

The Talent Advantage: How to Develop Your Strategy to Accelerate Business Results

By Nancy MacKay, PhD

Adapted from the forthcoming book: The Talent Advantage by coauthors Dr. Alan Weiss and Dr. Nancy MacKay, published by Wiley.

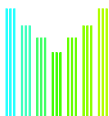
- A. Definition of Strategy: What will you do to achieve your agreed-upon 3-year ideal outcomes?
(See Appendix I – SWOT Template and Appendix II – Strategy Template)
- B. Definition of Strategy Execution: How will you achieve your agreed-upon 3-year ideal outcomes?
(See Appendix III – Execution Plan Template)
- C. Strategy Drives Structure and Role Clarity
(See Appendix IV – CEO Accountability Plan)

A. How to Develop Your Strategy

1. Identify decision makers and clarify the decision-making process.
2. Involve the right people. Board, CEO, Leadership Team, High Potentials, Employees
3. Complete a 3-year industry analysis. Buyers, Suppliers, Competition, Threat of Substitutes, Threat of New Entrants (Porter Analysis)
4. Complete a strengths, weaknesses, opportunities and threats analysis (SWOT) relative to your top 3 competitors. (See SWOT Analysis)
5. Develop your long-term vision.
6. Develop your company mission. What business are you in?
7. Develop your customer value proposition. Are you the Walmart, BMW or Apple of your industry?
8. Identify your 3-year ideal outcomes in all four areas of the balanced scorecard: financial, customers, operations, people. (see strategy template)
9. Develop strategies to achieve your 3-year ideal outcomes. Focus on what you will need to do to deliver results.
10. Identify the company values that will be required to execute your strategy.

B. How to Develop Your Strategy Execution Plan

1. Develop 1-year objectives.
2. For each objective, identify who is the lead person responsible and accountable for achieving the objective.
3. For each objective, identify who will be involved in achieving the objective.



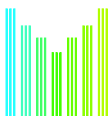
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4. Develop an execution plan for each strategy and set deadlines for each key milestone on the execution plan.
5. Review and update the execution plan on a monthly, quarterly and annual basis.
6. Repeat steps 1-5 for 2-year and 3-year objectives.

C. How to Ensure Strategy Drives Structure and Role Clarity

1. Based on the execution plan, each person on the senior leadership team must develop an accountability plan. See Sample CEO Accountability Plan below.
2. Hold a team meeting to review all accountability plans and to ensure everyone is set up for success with their stated accountabilities and interdependencies.
3. Develop an organization structure to accelerate strategy execution.
4. Meet weekly with each of your direct reports to coach, mentor and hold people accountable for results.



Appendix I—SWOT Template

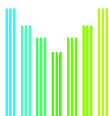
SWOT Analysis
(Strengths, Weaknesses, Opportunities, Strengths)
Relative to your competition

NAME:
TOP 3 COMPETITORS:

TOP THREE INTERNAL STRENGTHS (ability to): (e.g. ability to attract high value customers, customer service through client knowledge, brand awareness, retention of quality staff)
TOP THREE INTERNAL WEAKNESSES (lack of): (e.g. training capabilities, operational efficiency, cost management, leadership/structure, facilities, maintenance process)
TOP THREE EXTERNAL OPPORTUNITIES: (e.g. growing and robust market, expanding new revenue opportunities with existing clients, outsource options)
TOP THREE EXTERNAL THREATS: (e.g. shortage of clients, customers wanting price decreases, equipment availability)

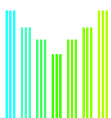
Appendix II—Strategy Template

Culture and Values:
Results-Driven Innovation Customer First
3-5 Year Vision and Mission
Vision: To be the best company in Western Canada in our industry. Mission: We build luxury homes to help people in NA enjoy their lives more fully.
Customer Value Proposition:
What strategy will you use to beat the competition? Best cost –are you the Walmart of your Industry? Customer Service – are you the BMW of your Industry? Innovation – are you the Sony of your industry? Customer Value Proposition: We are the BMW of our industry.
Scorecard:
Customer Satisfaction Objectives and Strategies
Objectives: 100% Customer Satisfaction Strategies: Implement Customer Loyalty Program
People Objectives and Strategies
Objectives: To be recognized as a “Best Place to Work” in Canada by 2010 Strategies: Implement succession management and leadership development program Identify and develop people strategies for strategic job functions Develop and implement a new performance management and compensation system
Operational Effectiveness Objectives and Strategies
Objectives: Reduce supplier management costs by 20% Strategies: Business Process Innovation; ERP Implementation
Financial Objectives and Strategies
Objectives: Double in size (revenues) by 2010 Strategies: 50% expansion with existing customers; 50% new customer acquisition



Appendix III—Execution Plan Template

Objectives	Lead Responsibility	Involved	Strategies by When
Financial Objectives			
#1	ML	AB, JS	Strategy 1 by Q1
#2	ML		Strategy 2 by Q1
#3	RG		Strategy 3 by Q3
Customer Objectives			
#1	GB		Strategy 4 by Q1
#2	GB		Strategy 5 by Q2
#3	GB		Strategy 6 by Q3
Operations Objectives			
#1	GB		Strategy 7 by Q1
#2	RG		Strategy 8 by Q2
#3	ML		Strategy 9 by Q4
People Objectives			
IT Objectives			
#1	JH		Strategy 10 by Q1
#2	JH		Strategy 11 by Q3
#3	GB		Strategy 12 by Q4



Appendix IV—Sample CEO Accountability Plan

(Adapted from Klatt, Murphy, Irvine book, "Accountability: Getting a Grip on Results, Revised 2nd Edition, Bow River Publishing, 2003)

CEO Value Proposition:

Restore ABC company to strong financial health, and position the company as a leading company for long-term growth and shareholder value.

Goals:

1. Ensure execution plan objectives are achieved.
2. Develop and support a strategic plan to 2012.
3. Support executive team in accountability and alignment.
4. Complete Strategic Partnership objectives congruent with strategic plan.
5. Identify three key alliances.
6. Establish new investor strategy and ensure ABC is gaining investor support
7. Gain Board alignment with strategy going forward.
8. Communicate clearly to all stakeholders

Leadership Accountabilities:

I am personally accountable for:

1. Success of my direct reports through dialogue and coaching.
2. Company-wide focus on the strategy.
3. Ensure we maintain credibility with our customers

Support Requirements:

I require the following support from:

Executive Team:

1. Members support corporate strategy development thru respectful and honest dialogue.
2. Members articulate and meet their own accountabilities and goals.
3. Members work well as a team and focus on the success of the company as a whole.

Employees:

1. Actively support the direction of ABC.
2. Deliver on your promises.
3. share your accountability plan with your executive team and review all accountability plans as a team to ensure role clarity and to break down silos
4. cascade this approach to accountability plans down throughout the organization

