Executive Strategy and Management

Chapter 3 – Executive Strategy and

Management



Chapter 3 -	– Executive Stra	ategy and Ma	nagement		
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Objectives

The objectives of this chapter are to:

- Revisit what was learned about a strategic plan and then apply it to executive strategic planning
- Explain the organizational level at which strategic planning takes place a common expectation
- Combine what is learned about a generic strategic plan model with the intent of a strategic plan, for an exercise in executive strategic planning
- Compare executive strategic planning to executive strategy and management
- Articulate on the primary competency, business project-izing, of executive strategy and management
- Elaborate on the four elements of business project-izing, for an exercise in executive strategic management

EXECUTIVE STRATEGIC PLANNING	

Executive Level (1 of 2)

Recall the case study introduced in Chapter 2. We will apply that case study under this topic and the next.

All strategic planning occurs, initially, at the executive level. What does *executive level* imply? Executive level implies:

- Owners, principles, sole proprietors, and/or presidents of a company
- "C-level" positions recognized as top-level management
- "Chief", e.g., Chief Executive Officer (CEO), Chief Operations Officer (COO), Chief Financial Officer (CFO), and Chief Information Officer (CIO)

Executive Level (2 of 2)



The A-Z Corporation executives and their delegates are expected to craft, baseline, and manage a strategic plan.

These activities following strategic objective and goal setting.

Strategic Plan Revisited (1 of 3)

- The A-Z strategic plan will be comprised of strategic objectives and goals.
- The plan will be a "live" instrument that drives A-Z's business decisions, and will be updated on an "as needed" basis.
- A-Z's executive or C-levels of management will align the strategic plan with its vision and mission.



Strategic Plan Revisited (2 of 3)



A-Z's strategic plan will be driven by its:

- Industry
- Business practices
- Market economy
- Technology

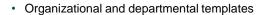
Strategic Plan Revisited (3 of 3)

A-Z executives will take into consideration its business practices that are influenced by the laws and regulations in its:

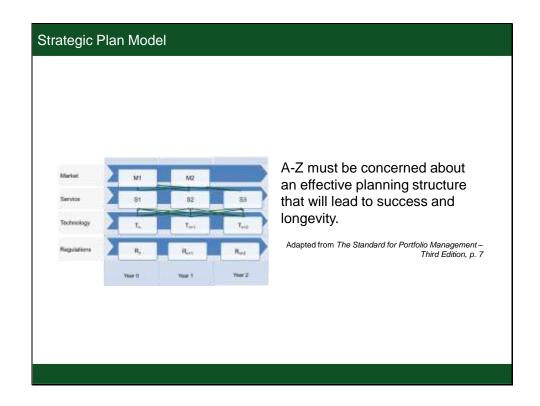
- · Country of origin
- Geographic location(s)

And its:

- · Organization structure
- · Business ethics
- · Corporate policies
- · Corporate procedures
- Corporate guidelines
- Organizational and departr







Exercise 3.1 – Developing a Strategic Plan Template

Instructions:

- Populate a strategic plan template for the A-Z Corporation
- Apply all of the following:
 - Strategic competencies
 - Strategic plan considerations
 - Strategic plan model
- Use your creativity and the example worksheets that follows to document two:
 - · Strategic objectives
 - Strategic goals

Time: 15 minutes

Outcome: A-Z Corporation Strategic Plan Template



A-Z Corporation Vision: To provide highly competent consultancy services that will ensure sustainable long-term business growth A-Z Corporation mission: To provide professional consultancy services in project management and business analysis for "project-izing" businesses				
Strategic Objective 1	Sustained excellence in satisfaction ratings of project management and business analysis consultancy services	Strategic Goal 1	Corporate average annual rating of 4.5 out of 5 for combined consultancy services 1 = Very dissatisfied 2 = Dissatisfied 3 = Average 4 = Satisfied 5 = Very satisfied	
Strategic Objective 2	Retention of high-performing consultancy services employees	Strategic Goal 2	Retain consultants with an individual performance review rating of >/= 4, after one year of service	

A-Z Corporation vision: To provide highly competent consul	ancy services that will ensure susta	inable long-term business gi	rowth	
A-Z Corporation mission: To provide professional consultancy	services in project management an	d husiness analysis for "proi	ect-izina" husinesses	
Strategic Objective 3		Strategic Goal 3		
Strategic Objective 4		Strategic Goal 4		

t-izing" businesses 20% 10%
ancy competence rating of >/= .90 tency: = .69 /= .7079 e c.70 petency: >/= .8089 tency: >/= .90
-

Exercise 3.1 – Developing a Strategic Plan Template Debrief (2 of 3)



The purpose of this exercise was to populate a strategic plan template for the A-Z Corporation, using:

- Creativity
- Strategic competencies
- Other learnings in this chapter

What presented the biggest challenge in this exercise?

