

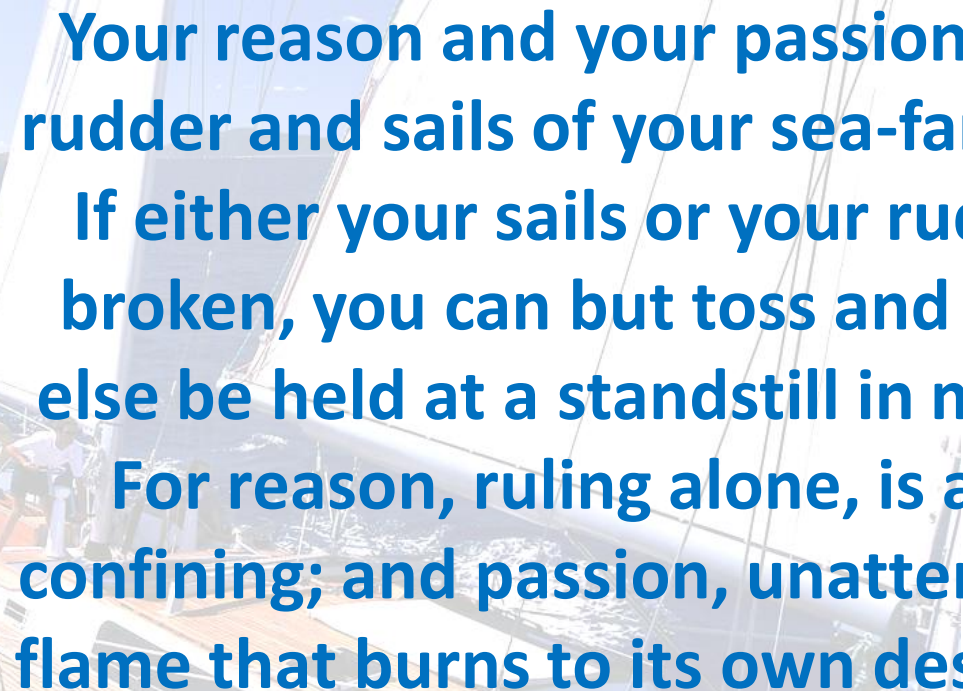


Charting a Course for Success: Integrating Reason and Passion in Your Strategy Process

October 12, 2010

Arizona Quality Alliance Conference

Reflecting on Reason and Passion



Your reason and your passion are the rudder and sails of your sea-faring soul. If either your sails or your rudder be broken, you can but toss and drift, or else be held at a standstill in mid-seas. For reason, ruling alone, is a force confining; and passion, unattended, is a flame that burns to its own destruction.

- Khalil Gibran, author, *The Prophet* -

Workshop objectives

1. Understand the key steps in developing a REASON-based organizational or departmental strategy
2. Understand best practices in integrating PASSION in strategy to enable action, measurement, and workforce engagement
3. Use (and take away) a template that facilitates execution of an aligned strategy balancing reason with passion

Workshop agenda

- **Dialogue:** challenges you face to make strategy real (execute for results) and meaningful (engage people)
- Elements of effective strategic planning and best practices
- Focus-Link-Align Certain Strategy™ model for exercising reason and igniting passion
- **Exercise:** chartering a strategic initiative that balances reason and passion
- Wrap up and interaction



Dialogue

Assess your Strategy **Planning** process (how your organization develops strategy)

- **Basically Effective** - Effective process in place to develop strategy or plan for success. Started to gather data about the effectiveness of its strategy development processes.
- **Mature** - Clear, effective process in place to address strategic challenges, leverage strategic advantages, and develop strategic objectives that define what the organization must accomplish to be successful in the future. Sometimes checks accuracy and effectiveness of strategy development processes and may make changes as a result.
- **Role Model** - Clear, effective process in place to determine core competencies, strategic challenges, and strategic advantages and identify what must be accomplished for short- and long-term success. Process considers nearly all of the following areas: Blind spots from prior planning or current planning assumptions; Organizational core competencies, strengths, weaknesses, opportunities, and threats—relating to customer expectations, employee capabilities, and risks (financial, societal, ethical, or other potential risks); Major shifts in technology, competition, or the regulatory environment; Long-term sustainability; Continuity of operations in emergencies; and Ability to execute the plan. Regularly checks the accuracy of planning assumptions and effectiveness of planning process and makes ongoing improvements. Has developed creative (innovative) approaches to strategic planning and shares best practices across the organization.

Assess your Strategy **Deployment** process (how your organization deploys strategy)

- **Basically Effective** - Systematically deploys strategy at top and middle levels in the organization. Some managers and workers use measures to track their progress to see if strategy is carried out. The organization has started to evaluate the effectiveness of some of these processes.
- **Mature** - Many parts of the organization have clear action plans in place to deploy strategy. Many managers and workers use measures to track the progress of action plans and to align work. The organization sometimes checks the effectiveness of measures to ensure action plan alignment and may make some changes as a result.
- **Role Model** - Nearly all parts of the organization have effective short- and longer-term action plans in place to deploy strategic objectives. An effective measurement system is in place to monitor nearly all action plans as well as reinforce alignment, track day-to-day progress, and ensure the implementation of action plans at all levels of the organization. Systems are in place to modify and implement revised action plans quickly if change is required. The organization regularly evaluates the effectiveness of action plan measures, alignment to priorities, and processes to modify action plans quickly, and makes ongoing improvements based on these evaluations. The organization has developed creative (innovative) approaches to these processes and shares best practices across the organization.

What challenges have you (or do you) face

- ...to make strategy real (executable)?
 - ?
 - ?
 - ?
- ...to make strategy meaningful (engage people)?
 - ?
 - ?
 - ?



Elements of effective strategic planning

If you don't know where you are going, you might find yourself someplace else.

