

"A MUST-READ FOR BUSINESS OWNERS EVERYWHERE"



— STRATEGIC —
EXECUTION

EDUARDO M. ARROYO

**AN INTEGRATED STRATEGIC PLANNING AND EXECUTION
WORKBOOK TO MAXIMIZE RESULTS**

FRONT PAGE BACKCOVER

STRATEGIC EXECUTION: An Integrated Strategic Planning and Execution workbook to maximize RESULTS.

by Eduardo M. Arroyo

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Miss. Frances Marie Arroyo is a famed illustrator and caricature character designer. In addition to the "Team of the Year", she was also recently awarded a commission for a major project in the summer of 2020 in aid of a British museum.

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Their award-winning storybook can be downloaded for free at:

<https://www.stlukes-hospice.org.uk/patches/>

STRATEGIC EXECUTION: An Integrated Strategic Planning and Execution workbook to maximize RESULTS.

by Eduardo M. Arroyo

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Dedication

To my deceased father Jorge “Georgie” Arroyo. The absolute BEST mechanical engineer and father I will ever know. His MAIN purpose in life gave me mine, *to provide his 5 children with a college education*: a MS in PIANO – BS Math, a CPA – MBA Finance, a Neurologist, a MS in Chemistry, and a MgtEng – MBA Strategy (me... #5!). He did it! A responsible, honest, quiet and respectful gentleman he was. He liked practical structures – I know he will have liked this workbook!

Introduction to this initial release:

I wrote this workbook on the nights following hurricane María, September 21, 2017. A real “Midnight Engineered Design” (honoring the name I gave to my sons’ first entrepreneurship venture). This process is an almost exact copy of what I do as a BASE STRUCTURE for a Strategic Planning Process that has evolved during over 200 applications in 28 years of practice (mentioning but not expanding on Blue Ocean Shift specifics that I have used in special opportunities for the last 12 years).

I had planned in my head to release it as a hard copy workbook late in 2020, but having “smelled” for several days the lockdown that we are now just starting, I decided to let it out to a limited number of friends that would value, read it during this “down time” and use it (it is a WORKBOOK!), and at the same time provide feedback on ways to improve it... and on ERRORS that are likely present at this very early DRAFT! Please do so and send your comments to eduardo@e-arroyo.com . Now register free at www.stratexec.net , to receive updates and follow us on facebook www.facebook.com/StratExec/ to share with other users.

If you have any positive reactions, please also send them to me with permission to use it in the back-cover or anywhere else on the next release.

Remember, reading a workbook does NOT make much sense UNLESS you do the work. Some friends have requested it for doing their personal (or family) strategic plan. Great idea. Have fun. STRATEGIZE – DIFFERENTIATE – EXECUTE and SUCCEED!

Some organizational situations can be VERY COMPLEX. If you need ANY support, I can provide help through a phone consultation for a minimal fee, or better yet a face to face session. Email eduardo@e-arroyo.com or call me at (787)529-0454 for information or direct access. This action pays for itself many times so do not hesitate to ask for help.

Pleased to share with you my love of STRATEGY! My love to all!

May you live long and prosper and make all your dreams a reality!

Eduardo

March 24, 2020

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AUTHORS PROFILE

Welcome! Read me FIRST!

WELCOME! Thanks for acquiring to our StratExec Do it Yourself Strategic Execution Planning Process!

This unique and exciting process for developing a strategic plan that could catapult you into a better future!

As it has been proven and documented dozens of times in the last 10 years, STRATEGIC PLANNING based EXECUTION PAYS! Your resources are limited, STRATEXEC is all about making decisions on where to invest your resources to build a better future.

This read me first is a general guideline on what to expect.

What makes it unique is that it is structured to be executed like if I was there facilitating like I have done several hundred times, but I am not, so you get a huge savings and millions more can now afford it (even individuals and families - that should both have strategic plans) w/o impacting on results.

It is made to fit all levels. It respects what you have done but will push you to get better. It is made to be non-nonsense, straight to the point. Just get to work on the sections, develop the tools, apply, and improve.

The StratExec Process

Work life consists of three AGENDAS:

1. OPERATIONAL - Daily Routines (running the day to day business processes and challenges). This one will shout for your daily attention.
2. FINANCIAL - Managing issues related with money. If you do not take care of it, your accountant, your creditors, the government and/or the bank will not let you get too far away.
3. STRATEGIC - Working on designing a plan for a better future. Usually what you do if-and-when you have time left from the other two agendas.

The challenge here is to FORCE yourself to faithfully execute your STRATEGIC AGENDA. If you do not, your organization (1 employee or 100,000) will fail (slowly or fast, but painfully). As simple as that. Guaranteed. The world is moving fast, and you will stay way behind if you do not charge ahead developing a more competitive organization... or one that has no competition at all.

What to expect, as a minimum, in terms time investment requirement:

- Two and a half days annually for you and your strategic team (next section, could be you and your dog, if you are a start up) to work on this your StratExec framework (back to back, or within the same month, at least one full, other minimum half day sessions - ALL WITHIN 4 weeks). There is NO FUTURE without planning.
- Three to ten days in every quarter so that individuals or teams execute the strategic projects. There is NO PROGRESS without execution.

- Half to one day every Quarter for formally following up on the execution of strategic projects and for reviewing/adjusting/advancing the strategic framework. Execution tends to become very POOR, or nonexistent, without formal follow up.

Like everything in life, if you dedicate responsibly and enthusiastically to this process (and to your wellbeing), forever, you should get substantial benefits.

Assignment (to be completed during the next 24 hrs, but ideally right now!): Select and separate the dates for the 2.5 days of initial StratExec annual session(s) with your Strategic Team (or yourself) and for the 3 Quarterly Follow up sessions thereafter in your calendar. If you do not have a calendar, get one and set it up NOW (ideally one that can be managed through your smart phone, if available and synchronizes with a cloud based storage (Dropbox, OneDrive...) and desktop! One thing you don't ever want to lose is your Calendar-Agenda!

