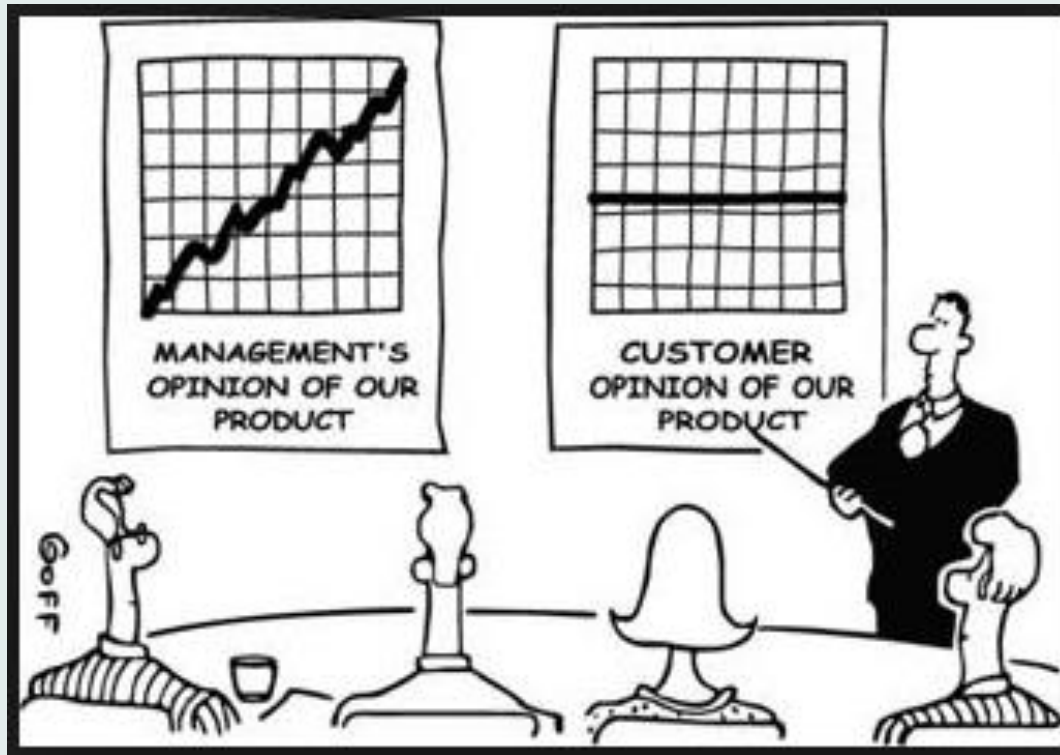
2014 EMPLOYEE ENGAGEMENT (Gallup)

Job Category	Engagement
Managers, Executives	38.4%
Professional	32.4%
Construction, mining	32.2%
Clerical, office	31.8%
Sales	30.6%
Service	28.2%
Transportation	25.5%
Manufacturing, production	23.0%

By Generation	Engagement
Millennials	28.9%
Generation X	32.2%
Baby Boomers	32.7%
Traditionalists	42.2%

YOUR MARKET- KNOWING THE CUSTOMER

Understanding Your Business



Means really knowing your customers.

YOUR MARKET- IT IS EVER CHANGING

- What is the primary market you compete in?
- What is profitable in your market? What is not profitable in your market?
- Is the market segment growing or shrinking?
- Why are customers using your product/service? Are there substitute products/services? What are they?
- Is the power of your suppliers growing or shrinking?
- Are there opportunities in your primary market that you could capitalize on?
- Are there current or growing threats that you need to be aware of?
- What are two markets your company does not currently operate in that are potential opportunities?

YOUR INDUSTRY - KNOW YOUR NICHE

- List your existing and/or potential competitors by name or group.
- What are each one's strengths and weaknesses?
- Are these opportunities or threats to your company?
- What are your competitors' competitive advantages?
- What is happening with competitors? Is competition growing or shrinking?
- Are there new competitors emerging?

YOUR OPERATING ENVIRONMENT: THE BIG PICTURE

- What are the economic and demographic changes that could affect your company in your market?
- What are the technological developments or trends that could affect your industry?
- What political and legal changes might impact your industry?
- What are the current/emerging trends or components of society that will impact your company?
- What are the key areas of uncertainty that have the potential to impact your company?

CREATING A SWOT

WHITEBOARD VIDEO

OnStrategy



[How To Perform A SWOT Analysis](#)

SWOT ANALYSIS OVERVIEW

What are our strengths, weaknesses, opportunities & threats?

Definition:

A **SWOT analysis** is a quick way of examining your organization by looking at the *internal* strengths and weaknesses in relation to the *external* opportunities and threats.

Outcome:

Prioritized list of potential areas to focus on.

