

The logo for CLUSTIV features a large, stylized letter 'C' on the left side, composed of two thick, rounded vertical bars. The word 'CLUSTIV' is written in a bold, white, sans-serif font across the center of the image, which is set against a blue background with a curved edge on the right side.

**CLUSTIV**

# Business Playbook

CLUSTIV TEAM

# Agenda

- 1 About Us
- 2 Who we are
- 3 Our offerings
- 4 Our Business Model
- 5 Partners



# Who we are

## Innovation Partners

Exploring innovation together using tested innovation tools

## Business Planning & Management

Bringing experienced partners to support your business in a holistic way for design thinking & lean startup

## Emerging Technologies

Consult you in selecting emerging technologies best suited for your business



## Finance

Experienced Finance advisors & experts

## Global Network

Global network of partners

## Corporate Strategy

World-Class strategy innovators, educators, partners and C-level executives .

## Talent Sourcing & Training

Onboarding best trained talents for your business by differentiating skills

# Our offerings

## Finance

- Accounting Outsourcing
- Bookkeeping
- Financial Reporting
- Payroll Processing
- Tax Compliance
- Forecasts
- Modeling

## Business Transformation

- Benchmarking
- Business Valuations
- Cost Studies
- Equipment Analysis
- Capital Budgeting

## Strategy & Innovation

- Strategy Tools
- Business model innovation
- Competitive strategy
- Blue ocean strategy
- Exploring adjacency
- Digital Supply Chain

## Technologies & Programs

- Emerging technologies
- Enterprise architect
- Strategic Programs
- ROI and tech transformations

## Corporate Strategy

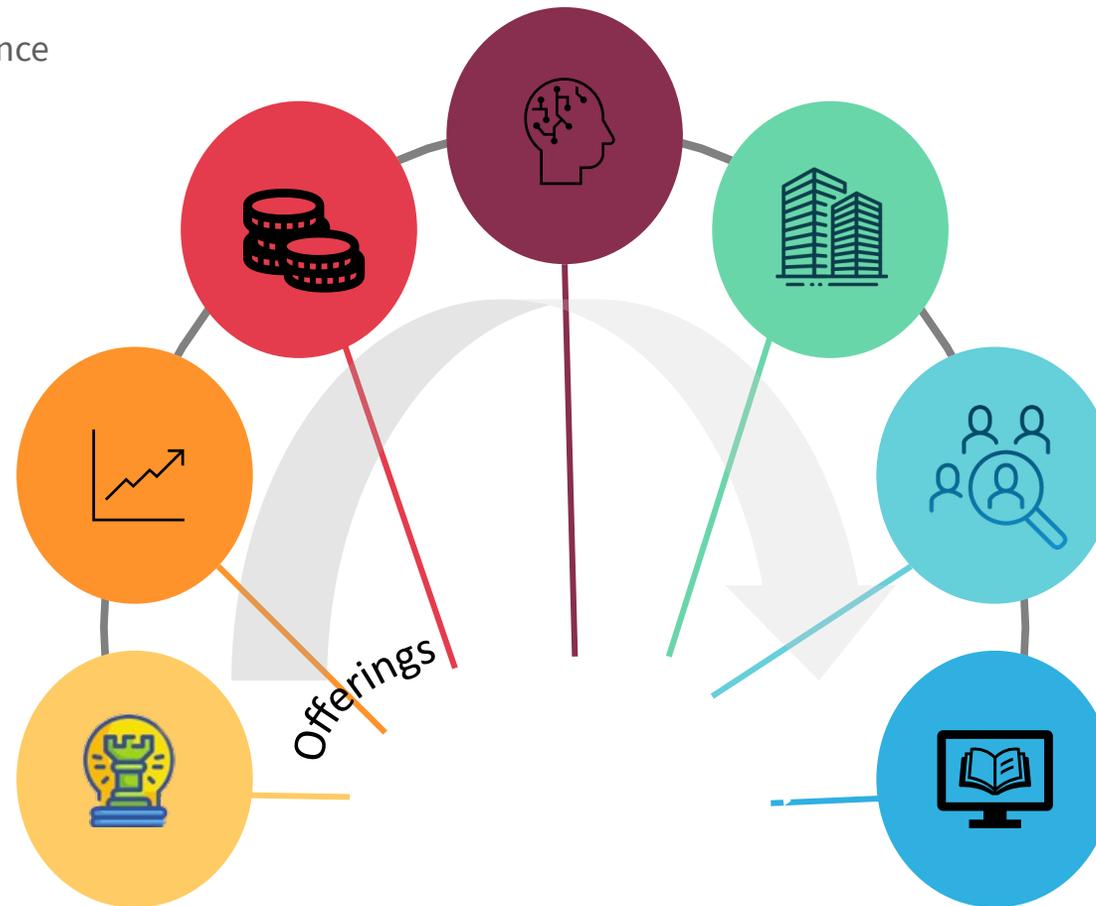
- Tech M&A
- Strategic planning
- Wargaming
- Scenario planning
- Portfolio Strategy
- Organic Growth
- Pricing & Profitability
- Shareholder Value Strategy

## Talent Sourcing & Training

- Performance Management
- Change Management
- HR and Management
- Reporting
- Talent Sourcing

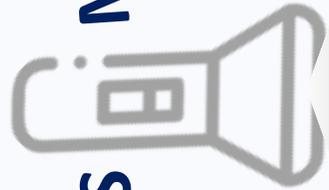
## Digital Academy

- Digital Platforms
- Learning & Development
- Leadership Programs
- Master trainer Program

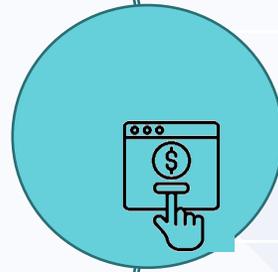


# Our Business Model

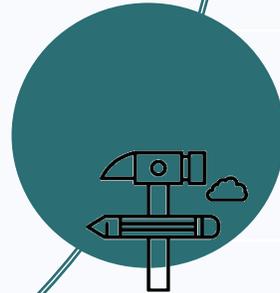
**BUSINESS MODELS**



**Co-Invest in our Growth by partnering**



**Subscribe our Services**

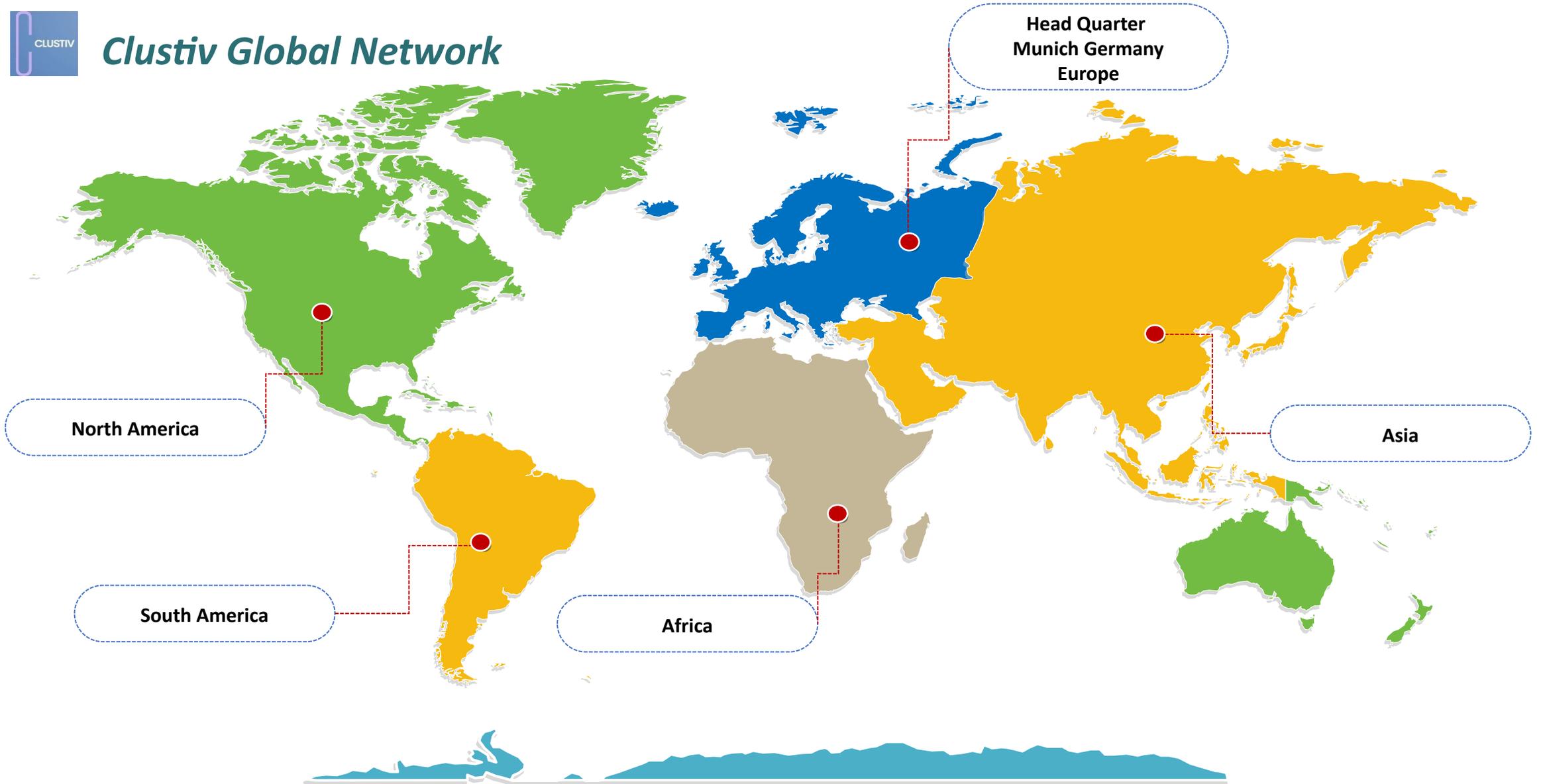


**Innovate, Build & Co-create together**

# Partners



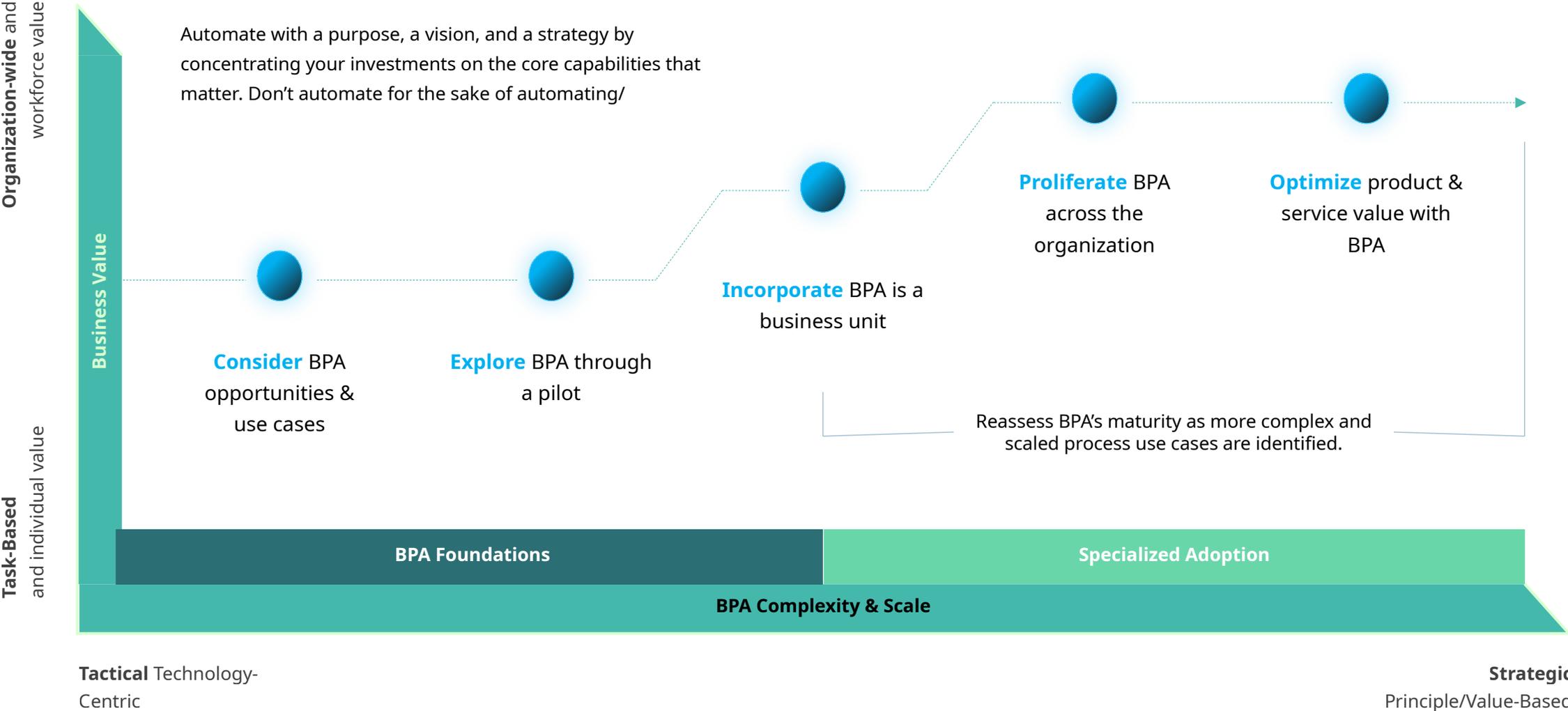
## Clustiv Global Network

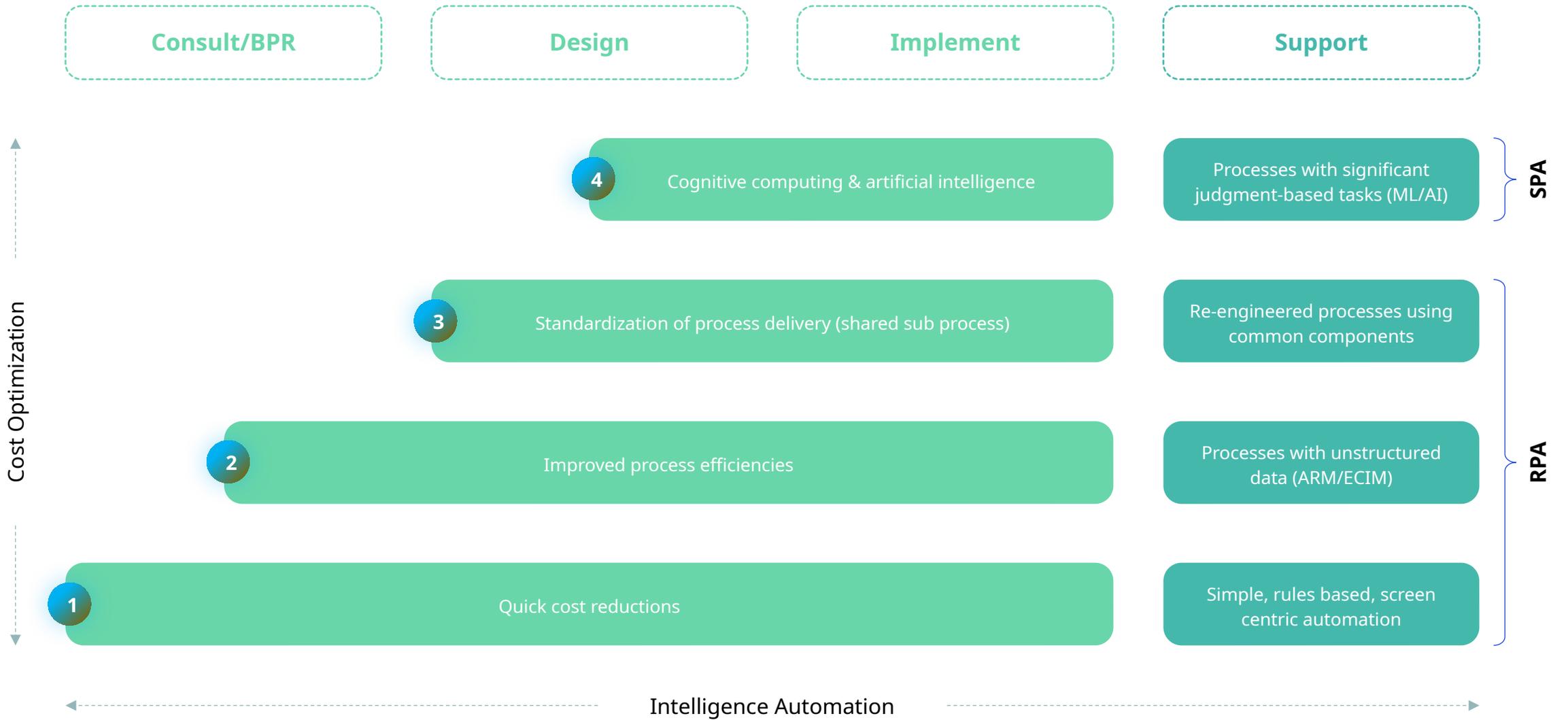




# WORKFLOW AUTOMATION

# Develop a Value-First Business Process Automation (BPA) Strategy



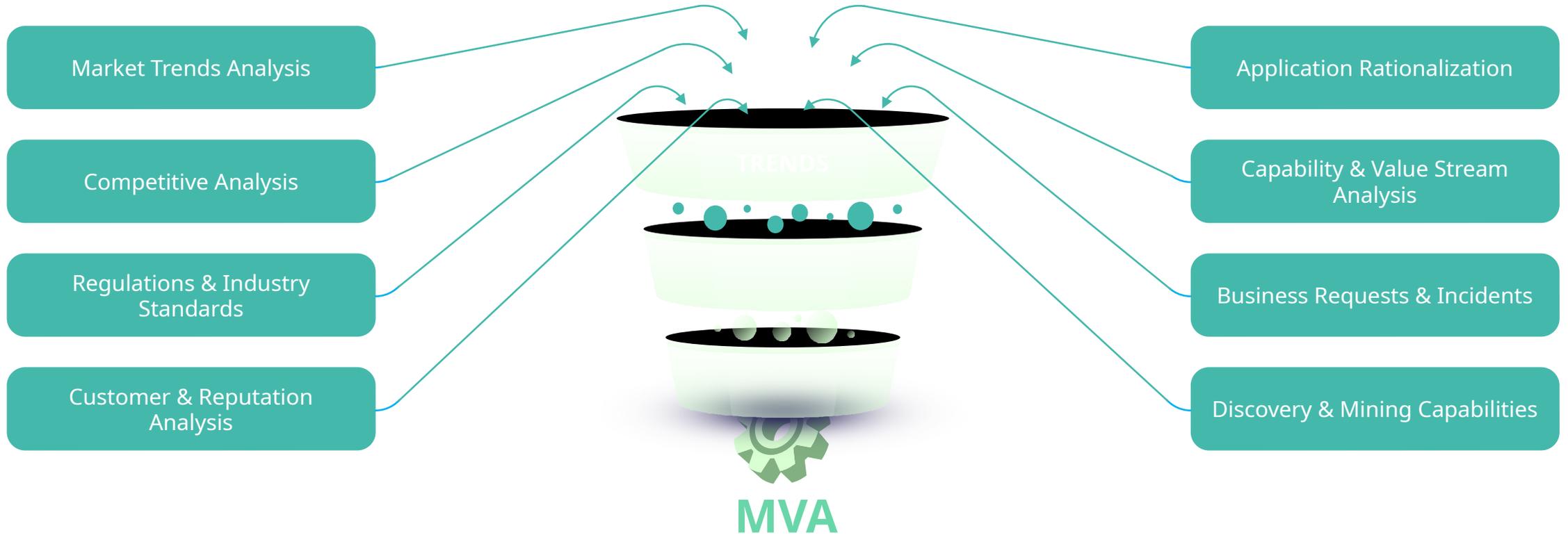


**SPA** = Smart Process Automation  
**RPA** = Robotic Process Automation

# Build your Process Automation Backlog

Your backlog must give you a holistic understanding of demand for business process optimization and automation.

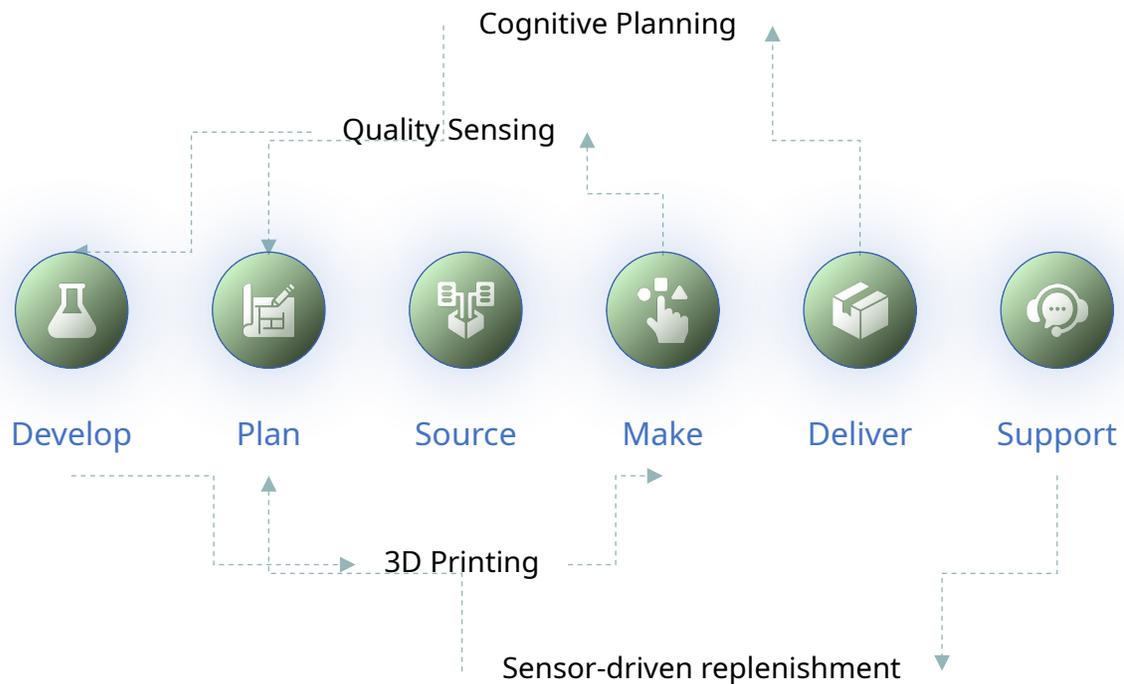
## OPPORTUNITIES



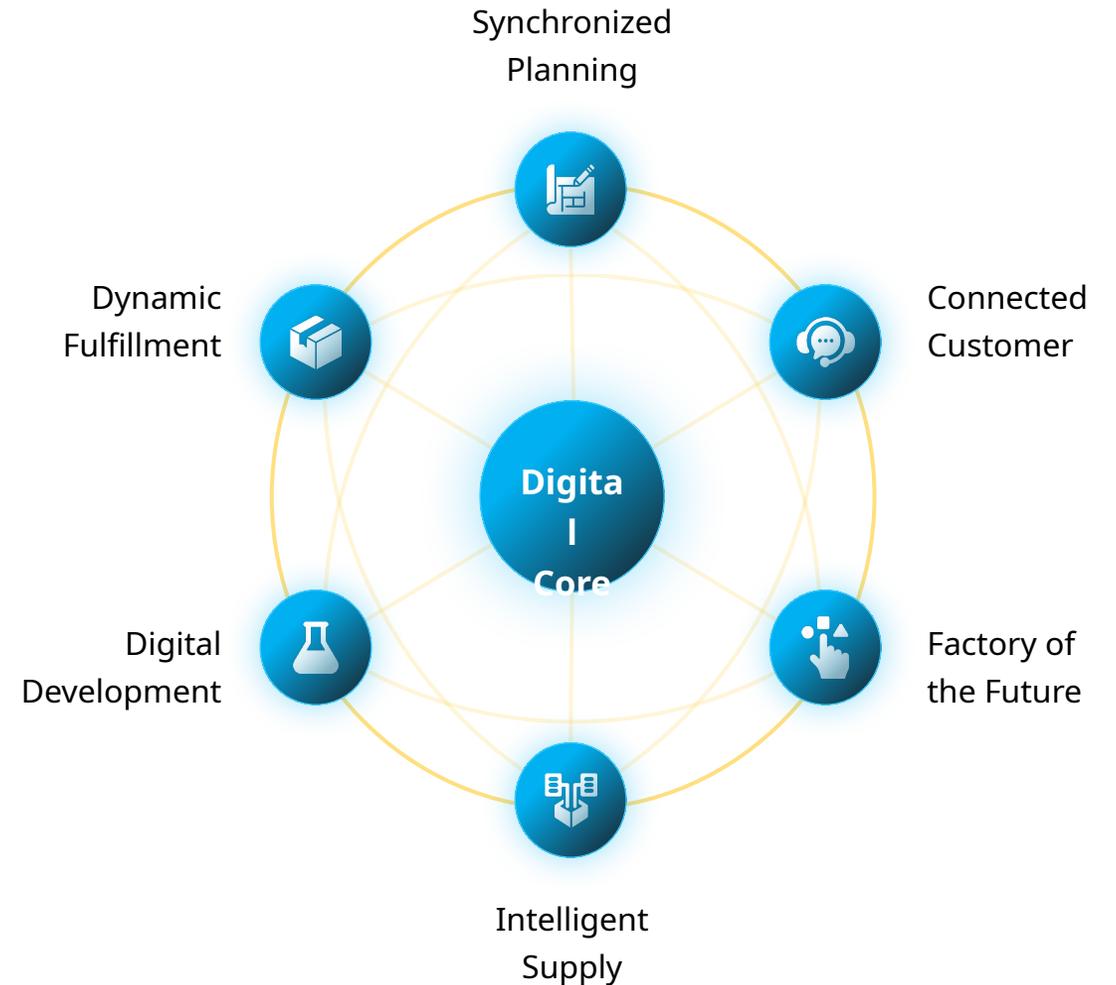
minimum viable automation (MVA) focuses on a single and small process use case, involves minimal possible effort to improve, and is designed to satisfy a specific user group. Its purpose is to maximize learning and value and inform the development of a full-fledged process automation practice

# Supply Chain Automation

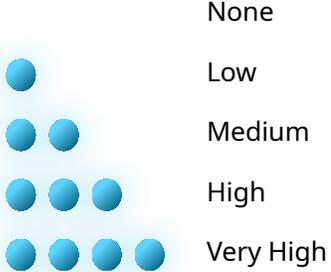
## Traditional Supply Chain



## Digital Supply Networks



# Corporate Use Cases



## Business Value

## Feasibility

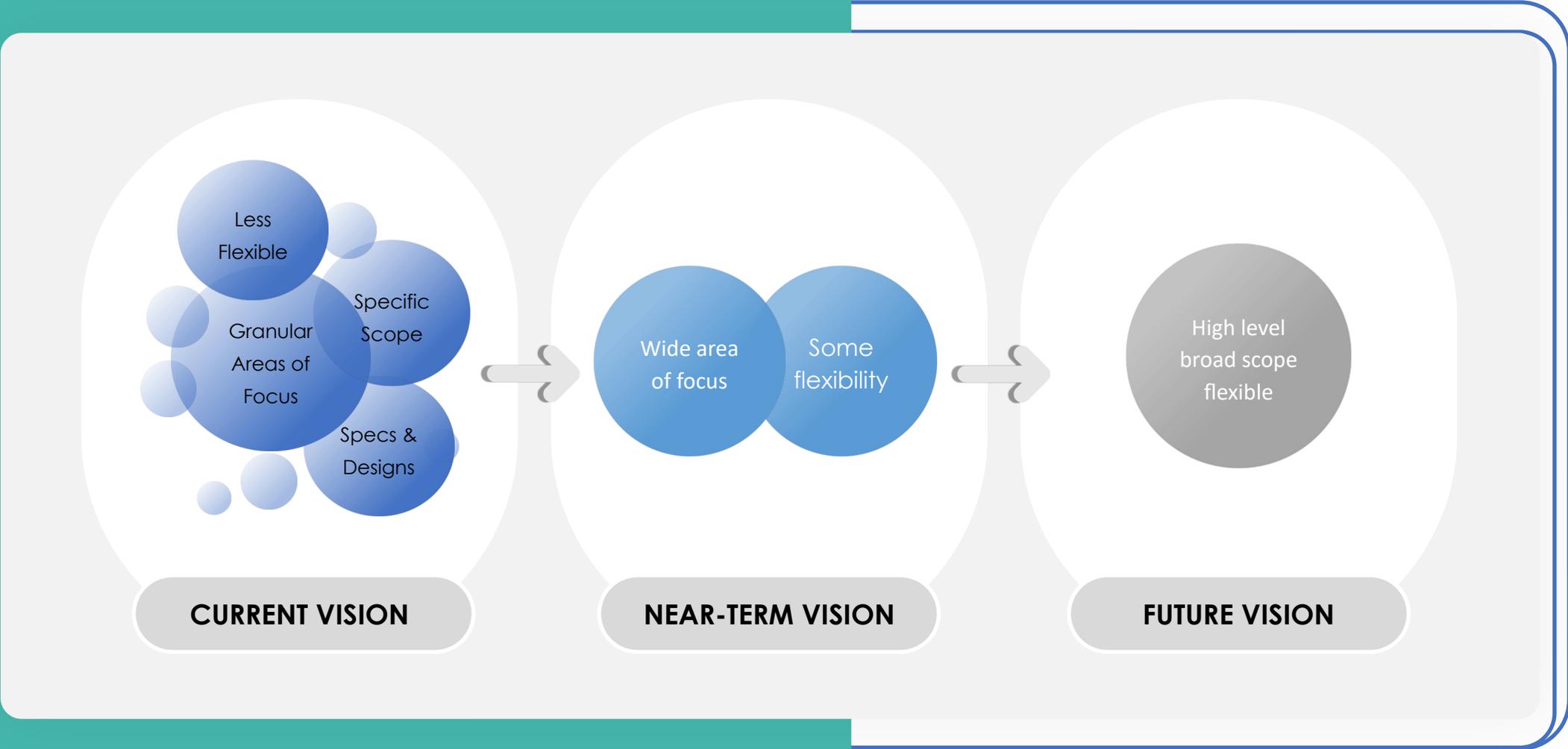
	Income/Cash Improvement	Efficiency	Reporting/ Forecasting Accuracy	Audit/ Compliance
<b>Demand/Revenue Forecasting</b>	●●●●	●●●●	●●●●	●●●●
<b>Anomaly &amp; Error Detection</b>	●●●●	●●●●	●●●●	●●●●
<b>Decision Support</b>	●●●●	●●●●	●●●●	●●●●
<b>POC Revenue Forecasting</b>	●●●●	●●●●	●●●●	●●●●
<b>Cash Collection</b>	●●●●	●●●●	●●●●	●●●●

Technical Feasibility	Data Feasibility	Organizational Feasibility
●●●●	●●●●	●●●●
●●●●	●●●●	●●●●
●●●●	●●●●	●●●●
●●●●	●●●●	●●●●
●●●●	●●●●	●●●●



# STRATEGIC ROADMAP

# STRATEGIC VISION





## CHARACTERISTICS

## DESCRIBE THE CHANGE

Brand Identity



Brand must be positioned not only with product but also with partnership

Culture/behavior of our team



Innovative fearless learning culture with team spirit

Our advice/practice philosophies



Truth and transparency with One team.

Client service/value proposition



Innovative products with customer-oriented services to learn from customers to bring innovations.

Ideal client



Customers A whose ideas help us t deliver innovative products to grow revenue

Fee model/revenue mix



Trial based basic software version

Scale of our practice



Write a text for describing changes

Talent/skills/education of our team



Grow on job and adjacent opportunities to contribute in

Locations



Grow locations with partnership in the regions to expand presence

Use of technology



Technology everywhere in the core of use

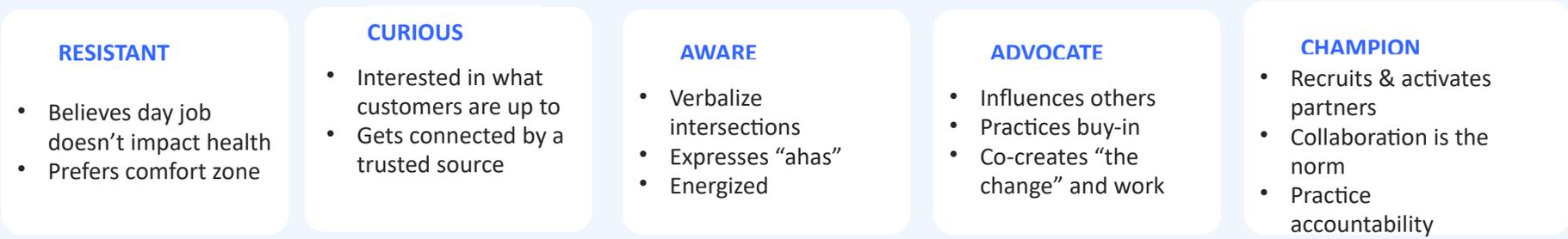
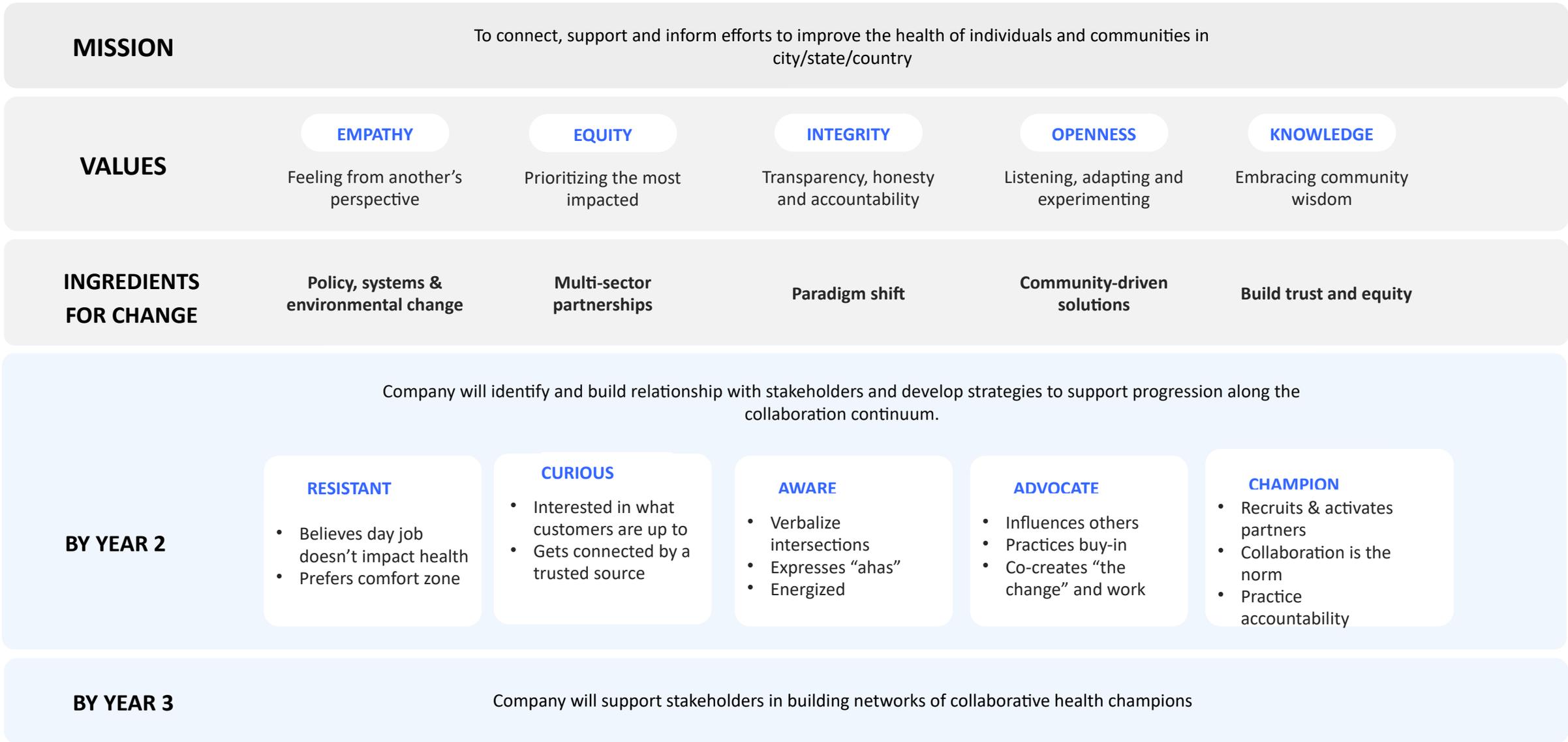
Communications & marketing



Using innovative tools by using emerging tech to stay ahead

# AREAS FOR CHANGE

# STRATEGIC ROADMAP



# STRATEGIC ROADMAP - SWIMLANE VIEW

	PRODUCT	FINANCE	SALES	MARKETING
PROPOSED	AI software API	Stream financial reporting	Engage key vendors	Lead generation strategies
	Innovation support	Finalize 20XX budget	Profit opportunities	Group discount 6+ @15%
	Identify customer values	Finalize 20XX budget	Negotiate \$2M+ deal	
	CRM & automation integration		Connect with distribution networks	
IN PROGRESS	Live chat	Breakdown analysis	Launch salesforce	Competitor analysis
	Push notification	Cost & complexity drivers	Competitor risk analysis	Influencer platform + partnership
	Analytics			Launch monthly webinar
SCHEDULED	SAML single sign on	Streamline vendor management	Analyze sales trends	Partnerships
	Stakeholder commenting		Define sales territories	Industry outlook
	Cloud support			Schedule focus group
	Improve service performance			Diversification
	Account management			

# STAKEHOLDERS ANALYSIS



# STAKEHOLDER ANALYSIS PROCESS



# TYPES OF STAKEHOLDERS

## INTERNAL

Usually members of the organization.

- Execs and leaders
- Managers
- Employees

## PRIMARY/CONNECTED

Those who have an economic or contractual relationship with the organization.

- Shareholders
- Distributors
- Suppliers
- Financiers
- Retailers

## SECONDARY/EXTERNAL

Those who are not directly connected to the organization but are still interested in or could be impacted by the organization's activities.

- Governments
- Advocacy groups
- Media organizations
- Local communities

# STAKEHOLDER ANALYSIS MATRIX

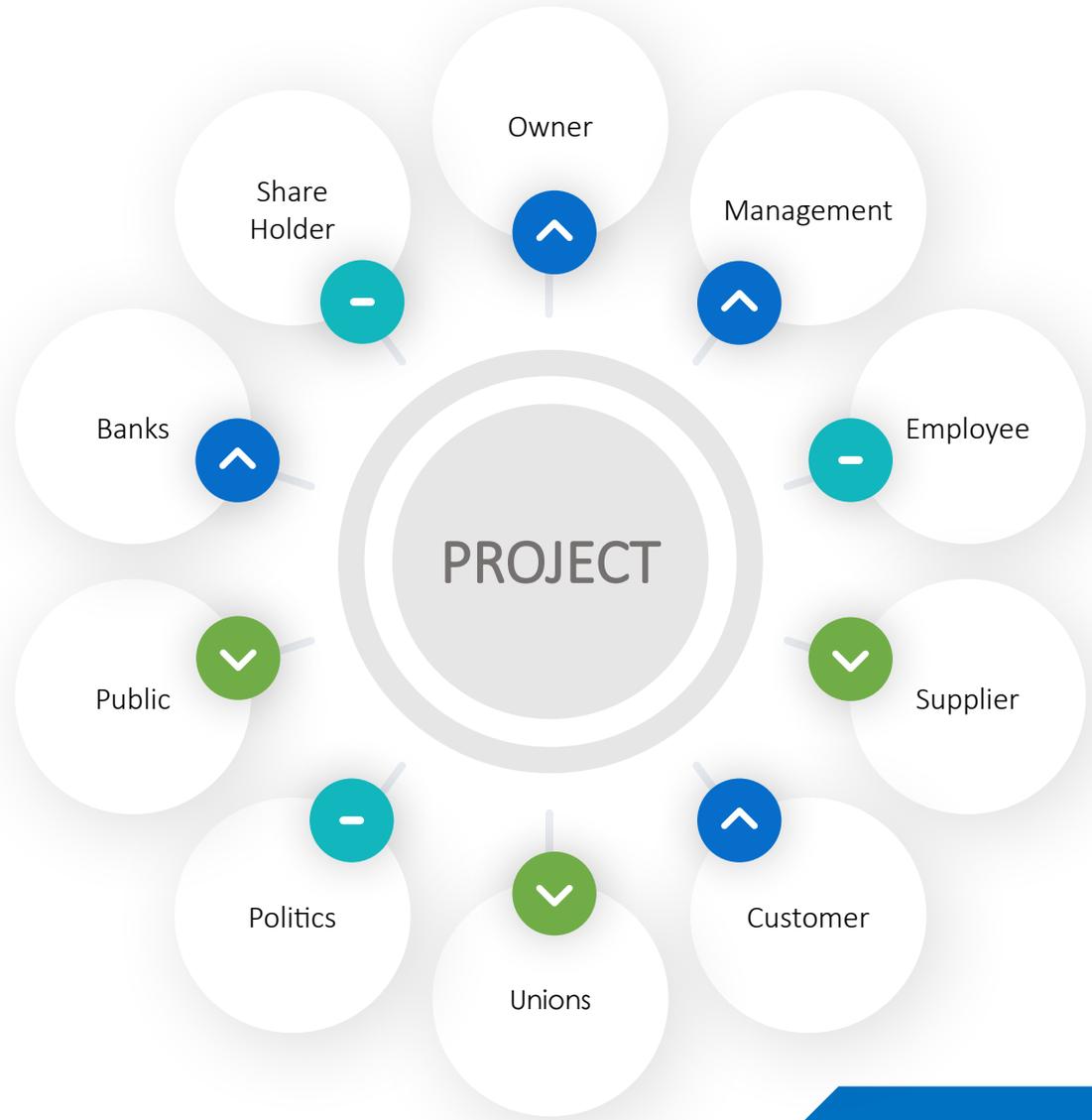


# EXTENDED STAKEHOLDER MAP



This stakeholder map displays the overall attitudes from each stakeholder toward the project. This helps us identify which stakeholders might need special attention and consideration.

-  Advocate/ Supporter
-  Neutral
-  Critic/ Blocker



# STAKEHOLDER ANALYSIS TABLE

STAKEHOLDER: CONTRACTUAL	OBJECTIVE OF STAKEHOLDER	POWER	RISK
Shareholder	Higher YoY return on investments	High	Medium
Banks	Timely loan repayments and opportunities for future lending	Medium	High
Insurance	Risk assessment and premium determination	Low	High
Investor	Company performance and future projections	High	Medium
STAKEHOLDER: REGULATORY	OBJECTIVE OF STAKEHOLDER	POWER	RISK
Authorities	Adherence to national/international governmental regulations	Medium	Low
Tax office	Accurate and thorough auditing every fiscal year	High	Low
Institutions of legal system	Legality of business activities and change in laws	High	Low
Courts	Record-keeping of past court cases	Medium	Low

# Supply Chain Strategy





## I. Supply Chain Overarching Strategy

1. Summary of the corporate & Business strategy
2. Supply chain vision, mission and values
3. Supply chain strategic objectives to reach our vision
4. Team & budget
5. Make or buy decision
6. Supply chain 4 pillars to reach our strategic objectives: “Demand & Supply Planning”, “Sourcing & Procurement”, “Manufacturing”, and “Logistics & Distribution”



## II. Demand & Supply Planning Strategy

1. Overview and best practices of the function “Demand & Supply Planning”
2. Maturity model
3. Key performance indicators (KPIs)
4. Current state of the company
5. Future state of the company
6. Potential projects to reach our future state
7. Business cases to help us prioritize our potential projects



## III. Sourcing & Procurement Strategy

1. Overview and best practices of the function “Sourcing & Procurement”
2. Maturity model
3. Key performance indicators (KPIs)
4. Current state of the company
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## IV. Manufacturing Strategy

1. Overview and best practices of the function “Manufacturing”
2. Maturity model
3. Key performance indicators (KPIs)
4. Current state of the company
5. Future state of the company
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## V. Logistics & Distribution Strategy

1. Overview and best practices of the function “Logistics & Distribution”
2. Maturity model
3. Key performance indicators (KPIs)
4. Current state of the company
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## VI. Project Prioritization, Business Roadmap and Implementation

## VII. Change Management



# Supply Chain Function

## Mission Statement and Vision Statement

### Mission Statement

Our mission is to create a world-class supply chain that delivers exceptional value to our customers, shareholders, and communities. We strive to build strong partnerships with suppliers, continuously improve processes, and leverage technology to drive innovation and efficiency throughout the supply chain.

### Vision Statement

Our vision is to be recognized as a leader in supply chain excellence, setting the standard for quality, reliability, and innovation. We aim to provide our customers with the best products and services at the right time, in the right place, and at the right cost, while promoting sustainability and social responsibility.

# Step 1: "Make or Buy decision"

## Make or Buy

	Item 1	Item 2	Item 3	Item 4	Item 5	Item 6
<b>Forecast demand quantity</b>	<b>2,000</b>	<b>3,000</b>	<b>1,000</b>	<b>10,000</b>	<b>20,000</b>	<b>3,000</b>
<b>Cost to Make (\$)</b>						
Direct material cost per unit	10	10	10	10	10	10
Direct manpower cost per unit	12	12	12	12	12	12
Machine depreciation cost per unit	5	5	5	5	5	5
Variable Overhead cost per unit	5	5	5	5	5	5
Relevant Fixed cost	30,000	30,000	30,000	30,000	30,000	30,000
<b>Total Cost to Make (\$)</b>	<b>94,000</b>	<b>126,000</b>	<b>62,000</b>	<b>350,000</b>	<b>670,000</b>	<b>126,000</b>
<b>Cost to Make 1 item</b>	<b>47</b>	<b>42</b>	<b>62</b>	<b>35</b>	<b>34</b>	<b>42</b>
<b>Cost to Buy</b>						
Item purchase cost	12	37	12	12	12	40
Ordering cost / order	500	1,000	500	500	500	500
Order quantity (Unit)	1,000	1,000	1,000	1,000	1,000	1,000
Holding cost	5	5	5	5	5	5
Total ordering cost	1,000	3,000	500	5,000	10,000	1,500
<b>Total Cost to Buy (\$)</b>	<b>35,000</b>	<b>129,000</b>	<b>17,500</b>	<b>175,000</b>	<b>350,000</b>	<b>136,500</b>
<b>Cost to Buy 1 item</b>	<b>18</b>	<b>43</b>	<b>18</b>	<b>18</b>	<b>18</b>	<b>46</b>
<b>Decision</b>	<b>Buy</b>	<b>Make</b>	<b>Buy</b>	<b>Buy</b>	<b>Buy</b>	<b>Make</b>



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## V. Logistics & Distribution Strategy

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# Maturity Model for Demand & Supply Planning

## Demand Planning

### Demand Planning

Level 1 - Basic	Level 2 - Medium	Level 3 - Good	Level 4 - World-class
<ul style="list-style-type: none"> <li>•Forecasts only based on historic sales. Forecast accuracy is not measured</li> </ul>	<ul style="list-style-type: none"> <li>•Forecasts only based on historic sales. Forecast accuracy is below 50%</li> </ul>	<ul style="list-style-type: none"> <li>•Forecasts based on multiple input such as historic sales, new product mix, market growth, advertising, seasonality &amp; customer-provided intelligence. Forecast accuracy is between 50% and 70%</li> </ul>	<ul style="list-style-type: none"> <li>•Forecasts based on multiple input such as historic sales, new product mix, market growth, advertising, seasonality &amp; customer-provided intelligence. Forecast Accuracy is part of executive key performance indicators, and is above 70%</li> </ul>
<ul style="list-style-type: none"> <li>•No collaboration between functions and business units. Many different forecasts used throughout the company.</li> </ul>	<ul style="list-style-type: none"> <li>•Partial collaboration between functions and business units. A limited number of forecasts used in the company.</li> </ul>	<ul style="list-style-type: none"> <li>•High collaboration between functions and business units. A single forecast is used by the whole company.</li> </ul>	<ul style="list-style-type: none"> <li>•High collaboration between functions and business units. A single forecast is used by the company, its suppliers, and customers.</li> </ul>
<ul style="list-style-type: none"> <li>•Ad-hoc/ infrequent forecasting frequency</li> </ul>	<ul style="list-style-type: none"> <li>•Monthly forecasts</li> </ul>	<ul style="list-style-type: none"> <li>•Weekly forecasts</li> </ul>	<ul style="list-style-type: none"> <li>•Weekly forecasts with ability to adjust forecast real time if needed</li> </ul>
<ul style="list-style-type: none"> <li>•Long and highly complex forecasting process</li> </ul>	<ul style="list-style-type: none"> <li>•Complexity somewhat reduced, but forecast process is still inefficient. Long forecast process time</li> </ul>	<ul style="list-style-type: none"> <li>•Reduced process time, but some complexity and manual operations still remain</li> </ul>	<ul style="list-style-type: none"> <li>•Automation improves forecasting process efficiency. Short forecast process time</li> </ul>
<ul style="list-style-type: none"> <li>•Use of Spreadsheets</li> </ul>	<ul style="list-style-type: none"> <li>•Simple forecasting tools</li> </ul>	<ul style="list-style-type: none"> <li>•Advanced forecasting tools</li> </ul>	<ul style="list-style-type: none"> <li>•Multi-dimensional advanced forecasting tools</li> </ul>

# Key Performance Indicators (KPIs)

## We identified 10 KPIs

KPI	Description
Cash-to-cash cycle time	<p>Time it takes for cash invested in materials to flow back into the company after finished goods have been delivered to customers.</p> <p>Cash-to-cash cycle time = Inventory days of supply + Days sales outstanding - Days payable outstanding</p>
Plan Cycle Time	<p>The average time associated with Plan Processes</p>
Cumulative supply chain lead time	<p>Average actual cycle time to complete all supply chain activities from planning to execution</p>
ABC segmentation analysis	<p>Value or volume per SKU divided by total value or volume. Usually expressed in Percentage.</p> <p>Example: A items = 50%; B items = 30%, C items = 11% and D items = 9%</p>
Cost of goods sold	<p>Cost associated with buying raw materials and producing finished goods. Includes direct costs (labor, materials) and indirect costs.</p> <p>Cost of goods sold = Direct material + Direct labor + Overhead</p>

# Current State & Target state

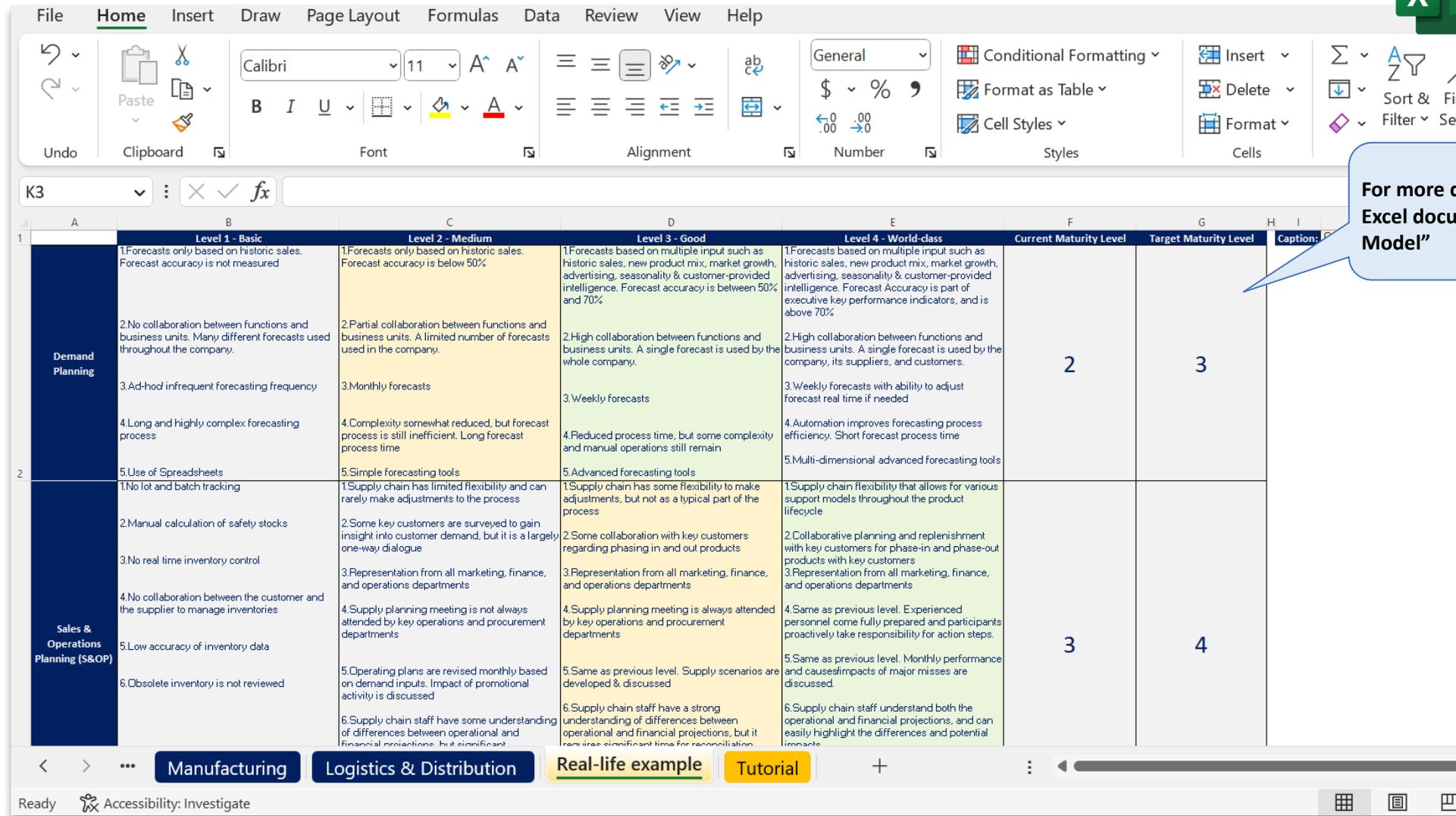
## Maturity Model for Demand & Supply Planning

● Current State ● Target State

	Level 1 - Basic	Level 2 - Medium	Level 3 - Good	Level 4 - World-class
Demand Planning			●	●
Sales & Operations Planning (S&OP)			●	●
Production Planning		●	●	
Inventory Planning	●	●		
Material Requirements Planning (MRP)	●	●		
Distribution Requirements Planning	●	●		

# Current State & Target state

## Maturity Model for Demand & Supply Planning



	Level 1 - Basic	Level 2 - Medium	Level 3 - Good	Level 4 - World-class	Current Maturity Level	Target Maturity Level
<b>Demand Planning</b>	1.Forecasts only based on historic sales. Forecast accuracy is not measured  2.No collaboration between functions and business units. Many different forecasts used throughout the company.  3.Ad-hoc infrequent forecasting frequency  4.Long and highly complex forecasting process	1.Forecasts only based on historic sales. Forecast accuracy is below 50%  2.Partial collaboration between functions and business units. A limited number of forecasts used in the company.  3.Monthly forecasts  4.Complexity somewhat reduced, but forecast process is still inefficient. Long forecast process time	1.Forecasts based on multiple input such as historic sales, new product mix, market growth, advertising, seasonality & customer-provided intelligence. Forecast accuracy is between 50% and 70%  2.High collaboration between functions and business units. A single forecast is used by the whole company.  3.Weekly forecasts  4.Reduced process time, but some complexity and manual operations still remain	1.Forecasts based on multiple input such as historic sales, new product mix, market growth, advertising, seasonality & customer-provided intelligence. Forecast Accuracy is part of executive key performance indicators, and is above 70%  2.High collaboration between functions and business units. A single forecast is used by the company, its suppliers, and customers.  3.Weekly forecasts with ability to adjust forecast real time if needed  4.Automation improves forecasting process efficiency. Short forecast process time	2	3
<b>Sales &amp; Operations Planning (S&amp;OP)</b>	1.No lot and batch tracking  2.Manual calculation of safety stocks  3.No real time inventory control  4.No collaboration between the customer and the supplier to manage inventories  5.Low accuracy of inventory data  6.Obsolete inventory is not reviewed	1.Supply chain has limited flexibility and can rarely make adjustments to the process  2.Some key customers are surveyed to gain insight into customer demand, but it is a largely one-way dialogue  3.Representation from all marketing, finance, and operations departments  4.Supply planning meeting is not always attended by key operations and procurement departments  5.Operating plans are revised monthly based on demand inputs. Impact of promotional activity is discussed  6.Supply chain staff have some understanding of differences between operational and financial projections, but significant	1.Supply chain has some flexibility to make adjustments, but not as a typical part of the process  2.Some collaboration with key customers regarding phasing in and out products  3.Representation from all marketing, finance, and operations departments  4.Supply planning meeting is always attended by key operations and procurement departments  5.Same as previous level. Supply scenarios are developed & discussed  6.Supply chain staff have a strong understanding of differences between operational and financial projections, but it remains significant time for reconciliation	1.Supply chain flexibility that allows for various support models throughout the product lifecycle  2.Collaborative planning and replenishment with key customers for phase-in and phase-out products with key customers  3.Representation from all marketing, finance, and operations departments  4.Same as previous level. Experienced personnel come fully prepared and participants proactively take responsibility for action steps.  5.Same as previous level. Monthly performance and cause/impacts of major misses are discussed.  6.Supply chain staff understand both the operational and financial projections, and can easily highlight the differences and potential impacts	3	4

For more details, open the Excel document "Maturity Model"

# Current State & Target State

## Key Performance Indicators

KPI	Description	Current State	Target State
Cash-to-cash cycle time	<p>Time it takes for cash invested in materials to flow back into the company after finished goods have been delivered to customers.</p> <p>Cash-to-cash cycle time = Inventory days of supply + Days sales outstanding - Days payable outstanding</p>	Average	Innovation to cash flow to get value in advance by booking
Plan Cycle Time	The average time associated with Plan Processes	Maximum	Reduce planning timing using emerging technologies
Cumulative supply chain lead time	Average actual cycle time to complete all supply chain activities from planning to execution	Slow	Innovation by following Agile method
ABC segmentation analysis	<p>Value or volume per SKU divided by total value or volume. Usually expressed in Percentage.</p> <p>Example: A items = 50%; B items = 30%, C items = 11% and D items = 9%</p>	Medium	Maximum
Cost of goods sold	<p>Cost associated with buying raw materials and producing finished goods. Includes direct costs (labor, materials) and indirect costs.</p> <p>Cost of goods sold = Direct material + Direct labor + Overhead</p>	Average	Reduce by minimizing overhead initially

# Open our ready-made Excel template "Safety Stock"



Safety Stock Calculation					
1.Demand		2.Lead Time		3.Safety Stock and Reorder Point	
<b>Month</b>	<b>Sales</b>	<b>Delivery</b>	<b>Lead Time (days)</b>	<b>Safety Stock</b>	<b>442</b>
January	1,000	1	30	<b>Reorder Point</b>	<b>1,497</b>
February	1,200	2	29		
March	1,300	3	28		
April	800	4	32		
May	700	5	33		
June	1,000	6	33		
July	1,000	7	34		
August	1,000	8	35		
September	1,000	9	29		
October	1,100	10	30		
November	1,200	<b>Average Lead Time</b>	<b>31</b>		
December	1,000	<b>Maximum Lead Time</b>	<b>35</b>		
<b>Total</b>	<b>12,300</b>				
<b>Average / Month</b>	<b>1,025</b>				
<b>Average / Day</b>	<b>33.7</b>				
<b>MAX sales month</b>	<b>1,300</b>				
<b>MAX sale daily</b>	<b>42.8</b>				



## I. Supply Chain Overarching Strategy

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## III. Sourcing & Procurement Strategy

1. Overview and best practices of the function “Sourcing & Procurement”
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# Strategic Sourcing is a lot more than just Basic Cost Cutting



- Reduce the total cost of materials and services (“external spend”) for an organization
- Maintain or increase quality and service
- Upgrade overall purchasing bargaining power of the organization while decreasing the number of suppliers
- Optimize the inventory levels
- Improve overall level of supply chain management skills
- Reducing excessive levels of purchasing transactions
- Build the organization’s competitive position through sustained improvement in cost and supplier value

# There are 2 main categories of purchased items

## Direct Goods and Services

Direct Goods and Services are the components used to produce finished goods. For example, Procter & Gamble will need plastic to create its shampoo products.

## Indirect Goods and Services

Indirect goods and services are items such as Office Supplies, Management Consulting Services, IT Hardware, Marketing,...that are used to support operations.

# There are 4 main types of Procurement organizations

## Types of Procurement Organizations

<p><b>Value of Centralization</b></p>	<p><b>High</b></p>	<p style="text-align: center;"><b>Globalized purchasing</b></p> <ul style="list-style-type: none"> <li>• Procurement strategy and sourcing will be done at a global level for all divisions and countries</li> <li>• Typically for standard high-volume products belonging to an international market</li> <li>• Examples: Fuel</li> </ul>	<p style="text-align: center;"><b>Regionalized purchasing</b></p> <ul style="list-style-type: none"> <li>• Procurement strategy and sourcing will be done at a divisional level</li> <li>• Typically for customized/special</li> <li>• Example: Utilities</li> </ul>
	<p><b>Low</b></p>	<p style="text-align: center;"><b>Localized purchasing</b></p> <ul style="list-style-type: none"> <li>• Procurement strategy and sourcing will be done at a local level within a division or region</li> <li>• Typically for one-off products, specific products, or high value products in a local and fragmented market</li> <li>• Example: Catering</li> </ul>	<p style="text-align: center;"><b>Cooperative purchasing</b></p> <ul style="list-style-type: none"> <li>• Procurement coordination teams will be created to share procurement and supplier information.</li> <li>• Typically for specific spend categories where there are some commonalities, but different standards depending on the divisions or countries</li> <li>• Example: Engineering parts</li> </ul>
		<p><b>Low</b></p>	<p><b>High</b></p>
		<p><b>Complexity of Coordination</b></p>	



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# We identified 10 potential initiatives

Real-life example

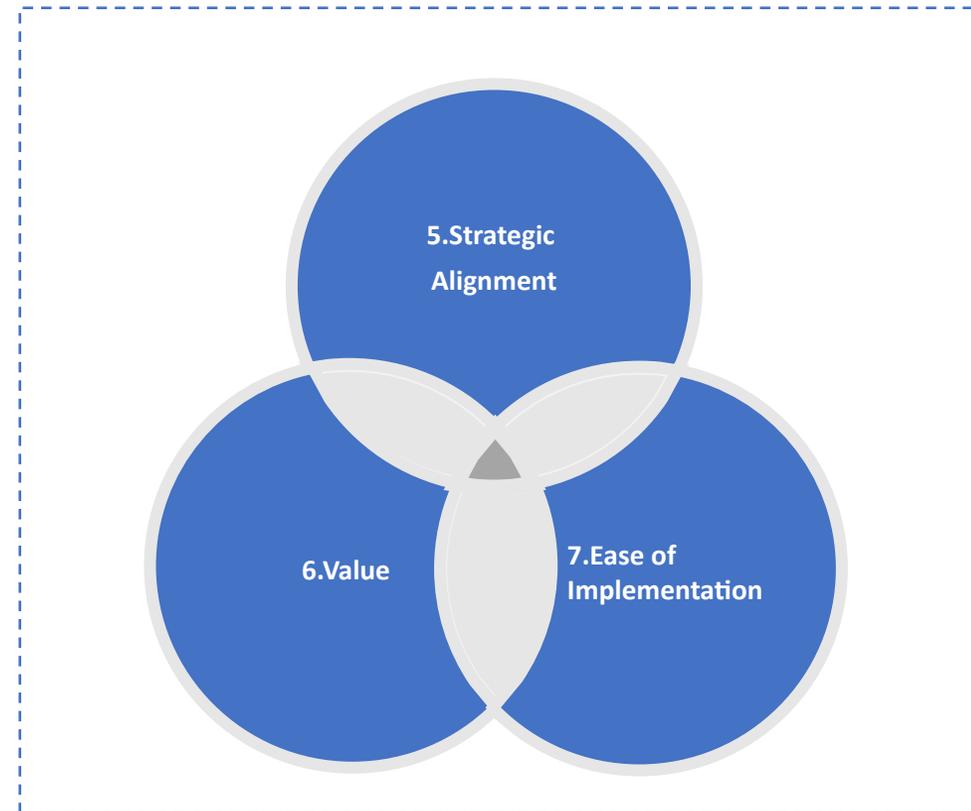
Initiative name	Description
1. Lean Manufacturing	Implementing a lean manufacturing program that focuses on improving efficiency, reducing waste, and optimizing the production process.
2. Six Sigma	Implementing a Six Sigma program to improve quality by reducing defects and variability in the production process.
3. Kaizen	Implementing a Kaizen program to improve continuous improvement by involving employees in identifying and implementing process improvements.
4. Total Productive Maintenance (TPM)	Implementing a TPM program to improve equipment reliability and reduce downtime through proactive maintenance.
5. Value Stream Mapping	Conducting value stream mapping exercises to identify process inefficiencies and waste and implement improvements to reduce cycle time and costs.
6. Just-In-Time (JIT)	Implementing a JIT system to reduce inventory costs by producing products only when they are needed and reducing lead times.
7. Manufacturing Execution System (MES)	Implementing an MES system to improve visibility and control of the production process, enabling real-time decision-making.
8. Automated Manufacturing	Implementing automated manufacturing technologies to reduce labor costs, improve quality, and increase production efficiency.
9. Supply Chain Optimization	Optimizing the supply chain to improve materials flow and reduce lead times, enabling faster response to customer demand.
10. New Product Introduction (NPI)	Improving the NPI process to accelerate product development and introduction, enabling the company to bring new products to market faster and more efficiently.

# To be able to prioritize our potential projects, a business case with 7 sections has been created for each project

## Project Description



## Project Assessment



For more details about our Business case, open the file “Project Business Case”.

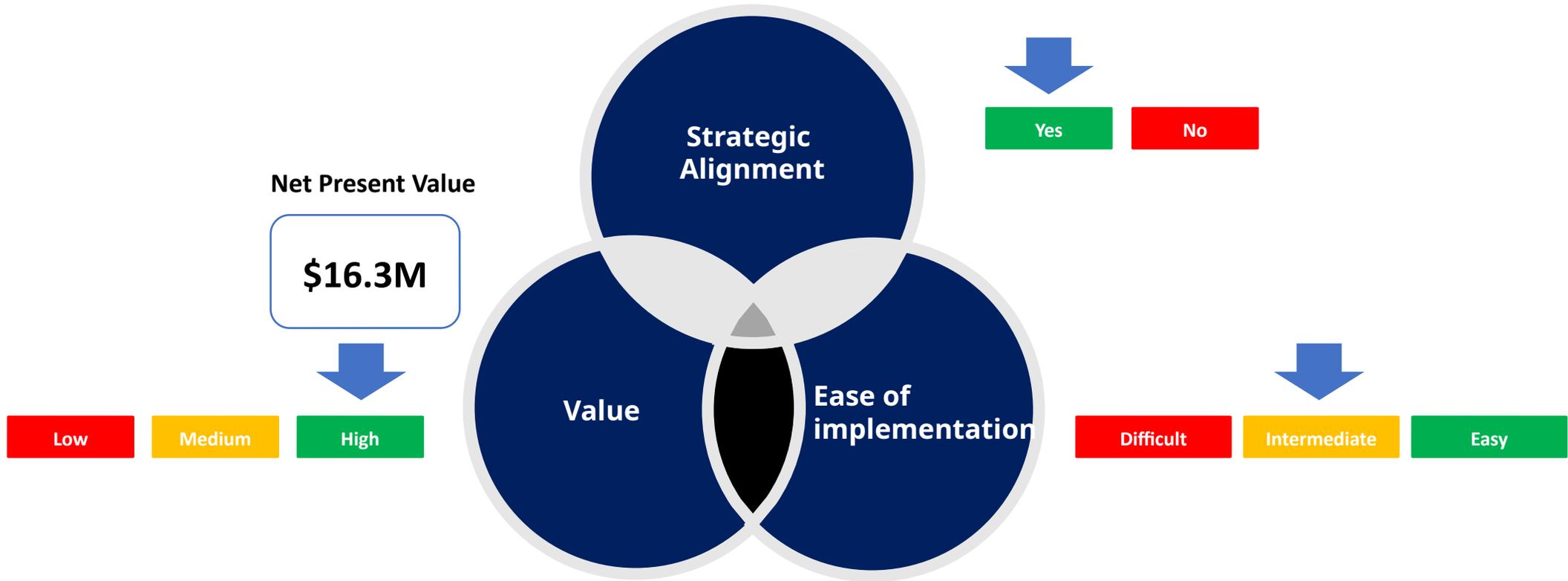
In the next slides you’ll see a Lean Business Case for our top 5 key projects



# Lean Business Case

Project name: Corporate Business

Project description: To bringing corporate cultural shift and alignment for company



**Project Sponsor**  
Peter Patterson

**Project Manager**  
David Roy

**Change Manager**  
Kathie Jones



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# There are 5 main categories of inventories

## Raw material

Purchased items received which have not entered the production process. They includes purchased materials, components parts, and subassemblies.

## Work-in-process (WIP)

Raw materials that have entered the manufacturing process and are being worked on or to be worked on. Sometimes, it is also called “in-process inventory”

## Finished goods

The finished products of the production process that are ready to be sold as completed items. They may be held at the factory or central warehouse or at various points in the distribution system. Sometimes, it is also called “end items”.

## Distribution inventories

Finished goods or spare parts located in the distribution system.

## Maintenance, repair, and operational supplies (MROs)

Items used in production which are not part of the product. These include hand tools, spare parts, lubricants, and cleaning supplies.

# Inventories can be classified according to the function they perform

## Anticipation inventory

Additional inventory above basic pipeline stock to cover projected trends of increasing sales, sales promotion programs, seasonal fluctuations, plant shutdowns, vacations, etc.

## Fluctuation inventory (also called fluctuation stock)

Inventory that is carried as a cushion to protect against forecast error.

## Lot size inventory (also called order quantity)

The amount of a particular item that is ordered from the plant or a supplier or is issued as a standard quantity to the production process.

## Transportation inventory (also called movement inventory)

Inventory that is in transit between locations.

## Hedge inventory

A form of inventory buildup to buffer against potential events such as labor strikes, price increases, unsettled government, etc.

## Maintenance, Repair, and Operating supplies (MRO).

Inventory which is used in the production process and plant maintenance such as maintenance supplies, spare parts, and consumables

# There are five cost associated with inventories

## Item cost

It is the cost of the item and any other direct costs associated in getting the item into the plant (e.g. transportation, custom duties, and insurance). The inclusive cost is often called the landed price.

## Carrying cost

It is the cost incurred by the firm because of the volume of inventories carried.

## Ordering cost

It is the cost of placing an order either with the factory or a supplier. It does not depend upon the quantity ordered.

## Stockout cost

Stockout occurs when demand exceed forecast. It can be potentially expensive because of back-order costs, lost sales, and lost customers. Stockout is usually reduced by carrying extra inventory.

## Capacity related cost

Cost due to a change in output level. For example, a change in output level may result in a need to hire, train, layoff, or increase overtime.



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# We assessed each potential project based on “Value” and “Ease of implementation”

Initiative name	Value	Ease of implementation
Insert the name of the potential initiative	Medium	Difficult
Insert the name of the potential initiative	High	Intermediate
Insert the name of the potential initiative	Low	Easy
Insert the name of the potential initiative	Medium	Easy
Insert the name of the potential initiative	Not rated as not strategically aligned	Not rated as not strategically aligned
Insert the name of the potential initiative		
Insert the name of the potential initiative		
Insert the name of the potential initiative		
Insert the name of the potential initiative		
Insert the name of the potential initiative		
Insert the name of the potential initiative		
Insert the name of the potential initiative		
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Insert the name of the potential initiative		
Insert the name of the potential initiative		
Insert the name of the potential initiative		
Insert the name of the potential initiative		

# A more detailed version of our Business roadmap is in the excel document "Business Roadmap"



2023															
	Owner	Due Date	Status	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Demand &amp; Supply Planning Program</b>	<b>Christian G.</b>	<b>Feb 28</b>	<b>On Track</b>	[Gantt bars]											
1 Automated forecasting system	Aurelien F.	Jan 20	On Track	[Gantt bars]											
2 Centralized inventory management system	Christian G.	Jan 20	Late	[Gantt bars]											
3 Historical sales data detailed analysis	George P.	Jan 20	Done	[Gantt bars]											
4 Demand management process	George P.	Feb 15	On Track	[Gantt bars]											
5 Supplier collaboration	George P.	Feb 15	Done	[Gantt bars]											
6 Demand planning process	George P.	Feb 15	On Track	[Gantt bars]											
7 Demand-driven supply chain strategy	John D.	Feb 28	Done	[Gantt bars]											
8 Sales and operations planning process	John D.	Feb 28	Done	[Gantt bars]											
9 Predictive analytics	John D.	Feb 28	Done	[Gantt bars]											
10 Supplier risk management program	John D.	Feb 28	Done	[Gantt bars]											
<b>Sourcing &amp; Procurement Program</b>	<b>Christian G.</b>	<b>Mar 31</b>	<b>On Track</b>	[Gantt bars]											
1 Insert initiative name	Aurelien F.	Jan 20	On Track	[Gantt bars]											





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# Executive Summary - Change Lean Canvas

Change Name

Unlocking leadership thinking with co-operations.

Business Owner

Clustiv

Change manager

Change Manager

Submit Date

xx.xx.xxxx

## Describe the change that is happening

Insert what the employee, customer or user used to be able to do

Insert what the employee, customer or user will be able to do with this new change

## Why did we decide to do this change?

Describe the rational behind the decision to do this change

## Who will be impacted by this change?

Insert the different stakeholder groups impacted by this change

## What will we do to prepare impacted stakeholders?

Insert what we will do to ensure proper adoption of the change (i.e. communication, training, pilot group,...)

