Setting Strategic Direction

Jeff Oltmann
jeff@spspro.com

Alice said to the Cheshire Cat:
"Would you tell me, please, which way I ought to walk from here?
That depends a good deal on where you want to get to, said the Cat.
I don't much care where -, said Alice.
Then it doesn't matter which way you walk, said the Cat."

Lewis Carroll, *Alice's Adventures in Wonderland*

Online Polls

Point the browser on your phone to pollev.com/jeffo410

Slides: spspro.com/resource-center/pmi

spspro.com

Jeff Oltmann | jeff@spspro.com

WWW.SPSPRO.COM

Why PM's and Strategy? – Management Perspective

" Project and program managers are crucial for dealing with the rapid changes caused by the pandemic because they know how to lead people to work cross-functionally, how to facilitate and influence, and how to communicate across the organization."

" Many organizations have had to make major revisions to strategies. Good project and portfolio management is a crucial component of effectively carrying out the changes – projects are the vehicle."
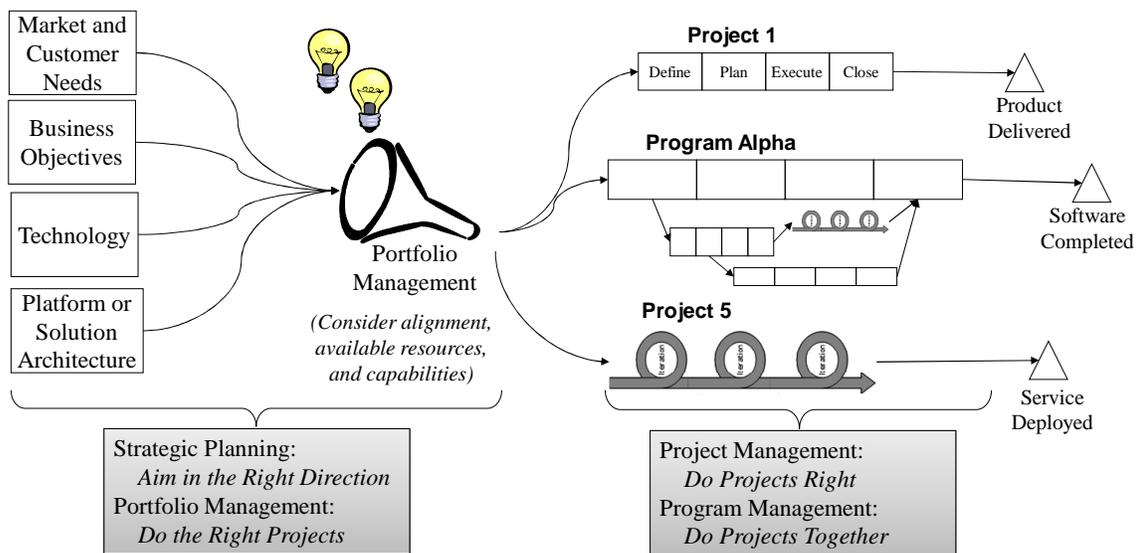

spspro.com   Jeff Oltmann | jeff@spspro.com

PM and Strategic Planning Work Together

Market and Customer Needs

Business Objectives

Technology

Platform or Solution Architecture

Portfolio Management

(Consider alignment, available resources, and capabilities)

Project 1

| Define | Plan | Execute | Close |

Product Delivered

Program Alpha

Software Completed

Project 5

Service Deployed

Strategic Planning:
  Aim in the Right Direction
Portfolio Management:
  Do the Right Projects

Project Management:
  Do Projects Right
Program Management:
  Do Projects Together

