

# James A Robertson and Associates Effective Strategic Business Solutions

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*Strategic Management Conference  
Tehran, Iran  
28 September 2010*

## *Strategic Analysis and Design An Engineering Approach to Strategic Planning*



**Dr James Robertson PrEng**

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James A Robertson and Associates

# The harsh reality of strategic planning



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**90% of strategic planning initiatives FAIL to deliver any material change in performance of the organization**

# What is an engineering approach?



Engineers do NOT design bridges to stand up





**They design them NOT to fall down**



**Engineer strategic plans against failure**

# Imagining the impossible: What is NOT an engineering approach?



**What is strategy?  
REALLY?**

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# Strategy



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**Doing the right things**



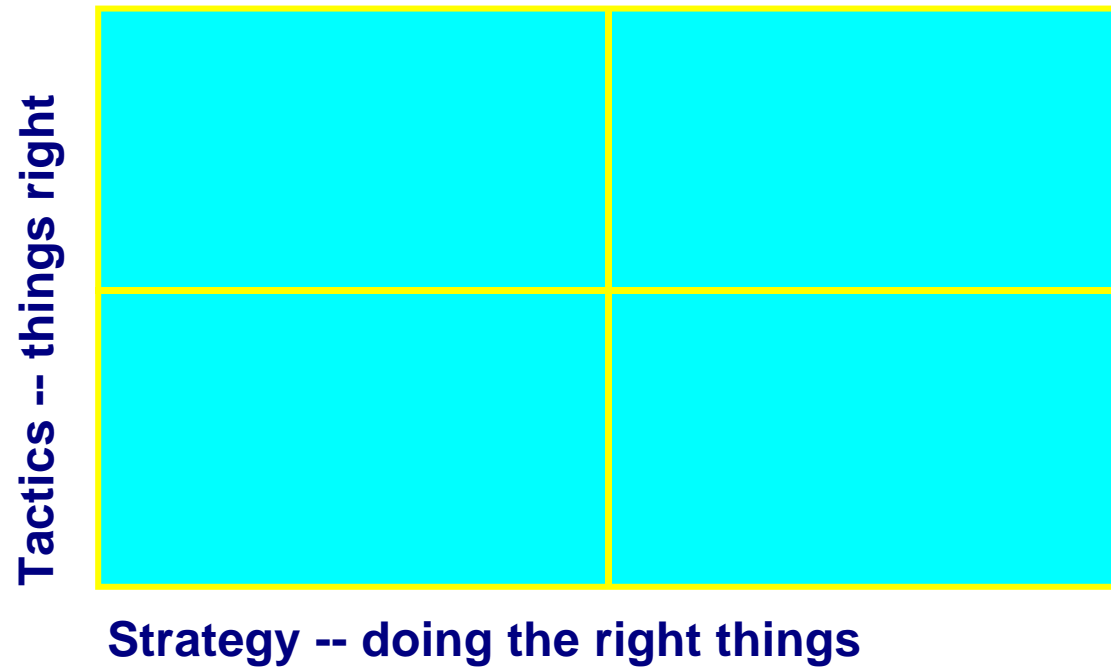
# Tactics



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Doing things right

# The relationship between strategy and tactics



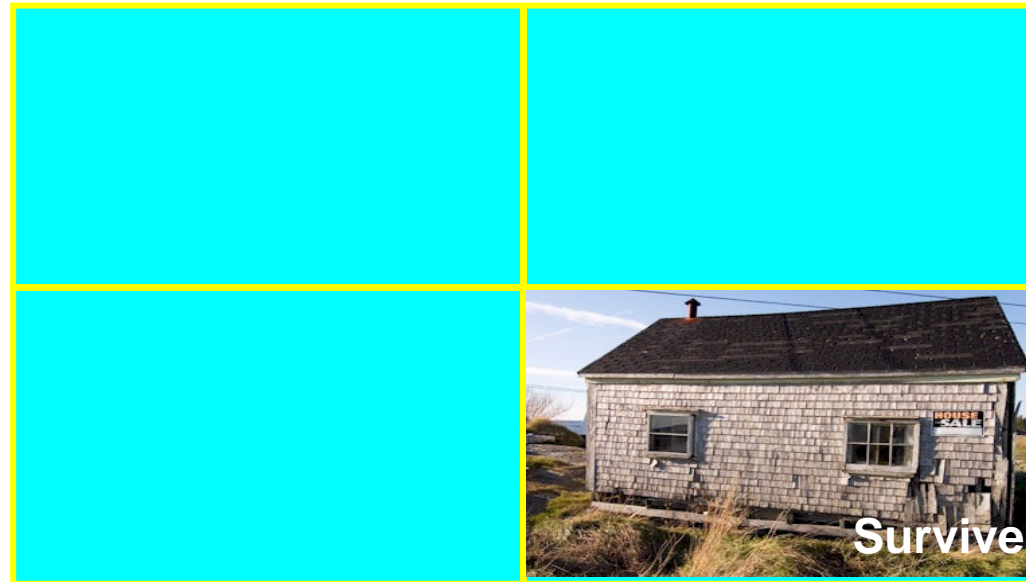
# The relationship between strategy and tactics



