

Strategic Formulation & Implementation



What is strategic thinking?

Strategic = of high-value, related to strategy and essential to success

Thinking = to analyze and generate concepts and ideas in one's mind

Strategic thinking is the skill of generating high-value analysis, strategies, tactics, concepts and plans that are essential to success

Strategic thinking is the most valuable skill for success in business and life

Goal - A desired future state that the organization attempts to realize

Plan - A blueprint specifying the resource allocations, schedules, and other actions necessary for attaining goals

Planning – determining the organization's goals and the means for achieving them
the most fundamental management function
the most controversial management function.

21st Century Library Strategic Plan Model[®]



VISION : What would we like to be in the future?

MISSION : What do we need to do?

STRATEGIC ISSUES : Issues for future development

STRATEGIC OBJECTIVES : Desirable stage of each strategic issue

STRATEGY : Effective way to achieve the strategic objectives

PROGRAM/PROJECTS : Detailed actions to be taken

KEY INDICATORS : Indicators for achievement

TARGET/GOALS : Level of the measurement





Where do you want to be?

Vision & Objectives

Description of desired future state

Where are you now?

Gap Analysis

Assessment to current state

How will you get there?

Strategies

Action Plan (Roadmap)

How will you know when you are there?

Balanced Scorecard

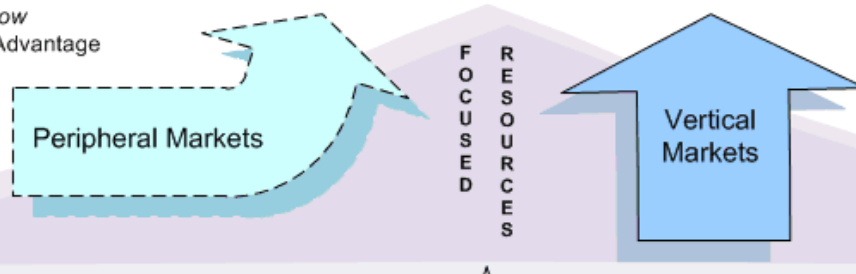
Metrics & Continuous Improvement

Strategic Planning Framework:

Who, What Where, When, Why, How

Distinct, Sustainable Competitive Advantage

Market-Driven, Customer-Focused



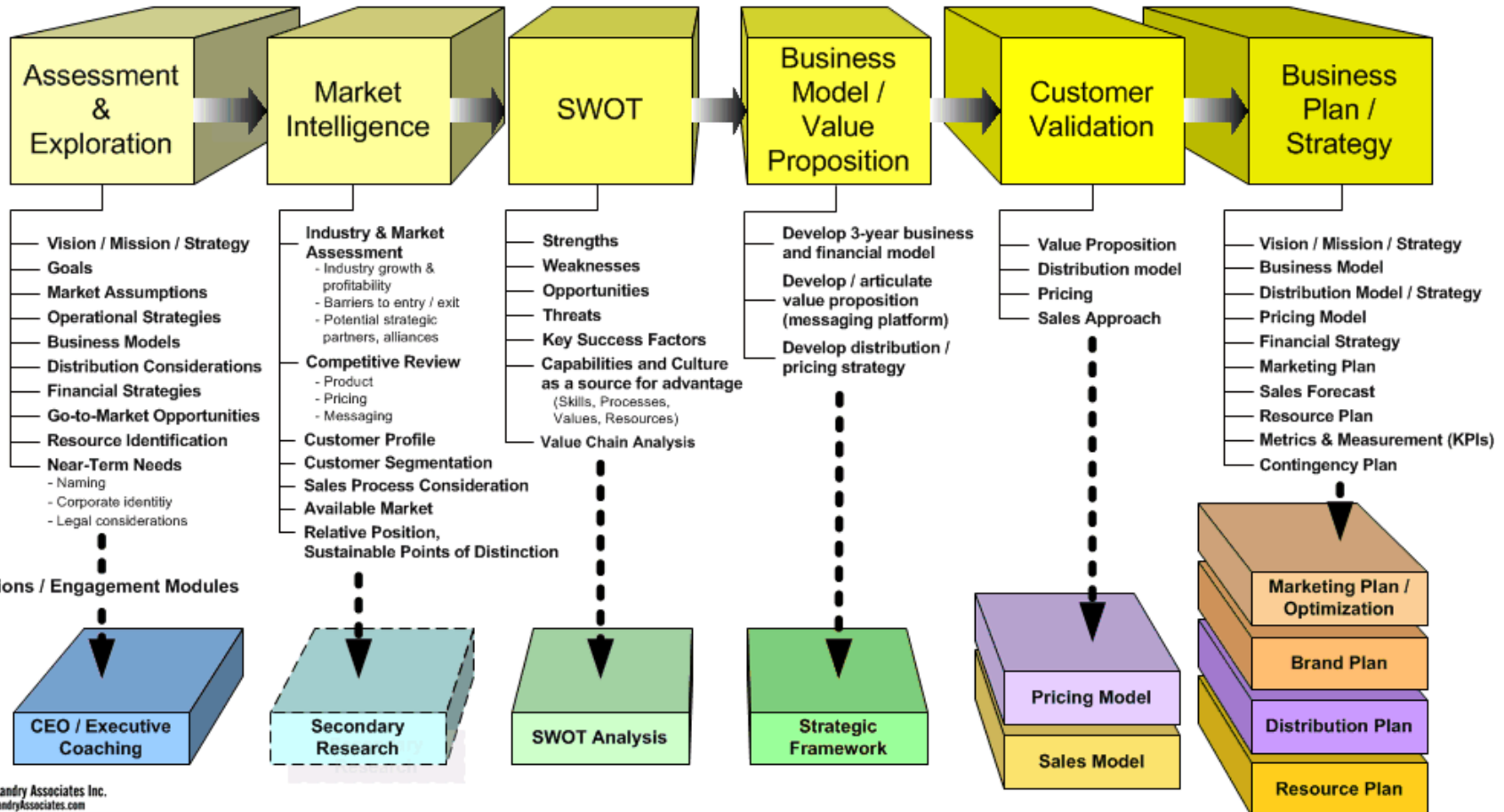
Plans are nothing. Planning is everything.
Dwight Eisenhower