## When will they be impacted by this change?

Insert date

## What are the business outcomes we want to reach?

Insert the business outcomes we want to reach

## What are the business outcomes we are reaching?

When available, insert the business outcomes and their source

## What are the next steps?

Include the next steps if any



**FINANCE**

	Dec. 31, 2023	Dec. 31, 2024
<b>Revenues</b>	<b>\$ 74,452</b>	<b>\$ 83,492</b>
Growth %		12.1%
<b>Cost of goods sold (COGS)</b>	<b>64,440</b>	<b>72,524</b>
% of sales	86.6%	86.9%
<b>Gross profit</b>	<b>10,012</b>	<b>10,968</b>
% of sales	13.4%	13.1%
<b>Operating expenses (SG&amp;A)</b>	<b>6,389</b>	<b>6,545</b>
% of sales	8.6%	7.8%
<b>Operating income (EBIT)</b>	<b>3,623</b>	<b>4,423</b>
Interest Expense	518	474
<b>Pretax income</b>	<b>3,105</b>	<b>3,949</b>
Income tax expense	1,087	1,382
<b>Net income</b>	<b>\$ 2,018</b>	<b>\$ 2,567</b>
Operating income (EBIT)	3,623	4,423
Depreciation	2,648	2,981
Amortization	0	0
<b>EBITDA</b>	<b>\$ 6,271</b>	<b>\$ 7,404</b>

	Dec. 31, 2023	Dec. 31, 2024
<b>Assets</b>		
Current assets		
Cash	\$ 1,773	\$ 2,000
Accounts receivable	7,750	8,852
Inventory	4,800	5,700
Prepaid expenses	456	1,849
Total current assets	14,779	18,401
Non-current assets		
PP&E, net of accumulated depreciation	10,913	10,932
<b>Total assets</b>	<b>\$ 25,692</b>	<b>\$ 29,333</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable	\$ 5,665	\$ 6,656
Line of credit	792	1,375
Current maturities of long-term debt	500	500
Total current liabilities	6,957	8,531
Long-term liabilities		
Long-term debt, net of current maturities	5,000	4,500
<b>Total liabilities</b>	<b>11,957</b>	<b>13,031</b>
<b>Equity</b>		
Common stock	15	15
Additional paid in capital	5,000	5,000
Retained earnings	8,720	11,287
<b>Total equity</b>	<b>13,735</b>	<b>16,302</b>
<b>Total liabilities and equity</b>	<b>\$ 25,692</b>	<b>\$ 29,333</b>

	2022	2023	2024	2025	2026
<b>Cash flow from operating activities</b>					
<b>Net income</b>	\$ 3,034	\$ 3,337	\$ 3,671	\$ 4,038	\$ 4,442
<b>Add back non-cash items</b>					
Depreciation					
Amortization	0	0	0	0	0
<b>Changes in working capital</b>					
Accounts receivable	(797)	(965)	(1,061)	(1,167)	(1,284)
Inventory	(395)	(610)	(670)	(738)	(811)
Accounts payable	499	715	787	866	952
<b>Net cash provided by operating activities</b>	<b>2,340</b>	<b>2,478</b>	<b>2,726</b>	<b>2,999</b>	<b>3,298</b>
<b>Cash flow from investing activities</b>					
Capital expenditures - purchase of PP&E					
<b>Net cash used in investing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Cash flow from financing activities</b>					
Revolving credit facility (line of credit)					
Long-term debt					
<b>Net cash provided by (used in) financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net cash flow	2,340	2,478	2,726	2,999	3,298
Beginning cash balance	2,000	4,340	6,819	9,545	12,543
<b>Ending cash balance</b>	<b>\$ 4,340</b>	<b>\$ 6,819</b>	<b>\$ 9,545</b>	<b>\$ 12,543</b>	<b>\$ 15,841</b>

## Assets (in millions)

### CURRENT ASSET

Cash	\$92
Accounts receivable	\$50
Inventory	\$30
<b>Total current assets</b>	<b>\$172</b>

### LONG-TERM ASSETS

Equipment	\$230
Buildings	\$90
<b>Total long-term assets</b>	<b>\$320</b>

**TOTAL ASSETS**

**\$492**

## Liabilities & Owners Equity (in millions)

### CURRENT LIABILITIES

Accounts payable	\$92
Short-term debt	\$50
<b>Total current liabilities</b>	<b>\$50</b>

### LONG-TERM LIABILITIES

Long-term debt	\$200
<b>Total long-term liabilities</b>	<b>\$200</b>

### OWNERS' EQUITY

Stock	\$2
+Additional paid-in capital	\$50
+Retained earning	\$30
<b>Total shareholders' equity</b>	<b>\$172</b>

**TOTAL LIABILITY & OWNERS' EQUITY**

**\$492**

## Statement of Cash Flows

Historical

Historical

Historical

Projected

Year 1

Year 2

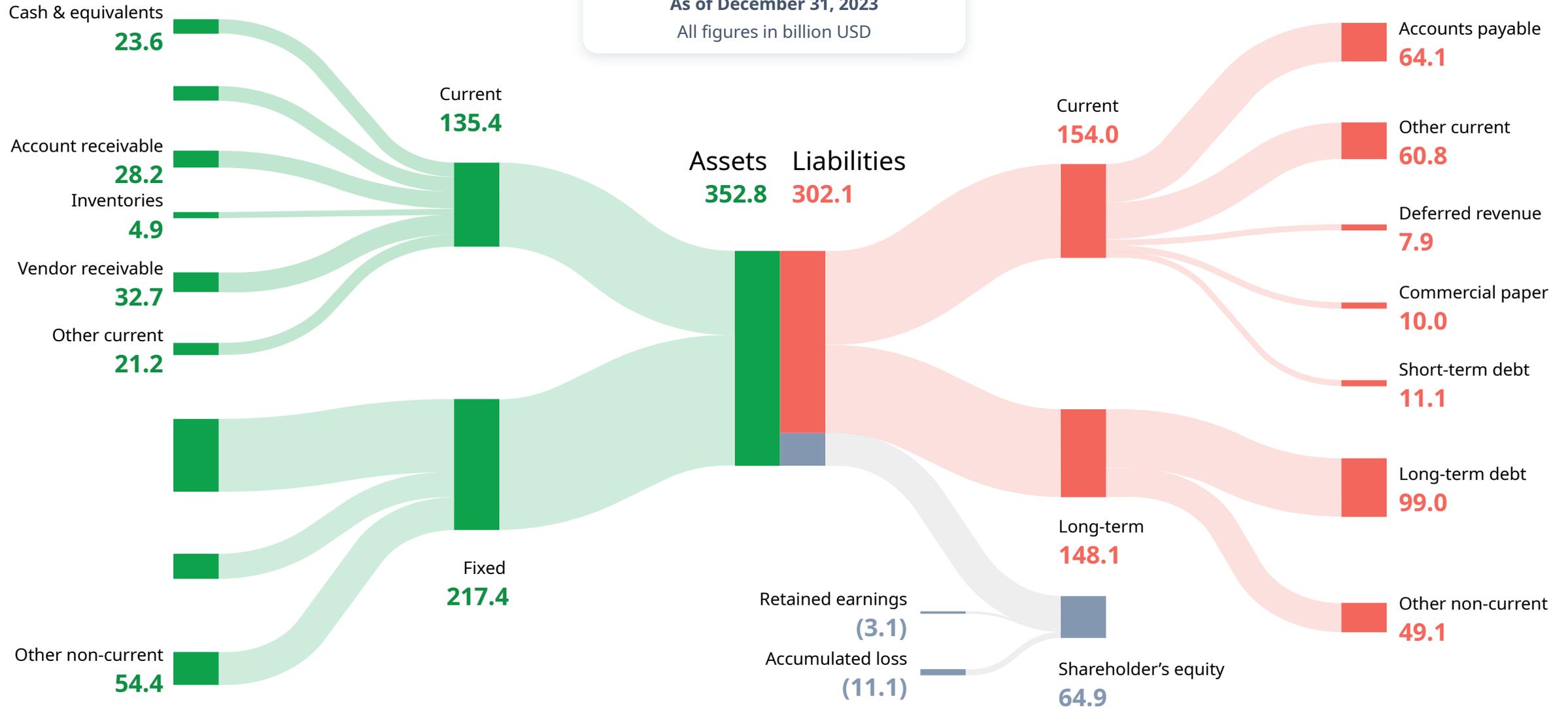
Year 3

Year 4

Net income	--	\$720,100	\$ 785,516	\$ 855,582
Depreciation	--	120,300	140,000	160,000
Change in accounts receivable	--	(59,945)	28,721	(41,249)
Change in inventory	--	(329,144)	(185,620)	(100,591)
Change in prepaid expenses	--	(24,800)	(4,992)	(5,192)
Change in accounts payable	--	173,462	65,429	49,556
Change in accrued expenses	--	12,000	12,480	12,979
<b>Cash from operations</b>	--	<b>611,973</b>	<b>841,534</b>	<b>931,085</b>
Change in fixed assets (CAPEX)	--	(203,000)	(197,000)	(200,000)
<b>Cash from investing</b>	--	<b>(203,000)</b>	<b>(197,000)</b>	<b>(200,000)</b>
Change in debt	--	(200,000)	(200,000)	(200,000)
Change in contributed capital	--	-	-	-
<b>Cash from financing</b>	--	<b>(200,000)</b>	<b>(200,000)</b>	<b>(200,000)</b>
Beginning cash	--	500,000	708,973	1,153,507
Change in cash	--	208,973	444,534	531,085
<b>Ending cash</b>	<b>500,000</b>	<b>708,973</b>	<b>1,153,507</b>	<b>1,684,592</b>

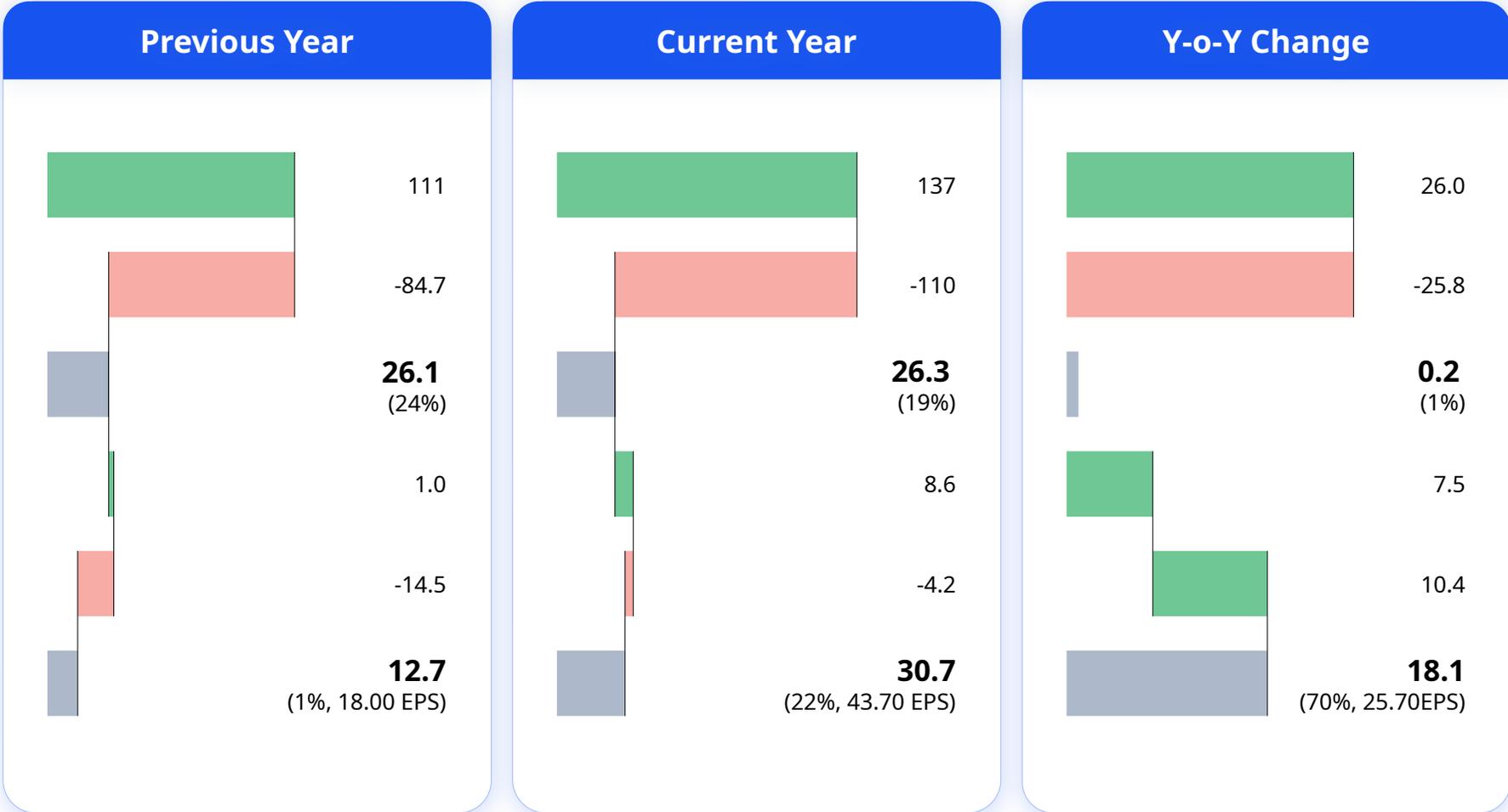
# Balance Sheet Graph

As of December 31, 2023  
All figures in billion USD



# Income Statement as Waterfall Chart

All numbers in billion USD



# Key Financial Ratios

## Price to Earnings Ratio

Q2 FY24 | **1  
2**

Q2 FYX1 | **9** ▲ 33%

## Debt to Equity Ratio

Q2 FY24 | **1.  
2**

Q2 FYX1 | **1.  
4** ▼ 14%

## Current Ratio

Q2 FY24 | **2.4**

Q2 FYX1 | **2.4** 0%

## Return on Assets

Q2 FY24 | **22%**

Q2 FYX1 | **19%** ▲ 16%

## Return on Equity

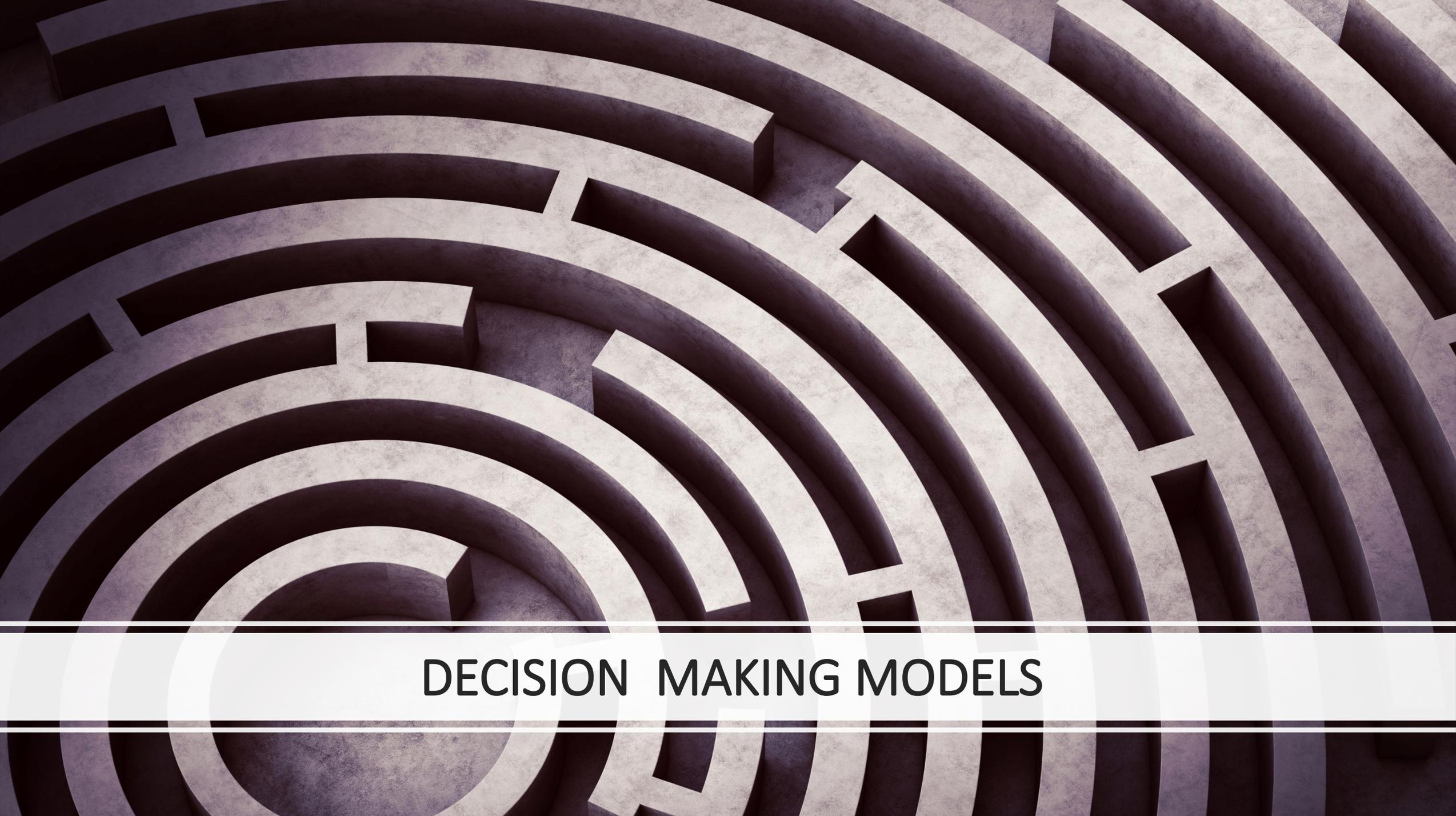
Q2 FY24 | **18%**

Q2 FYX1 | **15%** ▲ 20%

## Return on Investment

Q2 FY24 | **13%**

Q2 FYX1 | **18%** ▼ 28%

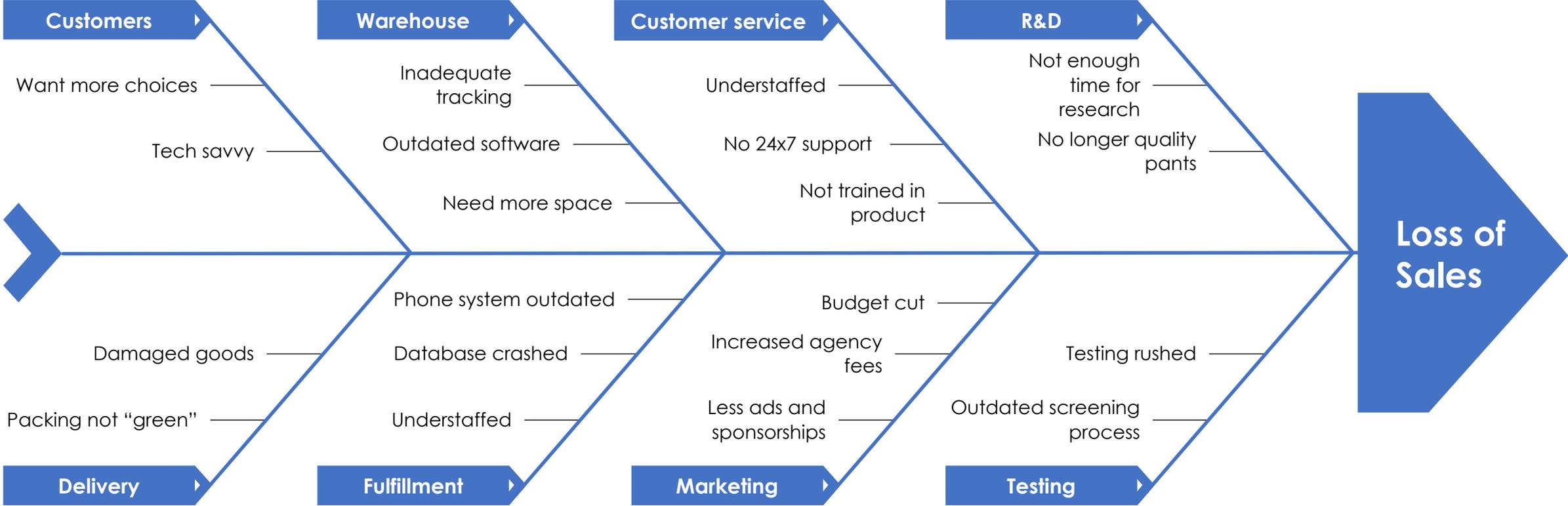
A 3D maze with a central circular opening, rendered in shades of purple and grey. The maze is composed of thick, curved walls that create a complex, winding path. The lighting is dramatic, with strong highlights and deep shadows, giving the maze a sense of depth and complexity. The overall aesthetic is modern and abstract.

# DECISION MAKING MODELS

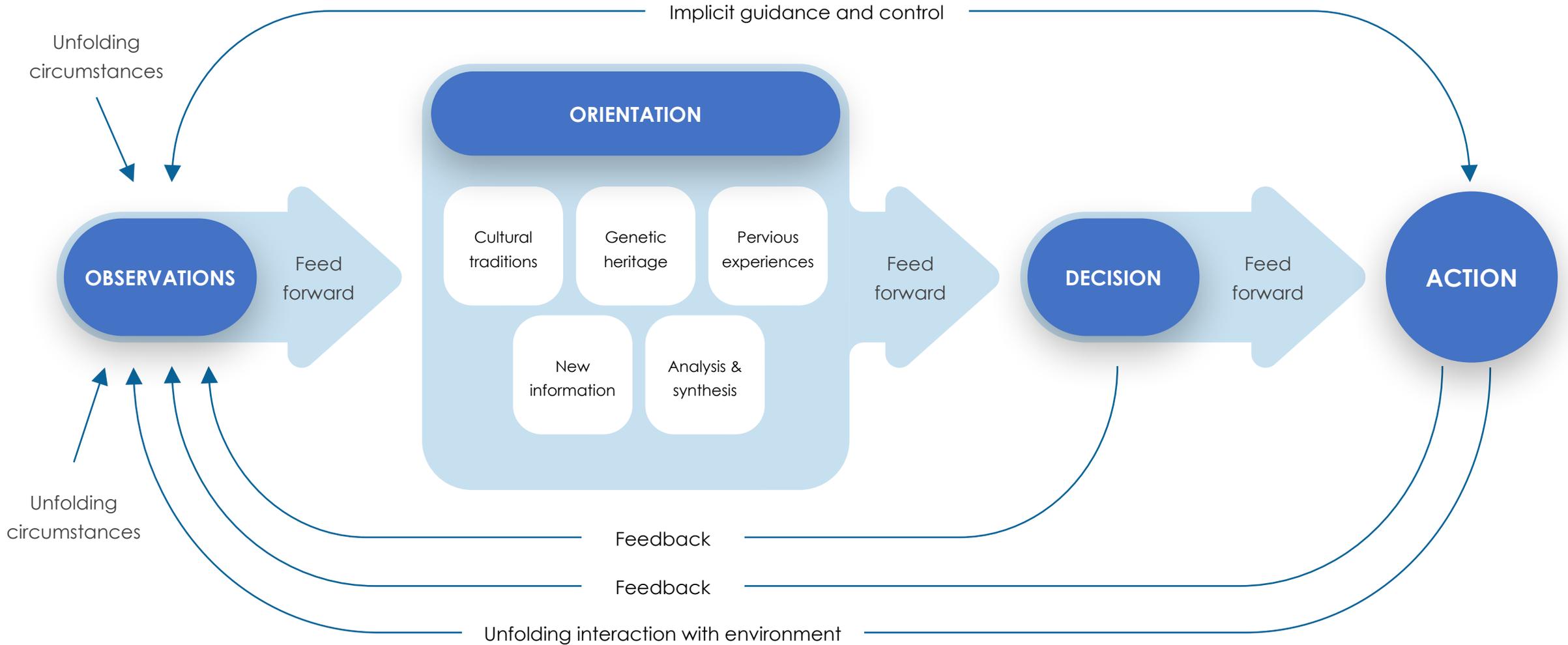
# PARETO ANALYSIS FOR STRATEGIC DEVELOPMENT

<b>Finance</b>	<b>If we satisfy the needs of our customers, what outcomes will our stakeholders see?</b>	What makes us more money? What 20% of the products/services account for 80% of the profit? Your text here Your text here	What caused us most loss? What are the 20% of activities that caused 80% of the losses? Your text here Your text here	
<b>Customer</b>	<b>To achieve our vision, how must we look to our customers?</b>	What customers should be in focus? What 20% of customers generate 80% of income? Your text here Your text here	What profit of partners should we be looking for? Who are that 20% of partners that generate 80% of income? Your text here Your text here	What to do with this map? Your text here Your text here
<b>Internal Business Process</b>	<b>How are we going to satisfy customer needs and meet financial goals?</b>	What are our priorities in product strategy? What 20% of the functions are used? Your text here Your text here	What errors should we fix as a priority? What 20% of the functions generate 80% of the income? Your text here Your text here	How should we adjust talent management? What 20% of the employees consume? Your text here Your text here
<b>Learning &amp; Growth</b>	<b>How should the company learn and improve in order to achieve its vision?</b>	What training should we repeat? What 20% of learning activities brought 80% knowledge to the team? Your text here Your text here	What infrastructure should we develop? What 20% of infrastructure allowed us? Your text here Your text here	Where should innovation efforts be focused on? What 20% of business systems? Your text here Your text here

# FISHBONE (CAUSE-AND-EFFECT) DIAGRAM



# OODA LOOP: DETAILED



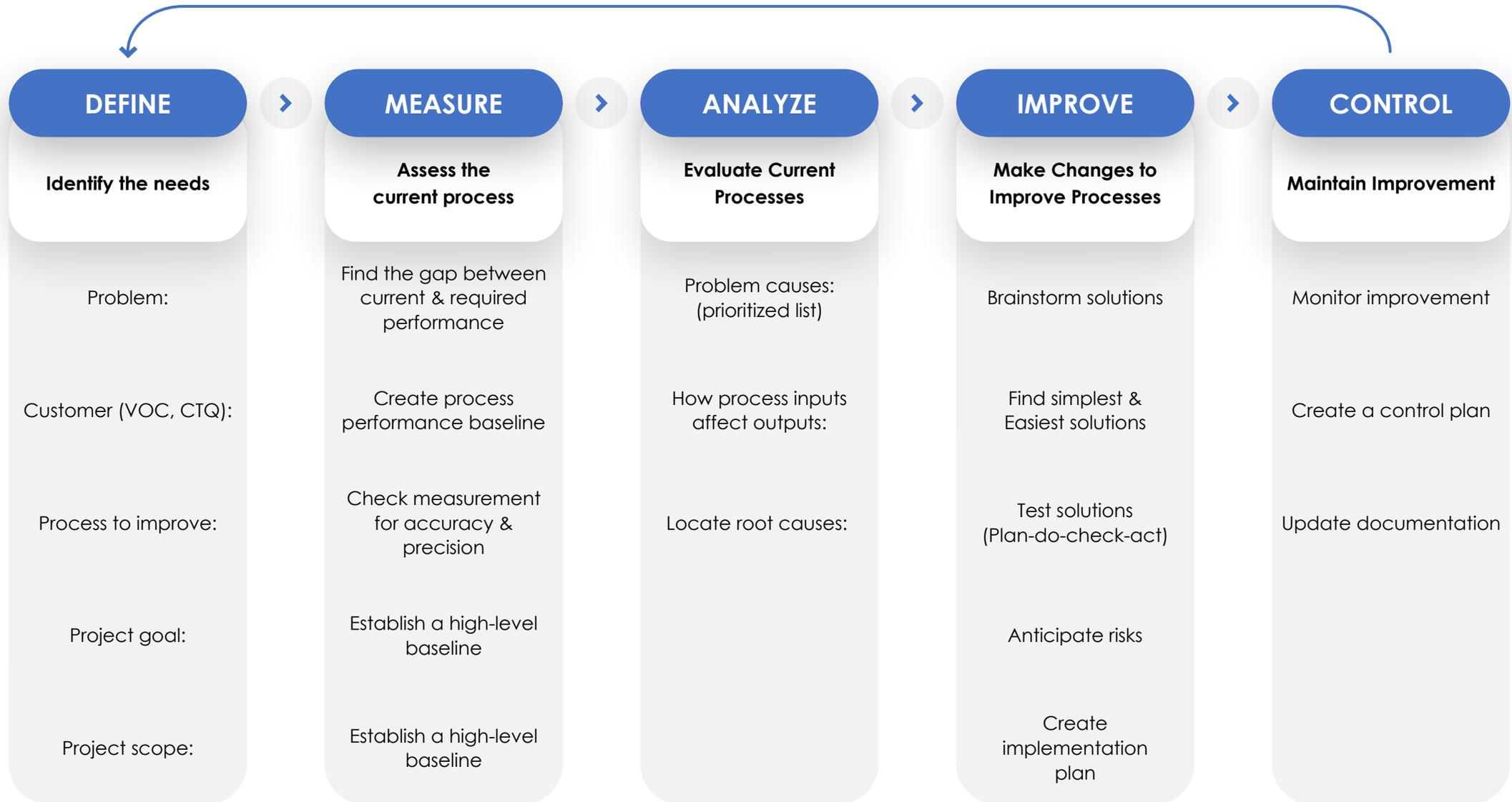
# ACTION PRIORITY MATRIX

## PROJECT LIST

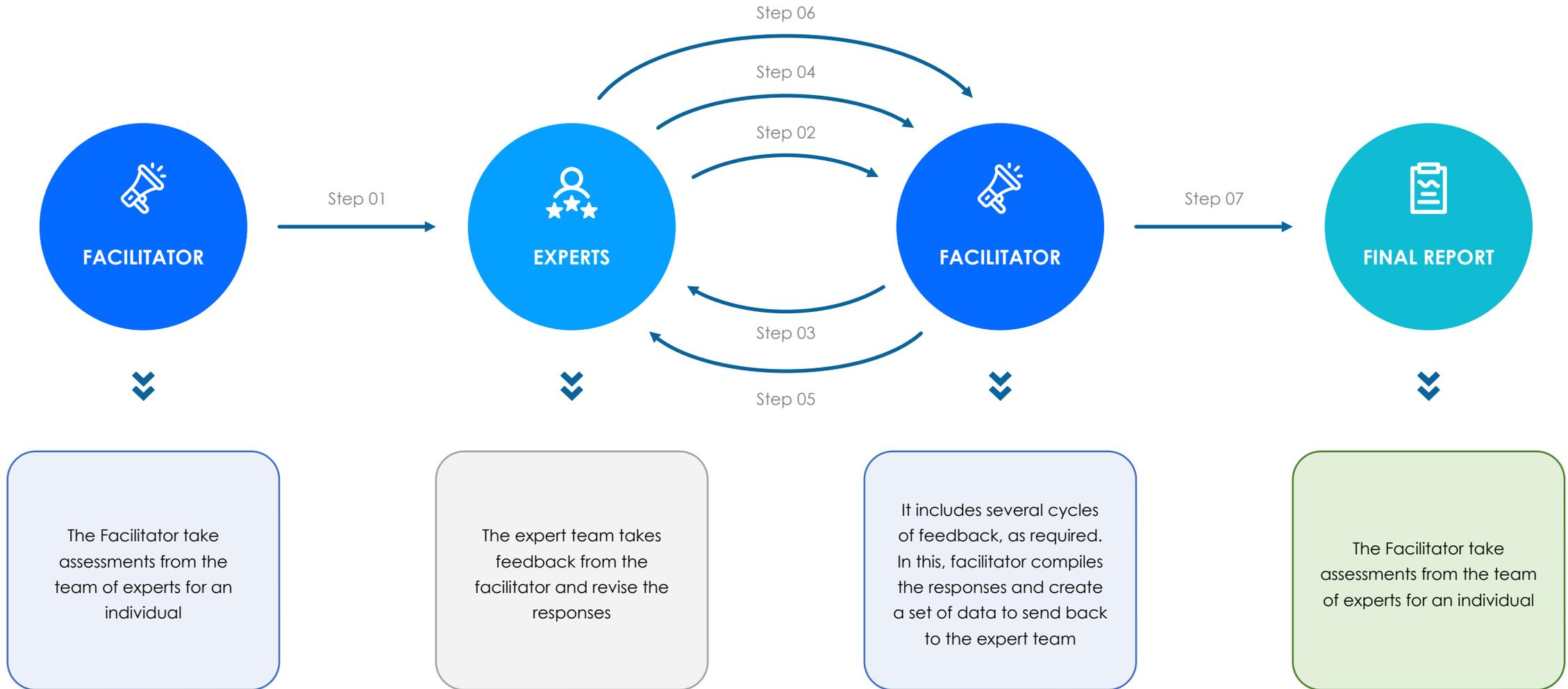
	Impact	Effort
Task 1	8	3
Task 2	9	4
Task 3	9	9
Task 4	7	6
Task 5	2	2
Task 6	2	6
Text here	8	3
Text here	9	4
Text here	9	9
Text here	7	6
Text here	2	2



# DMAIC



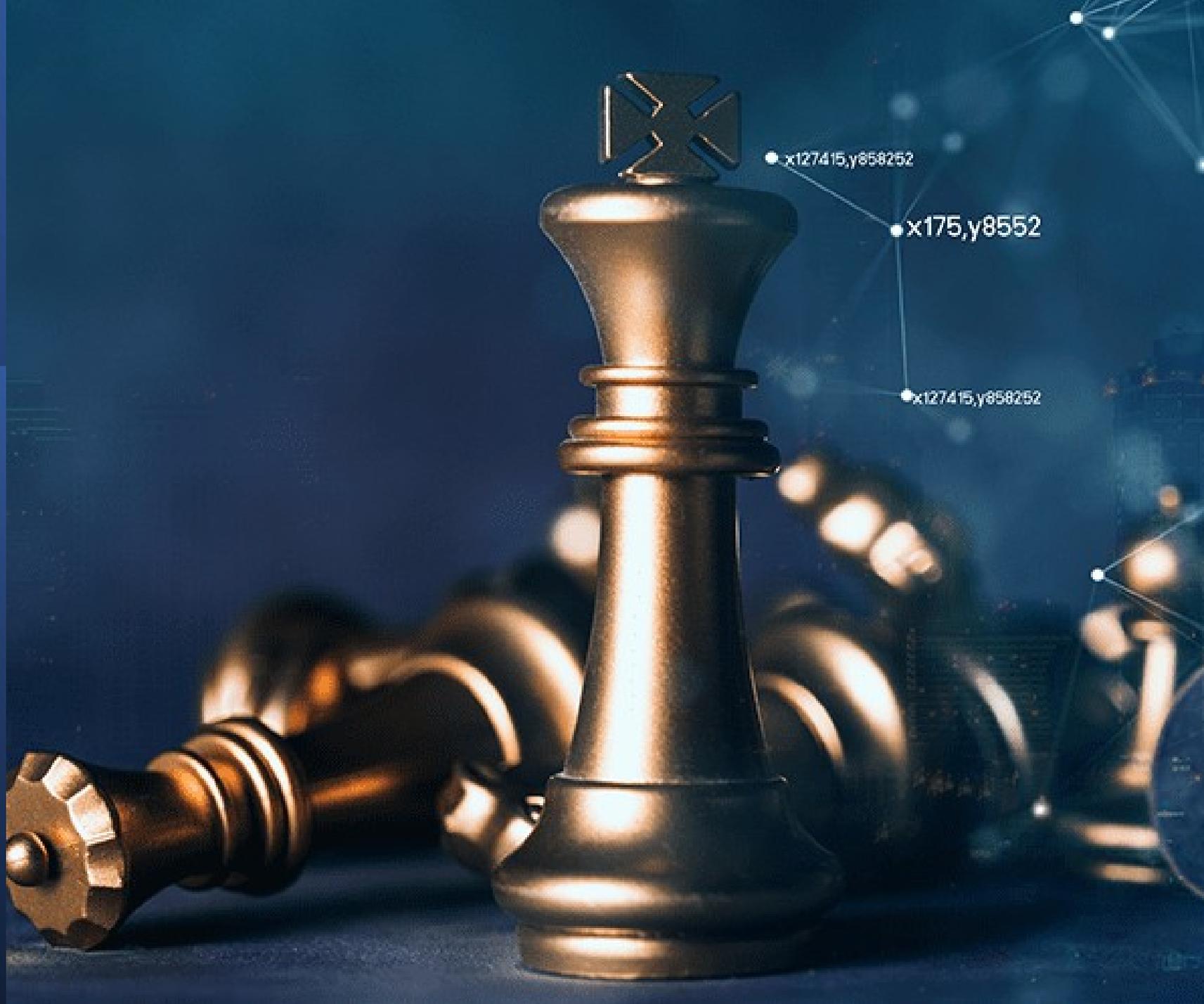
# DELPHI METHOD



# SIX THINKING HATS



# Competitive Strategy



# VRIO IN CONTEXT

## MACRO-ENVIRONMENT

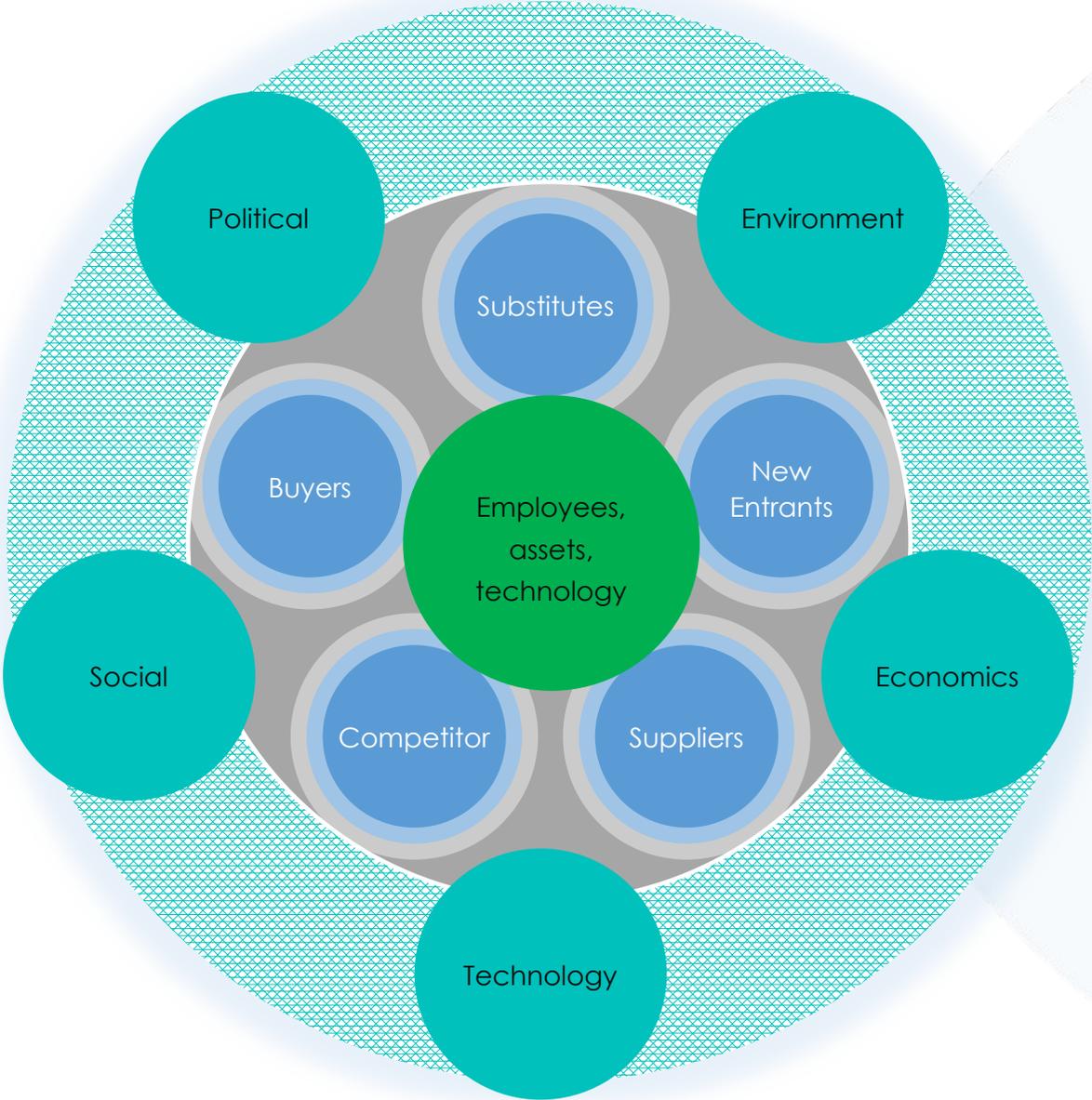
- Economics
- Technology
- Social factors
- Political landscape
- Environmental factors

## MICRO-ENVIRONMENT

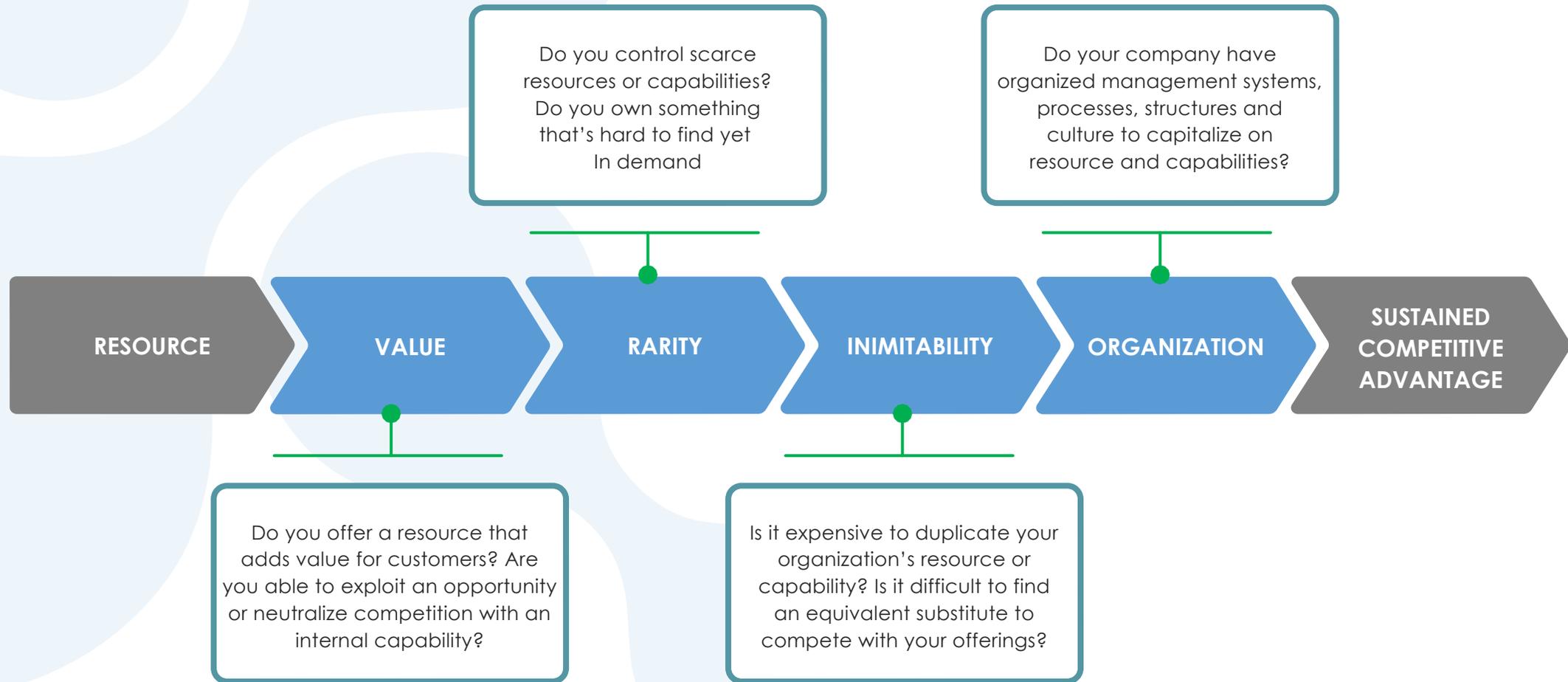
- Product substitutes
- New entrants
- Competitors
- Suppliers & buyers

## INTERNAL ENVIRONMENT (VRIO)

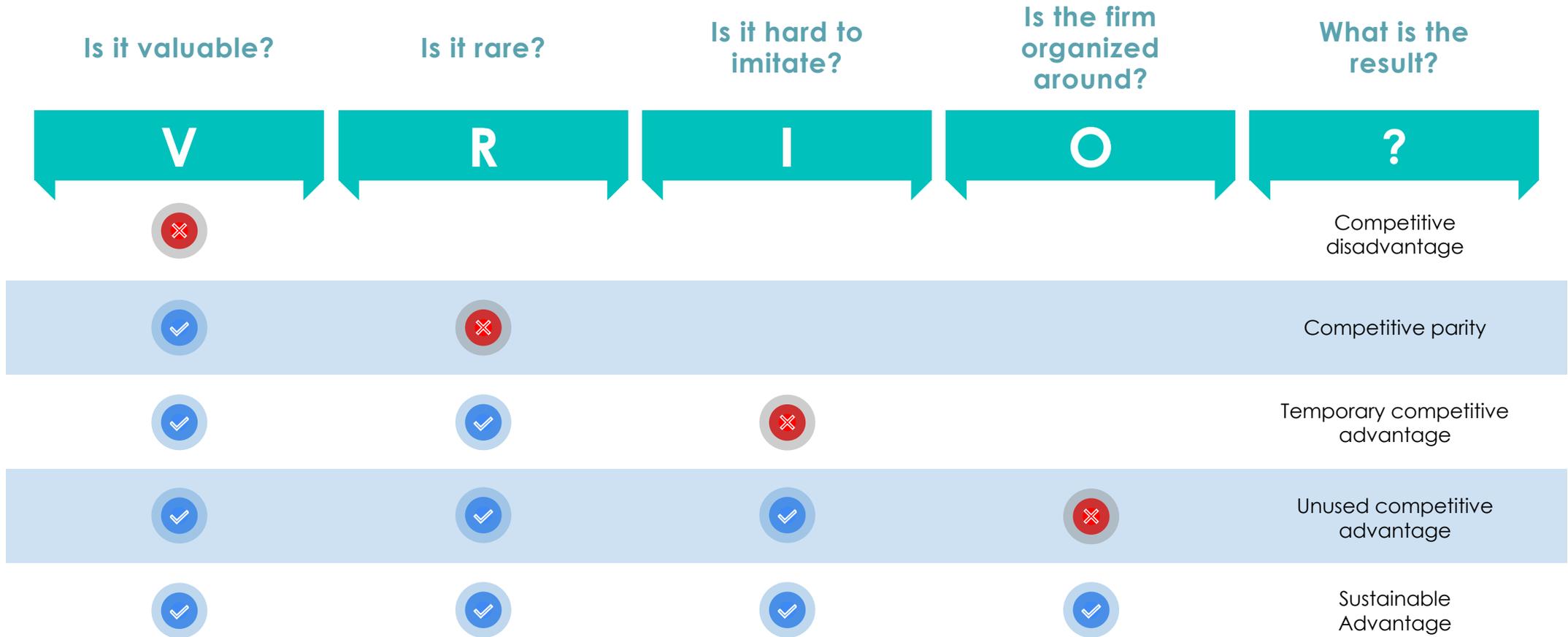
- Employees
- Assets
- Technology



# FOUR DIMENSIONS OF VRIO FRAMEWORK



# SUMMARY OF VRIO MODEL



# VRIO ANALYSIS FOR BUSINESS



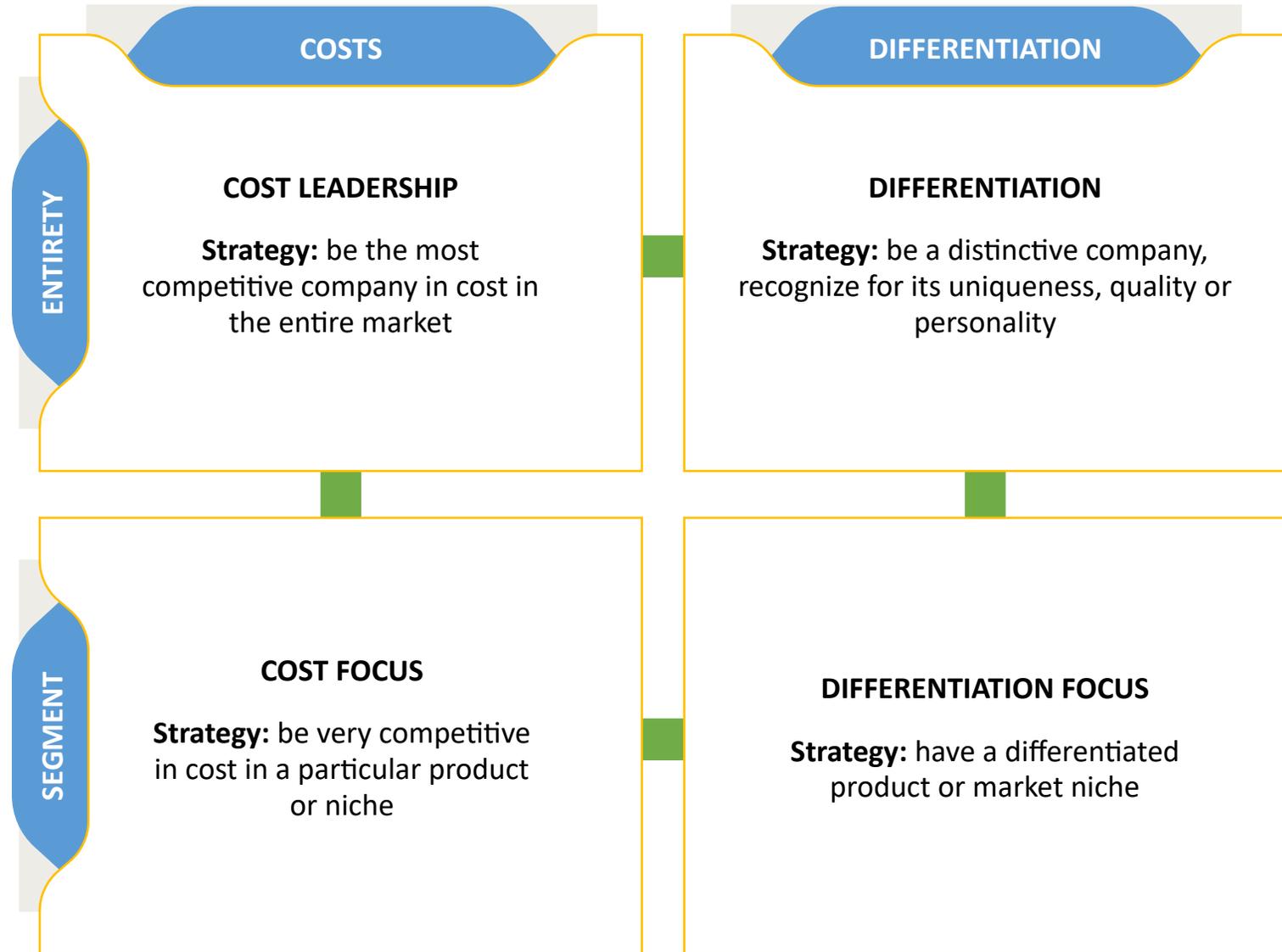
- E-commerce
- Quality of service
- Brand & reputation
- Distribution stability
- Financial stability
- Innovation
- Customer service

	VALUABLE	RARITY	COSTLY TO IMITATE	ORGANIZATION	COMPETITIVE IMPLICATION
E-commerce		✓		✗	Competitive parity
Quality of service	✓	✓	✗	✓	Competitive parity
Brand & reputation	✓	✗	✓		Sustainable
Distribution stability	✓	✓	✓	✓	Competitive
Financial stability	✓	✗	✓	✓	Sustainable
Innovation		✓		✗	Competitive
Customer service	✗		✗	✓	Competitive

## COMPETITIVE ADVANTAGE: What makes the company strong?

# PORTER'S GENERIC COMPETITIVE STRATEGIES

MARKET SCOPE: What part of the market is being targeted?



# BLUE OCEAN: CREATE STRATEGY CANVAS

PRODUCT TO BE COMPARED	PRODUCT A	PRODUCT B	PRODUCT C	WEIGHTED SCORES	PRODUCT A	PRODUCT B	PRODUCT C
Attributes or competition factors	1-5 ratings	1-5 ratings	1-5 ratings	Factor weight (1-5)	Score	Score	Score
Attribute A	4	2	2		0	0	0
Attribute B	2	3	3		0	0	0
Attribute C	3	5	5		0	0	0
Attribute D	3	2	2		0	0	0
Attribute E	3	1	1		0	0	0
Attribute F	5	1	1		0	0	0
Attribute G	0	3	3		0	0	0
<b>Total Value Score</b>					<b>0</b>	<b>0</b>	<b>0</b>

# BLUE OCEAN: CREATE STRATEGY CANVAS

## BCG GROWTH-SHARE MATRIX



### PORTFOLIO LEVEL ANALYSIS

#### DOGS

Dogs hold low market share compared to competitors and operate in a slowly growing market

#### CASH COWS

Cash cows are the most profitable brands and should be "milked" to provide as much cash as possible.

#### QUESTION MARKS

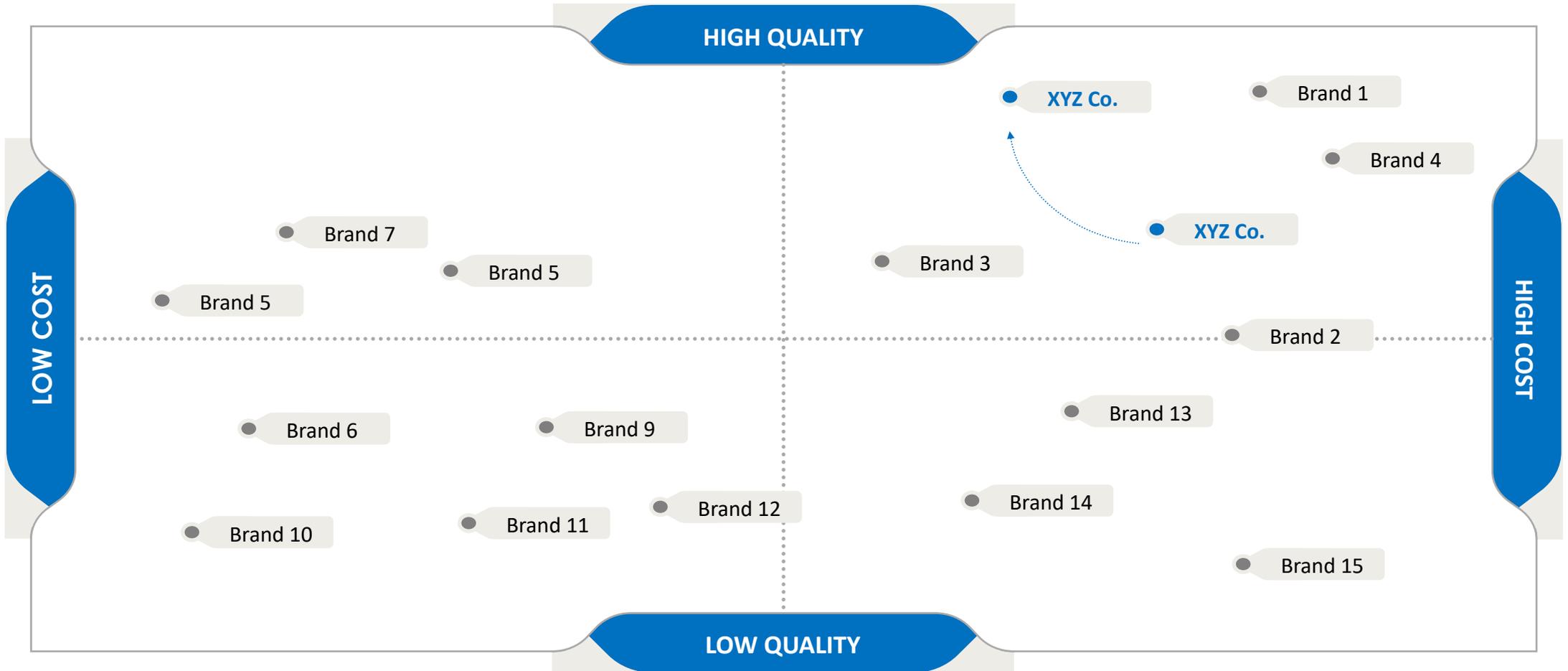
Question marks are the brands that hold low market share in fast growing markets consuming large amount of cash

#### STARS

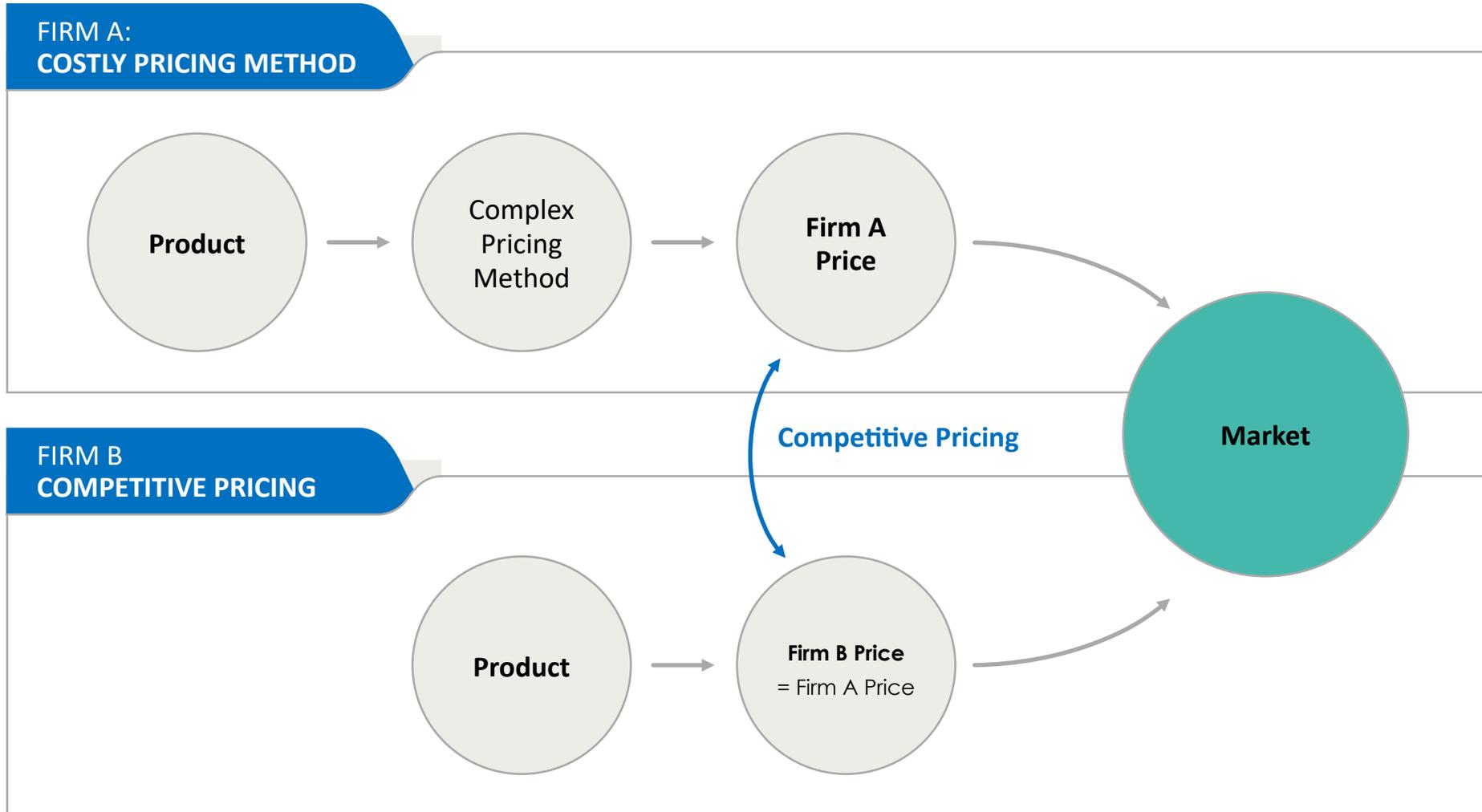
Stars operate in high growth industries and maintain high market share; Stars are both cash generators and cash users

# PERCEPTUAL MAP FOR COMPETITIVE ANALYSIS

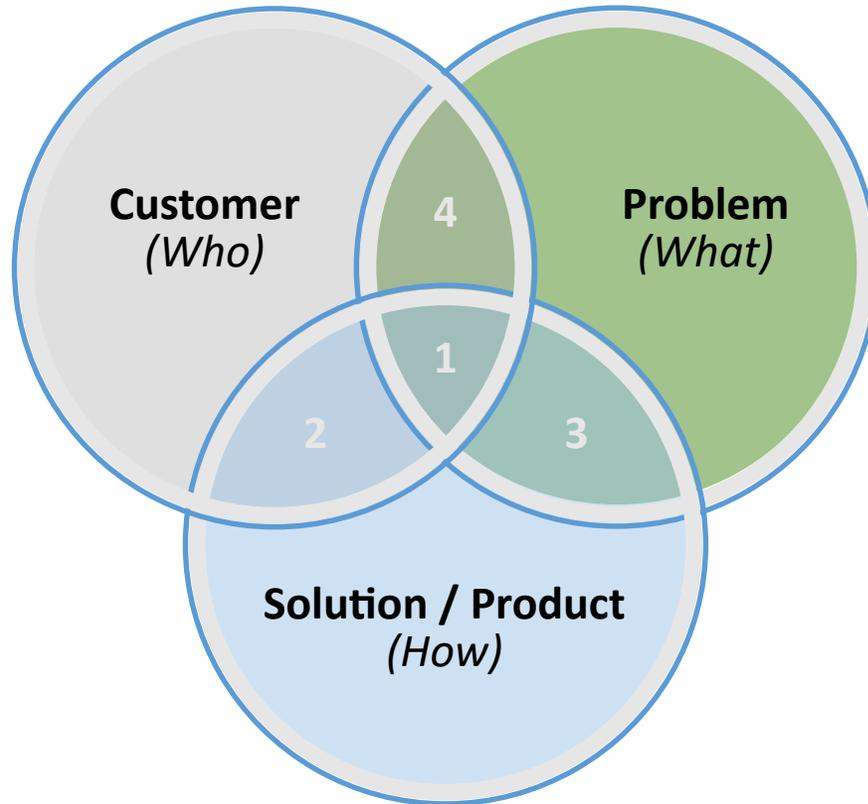
Identify key attributes that are relevant for your market and set them as axis on the map below. For a single brand you may have multiple perceptual maps on varying axis. Another good idea is to put the competing brand logos here next to the dots instead of the <Brand X> text. You can also show where you want your brand to move or map other brand movements with this tool.



# COMPETITIVE PRICING



# COMPETITOR IDENTIFICATION



## DIRECT COMPETITOR

1

Same customer, Problem and Product Category<

## DIFFERENT PROBLEM

2

Solving a different problem for the same customer but in a similar way

## DIFFERENT CUSTOMER (INDUSTRY/VERTICAL)

3

Solving the same problem in a similar way but for different customers

## DIFFERENT PRODUCT CATEGORY

4

Solving the same problem for the same customer but using different approach

# COMPETITIVE MATRIX



## COMPANY A

- High quality products
- Price competitive against XYZ
- Weak after-sales service

## COMPANY B

- High end products
- For younger demographic

## COMPANY C

- Good price/performance ratio
- Easy to operate
- Target industry: young professionals
- No system or software support

## COMPANY D

- Localized training and services
- Target industry: young professionals
- Lowering prices to compete with Company C

**STRATEGY IMPLEMENTATION**

**Create Demand**  
*(Market Facing)*

- Objectives**
- Build XYZ brand name
  - Grow the new market

**Fulfill Demand**  
*(Internal Capabilities)*

- Objectives**
- Build internal infrastructure
  - Retain market leadership

**Marketing Strategy**

**Government Strategy**

**Product Strategy**

**Channel Strategy**

Overall: corporate image building and market education

SEGMENT A XYZ's continuous commitment to banking

SEGMENT B Brand awareness building

SEGMENT C Brand awareness building

- Conveying XYZ's value proposition
- Project-based initiatives

SEGMENT A

- Premium product/service,
- Solution focused

SEGMENT B

- Quality product
- Meet customer requirement

SEGMENT C

- Cost effectiveness
- Standard product

SEGMENT A

- Strengthen relations with channel
- Account plan & solution focused

SEGMENT B

- Increase the number of channels
- Increase new industry penetration

SEGMENT C

- Increase number of channels
- Expand geographic coverage

PRIORITY



# PRODUCT PORTFOLIO STRATEGY

## HIGH VOLUME

### MAINTAIN & ENHANCE

Closely monitor competitors' encroachment on the target industry, adjust product strategies according to the buyer value migration in the industry, and enhance customer service and solution capabilities

## MID VOLUME

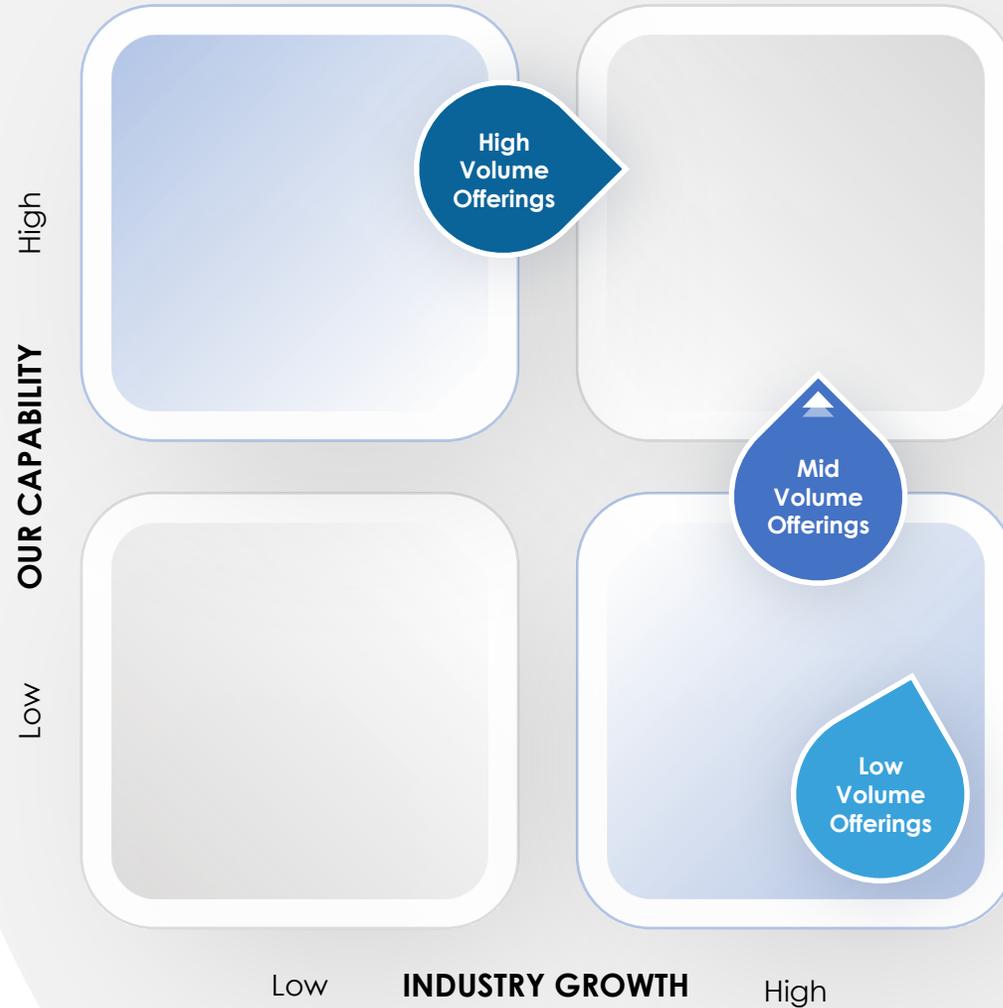
### REACH & EXPAND

With moderate effort, enter this segment early, watch for opportunities in the non-major clients and large users with financial capabilities

## LOW VOLUME

### ENTER & GROW

This segment represents the most rapidly growing sector with the greatest potential. Our product strategy should be to enter aggressively and help customers grow to a higher level



# REVENUE VS. MARKET SIZE

The new product expansion strategy will enable us to achieve a CAGR of 56.3% in sales revenue. The total sales of US\$ 43M sales in year 5 will be made of approximately \$30M from high end products and about \$13M from new products.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	CAGR
Market Size	18.0	25.9	39.3	59.3	86.0	47.9%
XYZ Share	40%	40%	40%	45%	50%	
XYZ Sales	7.2	10.4	15.7	26.7	43.0	56.3%
Market Size	11.1	11.1	16.9	25.3	37.0	49.3%
XYZ Share	85%	85%	80%	80%	80%	
XYZ Sales	9.5	9.5	13.5	20.4	29.6	46.3%
Market Size	0.9	0.9	2.2	6.3	13.4	146.8%

# TESTING CORE COMPETENCIES

	COMPETENCY 1	COMPETENCY 2	COMPETENCY 3
Does it provide customer benefits?	×	✓	×
Is it difficult to imitate?	✓	×	✓
Can it be leveraged widely?	✓	×	×

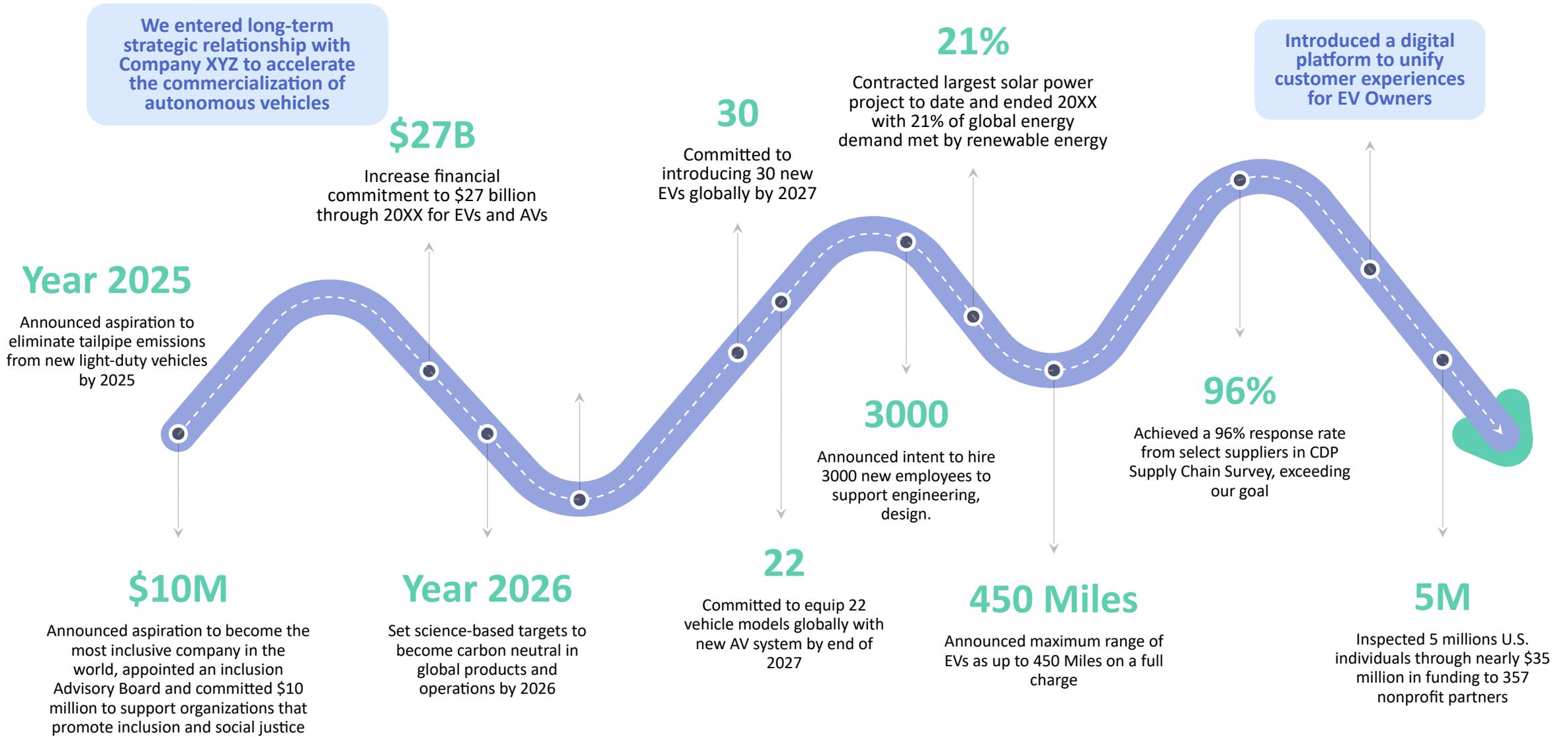
# COMPETITIVE PORTFOLIO ANALYSIS

CATEGORY	CRITERIA (AREAS OF OBSERVATION)	ADDITIONAL COMMENTS ON STRENGTHS & WEAKNESSES	COMPETITOR A										
			Poor			Equal			Better				
			1	2	3	4	5	6	7	8	9		
MARKET	Marketing and sales	Text here					•						
	Sales structure/locations	Text here			•								
	Price/performance ratio	Text here		•									
PRODUCT	Quality	Text here					•						
	Cost structure/ cost advantage	Text here	•										
	Enterprise	Text here		•									
FINANCES	Liquidity	Text here							•				
	Cost development	Text here									•		
STAFF	Working climate	Text here					•						
	Staff training & education	Text here			•								
OVERALL ASSESSMENT		Text Here					•						

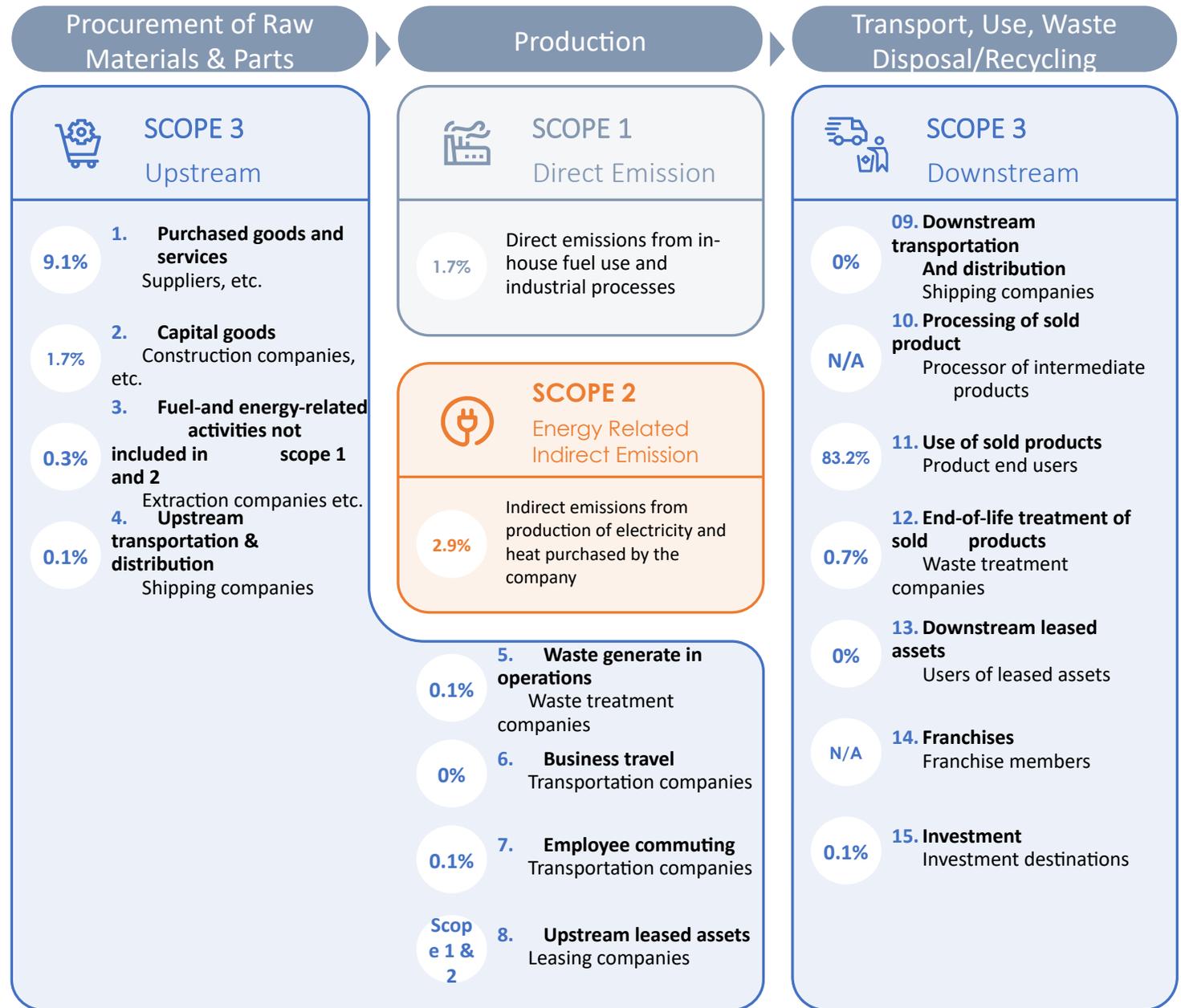


SUSTAINABILITY

# Sustainability Highlights

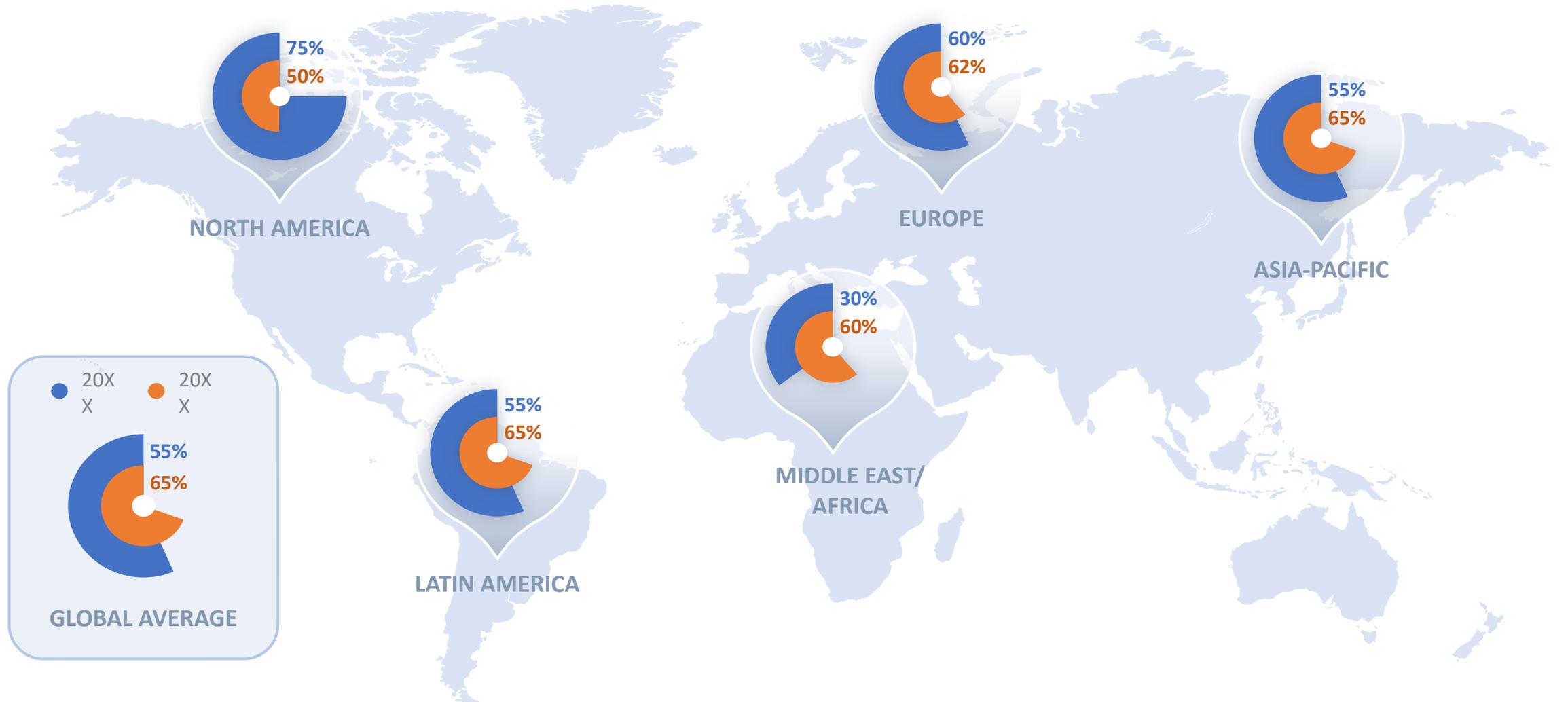


# GHG Emissions Throughout the Value Chain



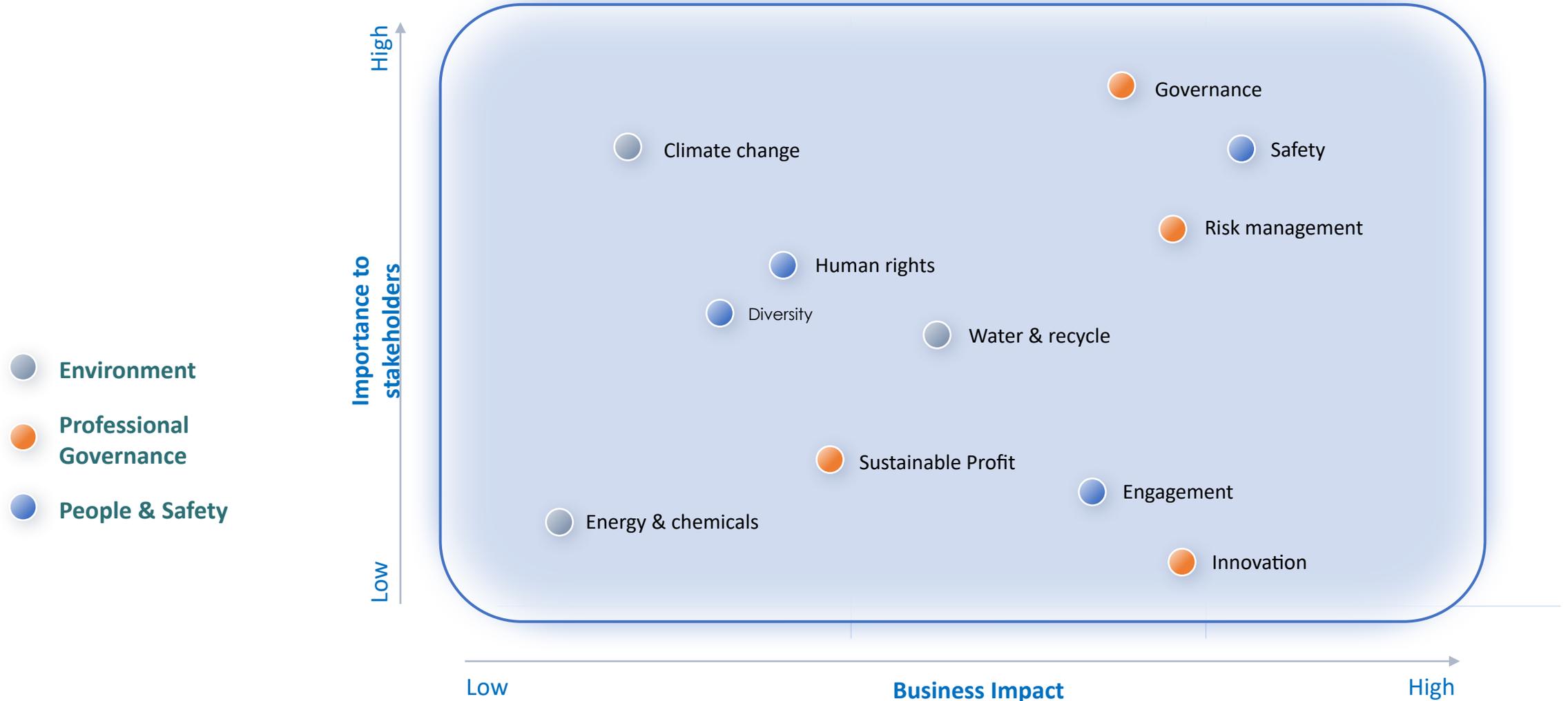
# Consumers Willingness

% of Consumers willing to pay more for goods and services from socially responsible companies



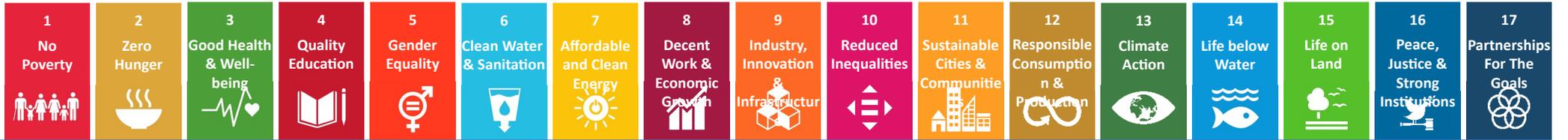
# Materiality Matrix

This list of 17 material topics specific to our business includes issues that we intend to manage, measure and report on. These what our stakeholder are most interested in understanding.



