



CUSTOM
ELECTRONIC
DESIGN &
INSTALLATION
ASSOCIATION

STRATEGIC MANAGEMENT FORUM

The One Page Strategic Plan

Facilitator:

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La Scala



Objectives

- Introduce a tool for:
 - Developing strategic initiatives and direction
 - Aligning your firm around your strategy
 - Creating consistency and focus in your firm
 - Providing accountability to your strategy
- Provide a foundation for you to implement and manage your own strategic plan

Agenda

- Context
 - Background
 - Philosophy
 - Rockefeller Habits
- Tool
- Summary

Background

- Based on “Mastering the Rockefeller Habits” by Verne Harnish
- Additional Resource: www.Gazelles.com
- These tools are targeted for small to mid size companies
 - Optimal for fast growth and radical change

- “Anyone with children will recognize the fundamentals:
 - Have a handful of rules
 - Repeat yourself a lot
 - Act consistently with those rules”

Verne Harnish, Mastering the Rockefeller Habits

Philosophy 101

- “It is probable that your greatest difficulty will be to overcome your old habitual ways of thought, and to form new habits.”
- “Things are as they are only because people have formed the habit of accepting them as they are.”
- “Habit rules all.”

“ The thoughts that we repeatedly think become habitual and make us what we are.”

Goethe

Rockefeller Habits

- **Priorities**
 - Does everyone in the firm have a handful of priorities that align with the Company's?
- **Data**
 - Does everyone in the Company have at least one key daily/weekly metric driving performance?
- **Rhythm**
 - Does the Company have an effective communications rhythm?

“X” Factor

- There is only one underlying strategy called the “x” factor.
- It must be discovered, defined, and acted upon to create significant value and ultimately significant valuations within a business.
 - Identify the chokepoint in your business model and Industry and then gain control of that chokepoint.

