How To Develop A Strategic Plan: An OPEN MINDS Executive Seminar On Best Practices In Strategy, Portfolio Management, & Scenario-Based Planning
Redefining Strategy

I. Strategy Is Not Just A Long Term Goal
II. The Balance: Operational Excellence & Strategy
III. Strategic Development & Leadership Styles

Best Practices in Strategy Building

I. Develop An Honest Perspective
II. Choose A New Direction
III. Build The Foundation
IV. Execute & Iterate
V. Build Coalitions
Redefining Strategy
Strategy Is Not Just A Long Term Goal

The Kodak Case Study & Michael Porter
Once Upon A Time There Was Kodak

1990’s
- Part of the Fortune 100
- Controlled 85% of the US photography supply business
- Almost 150,000 employees
- Stock value nears $100 per share
- Inventor of the first consumer hand held camera and then of Digital Imaging Technology

2012
- Bankrupt
“Eastman Kodak Co., the photography pioneer that introduced the Brownie Camera more than a century ago, filed for bankruptcy after consumers embraced digital cameras, a technology Kodak invented and failed to commercialize.”

Bloomberg - Dawn McCarty and Beth Jinks, January 19, 2012, 1:53 PM EST
The Focus On Improving Operational Performance

There are few corporate blunders as staggering as Kodak’s missed opportunities in digital photography, a technology that it invented. This strategic failure was the direct cause of Kodak’s decades-long decline as digital photography destroyed its film-based business model.

*Chunka Mui – Forbes (1/19/2012)*

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Steve Sasson, the Kodak engineer who invented the first digital camera in 1975, characterized the initial corporate response to his invention this way: ‘that’s cute—but don’t tell anyone about it.’

*The New York Times (5/2/2008)*

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In 1989, the Kodak board of directors had a chance to take make a course change when Colby Chandler, the CEO, retired. The choices came down to Phil Samper and Kay R. Whitmore. Whitmore represented the traditional film business, where he had moved up the rank for three decades. Samper had a deep appreciation for digital technology. The board chose Whitmore. “Mr. Whitmore said he would make sure Kodak stayed closer to its core businesses in film and photographic chemicals”.

*The New York Times (1/12/2009)*
Bicycle Effect

The gradual uphill grade gets steeper over time, but you don’t notice. More of your energy is focused on just the effort of staying upright. You miss the broader picture as your efforts become myopic. You miss the place you should have gotten off or gone a different way.
“The root of the problem is the failure to distinguish between operational effectiveness and strategy. The quest for productivity, quality, and speed has spawned a remarkable number of management tools and techniques… Although the resulting operational improvements have often been dramatic, many companies have been frustrated by their inability to translate those gains into sustainable profitability. And bit by bit, almost imperceptibly, management tools have taken the place of strategy.”

Bishop William Lawrence Professor at Harvard Business School
The Major Shift in Business Thinking

“STICK TO THE KNITTING” Staying with the business already known and you know best” Peters and Waterman, *In Search of Excellence*, 1982

“Do Something Different and Do it Differently”
Monica Oss 8/21/2008
### Operational Excellence is Not Strategy

<table>
<thead>
<tr>
<th>Operational Excellence</th>
<th>Strategy</th>
</tr>
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<tbody>
<tr>
<td>▪ Improving existing products – creating cheaper / better / faster / more desirable</td>
<td>▪ Imagining a new product that is not yet in the market</td>
</tr>
<tr>
<td>▪ It's about standardization. It's essential for continuing profitable operations and positive brand</td>
<td>▪ It's about being different - unique. It's about deliberately selecting a different set of activities to provide a unique value.</td>
</tr>
<tr>
<td>▪ Doing things right</td>
<td>▪ Doing the right thing</td>
</tr>
<tr>
<td>▪ Focus on the target and improve your aim</td>
<td>▪ Watch to determine the direction the target is moving – shoot ahead of it.</td>
</tr>
<tr>
<td>▪ Short term Profitability</td>
<td>▪ Long Term Sustainability</td>
</tr>
</tbody>
</table>
The Blue Ocean Strategy Model

Costs

Value Creation

Buyer Value

The creation of “blue oceans” is about simultaneously driving down costs while creating “value” for consumers.

