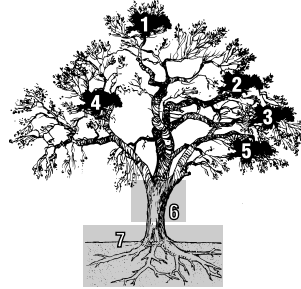




# *Business Monograph*

*by Hank Moore*  
*Futurist*  
*Corporate Strategist™*



Developer of  
the concept known as  
**THE BUSINESS TREE™**

## **Overview of Strategic Planning--Corporate Vision**

presented by **Hank Moore**  
Futurist, **Corporate Strategist™**

### **Moving from Information to Insights Ultimate Goals: Knowledge and Wisdom**

Schools of Futurists...Product  
Process--Technology  
Financial  
Research  
Marketplace

### **Ways of Influencing the Future.....**

Adapting optimally to trends, events and challenges.  
Seizing opportunities.  
Controlling the causes of uncertainty.  
Controlling the effects of uncertain causes.  
Incentives.  
Responsiveness.  
Inducing cooperation  
Reducing conflict.  
Using conflicting ideas to generate new alternatives and countermeasures.  
Moving from efficiency to effectiveness.  
Becoming successful in the future, while others become a victim of it.  
Advocating further future-based planning and visioning.

Functions of boards (directors and staff boards):

1. Planning.
2. Policy.
3. Coordination.
4. Integration.
5. Quality of life.
6. Performance improvement.
7. Confidence in Strategic Planning and Visioning.

Professional Model of Management Style

Partnership.  
Senior Staff.  
Dual Governance.  
Mutually-agreed scope and expectations.  
Professionalism is as professionalism does.

# Diversity to Divergence...

## Uncertainties, Challenges and Opportunities

Errors:.....Marginal Common Preventable Communication-Articulation  
Non-adaptive strategies

Case Studies of Crises Within Other Organizations...  
Deregulation of banking, airlines, trucking, broadcasting  
The Soviet economy, Exxon Valdez, Enron, Firestone, Ford

Case Studies of Successes...  
Tylenol Perrier Water Girl Scout Cookies Maquiladoras Saccharine

Rules.....Breaking Restructuring Rules as change management  
Controls..... Process and output Outcomes

New Social Institutions..... Professional Governors  
Professional Councils  
Professional Courts  
Professional Boards  
Inter-organizational Linkages

Means Utilized in Planning and Crisis Management-Preparedness.....

1. Acts.
2. Courses of action.
3. Practices.
4. Processes.
5. Projects.
6. Programs.
7. Policies, methodologies and strategies.

## Demons Which Thwart Planning and Futurism

Dealing with problematic behaviors.  
Little or no work ethic.  
Dysfunctional strategies.  
Blunders, cover-ups and excuses.  
Looking too much inward.  
Myths, hype & over-generalizations.  
Working without benchmarks.  
Marketing hype for the status quo.  
Fear.  
Ignorance.  
Stupidity.  
Mediocrity. Complacency.  
False sense of security.  
Not seeing the warning signs.  
Addictiveness to band-aid surgery, as is our society.  
Abdicating too easily to others' values.  
Believing the hype.  
Subscribing to the "what's hot right now" syndrome.  
Failure syndromes.  
Addictions to failing.  
Fear of success.

# Trends and Issues Affecting the Future of Business

## 7 Biggest Misconceptions About Business

1. Winning is paramount...no matter what the prize.
2. Executives know what they are doing.
3. Employees are sufficiently trained to do their jobs.
4. Technology and gadgets make the extra difference.
5. Flaws can be excused, patched or scapegoated elsewhere.
6. Customers' opinions don't matter as much as that of the CEO.
7. That there really is a master plan.

## Problems and Challenges Facing Growing Companies

Progress vs. Isolationism.  
Focus on Micro vs. Macro.  
Band-Aid Surgery for All Business Problems.  
Workplace Illiteracy.  
Poor and Nonexistent Customer Service.  
Technology Overload and Overexcuse.  
The High Cost of Hype.  
Further Spinning.  
Button-Pushing Society.  
Shoot, Ignore or Ostracize the Messenger.  
Putting Tomorrow in Someone Else's Hands.