# The relationship between strategy and tactics



**Tactics -- things right**



**Strategy -- doing the right things**

# The relationship between strategy and tactics



**Tactics -- things right**

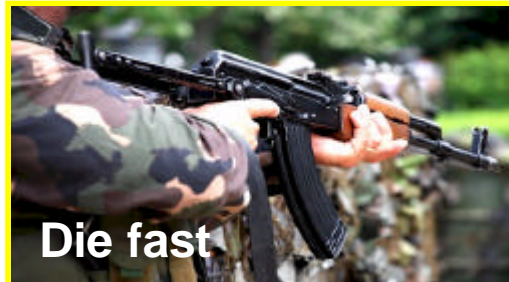


**Strategy -- doing the right things**

# The relationship between strategy and tactics



Tactics -- things right



Strategy -- doing the right things



# The relationship between strategy and tactics



Tactics -- things right

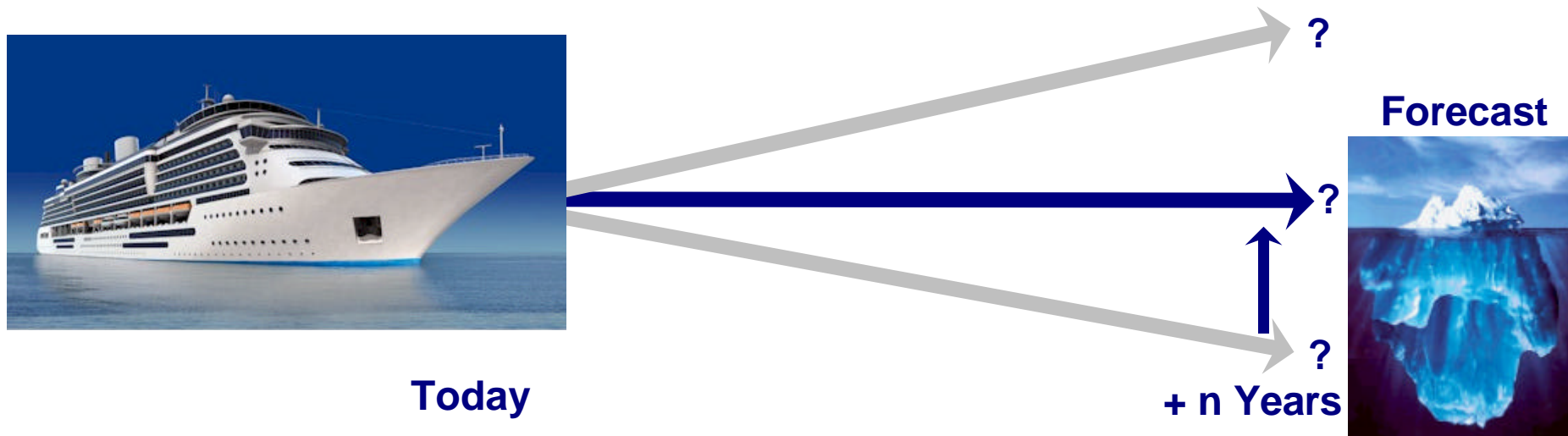


Strategy -- doing the right things

# The time dependency of strategy



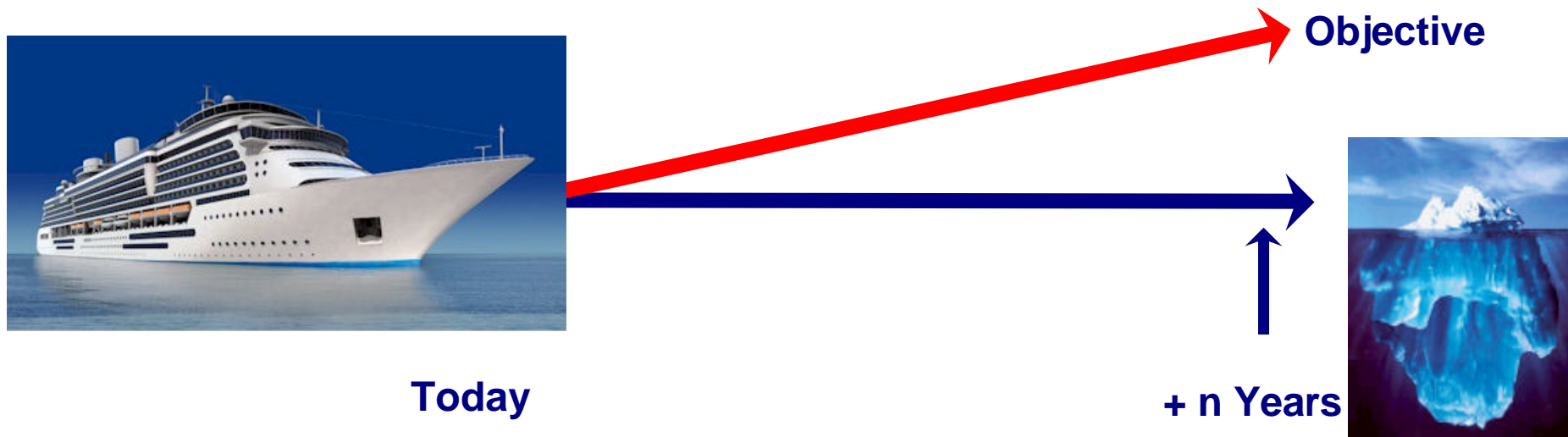
Not a forecast



# The time dependency of strategy



## Not an objective



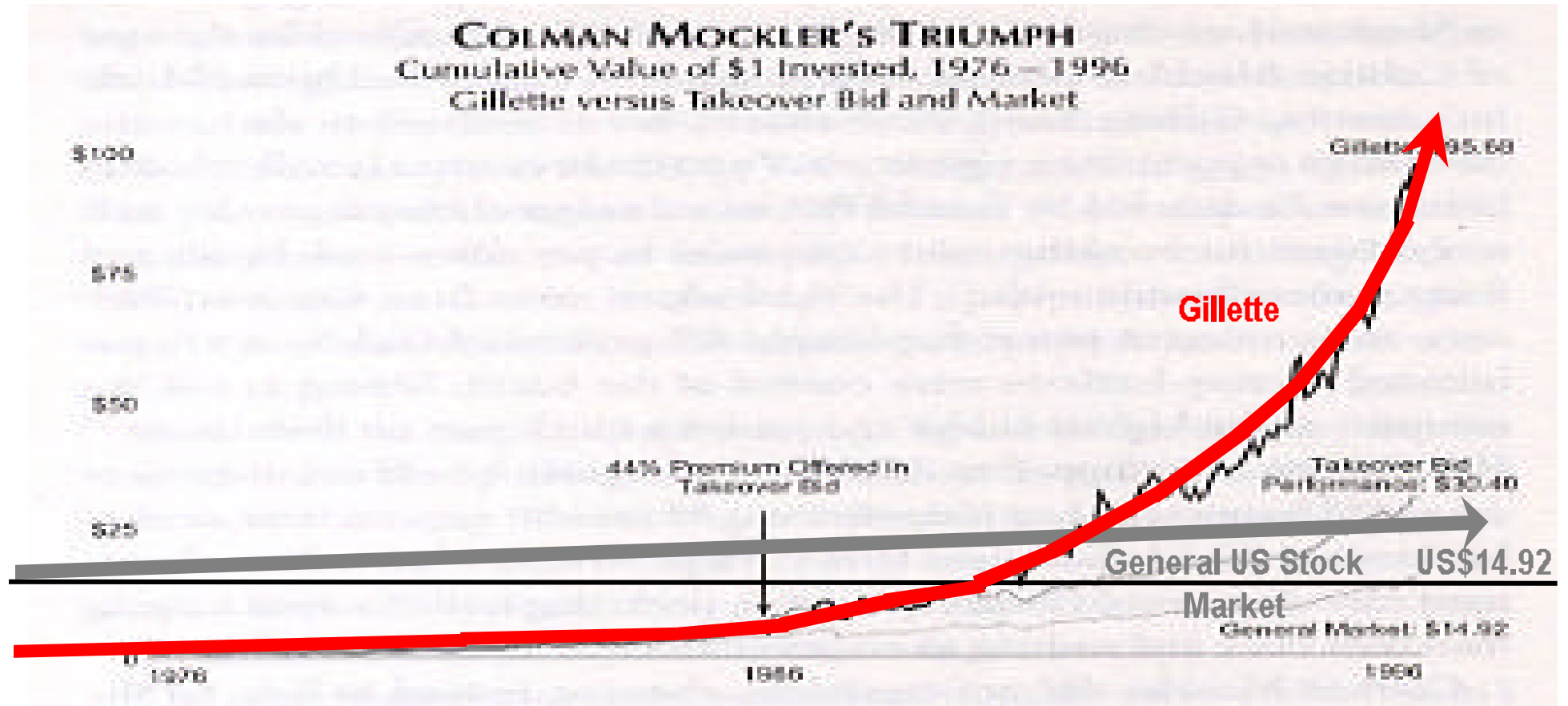
