How to Plan for a Disruption like THIS!?

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Chief Operating Officer
Balanced Scorecard Institute

Welcome

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Certified Balanced Scorecard Master Professional, Strategic Management Professional (ASP), former PuMP® Consultant, and KPI Professional

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www.balancedscorecard.org/bsp-online
Discount code “BSCWebinar” for a BSP Boot Camp in the U.S. before end of May 2020 and save $500.
Webinar Purpose

This webinar does NOT cover:
- Top priorities such as how to keep your family, staff and community safe
  - Health and safety planning
  - Pandemic preparedness and emergency response
  - Social distancing practices and procedures
- “Keeping the doors open” priorities, such as operational resource management
  - Emergency HR planning and response
  - Financial planning
- Where to find toilet paper

How to Plan for a Disruption Like THIS?!

This webinar DOES cover:
- How to frame the conversation in a disciplined manner using basic planning principles
- The formal steps to strategic planning within the context of a major disruption

How Many of Your Strategic Assumptions Are Now Wrong?

When you formulated your strategy, did you assume:
- The economy would remain fundamentally stable?
- Your customers/stakeholders could gather in person? Or travel?
- Your employees could gather in person? Or travel?
- Your employee parents can work all day while their kids are in school?
- Your supply chain is uninterrupted?
- Your employees/leadership would be mostly healthy?

Anything else? In the Q/A box, please add any additional assumptions you might have to revisit. Or name the items above that are keeping you up at night.

All strategies are based on assumptions. When things change, you have to adapt.
The Process of Planning

Strategic Planning and Management: Nine Steps To Success™

1. Assessment
2. Strategy
3. Objectives
4. Strategy Map
5. Measures & Targets
6. Strategic Initiatives
7. Performance Analysis
8. Alignment
9. Evaluation

PROGRAM LAUNCH

SYSTEM ROLLOUT
Nine Steps to Success™:
Strategic Planning to Strategy Execution

1. Assessment
   - Assess Current Status

2. Strategy
   - Formulate strategy

3. Objectives
   - Break down strategy into actionable steps

4. Strategy Map
   - Visualize and tell a story

5. Measures & Targets
   - Define Measures of Success

6. Strategic Initiatives
   - Prioritize planned actions

7. Strategy Rollout
   - Lead, Communicate and execute

8. Performance Analysis
   - Analyze and adapt

9. Alignment
   - Align the organization

10. Evaluation
    - Evaluate and Revise

Poll – Question 1

Does your organization use a formal process for strategic planning?

- Yes, we use the Nine Steps method
- Yes, we use another similar framework
- We use planning elements (mission, vision, SWOT, etc.) in an ad hoc manner
- No, we do not do formal planning yet
Principles for Planning During a Disruption

- Be ready to challenge even the most basic of assumptions
- Aim for a quick 80% solution – and be ready to change again
- Trust the process
- Do your research!
- Adopt a more agile mind frame*
  - Don't try to predict a precise future – embrace uncertainty
  - Speed up the “action/learning cadence”
- Focus on outcomes and be prepared to adapt the details quickly as needed
- Don’t be married to the output of your process

* Source: Dan Montgomery, Agile Strategies at https://agile-strategies.com

Questions to answer:

- What does this disruption mean for us, relative to our mission, vision, values, and strategy?
- What is the internal/external context for our strategy formulation decision?
  - Use formal tools such as competitive or market analysis, surveys, SWOT, PESTLE, and other internal/external assessment tools
- Can we establish a consensus around what factors are affecting our organization?
• Personal risk parallel:
  – Some have a high health risk
  – Some have a high risk of losing their livelihoods
  – Some have a relatively low risk of either
• Organizational risk:
  – Some will shut down
  – Some hope to withstand a tough period
  – Some have a relatively low risk other than inconvenience
• Measure the impact of the risk should it occur
  – Classify risks in terms of Probability and Impact
  – Gain consensus from team members on classifications
  – Results can be illustrated in a P-I matrix and are useful for ranking risks

Poll – Question 2
On a scale of 1 to 10, how would you classify the pandemic risk for YOUR organization?