## Opportunities and Positive Factors

- \* Workforce diversity.
- \* Global economic development.
- \* Downsizing.
- \* Outsourcing and privatization.
- \* Collaborating, partnering and joint-venturing.
- \* Generational Differences.
- \* Strategic repositioning.
- \* Niche marketing.
- \* Cause related marketing.
- \* Team building.
- \* Ethics.
- \* Government relations.

## 7 Ingredients of Success

1. Finding knowledge in new and unique ways.
2. Doing work that you're proud of.
3. Developing a philosophy...individually and organizationally.
4. Handling mistakes and crises.
5. Dealing with fear.
6. Learning to read others' screens.
7. Self fulfillment, purpose and commitment.

**Fads, Panaceas and Quick Fixes  
Utilized by Businesses  
Rather than Focus Upon and Plan for the Big Picture**

Activity-based costing  
After-action review  
Agile manufacturing  
Benchmarking  
Branding  
Cognitive therapy  
Commitment management  
Continuous improvement & TQM processes  
Core competencies  
Customer focus  
Cycle-time reduction  
Dialog decision process  
Downsizing--Rightsizing  
Economic value-added  
Groupware  
Information technology architecture & systems  
Learning organizations  
Outsourcing  
Process engineering  
Scenario planning  
Self-directed teams  
Sense and respond  
Skill sets  
Strategic alliances  
System dynamics  
Total quality management  
Value chain analysis

# Success Rates for Planning

## **Done in a vacuum, without top-down support:**

|                                                                         |     |
|-------------------------------------------------------------------------|-----|
| One person writes it for the unit-company and presents.                 | 18% |
| CEO creates it and pressures executives and staff to support.           | 23% |
| Internal team devises the plan and presents for approval.               | 27% |
| Non-qualified advisor writes (perhaps as part of an audit).             | 29% |
| Qualified external advisor writes the plan, and executives later adopt. | 53% |
| Combination of team with advisor develop the plan.                      | 64% |

## **Done with full top-down support and management encouragement:**

|                                                                         |     |
|-------------------------------------------------------------------------|-----|
| One person writes it for the unit-company and presents.                 | 31% |
| CEO creates it and pressures executives and staff to support.           | 39% |
| Non-qualified advisor writes (perhaps as part of an audit).             | 47% |
| Internal team devises the plan and presents for approval.               | 58% |
| Qualified external advisor writes the plan, and executives later adopt. | 53% |
| Combination of team with advisor develop the plan.                      | 85% |
| Combined with Corporate Visioning and departmental plans.               | 94% |

# Mapping to Momentum

## Behavioral Dynamics of Systems

1. Look at the whole.
2. Look at each part as it relates to the whole.
3. Each part affects the behaviors of others and, thus, the whole.
4. The environment of a system affects the ability of its subset of parts to carry out successful functions.
5. Essential parts of a system form a connected path, interacting directly and indirectly.
6. The effect of any subset of parts depends upon the behavior of at least one other subset.
7. A system is a whole that cannot be divided into independent parts without loss of essential functions.

## Types of systems

1. Deterministic...neither the parts nor the whole are purposeful.
  - \* Workers perform tasks that are more machine-like than human.
  - \* Workers tolerating poor conditions.
  - \* Large pool of labor available.
2. Animated...the whole is purposeful, but the parts are not.
  - \* Survival is the mantra.
  - \* Management is the brain.
  - \* The operating unit is the body.
3. Social...both the parts and the whole are purposeful.
  - \* Enable and motivate employees to do as they know how.
  - \* Develop employees to do better in the future.
  - \* Manage interactions, rather than actions.
  - \* Manage interactions of their unit with other units of the organization.
  - \* Has an internal market economy.
  - \* Multi-dimensional organizational structure.
  - \* Utilizes interactive planning.
  - \* Contains a decision-support system that facilitates learning and adaptation.
4. Ecological...some parts are purposeful and the whole is not purposeful.