# Sustainable Development Goal (SDG)

- Low Density
- Medium Density
- High Density



Resilient Sourcing	●			⌚									●	●			⌚
Safe & Sustainable Sites							⌚							●			
Climate Change & Energy				⌚										●			⌚
Professional Excellence	⌚					⌚											⌚
Sustainable Profit Portfolio			⌚			●		⌚									⌚
Business Driven Innovation						⌚							⌚		●		●
Valuing Customer Relations			⌚														
<b>TOTAL SGD CONTRIBUTION</b>	⌚	⌚		⌚	●	⌚	⌚	⌚	●	●		⌚		⌚			●

# ESG KPIs

	KPI	Achievements in FY 2020	Progress made toward the goal and achievements in made	Target	
ENVIRONMENT	Business Sites (Factories and Offices) Reduction rate of CO2 emissions (base: FY 20XX)	39%	✓	FY 2021	20% or higher
				FY 2030	100% (carbon neutrality)
				FY 2050	(Maintain 100%)
	Reduction rate in water use per unit (Company XYZ) (base: FY 2010)	24%	✓	FY 2021	26% or higher
				FY2050	50%
	Reduction rate in waste and valuables unit generation per (Company XYZ) [Base: FY 2010]	14%	✓	FY 2021	12% or higher
FY 2050				50%	
SOCIETY	Digital talent (Company XYZ)	Approx. 35,000 people	✓	FY 2021	37,000 people
	Number of Data scientists (Company XYZ)	Approx. 3,000 people (Achieved ahead of schedule)	✓	FY 2021	3,000 people
	Number of Top-class AI talent (Company XYZ)	356 people (Achieved ahead of schedule)	✓	FY 2021	350 people
	Ratio of female executives and corporate officers (Company XYZ)	10.1%*1 [10%]	✓	FY 2024	15%*1
				FY 2030	30%*1
	Ratio of BIPOC executives and officers corporate (Company XYZ)	11.6%*1 [10%]	✓	FY 2024	15%*1
				FY 2030	30%*1
	Number of female managers (Company XYZ)	800 people*2 [800 people]	✓	-	-
	Fatal accidents (Company XYZ)	3 cases		2021	0
	Fatal accidents (Company XYZ)	0 cases	✓	2021	0
	Lost time accidents (Company XYZ)	314 cases		2021	Halve the number compared to 2018 (253 cases)
Lost time accidents (Company XYZ)	4cases		2021	Halve the number compared to 2018 (3 cases)	

# Stakeholder Engagement

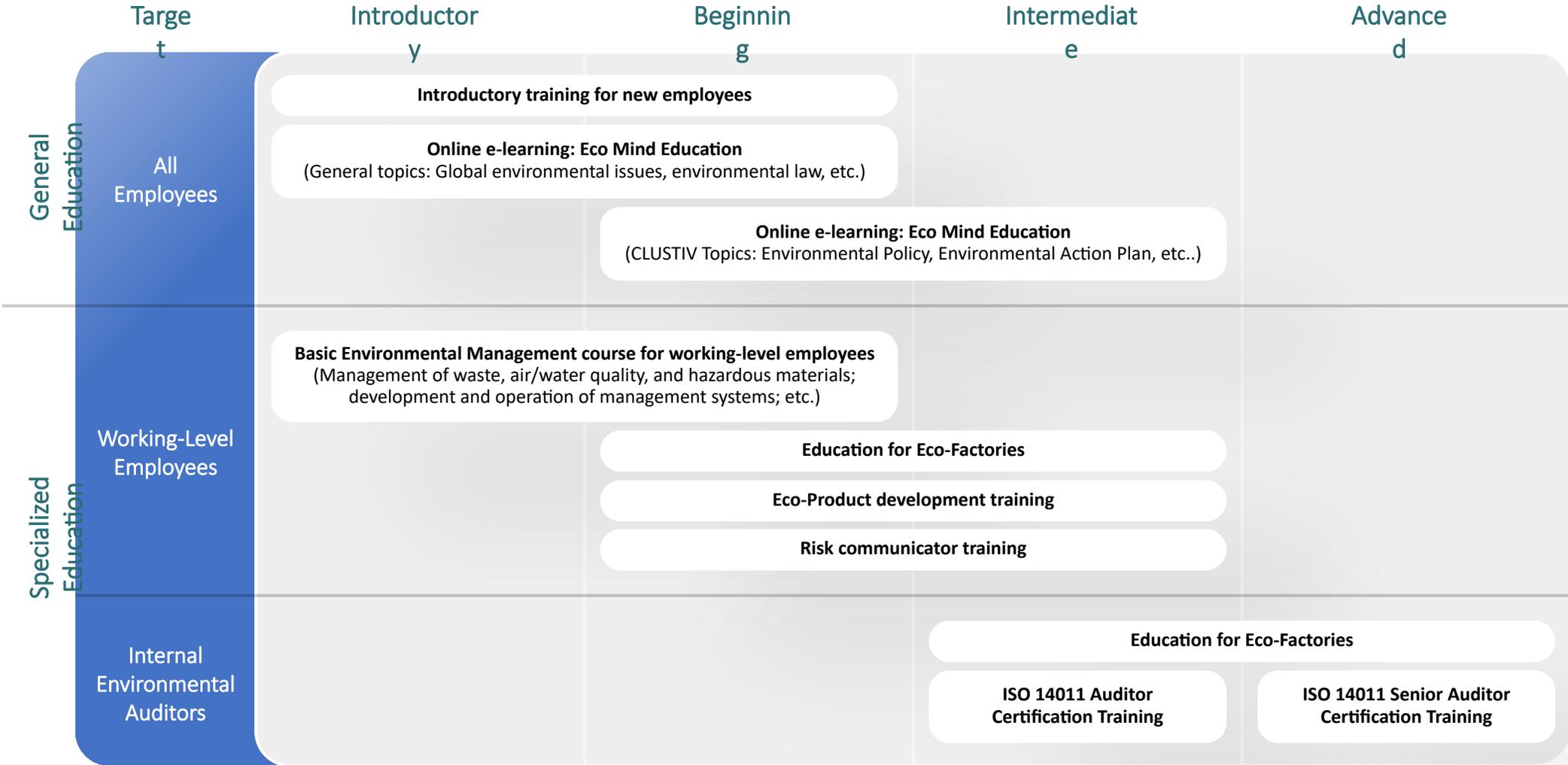
STAKEHOLDERS	MAIN ROLES	MAIN DIVISIONS	MEANS OF COMMUNICATION (Result in FY 20XX)
Customers	Creation of better products and services, response to complaints, appropriate disclosure of information on products and services	Quality Assurance/Sales	<ul style="list-style-type: none"> <li>Customer satisfaction activities</li> <li>Advertising activities</li> <li>"Global Brand Campaign"</li> </ul>
Shareholders and Investors	Timely and proper information disclosure, obtaining fair recognition and support from capital markets, reflection of shareholder and investor viewpoints in corporate management	Public Relations and IR	<ul style="list-style-type: none"> <li>Financial results briefings (quarterly)</li> <li>One-on-one meetings with institutional</li> <li>General shareholders' meeting (annual)</li> </ul>
Suppliers	Building fair and sound business relations, smooth information sharing toward better partnerships	Procurement	<ul style="list-style-type: none"> <li>Procurement activities</li> <li>CSR monitoring (271 companies)</li> <li>CSR procurement seminars (450 companies)</li> </ul>
Employees	Proper treatment, promotion of occupational health and safety of human capital	Public Relations/ Human Capital	<ul style="list-style-type: none"> <li>Intranet, in-house newsletters</li> <li>Training</li> <li>Employee survey (annual)</li> </ul>
National and Local Governments, Industrial Associations	Compliance with domestic and foreign laws and regulations, policy recommendations, participation in industry-government-academia collaborative projects	Government and External Relations	<ul style="list-style-type: none"> <li>Academic research for policy recommendations to international organizations and national governments, lobbying activities</li> <li>Policy council participation (Japan)</li> <li>Participation in business and industry associations (Japan)</li> </ul>
Local Communities	Fulfillment of responsibilities as a corporate citizen, involvement in local communities	Social Contributions/All Business Divisions	<ul style="list-style-type: none"> <li>Contribution to local communities through business</li> <li>Participation in volunteer activities</li> </ul>
Academic Associations and Research Institutions	Promotion of technological innovations, participation in industry- government-academia collaborative projects	Research and Development	<ul style="list-style-type: none"> <li>Open innovation (joint research)</li> </ul>
NGOs and NPOs	Incorporation of diverse public opinions, promotion of stakeholder- focused management, social contributions through nonprofit activities	Sustainability Promotion	<ul style="list-style-type: none"> <li>Stakeholder dialogues (annual)</li> <li>Dialogue through collaboration</li> </ul>
Global Environment	Realization of a decarbonized society, a resource efficient society, a harmonized society with nature	Environment/All Business Divisions	<ul style="list-style-type: none"> <li>Stakeholder dialogues about environment (annual)</li> </ul>

# Environmental Action Plan

ITEMS	INDICATORS	FY 20XX TARGETS	FY 20XX RESULTS (ACHIEVEMENT LEVEL)	FINAL FY 20XX TARGETS
Promote Environmental Human Capital Development	Environmental human capital development of the Company XYZ			
Enhance Global environmental management	Implementation rate of voluntary environmental audits (number of implementing sites/number of sites outside EU)	50%	34% ★★	80%

A DECARBONIZED SOCIETY					A RESOURCE EFFICIENT SOCIETY					A HARMONIZED SOCIETY WITH NATURE						
Items	Indicators	FY 2022 Targets	FY 2022 Results (Achievement Level)	Final FY 2025 Targets	Items	Indicators	FY 2022 Targets	FY 2022 Results (Achievement Level)	Final FY 2025 Targets	Items	Indicators	FY 2022 Targets	FY 2022 Results (Achievement Level)	Final FY 2025 Targets		
Reduce CO <sub>2</sub> emissions of product and services	Reduction rate of CO <sub>2</sub> emissions per unit (Base FY 2022)	20%	20% ★★★	21%	Water circulation (factories and offices)	Enhancing efficiency in the use of water	Reduction rate in water use per unit (base: FY 2022)	24%	24% ★★★	26%	Chemical substances (Factories and offices)	Reduce chemical emissions	Reduction rate in chemical atmospheric emissions per unit (base: FY 2022)	17%	33% ★★★	18%
Address climate change risks and opportunities	Identification and review of risks and opportunities															
Reduce CO <sub>2</sub> emissions of business sites (factories and offices)	Reduction rate of CO <sub>2</sub> emissions per unit (Base: FY 2022)	8%	1.4% ★★	9%	Resource circulation (factories and offices)	Respond to water risk	Promotion of measures based on water risk survey results			Ecosystem preservation	Reduce impact on natural capital	Calculation of negative impacts (environmental impact assessment of business activities)				
Reduce CO <sub>2</sub> emissions from transportation (Shipping) Reduction rate of transportation energy consumption per unit		10%	1% ★★	11%			Enhance efficiency in the use of resources Reduce and recycle waste materials	Reduction rate in waste and valuables generation per unit (Base: 2022)	11%			14% ★★★	12%	Contribute to ecosystem preservation	Calculation of positive impacts (forest conservation activities)	
											Promotion of ecosystem preservation activities					

# Team Education Timeline



# Sustainable Development Goals

**04**  
**ENVIRONMENTAL**  
A viable natural environment

**03**  
**SOCIAL**  
Nurturing  
Community



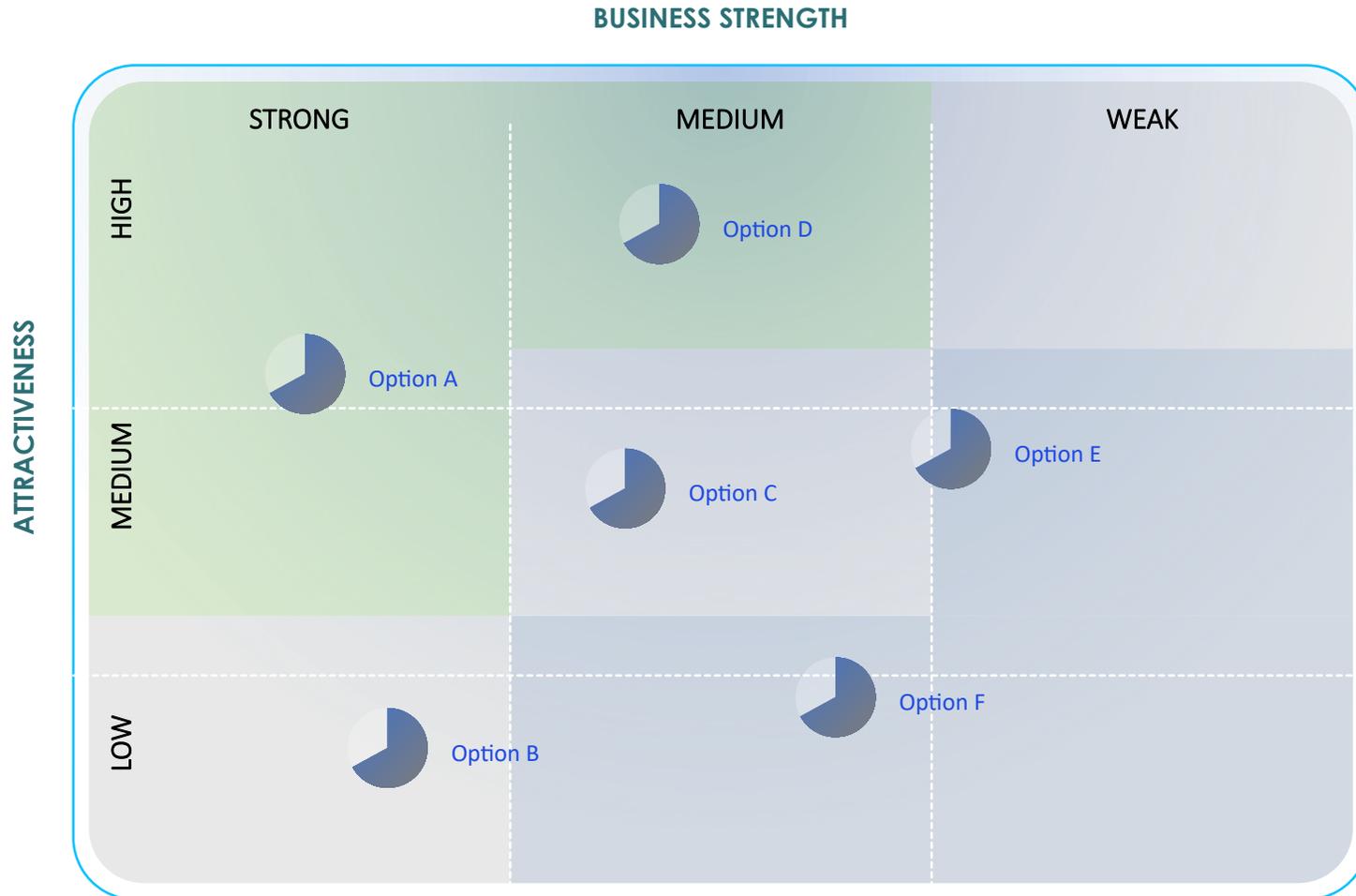
**01**  
**GOVERNMENT**  
Vision & direction  
Enabling conditions  
Set rules/regulations  
Public services  
Resources

**02**  
**ECONOMIC**  
Sufficient  
Economy



# Growth Strategy

# INDUSTRY ATTRACTIVENESS



## INVEST/GROW

Our business can reach this scenario if in a moderate to highly attractive industry with a moderate to highly competitive position.

## SELECTIVITY/EARNINGS

Moderate competitive position in an attractive industry or extremely highly competitive position in a less attractive industry.

## HARVEST/DIVEST

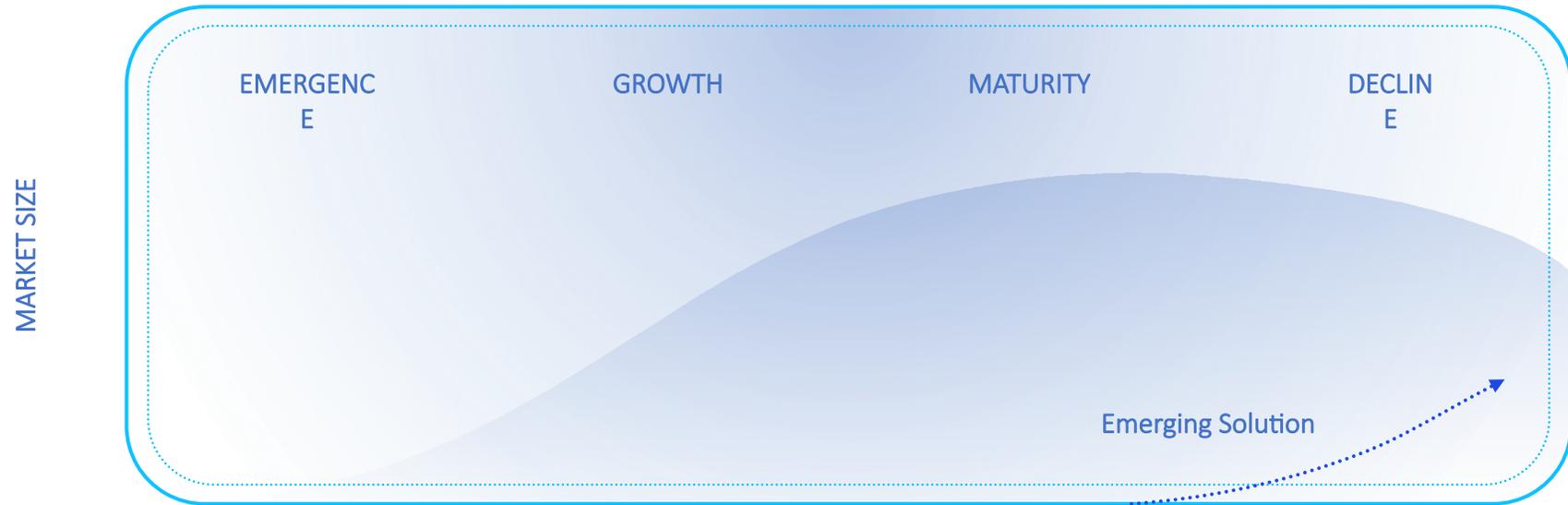
Appropriate if we have a low competitive position, is active in an unattractive industry, or a combination of the two.

# INDUSTRY ATTRACTIVENESS FACTORS

MARKET-ATTRACTIVENESS FACTORS	WEIGHT	RATING (0-10 Scale)	TOTAL
Customer needs and behavior: unmet needs?	0.5		4.5
Segment size and growth rate	0.2		1.4
Macro trends	0.3		2.7
<b>Total: Market Attractiveness</b>	<b>1.0</b>		<b>8.6</b>

COMPETITIVE-POSITION FACTORS	WEIGHT	RATING (0-10 Scale)	TOTAL
Opportunity for competitive advantage	0.5		4.5
Capabilities and resources	0.2		1.4
Industry attractiveness	0.3		2.7
<b>Total: Competitive Position</b>	<b>1.0</b>		<b>8.6</b>

# INDUSTRY LIFECYCLE ANALYSIS



	EMERGENCE	GROWTH	MATURITY	DECLINE
INDICATORS	High growth potential, limited or no regulation, no direct competition	Fragmentation, no dominant player, shapeable regulation	Low growth, high concentration, stable regulation, mature industry	No growth, restricted financing, losses
RIVALRY AMONG PLAYERS	Low (High Product Differentiation)	Increasing (Weak buyers, low entry barriers)	Strong (Stronger buyer, higher entry barriers)	Extreme (Many exits, price competition)
STRATEGY FOCUS	Innovation	Ability to grow	Market share, lower costs	Ramp down, disengage

# BCG GROWTH SHARE MATRIX

Product	Market Share (20XX)	Market Growth (20XX-20XX)	Relative Market Share (20XX)
Product A	15.4%	27%	0.62
Product B	9.3%	2%	0.46
Product C	5%	-5%	0.25 (Appx)
Product D	1.05%	17%	0.07



**PRODUCT A**

Stars operate in high growth industries and maintain high market share. Stars are both cash generators and cash users



**PRODUCT D**

Question marks are the brands that hold low market share in fast growing markets consuming large amount of cash



**PRODUCT B**

Cash cows are the most profitable brands & should be "milked" to provide as much cash as possible



**PRODUCT C**

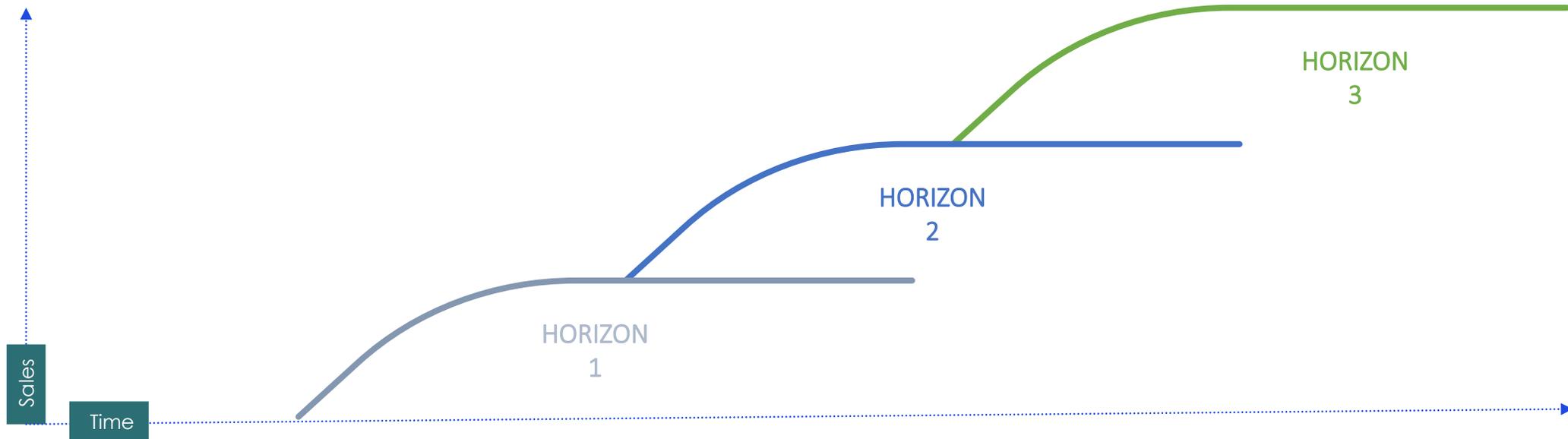
Dogs hold low market share compared to competitors and operate in a slowly growing market

# BLUE OCEAN BUYER UTILITY MAP

✔ Current Industry Focus   
 ✔ Blue Ocean Offering

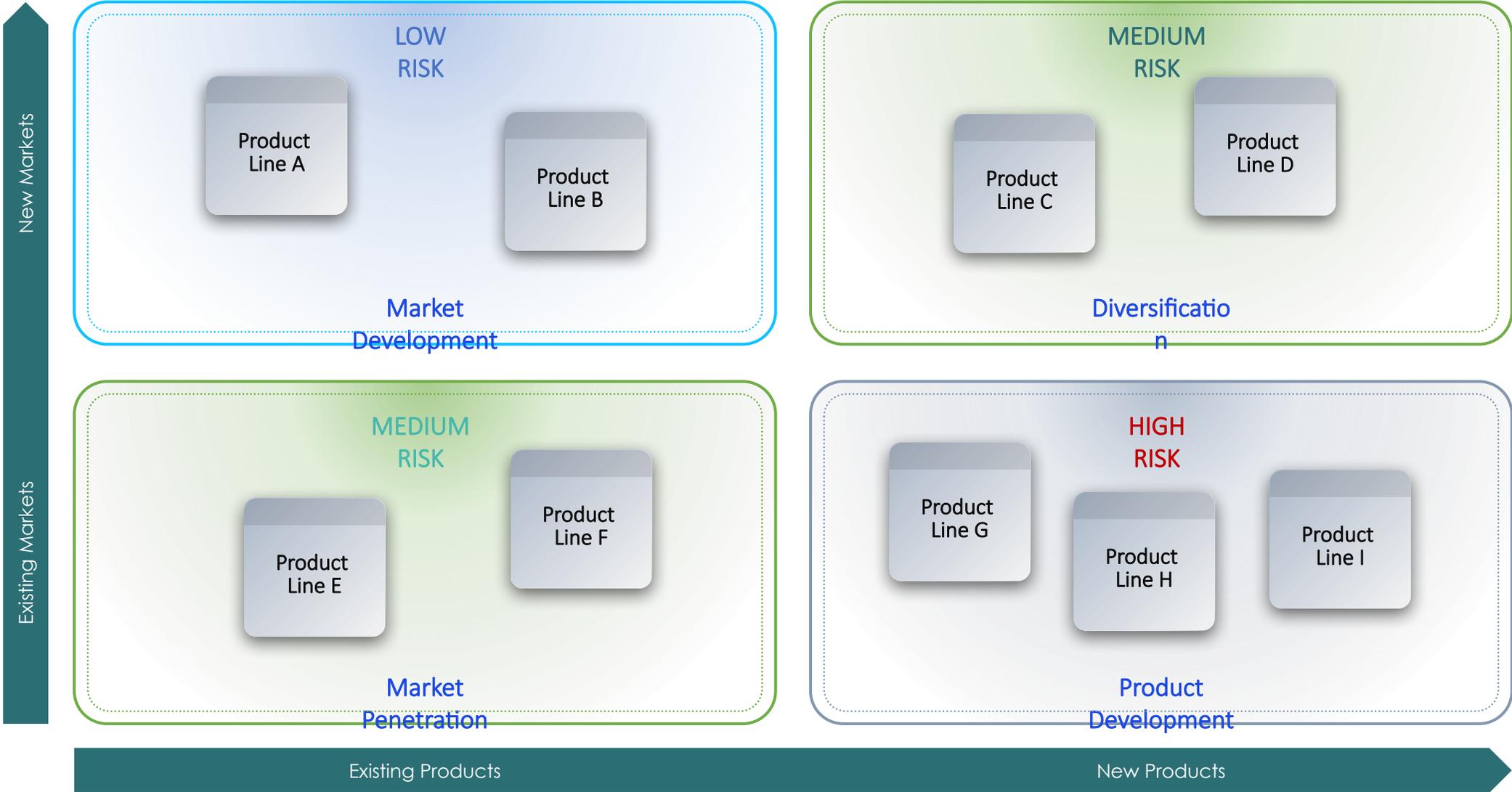
	PURCHASE	DELIVERY	USE	SUPPLEMENTS	MAINTENANCE	DISPOSAL
Customer Productivity		<span style="color: blue;">✔</span>	<span style="color: green;">✔</span>			<span style="color: blue;">✔</span>
Simplicity			<span style="color: blue;">✔</span>	<span style="color: blue;">✔</span>	<span style="color: blue;">✔</span>	<span style="color: blue;">✔</span>
Convenience	<span style="color: blue;">✔</span>				<span style="color: green;">✔</span>	<span style="color: green;">✔</span>
Risk		<span style="color: blue;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	<span style="color: green;">✔</span>	
Fun and Image			<span style="color: blue;">✔</span>			
Environment Friendliness	<span style="color: green;">✔</span>	<span style="color: blue;">✔</span>	<span style="color: blue;">✔</span>			

# THREE HORIZONS GROWTH MODEL



FOCUS	Executing to defend, Extend, and increase Profitability of existing businesses	Resourcing initiatives to build new businesses	Uncovering options future opportunities placing bets on selected options
OUTPUT	Annual planning and forecasting; Detailed plans for growth through adjacencies	Business building strategies: investment budget, detailed business plans for new ventures	Decisions to explore: initial project plan, milestones

# ANSOFF PRODUCT GROWTH MATRIX



# GROWTH SPENDING

## TYPES OF GROWTH STRATEGY



Existing Products/Services

Existing Market



New Product/Services

New Market



## SPENDING ON GROWTH IN PAST 12 MONTHS

GROWTH STRATEGY	FEB-20XX	FEB-20XX
Market Penetration Strategy	51.1%	53.2%
Product/Service Development Strategy	24.2%	22.3%
Market Development Strategy	15.0%	15.0%
Diversification Strategy	9.7%	9.5%

# GROWTH STRATEGY

Organic Growth

Existing Customers

Increase Average Sale

Increase Frequency

New Offering

Retention

New Customers

New Target Markets

New Offerings

New Channels

Channel Partners

Vertical Integration

Horizontal Integration

Online

Modernization

Process

Technology

Economies



INNOVATION & TRANSFORMATION

# Idea Evaluation

Name / Title of	Consulting process improvement
Type of Innovation	<input type="radio"/> Radical innovation <input checked="" type="radio"/> Improvement innovation <input type="radio"/> Routine innovation

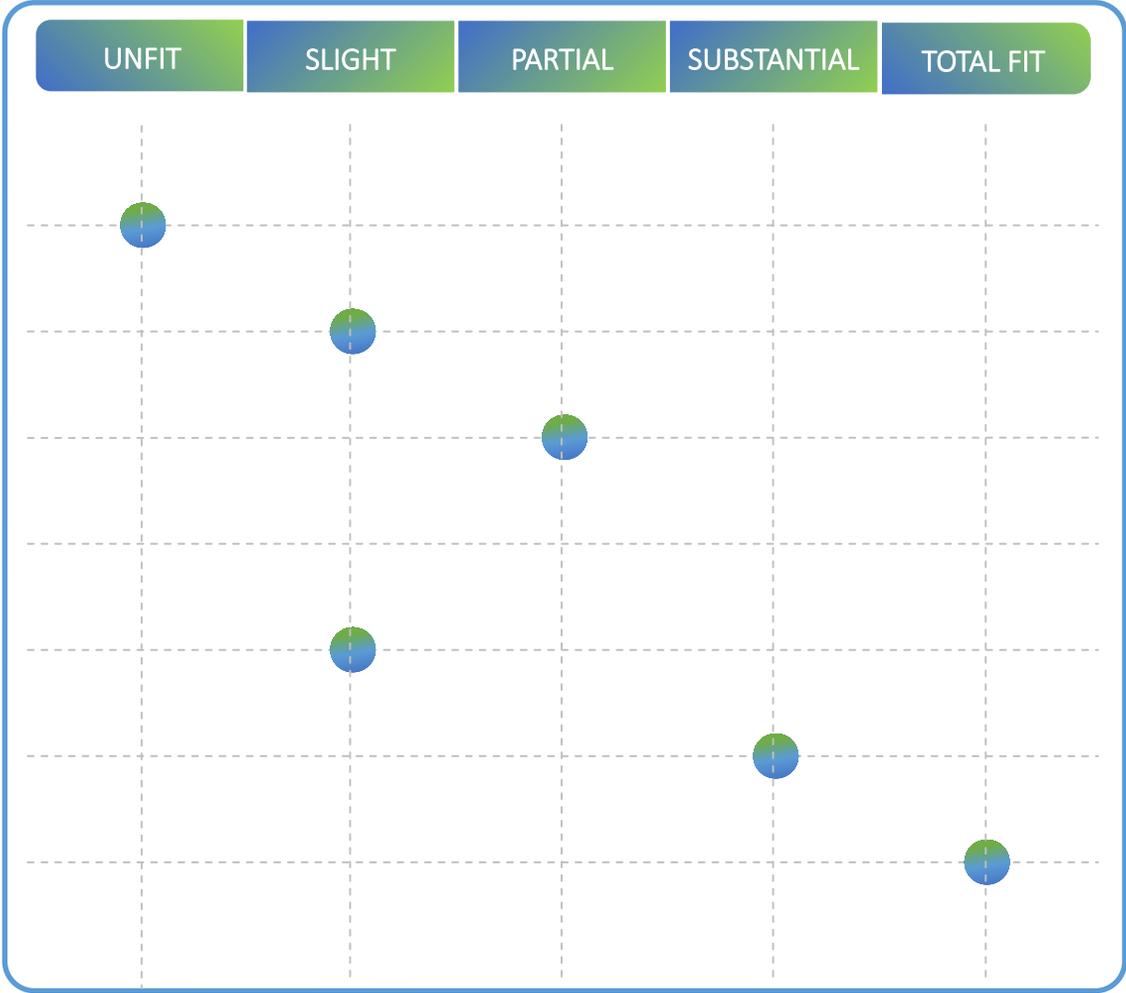
Descriptio	Consulting service of supply chain related problems in the market
Objectiv	Optimal outcome for both parties & their mutual growth in the future

Benefits or	Quality service with a specific time limit, ensuring low cost
Risks	Unstable business environment & low-cost outsourcing opportunities

<b>Feasibility</b>	Very High	<b>High</b>	Medium	Low	Very Low
<b>Necessary Investments</b>	Very High	High	Medium	<b>Low</b>	Very Low
<b>Conclusion</b>	<b>Potential business idea which is timely for the market</b>				
<b>Market Potential</b>	Very High	High	Medium	<b>Low</b>	Very Low
<b>Strategic Fit</b>	Very High	High	<b>Medium</b>	Low	Very Low
<b>Overall Evaluation</b>	Very High	High	<b>Medium</b>	Low	Very Low

# Strategy Fit Checklist

## THE INNOVATION



## COMMENT

- The innovation foresees market
- Helps maintain long term planning
- Makes our market position better
- Perfectly uses tech support
- Balance work-play in organization
- Customers choose us rather others
- Helps maintain continuousness

# DISCOVERY DRIVEN PLANNING

PLAN ELEMENT	STRATEGIES	ASSUMPTIONS	HORIZON	CONFIDENCE	CRITICALITY	OVERALL SCORE
	What is your strategy for addressing this area?	What are your key assumptions about the category?	What stage of the company's future does the assumption involve?	What is your confidence the assumption is correct? (1=Lowest; 10=Highest)	How critical are the assumptions? (1=Lowest; 10=Highest)	Score of 15 or higher indicates top priority assumption for your overall plan
Organization	Cultural shift	Need to innovative approach	Horizon #2	●●●●●●●●●●	●●●●●●●●●●	12
Product	Organic growth	Capture right talents to grow own innovative products in the markets	Horizon #2	●●●●●●●●●●	●●●●●●●●●●	18
Delivery	AI use	Use of AI will automate the process and reduce resource cost	Horizon #3	●●●●●●●●●●	●●●●●●●●●●	6
Competition	Stay innovative in the game	Scan environment to be competitive in the market	Horizon #2	●●●●●●●●●●	●●●●●●●●●●	12
Technology	Use of Emerging technologies to solve the problems	Technology driven Culture establishment to stay on TOP	Horizon #3	●●●●●●●●●●	●●●●●●●●●●	18
Macro factors	ESG factors, Geopolitical	Look into ESG scale as well as Geopolitical factors to draw risk factors	Horizon #2	●●●●●●●●●●	●●●●●●●●●●	6

# The Kübler-Ross Change Model Curve

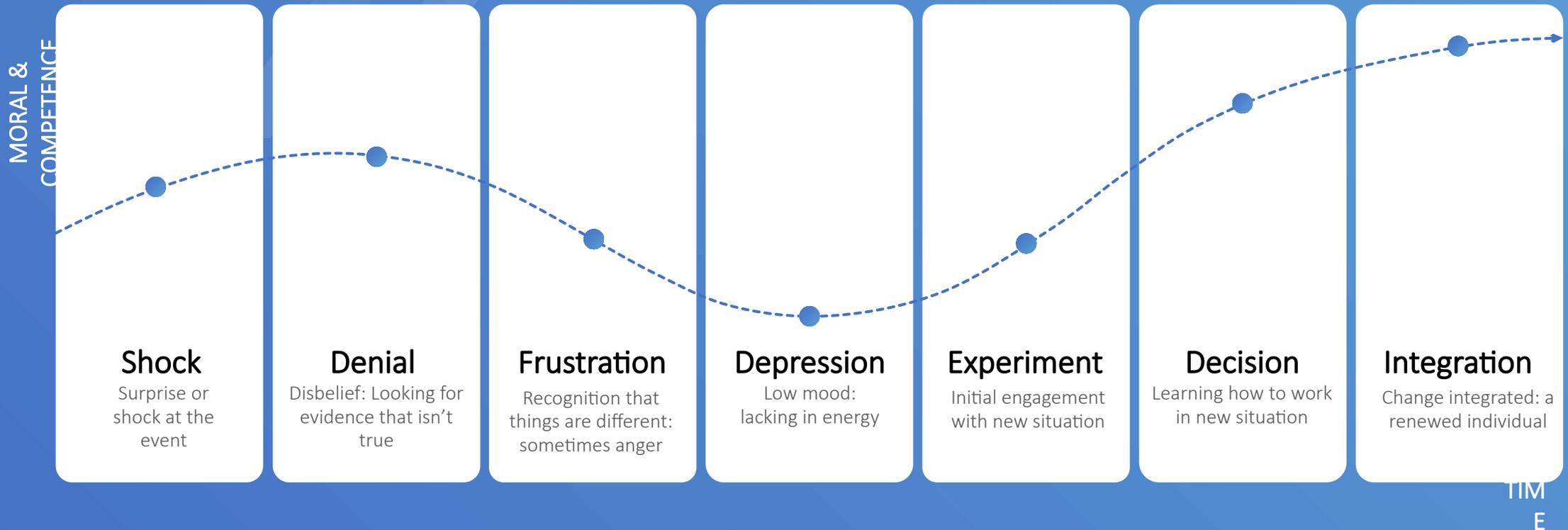
Create Alignment

Maximum Communication

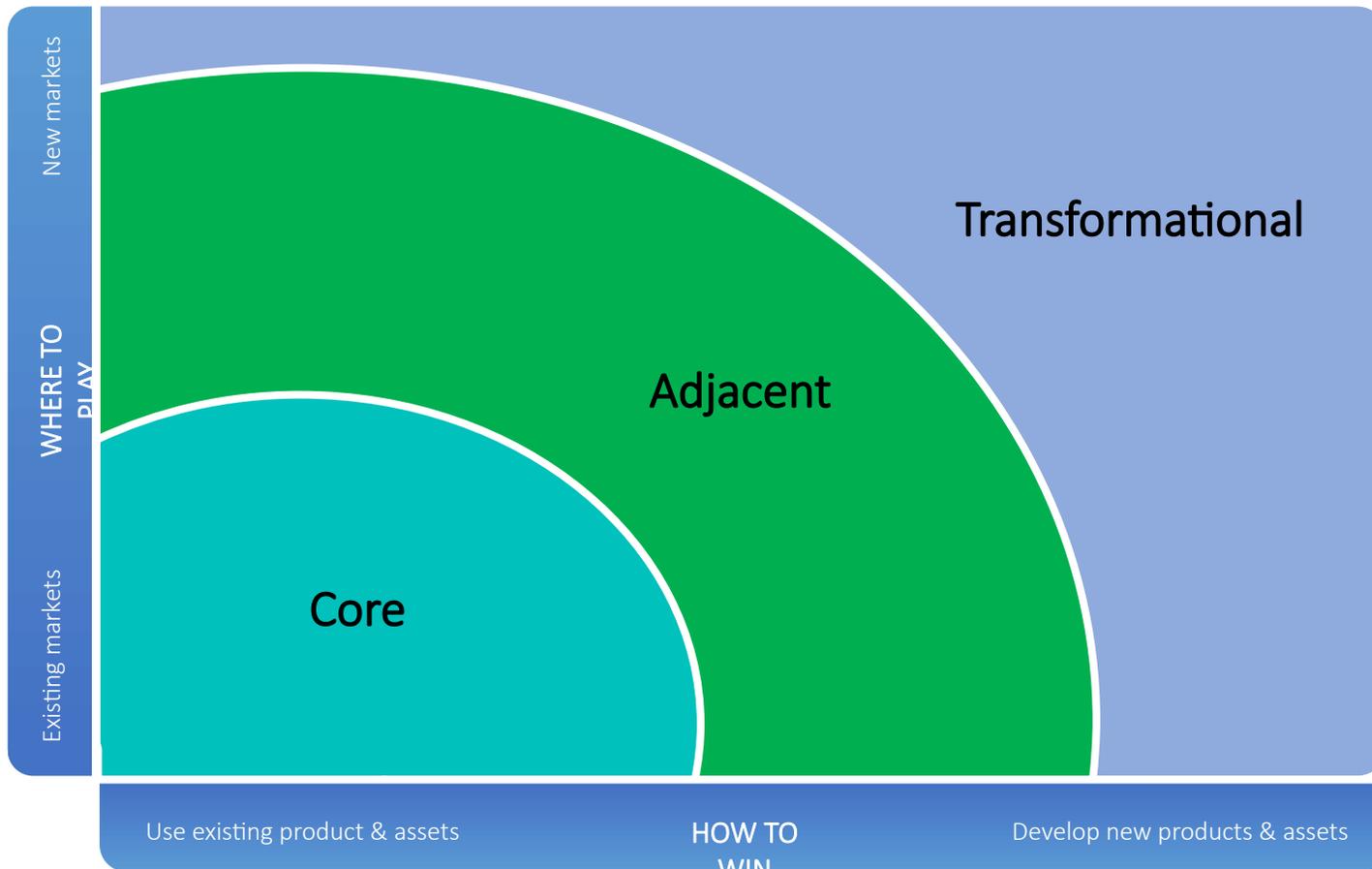
Spark Innovation

Develop Capability

Share Knowledge



# Innovation Ambition Matrix



## CORE

Optimize existing products for existing customers

70 Allocation of resource  
or  
10 Return on investment  
%

## ADJACENT

Expand from existing business into new business

20 Allocation of resource  
or  
20 Return on investment  
%

## TRANSFORMATIONAL

10 Allocation of resource  
or  
70 Return on investment  
%

# CONCEPT SCREENING

1 = Lowest, 10 = Highest

	CONCEPT A	CONCEPT B	CONCEPT C	CONCEPT D
Strategic alignment	3	3	3	3
Market size	4	4	4	4
Market growth forecast	5	5	5	5
“Wow” factor/value	2	2	2	2
Technical feasibility	3	3	3	3
Manufacture feasibility	5	5	5	5
Deliver feasibility	1	1	1	1
Profitability	1	1	1	1
Competitive advantage	5	5	5	5
<b>TOTAL</b>	<b>25</b>	<b>30</b>	<b>25</b>	<b>25</b>

01

Create the criteria against which the potential ideas for a new product/service will be compared.

02

Identify alternative concepts or existing products on the market for the new idea to be compared.

03

Rate concepts against each other and tally the results. Have a meeting around the top ones.

04

Select one or more of the best concepts to be further developed. Take suggestion from others.

# Concept Screening

	CONCEPT A	CONCEPT B	CONCEPT C	CONCEPT D
Strategic alignment	5	2	5	4
Market size	3	1	3	3
Market growth forecast	4	3	3	1
Wow factor/ concept value	2	4	2	3
Technical feasibility	3	2	1	4
Manufacturing feasibility	1	5	5	1
Delivery feasibility	2	1	1	1
Competitive advantage	1	2	2	2
<b>Column Total</b>	<b>21</b>	<b>20</b>	<b>22</b>	<b>19</b>

# 70-20-10 RULE

Short term, lower investment & risk

Long term, higher investment & risk

## CORE INNOVATION

Small changes in processes, products, services, etc.

## ADJACENT INNOVATION

New markets, product categories, and other major advancements to the business

## DISRUPTIVE INNOVATION

Breakthrough that change the game (new business models, blue oceans, etc.)

ACTUAL GOAL

70%

20%

10%

60%

20%

20%

EXAMPLES

- Automate the business and process
- Add AI IP in the product

7

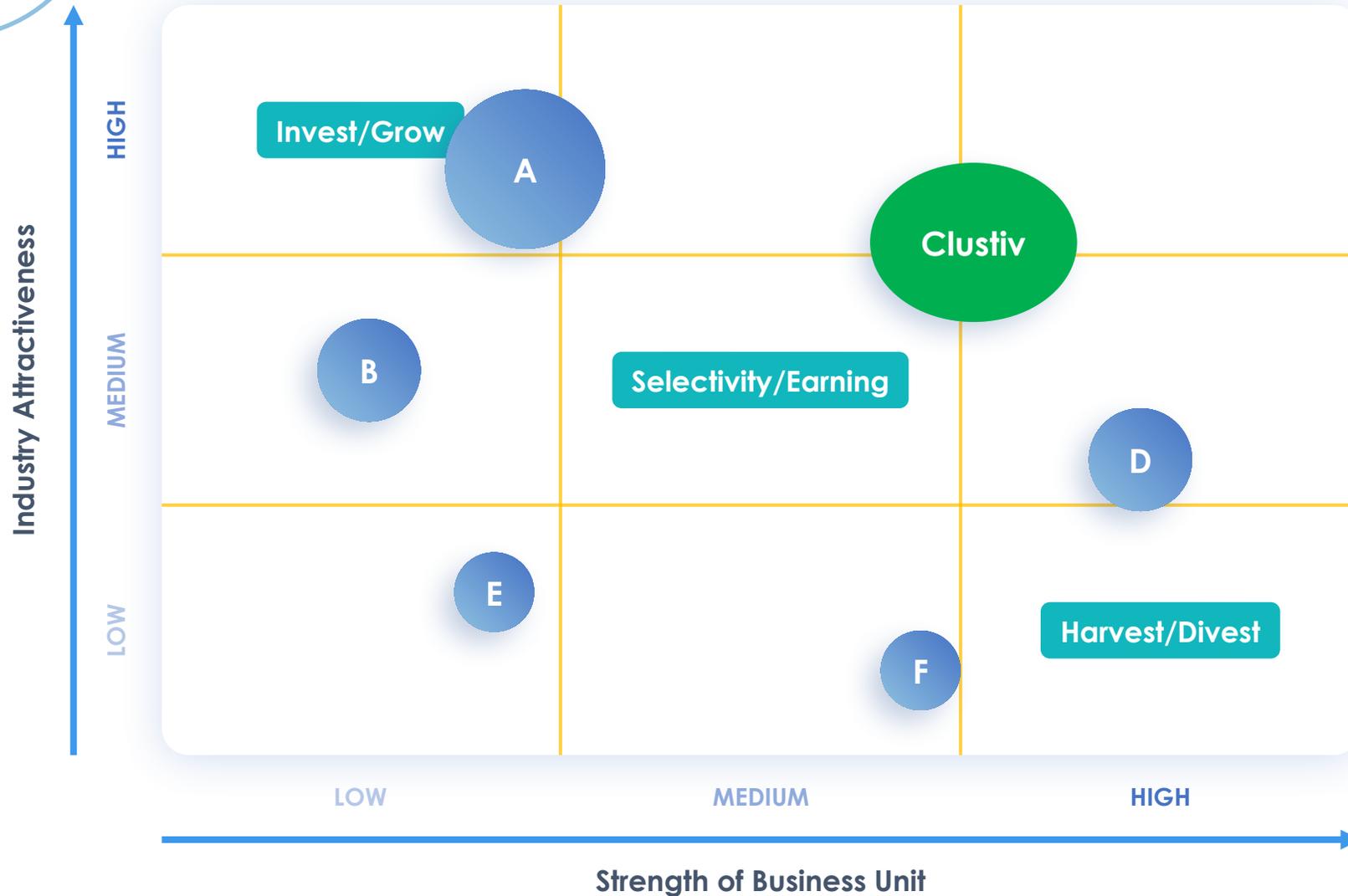
- Expand product in health market
- Product innovations adding AI capabilities to grow in adjacencies.

2

- Develop new AI product in grow new business line
- Introduce brand new revenue business models to outperform competition with help of partnership approach.

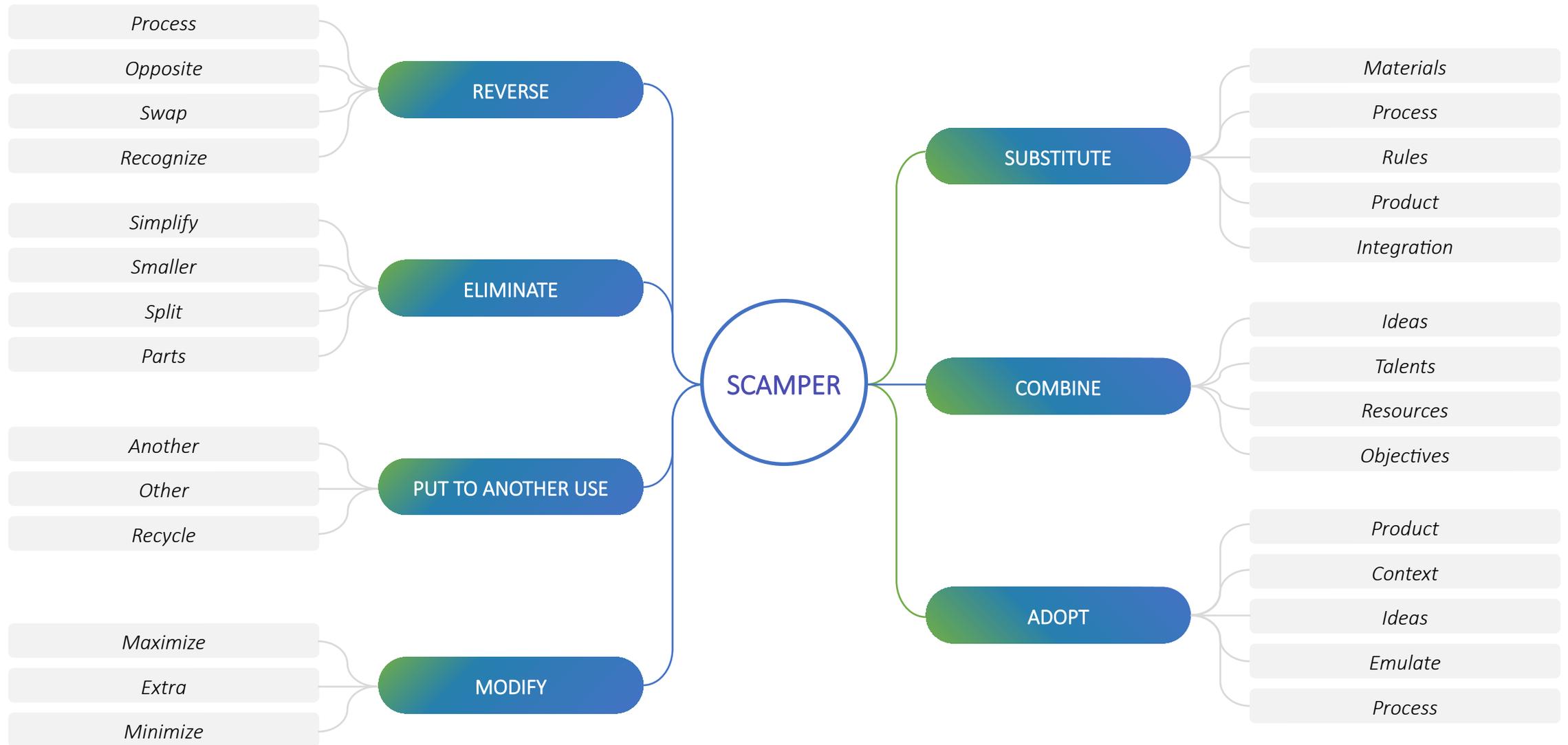
1

# INDUSTRY ATTRACTIVENESS



- A Company A
- B Company B
- C **CLUSTIV** 
- D Company D
- E Company E
- F Company F

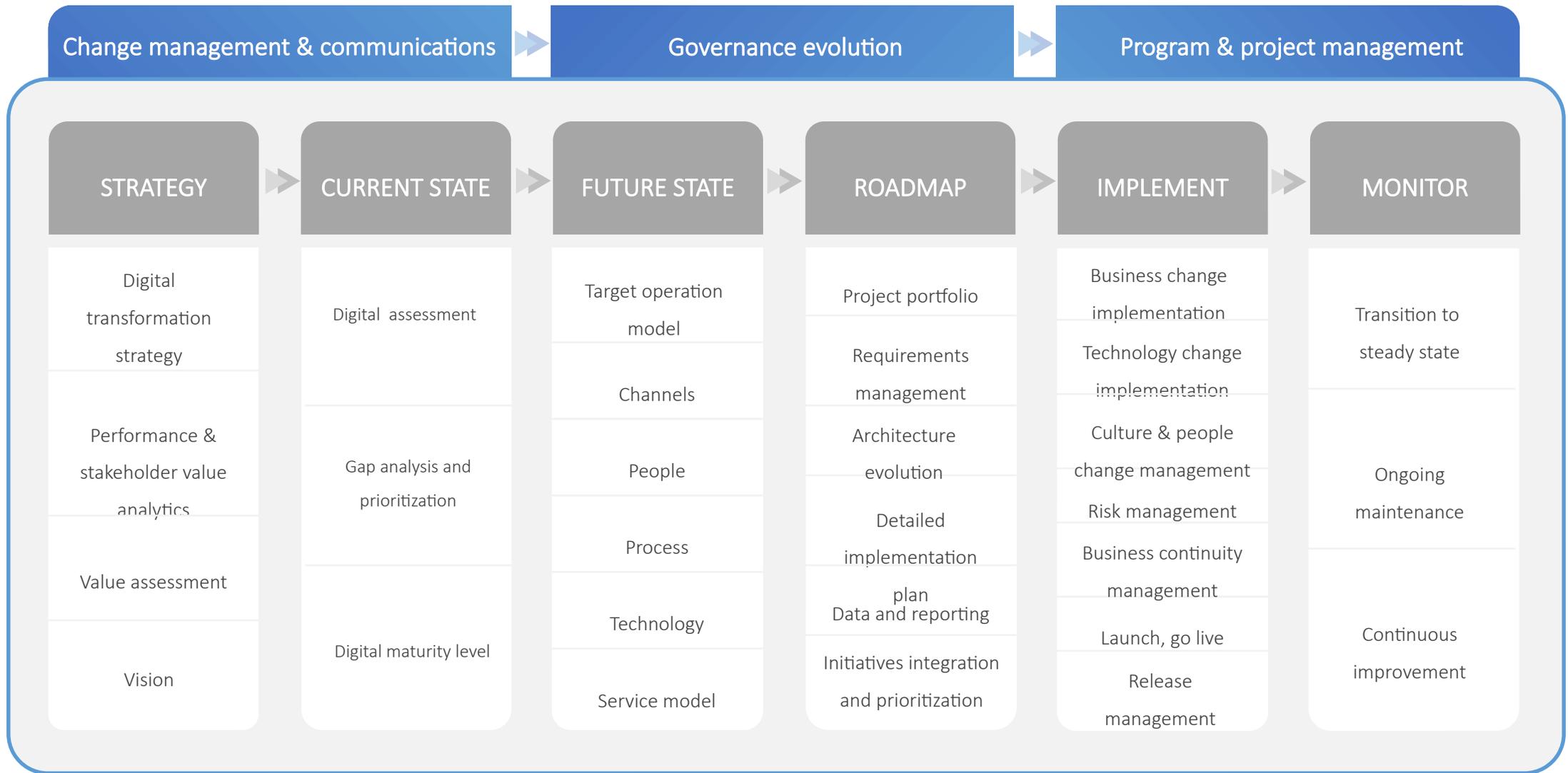
# SCAMPER Mind Map



# Phase-Gate Process



# Execution Framework



# VALUE-BASED SEGMENTATION

	SEGMENT A	SEGMENT B	SEGMENT C
Overall strategy	<ul style="list-style-type: none"> <li>World class technology</li> <li>Customized solution</li> <li>Premium products &amp; brand image</li> </ul>	<ul style="list-style-type: none"> <li>High quality products</li> <li>Good price/ performance ratio</li> <li>Scalability &amp; reliability</li> </ul>	<ul style="list-style-type: none"> <li>Cost effective</li> <li>Easy to operate</li> </ul>
Product strategy	<ul style="list-style-type: none"> <li>Retain leadership in high-end products</li> <li>Ride the wave of digital and remote work culture</li> </ul>	<ul style="list-style-type: none"> <li>Introduce mid- to low-end products</li> <li>Digital leads the way</li> <li>Work with customers to move up</li> </ul>	<ul style="list-style-type: none"> <li>Introduce low- to mid-end products</li> <li>Digital takes the priority</li> <li>Enter the market aggressively</li> <li>Work with customers to grow</li> </ul>
Marketing strategy	<ul style="list-style-type: none"> <li>Convey XYZ's willingness to help customers in a digital transition</li> <li>Aggressively push the idea of "Y2K"</li> <li>XYZ takes the main responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Raise product awareness through market education programs</li> <li>XYZ and channel share marketing responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Emphasize XYZ products' good performance/price ratio</li> <li>Stress "easy to operate"</li> <li>Channel takes the main responsibility</li> </ul>
Channel strategy	<ul style="list-style-type: none"> <li>Partnering with channels having industry knowledge and solution capability</li> </ul>	<ul style="list-style-type: none"> <li>Training on XYZ's new products</li> <li>Identify channels with expertise in target industries</li> </ul>	<ul style="list-style-type: none"> <li>Increase geographical coverage</li> <li>Provide marketing support</li> </ul>
Customer service	<ul style="list-style-type: none"> <li>Consistent, responsive customer service</li> <li>Customer training</li> <li>XYZ takes the main responsibility</li> </ul>	<ul style="list-style-type: none"> <li>Deliver standard and adequate service</li> <li>XYZ and channel share responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Guarantee cost effective, basic-level of service</li> <li>Channel takes the main responsibility</li> </ul>

# BUYER VALUES



**USERS**

**Large enterprise**  
*(1000+ users)*

**Mid-sized organization**  
*(100-1000 users)*

**Startups and individuals**  
*(<100 users)*

	SPEED	QUALITY	SERVICE	BRAND	SOLUTION	EASE OF USE	PRICE
Large enterprise	Full Blue	Full Blue	Full Blue	Half Blue	Full Blue	Half Blue	Quarter Blue
Mid-sized organization	Half Blue	Full Blue	Half Blue				
Startups and individuals	White	Half Blue	Half Blue	White	White	Half Blue	Full Blue

## PRODUCT REQUIREMENT

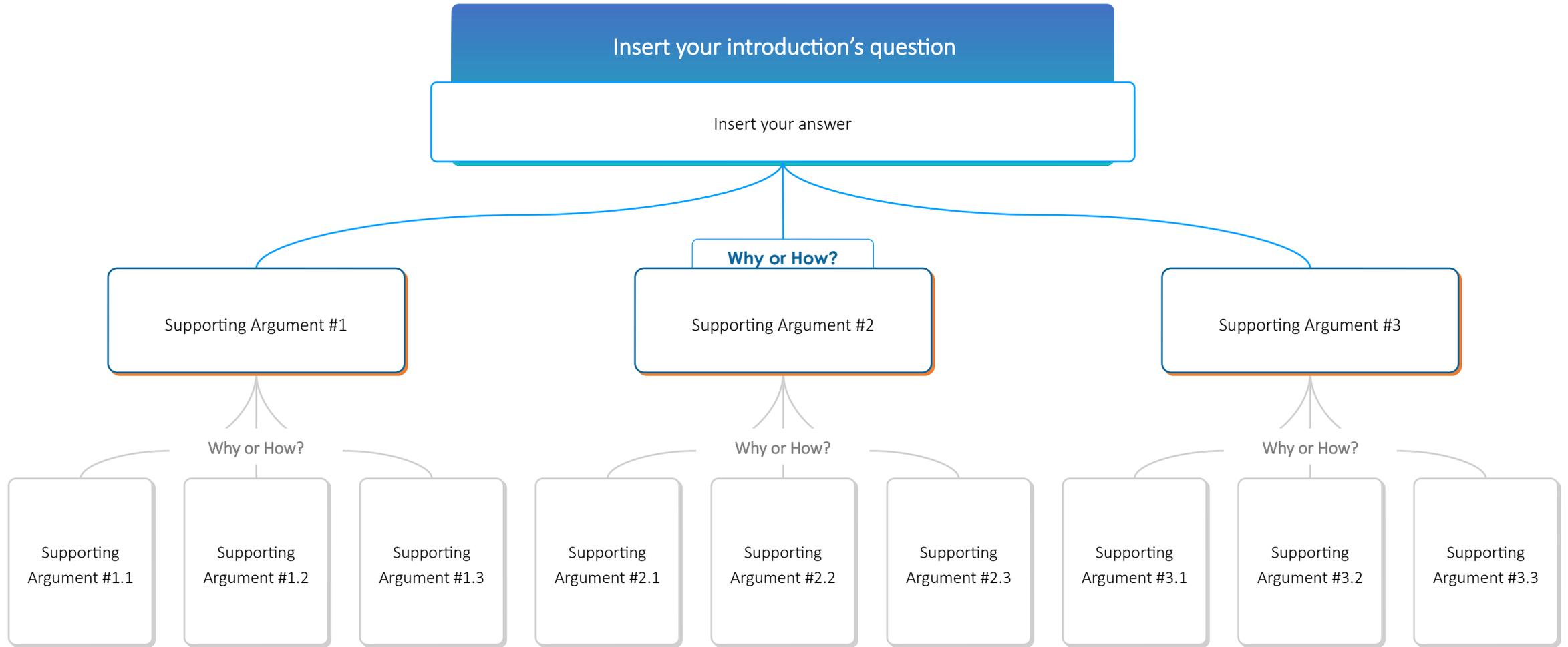
- Customizable plug-ins
  - Workflow integration
  - User security
  - Tracking and alerts
  - Contact sharing
- 
- Workflow integration
  - User security
  - Contact sharing
  - Tracking and alerts
  - Remote meeting
- 
- Easy navigation
  - Multi-channel

## OPPORTUNITY

- EXISTING — HIGH**
- Only 15% penetration rate in the industry
- EMERGING — HIGH POTENTIAL**
- Efficiency improvement as high priority
  - Digitization agenda
- NONE — MINIMAL**
- The market is crowded with too many small players, and should NOT be our target market

# Minto's Pyramid Principle

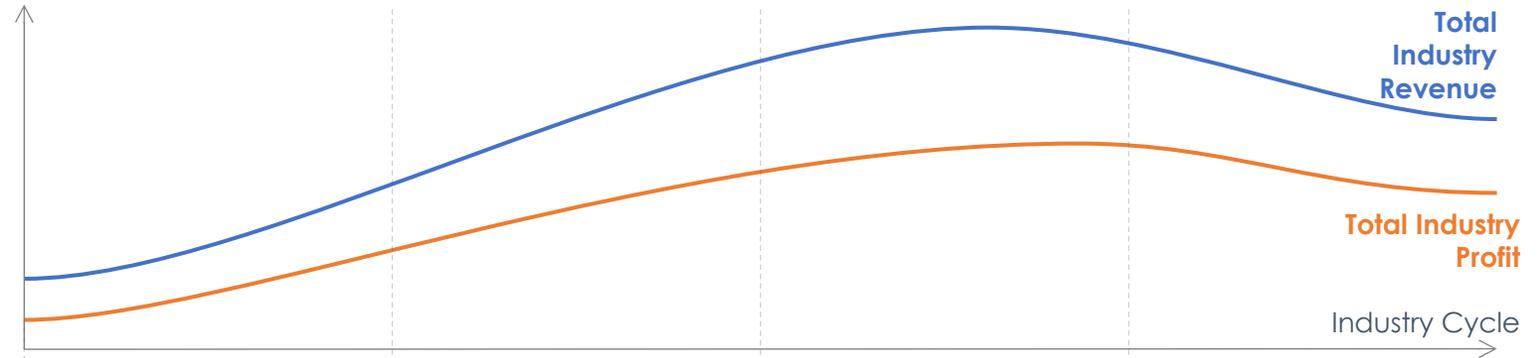
The Pyramid Principle advocates that “ideas in writing should always form a pyramid under a single thought.” The single thought is the answer to the executive's question. Underneath the single thought, group and summarize the next level of supporting ideas and arguments.



# 5 WHY

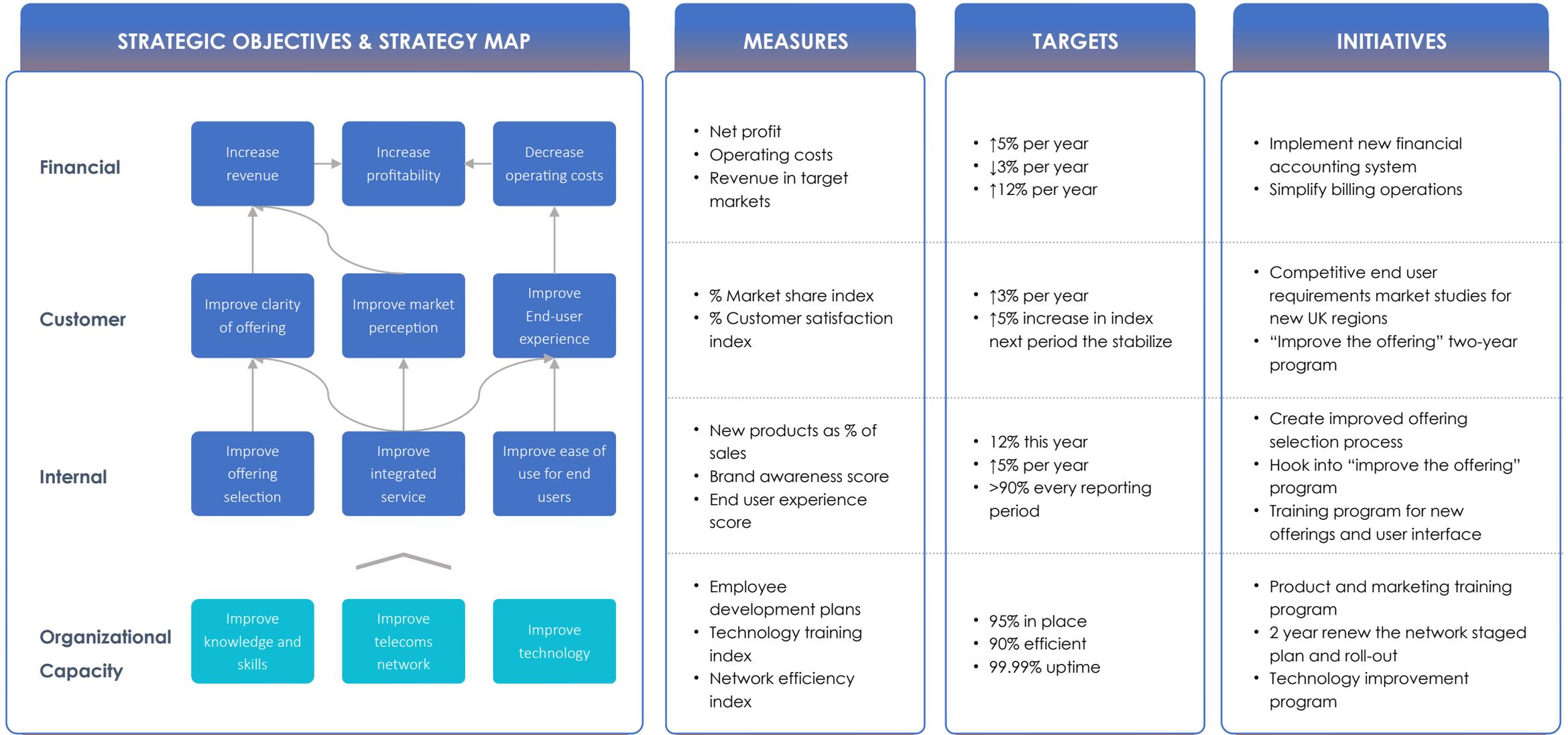
1 <sup>st</sup> Why		2 <sup>nd</sup> Why		3 <sup>rd</sup> Why		4 <sup>th</sup> Why		5 <sup>th</sup> Why	Root Cause	Recurrence Prevention
<b>Why is the agency profitability so low?</b>	The revenues are too low	<b>Why are the revenues too low?</b>	Not enough new business.	<b>Why isn't there any new business?</b>	Our brand doesn't stand out.	<b>Why doesn't our brand stand out?</b>	Old and perhaps dated	<b>Why is the brand old and dated?</b>	We need to refresh our brand!	Conduct a branding retreat ASAP.
					There is no outreach to prospects.	<b>Why is there no outreach?</b>	No on-going system.	<b>Why is there no new business system?</b>	Don't know how to set up a new business system!	Identify someone to help create a new business system!
							No money to invest.	<b>Why is there no money?</b>	Not enough new business and cost too high!	See first step!
			Not enough organic growth	<b>Why isn't there enough organic growth?</b>	Staff doesn't know how or just finds it tacky.	<b>Why doesn't the staff know how to grow existing clients?</b>	Never trained!	<b>Why have we never trained our staff on how best grow clients?</b>	Never set up a formal plan or trained our staff.	Set up a formal organic growth plan and training program.
	The costs are too high	<b>Why are the costs too high?</b>			Too top heavy?	<b>Why are we too top heavy?</b>	We have not aligned our structure with current clients needs.	<b>Why is our structure not in line?</b>	Our structure needs to be realigned with future needs.	Do the research, realign structure. Cut deadwood.
			We Spend too much money.	<b>Why do we spend too much money?</b>	Spend too much time on each project?	<b>Why do we spend too much time on each project?</b>	Unclear processed and responsibilities.	<b>Why are our processes and responsibilities out of whack?</b>	We've let our process and responsibilities drift, no oversight.	Review and revamp agency processes to speed up. Streamline!

# Industry Lifecycle Framework

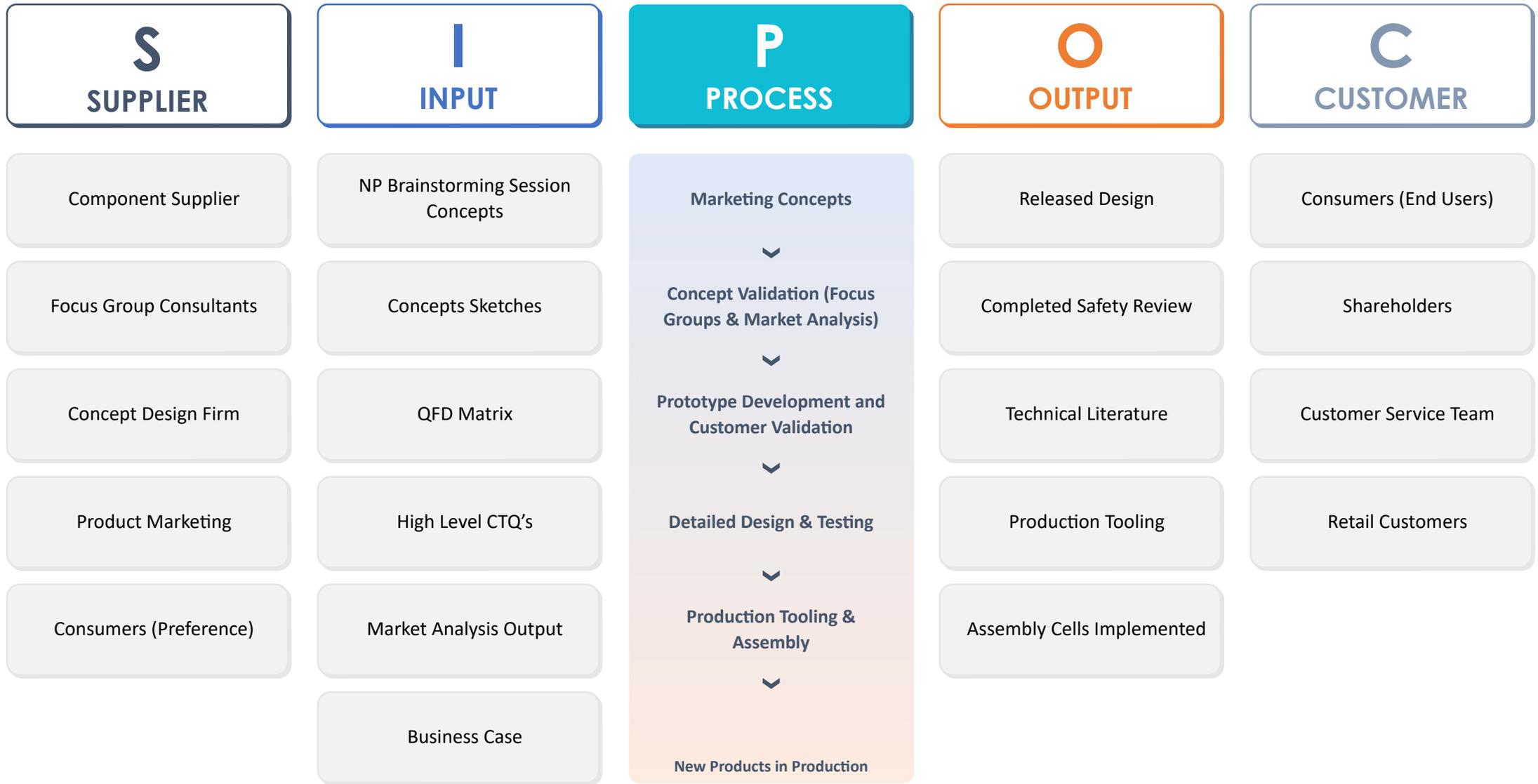


Industry Characteristics	Intro	Growth	Maturity	Decline
Growth	Explosive	Rapid	Little	Negative
Technology	Rapid Changes	Widespread	Stable	Stable
Customer Alignment with Producers	No	Low	High	High
Barriers to entry	Low	Medium	High	High
Competition	None	Growing	Many	Reduced
Market Shares	Changing	Stabilizing	Stable	Consolidation
Company's Marketing Strategy				
Objective	Gain Awareness	Stress Difference	Maintain brand	Harvest
Product	One	More Versions	Full Portfolio	Best Sellers
Price	Penetrate	Gain Share	Defend share	Stay Profitable
Place	Limited	More Outlet	Multi-channel	Consolidate
Promotion	Educate	Differentiate	Remind	Minimize

# Strategy Map



# SIPOC: New Product Introduction Process



# McKinsey 7S Model

## STRATEGY

*What should we do to solve the specific business problem?*

Procedures in place to achieve business outcomes (typically the daily activities)

## SKILLS

*What are the specific skills that will help us?  
What skills do we need to develop?*

Corporate hierarchy & critical business units, as well as key responsibilities for employees and teams

## STAFF

*How should we help our managers in their growth?*

Plan to remain competitive. Strategy needs to clearly show what the key objectives & goals of the business are.

## STRUCTURE

*What structure do we need to execute the strategy?*

Management style and corporate culture, How staff is managed and the impacts this has on productivity

## SYSTEMS

*What business system do we need to use or invent to execute the strategy?*

Recruitment, training and development needs

## STYLE

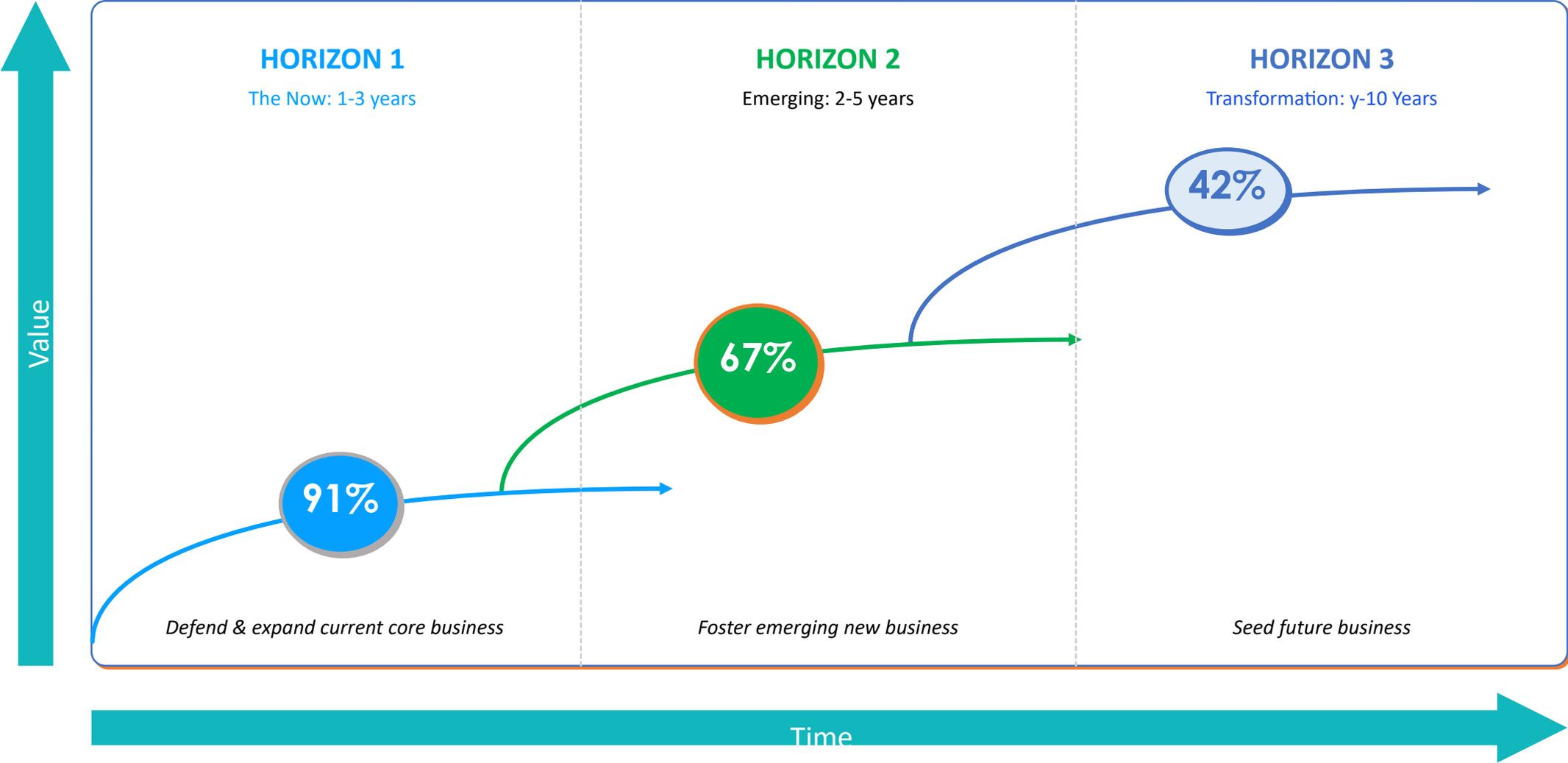
*What leadership style and cultural qualities will help us to achieve a strategic objective?*

Competencies and capabilities that can be leveraged to determine if the client has the skills needed to achieve future goals

## SHARED VALUE

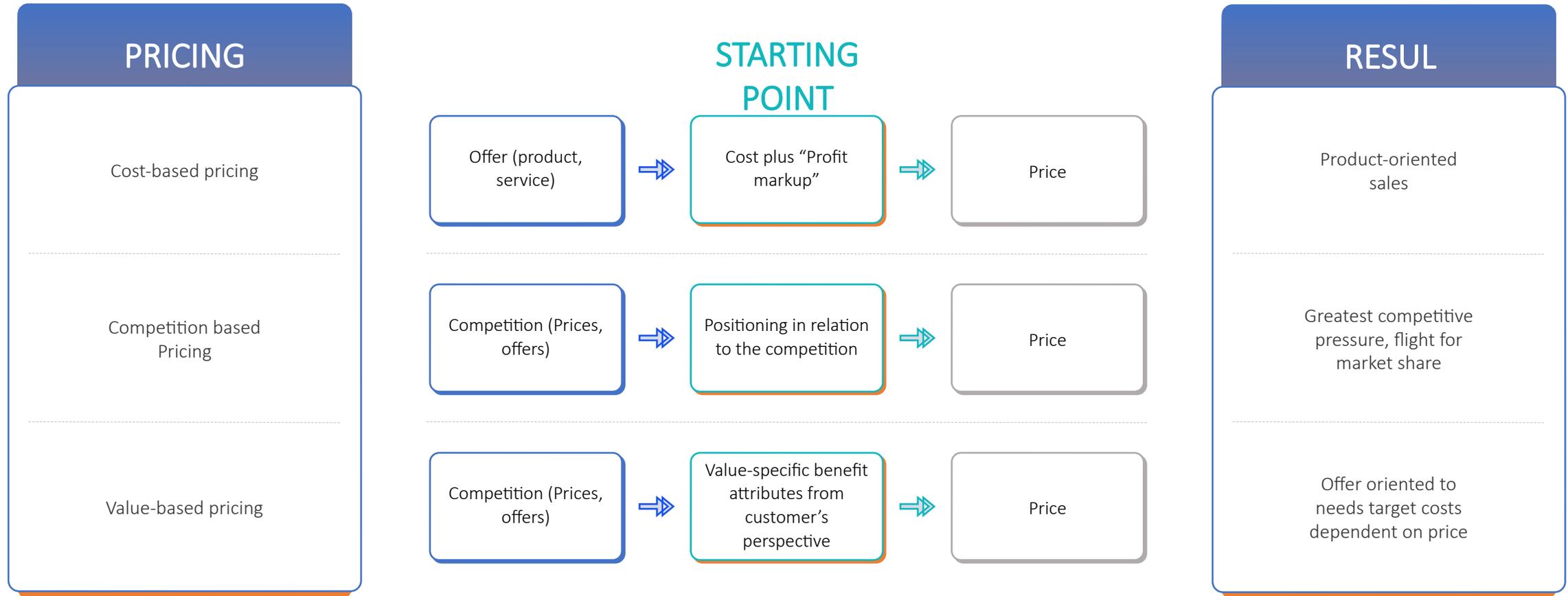
Which of our principles help us? Why do we do what we do in the way we do it?