Strategic Framework Database – Your Notebook

OPTIONAL STEP to access experimental cloud based strategic database

This is your **private web-based database** - we keep the right to access it for progress review, for answering questions you might have and to research aggregate data.

It serves you to update progress and see where you stand "AT A GLANCE".

1. Make sure you go from here to the StratExec Framework Form. You can keep your work progress in the same place here and save it digitally (optional). We are not responsible for DATA LOSS or any privacy breach for the database. Please copy your work results in your own database or files.

<http://stratexec.net/framework> **PASSWORD: Arroyo18**

2. The order of the items to work on are suggested but highly recommended.

3. Two important things:

A. The use of this StratExec copyrighted material is exclusively for a single organization that acquired rights or legal copy. Do not copy, print or photograph this to other without our written authorization.

B. Acquiring this workbook you agree to use the strategic process at your own risk - contents is much broader than listed. We assume no liability or responsibility for any damage or loss from the acceptance or rejection of our ideas or structures.

If you already have any of the components worked, done and solid, state so, for example Our Mission (solid); or if needs review say so: Our Mission (needs review); if it is a new draft as a result of executing StratExec say so: Mission (S Draft) and if it is a StratExec final: Our Mission (S).

VERY IMPORTANT NOTICE: When you **submit** the Strategic Framework form **for the first time**, we will provide you with a **UNIQUE URL (INTERNET) Address** so you can access your framework and update it as many times as you want. We recommend you copy paste it on your CONTACT LIST under StratExec and also BOOKMARK the page in your browser. Nevertheless, this same URL is also included on the email you receive after creating and/or editing your STRATEGIC FRAMEWORK. This email is sent to you from "StratExec CLIENT Strategic Framework <>" and the URL is in the row called Submission Edit LINK.

ENSURE YOU SAVE YOUR WORK BY SUBMITTING or SAVING through buttons at the end of the STRATEGIC FRAMEWORK form. Use at your own risk.

Copy your UNIQUE URL (INTERNET) Address here:

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**Write your Strategic Team (ST) members names,
phone numbers, and email addresses here:**

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1. Create Your Strategic Team

If you are a one-person startup or small business, CONGRATULATIONS, you are the strategic team and can go up to your next step!

If you are more than one person, some thought must be given.

You must understand that: ***the best strategy might not work if your people do not believe in it; but the worst strategy might work if people believe in it.*** In one word, you need PARTICIPATION, so your team develops some degree of ownership with the strategic process.

To simplify it we divide participation roles in:

1. Those who need to be informed so they can understand the overall strategy and will eventually participate in fine tuning the strategy implementation at their area. We will call this the "**Full Team (FT)**".
2. Those who will be utilized as a Top-Level Sounding Board so strategy can be given the time to mature and consider a wider perspective, while creating a critical mass of understanding buy-in. We will call this "**Top Level Sounding Board(s) (TLSB)**".
3. The Strategic Team: from 4 - 30 people that will directly participate in creating the strategic framework and all elements of the strategic process, including managing the execution of strategic projects. We will call this the "**Strategic Team (ST)**".

4. The Strategic Process Leader, who facilitates, assigns and/or contracts a resource (could be me!) to direct the development and execution of the Strategic Process. He will also be responsible that at the end of this process, after receiving all inputs and options generated (firsthand since he is part of the ST, and with additional **TLSB** feedback) will decide in the strategic direction (together with the CEO and Board, if applicable) and explain those decisions as clearly and honestly as possible to the **FT**.

Assignment: Create your Strategic Team (**ST**) from Direct Reports with the possible inclusion of other key players and stakeholders (could include close providers and clients - or those could be included in Top Level Sounding Board (**TLSB**) sessions).

Outline the groups in the "**Full Team (FT)**" here:

Write your Top-Level Sounding Board(s) (TLSB)" members names, phone numbers, and email addresses here:

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Write your WHY? Statement here:

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2. Your Why? (at several levels and perspectives)

Early on, I suggest that the Strategic Team explores what is the core emotional engine of the organization, what moves (or moved) the FOUNDER or OWNERS to dedicate energy to this organization (and no, it is not money).

My recommendations are:

1. Watch this short eye opening TED Talk with Simon Sinek: How Great Leaders Inspire Action http://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action
2. As an ST, discuss the answer to the question: What moves this organization? Under what circumstances are owners and/or top management fully engaged in the task at hand?

3. Many times, what moves the organization is already ingrained in a Mission statement. Many times, it is NOT.
 - * If it is NOT, write a short statement describing the PERSONAL WHY of the owner(s) and/or founders.
4. This is easier to manage when yours is a FAMILY COMPANY, since the owners (or their heirs) and their TOP PEOPLE are usually accessible for this exploration.

A way to hold that discussion is to identify moments in the organization's history (or in the startup entrepreneur's life) where a situation created both deep energy engagement/sacrifice levels and enjoyment. After identifying several of those moments, try to identify the generic elements present that created the magic in those moments. Try to capture them in a sentence.

SAMPLE CASE

Our Consulting Organization [Arroyo & Associates](#) has a quite different WHY and MISSION.

WHY: Bringing clarity, optimism and resolution to life challenges... supporting people's success and happiness!

MISSION: Help improve clients' competitive position.

Assignment: Perform the WHY exercise as described above. Create a WHY statement. *NOTE: You might have notice TEDAS and BGT on the diagram, refer to my book *The Good, The Bad and the Troubled* for understanding those other framing concepts.*

Now please type it in your INDIVIDUAL Strategic Framework Form.

