

Purpose of this presentation is to assist a CEO, COO or Senior Management Team develop a meaningful Strategic plan and objectives

# RACI Consulting

## Strategy explainer and workshop

£ million  
 ■ Income  
 ■ PBT  
 ■ BGI/BlackRock deal costs

CAGR (04 – 08)  
 Revenue 20%  
 PBT 15%

H1 09 v H1 08  
 Revenue (27%)  
 PBT 49%

### 2021

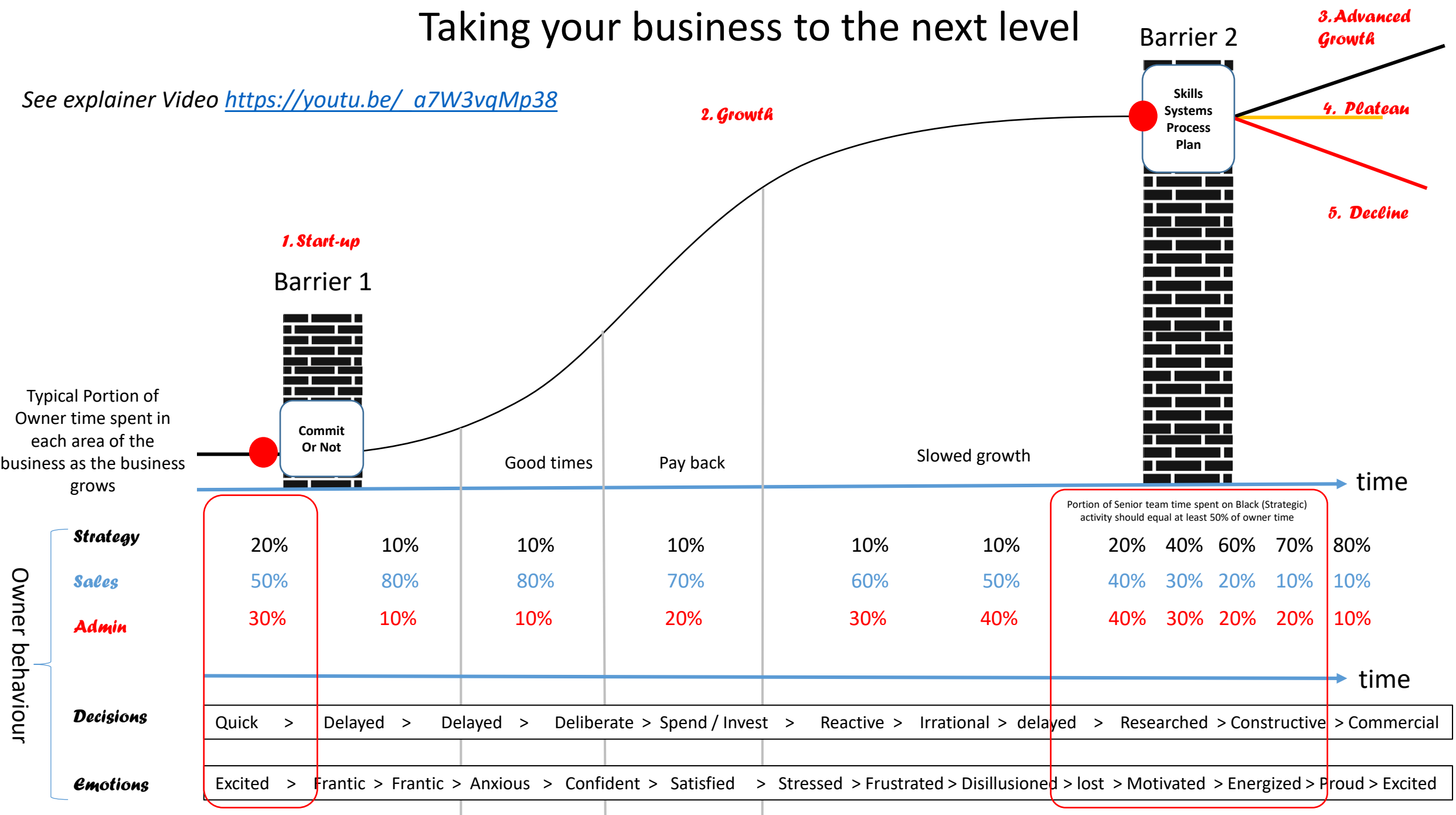
Projected sales of main products in 2016