- Yogi Berra

Strategic planning & execution defined

- ***Strategy development*** is the organization's approach (formal and/or informal) to prepare for the future.
- ***Strategy deployment*** is the organization's approach to convert its strategy into action plans and to track performance.

Strategy requires two key activities

Planning

- How do you develop your strategy?
 - Process (repeatable)
 - Inputs and data
 - Core competencies, challenges, and advantages
 - Objectives and goals
 - Timetable

Deployment

- How do you deploy your strategy?
 - Action and business plans
 - Workforce/volunteer plans and resources
 - Performance measurement and monitoring

Finer points from the Criteria

Planning (2.1)

- **How does planning address:**
 - SWOT
 - Early indications of major shifts...
 - Sustainability and needed core competencies
 - Ability to execute
- **How do objectives address:**
 - Challenges and advantages
 - Innovation opportunities
 - Current & future core competencies
 - Short- and long-term challenges and opportunities
 - Needs of all key stakeholders

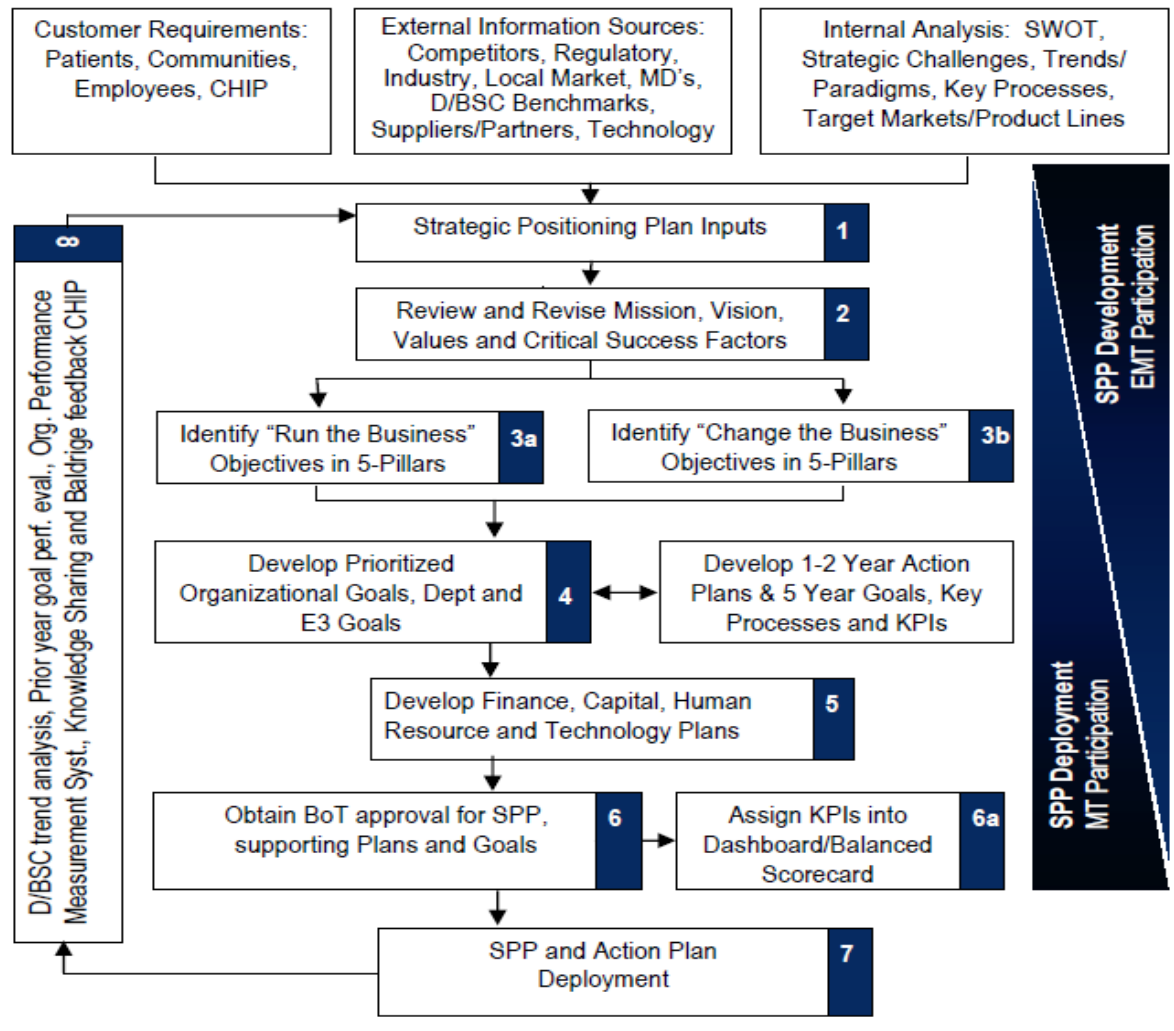
Deployment (2.2)

- **How do you deploy strategy to:**
 - Workforce
 - Key suppliers and partners
- **How do you:**
 - Sustain outcomes
 - Ensure resources are available
 - Assess and manage risks
 - Modify plans
 - Address workforce impacts
 - Align measurement system
 - Ensure measures for all key deployment areas and stakeholders