spspro.com   Jeff Oltmann | jeff@spspro.com

Why PM's and Strategy? – Senior PM Perspective

Understands realities of execution

Can provide leaders with realistic input on implementation-level implications

Can communicate big picture to front lines and how their work connects to it

Knows how to cross silos

Bridge between strategy and execution

Delivering this value to company impacts PM's career path
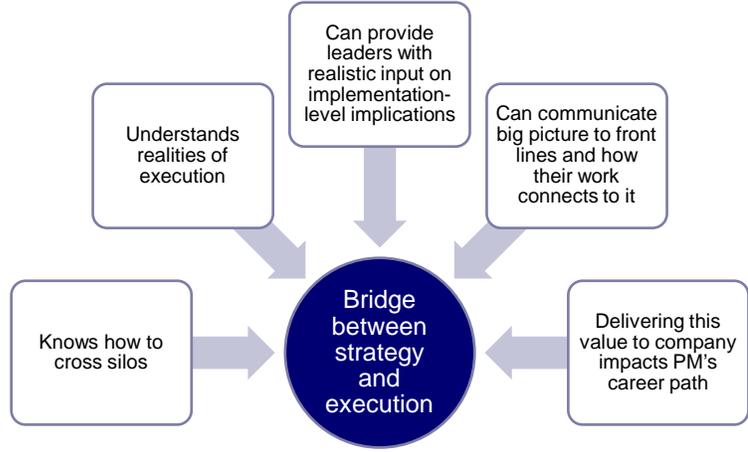
spspro.com   Jeff Oltmann | jeff@spspro.com

What are the biggest disconnects that you observe between strategy and projects?

Powered by 📊 Poll Everywhere

Start the presentation to see live content. For screen share software, share the entire screen. Get help at **pollev.com/app**

spspro.com   Jeff Oltmann | jeff@spspro.com

WWW.
SPSPRO.COM

Separating Strategy and Tactics

Strategy
- Vital few objectives that establish organization's overall long-term direction (3 or more years)
- Changes slowly
- Often transformational

Tactics
- Actions and decisions that move the organization forward along the strategic direction
- Focuses on medium term

Projects and Operations
- The day-to-day business of moving the organization forward
- Reactive and may change rapidly

spspro.com   Jeff Oltmann | jeff@spspro.com

Start by Aligning with Your North Star

Mission Statement

1. *What* – what customer needs do we fulfill?
2. *Who* – who are the customers we focus on?
3. *How* – how do we leverage our unique advantages to achieve our mission?
4. *Why* – what values guide us?

A mission statement should be concise – less than 150 words

spspro.com   Jeff Oltmann | jeff@spspro.com

© 2009 Synergy Professional Services, LLC APM212-Strat-003 211021

Four Steps for Strategic Planning and Action

Evaluate current situation
- What internal and external factors will affect the strategic direction?
- Typical technique: SWOT

Set goals
- Define time-based and measurable objectives
- Typical technique: strategy map

Create action plans and kick them off
- Resources needed: time, money, people, tools, partners
- Risks, obstacles, and actions to overcome them
- Action plans with clear definition of authority, responsibility, and accountability
- Typical technique: roadmap

Monitor and steer
- Make frequent periodic checks against measureable objectives
- Respond to issues, roadblocks, variances
- Typical technique: dashboard

spspro.com

Jeff Oltmann | jeff@spspro.com

In your experience, which step in strategic planning seems to run into the most pitfalls?

Alignment with your north star **A**

Evaluating the current situation **B**

Setting strategic goals **C**

Creating action plans to implement the goals **D**

Monitoring and steering progress toward goals **E**

Powered by **Poll Everywhere**

Start the presentation to see live content. For screen share software, share the entire screen. Get help at **pollev.com/app**

spspro.com

Jeff Oltmann | jeff@spspro.com

SWOT

Business Model Canvas

1: EVALUATE CURRENT SITUATION
"WHERE ARE WE NOW?"

spspro.com   Jeff Oltmann | jeff@spspro.com

Use SWOT to Evaluate Current Situation

Analyze External Environment

Evaluate Internal Performance

Opportunities   **Threats**

Capture   Counter

- Competitors
- Suppliers
- Procurement trends
- Economic trends
- Regulations
- Political situation
- Etc.