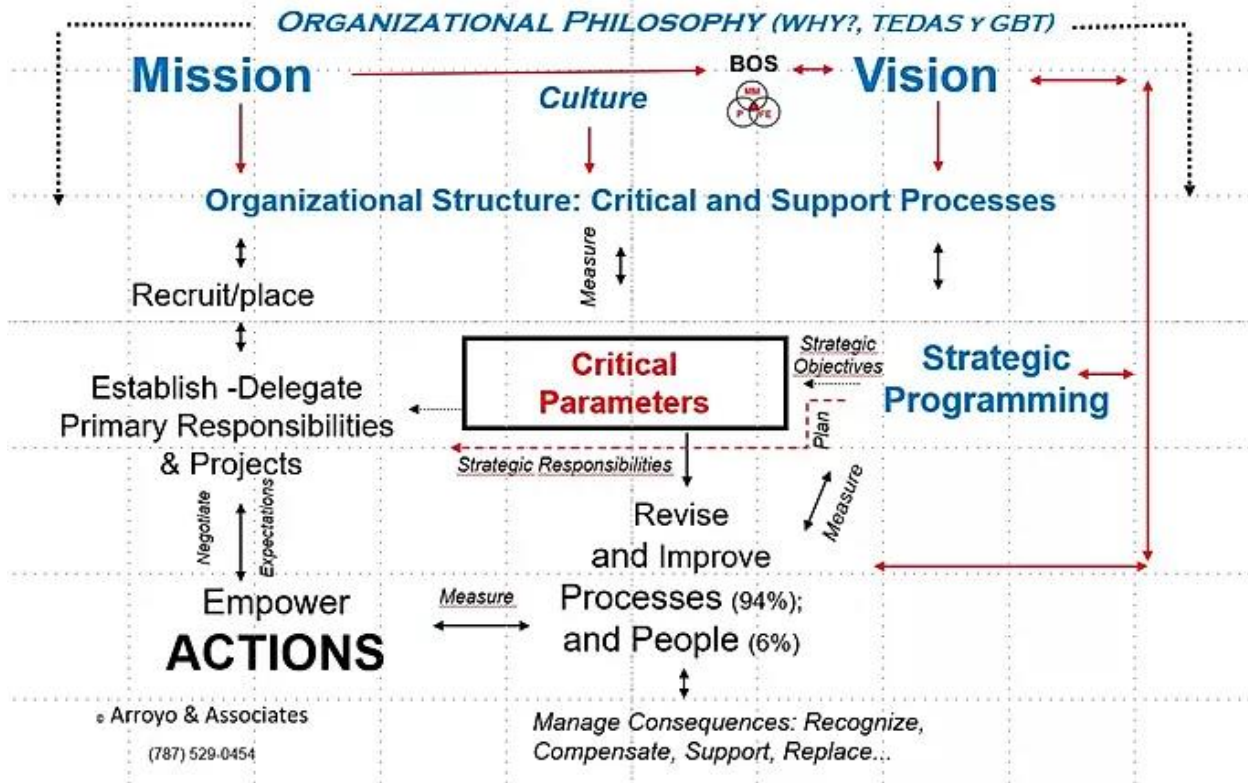
Identify special moments in your Organizational History that will give you windows into your WHY?

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Enter the elements of your Leadership Philosophy here:

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Strategic Leadership Model



3. Leadership Philosophy

The Leadership Philosophy frames how the organization is governed (from owners and board of directors) and guides its culture, promoting excellence and preventing or provokes problems.

Together with your Strategic Team work on identifying what leadership "TRUTHS" lay in their heads and their hearts, as a seed exercise to develop your Leadership Philosophy.

Organizational policies as well as day to day decisions will be guided by this exercise. It does not need to end at your workshop and might take several months to finalize it.

EXERCISE:

1. With ST, please see Strategic Leadership Model diagram above and locate the Organizational (Leadership) Philosophy. Notice how it "embraces" the whole model. Research and study some sample documents like the following, and others:

The MARRIOTT Management Philosophy

The Johnson & Johnson Credo

Google's Ten things we know to be true

2. Perform a group discussion by filling in this blank with an appropriate word or phrase several times:

Great leaders _____ in order to effectively engage employees in consistently doing extremely high-quality productive work, throughout time.

3. As a team discuss and reach consensus on which of those beliefs (words or phrases) better frame what the team agrees to establish as a leadership framework (philosophy). Identify a minimum of 3 and a maximum of 7.

4. At the end of the discussion a preliminary list is submitted to the owner or CEO % Board. You might want to present them to your "Top Level Sounding Board(s) (TLSB)" for additional feedback before submission.

Make sure you save the underlying logic and reasons why the selected Leadership Beliefs were chosen and make them part of the document that presents them.

5. The owner(s) or CEO decides (with their board, if applicable), after giving in depth thinking to the arguments honestly presented by all members of the team, on what finally stays on the list, and in the order of importance that they should be stated.

6. Plan how will you effectively deploy, communicate and keep these documents as a working tool that guides your Governance Process.

ASSIGNMENT: Schedule and perform this exercise as recommended. This could be part of your 2.5 days annual strategic planning session.

Now please type it in your INDIVIDUAL Strategic Framework Form.

Write your mission statement here:

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4. The Mission Statement

As seen on the Strategic Leadership Model above, the Mission as a tool is **EXTREMELY** important since **EVERYTHING** else ties to it. It defines, among other things:

- Top level processes - organizational structure
- What and where to measure.
- Priorities in terms of improvements and elimination of waste. Any activity utilizes resources but does not support (adds value to) the Mission is waste and should be eliminated.

