

# Strategic Planning Workshop

Presented by Dr. David Gould

# Purpose

To learn some basic concepts of strategic planning and begin to apply them to deliver value.

These concepts can be applied by individuals as well as organizations. Career planning is a good application.

# Agenda

- Discussion
- Problem
- Workshop
- Questions
- Adjourn

# Characteristics of the Future

***Speed*** – the rate of change will accelerate

***Complexity*** – continuously increasing

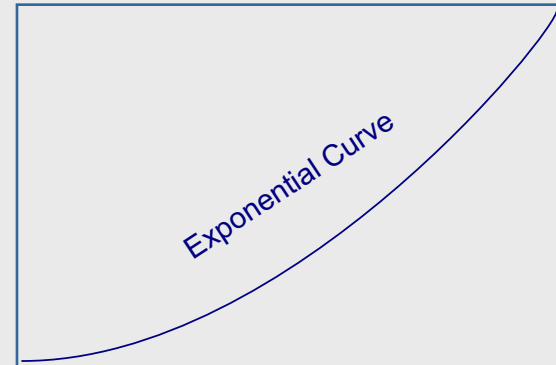
***Risk*** – new and higher risks

***Change*** – radical changes will force faster adaptation

***Surprise*** – will become a daily feature of life

Source: Dr. James Canton

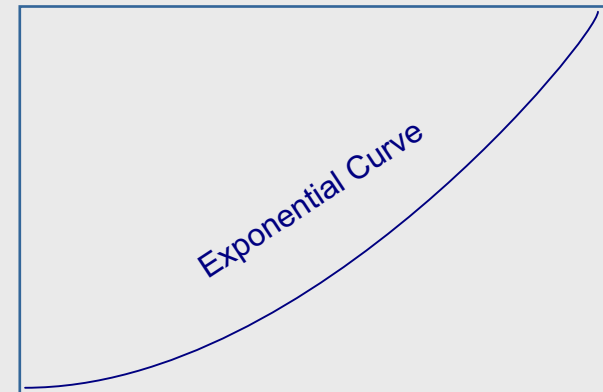
We live in  
exponential times!



# Accelerating Change

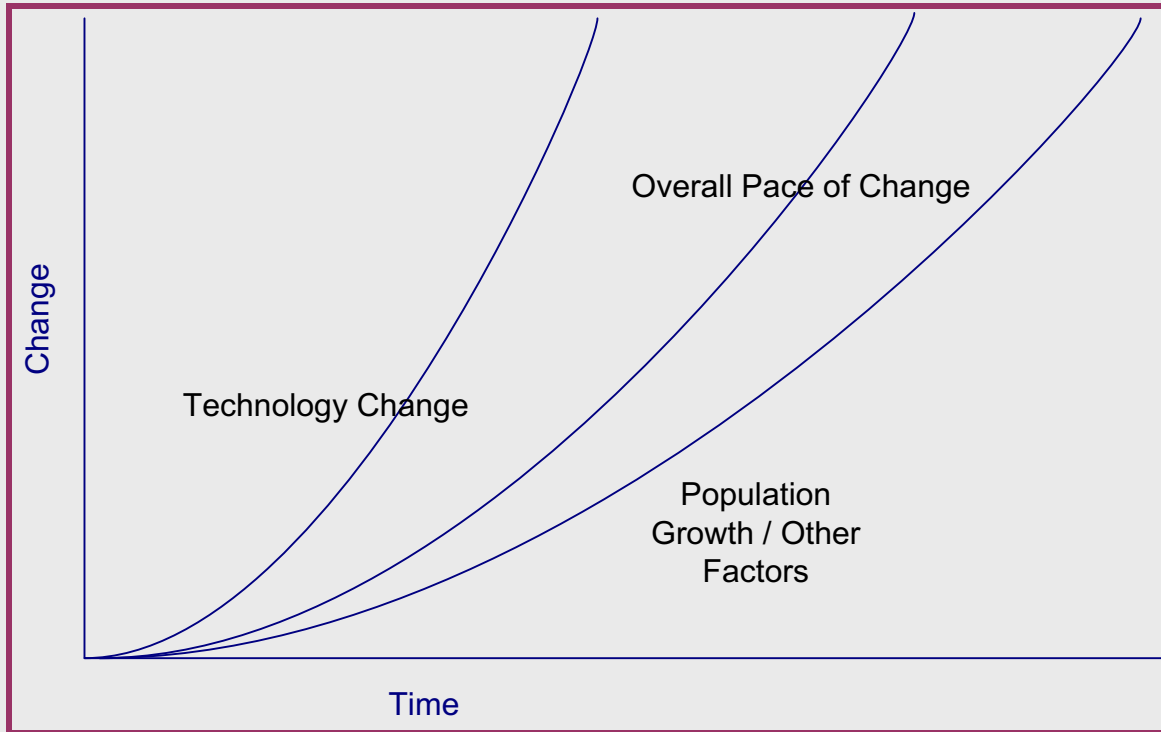
- Human knowledge is doubling about every 8 - 10 years.
- Technical knowledge is doubling about every 3-4 years.
  - Any implications and relevance to product management here?