Strategic Plan: Building Blocks of Value

Phase I: Discovery & Assessment

Phase II: Validation

Phase III: Final Plan / Implementation



Step 08
Prepare to Implement

Step 07
Develop Annual Plans and Strategic Budget

Step 06
Develop 3-yr Business Unit Plans

Step 05
Develop Core Strategies

Step 04
Assess the Current State

Step 09
Drive Implementation and Transformation

Step 10
Conduct Annual Strategic Review and Update

3 Goals of Strategic Management

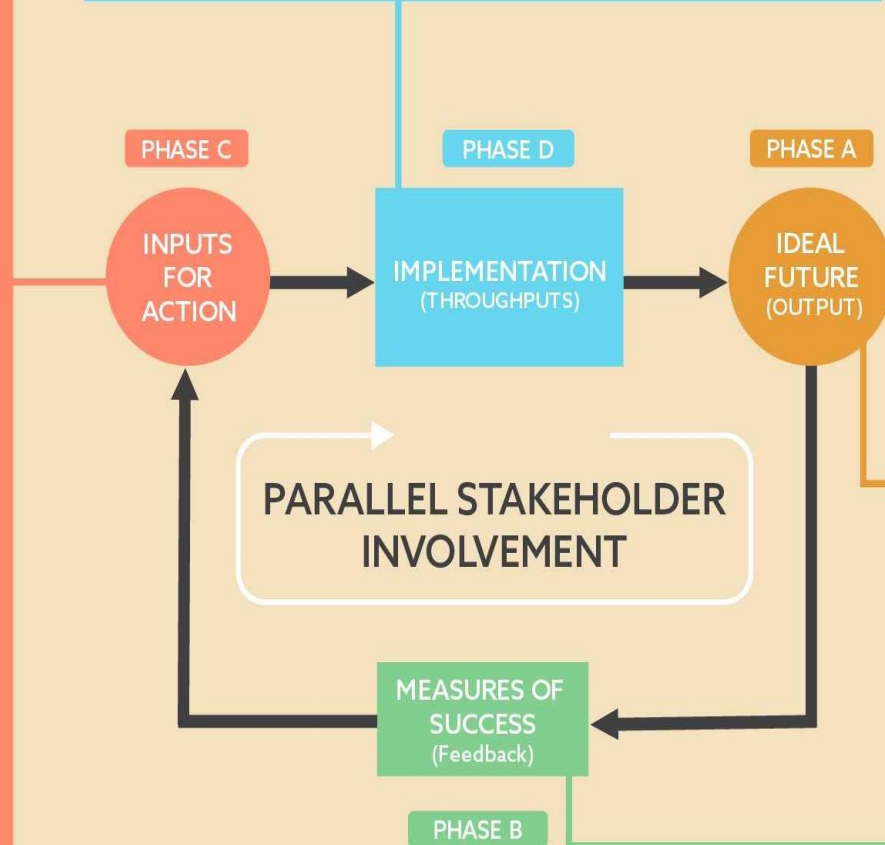
- 1 Achieve Clarity of Purpose and Direction
- 2 Ensure Successful Transformation
- 3 Sustain High Performance over the Long Term

