



a superior approach to

Strategy Development & Implementation

business intelligence associates



business intelligence associates

We are a market strategy consultancy.

We deploy seasoned consultants
and a sophisticated research and analysis capability
to help our clients create
superior market positioning and competitive strategies.

The strategies we formulate are oriented around
maximizing long term cash flow and shareholder value.

Strategy Development Program - Introduction

In this document we present a brief overview of the approach *Business Intelligence Associates (BIA)* utilizes to craft and implement a new business strategy. This approach has been successfully deployed at some of the world's most complex businesses, and is credited with the realization of billions of dollars in shareholder value.

While the approach continues to evolve, it has been developed based on tangible experience in hundreds of engagements. The program itself adheres to two underlying principles that we believe are critical to superior business strategies:

Strategies must be based on facts, and must be realistically achievable

Too often, we have found that strategic actions are inspired by common misconceptions and inaccurate assumptions – and are not grounded in facts and rational deduction.

Such actions are most notably driven by existing incentive schemes, the need for speedy decision making and a desire to limit expenses. We have found, however, that the absence of a solid fact base and a thoughtful strategy development process results in destroyed shareholder value *in every case*.

This program ensures a sensible determination of the key facts, and guides the process along a rigorous path that properly recognizes risk and accounts for likely outcomes.

Successful implementation begins in strategy development

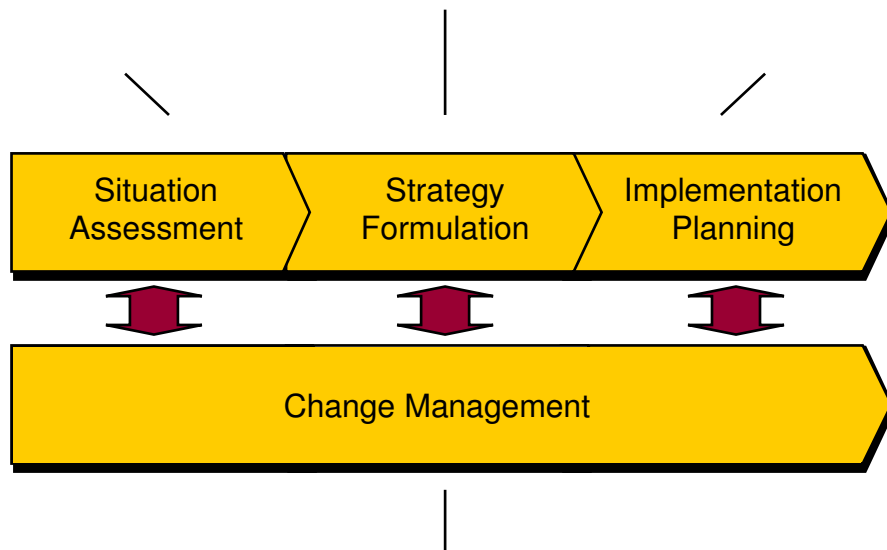
We have also found that strategy development processes are most frequently conducted by a core corporate elite, and neglect the input of others in the business that will ultimately be charged with its implementation.

While such approaches are almost certain to deliver speedier decisions at lower cost, they also are almost certain to be poorly understood and not supported by key personnel.

As a result, *Business Intelligence Associates* includes a specific set of activities in the strategy development process that includes the participation of key managers in the business. These activities draw on a deep change management capability, and they target early buy-in and the early identification of inhibitors to successful implementation.

Strategy Development Program - Key Elements

- Determine attractiveness of market segments based on forecasted potential for profitable growth
- Evaluate your relative position to compete in each segment
- Delineate the sources and drivers of wealth creation
- Characterize the current strategy (where & how you compete¹) and its expected future economics
- Develop several high-potential strategies; performing additional market and internal analysis as required
- Test each strategy against the business' objectives; select the strategy with the optimal² expected performance
- Translate the strategy into specific initiatives to be executed
- Develop each initiative to provide detailed action plans with timetables and management accountabilities
- Specify the vision of the organization going forward, and the resources³ needed to achieve the strategic plan



- Maximize management & organizational ownership (and buy-in)
- Initiate change process to maximize success potential; delineate and initiate organizational change initiatives, transfer knowledge and skills to organization during program

¹Which market segments, and competitive approach within each segment
²Test for expected outcomes, and sensitivity to best and worst cases
³Capital and human

APPROACH

Business Intelligence Associates' Strategy Development Program blends a fact-based and rigorous strategic analysis with an action-oriented organization change program. This solution provides you with the opportunity to develop an *optimal and actionable* strategic plan.

