

Overview:

Strategic Planning Workshop



Tom Nodine, Managing Partner

Strategic Planning Workshop: Executive Summary

- Identifying and executing superior business strategies is critical to enhancing competitive position and creating value
- However, companies often struggle to make their strategic planning processes efficient and ensure they result in value creating strategies (see next page)
- We can help in a number of ways:
 - Review and update your current strategic planning process to address key issues
 - Develop videos and other materials to train your people on updated processes
 - Conduct strategic planning workshops that walk your teams through updated processes
 - Provide ongoing support for conducting / refining strategic analyses
- Our founder, Tom Nodine, is uniquely qualified to assist. He has:
 - Led corporate development, strategy and innovation for two Fortune 300 companies
 - Served as a senior partner in top consultancies focusing on strategy and innovation
 - Conducted customized strategic planning workshops for top companies around the globe

We'd welcome the opportunity to explore whether we could help you enhance your strategic planning process and achieve your objectives

Business leaders often struggle with the strategic planning process

What is a strategy?

What process should we use for strategic planning?

What is the purpose of our strategic plan?

How do we balance the needs for short-term performance and long-term transformation?

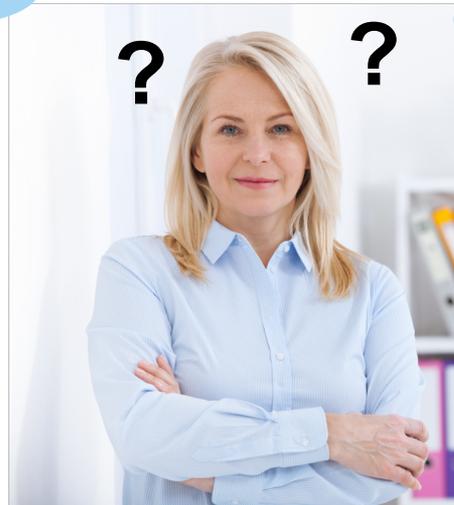
What skills and tools will be required and how do we get them?

How does strategic planning relate to performance measurement?

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How do we avoid “politics”, “group think”, “analysis paralysis” and other pitfalls?

How do we ensure our plans will enhance competitive position and create value?



How do we track progress of strategic plans over time?

Inefficient and ineffectual strategic planning processes are very expensive

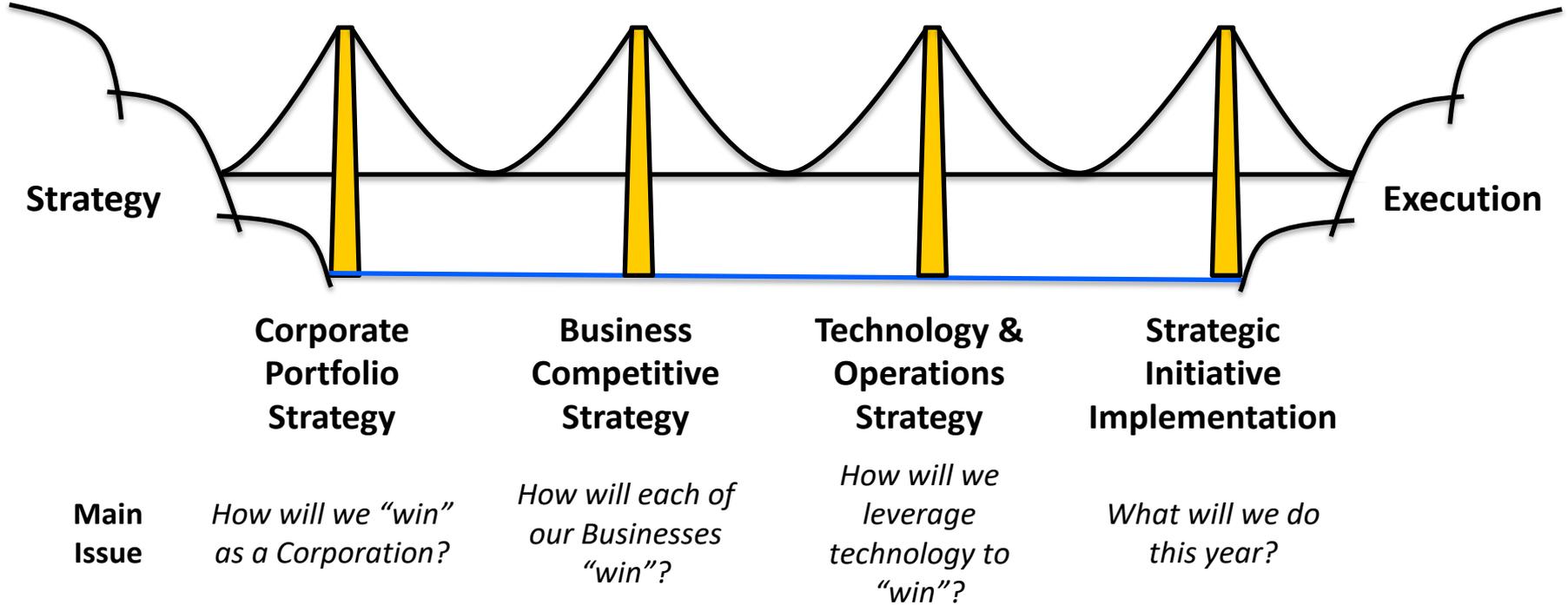
- The main cost of strategic planning is the opportunity cost of the resources involved