Do you think the challenge revealed a competency gap? If so, was it in:

- · Strategic thinking?
- Vision and mission translating?

Exercise 3.1 – Developing a Strategic Plan Template Debrief (3 of 3)

In addition to strategic objectives and goals, A-Z's strategic plan must describe why and how the organization will leverage its strategic planning competencies to:

- · Achieve its vision
- · Manage resources and stakeholder value
- · Capitalize on opportunities and strengths
- Minimize threats and weaknesses
- Respond to market, technological, legal, and regulatory changes
- · Direct and redirect focus on prioritized operational activities

EXECUTIVE STRATEGY AND MANAGEMENT	

Executive Strategy and Management (1 of 2)



- A-Z Corporation's strategic plan is driven by its:
 - Industry
 - Market (economic)
 - · Business practices
- Implementing the plan is executive strategy and management
- Business project-izing is the primary competency in executive strategy and management

Executive Strategy and Management (2 of 2)

Business project-izing in executive strategy and management ensures:

- Strategic plan maintenance
- Operational project portfolio management function
- Project portfolio component approvals
- Strategic goal verification and validation



Strategic Plan Maintenance Steps	
Strategic plan maintenance steps:	
1. Review quarterly	Section 1
2. Document met goals	
3. Identify variances and risks, based on:	and the same of
a. Portfolio performance	
b. Revisions in plan drivers	
c. Current state vs. desired state	
4. Update based on:	
a. Variances and/or risks	Name and Address of the Owner, where
b. Expiration of plan life	
	19 E

Operational Project Portfolio Management Function (1 of 3) Project Portfolio Management centralizes the selection, prioritization, balancing, and governance of programs, projects, and operations. Its purpose is to ensure the "right" work is assigned and accomplished in organizations.



Operational Project Portfolio Management Function (3 of 3) Operational project portfolio management: 4. Provides portfolio component performance oversight 5. Recommends go or no-go of portfolio components 6. Verifies component benefits realization and strategic goals 7. Retires operational portfolio components Adapted from The Standard for Portfolio Management – Third Edition. Figure 1-3, p. 8

Strategic Goal Verification and Validation

Strategic goal verification and validation suggests that:

- Benefits metrics and key performance indicators (KPIs) are established for each portfolio component
- Benefits management and KPI measures are performed according to component's plan(s)
- Portfolio management verifies measures of benefits and objectives
- Executive management approves of met metrics to achieve strategic objectives and goals



Exercise 3.2 - Making a Case for Executive Strategy and Management



Scenario: You are one of the C-Level managers for the A-Z Corporation. Although the new business is exceeding its quarterly projections, you are concerned about its longevity. So, you scheduled a one-hour meeting with the other senior executives to make a case for implementing executive strategy and management.

Instructions:

- Consider each of the business project-izing elements needed for executive strategy and management
- Use the worksheet that follows to document the advantages of incorporating each element
- Be time sensitive, allocate time for each element, as not to extend the one-hour meeting

Fime: 15 minutes

Outcome: A framework to make a case for executive strategy and management

E	Exercise 3.2 – Making a Case for Executive Strategy and Management Worksheet (1 of 4)						
	Business Project-izing Element	Advantages	Time				
	ategic plan maintenance:	7.5.5.5.5.5.5					
1.	Review quarterly						
2.	Document met goals						
3.	Identify variances and risks, based on						
	a. Portfolio performance						
	b. Revisions in plan drivers						
	c. Current state vs desired state						
4.	Update based on:						
	a. Variances and/or risks						
	b. Expiration of plan life						
No	tes:						

•				 	

	Business Project-izing Element	Advantages	Time
Оре	rational project portfolio management function		
1.	Aligns initiatives and operations (portfolio components) with regulations, laws, and strategic objectives		
2.	Balances portfolio investments and risks		
3.	Recommends approval, delay, or rejection of portfolio candidates		
4.	Provides portfolio component performance oversight		
5.	Recommends go or no-go of portfolio components		
6.	Verifies component benefits realization and strategic goals		
7.	Retires operational portfolio components		
No	tes:		