❑ Strategy Planning

The critical impact the strategy will have on your business performance warrants a rigorous and fact-based analysis, and a creative solution to leverage internal strengths and external opportunities.

The strategy planning process comprises three phases:

Situation Assessment - In this phase, opportunities and threats to your business are delineated. The market is segmented to forecast the most attractive areas of focus and identify what drives profitability in each customer set. Additionally, your capabilities in each key market driver are measured and compared to competitors, whose behavior is also analyzed to profile likely actions and reactions. Finally, the economics of the current business and its strategy is profiled to provide a base-line against which your future strategy options can be measured.

Strategy Formulation - In this phase a set of strategic options for your current business are creatively generated. High-potential options are short listed and developed for evaluation (including capability gaps and investment needs). Each option is then measured against your business objectives, and the optimally performing strategy is selected.

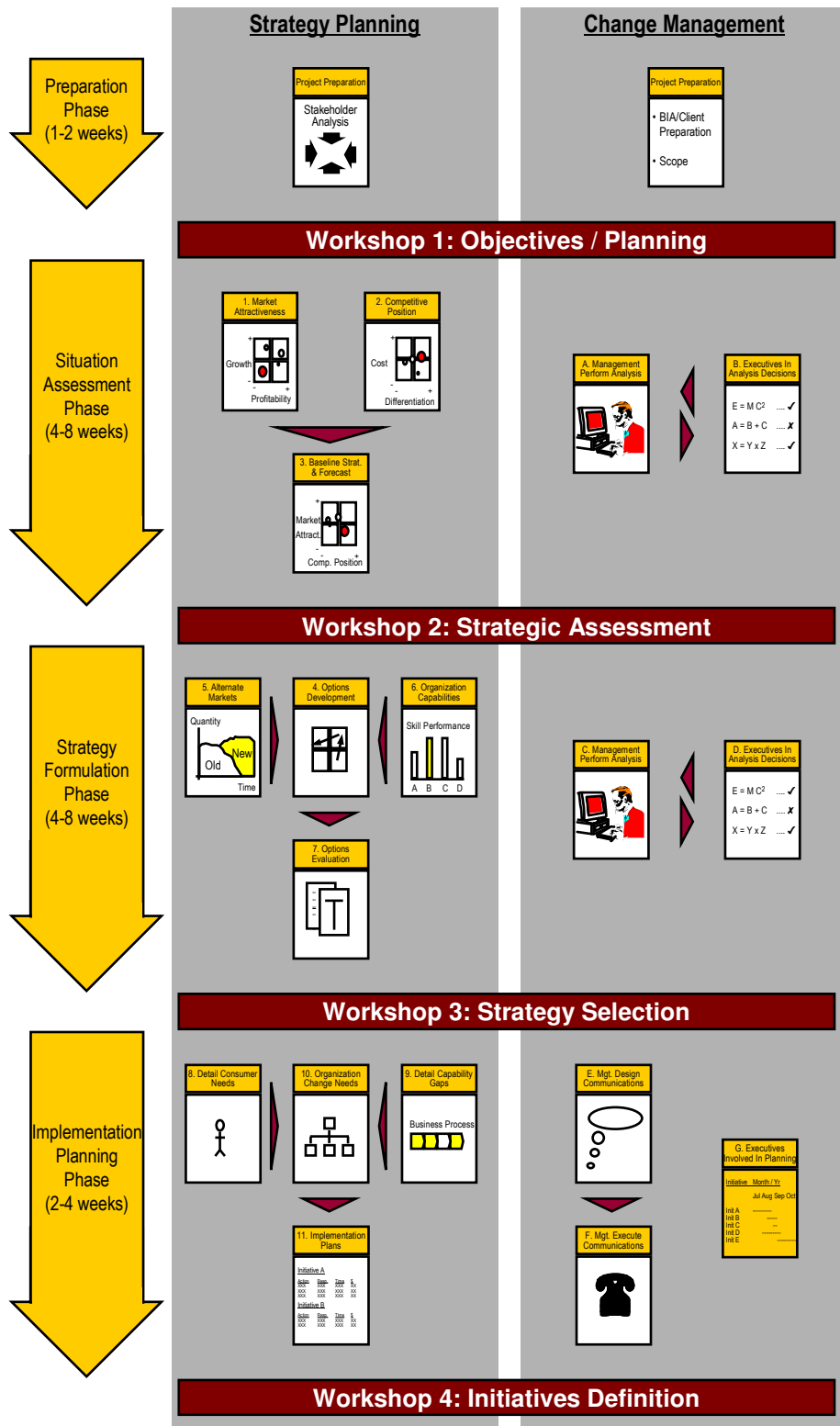
Implementation Planning - This phase develops initiatives to effect the strategy. The initiatives detail actions, responsibilities and milestones, and outline key decision points and needs for resources (capital and staff).

