Creating and Executing Winning Strategies - A 9-Step Framework for Success

June 2023
A Few Notes...

• Recording
  – We are recording this webinar and will email you the link to view the replay within 48 hours.

• Handout of the Webinar
  – We will provide a PDF copy of this webinar when we email the link for the replay.

• Questions during the webinar
  – Please use the Q&A box that is located on the bottom menu and type your question in the pop-up box. **Do not use the Chat box for questions.**
  – We will answer as many questions as time permits at the end of the webinar.
Your Presenters

Howard Rohm, SMP, BSMP, KPI-P
Co-founder & President
Balanced Scorecard Institute
- 2022 Hall of Fame winner, International Association of Strategy Professionals (IASP)
- Former Board member, Association of Strategic Planning (ASP)
- ASP Pioneer and Co-author, ASP Body of Knowledge
- Executive Director, U.S. Foundation for Performance Measurement
- Consultant, Booz Allen & Hamilton
- Executive Director, Advanced Nuclear R&D Program, U.S. Department of Energy
- Co-author, The Institute Way
- Creator, Nine Steps to Success™ Balanced Scorecard framework
- Founder and President, the Strategy Management Group, Inc.

Dwaine Forbes, BSMP, KPI-P
Founder & CEO
Return on Investment Consulting (ROIC) Limited
- Professional Experience working across multiple industries such as tourism, real estate, bauxite and mining, and petroleum
- CEO of ROIC Institute Limited
- Serve as Consultant to firms such as FHI 360, Tetra Tech DPK, Jamaica Stock Exchange, National Housing Trust, and University of the West Indies, Mona
- Founder & CEO, Return on Investment Consulting

Claudette Gordon-McFarlane
HR and Strategy Consultant
Return on Investment Consulting (ROIC) Limited
- Solid management experience with more than twenty (20) years at an executive level
- Experienced working in Jamaica, Belize, Guyana and Dominica
- Over decade working with Balanced Scorecard System
- BS in Management studies and a Masters in Counselling & Consulting Psychology
- HR & Strategy Consultant, Return on Investment Consulting
Select Clients

- THE JAMB GROUP
- THE NATIONAL GAS COMPANY OF TRINIDAD AND TOBAGO LIMITED
- CPFSA
- ROIC LTD.
- BRITISH COUNCIL
- CARICOM
- UNICEF
- BUKINGKING
- PESTICIDES CONTROL AUTHORITY
- Edson Queiroz
- MEC
- Central Bank of Belize
- KenGen
- BWS

Countries:
- Brazil

Other Logos:
- Marshalls Energy Company
- National Irrigation Commission Limited
Topics

- Traditional Strategic Planning
- Balanced Strategic Planning
- Nine Steps to Success™
- Tips, Tools, Techniques and Examples
- Q & A
Traditional Strategic Planning
Common Strategy Models and Tools

**Red Ocean**
Kim and Mauborgne

**Blue Ocean**
Kim and Mauborgne

**Porter’s Five Forces**
Michael Porter

**OKR’s**
Andrew Grove

**Strategy Profile**
Kim and Mauborgne

**Mission, Vision & Strategy**

**Balanced Scorecard**
Kaplan & Norton
Balanced Scorecard Institute

**OKR’s**
- Objective
  - Key Result - %
  - Key Result - %
  - Key Result - %

**MBO’s**
- Organization objectives reviewed
- MBO for the next operating period begins
- Achievers rewarded
- Performance evaluated
- Employee objectives set
- Progress monitored

**Hoshin Kanri**
Yoji Akao
allaboutlean.com

Sources: Blue Ocean Strategy, W. Chan Kim and Renée Mauborgne, Michael Porter, OKRs, the Balanced Scorecard Institute, MBOs, allaboutlean.com
Traditional Strategic Planning Process

- **Write Vision and Mission statements**
- **Select Strategic Goals**
- **Choose Projects and Programs**

**Typical Issues:**
- Inconsistent use of words
- Plan lacks a value creation story
- Strategy elements don’t connect
- Focus on outputs and activities, not outcomes
- Measure what’s easy... not what matters
- A “rush to judgement” to get to measures and projects

- Choose Performance Measures and Targets
- Define Activities
- Set Budgets
Many organizations get this wrong—they define their “strategy” as the collection of projects (initiatives) currently under way. While what we are working on today is part of a strategy, it is not the strategy.