Robert Wood Johnson (2004)

planning

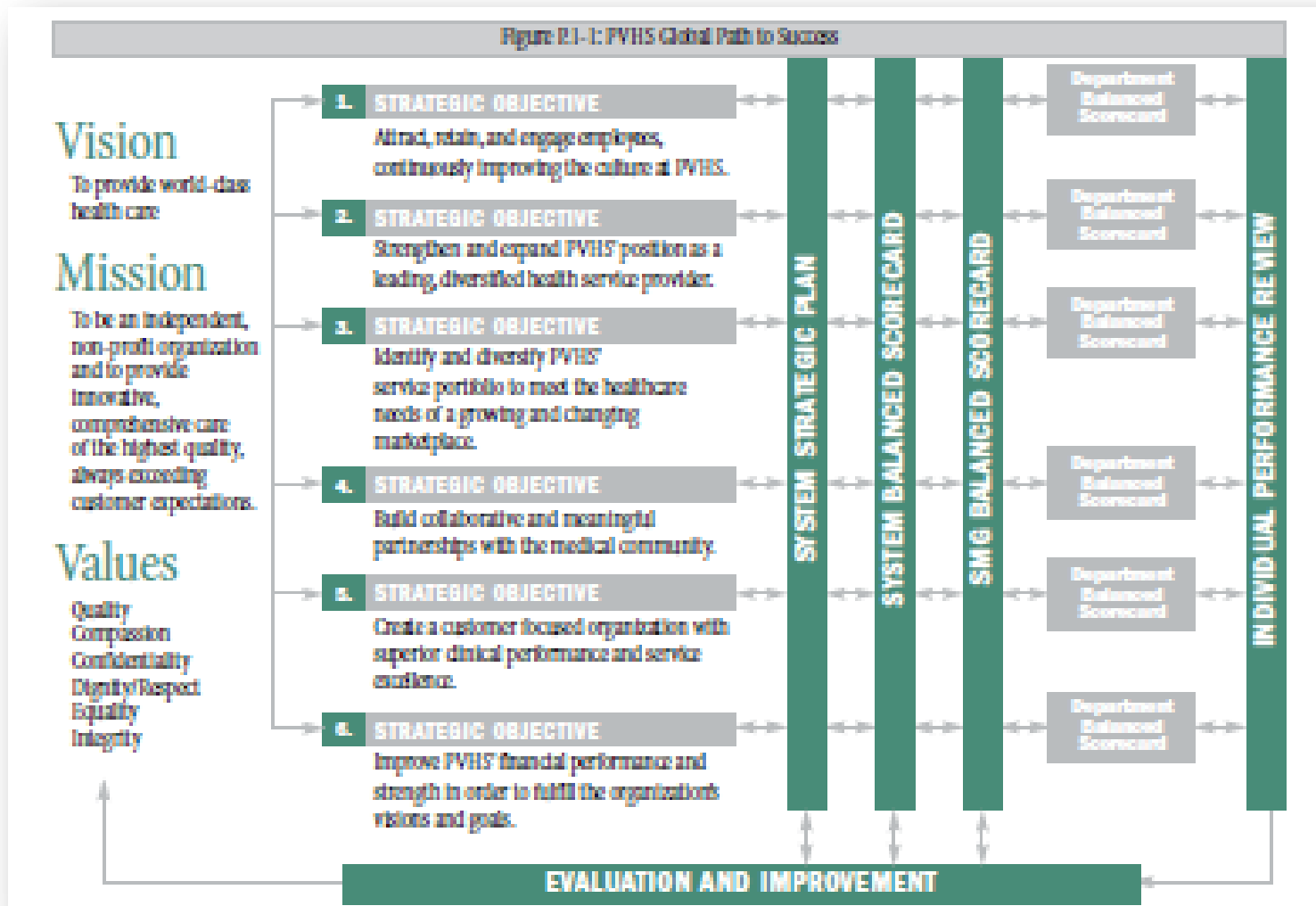
ROLE MODEL
ROLE MODEL



PVHS (2008)