- 1 – We will certainly shut down
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10 – We will almost certainly endure the current pandemic
Step Two: Strategy - Innovation Considerations

- Building off our Assessment conversation, what is our strategy for adapting in a big picture sense?
  - What are the various scenarios we need to consider?
  - What do our customers need and what is our value proposition to them?
  - What results / goals are we trying to achieve?
  - If the disruption drives the need for a new Theme/Goal, what does success look like?
  - If the disruption is influencing various components of other strategies, what is that strategy and what does success look like?

What is the Value of Scenario Analysis?

- Helps address uncertainty and unpredictability
- Allows decision makers to explore possible future outcomes
- “What if” analysis that considers combinations of multiple uncertainties
- Leverage creativity and points of view from various personnel across the company without significant time commitments
- Allows for identification of “no regrets” activities that can inform investment decisions
Scenario Analysis is NOT Forecasting

Forecasting...
- Creates a single, official view of the future
- Limits contingencies to a narrow band of variation

Scenario Analysis...
- Prepares the organization for multiple, divergent futures
- Identifies extremes to minimize chance of surprises

Scenario A
Scenario B
Scenario C
Scenario D

Now

Now

Strategy is Made Up of Multiple Strategic Themes – Examples

Strategic Themes:
Main focus areas of the organization; the organization’s “Pillars of Excellence”, used to focus staff effort on accomplishing the vision. For each Theme there is a Strategic Result

Strategic Result:
Desired outcome for the main focus areas of the strategy.
Possible Strategic Themes and Results
Now Under Consideration

<table>
<thead>
<tr>
<th>Theme: Business Continuity</th>
<th>Theme: Online Services</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Result:</strong></td>
<td><strong>Strategic Result:</strong></td>
</tr>
<tr>
<td>All employees and other</td>
<td>Our training and</td>
</tr>
<tr>
<td>stakeholders have the</td>
<td>consulting clients</td>
</tr>
<tr>
<td>technology infrastructure,</td>
<td>engage our products</td>
</tr>
<tr>
<td>cross training, and</td>
<td>and services through</td>
</tr>
<tr>
<td>cultural support to</td>
<td>a diverse set of online</td>
</tr>
<tr>
<td>productively deliver a</td>
<td>offerings</td>
</tr>
<tr>
<td>consistent level of</td>
<td></td>
</tr>
<tr>
<td>quality services from</td>
<td></td>
</tr>
<tr>
<td>home</td>
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Turn Strategy Into a System

Program Launch
Plan the Effort

1. Assessment
Assess Current Status

2. Strategy
Formulate strategy

3. Objectives
Break down strategy into actionable steps

4. Strategy Map
Visualize and tell a story

5. Measures & Targets
Define Measures of Success

6. Strategic Initiatives
Prioritize planned actions

Balanced Strategic Plan

Strategic Planning

Strategy Execution

1. Strategy Rollout
Lead, Communicate and execute

2. Performance Analysis
Analyze and adapt

3. Alignment
Align the organization

4. Evaluation
Evaluate and Revise

What is a Strategic Management System?

- Communicates mission, vision, and strategy to employees and other stakeholders
- Aligns day-to-day work to vision and strategy
- Enables prioritization of programs, projects, services, products and resources
- Uses strategic performance measures (KPIs) and targets to measure progress

Poll – Question 3

Does your organization use a framework for strategy management that includes measures?