Strengths   **Weaknesses**

Exploit   Mitigate

- Sales, earnings, and cash flow
- Technology
- Operations
- Service
- Win rate
- Etc

spspro.com   Jeff Oltmann | jeff@spspro.com

Prs-Str-003 160727

Osterwalder's Business Model Canvas

Who will help you?
KEY PARTNERS

How do you do it?
KEY ACTIVITIES

What do you do?
VALUE PROPOSITION

How do you interact?
CUSTOMER RELATIONSHIPS

Who do you help?
CUSTOMER SEGMENT

What do you need?
KEY RESOURCES

START HERE

How do you reach them?
DISTRIBUTION CHANNELS

What will it cost?
COST STRUCTURE

How much will you make?
REVENUE STREAM
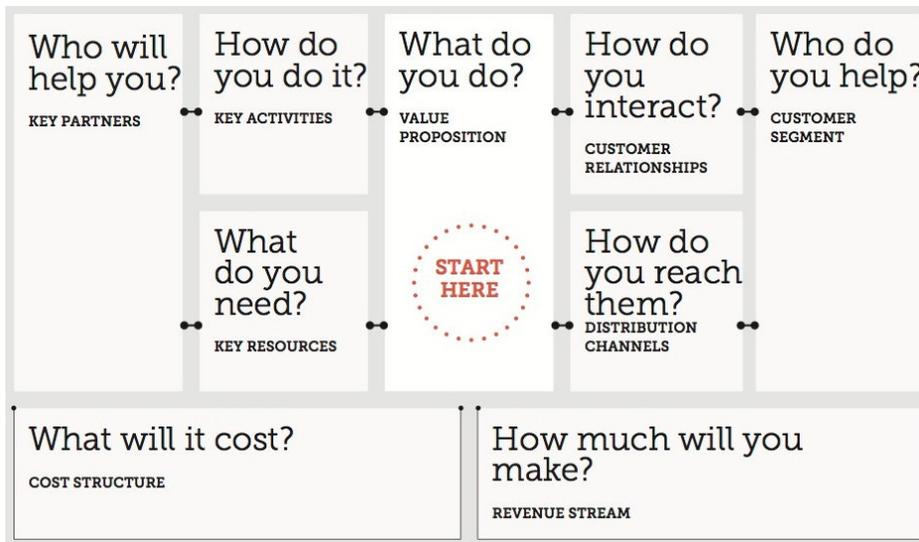
Based on *Business Model Generation* by Osterwalder A., Pigneur Y (2010). Diagram retrieved 7/27/2016 from Development Impact and You by Nesta at http://diytoolkit.org/tools/business-model-canvas/ and licensed under a Creative Commons Attribution-NonCommercial-ShareAlike 4.0 International License.

spspro.com   Jeff Oltmann | jeff@spspro.com

Activity

Grab a piece of paper and write a short list

> What situational factors are most important for your organization to evaluate for its strategy right now?

spspro.com   Jeff Oltmann | jeff@spspro.com
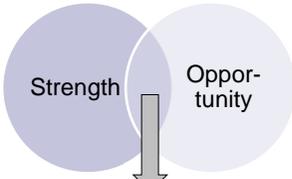
SWOT Intersections

BSC Strategy Map

2: SET GOALS
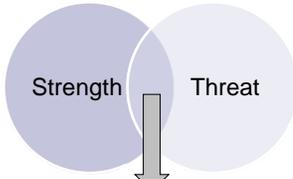## "WHERE DO WE WANT TO BE IN THE FUTURE?"

