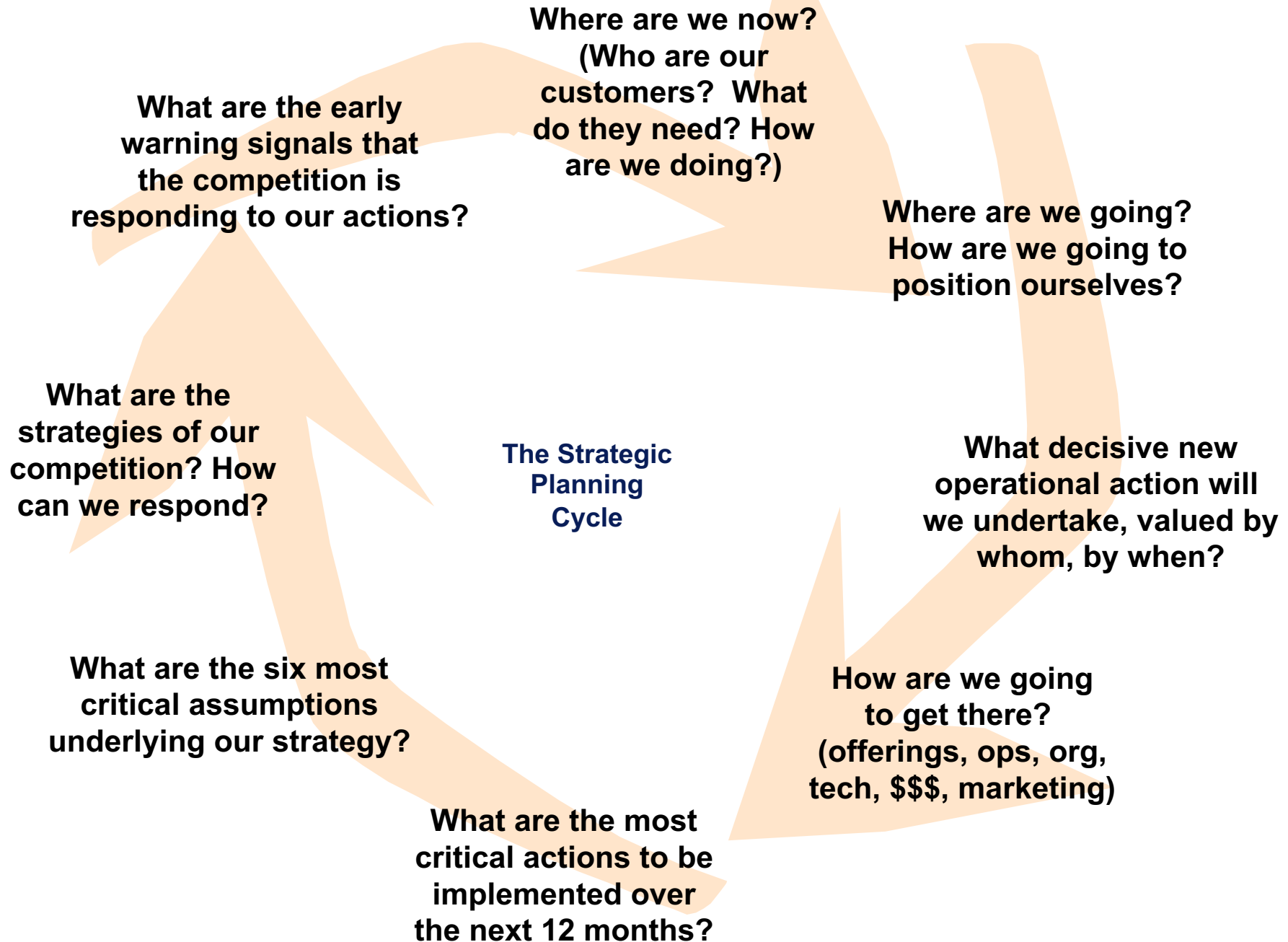


**Mike's Pretty Good**

**Business Planning & Strategy**

**Gizmo**

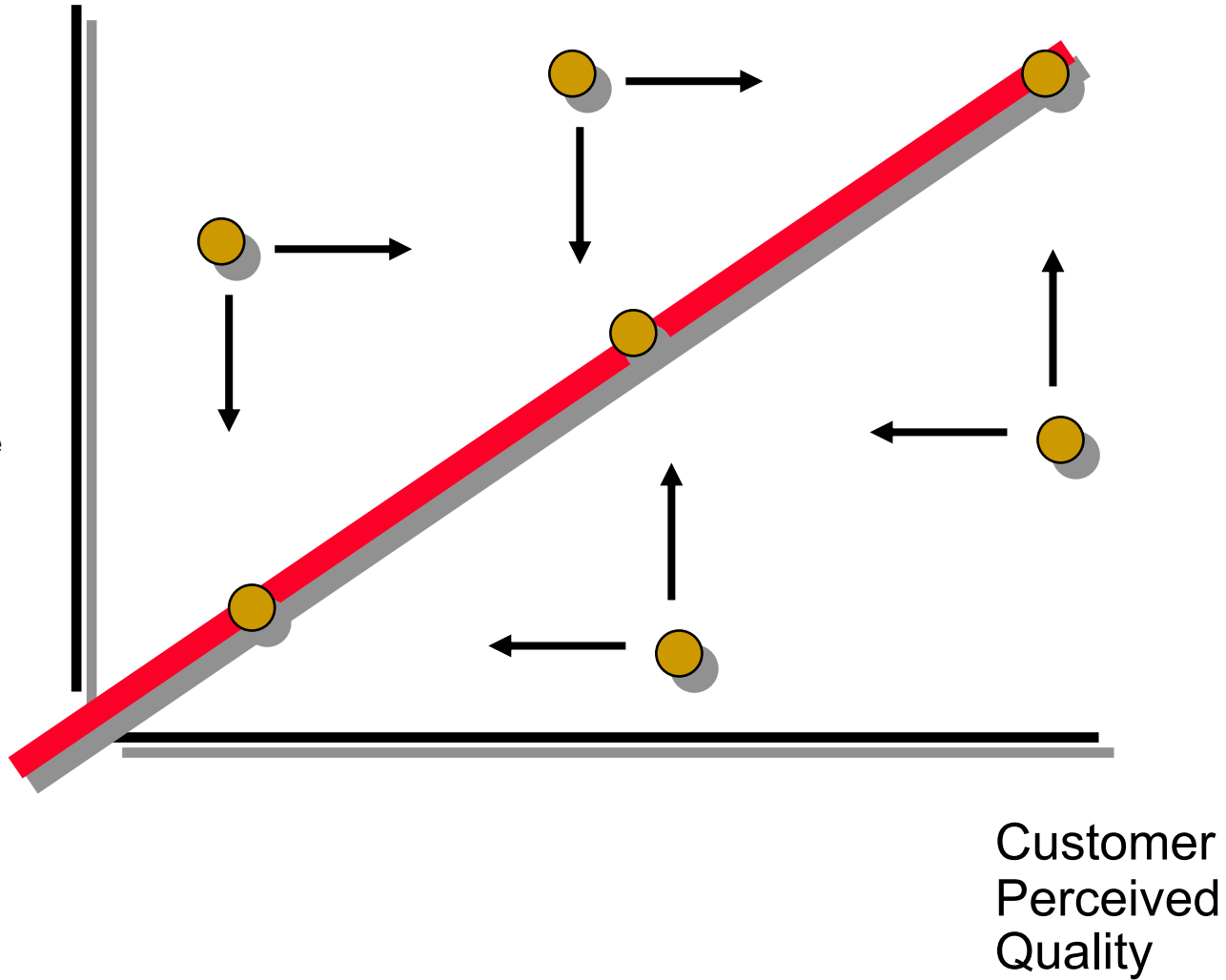
# An overview of the process



# The objective

Customer  
Priority

 Product or  
service line



# What do customers value?

Customer

Service

high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed

Our estimate of customer priority (circle only the ones that apply)