❑ Change Management

The change management process is dedicated to achieving full management and organizational commitment to the strategic plan, transferring the knowledge and skills needed to support it, and initiating the implementation process.

The change management process includes a set of facilitated meetings and activities, integrated into all three phases of analysis. The inclusion of key management staff in the analysis is critical to leveraging internal knowledge and effecting skills transfer.

BIA's Strategy Development Program - Activities



The *Business Intelligence Associates* Strategy Development Program integrates strategic analysis and change management activities throughout the project, providing four executive workshops¹ at key decision points.

Project Preparation

- Your executives and *BIA* work together to define the project team, issues to be addressed and the scope of the analysis and change management process
- *BIA* strategy consultants gather preliminary background information to support initial workshop; including preliminary project work planning, stakeholder analysis, etc..

Workshop 1

- Delineate your business objectives (shareholder value, growth, near-term profit ...)
- Review work plan, allocate executive ownership and management responsibilities
- Measure the organization's readiness to change, identify potential road blocks
- Brainstorm potential market segmentation, and market Key Success Factors (KSFs)

Situation Assessment²

- Together, your management³ and *BIA* segment the market, forecast the total profit potential of each segment, and delineate each segment's Key Success Factors
- Your executives guide analysis to ensure sufficient fact-base to draw conclusions
- The analysis needs to accurately characterize the future of your markets; your strengths, the current strategy, and the on-going economics of that strategy

Workshop 2

- Review situation analysis, discuss and resolve outstanding issues; including the relative attractiveness of each segment and the factors for success in each
- Develop preliminary list of strategy options for your business going forward
- Review work plan, allocate executive ownership and management responsibilities

Strategy Formulation²

- Your management³ and *BIA* work together to identify and shortlist the high-potential strategy options; delineating the resource needs and likely outcome of each
- Each option is developed for evaluation and an economic model built for each
- Additional market segment profitability forecasting and organization capabilities analysis performed as required to complete development of the strategy options
- Each option is evaluated against your business objectives (creates shareholder value, meets near-term financial goals, etc, ...)

Workshop 3

- Review each option in depth, select the strategy with highest expected performance
- Delineate preliminary initiatives to effect strategy
- Review work plan, allocate executive ownership and management responsibilities

Implementation Planning²

- *BIA* consultants work with executives to delineate actions to implement strategy
- Specific customer and organization analysis performed, as required, to complete implementation planning
- Your management³ develop and execute plan to communicate the new strategy to the the your entire organization