Step 01
Prepare to Begin

Scan the future external environment constantly

Step 02
Envision the Ideal Future

Step 03
Define Key Measures of Success



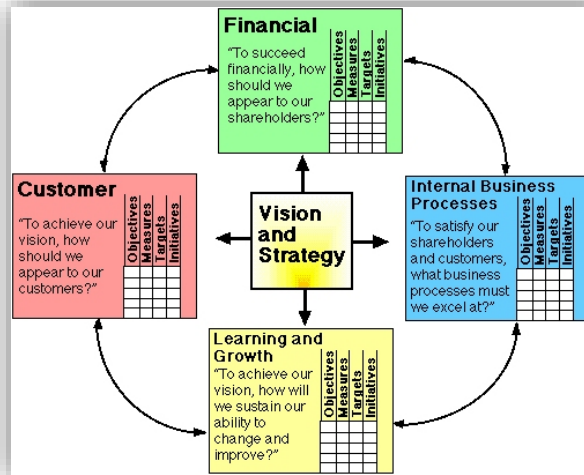
Traditional S.W.O.T.

| | |
|----------------------|-------------------|
| Strengths (S) | Weaknesses (W) |
| Opportunities (O) | Threats (T) |

**Taking SWOT
One Step
FURTHER**

T.O.W.S. Matrix

| | | |
|-------------------|--------------------------------|--------------------------------|
| | (Internal Origin) | |
| Internal Factors | Strengths (S) | Weaknesses (W) |
| External Factors | Opportunities (O) | Threats (T) |
| | ↓ | ↓ |
| (External Origin) | S-O Strategies & Tactics | W-O Strategies & Tactics |
| | ↓ | ↓ |
| | S-T Strategies & Tactics | W-T Strategies & Tactics |



Strengths:

Characteristics of the business that give it an advantage over others

Weaknesses:

Characteristics that place the team at a disadvantage relative to others

Opportunities:

Elements that the project could exploit to its advantage

Threats:

Elements in the environment that could cause trouble for the business or project

Internal

External



SWOT ANALYSIS

Traditional S.W.O.T.

Strengths
(S)

Weaknesses
(W)

Opportunities
(O)

Threats
(T)



