

# Mike's Pretty Good Business Planning & Strategy Gizmo

#### An overview of the process

What are the early warning signals that the competition is responding to our actions?

Where are we now?
(Who are our customers? What do they need? How are we doing?)

Where are we going?

How are we going to position ourselves?

What are the strategies of our competition? How can we respond?

The Strategic Planning Cycle

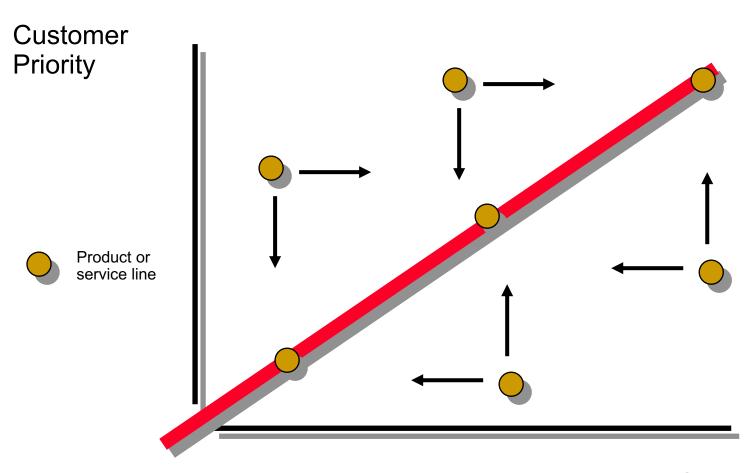
What decisive new operational action will we undertake, valued by whom, by when?

What are the six most critical assumptions underlying our strategy?

What are the most critical actions to be implemented over the next 12 months?

How are we going to get there? (offerings, ops, org, tech, \$\$\$, marketing)

#### The objective



Customer Perceived Quality

#### What do customers value?

#### Customer

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

#### How do customers think we are doing?

#### Customer

Service ————	
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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 auretropaths? Whore do we	
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 <u>qualitative</u> 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

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Service:	broaden	narrow	reposition	resegment

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

What	quantitative	measures	will we	use
to	measure su	ccess?		

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)

Service:	
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# How will we get there? What decisive new operational advantages are we going to have?

Advantage	Against Whom Due Date	Responsibility

Speed is of the essence. The more quickly our organization can recognize and implement operational advantages, the less risk there will be in delivering our strategy.

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

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

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

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# What are the most critical steps to be taken in the next 12 months?

Action	Responsibility	
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# What are the most critical assumptions underlying the strategy?

Assumption	Early warning signal	

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

Competitor	Early warning signal	Responsibility

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?