THE ANATOMY OF A GOOD SWOT ATTRIBUTE

**Attribute,
characteristic or trend**

Effective internal communication

which results in

Impact* to the organization

* Meaning what is important about the attribute.

good cross-functional team work.

S/O
W/T



EXAMPLE SWOT

Strengths

Global Recognition of Marquee Brands

Market Position

Convention Dominance

Entertainment Dominance

One Company Culture and Strengthened Clarity of Company Direction

Improving Guest Service and Customer Experience

Strong Governance and Company Reputation

Weaknesses

Technology Systems Issues & Resource Constraints

Limited Bench Strength of Leadership Talent

Lack of Consistency in Addressing the Highly Diversified Customer Segments

Limited Non-Gaming Loyalty and Share of Wallet

Low Differentiation of Core Properties and Reliance on Citywide Demand

Disparate Data Systems and Limited Business Intelligence Experts

Opportunities

Enhance Employee Engagement & Talent Management

Identify and Execute on EBITDA Enhancements Through Improved Analytics

Execute on Development Projects in Las Vegas, Regional Markets, & International Locations

Increase Shareholder Value by Deleveraging the Balance Sheet

Leverage Enhanced Technology (Marketing, Operations)

Increase Optimization of Convention Business

Threats

Maintenance of Aging Assets

New Las Vegas Competitor Property / Venue Openings

Increasing popularity of "offline" vacationers (no phone/email)

Significant Debt Maturities In 2015-2017

Increasing Competition in Asia

Shifting Customer Demographics & Saturation of U.S. Gaming Market

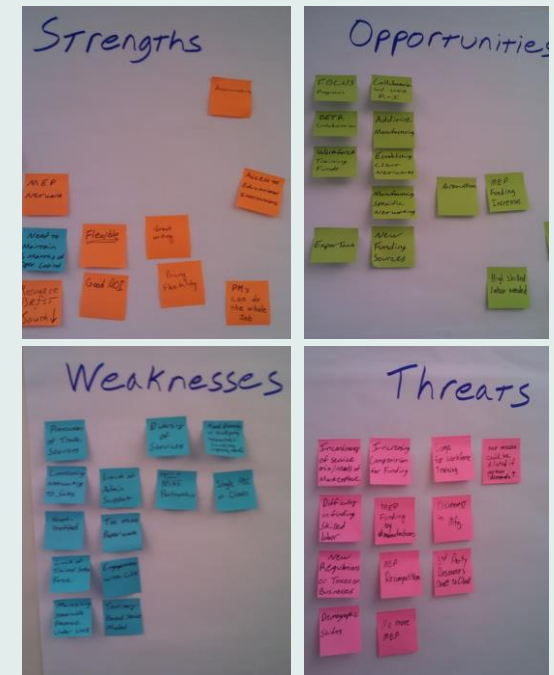
QUESTIONS TO ASK

- Strengths - What do you want to build on?
- Weaknesses - What do you need to shore up?
- Opportunities - What do you want to capitalize on?
- Threats - What do you need to mitigate?

BUILDING YOUR SWOT - SETUP

Supplies Needed: Flip charts & 4 colors of sticky notes or 1 whiteboard & four color markers

Setup: One flip chart for each SWOT area.
Select one color sticky for each area.



BUILDING YOUR SWOT - EXERCISE

Populate the blank Flip Charts with Sticky Notes – One idea per note.

1. Strengths

- *What are our key strengths? And WHY are they important? Always ask why.*
- Look for insights from the SPI
- Round robin from participants pre-work

2. Weakness

- *What are our weaknesses that get in our way? Why?*
- Repeat above - SPI & round robin

3. Opportunities

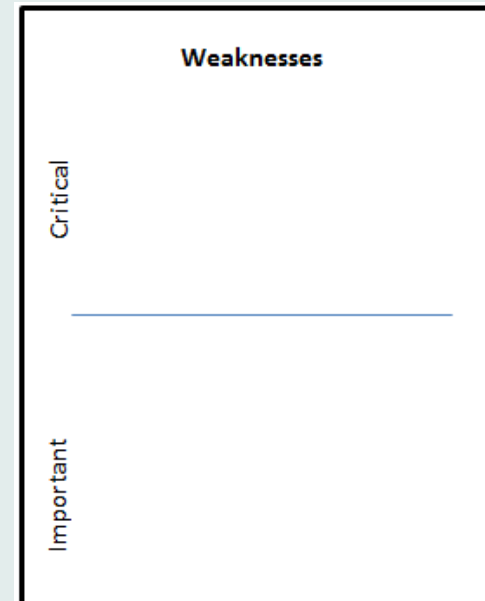
- What are big market opportunities that will help us grow?
- Tip: Don't include internal opportunities here
- Repeat above - SPI & round robin

4. Threats - Repeat Strengths flow

- What are threats we need to pay attention to?
- Repeat above - SPI & round robin