T.O.W.S. Matrix

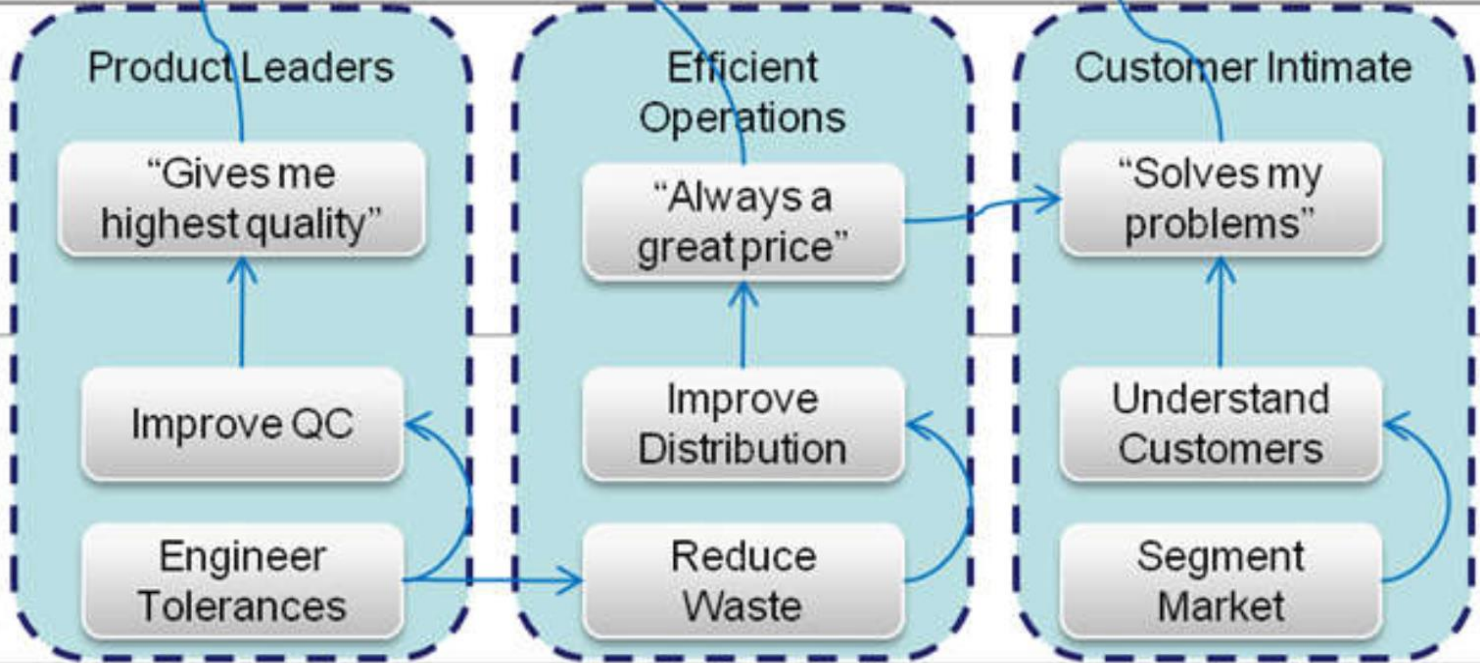




Financial



Customer



Processes

People, Knowledge



Mission

Vision

Strategic Objectives

Business Group Objectives

Day-to-day operations and
Decision Making

Processes

Projects



Hazards

- Fire
- Property damage
- Business interruption
- Disease; disability
- Facility, Data, Personal Security

Financial

- Pricing
- Liquidity
- Taxation
- Valuations
- Credit/Capital access

Strategic

- Brand reputation/ erosion
- Differentiation/Competitive strength
- Customer intimacy
- Innovation and change capacity
- **Executive Compensation**

Operational

- Productivity
- Core process effectiveness
- Morale and competency
- Product Development
- Supply chain management

Legal

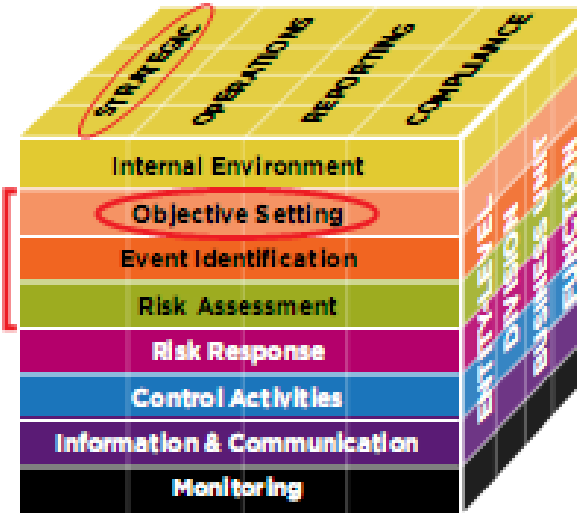
- Regulatory Compliance
- Fraud
- Litigation
- Trademark and Patent Protection
- Investor Relations