Workshop 4

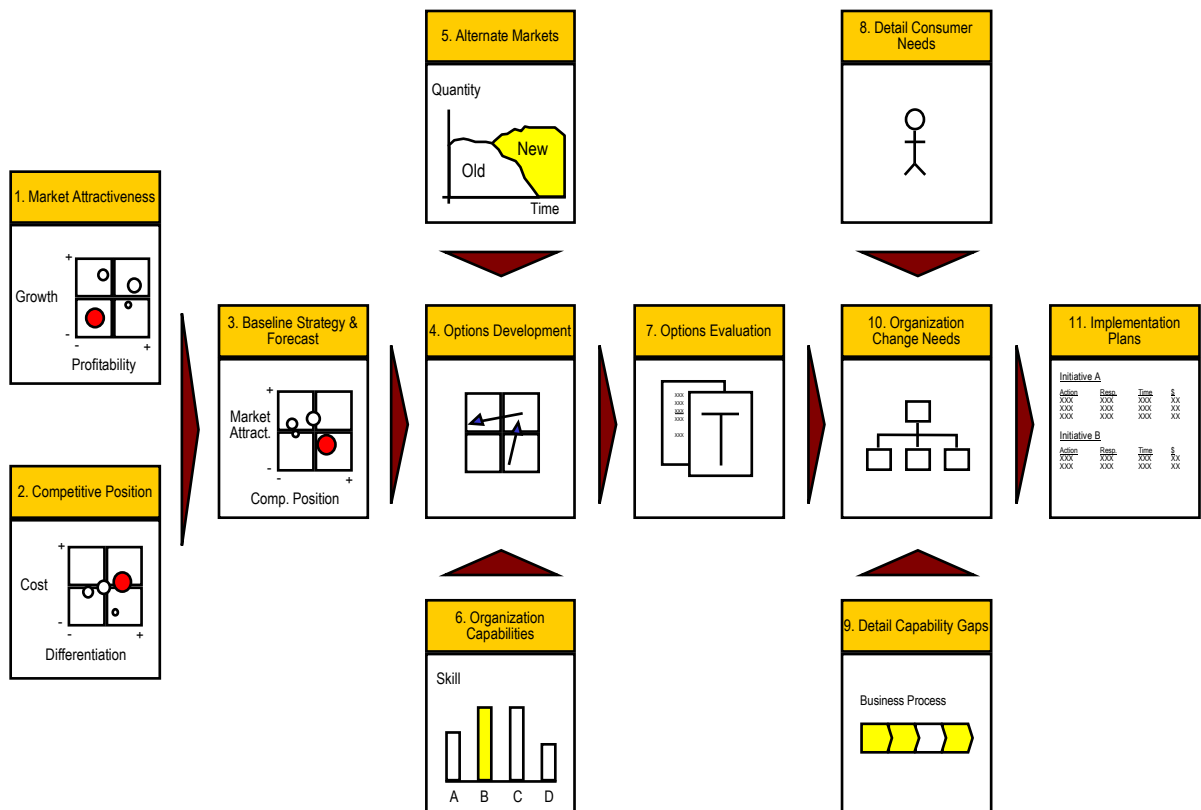
- Review detailed initiatives plans and overall strategic plan
- Allocate responsibilities for initiatives to executives and management; align rewards