# McKinsey Three Horizons Model

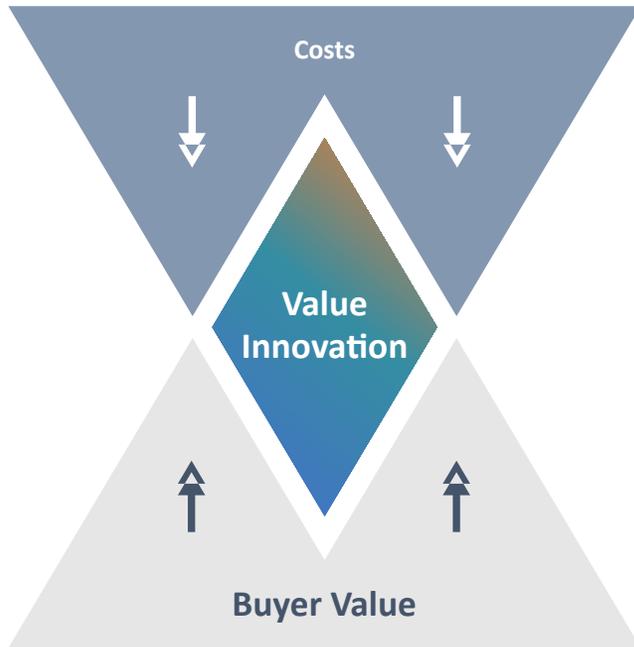


# Pricing Frameworks

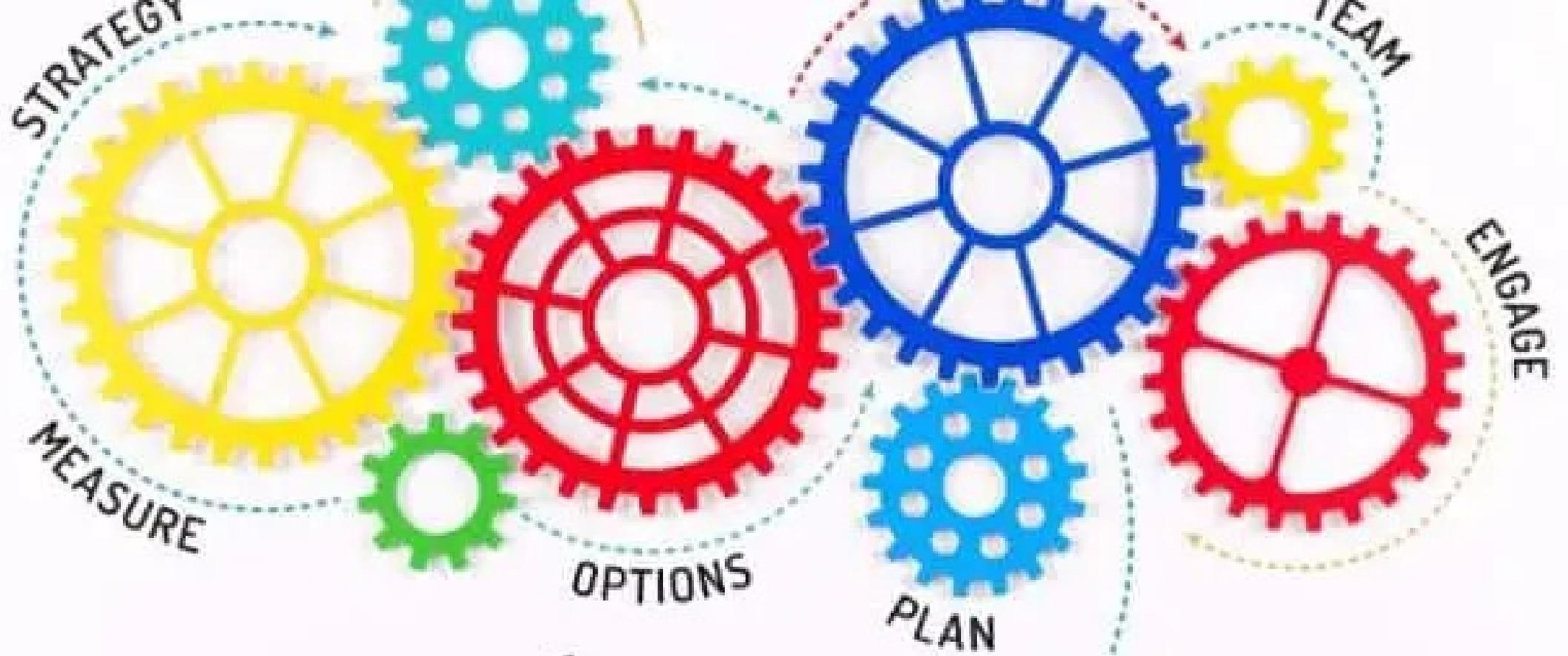
## Cost, Competition, or Value Based



# Blue Ocean Strategy for Value Innovation



CONVENTIONAL LOGIC	STRATEGIC DIMENSION	VALUE INNOVATION LOGIC
Industry conditions are given	<b>Industry assumptions</b>	Industry conditions can be shaped
Build competitive advantages to beat competition	<b>Strategic focus</b>	Competition is not the benchmark. Pursue a quantum leap in value to dominate the market
Keep & expand customer base through segmentation and customization. Focus on differences in what customers value	<b>Customers</b>	Target a mass of buyers and willingly let some go. Focus on key commonalities in what customers value
Leverage existing assets and capabilities	<b>Assets and capabilities</b>	Not constrained by what the organization already has. Ask: what would we do if starting anew?
Traditional industry boundaries determine products and services	<b>Product and service offerings</b>	Think in terms of total customer solution, even if beyond industry's traditional offerings

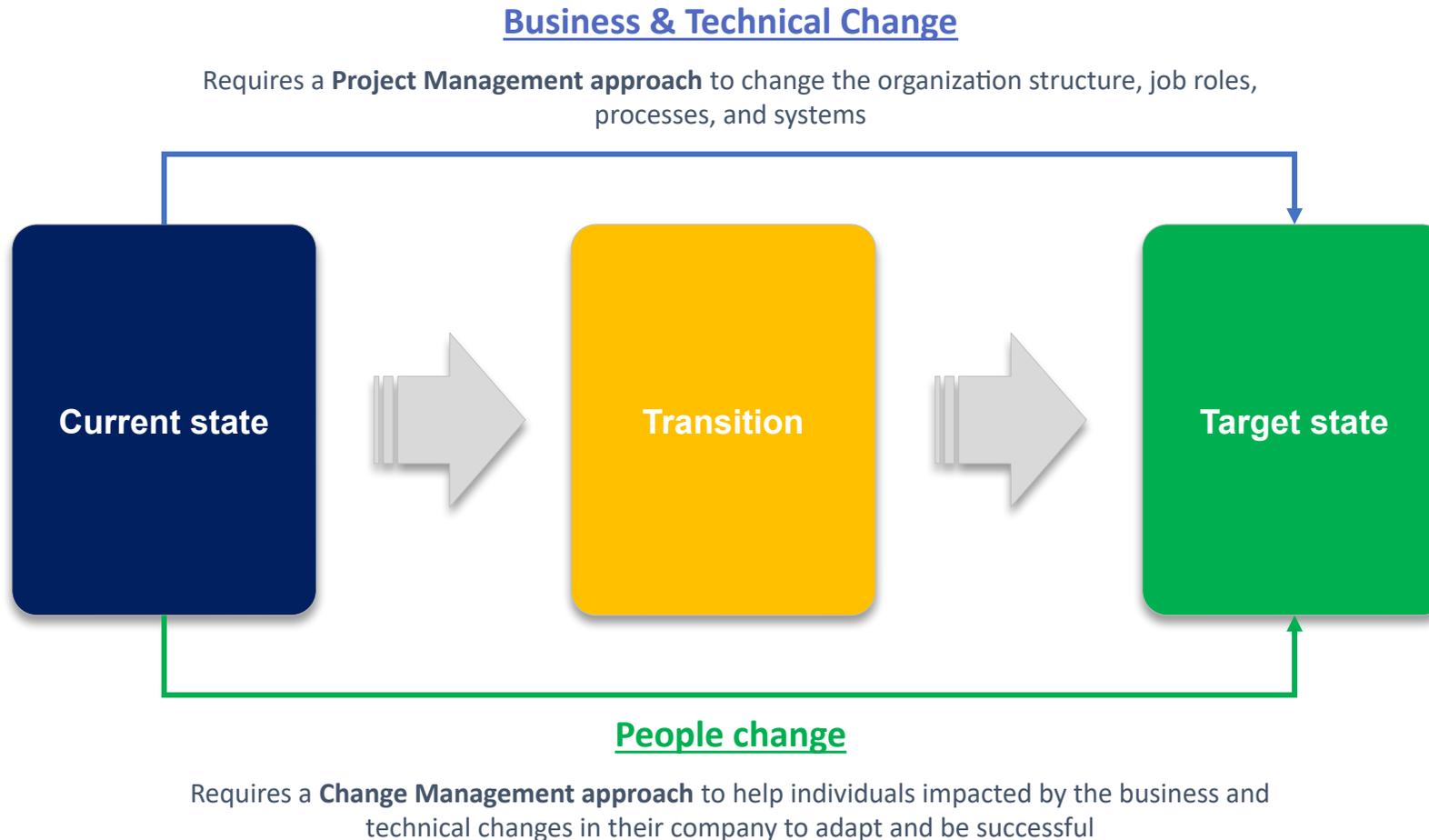


# Change Management



# Definition

What is the main difference between **Project Management** and **Change Management**?



# Executive Summary - Change Lean Canvas

Change Name

Enter the name of the change

Business Owner

Enter Business owner name

Change manager

Enter Change manager name

Submit Date

Enter Change Canvas version & submit date

Describe the change that is happening

Insert what the employee, customer or user used to be able to do

Insert what the employee, customer or user will be able to do with this new change

Why did we decide to do this change?

Describe the rational behind the decision to do this change

Who will be impacted by this change?

Insert the different stakeholder groups impacted by this change

What will we do to prepare impacted stakeholders?

Insert what we will do to ensure proper adoption of the change (i.e., communication, training, pilot group,...)

When will they be impacted by this change?

Insert date

What are the business outcomes we want to reach?

Insert the business outcomes we want to reach

What are the business outcomes we are reaching?

When available, insert the business outcomes and their source

What are the next steps?

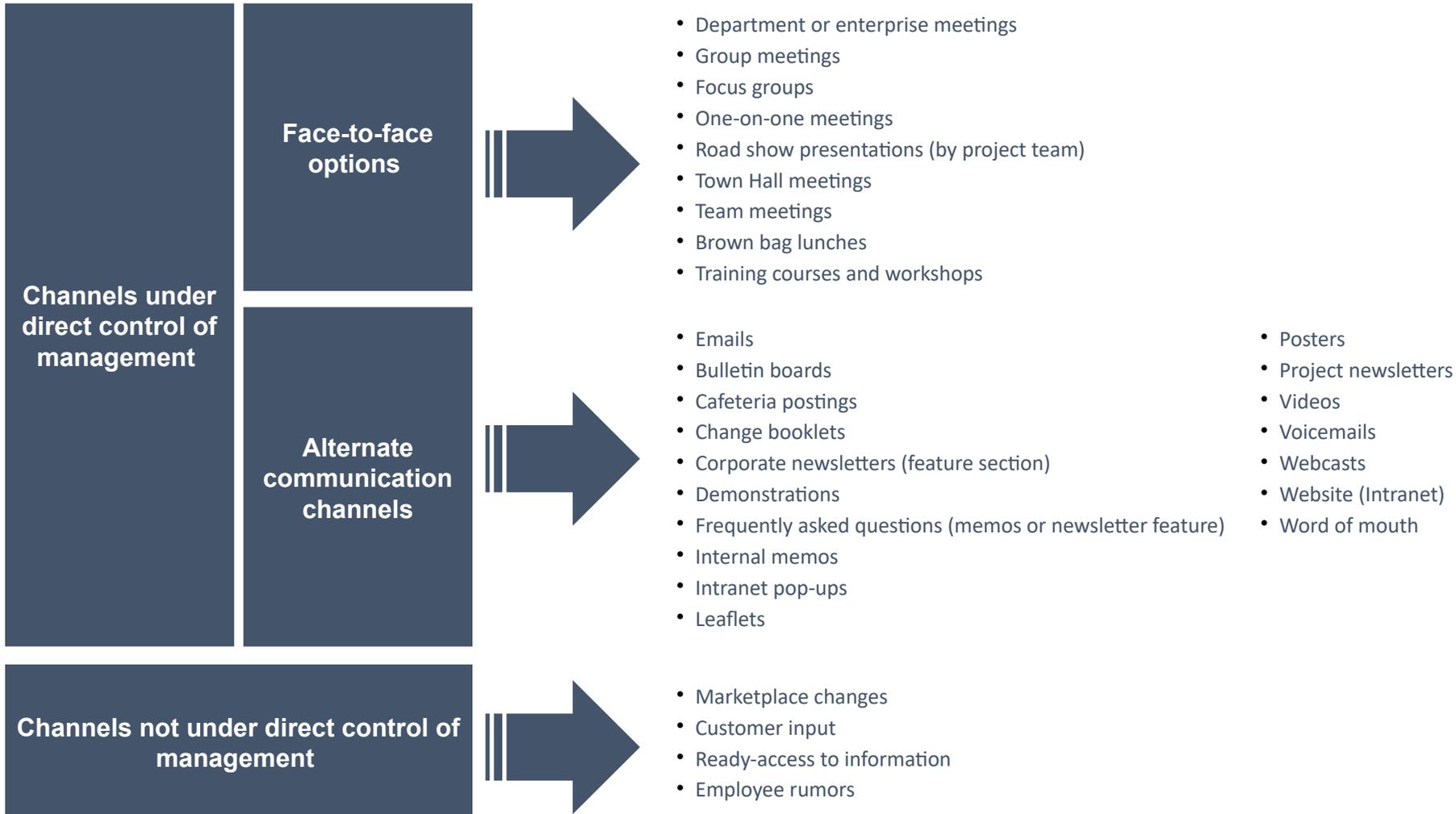
Include the next steps if any

# Change Impact Assessment Scale

	Low	Moderate	Medium	High	Extreme
Size of the change	1 team impacted	1 Business Unit	1 Division	Half of the Company	Every employee
Complexity of the change	The Complexity of the change depends on how we rated the impact intensity of the <b>“People increase / reduction” change, “System” change, “Process” change, “Organization structure” change and “Culture” change</b> (see below)				
1. People increase / reduction change	There are low reductions in headcount predicted (~1 FTE), but natural attrition will account for the numbers	There are reductions in headcount predicted, but natural attrition will account for the numbers	There are reductions in headcount predicted but contractors will account for the numbers	There is a significant reduction in headcount predicted. Redeployment & redundancies will need to be factored in	There is a large headcount reduction required as part of this change. Significant effort will need to be invested in redeployment / redundancy
2. System change	Almost no change	Minor changes/enhancements to functionality in an existing system, that is low risk and noncritical	Major changes/enhancements to functionality in an existing system that is business critical but not customer facing	New technology is being introduced, but the key concepts and functionality are not too dissimilar to the old system. System is customer facing and has the potential to create external exposure if the change is managed poorly	New technology is being introduced which requires bringing a new way of thinking to an existing task. System is customer facing and has the potential to create external exposure if the change is managed poorly
3. Process change	Almost no change to current processes	Some change to current processes, however the change is only minor, and the processes are low risk, non-critical and have no impact to customers.	Significant change to several current processes, however the change is not complex, and processes are low risk, non-critical and have a low impact to customers or colleagues	Significant change to a number of business-critical processes, with some of the change being quite complex. Change will be negatively visible to colleagues, and customers if things go wrong.	Radical change to several core business processes. Colleagues and external parties will need to take on new skills to execute processes. Previously automated processes will become manual or vice versa
4. Organization structure change	There is almost no change to structural environment	There are minor changes to team structure	There are some changes to team structure, which will bring a mixed reaction.	There are significant changes to team structure, which is likely to be disruptive and may be considered a negative change by many	There is significant change to structure. This change will be perceived negatively by most. There is a risk of staff attrition as a result
5. Culture change	Almost no culture change required	There are some aspects of the team culture that need to be changed to support this initiative	There is a significant cultural shift required in the impacted areas to support this change	There is a major cultural change across many teams required to support this change	Culture Change required in all impacted groups to support this initiative

# Communication channel matrix

The Channel Matrix below will give us a comprehensive list of the key communication channels to consider, from face-to-face meetings to newsletters.



# McKinsey Seven-S

Caption:

The 3  
"Hard S"

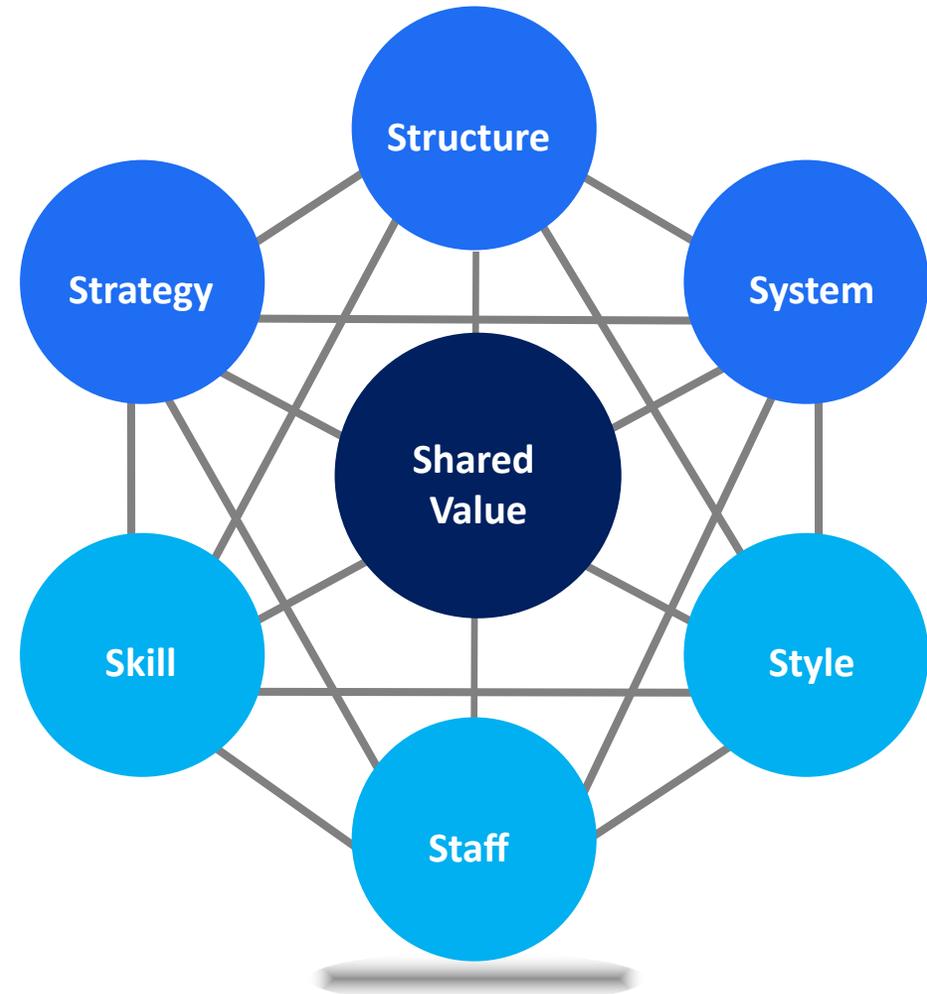
The 4  
"Soft S"

The **Seven-S** tool is based on the theory that an organization is not just "Structure", but is comprised of **seven elements** distinguished by the "**hard S**" and "**soft S**"

The **3 "hard S"**, **Structure, Strategy, and Systems**, are practical and easily identifiable. **The 4 "soft S"**, **Skills, Staff, Style, and Shared Values**, are somewhat less easily discerned and are less tangible

The **Seven-S diagram** depicts how each of the element influences, and is influenced by all of the other elements

Continuously evolving and changing, the "**soft S**" are determined by the **people** at work in the organization and hence, are difficult to anticipate or to influence. Although subterranean in nature, they can and do have a **great impact** on the "**hard S**"

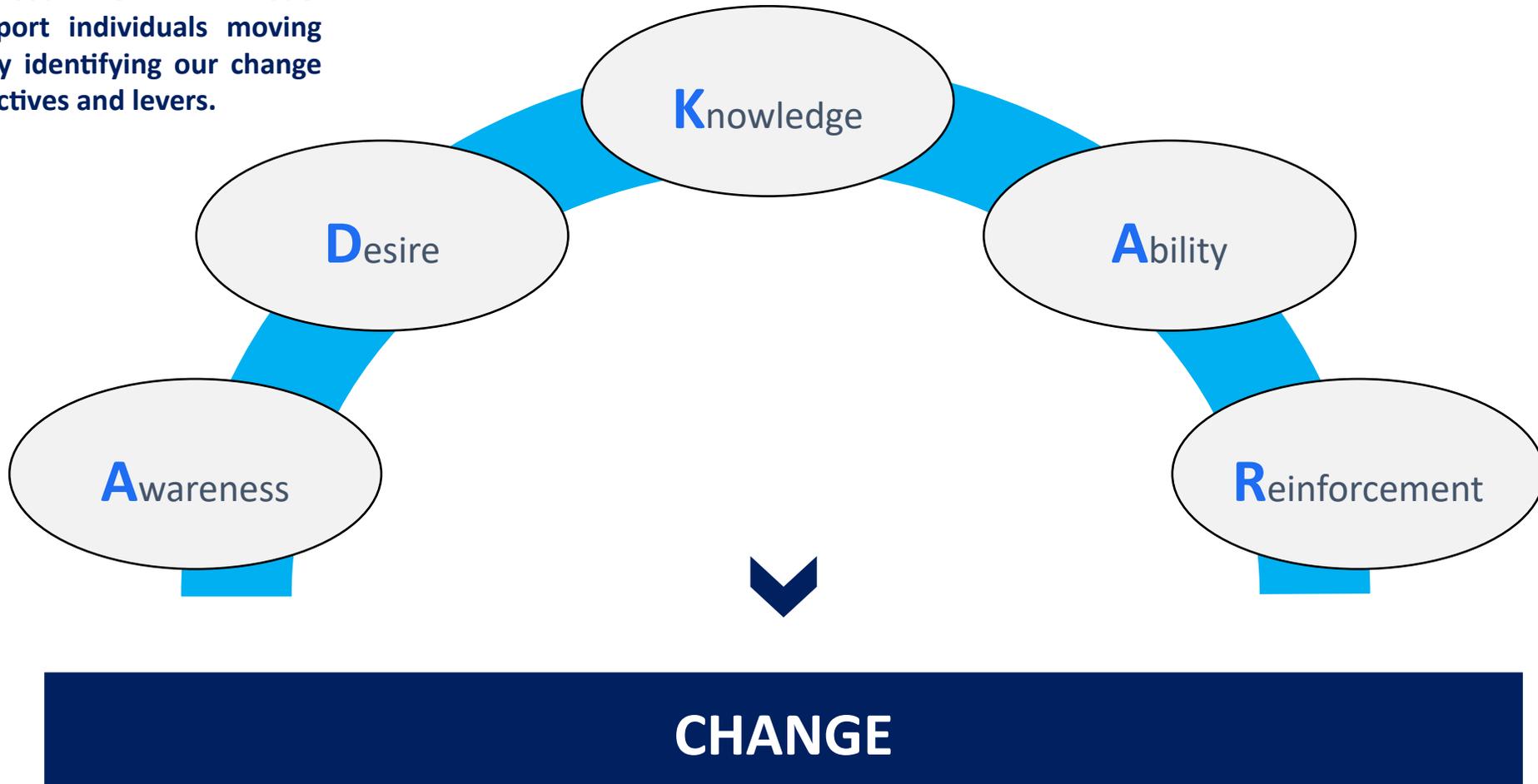


# ADKAR Model

## Purpose:

The ADKAR model was developed by Jeff Hiatt in 2003 and it was introduced as a practical tool by Prosci. The ADKAR Model will help us support individuals moving through change by identifying our change management objectives and levers.

ADKAR is an acronym

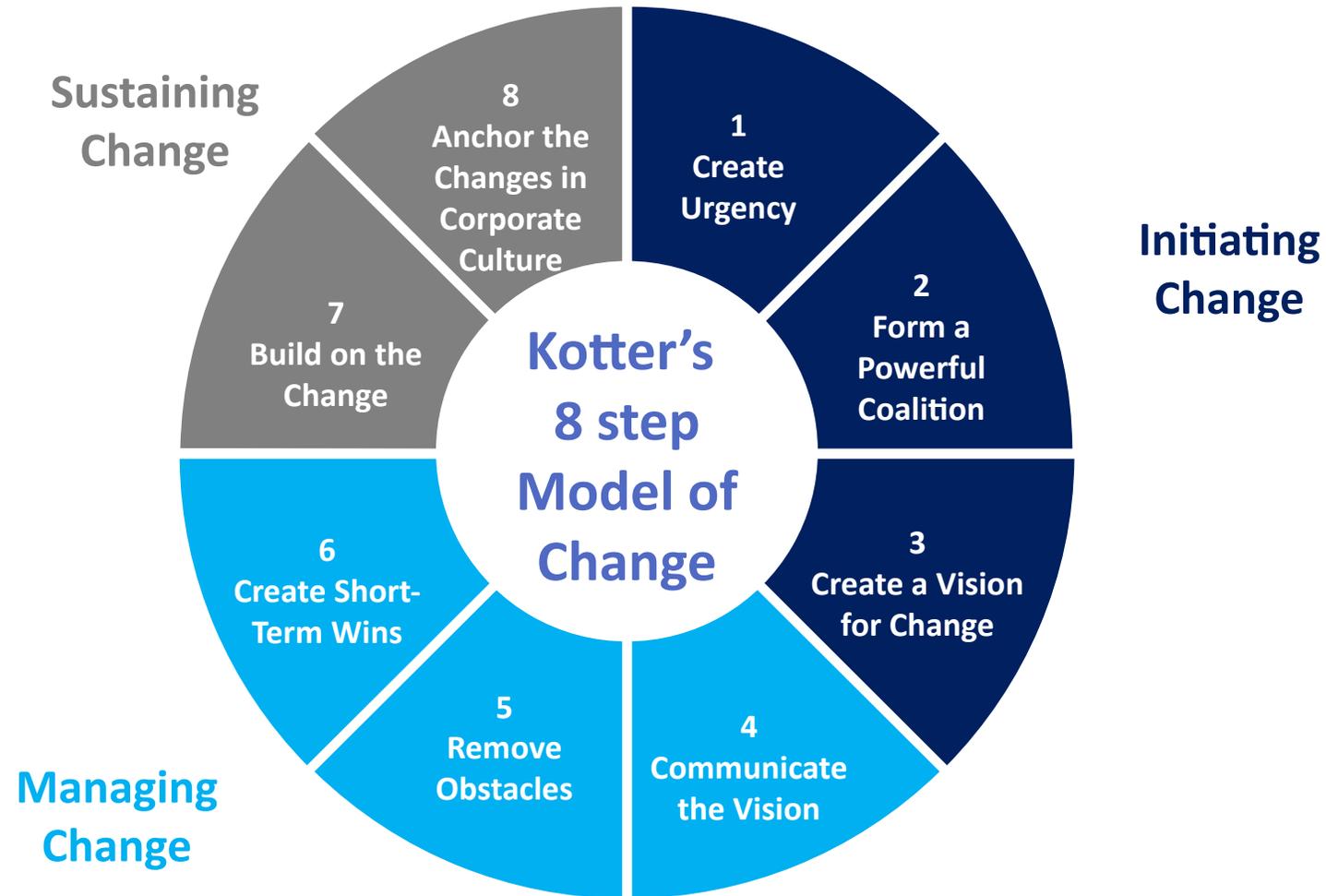


# ADKAR Model

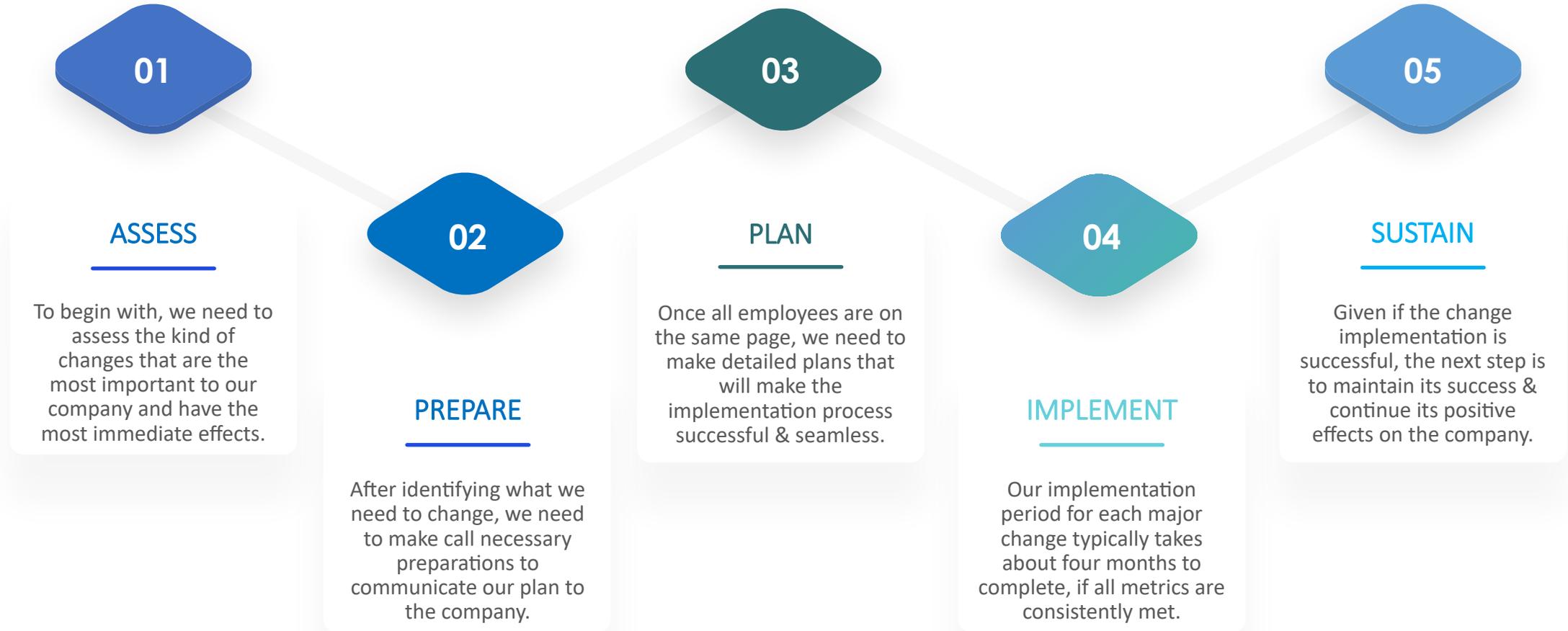
Each one of the ADKAR Model 5 elements represents a particular objective that the Change Manager will try to achieve.

	<b>Awareness</b>	of the need to change
	<b>Desire</b>	to participate and support the change
	<b>Knowledge</b>	of how to change (and what the change looks like)
	<b>Ability</b>	to implement the change on a day-to-day basis
	<b>Reinforcement</b>	to keep the change in place

# The Model walks you through the process of initiating, managing, and sustaining change in eight steps



# CHANGE MANAGEMENT MODEL



# TYPES OF CHANGE MANAGEMENT

	DESCRIPTION	USED FOR	WHO IS IMPACTED
Systemic	Management of changes associated with IT applications architecture, or infrastructure.	System implementation, software upgrades, and other IT changes	IT professionals
Project	Management of scope or specific schedule changes	All projects	Project core team as well as extended team
Organizational	Planning & implementing the tools, processes & principles for managing the people side of changes to achieve the required outcomes	Most software upgrades company restructuring, mergers & acquisitions, introducing new channels, brands or business models	Targeted employees or departments, ancillary employees or departments, stakeholders

# RESISTANCE TO CHANGE

- 1 Strongly disagree
2 Disagree
3 Neither agree/disagree
4 Agree
5 Strongly agree

AREA OF RESISTANCE	DESCRIPTION	RATING
Lack of understanding of the purposes of the changes	There may be a lack of understanding of the purpose of the project. There may be lack of awareness of the need for the change to occur.	3
Lack of support from various levels in the organization	If people perceive that key individuals or groups in their area are not genuinely supportive of the project, their acceptance is difficult to secure.	5
Feel there is a real threat to my existing power, job security or personal and career goals	Resistance is increased if people believe the change will result greater emotional or career costs relative to what they may gain.	2
Concerns about a lack of skills and knowledge	People may resist change if they do not possess the skills or the ability for optimal performance during and after the change.	2
High level of impact on daily work patterns	Failure to acknowledge and if possible, minimise the impact of project teams activities and changes on people work patterns tends to promote distrust and alienation.	1
Adverse changes to key working relationships	Adversely affecting the way, they relate to others or who they work with or who they report to.	4
Lack of incentives & rewards	Change involves learning and learning usually involves errors. When people are not given the freedom to make mistakes while learning they become afraid. People need to be rewarded for accomplishing the change in the form of something they truly value.	3

# TEAMS & ROLES



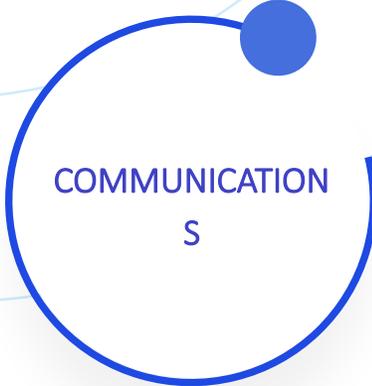
- Corporate management
- Accountability and ownership
- Report to CEO on project outcomes/success

**C-Level Executive leadership to the Organization**



- Co-ordinate overall change program
- Develop clear change strategies for change Responsible and for overall success
- Develop individual and team change capability

**Driving change in the Organization**



- Provide clear communication to all key stakeholders on change related issues
- Develop 2-way communication channels to foster ongoing change

**Corporate Leadership as a CSO**

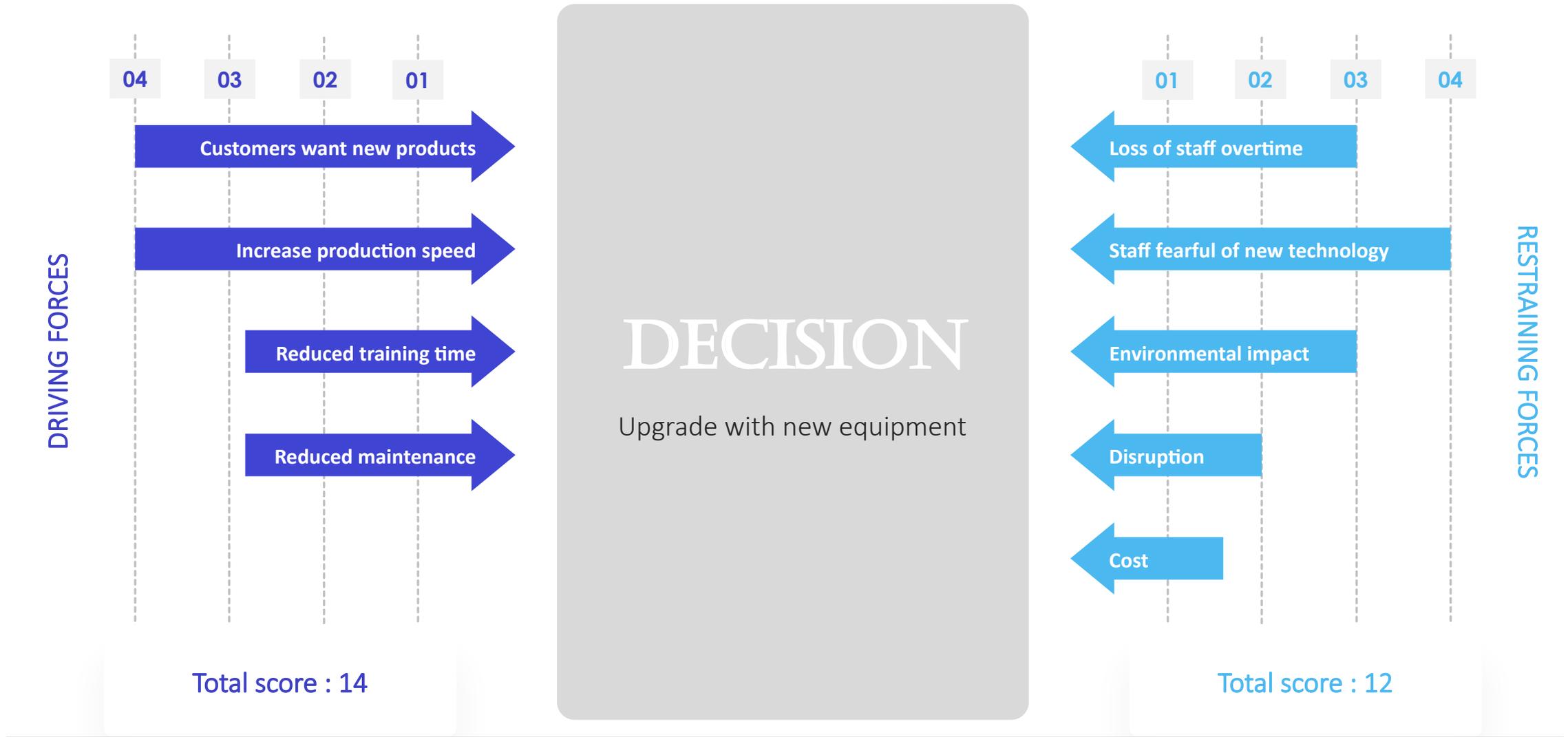


- Provide expert HR advice on personal transitions and support
- Provide change office & project-based HR infrastructure

**People lead diversity in**

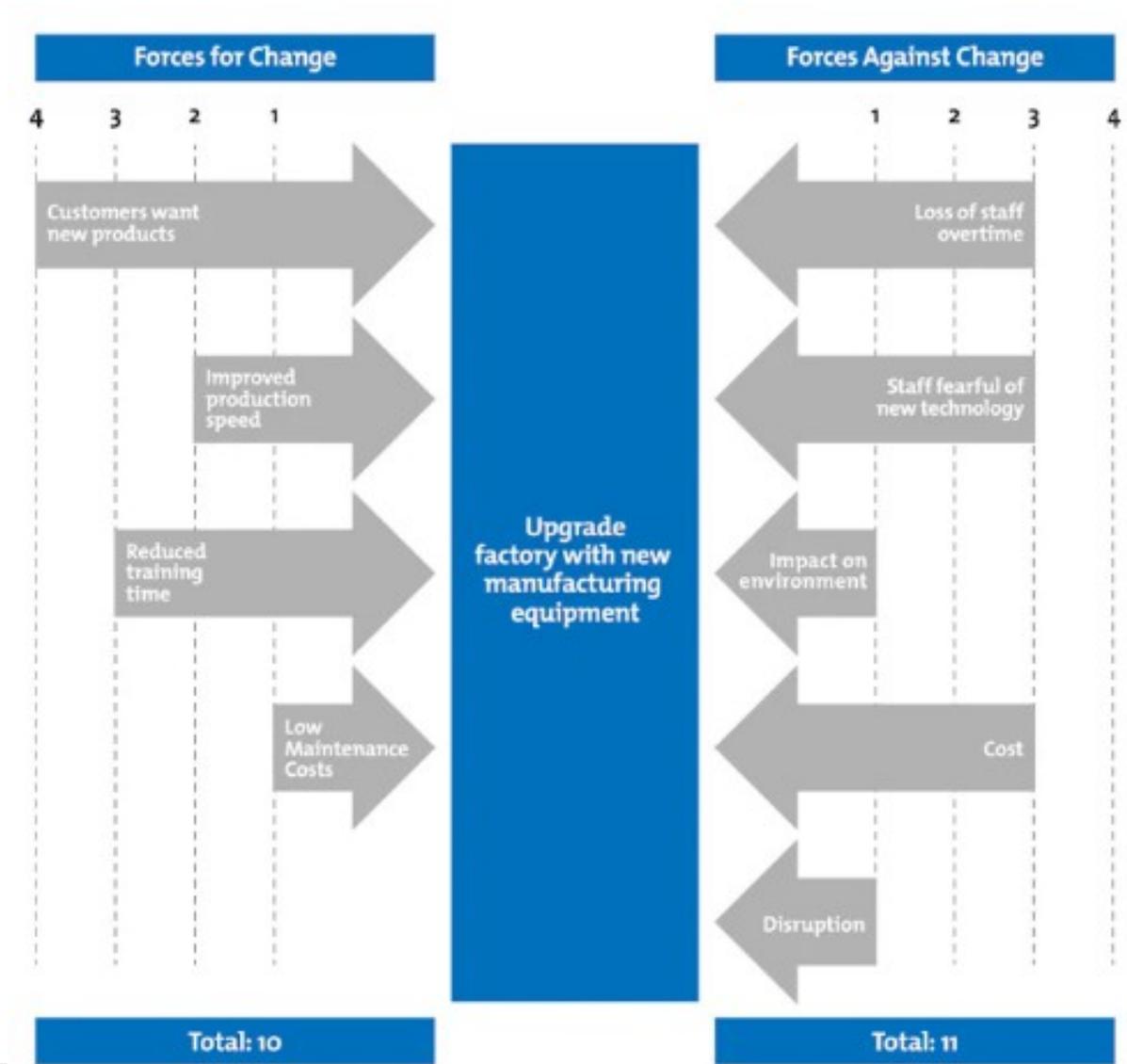


# FORCE FIELD ANALYSIS



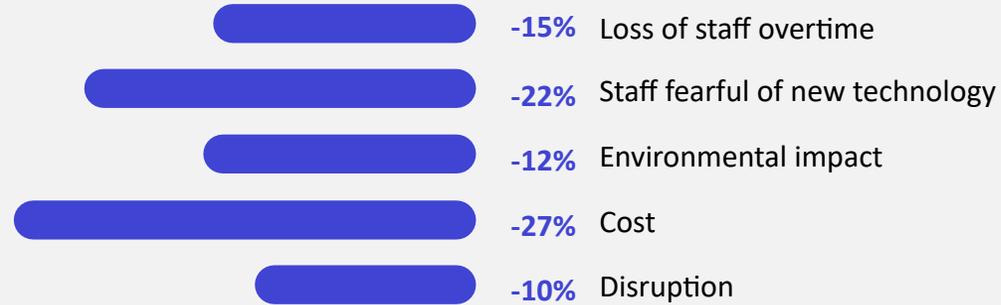
# FORCE FIELD ANALYSIS

Real life example



# FORCE FIELD ANALYSIS

## RESTRAINING FORCES

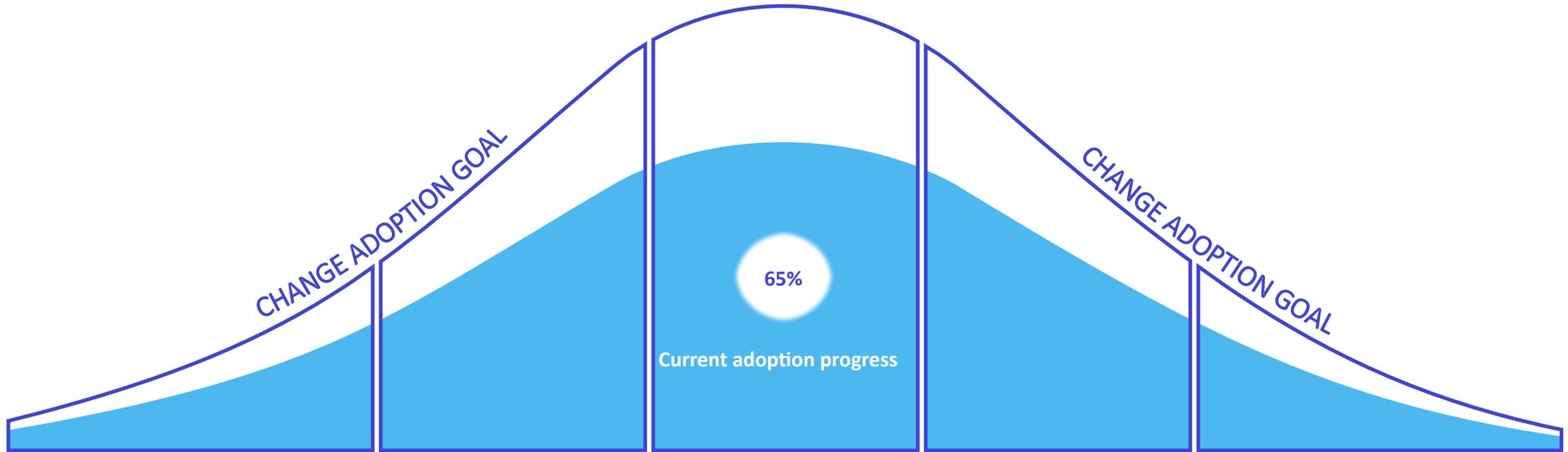


## DRIVING FORCES



-50% -40% -30% -20% -10% 0% 10% 20% 30% 40% 50%

# CURRENT CHANGE ADOPTION



INNOVATORS

Understand necessity of strategy and governance, education to include executives & architects

EARLY ADOPTERS

Address enterprise risks, pragmatic enterprise planning, service engineering and modelling

EARLY MAJORITY

Require case studies and customer references, Adoption patterns governance patterns

LATE MAJORITY

Education on costs and benefits, business case, industry and competitor experience

LAGGARDS

Education for all (architect , engineer, executives etc.) case studies, best practice, pilot projects

# CHANGE MANAGEMENT PLAN

● LOW ● MEDIUM ● HIGH

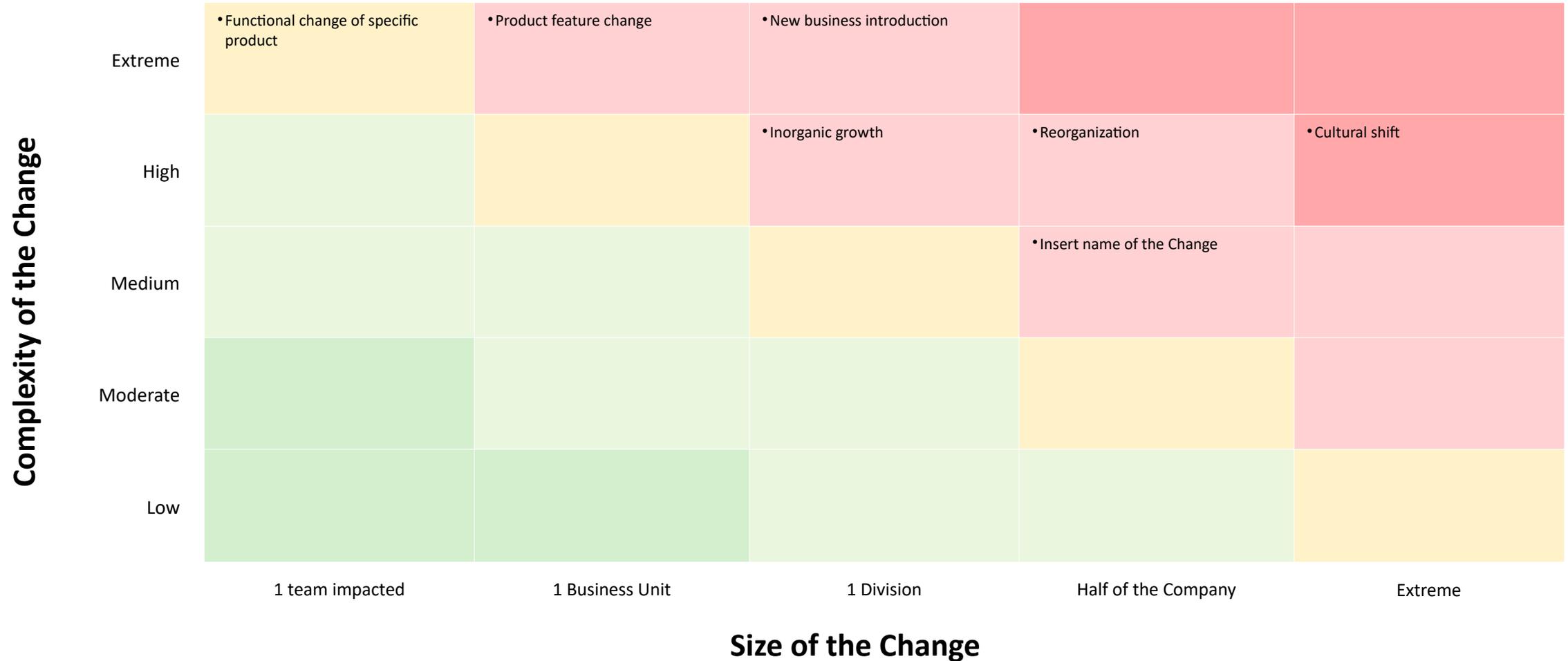
1	Change Request #	2	●	Requirements	10	\$100	\$1000	<div style="width: 10%;"></div>	Annie
2	Change Request #	3	●	Design	20	\$200	\$4000	<div style="width: 20%;"></div>	David
3	Change Request #	5	●	Test	30	\$300	\$9000	<div style="width: 30%;"></div>	John
4	Change Request #	1	●	Implementation	40	\$400	\$16000	<div style="width: 40%;"></div>	Kenny
5	Change Request #	4	●	Requirements	50	\$500	\$25000	<div style="width: 50%;"></div>	Caroline
6	Change Request #	7	●	Design	60	\$600	\$36000	<div style="width: 60%;"></div>	Joseph
7	Change Request #	9	●	Test	70	\$700	\$49000	<div style="width: 70%;"></div>	Smith Well
8	Change Request #	6	●	Implementation	80	\$800	\$64000	<div style="width: 80%;"></div>	Gravitas
9	Change Request #	8	●	Requirements	90	\$900	\$81000	<div style="width: 90%;"></div>	Hanna Brown

#	REQUEST	PRIORITY	IMPACT	EFFORT	HOURS	COST	TOTAL BUDGET	APPROVAL
---	---------	----------	--------	--------	-------	------	--------------	----------

# Executive Summary

## Change Impact Assessment Matrix

Caption: Low Impact Moderate Impact Medium Impact High Impact Extreme Impact



# M&A

## MERGERS and AQUISITIONS



# There are 3 main corporate growth strategies

1

Organic Growth Strategy

2

Mergers and Acquisitions  
Strategy

3

Strategic Alliances Strategy

# Organic Growth Strategy

## Organic Growth Strategy

Description	Advantages	Disadvantages
<p>Often perceived as the default growth option for companies, an organic growth strategy relies on developing a company's internal resources and capabilities</p>	<ul style="list-style-type: none"><li>• Provides deeper first-hand knowledge that is likely to be internalized in the company</li><li>• Helps spread investment over time and reduce upfront commitment</li><li>• There are no availability constraints, that the company is not dependent on the availability of suitable acquisition targets or potential alliance partners</li><li>• Strategic independence</li><li>• Creation of new activities within the existing culture environment</li></ul>	<ul style="list-style-type: none"><li>• Can be slow, expensive, and risky</li><li>• Difficult to use existing capabilities as the platform for major leaps in terms of innovation, diversification, or internationalization</li></ul>

# Mergers and Acquisitions Strategy

## Mergers and Acquisitions Strategy

Description	Advantages	Disadvantages
<p>Mergers and acquisitions (M&amp;A) bring together companies through complete changes in ownership. They have been used by companies for centuries and remain a major way for companies to expand rapidly</p>	<ul style="list-style-type: none"><li>• <b>Business extension:</b> M&amp;A can be used to extend the reach of a firm in terms of geography, products, or markets</li><li>• <b>Building capabilities:</b> M&amp;A may increase a company's capabilities</li><li>• <b>Increase market power</b> by reducing competition and increasing bargaining power with suppliers</li><li>• <b>Increase efficiency:</b> by sharing resources and capabilities</li><li>• <b>Speed:</b> M&amp;A allows acquirers to act fast</li><li>• <b>Financial efficiency:</b> by combining the 2 balance sheets</li><li>• <b>Tax efficiency</b></li></ul>	<ul style="list-style-type: none"><li>• Important investment upfront</li><li>• Potential culture clash between the 2 companies</li><li>• High failure rate</li><li>• Sometimes excessive initial valuations, exaggerated expectations of strategic fit, and underestimated problems of organizational fit</li></ul>

# Strategic Alliances Strategy

## Strategic Alliances Strategy

Description	Advantages	Disadvantages
<p>Two companies share resources and activities to pursue a common strategy. In terms of ownership, there are two main kinds of strategic alliance: equity and nonequity alliances. Equity alliances involve the creation of a new entity that is owned separately by the partners involved (e.g., joint venture). Nonequity alliances do not involve the commitment implied by ownership and are often based on contracts (franchising, licensing)</p>	<ul style="list-style-type: none"><li>• <b>Requires less commitment</b> than other forms of expansion</li><li>• <b>Scale alliances</b> can provide economies of scale</li><li>• <b>Access alliances</b> involve a company allying in order to access the capabilities of another company that are required to produce or sell its own products and services</li><li>• <b>Complementary alliances</b> involve companies combining their complementary capabilities</li></ul>	<ul style="list-style-type: none"><li>• High failure rate (~50%)</li><li>• Sometimes suffer from miscalculations in terms of strategic and organizational fit</li><li>• The lack of control on either side can lead to particular issues of trust and coevolution</li></ul>

1

Organic Growth Strategy

2

Mergers and Acquisitions  
Strategy

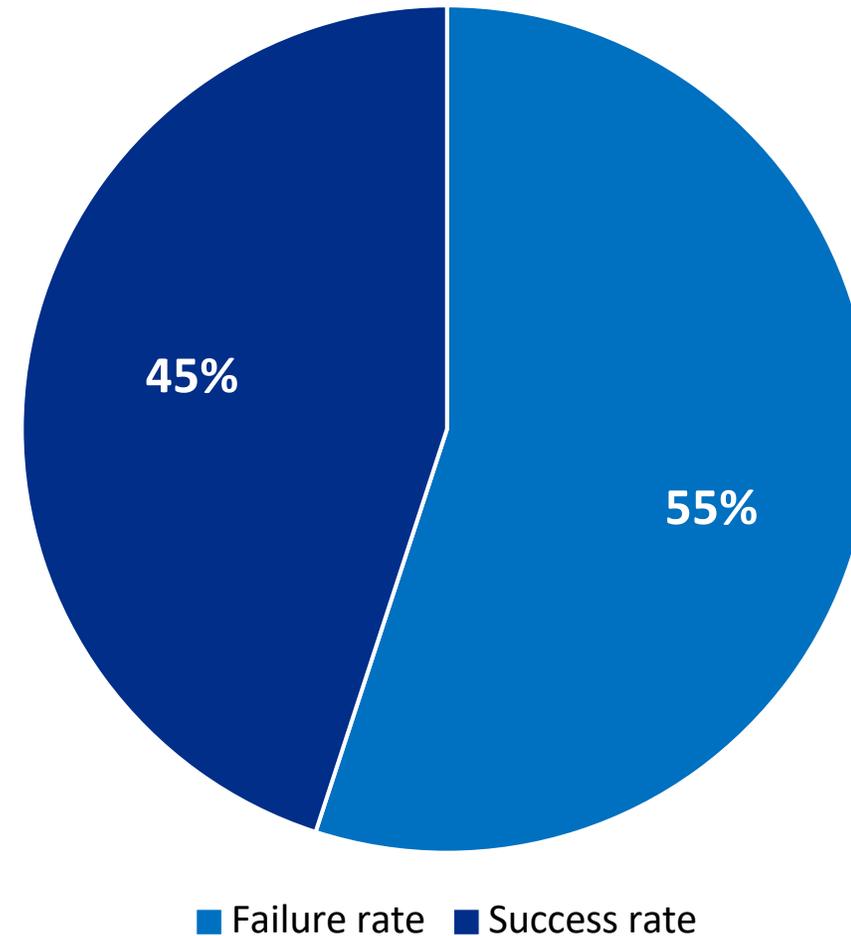
3

Strategic Alliances Strategy

# Main problem of the M&A strategy

More than half of M&As fail to reach their value creation objectives.

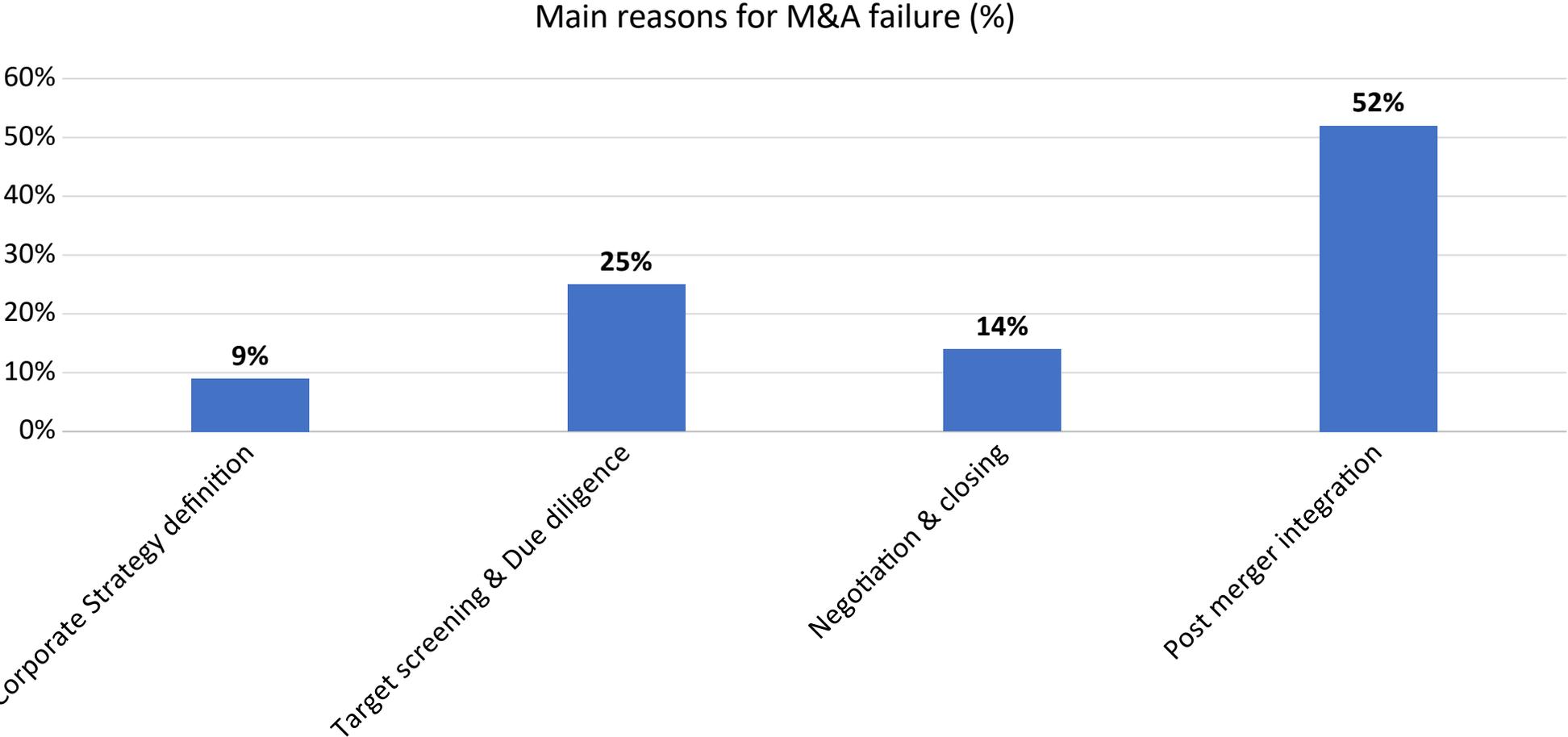
Mergers & Acquisitions' ability to reach value creation objectives\*



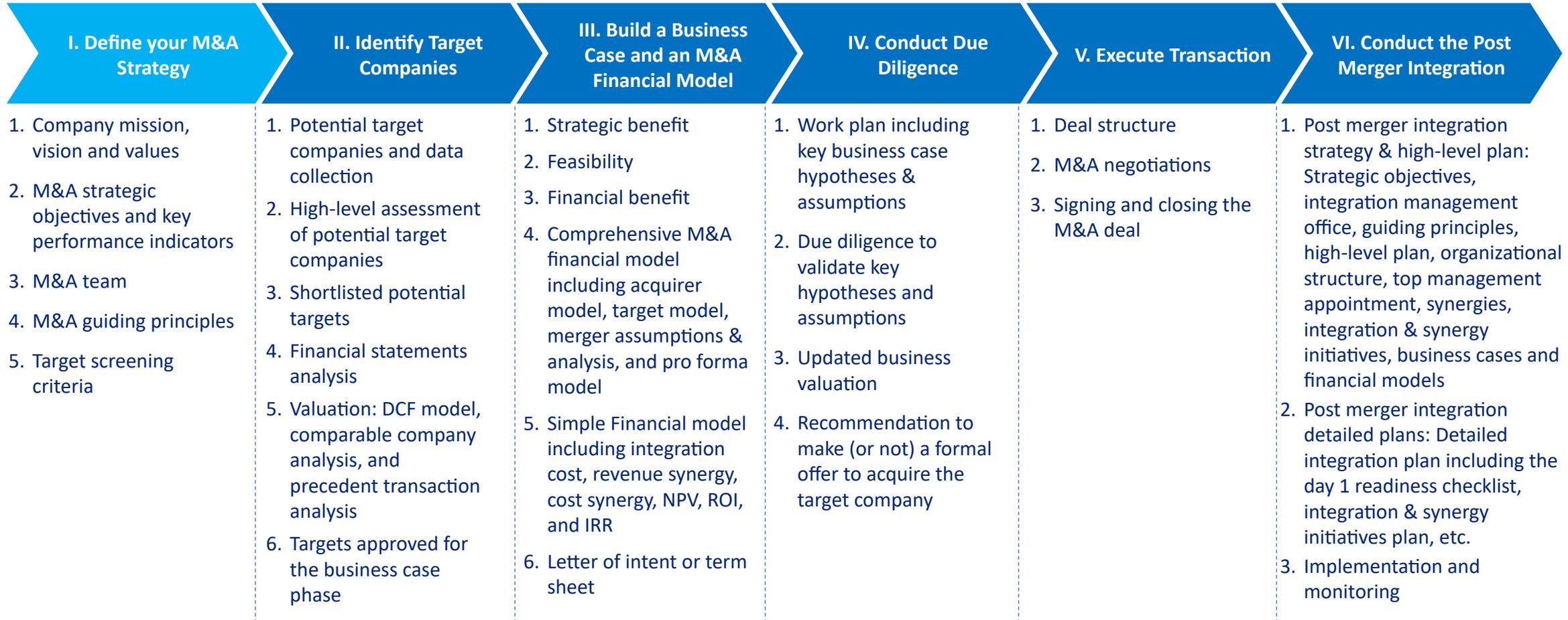
\*Consolidation of multiple surveys from New York Times, Harvard Business Review, and Australia Financial Review

# Root cause of the problem

A poorly managed post-merger integration phase is responsible for more than half of the failures of M&As.



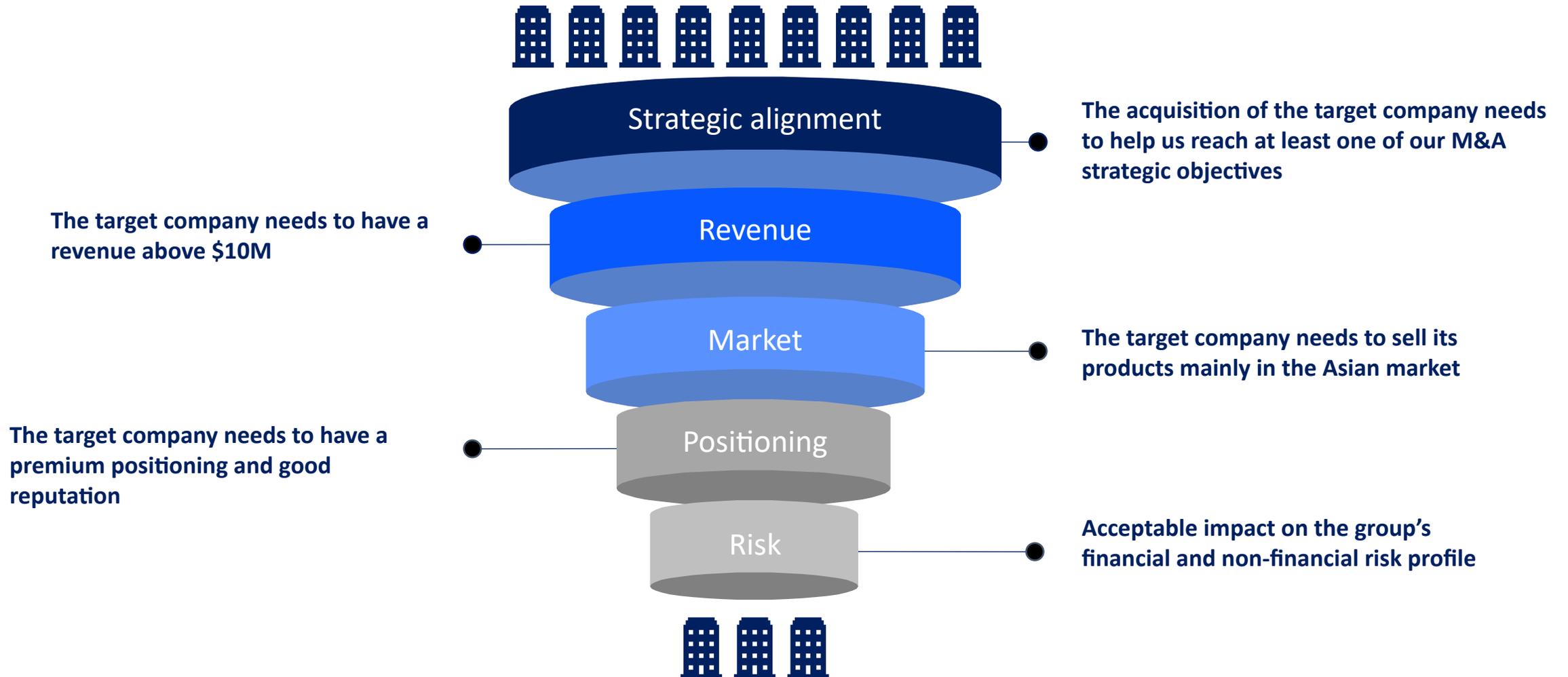
\*Consolidation of multiple surveys from New York Times, Harvard Business Review and Australian Financial Review

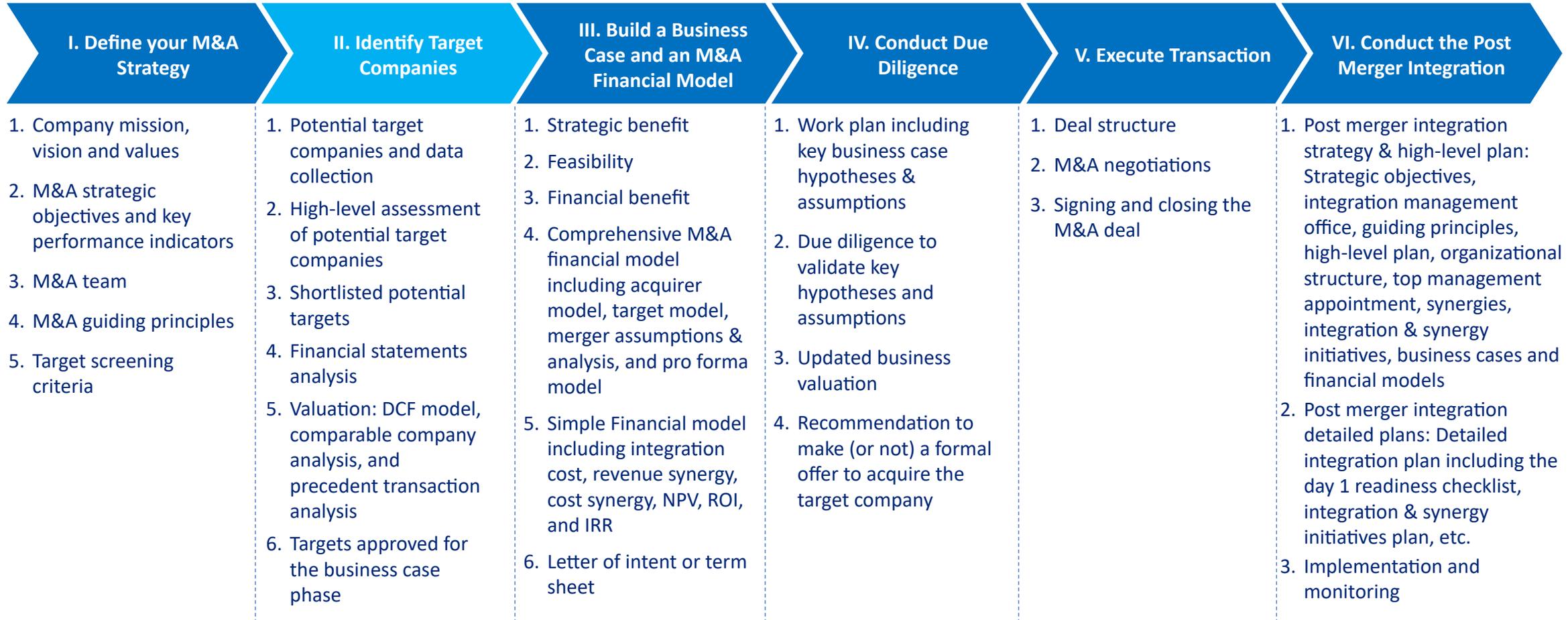


# M&A guiding principles

1	Insert title of your guiding principle (e.g., Simple decision-making process)	Insert a quick description of your guiding principle (e.g., Ensure that decision-making and approval procedures are simple, robust and transparent)
2	Insert title of your guiding principle (e.g., Strategic alignment)	Insert a quick description of your guiding principle (e.g., Ensure strategic alignment between the company vision and mission and the M&A strategic objectives)
3	Insert title of your guiding principle (e.g., Shared vision)	Insert a quick description of your guiding principle (e.g., Establish joint ownership of a shared vision, strategy, and journey between our company and the acquired company)
4	Insert title of your guiding principle (e.g., Key talent)	Insert a quick description of your guiding principle (e.g., Pay attention to retaining key talents)
5	Insert title of your guiding principle (e.g., Internal rate of return)	Insert a quick description of your guiding principle (e.g., Focus on transactions with an internal rate of return (IRR) that delivers an acceptable margin above cost of capital)

# Screening criteria to help us select the right companies to potentially acquire





# Based on our M&A strategy, potential target companies, including the 10 listed below

	CEO	Main activity	Revenue	Profit	Market share	Number of employees	Strategic rationale
Insert company name	Insert your own text						
Insert company name	Insert your own text						
Insert company name	Insert your own text						
Insert company name	Insert your own text						
Insert company name	Insert your own text						
Insert company name	Insert your own text						
Insert company name	Insert your own text						
Insert company name	Insert your own text						
Insert company name	Insert your own text						
Insert company name	Insert your own text						

You can replace the column header based on what information you want to emphasize.

Select the top companies you want to emphasize. If someone wants to see the more comprehensive list, open the Excel sheet "Target companies"

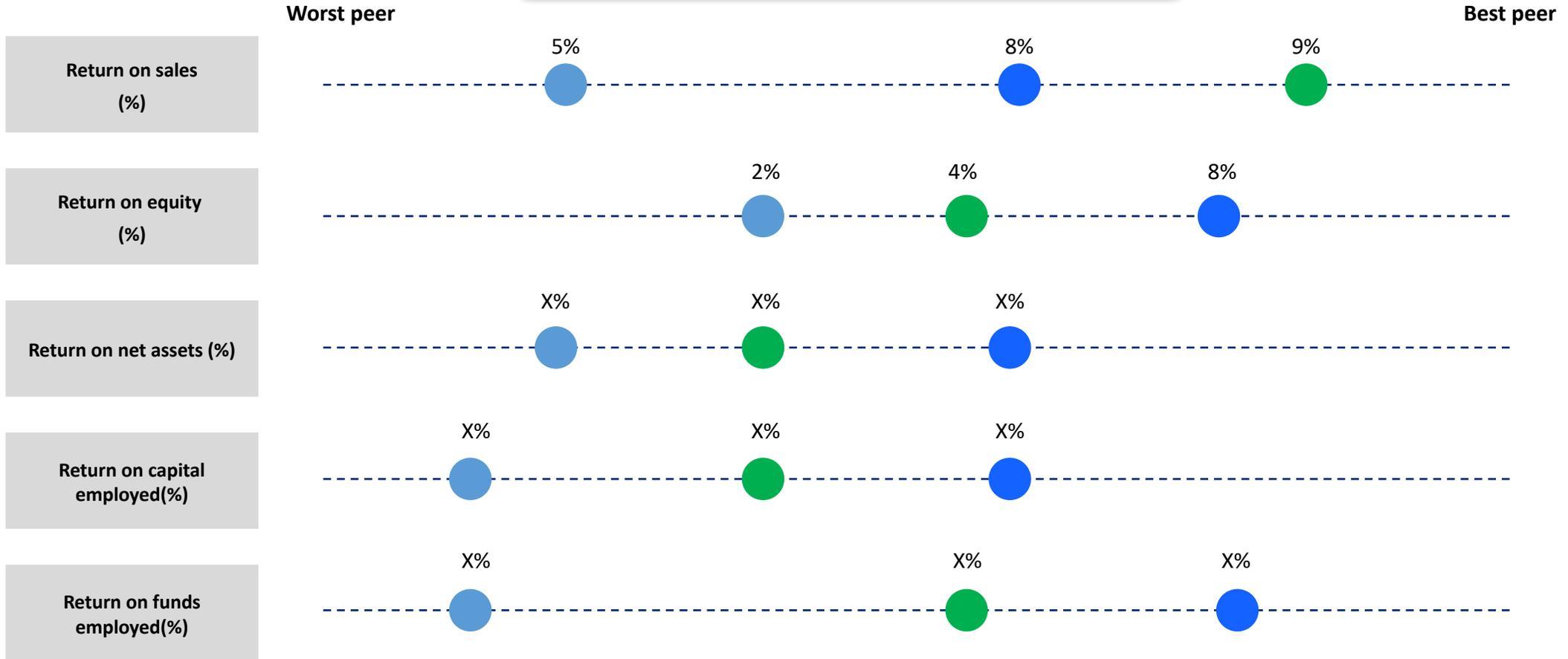
➔ To access a more comprehensive list of our potential target companies, open the Excel sheet "Target companies"

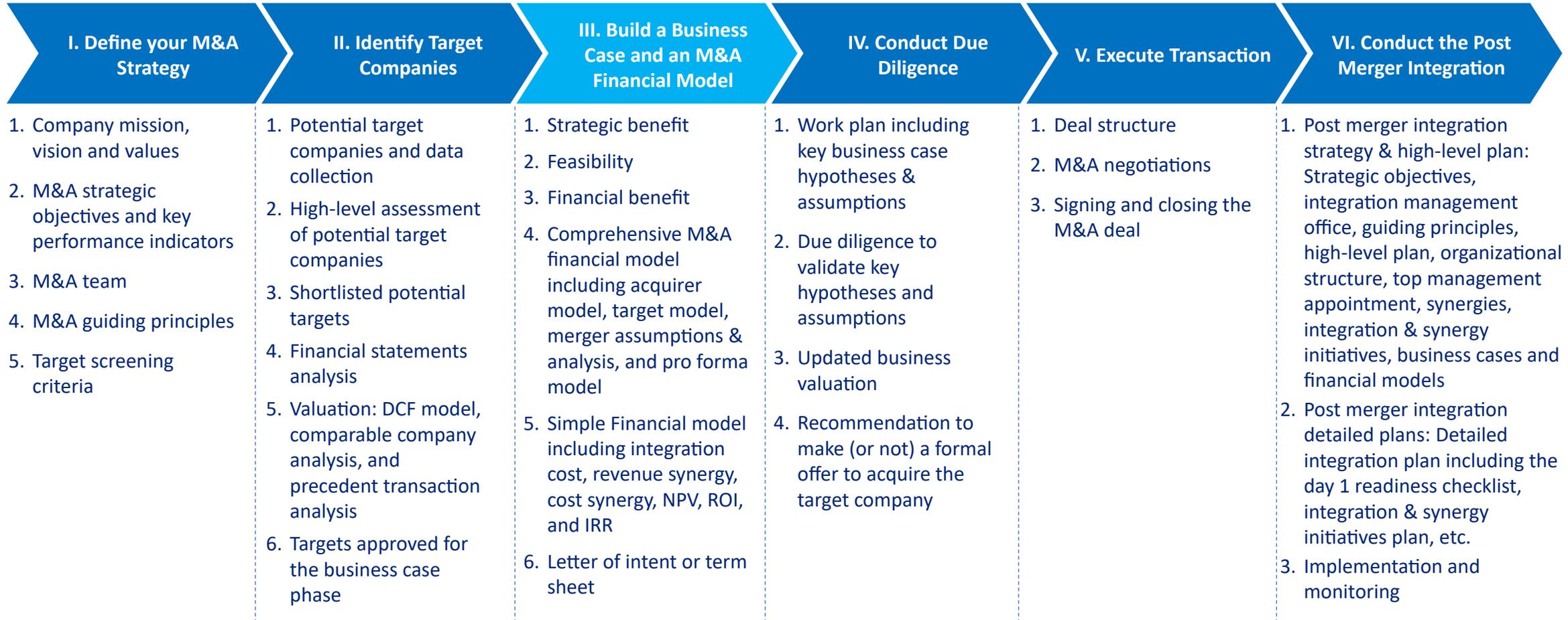
# Summary of our financial statement analysis

## Profitability ratios

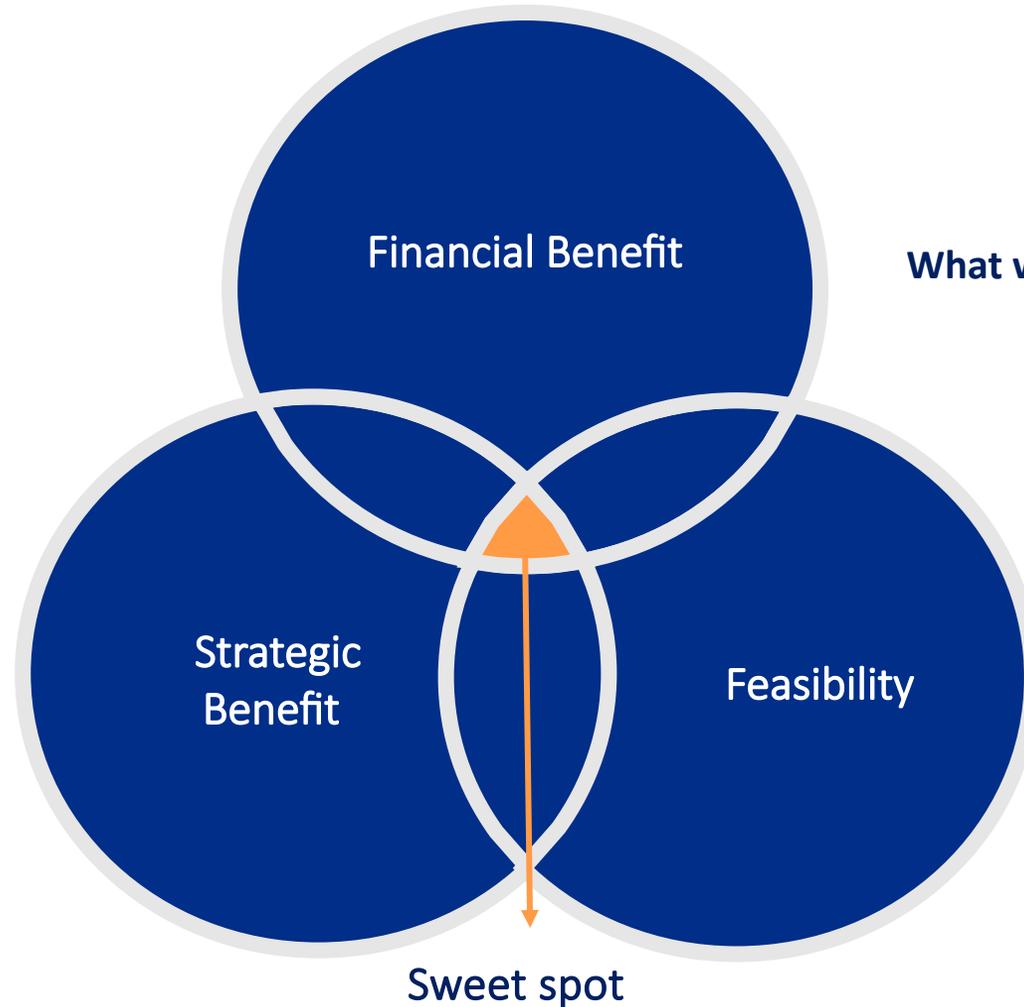


For more details on how to conduct a financial statement analysis, open the folder "Financial statement analysis"





# M&A framework



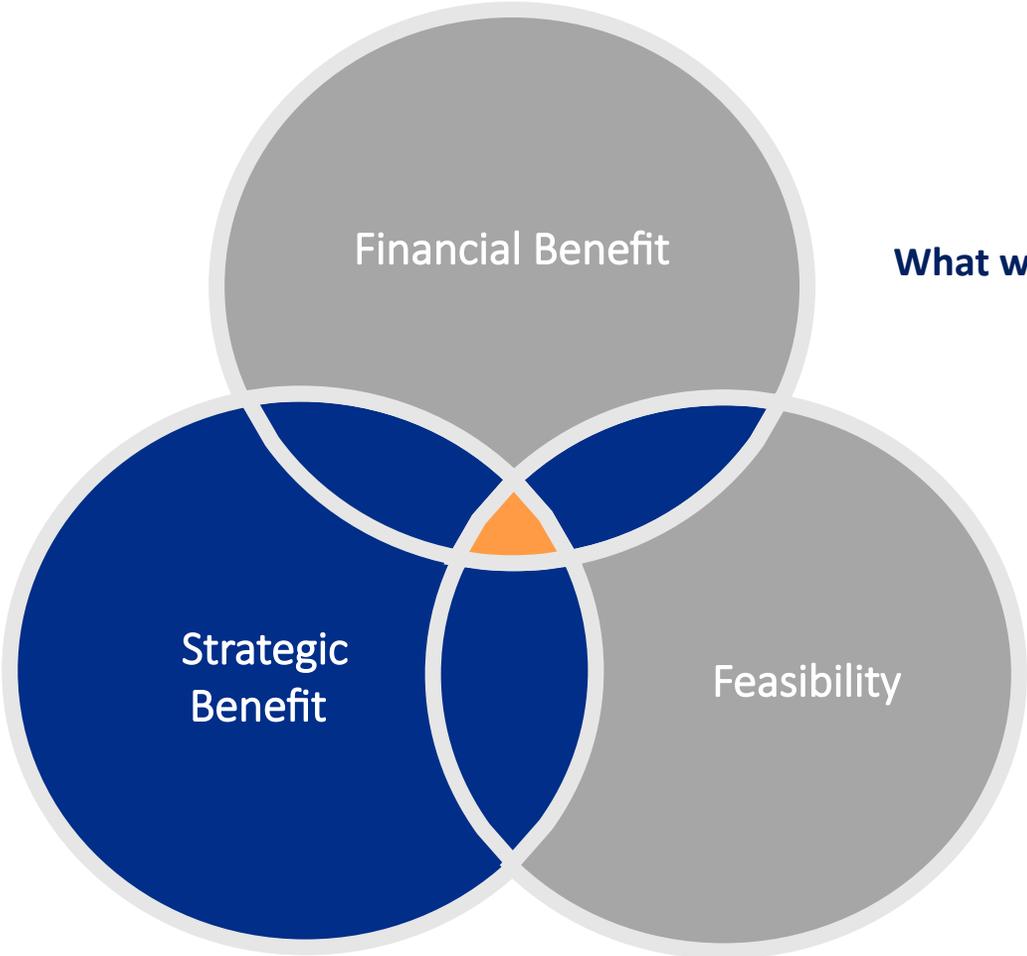
What would be the financial benefit of the deal?