Source: Ray Kurzweil



# *Pace of Change*

## Exponential Growth



### Contributing Factors

1. Population Growth
2. Process Improvement
3. Innovation
4. Product Combinatorics
5. Market Demand
6. Globalization
7. Cost Reductions

Societal knowledge doubles every 8 – 10 years: Ray Kurzweil

Processing speed doubles every 12 – 18 months: Moore's Law

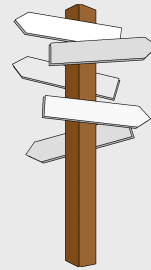
# Thoughts on the Future

"There is nothing more difficult to take in hand, more perilous to conduct or more uncertain in its success than to take the lead in the introduction of a new order of things."

Niccolo Machiavelli

# Strategic Planning Outline

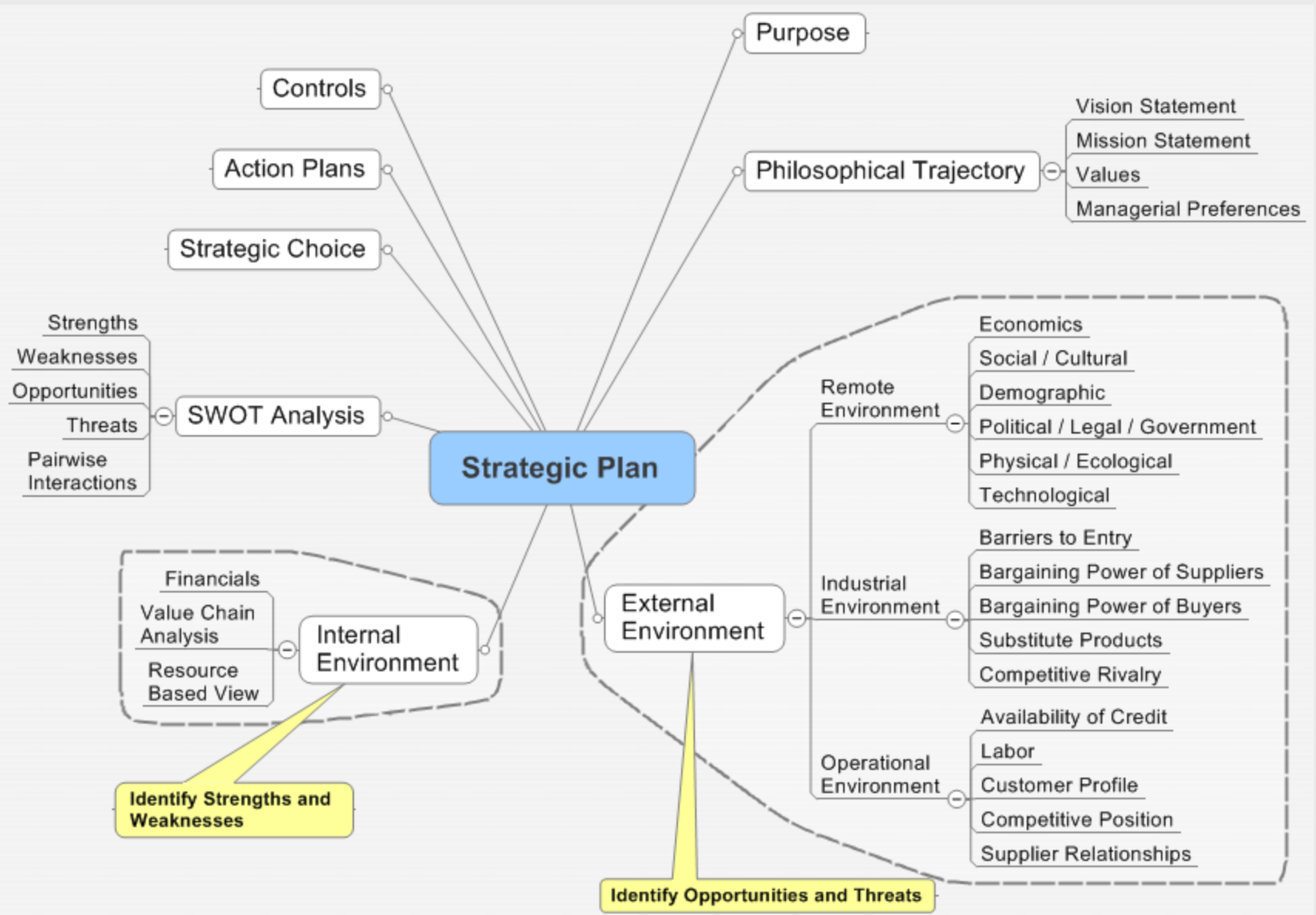
- Mission Statement
- Values Statement
- External Analysis
- Internal Analysis
- SWOT Analysis
- Project Selection
- Implementation