**Strategy** should tell a *story*… organization strategy is a *path and a plan* based on *selected choices* to move from its current state to some future desirable state. The strategy ties organizational *value creation* to *resources*.
Balanced Strategic Planning
Strategic Planning, Alignment and Implementation Phases – Balanced and Disciplined

• Understand Environment
• Scenarios
• Risks
• Customer/Stakeholder Needs

• Strategy = the Path and the Plan
• Key Elements: Vision, Mission, Values, Strategy, KPIs, Prioritized Initiatives
• Balanced Strategic Plan to Communicate Strategy
• Change Management Plan

• Cascade Organization-wide Strategy to Align:
  ➢ Business Units
  ➢ Resource Allocation
  ➢ Workforce

• Leadership and Governance
• Operationalized Strategy
• Project/Portfolio Management
• Performance Analysis and Data Driven Decision-Making
• Continuous Improvement to Excellence
• Change Management
Important Elements of Balanced Strategic Planning

- Influencing
  - Change Management
  - Communications Planning
  - Societal Goals
  - RISKS

- Balanced Strategic Plan
  - Stakeholder/Customer/Employee Input
  - Environmental Assessment
  - Enterprise Goals
  - Strategic Themes
  - KPIs
  - Project Prioritization

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Nine Steps to Success™
Building & Implementing a Balanced Scorecard: Nine Steps To Success™

PROGRAM LAUNCH

Strategic Plan and Scorecard Development

Plan and Scorecard System Implementation

BALANCED STRATEGIC PLAN & ROLLOUT
What Issues Does a Balanced Scorecard Address?

• **Strengthen existing strategy** and establish a more strategy-focused organization and management system

• **Involve and align Senior Leadership** team to strategic direction, and **communicate strategy** throughout the organization

• Achieve business unit and employee **alignment and buy-in** to strategy, and build **accountability** for results

• **Measure what matters**, and **incorporate performance** results and information into decision making

• **Prioritize projects and initiatives**, connected to strategic objectives

• **Build employee buy-in** to vision, mission and strategic direction
Nine Steps To Success™
Strategic Planning & Management System Framework

1. Program Launch
   - Executive sponsorship, resourcing and program planning

2. Assessment
   - Conduct organizational assessment and SWOT; gather stakeholder input
   - Create or re-validate strategic elements (Vision, Mission, Goals, Core Values, Customer Values)

3. Objectives
   - Develop strategic objectives for business strategies developed in Step 2

4. Strategy Map
   - Create strategy map for enterprise strategy

5. Measures & Targets
   - Develop strategic performance measures for strategic objectives on the enterprise strategy map

6. Strategic Initiatives
   - Identify & prioritize critical projects (initiatives) to meet strategy goals
   - Prepare initiative plans (Scope, Schedule, Resources, Risk)

7. Performance Analysis
   - Collect and report visual performance information to improve decision making

8. Alignment
   - Align business and support units to organization-wide strategy
   - Align teams and individuals to strategy

9. Evaluation
   - Revise strategy based on actual performance

- Communicate the Balanced Strategic Plan
- Inform budget plans and strategic operating plans
- Begin Strategy Implementation
Practical Strategy Development Process – Balanced, Disciplined, and Based on a Strategic Thinking and Discovery Process

- Mission
- Vision
- Core Values

Discovery

- SWOT / Enablers & Challenges
- Environmental Assessment
- Foresight/Scenarios

- Customer/Stakeholder Needs
- Customer Value Proposition

Perspectives
- Strategic Themes & Results (Goals)

Strategic Objectives

Strategy Map

KPIs

Strategic Initiatives
The Logic Of Integrated Strategic Planning and Management

- **Mission**: Purpose: what we do
- **Vision**: Picture of the future
- **Perspectives**: Different view of organizational performance
- **Strategic Themes and Results**: Main focus areas (pillars of excellence) driving key results
- **Strategic Objectives and Strategy Maps**: Key strategy components connected to tell a cause-and-effect value creation story
- **Performance Measures and Targets**: Captures whether an organization is performing at the desired level or not
- **Strategic Initiatives**: Projects and action plans that drive results

