

BSEA's PLP® Strategy Design and Execution Approach

We believe that organisations exist primarily to make a difference in the world, i.e. to create unique value. This belief underpins our approach to strategy design and execution. “A great strategy is more than an aspiration, more than a dream: it's a system of value creation, a set of mutually reinforcing parts. Anchored by a compelling purpose, it tells you where a company will play, how it will play and what it will accomplish”¹. Our context for strategy design and execution is “continuous improvement for a better world”². It is about building a high-performance culture and therefore a high-performance organisation.

High-performance organisations have clarity of:

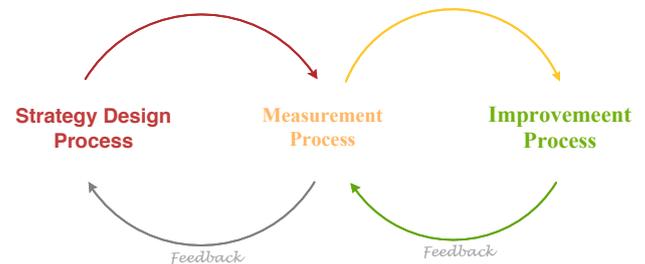
- Purpose,
- How to create, deliver and capture value, that is, their business model, and
- How to measure success,
- What is holding back performance,
- What to do to reach high-performance targets.

The three critical processes in strategy execution

There are three processes necessary for successful strategy design and implementation - strategy design, measurement and improvement – the most fundamental being the measurement process which provides feedback on whether a strategy is working or not.

¹ Cynthia A. Montgomery, *The Strategist: Be the Leaders Your Business Needs* (HarperCollins e-books 2012) loc. 95.

² Stacy Barr, “Introduction to PuMP”, PuMP Performance Measurement Blueprint Workshop facilitators note.



Strategy design involves reaffirming an organisation’s purpose, defining and clarifying its business model, assessing the impact of environmental factors on the business model and identifying desired results or outcomes.

Measurement links the planning and improvement processes and is the first step towards bringing strategy to life. Measures are the catalyst for performance improvement. To meaningfully measure goals so that we can determine accomplishments and what needs improving, we must be deliberate with measurement. Using Stacey Barr’s *PuMP Performance Measurement Blueprint*, we facilitate measure teams to design measure and bring them to life.

Improvement is the execution process. It entails identifying and removing constraints in the organisation's operating model or processes to achieve targets.

Our Performance Leadership Process (PLP)

Our Performance Leadership Process³ (PLP) for strategy design and execution organises these three processes into two

³ Performance Leadership Process is a framework for improving results through evidenced-based – leadership, empowerment of teams to make decisions and take action to improve their performance, continuous organization learning and accountability for performance.

overlapping phases – *planning* and *implementation*; and four stages – design, report, discuss and improve to make strategy design and execution deliberate and practical. Our consultants train staff and managers, and then, at each stage, coach them to ensure successful completion of each activity and transfer of learning.

Phase 1: Planning is about defining and clarifying strategy, making it measurable, and establishing baseline performance. There are two stages in planning - Designing and Reporting.

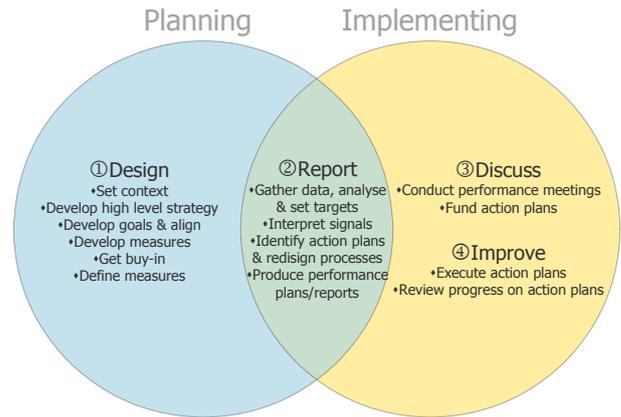
The **Design** stage entails a review of the organization business model or a unit’s operating model to clarify how the organization or the unit creates and delivers value (results) to its customers and other stakeholders, in the context of its environment, and identification of the results or goals that the organization or work unit seeks to deliver. The specific critical activities under this stage are:

i.) **Strategic Assessment:** We begin with alignment and strategy focused assessment to compare an organisation's strategic planning process with common best practice and a review of the organisation's business model. The gap analysis is followed by an internal and external environmental scan to identify strategic issues. Then we conduct a value interview to understand your customers experience with your value. Outcomes of these activities provide the necessary background to lead to a business review workshop. Precisely which tasks will be carried out under business review, and the amount of the effort

needed in each task will depend on the results of the assessment.

Our facilitators, working with senior leadership, complete the next two activities in this phase:

ii.) **Business Review Workshop:** At a



leadership workshop, the top leadership team develop, refines or reaffirms the organisation’s strategy including the following elements: purpose, the business model, vision, core values, organisation enablers and pains (SWOT factors), customer value propositions, strategic themes or focus areas, strategic objectives, and goals.