Source: Pearce and Robinson,  
“Strategic Management”

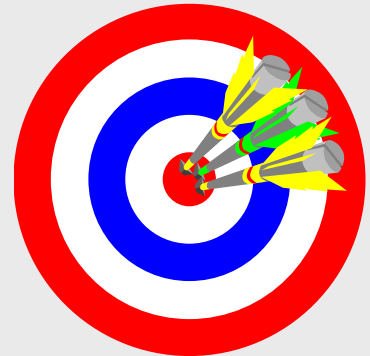


# Strategic Planning Outline



# Mission Statement

- Indicates basic product or service
- Specifies primary market
- Indicates principle technology



# External Analysis

- Remote Environment
  - Social / cultural
  - Demographic
  - Physical / ecological
  - Political / legal / government
  - Economic
  - Technological
- What are the key events, forces, and / or trends that affect your organization?
- What would you consider to be the primary opportunities and threats to your organization?

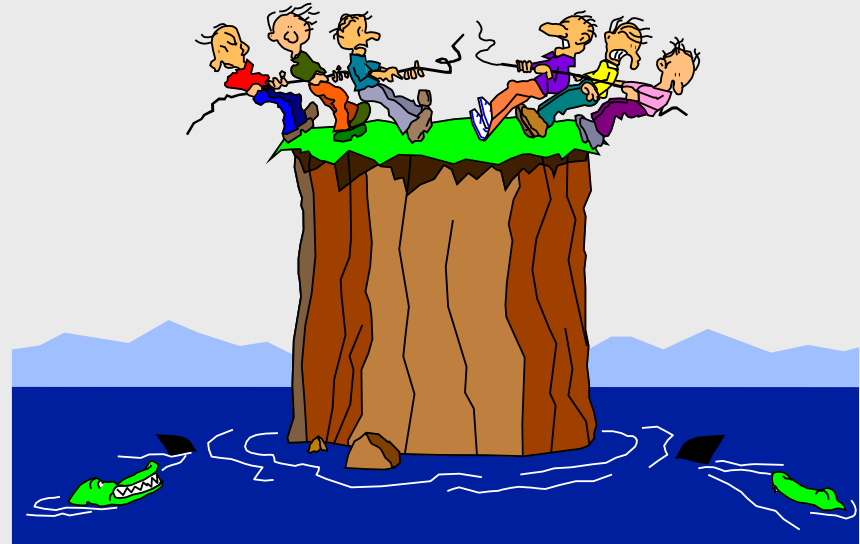


# External Analysis

- Competitive Environment
  - Barriers to entry
  - Substitute products
  - Bargaining power of your customers
  - Bargaining power of your suppliers
  - Competitive rivalry
- What are the key competitive factors in your industry?
- What would you consider to be your primary opportunities and threats?

# Internal Analysis

What are the key strengths and weaknesses in your organization?



# SWOT Analysis

<b>Blank</b>	List Strengths	List Weaknesses
List Opportunities	Use strengths to take advantage of Opportunities*	Overcome weaknesses by taking advantage of opportunities
List Threats	Use strengths to avoid threats	Minimize weaknesses and avoid threats

Source: Fred David,  
"Strategic Management Concepts"

# SWOT Analysis

- Examples:
  - Excess capacity + 30% growth in industry → acquisition (SO)
  - Poor employee morale + strong union → develop a new employee benefits package (WT)
  - Strong R&D + decreasing numbers of young adults → develop new products for older people (ST)
  - Inadequate capacity + competitive exits → buy their facilities (WO)

Source: Fred David, "Strategic Management Concepts"

# Project Selection

- Select projects at the intersections of
  - Strengths and Opportunities
  - Strengths and Threats
  - Weaknesses and Opportunities
  - Weaknesses and Threats
- Example – identify and implement projects that leverage strengths to take advantage of opportunities