spspro.com   Jeff Oltmann | jeff@spspro.com

Look for Intersections

Strength | Oppor-tunity

Leverage: apply existing strengths to take advantage of opportunity

Strength | Threat

Defend: use existing strengths to counter threats

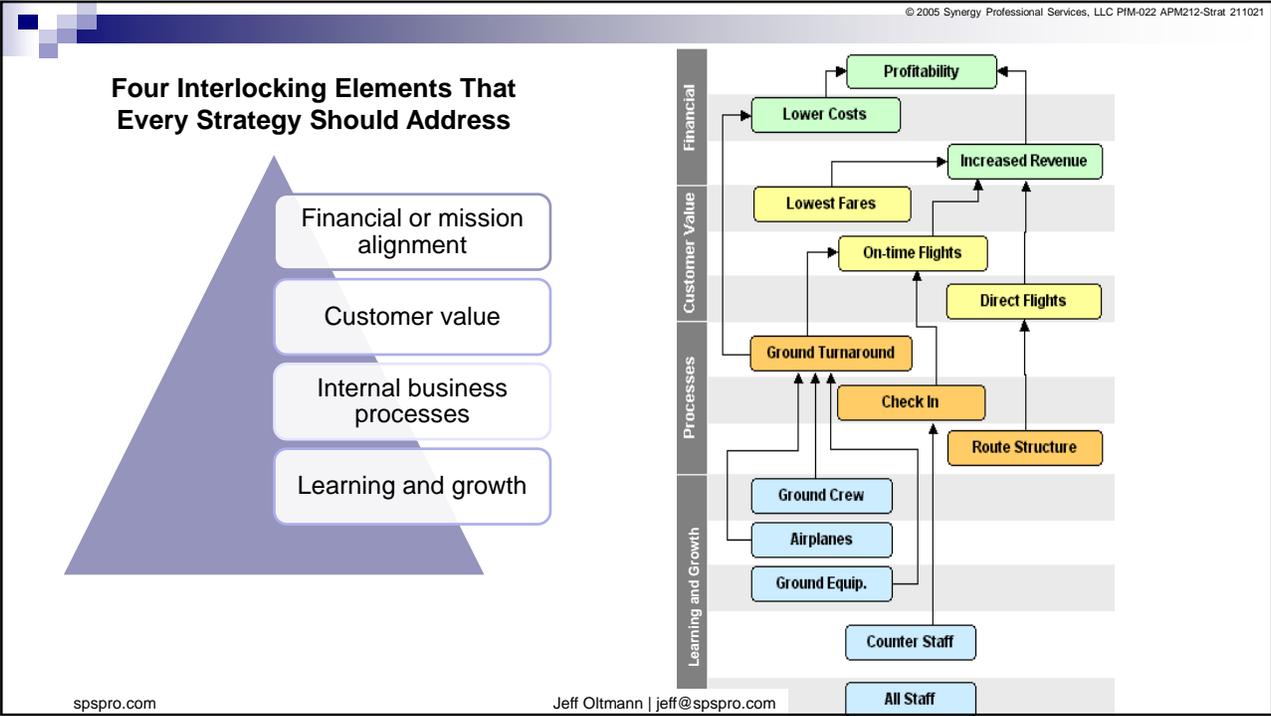Weak-ness | Oppor-tunity
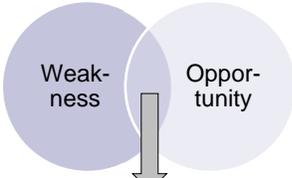
Grow: build new strengths to be able to respond to opportunity

Weak-ness | Threat
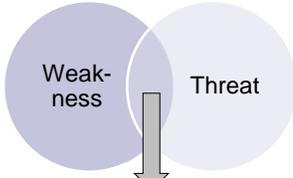
Survive: shore up gaps to prevent disaster

spspro.com   Jeff Oltmann | jeff@spspro.com

© 2005 Synergy Professional Services, LLC PfM-022 APM212-Strat 211021

Four Interlocking Elements That Every Strategy Should Address

Financial or mission alignment

Customer value

Internal business processes

Learning and growth

Financial
- Profitability
- Lower Costs
- Increased Revenue

Customer Value
- Lowest Fares
- On-time Flights
- Direct Flights

Processes
- Ground Turnaround
- Check In
- Route Structure

Learning and Growth
- Ground Crew
- Airplanes
- Ground Equip.
- Counter Staff
- All Staff

spspro.com   Jeff Oltmann | jeff@spspro.com

Activity

Add to your list

Write at least one goal that would take advantage of a strength or opportunity to move you in the strategic direction you want to go.

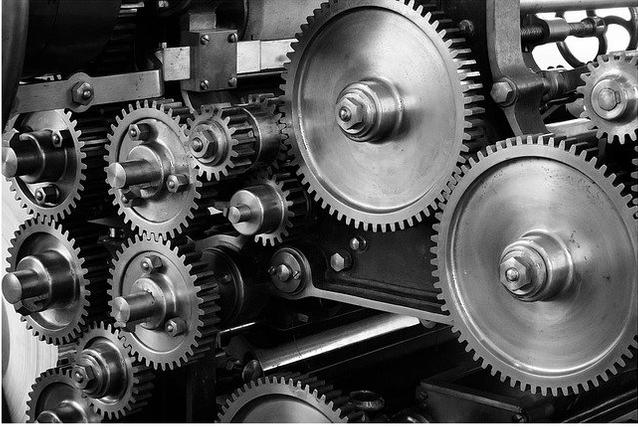spspro.com   Jeff Oltmann | jeff@spspro.com