SYNTHESIZING YOUR SWOT - EXERCISE

- 1. Strengths:** “Which of these are critical for us to leverage over the next three years and which are important, but not critical?”
 - Move each sticky note to either the top area or the bottom of flip chart
- 2. Weaknesses:** “Over the next three years, which of these are critical to shore up and which are important, but not critical?”
 - Move each sticky note to either the top area or the bottom of flip chart
- 3. Threats:** “Over the next three years, which of these are critical to mitigate and which are important, but not critical?”
 - Move each sticky note to either the top area or the bottom of flip chart
- 4. Opportunities:** “Over the next three years, which of these are critical to capitalize on and which are important, but not critical?”
 - Move each sticky note to either the top area or the bottom of flip chart



SYNTHESIZING YOUR SWOT - BONUS EXERCISE

Recall from session 1 that a key component of good strategy is a clear understanding of the situation or challenge that the organization faces, sometimes referred to as a diagnosis.

Ask each member of your planning team to take 5 minutes and write down 2-3 sentences that summarize the current state of the organization. Then ask each member to share their diagnosis with the full group.

Some tips when crafting your diagnosis:

1. **Be objective:** Focus on the facts
2. **Be descriptive, not prescriptive:** A diagnosis should not contain suggestions for what the company should do.
3. **Be comprehensive:** Include both internal and external factors in the diagnosis.

SAVING YOUR DECISIONS

Update your [SWOT Analysis here.](#)

LEADER EVALUATION-DID WE GET IT RIGHT?

- Does your SWOT contain all the key areas relevant to the plan, including customer, employee, leadership, competitor, and industry trends?
- Are the items under strengths and weaknesses internal and controllable?
- Are the items under opportunities and threats external and not controllable?
- Does each item identify both the attribute and the impact?

CUSTOMER/STAKEHOLDER SEGMENTATION

WHITEBOARD VIDEO

OnStrategy



[How To Segment Your Customers](#)

"The purpose of business is to
create a customer."

- Peter Drucker

CUSTOMER ANALYSIS DEFINITION

Who are we providing value to?

Definition:

Customer segmentation defines the different groups of people or organizations a company aims to reach or serve.

THE ANATOMY OF GOOD CUSTOMER SEGMENTATION



EXAMPLES

Bad Example	Good Example	Better Example
Small businesses located Oregon	Small businesses located in Oregon that are in the auto industry	Small body shops seeking rapid insurance reimbursement in Oregon
All agencies in the marketing industry	All agencies in the marketing industry billing less than \$10 million annually	An agency focusing on public relations for local and state government community programs
Field sales people constantly on the road	Field sales people earning between \$50K and \$100K who're looking to purchase a new car in the next year	Field sales people earning between \$50K and \$100K who are image conscious first movers and are looking to purchase a sports car in the next year

QUESTIONS TO ASK

- What needs or wants define your ideal customer?
- What characteristics describe your typical customer?
 - Are they a growing segment?
 - What is their operating environment impacted by?
 - What external factors are impacting their operating environment?
- Can you sort your customers into different profiles using their needs, wants and characteristics?

GROWTH STRATEGIES

		MARKET	
		Existing	New
PRODUCTS	Existing	Market Penetration Focusing on your market and product by niching.	Market Development Leveraging your product knowledge to reach new markets.
	New	Product Development Leveraging your market knowledge to develop new products.	Diversification Diversifying by offering new products in new markets.

CUSTOMER/STAKEHOLDER SEGMENTATION- EXERCISE

1. For your top 3-4 customer/stakeholder segments, Create a flip chart with the following fields:
 - a) Segment Name
 - b) Description (Demographics):
 - c) Value Proposition (How you address their needs/wants):
 - d) Growth Strategy:
2. Assign a customer segment to individuals or small groups within your planning team and ask each to fill in the fields on the flip chart.
3. Clarify and confirm the results as a large group.

SAVING YOUR DECISIONS

Update your [Customer Segments here.](#)

LEADER EVALUATION-DID WE GET IT RIGHT?

After you have identified your customer segments, evaluate them based on the following criteria:

- Are there enough customers in each of the segments to make it profitable and worthwhile?
- Will each segment respond differently to product and service offerings than other segments identified?
- Can you reach each segment through clear communication channels?

TEAM PRE-WORK FOR SESSION #3

1. Complete Mission, Values and Vision worksheets.
2. Read the Phase 2 Guide: Develop Strategy.

DETERMINE POSITION: STEP-BY-STEP

1. Ask your planning team to complete the SWOT worksheet and read the phase 2 guide
2. During the Determine Position Planning Session:
 - a) Develop your SWOT Analysis
 - b) Synthesize your SWOT Analysis
 - c) Identify and define your Customer/Stakeholder Segments
3. Enter content into OnStrategy
4. Bonus: Summarize your organization's current position in a simple, 2-3 sentence paragraph.