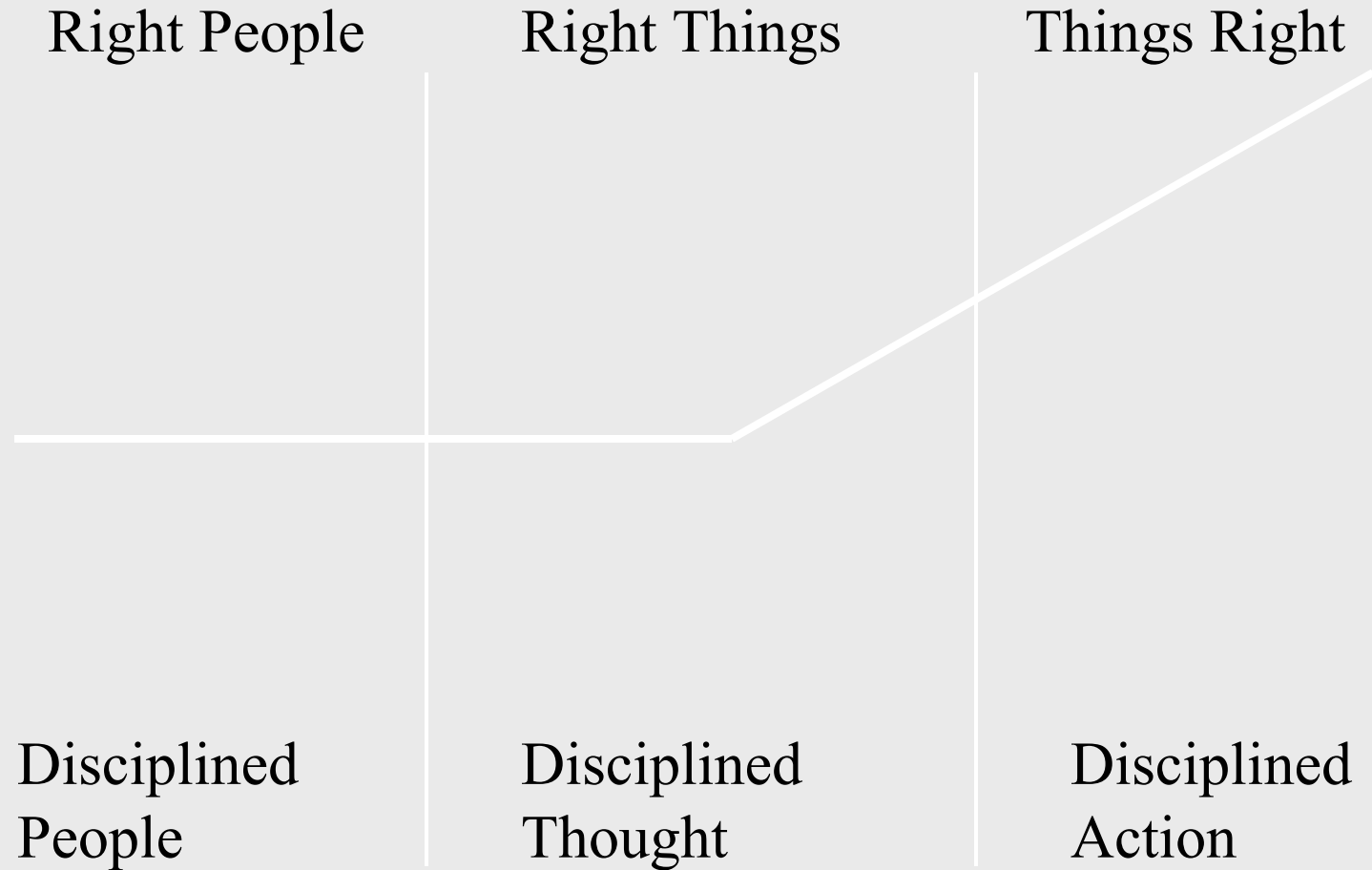
Rockefeller's "X" Factor

Rockefeller's "x" factor was transportation.

What is it for your business?



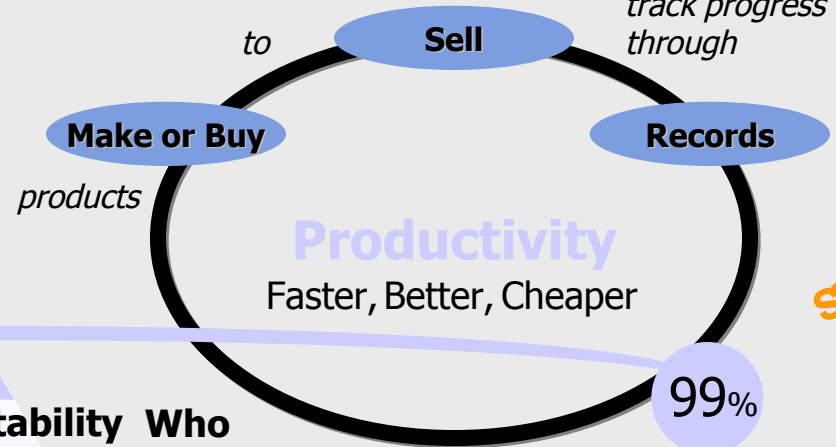
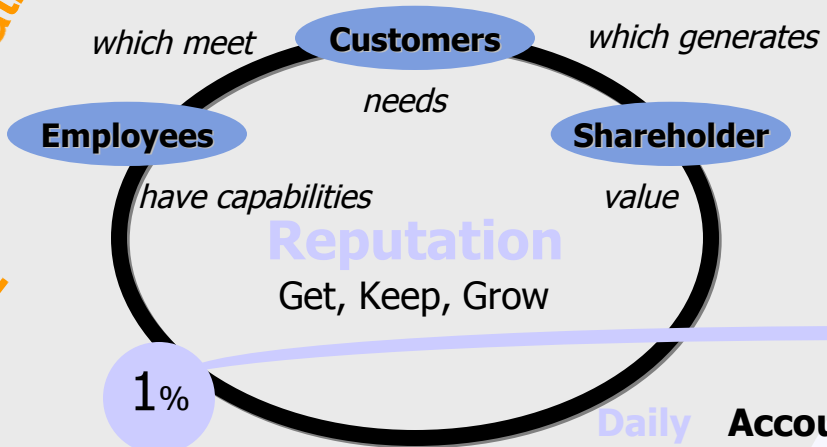
Good To Great