Roadmaps
Prioritization

3: ACTION PLANNING
"HOW DO WE CROSS THE GAP BETWEEN NOW AND THE FUTURE?"

spspro.com   Jeff Oltmann | jeff@spspro.com

Projects and programs are the engine that transforms strategy into action

spspro.com   Jeff Oltmann | jeff@spspro.com

Project Roadmaps

Acme Roadmap Example		Mgmt Sponsor	Project Manager	Current Phase	Year 1 Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	Year 2 Jan Feb Mar Apr May Jun Jul
POS Terminal Program (Product Line Manager: O'Donnell)						
Zoom 1.0	networked transaction SW	Butkas	Fames	Plan		
Zoom 1.1	bug fix release	Butkas	-	Idea		
Feather	portable workstation HW	Johnson	-	Idea		
RFIDScan	HW RFID reader attachement	Johnson	Smith	Define		
Pay Clear 1.	phase 1 e-payment clearance SW	Butkas	TBD	Define		
Pay Clear 2.	release SAP integration features	Freud	TBD	Idea		
Server Systems Program (Product Line Manager: Frederick)						
Lodestock	Data mining interface SW	Butkas	Smith	Plan		
ID Protect	Java anti-ID theft module for TransX	Johnson	Fames	Verific		
Program: Integration & Delivery (Program Manager: Dierdorff)						
Hawaii	Integrated CIMS system for cust #1	George	Frame	Prop		
Monaco	Upgrade existing DPX at cust #2	George	Varsik	Verific		
Timbuktu	Upgrade all POS HW at PDX branch	George	-	Pre-P		

Lodestock Jan **Yr 2**
▸ interfaces to SAP & Oracle
▸ new middlew are

Key
POR   project is on plan of record
int   project proposed by internal champion and is not on POR yet
client project requested by client and is not on POR yet

spspro.com   Jeff Oltmann | jeff@spspro.com

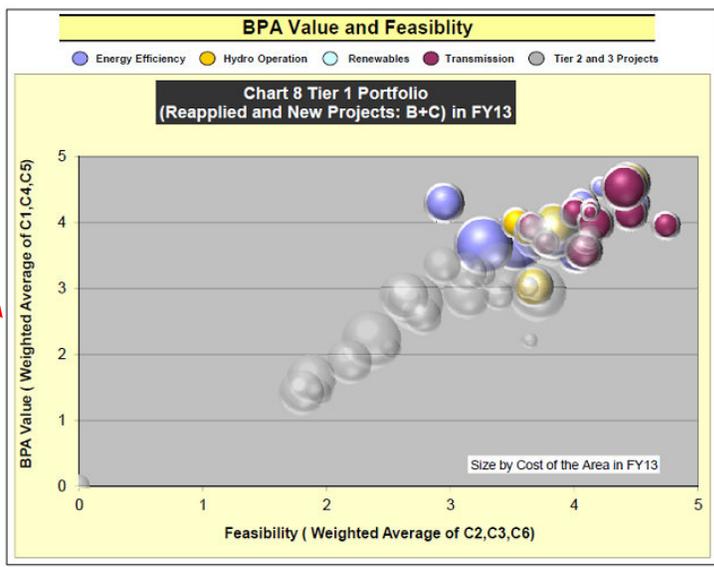## PICK Chart Helps Prioritize Projects

spspro.com   Jeff Oltmann | jeff@spspro.com

PPM2-Bal-0001 160721

Example Bubble Chart

Measure of Strategic Alignment

BPA Value and Feasiblity

Energy Efficiency   Hydro Operation   Renewables   Transmission   Tier 2 and 3 Projects

Chart 8 Tier 1 Portfolio
(Reapplied and New Projects: B+C) in FY13

BPA Value (Weighted Average of C1,C4,C5)

Size by Cost of the Area in FY13

Feasibility (Weighted Average of C2,C3,C6)

Example from "Institutionalizing Innovation Management: A Case Study from the Utility Industry," Bennett, et. al., PICMET July 2013, retrieved 3/12/15 from http://www.bpa.gov/Doing%20Business/TechnologyInnovation/Documents/2013/Institutionalizing-Innovation-Management-A-Case-Study-from-the-Utility-Industry.pdf

spspro.com   Jeff Oltmann | jeff@spspro.com

What are good techniques to turn strategic goals into executable actions?