Taking your business to the next level

# Taking your business to the next level

See explainer Video <https://youtu.be/a7W3vqMp38>



1. Start-up

Barrier 1

Commit Or Not

2. Growth

Barrier 2

Skills Systems Process Plan

3. Advanced Growth

4. Plateau

5. Decline

Typical Portion of Owner time spent in each area of the business as the business grows



Area	Start-up	Good times	Pay back	Slowed growth	Advanced Growth	Plateau	Decline
Strategy	20%	10%	10%	10%	10%	10%	20%
Sales	50%	80%	80%	70%	60%	50%	40%
Admin	30%	10%	10%	20%	30%	40%	30%

Area	Start-up	Good times	Pay back	Slowed growth	Advanced Growth	Plateau	Decline
Decisions	Quick	Delayed	Delayed	Deliberate	Spend / Invest	Reactive	Irrational
Emotions	Excited	Frantic	Frantic	Anxious	Confident	Satisfied	Stressed

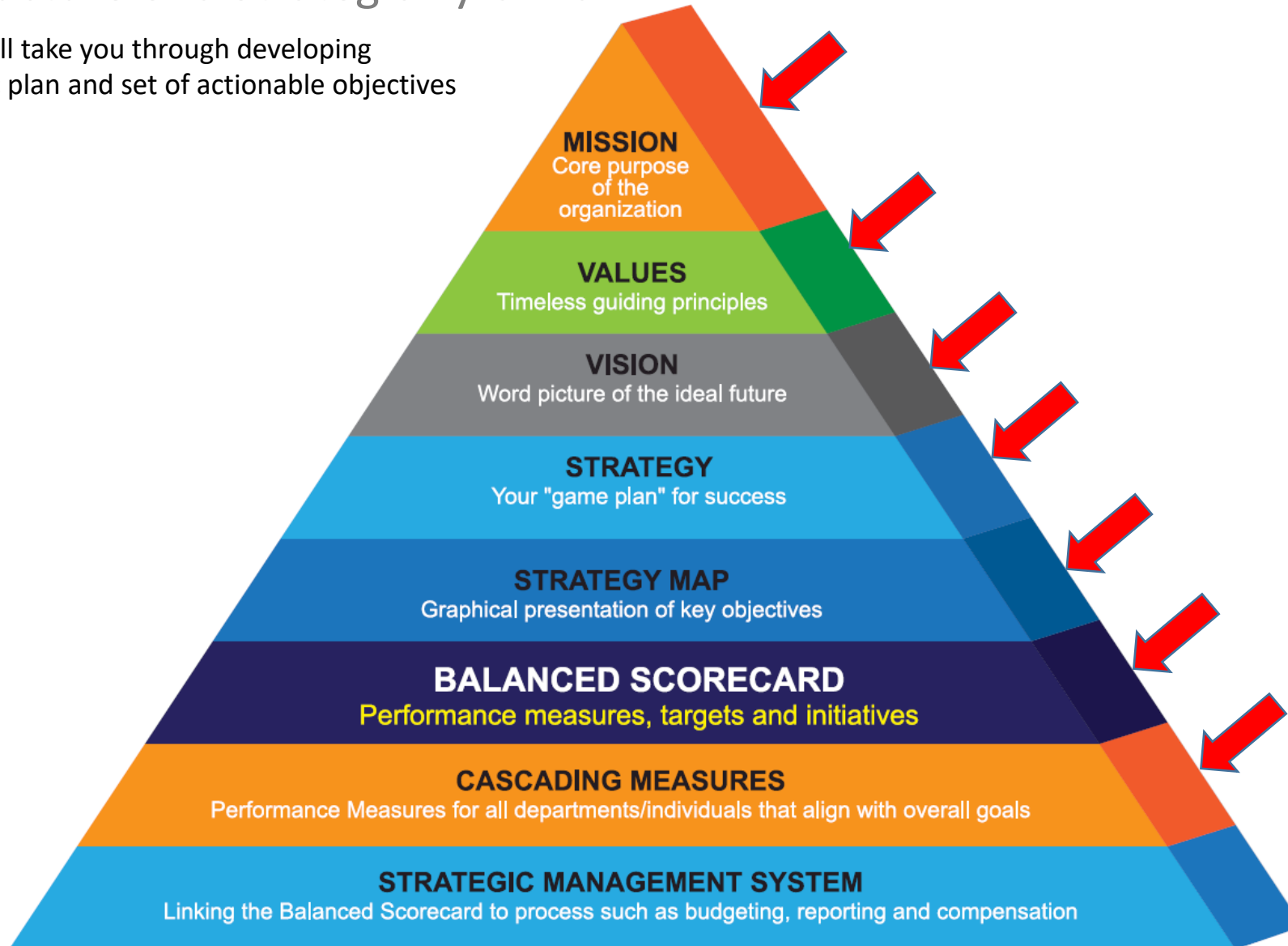
Owner behaviour

Portion of Senior team time spent on Black (Strategic) activity should equal at least 50% of owner time

Area	Start-up	Good times	Pay back	Slowed growth	Advanced Growth	Plateau	Decline
Strategy	20%	10%	10%	10%	10%	10%	20%
Sales	50%	80%	80%	70%	60%	50%	40%
Admin	30%	10%	10%	20%	30%	40%	30%

# EXAMPLE structure of a Strategic Pyramid

The following slides will take you through developing  
A meaningful Strategic plan and set of actionable objectives



## EXAMPLE Corporate Vision and Purpose statements

# Vision & Purpose



**Purpose statement** – *(Core purpose - why they exist as an organisation)*

Market cap 2007 \$1.2B - 2015 \$352m  
Is the vision still achievable

**Skilled Group**

**Vision**

Be the leading global provider of specialist workforce solutions.

**Purpose** (the reason they exist)

To provide satisfying and flexible career opportunities and to improve the productivity of industry through the delivery of specialist skills.

## EXAMPLE Corporate Vision and Purpose statements

“Guess Who”

(answer next slide)

**Mission** *(Core purpose - why they exist as an organisation)*

We make what matters better, together.