Right People Right Things Right

People/Relationships

Activities/Transactions



... doing the
Right Things
(WHAT TO DO)

... doing
Things Right
(HOW TO DO)



Perspective

- In planning the middle is gone. Define two points:
 - Where you plan to be in 10 to 25 years,
 - What you have to do in the next 90 days.
- Keep everything stupidly simple,
 - (Handful of rules, repeat a lot, be consistent)
- The best data is first hand data.

Planning Pyramid



One Page Strat Plan

Strategy: Strategic Plan Organization Name: _____

People (Relationship Drivers)


Employees _____ **Customers** _____ **Shareholders** _____

1 _____ 1 _____ 1 _____
 2 _____ 2 _____ 2 _____
 3 _____ 3 _____ 3 _____

CORE VALUES/BELIEFS (Should/Shouldn't)	PURPOSE (Why)	TARGETS (3-5 YRS.) (Where)	GOALS (1 YR.) (What)
		Future Date Revenues Profit Mkt Cap Sandbox	1st Ending Revenues Profit Mkt Cap Gross Margin Cash A/R Days Inv. Days Rev./Emp.
	Actions To Live Values, Purpose, BHAG	Key Thrusts/Capabilities 3-5 Year Priorities	Key Initiatives Annual Priorities
	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

Core Competencies	Profit/X	Brand Promise KPIs	Critical #: People (B/S)
			● Green ● Yellow ● Between green and red ● Red
	BHAG*	Brand Promisees	Critical #: Process (P/L)
			● Green ● Yellow ● Between green and red ● Red

Strengths: 1 _____ 2 _____ 3 _____
 Weakness: 1 _____ 2 _____ 3 _____

Your Name: _____ Date: _____ 

Process (Productivity Drivers)

Make/Buy _____ **Sell** _____ **Record Keeping** _____

1 _____ 1 _____ 1 _____
 2 _____ 2 _____ 2 _____
 3 _____ 3 _____ 3 _____

ACTIONS (GTR) (How)	THEME (GTR/ANNUAL)	YOUR ACCOUNTABILITY (Who/When)
Gtr. # Revenues Profit Mkt Cap Gross Margin Cash A/R Days Inv. Days Rev./Emp.	Deadline Measurable Target/Critical # Theme Name Scoreboard Design Describe and/or sketch your design in this space.	Your KPIs Goal 1 2 3
Roots Quarterly Priorities Who		Your Quarterly Priorities Due 1 2 3 4 5

Critical #: People (B/S)	Celebration	Critical #: People (B/S)
● Green ● Yellow ● Between green and red ● Red		● Green ● Yellow ● Between green and red ● Red
Critical #: Process (P/L)	Reward	Critical #: Process (P/L)
● Green ● Yellow ● Between green and red ● Red		● Green ● Yellow ● Between green and red ● Red

Opportunities: 1 _____ 2 _____ 3 _____
 Threats: 1 _____ 2 _____ 3 _____



One Page Simplicity

- Vision – A dream with a plan.
- Getting the right people aligned to values and purpose.
- Long Term Goal.
- Strategy – Brand promise and “X” Factor.
- Short Term Focus – Critical numbers for each year and quarter.

SWOT

- Take the time to explore these.
- Consider getting input:
 - an employee survey, “First break all the rules” Marcus Buckingham and/or ask what the Company should Stop/Start/Continue doing.
 - call clients to get their feedback.
- Many of your quarterly, annual and 3-5 year priorities will fall out of this exercise.
- Refresh this in each planning horizon i.e. quarterly, annual, 3-5 etc.