	Business Project-izing Element	Advantages	Time
Pro	ject Portfolio component approvals ensures:		
1.	Portfolio management function is based on the current strategic plan		
2.	Portfolio components are properly balanced in investments and business risks		
3.	Portfolio components have met or exceeded selection criteria		
4.	Portfolio components are prioritized by objectives		
5.	Portfolio initiative components are regularly assessed for continuation or cancellation		
6.	Portfolio operations components are assessed for enhancement or end of life		
Not	es:		

Exercise 3.2 – Making a Case for Executive Strategy and Management Worksheet (4 of 4)					
	Business Project-izing Element	Advantages	Time		
Ctro	stegic goal verification and validation suggests:	Auvantages	Tillic		
1.	Benefits metrics and key performance indicators (KPIs) are established for each portfolio component				
2.	Benefits management and KPI measures are performed according to component's plan(s)				
3.	Portfolio management verifies measures of benefits and objectives				
4.	Executive management approves of met metrics to achieve strategic objectives and goals				
Note	es:				

Business Project-izing Element	Advantages	Time
Strategic plan maintenance: 1. Review quarterly 2. Document met goals 3. Identify variances and risks, based on a. Portfolio performance b. Revisions in plan drivers c. Current state vs desired state 4. Update based on: a. Variances and/or risks b. Expiration of plan life	The advantages of strategic plan maintenance are: Scheduled reviews of the strategic plan gives greater assurance reviews will be conducted Documenting met goals are followed with new objectives and goal setting Identifying: a. Positive variances and opportunities based on performance, drivers, and states help envision new growth. D. Negative variances and threats based on performance, drivers, and states results in corrective and preventive actions that proactively protect the business Updating the strategic plan based on the above items, as well as timing for a new plan should help ensure A-Z's longevity	15 mins
Notes:		

	Business Project-izing Element	Advantages	Time
Ope 1. 2. 3. 4. 5.	Aligns initiatives and operations (portfolio components) with regulations, laws, and strategic objectives Balances portfolio investments and risks Recommends approval, delay, or rejection of portfolio candidates Provides portfolio component performance oversight Recommends go or no-go of portfolio components Verifies component benefits realization and strategic goals Retires operational portfolio components	The advantages of project portfolio management are broadly stated as: 1. Ensuring portfolio components are always "right" from a regulatory, legal, strategic plan, as well as investments of resources perspective 2. Portfolio management is a strategic gate-keeper function that supports the vision and mission of the business on an ongoing basis	15 mins
	tes:		

Ex	Exercise 3.2 – Making a Case for Executive Strategy and Management Debrief (3 of 5)									
	Business Project-izing Element		Advantages	Time						
Prod. 1. 2. 3. 4. 5. 6.	ject Portfolio component approval ensures: Portfolio management function is based on the current strategic plan Portfolio components are properly balanced in investments and business risks Portfolio components have met or exceeded selection criteria Portfolio components are prioritized by objectives Portfolio initiative components are regularly assessed for continuation or cancellation Portfolio operations components are assessed for enhancement or end of life	The 1. 2. 3. 4. 5.	e advantages of portfolio component approval: Engages the appropriate stakeholders to ensure the "right" initiatives are moving forward Safeguards the fiscal plan in a way that will minimize the inappropriate and overspending Implements an objective approach to selection of portfolio components, minimizing bias Aligns components with each respective prioritized objective(s), so that the business operates SMART As an ongoing business practice, will ensure components maintain alignment with the strategic direction and prioritized objectives, or the components will be terminated As an ongoing business practice, will enhance an operation or terminate it	15 mins						
Not	es:									

	Business Project-izing Element	Advantages	Time
Stra 1.	ategic goal verification and validation suggests: Benefits metrics and key performance indicators (KPIs) are established for each portfolio component Benefits management and KPI measures are performed according to component's plan(s)	The advantages of strategic goal verification and validation are: 1. KPIs and benefits metrics: a. KPIs help components stay on plan b. Benefits metrics align with strategic objectives 2. Benefits and KPIs measured: a. Benefit management plans and implements how benefits will be measured against its metric(s), to realize strategic objectives. b. KPI metrics are measured at each predetermined status date to determine if mid-course corrections are needed to end as planned	15 mins
 4. 	Portfolio management verifies measures of benefits and objectives Executive management approves of met metrics	 Verification, performed by portfolio management, determines if negative gaps exist between benefits measured and its metric. If so, corrective or preventive action is recommended to improve performance to achieve the metric Validation confirms or substantiates the measure(s) against 	
	to achieve strategic objectives and goals	metric(s) satisfactorily met or exceeded strategic objectives to achieve the strategic goal	
Not	es:		

Exercise 3.2 – Making a Case for Executive Strategy and Management Debrief (5 of 5)



The purpose of this exercise was to role play, by placing yourself in a situation where you are tasked with making a case for executive strategy and management, to other senior executives at A-Z Corporation.