planning, deployment, monitoring

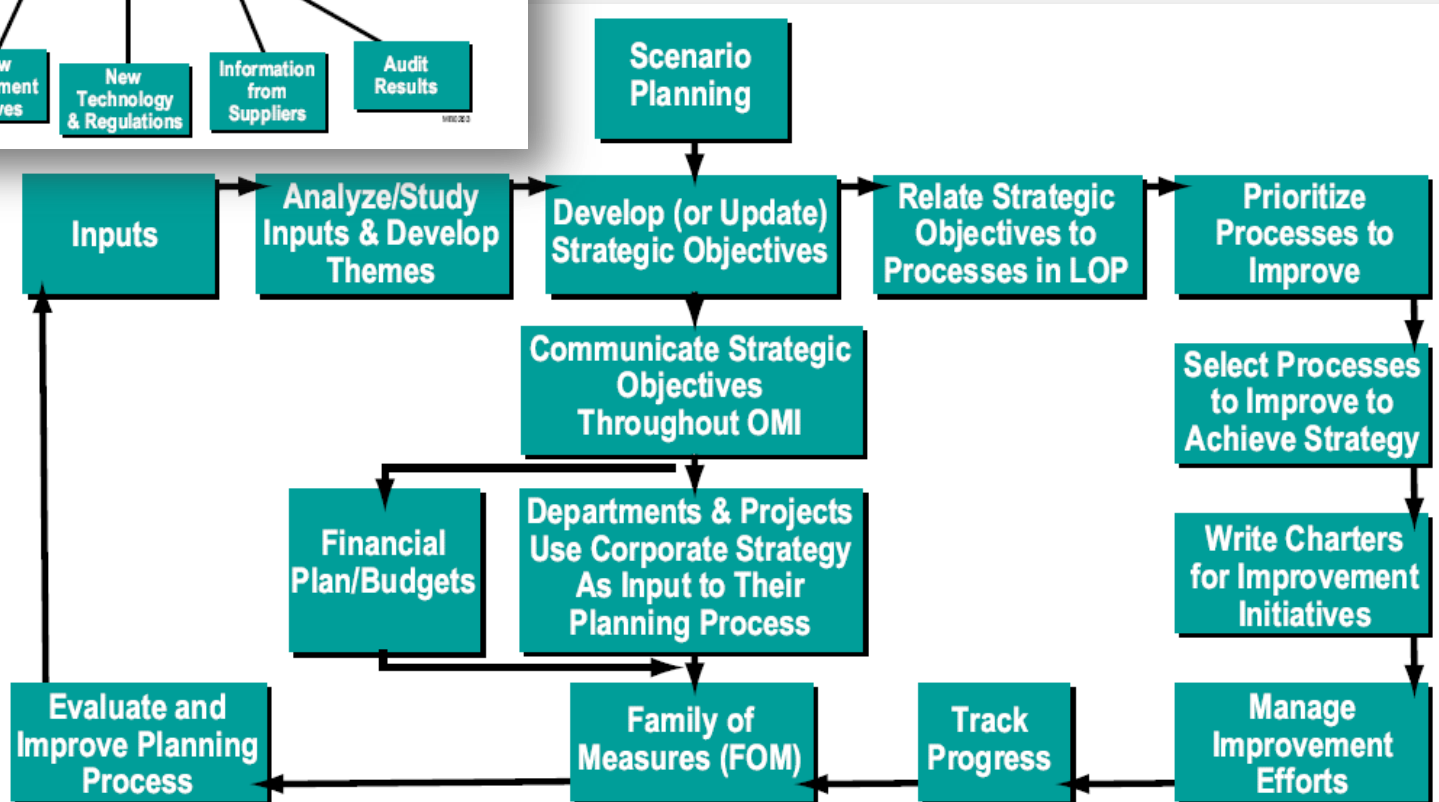
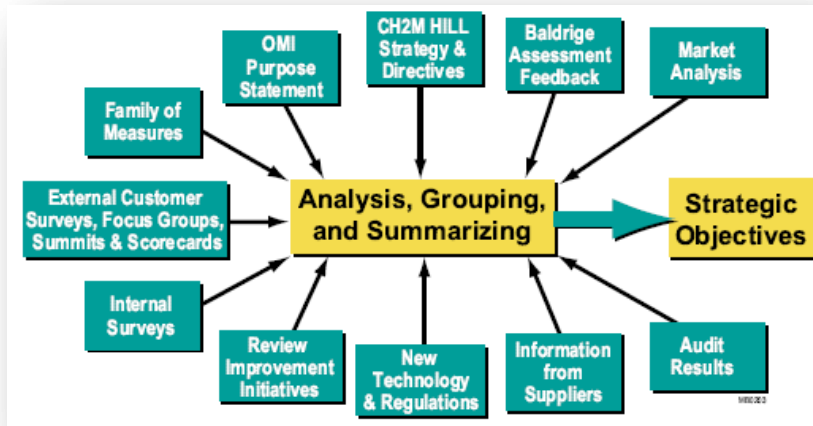
ROLE MODEL
ROLE MODEL



OMI(2000)

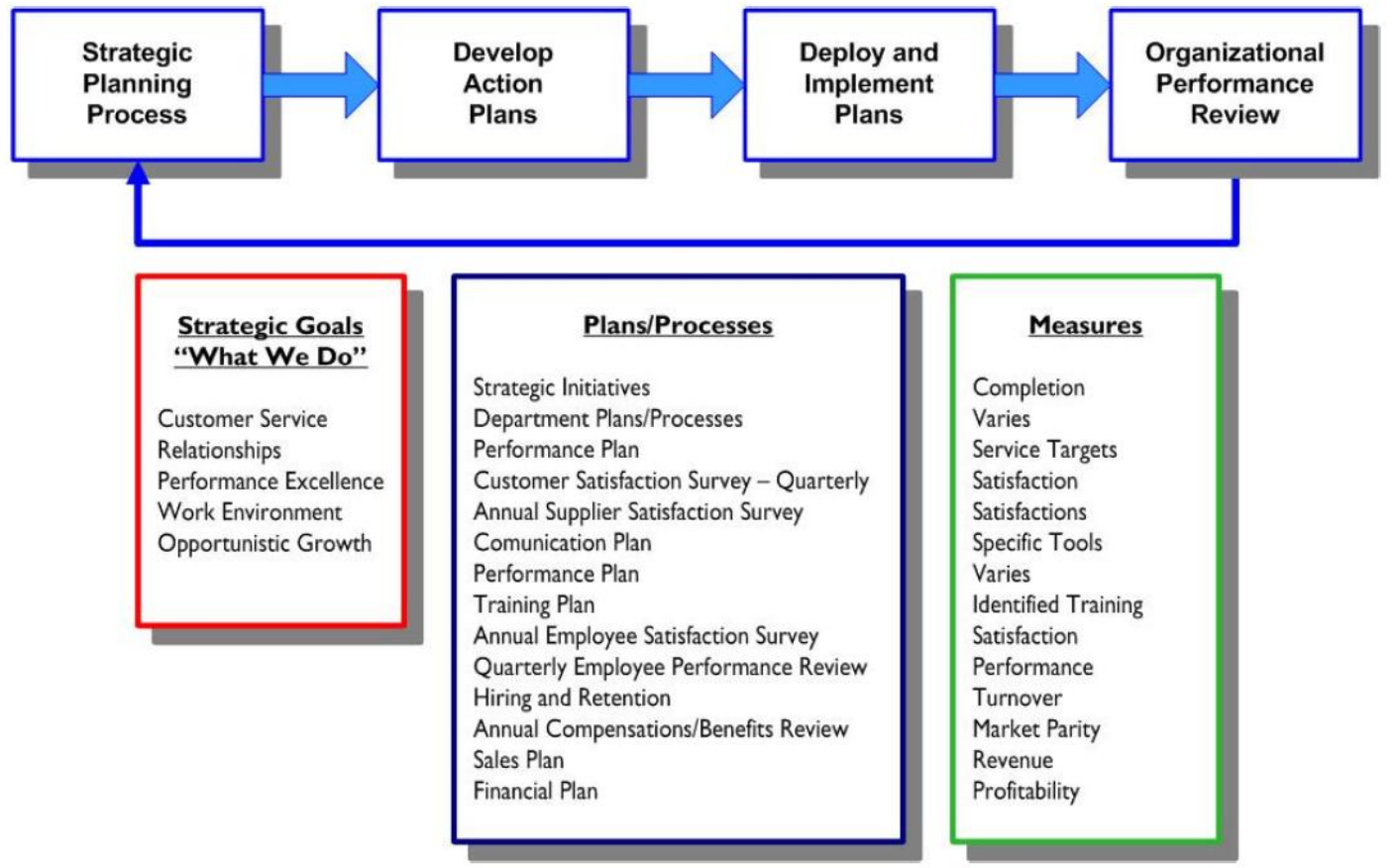
planning, deployment, monitoring

ROLE MODEL
ROLE MODEL



Mesa Products (2004) deployment

ROLE MODEL
ROLE MODEL



Midway USA (2009)