# The time dependency of strategy



## Strategic plan -- the path to competitive advantage



# The trajectory from good to great -- Gillette case study



↑  
1975  
Colman Mockler Appointed  
CEO

↑  
1986  
Hostile takeover thwarted

↑  
1991  
Mockler  
retires

↑  
1996  
End Study

# The essence of strategy



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**The essence of strategy is integration - the ability to see in a complex holistic way**



**What is strategy?**



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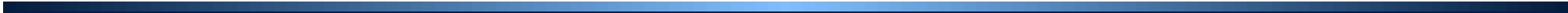
**The ESSENCE of why an organization exists and how it thrives**

# Essential components of strategy



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1. **Core economic driver**
  2. **Core human resource driver**
  3. **Core market differentiator**
  4. **Core market**
  5. **Core product**
  6. **Core technology / capability**
  7. **Core values**

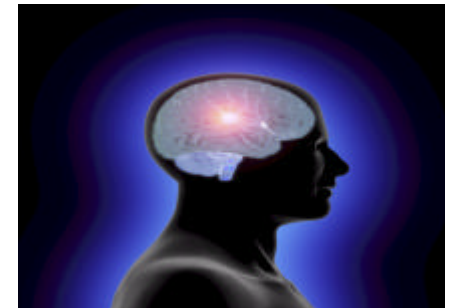
# The Critical Factors for Success



# Causes of strategy implementation failure



1. **Mythology (wishful thinking) (30%)**
2. **Lack of executive custody and inappropriate policies (20%)**
3. **Lack of alignment of operations with strategy (15%)**
4. **Lack of a rigorous (engineering) approach (12%)**
5. **Poor decision support information (10%)**
6. **Poor change facilitation (8%)**
7. **Technology (5%)**