Barriers to Growth

- Three fundamental barriers to growth are:
 - Ability to delegate and predict,
 - Need for systems and structure,
 - Need to navigate the increasingly tricky market dynamics.

SWOT Examples

- Strengths: Years in business, People, Knowledge, Systems, Facility....
- Weaknesses: Lack of processes, Training, Knowledge..
- Opportunities: New Industry, Economic upturn, Community events ...
- Threats: Recession, New competitor, New technology

The form is divided into several main sections:

- People (Relationship Drivers):** Includes a table for 'Future Date' with columns for Revenue, Profit, Mkt Cap, Cash, A/R Days, Inv. Days, and Pay/Temp. It also has a 'Sandbox' section and a 'Brand Promise KPIs' section.
- Process (Productivity Drivers):** Includes a table for 'Gr. #', 'Revenue', 'Profit', 'Mkt Cap', 'Gross Margin', 'Cash', 'A/R Days', 'Inv. Days', and 'Pay/Temp'. It also has a 'Theme Name' section and a 'Celebration' section.
- YOUR ACCOUNTABILITY (Who/When):** A grid for tracking KPIs and goals.
- Core Competence:** A section for defining the organization's strengths.
- Brand Promise KPIs:** A section for tracking key performance indicators.
- Critical #:** Sections for 'People (B/S)', 'Process (P/L)', and 'Celebration' with color-coded indicators (green, yellow, red).
- Reward:** A section for tracking rewards.
- Strengths, Weaknesses, Opportunities, Threats:** Lists at the bottom of each page for strategic analysis.

Values

- Should/Shouldn't.
- A handful of rules, repeated, acting consistently with these rules.
- What is meaningful to you?
 - These should come from leadership,
 - How your team works, reacts, conducts themselves, will tell you what they think your values are.
- Gives everyone a foundation upon which to make tough decisions.

Values Examples

Strategy: Strategic Plan Organization Name: _____


People (Relationship Drivers) • Practice What you Preach.
 Employees Customers

1 _____ 1 _____ 1 _____
 2 _____ 2 _____ 2 _____
 3 _____ 3 _____ 3 _____

CORE VALUES/BELIEFS (Should/Shouldn't)	PURPOSE (Why)	TARGETS (3-5 YRS.) (Where)	GOALS (1 YR.) (How)
		Future Date Revenues Profit Mkt Cap Sandbox	Revenues Profit Mkt Cap Gross Margin Cash A/R Days Inv Days Rev./Em.
		Key Thrusts/Capabilities 3-5 Year Priorities	Key Initiatives Annual Priorities
	Actions To Live Values, Purpose, BHAG		
	1	1	1
	2	2	2
	3	3	3
	4	4	4
	5	5	5

Core Competencies Profit/X Brand Promise KPIs
 BHAG® Brand Promisees

Strengths: 1 _____ Weakness: 1 _____
 2 _____ 2 _____
 3 _____ 3 _____

Your Name: _____ Date: _____ 

Record Keeping

1 _____ 1 _____ 1 _____
 2 _____ 2 _____ 2 _____
 3 _____ 3 _____ 3 _____

ACTIONS (QTR)	THEME (QTR/ANNUAL)	YOUR ACCOUNTABILITY (Who/When)
Revenues Profit Mkt Cap Gross Margin Cash A/R Days Inv Days Rev./Em.	Describe Measurable Target/Critical # Theme Name	Your KPIs Goal 1 2 3
Quarterly Priorities Who	Scoreboard Design Describe and/or sketch your design in this space	Your Quarterly Priorities Due 1 2 3 4 5
Critical #: People (B/S)	Critical #: People (B/S)	Critical #: People (B/S)
Critical #: Process (P/L)	Critical #: Process (P/L)	Critical #: Process (P/L)
Reward	Reward	Reward