- Countless hours can be wasted needlessly building a strategic planning process from scratch and running it without sufficient skills and guidance
- The most expensive mistake of all is creating ineffectual plans
 - They don't result in enhanced competitive position or value creation
 - They focus on short-term incremental changes and miss the imperative/opportunity for longer-term transform
 - They lack "ownership" from team members and/or "buy in" at all levels
 - They sit on the shelf

Different types of strategic plans are needed to bridge strategy and execution

CTP's Strategy Roadmap



CTP's has deep experience on these and other types of strategic plans

Leveraging global best practices, CTP often uses a proven 5 Step framework for identifying value creating competitive strategies

5 Step Competitive Strategy Framework

Step		Question	Frameworks, Analyses & Tools
1	Segmentation	What industry segment is the business in?	<ul style="list-style-type: none"> ▪ Dimensions of segmentation framework ▪ Shared costs analysis
2	Segment Attractiveness	Is the industry segment creating value?	<ul style="list-style-type: none"> ▪ Country, platform and product attractiveness ▪ Segment sales, profits & value creation tools ▪ Segment trends and impacts analyses ▪ Porter 5 forces framework
3	Competitive Analysis	How does the business compare to its peers?	<ul style="list-style-type: none"> ▪ Bases of competition framework ▪ Benchmarking analysis tool ▪ Porter value chain & SWOT analyses
4	Strategy Development & Selection	What strategies might enhance their competitive advantage?	<ul style="list-style-type: none"> ▪ Common “Rights to Win” and Strategic Fit frameworks ▪ DCF valuation tool ▪ Capital adequacy analysis ▪ Risk analysis framework and tool
5	Strategic Initiative Identification & Prioritization	How can we realize our competitive strategy?	<ul style="list-style-type: none"> ▪ DCF valuation tool ▪ Risk analysis framework and tool ▪ Strategy Driven Innovation framework ▪ Strategy Driven Transactions framework

ILLUSTRATIVE

The "Strategy Driven" Framework

1 What are the key bases of competition across all competitors?

2 Where do we stand today?

3 What unique combination of capabilities will allow us to "win"?

Bases of Competition	Current Position	Future Position	Unique Capability Gaps	Transactions	Strategic Innovation
1. Scale	-	O	✓	X	
2. Operating Efficiency	-	+	✓		X
3. Product Breadth	-	O	✓		X
4. Pricing	O	O			
5. Service Quality	O	+	✓		X
6. Customer Relationships	+	+			
7. Brands	O	+	✓	X	
8. Legacy Systems	O	-			
9. New Technologies	-	O	✓	X	
10. Data and Analytics	O	+	✓	X	

