

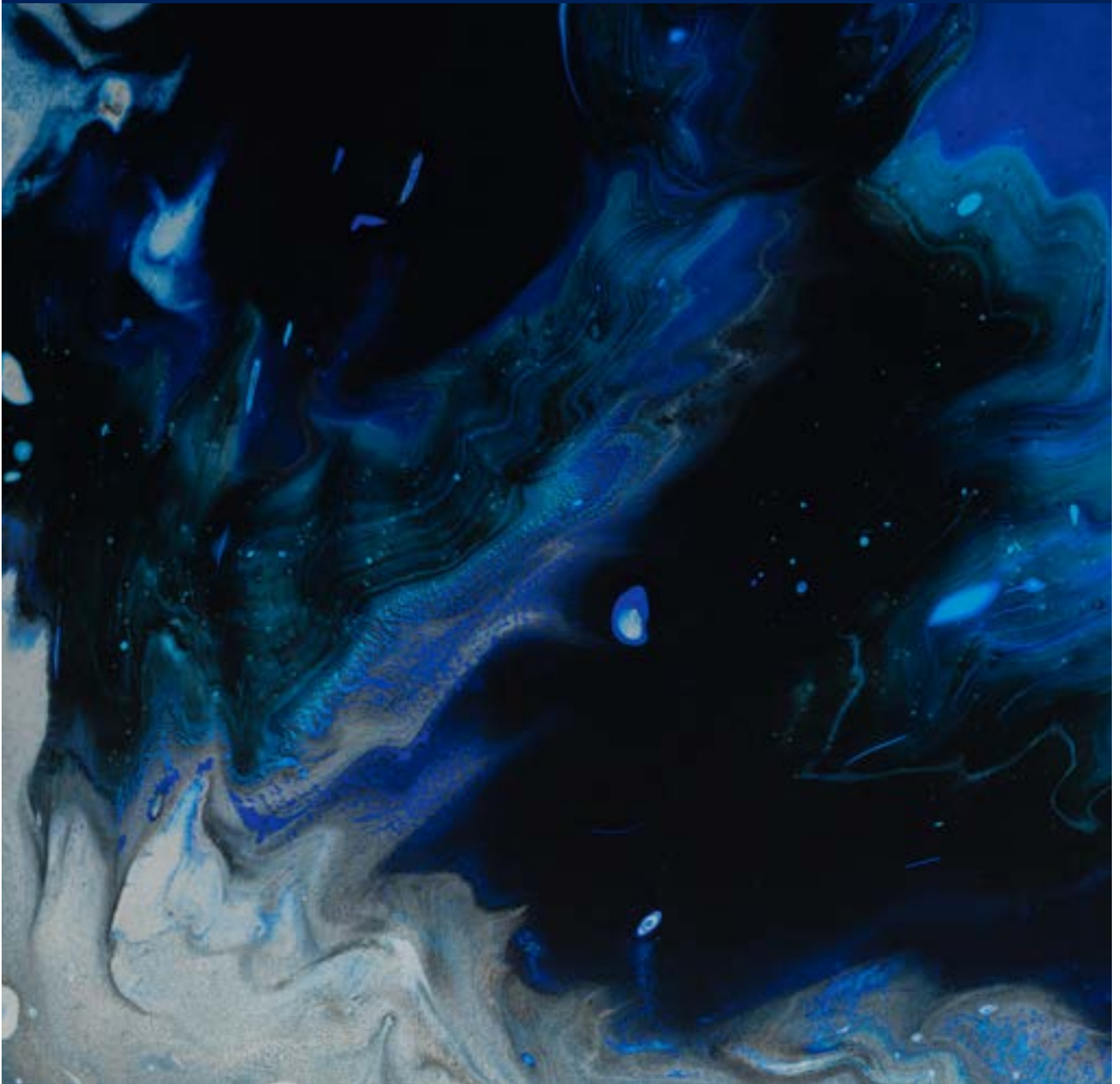


RAFFLES LEGACY LEARNING

BUSINESS STRATEGY MASTERCLASS

BOOK TWO - DEVELOPING YOUR OWN STRATEGY

PHASES OF STRATEGY III



MASTERCLASS COURSEBOOK



PROGRAM CONTROL

Explanation: Strategic Dashboard

One of the reasons many businesses do not achieve the visionary ambitions of their leaders is that feedback systems, usually in the form of management information, are incomplete or “tuned in to the wrong station”.