### **Vision**

Our vision has five elements which describes the sort of company it aspires to be. These are to be:

Wanted and needed around the world

A growing business, full of opportunities

Modern, innovative and full of ideas

Winners locally whilst applying our skills globally

Inspiring, earning trust and loyalty from customers, our colleagues and communities.

## EXAMPLE Corporate Vision and Purpose statements



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EXERCISE

# The Strategic Planning Process

## Mission Statement

Why you exist as a business

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## The Strategic Planning Process

Determine where you are now (Use SWOT template on the next page)

- Look at data both internally and externally
- Determine what's going on in your industry and environment
- Look at data relating to your competitors and customers
- What your staff are telling you about what's working and what's not
- What your partners saying about what they like and don't like.

Transfer this data into a SWOT analysis (slide 17)



EXAMPLE

# SWOT Analysis

Write down your Strengths, Weaknesses, Opportunities & Threats

Positive

Negative

Internal

Strengths
Sales are good
We have loyal long term staff
We are cash positive
We are committed to change
We have loyal Customers
We know how to set up new stores
We have a solid footprint in NSW
Victoria market has room to grow

Weaknesses
Our business systems are outdated
Management skilled are limited
Departments don't communicate
We are reactive not pro-active
Staff don't know where we are heading
We don't have a plan
It takes a long time to get reports
Staff turnover is high and we don't management staff well

External

Opportunities
Competitor vulnerabilities
We have loyal staff
New Technology markets
Merger and Acquisition
Improve IT systems
Create online store
Increase our peoples passion and capability

Threats
Our competitors are growing
Technology is changing
Customer needs are changing
Economy may change
Competitor online sales are reducing our market share