6 Which gaps can best be filled through internal innovation?

5 Which gaps can best be filled via transactions and partnerships with external providers?

4 What capability gaps will we need to fill to get there?

Corporate Transformation Partners can help you identify and execute value creating strategies in a number of ways

- **Review and update your current strategic planning process to address key issues**
 - Start with whatever plans and processes you currently have in place
 - Offer our views on how the plans and process might be improved
 - Make whatever changes you wish

- **Develop materials to codify updated processes and ease adoption**
 - New tools / templates / job aids
 - Education materials

- **Conduct training to gain new knowledge, skills and capabilities for strategic planning**
 - We have deep of experience in designing, developing and delivering customized education programs on strategy and related topics
 - Programs are available in person, by video, and over the web

- **Conduct strategic planning workshops (see next page)**

- **Provide ongoing support in conducting / refining strategic analyses**
 - Informal "Dr. is in" sessions
 - Support and referrals for specific analyses that would be difficult to conduct internally
 - Follow up to strengthen the process, reinforce skills and enhance results over time

CTP's Strategic Planning Workshop for Business Units commonly involves 3 sessions with supporting analysis

ILLUSTRATIVE

Project Kick-off Meeting:

- Discuss Process
- Define Roles
- Set Expectations

Session #1: Segment Definition, Attractiveness and Competitive Position

- Discuss the last version of your strategy
- Identify key trends and assess the potential for the segment overall to create value
- Clearly define competitors and the bases of competition within each segment
- Benchmark current capabilities vs. competitors

Session #2: Strategy Development and Selection

- Identify potential combinations of capabilities that could allow you to “win” vs. competitors
- Assess the benefits, costs, investments, risks and overall viability of each combination
- Select an initial target combination of capabilities
- Define issues to resolve

Session #3: Strategic Initiative Identification and Roadmapping

- Present additional analysis and select the target combination of capabilities
- Identify means of gaining needed capabilities (e.g., greenfield, innovation, acquire, partner)
- Review and refine draft strategic roadmap
- Identify and resolve remaining issues (e.g., alignment, funding)

Strategic Planning Workshops involve analysis after each meeting to provide a solid fact base and support effective decision making

Supporting Analyses (Illustrative)

We can work with your team to conduct these analyses



Since most industries are being transformed through technology, we often define an explicit strategy for technology and operations

Key Questions for Technology Strategy

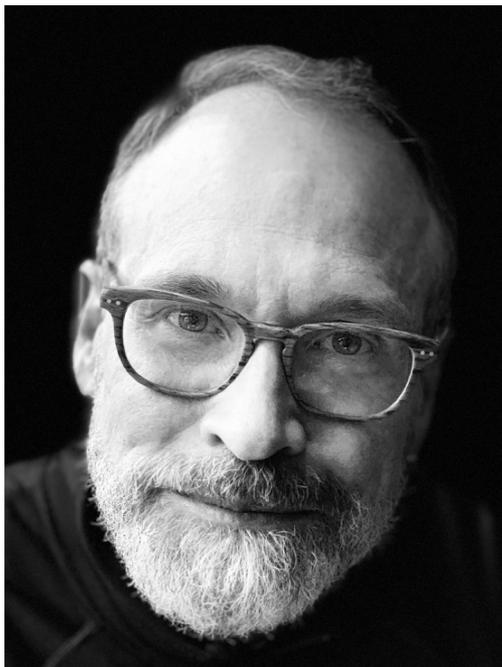
1. How and when will technology impact the industry and company?
2. How will we “win” in the coming technology driven environment?