Mission - a definition

- Purpose, reason why an organization exists
- Written from a perspective of value created for market and society.
- Short and easy to remember (15 words max - includes articles, pronouns... i.e. words like: the, a... count!)
- If understood by the organization, it helps eliminate the sub-optimization of resources. (doing something for the good of one part of the organization, but unknowingly hurting the overall effectiveness)
- Should be expanded (meaning of key words clearly explained in separate complementary paragraphs)

IF you do NOT have a Mission statement, skip straight to the next section below called **WRITING YOUR MISSION STATEMENT.**

If you have a MISSION STATEMENT already created and in use, please type it in the Strategic Framework Section; BUT, before doing that, ask yourself:

Should we revise or rewrite our Mission?

Discuss the following questions. If your answer to anyone of these is not or not sure, you should probably review your Mission Statement by going through the process on the section WRITING YOUR MISSION STATEMENT below.

1. Is your actual Mission Statement 15 words or less (everything, including articles and prepositions, count as words – NOT super critical, but helps for having it in mind and heart always)?
2. If I randomly ask 5% of your employees what is your Mission Statement, will they mostly know it without looking for it somewhere?
3. Does your mission statement reflects VALUE that is easily recognized by a customer?
4. Is your mission statement quite unique, differentiated, when compared to organizations like yours?
5. Do you and your team can answer a firm YES to ALL questions on the last section below: Testing the Mission Statement?

If you answered NO or NOT SURE to any of the above questions, you should consider doing some work on your MISSION STATEMENT next.

WRITING YOUR MISSION STATEMENT - Process Guidelines

- In 15 words or less, describe what unique value you bring to the market as an organization.
- If performed with your team, separate into sub teams, work the statements separately and then work together to merge as one statement.
- A mission statement usually has three components:
 1. a verb (action word, i.e. provide, ensure, produce, serve...),
 2. an explicit benefit (value, so it is not generic but focused), i.e. efficiency, capacity, technology focused words), and
 3. a recipient of the value, i.e. customers, citizen, country, market... sometimes it is NOT spelled out but remains IMPLICIT in the statement.
- If you break up into two or three teams, you will come up with two or three statements that require conciliation and discussion.... this is great! It creates depth and understanding.
- Start by acknowledging that now there are no individual authors of the 2 or 3 statements in front of you, that you will all work together on creating "one best statement".

- Begin the dialogue by pointing out the verbs of each of the statements and ask the question: What describes best what we should be doing is which verb... once a verb is agreed upon, do the same for the value and for the recipient... do NOT cut corners in this discussion.
- Perform an "agree round" where all participants VOICE OUT LOUD if they agree with the final product. If any one does not, ask specifically why and discuss further... if no agreement seems to surface from just one or two people, ask them if they "can live" with what the rest of the ST is proposing. If yes... continue, if no try longer and deeper to get to consensus. If consensus does not happen... the decision goes to the CEO or owner. **NOTE:** EVEN a final decision from this exercise might need to get to a BOARD LEVEL decision, depending on the governance rules of your organization. If dealing with governance issues, we can also help you with that as a consulting engagement.
- If you are doing this on your own... start the same way... write down a few candidate mission statements and go through the above process on your own.

Testing the Mission Statement

Will your MISSION statement pass the questions below with BIG yes(es)? If all your answers are NOT a resounding YES, do some more work until you can HONESTLY do so!

1. Does your mission statement reflect **VALUE** (a true benefit) that is easily recognized by a customer?
2. Is your mission statement quite **unique**, differentiated, when compared to organizations like yours, or it sounds quite generic?
3. Is it **exciting**, worth waking up in the morning for?
4. Has everyone on the Strategic **Team agreed** with the final product. Actually, do a vocal round of yes or no's until an agreement or a decision is reached.

If you passed the TEST, **CONGRATULATIONS**, you now have a **SOLID Mission Statement!**

Now write it in this workbook and please type it in your INDIVIDUAL Strategic Framework Form.

Identify, list and define the KEY WORDS of your MISSION here:

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Write your VISION STATEMENT here:

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5. Our Vision & Blues (Blue Ocean Strategy - BOS)

The other "cornerstone tool" that holds the model together is the VISION, our dream or aspiration, where we wish to be in the future. It is the second most important tool since it establishes the "shifts and adjustments" needed as the day to day operations flow into the future and makes possible a logical and cohesive framework of Strategic Objectives, Strategic Focus Areas, Strategic Projects and delegated actions.

In practice, this concept has never ceased to amaze me. It is visibly present throughout time, history, geographic locations, countries, cultures, societies and religions: from Mexican Indians smoking peyote, to Old Testament Biblical Verses. Humans are a projective species. we somehow have a need to live with our thoughts in the future, and the way we treat and/or manage that process seems to affect our capability to shape it.

It often happens that: if your desires are clear, and you work hard, focused and diligently in the correct strategies, you will make them a reality.

Vision - a definition

- The conceptualization of a dream about a better future.
- When shared by the team, it establishes a common direction and creates a sense of identification, belonging and commitment.
- How does it work? I have two theories that hold my logic:

a. Subconscious focus. If something is important in our head, opportunities to advance towards it get "highlighted" in front of us. Pregnant (you/significant other)? You see a pregnant lady in every corner. Want to buy a red SUV? You will see dozens in the road.

If the future is important for all your team members, you readily activate "many brains" to consciously and subconsciously seek for opportunities to advance it. If you as management, establish communication channels to hear, filter and execute those opportunities in a prioritized manner, you will put all the available brain power in your team to work in a coherent fashion, your vision becomes a reality.

KEY here is **participation**. If someone participate in the process, he will feel that the results are "his" (ownership); and, like a creature we help procreate, we will work hard to protect him/her into full bloom!

b. Somehow to me, **the dream seemed to be a prerequisite of reality**, but that sounded "too esoteric" for the corporate world, so I seldom explained that option at workshops.... until one day, while I was deciding either to share this or not with a group, it dawned on me that proof has been in front of my eyes always... if you look around the room, chairs, conference table, windows, curtains, lights, carpets, computers... every single thing at one moment in time was someone's dream, and those physical items are proof that dreams (desire, decision, planning and action) almost always preclude reality!