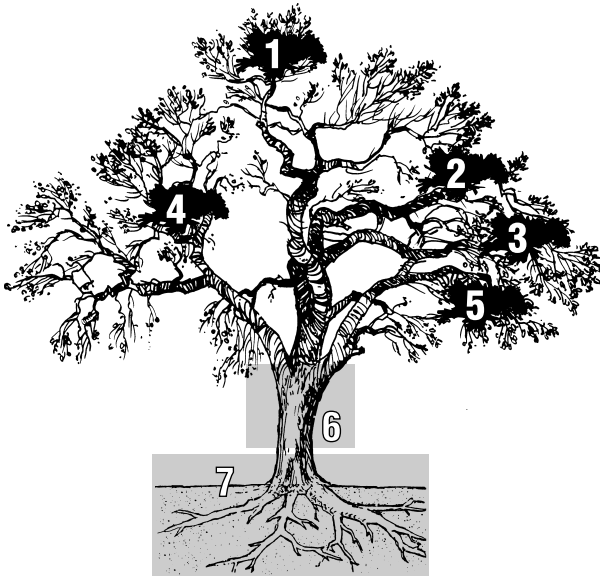
## Attitudes of Management toward Planning

1. Reactive...undo change.
2. Inactive...prevent change.
3. Preactive...accelerate change.

## Idealized Design

Products and services to be offered.  
Markets to be served.  
Distribution systems.  
Organizational structure.  
Financial structure.  
Internal structure.  
Administrative services.  
Facilities.  
External affairs.

# 7 Aspects of Operating a Successful Organization-Business



Paralleling stages  
in the  
corporate strategy known as  
**THE BUSINESS TREE™**

## 7 Aspects of Operating a Successful Organization-Business

Categorized per each branch of **The Business Tree™**

### 1. The business you're in

- \* Study and refine your own core business characteristics.
- \* Understand "The Business You're In" and how it fits into the organization's or client's core business.
- \* Design and re-engineering of products-services.
- \* Development of technical abilities, specialties and expertise.
- \* Utilization of industry consultants or technical specialists.
- \* Development of core business supplier relationships.
- \* Make investments toward quality controls.

### 2. Running the business

- \* Objective analysis of how the organization has operated to date.
- \* Formalize the organizational structure.
- \* Document practices, procedures, operations and structure in writing.
- \* Communicate policies and procedures to employees.
- \* Physical plant is regularly studied, updated and modified.
- \* Distribution standards are documented, practiced and measured.
- \* Time management and "just in time" concepts are applied.
- \* Plans are in writing to address inventories and reducing surplus.
- \* Legal compliance and pro-active precautions plan is annually updated, with realistic goals.
- \* Outsourcing, privatizing and collaborating plan is annually updated, with viable goals.
- \* Purchasing plan (with processes and vendor lists) is in writing.
- \* Repair and maintenance contracts are routinely maintained.
- \* Purchase and lease of equipment plan is annually updated, with realistic, measurable goals.
- \* Continuous quality improvement plan is annually updated, with realistic, measurable goals.

### **3. Financial**

- \* Cost containment is one (but not the only) factor of company operations.
- \* Each product-service is budgeted.
- \* Long-term investments plan is annually updated, with realistic, measurable goals.
- \* Assets are adequately valued and managed.
- \* Cash flow, forecasting and budgeting are consistently monitored.
- \* Written, consistent policies with payables and receivables are followed.
- \* Strategic Plan includes provisions for refinancing, equity and debt financing.
- \* Accounting firm utilization plan is annually updated, with realistic, measurable goals.
- \* Banking and investing plan is annually updated, with realistic, measurable goals.
- \* Payables plan is annually updated, with realistic, measurable goals.
- \* Receivables plan is annually updated, with realistic, measurable goals.
- \* Finance charges are negotiated.
- \* Insurance plan is annually updated, with realistic, measurable goals..
- \* Benefits plan is annually updated, with realistic, measurable goals.