integration

ROLE MODEL
ROLE MODEL

Figure 2.1-1 Strategic Objective Integration Complete 2009 SP AOS

2009 Strategic Objectives	Timetable	2009 Strategic Objective Goal(s)	<u>Key Stakeholders</u> /CG	Core Comp. (CCS)	Strategic Advantage	Strategic Challenge	Key APs
1. Grow the business	2009-2012	Grow sales by --%	<u>Shareholder</u> Satisfaction	MK, ME	-Privately held, profitable Company -Larry Potterfield as the "Face of MidwayUSA" -Vendor Relationship Management	-Product availability -Changing regulations -Competition from internet-only retailers -Entering new markets	Hunting Category Expansion
2. Improve website performance, Customer interface and overall value	2009-2012	1. Improve "Ease of finding what you are looking for" from 87.67 to 88.67% 2. Improve "Overall look and design of site" from 88.33 to 89.33% 3. Improve website speed from 2 to 1.5 seconds	<u>Customer</u> Satisfaction	MK	Modern management practices	Competition from internet-only retailers	1. Improve Web Applications 2. Improve Homepage 3. Improve Media Linker
3. Improve Customer satisfaction and	2009	1. Satisfaction: Improve Overall Customer satisfaction from 91.75 to 92.25% 2. Loyalty: Improve "Would shop here again" from 93.5 to 94%	<u>Customer</u> Satisfaction	MK, ME, OT,	-"Just about everything" process strategy -Industry support -Inventory management/Never out	-Product availability -Changing regulations -Competition from	1. Customer Complaint Mgt. 2. C-Sat Survey Improvement

What strikes you about these role model approaches?

Fundamental points about strategy

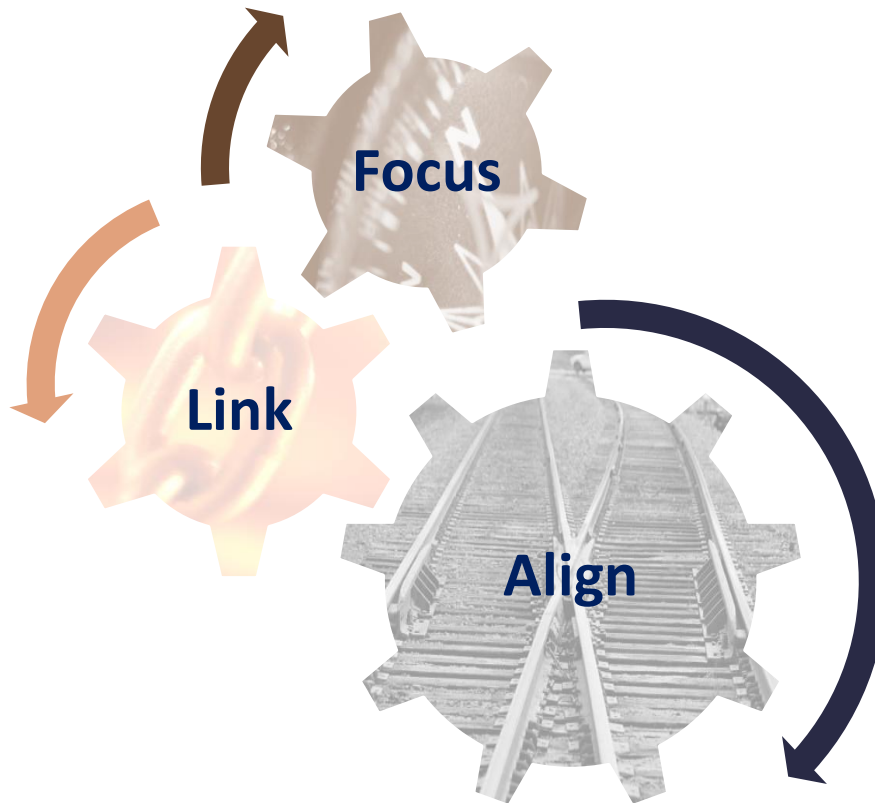
- Anticipatory and predictive (Dr. Deming)
- Dynamic process, not a static plan
- Top-down (Board, Execs, SLT) and bottom-up (units, teams, front-line) required for success
- 20% inspiration + 80% perspiration
- “Public” domain activity, not “C-suite secret”
- Pace and parse to match resources and needs



Focus-Link-Align Certain
Strategy™ model for
exercising reason and
igniting passion