Should we revise or rewrite our Vision?

IF you do NOT have a written Vision, skip straight to the next section below called Developing YOUR VISION.

If you have a written Vision already created and in use, please type it in the Strategic Framework Section; BUT, before doing that, ask yourself:

Should we revise or rewrite our Vision?

Discuss the following questions. If your answer to anyone of those is no or not sure, you should probably review your Vision by going through the process on the section DEVELOPING YOUR VISION below.

1. If I randomly ask 5% of your employees what is your VISION, will they know it without looking for it somewhere?
2. Does your Vision reflects some sense of consonance with your MISSION statement, in terms of reflecting VALUE that is easily recognized by a customer?
3. Is your Vision quite unique, differentiated, when compared to organizations like yours?
4. Is it EXCITING, worth busting your heart to attain it?
5. Do you and your team can answer a firm YES to ALL questions on the last section here: Testing the Vision.

If you answered NO or NOT SURE to any of the above questions, you should consider doing some work on DEVELOPING YOUR VISION next.

HOLD ON!!!!!! Feeling the BLUES?

I will not be completely honest without disclosing here Blue Ocean Strategy (BOS), a revolutionary concept which I trained on at New York with the authors' team in 2008 and have utilized on special cases for years since then, now re-conceptualized after over many years of experience and thousands of applications worldwide in the book released September 2017: [BLUE OCEAN SHIFT](#).

Those are the letters BOS in our Strategic Model diagram placed right before the Vision (see way above at the top of this page)

My generic recommendation is that if you are new to Strategic Planning, maybe browse through the concepts to have them in your head throughout this process and address it during the next couple of years; but, if you are not and/or the competition is killing you, go through it full blast BEFORE this visioning exercise. If you need handholding, we can arrange special pricing to do so through SKYPE or physical visits to your facility (contact us).

Some useful sites to explore BOS are (if links don't work, please Google):

[An Introduction to Blue Ocean Strategy](#)

[Blue Ocean Strategy: Making the Competition Irrelevant](#) (University lecture)

[Blue Ocean Strategy Summary](#)

[What is Blue Ocean Shift](#)

[Blue Ocean Shift - Steps To Inspire Confidence And Seize New Growth](#)

[BLUE OCEAN SHIFT: How People Facing Obstacles, Like All of Us, Change the World?](#)

Developing YOUR VISION - EXERCISE Process Guidelines

- Divide your Strategic Team in subgroups of between 3 to 7 people each (or just yourself or your family).
- Instruct the teams to create a drawing* (real and/or abstract and in consensus - **nothing goes to the drawing** unless everyone in the subgroup agrees) representing the organization we desire to have in 3-5 years.
 - *Ideally draw on a large flip chart paper, with CRAYOLAS or Colored Pencil, but in practice a paper and pen or pencil works!
- All involved MUST participate in the actual drawing - everyone must draw (no matter how bad!)
- There are No restrictions (money, time other resources will be obtained).
- Consider the following components (if applicable):
 - Your Mission's Value creation operational capabilities and effectiveness
 - Facilities
 - Processes quality, effectiveness, speed, capacity
 - Product offerings
 - Training
 - Technology
 - People's behavior (organizational culture)
 - Clients
 - Organization's members (employees)
 - Suppliers
 - Society
 - Board of Directors
 - Investors
 - Community

- The subgroups will, together with the drawing, create a LEGEND that summarizes the elements present in the drawing. For example: *The flying dove exemplifies a culture that will promote and appreciate creative thinking... the satellite represents the acquisition of state-of-the-art information technology....*
- They have 60 minutes to finish the drawing with the legend
 - have team member sign with their initials, date the drawing, take a picture of it (one of the DRAWING, an another of the subgroup with drawing) for the future, and be ready to present to the rest of the team.
- Present and process the drawings (take pictures!)
 - Assign a person to take notes for the whole process. Those notes aggregately summarize the elements presented on all the drawings, by COMPONENTS (see instructions above that list major components: operational capabilities, clients, employees...) noting the frequency they where presented.
- Assign a smaller team, maybe 3 people, possibly one from each subgroup to work separately from the team in taking this raw "vision seeds-thoughts and converting them into a "Draft Vision"
 - This MUST be presented and discussed with the Strategic Teams approval in two hours or less.
 - Like everything in this process, you may want to take it through your sounding boards and if applicable to the Board of Directors.
- NOTE: Final VISION can take many "styles", written clearly and in present tense (like you where already there, living it), mainly:

1. An Impacting Phrase:
 - "To be the World's Favorite travel Company." Marriot
 - "One Global Strategy, Millions of Strategic Plans Creating Value for ALL, Large and SMALL." StratExec by Arroyo & Associates
2. One or several paragraphs describing the aspiration
3. BULLETS (3 to 7 bullets, might have sub bullets for expanding)
 - Coca Cola:
 - To achieve sustainable growth, we have established a vision with clear goals:
 - Profit: Maximizing return to share owners while being mindful of our overall responsibilities.
 - People: Being a great place to work where people are inspired to be the best they can be.
 - Portfolio: Bringing to the world a portfolio of beverage brands that anticipate and satisfy peoples; desires and needs.
 - Partners: Nurturing a winning network of partners and building mutual loyalty.
 - Planet: Being a responsible global citizen that makes a difference
4. Combination of the above styles.

Testing the Vision Statement

- Is it clear and in present tense?
- Do you get goosebumps when you read it?
- Does it get you excited on getting down to work?
- Can you "feel" how great it will be living that vision - executing in that reality?
- Does the Strategic Team, at least a large majority of it, feel the same way?