Powered by Poll Everywhere

Start the presentation to see live content. For screen share software, share the entire screen. Get help at **pollev.com/app**
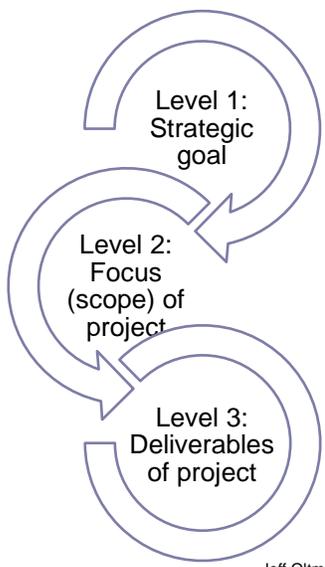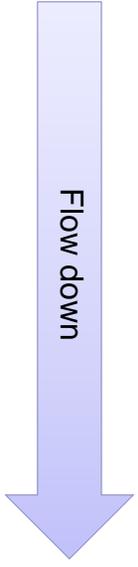
spspro.com   Jeff Oltmann | jeff@spspro.com

WWW. SPSPRO.COM

© 2019 Synergy Professional Services, LLC Strat-Ex-001 211021

Connect Projects to Strategic Goals

Flow down

Level 1: Strategic goal

Level 2: Focus (scope) of project

Level 3: Deliverables of project

The "big picture" strategic intent, mission objective, or business objective that the project will contribute to

What this project will focus on (aka scope) in order to make the strategic contribution described at level 1

The tangible, specific and measurable things this project will deliver that will achieve the focus described at level 2

Test up
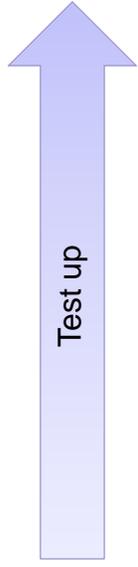
spspro.com

Jeff Oltmann | jeff@spspro.com

Strategic Metrics

Dashboard

4: MONITORING
"ARE WE WHERE WE EXPECTED TO BE?"

spspro.com

Jeff Oltmann | jeff@spspro.com

WWW.
SPSPRO.COM

© 2009 Synergy Professional Services, LLC APM212-Strat-013 160727

Track Against Strategic Metrics

1. Measures of core outcomes
   - ☐ lagging indicators
2. Measures of performance drivers
   - ☐ leading indicators

Strategic Objective	Core Outcome (Lagging) Metrics	Performance Driver (Leading) Metric
Improve financial returns by selling more high margin services	• ROI • Revenue Growth	• Revenue mix across product and service offerings
Improve staff productivity	• Revenue per employee • Employee satisfaction	• Completion rate for skills training • Implementation of new tools vs. plan

spspro.com   Jeff Oltmann | jeff@spspro.com

© 2003 Synergy Professional Services, LLC PPM-D1 211021

Example PMT Dashboard for Pilot

Name	Coordinator	"Done" Defined?	Plan Created?	Next Milestone	Milestone Date	Desired Completion of Project	Current Forecast for Completion	Overall Risk Level	Current Health	Comments	Date of Last Update
Program - Comms	Joanna N.	√		All projects in full execution	9/18/2019	12/2/2019	12/13/2019	Med	Red		
DOGMS Comm Impr	Tom Q.	√		Complete planning	9/10/2019	11/15/2019	11/15/2019	Low	Yellow	Everyone on vacation through Labor Day	8/23/2019
DSE Comm Impr	Deni F.	√		Complete planning	9/9/2019	11/15/2019	11/8/2019	Low	Green		8/23/2019
ASMT Comm Impr	Ingrid K.			Kick off project team	9/5/2019	11/22/2019	unknown	High	Red	Key team member not available until 10/15	8/26/2019
SPTS Comm Impr	Tomas M.	√	√	Training on huddles complete	9/12/2019	11/1/2019	11/1/2019	Low	Green		8/26/2019
FS Comm Impr	Titu H.			Complet						on definition of done	8/26/2019
SIS Comm Impr	Rasheeda L.	√	√	Agree or							8/26/2019