Blue ocean strategy focuses not on beating the competition - but making the competition irrelevant by creating new, uncontested market space.
# The Blue Ocean Metaphor

<table>
<thead>
<tr>
<th>Red Ocean Strategy</th>
<th>Blue Ocean Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compete in Existing Markets</td>
<td>Enter a New Uncontested Market Space</td>
</tr>
<tr>
<td>Beat the Competition</td>
<td>Make the competition irrelevant</td>
</tr>
<tr>
<td>Exploit the Existing Demand</td>
<td>Create a New Demand</td>
</tr>
<tr>
<td>Make the value/ cost trade offs necessary</td>
<td>Create a low cost product in the new space</td>
</tr>
<tr>
<td>Align the System on Differentiation or Low Costs</td>
<td>Align the System to BOTH differentiation and Low Cost</td>
</tr>
</tbody>
</table>
Not Divergence Or Conflict; Instead, Balance

“In Chinese philosophy, yin and yang describes how opposite or contrary forces are actually complementary, interconnected, and interdependent in the natural world, and how they give rise to each other as they interrelate to one another.”

We should always be pursuing Operational Excellence, based on present strengths and weaknesses, even as we search for the new and different.
The End Result Is Synergy, Energy, & Balance

Operational Excellence (OE) and our basic strengths inform and define strategies.

Strategy influences the OE projects we choose.
And If There Isn’t Balance?

…the productivity frontier is reached eventually with the leaders facing diminishing returns. The quality / price gap narrows, and with revenue reduced, the industry is ripe for competition from - or takeover by - lower cost entrants from other areas and competitors offering uniquely different versions of the same product.
The New Competitors To Consider

- Health plan development of ‘provider’ capacity
- Health systems with expanded ACO capacity
- National specialty care organizations
- National ‘virtual service delivery’ organizations
The Balance: Operational Excellence & Strategy
The only way we survive is if we grow; the only way we grow is if we learn.

“We always overestimate the change that will occur in the next two years and underestimate the change that will occur in the next ten. Don't let yourself be lulled into inaction.”

“The world as we have created it is a process of our thinking. It cannot be changed without changing our thinking.”
So What Does Operational Excellence Look Like?

Quality
- Member- and care-giver reported outcome measures
- Access to high quality services
- Provider Profiling
- Performance Contracting

Cost Management
- Least restrictive setting
- Medical/service cost management
- Unit cost trends
- Case Rates based on bundled service arrays

Population Health
- Planning tied to population characteristics
- Interventions tied to better understanding of population health and desired outcomes
- Structuring based on comprehensive service

Evidence-Based Care
- New treatments and technologies
- Decisions based on clinical guidelines
- Consistent models of treatment

ACCESS, COST, QUALITY

Data-Driven
Operational Excellence Responds To Crises As Needed…

...Such As Workforce Shortages

- 20.6% turnover in front line staff in health care. Many in complex care report 30% -50%
- 44 States have fewer than 17 child psychiatrists per 100 K (47 per 100 K considered Sufficient)
- 50% of health care executives are planning to leave their jobs in the next five years
Selecting & Building The Operational Plan Is Straightforward

The response is to the most intense pain points and to those where correction addresses the issues of the four key pressures.
Strategy Is Less Certain…

**What** are our broad **aspirations** for our organization & the concrete **goals** against which we can measure our progress?

Across the potential field available to us, **where** will we choose to **play** and not play??

In our chosen place to play, **how** will we choose to **win** against the competitors there?

In our space, **Who** will gain value from what we do?

**What** legal models and **management systems** are necessary to **operate** to build and maintain the key capabilities
How To Maintain Competitive Advantage & Financial Sustainability? Three Strategic Questions

What is your organization’s “vertical strategy” to engage emerging consumer care coordination organizations and consolidation among purchasers?

What is your “next generation” service line?

How does your organization create that “next generation” service line and stay a market leader?
Strategy Issue #1 – Are We Serving The Right People?

Growth By Expanding Our Target Consumer

 Several states are experimenting with programs that would jointly support persons with I/DD, severe and persistent mental illness, substance use disorders, and traumatic brain injury in one Medicaid plan.

 The complex care service need is growing most rapidly for persons with autism, and addictions treatment.

 The cutting edge now is the integration of complex populations of care
Strategy Issue #2 – Are We Serving Them the Right Product?