If you passed the TEST, **CONGRATULATIONS**, you now have a **SOLID Vision!**

Now please type it in the Strategic Framework Section.

Write down the final statement in several places. You do not want an accident to cause you to lose all this excellent work

5.1 Scenario Planning + SwOt - Using the Crystal Ball

The future (tomorrow) will bring endless possibilities. You should identify a range of possible scenarios to ensure (or be aware of) that your strategies have relevance or fast adjustments to the constantly changing scenery (or for you to be the creator of the desired scenario!).

FIRST: Create 3 scenarios where you could be operating in the future 2-4 years.

BEST CASE SCENARIO (economic situation, government, markets, technology, products, competition...) will look like:

WORST CASE SCENARIO (economic situation, government, markets, technology, products, competition...) will look like:

MOST LIKELY CASE SCENARIO (economic situation, government, markets, technology, products, competition...) will look like:

THEN: Use SwOt (capitals S and O only): Strengths, Weaknesses, Opportunities and Threats is the classic SWOT analysis endlessly utilized as a first step on a strategic planning process. I DO NOT LIKE IT. Don't waste time in your weaknesses (just make sure they are above the minimum acceptable level to operate), and on your threats – just think about the coronavirus pandemic.


Main Strengths:

Main Opportunities:

Later, when deciding on your strategies, consider on leveraging your SwOt and on how they will fare on the possible scenarios and adjust accordingly.

List your strategic objectives and operationally define them:

- Download EXCEL FILE: https://05befab2-69bf-4ffb-89b7-f1b993995a01.filesusr.com/ugd/f5193c_b131467199814ba39f5abe3023bc8e6f.xlsx?dn=Strategic%20Objectives%20Template.xlsx.

Strategic Objectives for: _____		Rev Date: _____			
Mission:					
Vision:					
	OBJECTIVE TARGET Number - for Year Ending				
STRATEGIC OBJECTIVES: Operational	Baseline (this past year)	Year One	Year Two	Year Three	Year Four
STRATEGIC OBJECTIVES: Human Development, Cultural (behavioral)	Baseline (this past year)	Year One	Year Two	Year Three	Year Four
STRATEGIC OBJECTIVES: Technology and Infrastructure	Baseline (this past year)	Year One	Year Two	Year Three	Year Four
STRATEGIC OBJECTIVES: Financial	Baseline (this past year)	Year One	Year Two	Year Three	Year Four
STRATEGIC OBJECTIVES: Other	Baseline (this past year)	Year One	Year Two	Year Three	Year Four



6. Identify your Strategic Objectives (Critical Parameters)

A VISION is an abstract concept. We need to land this abstraction into a quantifiable framework of progress indicators. By selecting a group of indicators (strategic objectives) that show us progress towards the VISION, we can judge the effectiveness of our strategies.

Having strategic objectives keeps the organization in the same level of understanding of where we are in our competitiveness progress journey. They make the judging of the effectiveness of strategies possible.

Strategic Objectives Definition:

- Indicators that objectively establish our progress towards the VISION
- A set of individually quantifiable parameters (indicators, KPI, measures) from all aspects of organizational execution (EXAMPLES **cultural**: behaviors VS values; **operational**: quantity, quality, speed; financial: cost, **ROI**; developmental; technical...) and viewed from many points of view (employees, administration, customers, market, community...) which together, when a specific execution target is selected for each, establishes an overall threshold level for deciding objectively and unequivocally if a given desired vision has been reached in a given point in time.

Strategic Objectives EXERCISE:

- The exercise consists on filling this document ([download Excel file here](https://05befab2-69bf-4ffb-89b7-f1b993995a01.filesusr.com/ugd/f5193c_b131467199814ba39f5abe3023bc8e6f.xlsx?dn=Strategic%20Objectives%20Template.xlsx))

[https://05befab2-69bf-4ffb-89b7-](https://05befab2-69bf-4ffb-89b7-f1b993995a01.filesusr.com/ugd/f5193c_b131467199814ba39f5abe3023bc8e6f.xlsx?dn=Strategic%20Objectives%20Template.xlsx)

[f1b993995a01.filesusr.com/ugd/f5193c_b131467199814ba39f5abe3023bc8e6f.xlsx?dn=Strategic%20Objectives%20Template.xlsx](https://05befab2-69bf-4ffb-89b7-f1b993995a01.filesusr.com/ugd/f5193c_b131467199814ba39f5abe3023bc8e6f.xlsx?dn=Strategic%20Objectives%20Template.xlsx).

Strategic Objectives for: _____		Rev Date: _____			
Mission: _____					
Vision: _____					
	OBJECTIVE TARGET Number - for Year Ending				
STRATEGIC OBJECTIVES: Operational	Baseline (this past year)	Year One	Year Two	Year Three	Year Four
STRATEGIC OBJECTIVES: Human Development, Cultural (behavioral)	Baseline (this past year)	Year One	Year Two	Year Three	Year Four
STRATEGIC OBJECTIVES: Technology and Infrastructure	Baseline (this past year)	Year One	Year Two	Year Three	Year Four
STRATEGIC OBJECTIVES: Financial	Baseline (this past year)	Year One	Year Two	Year Three	Year Four
STRATEGIC OBJECTIVES: Other	Baseline (this past year)	Year One	Year Two	Year Three	Year Four

- Divide your Strategic Team in subgroups of between 3 to 7 people (or just do yourself!).
- Have each subgroup fill up the first column with options for strategic objectives by answering the question (give them 35 minutes to complete):
 - How can we measure (with a number) progress towards reaching our VISION? Locate them in each of the strategic objectives' sections (blue headings on form above)
 - After they finish, have them reduce their list to a minimum of 4 and a maximum of 7 objectives that together best represent quantitative progress towards the vision.
 - Some of the Objectives will be broader, one way to reduce the list is to group together similar objectives and decides which one has a broader "systemic" view.