A business review also helps in creating a consensus on a shared vision for change through teasing out of every individual leader’s truth about the context of an organisation’s strategy.

iii.) **Evidence-Based Leadership (EBL)**

Workshop: There are three habits of high-performance that Executives practice and master: *Direction*- setting a measurable strategy, *Evidence* - meaningfully measuring what matters and *Execution* - executing strategy through leverage and three habits that they embed and support in their organization: *Decision* - everyone

owning the strategy, *Action* - everyone getting the right things done, *Learning* - everyone turning failure into success. In this workshop, we first give leaders the practical skills for each EBL habit so that they can clarify, measure, cascade and execute the organisation's strategic direction, with deep engagement from managers and staff organisation-wide. Then, we facilitate the leaders to make the corporate strategy more measurable and easier to communicate, design measures for it, and plan the implementation of EBL habits organisation-wide.

The next stages of the process follow the initial work completed by the senior leadership team, as other teams begin to get engaged in the process and work with us to develop a performance measurement process, identify performance improvement initiatives and cascade strategy.

"Measures should help you change. They should help you predict the upcoming need to change, tell you how well you are doing with adapting to the change and give you insights into how you will do in the future. That's not possible if they are the same measures you used to get to where you were five years ago." Marty Klubeck

The Report stage involves collecting data, analysing and interpreting performance signals, setting targets, reviewing and redesigning performance reports and dashboards (including the balanced scorecard), identifying strategic initiatives, redesigning operations⁴ and publishing a performance report. In the Planning Phase,

⁴ Operations include processes, people (structures) and technology



the focus of this Stage is the determination of the current performance gap, how to close it and the publication of a baseline performance report. At the Implementation Phase, the focus of this Stage is the monitoring of progress towards strategy and publishing reports on current performance.

At this stage, we facilitate Measure Teams to assess the impact of strategy on the operation - people, processes and technology. Goals are the results of the activities of the organisation, i.e., its processes, so we make process improvements the basis of reaching performance targets. Better results can only be achieved through either remarkably doing well what we do or changing the way we do things.

Phase 2: Implementing strategy, in our approach, begins at the Report Stage. Once baseline performance is established, data collection, analysis and interpretation, and production of performance reports continue. The Report Stage is the preparatory stage for the next two steps in this phase:

The Discuss Stage: Having positive discussions⁵ underpin a high-performance culture. The purpose of performance conversations is to learn what works, intending to making it the new way of doing things, and what doesn't, aiming to improve it. We imbue leaders and teams to appreciate the qualities of inquiry-based learning in performance conversations.

The Improve Stage is where action plans or initiatives are implemented and managed as projects. It entails commutating effort priorities, executing action plans, holding regular project status meetings to check the progress of the improvement activities and celebrating success.

PLP is a process for managing performance at all organisational levels

A strategy has a higher impact where all levels in an organisation contribute to its success. The PLP provides each leader at any organisational level with a process for creating alignment and managing performance. It helps answer the following questions:

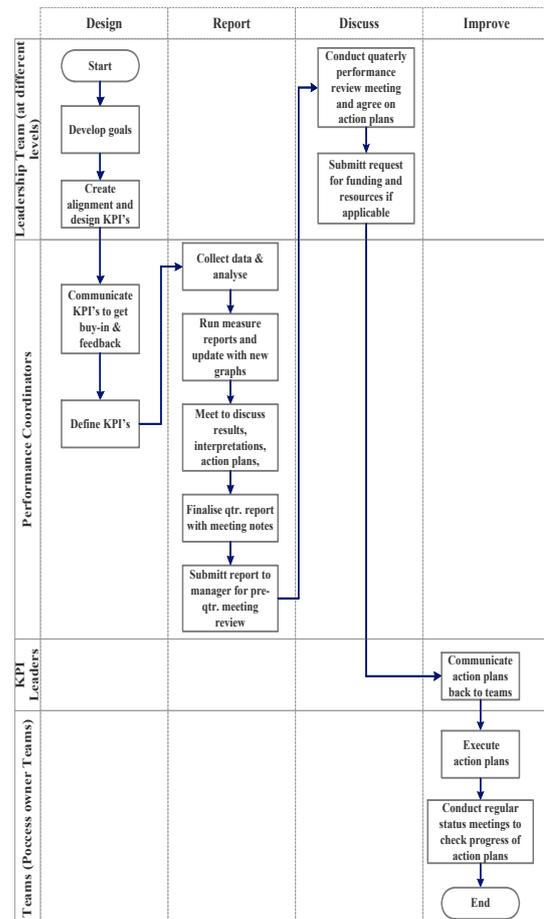
- What results should we be pursuing and which higher-level goals do they significantly impact?
- What progress has been made towards the results?
- Where is attention most needed to close the gap between current and target performance levels?
- Are initiatives closing the performance gap?

⁵ "The Neurochemistry of Positive Conversations" by Judith E. Glaser and Richard D. Glaser (HBR, June 12, 2014).

Creating Alignment



There are three levels where Performance management must be practiced. These are the strategic, operational, and individual level. The three-levels must be aligned to achieve high performance, i.e. operational performance should contribute to strategic performance while people performance should contribute to operational performance.



The Performance Management Process Flowchart