The OGMTM Method of Goal Setting

Linking Strategy and Performance
Having trouble with your new year’s resolutions?

Combined with superior execution, OGTM is a simple, yet powerful framework that you can put into action for immediate benefit.
OGTM Framework

By definition, OGTM is an iterative process that helps management develop and deploy an integrated strategic plan across the organization, defining the specific actions needed to deliver competitive advantage at every level in the company.
Organizational Alignment

- The OGTM framework creates connectivity and accountability across the company
  - Between enterprise functions, operating units, and geographies
- Realistic & aligned financial goals and metrics are established and analyzed
  - Facilitates deployment and review progress
  - Align team and individual performance to the over-arching company objectives

Purpose

Increase value and enable the Executive Suite to lead the way on alignment and performance.
OBJECTIVES
Company objectives already exist.

Objectives have a 2-3 year time frame for completion.

Objectives are determined by the strategic orientation of the company.

**Example:**
Research, implement, maintain, and continue to evolve processes and information systems that provide data and reporting capabilities to improve patient care

Objectives require *no* creative writing
### Objectives

- **Description**
  - Long term, broad objectives.
  - Usually to be accomplished over the next 2-3 years.

- **Questions Answered**
  - What do we need to achieve as a business?

- **Nature of Component**
  - QUALITATIVE
Writing Goals

Goals can come from three places:

1. Boss’ Goals
   - pass through to you

2. Boss’ Tactics
   - reword the tactics so they fit what you are accountable for

3. Your own knowledge of how you add value
   - what you will deliver in the next performance period
Writing Goals (cont.)

Create **goals** for your objectives by:

- Determining how you will achieve objectives

Using **quantitative** measures:

- Time, money, quality, % increase or decrease
- Providing deadlines/completion data

**Example:**

Improve performance by 10% on nationally recognized quality indicators by year end
Writing Goals (cont.)

Review each goal

Am I accountable For this goal?

Delete Goal

no

yes

Retain… (copy/paste)

And/or

Edit… Translate to fit to “what You will accomplish”

And/or

What goals do I need to “create” / “write” to add value?

Write “new” Measurements and Tactics
# The OGMTM Scorecard - Goals

<table>
<thead>
<tr>
<th>Description</th>
<th>Objectives</th>
<th>Goals</th>
<th>Tactics</th>
<th>Metrics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long term, broad objectives.</td>
<td>Qualitative articulation of the objectives.</td>
<td>What specific targets should the business deliver?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Usually to be accomplished over the next 2-3 years.</td>
<td>Usually include overall factors like:</td>
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<tr>
<td></td>
<td>– EPS</td>
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<td>– Share</td>
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<td></td>
<td>– Revenue</td>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>– Profit</td>
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**Questions Answered**

- What do we need to achieve as a business?

**Nature of Component**

**QUALITATIVE**

Across key parameters – finance, marketing, operations?

**QUANTITATIVE**

Winter 2011
Writing Tactics

• Tactics are the activities that you will do or directly manage to accomplish the goal.

• Tactics are work activities in support of achieving your goals.

• Tactics should incorporate:
  – Individual/Group Performance
  – Appropriate Stakeholders
  – Qualitative Data
Writing Tactics - Examples

Deploy sales training guide

Input assumptions into new project Return-on-Investment model

Review and complete contracts

Assess resource constraints

Standardize workflow processes to reduce variation and optimize efficiency
# The OGMTM Scorecard - Tactics

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<tr>
<td>- Long term, broad objectives.</td>
<td>- Quantitative articulation of the objectives.</td>
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<td>- The activities that you will do or directly manage to accomplish the goal.</td>
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| - Usually to be accomplished over the next 2-3 years. | - Usually include overall factors like:  
  - EPS  
  - Share  
  - Revenue  
  - Profit | - Usually include overall factors like:  
  - EPS  
  - Share  
  - Revenue  
  - Profit | - The activities that you will do or directly manage to accomplish the goal. | |
| | | | - Usually includes achievement of milestones. | |
| | | | - Broad activities as opposed to task lists. | |
| Questions Answered | Objectives | Goals | Tactics | Metrics |
| - What do we need to achieve as a business? | - What specific targets should the business deliver? | - How will the business achieve its goals and objectives? | - What will it do and not do? | |
| | | | | |
| Nature of Component | Qualitative | Quantitative | Qualitative | |
| Qualitative | Across key parameters – finance, marketing, operations? | - How will the business achieve its goals and objectives? | - What will it do and not do? | - How will resources – people, capital, dollars – be invested? |
Writing Metrics

Metrics are the units of measurements that “prove” you have accomplished your goal.