Growth by Expanding Service Lines

- Integration with Primary care is essential for survival under models in many states.
- Pharmacy integration provides both financial gain and superior service.
- Entrepreneurial businesses provide opportunities for client engagement, employment and more meaningful life.
- Speech and physical therapy services provide benefits to the population and provide differentiation.
- Crisis services and services for dual diagnosed are always a governmental need.
The Synthesis Of #1 & #2 – A VBR Ready Model

For specialist provider organizations serving consumers with complex needs, two emerging market positions

**Whole Person Care**
- Provider organizations that can manage consumers with complex conditions and keep them out of acute care settings

**Stabilization & Crisis Management**
- Provider organizations that can provide acute stabilization for complex consumers and coordinate a return to the community

Traditional FFS ‘money makers’ shrinking – targeted case management, traditional undifferentiated “residential” treatment, post-surgical SNF care, etc.

Care coordination and service planning increasingly ‘integrated’ – LTSS, medical, pharmacy, behavioral, social services

Value-based reimbursement models becoming more common – which favor ‘integration’ across specialties and levels of care
- Health homes/integrated care coordination (pmpm)
- “Primary care” – medical, behavioral, home health, supports (pmpm)
- Crisis management/acute stabilization (episodic/bundled payments)
Strategy Issue #3 – Are We Serving Them The Right Way?

The 2025 Prediction:

"Any-Time, Any-Place, Continuous & Personalized Care. . .

An ecosystem of devices and sensors which:

- Capture & Measure
- Identify
- Stratify Risks
- Inform
- Make Decisions
- Take Action
Strategy #4 – Are We Structured to Serve Efficiently?

Horizontal Integration (broad) – collaborating with others in different geographical areas to increase reach.

Horizontal Integration (narrow) – collaborating with a local competitor to increase market share.

Vertical Integration (backward) – Collaborating with a supplier of goods and services.

Vertical Integration (forward) – Collaborating with a customer of your services.

Conglomerate – Diversifying revenue by collaboration with an unrelated entity.
# Health Care Strategies – Porter & Tiesberg

## Defining The Right Goals

- **Superior Patient Value**

## Strategic / Organizational Imperatives

- Redefine the business around medical conditions
- Choose the range and type of services provided
- Organize around medically integrated practice units
- Measure results experience and methods around practice units
- Move to single bills and new approaches to pricing
- Market yourself on excellence, uniqueness, and results
- Grow locally and geographically in areas of strength

## Enabling Conditions

- Analyze and build a care delivery value chain
- Harness the Power of IT
- Systematize Knowledge development
Strategic Development / Leadership Integration

The Plan Is Not The Path
21\textsuperscript{st} Century Leadership

- Enhanced Presence in the Community
- Customer Focus
- Nimbleness
- Innovation
- Sustainability

Leadership Development, HBR November – December 2017
Strategic Leadership

- **ANTICIPATE**
  - Talk to stakeholders
  - Scenario plan frequently
  - Stay abreast of change
  - Market Analysis

- **CHALLENGE**
  - Welcome divergent opinion
  - Encourage dissent

- **INTERPRET**
  - Communicate decisions in the language of strategy
  - Review and Analyze events in multiple ways

- **DECIDE**
  - Turn Binary decisions into options
  - Divide decisions into component parts
  - Involve persons involved in decisions
  - Consider pilots rather than big bets

- **ALIGN**
  - Communicate early and often
  - Identify stakeholders
  - Understand and address concerns
  - Be aware of resistance

- **LEARN**
  - Debrief
  - Re-evaluate and modify plans
“Culture eats strategy for breakfast”
Peter Drucker

Whatever the decisions, strategy (and the resulting innovations) needs to be implemented. . .
Transformational leaders...are those who stimulate and inspire followers to both achieve extraordinary outcomes and, in the process, develop their own leadership capacity. Transformational leaders help followers grow and develop into leaders.
"Research evidence clearly shows that groups led by transformational leaders have higher levels of performance and satisfaction than groups led by other types of leaders,"

Ronald E. Riggio
The Transactional Leader Has To Be A Data Aware Process Champion

- Leadership and motivation of people
- Trustworthy in executing policy
- Understanding and continuously improving processes
- Managing Issues in relationship to Peers
- Understanding KPI
- Communicating and driving Performance
Questions?
Best Practices In Strategy Building
A good strategy is a set of guiding principles that:

1. Defines a uniquely different future state that is more sustainable and serves more effectively
2. Can align all the decision making in the company by providing a true north and a clear road map
3. Can be marketed to external and internal audiences and build engagement
Strategy Is Not A Plan

Strategy cannot be created by recipe; nor the correct ritual; nor secret incantation. It is an organic and essential component of the daily milieu of leadership.