EXERCISE

# SWOT Analysis

Write down your Strengths, Weaknesses, Opportunities & Threats

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Strengths

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Threats

## EXERCISE

# The Strategic Planning Process

Where you are now – write down your current state

Use can use our free Operations Analysis to assist – <https://www.raci.com/operations-analytics>

- 1 \_\_\_\_\_
- 2 \_\_\_\_\_
- 3 \_\_\_\_\_
- 4 \_\_\_\_\_
- 5 \_\_\_\_\_
- 6 \_\_\_\_\_
- 7 \_\_\_\_\_
- 8 \_\_\_\_\_
- 9 \_\_\_\_\_
- 10 \_\_\_\_\_



# EXAMPLE

Worksheet is on next slide

- 1: Write down your weaknesses and threats
- 2: Write down how you can use your Strengths and Opportunities to overcome your weaknesses and threats

Positive	Negative
<b>Strengths and Opportunities</b>	<b>Weaknesses and Threats</b>
We have the financial means to invest in new systems	Our business systems are outdated
We can engage a HR person to manage training	Management skilled are limited
We can hold monthly meeting and communicate better	Departments don't communicate
We can plan and become proactive	We are reactive
We can create a business plan and tell our staff	Staff don't know where we are heading
We can obtain external help to assist in developing a plan	We don't have a plan
We will update our business system and develop processes	It takes a long time to get reports
We will engage a HR person and reward our staff	New staff turnover is high we don't management staff well
We will develop strategies to ensure strong growth	Our competitors are growing
We will embrace new technologies	Technology is changing
We will carry out customer surveys and meet their needs	Customer needs are changing
We will forward plan and look for changes in the economy	Economy may change
We will create an online presence	Competitor on line sales are reducing our market share



# SWOT Analysis

Use your Strengths to overcome Weaknesses and Opportunities to overcome Threats

Strengths and Opportunity - to Combat Threats and Weaknesses		Weaknesses and Threats
		<b>WEAKNESS</b>
Project management		Overseas Competitiveness
Lowering material cost purchaing off shore	⇒	High Material Cost
Increase offshore manufacturing		High labour cost
Product development capability		Reliance of Auto industry
In Business Development (ahead of others in the industry)	⇒	
Expand into non-auto markets		
Improve production and inventory control	⇒	Production planning
		Inventory control
LEAN management (efficiency creates capacity)	⇒	No room for expansion
Increase offshore manufacturing		
Train young workforce (seek Gov. support)	⇒	No succession planning
Increase offshore manufacturing	⇒	Location local – not global
		<b>THREATS</b>
Increase offshore manufacturing	⇒	Cheap imports
Skilled Staff	⇒	Aging workforce (skills shortage lack of new young trainees)
Train young workforce (seek Gov. support)		
Product development capability	⇒	Closure of AU Auto industry
In Business Development (ahead of others in the industry)		
Increase offshore manufacturing	⇒	Tight local market with all competitors servicing declining market
Product development capability		
In Business Development (ahead of others in the industry)		
Expand into non-auto markets		
Increase offshore manufacturing	⇒	No room for future expansion needs.
Increase offshore manufacturing	⇒	Currency risk AU\$ US\$ etc.
Increase global customer base		