¹Workshop itineraries outlined on page 13

²Analysis approach outlined on page 7

³Managers with hands-on analytical skills; thought-leaders

STRATEGY PLANNING PROCESS

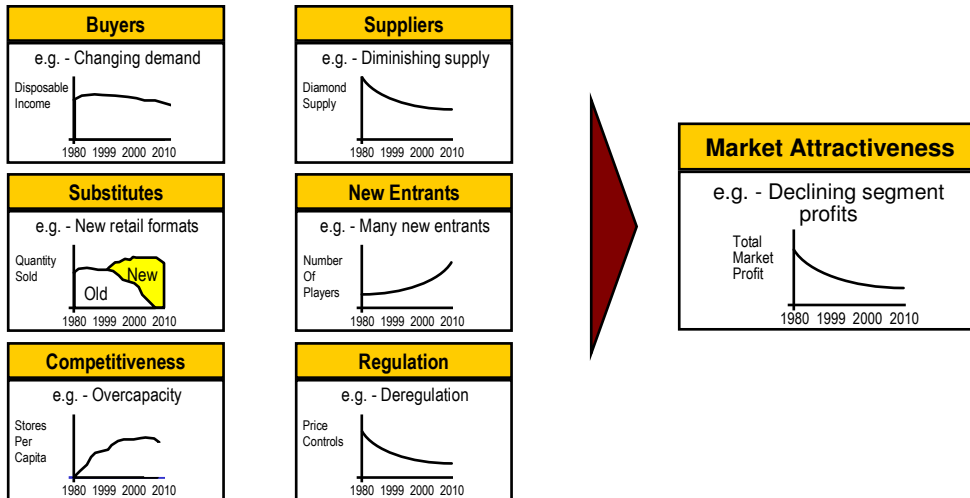


Situation Assessment

Market Attractiveness Assessment



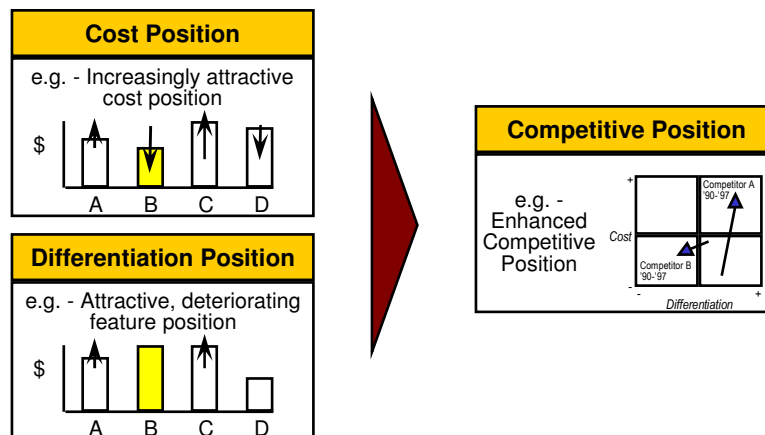
An analysis of market forces is one effective tool to understand what drives the market, and forecast its attractiveness / profitability. Further analysis on market drivers provides an effective understanding of factors key to competitive success.



Competitive Position Assessment



A firm's competitiveness is dependent on *relative* cost and *relative* differentiation. Explicitly forecasting these variables is key to defining high-potential strategies and determining their impact.

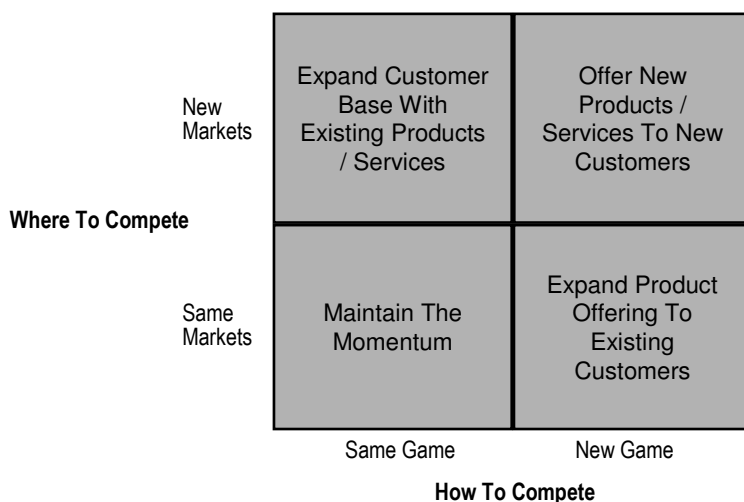


Strategy Formulation

Options Development



Developing strategic options is a creative, interactive process that demands a considerable analysis and preparation to ensure that all high-potential opportunities are identified and developed.



Options Evaluation

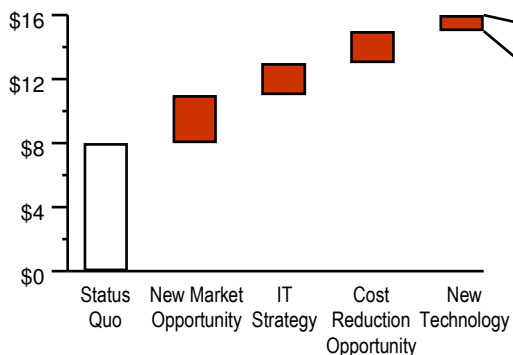


Consistent with its charter, management needs to ensure that its strategy creates long-run wealth for its shareholders.