Double, double, toil and trouble, SWOT burn, and annual plan bubble…
A 5 Step Methodology For Strategy Development

Develop an Honest Perspective
- Internal Information
- External Information
- Develop Consensus on Identity

Choose a New Direction
- Mission Statement
- Vision Statement
- Strategy Goals
- The five year future state
- Stress Test / Scenario Plan

Build the Foundation
- Operational Goal Planning
- Communications Plan
- Budgeting / Portfolio Rebalance
- Marketing Plan
- Technology plan

Execute & Iterate
- Leading the Change
- Managing the Change
- Staying Aligned

Building a coalition
Develop An Honest Perspective
Develop An Honest Perspective

I. Financial Analysis
II. Portfolio Analysis
III. Employees & Board focus Groups
IV. Patient Satisfaction Surveys

Internal Information
I. Financial Analysis…

- Leverage
- Operational Performance
- Efficiency
- Liquidity
- Direct Cost Ratio

Long Term Sustainability
Liquidity

Liquidity ratios analyze the ability of a company to pay off both its current liabilities as they become due as well as their long-term liabilities as they become current.

WORKING CAPITAL – Working capital is the amount of cash available - if all bills were paid – for dealing with negative events or planning growth. It has more than doubled since 2016.

CURRENT RATIO - The ratio of liquid assets to total short term debt. The rule of thumb is that numbers higher than 2 are positive.
Operational Performance

Operational performance measures the short term trends in generating financial reserves.

GROWTH IN REVENUE AND EXPENSES – Shows the year to year changes in revenue production and cost. Revenue higher than expenses equates to positive growth. There is a substantial positive change.

MARGIN – Shows profitability as a percentage of the costs incurred in generating it. GNMH’s losses are now strong profits.
Leverage

Leverage measures the amount of long term debt commitments and its ability to do so in the future.

DEBT TO EQUITY RATIO – measures the ownership interest of the company to the level of debt that exists. Ratios higher than 1 are preferred.

ASSETS TO LIABILITIES – Measures that which the company owns versus the debt that would apply to it. Ratios higher than 2 are considered positive.

LEVERAGE RATIOS

<table>
<thead>
<tr>
<th>Year</th>
<th>Debt to Equity</th>
<th>Assets to Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2015</td>
<td>1.19</td>
<td>1.84</td>
</tr>
<tr>
<td>FY 2016</td>
<td>1.54</td>
<td>1.65</td>
</tr>
<tr>
<td>FY 2017</td>
<td>0.99</td>
<td>2.01</td>
</tr>
<tr>
<td>FY 2018</td>
<td>0.64</td>
<td>2.56</td>
</tr>
</tbody>
</table>

Debt to equity is desirable if less than 1; Asset to Liabilities should be higher than 2.
These are general measures of managerial effectiveness, including the speed of getting paid and the speed of bill payment. It also measures the return as might be compared to a bank or stock investment.

**CASH CONVERSION (DAYS IN AR / DAYS IN PAYABLES)** – These vary by local payers but can be tracked as administrative objectives. Slow payment can cause credit issues.

**RETURN ON INVESTMENTS** – This is a measure of how effectively the assets of the company are being used to produce revenue. These numbers can be compared to others in the industry or to bank investments.
Direct Cost Ratio

Administrative Expense Percentage – This shows the percentage of resources spent to sustain administration. Conversely, the remaining percentage is the amount that is dedicated to direct care. Most organizations strive for a value of less than 10%. A lower ratio is indicative of a better chance of sustaining reduced rates of payment when compared to other competitors.
2. Portfolio Analysis

Think of your programs and services as if they were stocks. You can sell some and add others; you can invest more heavily in a grouping and less in others. How do you decide?