### **4. People**

- \* Corporate culture reflects a formal Visioning Program.
- \* Employees know their jobs, are empowered to make decisions and have high morale in carrying the company banner forward.
- \* Recruitment plan is annually updated, with realistic, measurable goals.
- \* Top management has as a priority the need to develop and practice People development, skills and team building responsibilities.
- \* Human Resources department is active, professional and responsive to all aspects of the organization. Its plan is annually updated, with realistic, measurable goals.
- \* Incentives-rewards-bonus plan is annually updated, with realistic, measurable goals.
- \* Personnel Policies and Procedures are written, and copies of this manual are distributed to all employees.
- \* Each employee has his-her own Position Results Oriented Description plan...annually updated, with realistic, measurable goals.
- \* Each executive-manager has his-her own Position Results Oriented Description plan...annually updated, with realistic, measurable goals.
- \* Training plan is annually updated, with realistic, measurable goals.
- \* Professional development plan is annually updated, with realistic, measurable goals.

### **5. Business development**

- \* All members of top management have Business Development responsibilities.
- \* Company has and regularly fine-tunes a communications strategy.
- \* Sales plan is annually updated, with realistic, measurable goals.
- \* Marketing plan is annually updated, with realistic, measurable goals.
- \* Advertising plan is annually updated, with realistic, measurable goals.
- \* Public relations plan is annually updated, with realistic, measurable goals.
- \* Research plan is annually updated, with realistic, measurable goals.
- \* Marketplace development plan is annually updated, with realistic, measurable goals.
- \* Creative collaborator-vendor plan is annually updated, with realistic, measurable goals.



## 6. Body of Knowledge

- \* Company understands the relationship of each component of the organization to each other.
- \* Consultant plan is annually updated, with realistic, measurable goals.
- \* Performance reviews are conducted annually updated, with realistic, measurable goals.
- \* Company learns how to benefit from changes.
- \* Organization predicts and stays ahead of trends.
- \* Management learns and understands the lessons of failure as the basis for future success.
- \* Company leads the industry, rather than leading.
- \* Organization takes a more global view. Everything that goes on outside our company affects our business in some way.
- \* Willingness to invest in research.
- \* Commitment toward collaboration and working with other companies.
- \* Maintains active government and regulator relations program.
- \* Maintains active community relations program.

## 7. The Big Picture

- \* Shared Vision is crafted, articulated and followed.
- \* Ongoing emphasis upon updating, fine-tuning and improving the corporate culture.
- \* CEO accepts and ideas and philosophies with employees and stakeholders.
- \* Creative business practices are most welcome here.
- \* Strategic planning is viewed as vital to business survival and future success.
- \* Outside-the-box thinking does indeed apply to us and will be sought.
- \* The organization maintains and lives by an ethics statement.
- \* The organization subscribes to continuous quality improvement ideologies-processes.
- \* Maintains active crisis preparedness and prevention program.
- \* The organization supports change and maintains a change management program.

## Strategic Intent

Here are examples of statements of Strategic Intent:

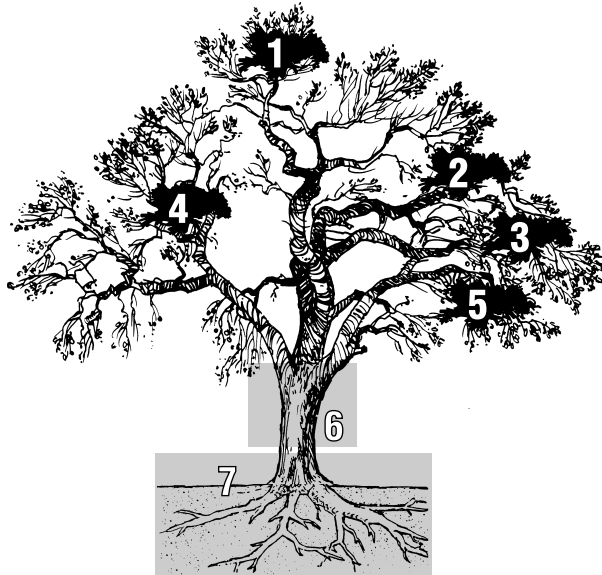
### "WORKING AND LIVING ON PURPOSE"

Creating a statement of Strategic Intent to guide your company, your work team and your life. Not a blurred Vision or Mission statement, but a focused beacon to lead us through a sea of change.