In thinking through the advantages of each business project-izing element:

- What thoughts did you have about making a case in your current role?
- Did you consider who might or might not want to change the current business practices?
- What do you appreciate the most about executive strategy and management?

Chapter 3 Review

The topics for this chapter were:

- · Executive Strategic Planning
- Executive Strategy and Management

Now that you are at the end of the chapter, you should be able to:

- Revisit what was learned about a strategic plan and then apply it to executive strategic planning
- Explain why strategic planning takes place at the executive level in organizations
- Combine what was learned about a generic strategic plan model with the intent of a strategic plan, to engage in executive strategic planning
- Compare executive strategic planning to executive strategy and management
- Articulate on the primary competency, business project-izing, and its four elements for executive strategic management

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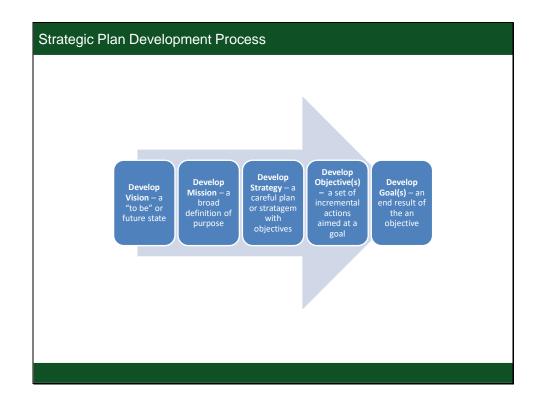
Executive Strategy and Management Summary

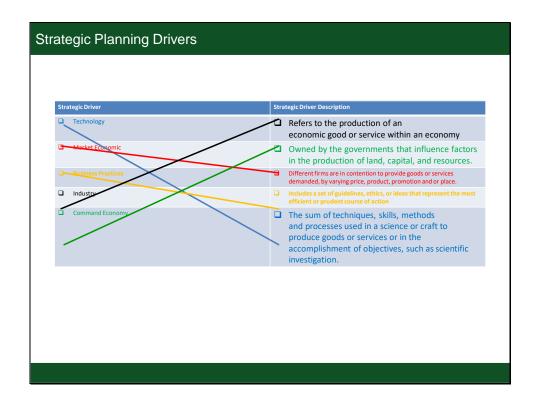
Developing a strategic plan is a familiar exercise in corporations. However, implementing a strategic plan on a consistent basis is not so common.

This goal of this course was to improve your competencies in strategic plan development and implementation



Strategy Fundamentals Fundamentals Planning Overview Strategic Planning Competencies Executive Strategy and Management Executive Strategic Planning Executive Strategy and Management





Strategic Planning Competencies (1 of 4) Strategic planning hinges on vision and mission alignment competencies. These competencies include, but are not limited to: Strategic thinking Vision and mission translating Business "project-izing"

Strategic Planning Competencies (2 of 4)

Strategic thinking:

- Draws a clear distinction between strategic thinking and planning
- Understands a strategic foresight capacity
- Explores all possible futures
- Challenges conventional thinking
- Aligns business intentions with objectives that conclude:
 - Why the strategic direction is being taken
 - How strategic goals will be realized through the set of objectives

Adapted from https://en.wikipedia.org/wiki/Strategic thinking



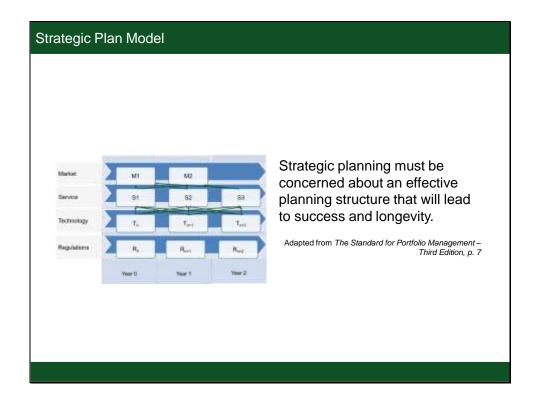
Strategic Planning Competencies (3 of 4) Vision and mission translating Mission Strategic Objective can be thought of as establishing both strategic objectives and To provide 1. Sustained excellence in satisfaction ratings of To provide nightly Senices that wil senices in project enture austismate menagement and consultancy services analysis consultancy services analysis services employees prowrib towness to towness analysis services employees services employees competent professional project management and business analysis goals that align with the vision and mission. Recall, that strategic plans include strategic objectives towards reaching a strategic position, i.e. goal.