- **Customer/Stakeholder/Market Needs**

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**Strategic Altitude**
- 30,000 ft.
- 25,000 ft.
- 15,000 ft.
- **Ground Level**
Performance Measures (KPIs):

- Provide **objective evidence** of progress on achieving Strategic Objective and other results
- Measure what is intended to be measured to help inform better decision making
- Offer a **comparison** that gauges the **degree** of performance change over time

Strategic Initiatives (SI):

- Strategic projects selected to close a performance gap in a Strategic Objective
- A portfolio of strategic projects supports the strategy, and the vision and mission
Example: Translate Strategy Into Action

Objective Description
This objective deals with improving processes for efficient energy generation, utility service reliability, and customer-facing services. We can and should make improvements in these areas.

Intended Results
• Our service excellence reputation is characterized by timely installations, prompt repairs, efficient customer service, and utility service reliability in the top 5% of our industry.

Performance Measures
• Average new-installs installation time
• Average repair time
• Average time to respond to a customer question
• Average outage duration

FY 2023 Targets
• Less than or equal to 14 business days
• Less than or equal to 2 days
• Less than or equal to 4 hours
• Less than or equal to 82 minutes

Strategic Initiatives
• Customer facing process bottleneck improvement program
• Advanced repair training for field staff
• Expanded Q&A database for call center
Alignment Cascades Organization-wide Strategy to Units and Employees

Tier 1
Organization-Wide:
• Mission, Vision, Core Values etc.
• Strategic Themes and Goals

Tier 2
Dept., Business Units, etc.:
• Department Business Purpose
• Department Programs & Products & Projects

Tier 3
Teams (Job Descriptions) and individuals:
• Objectives, Measures and Initiatives
Tips, Tools, Techniques and Examples
Tip: Start With the End in Mind

Frame the picture of the organization’s successful future

Vision
Mission
Values

Strategy = The high-level path and plan for achieving a successful future (Strategic Themes and Results, or Goals)

Business/Support Unit Operations

Objectives, and programs, projects and services to implement the strategy (Strategic Operating Plans)

Individuals and Teams

Personal goals show how I fit in and how what I do matters
Example: Inventory Existing Strategic Components

<table>
<thead>
<tr>
<th>System Component</th>
<th>Reviewed</th>
<th>Acceptable</th>
<th>Revision Suggested</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Mission</td>
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<td>Mission statement is old; revisit</td>
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<tr>
<td>Vision</td>
<td>☑</td>
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<td>☐</td>
<td>Developed &amp; validated last year</td>
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<tr>
<td>Core Values</td>
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<td>Finished; revalidated existing</td>
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<td>Overarching Strategic Result tied to Vision</td>
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<td>Communications &amp; Change Management Plan</td>
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<tr>
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<td>Organization Strategy Map</td>
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<td>Not developed yet</td>
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<tr>
<td>Performance Measures &amp; Targets</td>
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<td>First pass done; too operational</td>
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<td>First pass done</td>
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<td>☑</td>
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</table>
Tool: A Strategy Profile Helps Visualize Important Strategic Elements

Use a Strategy Profile to:

- Develop your organization’s competitive business strategy
- Evaluate how well you implemented your strategy compared to competitors
- Identify the most strategic areas to focus on in the future

Source: Adapted from Charting Your Company’s Future, W. Chan Kim and Renée Mauborgne, HBR, June 2002.
Example: Goal Setting

Organizational goals serve four basic functions:

- Provide guidance and direction
- Facilitate planning
- Motivate and inspire employees
- Evaluate and control performance

Strategic Goals
Deal with organization-wide desired results and accomplishments

Employee Goals
Deal with employee satisfaction, growth, and contribution

Operational Goals
Deal with efficiency, quality, timeliness of product/service creation and delivery

Social Goals
Deal with equity, societal, environmental, and sustainability

Project Goals
Deal with deliverables, resources, schedules, scope, and risk

Source: “The Management of Organizations”, Barney and Ricky Griffin
Example: “Keep the Trains Running on Time”