A smooth sea never made
a skilled mariner.
- English Proverb

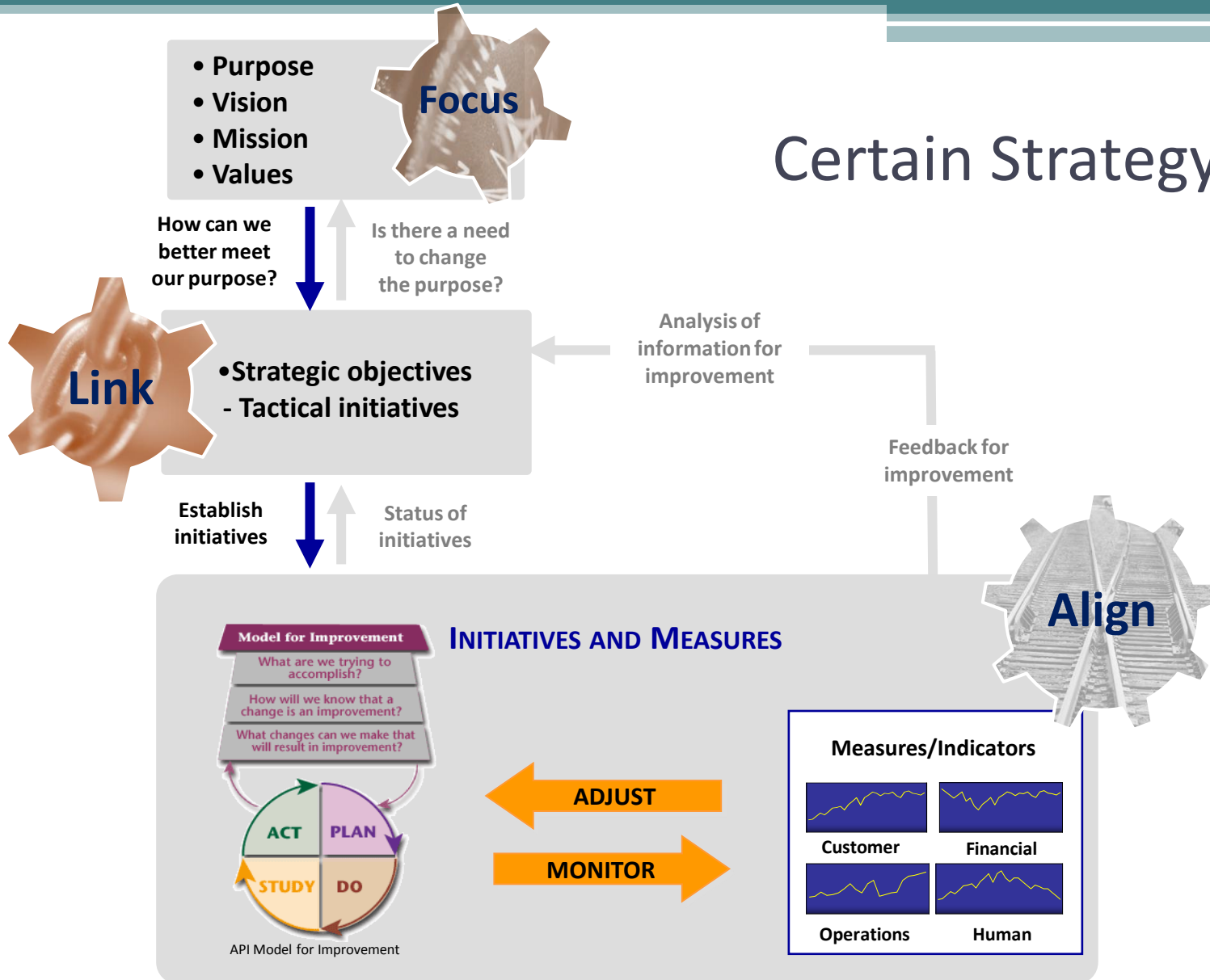
Exercising **reason** and igniting **passion**
enables high performance



What generates **passion**?

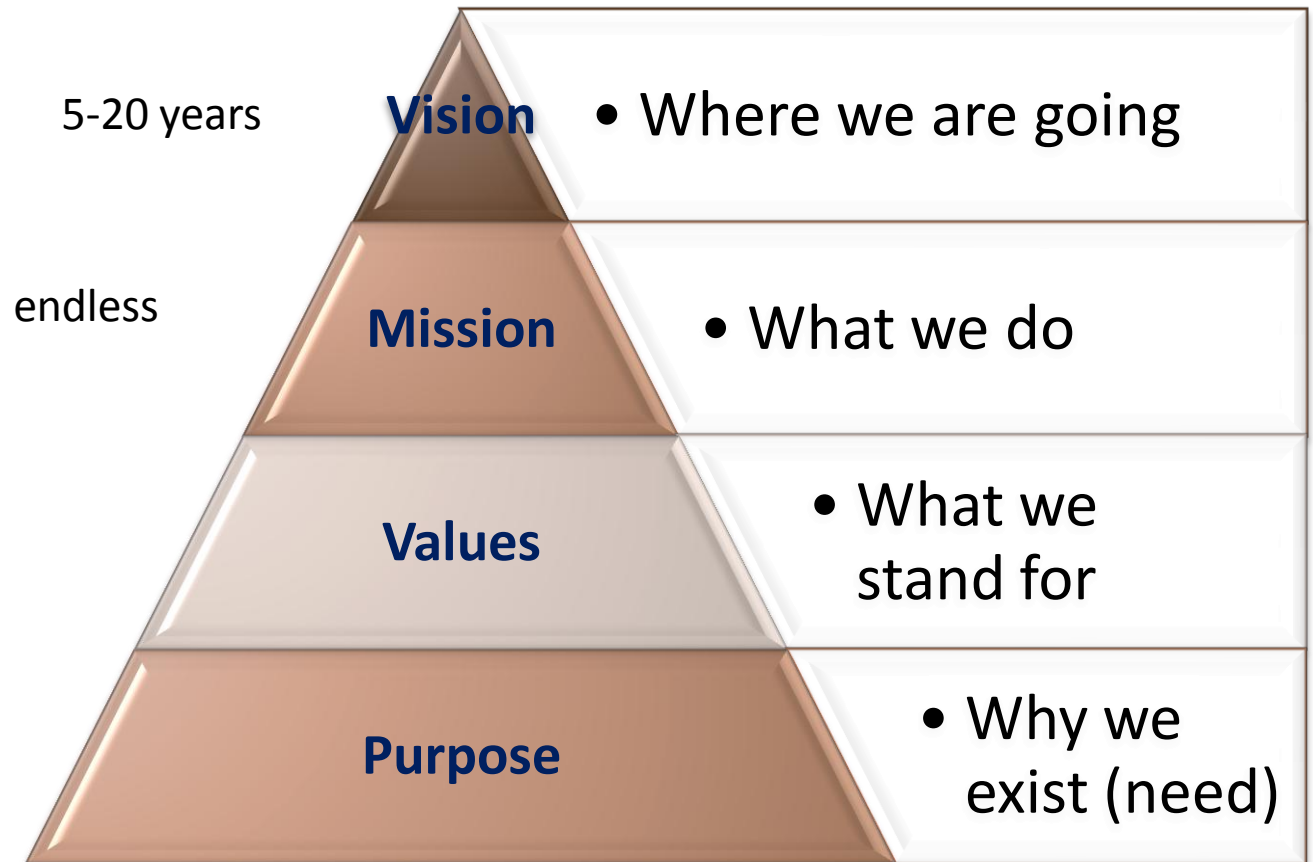
- Shared and compelling **vision**
- Motivation to achieve a **goal**
- Anticipation of **benefit or reward**
- **Belief** in oneself and others
- **Service** to and support of others
- Contribution to work with **meaning**