# SWOT Analysis

		Positive	Negative
Internal		<b>Strengths</b>	<b>Weaknesses</b>
		<p>Advantages</p> <ul style="list-style-type: none"> <li>Financial reserves, likely returns</li> <li>Accreditations, qualifications, certifications</li> <li>Competitive advantages</li> </ul> <p>Capabilities</p> <ul style="list-style-type: none"> <li>Location and geography</li> <li>Innovative aspects</li> </ul> <p>Resources, Assets, People</p> <ul style="list-style-type: none"> <li>Processes, systems, IT, communications</li> <li>Culture, attitudes, behaviors</li> <li>Management cover, succession</li> <li>Experience, knowledge, data</li> <li>Patents</li> <li>Strong brand names</li> </ul> <p>Marketing - reach, distribution, awareness</p> <ul style="list-style-type: none"> <li>USP's (unique selling points)</li> <li>Price, value, quality</li> </ul>	<p>Lack of competitive strength</p> <ul style="list-style-type: none"> <li>Gaps in capabilities</li> <li>Disadvantages of proposition</li> <li>Weak brand name</li> </ul> <p>Financials</p> <ul style="list-style-type: none"> <li>Cash flow, startup cash-drain</li> <li>High cost structure</li> </ul> <p>Our vulnerabilities</p> <ul style="list-style-type: none"> <li>Timescales, deadlines and pressures</li> <li>Reliability of data, plan predictability</li> </ul> <p>Continuity, supply chain robustness</p> <ul style="list-style-type: none"> <li>Processes and systems, etc</li> <li>Management cover, succession</li> <li>Morale, commitment, leadership</li> </ul>
External		<b>Opportunities</b>	<b>Threats</b>
		<p>Market developments</p> <ul style="list-style-type: none"> <li>Competitors vulnerabilities</li> <li>Niche target markets</li> <li>New USP's</li> <li>New markets, vertical, horizontal</li> <li>Partnerships, agencies, distribution</li> <li>Geographical, export, import</li> <li>Unfulfilled customer need</li> <li>New technologies</li> <li>Loosening of regulations</li> <li>Changing of International trade barriers</li> </ul> <p>Business and product development</p> <ul style="list-style-type: none"> <li>Seasonal, weather, fashion influences</li> <li>Technology development and innovation</li> <li>Industry, tor lifestyle trends</li> </ul>	<p>Environmental effects</p> <ul style="list-style-type: none"> <li>Seasonal, weather effects</li> <li>Economy - home, abroad</li> <li>Political effects</li> <li>Legislative effects</li> </ul> <p>Market demand</p> <ul style="list-style-type: none"> <li>New technologies, services, ideas</li> <li>IT developments</li> <li>Shifts in consumer tastes</li> </ul> <p>Obstacles</p> <ul style="list-style-type: none"> <li>Sustainable financial backing</li> <li>Insurmountable weaknesses</li> <li>Competitor intentions</li> <li>New regulations</li> <li>Increased trade barriers</li> <li>Emergence of substitute products</li> </ul>



# Vision Exercise

A photograph of a man and a woman sitting on wooden beach chairs with colorful striped backs, facing away from the camera towards a beach at sunset. The sun is low on the horizon, casting a warm glow over the ocean and sand. Between them is a small wooden table with two drinks: a tall orange juice and a red cocktail. The woman on the left has her hands clasped behind her head, and the man on the right also has his hands behind his head. A striped beach bag is hanging from the woman's chair.

Vision – (What is Your desired future state)





# The Strategic Planning Process



## Determine where you want to be in the future

- Review the SWOT information along with your collective thinking to determine your desired future state (VISION).
- (If you already have a Vision you may just need to update it)

## Vision

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# The Strategic Planning Process

- Business is Melbourne based
- Business has 40 retail outlets in Victoria.
- The first outlet opened 25 years ago
- All management have been promoted up from juniors within the business
- The 2 Directors are family members (father and son)
- The business systems were established 20 years ago
- The father makes all the major decisions
- Management is reactive “smoke and fires everywhere”
- Staff are disempowered
- There is little to no innovation or forward planning
- We don't take holidays

EXAMPLE BUSINESS

# SWOT Analysis

Write down your Strengths, Weaknesses, Opportunities & Threats

Positive

Negative

Internal

Strengths
Sales are good
We have loyal long term staff
We are cash positive
We are committed to change
We have loyal Customers
We know how to set up new outlets
We have a solid footprint in Victoria
Victoria market has room to grow

Weaknesses
Our business systems are outdated
Management skilled are limited
Departments don't communicate
We are reactive
Staff don't know where we are heading
We don't have a plan
It takes a long time to get reports
New staff turnover is high we don't management staff well

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# EXAMPLE BUSINESS (use template on next page)



- We take holidays
- We have good systems
- Our customers love us
- We pay our bills on time
- We now have 60 retail outlets

- Staff empowered and accountable
- Professional Board (senior team) in place
- Revenue on target
- 10 new retail outlets operational

- Business processes updated
- CIP program has resulted in greater efficiency
- Overheads have reduced
- Budgets and KPIs are in place
- Business reporting in place
- Our new retail model is rolling out

- Continuous Improvement Program (CIP) established
- Role clarification and RACI method adopted across the company
- Management meeting are now the norm
- We are planning our retail outlet roll out.