# How do customers think we are doing?

Customer

Service

high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed
high medium low mixed	high medium low mixed	high medium low mixed	high medium low mixed

Our estimate of customer satisfaction (circle only the ones that apply)



# Where are we now?

How is our customer community defined? How is it changing? What do they tell us they need? How do we know our understanding is up to date?

What are our strengths? Where do we succeed in producing services valued by customers

What are our weaknesses? Who is likely to encroach on our position? Should we allow them to?

What broad trends (economic, social, demographic) can we anticipate?

What is our mission? Does it still align well with customer needs?

What results can we point to? How well do they align with what we know about what needs to be done?

# Where are we going? How are we going to position ourselves?

## What qualitative shifts are we planning?

- **Broaden -- add a new type of customer** Eg. introduce a new service, roll out an outreach program aimed at a constituency we didn't serve before
- **Narrow -- stop serving a selected group of customers** Eg. terminate a low yield research program, eliminate a low prestige service...
- **Reposition -- change from one type of customer to another** Eg. move from being the top of the line provider to a lower-cost middle of the road service
- **Resegmenting -- *define* the customer segments differently and target a new segment** Eg. finding out the needs of older vs younger customers, and defining different services to meet each groups needs better

Service: \_\_\_\_\_ <sup>circle planned changes</sup> broaden narrow reposition resegment

Service: \_\_\_\_\_ broaden narrow reposition resegment

Service: \_\_\_\_\_ broaden narrow reposition resegment

Service: \_\_\_\_\_ broaden narrow reposition resegment

Service: \_\_\_\_\_ broaden narrow reposition resegment

Service: \_\_\_\_\_ broaden narrow reposition resegment

# Where are we going? How will we measure success?

Service: \_\_\_\_\_

Service: \_\_\_\_\_

Service: \_\_\_\_\_

Service: \_\_\_\_\_

Service: \_\_\_\_\_

Service: \_\_\_\_\_

What quantitative measures will we use to measure success?

- **Measures of service success:**
  - Quality** (desired trend - up)
  - Relevance** (desired trend - up)
  - Response time** (desired trend - down)
  - Cost** (desired trend - down)
- **Financial measures**
  - (ROE, ROA, ROI, cash flow)**
- **Strategic expenditures (investment in future capability)**





# How will we get there? What other ingredients are required?

Service: \_\_\_\_\_

Service: \_\_\_\_\_

Service: \_\_\_\_\_

Service: \_\_\_\_\_

Service: \_\_\_\_\_

Service: \_\_\_\_\_

**What changes will we make in order to deliver the operational advantages we just described?**

- **Operations**
- **Offerings**
- **Organization (structure and people)**
- **Technology**
- **Marketing**
- **Financing**



# What are the most critical assumptions underlying the strategy?

**Assumption**

**Early warning signal**

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**What are the early warning signals that will alert us to outcomes other than the ones implied by our assumptions. Who will watch for them?**

# **What is the competition's strategy likely to be? What are three other possibilities?**

**Revisit the market segment map. What is likely to be going through our competitor's mind? What critical actions are they likely to take?**

**Are any actions likely to be directed against us? What can we do to block that move? How can we preempt their strategy?**

**Now that we've thought all that through, what alternatives are there? Invent three other strategies that the competition might pursue. What are we going to do about it? How does that change the strategy we have defined?**

# Look for early warning signals

<u>Competitor</u>	<u>Early warning signal</u>	<u>Responsibility</u>

**What are indicators that we were right about our competition? Who is going to watch out for it? What are we going to do if the event happens?**