# The critical factors for strategy implementation = THRIVE success

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1. **Executive custody (25%)**
2. **Strategic solution architecture (18%)**
3. **Clear strategic definition and alignment (16%)**
4. **Business integration and optimization -- facilitation of change (14%)**
5. **Effective project planning and execution management (12%)**
6. **Reliable information to support THRIVE decision making (10%)**
7. **Technology (5%)**

# How to achieve sustainable and viable strategic designs

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# How to achieve sustainable and viable strategic designs

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- 1. Precise determination of the essence of the business and how it thrives -- core strategic definition**
- 2. Precise determination of the strategic drivers -- finances, people, assets, etc**
- 3. Robust analysis of the strategic environment**
- 4. Structured critical issue models of each of these components**
- 5. Numeric measures of historic, current, forecast and objective performance gives prioritized numeric gaps**
- 6. Structured, prioritized solution action plans, alignment measures, KPI measures, critical competence measures, etc**

# Analysis of the Strategic Environment



# Developing a Robust Strategic Design



1. Critical issues analysis -- at ANY level -- what is REALLY important
  2. Gap analysis
  3. Design / mapping -- how the solution fits together -- weights
  4. Governance framework
  5. Action plan
  6. Project plan
  7. Outcome tracking, performance measurement and incentives -- journey management
  8. Continuous Improvement
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# The problem of different perspectives