Too often there is both a data overload and an insufficient amount of useable information.

To ensure success, you will benefit from creating a custom-designed strategic dashboard which identifies and monitors progress against critical target results, timetables for specific actions, and expected outcomes from those actions.

Often, rules of engagement and rules for intervention from above are set against a prescribed set of critical performance indicators—the strategic dashboard—to ensure timely and effective response to shortfalls or problems in the execution phase.

Those initiatives which are significantly off-track or repeatedly failing to meet deadlines will require the attention of senior management and the appropriate corrective action taken: resources can be reallocated, sanctions for underperformance meted out, or a better approach agreed, and new objectives and deadlines set.

As you go forward, keeping a tight control on program progress – and addressing any aspects which are not meeting objectives or planned timetables – is an essential part of implementation.

One useful analogy is that literally derived from ‘rocket science’: if shooting a rocket toward a target, it is always preferred to track progress carefully and make a series of small mid-course corrections than to wait until the rocket is way off course and requires a major effort to get the mission back on target.





Not only is this latter approach more expensive, but it can also decrease the chances of the rocket reaching its target at all!

One of the best proven ways of keeping your own 'rocket' on track is to use a 'stoplight coded strategic dashboard' with colored circles to indicate which major elements of the strategic implementation are on track (green) or slightly offtrack (yellow) or way off track or in danger of failure to achieve objectives (red).

In addition to this useful summary, more detail can be added in commentary or more refined targets to make the team's review sessions richer in detail and more valuable in eliciting ideas on how corrective actions can best be taken.

Strategic dashboard

AREA	TARGET	STATUS	COMMENT
Overhead	20% reduction	●	<ul style="list-style-type: none"> Outsourcing contract in place Early retirement of 4 staff Strike averted
Growth	Launch new ladies' range	●	<ul style="list-style-type: none"> Advertising brief delayed 2 weeks Designs approved
Organization	Hire new CFO	●	<ul style="list-style-type: none"> Top industry candidate from Zurich-Swiss rejected offer
Acquisition	Acquire Sportius	●	<ul style="list-style-type: none"> Board approval received one week ahead of deal timetable

● = OK ● = less than 5% off track ● = more than 5% or 3 successive weeks off track



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And, of course, any problem highlighted in the status report will require an effective and timely response!



Corrective management (simplified version)

AREA	STATUS	COMMENT
Overhead		<ul style="list-style-type: none"> Need to add assistant purchasing manager to accelerate progress
Growth		<ul style="list-style-type: none"> CEO to visit top 10 unpenetrated retail chains
Organization		<ul style="list-style-type: none"> Hire headhunter to approach candidates from outside industry
Acquisition		<ul style="list-style-type: none"> Approach Sportius Chairman through family contact to assess interest

 = OK
  = less than 5% off track
  = more than 5% or 3 successive weeks off track


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For an oversight or steering committee, effective systems of feedback, control, and corrective management are required to ensure that strategic change and redirection stay on track. Regular reviews need to be scheduled and mechanisms established to track progress and redirect as necessary.

As a strategy unfolds, there are a large number of opportunities to increase the value created by the strategy. Each component piece needs to be investigated separately and as part of the whole.

An **Executive Summary** will be the final conclusion which sums up the key action steps of the entire strategy in a focused and concise manner to provide a short summary of your strategy for discussion, review, and confirmation. That summary should confirm that all sources of value have been fully developed.