Spectrum of Strategic Approaches



	Execute an “Enlightened Harvest” Strategy	Leverage New Technologies into Existing Processes	Leverage New Technologies into Updated Processes	Pursue New Business Models
Examples		<ul style="list-style-type: none"> ▪ Mobile ▪ Cloud ▪ Digital Photos ▪ AI / Watson ▪ Sensors 	<ul style="list-style-type: none"> ▪ Sales Processes ▪ Service Processes ▪ Pricing Processes ▪ Production Processes ▪ Delivery Processes 	<ul style="list-style-type: none"> ▪ Direct ▪ PAYG ▪ Embedded Products ▪ Life Enhancement
Actions	<ul style="list-style-type: none"> ▪ Emphasize profits over growth ▪ Curtail investment in new business models and technologies ▪ Explore selling 	<ul style="list-style-type: none"> ▪ Find new technologies that are ripe to implement ▪ Build and execute a roadmap for implementation 	<ul style="list-style-type: none"> ▪ Reengineer current business processes ▪ Choose appropriate technologies ▪ Build and execute a roadmap 	<ul style="list-style-type: none"> ▪ Participate in Innovation Accelerators ▪ Create new products and services ▪ Test and learn quickly

Our founder is uniquely qualified to help you optimize your strategic planning process



Tom Nodine
Managing Partner,
Corporate Transformation
Partners, LLC

Qualifications

- Has served as a senior partner at multiple top consultancies focusing on strategy, transactions, valuation and innovation
- Has led strategy, corporate development & innovation at top public companies
- Led a technology start-up and is a recognized expert in how technology will transform industries
- Has collaborated closely with renowned experts in finance, valuation, risk, international transactions and negotiations
- Led Executive and Consultant Education for major consultancies and has decades of experience facilitating workshops
- Received a Masters in Management Degree with distinction from the J.L. Kellogg Graduate School of Management where he also completed study towards a Ph.D. in Finance
- Holds a Chartered Financial Analyst (CFA) and Bachelors degrees in Physics and Music from the University of California

See Mr. Nodine's full profile on LinkedIn

CTP's workshops also leverage the best thinking from your organization and experts in finance, valuation, strategy, management and negotiations

Area	Expert	Thought Leadership
Finance / Valuation	Al Rappaport*	"Creating Shareholder Value"
	Tom Copeland*	"Valuation"
	Sharpe & Lintner	Capital Asset Pricing Model
	Steve Ross*	Arbitrage Pricing Theory
	Miller & Modigliani	Optimal Capital Structure
Strategy & Innovation	Michael Porter	"Competitive Strategy", "Competitive Advantage"
	Peter Diamandis*	"Abundance"
	Salim Ismail*	"Exponential Organizations"
	Clayton Christensen	"Innovator's Dilemma"
Management	Alan Shapiro*	"Multinational Financial Management"
	Lenos Treggeorgis*	"Real Options: Managerial Flexibility and Strategy"
	Jon Katzenbach*	"The Discipline of Teams", "Teams at the Top"
Negotiation	Leigh Thompson*	"The Heart and Mind of the Negotiator"
	Jeanne Brett*	"Negotiating Rationally" and "Negotiating Globally"
	Fisher & Ury	"Getting to Yes"