### "IMPROVING COMMUNICATION IN THE WORKPLACE"

Building honesty and openness in our working lives. Tools for interpersonal communications to help us work better together.

# 7 Measurements of Successful Strategic Planning and Visioning



Paralleling stages  
in the  
corporate strategy known as  
**THE BUSINESS TREE™**

- 1. The business you're in.** You're highly dedicated, talented, resourceful and give customers what they cannot really get elsewhere.
- 2. Running the business.** Business is approached as both an art and a science. Operations continue to streamline and are professional and productive. Demonstrated integrity and dependability assure customers that the team will perform magnificently.
- 3. Financial.** Keeping the cash register ringing is not the only reason for being in business. You always give customers their money's worth. Your charges are fair and reasonable. Business is run economically and efficiently, with excellent accounting procedures, payables-receivables practices and cash management.
- 4. People.** The company is people-friendly. Collaborations assure that top talent is assembled. The team is empowered, likeable, competent and demonstrate initiative and judgment.
- 5. Business Development.** Customer service is always the focus...for and with clients. Communications are open, frequent, professional and with a deep sense of caring.
- 6. Body of Knowledge.** There is a sound understanding of the relationship of each business function to the other. You provide leadership for progress, rather than following along. You develop-champion the tools to change.
- 7. The Big Picture.** Approach business as a Body of Work...a lifetime track record of accomplishments. You have and regularly update-benchmark a strategy for the future, shared company Vision, ethics, Big Picture thinking and "walk the talk."

# Goal Setting

## Reasons for Goal Setting:

1. Human beings live to attract goals.
2. Organizations get people caught in activity traps...unless managers periodically pull back and reassess in terms of goals.
3. Managers lose sight of their employees' goals. Employees work hard, rather than productively. Mutually agreed-upon goals are vital.
4. People caught in activity traps shrink, rather than grow, as human beings. Hard work that produces failures yields apathy, inertia and loss of self-esteem. People become demeaned or diminished as human beings when their work proves meaningless. Realistic goals can curb this from happening.
5. Failure can stem from either non-achievement of goals or never knowing what they were. The tragedy is both economic and humanistic. Unclear objectives produce more failures than incompetence, bad work, bad luck or misdirected work.
6. When people know and have helped set their goals, their performance improves. The best motivator is knowing what is expected and analyzing one's one performance relative to mutually agreed-upon criteria.
7. Goal attainment leads to ethical behavior. The more that an organization is worth, the more worthy it becomes.
8. Most management subsystems succeed or fail according to the clarity of goals of the overall organization.

## How to Find Goals:

1. Examine problems.
2. Study the organization's core business.
3. Strengths, Weaknesses, Opportunities and Threats.
4. Portfolio analysis.
5. Cost containment.
6. Human resources development.
7. Motivation and Commitment.

## Make Goal Setting a Reality:

1. Start at the top.
2. Adopt a policy of strategic planning.
3. Strategic goals and objectives must filter downward throughout all the organization.
4. Training is vital.
5. Continual followup, refinement and new goal setting must ensue.
6. Programs must be competent, effective and benchmarked.
7. A corporate culture must foster all goal setting, policies, practices and procedures.

## Priorities:

1. Focus on important goals.
2. Make goals realistic, simple and attainable.
3. Reward risk takers.
4. Recognize that trade-offs must be made.
5. Goals release energy.
6. Information leads to dissemination, leading to teaching-training, leading to insight, leading to understanding, leading to knowledge, leading to wisdom.
7. View goals as long-term, rather than short-term.