Comms Program Status One Page Overview

ABOUT THIS PROJECT

Coordinator name: Pradeep Kumar
Primary team: John K, Mary J, Kirsten O, Rebecca W, Gary H, Rodrigo G, DuRhonda S, Fred Q
Is "Done" defined? Yes
Is plan created? Yes
Desired project complete date: Feb. 14, 2020
Current forecast: March 2020
Overall risk level (L/M/H): Medium
Current health (R/Y/G): Yellow
Date this slide updated: Sep. 26, 2019

BACKWARD LOOK
Accomplishments During Last Iteration
- Planning completed
- Project team agreed on a draft communication matrix showing what types of division information should be communicated using which methods, to whom, and how often!

FORWARD LOOK
Focus of Work For Next Iteration
- Mock up a standard template for new division monthly internal newsletter
- Sketch out what an internal blog and discussion board might look like and what IT support we'd need to make it happen
- List what other things we will have to develop to implement all the methods called out on the communication matrix

Key Upcoming Milestones or Dependencies
- Will need brainstorming time from IT partners within 2 weeks

HELP AND VISIBILITY
Issues, Risks, Impediments or Decisions Needing Action
Risks
1. Medium likelihood of exceeding project budget. Mitigation – keep PMT informed of budget outlook.
2. IT may not be able to provide as much time as we need for this project until next year. Mitigation – ask IT to reshuffle priorities.
Needed decisions or actions from PMT
1. Talk with IT director about making one IT person available 4 hours per week for next 6 weeks to help sort through what computerized tools are feasible.
2. Please review and give input on communication matrix by Oct. 4

Use a Portfolio Dashboard

spspro.com   Jeff Oltmann | jeff@spspro.com

WWW. SPSPRO.COM

Lessons Learned
How to Engage Your Organization
Takeaways

APPLICATION

Jeff Oltmann | jeff@spspro.com

Lessons Learned: Why Strategic Planning Fails

Insufficient alignment
- Leadership team not aligned with the strategy
- Not driven by customer needs
- Poor buy-in from broad base of stakeholders
- Strategic objectives do not support each other
- Strategy not connected to operations

Not acted upon
- Strategic skills not identified
- Resources are inadequate
- Objectives not actionable or measurable
- No roadmap showing realistic stepping stones toward achieving objectives

Not measured
- Key performance indicators not monitored
- Progress reviews infrequent or not very visible

Not enough commitment and persistence
- Process is intermittent, not on-going and iterative
- Leaders are not prepared to overcome inevitable resistance to change

Sources: 1) Harvard Business Review, 2) private communication from Jon Hardie, Principal, audienceWorks, 3) DICE Model

Jeff Oltmann | jeff@spspro.com

Activity: Improve Your Process

Write a few points to yourself. Extra credit for sharing your thoughts now with a nearby colleague in a COVID-safe way!

If you were in charge of the strategic planning process for your organization, what would you focus on to improve it?

spspro.com   Jeff Oltmann | jeff@spspro.com

Discussion: How to Engage Your Organization

Strike up conversations about strategy

- How? Ask questions with intent to nudge to action
- Who? People who should have strategic responsibilities (your boss, trusted senior manager)
- Find out who is active in strategic planning and talk with them

Use the opening to propose action

- If good answer, ask how you can get involved
- If fuzzy answer, propose a resource or action that will help

Give examples of questions you can ask

Give examples of action you can propose

spspro.com   Jeff Oltmann | jeff@spspro.com

© 2009 Synergy Professional Services, LLC APM212-Strat-014 211108

Strategic Planning Takeaways

Four Elements

- Evaluation, goal setting, action planning, and monitoring

Drives Execution

- Use strategy to guide which projects and programs are approved

Projects Are Critical

- Strategy deployment depends on execution and measurement techniques like project management

Don't Reinvent

- Use existing techniques to plan and deploy strategy

Example Tools

SWOT	BSC and strategy mapping
Road mapping	Portfolio selection criteria and balance diagrams
Causal hierarchy	Business Model Canvas

Written how-to's about how to use:
- SWOT
- Causal Hierarchy
- PICK Chart
- PDF of this presentation
  www.spspro.com/resource-center/pmi

spspro.com

Jeff Oltmann | jeff@spspro.com

WWW.
SPSPRO.COM