Certain Strategy™ Model





Focus activity





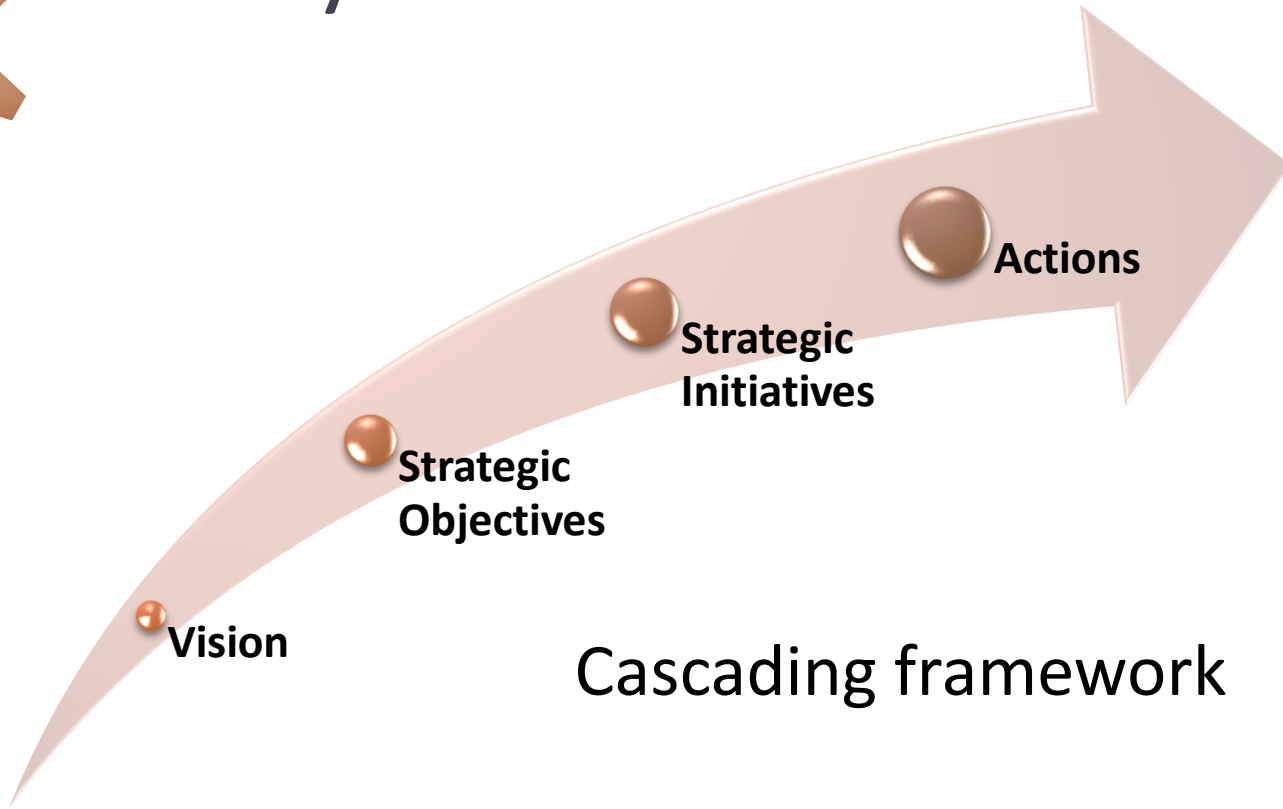
Focus example





Link

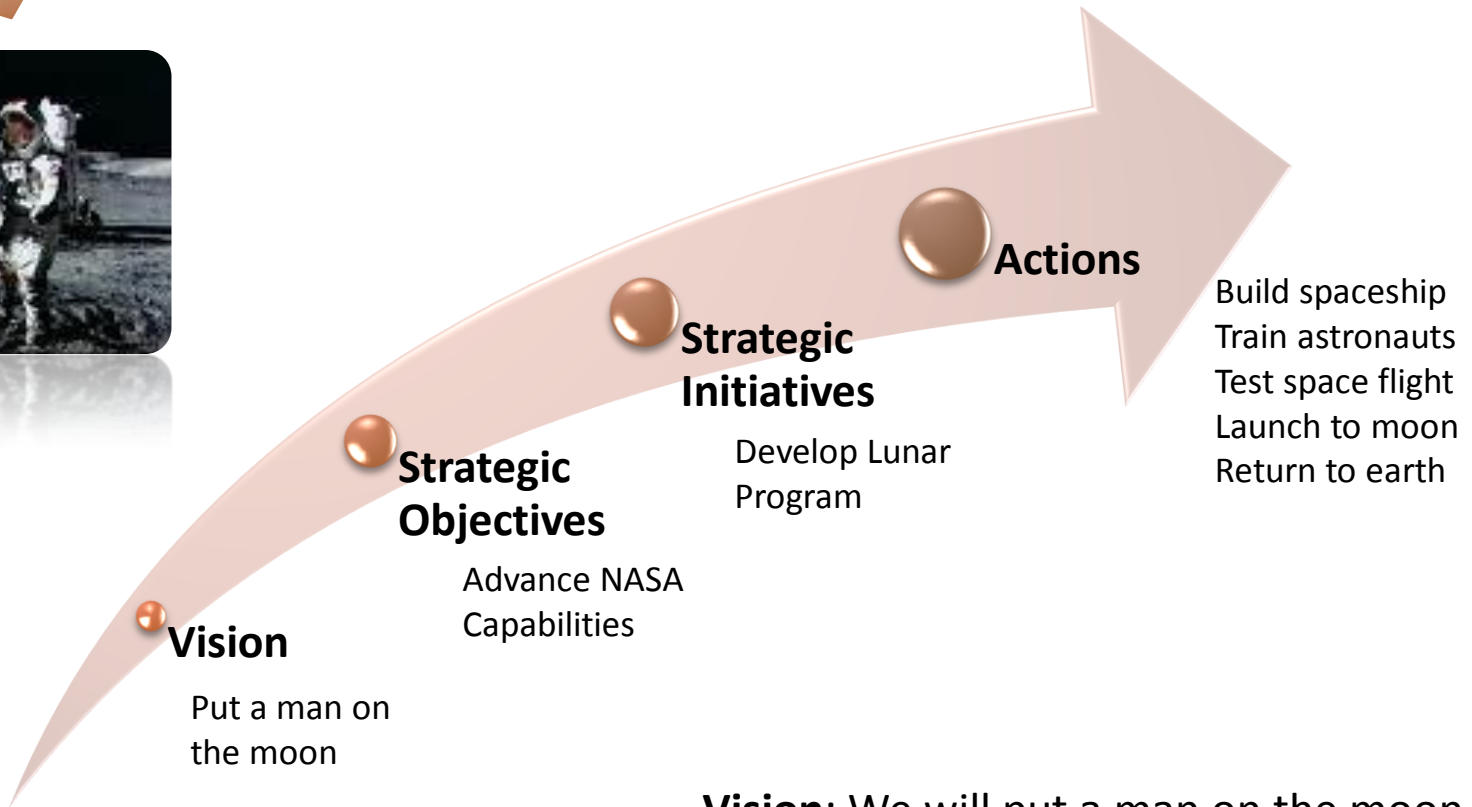
activity



Cascading framework



example



Vision: We will put a man on the moon by the end of this decade



activity

Align



People &
Processes



Measuring
& Monitoring





example



NASA, contractors,
technology,
engineering



Testing,
research,
pilot launches,
flight data, mission
control





Exercise – Develop an initiative charter and action plan

Success has the distinct odor of perspiration.
- *Anonymous*

CERTAIN STRATEGY™ CHARTER

Strategy Title	Click here to enter text.
Strategy Description	Click here to enter text.
Team Leader	Click here to enter text.
Team Members	Click here to enter text. Click here to enter text. Click here to enter text. Click here to enter text. Click here to enter text. Click here to enter text. Click here to enter text. Click here to enter text. Click here to enter text. Click here to enter text.



FOCUS: What are we trying to accomplish?	
Purpose of this strategy	Click here to enter text.
Expected outcomes (business, financial, etc.)	Click here to enter text. Click here to enter text. Click here to enter text.
Vision and Mission impacts (choose most important 1-3)	Choose an item. Choose an item. Choose an item.

LINK: How will we know a change is an improvement?			
Performance Indicator	Unit and Timeframe	Current Level (Actual or Estimate)	Targeted Performance
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

LINK: What changes can we make or actions can we take?			
Actions and Tactics	Owner (Tactics)	Target Completion	Budget
ACTION: Click here to enter text.			
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.

Version No: Click here to enter text.
Revision Date: Click here to enter a date.
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CERTAIN STRATEGY™ CHARTER