- Yes, we use the Nine Steps method
- Yes, we use another similar framework
- We have measures but don’t necessarily connect them to strategy
- No, we don’t measure strategy in a formal sense
### Strategic Planning and Management System Example

**Vision:** Be a world-class model for a successful urban community

**Mission:** Provide effective and fiscally responsible services in a manner that promotes high standards for community life

#### Strategic Themes:
- Government Reform
- Nurturing Children and Families
- Economic Abundance

#### Strategic Objectives and Strategy Map

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<th>Targets</th>
<th>Initiatives</th>
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<td>• Liability satisfaction score</td>
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<tr>
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<td>• Program satisfaction score</td>
<td>≥ 90% this year</td>
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<tr>
<td>Improve Land and Asset Management</td>
<td>• Per capital service utilization</td>
<td>≥ 91% this year</td>
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<tr>
<td>Improve Efficiency and Effectiveness</td>
<td>• Business permits and licenses</td>
<td>≥ 95% each quarter</td>
<td></td>
</tr>
<tr>
<td>Improve City Promotion/ Marketing</td>
<td>• Per capital income</td>
<td>≥ 95% this year</td>
<td></td>
</tr>
<tr>
<td>Increase Staff Quality</td>
<td>• Tourism revenue</td>
<td>≥ 80% this year</td>
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#### Measures
- Controlable expenses
- Asset value
- Strategic projects on time and budget
- Response time changes
- Audit score of communication effectiveness
- Retention effectiveness
- Training effectiveness
- Employees use of appropriate technology

**Core Values:**
- Integrity-Based Leadership
- Ethics
- Accountability
- Commitment to Excellence
- Citizen-Centered
- Mutual Respect

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### Government Strategic Planning and Management System Example

**Vision:** Be a world-class model for a successful urban community

**Mission:** Provide effective and fiscally responsible services in a manner that promotes high standards for community life

#### Strategic Themes:
- Government Reform
- Nurturing Children and Families
- Public Safety
- Economic Abundance

#### Strategic Objectives and Strategy Map

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A Possible “Online Services” Theme Strategy Map

Possible measures:
- Revenue related to online services
- Online participation numbers
- Social media/web traffic related to online service marketing
- % of facilitators passing online skills test

Possible strategic initiatives:
- Redesigning services online
- Marketing campaign
- Upgrading online infrastructure

Reprioritize Strategic Initiatives

Candidate Initiatives (example)
- Marketing campaign
- Pre-promotion studies
- Business Process Reengineering
- Process improvement
- TQM proposals
- Training Course
- Policy analysis
- R & D efforts
- Branding studies
- Workflow improvements

Filter

Prioritized Funded Initiatives (example)
1. Branding Studies
2. Workflow improvements
3. Marketing campaign
4. Training Course, etc.

Scoring Criteria
- Budget required
- Results anticipated
- # objectives covered
- Time needed
- Simple Voting
- Or other

Reprioritize with a new criterion or weighting for the disruption. Or filter all initiatives by pre- and post-pandemic timing.
Summary: Managing Strategy With the Nine Steps to Success™

1. Assessment: What does "Innovation" mean for us?
2. Strategy: What is our Innovation Strategy?
3. Objectives: What are the Steps Within Our Strategy?
4. Strategy Map: How Does Innovation Create Value?
5. Measures & Targets: How to Measure the Intangibles of Innovation?
6. Strategic Initiatives: Which Initiatives to Implement?
7. Strategy Rollout: Lead, Communicate and execute
8. Performance Analysis: Analyze and adapt
9. Alignment: Align the organization
10. Evaluation: Evaluate and Revise

Strategic Planning

Strategy Execution

Balanced Strategic Plan

Program Launch

Plan the Effort

Assessment

Strategy

Objectives

Strategy Map

Measures & Targets

Strategic Initiatives

Strategy Rollout

Lead, Communicate and execute

Performance Analysis

Align the organization

Evaluation

Alignment

Evaluation

How to Learn More

Interested in having a BSI consultant discuss your strategy with your team (scenario planning, prioritization, or the development of goals, objectives, measurements, etc.):

- Contact: info@strategymanage.com to schedule a free 30-minute advisory consult

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Poll – Question 4

Are you interested in learning more about our services?

- Yes, I would like to hear more about training solutions
- Yes, I would like to discuss our strategy with a consultant
- Yes, I would like to discuss both training and consulting options
- No, thank you

Wrap Up & Questions

www.balancedscorecard.org