## Implementation capability depends on your

- People
- Finance
- Operations
- Systems

Carry out a gap analysis to highlight what you have and what you need.

RACI Charting is a great way to carryout a gap analysis

1<sup>st</sup> step document the tasks the business currently carries out in its day to day business along with your people & Systems

2<sup>nd</sup> step document the tasks the business will need to do in the future state along with your people & Systems

The difference in the tasks, people and systems will represent the gap

Today

- Vision in place
- Strategy in place
- Senior team in place
- Business review & recommendations
- Everyone working as a team
- We have the right people on the bus to head off but may pick up a few more on the journey

1 years

2 years

3 years

4 years

5 years



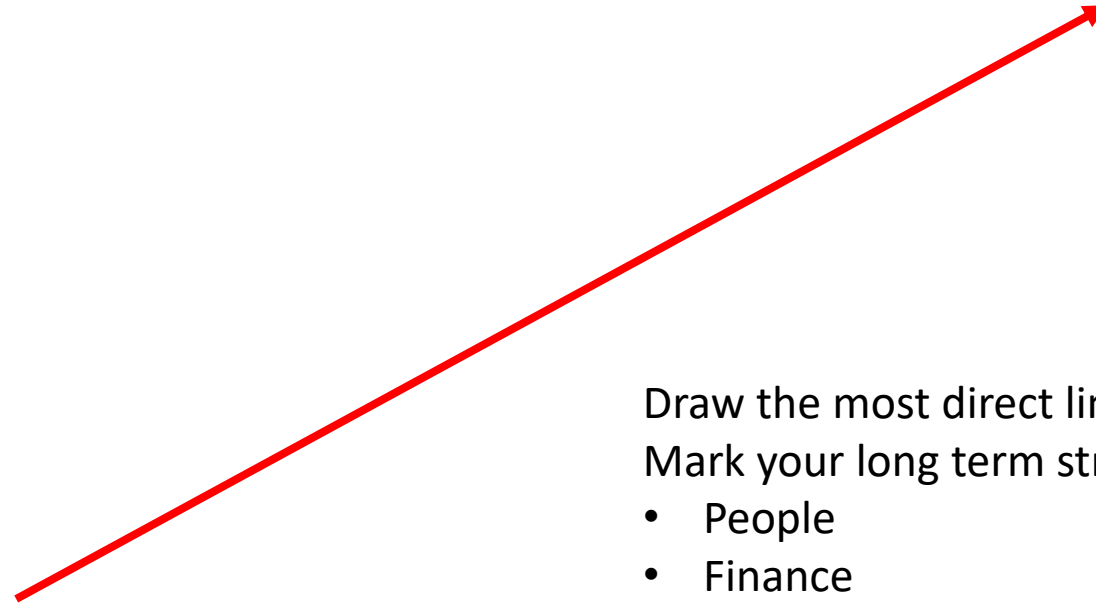
## EXERCISE

# Strategic Planning



## Vision (Desired State)

- We take holidays
- We have good systems
- Our customers love us
- We pay our bills on time
- We have 60 retail outlets



## Where we are now (Current State)

- 40 retail outlets
- Lacking skills for growth
- Poorly documented systems
- Business is stagnant
- We pay our bills late
- Too busy putting out fires to take a holiday
- Our customers are complaining

Draw the most direct line or path to your vision  
Mark your long term strategic objectives along the path including:

- People
- Finance
- Operations
- Customers



- Vision realised (enter your VISION)



