Our Model: Where Strategy Meets Execution

Together, anything is possible.

Collaborative  
Methodical  
Results Driven

Lean Methods Group’s Business Strategy Model

The model places equal emphasis on the creation and execution of strategy, recognizing that the role of Strategic Planning is to translate strategy into action. Maybe you already have a well-defined strategy (which would make you the exception), but need help executing. Maybe your strategy demands a transformational effort. Maybe it’s time to rethink your strategy entirely. The important thing is that success is typically elusive when all elements of strategy are not given their due.
Strategic Thinking means developing deep insights into every aspect of your business. It demands the allocation of time and resources, but measuring the return on that investment is a challenge. If you believe that old maxim, “we manage what we measure,” you quickly conclude that most organizations fail at managing Strategic Thinking because they don’t know how to measure it.

Too often companies focus much more on execution—which is easy to measure—at the expense of Strategic Thinking. This is a fool's errand. Countless experts and academicians agree. They tell us that the need for greater Strategic Thinking is of great urgency. The question, then, is what can we do about it?

First, we must recognize Strategic Thinking as something very different from Strategic Planning. Most companies have some kind of Strategic Planning process while very few have a Strategic Thinking process. Strategic Planning is about turning the choices that form your strategy into an actionable plan. Those choices are made as you are Building Strategy, which, in turn, is informed by the insights born of your Strategic Thinking.

Second, we must employ a robust process that engages your team in thinking through the future of your business. During Strategic Thinking, we partner with your leadership team to saturate all of our minds (yours and ours), consuming information through research and data analysis while allowing ample time to incubate. Only through adherence to a strict regimen of saturation and incubation will we ultimately achieve illumination. In the end, we’ll create insights—new and unique ways of looking at your business, your customers and your competitive environment—that will help you validate your current strategy or define a new path entirely.

“The main problem identified by the majority of senior executives was strategic thinking. ‘Our senior executives tend to get carried away by details and lose their strategic perspective. It is a major challenge to get our decision makers to think in strategic, rather than operational, terms.’”

From “Developing Strategic Thinking as a Core Competency,” by Ingrid Bonn
The essence of business is the achievement of some purpose for some stakeholder. In most cases, that means delivering a profit for shareholders, but not always. Government and not-for-profit organizations are primarily mission-based, but they are still geared toward the delivery of some outcome for one or more stakeholders.

In all cases, businesses are responsible for the allocation and direction of scarce resources used to achieve their purpose. That allocation and direction of scarce resources means one thing: Choices must be made. Choice is the essence of Building Strategy.

Based on the insights developed by strategic thinkers, Building Strategy begins with the creation of a portfolio of potential futures, sometimes referred to as scenarios. Through a disciplined process of potential scenario development and analysis, we ultimately hone in on one or more scenarios that satisfy our future needs based on a set of established criteria that can include, but certainly are not limited to, everything from risk or probability to moral values to the simple desires of key stakeholders or business leaders.

The process of Building Strategy also often includes creating a number of foundational elements, such as vision and mission statements, or a statement of purpose, guiding principles, core values and other such elements that may be used from time-to-time to steer an organization along its path to success. There is no one-size-fits-all approach.
Strategic Planning
Translating Strategy into Action

Strategic Planning is essentially the translation of strategy into an action plan. Most organizations lack a way to connect their strategy with the resources they already have to effectively execute. To bridge the gap, we bring together the people developing strategy, usually the executive team, with a broader range of staff that will have to “live the plan.”

While Strategic Thinking is something that happens continuously and Building Strategy is something that happens from time-to-time, often with years in between, Strategic Planning is done with regularity, most often on an annual basis. It is a time for schedules, the assignment of specific accountability and a fair amount of problem solving to deal with real-world practicalities. Strategic Planning also a time for “push back” from the rest of the organization which may lead to adjustments to the overall strategy to ensure it is actually achievable.

During Strategic Planning, we work with your team using the Hoshin Planning process (sometimes referred to as the “X matrix”) to establish a well-ordered, metric-driven plan. Success here demands a balanced, peer-to-peer level of engagement between strategic thinkers and the operators of your business. The expert facilitation we deliver ensures a smooth process and an outcome that delivers results. In the end, your entire organization becomes involved in everything from the generation of new ideas to a pragmatic and executable approach to bringing those ideas to life.
Implementation & Transformation is at the core of executing your strategic plan. This means building in structured methods for how you will manage the organization to achieve the short- and long-term goals. Success here requires involvement at all levels of the organization.

Companies may only need one or the other—implementation or transformation—or they may need both. The distinction lies in the degree of change to be experienced over the course of the one-year strategic plan. For example, three or four years into a new strategy, a company may be very focused on “staying the course,” merely making minor adjustments to what it already does. Traditional process improvement generally fits the bill in this case.

However, oftentimes bigger change is in order and that change is better characterized as a transformation than mere implementation of a plan. Transformation entails paradigm-shifting alterations to the way things are done—quantum leaps in performance, culture change and adjustments to the organizational structure. Some change can seem quite radical at the time.

Implementation demands effective project management skills, Lean and Six Sigma tools, kaizen events, and the application of a broad range of other tools and methods as may be necessary. Transformation demands innovation, robust change management and a certain degree of risk taking. Either way, Implementation & Transformation is a key aspect of ensuring your strategic plan is being executed by the entire organization.
Daily Management is about ensuring that whatever plan we have implemented is both effective and sustainable. From process and people to time and projects, what needs to happen each day to ensure those guiding principles created during your strategy development come into plan?

These daily decisions are based on data and experience, combining the simplicity and power of KPIs with the knowledge of your workforce. Through standard work and process improvement management, your daily managers will actually be making strategy happen. Through basic problem solving methods, such as kaizen events, they will involve their whole teams in improving the way everyone operates every day.

Daily Management also includes taking corrective action when something isn’t working. Sometimes it means forcing a problem back up the chain because some evidence is telling us that something about our strategy doesn’t make sense. Perhaps an assumption was wrong, or a market condition has changed. Daily managers are our eyes and ears…on a daily basis.

Essentially, Daily Management is where the rubber hits the road. It's where you actually live out the day-to-day reality of your strategic plan, always trying to stick to your bigger picture plan, while making minor course corrections along the way.

**Talk to Us About Your Strategic Direction**
Whether you’re facing a specific problem, need an entirely new direction or just want to talk about your strategy, give us a call at +1 (303) 827-0010 or contact us online.