<table>
<thead>
<tr>
<th></th>
<th>PROFIT (-5 TO 5)</th>
<th>VALUE (0-10)</th>
<th>SIZE (1-10)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outpatient</td>
<td>-2</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Partial</td>
<td>4</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Residential ICF</td>
<td>-1</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Case Management</td>
<td>2</td>
<td>9</td>
<td>4</td>
</tr>
</tbody>
</table>

Portfolio of Services
X Company
2. Portfolio Analysis – How To Read It.
3. Focus Groups

- Develop an Agenda on Brand and Unmet Needs
- Interview Employees and Persons Served as well as community and payers
- Facilitated by an insider? An Outsider?
- Get a written report
- Do not be defensive – be open to comments
4. Patient Satisfaction Surveys / NPS

“On a scale of zero-to-ten, considering all aspects of your care, how likely is it that you would recommend us to a friend or colleague?”

Calculating The Net Promoter Score

NPS = % of Promoters (i.e. 9 & 10 scores) - % of Detractors (i.e. 0 - 6 scores)
Develop An Honest Perspective

External Information

I. Market Analysis
II. Competitor Analysis
III. Stakeholder discussions
IV. Community Needs Assessment
I. Market Analysis

A market analysis studies the demographics and the dynamics of a specific market within a specific industry. It can contain perspectives that are local, regional, national or even global.

<table>
<thead>
<tr>
<th>What Questions will it Ask and Answer?</th>
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</thead>
<tbody>
<tr>
<td>What is the size of my market? What are its demographics,</td>
</tr>
<tr>
<td>What do we know about the current trends in that industry?</td>
</tr>
<tr>
<td>Who are my competitors?</td>
</tr>
<tr>
<td>What directions are they moving and Why?</td>
</tr>
<tr>
<td>What will the payer systems require?</td>
</tr>
<tr>
<td>What is the real outlook in my industry?</td>
</tr>
</tbody>
</table>
II. External Interviewing

WHAT IS OUR REAL BRAND?
Are we who we believe? Can we face the dichotomy? Can we change the perception?

Interviewing perspectives –
- Payers
- Government Officials
- Health Care
- Leaders in the safety net
- Persons served & family
- Employees
III. Stakeholder Discussions

The goal of stakeholder discussions is not just to determine your brand perspective. It also allows you to initially test theories of change and new ways of service. You may decide to include not only persons who are presently your stakeholders, but interested parties in other areas where you are considering growth.
IV. Community Needs Assessment

- **What is it?**
  - No specific format – often just a white paper
  - A requirement for Hospitals and Health departments
  - Evaluates prevalence of an issue, resources available and possible interventions
  - Defines a response that is community wide

- **How do you develop it?**
  - A special clinical – heavy committee that interviews, manages topics and advocates for an approach to addressing issues.
  - Emphasis should be on staff who are (a) clinically strong, and (2) excellent writers and advocates

- **What value does it have?**
  - It builds allies and coalitions
  - It helps positively define your brand
  - It supports you in fulfilling the mission and assuring alignment in your operating plan.
Develop An Honest Perspective

I. Develop SWOT
II. Prepare Summaries for Discussion

Develop A Consensus on Identity
I. SWOT – Internal Factors – Strengths And Weaknesses

- **Capabilities**
  - Human Capital
  - Organizational Capital
  - Knowledge Basis

- **Resources**
  - Financial
  - Physical
  - Intangible

- **Processes**
  - Operational
  - Clinical
  - Innovations

- **Current Customers**
  - Customer Mix
  - Satisfaction / Net Promoter Score
  - Loyalty
  - Value Proposition
  - Integration of Care
  - Ease of Access

- **Other**
  - Technology
  - Communication
  - Leadership Style / Capability / Data centric
  - Payer Relationships
I. SWOT – External Factors – Opportunities & Threats

- **Operating Environment**
  - Political / Legal
  - Technological
  - Social
  - Environmental

- **Competitors**
  - Who they are
  - Strengths and Weaknesses
  - Their Strategies
  - Competition Levels
  - Competitive Advantages

- **Industry**
  - New competitors
  - Substitute Products
  - Power of Other Healthcare
  - Power of Payers
  - Rivalries

- **Market**
  - Growing Shrinking
  - Demographic Changes
  - Size of Market
  - New Markets
Choose A New Direction
Based On A Critically Important Iterative Dialogue

- **Strategic Goals**
- **Mission, SWOT**
- **Market Analysis**
- **Vision and future state**
I. Mission Statement

A mission statement is a short statement of why a company exists and what it does.

