

STRATEGIC MANAGEMENT



brainard
STRATEGY

Translating a Mission and Overall Goals into Strategic Outcomes

Mission (Why We Exist)
To Increase enterprise Value

Vision (Where We Are Going)

Core Values (What We Believe In)

Strategy (Our Game Plan)
Overall and Business Unit

Management System
Implementation and Focus, Balanced Scorecard

Strategic Initiatives (What We Need To Do)

Personal Objectives (What Each Employees Needs To Do)

Strategic Outcomes

Satisfied Shareholders

Delighted Customers

Effective Processes

Motivated Employees

Barriers to Strategy Execution

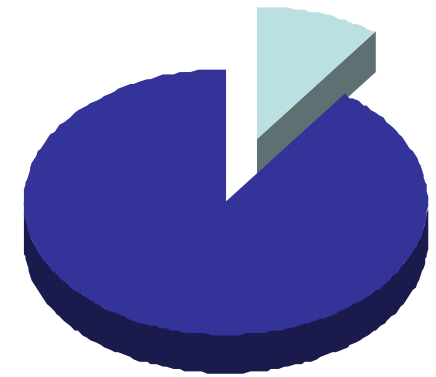
ONLY 10% OF
ORGANIZATIONS
EXECUTE THEIR
STRATEGIES*

Vision: Only 5% of
workers understand it

People: Only 55% of
managers have
incentives linked to
strategy.

Mgmt: 85% of execs
spend less than 1 HR
month on strategy

Resource: 60% of
organizations don't link
budgets to strategy.



90% NOT IMPLEMENTED

Vision vs. Strategy

Vision

- A realistic, credible, attractive future for X company “great hope held in common”

Strategy

- Turns vision into something useful “people feel in control, less anxious, more confident about stepping up to opportunities and managing threats”

Strategic Planning vs. Visioning

Strategic planning

- Taking what we know today plus lessons learned from the past and developing a plan to place our company in a better competitive position in the future

Visioning

- Starting with a blank sheet of paper, it is about visualizing a future desired state, a picture of where and what we would like our company to be in the future, without constraints of funding and resources, and then working backward to develop the strategic action plan to get us there...imagination and discovery vs. analysis and forecasts

Vision — Mission — Strategy — Core Values

Vision Statement

- Defines a desired state in 2 - 5 years

Mission Statement

- Defines the fundamental purpose for existence and answers 4 questions...who are we? what do we do? for whom do we do it? why do we do it?

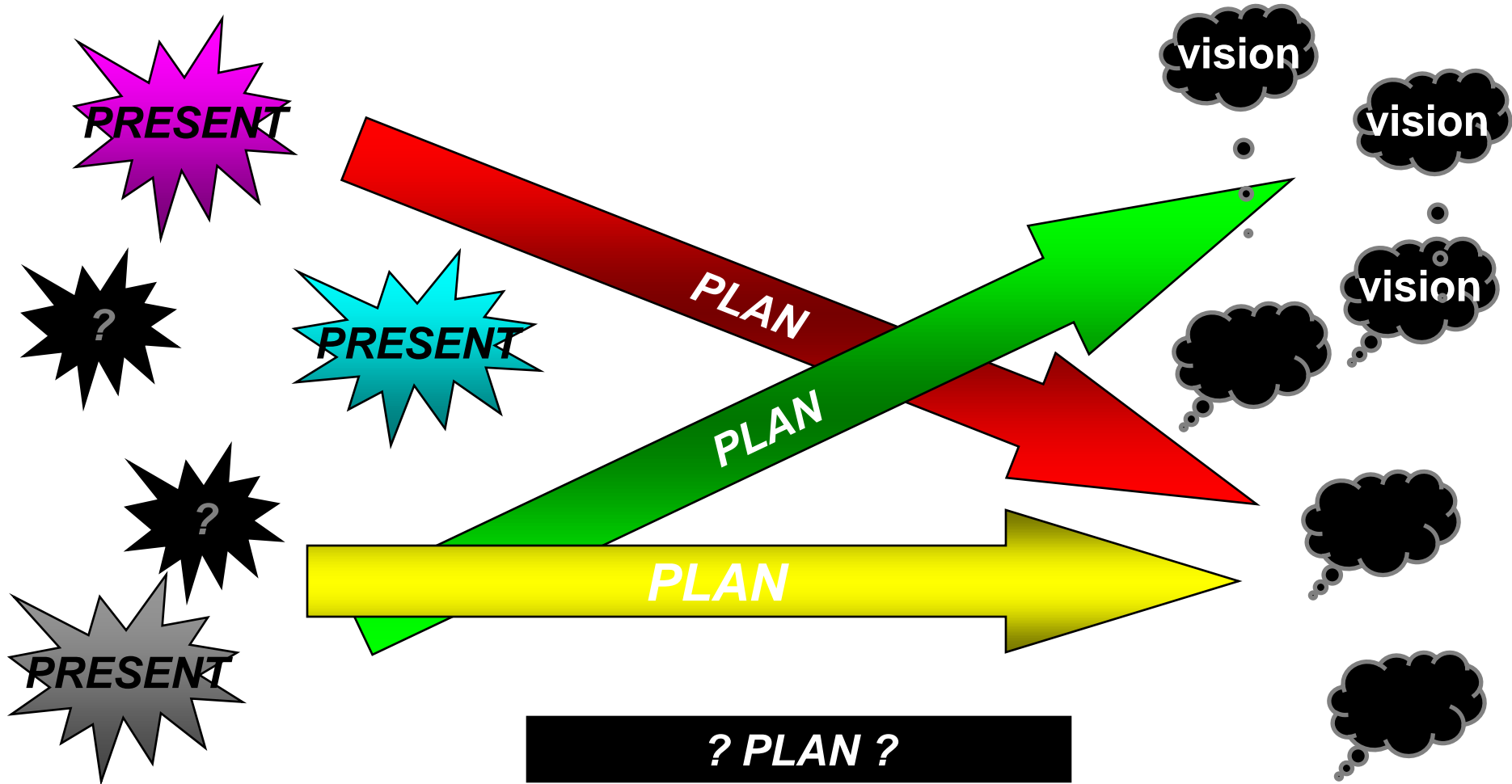
Strategic Plan (answers)

- Where are we? Where have we decided to go? How do we get there? How much does it cost? When do we arrive? Who is responsible ? To what timetable?