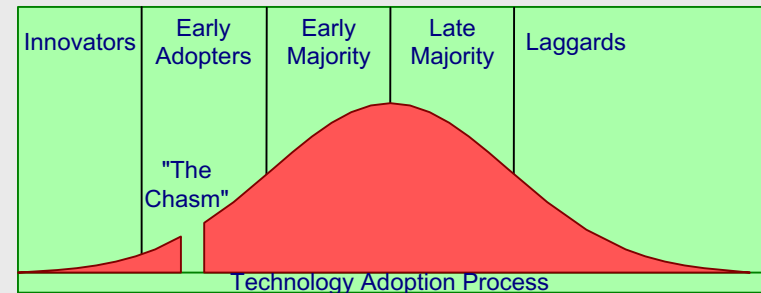
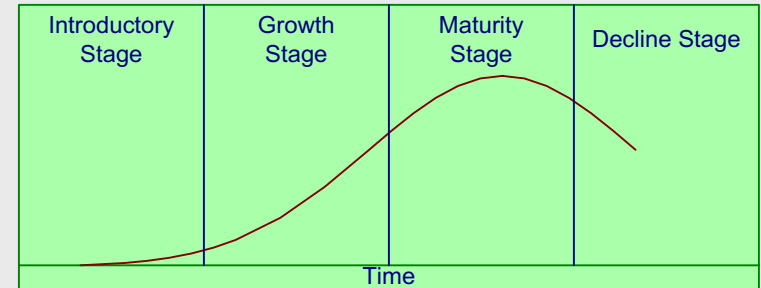
# Implementation

After a set of projects has been identified, prioritize according to established organizational criteria and implement



# Product Thoughts

- Disruptive innovation
- Application innovation
- Product innovation
- Process innovation
- Experiential innovation
- Marketing innovation
- Business Model innovation
- Structural innovation



Source: Geoffrey Moore, *Darwin and the Demon*. HBR July Aug 2004

# Product Thoughts

- Technology
  - The know-how, physical things, and procedures used to produce products or services.
  - Know-how
    - The knowledge and judgment of how, when, and why to do something
  - Physical things
    - Tools and equipment
  - Procedures
    - Rules and techniques for using tools and equipment and performing the work to be done.

# Effective Strategies

- Effective strategies address three key problems and answer seven critical questions
  - Value creation
    - How will the technology evolve?
    - How will the market change?
  - Value delivery
    - How should we design the business model?
    - Where should we compete in the value chain?
    - How should we compete if standards are important?
  - Value capture
    - How do we manage the core business and real growth simultaneously?  
How do we use our strategy to drive real resource allocation?

Source: <http://ocw.mit.edu> – Sloan School

# Product Thoughts

$$y = f(x)$$

SIPOC

# Seven Degrees of Freedom

- How could we increase sales to the same customers with the same product mix? (Grand strategy – concentration)
- How could we extend the business by selling existing products to new customers? (Grand strategy – market development)
- **How could we grow by introducing new products and services? (Grand strategy – innovation)**
- How could we expand sales by developing better delivery systems for customers?
- How and where could we expand into new geographies?
- How much could we grow by changing the industry structure through acquisitions or alliances?
- What opportunities are there outside existing industry (opportunity domain) boundaries?

# Part 2 Group Problem

Let's go to the movies, or not?

What are some key forces, events, or trends here?

# Part 3 Workshop

- External Analysis
  - Look for key events, forces, and / or trends that affect your organization but that you have little to no control over.
  - Consider each of the six factors in the remote environment
  - Consider each of the five factors in the competitive environment



# Part 3 Workshop

- Internal Analysis
  - Look internally to determine your organization's key strengths and weaknesses

# Part 3 Workshop

- SWOT Analysis
  - List key opportunities, threats, strengths, and weaknesses and explore the interaction between each pair
    - Strengths and opportunities
    - Strengths and threats
    - Weaknesses and opportunities
    - Weaknesses and threats

# Part 3 Workshop

- Project Selection
  - Considering the previous SWOT analysis, identify some projects for implementation
    - Notes:
      - Projects may involve developing a new release of an existing product or service (think innovation here)
      - Projects may involve developing entirely new products or services

Every morning in Africa, a gazelle wakes up.

It knows it must run faster than the fastest lion or it will be killed.

Every morning a lion wakes up.

It knows it must outrun the slowest gazelle or it will starve to death.

It doesn't matter whether you are a lion or a gazelle.

When the sun comes up, you better start running.

*-African Proverb*

**Questions???**