## 1. Everyone sees the problem and the solution differently

- Executive
- Production
- Operations
- Marketing
- Finance
- etc



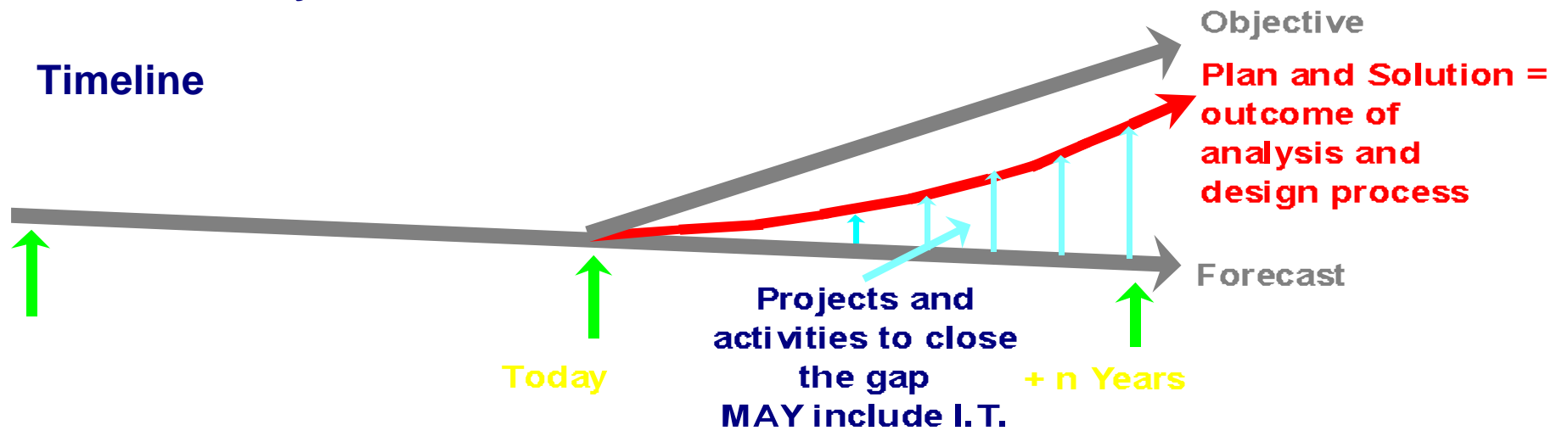
## 2. Strategic clarity provides focus

- Different perspectives remain valid and vital

# Gap Analysis



1. What will be done?
2. How well are we doing it already?
3. Accountability
4. Timeline

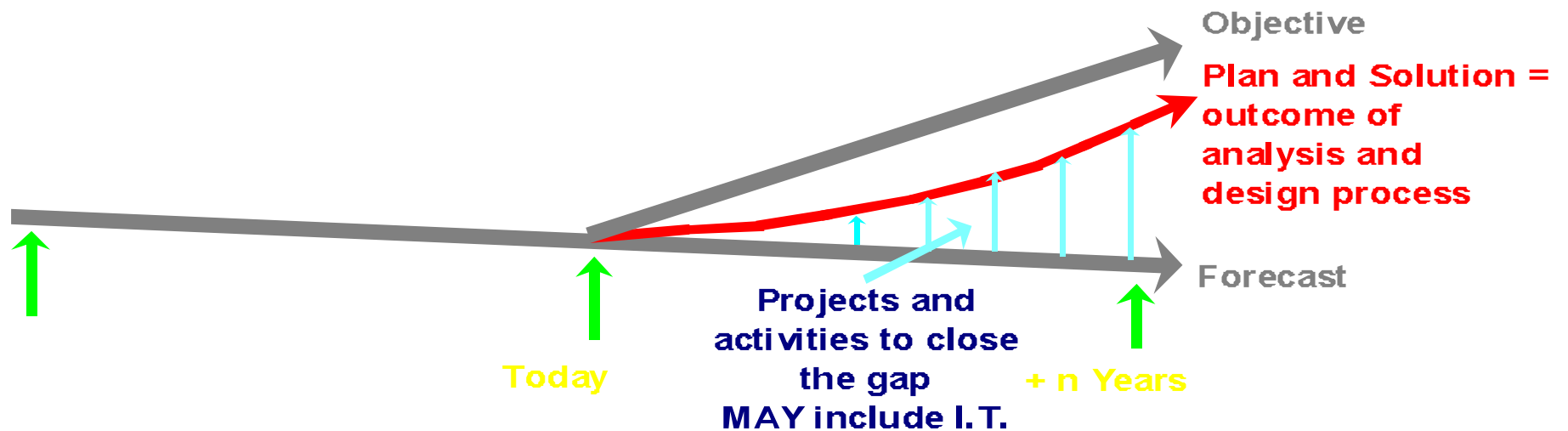


# Gap Analysis



- 5. Resources (costs and constraints)
- 6. Risks
- 7. Customer impact
- 8. What value and how -- economics

Executive management is often the most serious constraint  
-- ask the RIGHT questions  
-- what is REALLY required?





## Further analysis and outputs



1. **Strategic action plan**
2. **Strategic project plan**
3. **Strategic governance framework**
4. **Key performance indicators -- “tell me how you want me to behave and I will tell you how to measure me” -- what must I do in order for the organization to thrive?**
5. **Strategic competencies -- knowledge PLUS experience required to achieve strategic objectives -- cause the organization to thrive**
6. **Measurement of alignment or lack of alignment**
7. **Other -- diverse opportunities once there are robust measurements**

# Summing up



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- 1. Strategy is the essence of why the organization exists and how it THRIVES**
  - 2. Focus on THRIVE activities and decisions**
  - 3. Rigorous definition of the strategy and strategic drivers of the organization**
  - 4. Rigorous analysis of the strategic environment**
  - 5. Structured strategic gap analysis leading to structured, prioritized action plans, projects and continuous THRIVE improvement**
  - 6. Formal plan execution including governance, performance measures, required knowledge and experience, measurement of alignment, etc**
  - 7. High value THRIVE outcomes**

# Call to action



1. What is the most important insight you gained from this presentation?
2. What is the most important action you propose arising from this presentation?
3. What is your single most significant long term goal arising from this presentation?

**Write it down**

*If you gain an insight into something new and do not take action within 48 hours the chances are you never will*

Justin Cohen citing Bill Gates



## Questions?



*"To Him who by wisdom made the heavens,  
for His mercy endures forever;"*

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