- Now move the subgroups back into a Strategic Team and MERGE all the subgroups lists together into one list.
- Go through the process reducing the list to a maximum of 7 Strategic Objectives.
 - Some of the objectives might not be measurable with your actual administrative process. If so and you deem it important to know that number, leave it at the list with a target date of when you will start doing so.
- Fill the table up and see if any of the sections is empty. If so, consider if you should have an additional objective there (the answer can be *no, it is not needed*).
- Now take this list of objectives and read the vision out loud. Answer the question: Does this group of objectives represent/describes what the VISION wants to convey? If not, do some more work until you answer yes!
- Take each objective and create an OPERATIONAL DEFINITION, a clear mathematical formula of how you will come up with the number in such a fashion that if anyone performs the calculations for a given time period, they will come up with an identical number.

ASSIGNMENT: Delegate to a sub team of 2 to 4 Strategic Team members to take the table as partially completed and fill it up with baseline and possible yearly progressions (other columns) and to formalize the OPERATIONAL DEFINITIONS for EACH. Report back to the Strategic Team for final approval in 4 weeks or less. Remember not all baselines will be available. Establish a plan on how you will get it done. This table will be reviewed at the **Quarterly Strategic Progress Meetings**.

Now please save all your work in your Strategic Framework Form.

List your ORGANIZATIONAL VALUES described them with their respective observable behaviors:

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7. Design your Desired Culture

As seen in the model, organizational CULTURE is a literal bridge or pathway towards achieving a VISION! It is also a direct influencer on (and GREATLY influenced by the Organizational Leadership Philosophy) the structure and processes! Better pay some attention.... as leaders you are responsible!

Organizational Culture Definition

Set of norms and beliefs that are formally and informally (socially) transmitted in an organization, that directly impacts behaviors and results.

Organizational Culture Exercise

What behaviors (observable actions reflecting Corporate Values) we as a group should faithfully model for us to accelerate our journey towards our Vision.

Group those behaviors into VALUES that are reflected by them.

Select between four and seven values. Describe them with the observable behaviors grouped under them.

Share it with your sounding groups, polish, get any required corporate approval, and then plan and execute a launching process.

BEHAVIORS:

VALUES REFLECTED:

Exercise - Systemic Coherence with Organizational Values

THIS IS AN EXTREMELY IMPORTANT EXERCISE TO KEEP IN MIND FOREVER!

What in our way of leading, managing, evaluating, compensating and in all ways organizing and executing operations:

A. Support and/or makes it easy to behave as per the stated values.

B. Is not in agreement or can make it unnatural or harder to behave as per the stated Values.

C. What should be done to solidify coherences and to correct such incoherencies? Create a specific plan to act on your findings.

List your Strategic Focus Areas:

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8. Strategy Moves the WORLD!

Now we must decide what to focus on, and how to act: Strategic Focus Areas and the Strategic Projects.

STRATEGIC FOCUS AREAS EXERCISE:

1. Have your strategic team separate into subgroup and answer the following question:

What do we need to do to reach the strategic objectives?

Limit each subgroup's list to a maximum of the 20 most important things.

2. Bring the group together. Go around the room and each subgroup says out loud an item from their "to do" list. The rest of the groups will look at their list and spell out if they have any items that could be consolidated with the one under discussion. Rewrite the consolidated item in a place visible to all and mark how many teams had that item (or a similar one) in common. Go around the room until all lists have been discussed and consolidated into an aggregate list.

3. Take a last look at the list to ensure each item is self standing. Now try to group all the items into themes. For example (rename these and/or use your own based on the spirit of the items in your grouping):

- a. Human Resources Development - or Corporate Culture
- b. Revolutionizing Marketing and Sales
- c. Revamp Operations
- d. Redesign products or services
- e. Infrastructure
- f. Branding
- h. Technology
- h. Others

4. The major themes will now be the Strategic Focus Areas. Try to limit those areas to a number between 3 and 5. **FOCUS!!!!**

BEFORE YOU CONTINUE, you might want to check the section on SCENARIO PLANNING and see if working in these areas coincide with your strengths and opportunities and could be relevant in all scenarios.

PROJECTS and ACTION PLANS EXERCISE

1. For each strategic focus areas and considering first the items grouped on the previous exercise under each area (plus other options that might come up), identify which projects we should be working on during the next 12 to 18 months. Limit the total number of projects to 3 to 15.

We want focus. Experience tells us that if you select too many projects, very little will be completed in 12 months. You will end up with many ON GOING projects, and very little impact.

The recommendation here is **VERY FEW HIGHLY IMPORTANT PROJECTS THAT WE CAN HAVE COMPLETED IN LESS THAN 12 to 18 months**. What WILL happen is that if you focus on a few, before the end of the first 12 months, you will have results, and will then have momentum, enthusiasm, credibility, and open/willing capacity available to select the next projects to attack.

There might be some infrastructure type of projects that might be priority even thou their completion will take more than 18 months. In those cases, you cannot delay but you must ensure solid deliverables are committed for within those first twelve months window. For example, layouts finished, or financing acquired.

2. For **each project** clearly assign:

- a. Person responsible for project
- b. Between a minimum of 1 and a maximum of 3 **CLEAR TANGIBLE MAJOR DELIVERABLES** for each subsequent quarter until project ends. Ensure that each deliverable is both important and clearly spelled out, so it can be easily agreed that the deliverable was without any doubt completed as per the expectations of the project.
- c. Start Date and End Date for each deliverable.
- d. Required budget (if project cannot be executed with currently budgeted resources).