What would be the strategic benefit of the deal?

What would be the feasibility of the deal?

If answer is HIGH for all these 3 questions means acquiring target company is a good strategic initiative

# Let's start by assessing the strategic benefit of the deal



What would be the financial benefit of the deal?

What would be the strategic benefit of the deal?

What would be the feasibility of the deal?

Caption:

Very Low

Low

Medium

High

Very High

## Strategic Benefit

### What would be the strategic benefit of the deal?

Very High

**Vision and  
strategic  
objectives**

Insert in this box the way in which this deal will help us deliver on our long-term vision and strategic objectives.

**M&A strategy  
versus organic  
growth strategy**

Insert in this box the way in which acquiring company Y is a better option than an organic growth strategy.

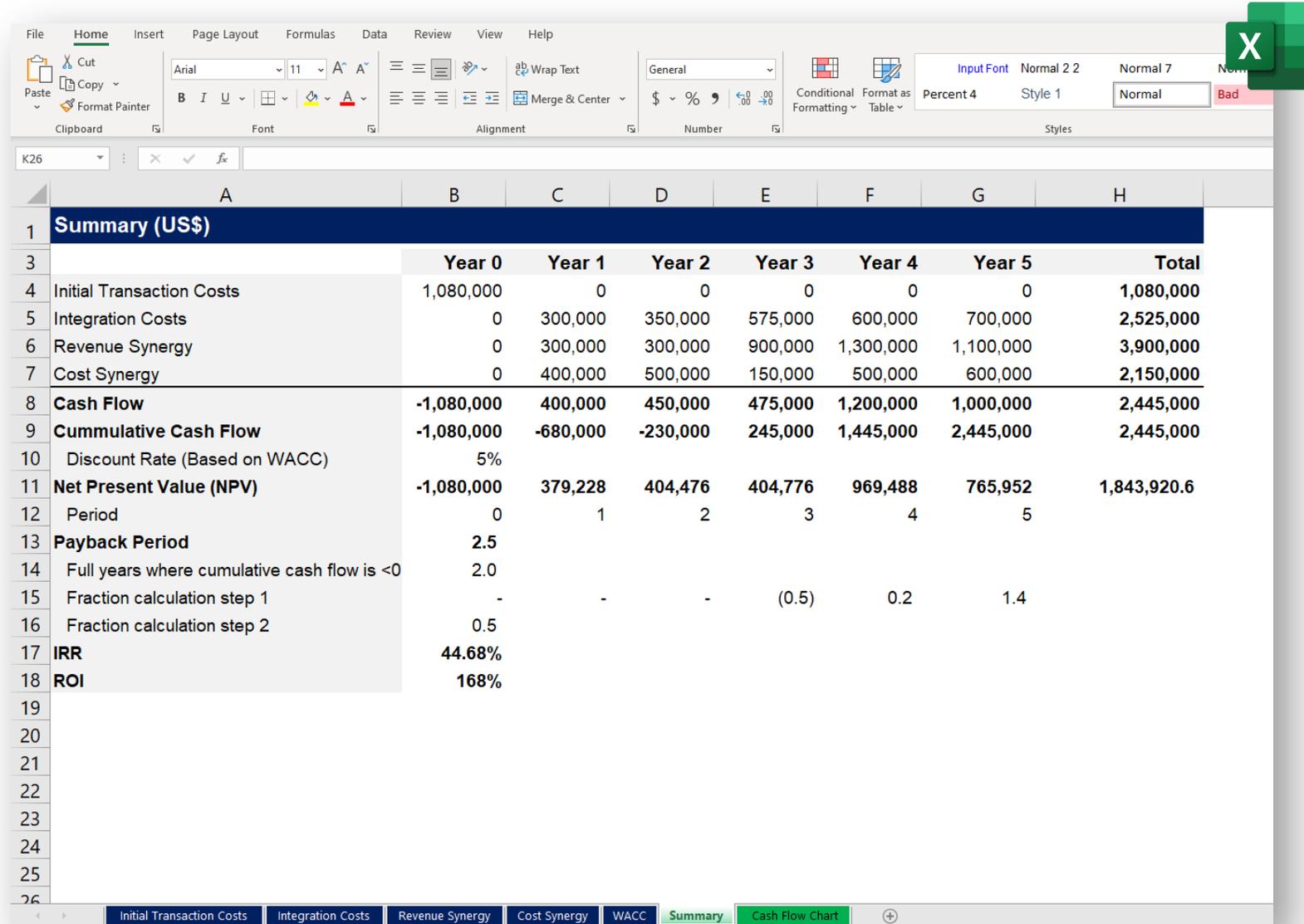
**M&A strategy  
versus strategic  
alliance**

Insert in this box the way in which acquiring company Y is a better option than a strategic alliance with company Y.

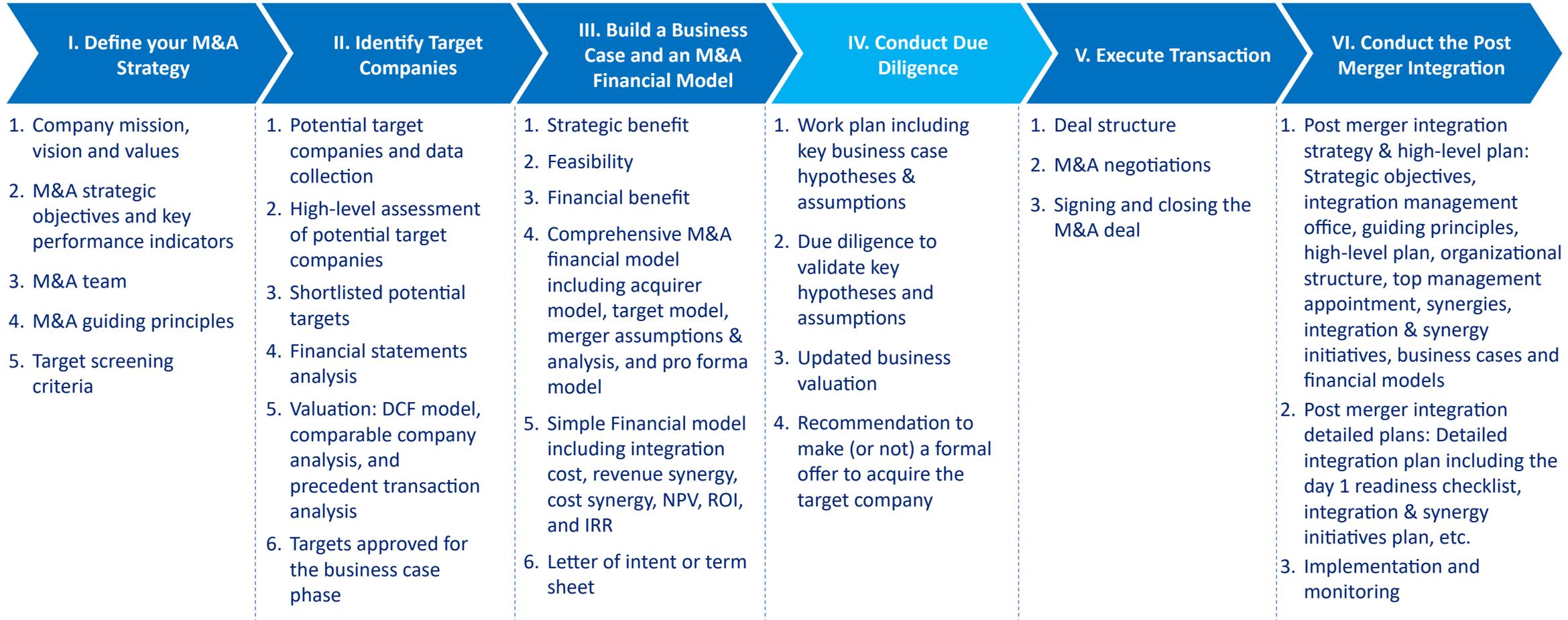
# M&A Financial Model (comprehensive version) includes different Building blocks

Acquirer	Target	Merger Assumptions & Analysis	Pro Forma
Assumptions with Different Scenarios	Assumptions with Different Scenarios	Transaction Inputs	Assumptions
Income Statement	Income Statement	Scenarios	Merger Integrations
Balance Sheet	Balance Sheet	Purchase Price	Income Statement
Cash Flow Statement	Cash Flow Statement	Sources & Uses of Cash	Balance Sheet
Working Capital	Working Capital	Goodwill and Purchase Price Allocation	Cash Flow Statement
Depreciations	Depreciations	Pro Forma Closing Balance Sheet	Working Capital
Debt & Interest	Debt & Interest	Accretion/Dilution Analysis	Depreciations
DCF	DCF	Impact on Acquirer Intrinsic Value per Share	Debt & Interest
		Capital Structure	DCF
		Sensitivity Analysis	

# Screenshot of the simple version of our M&A financial model



	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Summary (US\$)</b>							
Initial Transaction Costs	1,080,000	0	0	0	0	0	1,080,000
Integration Costs	0	300,000	350,000	575,000	600,000	700,000	2,525,000
Revenue Synergy	0	300,000	300,000	900,000	1,300,000	1,100,000	3,900,000
Cost Synergy	0	400,000	500,000	150,000	500,000	600,000	2,150,000
<b>Cash Flow</b>	<b>-1,080,000</b>	<b>400,000</b>	<b>450,000</b>	<b>475,000</b>	<b>1,200,000</b>	<b>1,000,000</b>	<b>2,445,000</b>
<b>Cummulative Cash Flow</b>	<b>-1,080,000</b>	<b>-680,000</b>	<b>-230,000</b>	<b>245,000</b>	<b>1,445,000</b>	<b>2,445,000</b>	<b>2,445,000</b>
Discount Rate (Based on WACC)	5%						
<b>Net Present Value (NPV)</b>	<b>-1,080,000</b>	<b>379,228</b>	<b>404,476</b>	<b>404,776</b>	<b>969,488</b>	<b>765,952</b>	<b>1,843,920.6</b>
Period	0	1	2	3	4	5	
<b>Payback Period</b>	<b>2.5</b>						
Full years where cumulative cash flow is <0	2.0						
Fraction calculation step 1	-	-	-	(0.5)	0.2	1.4	
Fraction calculation step 2	0.5						
<b>IRR</b>	<b>44.68%</b>						
<b>ROI</b>	<b>168%</b>						

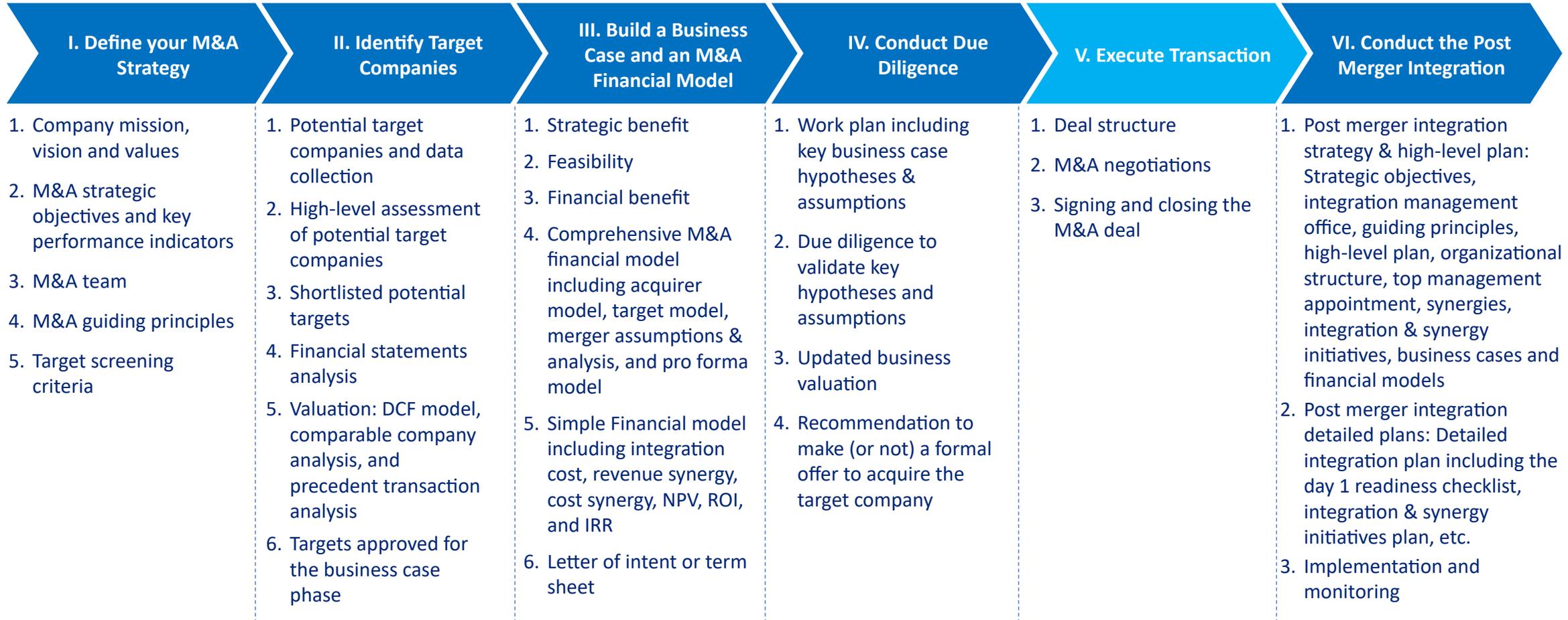


# Once you've got your "Hypothesis tree" with your hypothesis, assumptions, sub-assumptions, etc., it's time to create your work plan

## Work plan to validate or invalidate your first hypothesis

Work Plan							
Hypothesis #1: The Target Company profit forecast provided by the Board is reasonable							
Assumptions & Sub-assumptions	Expected answer	Actual Answer	Analyses	Data Sources	End Product	Responsibility	Deadline
1. The projected Revenue is reasonable	TRUE	TRUE	See sub-assumptions below	See sub-assumptions below	See sub-assumptions below	Raphael	October 5
1a. There is no illogical trend between historic revenues and projected revenues	TRUE	TRUE	Compare Historic and forecasted revenue CAGR	Financial Due Diligence	Vertical Histogramme chart	Raphael	October 5
1b. The company core capabilities will support the future revenue growth	TRUE	TRUE	Compare Historic and forecasted revenue CAGR	Financial Due Diligence	Vertical Histogramme chart	Raphael	October 5
1c. The revenue drivers have been identified correctly and projected in a reasonable way	TRUE	TRUE	Compare Historic and forecasted revenue CAGR	Financial Due Diligence	Vertical Histogramme chart	Raphael	October 5
2. The projected COGS is reasonable	TRUE	FALSE	Check list of key revenue drivers identified by the management	Industry report	Driver tree	John	October 10
3. The projected Operating Cost is reasonable							

For more details, open the Excel sheet "Work Plan"



# Structuring the deal

## Overview\*

- There are many ways in which a corporate merger or acquisition may be structured. The goal is not to create the most complex structure, but rather to create a structure that reflects the objectives of the buyer and the seller fairly.
- On a fundamental level, all structures are either mergers or acquisitions, including the purchase or consolidation of either stocks or assets.
- At the heart of each transaction are the following key issues that will affect the structure of the deal:
  - How will tangible and intangible assets be transferred from the seller to the purchaser?
  - At what price will they be transferred, and according to what terms?
  - What issues discovered during due diligence may affect the price, terms, or structure of the deal?
  - What liabilities will be assumed by the purchaser?
  - What are the tax implications for the buyer and the seller?
  - What role will the seller have in the management and growth of the underlying business after closing?
  - To what extent will third-party consent or government filing, or approval be necessary?
  - What arrangement will be made for the key management team of the seller, who may not necessarily be among the selling owners of the company?
  - Does the buyer currently have access to all of the consideration to be paid to the seller, or will some of these funds need to be raised from debt or equity markets?
- And at the heart of each structural alternative are the following 4 basic questions:
  1. Will the buyer be acquiring the stock or the assets of the target?
  2. In what form will the consideration from the buyer to the seller be made (e.g., cash, notes, securities, or some other form)?
  3. Will the purchase price be fixed, contingent, or payable over time on an installment basis?
  4. What are the tax consequences of the proposed structure for the acquisition?

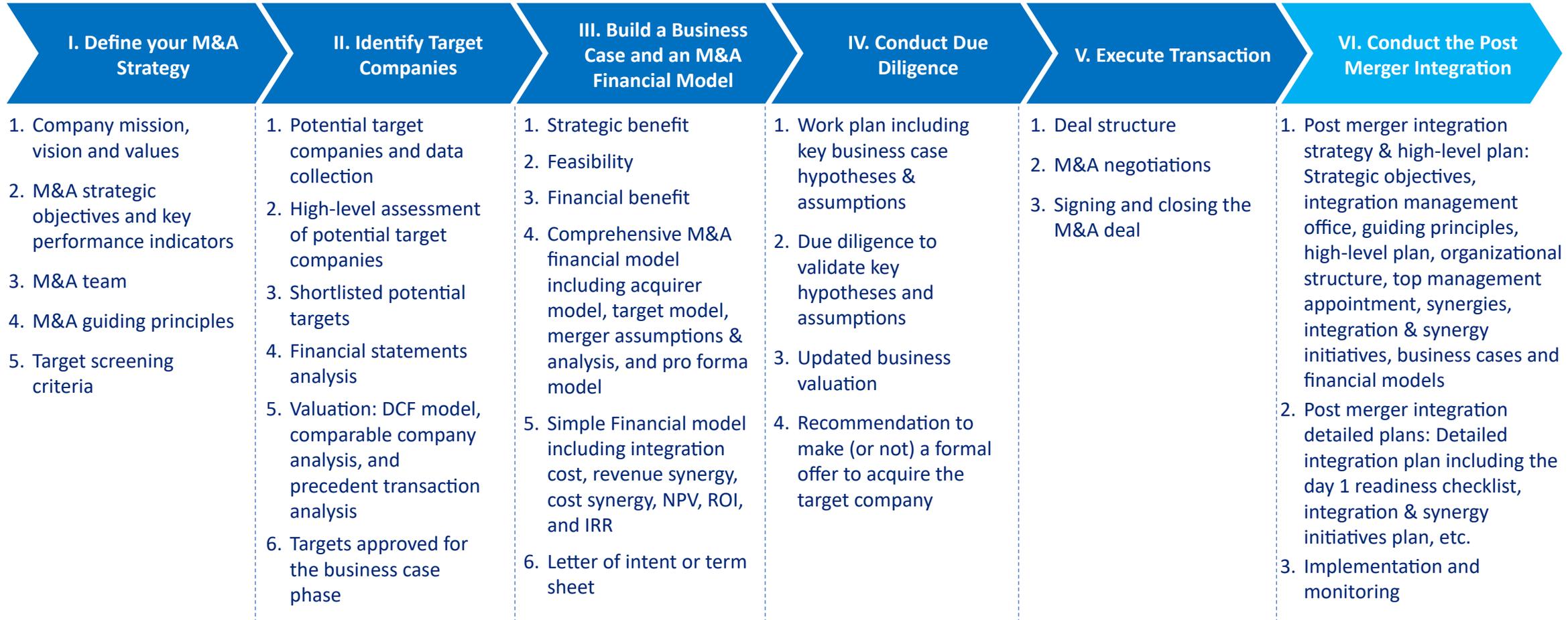
\* Source: Book "Mergers & Acquisitions from A to Z" by Andrew J. Sherman, which we highly recommend

# Structuring the deal

## Stock versus asset purchases

### Stock purchase advantages and disadvantages

	Main advantages	Main disadvantages
Buyer's perspective	<ul style="list-style-type: none"><li>• Preserves the right of the buyer to use the seller's name, licenses, and permits.</li><li>• Provides continuity of corporate identity, contracts, and structure.</li></ul>	<ul style="list-style-type: none"><li>• There is less flexibility to cherry-pick key assets of the seller.</li><li>• This structure usually does not terminate existing labor union collective bargaining agreement(s) and generally results in the continuation of employee benefits plans.</li></ul>
Seller's perspective	<ul style="list-style-type: none"><li>• The seller is taxed only on the sales of stock.</li><li>• Any gain or loss is usually capital in nature.</li><li>• It does not leave the seller with the problem of disposing of assets that were not bought by the purchaser.</li></ul>	<ul style="list-style-type: none"><li>• The seller cannot pick and choose the assets to be retained.</li><li>• A loss on the sale of stock may not be recognized by a corporate shareholder who included the company in its consolidated income tax return.</li></ul>



# 3-phase approach



## Phase I: Define & Communicate the Strategy & High-Level Plan

1. Merger strategic objectives
2. Integration management office
3. Guiding principles
4. Post merger integration high-level plan
5. Organizational structure (Top layers)
6. Top management appointment
7. Training to help managers set up their team
8. Integrated synergy baseline
9. Synergy targets
10. Potential integration & synergy initiatives
11. Business cases and financial models
12. Integration & synergy initiatives prioritization



## Phase II: Develop & Communicate the Detailed Plans

1. Detailed integration plan including the Day 1 readiness checklist
2. Integration & synergy initiatives plan
3. Change management strategy and plan
4. Communication strategy and plan
5. Culture integration strategy and plan
6. Risk management strategy and plan
7. Staffing & retention plan



## Phase III: Implement & Monitor

1. Status of the post-merger integration high-level plan
2. Status of the detailed integration plan
3. Status of the integration and synergy initiatives plan
4. Status of the change management strategy and plan
5. Status of the communication strategy and plan
6. Status of the culture integration strategy and plan
7. Status of the risk management strategy and plan
8. Status of staffing and the retention plan
9. Integration lessons learned
10. Institutionalization of the updated PMI Toolkit

# 3-phase approach PMI (Post Merger Integration)



## Phase I: Define & Communicate the Strategy & High-Level Plan

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8. Status of staffing and the retention plan
9. Integration lessons learned
10. Institutionalization of the updated PMI Toolkit

# The strategic objectives of our merger are:



Don't reinvent the wheel here. Most of the strategic objectives should have already been written prior to the deal.

1

Gaining economies of scale

2

Entering a new country

3

Entering a new market

4

Increasing the company's product or service portfolio

5

Increasing market share by acquiring one of your competitors (horizontal integration)

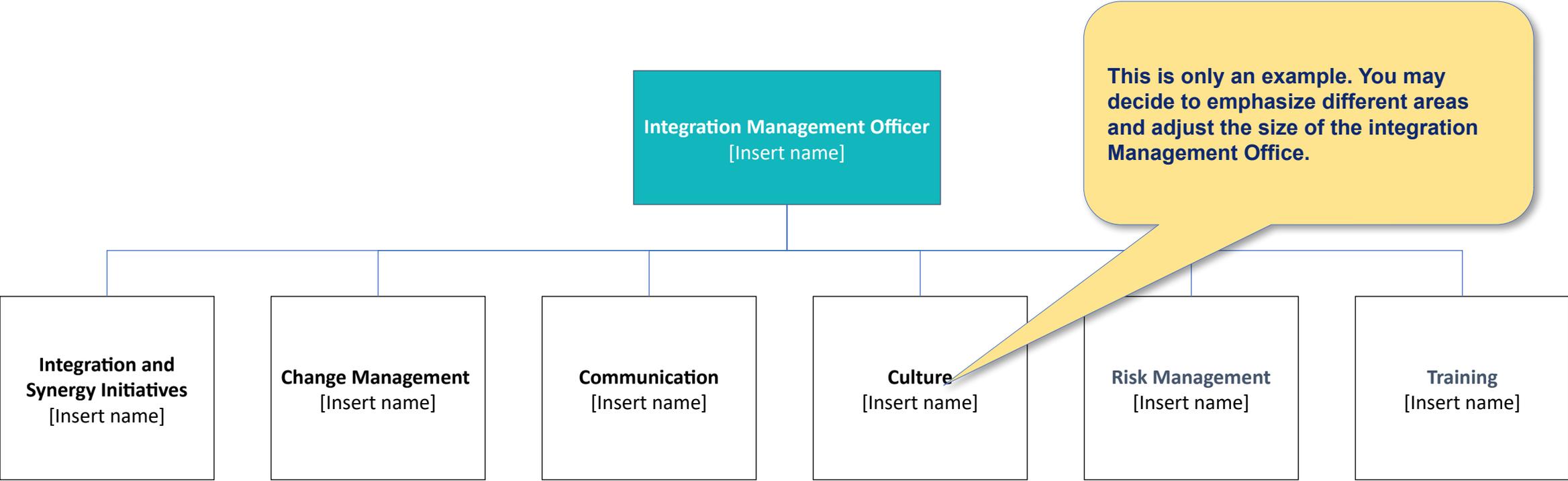
6

Becoming a key player in an industry by acquiring one of your suppliers or clients (vertical integration)

Example we used during a PMI consulting project we did for a Global Fortune 1000 firm.

# We decided to create an Integration Management Office that will be responsible for the success of the integration

The Integration Management Office will oversee the post-Merger Integration and be responsible for its success. It includes 7 [replace this number with your own number] executives representing both [insert name of the acquiring company] and [insert name of the acquired company]:



# Top 8 commonly used guiding principles for post merger integration

1

Be clear on the strategic objectives of the deal

2

Ground the integration in the objectives of the deal

3

Be clear on your synergy baseline and targets

4

Create a robust integration plan to reach the strategic objectives of the deal and the synergy targets

5

Search for synergies in every function of the newly created organization

6

Communicate on a regular basis to all stakeholders

7

Ensure cultural fit

8

Maintain business momentum

Example we used during a PMI consulting project we did for a Global Fortune 1000 firm.

# 3-phase approach



## Phase I: Define & Communicate the Strategy & High-Level Plan

1. Merger strategic objectives
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12. Integration & synergy initiatives prioritization



## Phase II: Develop & Communicate the Detailed Plans

1. Detailed integration plan including the Day 1 readiness checklist
2. Integration & synergy initiatives plan
3. Change management strategy and plan
4. Communication strategy and plan
5. Culture integration strategy and plan
6. Risk management strategy and plan
7. Staffing & retention plan



## Phase III: Implement & Monitor

1. Status of the post-merger integration high-level plan
2. Status of the detailed integration plan
3. Status of the integration and synergy initiatives plan
4. Status of the change management strategy and plan
5. Status of the communication strategy and plan
6. Status of the culture integration strategy and plan
7. Status of the risk management strategy and plan
8. Status of staffing and the retention plan
9. Integration lessons learned
10. Institutionalization of the updated PMI Toolkit

# Detailed integration plan including the Day 1 readiness checklist

Open the Excel document "Detailed Integration Plan" to see the 300+ activities listed in the plan

A	B	C	D	E	Execution by:			
					F	G	H	I
		Owner	Due Date	Status	Day 1	Day 30	Day 60	Day 90
	<b>Strategy</b>	<b>Christian G.</b>	<b>Feb 28</b>	<b>On Track</b>				
1	Communicate the acquisition objectives	Aurelien F.	Jan 20	On Track				
2	Define the Integration Strategy & High-Level Plan with the Integration team	Christian G.	Jan 20	Late				
3	Communicate the Integration Strategy & High-Level Plan	George P.	Jan 20	Done				
4	Develop and communicate the provisional operating model for the combined entity	George P.	Feb 15	On Track				
5	Define the synergy targets	George P.	Feb 15	Done				
6	Define with the Strategy team initiatives facilitating the integration	George P.	Feb 15	On Track				
7	Define with the Strategy team initiatives capturing synergies	George P.	Feb 15	Done				
8	Schedule a work session with key stakeholders to assess functional redundancies	George P.	Feb 15	On Track				
9	Meet top talent who may be at risk of early departure							
10	Construct a draft organization chart of the level 1 and 2 of the function	John D.	Feb 28	Done				
11	Conduct follow up meeting with key stakeholders to review draft and gather edits	John D.	Feb 28	Done				
12	Revise new org chart of the level 1 and 2 of the function	John D.	Feb 28	Done				
13	Announce the new org chart of the level 1 and 2 of the function	John D.	Feb 28	Done				
14	Construct a draft organization chart of the lower levels of the function	George P.	Feb 15	On Track				
15	Conduct follow up meeting with key stakeholders to review draft and gather edits	John D.	Feb 28	Done				
16	Revise new org chart of the lower levels of the function	John D.	Feb 28	Done				
17	Announce the new org chart of the lower levels of the function	John D.	Feb 28	Done				
18	Insert an additional task	John D.	Feb 28	Done				
	<b>Integration team</b>	<b>Christian G.</b>	<b>Feb 28</b>	<b>On Track</b>				
1	Define the Integration Strategy & High-Level Plan with the Strategy team	Aurelien F.	Jan 20	On Track				
2	Create the detailed integration plan	Christian G.	Jan 20	Late				
3	Ensure the senior management is mobilised, briefed & ready	Christian G.	Jan 20	Late				
4	Ensure that contingencies are in place in case of any unexpected absences on day 1	George P.	Jan 20	Done				
5	Define with the Strategy team initiatives facilitating the integration	George P.	Feb 15	On Track				
6	Define with the Strategy team initiatives capturing synergies	George P.	Feb 15	Done				
7	Ensure the implementation of the initiatives facilitating the integration	George P.	Feb 15	On Track				
8	Ensure the implementation of the initiatives capturing synergies	John D.	Feb 28	Done				
9	Insert an additional task	John D.	Feb 28	Done				
10	Insert an additional task	John D.	Feb 28	Done				
11	Insert an additional task	John D.	Feb 28	Done				
	<b>Sales and Marketing</b>	<b>Christian G.</b>	<b>Feb 28</b>	<b>On Track</b>				
1	Confirm, and be ready to deploy, Day 1 decisions on branding, logos and business name	Aurelien F.	Jan 20	On Track				
2	Align marketing messages	Christian G.	Jan 20	Late				
3	Prepare communications to important key accounts	George P.	Jan 20	Done				

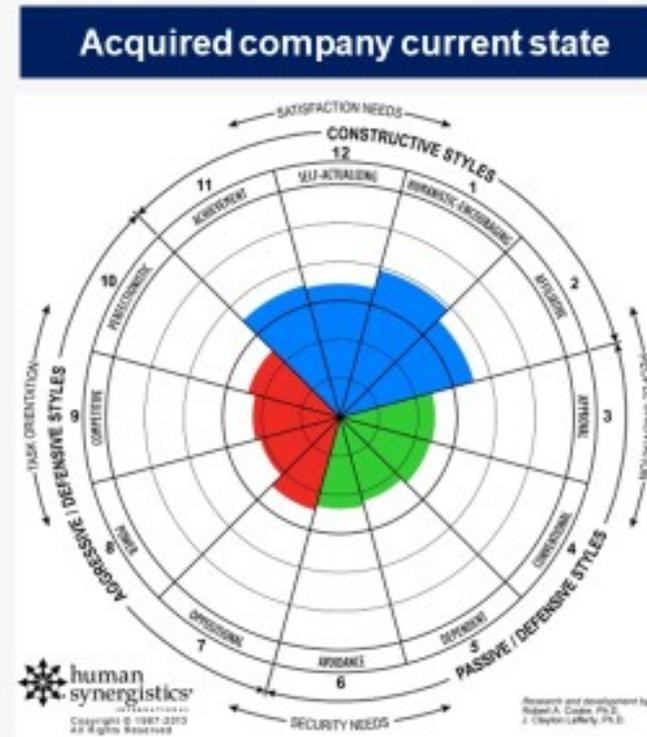
This is a good visual that will help you make a strong first impression with your audience. However, it is not a mandatory slide. Depending on your audience, you may decide to remove it and start your presentation directly with the next slide.



## Phase 2: Detailed assessment of the two corporate cultures (3/3)



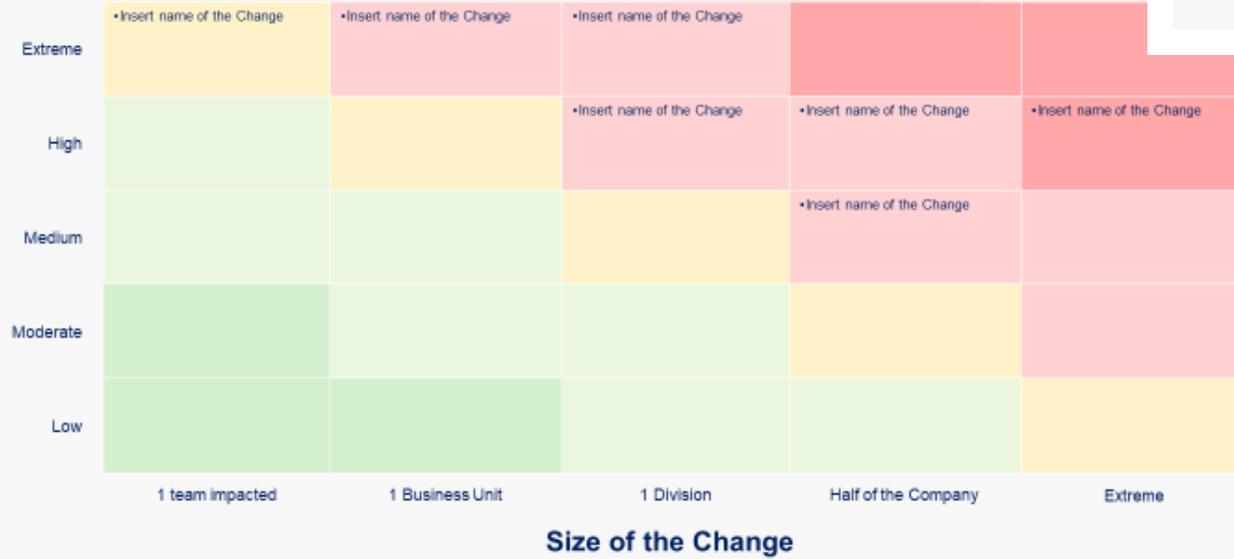
### Illustration



## Executive Summary Change Impact Assessment Matrix

The Executive Summary is a very important section, especially when you present during an executive committee, where you will probably not have time to go through all the slides

Complexity of the Change



## Step 2: Segment your key stakeholders by leveraging our Stakeholder Analysis Matrix

Who must be in contact with the group or person?



# 3-phase approach



## Phase I: Define & Communicate the Strategy & High-Level Plan

1. Merger strategic objectives
2. Integration management office
3. Guiding principles
4. Post merger integration high-level plan
5. Organizational structure (Top layers)
6. Top management appointment
7. Training to help managers set up their team
8. Integrated synergy baseline
9. Synergy targets
10. Potential integration & synergy initiatives
11. Business cases and financial models
12. Integration & synergy initiatives prioritization



## Phase II: Develop & Communicate the Detailed Plans

1. Detailed integration plan including the Day 1 readiness checklist
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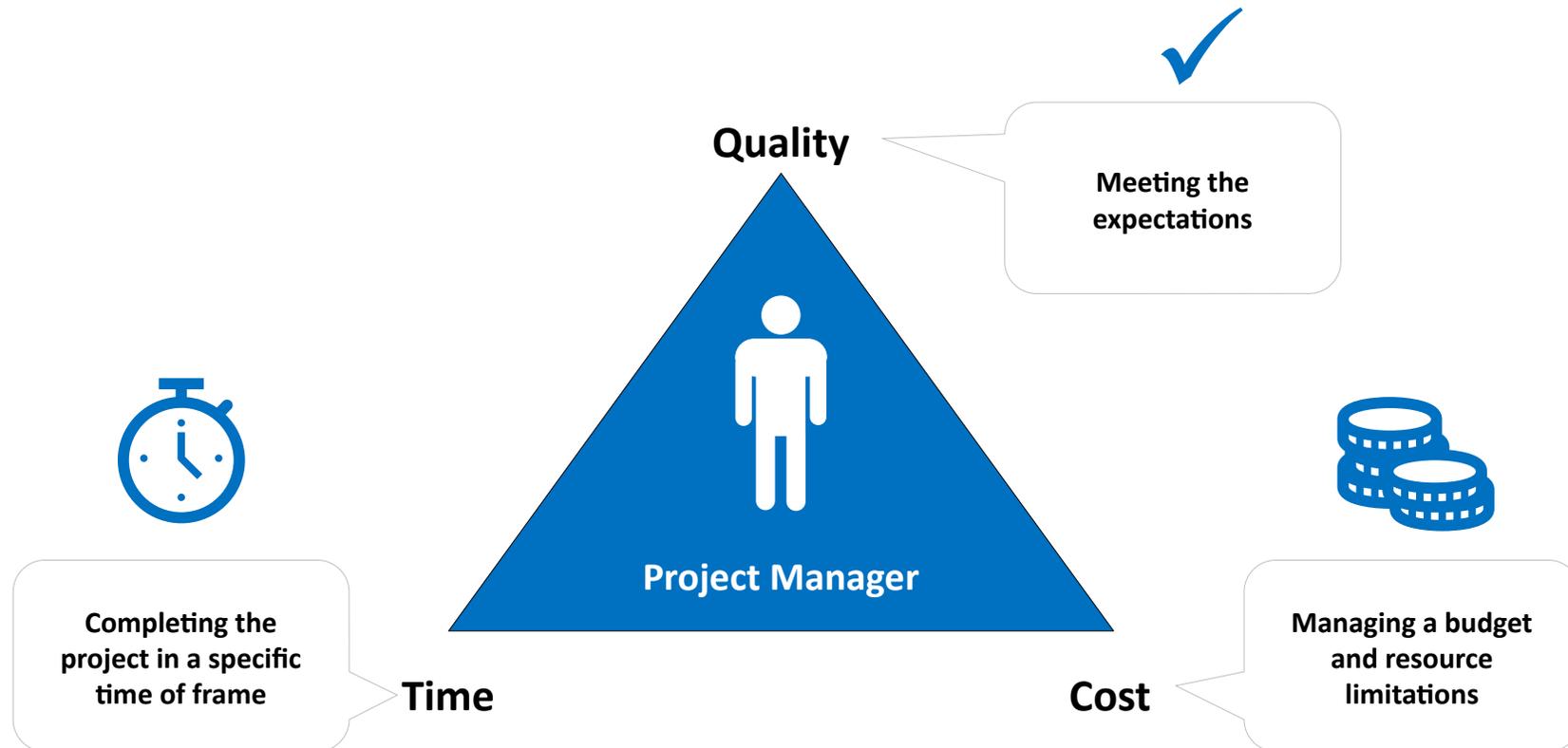


## Phase III: Implement & Monitor

1. Status of the post-merger integration high-level plan
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9. Integration lessons learned
10. Institutionalization of the updated PMI Toolkit

To ensure proper execution of the integration and synergy initiatives, it is very important to appoint high-caliber initiative owners or project managers

The main challenge for the different initiative owners or project managers will be to meet the objectives while balancing the triple constraints of quality, cost, and time



## High-Level Communication Plan for [Insert stakeholder group #1 name]

Person responsible for the execution of this plan: [insert name]

Overall Status: ■

#	Message Title	Communication Channel	Deadline	Sender/Presenter	Status
1.	Insert the title of your message	• Insert communication channel • Insert communication channel	Insert date	Insert name	
2.	Insert the title of your message	• Insert communication channel • Insert communication channel	Insert date	Insert name	
3.	Insert the title of your message	• Insert communication channel • Insert communication channel	Insert date	Insert name	
4.	Insert the title of your message	• Insert communication channel • Insert communication channel	Insert date	Insert name	
5.	Insert the title of your message	• Insert communication channel • Insert communication channel	Insert date	Insert name	

If someone needs to deep dive into each message, he can refer to the detailed communication plan in Excel

■ Late ■ On track ■ Done

32

This is a Risk Management Framework that we've been using and refining with our Fortune 500 clients and many SMEs



This framework can be used to manage the risk of a company or a project. It is simple and straightforward, which makes its implementation easy for everyone within your organization.

2

## Insert the Initiative Name - Status report - 04/10/2021

Insert Author

Insert Project Logo

<b>Overall Status</b>	<input type="radio"/> <span style="color: yellow;">●</span> <input type="radio"/> <span style="color: red;">●</span> <input type="radio"/> <span style="color: green;">●</span>	<ul style="list-style-type: none"> <li>• Insert your own text - Insert your own text</li> <li>• Insert your own text - Insert your own text</li> <li>• Insert your own text - Insert your own text</li> </ul>						
<b>Time / Deadlines</b>	<input type="radio"/> <span style="color: red;">●</span> <input type="radio"/> <span style="color: yellow;">●</span> <input type="radio"/> <span style="color: green;">●</span>	<ul style="list-style-type: none"> <li>• Insert your own text - Insert your own text</li> <li>• Insert your own text - Insert your own text</li> <li>• Insert your own text - Insert your own text</li> </ul>						
<b>Cost / Budget</b>	<input type="radio"/> <span style="color: green;">●</span> <input type="radio"/> <span style="color: yellow;">●</span> <input type="radio"/> <span style="color: red;">●</span>	<ul style="list-style-type: none"> <li>• Insert your own text - Insert your own text</li> <li>• Insert your own text - Insert your own text</li> <li>• Insert your own text - Insert your own text</li> </ul>						
<b>Requirement / Quality</b>	<input type="radio"/> <span style="color: red;">●</span> <input type="radio"/> <span style="color: yellow;">●</span> <input type="radio"/> <span style="color: green;">●</span>	<ul style="list-style-type: none"> <li>• Insert your own text - Insert your own text</li> <li>• Insert your own text - Insert your own text</li> <li>• Insert your own text - Insert your own text</li> </ul>						
<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Key Past Milestones</td> <td style="text-align: center;">Key Current Milestones</td> <td style="text-align: center;">Key Future Milestones</td> </tr> <tr> <td> <input checked="" type="checkbox"/> Insert Milestone  <input checked="" type="checkbox"/> Insert Milestone  <input checked="" type="checkbox"/> Insert Milestone                 </td> <td> <input checked="" type="checkbox"/> Insert Milestone  <input checked="" type="checkbox"/> Insert Milestone  <input checked="" type="checkbox"/> Insert Milestone                 </td> <td> <input checked="" type="checkbox"/> Insert Milestone  <input checked="" type="checkbox"/> Insert Milestone  <input checked="" type="checkbox"/> Insert Milestone                 </td> </tr> </table>			Key Past Milestones	Key Current Milestones	Key Future Milestones	<input checked="" type="checkbox"/> Insert Milestone <input checked="" type="checkbox"/> Insert Milestone <input checked="" type="checkbox"/> Insert Milestone	<input checked="" type="checkbox"/> Insert Milestone <input checked="" type="checkbox"/> Insert Milestone <input checked="" type="checkbox"/> Insert Milestone	<input checked="" type="checkbox"/> Insert Milestone <input checked="" type="checkbox"/> Insert Milestone <input checked="" type="checkbox"/> Insert Milestone
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10

To follow the progress of the integration & synergy initiatives, a weekly meeting will have to be organized with the owner of each initiative

The initiative owner will have between 1 and 5 minutes to present the progress of their initiatives. The name of each initiative should be easily understood by people who are not working on the initiative. Acronyms or non explicit words shouldn't be used.

For each initiative, the following topics are usually covered:

- The status of the initiative
- The planned synergy (if relevant)
- The actual synergy reached so far (if relevant)
- The deadline
- Key risks
- Key issues
- Key interdependencies

5



# Different Types of Mergers

Horizontal  
merger

Vertical  
merger

Co-generic  
mergers

Conglomerate  
Mergers

# Advantages of Merger

- 1 Does not require cash.
- 2 Accomplished tax-free for both parties.
- 3 Lets the target realize the appreciation potential of the merged entity, instead of being limited to sales proceeds.
- 4 Allows shareholders of smaller entities to own a smaller piece of a larger pie, increasing their overall net worth.
- 5 Merger of a privately held company into a publicly held company allows the target company shareholders to receive a public company's stock.
- 6 Allows the acquirer to avoid many of the costly and time-consuming aspects of asset purchases, such as the assignment of leases and bulk-sales notification.

# Reasons for Merger



\*Source:iica

# Different Types of acquisitions

**Friendly acquisition:** Both the companies approve of the acquisition under friendly terms.

**Reverse acquisition:** A private company takes over a public company.

**Back flip acquisition:** A very rare case of acquisition in which, the purchasing company becomes a subsidiary of the purchased company.

**Hostile acquisition:** Here, as the name suggests, the entire process is done by force



# Reason for Acquisition

## Industry Consolidation

Tactical move that enables a company to reposition itself (with a merger partner) into a stronger operational and competitive industry position.

## Improve Competitive Position

Reduces competition, and allows the combined firm to use its resources more effectively.

## Defensive Move

Attractive tactical move in any economic environment - particularly in a cyclical down-turn where a merger can be a strong defensive move.

## Synergies

Allowing two companies to work more efficiently together than either would separately.

## Market / Business / Product Line Issues

Whether the market is a new product, a business line, or a geographical region, market entry or expansion is a powerful reason for a merger.

## Acquire Resources and Skills

To obtain access to the resources of another company or to combine the resources of the two companies

# Merger And Acquisition Process

## Preliminary Assessment or Business Valuation:

In this process of assessment not only the current financial performance of the company is examined but also the estimated future market value is considered.

## Phase of Proposal:

After complete analysis and review of the target firm's market performance, in the second step, the proposal for merger or acquisition is given to multiple suitors,

## Exit Plan:

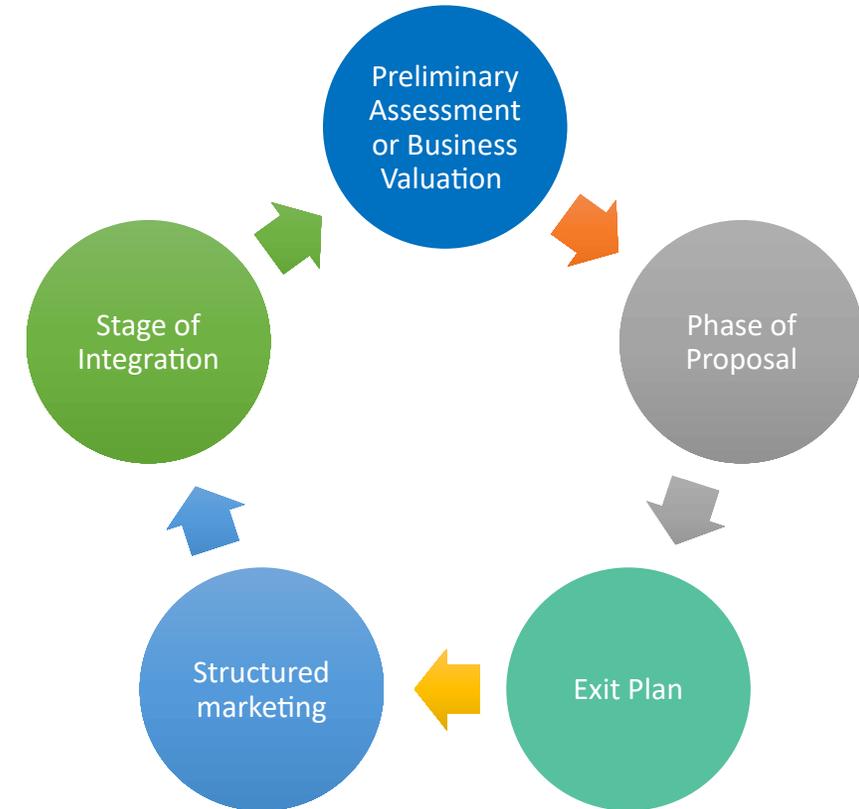
When a owners decide to exit the target firm the structure is decided and proposed to the potential suitors.

## Structured Marketing:

After finalizing the Exit Plan, the target firm gets involves in the marketing process and tries to achieve highest selling price.

## Stage of Integration:

In this final stage, the two firms are integrated through Merger or Acquisition.



# Motives for Mergers & Acquisitions

## Greater Value Generation:

Mergers and acquisitions generally succeed in generating cost efficiency through the implementation of economies of scale. It is expected that the shareholder value of a firm after mergers or acquisitions.

## Gaining Cost Efficiency:

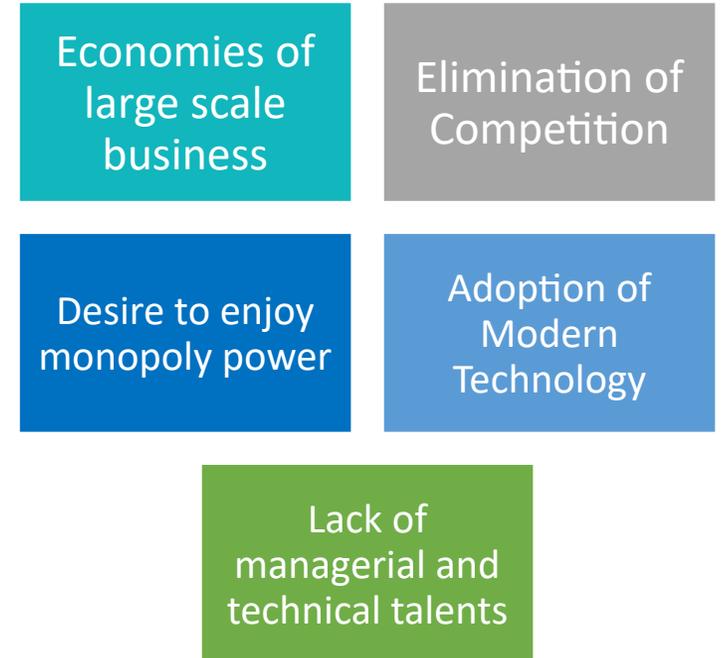
When two companies come together by merger or acquisition, the joint company benefits in terms of cost efficiency. As the two firms form a new and bigger company, the production is done on a much larger scale.

## Increase in market share:

An increase in market share is one of the plausible benefits of mergers and acquisitions.

## Gain higher competitiveness:

The new firm is usually more cost-efficient and competitive as compared to its financially weak parent organization.



# Impact of Mergers and Acquisitions

## Employees:

Mergers and acquisitions impact the employees or the workers the most. It is a well known fact that whenever there is a merger or an acquisition, there are bound to be lay offs.

## Impact of mergers and acquisitions on top level management:

Impact of mergers and acquisitions on top level management may actually involve a "clash of the egos". There might be variations in the cultures of the two organizations.

## Shareholders of the acquired firm:

The shareholders of the acquired company benefit the most. The reason being, it is seen in majority of the cases that the acquiring company usually pays a little excess than it what should.

## Shareholders of the acquiring firm:

They are most affected. If we measure the benefits enjoyed by the shareholders of the acquired company in degrees, the degree to which they were benefited, by the same degree, these shareholders are harmed

# Joint Ventures



Both Companies have something to offer to the JV Both are usually equal partners When Corporate entering into new market Specifically for a country or a market Have detailed roles and responsibilities of each party defined in the agreement Research indicates that two out of five JV arrangements last less than four years, and are dissolved in acrimony.





# Cross Border Investments/Joint Ventures (Important Points)



**Business Structure**



**Management**

**Financial Commitment**



**Identifying JV Partner**



**Due Diligence**



**Planning**



**Understanding Different Cultures**



**JV Agreement**



**Regulatory Approvals**



**Dispute Settlement**



**Closure of Business**

**Market Research**



**Taxation**

\*Source:iica



# Distribution Arrangement



When the manufacturer not keen to set up local manufacturing The distributor either works on commission or as a reseller Local partner provides after-sales and marketing support Often exclusive Comes with an expiry date.



# Technical Collaboration



Intellectual property remains of the Technology provider May be a pure technology transfer agreement or with 100% buy back Royalty needs to be paid to the provider May or may not be exclusive Comes with an expiry date.



# DATA ANALYTICS STRATEGY



# Data Analytics Strategy - Approach

## Data Analytics Strategy

Summary of the Corporate & Business Strategy

Current & Target Data Analytics Maturity Levels

Data Analytics Vision, Mission & Values

Strategic Objectives and KPIs to reach our Vision

Team & Budget

Stakeholder Management

## 5 Pillars to reach our Strategic Objectives



### Data Management & Infrastructure

1. Data sources and acquisition
2. Data storage and processing solutions
3. Data integration, transformation & ETL Processes
4. Data quality & cleansing
5. Data infrastructure scalability & performance
6. Emerging technologies in data management and infrastructure
7. Successful implementations



### Data Governance & Compliance

1. How data governance enables an organization to become data-driven?
2. Data governance framework
3. Data privacy and security
4. Data compliance management
5. Data ethics and responsible use
6. Implementing data governance and compliance
7. Emerging trends and innovations
8. Charter template



### Analytics Tools & Techniques

1. Data visualization tools and techniques
2. Statistical analysis tools and techniques
3. Machine learning tools and techniques
4. Big data tools and techniques
5. Data preparation tools and techniques
6. Analytics tools selection matrix



### Data-driven Organization

1. Characteristics of a data-driven organization
2. Building a data-driven culture
3. Developing data skills and capabilities
4. Creating a user-friendly data infrastructure
5. Fostering experimentation and innovation
6. Case study



### Use Cases

1. Use cases in the healthcare industry
2. Use cases in the pharmaceutical industry
3. Use cases in the marketing function
4. Use cases in the retail industry
5. Use cases in the financial industry
6. Use cases in the HR function
7. Use cases in the supply chain & manufacturing industry
8. Use cases in the public sector

## List of Potential Initiatives for each Pillar

Business cases and financial models to help us assess our list of potential projects

Project Prioritization, Business Roadmap and Implementation

Change Management

# Introduction to data analytics

Data analytics is the process of examining, cleaning, transforming, and modeling raw data to extract useful information, draw conclusions, and support decision-making. It involves the application of various techniques, tools, and methodologies to uncover patterns, trends, correlations, and insights hidden within data sets.

Data analytics can provide numerous benefits to organizations across various industries. Some of the key benefits of data analytics are as follows:

## Improved decision making

Data analytics provides organizations with insights that can help them make better decisions. By analyzing large amounts of data, organizations can identify patterns and trends, which can then be used to inform business strategies and decision-making processes.

## Increased efficiency and productivity

Data analytics can help organizations identify inefficiencies and streamline processes. By analyzing data, organizations can identify areas that can be optimized to increase productivity and efficiency.

## Enhanced customer experience

By analyzing customer data, organizations can gain insights into customer behavior and preferences, which can then be used to improve customer experience. This can help organizations to tailor their products and services to meet the specific needs and preferences of their customers.

## Better risk management

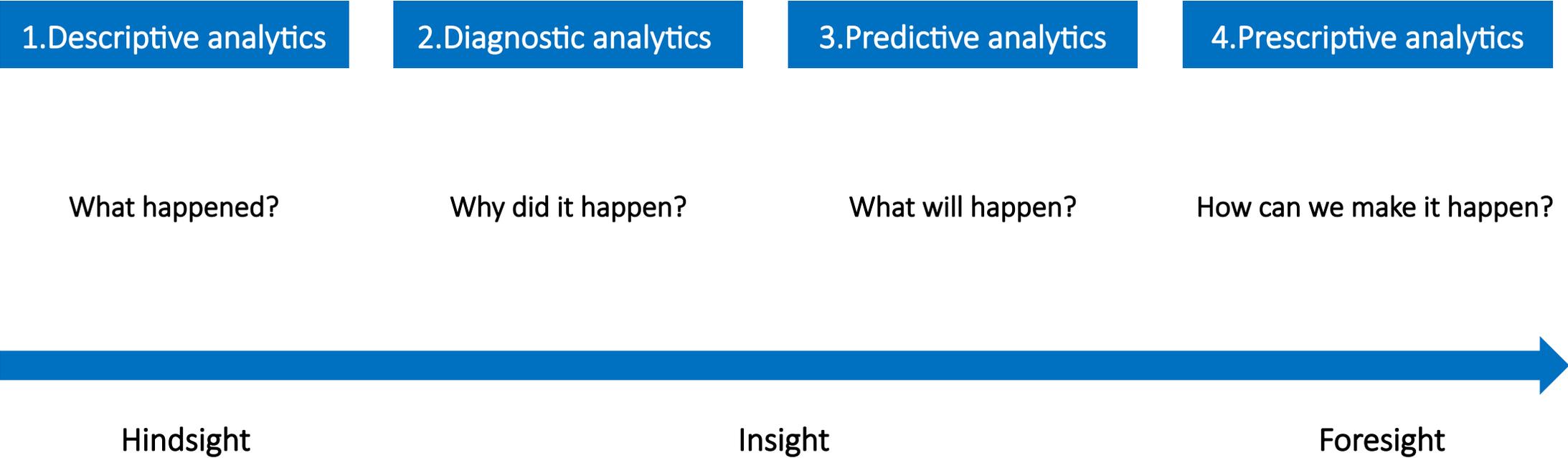
Data analytics can help organizations identify potential risks and threats. By analyzing data, organizations can identify patterns and trends that may indicate potential risks, allowing them to take proactive measures to mitigate those risks.

## Improved financial performance

Data analytics can help organizations improve their financial performance by identifying areas where they can reduce costs and increase revenue. By analyzing data, organizations can identify trends and patterns that can help them make more informed financial decisions.

# Types of data analytics

There are four main types of analytics that organizations use to gain insights from their data, make informed decisions, and optimize processes. Each type serves a different purpose and answers specific questions about the data. Each type represents an increasing level of sophistication in the organization's ability to use data for analytics.



# Types of data analytics

## Details, tools and techniques

### Descriptive analytics

Descriptive analytics focuses on analyzing historical data to understand past events, patterns, and trends. It helps organizations answer the question, "What happened?"

#### Tools and techniques:

- Microsoft Excel for data analysis and visualization
- Tableau or Power BI for data visualization and dashboards
- Basic data cleaning techniques, such as removing duplicates and handling missing data
- Basic statistical measures, such as mean, median, mode, and standard deviation
- Creating bar charts and line graphs to display trends in data

### Diagnostic analytics

Diagnostic analytics aims to identify the causes of past events by examining the data for correlations, dependencies, and anomalies. It helps organizations answer the question, "Why did it happen?"

#### Tools and techniques:

- Statistical charts to identify trends and patterns in data
- Data mining tools to identify correlations and data relationships
- Regression analysis to identify the relationship between variables
- Analyzing data to identify the root cause of a problem or issue
- Using correlation analysis to identify relationships between variables

### Predictive analytics

Predictive analytics uses historical data, statistical models, and machine learning techniques to forecast future outcomes and trends. It helps organizations answer the question, "What is likely to happen in the future?"

#### Tools and techniques:

- Machine learning algorithms for predictive modeling
- Advanced statistical techniques, such as time-series analysis and decision trees
- Data mining tools for identifying patterns and relationships in data
- Using time-series analysis to identify trends and patterns
- Building a predictive model to forecast sales or customer behavior

### Prescriptive analytics

Prescriptive analytics focuses on recommending the best course of action based on various scenarios and potential outcomes. It helps organizations answer the question, "What should we do about it?"

#### Tools and techniques:

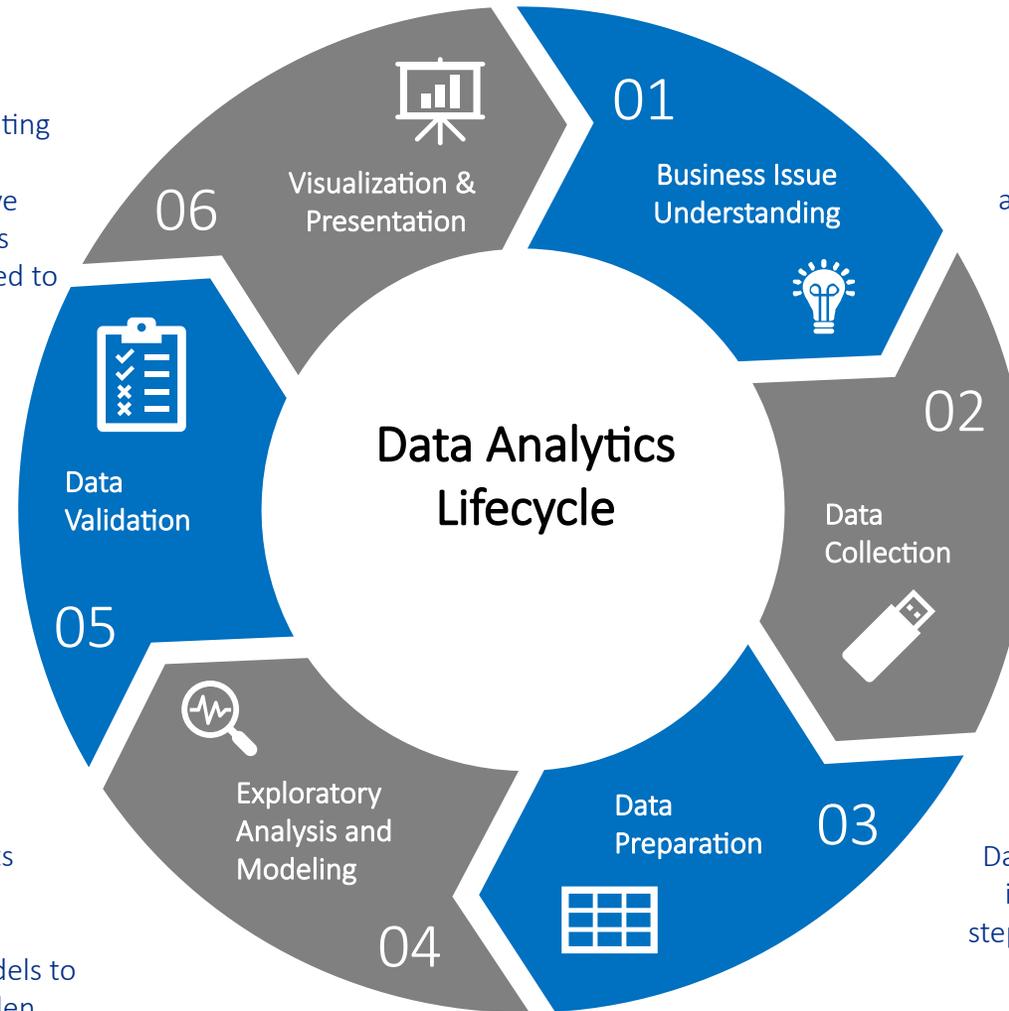
- Optimization software to identify the optimal solution to a problem e.g. pricing strategy
- Simulation modeling for testing different scenarios and outcomes
- Machine learning algorithms for automated decision-making
- Big data platforms for handling large volumes of data
- Building a simulation model to test the impact of different marketing strategies

# Types of data analytics

## Use cases

	Descriptive analytics	Diagnostic analytics	Predictive analytics	Prescriptive analytics
 <b>Sales</b>	The <b>sales team</b> can learn which customer segments generated the highest dollar amount in sales last year.	The <b>sales team</b> can identify shared characteristics and behaviors of profitable customer segments.	The <b>sales team</b> can learn the revenue potential of a particular customer segment.	How the <b>sales team</b> can improve the sales process for each target vertical.
 <b>Marketing</b>	The <b>marketing team</b> can uncover which social media platforms delivered the best return on advertising investment last quarter.	The <b>marketing team</b> can look at high-performing social media ads compared to poor ones to identify the reasons for differences.	The <b>marketing team</b> can predict how much revenue they're likely to generate with an upcoming campaign.	Helping the <b>marketing team</b> determine what product to promote next quarter.
 <b>Finance</b>	The <b>finance team</b> can track month-over-month and year-over-year revenue growth or decline.	The <b>finance team</b> can compare the timing of key initiatives to m-o-m and y-o-y revenue growth or decline to help determine correlations.	The <b>finance team</b> can create more accurate projections for the next fiscal year.	Ways the <b>finance team</b> can optimize risk management.
 <b>Operations</b>	<b>Operations</b> can track demand for SKUs across geographic locations throughout the past year.	<b>Operations</b> can look at regional weather patterns to see if they're contributing to demand for particular SKUs across geographic locations.	The <b>operations team</b> can better predict demand for various products in different regions at specific points in the upcoming year.	Help the <b>operations team</b> determine how to optimize warehousing.

# Data analytics lifecycle



## 6. Visualization and presentation

The final step involves interpreting the results, creating visualizations, and presenting the findings to stakeholders in a clear and concise manner. Effective communication is critical to ensure that the insights derived from data analytics are understood and used to drive informed decision-making.

## 5. Data validation

In this step, the models' performance is evaluated using various evaluation metrics and validation techniques. This may involve validation methods to ensure the model's accuracy and reliability. The process may require several iterations to refine the model and achieve the desired level of performance.

## 4. Exploratory analysis and modeling

This step combines data exploration, where analysts explore the data to understand its structure, relationships, patterns, and trends, with the development of statistical or machine learning models to test hypotheses, make predictions, or uncover hidden patterns.

## 1. Business issue understanding

This step involves identifying the business problem, setting objectives, and determining how data analytics can help address the issue. It is essential to involve key stakeholders and align the analytics project with the organization's goals and priorities.

## 2. Data collection

This step includes identifying relevant data sources, gathering data from various sources (internal and external), and assessing data quality and completeness. It is crucial to ensure that the collected data is appropriate for addressing the business issue at hand.

## 3. Data preparation

Data preparation involves cleaning, transforming, and integrating data to make it suitable for analysis. This step ensures that the data is consistent, complete, and accurate before moving on to the analysis phase.

# Data Analytics function

## Strategic objectives, KPIs and targets

Strategic Objectives	Key Performance Indicators (KPIs)	Targets
Enhance Data Infrastructure	Data Availability rate Data Accessibility in minutes	98% Within 1 hour of request
Increase Adoption rate of data insights	Adoption rate of data insights, measured by the number of stakeholders utilizing provided insights in decision-making processes.	From 30% to 50%
Increase forecast model accuracy	Forecast model accuracy rate	Increase by 20%
Increase customer satisfaction	Customer Satisfaction Score (CSAT) measured based on feedback surveys or ratings	Increase by 10%

# Data Analytics function

## Strategic objectives, KPIs and targets

Meeting target or above target or on track

Slightly below target

Significantly below target

### Strategic Objectives

### Key Performance Indicators (KPIs)

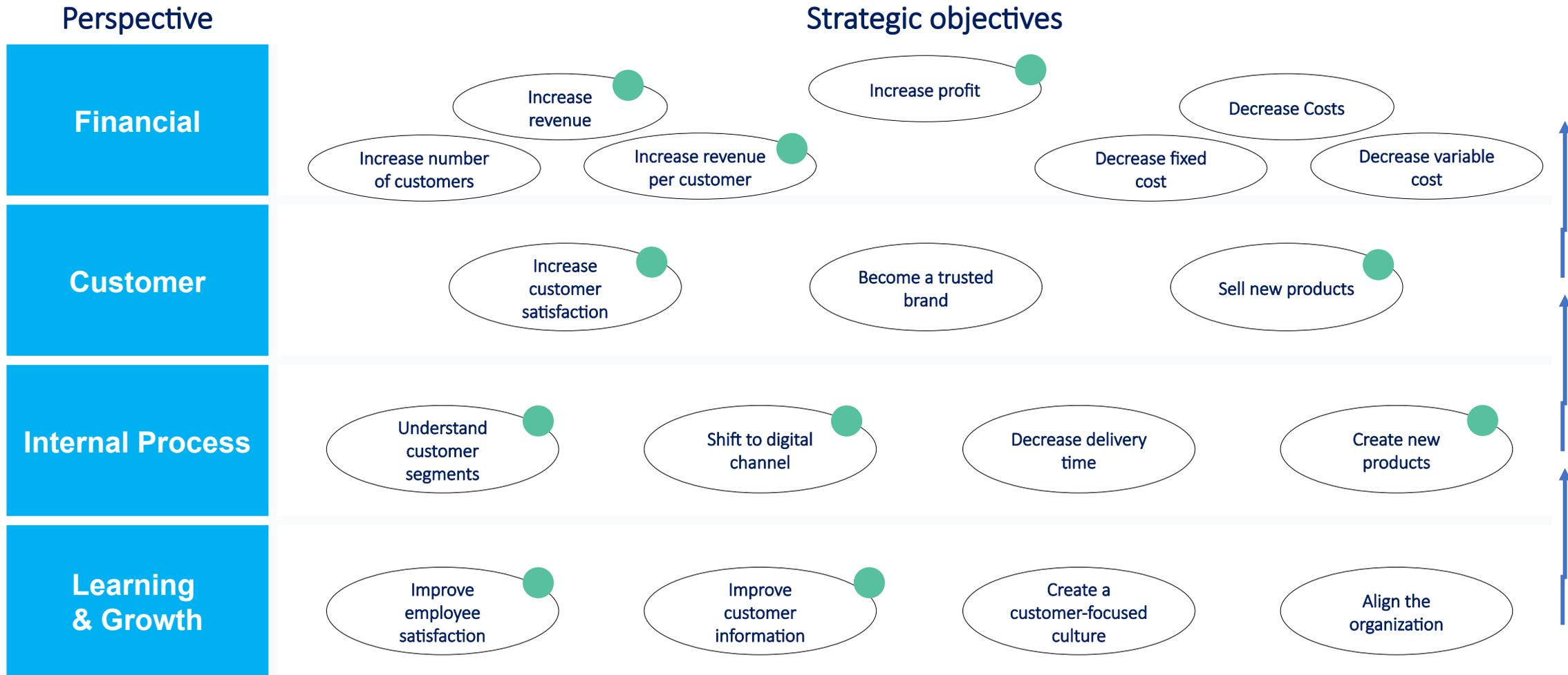
### Targets

Enhance Data Infrastructure	Data Availability rate Data Accessibility in minutes	98% Within 1 hour of request
Increase Adoption rate of data insights	Adoption rate of data insights, measured by the number of stakeholders utilizing provided insights in decision-making processes.	From 30% to 50%
Increase forecast model accuracy	Forecast model accuracy rate	Increase by 20%
Increase customer satisfaction	Customer Satisfaction Score (CSAT) measured based on feedback surveys or ratings	Increase by 10%
Foster Cross-Functional Collaboration	Number of cross-functional Projects and Partnerships initiated and completed within a specific timeframe	5

# Data Analytics function

The achievement of the data analytics strategic objectives will positively impact multiple corporate and business strategic objectives

● Positively impacted by the data analytics strategic objectives



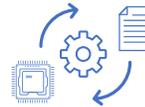
# Data integration, transformation & ETL Processes

Integration, Transformation, and ETL Processes are essential components of an organization's data analytics strategy, as they enable the organization to collect, combine, and prepare data from various sources for analysis. These processes ensure that the data is accurate, consistent, and compatible with the analytics tools and systems being used.



## Data Integration

Data integration is the process of combining data from different sources into a unified, consistent, and accessible format. This process is crucial when working with data from various systems, databases, and applications, as it ensures that the data is easily accessible and compatible with analytics tools.



## Data Transformation

Data transformation involves converting data from its original format into a format suitable for analysis. This process may include various operations, such as data cleansing, normalization, aggregation, and enrichment. Data transformation ensures that the data is accurate, consistent, and structured in a way that supports effective analytics.



## ETL Processes

ETL (Extract, Transform, Load) is a set of processes used to extract data from source systems, transform it into the desired format, and load it into a target system, such as a data warehouse or a data lake. ETL processes play a crucial role in data integration and transformation, as they automate and streamline the movement and preparation of data for analysis.

By implementing effective integration, transformation, and ETL processes, organizations can ensure that their data is accurate, consistent, and compatible with their data analytics tools and systems, enabling them to make informed decisions based on reliable and up-to-date information.

# Data integration, transformation & ETL Processes

## Data integration strategies and techniques

Data integration strategies and techniques refer to the methods organizations use to combine and consolidate data from various sources into a unified and consistent format. These strategies and techniques are crucial for ensuring that data is accurate, compatible, and accessible for analytics purposes. Some commonly used data integration strategies and techniques include:

**1 Data Consolidation:** This strategy involves physically bringing together data from multiple sources into a single, central repository, such as a data warehouse or data lake. Data consolidation often requires data transformation to ensure consistency and compatibility across different data sources.

**3 Data Replication:** This technique involves creating and maintaining copies of data from different sources in a central repository. Data replication can be useful for ensuring data availability, reducing query response times, and providing data redundancy for disaster recovery purposes.

**5 Data Virtualization:** Data virtualization is an advanced data integration technique that abstracts, transforms, and combines data from multiple sources into a unified, virtual data layer. This approach allows users to access and analyze data without moving or copying it, providing a flexible and efficient solution for data integration.

**2 Data Federation:** Data federation is a virtual data integration technique that enables users to access and view data from multiple sources through a single interface, without physically consolidating the data. This approach uses a middleware layer that translates and combines data from different sources in real-time, presenting it as if it were coming from a single source.

**4 Data Propagation:** In data propagation, changes in the data from one source are automatically propagated to other related data sources. This technique helps maintain data consistency across multiple systems, ensuring that all data sources are up-to-date and in sync.

**6 Master Data Management (MDM):** MDM is a strategy that focuses on managing the core data entities of an organization, such as customers, products, or suppliers. MDM ensures that these entities have a single, consistent, and accurate representation across all systems, reducing data redundancy and improving data quality.

When selecting a data integration strategy or technique, organizations should consider factors such as data volume, data complexity, data latency requirements, and existing data infrastructure. The chosen approach should support the organization's data analytics objectives while ensuring data accuracy, consistency, and accessibility.

# Data integration, transformation & ETL Processes

## Data transformation methods and tools

<b>Data cleansing</b>	Data cleansing involves identifying and correcting errors, inconsistencies, and inaccuracies in the data.	Microsoft Power Query, DataWrangler, and Talend can help with data cleansing tasks, such as removing duplicate records, filling in missing values, correcting data entry errors, and validating data against predefined rules.
<b>Data normalization</b>	Data normalization is the process of organizing data in a consistent and structured way to minimize redundancy and improve data integrity.	Talend and KNIME can be used for creating tables, defining relationships, and enforcing data constraints in the normalization process.
<b>Data aggregation</b>	Data aggregation is the process of summarizing or grouping data to create higher-level representations.	Alteryx, KNIME, and Microsoft Power Query can assist in performing calculations such as sums, averages, counts, or other statistical measures to derive insights from the data.
<b>Data enrichment</b>	Data enrichment involves enhancing or augmenting existing data with additional information from external sources.	Talend, KNIME, and Alteryx can help improve data quality, provide more context, and enable more in-depth analysis by integrating external data sources.
<b>Data encoding</b>	Data encoding involves converting data into a different format, such as converting categorical data into numerical values or transforming text data into numerical vectors.	Apache NiFi, Talend, and Microsoft Power Query can be used for data encoding to make data more compatible with analytics tools and algorithms.

# Data integration, transformation & ETL Processes

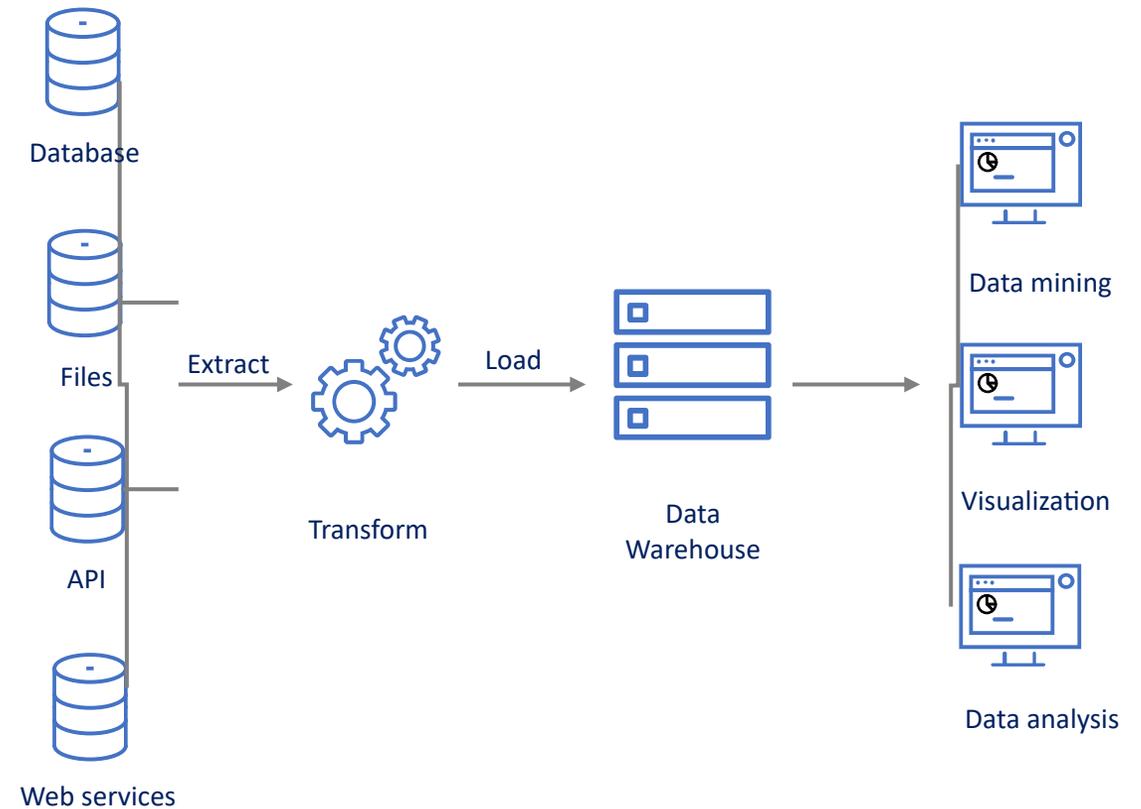
## ETL process and tools

The ETL (Extract, Transform, Load) process is a crucial component of data integration and transformation. It involves extracting data from multiple sources, transforming it into a compatible format, and loading it into a target system, such as a data warehouse or a data lake. ETL tools help streamline and automate these tasks, ensuring data consistency and accuracy throughout the process. Here is an overview of the ETL process and some popular tools:

**Extract:** The extraction step involves collecting data from various sources, such as databases, files, APIs, or web services. The goal is to retrieve relevant data while maintaining its original structure and format.