Core Values

- The essential and enduring principles and beliefs that guide work, behavior, relationships and decision making for a company to achieve the vision

Brainstorm: High Performing Team



Towards Clarity

**AGREEMENT ON
TODAY'S STATUS**

PRESENT

STRATEGIC PLAN

- ASSUMPTIONS ABOUT THE FUTURE
- MOBILIZE THE RESOURCES TO EXECUTE
- BASIS FOR ADJUSTING TO CHANGES
- ARTICULATED, AGREED UPON,
- COMPASS DIRECTION IN THE SWAMP

VISION



**AGREED UPON
FUTURE**

Visions

Ford Motor Company

“a car in every garage”



“I have a dream”



“a man on the moon by the end of the decade”



Komatsu:
“Encircle Caterpillar”

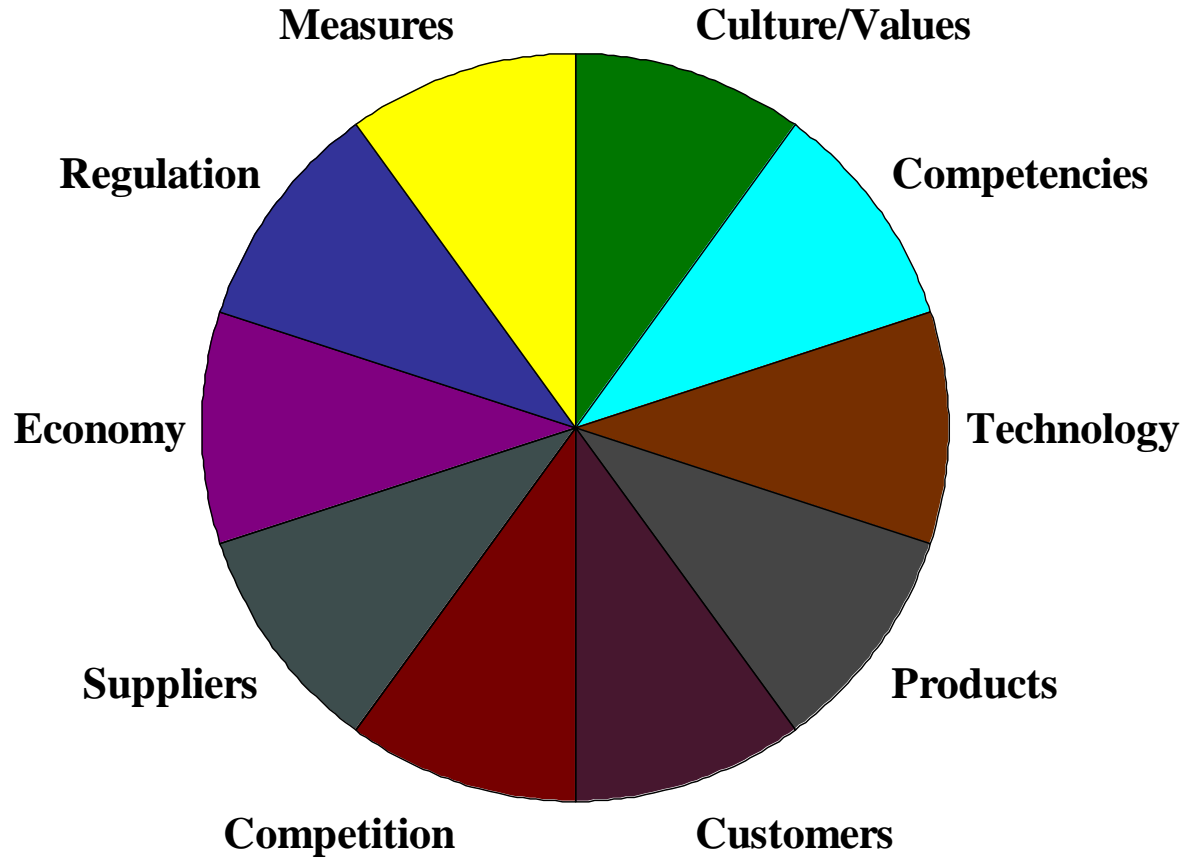


“personal computer at every desk”

Power and Transforming Vision Checklist

1. Future oriented
2. Utopian...a better future
3. Appropriate...fits, history, culture, values
4. Excellence and high ideals
5. Clarifies purpose and direction
6. Inspires enthusiasm, encourages commitment
7. Reflects uniqueness, distinctive competencies
8. Ambitious
9. Well articulated and easily understood

Vision Elements



Strategy Focused Organization

Mobilize change through executive leadership

- Board buy-in
- Strategic performance management system

Make strategy continual process

- Link budgets and strategies

Make strategy everyone's everyday job

- Personal scorecards
- Strategic awareness

Strategy Focused Organization (continued)

Align strategies to organizational mission, vision, values

- **Shared services synergies**

Translate strategies to operational terms and goals

- **Strategy maps**