**Strategic Goals**
The right trains, going to the right locations to satisfy customers and create profits.

**Employee Goals**
Satisfied employees with the right knowledge, abilities, and skills, in the right positions

**Operational Goals**
Cost control, high-utilization, safety record, on-time trains

**Social Goals**
Social equity, community involvement, environmental footprint

**Project Goals**
Schedules and resources to buy new equipment, maintain tracks, refurbish stations, install new software
Tool: “Fishbone” Diagram Identifies the Drivers of Results

Strategy: Operational Excellence

Improve Resourcing
- Funding
- Workforce
- Infrastructure
- Production costs
- # of FTE’s
- Other units of production

Improve Production
- Quality
- Efficiency
- Timeliness
- Output
- % waste or reworked
- # Produced / # input
- % produced on time
- Production quantities

Improve Customer Interaction
- Accurate information
- Customer experience
- % accurate
- % satisfied with service

Improve Product Delivery
- On-time delivery
- Correct order
- % delivered on time
- % delivered correctly

Improve Customer Satisfaction
- Recommendations
- Loyalty
- Satisfaction
- % new customers from recommendations
- % repeat customers
- Net Promoter Score

Desired Result:
High quality products are delivered on time
Communications Planning: Approach Heirarchy

- Communicating strategic initiative information is key to the success of the strategic plan
- Two-way communication is better than one direction communication
- Communications must be crisp, clear, direct and in a tone that is positive and encouraging
- Just as you would in any professional setting, know your audience
- Know how they like to be communicated with (visual, audible, graphically, and how often)
- Everyone learns differently, take this into account when communicating
Example: Private Sector Balanced Strategic Plan

Vision:
Be a world-revolutionizing provider of energy products

Mission:
Efficiently deliver the highest standard of service providing energy products and expertise to our customers

Strategic Themes:
International Growth
- Increase in size and shareholder value through acquisitions, organic growth and asset optimization.

Operational Excellence
- Process and services are executed in a timely, accurate, value-added and cost-effective manner that exceeds stakeholder expectations.

Energy Leadership
- Worldwide recognition for thought leadership and energy services expertise.

Strategic Objectives and Strategy Map

Financial
- Reduce Costs
- Increase Profits
- Increase Revenue in Targeted Markets

Customer
- Improve Customized Customer Experience
- Increase Awareness as Industry Leader

Internal Process
- Improve Internal Efficiency
- Increase Acquisitions
- Increase Consulting Knowledge Sharing
- Improve Product/Service Offerings

Organizational Capacity
- Increase Employee Expertise
- Optimize Technology
- Optimize Human Capital
- Improve Thought Leadership

Measures
- • Profit
  - • 15% per year
- • Operating costs
  - • 7% per year
- • Revenue in targeted markets
  - • 6% per year
- • Customer experience score
  - • 85% next period
- • % of customers with CK charter
  - • 87% next period
- • Awareness and leadership score
  - • 98% next period
- • References in media
  - • 15 new references
- • Efficiency index
  - • 15% per year
- • EBIT from acquisitions
  - • $15M this year
- • Time to post
  - • 5 business days
- • % of transactions in CRM
  - • 65% next period
- • New products/SVCs as % of sales
  - • 14% this year
- • % empl. development plans in place
  - • 70% this year
- • % systems automated
  - • 72% this year
- • Operating cost/FTE
  - • $3,350/person
- • Articles published
  - • 125 this year

Targets

Initiatives
- • Implemented new financial system and benchmark results
- • Marketing campaign in new target markets
- • Develop customer knowledge (CK) charter
- • Est. acquisition integration team
- • Est. Business Process Reengineering (BPR) team
- • Formalize new product development cycle
- • Formalize CRM qualification process
- • CRM system training
- • Redesign employee certification process
- • Est. thought leadership committee
- • Formalize research expertise
We Help Organizations:

- **Formulate, communicate, and focus on Strategy**
- **Align** day-to-day work to vision, mission and strategy
- **Prioritize and manage** projects, services, products and resources
- **Measure, analyze, and improve Performance**
Upcoming Events

**Balanced Scorecard Professional Certification**

**July 18-20 and 25-26, 2023**

Learn the art of strategy
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Contact Us: 876-829-8771   dforbes@roic ltd.com

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