**Transform:** In the transformation step, the extracted data is cleaned, standardized, and transformed into a format suitable for analysis. This can involve data cleansing, normalization, aggregation, enrichment, and encoding, as previously discussed.

**Load:** The final step involves loading the transformed data into a target system, such as a data warehouse, data lake, or a business intelligence tool. The loading process ensures that the data is stored and organized efficiently for quick retrieval and analysis.



# Data ethics and responsible use

Data ethics and responsible use involve ensuring that an organization's data practices are not only compliant with laws and regulations but also adhere to ethical principles and values. This is important for building trust with customers, employees, and other stakeholders, and for preventing unintended negative consequences associated with data analytics and decision-making.

## 1. Privacy and data protection

Respect individuals' privacy rights by collecting, processing, and storing personal data in accordance with applicable laws and regulations, as well as established best practices. Obtain informed consent when necessary and adhere to the principles of data minimization and purpose limitation.

## 2. Transparency

Be transparent about data collection, processing, and analytics methodologies, and provide clear explanations for data-driven decisions. This helps build trust with stakeholders and enables them to understand and potentially challenge the outcomes of data analytics processes.

## 3. Fairness

Avoid introducing or perpetuating biases and discrimination in data analytics processes. This includes using diverse and representative datasets, implementing fairness-aware machine learning algorithms, and regularly auditing the outcomes of data-driven decisions for signs of bias or unintended consequences.

## 4. Accountability

Ensure that organizations and individuals involved in data analytics processes are accountable for their actions and decisions. This includes setting clear roles and responsibilities, maintaining thorough

documentation, and establishing mechanisms for redress in case of harm or adverse effects.

## 5. Beneficence and non-maleficence

Ensure that data analytics processes contribute positively to society and do not cause harm or disadvantage to individuals or groups. Consider the potential short- and long-term impacts of data-driven decisions on stakeholders and the broader community and strive to maximize benefits while minimizing harm.

## 6. Data quality and integrity

Maintain the quality and integrity of the data being collected, processed, and analyzed to ensure that the insights derived from data analytics are accurate, reliable, and trustworthy. Implement data validation, cleaning, and enrichment processes, and be transparent about any limitations or uncertainties associated with the data.

## 7. Informed decision-making and human oversight

Ensure that data-driven decisions are informed by human judgment and expertise, and that there is adequate human oversight over automated processes. This helps prevent over-reliance on algorithms and can provide a safeguard against potential biases, errors, or unintended consequences.

# Data ethics and responsible use

## Fairness, accountability, and transparency in data use

Ensuring fairness, accountability, and transparency in data use is crucial for building trust with stakeholders, avoiding potential harm, and promoting responsible data-driven decision-making. Each of these principles has a unique role in the ethical use of data.

### Fairness

To achieve fairness, consider the following aspects:

- **Diverse and representative datasets:** Ensure that the data being used is representative of the population of interest and includes information from various sources and perspectives.
- **Fairness-aware algorithms:** Implement machine learning algorithms that are designed to minimize biases and ensure fair treatment of different groups or individuals.
- **Regular auditing:** Continuously monitor and audit the outcomes of data-driven decisions to identify and address any signs of bias or unfair treatment.

### Accountability

To establish accountability, consider the following aspects:

- **Clear roles and responsibilities:** Define and communicate the roles and responsibilities of all stakeholders involved in data analytics processes, including data owners, data stewards, and data custodians.
- **Documentation and record-keeping:** Maintain thorough documentation of data collection, processing, and analysis methodologies, as well as any decisions made based on data-driven insights.
- **Mechanisms for redress:** Establish procedures and mechanisms for addressing any harm or adverse effects caused by data-driven decisions, including avenues for affected parties to raise concerns or seek remedies.

### Transparency

To promote transparency, consider the following aspects:

- **Open communication:** Clearly communicate the methods and techniques used for data collection, processing, and analysis, as well as any assumptions or limitations associated with the data.
- **Explainability:** Provide clear and understandable explanations for data-driven decisions, including the factors that influenced the decision and the potential implications for affected stakeholders.
- **Access to information:** Ensure that stakeholders have access to relevant information about data analytics processes and outcomes, while still respecting privacy and confidentiality requirements.

# Data ethics and responsible use

## UK Government's data ethics framework for public sector - Overview

### What is it for?

The Data Ethics Framework guides appropriate and responsible data use in government and the wider public sector. It helps public servants understand ethical considerations, address these within their projects, and encourages responsible innovation.

### Who is it for?

This guidance is aimed at anyone working directly or indirectly with data in the public sector, including data practitioners (statisticians, analysts and data scientists), policymakers, operational staff and those helping produce data-informed insight.

### How to use it?

Teams should work through the framework together throughout the process of planning, implementing, and evaluating a new project. Each part of the framework is designed to be regularly revisited throughout your project, especially when any changes are made to your data collection, storage, analysis or sharing processes.

### Structure

The framework is split into overarching principles and specific actions. Overarching principles are applicable throughout the entire process and underpin all actions and all aspects of the project. Specific actions will guide you through different stages of the project and provide practical considerations.

The Data Ethics Framework provided by the UK government is a set of guidelines designed to help public sector organizations make ethical decisions in their use of data. They are intrinsically connected to the five specific actions, which are designed to provide practical considerations at different project stages.

- **Define and understand public benefit and user need:** To achieve transparency, clearly communicate the project's objectives and benefits to the public and intended users. Ensure that the project addresses their needs fairly and equitably.
- **Involve diverse expertise:** To ensure fairness and accountability, engage experts from various backgrounds and disciplines to minimize potential biases and blind spots. Diverse perspectives can help teams better identify and address ethical concerns.
- **Comply with the law:** Legal compliance is crucial to maintaining transparency and accountability. Adhering to the relevant legislation and codes of practice demonstrates a commitment to upholding ethical standards and protecting user rights.
- **Review the quality and limitations of the data:** To ensure transparency, openly communicate the data's strengths and weaknesses. Understanding its limitations helps maintain fairness by avoiding biased or inaccurate insights that could lead to unintended consequences.
- **Evaluate and consider wider policy implications:** Account for the broader impacts of the project on society and different stakeholder groups. This assessment helps maintain fairness and transparency by considering potential ethical risks and aligning the project with broader organizational values and policies.

# Data ethics and responsible use

## UK Government's data ethics framework for public sector - Structure<sup>1</sup>

Data ethics framework							
		0	1	2	3	4	5
Overarching principles	Transparency	Information about the project, its methods and outcomes is not publically available					Information about the project, its methods and outcomes is widely available to public
	Accountability	Mechanisms for security, governance or peer review for the project haven't been established					Long-term oversight and public security mechanisms are built into the project cycle
	Fairness	There is a significant risk that the project will result in harm or detrimental and discriminatory effects for the public or certain groups					The project promotes just and equitable outcomes, has negligible detrimental effects, and is aligned with human rights considerations
Specific actions	Define and understand public benefits and user needs	Public benefit and user need are not clearly defined or understood					Public benefit and user need are well defined and understood by all team members
	Involve diverse expertise	The project team is homogenous and there is little expert input					The project team is diverse, multidisciplinary, with expert input
	Comply with the law	There is little clarity on legal requirements for the project					Relevant legal requirements have been met, compulsory assessments completed, legal experts have been consulted
	Review the quality and limitation of the data	Data for the project is of bad quality, unsuitable, unreliable, not representative					Data in the project is representative, proportionally used, accurate and of good quality
	Evaluate and consider wider policy implication	There is no long-term evaluation and maintenance structure in place					Continuous evaluation and long-term maintenance structure are in place

1. <https://www.gov.uk/government/publications/data-ethics-framework>

# Analytics tools selection matrix

## PowerPoint format

Criteria	Weight	Tool A	Tool B	Tool C
Ease of use	0.15	4	5	3
Scalability	0.10	5	4	3
Integration capability	0.15	3	4	5
Cost	0.20	4	3	5
Support & Community	0.10	5	4	3
Flexibility & Extensibility	0.10	4	5	3
Visualization capabilities	0.10	5	4	3
Data processing power	0.05	4	3	5
Security & Compliance	0.05	5	4	3

### Instructions:

1. List the tools and platforms you're considering for your organization (Tool A, Tool B, etc.).
2. Define the evaluation criteria that are most important to your organization's needs.
3. Assign a weight to each criterion based on its importance to your organization.
4. Rate each tool on a scale of 1-5 (1 being the lowest and 5 being the highest) for each criterion.
5. Calculate the weighted average score for each tool.

### Weighted Average Score Calculation:

**Tool A:**  $(4 * 0.15) + (5 * 0.10) + (3 * 0.15) + (4 * 0.20) + (5 * 0.10) + (4 * 0.10) + (5 * 0.10) + (4 * 0.05) + (5 * 0.05) = 4.25$

**Tool B:**  $(5 * 0.15) + (4 * 0.10) + (4 * 0.15) + (3 * 0.20) + (4 * 0.10) + (5 * 0.10) + (4 * 0.10) + (3 * 0.05) + (4 * 0.05) = 4.05$

**Tool C:**  $(3 * 0.15) + (3 * 0.10) + (5 * 0.15) + (5 * 0.20) + (3 * 0.10) + (3 * 0.10) + (3 * 0.10) + (5 * 0.05) + (3 * 0.05) = 3.70$

### Conclusion:

Based on the weighted average scores, Tool A is the best option for the organization with a score of 4.25.

# Data analytics use cases in the healthcare industry

## 1. Electronic Health records (EHR) analysis

- **Problem/Issue:** Fragmented and unstructured patient data, lack of insights into patient care, and inefficient healthcare workflows.
- **Outcome:** Identification of patterns and trends in patient data, improved patient care, and streamlined workflows.
- **Data analytics techniques:** Data preprocessing and cleaning, natural language processing (NLP) to extract information from unstructured data, clustering to identify patterns, and classification and regression algorithms to predict patient outcomes and risk factors.
- **Benefit to organization:**
  - ✓ **Enhanced patient outcomes:** By analyzing EHR data, healthcare providers can uncover patterns and trends that inform better treatment decisions, leading to improved patient health
  - ✓ **Reduced operational inefficiencies:** Analyzing EHR data can help organizations identify bottlenecks, redundancies, and areas for improvement, ultimately reducing costs and saving time.
  - ✓ **Improved collaboration:** Consolidated and accessible EHR data enables medical professionals to more effectively collaborate on patient care, ensuring seamless transitions between providers and reducing the risk of errors.

## 2. Patient segmentation

- **Problem/Issue:** Inefficient resource allocation, one-size-fits-all treatment plans, and suboptimal patient care.
- **Outcome:** Grouping patients based on specific characteristics or conditions for targeted interventions and personalized care.
- **Data analytics techniques:** Clustering algorithms to group similar patients, classification techniques for categorizing patients based on risk or condition, decision trees to identify important factors in segmentation, and ensemble learning to combine multiple models for improved predictions.
- **Benefit to organization:**
  - ✓ **Improved patient outcomes:** Patient segmentation allows for the development of tailored treatment plans, which can lead to better health outcomes for individual patients.
  - ✓ **Efficient resource allocation:** By focusing on high-priority patient groups, healthcare organizations can allocate resources more effectively, reducing waste and improving overall efficiency.
  - ✓ **Informed healthcare planning:** A better understanding of patient populations allows healthcare organizations to plan and allocate resources more effectively, improving overall healthcare delivery.

# List of Potential Initiatives

		Strategic Alignment	Value	Ease of Implementation	Should we invest in this initiative?
<b>Pillar 1: Data Management &amp; Infrastructure</b>					
1	1 Data Quality Improvement Initiative	Yes	High	Easy	Yes
2	2 Data Integration and Centralization Project	Yes	Medium	Easy	Maybe Later
3	3 Cloud Migration and Infrastructure Optimization	Yes	High	Easy	Yes
4	4 Master Data Management Implementation	No	Low	Intermediate	No
5	5 Data Storage and Archiving Strategy Enhancement	Yes	Low	Difficult	No
<b>Pillar 2: Data Governance &amp; Compliance</b>					
1	1 Data Governance Framework Implementation	Yes	High	Easy	Yes
2	2 Data Privacy and Protection Program Enhancement	Yes	Medium	Easy	Maybe Later
3	3 Data Access Control and Authorization Review	Yes	High	Easy	Yes
4	4 Data Governance Training and Awareness Campaign	No	Low	Intermediate	No
5	5 Insert initiative name	Yes	Low	Difficult	No
<b>Pillar 3: Analytics Tools &amp; Techniques</b>					
1	1 Advanced Analytics Center of Excellence Establishment	Yes	High	Easy	Yes
2	2 Predictive Analytics Model Development and Implementation	Yes	Medium	Easy	Maybe Later
3	3 Data Visualization and Dashboard Enhancement Initiative	Yes	High	Easy	Yes
4	4 Insert initiative name	No	Low	Intermediate	No
5	5 Insert initiative name	Yes	Low	Difficult	No
<b>Pillar 4: Data-driven Organization</b>					
1	1 Data skills and Capabilities Development	Yes	High	Easy	Yes
2	2 Insert initiative name	Yes	Medium	Easy	Maybe Later
3	3 Insert initiative name	Yes	High	Easy	Yes
4	4 Insert initiative name	No	Low	Intermediate	No
5	5 Insert initiative name	Yes	Low	Difficult	No
<b>Pillar 5: Use Cases</b>					
1	1 Customer Segmentation and Behavior Analysis Project	Yes	High	Easy	Yes
2	2 Supply Chain and Inventory Analytics Enhancement	Yes	Medium	Easy	Maybe Later
3	3 Insert initiative name	Yes	High	Easy	Yes
4	4 Insert initiative name	No	Low	Intermediate	No
5	5 Insert initiative name	Yes	Low	Difficult	No



# Project financial model screenshot

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Project Financials (US\$)</b>							
Project Initial Investment	1,080,000	0	0	0	0	0	1,080,000
Project Costs	0	300,000	350,000	575,000	600,000	700,000	2,525,000
Additional Revenue Generated	0	300,000	300,000	900,000	1,300,000	1,100,000	3,900,000
Cost Savings	0	400,000	500,000	150,000	500,000	600,000	2,150,000
<b>Cash Flow</b>	<b>-1,080,000</b>	<b>400,000</b>	<b>450,000</b>	<b>475,000</b>	<b>1,200,000</b>	<b>1,000,000</b>	<b>2,445,000</b>
<b>Cumulative Cash Flow</b>	<b>-1,080,000</b>	<b>-680,000</b>	<b>-230,000</b>	<b>245,000</b>	<b>1,445,000</b>	<b>2,445,000</b>	<b>2,445,000</b>
Discount Rate (Based on WACC)	5%						
<b>Net Present Value (NPV)</b>	<b>-1,080,000</b>	<b>379,228</b>	<b>404,476</b>	<b>404,776</b>	<b>969,488</b>	<b>765,952</b>	<b>1,843,920.6</b>
Period	0	1	2	3	4	5	
<b>Payback Period</b>	<b>2.5</b>						
Full years where cumulative cash flow is < 0	2.0						
Fraction calculation step 1	-	-	-	(0.5)	0.2	1.4	
Fraction calculation step 2	0.5						
<b>IRR</b>	<b>44.68%</b>						
<b>ROI</b>	<b>168%</b>						

# Business roadmap Screenshot



		2023														
		Owner	Due Date	Status	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
3	<b>Pillar 1: Data Management &amp; Infrastructure</b>	Christian G.	Feb 28	On Track												
4	1 Data Quality Improvement Initiative	Aurelien F.	Jan 20	On Track												
5	2 Data Integration and Centralization Project	Christian G.	Jan 20	Late												
6	3 Cloud Migration and Infrastructure Optimization	George P.	Jan 20	Done												
7	4 Master Data Management Implementation	George P.	Feb 15	On Track												
8	5 Data Storage and Archiving Strategy Enhancement	George P.	Feb 15	Done												
10	<b>Pillar 2: Data Governance &amp; Compliance</b>	John D.	Feb 28	Done												
11	1 Data Governance Framework Implementation	John D.	Feb 28	Done												
12	2 Data Privacy and Protection Program Enhancement	John D.	Feb 28	Done												
13	3 Data Access Control and Authorization Review	John D.	Feb 28	Done												
14	4 Data Governance Training and Awareness Campaign															
15	5 Insert initiative name	Christian G.	Mar 31	On Track												
17	<b>Pillar 3: Analytics Tools &amp; Techniques</b>	Christian G.	Feb 28	Late												
18	1 Advanced Analytics Center of Excellence Establishment	George P.	Mar 31	Done												
19	2 Predictive Analytics Model Development and Implementation	George P.	Mar 31	On Track												
20	3 Data Visualization and Dashboard Enhancement Initiative	Christian G.	Mar 31	Late												
21	4 Insert initiative name	George P.	Mar 31	Done												
22	5 Insert initiative name	George P.	Mar 31	On Track												
24	<b>Pillar 4: Data-driven Organization</b>	George P.	Mar 31	On Track												
25	1 Data skills and Capabilities Development	George P.	Mar 31	On Track												
26	2 Insert initiative name															
27	3 Insert initiative name	Christian G.	Mar 31	On Track												
28	4 Insert initiative name	Aurelien F.	Jan 20	On Track												
29	5 Insert initiative name	Christian G.	Feb 28	Late												
31	<b>Pillar 5: Use Cases</b>	George P.	Mar 31	On Track												
32	1 Customer Segmentation and Behavior Analysis Project	Christian G.	Mar 31	Late												
33	2 Supply Chain and Inventory Analytics Enhancement	George P.	Mar 31	Done												
34	3 Insert initiative name	George P.	Mar 31	On Track												
35	4 Insert initiative name	George P.	Mar 31	On Track												
36	5 Insert initiative name	George P.	Mar 31	On Track												

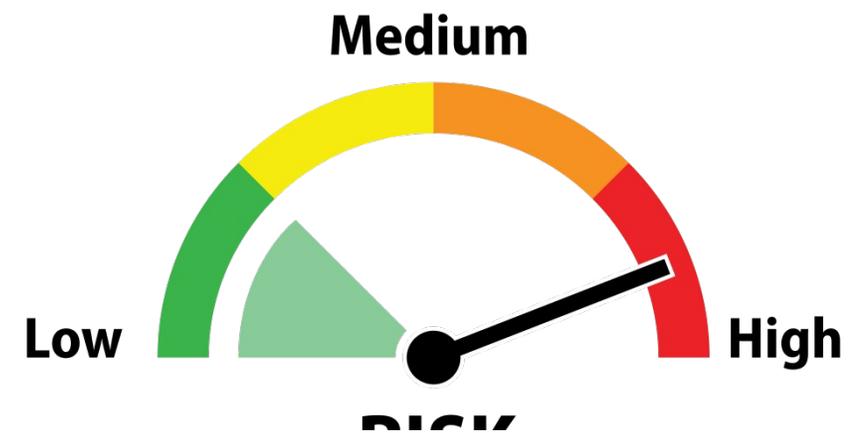
**REDUCE**

**TRANSFER**

**RISK**

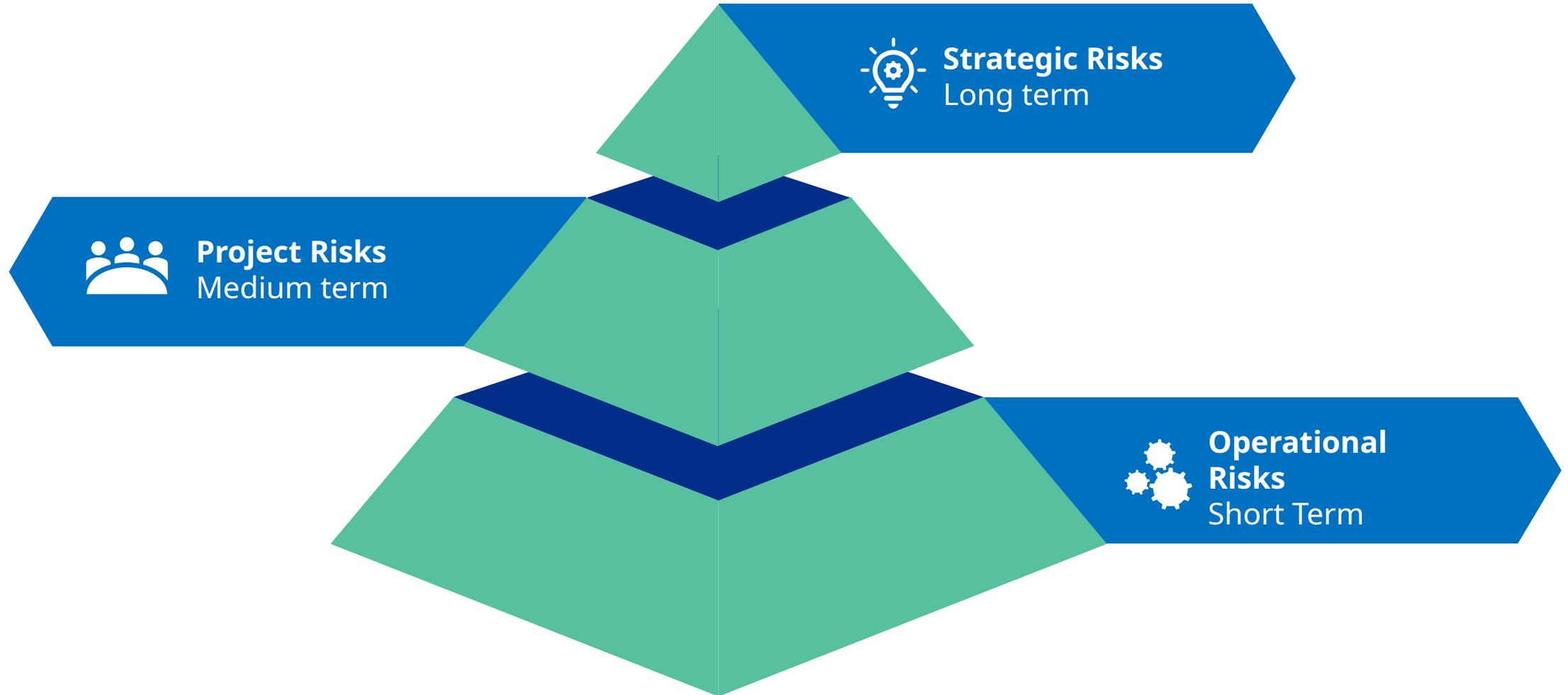
**ACCEPT**

**AVOID**



**RISK  
MANAGEMENT**

# Scope of the Risk Management Toolkit



# What do we mean by risk appetite?

Risk appetite is the amount of risk an entity is willing to accept or retain to achieve its objectives. It is a statement or series of statements that describes the entity's attitude toward risk taking. Determining an entity's risk appetite occurs through the development of risk appetite statements which clearly set out what the executives consider to be acceptable risk-taking. Risk appetite statements are usually aligned to categories of risk (e.g., financial, people, and reputation risks).

Risk appetite statements will look and feel different according to an entity's internal and external context. If these are not calibrated, the resultant actions may be skewed either too lightly (e.g., no action required) or result in an over-controlled risk response.

To help us assess our organization's risk appetite, we decided to use a risk appetite scale (see next slide).

# What are the benefits of defining risk appetite?

Support conscious and informed risk taking

Promote a more consistent risk management approach

Guide risk decision making

Structure the executive conversation on risk taking

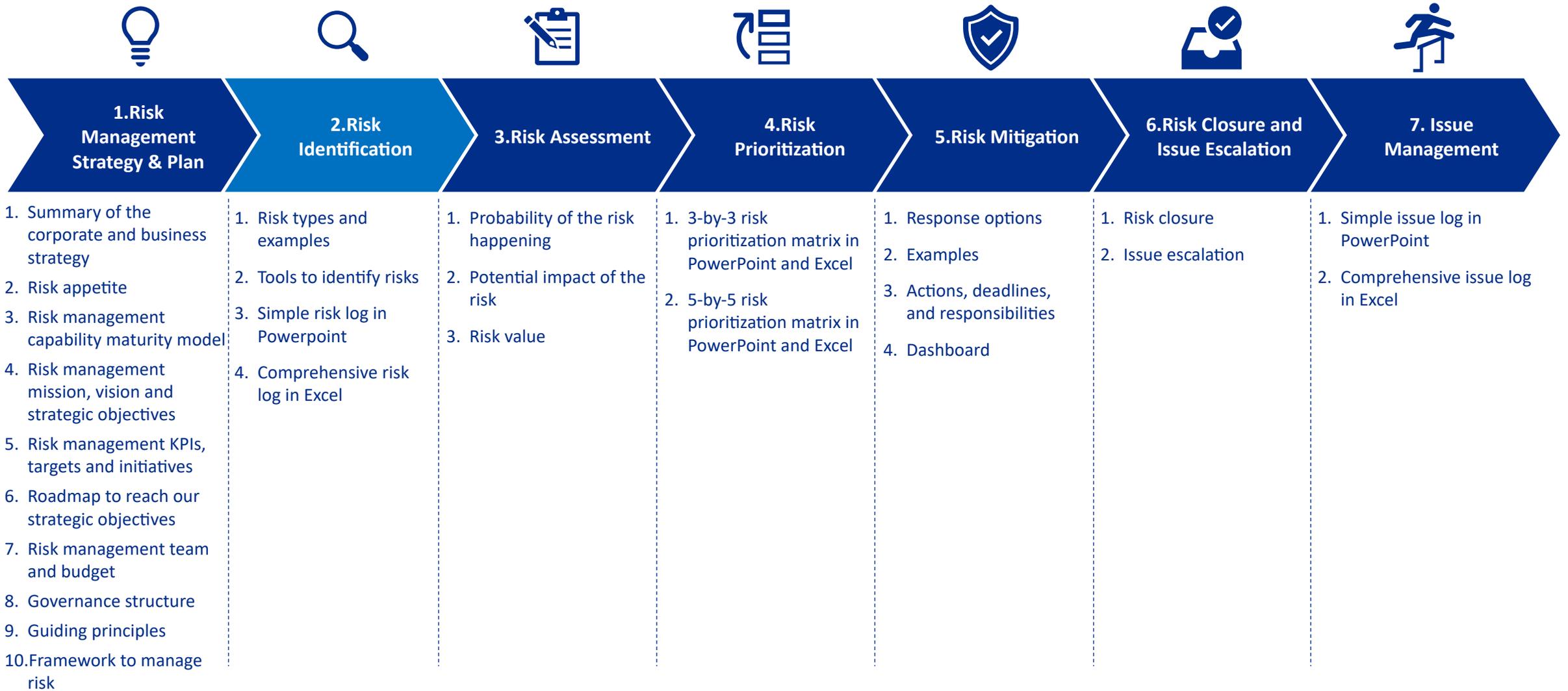
Calibrate the organization risk assessment process

# Risk appetite scale

Real-life example from a Fortune 500 company



	1 - Very low appetite	2 - Low appetite	2 - Moderate appetite	4 - High appetite	5 - Very high appetite
Risk taking	The organization takes caution and often accepts as little risk as possible	The organization takes a cautious approach towards taking risk	The organization takes a balanced approach to risk taking	The organization is willing to take greater than normal risks	The organization believes aggressive risk taking is justified
Choice when faced with multiple options	Will select the lowest risk option, always	Will accept only if essential, and limited possibility/extent of failure	Will accept if limited, and heavily outweighed by benefits	Will choose to put at risk, but will manage impact	Will choose the option with the highest return; accept possibility of failure
Objective/negative impact relationship	Not willing to accept any potential negative impact to pursue strategic objectives	Only willing to accept a small potential negative impact in order to pursue strategic objectives	Potential negative impact and the completion of strategic objectives are given equal consideration	Willing to accept some potential negative impact to pursue strategic objectives	Willing to accept a potential large negative impact to pursue strategic objectives
Tolerance for uncertainty	Very low	Low	Limited	Expect some	Fully anticipated



# Simple risk log

## Description

To identify our company risks and project risks, we created a simple risk log in PowerPoint.

This simple risk log will be used when our list of risks is small or if we need to make a presentation in front of our **Board of Directors, Executive Committee, or any stakeholders** that do not need to know too many details.

# Simple risk log

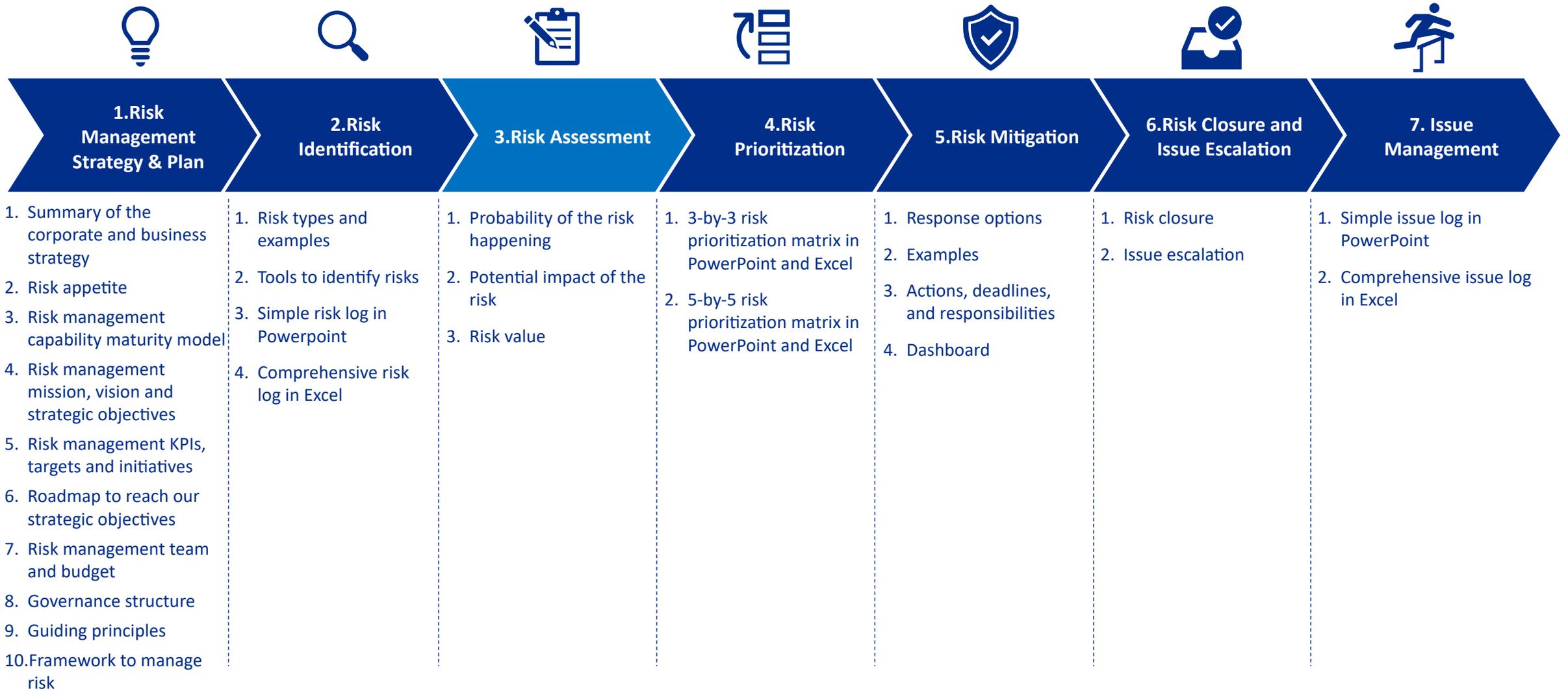
## 3-level rating

Low priority (risk value is 1, 2, or 3)

Medium priority (risk value is 6)

High priority (risk value is 9)

Risk #	Risk Title	Risk Description	Impact (1=Minor; 2=Moderate; 3=Major)	Probability (1=Unlikely; 2=Possible; 3=Likely)	Risk Value (Impact X Probability)	Mitigation Strategy	Assigned To
1	Lower website speed	Improving the resolution of our images will increase the size of our images, which may lower our website page loading time	3	3	9 	Find the sweet spot between quality images and page loading time	Donald
2	High oil price	A strong increase in oil price would create a high pressure on our profit margins	1	2	2 	Buy more oil than we need to build up our stock while the price of oil is at an affordable price	Ralph
3	Insert your risk title	Insert your risk description	2	3	6 		
4	Insert your risk title	Insert your risk description	Rate from 1 to 3	Rate from 1 to 3			
5	Insert your risk title	Insert your risk description	Rate from 1 to 3	Rate from 1 to 3			
6	Insert your risk title	Insert your risk description	Rate from 1 to 3	Rate from 1 to 3			
7	Insert your risk title	Insert your risk description	Rate from 1 to 3	Rate from 1 to 3			



By multiplying the “Probability” dimension by the “Impact” dimension, we will get our “Risk Value”



**Probability**

**Impact**

**Risk Value**

What is the probability of the risk happening

**X**

What is the potential impact of the risk

**=**

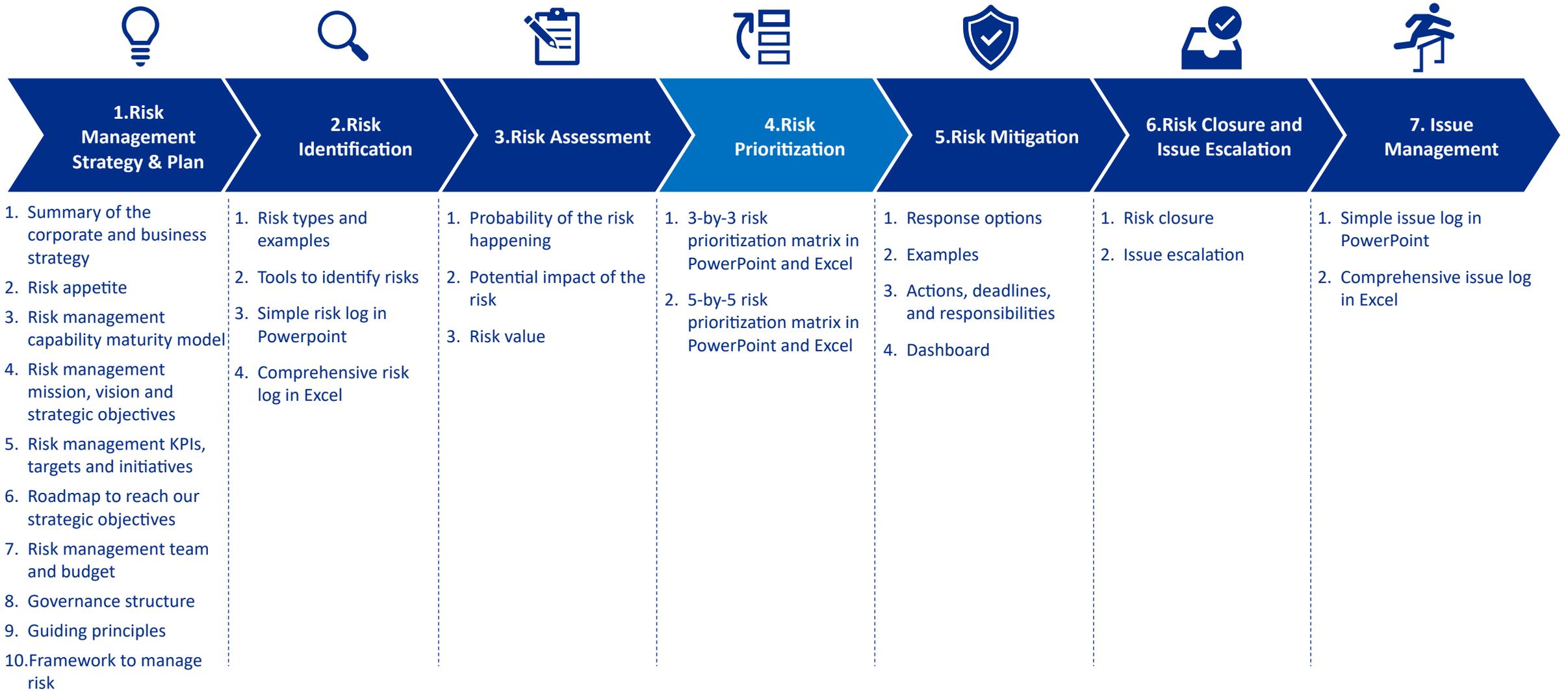
The risk value will help you prioritize your risks

To assess the probability of a risk happening, we can use a 3-level or 5-level rating depending on our needs



### Probability 3-level rating

Probability Scale	Definition
3.Likely	Over 60% chances of happening
2.Possible	Between 20% and 60% chance of happening
1.Unlikely	Less than 20% chance of happening



## Risk Prioritization Matrix

This 3 by 3 Risk Prioritization Matrix will help us get a high-level view of all our risks. The risks in the red section should be our priority #1.

<b>Probability</b>	3.Likely	<ul style="list-style-type: none"><li>• Insert risk name</li><li>• Insert risk name</li></ul>	<ul style="list-style-type: none"><li>• Insert risk name</li></ul>	<ul style="list-style-type: none"><li>• Insert risk name</li><li>• Insert risk name</li></ul>
	2.Possible	<ul style="list-style-type: none"><li>• Insert risk name</li></ul>	<ul style="list-style-type: none"><li>• Insert risk name</li></ul>	<ul style="list-style-type: none"><li>• Insert risk name</li></ul>
	1.Unlikely		<ul style="list-style-type: none"><li>• Insert risk name</li><li>• Insert risk name</li></ul>	<ul style="list-style-type: none"><li>• Insert risk name</li><li>• Insert risk name</li></ul>
		1.Minor	2.Moderate	3.Major

**Impact**

Caption:

Priority 3 Risks

Priority 2 Risks

Priority 1 Risks

42

# We identified 6 types of mitigation strategies



<b>Avoid a threat</b>	This option is about making the uncertain situation certain by removing the risk, often by removing the cause of the threat
<b>Reduce a threat</b>	This option is about acting now to change the probability and/or impact of a threat
<b>Transfer the risk</b>	This option is about transferring part of the risk to a third party(e.g., taking out an insurance policy)
<b>Share the risk</b>	This option is about sharing the risk with another entity or multiple entities in order to minimize the potential impact on one single entity
<b>Accept the risk</b>	This option means that the organisation decides to accept that a risk may occur and to take no action, exposing itself to the full possible impact
<b>Prepare a contingency plan</b>	This option means that the organisation decides to accept that a risk may occur and to take no immediate action, but puts in place a series of contingencies to deal with the potential impact

# We will define and implement our mitigation strategies by using our comprehensive risk log in Excel



		Risk Identification		Risk Assessment & Prioritization					Risk Mitigation	
Risk #	Risk Title	Risk Description	Potential impacts	Level of impact (1=Minor; 2=Moderate; 3=Major)	Probability (1=Unlikely; 2=Possible; 3=Likely)	Risk Value (Level of impact X Probability)	Priority	Visual Priority Flag	Mitigation Strategy	Assigned to
1	Lower website speed	Improving the resolution of our images will increase the size of our images, which may lower our website page loading time	The customer experience may decrease, which may negatively impact our revenue	3	3	9	High priority	🚩	Find the sweet spot between quality images and page loading time	Donald
2	New competitor entering our market	Insert your own text	Insert your own text	2	3	6	Medium priority	🚩		
3	Insert risk title			2	3	6	Medium priority	🚩		
4	Insert risk title			2	3	6	Medium priority	🚩		
5	Insert risk title			2	3	6	Medium priority	🚩		
6	Insert risk title			2	3	6	Medium priority	🚩		
7	Insert risk title			1	3	3	Low priority	🚩		

We will monitor the implementation of our mitigation strategies by leveraging our dashboard in Excel, which will automatically be updated based on the input we make in the risk log



### Risks



### Risks mitigation strategies



TUESDAY  
August  
2



Skill

TEAM

DO

Success



BUSINESS

BENCHMARKING



Development

focus



Vision



Performance

A B



WORK

Experience

WEDNESDAY  
August  
3

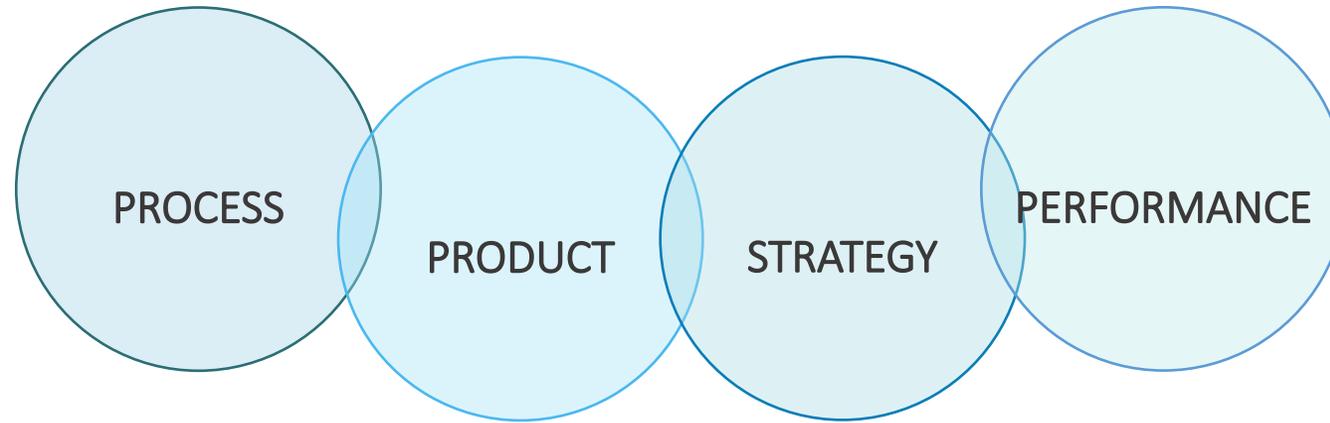
## DIRECT

- ▼ Create tangible suggestions for improvement
- ▼ Reveals potential
- ▼ Evaluate alternative solutions
- ▼ Assesses strengths/improves weakness
- ▼ Identifies performance deficits
- ▼ Compares corporate sectors & companies
- ▼ Business analysis is systematic and neutral



## INDIRECT

- ▼ Monitors company development
- ▼ Creates impact prognosis
- ▼ Improves/strengthens competitive position
- ▼ Encourages continuous improvement process
- ▼ Reviews company strategies
- ▼ Determines company objectives
- ▼ Improves understanding of business processes



## BENCHMARKING TYPES

### INTERNAL

Business-oriented benchmarking

Group-oriented benchmarking

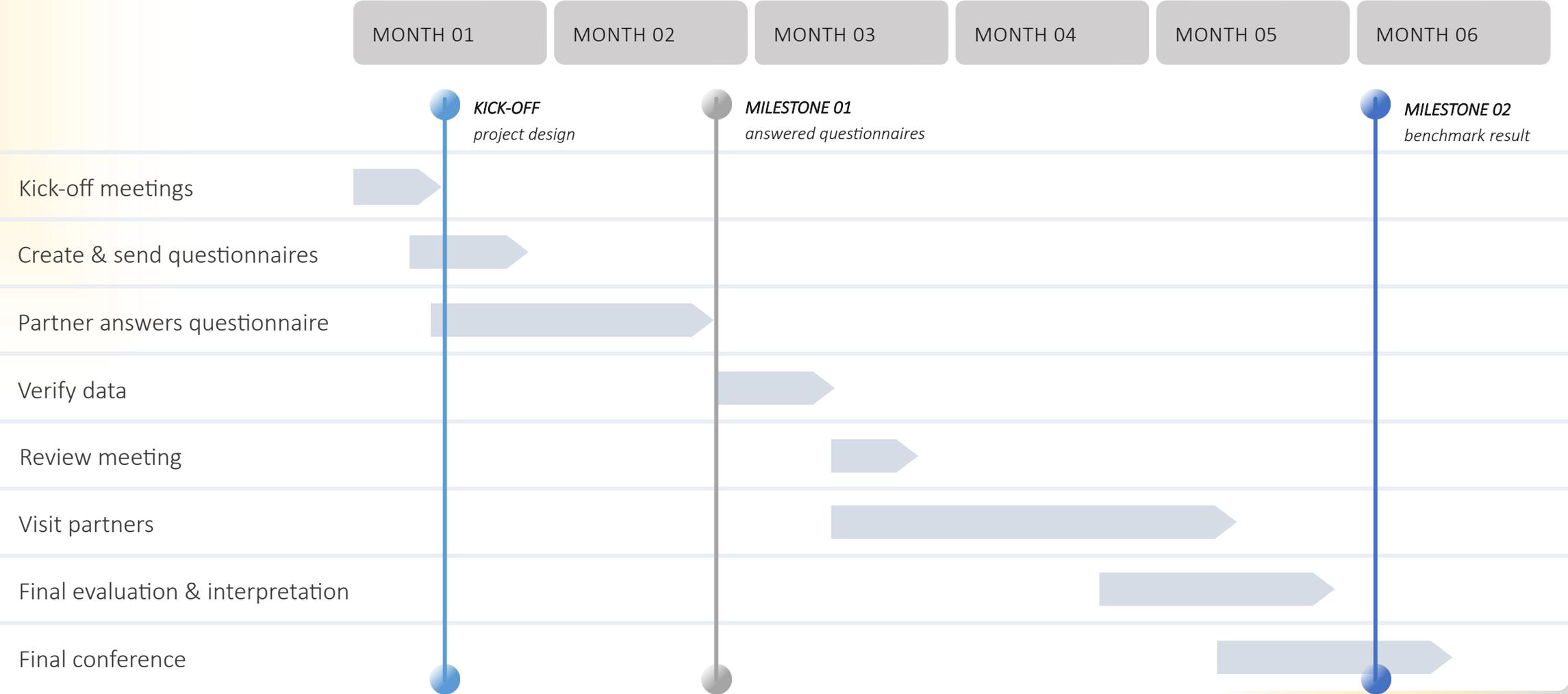
### EXTERNAL

Competitive benchmarking

Industry-oriented benchmarking

Cross-industry benchmarking

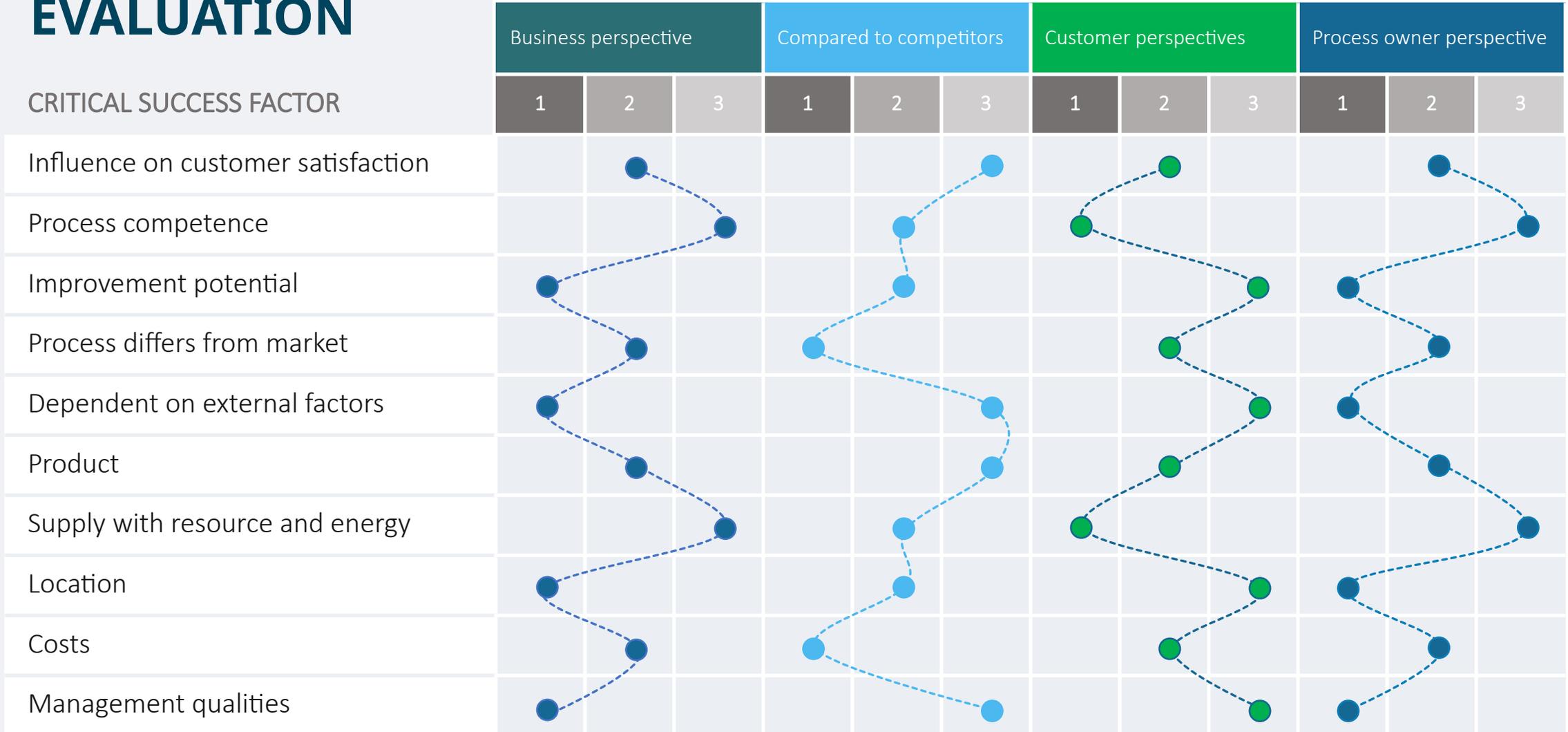
# BENCHMARKING TIMELINE



# PROCESSES EVALUATION

● Low    ● Intermediate    ● High

## CRITICAL SUCCESS FACTOR



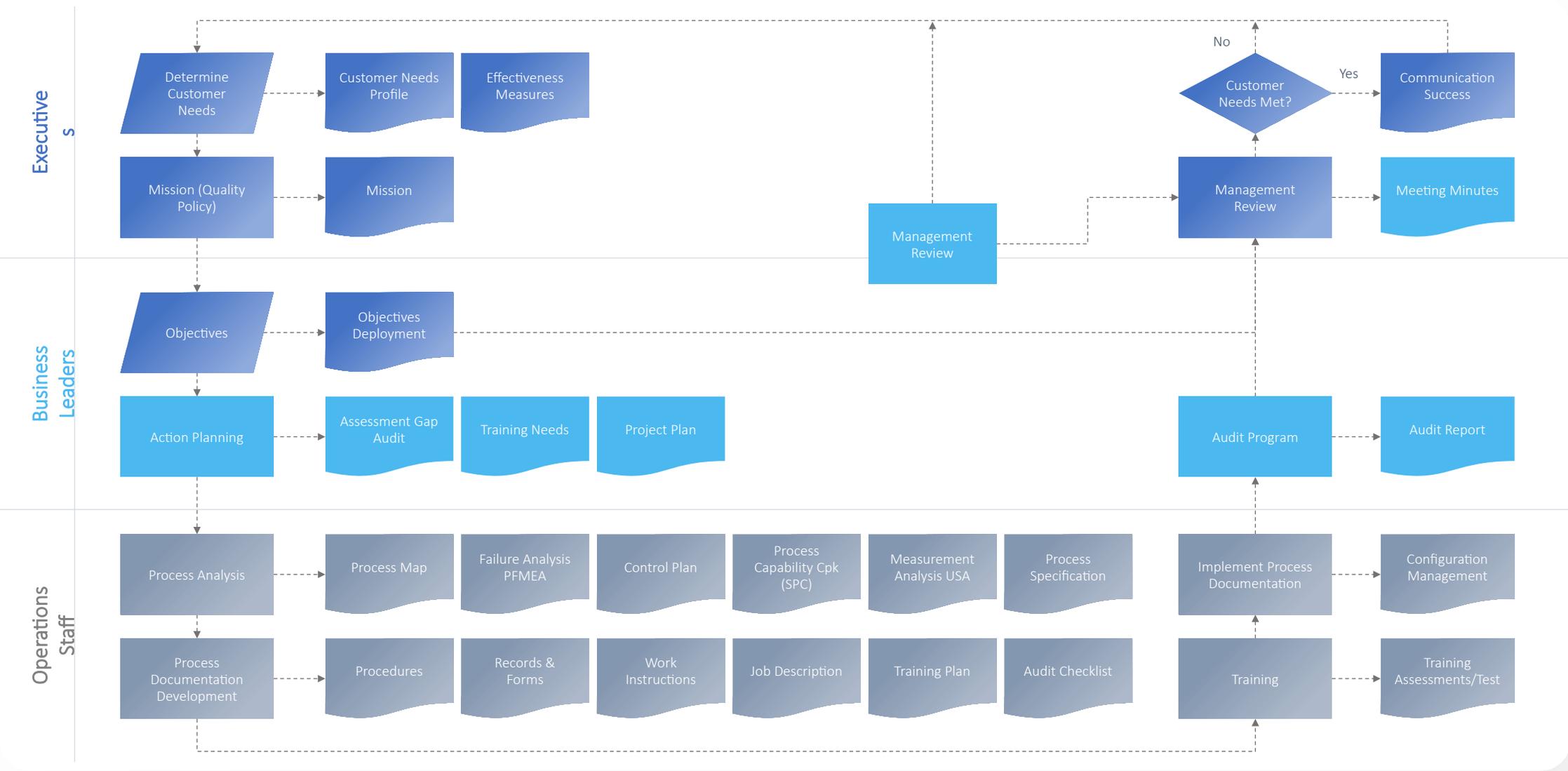
# BENCHMARKING RESULTS

DIMENSIONS	YOUR PROJECTS	ALL PROJECTS	WORST PROJECTS	BEST PROJECTS
Requirement reference	1.33	1.83	1.00	3.00
Target group definition	1.67	2.01	0.67	3.00
Target group insight	1.00	1.60	0.33	3.00
Target definition	1.33	1.70	0.33	3.00
Preventive approach	1.33	1.87	0.00	3.00
<b>Concept quality</b>	1.33	1.74	1.00	3.00
Integration into work environment	0.67	1.55	0.00	3.00
Contextual approach update	1.00	1.43	0.00	2.67
<b>Planning quality</b>	1.00	1.46	0.00	2.67
Staff and qualification	1.33	2.08	1.00	3.00
Cooperation	0.67	1.82	0.00	3.00

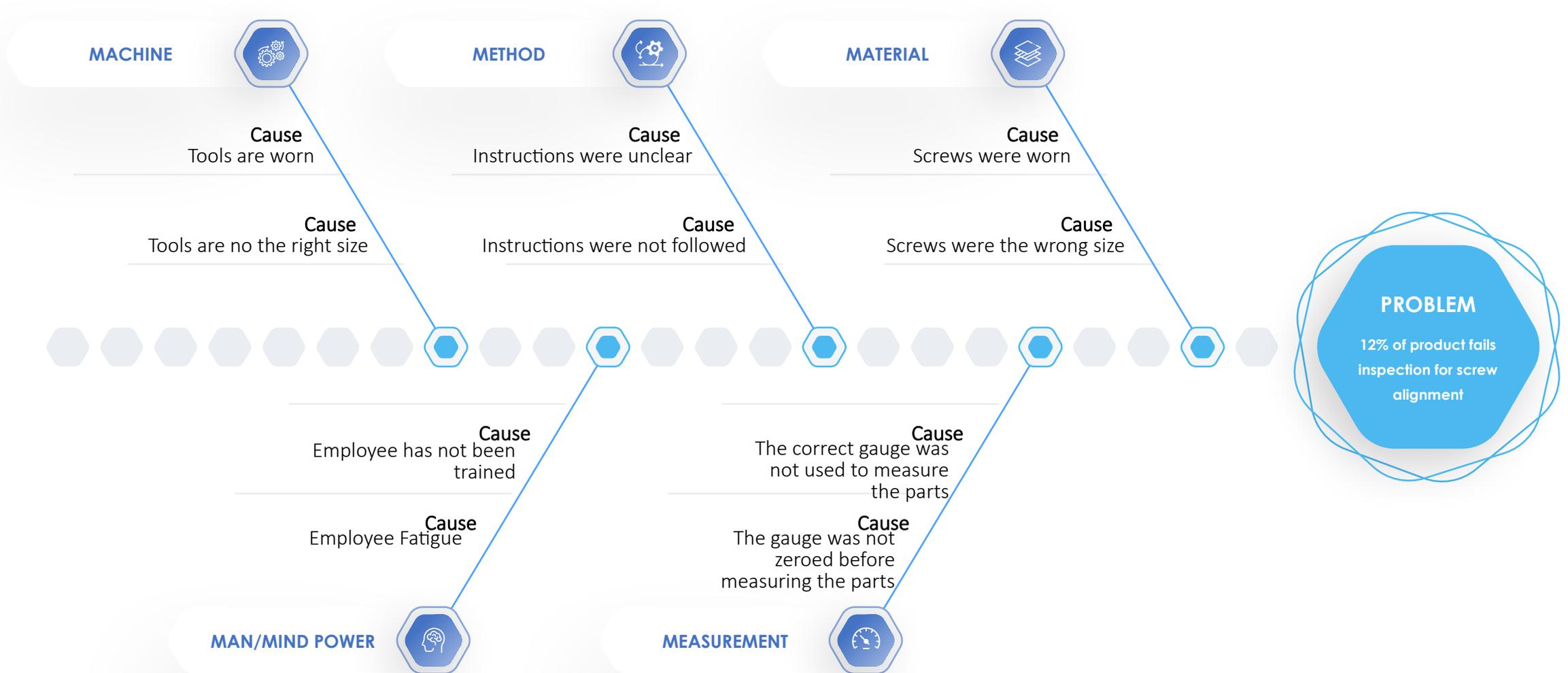


Process optimization

# PROCESS MAP



# ROOT CAUSE ANALYSIS – FISHBONE (ISHIKAWA) DIAGRAM



# 5S METHODOLOGY

## Sort

*SEIRI*

- Sort all items in the workspace
- Keep what is necessary
- Eliminate what is unnecessary
- Reduce the number of articles to the minimum quantity needed

- Examine the workspace and use the list of tools and components as marking criteria
- Use a red tag to mark all non-essential items
- Gather all marked items
- Designate a holding area for all marked items & make sure it's highly visible
- Create & implement a storage plan to dispose of all unnecessary items
- Keep track of all items removed from the zone

## Set in order

*SEITON*

- Analyze the workspace according to the previously established storage plan
- Target items to move from the area
- Decide where the items must go
- Make the new location for these items visually apparent

- Establish the criteria for item location
- Establish and gather all necessary equipment
- Identify and relocate major equipment. Use the zone's map to find the most appropriate spot. Prepare a relocation plan and have it approved.
- Decide which small objects to move. Decide on the best location. Move and identify small items and set up location indicators.

## Shine

*SEISO*

- Check if everything is in its place
- Check if some items must be moved
- Clean and inspect after each shift
- Check if cleaning, repairs or replacements are needed
- Check if specific equipment needs repair

- Consistently define all tasks
- Ensure all team members fully understand their responsibilities
- Establish appropriate cleaning methods
- Provide proper tools and supplies
- Carry out initial cleaning
- Replace wires, pipes, tubes, etc.

## Standardize

*SEIKETSU*

- Brainstorm possible standardization conditions
- Explain the identified conditions
- Select, test and adopt specific conditions
- Maintain and monitor selected conditions

- Prepare standardization chart
- Identify standardization problems
- Define ideal conditions to sort, organize and clean
- Make all standards clear and visible
- Monitor and improve standards
- Continue sorting, organizing and cleaning to enhance standardization conditions

## Sustain

*SHITSUKE*

- Respect existing regulations to keep the workspace carefully organized according to standards
- Ensure that all employees have received training related to the procedures
- Inform all employees and encourage their involvement

- Establish a 5S sustainability plan
- Ensure management supports the sustainability plan
- Inform all employees of 5S standards and objectives
- Identify problems related to standards
- Create and maintain a 5S communication board, so all employees throughout the plant understand the 5S system
- Continue to improve upon standards and visual cues.

# KAIZEN - 4M CHECKLIST

## MAN (*Operator*)

- ✗ Does he follow standards?
- ✗ Is he experienced?
- ⚙️ Is his work efficiency acceptable?
- ✗ Is he assigned to the right job?
- ✗ Is he accountable?
- ⚙️ Is he willing to improve?
- ✗ Is he qualified?
- ✗ Does he maintain good human relations?
- ✗ Is he problem conscious?
- ✗ Is his work efficiency acceptable?

## MACHINE (*Facilities*)

- ✗ Does it meet production requirements?
- ✗ Does it meet precision requirements?
- ⚙️ Does it meet process capabilities?
- ✗ Does it make any unusual noise?
- ✗ Is the lubrication adequate?
- ⚙️ Is the layout adequate?
- ✗ Is the lubrication adequate?
- ✗ Are there enough machine/facilities?
- ✗ Is the operation interrupted due to machine troubles?
- ✗ Is everything in good working order?

## MATERIAL

- ✗ Are there any mistakes in volume?
- ✗ Is there any waste in material?
- ⚙️ Are there any mistake in grade?
- ✗ Is the handling adequate?
- ✗ Are there any mistakes in the brand name?
- ⚙️ Is the work-in-progress abandoned?
- ✗ Are there impurities mixed in?
- ✗ Is the storage layout adequate?
- ✗ Is the inventory level adequate?
- ✗ Is the quality standard adequate?

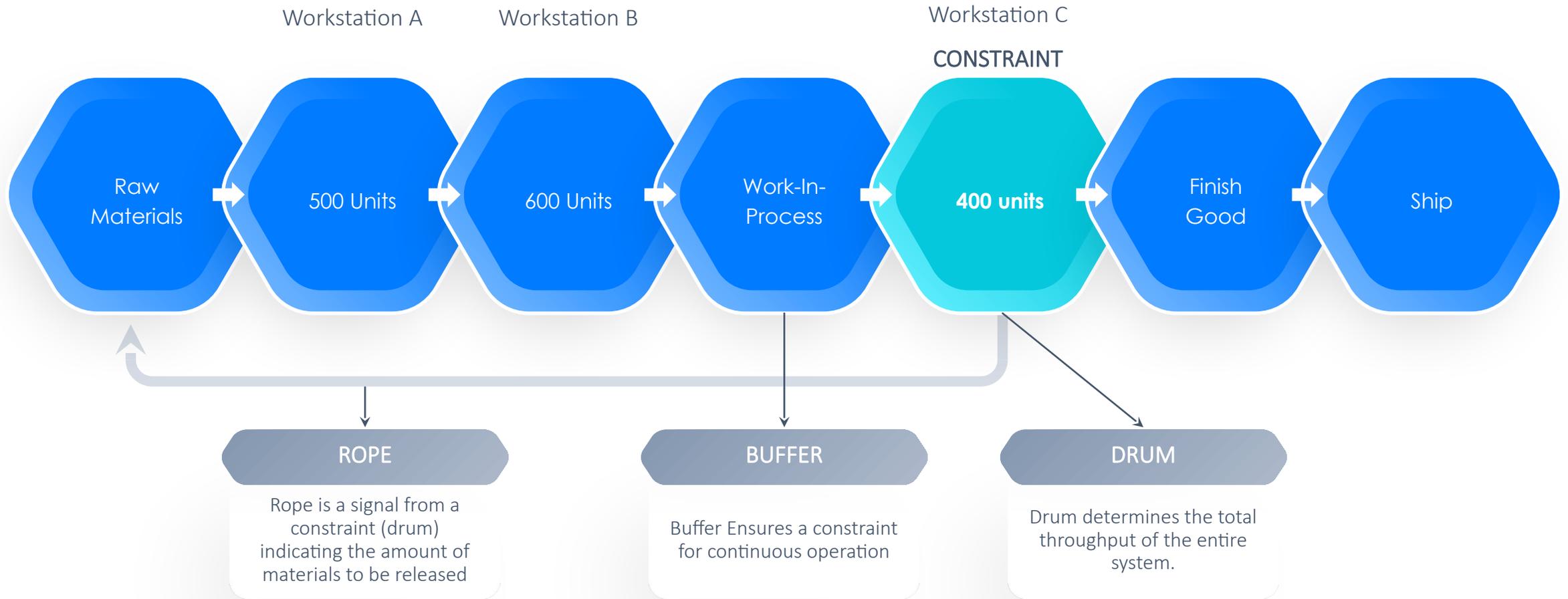
## METHOD

- ✗ Are the work standards adequate?
- ✗ Is the sequence of work adequate?
- ⚙️ Is the work standard upgraded?
- ✗ Is the setup adequate?
- ✗ Is it a safe method?
- ⚙️ Are temperature and humidity adequate?
- ✗ Is it a method that ensures a good product?
- ✗ Are lighting and ventilation adequate?
- ✗ Is it an efficient method?
- ✗ Adequate contact with the previous and the next process?

# SIX SIGMA - DMAIC



# "DRUM-ROPE-BUFFER"



# TOYOTA PRODUCTION SYSTEM



Unleash  
Synergy

**PARTNERSHIP  
STRATEGY**



# Strategy Pillars

## Innovative Strategy

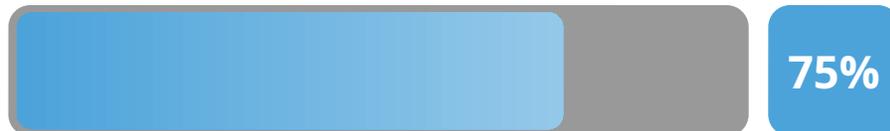
that captures brand essence  
and brings in new audience



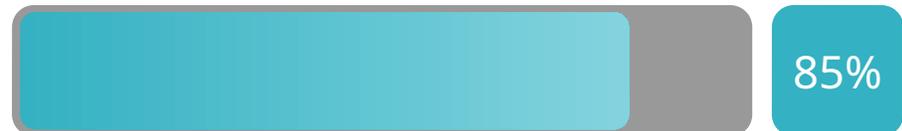
# Success Metrics

Our goal is to develop a sustainable growth strategy with realistic and trackable implementation. Below are some key metrics that we target. These metrics are designed to be indicative of the ROI of the key growth strategies

## YEAR 1



## YEAR 3

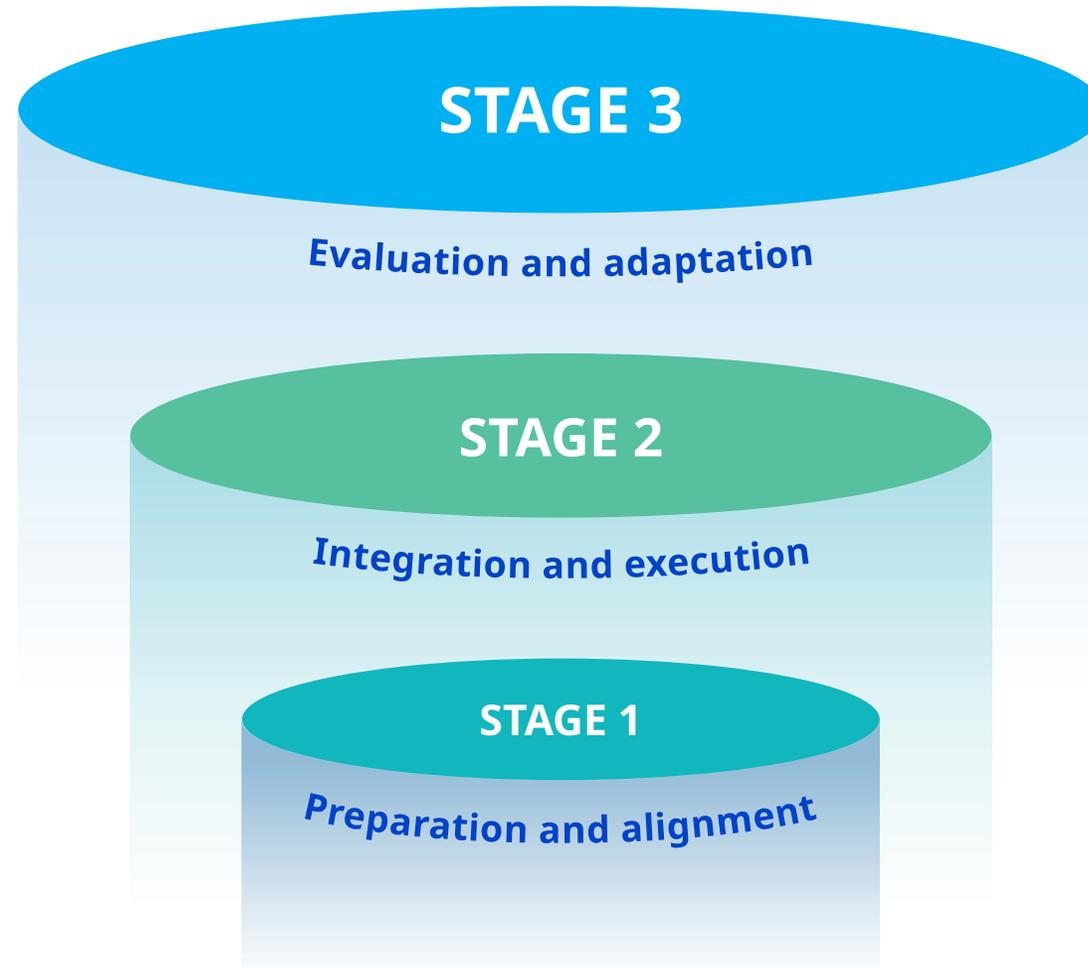


# Implementation Stages

Assess partnership performance and adapt strategies as needed to optimize outcomes and ensure long-term success.

Implement the agreed strategies through coordinated efforts, resource sharing, and continuous communication.

Establish a solid foundation with clear objectives, strategic goal alignment. Set up governance structures for the partnership.



**\$2M**  
Increase in revenue

**75%**  
Milestone completion

**90%**  
Strategic alignment

# Define partnership activities

## Fill perspective of organization

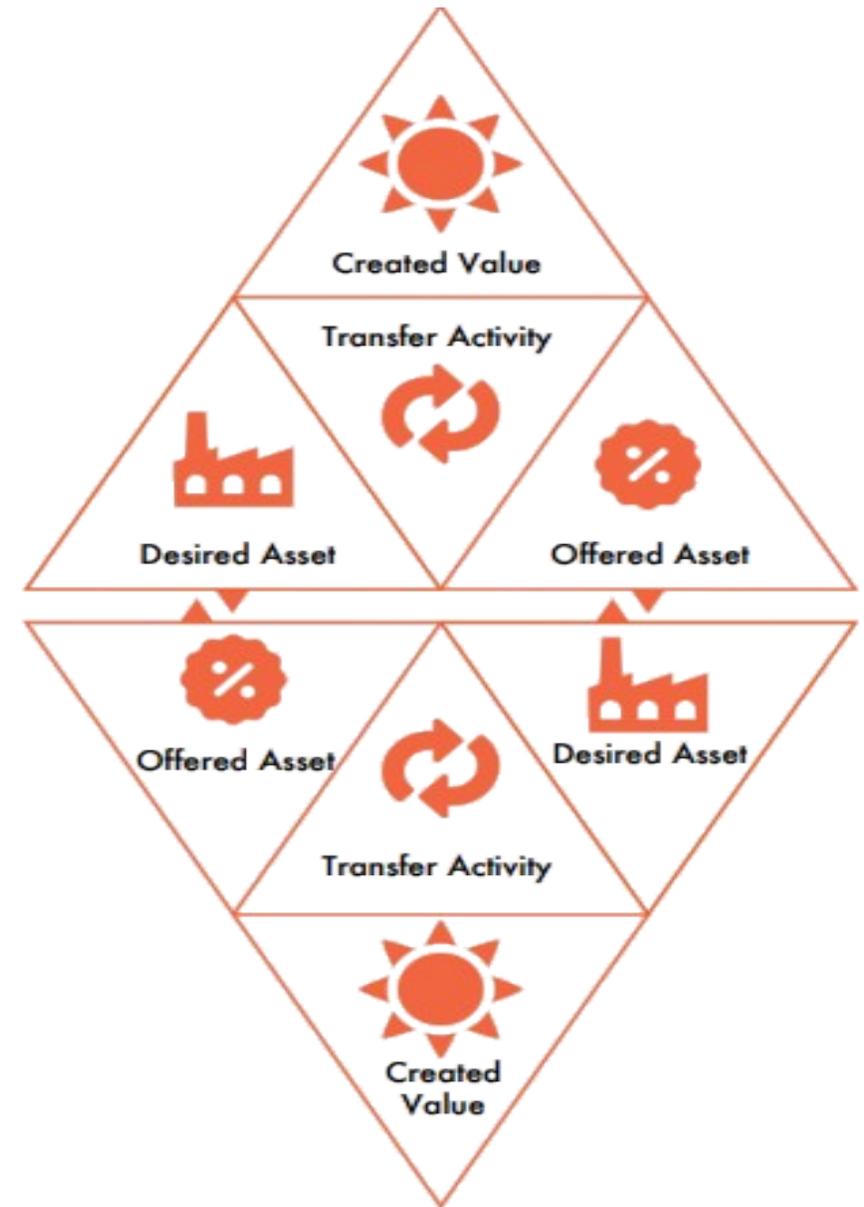
- **Created Value:** What value do you need to create for your organization? This value should correlate to one of your priority areas. **Desired Asset:** What capabilities or resources do you need from your partner?
- **Offered Asset :** What capabilities or resources can you offer your partner in exchange?
- **Transfer Activity:** What activities are needed for the partners to transfer the desired assets to each other? The transfer activities should logically lead to the new value created.

## Together, compare, connect, complete and discuss the following questions:

Is there a match between what is desired by each partner versus what each partner is willing to offer?

Is there alignment on the value exchange activities? Are these one-off or limited time exchange activities, or are they recurring?

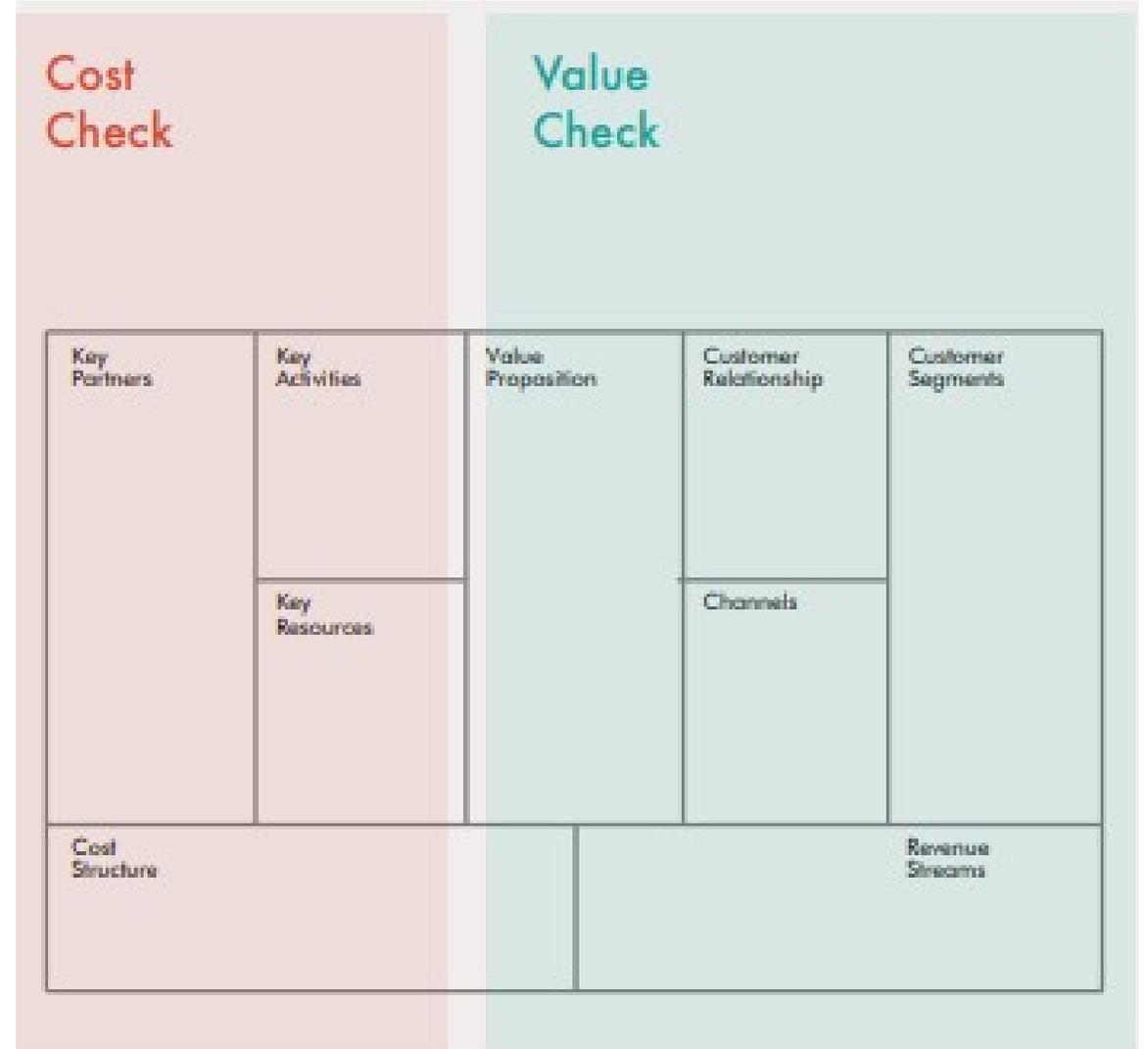
Does the partnership create important value for each partner?