LINK: What changes can we make or actions can we take?			
Actions and Tactics	Owner (Tactics)	Target Completion	Budget
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
ACTION: Click here to enter text.			
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.
ACTION: Click here to enter text.			
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.
ACTION: Click here to enter text.			
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter a date.	Click here to enter text.

ALIGN: How will we align and engage our people, monitoring systems, and resources?	
Boundaries or Constraints	Click here to enter text.
Workforce Training Required	Click here to enter text.
Monitoring System(s)	Click here to enter text.
Feedback Source(s)	Click here to enter text.
Recognition Opportunities	Click here to enter text.

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Wrapping up

A smooth sea never made
a skilled mariner.
- English Proverb

Questions to stimulate planning

- What is the CEO/leadership team's vision?
- What are the Board's priorities and desires?
- Who do our clients think we are?
- What do our clients say we do best?
- What do our clients value the most?
- What unmet needs would we meet if we could?
- In what specific situations do we not perform well?
- What do we do that makes the biggest impact?
- What should we stop doing?
- What external changes/trends/conditions affect what we do?
- Who does what we do better, and how?
- How do we challenge ourselves to be innovative?

A few final insights on strategy

- $E(\text{ffectiveness}) = Q(\text{uality}) \times A(\text{cceptance})$
- No plan survives contact with the enemy
- Strategy and reality are fluid and dynamic
- Future without focus is uncertain and unpredictable
- Opportunities to contribute give work meaning
- What gets measured, gets managed (and improved)

Thank you!

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