* Mr. Nodine has direct collaboration experience with these experts

CTP's Strategic Planning Workshop delivers extraordinary value

Strategic Planning Workshop Benefits

Benefits	Description
Superior Value Creation	In rapidly evolving industries, it would be odd if strategies that were developed years ago were still optimal. To reflect new technologies, trends and opportunities, and avoid being disrupted, you must undertake a rigorous view and choose the right path forward
Superior Processes, Tools and Frameworks	This workshop leverages world-class strategic processes, tools and best practices that have been refined over decades of real world application. Of course, we will happily integrate your company's processes, tools and frameworks
Superior Focus on Your Company	Our in-house workshops focus on your company, industry, processes, and culture to accelerate progress and integrate new processes, tools and knowledge
Superior Skill Development	We design our workshops around the specific participants you intend to have and customize the materials, examples and case exercises to develop the precise knowledge and skills they will need to be successful going forward
Superior Team Development	Our workshops result in every member of your team knowing how their role fits into the chosen strategy. They also create relationships with corporate leaders and other participants that will be valuable in future initiatives
Positive Momentum	Our workshops are highly interactive and enjoyable. Your team emerges confident, enabled and excited to realize the selected strategy
Superior Cost Efficiency	The cost of CTP's "facilitated approach" is typically less than 1/10th the cost of hiring a consultant to perform similar work

CTP's Strategic Planning Workshop had strong advantages over internal strategic planning efforts and external consulting projects

Advantages of the Workshop Approach

Internal Efforts	CTP Practical Workshops	External Consulting Assignments
<ul style="list-style-type: none"> ▪ Lack external perspective on competitors, new entrants and potential disruptions ▪ Often get bogged down from ill-defined process and lack of strategy skills and experience ▪ Often lack appropriate strategic tools and frameworks ▪ Are subject to “Group Think”, internal biases, and internal politics 	<ul style="list-style-type: none"> ▪ Cost 1/10th of external consulting projects ▪ Are created and owned by the teams that will be required to execute them ▪ Leverage internal knowledge and capabilities ▪ Leverage world-class tools, processes and frameworks ▪ Incorporate “best practice” skills and experience through expert facilitation ▪ Cut through politics by focusing on fact-based analysis ▪ Minimize “group think” by explicitly incorporating challenging external perspectives on competitors, new technologies and other disruptors ▪ Develop and retain skills internally to continually update analyses 	<ul style="list-style-type: none"> ▪ Lack internal perspectives on capabilities, culture and other important factors ▪ Result in insufficient ownership from the management team ▪ Fail to develop skills internally and retain them for future use ▪ Are expensive ▪ Often “sit on the shelf” and fail to be implemented ▪ Can quickly fall out of date

There are several “next steps” that we could take

- Discuss the current strategic planning process and how it might be improved
- Brainstorm ways that updated processes would be rolled out
- Meet with potential teams / businesses
 - Learn their objectives, needs and issues
 - Identify strategic analyses that have already been done, and others that will be needed
 - Discern new tools, processes and skills they will need to develop value creating strategic plans
- Discuss how new job aids and skills will be developed
- Develop customized workshop agendas
- Get going!

We'd welcome the opportunity to explore whether we could help you enhance your strategic planning process and achieve your objectives

CTP also conducts a range of other Corporate Programs and Workshops

Program*	Description
Strategy Driven Transactions	<ul style="list-style-type: none"> ▪ Program to help teams identify, close and integrate value creating transactions ▪ Topics include: <ul style="list-style-type: none"> – Identifying targets with good “strategic fit” and unique synergies – Conducting due diligence and valuation – Negotiating to ensure value creation – Focused target integration to realize intended synergies – Working as a team to ensure functional, operational and strategic resources add value to the process
Strategy Driven Innovation	<ul style="list-style-type: none"> ▪ Using your competitive strategy to drive your innovation strategy ▪ Developing current and proposed future “technology heatmaps” ▪ Accessing new technologies and capabilities through innovation, partnerships and transactions ▪ Creating the right structure to create, vet, fund and commercialize innovative ideas ▪ Writing a technology roadmap that identifies, sequences, and prioritizes activities
Valuation Workshop	<ul style="list-style-type: none"> ▪ Detailed review of valuation models including their basis in financial economics, their practical applications and behavioral implications <ul style="list-style-type: none"> – Discounted Cash Flow (DCF) – Current and Transaction Multiples – Asset-Based Valuation – Real Options ▪ Defining a common language and approach for applying each model ▪ Building skills at valuing domestic and foreign businesses

* Go to www.CorporateTransformation.Partners for more details