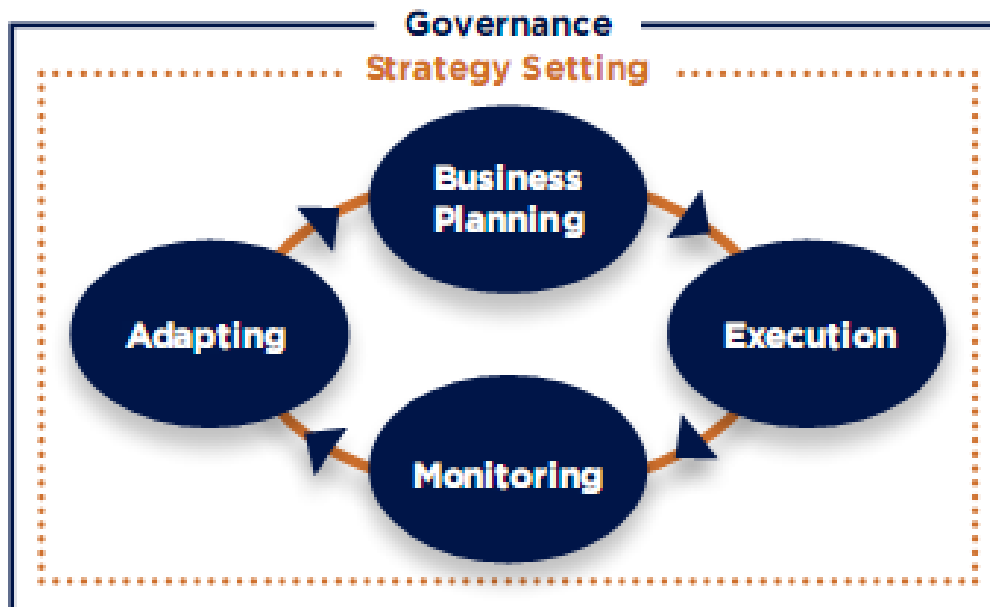


Internal Control -
Integrated Framework

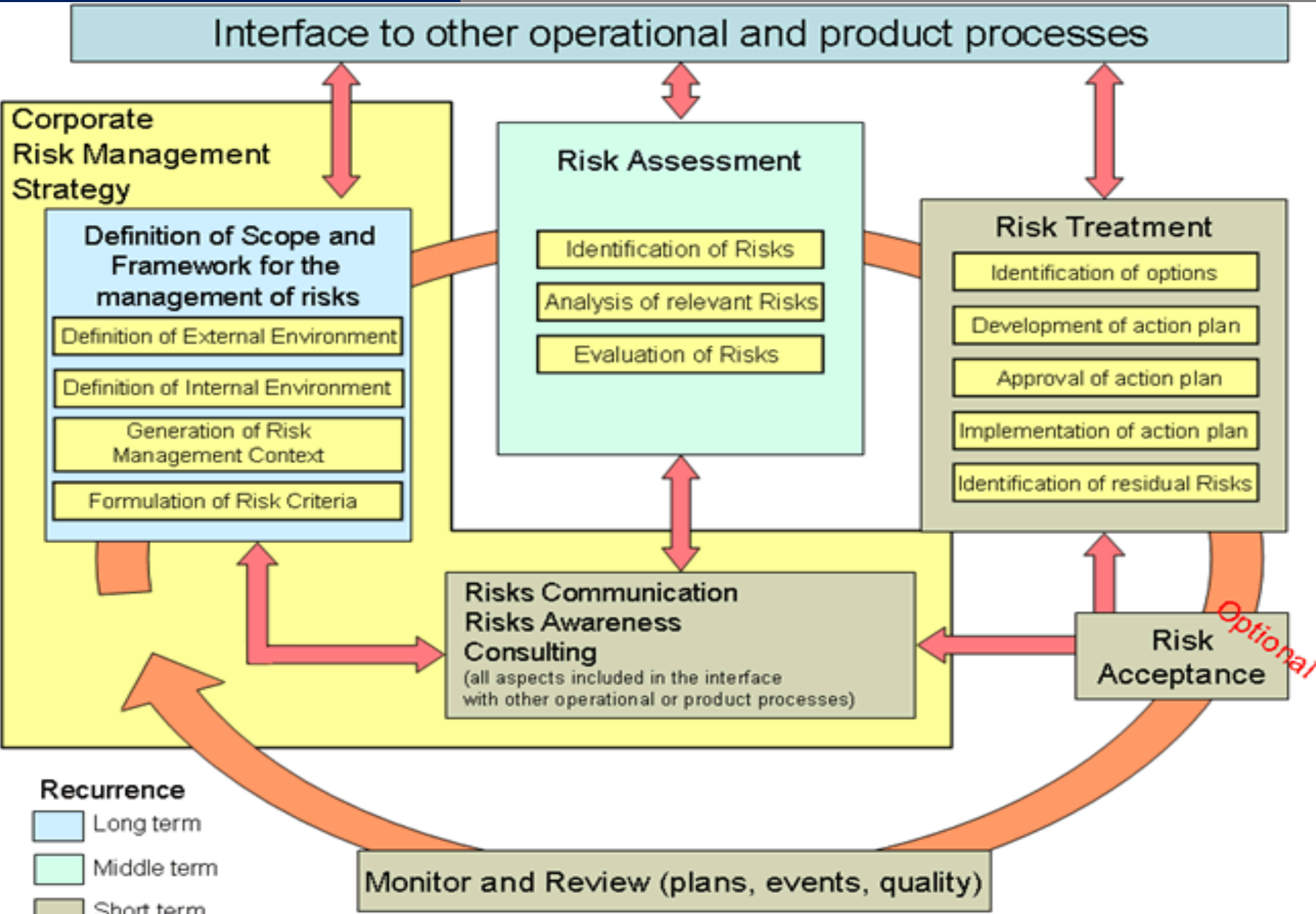
Expanded into
3 components



Enterprise Risk Model -
Integrated Framework



Contextual Business Model



Risk Rating = Likelihood x Severity

| | | | | | | | |
|--|--------------|---|-------------------|--------|------------|----------|----------|
| S e v e r i t y | Catastrophic | 5 | 5 | 10 | 15 | 20 | 25 |
| | Significant | 4 | 4 | 8 | 12 | 16 | 20 |
| | Moderate | 3 | 3 | 6 | 9 | 12 | 15 |
| | Low | 2 | 2 | 4 | 6 | 8 | 10 |
| | Negligible | 1 | 1 | 2 | 3 | 4 | 5 |
| | | | 1 | 2 | 3 | 4 | 5 |
| | | | Improbable | Remote | Occasional | Probable | Frequent |
| | | | Likelihood | | | | |

- Catastrophic STOP
- Unacceptable URGENT ACTION
- Undesirable ACTION
- Acceptable MONITOR
- Desirable NO ACTION



S

Specific

**What, Where
How?**

A specific goal is distinct & defines as much of the goal as possible and contains no ambiguous language

M

Measurable

From and To

A measurement gives feedback and let's one know when the goal is complete.

A

Assignable

Who?

Goals must be assignable to individuals or groups

R

Realistic

Feasible?

Realistic goals are challenging yet attainable within the given timeframe

T

Time-Based

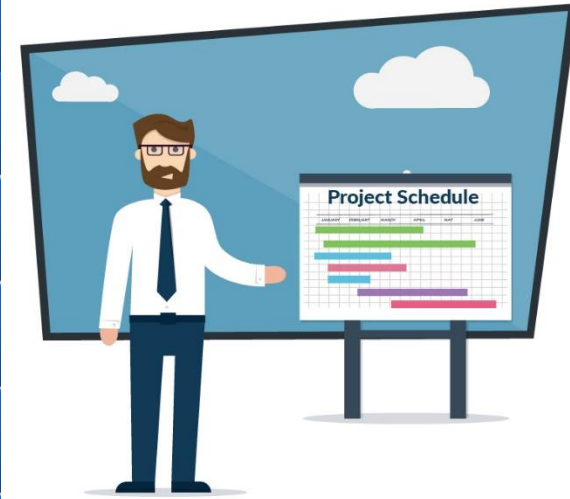
When?

Timeframe must be aggressive yet realistic



| | |
|----------|---|
| S | Your goals should be SPECIFIC . Include dates, resources, and dollar amounts you'll need to accomplish them. |