Opportunities: 1 _____ Threats: 1 _____
 2 _____ 2 _____
 3 _____ 3 _____

- Practice What you Preach.
- Ecstatic Customers
- 1st Class for Less.
- Everyone an Entrepreneur.
- Never, Ever, Ever Give Up.
- CEDIA: Vitality, Visionary, Relevance

Purpose

- Why are you in business?
- Simple, clear, aligned with values.
 - Wal-Mart: Robin Hood.
 - Nike: Competitiveness.
 - 3M: Innovation.
 - Microsoft: Ubiquity.
 - Disney: Happiness.
 - Starbucks: Escape.

Purpose Examples

Strategy: Strategic Plan Organization Name: _____

People (Relationship Drivers)

Employees Customers Shareholders

1 _____ 1 _____ 1 _____
 2 _____ 2 _____ 2 _____
 3 _____ 3 _____ 3 _____

CORE VALUES/BELIEFS (Should/Shouldn't)	PURPOSE (Why)	TARGETS (3-5 YRS.) (Where)	GOALS (1 YR.) (What)
		Value Date Revenues Profit Mkt Cap Sandbox	Inv. Expend. Revenue Profit Mkt Cap Margin Capex R&D Days Inv. Days Rev./Emp.
		Key Thrusts/Capabilities 3-5 Year Priorities	Key Initiatives Annual Priorities
	Actions To Live Values, Purpose, BHAG		

Core Competencies Profit/X Brand Promise KPIs Critical #: People (B/S)
 BHAG® Brand Promisees Critical #: Process (P/L)
 Strengths: 1 _____ Weakness: 1 _____
 2 _____ 2 _____
 3 _____ 3 _____

Our Living Easier. _____ *Gazelles*

Process (Productivity Drivers)

Make/Buy Sell Record Keeping

1 _____ 1 _____ 1 _____
 2 _____ 2 _____ 2 _____
 3 _____ 3 _____ 3 _____

ACTIONS (GTR) (How)	THEME (GTR/ANNUAL)	YOUR ACCOUNTABILITY (Who/When)
Qtr # Description Profit Mkt Cap Gross Margin Capex R&D Days Inv. Days Rev./Emp.	Description Theme Name Scoreboard Design Describe and/or sketch scoreboard in this space	Your Name Goal
Who Quarterly Priorities		Your Quarterly Priorities Due

Critical #: People (B/S) Celebration Critical #: People (B/S)
 Critical #: Process (P/L) Reward Critical #: Process (P/L)
 Strengths: 1 _____ Weakness: 1 _____
 2 _____ 2 _____
 3 _____ 3 _____

- Making Living Easier.
- Creating Better Lifestyles.
- Enhance the Lifestyles of the Rich and Famous.
- To give ordinary folks the same chance to buy the same things as rich people.
- CEDIA: Advance members' position in the market place and be a core component of their prosperity.

BHAG

- Read Jim Collins “Good to Great” and “Built to Last”.
- Big Harry Audacious Goal.
 - Stretch,
 - Breaking old thinking,
 - Leadership.

BHAG Examples

Strategy: Strategic Plan Organization Name: _____

People (Relationship Drivers)

Employees Customers Shareholders

1 _____ 1 _____ 1 _____

2 _____ 2 _____ 2 _____

3 _____ 3 _____ 3 _____

CORE VALUES/BELIEFS (Should/Shouldn't)	PURPOSE (Why)	TARGETS (\$-5 YRS.) (Where)	INITIATIVES (What)
		Future Date Revenues Profit Mkt Cap Sandbox	1st Ending Revenues Profit Mkt Cap Gross Margin Cash A/R Days Inventory Capex
		Key Thrusts/Capabilities 3-5 Year Priorities	Key Initiatives Annual Priorities
	Actions To Live Values, Purpose, BHAG		