Action Plan Year :



Strategic Project:

Corresponding Strategic Objective:

Responsible Director:

#	Deliverable	Person Responsible	Start Date	End Date	Metrics, Notes or Comments	Budget
TOTAL PROJECT BUDGET						\$.

DEFINITIONS:

Strategic Project: Top Level Initiative that is part of the Organizational Strategic Focus (example Design and market X new service)

Corresponding Strategic Objective: Top Level Corporate Metric that will be directly impacted by the Strategic Project (example: Total revenue from all new products)

Deliverable: Specific intermediate product that can confirm adequate tangible progress towards finishing the project (example: New service process flow chart; or, New service available to customers.)

Metric: If needed, a specific quantifiable measure of progress or of expected result. (example: Revenue from this particular new service)

Budget: All extra money needed, cash or credit, other than regular payroll or supplies expense levels, that will be needed to complete the deliverable (All deliverables \$ must add up to total budget needed for Project)



Action Plan Year :

Strategic Project: _____
Corresponding Strategic Objective: _____

Responsible Director: _____

#	Deliverable	Person Responsible	Start Date	End Date	Metrics, Notes or Comments	Budget
TOTAL PROJECT BUDGET						\$ -

DEFINITIONS:

Strategic Project: Top Level initiative that is part of the Organizational Strategic Focus (example Design and market X new service)

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Action Plan Year :



Strategic Project: _____
 Corresponding Strategic Objective: _____

Responsible Director: _____

#	Deliverable	Person Responsible	Start Date	End Date	Metrics, Notes or Comments	Budget
TOTAL PROJECT BUDGET						\$ -

DEFINITIONS:

Strategic Project: Top Level Initiative that is part of the Organizational Strategic Focus (example Design and market X new service)
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Budget: All extra money needed, cash or credit, other than regular payroll or supplies expense levels, that will be needed to complete the deliverable (All deliverables \$ must add up to total budget needed for Project)



9. Strategic Validation - Are we on the right track!

Making sure everything is in line before diving into work!

You have finished all the “strategic planning” phase. Congratulations!

Before you JUMP into execution, let us validate a couple of things:

1. Do you and your team feel comfortable and confident with the plan?
2. If we successfully complete the Strategic Projects defined (including the behavioral evolutions requires), are we confident that they will have a significant and measurable impact in the selected Strategic Objectives?

If your answer is no for either or both questions, what changes/additions to the plan need to happen to make your answers YES. Go back to the drawing board until they are. Write your thoughts here:

Write your thoughts on this Strategic Planning Process:

How do you feel?

What have you learned?

What will you be doing different from now on, if anything?

10. EXECUTION

"How are we doing?" is an extremely important question to keep in front of us. The ultimate test is if we are reaching the expected progress as measured with the Strategic Objectives.

What happens if you are strategy is not creating the projected progress?

First and foremost, the question to answer is:

Is the STRATEGY as DESIGNED in place? A YES means that the Strategic Projects Deliverables are completed as planned. If NOT, you cannot reach any conclusion in terms of the effectiveness of the plan. Your clear conclusion is that you are NOT EXECUTING the PLAN (the Strategies are NOT in place) and you should do something about it!

If it is an accountability, you can solve it by acquiring and using our book "[The Good, the Bad, and the Troubled](#)" which can give you a good framework to work on. This will also help you understand the BOTTOM HALF of the Strategic Leadership Model we have been using.

For a broader context, especially if is a CAPACITY issue, you should also read my book "[Results Oriented Execution](#)".

Both are in Amazon for a small fee, or free from me through email.

QUARTERLY FORMAL FOLLOW UP MEETINGS

You MUST formally track progress at least QUARTERLY. During that meeting each responsible executive must present, to the Strategic Team and Senior Executive Staff (or to yourself):

1. Status of DELIVERABLES DUE BUT NOT COMPLETED as of the last follow up meeting.
2. Status of deliverables due now.
3. What will be done to get back to PLAN if all due deliverables have not been completed.

Thanks for staying with me! NOW Make it happen!

AUTHORS PROFILE

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Eduardo M. Arroyo graduated with a Bachelor of Science in Management Engineering (Industrial Engineering applied to all types of business systems), a Minor in Industrial Psychology, and a master's in business administration from Rensselaer Polytechnic Institute in Troy, New York. At the age of 25 he was President and General Manager for Microdata Puerto Rico, where he directed the manufacturing of the first computers ever built on the island. He later held the position of Vice-President and General Manager for Emulex Caribe Inc for 10 years.

While in industry, he worked under the direct guidance of Dr. W. Edwards Deming, father of the Japanese Quality Revolution, and is considered by his peers as an expert in this field, and as a very knowledgeable and experienced practitioner in many process related improvement methodologies such as Theory of Constraints, World Class Manufacturing, Just in Time, Lean/Six Sigma, Reengineering and Blue Ocean Strategy to name a few.

In 1992, he opened Arroyo & Associates, Management Consultants -- specializing in Leadership, Strategy and Execution Systems. To date he has impacted over 200 organizations, large and small, in a myriad of industries, with accumulated benefits of several hundred million dollars.

He has successfully coached several dozen executives. (please inquire if interested)

As a governance expert, he has consulted and/or belonged to many boards, also supporting family businesses on both their organizational development and their succession process.

His third publication "RESULTS ORIENTED EXECUTION", was recognized by the International Association for Management Studies (ASIEMA: U.K.-Spain) as the best Latin-American Management Publication for 2008.

In 2010, he published "The Good, The Bad and the Troubled: A Leadership Guide for Effective and Painless Performance Management", that presold over one thousand copies before the first book came out of the press. It is now in its second printing, and a software for applying its concepts more effectively is currently under development.

He has received many formal and informal awards and recognitions.