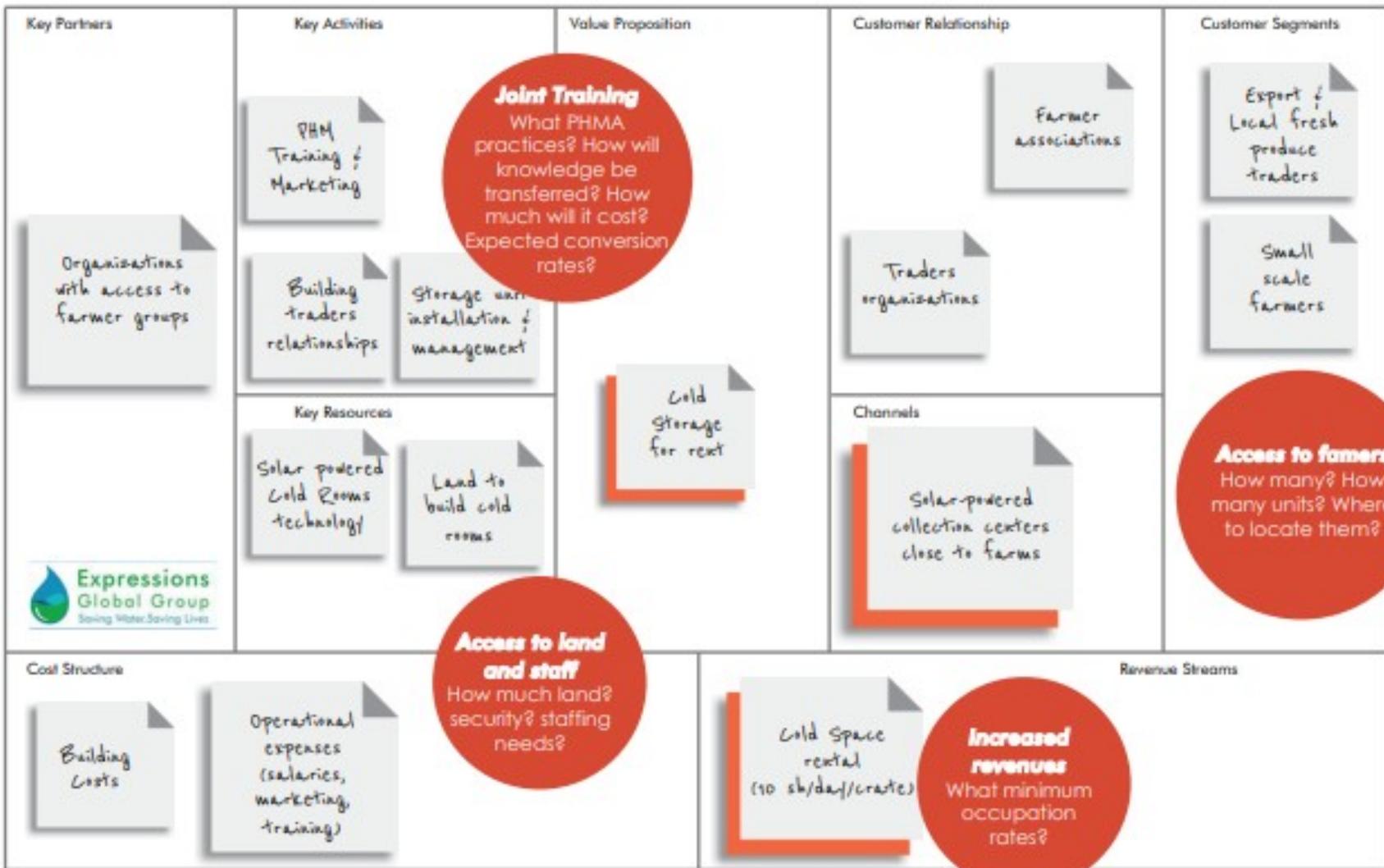
# Evaluate implications on business models

**Value check:** How will the value created and accessed assets affect your organization's value proposition and revenue model? (right side of the BMC-Business Model Canvas)

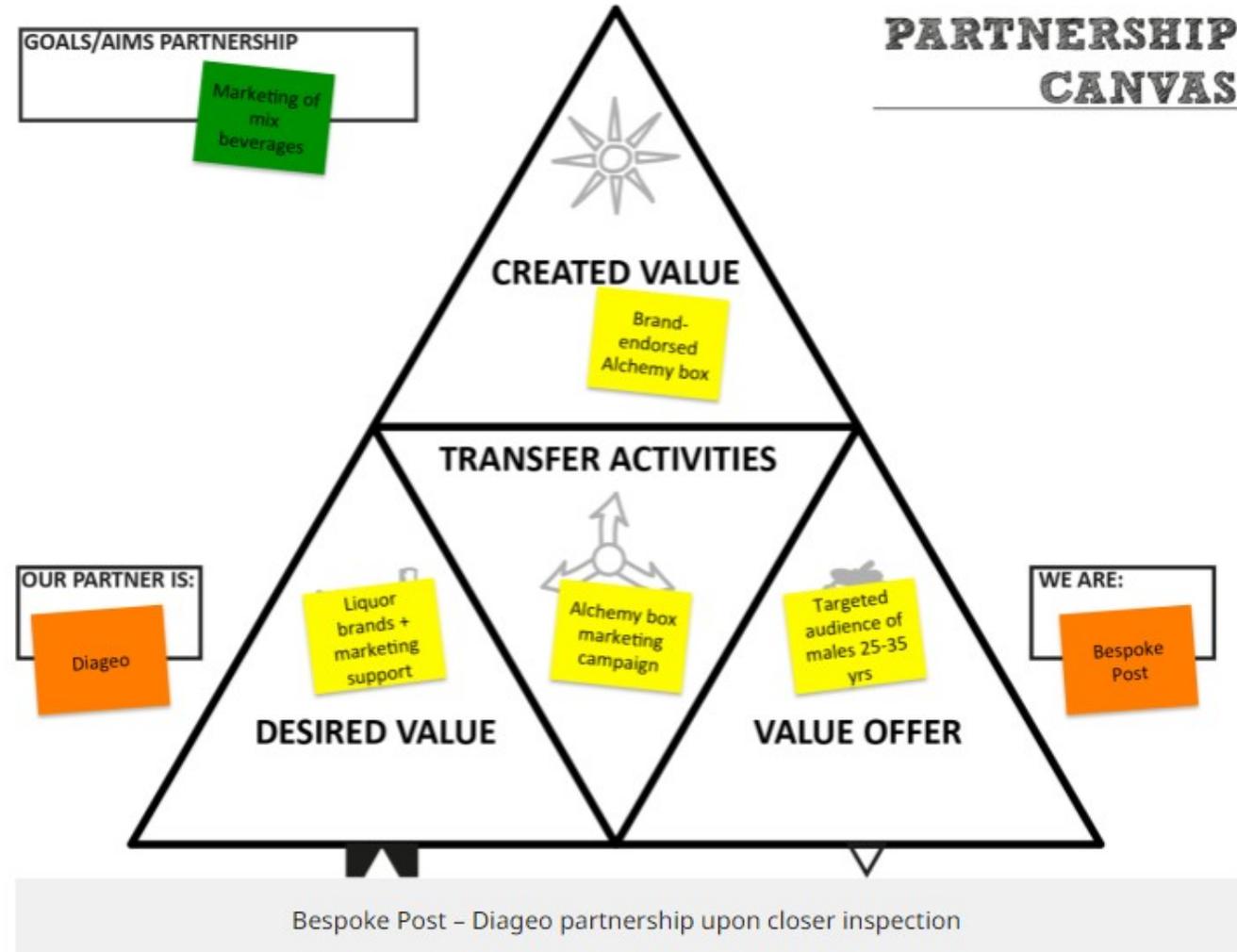
**Cost check:** How will the exchange activities affect your organization's activities, resources and cost structures? (left side of the BMC)



# Solar Freeze



# Partnership Canvas



# Partnership

## Types of Key Partnerships:

- **Strategic Alliances:** Non-competing companies enter into mutually beneficial agreements to achieve common goals.
- **Joint Ventures:** Key partners with shared interests collaborate to develop new businesses, often in emerging markets, with each partner contributing resources.
- **Co-opetition:** Strategic partnerships aimed at risk reduction, particularly when introducing new products or accessing resources, where both parties work together toward a common objective.
- **Buyer-Supplier Relationships:** Most key partnerships involve buyer-supplier relationships, where one party exchanges money for products or services from the other.

## Reasons for Key Partnerships:

- **Optimization and Economies of Scale:** Partnerships often aim to reduce costs through resource optimization, outsourcing, or infrastructure sharing.
- **Risk and Uncertainty Reduction:** Partnerships lower inherent risks, as partners prioritize each other's needs and share risks, as seen in the collaboration on Blu-ray technology.
- **Resource and Activities Acquisition:** Businesses partner with entities that already possess necessary technology, processes, or infrastructure to avoid substantial investments. For example, Heineken partners with bars, covering equipment and décor costs in exchange for exclusivity.

# Partnership Advantage

## Developing Sustainable Key Partnerships:

- **Clarify Expectations:** Before formalizing partnerships, organizations should openly discuss concerns to prevent potential conflicts in the future.
- **Customer Impact:** Evaluate partnerships from the perspective of various customer segments to ensure they align with the company's values and goals. Lego and Shell's partnership ended due to customer concerns.
- **Selecting and Suspending Partnerships:** Some partnerships may start well but become detrimental to both parties. Organizations should have the ability to exit such partnerships.
- **Correct and Sustainable Agreements:** Partnership agreements should be transparent, mutually beneficial, and legally sound. Legal representation can facilitate these agreements.

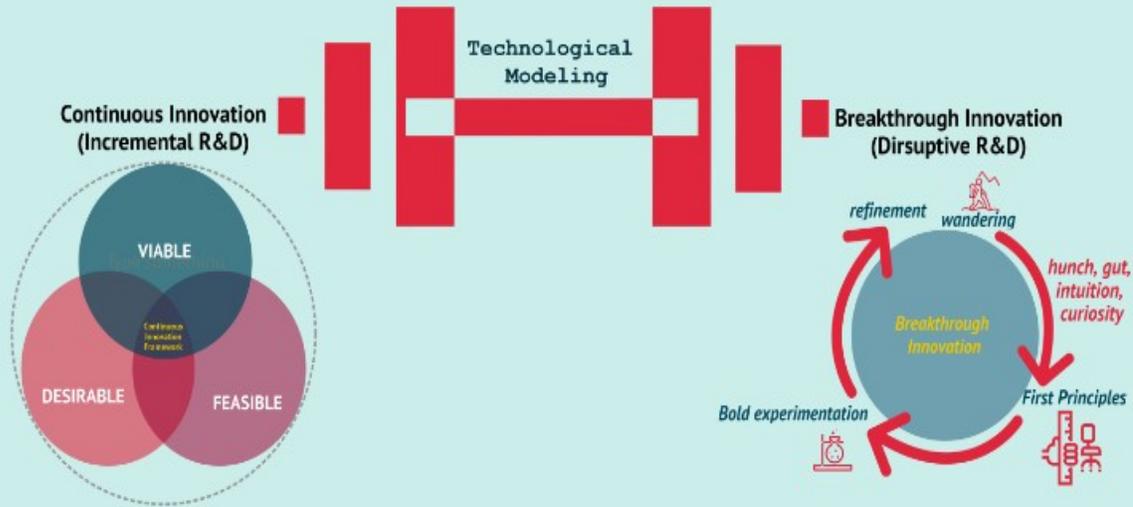
## Key Takeaways:

- In the Business Model Canvas, Key Partners identify external entities crucial for performing key activities and delivering customer value.
- Companies enter into key partnerships for reasons such as optimization, cost reduction, risk mitigation, and resource acquisition.
- Sustainable key partnerships require clear expectations, customer impact assessment, the flexibility to terminate unviable partnerships, and well-defined, mutually beneficial agreements.

# Model Innovation

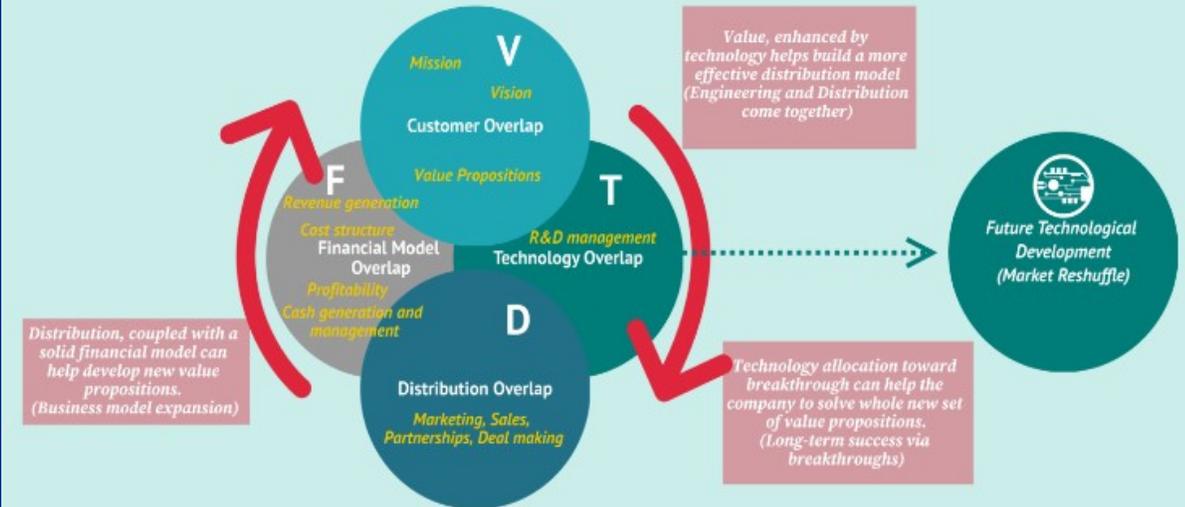
## Technological Modeling In A Nutshell

Technological modeling is a discipline to provide the basis for companies to sustain innovation, thus developing incremental products. While also looking at breakthrough innovative products that can pave the way for long-term success. In a sort of Barbell Strategy, technological modeling suggests having a two-sided approach, on the one hand, to keep sustaining continuous innovation as a core part of the business model. On the other hand, it places bets on future developments that have the potential to break through and take a leap forward.



## Business Competition In A Nutshell

In a business world driven by technology and digitalization, competition is much more fluid, as innovation becomes a bottom-up approach that can come from anywhere. Thus, making it much harder to define the boundaries of existing markets. Therefore, a proper business competition analysis looks at customer, technology, distribution, and financial model overlaps. While at the same time looking at future potential intersections among industries that in the short-term seem unrelated.





# GTM MARKETING STRATEGY

## What Are The 4Ps?

The 4Ps (also referred to as the marketing mix) is a framework used to help marketers to plan their strategies and campaigns. Its is a well known model used in building strategy, creating messaging and positioning their products or services.

The "4Ps" are four key areas that marketers should consider when developing go-to-market plans. This generally agreed upon and widely used model looks comprehensively at four areas:

1. **Product:** the total value proposition offered to both those buying and those consuming the solutions in question.
2. **Price:** the amount of money, time, and effort required by the customer to effectively gain the benefits promised by the product.
3. **Place:** the channels and formats in which the customer can access the benefits of product.
4. **Promotion:** the factors related to creating and maintaining a products' "position" in the minds of customers, including messaging, communication channels, content, experiences, and more.

## The 4Ps

PRODUCT	
1	Product Portfolio and Markets Served
2	Product Value and Differentiation
3	Product Lifecycle
4	Product Quality and Reliability
5	Product User Experience and User Interface
6	Product Packaging and Design
7	Product Support and Post-Sales Services
8	IP Protections
9	Innovation and Adaptability

PRICE	
1	Cost Analysis
2	Value Perception
3	Competitive Analysis
4	Pricing Objectives
5	Pricing Models
6	Pricing Flexibility
7	Pricing Psychology

PLACE	
1	Market Segmentation
2	Distribution Channels
3	Geographic Coverage
4	Inventory Management
5	Channel Relationships
6	Physical Presence
7	Online Presence
8	Customer Convenience

PROMOTION	
1	Target Audience
2	Marketing Objectives
3	Message and Positioning
4	Marketing Channels
5	Advertising and Public Relations
6	Sales Promotion
7	Digital Marketing
8	Content Marketing
9	Social Media
10	Influencer Marketing
11	Publicity and Events
12	Marketing Budget

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
1	<b>Product Portfolio and Markets Served:</b> Determine technology categories by solutions	In which product categories or markets should you compete?	Market research on customer needs and preferences (e.g., surveys and focus groups to gather insights on customer preferences and pain points)
		Which target markets or customer segments should be served?	Market segmentation data (e.g., demographic, psychographic, and behavioral data to identify target market segments)
2	<b>Product Value and Differentiation:</b> Identify unique features and innovations	How can the product be differentiated?	Competitor analysis (e.g., analyzing competitor products, pricing, and marketing strategies)
		What unique features or benefits should be highlighted?	Customer feedback and insights (e.g., online reviews, feedback forms, and customer interviews to understand customer experiences)
3	<b>Product Lifecycle:</b> Assess the product's stage in its lifecycle	What strategies can be implemented for products in different stages?	Sales and performance data (e.g., sales reports, revenue data, and market share analysis)
		Where does the product stand in its lifecycle?	Market trends and customer demands (e.g., industry reports, market research studies, and customer trend analysis)

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
4	<b>Product Quality and Reliability:</b> Ensure high-quality and reliable product offerings	What quality standards should be met or exceeded?	Quality control processes and certifications (e.g., ISO certifications, product testing results, and quality assurance procedures)
		How can reliable performance be ensured?	Customer reviews and feedback (e.g., online reviews, ratings, and testimonials from customers)
5	<b>Product User Experience and User Interface:</b> Build intuitive and user-friendly products	How can intuitive and user-friendly interfaces be designed?	User research and usability testing (e.g., conducting user interviews, usability tests, and heat mapping analysis)
		How can the overall user experience be enhanced?	Feedback from user testing and surveys (e.g., gathering insights from user testing sessions and customer surveys)
6	<b>Innovation and Adaptability:</b> Design attractive packaging and user-friendly layouts	How should packaging design and materials be approached?	Market research on packaging trends and preferences (e.g., studying consumer preferences, packaging design trends, and packaging material choices)
		How can packaging be aligned with the brand identity?	Competitor packaging analysis (e.g., analyzing packaging design, materials, and branding of competitors' products)

# PRODUCT

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
7	<b>Product Support and Post-Sales Services:</b> Provide exceptional customer support and services	What types of support and services should be offered?	Customer support data and feedback (e.g., analyzing customer support tickets, response times, and customer satisfaction ratings)
		How can timely and effective support be provided?	Support resources and capabilities (e.g., evaluating available support channels, staff expertise, and response protocols)
8	<b>IP Protections:</b> Protect the product's intellectual property	What intellectual property needs to be protected?	Patent, copyright, or trademark information (e.g., conducting intellectual property searches, consulting legal professionals, and registering trademarks)
		What strategies can be implemented to safeguard intellectual property?	Legal guidance and industry regulations (e.g., staying updated on relevant laws, regulations, and compliance requirements)
9	<b>Innovation and Adaptability:</b> Foster continuous product development and adaptability	How can a culture of innovation be fostered?	Research on emerging technologies and market trends (e.g., monitoring industry publications, attending conferences, and collaborating with research institutes)
		How can adaptation to changing market needs be achieved?	Customer feedback and market analysis (e.g., analyzing customer feedback, preferences, and market trends to identify opportunities and challenges)

# PRICE

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
1	<b>Cost Analysis:</b> Evaluate production and operational costs	How should production and operational costs be evaluated?	Cost data and analysis (e.g., financial reports, cost breakdowns, and cost accounting methods)
		What factors should be considered when determining the cost structure and pricing?	Overhead costs and cost allocation (e.g., expense reports, allocation methodologies, and budgeting data)
2	<b>Value Perception:</b> Align price with perceived value	How can price be aligned with perceived value?	Customer research on value perception (e.g., focus groups, surveys, and conjoint analysis to understand customer perceptions of value)
		What are the unique value propositions?	Market positioning and competitive analysis (e.g., SWOT analysis, competitor profiling, and market share data)
3	<b>Competitive Analysis:</b> Assess competitors' pricing strategies	How can the pricing strategies of competitors be assessed?	Competitor pricing information (e.g., price lists, competitor advertisements, and pricing databases)
		How is the market share and positioning identified?	Competitor product offerings and pricing strategies (e.g., product catalogs, market research reports, and competitor pricing strategies)

# PRICE

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
4	<b>Pricing Objectives:</b> Establish clear pricing objectives	What clear pricing objectives should be established?	Business goals and market positioning (e.g., strategic plans, mission statements, and market positioning statements)
		How can pricing strategies be defined for different customer segments?	Market research on customer preferences and price elasticity (e.g., market surveys, preference tests, and price sensitivity studies)
5	<b>Pricing Models:</b> Consider various pricing models	What are the various pricing models that can be considered?	Analysis of different pricing approaches and their suitability (e.g., comparative analysis, case studies, and pricing strategy evaluations)
		How should the most appropriate pricing model be selected?	Industry benchmarks and best practices (e.g., industry reports, trade association data, and industry conferences)
6	<b>Pricing Flexibility:</b> Assess flexibility to accommodate different needs	How flexible is the organization to accommodate different customer needs?	Market dynamics and demand fluctuations (e.g., market trend reports, sales data analysis, and demand forecasting models)
		How can pricing strategies be developed for customization?	Customer feedback and preferences (e.g., customer feedback forms, online reviews, and feedback analysis)
7	<b>Pricing Psychology:</b> Understand customer psychology and price sensitivity	How is customer psychology and price sensitivity understood?	Behavioral economics research and studies (e.g., academic research papers, behavioral economics journals, and experiments)
		How can psychological pricing tactics be applied?	Consumer surveys and experiments (e.g., survey questionnaires, experimental designs, and consumer response data)

# PLACE

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
1	<b>Market Segmentation:</b> Identify and segment the target market	How are distinct customer segments identified?	Market research and customer data (e.g., market research reports, customer surveys, and CRM data)
		How is the attractiveness and viability of each segment evaluated?	Demographic, psychographic, and behavioral information (e.g., demographic data, lifestyle surveys, and behavioral tracking data)
2	<b>Distribution Channels:</b> Select suitable channels for product distribution	What are the appropriate distribution channels to select?	Market analysis and channel research (e.g., market reports, channel analysis studies, and competitor channel assessments)
		How is the performance and effectiveness of distribution channels assessed?	Sales data and customer feedback (e.g., sales reports, customer satisfaction surveys, and feedback forms)
3	<b>Geographic Coverage:</b> Assess the scope of distribution (local, regional, national, international)	How are the target geographic regions determined?	Market potential and regional demand (e.g., market size reports, regional economic data, and demand analysis)
		What opportunities and limitations exist for expansion?	Geographic market data and competitive analysis (e.g., geographic market studies, competitive benchmarking, and market share analysis)

# PLACE

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
4	<b>Inventory Management:</b> Efficiently manage stock levels and logistics	How should inventory levels and replenishment strategies be set?	Demand forecasting and sales data (e.g., demand forecasting models, sales trend analysis, and historical sales data)
		How can inventory turnover and carrying costs be optimized?	Supply chain data and inventory analytics (e.g., supply chain reports, inventory management systems, and demand-supply analysis)
5	<b>Channel Relationships:</b> Build strong partnerships with distribution partners	Who are potential partners and intermediaries that should be considered?	Market research and partner evaluations (e.g., market research studies, partner evaluation criteria, and partner performance assessments)
		How can effective channel relationships be established and managed?	Partnership agreements and performance metrics (e.g., partnership contracts, key performance indicators, and partner performance data)
6	<b>Physical Presence:</b> Establish physical locations for customer engagement	What factors should be considered when selecting physical store or office locations?	Market demographics and footfall analysis (e.g., demographic reports, foot traffic data, and retail analytics)
		How should space requirements and associated costs be assessed?	Lease agreements and real estate market data (e.g., lease contracts, real estate market reports, and rental price analysis)

# PLACE

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
7	<b>Online Presence:</b> Optimize online channels for product visibility and sales	How is an online presence strategy developed?	Market trends and consumer behavior online (e.g., trend reports, consumer behavior studies, and online analytics)
		How can website usability and functionality be optimized?	Web analytics and user feedback (e.g., website analytics data, user feedback forms, and heatmapping analysis)
8	<b>Customer Convenience:</b> Ensure convenient access, delivery, and support	How can accessibility and convenience be enhanced for customers?	Customer feedback and preferences (e.g., customer feedback surveys, preference surveys, and feedback analysis)
		How can multiple sales and service channels be offered?	Customer journey mapping and user experience analysis (e.g., customer journey mapping exercises, user experience testing, and data analysis)

# PROMOTION

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
1	<b>Target Audience:</b> Identify the specific audience to target	Who is the target audience for marketing efforts?	Market research and customer segmentation (e.g., market research studies, customer segmentation models, and target audience analysis)
		What specific goals and objectives should the marketing efforts aim to achieve?	Business goals and market analysis (e.g., business strategy documents, market analysis reports, and goal-setting exercises)
2	<b>Marketing Objectives:</b> Establish clear goals for promotional activities	How can compelling messages be crafted and a strong brand positioning be established?	Competitive analysis and unique selling points (e.g., competitor analysis reports, unique selling point identification, and market differentiators)
		Which marketing channels are most suitable for reaching the target audience?	Market research on channel preferences and effectiveness (e.g., channel preference surveys, effectiveness studies, and customer channel behavior analysis)
3	<b>Message and Positioning:</b> Craft compelling messages and unique positioning	What strategies should be developed for advertising and public relations?	Media consumption habits and advertising trends (e.g., media consumption surveys, advertising trend reports, and media analytics)
		How can effective sales promotion activities be planned and executed?	Sales data and market analysis (e.g., sales reports, market analysis studies, and market performance metrics)

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
4	<b>Marketing Channels:</b> Select appropriate channels to reach the target audience	What strategies should be implemented for online marketing activities?	Digital marketing trends and best practices (e.g., digital marketing trend reports, best practice guides, and industry research)
		How can valuable content be created and distributed to engage the target audience?	Content strategy and target audience analysis (e.g., content strategy documents, target audience analysis reports, and content performance metrics)
5	<b>Advertising and Public Relations:</b> Develop advertising campaigns and PR strategies	How can a strong social media presence be established and maintained?	Social media analytics and audience insights (e.g., social media analytics data, audience insights reports, and social media listening)
		Who are the relevant influencers that can be partnered with to enhance the brand?	Influencer research and audience alignment (e.g., influencer research reports, audience alignment exercises, and influencer marketing performance metrics)
6	<b>Sales Promotion:</b> Plan and implement sales promotions and incentives	How can effective publicity events and activities be planned and executed?	Event planning and industry trends (e.g., event planning documents, industry trend reports, and event performance metrics)
		How should financial resources be allocated for marketing initiatives?	Financial planning and budget analysis (e.g., financial planning documents, budget analysis reports, and financial performance data)

# PROMOTION

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
7	<b>Digital Marketing:</b> Utilize online channels for promotion and engagement	Which online channels are most effective for promoting and engaging with the target audience?	Market research on target audience demographics and preferences (e.g., surveys, focus groups)
		What type of content and messaging will resonate with the target audience on online channels?	Competitor analysis of online channels and their content strategies
8	<b>Content Marketing:</b> Create valuable and relevant content to attract and engage	What topics and themes should the content focus on to attract and engage the audience?	Audience research to understand interests and preferences (e.g., user surveys, social listening)
		Which content formats (e.g., blog posts, videos, infographics) are most effective for reaching and engaging the target audience?	Content trends and best practices (e.g., industry reports, competitor analysis)
9	<b>Social Media:</b> Leverage social media platforms for promotion	Which social media platforms are most relevant and popular among the target audience?	Social media demographics and usage statistics (e.g., platform insights)
		What strategies and tactics can be employed to effectively promote and engage the target audience on social media platforms?	Competitor analysis of social media presence and performance (e.g., follower count, engagement metrics)

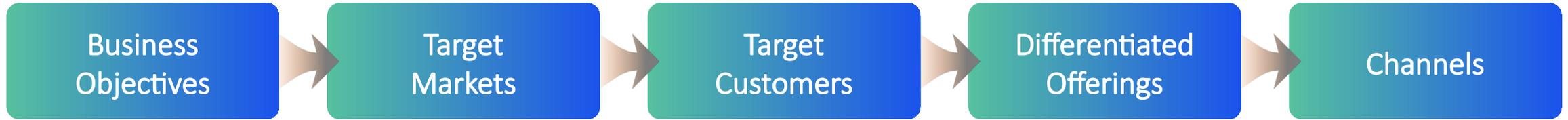
# PROMOTION

	CONSIDERATION	QUESTIONS	INFORMATION NEEDED
10	<b>Influencer Marketing:</b> Partner with influencers to endorse the product	How can suitable influencers who align with the target audience and brand values be identified?	Influencer research tools and platforms (e.g., influencer marketing platforms)
		What criteria should be used to select and evaluate potential influencers for endorsement partnerships?	Audience demographics of potential influencers, past collaboration success metrics (e.g., engagement rates, campaign performance)
11	<b>Publicity and Events:</b> Generate publicity through media coverage and events	Which media outlets and events are most relevant and influential for garnering publicity?	Media landscape analysis, target audience reach of media outlets (e.g., circulation, viewership)
		What strategies and tactics can be used to effectively engage media outlets and secure coverage for the product or event?	Event planning and industry trends (e.g., trade shows, press conferences)
12	<b>Marketing Budget:</b> Allocate resources and budget for promotional activities	How can the optimal allocation of resources and budget for different promotional activities be determined?	Financial data and budget analysis
		What criteria should be considered when prioritizing and allocating resources and budget to different promotional initiatives?	<i>Marketing goals and objectives, cost-benefit analysis of promotional activities</i>



## **GO TO MARKETING (GTM) STRATEGY**

# GTM Strategy Map



- 1<sup>st</sup> business objectives
- 2<sup>nd</sup> business objectives
- 3<sup>rd</sup> business objectives
- 4<sup>th</sup> business objectives

- 1<sup>st</sup> target market
- 2<sup>nd</sup> target market
- 3<sup>rd</sup> target market
- 4<sup>th</sup> target market

- 1<sup>st</sup> target customer
- 2<sup>nd</sup> target customer
- 3<sup>rd</sup> target customer
- 4<sup>th</sup> target customer

- 1<sup>st</sup> offering here
- 2<sup>nd</sup> offering here
- 3<sup>rd</sup> offering here
- 4<sup>th</sup> offering here

- 1<sup>st</sup> channel here
- 2<sup>nd</sup> channel here
- 3<sup>rd</sup> channel here
- 4<sup>th</sup> channel here

## Marketing Strategy

- 1<sup>st</sup> marketing strategy
- 2<sup>nd</sup> marketing strategy
- 3<sup>rd</sup> marketing strategy
- 4<sup>th</sup> marketing strategy

- 5<sup>th</sup> marketing strategy
- 6<sup>th</sup> marketing strategy
- 7<sup>th</sup> marketing strategy
- 8<sup>th</sup> marketing strategy

## Key Metrics

- 1<sup>st</sup> key metrics here
- 2<sup>nd</sup> key metrics here
- 3<sup>rd</sup> key metrics here

## Key Success Factors

- 1<sup>st</sup> key success factor here
- 2<sup>nd</sup> key success factor here
- 3<sup>rd</sup> key success factor here

# Product-Market Fit

## CUSTOMER SEGMENT

## PRODUCT OR SERVICE

### CHARACTERISTICS & JOBS TO BE DONE

WHO is the typical customer for your product/ service and what job(s) he/she is trying to get done?



### ALTERNATIVES

The approach(es) your customer is taking to get their job(s) done, including the tools they are using.

### PROBLEMS & NEEDS

WHY do your customers need to use your product/ service in order to get their job(s) done?



### KEY FEATURES

The essential elements that your product or service must have to meet your customers' needs and solve their problems.

### CHANNEL

HOW do your customers acquire your products/services?



### VALUES FOR THE CHANNEL

The value your channel will get by offering and selling your product/

### USER EXPERIENCE

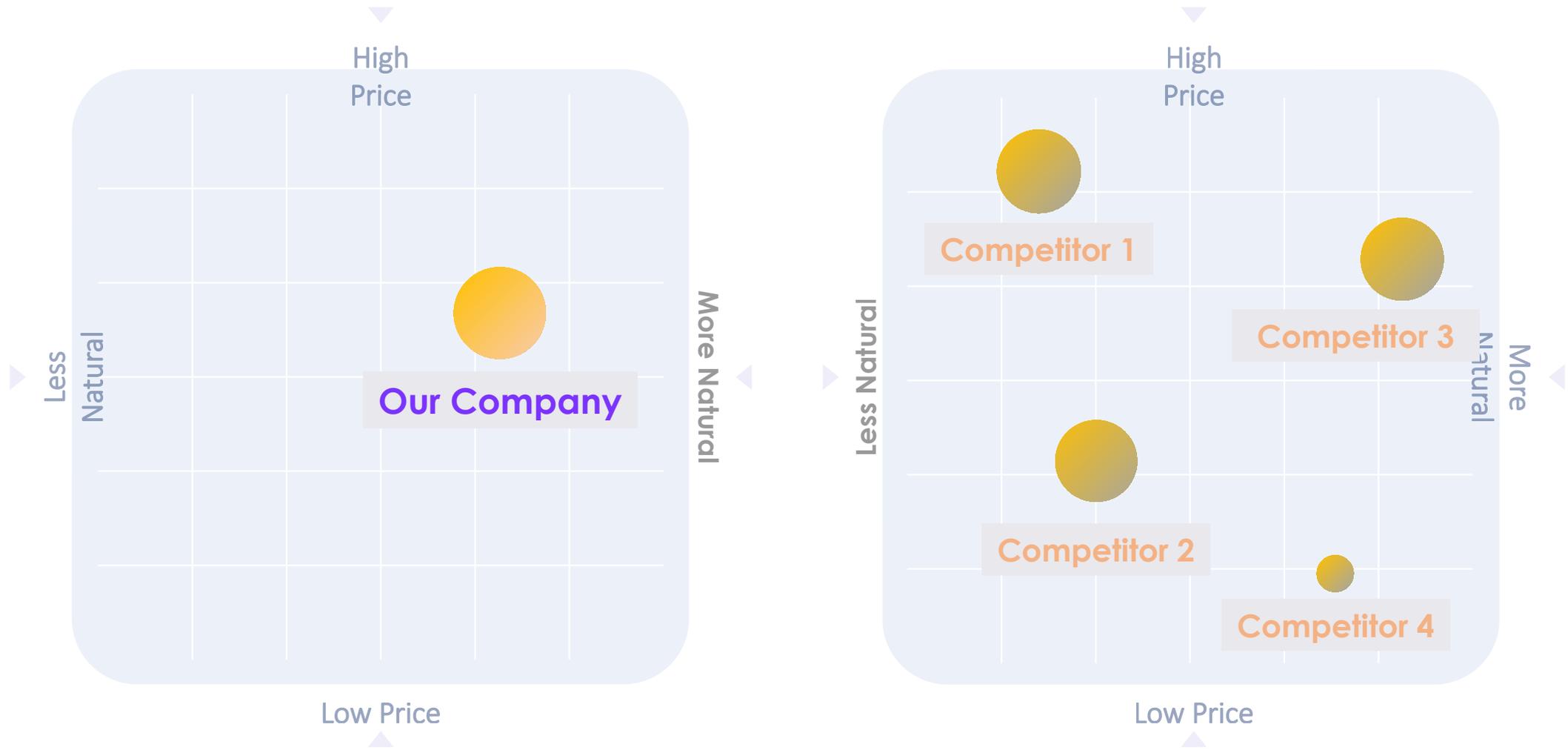
What does your customer do with the product to get real value?



### KEY METRICS

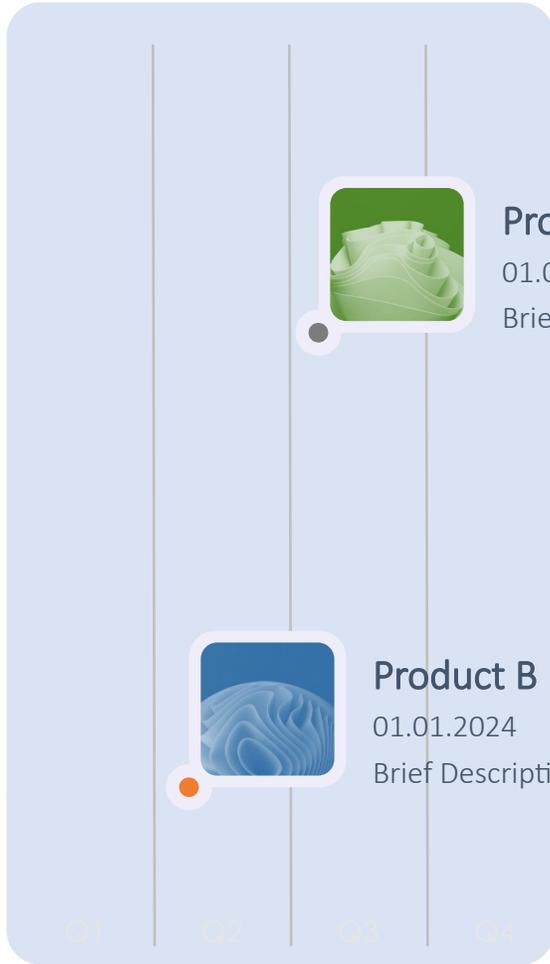
The key things to measure to know if your customer is getting real value. These key metrics will help you to know if you've achieved Product-Market Fit

# Product Positioning Map

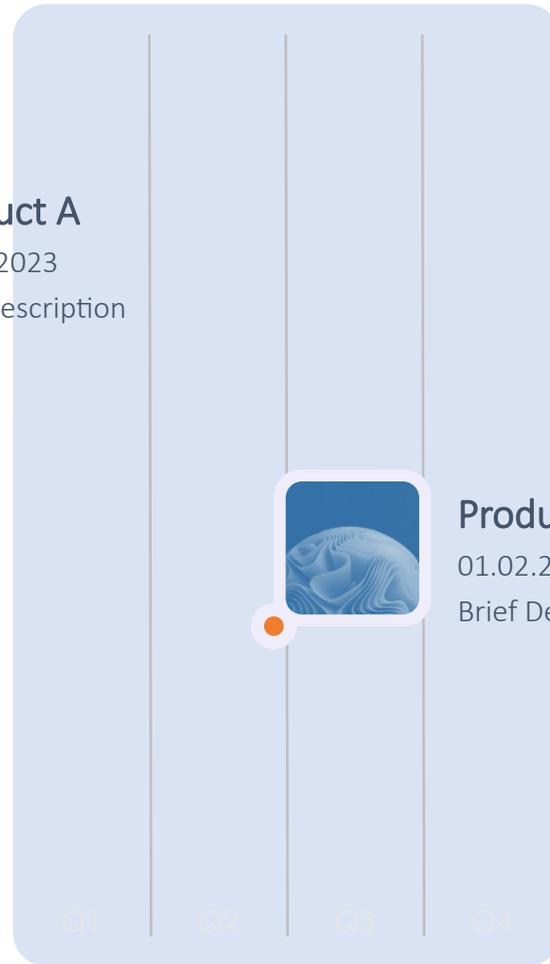


# GTM Roadmap

YEAR 01



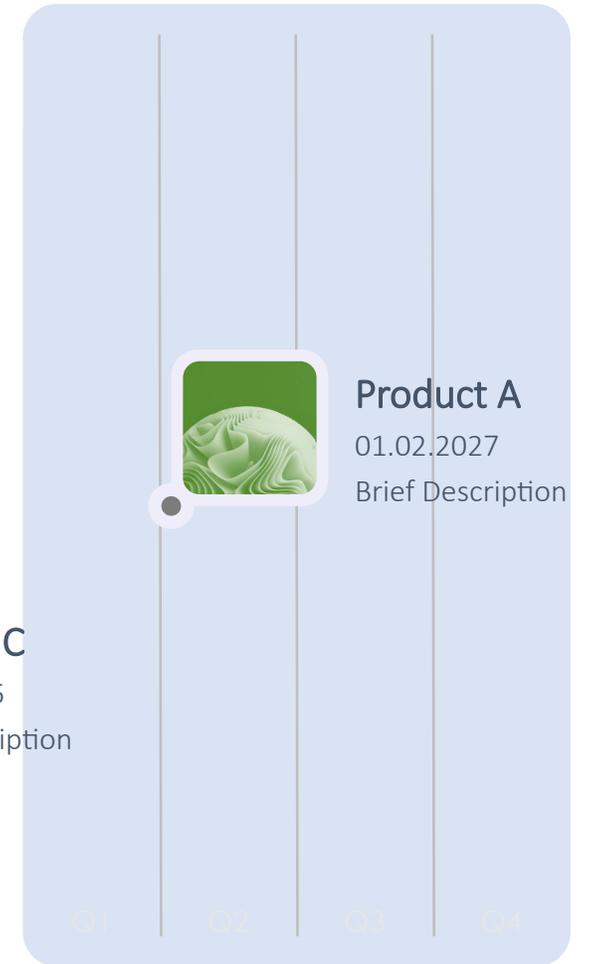
YEAR 02



YEAR 03



YEAR 04

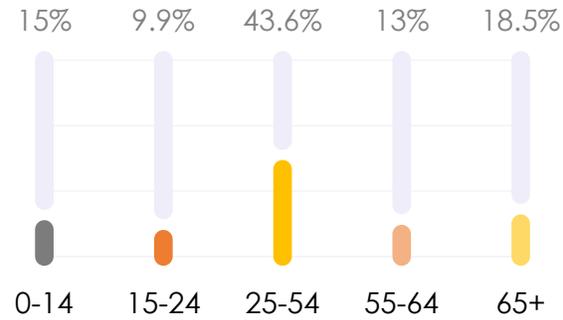


# Demographic Overview

## GENDER



## AGE



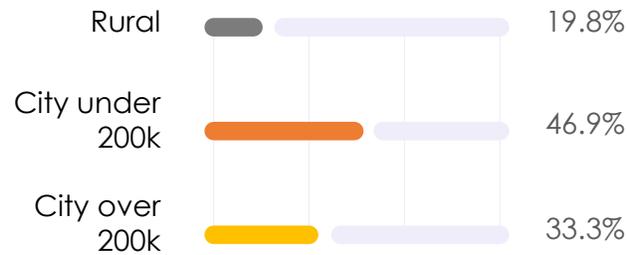
## INCOME



## NON-LOCALS



## PLACE OF LIVING



## EDUCATION



# GTM Plan

Jan

Feb

Mar

Apr

May

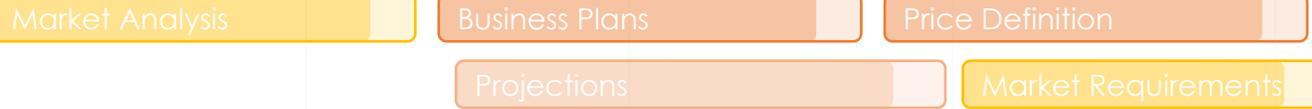
Jun

**Go/No Go**  
Mar 13, 20XX

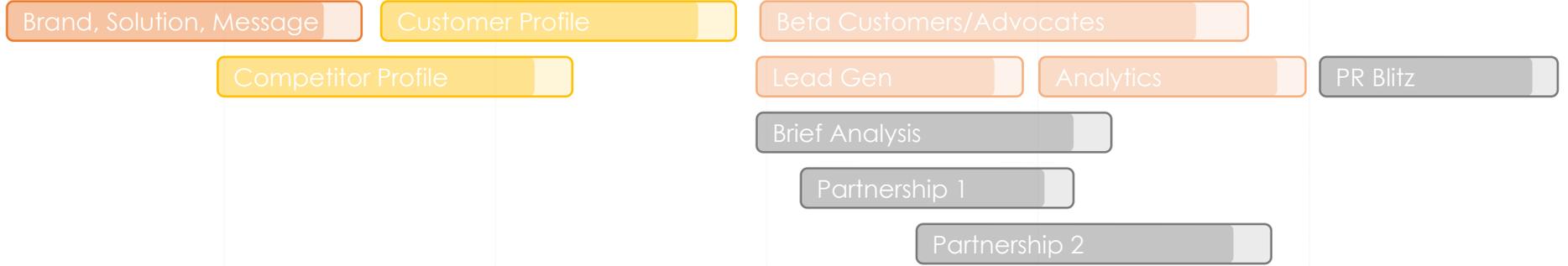
**Launch Beta**  
Mar 13, 20XX

**General availability**  
Mar 13, 20XX

## Product and Service Management



## Branding and Marketing



## Channel Management



## Sales and Post Sales



# GTM Progression



	Introduction	Growth	Maturity	Saturation	Decline
Audience	Innovators	Early Adopter	Every Majority	Late Majority	Laggard
Market	Small	Expanding	High	Peaked	Contracting
Price	Very High	High	High	Medium	Low
Sales	Low	Expanding	high	Flattening	Moderate
Competition	Low	Increasing	Moderate	High	Moderate
Business Focus	Awareness	Growth	Market Share	Customer Retention	Transition

# Brand Positioning

Provide source of wealth-generation for retail investors

Purpose

Brand attributes

Innovative

Tech driven

Empathetic

Open-minded

Lasting

Corporate brand Positioning

Company XYZ is the the leader in financial technology. We provide breakthrough and easy-to-use digital products to service and empower retail investor with information transparency, community unity, and ease of trades.

Personalized data

Excellence in technology

Community oriented

Sustainable value for all

Guidance for Stakeholder Specific message Development

Value propositions

Topic priorities

Business priorities/Stakeholder research



**OPERATIONAL EXCELLENCE**

# The pillars of operational excellence

1.

A commitment to process

2.

Enabling cross-organization collaboration

3.

Embedding a culture of measurement, learning and communication

4.

Adopting technology to find efficiencies within the improvement process

operational excellence splits in two – Lean and Six Sigma.

# Operational excellence frameworks



## Lean Management

Lean focuses on shared responsibility and leadership for identifying and eliminating waste across your business. It has 5 steps:

1. **Identifying value:** What do you deliver to customers and what doesn't give them value?
2. **Mapping value stream:** Map out the people, actions, outputs and systems involved in a process.
3. **Creating flow:** Apply techniques to address problems, bottlenecks etc. and remove them.
4. **Establishing pull:** Shift your business to optimize resources and process based on demand.
5. **Continuously improving:** Monitor and control the performance of your new process.



## Kaizen

Kaizen comes from two Japanese words: 'kai' meaning 'change' and 'zen' meaning 'good'. To summarize the Kaizen approach:

1. **Toyota:** The approach originated in the 1980s from Toyota, the originators of Lean.
2. **Empower:** Employees are encouraged to suggest ideas and solutions for process flow.
3. **Grassroots:** It is a bottom-up approach where small improvements create big change.
4. **Silo busting:** Kaizen promotes cross-team working and alignment to one goal – improvement.
5. **Events:** A flagship element of the approach, here teams hone in on projects to address particular issues.



## Six Sigma

Six Sigma ( $6\sigma$ ) is a statistical approach to minimizing defects in a process. 4 things you need to know about Six Sigma:

1. **6 principles:** Customer focus, understand the how, make processes flow, reduce waste, stop defect variation, collaborate and create data-informed systems.
2. **DMAIC:** This is the go-to method for problem-solving.
3. **Toolset:** Many tools are used here, but control charts, FMEA and process mapping are prominent – disagreement exists over what tools are involved, however.
4. **DPMO:** The measurement of improvement – Six Sigma means 3.4 defects per million opportunities.

# Operational excellence tools



## Kanban

The Kanban board is a way to visualize blockers in your workflow and is a useful way to easily spot where improvements might be needed.



## A3

A3 refers to A3 paper reports which address lessons post PDCA, covering current state problems, solutions and a plan to address these issues.



## PDCA

Plan: Define your goals  
Do: Implement plan  
Check: Assess results  
Act: Adjust plan



## Kaizen Events

A short structured problem-solving event, typically over a week, where 100% of the time is spent identifying how to improve a process.



## Just do it

A log of actions, context, results and expected benefit. Involving action plans and concern & countermeasure sheets.



## Value Stream Mapping

A process map that captures information, process flow and performance data, involving current state (what is the issue right now) and future state (ideal scenario) map.



## Root Cause Analysis

Covering tools such as FMEA, 5 Whys and Fishbone, root cause analysis seeks the core reasons your process is stuttering and offers tools to identify the cause.



## Benchmarking

A means of setting existing performance metrics and then comparing future performance to these. Benchmarks can be internal or external.

# Applying continuous improvement

Two core applications of continuous improvement exist – daily management and improvement projects.



## Daily management

Several top-level continuous improvement cycles exist, but none are more prevalent than Deming's Plan, Do, Check, Act model.

This can be used in what is referred to as daily management, daily kaizen or just 'good ops'.

Upfront effort will be spent working with teams to establish a base level of operational discipline to provide a foundation to understand what the plan should be.

By applying techniques such as the below you can establish a baseline of quality which can then be continually monitored and improved:

- Demand profiling
- Capacity planning
- Root cause analysis
- Performance dashboards
- Observation scheduling
- Visual management
- Skills and training matrices
- Leader standard work

These tools are used in order for you to:

1. Understand how the work should be done
2. Gauge the level of performance expected
3. Do the defined work
4. Check and review performance
5. Review and act on any improvement needed



## Improvement as a project

Once you have a baseline of performance, you can turn to improvement methods and tools for projects which drive sustainable change.

How you manage improvement is important as it will help ensure you are delivering the right improvement in the right way to give you sustainable results.

There are several approaches to delivering improvement:

**Just do it:** as covered above, here it's about logging what you've done, the results and improving.

**Countermeasures:** Implement a quick fix and investigate the root cause. Apply another fix and then analyze.

**Root cause problem solving:** Define your problem by using tools such as value stream maps, 5 why's and FMEA, fix and then form an action plan to address the root cause, measure the impact and repeat.

**DMAIC:** Define, measure, act, improve and control the process improvement, involving SIPIOC, stakeholder analyses, pareto chart, process mapping etc.

**Project management:** An organized approach to take your activity from definition through to completion.

**Diagnostic:** Define your problem and apply a Six Sigma toolset, including process capability and measurement system analysis.

**Intervention:** Apply Lean tools such as 5s, Kanban, Takt, mistake proofing and theory and constraints.

**Kaizen event:** A week-long analysis of a problem and concentrated effort to make a clear improvement.

# Building an excellence culture

When seeking operational excellence through continuous improvement, you cannot escape the importance of building the right culture. Try these suggestions for ensuring your culture is one of collaboration, openness, and learning:



## Preach

- Communicate the value of improvement projects
- Give examples of where it has worked
- Support and take part in projects



## Enable

- Create virtual suggestion boxes
- Use visual management techniques
- Carve out time for improvement projects

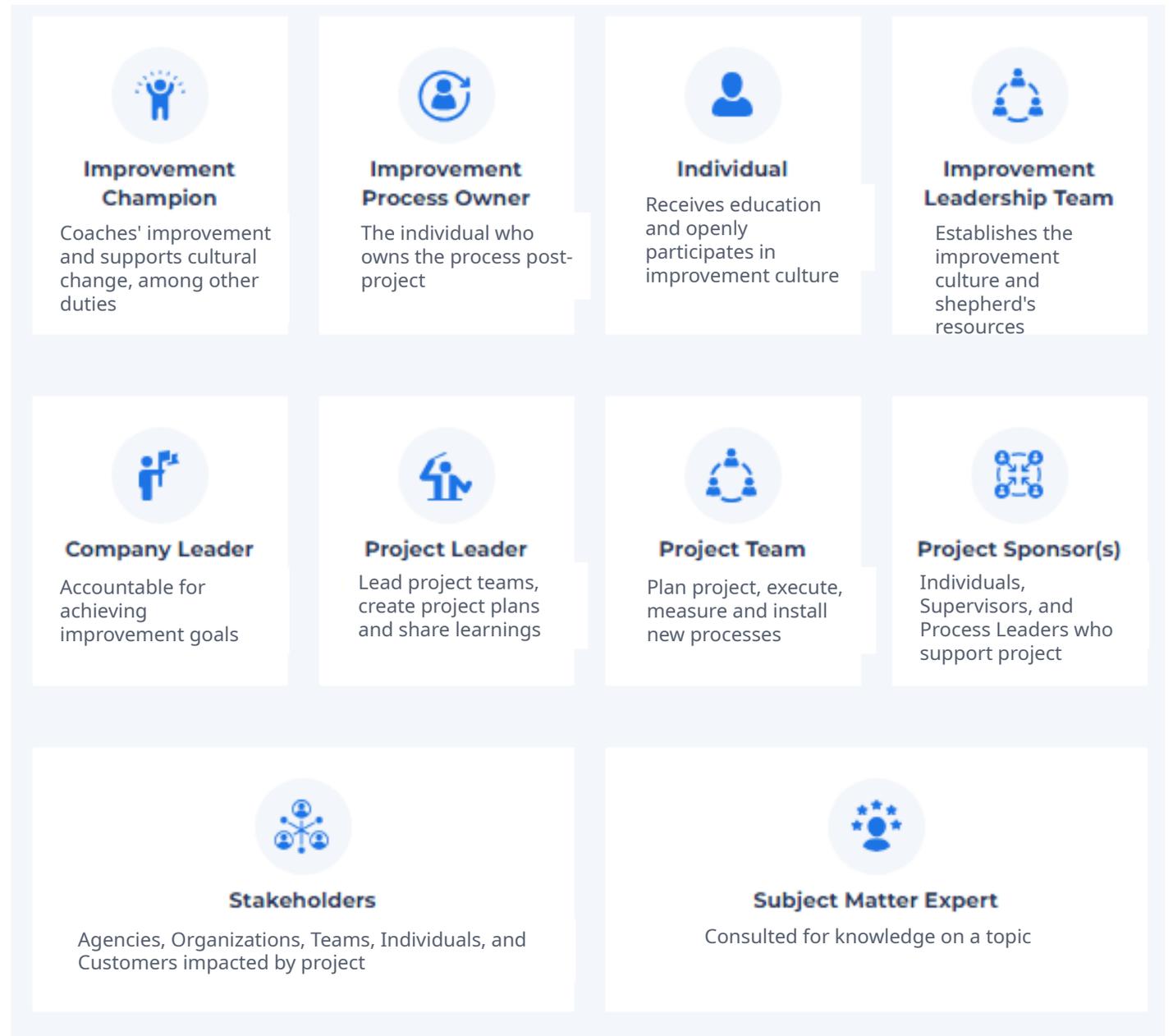


## Reward

- Document projects and replicate
- Communicate success
- Incentivize participation with reward schemes and career progression

# Building an excellence team

- As an operational leader, you are overseeing a complex portfolio of change.
- That change ranges overall transformation of operations, to empowering individuals to participate in real improvement, all the way to overhauling processes.
- To that end, there is a landscape of stakeholders who will influence your efforts.
- To successfully navigate these, you must analyze these influencers, and that begins with a stakeholder mapping exercise using different tools.
- Your improvement team exists to manage your journey to operational excellence and focus on implementing improvements in your business.
- Excellence is far-reaching, meaning many people form your landscape:



# Operational excellence challenges

Overcoming these barriers is crucial for achieving operational excellence

## 1. Reason and purpose

The reason you are there and the shadow it can cast – you may be seen as being in the business to cut heads.

## 2. Leadership mentality

Are your leaders there to embrace change and support you, or will they act as resistors?

## 3. Existing knowledge and capability of people

Not every member of your improvement team will have the same capabilities or knowledge. Empower and nurture when appropriate.

## 4. The base operational standards as a stable foundation (including data availability and quality)

How available is data in your business, is it treated as gold dust, or is there a reluctance to listen to data and instead focus on narrative?

## 5. Fit for purpose method

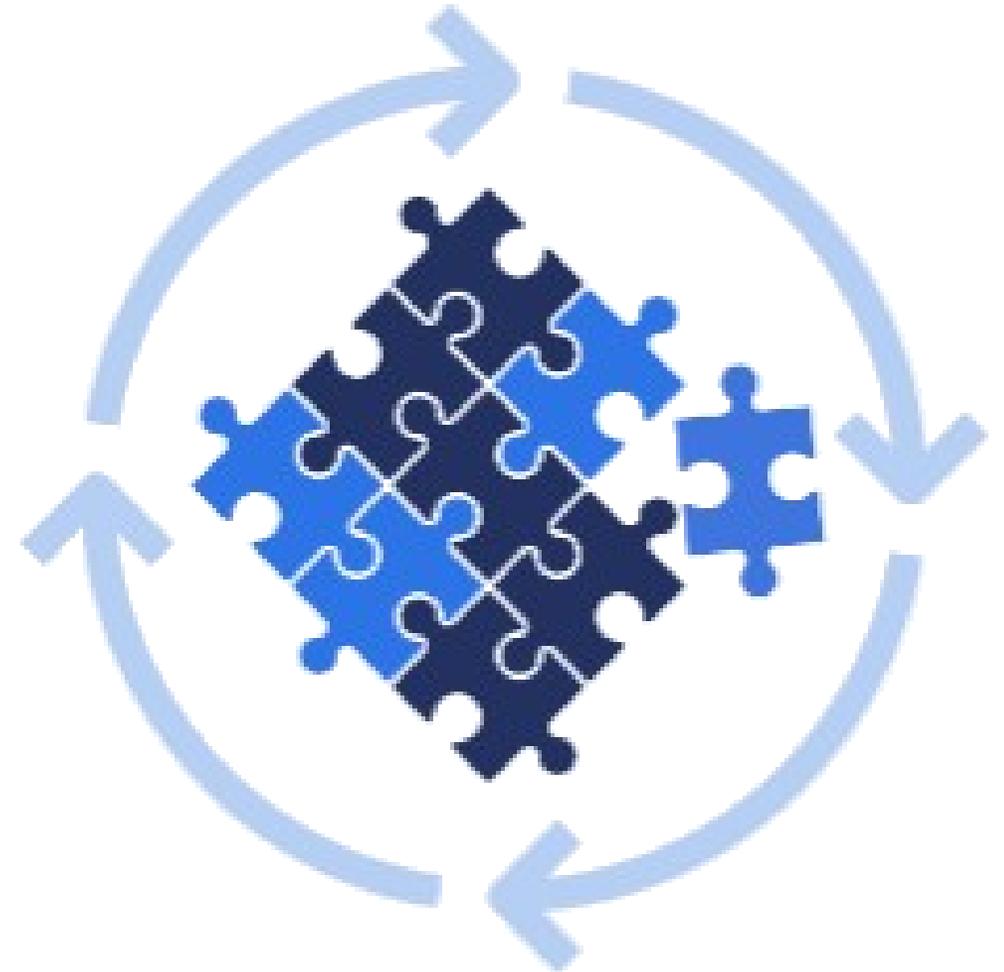
Do not over-engineer, nor cut corners, and certainly do not apply an improvement framework ill-suited to the business.

## 6. Business as usual

Be it securing the right people for your improvement team, or simply winning the hearts and minds of staff who are in constant firefighting mode, the day to day can take the spotlight over your improvement initiatives if not addressed effectively.

## 7. The risk and opportunity of technology solutions

We're living in a COVID-19 world and that means there is plenty opportunity to embrace virtual continuous improvement, ensure your platforms links your improvement to your business' strategy and demonstrates ROI.



# The ROI of operational excellence

The value of excellence is about more than financial gain:

There are two sources of value when it comes to operational excellence:

1. **The what** – the outcomes or benefits that can be delivered
2. **The how** – how it feels for the organization to deliver the above outcomes in an improvement driven way

Let's look at 4 stats to prove the need for improvement, and 4 more that show you the benefits of continuous improvement:

## Four stats you need to know

**31%**

of organizations fail to realize the benefits of their projects  
*--Wellington*

**35%**

of CEOs are confident revenue will grow within 12 months  
*--PWC*

**37%**

of projects fail from a lack of defined objectives  
*PMI*

**40%**

of professionals' struggle to link operations to strategy  
*--PEX*

# The benefits of using operational excellence Tools

## 1. Standardized improvement

Project replication and standardized reporting at all levels of method application, making it easier for your teams to deliver improvement as you wish.

## 2. Increased strategic value

Increased strategic value of improvement activities through a clear alignment of investment with business priorities.

## 3. Reduced project cycle times

Reduced project cycle times and subsequent increased project success rates through standard detailed plans and the ability to track progress of delivery.

## 4. Greater productivity

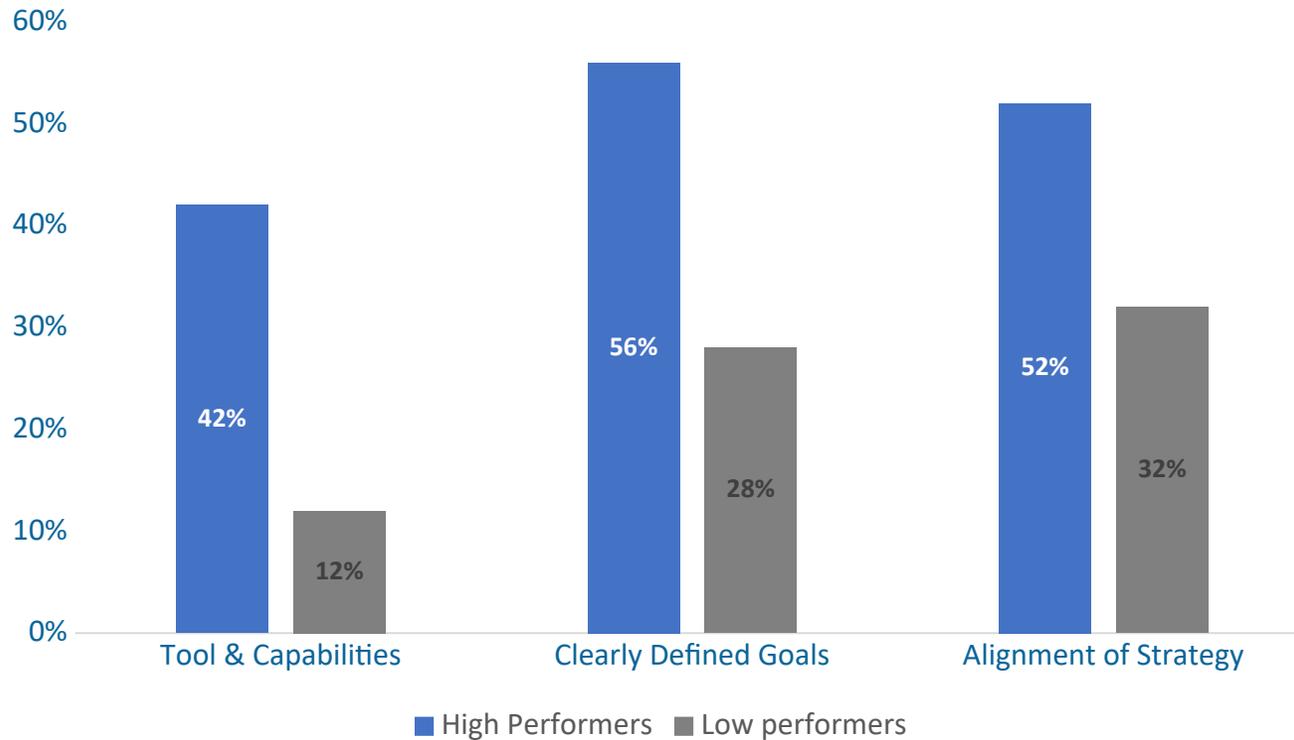
Greater productivity through the elimination of non-value-adding effort via the automation of reporting and governance preparation and distribution.

# The numbers behind great strategy execution

Higher-performing companies – characterized by above average revenue growth and profitability – are consistently more likely to demonstrate higher organizational alignment to strategy, a greater confidence in, and stronger mindset towards, transformation goals, as well as greater access to tools and capabilities to execute effectively

These high performing organizations can effectively enable their staff to engage in execution, both by upskilling management and by creating an environment in which they are able to see how their actions link to strategy.

The presence of strategy execution levers is linked with company performance



## What separates high and low performing organizations?

### High performing organizations

- 42% of leaders at high performing companies report that they have the tools and capabilities to execute strategy.
- 56% of these leaders report that their workforce has better belief in well defined goals.
- 52% report strong organizational alignment to strategy.

### Low performing organizations

- Only 12% of leaders at lower performing organizations report that they have the tools and capabilities to execute strategy
- 28% of these leaders report that their workforce understands their transformation goals
- Only 32% report strong alignment and commitment to strategy.

Source: The Economist Intelligence Unit Harvard Business Review, How the most successful teams bridge the strategy execution gap



## Making Value Flow

Conducting effective value stream mapping to delight your customers, time after time.

## What are the different types?

### 1 **Operational**

The fielding and delivery of the goods and services made through the Development stream.

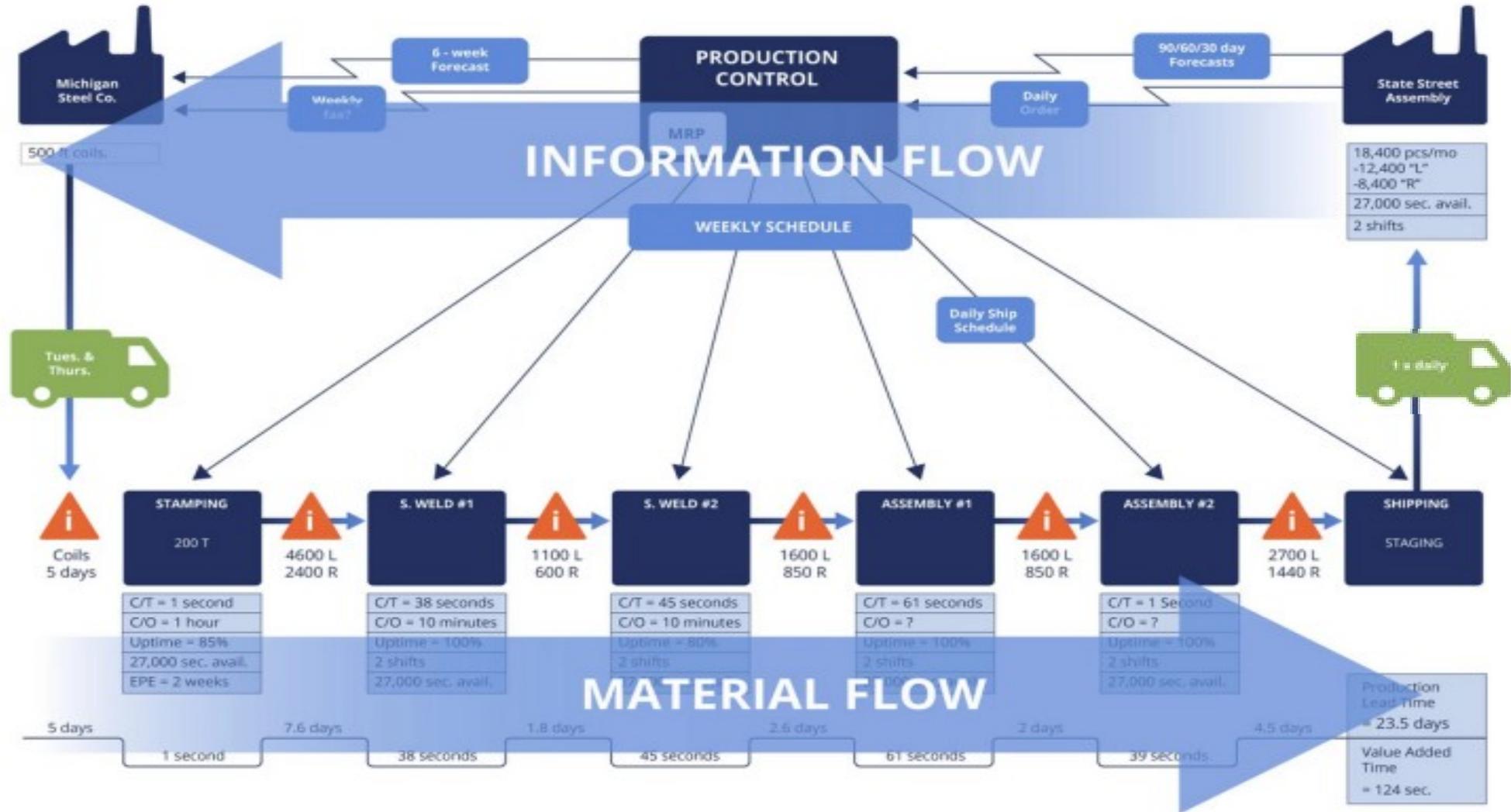
### 2 **Development**

The steps taken to create the goods and services, including value-enabling support streams, e.g. recruitment or onboarding.

### 3 **Complex**

Complex work which goes beyond existing operations, e.g., New Product Development.

# What does a Value Stream Map look like?

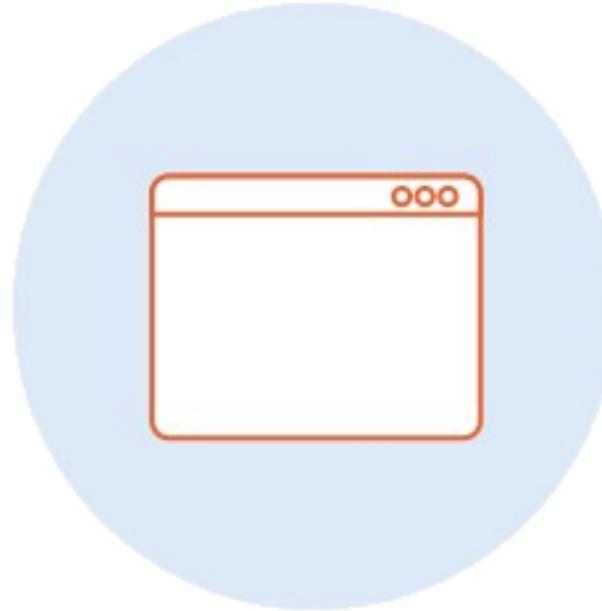


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# Finding your ideal state

While a current state VSM is great for understanding how things currently work, we do need to look to the future. It is only by setting out the ideal state that you can know where you aim to be and ensure you reach that point.

## Current



Run through your existing flow, identifying points of contention, and when handovers impact value.

## Future



Take your learnings from the current state and visualize the idea flow after addressing challenges using SECAR<sup>1</sup> methodology.

1---

- Simplify – can you process improve, take out the waste?
- Eliminate – can you eliminate the need for the process in the first place (link to VOC)?
- Consolidate – can you merge some processes or the capacity that is delivering that?
- Automate – can technology support your delivery?
- Reallocate – should somebody else (e.g. upstream) be doing this work?

# Value Stream Mapping?

- **Visual prompt**

It creates a visual prompt that helps you see the entire stream of work, how it creates value, where it breaks down, and the role everyone plays.

- **Customer-centric**

The maps connect work to your customer, addressing the change management challenge of shifting internally focused staff to the external, customer concerned thinking approach.

- **Simplification**

You can simplify the complex, making it easier to appreciate the work that goes into delighting customers.

- **Knock down**

siloes Organizational thinking prevails, with the map allowing you to zoom out from a particular process and see how parts of the workflow could break down, giving you areas to prioritize and improve, which results in real value.



# ...the challenges?

- 1. Different shades of reality** The biggest challenge is knowing the difference between what happens in a process and what should happen. Just how easy is it to remember cycle times, batch sizes, or any information that comes in a handover, if this is not recorded nor observed? That can form gaps in the map. Seeing the reality of what happens around us is challenging. There is only so much we can do between thinking, acting, and recalling our actions. That is why a Gemba is crucial to Operational Excellence and is so with VSM.
- 2. The devil is in the detail** While looking at data and understanding your value flow is a core part of the exercise, it is easy to overload information and want to map every step of a journey and its process, and the only way to curb this is to focus on a portion of the journey, not the whole.
- 3. The map is not the territory** The map is a representation of reality, not reality itself. The map is a tool to help us understand reality, not a replacement for reality. The map is a tool to help us understand reality, not a replacement for reality.
- 4. Attendees not supporting** the resulting improvement projects The beauty of VSMs is that the people who conduct the work are present. They are working with other stakeholders to find the issues in their processes which need to be addressed. It would be a failing of your approach if you did not take the results of the exercise and form improvement projects which don't feature those people.
- 5. Functional siloes** VSMs are limited in their impact when the exercise is limited to certain functions of your business. If you only invite Customer Success to your mapping efforts, ignoring Sales, Marketing, and Product, you miss the chance to involve fresh perspectives, and limit the vision of what is possible with the future state.
- 6. One and done** Do not be tempted to conduct your VSM and never return to analyze. The process should be repeated, with the future state as your True North of where you want to be.

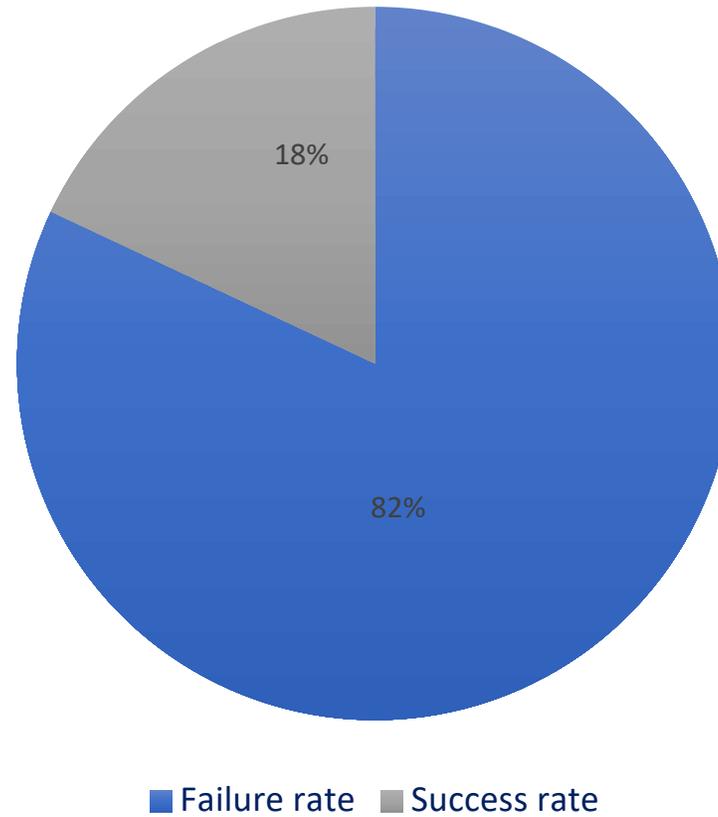


BUSINESS PLAN  
&  
ENTREPRENEURSHIP

# Problem

More than 8 out of 10 new businesses fail

## New businesses failure rate (%)

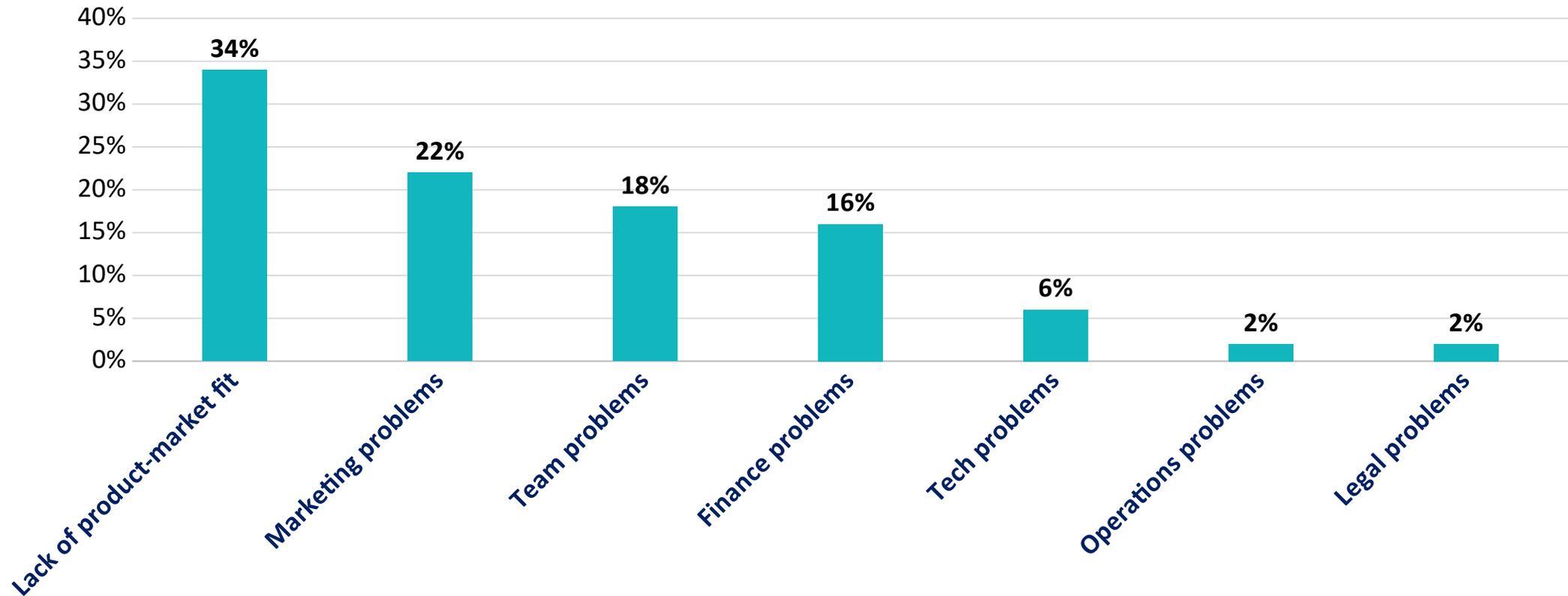


Source: Consolidation of multiple surveys from New York Times, Harvard Business Review, and Australian Financial Review

# Root causes of the problem

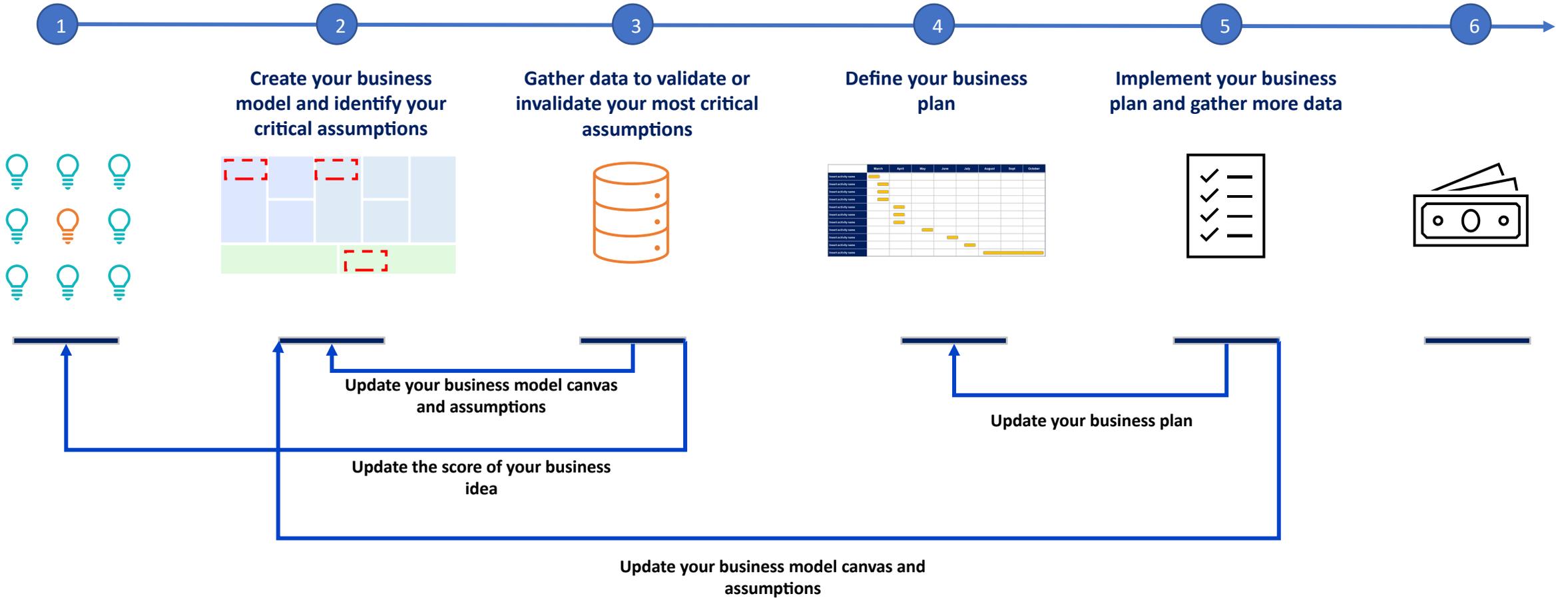
There are 7 main reasons why so many businesses fail.