Measurements can be predefined from existing business standards.

You can create your own measurements.
Writing Metrics (cont.)

Remember to think about:

- What will you measure to demonstrate success against your goal?
  - The unit of measure for each objective.

- How will you and others know if you are “actually” successful?
  - A metric may not exist.

- Using quantitative measures.
  - Time, money, quality, % increase or decrease.

- Lastly, how will you be measured by others?
  - Make sure metrics are specific.

Example:
Enrollment Graph – Planned vs. Actual
The OGTM Scorecard - *Putting it all Together*

### Objectives
- Long term, broad objectives.
- Usually to be accomplished over the next 2-3 years.

### Goals
- Quantitative articulation of the objectives.
- Usually include overall factors like:
  - EPS
  - Share
  - Revenue
  - Profit

### Tactics
- The activities that you will do or directly manage to accomplish the goal.
- Usually includes achievement of milestones.
- Broad activities as opposed to task lists.

### Metrics
- Quantitative articulation of how you will determine whether you have achieved the goal or not.
- The criteria and measuring stick for success.

## Description

### Questions Answered
- What do we need to achieve as a business?
- What specific targets should the business deliver?

### Nature of Component

#### QUALITATIVE
Across key parameters – finance, marketing, operations?

#### QUANTITATIVE
How will the business achieve its goals and objectives?
- What will it do and not do?

#### QUALITATIVE
How is the business performing?
- Are strategies delivering the desired results?

#### QUANTITATIVE
Are strategies delivering the desired results?
Give it a Try..!

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Winter 2011
Coaching and Teaching the OGTM Process

Ensure there is full linkage propagating from Executive Team’s Performance Scorecard through each level of the company.

Consistent performance and linkage to the Company’s Performance Scorecard drives desired outcomes.
OGTM’s cascade down the organization

- **Executive Officers**: establish overall Performance Standards (PS)
- **Site Leaders**: establish Performance Standards (PS) for their respective functions
- **Operating Heads / Managers**: establish PS for their respective groups
- **Functional Managers within Groups**: establish departmental PS for their respective functions
- **Employees**: establish individual PS by which their performance is measured
## Linking Your Tactics to Your Direct Report’s Goals

### Sr. Executive

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<tr>
<td>Develop fast growing portfolio of brands and product lines</td>
<td>Sales Growth</td>
<td>Strengthen and streamline brand &amp; product portfolio</td>
<td>+4.5% Sales Growth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Expand brand and product line availability to all profitable channels</td>
<td>10% Increase in points of availability</td>
</tr>
</tbody>
</table>

### Sr. Director

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<tr>
<td>Develop fast growing portfolio of brands and product lines</td>
<td>Expand brand and product line availability to all profitable channels</td>
<td>Increase Availability in Convenience Channel</td>
<td>$300MM Incremental Sales</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase Availability In Club and Mass</td>
<td>$200MM Incremental Sales</td>
</tr>
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### Manager

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<tr>
<td>Develop fast growing portfolio of brands and product lines</td>
<td>Increase Availability In Club and Mass</td>
<td>Slim Jim / Pemmican rack in 50% of 7-Eleven locations year 1</td>
<td>100% Availability</td>
</tr>
<tr>
<td>Step</td>
<td>Key Concept</td>
<td></td>
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<tr>
<td>------</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Mobilize change through executive leadership – mobilization, governance, strategic management systems.</td>
<td></td>
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</tr>
<tr>
<td>2</td>
<td>Make strategy a continual process – Link budgets and strategies, analytics and information systems, strategic learning.</td>
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<tr>
<td>3</td>
<td>Make strategy everyone’s everyday job – Personal scorecards, strategic awareness, balanced pay checks.</td>
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<tr>
<td>4</td>
<td>Align the organization to the strategies – Corporate role, business unit synergies, shared synergies.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Translate the strategies to operations terms – Strategy maps, balanced scorecards.</td>
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Start now. Revisit often. Align your company for excellence in 2011 and beyond.