## **Rules for Strategic Planning:**

1. Use indicators and indices wherever they can be used.
  2. Use common indicators where categories are similar, and use special indicators for special jobs.
  3. Let your people participate in devising the indicators.
  4. Make all indicators meaningful, and retest them periodically.
  5. Use past results as only one indicator for the future.
  6. Have a reason for setting all indicators in place.
  7. Indicators are not ends in themselves...only a means of getting where the organization needs to go.
- Indicators must promote action. Discard those that stifle action.

## **Developmental Discipline:**

1. Discipline at work is accepted, for the most part, voluntarily. If not voluntarily accepted, it is not legitimate.
2. Discipline is a shaper of behavior, not a punishment.
3. The past provides useful insights into behavior, but it is not the only criteria to be used.

## **Ways in Which Goals Improve Effectiveness:**

1. Defines effectiveness as the increase in value of people and their activities as resources.
2. Recognizes that humans are achievement and success creatures.
3. Goals infuse meaning into work and work into other aspects of life. Life is fully lived when it has meaning.
4. One cannot succeed without definitions of success. One must expect something to achieve success.
5. Failure is inevitable and is the best learning curve for success.
6. One's goals start from within, not from work situations. The goal-oriented person adapts to the work environments.
7. Collaborations with other people create success. One cannot be successful alone or working in a vacuum.
8. One is always dependent upon other people, and other people are dependent upon you.
9. Commitments must be made to other people.
10. One must view the future and change as affirmative, in order to succeed.
11. Knowledge of results is a powerful force in growing and learning.
12. Without goals, one cannot operate under self-control.
13. Objectives under one's own responsibility helps one to identify with the objectives of the larger organization of which he-she is a part. Sense of belonging is enhanced.
14. Achieving goals which one set and to which one commits enhances a person's sense of adequacy.
15. People who set and are striving to achieve goals together have a sense of belonging, a major motivator for humanity.
16. Because standards are spelled out, one knows what is expected. The main reason why people do not perform is that they do not know what is expected of them.
17. Through goal setting and achievement, one becomes actualized.
18. Goal setting creates a power of one's life...especially the part that relates to work.
19. With goals, one can be a winner. Without goals, one never really succeeds...he-she merely averts-survives the latest crisis.

## **Strategic Planning for Emerging Industries**

- \* First-mover or late-comer.
- \* First-mover advantages: industry leadership, brand name, entrance barrier, standard setter.
- \* Late-comer strategies: Wait & then invest, cost leadership, imitation.
- \* Expect to see new entrants with new or improved technology.

## **Characteristics of Growing Industries**

- \* Technology is being standardized.
- \* Large established market.
- \* Customer acceptance of products.
- \* Industry winners emerge.
- \* Well-financed new entrants.

## **Strategic Planning for Growth Industries**

- \* Expand the domestic & international market aggressively.
- \* Increase economies of scale & scope.
- \* Establish industry standard.
- \* Fend off new comers by managing value-chains.
- \* Globalization strategy.

## **Characteristics of Maturing Industries**

- \* Saturated market--slow growth.
- \* Many competitors: Severe competition.
- \* Competition drives down price: Low profit.
- \* Sophisticated & demanding customers.
- \* Mature technology: No new innovation.
- \* Process-based competition: Production cost.
- \* Industrial consolidation: Mergers & acquisitions.

## **Strategic Planning for Maturing Industries**

- \* Focus on cost leadership.
- \* Process-driven competition: Scale economy.
- \* Streamline product lines.
- \* Acquire or eliminate rival firms.
- \* Look for international markets.
- \* Look for new technology or products.

## **Evaluations, Benchmarking**

- \* Decide what to benchmark.
- \* Find best programs-projects to benchmark.
- \* Gather data on best practices (resources).
- \* Compare with your own practices.
- \* Identify your own strengths & weaknesses.
- \* Develop action plans to build strength.
- \* Implement action plans.