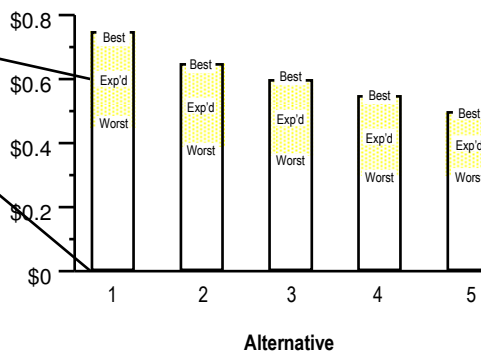
Strategy Options

Strategy Alternatives

Firm's Net Present Value (\$ billions)



Strategy's Incremental Value (\$ billions)



Implementation Planning

Specifying Organizational Change Needs



The strategy is only complete with a detailed and prioritized list of what needs to be done ...

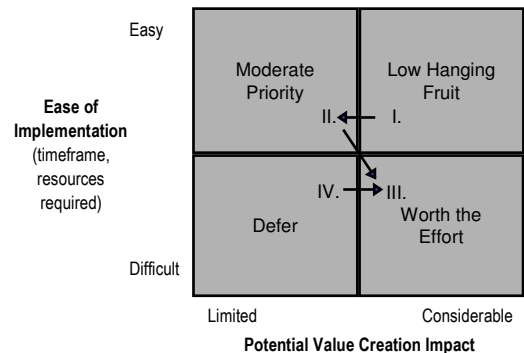
Key Inputs

- Detailed delineation of strategy
- Specification of consumer needs
- Identification of organization capability gaps



- Specification of required initiatives
- Statement of vision of the business going forward

Initiatives Prioritization



Implementation Planning



... and the strategy will only be successfully implemented with a detailed action plan.

Characteristics Of A Successful Implementation Plan

■ Specifies Resources Required

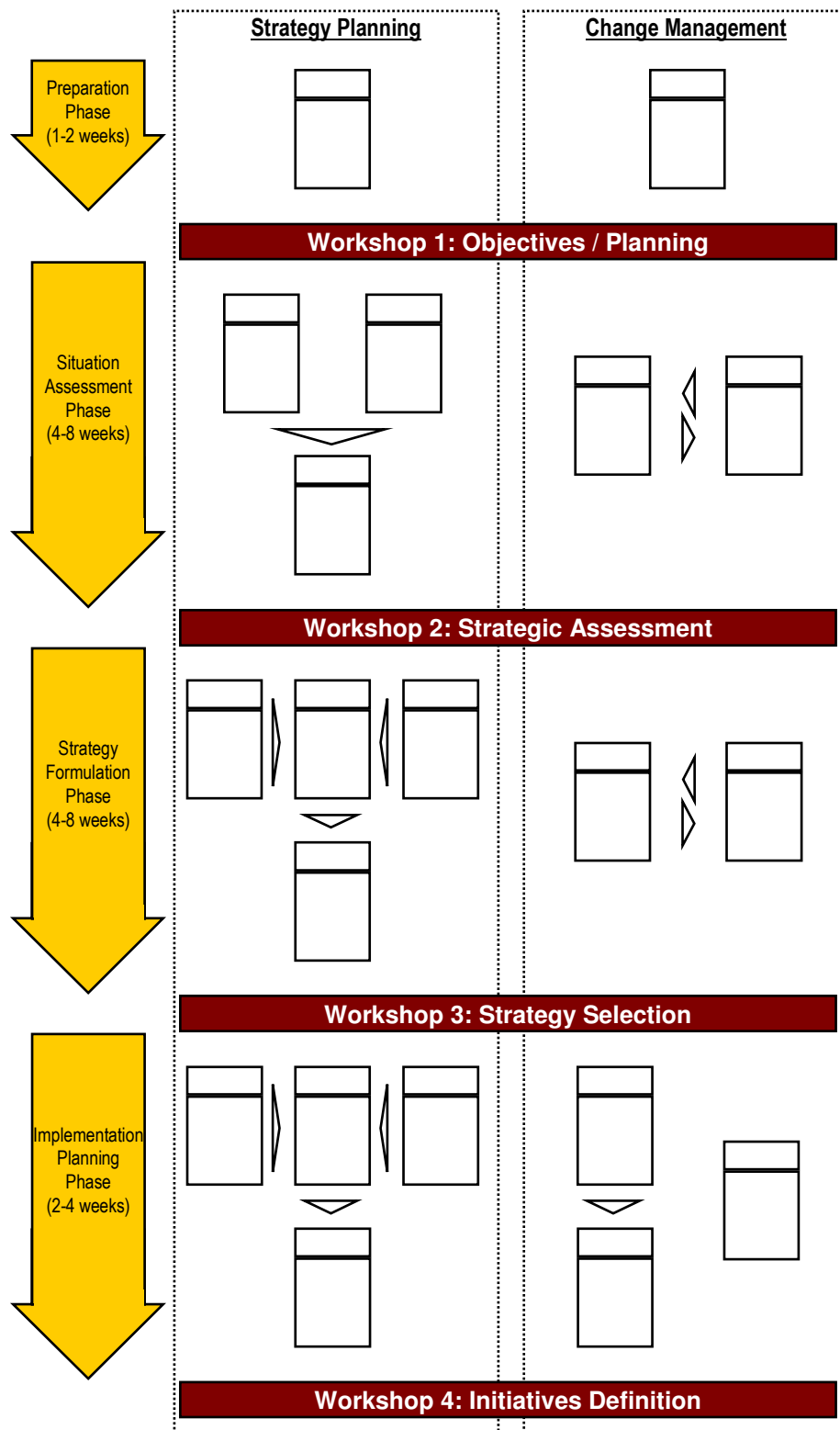
- Investment capital
- Management resources