5 years

4 years

3 years

2 years

1 years

Today

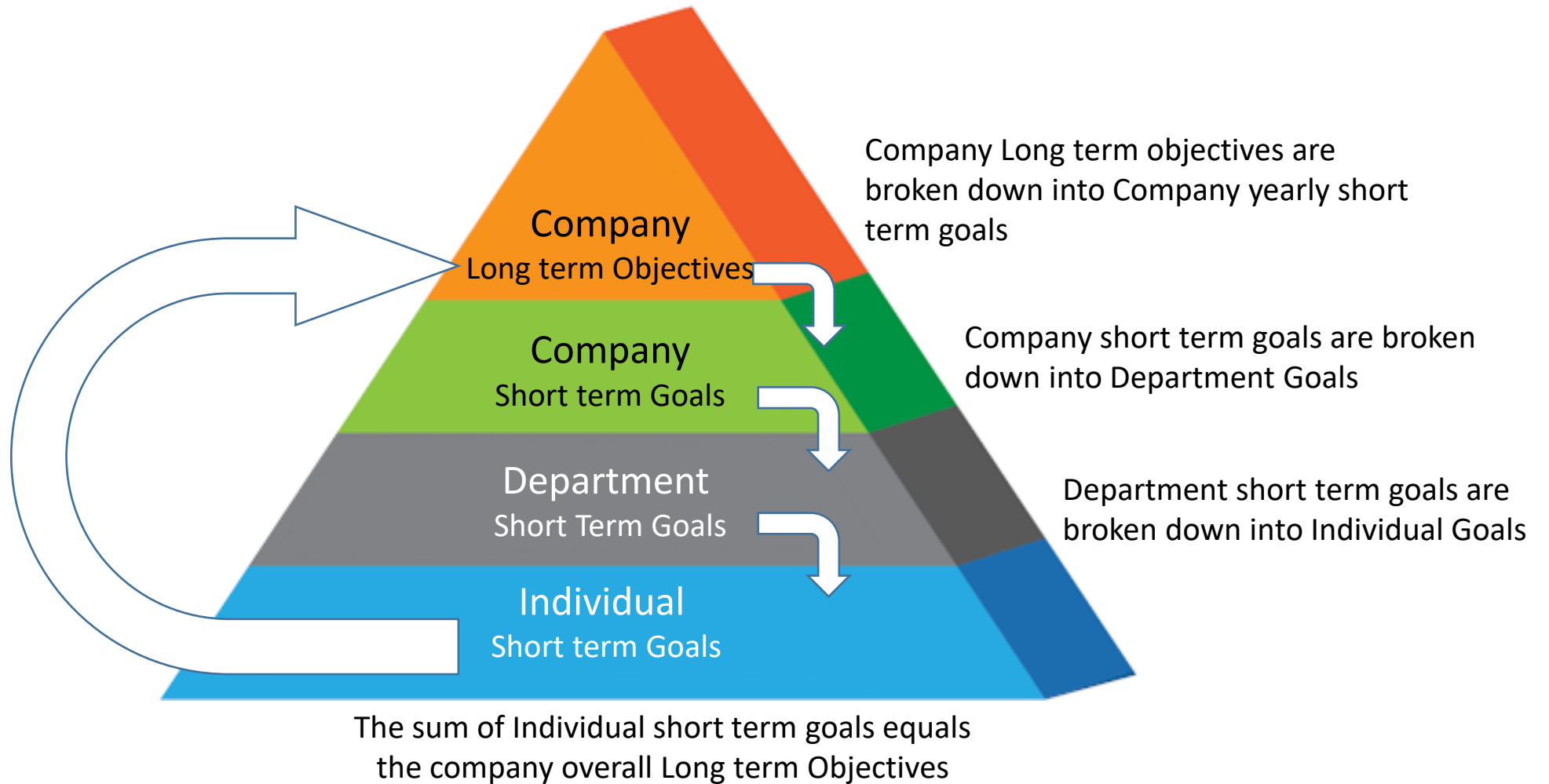
**Implementation consideration**

- Gaps
- People
- Finance
- Operations
- Customers

# Cascading Goals

All goals should be **SMART** Goals

**S**PECIFIC  
**M**EASURABLE  
**A**CHIEVABLE  
**R**EALISTIC  
**T**IME SPECIFIC



# Questions ?



Need help contact me on [m.carew@raci.com](mailto:m.carew@raci.com)