Strategic Planning Competencies (4 of 4)

Business "project-izing" incorporates OPM as a best practice in its framework:

≥ ië s		OPM Fun	ctions	
OPM Domains	Oversight	Control	Integrate	Assess
Alignment	Aligning and prioritizing	Strategic planning	Integrating portfolio, program, and project management functions	Assessing selection and prioritization decisions
Risk	Verifying strategic opportunities and threats	Addressing escalations and identifying preventive actions	Approving the component integrations to minimize threats and maximize opportunities	Auditing risk decisions for business improvement
Performance	Conducting portfolio audits and reviews	Identifying corrective actions	Reporting on organizational performances	Assessing and implementing recommended changes and improvements
Communicate	Crafting strategic-related information to share within the organization	Ensuring strategic-related information is clear, concise, coherent, and correct	Disseminating strategic- related information with organization	Assessing the effectiveness of communications

Adapted from Project Management Institute. Governance of Portfolios, Programs, and Projects: A Practice Guide, p. 24



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Strategic Plan Elements

- · Strategic objectives
- · Strategic goals
- Why and how an organization will leverage its strategic planning competencies to:
 - · Achieve its vision
 - Manage resources and stakeholder value
 - · Capitalize on opportunities and strengths
 - Minimize threats and weaknesses
 - Respond to market, technological, legal, and regulatory changes
 - Direct and redirect focus on prioritized operational activities



Executive Strategy and Management Summary Now that you are at the end of the course, you should have learned: The meaning of "strategy" and its elements How a strategy stems from a vision and a mission About the process necessary for developing a strategic plan To distinguish the difference between a vision and a mission, as well as, an objective and a goal To articulate on the drivers for strategic planning About the importance of strategic thinking, vision and mission translation and business "projectizing" How to translate a vision and mission into strategic objectives and goals How to apply a strategic plan model to develop an abbreviated strategic plan

How to apply business "project-izing" elements to

implement a strategic plan

Questions and Answers

Review Questions:

- 1. True or False: Executives and their delegates are expected to manage a strategic plan, but not craft it.
 - A. True
 - B. False
- 2. Strategic planning depends on an effective:
 - A. Process
 - B. Template
 - C. Structure
 - D. None of these
- 3. A strategic plan must describe why and how the organization will leverage its strategic planning competencies to do all BUT:
 - A. Manage resources and stakeholder value
 - B. Establish its vision
 - C. Respond to market, technological, legal, and regulatory changes
 - D. Direct and redirect focus on prioritized operational activities
- 4. _____ centralizes the selection, prioritization, balancing, and governance of programs, projects, and operations.
 - A. Strategic thinking
 - B. Organizational project management
 - C. Project portfolio management
 - D. Executive strategy management
- 5. Strategic goal verification and validation suggests that:
 - A. Key performance indicators (KPIs) are established for each strategic plan
 - B. Benefits management is performed according to a portfolio's plan
 - C. Portfolio management approves of met metrics to achieve strategic objectives and goals
 - D. Benefits metrics and key performance indicators (KPIs) are established for each portfolio component

Answer Key:

1. B

False. Executives and their delegates own strategic planning. The implication is that they will craft, get approval for, and manage the plan.

2. C

As with most strategic efforts, in business, planning must rely on a structure that will give support to the plan contents. The structure is also referred to as a model.

3. B

The strategic plan will not establish a vision, but it will include and not be limited to several other outputs, e.g.: respond to changes in the market, technology, laws, and regulations; manage resources and stakeholder value; direct or redirect focus on prioritized operational activities.

4. C

Portfolio management will ensure the "right" work is assigned and accomplished in organizations, when it centralizes selection, prioritization, oversight, balancing, and governance of programs, projects, and operations.

5. D

Benefits metrics and KPIs are the basis of measures. These measures against metrics will support the verification and validation of strategic objectives and goals.