| M | They should be MEASURABLE by the date, dollar, or other appropriate unit. They should also be MUTUAL . (A legal or financial goal that you share with a spouse, partner, or family members will be easier to achieve.) And, it's best to define strategies for staying MOTIVATED towards your goals. |
| A | Your goals should be ATTAINABLE for your situation. You might even be able to complete part of your goal right now. |
| R | If your goals are REALISTIC and RELEVANT to your life, they'll be easier to achieve. Identify the RESOURCES you'll need to reach them, and REVIEW and REVISE them when necessary. |
| T | You'll need a specific TIMELINE to accomplish your goals. Since there's never enough time to complete all of your goals immediately, you'll need to prioritize them. |

- Project Name
- Reasons
- Objectives
- Goals
- Expected Outcomes
- Outcome Measurement
- Approach
- Scope of Work
- Time Frame
- Project Resources
- Responsible Persons
- Benefits / Returns
- Monitoring / Evaluation





90%



of all organisations fail to execute their strategies

This is why

75% of managers don't have incentives linked to strategy



85% of executive teams spend less than one hour per month discussing strategy



Living and breathing

40% of the organisation's strategies' value are not realised because of breakdowns in planning



60% of organisations don't link budget to strategy



Funding

73% of a typical organisation's employees don't have access to its strategic plan



95% of the workforce don't understand their organisation's strategy



Understanding

The Strategy



Strategic Formulation & Implementation



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