Clear
- Simple Language – 8-10th grade reading level
- USO – lifts the spirit of America's troops and their families

Concise
- Short and to the point 25 words maximum
- The Humane Society – Celebrating Animals; Confronting Cruelty

Useful
- Informative and grounding for employees an stakeholders,
- New York Public Library – to inspire lifelong learning, advance knowledge, and strengthen our communities.

Expansive
- Its should provide room for growth
- Ford – one team, one plan, one goal
II. Vision Statement

- **It should be Future Focused** - Provides the “big picture” and clearly describes what your organization will be like in several years.
- **Directional.** Serves as guide to organizational plans and strategies.
- **Specific.** Clear and focused enough to shape decision-making.
- **Challenging.** Inspires members of the organization to do great things and achieve a higher level of standards.
- **Unique and Memorable.** Highlights what makes the organization different and why it matters.

- “To become the world’s most loved, most flown, and most profitable airline.” – Southwest Air
- The Human rights campaign – “Equality for Everyone”
- WWF – “We Seek to save a planet, a world of life, reconciling the needs of human beings and the needs of all living things

![What's your BHAG?](image)
Why Do These Statements Matter?

Because between them they anchor the present with a future that we are moved to create. They provide an understanding and context to those who are associated.
Two Mission Statements Tell A Story

**AMAZON**

*To provide the customer with the world’s easiest access to books and reading material.*

*Our vision is to be earth’s most customer-centric company; to build a place where people can come to find and discover anything they might want to buy online.*

**KODAK**

*To make photography as convenient as a pencil*

*We will build a world-class, results-oriented culture based on our six key values: Respect for the individual, Uncompromising Integrity, Trust, Credibility, Continuous Improvement and Personal Renewal, Recognize and Celebrate Achievement. Through which we will grow more rapidly than our competitors by providing customers and consumers with solutions they need to capture, store, process, output and communicate images to people and machines anywhere, anytime.*
III. Strategy Statements Become SMART Strategies

- **Specific:** Be specific when stating the goal that you would like to accomplish.
- **Measurable:** Can the progress and completion of the goal be measured? You will know when you succeed.
- **Attainable:** The goal must be relatively within your grasp, yet provides an opportunity for personal growth.
- **Realistic:** Can the goal be accomplished realistically and safely?
- **Timed:** Timelines and deadlines are stated clearly and specific.

*We will have a man on the moon and safely returned to earth in this decade.*

- President John Fitzgerald Kennedy
IV. The Five Year Future State

The fantasy with some truth to it. It contains two parts

1. The way the environment for the world looks, how is service delivered? By whom? How are they paid? What business models exist?

2. What do you as a highly successful and innovative player look like?
V. Scenario Planning – Stress Testing

Scenario Planning is not about making accurate forecasts. It is about exploring what could happen in the future. This gives organizations time to think about how they can be successful in different scenarios.

What triggering factors could change?
- Financial
- Competitor Landscape
- Technology
- Human Resources

For each factor create:
- One Negative
- One Positive
- One most Likely Scenario

Benefits
- Organizational Preparedness /Speed of Response
- Leadership Training
Scenario Planning – Why Not Do It Again?

“Formal “strategic foresight” efforts add value through:
1. an enhanced capacity to perceive change,
2. an enhanced capacity to interpret and respond to change,
3. influence on other actors, and
4. an enhanced capacity for organizational learning

René Rohrbeck, of Aarhus University, and Jan Oliver Schwarz, of Germany’s EBS Business School 2014
Build The Foundation
I. Operational Goal Planning

Goal #1 – Build a Primary Care Service for those we Serve in 3 years

<table>
<thead>
<tr>
<th>Task</th>
<th>Responsible Party</th>
<th>Percent complete</th>
<th>Due started</th>
<th>Days to complete</th>
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<tr>
<td>MCO approval</td>
<td>CEO</td>
<td>80%</td>
<td>5/27/2019</td>
<td>90</td>
</tr>
<tr>
<td>Locate Office Space</td>
<td>CFO</td>
<td>65%</td>
<td>7/16/2019</td>
<td>90</td>
</tr>
<tr>
<td>Engage / Hire a Practice Manager</td>
<td>CHRO</td>
<td>25%</td>
<td>10/24/2019</td>
<td>45</td>
</tr>
</tbody>
</table>
Establishing A Metric Framework For Your Plan

- Financial Perspective
  - Revenue
  - Expenses
  - Start up costs
  - Service Line Margin