■ Specifies Actions & Accountability

- (Realistic) milestones
- Timetables
- Accountability

■ Specifies Metrics For Performance Measurement

CHANGE MANAGEMENT WORKSHOPS



Workshop Itineraries & Activities

Objectives & Planning Workshop

Duration: 1 Day

Participation: Executive & Project Management

- **Change Readiness Session**
 - Measure the organization's readiness to change
 - Identify enablers and barriers; plan to overcome barriers (communications, training)
- **Define Long-Term Corporate Objectives**
 - Identify priorities of stakeholders; establish boundaries around corporate objectives
 - Delineate specific objectives and specify preliminary goals for the business
- **Review Work Plan / Allocate Accountabilities**
 - Discuss key elements of work plan
 - Assign management responsibility / ownership to each key work plan component
- **Preliminary Market Segmentation / Hypothesize Market Key Success Factors (KSFs)**
 - Discuss potential segmentation for market attractiveness analysis; brainstorm KSFs

Situation Assessment Workshop

Duration: 1/2 Day

Participation: Project Management

- **Review Situation Assessment Analysis**
 - Review analysis of the attractiveness of each market segment and your relative competitive position in each
 - Identify opportunities to enter or expand presence in attractive markets
 - Identify opportunities to improve performance in each market
 - Identify outstanding issues and plan how to resolve
- **Preliminary Strategy Options and Work Planning**
 - Generate list of high-potential strategies (which markets to compete in, and how in each)
 - Review potential work plans for strategy options; select options, develop and analyze them
 - Assign management responsibility / ownership to each key work plan component

Strategy Selection Workshop

Duration: 1 Day

Participation: Project Management

- **Review Strategy Evaluations / Select Strategy**
 - Discuss each strategy option
 - Review expected performance of each strategy to deliver corporate objectives
 - Select strategy with highest expected performance
- **Identify Preliminary Action Plan Initiatives / Allocate Work Plan Accountabilities**
 - List actions to achieve optimal strategy
 - Set goals for strategy to achieve in mid- and long-term
 - Review potential work plans for initiatives development
 - Assign management responsibility / ownership to key work plan components
 - Draft organization's capability gaps for analysis
- **Initiate Communications Program**
 - Plan key components of communications program
 - Assign manager responsibility to execution

Initiatives Definition Workshop

Duration: 1 Day

Participation: Executive & Project Management

- **Resolve Issues / Allocate Action Accountabilities**
 - Discuss details of implementation plans
 - Identify potential roadblocks and issues
 - Specify sources of financial and human resources
 - Assign management accountability for plan execution

To learn more about Business Intelligence Associates' strategy consulting services and how we can contribute, please contact one of our Principals:

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