Core Competencies Profit/x Brand Promise KPIs Critical #: People (B/S)

_____ _____ _____ _____

_____ _____ _____ _____

_____ **BHAG®** _____ _____

_____ _____ _____ _____

Strengths: 1 _____ Weakness: 1 _____

2 _____ 2 _____

3 _____ 3 _____

Your Name: _____ Date: _____

Process (Productivity Drivers)

Make/Buy Sell Record Keeping

1 _____ 1 _____ 1 _____

2 _____ 2 _____ 2 _____

3 _____ 3 _____ 3 _____

Qtr. #	Deadline	Measurable Target/Critical #	Your KPIs	Goal
Revenue			1	
Profit			2	
Mkt Cap			3	
Net Margin				
Operating Cash				
A/R Days				
Inventory				
Capex				
Product				
Who				
1			1	
2			2	
3			3	
4			4	
5			5	

Scoreboard Design
Describe and/or sketch your design in this space.

Your Quarterly Priorities Due

1 _____ 1 _____

2 _____ 2 _____

3 _____ 3 _____

4 _____ 4 _____

5 _____ 5 _____

Critical #: People (B/S) Celebration Critical #: People (B/S)

_____ _____ _____

Critical #: Process (P/L) Reward Critical #: Process (P/L)

_____ _____ _____

Strengths: 1 _____ Weakness: 1 _____

2 _____ 2 _____

3 _____ 3 _____

- Dominate high end custom electronic installations, worldwide.
- An XYZ Co. in every major market in North America.
- Five Customers for life.
- CEDIA: Be the undisputed brand of excellence for residential electronic professionals.

Actions

- Needed to bring values and purpose into alignment.
- Quarterly review of the Company's Values and Purpose may reveal gaps.
- Aim is to keep the values and purpose alive and relevant.

3-5 Columns

- **Sandbox:** (what you want to dominate)
 - Where you want to play,
 - Who the customer will be,
 - What you want to sell.
- **Brand Promises:**
 - How you matter to your customers,
 - What makes you different from your competitors,
 - Ability to track and monitor day after day.
 - Hint: (“X” factor) What chokepoint will you dominate?

3-5 Outcomes

- Yeah but.....
- Capabilities/Key Thrusts:
 - Priorities needed to reach your outcome targets, dominate your sandbox, deliver on your brand promise.

Annual Column

- Knowing your 3-5 year thrusts and capabilities will shape your shorter term annual strategy.
- Goals and critical numbers will determine what initiatives you need to drive.

Quarterly Column

- Metrics and Critical Numbers guide.
- Rocks: keep these to a handful of hard hitting action items.
- Be clear about who owns what and how you will know you got there.

Accountability

- Each box should have an accountable person associated with it.
- Know who, is doing what, by when and how you will know when you got there (KPIs).
- Know who owns each element of your plan.

Theme and Reward

- Often tie right back to values.
- Deadline?
- Measurement?
- Name?
- What is the celebration or reward?

Rhythm

- Changing how we think,
 - What we think about,
 - Repeating,
 - Being consistent.
-
- Takes regular communications.

Rhythm

- Annual meeting: Two days, Leadership team.
- Quarterly meeting: One day, Leadership team.
- Weekly meeting: two hours, Leadership team.
- Daily huddles: Every day, each team, 5-15 minutes. What's up, daily measures, where stuck.

Tools

- “All it takes to make growing your business more fun and profitable, at each and every stage of its life, is the discipline to find the right tools and implement them.”

Verne Harnish



Thinking

- “If you want to teach people a new way of thinking, don’t bother trying to teach them. Instead, give them a tool, the use of which will lead to new ways of thinking.”

Buckminster Fuller

Summary

- One page Strategic Plan is a tool.
- It helps distill and align your vision for the whole organization's use.
- Keep it simple:
 - Develop relevant priorities,
 - Ensure accurate timely data,
 - Conduct regular meetings.