- Customer Perspective
  - Net Promoter Score
  - New Calls by Month
  - New Persons in Service

- Internal Process Perspective
  - Days between engagements
  - Days to referral
  - Billing Cycle

- Learning and Growth Perspective
  - Strategic Deadlines met
  - Communication Plan status
  - Marketing Plan Status
II. Communication Plan

- Aimed at Internal Audiences
- Contains messaging and:
  - What will be said
  - Who will deliver the message
  - How it will be delivered
  - When it will happen
Repeat frequently

Benefits:
1. Assures consistent message
2. Assure broad reach
3. Assures penetration

<table>
<thead>
<tr>
<th>STAKEHOLDER</th>
<th>INFORMATION</th>
<th>PHASE</th>
<th>MODE</th>
<th>WHEN</th>
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</thead>
<tbody>
<tr>
<td>Sponsor</td>
<td>Progress report</td>
<td>All</td>
<td>Meeting</td>
<td>Monthly</td>
</tr>
<tr>
<td>Trainers</td>
<td>Updated schedule</td>
<td>Implement</td>
<td>Email</td>
<td>Weekly</td>
</tr>
<tr>
<td>Participants</td>
<td>Course invitation</td>
<td>Implement</td>
<td>Letter</td>
<td>May 2015</td>
</tr>
<tr>
<td>Sponsor/Managers</td>
<td>Evaluation Report</td>
<td>Evaluate</td>
<td>Meeting</td>
<td>Nov 2015</td>
</tr>
</tbody>
</table>
III. Budgeting / Portfolio Rebalancing

The costs and expected resource use should be built into the standard budgeting plan. A rebalanced portfolio can provide perspective on the changes and demography.
IV. Marketing / Public Relations / Advocacy Plan

WHY NOT?

You already have
- a corporate definition,
- target audience,
- list of services,
- SWOT analysis,
- review of competitors.

AND you will need messaging and ability to engage shareholders in some way.

Scope could be as small as a pitch deck or as large as a full rebranding.
Technology Plan

- Steps are similar to Strategy building, beginning with an honest assessment.
- There are numerous instances where tech plans are written without input from:
  - The strategy
  - The budget process
- Is it too expensive? With reductions in cost are alternatives to your present assets both better quality and cheaper?
Execute & Iterate

Flowchart:
1. Initialization
2. Condition
   - True
     - Loop Statements
     - Step
   - False
     - Exit from Loop
The Hawthorne Effect (or the Observer Effect) suggests subjects may change their behaviour as a result of being observed as much because of other experimental variables.
Change creates resistance at some level and in some amount.

Your goals may not be understood by those who have supported you and a proactive, positive campaign of communication and engagement can help ease tensions, explain initiatives, and engage supporters in helping you attain your goals.
Peter Drucker’s “Five Questions”
The five most important questions you will ever ask about your nonprofit organization – and the framework for Strategy:

- What is our mission?
- Who is our customer?
- What does our customer value?
- What are our results?
- What is our plan?

Pat Lencioni’s “Five Questions”
The five most important questions for the development of a healthy business:

- Why do we exist?
- How do we behave?
- What Do we Do?
- How will we succeed?
- What must I do now?
Causes Of Failure With Strategic Planning

- Lack of Team Buy In
- Unclear Objectives
- Failure to Manage the Business
- Loss of Momentum
- Unwillingness to Iterate
- Alignment with goals at lower levels
- Failure to Celebrate Success
Strategy Development Best Practices

1. Make your Strategy team small but **diverse**; Get their commitment, Give them freedom to speak.
2. Be sure your **know yourselves** and your market before you move to the next phases
3. **Things Change**: Shift happens – be Scenario-based and Scenario-ready
4. **Integrate financially** - into budgeting process and use a financial portfolio analysis process for change.
5. Translates strategy into **tactics and action** items
6. Communicate to and **train front line managers**
7. Live by measurable **performance indicators** – that allow metrics-based, incremental implementation
8. **Be nimble** and adjust on an on-going basis based on scenarios, market metrics, and performance metrics
9. Use the process as a leadership training exercise.
Uncertainty is an uncomfortable position; certainty is an absurd one.

Voltaire
Questions?
Turning Market Intelligence Into Business Advantage

OPEN MINDS market intelligence and technical assistance helps over 550,000+ industry executives tackle business challenges, improve decision-making, and maximize organizational performance every day.