Main reasons for failure of new businesses (%)



Source: Consolidation of multiple surveys from New York Times, Harvard Business Review, and Australian Financial Review

# 6 Phase Iterative Approach





### I. Generate business ideas & select the most promising one

1. Business idea generator
2. Business ideas prioritization



### II. Define your business model & identify your critical assumptions

1. Key partners
2. Key activities
3. Key resources
4. Value propositions
5. Customer relationships
6. Channels
7. Customer segments
8. Cost structure
9. Revenue stream
10. Identify your most critical assumptions



### III. Gather data to validate or invalidate your critical assumptions

1. Data required to validate or invalidate our critical assumptions
2. Methods to get the required data
3. New data and insights
4. Impacts on our business model and business ideas prioritization



### IV. Build a business plan

1. Problem to solve & solution
2. Mission, vision & strategic objectives
3. Target market
4. Market analysis
5. Competitor analysis
6. Marketing plan
7. Business structure
8. Financial plan



### V. Implement your business plan and gather more data

1. Stakeholder management
2. Key performance indicators (KPIs) dashboard
3. Action plan
4. Monthly budget
5. New data and insights
6. Impacts on our business plan and business model



### VI. Estimate the value of your business and raise funds

1. Company's financial performance analysis
  - Income statement
  - Balance sheet statement
  - Cash flow statement
  - Financial ratios
  - Sales breakdown analysis
  - Cost breakdown analysis
2. Top 3 business valuation methods
  - Discounted cash flow
  - Comparable company analysis
  - Precedent transaction analysis
3. Venture Capital 101
4. Investor & Startup Term Sheet



# Step-by-step framework to generate business ideas and prioritize them

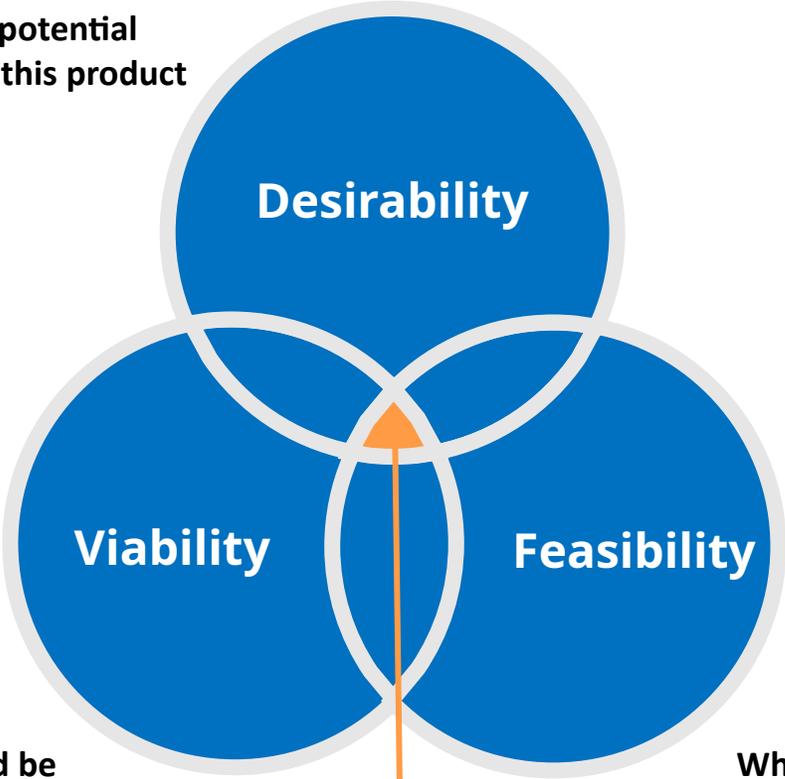
Many people believe that they will never be able to create their own business because they think that they are not creative enough to generate good business ideas. Well, the good news is that you do not really need to be creative to generate good business ideas. All you need to be is methodical, by following these 5 simple steps:

- 1. Identify problems (or unfulfilled needs) that you or someone else face.** Every week, you should witness multiple problems that you or someone else face. All you need to do is to write them on our “Business Idea Generator” Excel sheet.
- 2. Describe the current solution (if any) to this problem (or unfulfilled need).** If there are already great solutions delivered by many great companies, it is probably wise to go directly to your next problem to be solved.
- 3. Describe your potential solution to this problem (or unfulfilled need).** The solution is usually a product or service that would solve the problem. If there is already a current solution, your potential solution should emphasize a unique selling proposition that make your product/service better, or at least different.
- 4. Rate your solution by using these 4 criteria:**
  - Feasibility
  - Desirability
  - Viability
  - Personal interest
- 5. Prioritize the business idea** that has the best score.

To easily implement these 5 steps, you will need to use the Excel document “Business idea generator and prioritization”. While step 1 can be done daily (or whenever you witness a problem during your day), steps 2, 3, 4, and 5 are usually done once a month.

# We recommend using of 4 criteria to rate and prioritize your business ideas

What is the potential demand for this product or service?



**Strategic Fit**

What would be the profitability of this business idea?

What is the feasibility of delivering this product or service?

+



What is your level of interest in trying to solve this problem?

# “Business idea generator and prioritization” to help in listing, rating and prioritizing business ideas

Business Idea Generator							
Problem (or Unfulfilled Need) Each time you or someone else face a problem (or has an unfulfilled need), insert it in this column.	Current solution Describe the current solution (if any) to this problem (or unfulfilled need). If there is no current solution, just write down "No current solution". If there are already great solutions delivered by many great companies, it is probably wise to go directly to your next problem to solve.	Your solution Describe your potential solution to this problem (or unfulfilled need). The solution is usually a product or service that would solve the problem. If there is already a current solution, your solution should emphasize a unique selling proposition that make your product/service better, or at least different.	Feasibility What is the feasibility to deliver this product or service? Score out of 5 using the following scale: Very low: 1 / Low: 2 / Medium:3 / High: 4 / Very high: 5	Desirability What is the potential demand for this product or service? Score out of 5 using the following scale: Very low: 1 / Low: 2 / Medium:3 / High: 4 / Very high: 5	Viability What would be the profitability of this business idea? Score out of 5 using the following scale: Very low: 1 / Low: 2 / Medium:3 / High: 4 / Very high: 5	Personal interest What is your level of interest in trying to solve this problem? Score out of 5 using the following scale: Very low: 1 / Low: 2 / Medium:3 / High: 4 / Very high: 5	Total score (out of 20) This column will automatically calculate the sum of the 5 previous columns. Click on the arrow filter of this cell to sort your business ideas from the best ones to the worst ones.
Insert your own text (e.g. many businesses need to undertake a digital transformation to stay competitive. But they don't know how to do it and can't afford expensive management consultants)	Insert your own text (e.g. No current solution")	Insert your own text (e.g. an affordable Digital Transformation Toolkit that will help businesses undertake a successful digital transformation for their organization)	5	4	3	5	17
Insert your own text	Insert your own text	Insert your own text	2	2	4	1	9
Insert your own text	Insert your own text	Insert your own text	1	2	3	1	7
Insert your own text	Insert your own text	Insert your own text	1	2	3	1	7



### I. Generate business ideas & select the most promising one

1. Business idea generator
2. Business ideas prioritization



### II. Define your business model & identify your critical assumptions

1. Key partners
2. Key activities
3. Key resources
4. Value propositions
5. Customer relationships
6. Channels
7. Customer segments
8. Cost structure
9. Revenue stream
10. Identify your most critical assumptions



### III. Gather data to validate or invalidate your critical assumptions

1. Data required to validate or invalidate our critical assumptions
2. Methods to get the required data
3. New data and insights
4. Impacts on our business model and business ideas prioritization



### IV. Build a business plan

1. Problem to solve & solution
2. Mission, vision & strategic objectives
3. Target market
4. Market analysis
5. Competitor analysis
6. Marketing plan
7. Business structure
8. Financial plan



### V. Implement your business plan and gather more data

1. Stakeholder management
2. Key performance indicators (KPIs) dashboard
3. Action plan
4. Monthly budget
5. New data and insights
6. Impacts on our business plan and business model



### VI. Estimate the value of your business and raise funds

1. Company's financial performance analysis
  - Income statement
  - Balance sheet statement
  - Cash flow statement
  - Financial ratios
  - Sales breakdown analysis
  - Cost breakdown analysis
2. Top 3 business valuation methods
  - Discounted cash flow
  - Comparable company analysis
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3. Venture Capital 101
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What is the purpose of a Business Model Canvas?

- A **Business Model** describes the rationale for how an organization creates, delivers, and captures value.
- A **Business Model Canvas** is a lean strategic management tool that will help you develop new business models or improve existing ones. It includes 9 building blocks, which were initially proposed in 2005 by Alexander Osterwalder:

1. Key Partners

2. Key Activities

3. Key Resources

4. Value Propositions

5. Customer Relationships

6. Channels

7. Customer Segments

8. Cost Structure

9. Revenue Stream

**Feasibility:** Can the company deliver its products and services?

**Desirability:** Is there customer demand for the company's products and services?

**Viability:** Can the company be profitable?

# Best practices to effectively use the Business Model Canvas

- When we use the Business Model Canvas with our clients, we usually like to organize workshops with key stakeholders.
- The most common mistake we've noticed over the years is when a CEO only invites the Corporate & Business Strategy team to the workshops. The stakeholders need to come from different functions such as Corporate & Business Strategy, Finance, Sales, and Marketing. That way your business model will be designed or refined based on many different perspectives, and the different functions will feel better engaged. And the more they feel engaged, the better they will commit to the implementation of the business model.
- We usually place an extra-large size (e.g., A1) version of the Business Model Canvas (see next slide) on the wall so groups of people can jointly start sketching and discussing business model elements using post-it notes or board markers. Many of our clients also like to simply project the Business Model Canvas on a big screen using PowerPoint, with one person responsible for writing the stakeholders' inputs in real time. When available, we also like to use an interactive display whiteboard such as **Google Jam board**. Interactive display whiteboards are great tools, especially when you have stakeholders attending your workshop online, which seems to be increasingly the case.
- Please note that defining your business model should be an iterative process that will be refined along the way. The first version of your business model will include many hypotheses. The idea is to test these to quickly validate or invalidate them. Start by testing the most critical hypotheses.

### Key Partners



- List the key partners that will help you optimize your operations, reduce your risks, and gain a competitive advantage.

### Key Activities



- List the most important activities required to implement the company's value proposition.

### Key Resources



- List the resources that are necessary to create value for your customers. These resources could be human, financial, physical, and intellectual.

### Value Propositions



- Define the problem you are trying to solve, or the needs you are trying to meet.
- List the products and services you offer to solve the problem or meet the needs of your customers.
- Also include in this section your unique selling proposition (USP) that will distinguish you from your competitors.

### Customer Relationships



- Identify the type of relationship you want to create with your customer segments. How will you interact with them?

### Channels



- List the different channels you will be using to deliver your value proposition to your targeted customers. An organization can reach its clients through its own channels, partner channels, or a combination of both.

### Customer Segments



- Identify which customers you try to serve (e.g., age, gender, location, interests, languages, habits).

### Cost Structure



- Estimate how much you are planning to spend on product development, marketing, sales, website design and development, etc.

### Revenue Stream



- Estimate how much you are planning to earn from your different sources of revenue.
- Estimate your earnings based on your costs and revenues.

# BUSINESS MODEL CANVAS (Tesla)



## Key Partners



- OEM Alliances
- Manufacturing and Purchasing (Toyota)
- Car Leasing Company
- Major Suppliers
- Dana Holding
- Panasonic
- Government

## Key Activities



- R&D
- Design
- Innovational Leap
- Software Development
- Sales & Marketing
- Building & Maintenance of Charging Stations Network

## Key Resources



- Electric Vehicle and Technological Knowledge
- Inverter
- Battery System
- Effective Cooling
- Automation & Engineering

## Value Propositions



- Best in class – Fully electric vehicles (EVs)
- Advanced Electric Vehicle Technology
- Solar Energy Systems

## Customer Relationships



- Customer Service Experience
- Brand
- Reputation
- Free/low-cost charging station network

## Channels



- Retail stores & galleries Partner Channel
- Self Service online store (website)
- Conferences & sales events

## Customer Segments



- High-end Luxury (Sedan or SUV)
- Mid – price range
- Commercial Vehicles – targeted towards transportation and shipping businesses
- Green Community
- Fast sports car enthusiast
- Autopilot
- Tesla Followers
- Elon Musk Followers

## Cost Structure



- Cost of material, labor & manufacturing overhead (COGS)
- Selling, general & administrative Cost
- Research & development Cost
- Restructuring Cost
- Interest expense, taxes and others

## Revenue Streams



- Automotive Segment revenue
- Energy generation & storage segment

Source:  Business Strategy Hub



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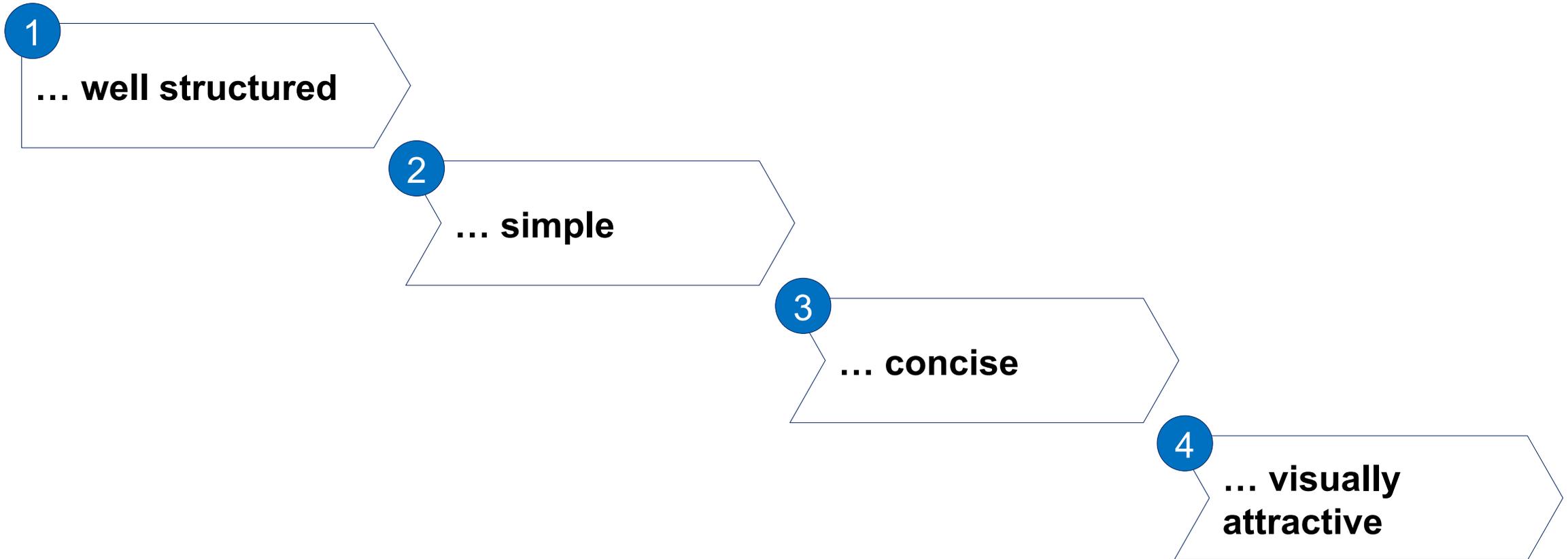
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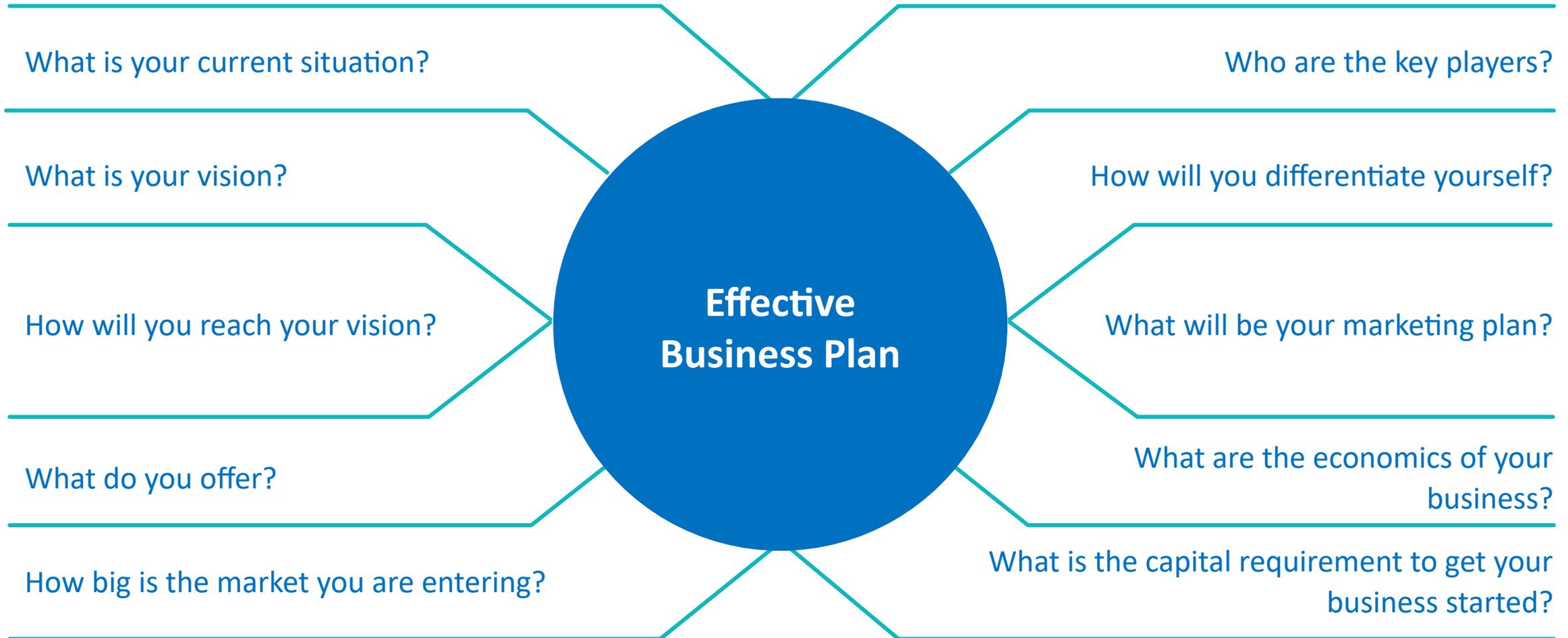


# Business plan key success factors

A business plan must be...



# An effective business plan needs to answer the following 10 questions:



# Business Plan Canvas

## Problem & Solution



- Insert your own text

## Strategic Objectives



- Insert your own text

## Mission, Vision & Values



- Insert your own text

## Market Analysis



- Insert your own text

## Marketing Plan



- Insert your own text

## Business Structure



- Insert your own text

## Competitor Analysis



- Insert your own text

## Financial Plan



- Insert your own text

## Business Valuation



- Insert your own text

# Competitor Comparison (1/2)

Replace this text with the main takeaway from this slide.

Compare your competitors on the most relevant criteria. These will depend on your industry and what you want to emphasize

	Revenue	Profit	Market share	Main activity	Number of employees	Product quality	Insert your own text
<b>Competitor A</b>	Insert your own text						
<b>Competitor B</b>	Insert your own text						
<b>Competitor D</b>	Insert your own text						
<b>Insert your own text</b>	Insert your own text						
<b>Insert your own text</b>	Insert your own text						
<b>Insert your own text</b>	Insert your own text						
<b>Insert your own text</b>	Insert your own text						
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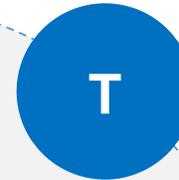
# PESTLE Analysis

## Political

- Replace the text by your own text

Insert here any political factors that impact or could potentially impact the Business. These political factors can be local, national or international.

Examples: A new government, a new initiative, a change of policy, etc.



## Technological

- Replace the text by your own text

## Economic

- Replace the text by your own text



# PESTLE



## Legal

- Replace the text by your own text

Insert here any Economic factors that impact or could potentially impact the Business.

Examples: A change in disposable income, an economic downturns, the availability of bank loans, etc.

Insert here any Social factors that impact or could potentially impact the Business.

Examples: The demographic change of a company's customers, a change in the cultural habits of the population, a change in lifestyle, etc.



## Social

- Replace the text by your own text

## Environmental

- Replace the text by your own text

# Products & Services

Product name	Key Customer Benefits	Key Features	Unique Selling Proposition (USP)
Product A	AI accelerators	Insert your own text	Insert your own text
Product B	Stable performance	Insert your own text	Insert your own text
Product C	Cortex based GUI	Insert your own text	Insert your own text

# Products & Services

Product name	Key Customer Benefits	Key Features	Unique Selling Proposition (USP)
<b>Insert the name of your product or service</b>	A Product Benefit is what the user gets from the product rather than its physical characteristics or features	Features mean the characteristics by which products are identified and differentiated. It usually comprises shapes, colors, functions and uses	It defines your company's unique position in the marketplace. It is an often overlooked but very important element of creating a business that customers love. A strong unique selling proposition allows you to stand apart from competitors and actively focus your energy on creating things that cater to your ideal group of customers

# Financial Statements Forecast

## Income Statement

### 3 Statement Financial Model

All figures in USD thousands unless stated

Balance sheet balanced

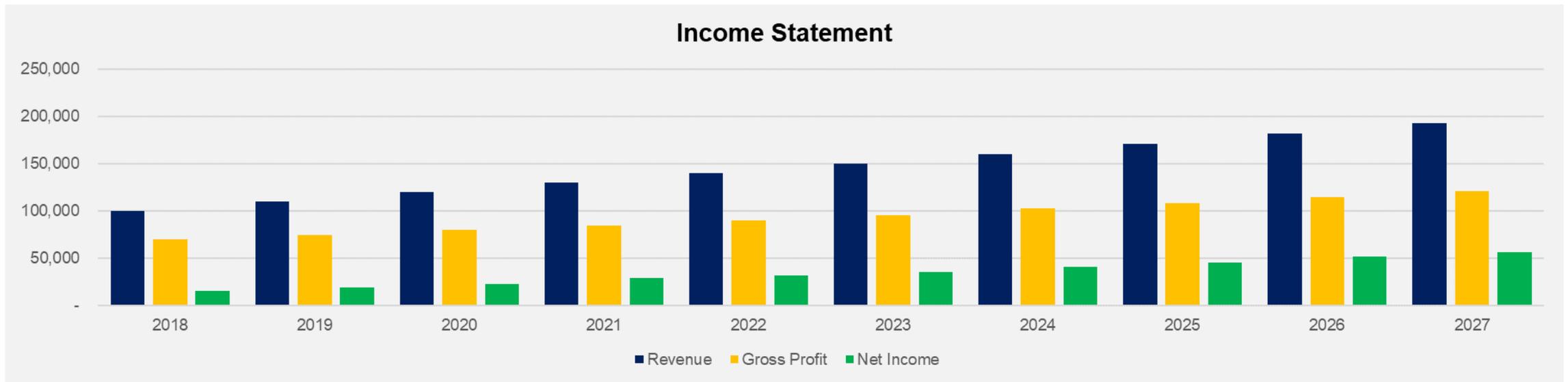
	2018	2019	Actuals			Estimates				
			2020	2021	2022	2023	2024	2025	2026	2027
	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK

### Income Statement

<b>Revenue</b>	100,000	110,000	120,000	130,000	140,000	149,800	160,286	171,506	181,796	192,704
Cost of Goods Sold (COGS)	30,000	35,000	40,000	45,000	50,000	53,928	57,703	63,457	67,265	71,301
<b>Gross Profit</b>	70,000	75,000	80,000	85,000	90,000	95,872	102,583	108,049	114,532	121,404
<b>Expenses</b>										
Selling, general, and administrative	30,000	28,000	28,000	27,000	27,000	27,000	27,000	27,000	26,000	26,000
Depreciation & Amortization	20,000	19,000	18,000	17,000	16,000	15,000	13,500	12,450	11,715	11,201
Interest expenses	2,000	4,000	3,800	3,800	3,800	3,500	3,500	3,500	3,100	3,000
<b>Total Expenses</b>	52,000	51,000	49,800	47,800	46,800	45,500	44,000	42,950	40,815	40,201
<b>Earnings Before Tax</b>	18,000	24,000	30,200	37,200	43,200	50,372	58,583	65,099	73,717	81,203
Taxes	2,000	5,000	7,000	8,000	11,100	15,112	17,575	19,530	22,115	24,361
<b>Net Income</b>	16,000	19,000	23,200	29,200	32,100	35,260	41,008	45,569	51,602	56,842

# Financial Statements Forecast

## Income Statement



# Financial Statements Forecast

## Cash Flow Statement

### 3 Statement Financial Model

All figures in USD thousands unless stated  
Balance sheet balanced

	2018	2019	Actuals 2020	2021	2022	2023	2024	Estimates 2025	2026	2027
	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK

### Cash Flow Statement

#### Operating Cash Flow

Net Earnings	16,000	19,000	23,200	29,200	32,100	35,260	41,008	45,569	51,602	56,842
Plus: Depreciation & Amortization	20,000	19,000	18,000	17,000	16,000	15,000	13,500	12,450	11,715	11,201
Less: Change in Net Working Capital	7,000	1,000	(2,000)	4,000	(2,000)	2,519	736	976	734	778
<b>Cash from Operations</b>	<b>29,000</b>	<b>37,000</b>	<b>43,200</b>	<b>42,200</b>	<b>50,100</b>	<b>47,741</b>	<b>53,772</b>	<b>57,043</b>	<b>62,583</b>	<b>67,265</b>

#### Investing Cash Flow

Investments in Property & Equipment	100,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<b>Cash from Investing</b>	<b>100,000</b>	<b>10,000</b>								

#### Financing Cash Flow

Issuance (repayment) of debt	40,000	40,000	(8,000)	(2,000)	-	-	-	(8,000)	(2,000)	-
Issuance (repayment) of equity	100,000	-	-	-	-	-	-	(10,000)	-	-
<b>Cash from Financing</b>	<b>140,000</b>	<b>40,000</b>	<b>(8,000)</b>	<b>(2,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,000)</b>	<b>(2,000)</b>	<b>-</b>

Net Increase (decrease) in Cash	69,000	67,000	25,200	30,200	40,100	37,741	43,772	29,043	50,583	57,265
Opening Cash Balance	-	69,000	136,000	161,200	191,400	231,500	269,241	313,013	342,056	392,639
<b>Closing Cash Balance</b>	<b>69,000</b>	<b>136,000</b>	<b>161,200</b>	<b>191,400</b>	<b>231,500</b>	<b>269,241</b>	<b>313,013</b>	<b>342,056</b>	<b>392,639</b>	<b>449,904</b>

## Target Market Size & Growth

Replace this text with the key takeaway of this Powerpoint slide.

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# Mission & Vision Statement

## Description

### Mission Statement

It is the company's reason for existence or purpose.  
It describes the overarching intent of the organization.  
It is usually defined during a workshop with the top management.  
It should provide focus, direction and help guide decision making and actions.  
It should be one easy to understand sentence and, if required, a more details description below the main sentence.

### Vision Statement

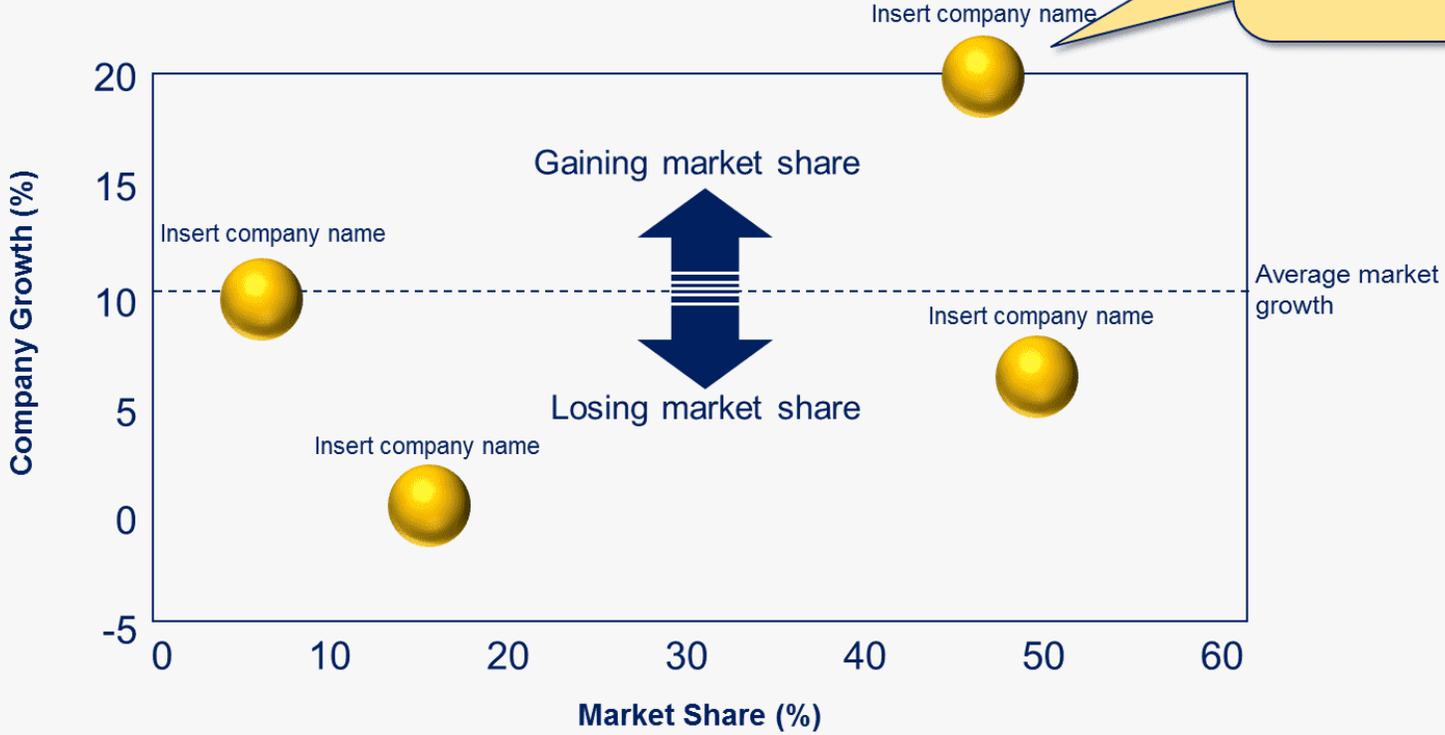
It describes the organization desired or intended state at some point in the near or distant future.  
It describes the overarching aim of the organization as it progresses into the future.  
Like the Mission Statement, it is usually defined during a workshop with the top management.  
It should provide focus, direction and help guide decision making and actions.  
It should be one easy to understand sentence and, if required, a more details description below the main sentence.

# Competitor Comparison (2/2)

Replace this text by the main takeaway of this slide.

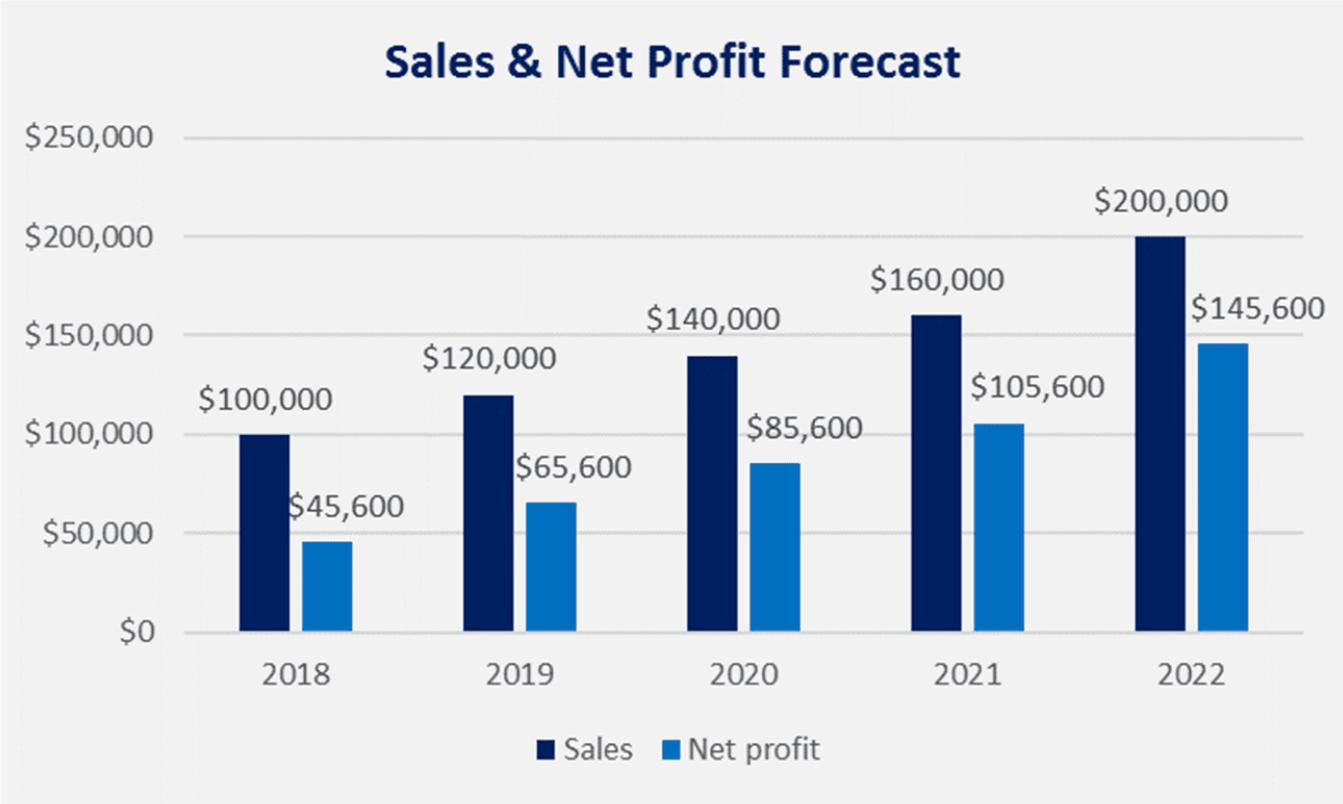
Position your competitor with a 2 by 2 or 3 by 3 matrix, using the 2 or 3 most relevant performance indicators.

Insert title



# Profit and Loss Forecast

Replace this text with the key takeaway of this slide. To edit the table below, open the Excel document “Financial Statements - Simple version”





### I. Generate business ideas & select the most promising one

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2. Business ideas prioritization



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# Key Performance Indicator (KPI) Dashboard

Business name: logo

Vision: Insert here

## Capital

\$100k

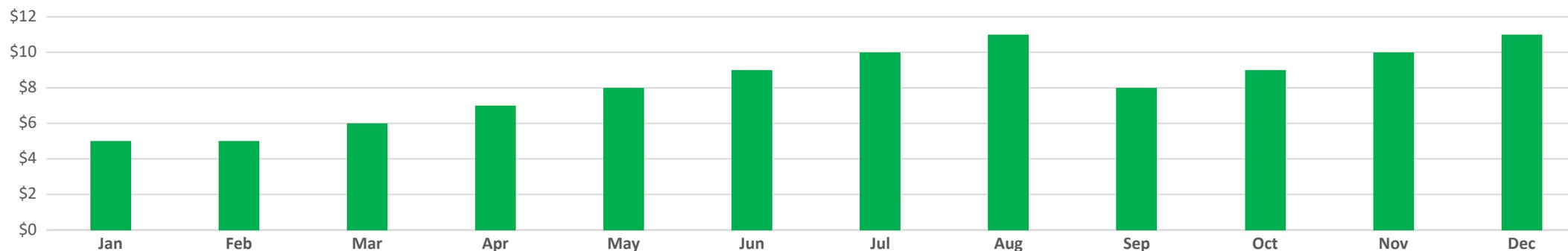
## Total Revenue

\$10k

## Total Cost

\$40k

## Net Cash Flow (\$k)



## Key Past Milestones

- Insert your own text
- Insert your own text
- Insert your own text

## Key Current Milestones

- Insert your own text
- Insert your own text
- Insert your own text

## Key Future Milestones

- Insert your own text
- Insert your own text
- Insert your own text

## Founder & CEO

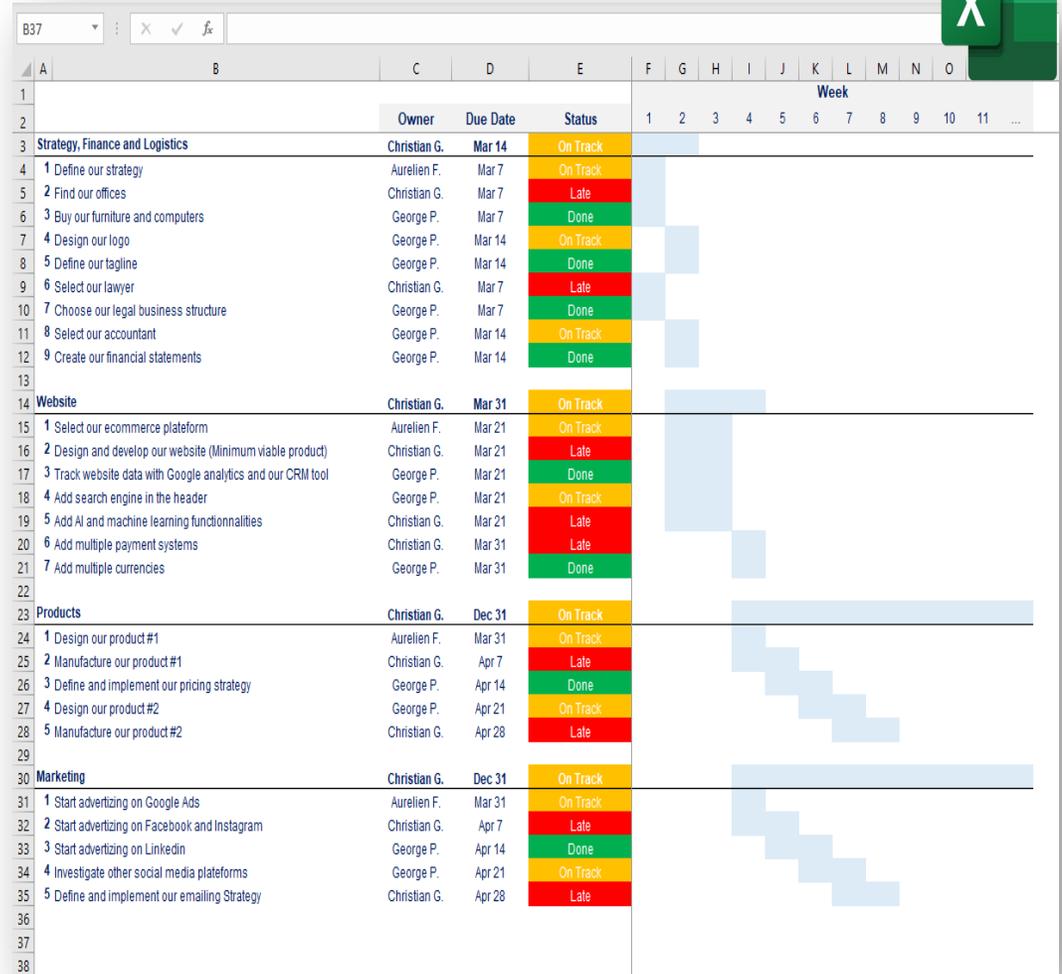
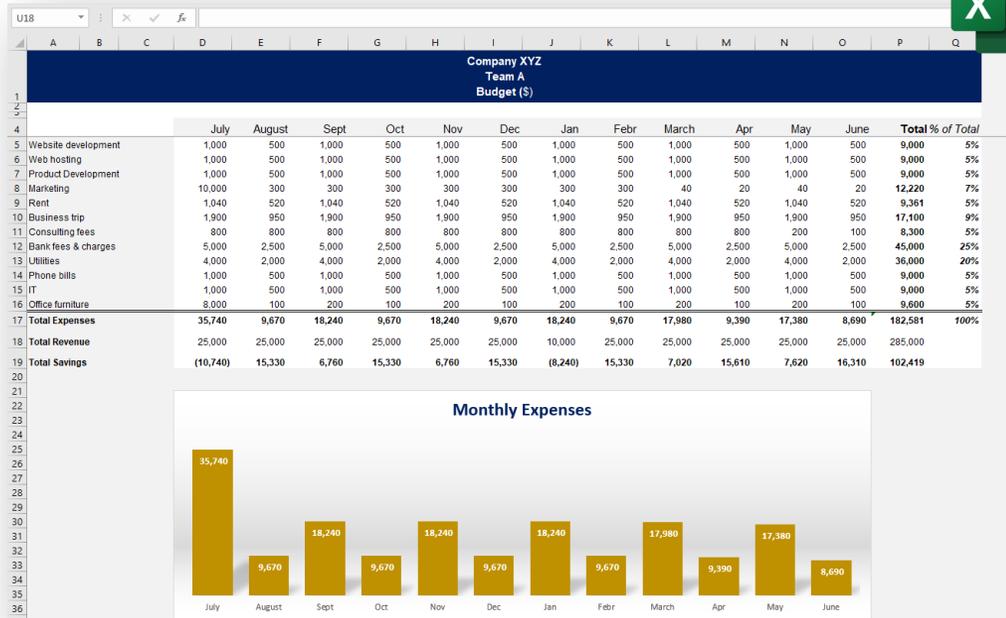
John Doe

## Chief Financial Officer

John Doe

## Chief Marketing Officer

John Doe





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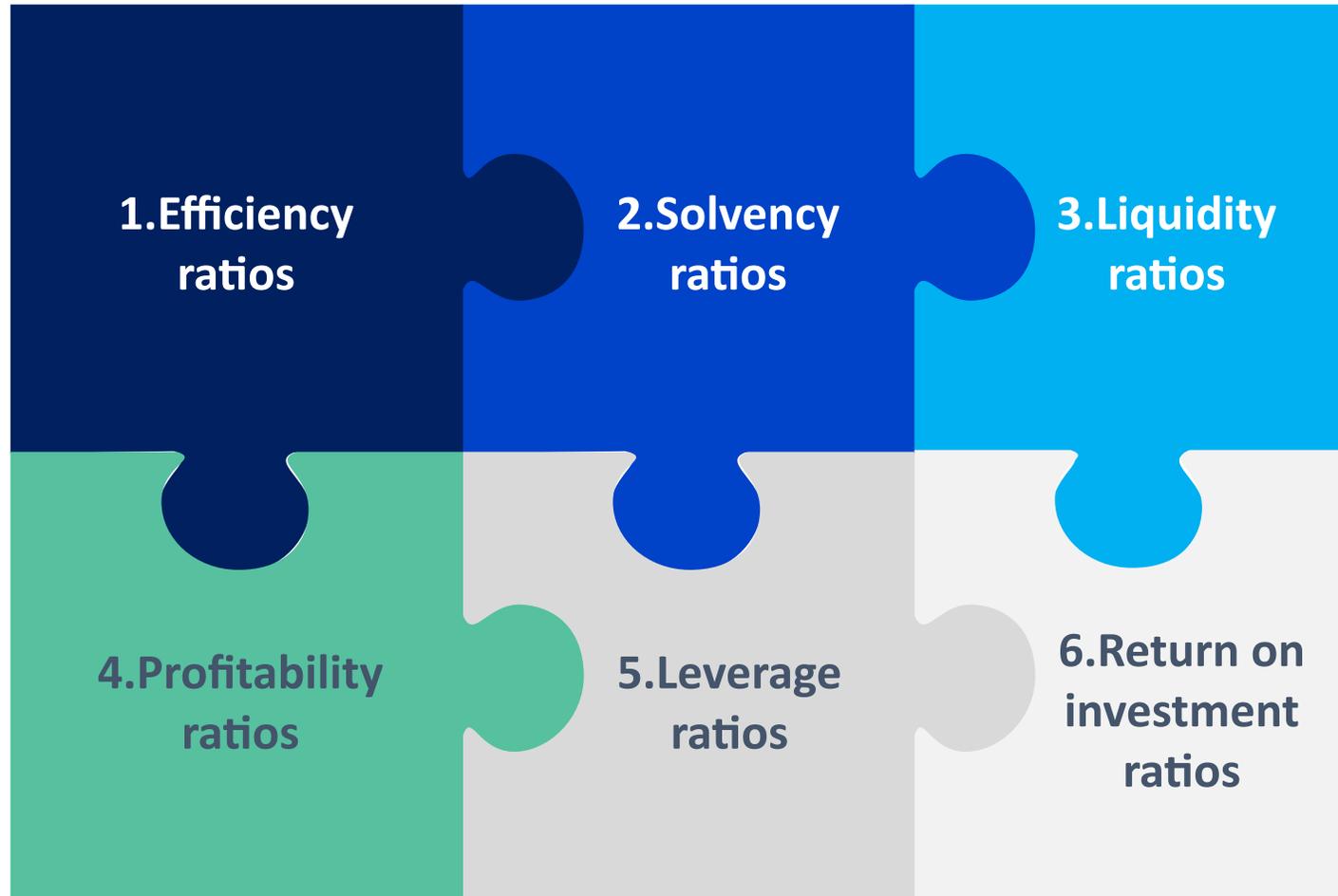


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There are 6 categories of financial ratio that can be used to analyze a company's performance



# 1. Efficiency ratios are typically used to analyze how well a company uses its assets and liabilities internally

Ratio <sup>1</sup>	Formula <sup>2</sup>	Definition <sup>2</sup>	Result
<b>Inventory turnover ratio</b>	COGS / Average inventory	The length of time it takes a company to sell inventory	Insert your own text
<b>Accounts receivable turnover ratio</b>	Sales / Average accounts receivable	The length of time it takes a company to collect accounts receivable	Insert your own text
<b>Accounts payable turnover ratio</b>	COGS / Average accounts payable	The length of time it takes a company to pay its creditors	Insert your own text
<b>Asset turnover ratio</b>	Sales / Average net assets	The efficiency of asset usage within a company	Insert your own text
<b>Fixed asset turnover ratio</b>	Sales / Average fixed assets	The efficiency of fixed asset usage within a company	Insert your own text
<b>Working capital turnover ratio</b>	Sales / Average working capital	How effectively is a company using its working capital (= current assets – current liabilities) to generate sales	Insert your own text

<sup>1</sup>365 / turnover ratio gives you the days outstanding

<sup>2</sup>The average equals the value at the beginning of the year + the value at the end of the year divided by 2

# Step 1- Open the document “Discounted Cash Flow Model” and fill in the cover page

## Cover Page

### Overview

<b>Company name:</b>	Insert company name
<b>Project name:</b>	Insert project name
<b>Project description:</b>	Insert a quick description of the project
<b>Project manager:</b>	Insert the name, title and business unit of the project manager
<b>Change manager:</b>	Insert the name, title and business unit of the change manager
<b>Project sponsor:</b>	Insert the name, title and business unit of the project sponsor
<b>Financial model name:</b>	Insert name of the model (e.g. DCF Model)
<b>Model objective</b>	To define the intrinsic value of a company
<b>Model building blocks:</b>	Assumptions, income statement, balance sheet, cash flow statement, supporting schedules and discounted cash flow
<b>Model owner:</b>	Insert document owner's name
<b>Last update:</b>	Insert date (e.g. March 12 2023)
<b>Model status:</b>	Work in progress

### Table of contents

<a href="#">DCF Model</a>	Includes Assumptions, income statement, balance sheet, cash flow statement, supporting schedules and discounted cash flow
---------------------------	---

### Model checks

<b>Balance sheet balanced</b>	Yes
-------------------------------	-----

## Step 2- Apply the same steps described in the documents. Three Financial Statements Model”

3 Statement Financial Model											
All figures in USD (Thousands unless stated)											
		Historical Periods				Forecast Period					
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
5	Balance sheet balanced	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
<b>Income Statement</b>											
26	Revenue	100,000	110,000	120,000	130,000	140,000	149,888	160,286	171,506	181,798	192,704
27	Cost of Goods Sold (COGS)	30,000	35,000	40,000	45,000	50,000	53,928	57,703	63,457	67,285	71,301
28	Gross Profit	70,000	75,000	80,000	85,000	90,000	95,972	102,583	108,049	114,512	121,404
<b>Expenses</b>											
31	Salaries and Benefits	30,000	28,000	28,000	27,000	27,000	27,000	27,000	27,000	26,000	26,000
32	Rent and Overhead	10,000	11,000	10,000	11,000	10,000	11,000	10,000	11,000	10,000	10,000
33	Depreciation & Amortization	20,000	19,000	18,000	17,000	16,000	15,000	13,500	12,450	11,715	11,201
34	Interest expenses	3,000	4,000	3,800	3,800	3,800	3,500	3,500	3,500	3,800	3,000
35	Total Expenses	63,000	62,000	59,800	58,800	56,800	56,500	54,000	53,950	50,815	50,201
36	Earnings Before Tax	8,000	13,000	20,200	26,200	33,200	39,372	48,583	54,059	63,717	71,203
38	Taxes	2,000	5,000	7,000	8,000	11,100	11,812				

The Three Financial Statements Model is often used as the foundations of most models. In other words, to create a DCF Model, you need to first create a Three Financial Statements Model

# Step 3- Insert your assumptions in the building block “Discounted Cash Flow”

<b>Discounted Cash Flow Model</b>						
<i>All figures in USD thousands unless stated</i>			<b>Estimates</b>			
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<i>Balance sheet balanced</i>	OK	OK	OK	OK	OK	OK
<b>Discounted Cash Flow</b>						
<b>Assumptions</b>						
Tax Rate	30%					
Discount Rate	10%					
Perpetual Growth Rate	2%					
EV/EBITDA Multiple	9.0x					
Transaction Date	31/12/2022					
Fiscal Year End	31/12/2023					
Exit Year	31/12/2027					
Current Share Price	5.00					
Shares Outstanding	100,000					
Time Periods		1.0	2.0	3.0	4.0	5.0

## Step 4- Estimate the Unlevered Free Cash Flow

Ideally all these figures should be pulled from either the income statement or the Balance sheet

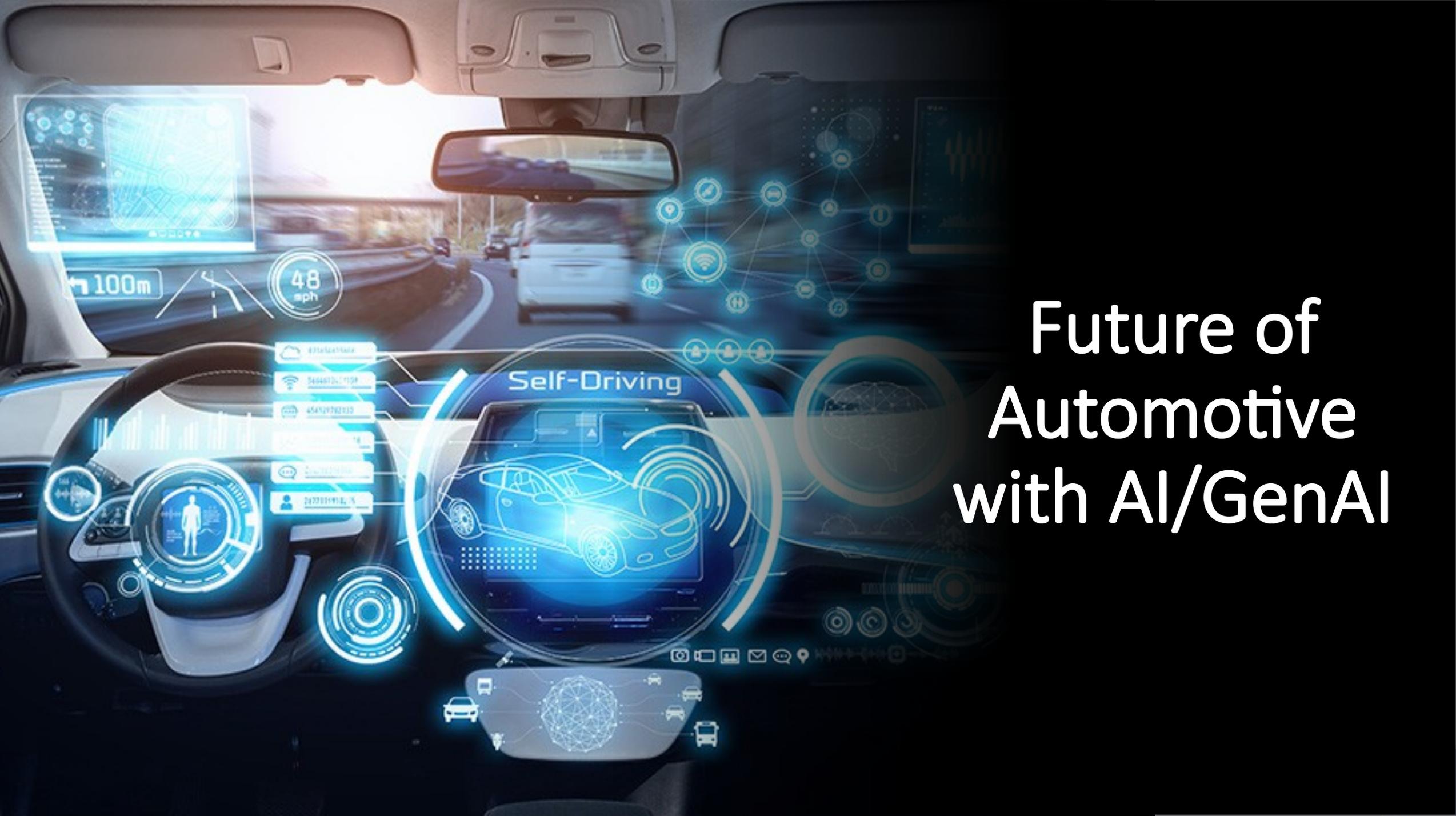
<b>Discounted Cash Flow Model</b>						
<i>All figures in USD thousands unless stated</i>						
	2022	2023	2024	2025	2026	2027
<i>Balance sheet balanced</i>	OK	OK	OK	OK	OK	OK
<b>Unlevered Free Cash Flow</b>						
Earnings Before Tax		50,372	58,583	65,099	73,717	81,203
Interest		3,500	3,500	3,500	3,100	3,000
<b>EBIT</b>		<b>53,872</b>	<b>62,083</b>	<b>68,599</b>	<b>76,817</b>	<b>84,203</b>
Less: Cash Taxes		16,162	18,625	20,580	23,045	25,261
Plus: D&A		15,000	13,500	12,450	11,715	11,201
Less: Capex		10,000	10,000	10,000	10,000	10,000
Less: Changes in NWC		2,519	736	976	734	778
<b>Unlevered Free Cash Flow</b>		<b>40,191</b>	<b>46,222</b>	<b>49,493</b>	<b>54,753</b>	<b>59,365</b>
<b>Net Present Value of Unlevered Free Cash Flow</b>		<b>186,180</b>				

Since \$1 earned in the future is worth less than \$1 earned today, it is important to calculate the Net Present Value of Unlevered Free Cash Flow

## Step 5- Calculate the Net Present Value (NPV) of Unlevered Free Cash Flow

<b>Discounted Cash Flow Model</b>						
<i>All figures in USD thousands unless stated</i>						
		<b>Estimates</b>				
	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
<i>Balance sheet balanced</i>	OK	OK	OK	OK	OK	OK
<b>Unlevered Free Cash Flow</b>						
Earnings Before Tax		50,372	58,583	65,099	73,717	81,203
Interest		3,500	3,500	3,500	3,100	3,000
<b>EBIT</b>		<b>53,872</b>	<b>62,083</b>	<b>68,599</b>	<b>76,817</b>	<b>84,203</b>
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Plus: D&A		15,000	13,500	12,450	11,715	11,201
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<b>Net Present Value of Unlevered Free Cash Flow</b>		<b>186,180</b>				

Since \$1 earned in the future is worth less than \$1 earned today, it is important to calculate the Net Present Value of Unlevered Free Cash Flow



# Future of Automotive with AI/GenAI

# GEN AI TAM

**Generative AI**  
is expected to  
achieve:

Source: BCG analysis.

**~30%**

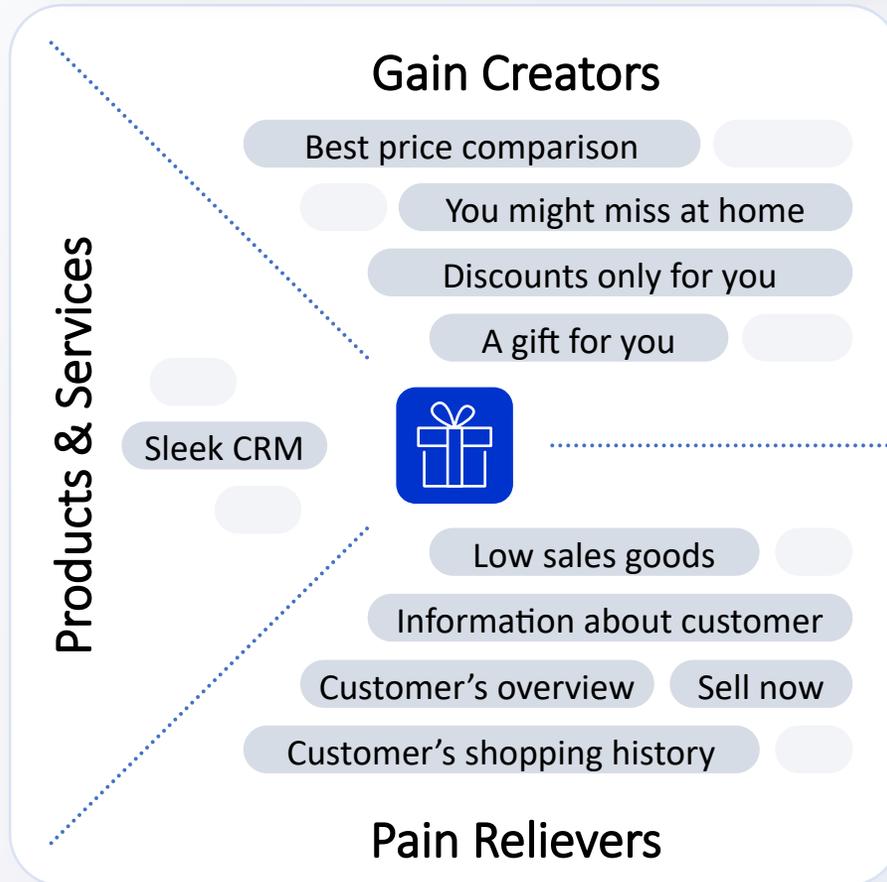
share of the overall AI  
market by 2025

**~\$60b**

of the total  
addressable market

# The Value Proposition Canvas

## Value Proposition



## Customer Segment: Small local shop



# Value Proposition Statement

## Structure

FOR	B2B businesses
WHO	Have trouble reducing energy to meet 1.5 degree C goal
OUR	Product would be able to reduce energy
IS	Software/Hardware
THAT	Reduce cost by 20%

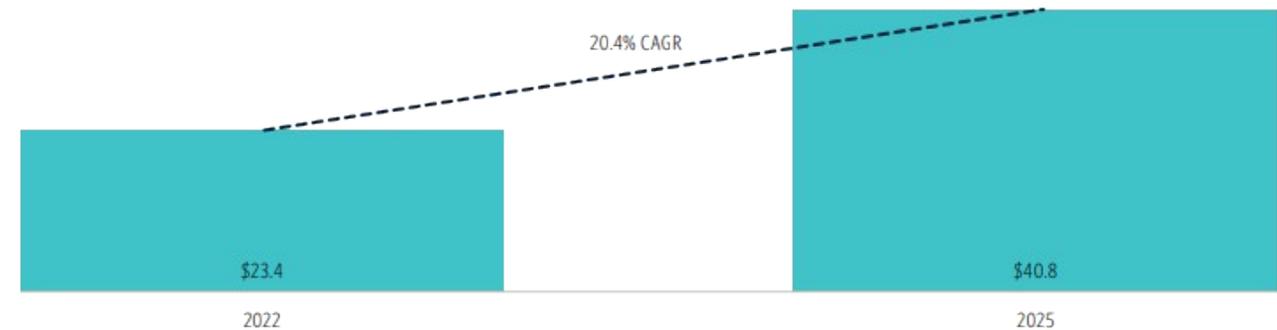
## Example

For B2B businesses who have trouble reducing energy to meet 1.5°C goal, our Our product is able t reduce energy is software/Hardware product that brings 20% reduction in end cost.

# IPA MARKET

- Imitation learning techniques can disrupt the **\$23.4** billion intelligent process automation (IPA) market.
- The IPA market has evolved from the conventional robotic process automation market to incorporate process mining and task mining.
- The latter two product types track user processes to automate common workflows. Incorporation of machine learning into these products remains limited, with high latency for updating predictive models. **General-purpose AI** models may be able to apply inferences from foundation models incorporating imitation learning to replicate human actions in near-real-time across a wide domain.
- Incumbents may find themselves behind in the application of state-of-the-art AI techniques to process automation

Intelligent process automation market size estimate (\$B)\*



Source: IDC | Geography: Global  
\*As of September 22, 2022

# MARKET SIZE

Our target market consists of EMEA region B2B2C ADAS, HMI Market, where companies are looking for Faster, Better, Cheaper Everywhere Gen AI solutions.

TOTAL MARKET SHARE: **10%**



# COMPETITIVE MATRIX

Our company offers the most affordable and easy to integrate Gen AI solutions to maximizes customers earnings



# COMPETITIVE ADVANTAGE

## OUR COMPANY

High Margin

Easy to deploy

Benefits in Software

Good Branding

Ease of Use

Easy to adopt

Used on all platforms

## COMPETITORS

High Margin

Easy Transaction

Benefits in Software

Good Branding

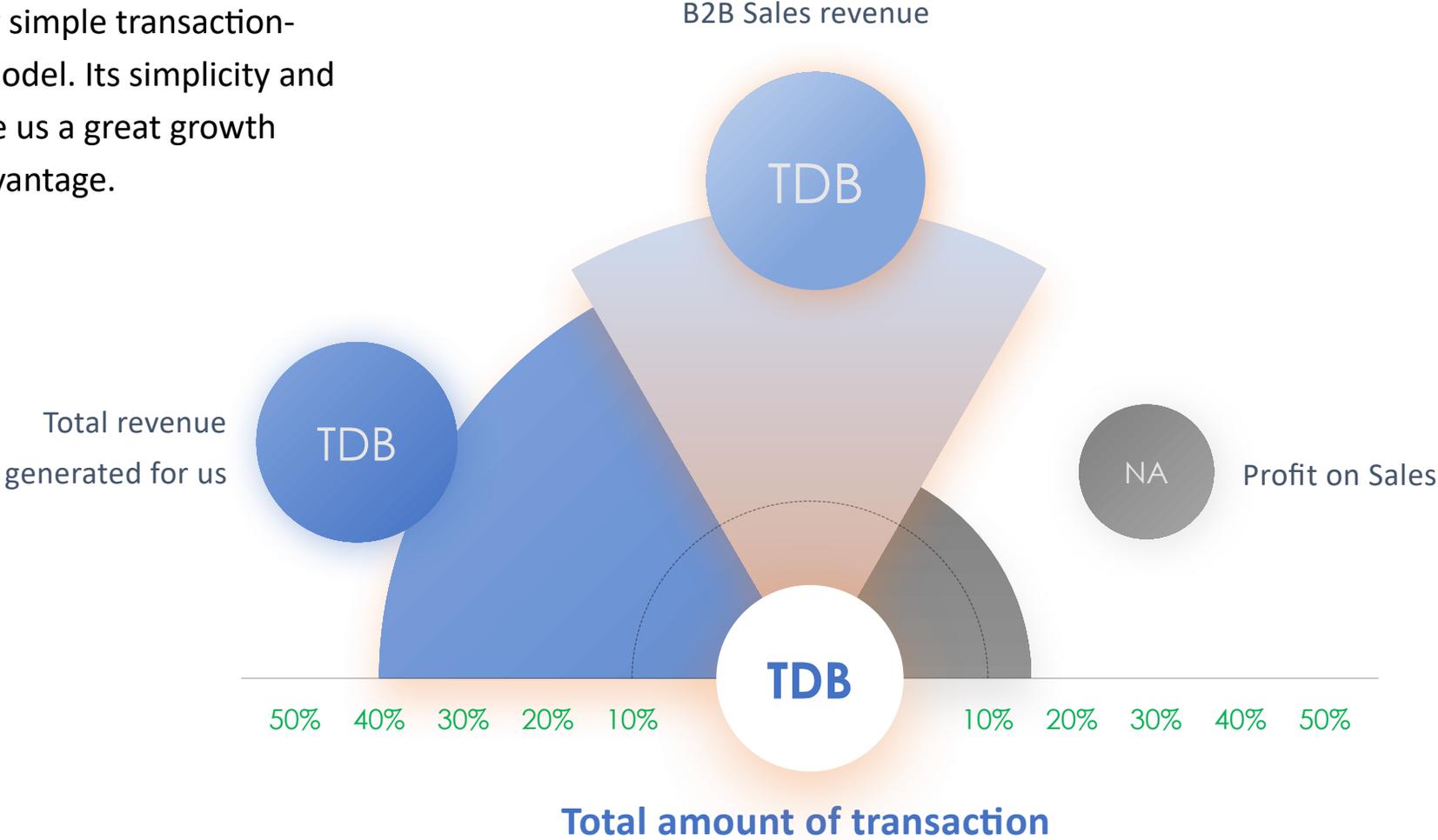
Ease of Use

Easy to adopt

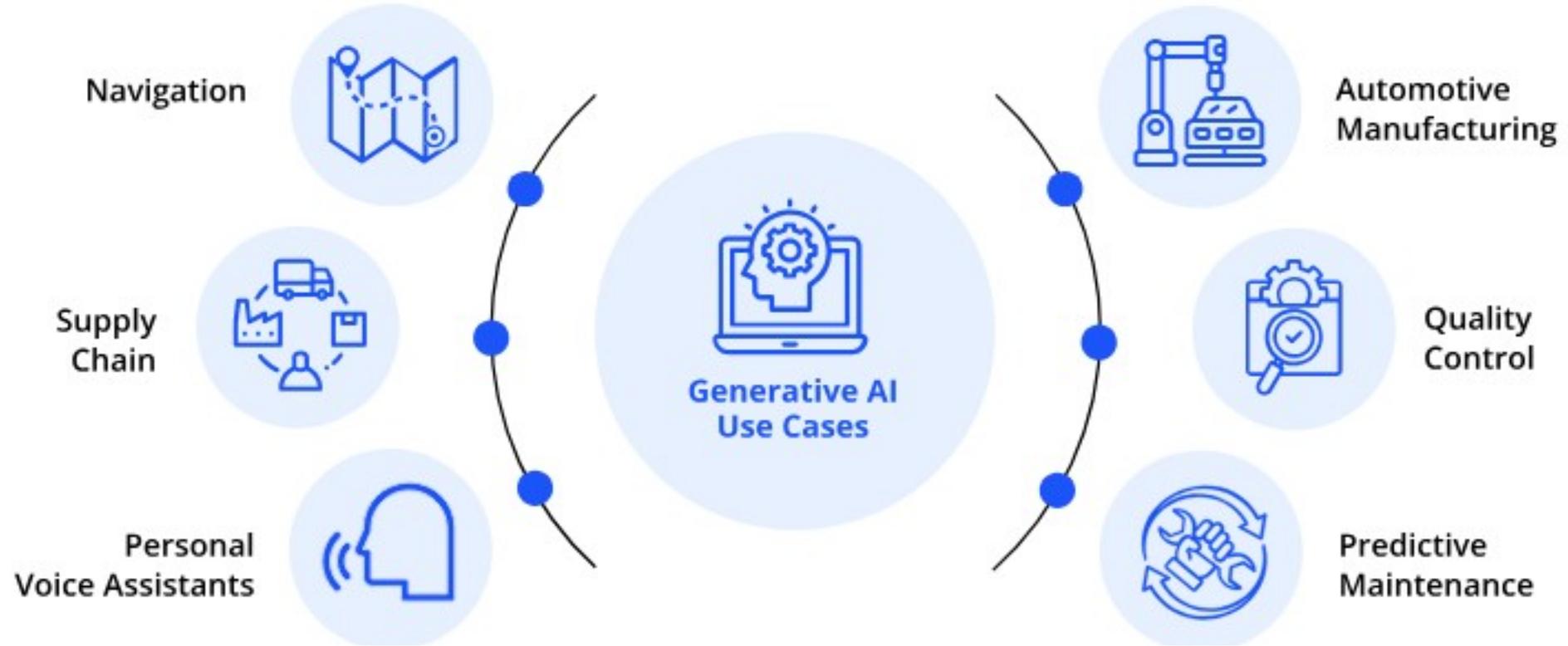
Used on all platforms

# BUSINESS MODEL

We have a very simple transaction-driven business model. Its simplicity and scalability give us a great growth advantage.



# GEN AI USE CASES



# Deploy, Reshape, Invent

No single approach can capture the full scope of what Gen AI offers. Instead, executives should evaluate their opportunities across three broad value plays:



## Deploy

GenAI in everyday tasks for broad enterprise productivity



## Reshape

critical functions end to end for radical efficiency and effectiveness



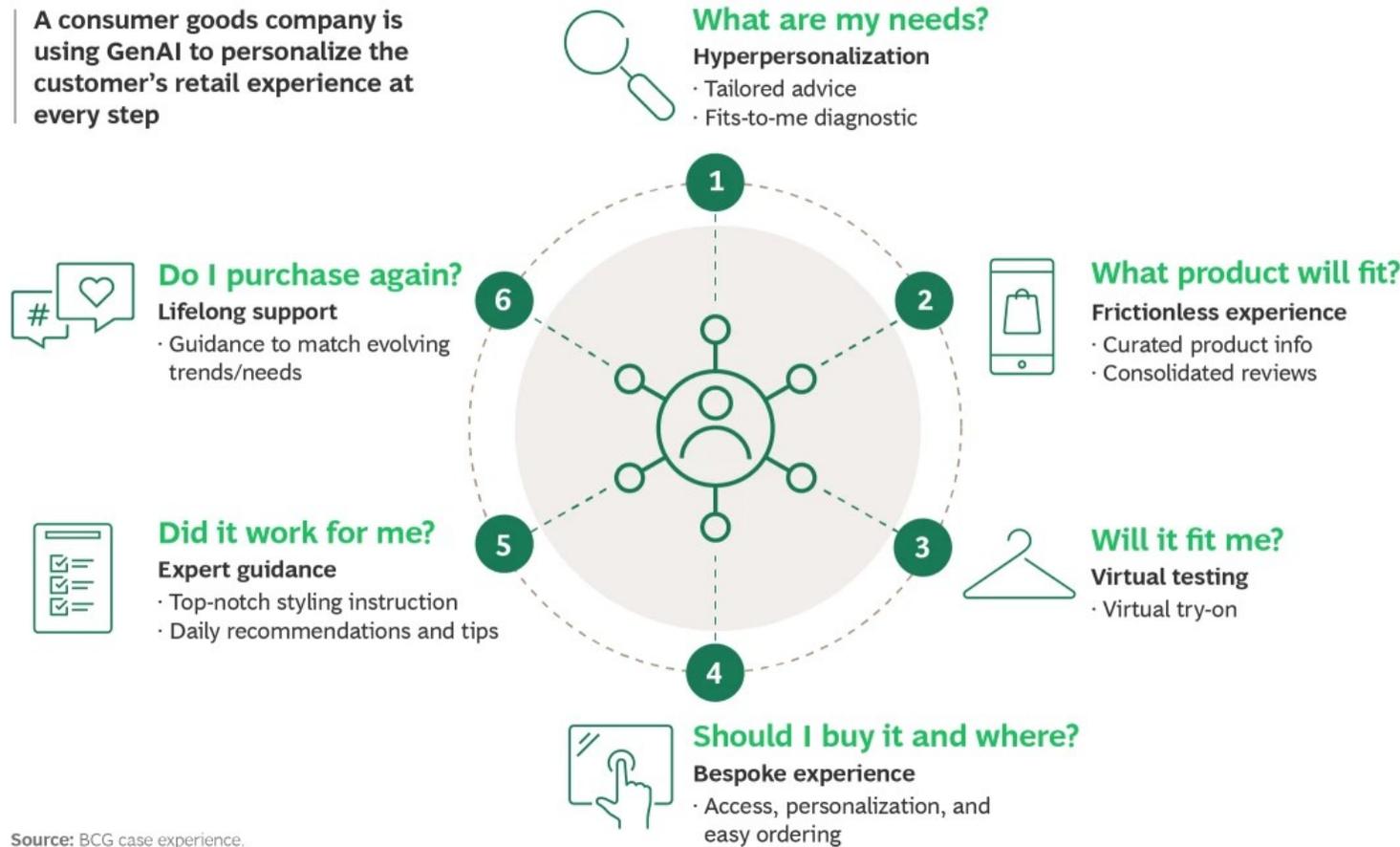
## Invent

new experiences, offerings, and business models powered by GenAI

# Gen AI enables a Personalized, frictionless consumer journey

*a consumer goods company is building a Gen AI-powered conversational assistant to provide customers with personalized diagnostics, trend discovery, product recommendations, and virtual try-on services. The company is just now starting to explore many new direct-to-consumer interactions—interactions that may take a bigger role in the overall value chain.*

A consumer goods company is using GenAI to personalize the customer's retail experience at every step



Source: BCG case experience.

**DIRECT TO CONSUMER**  
Expanding position in industry value chain

---

**CONSUMER INSIGHTS**  
Collecting additional consumer data

---

**2X HIGHER ROI**  
Than other transactional touchpoints

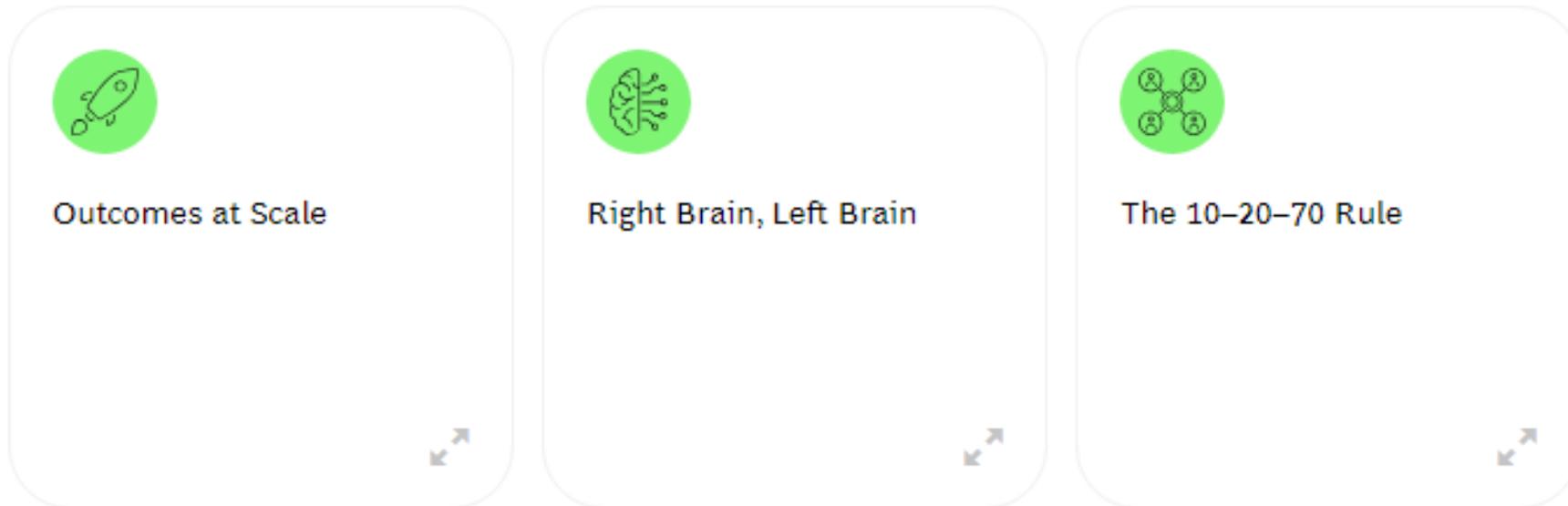
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**\$100M IN ADDITIONAL SALES**  
If scaled across all brands

# Delivering Gen AI Value

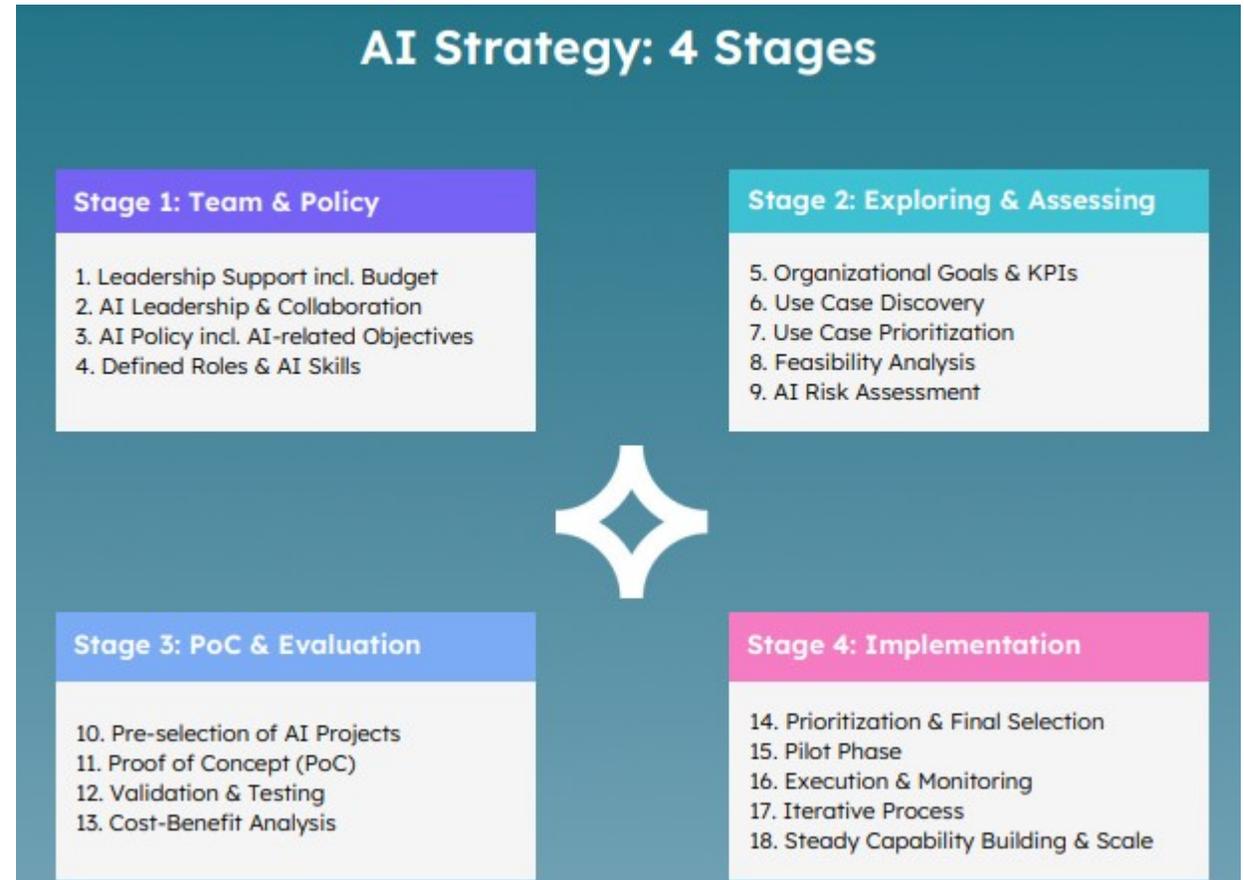
*The Deploy, Reshape, and Invent value plays are not mutually exclusive. You'll get more from Gen AI by balancing initiatives across all three plays. Put in place the specific technology backbone and responsible AI policies for each, and get your people excited about each initiative—there's no magic without them, after all.*

*As you pursue the three value plays, keep these core principles in mind:*



Developing an AI policy encompasses crucial considerations, including the following:

- alignment with business strategy
- adherence to organizational values
- evaluation of risk tolerance
- compliance with legal requirements
- understanding the risk environment
- assessing the impact on stakeholders

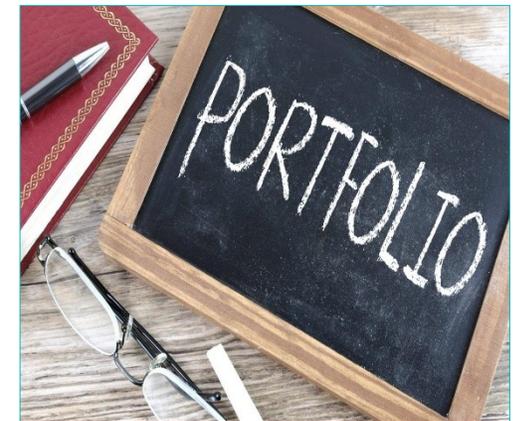


*Put emphasis on identifying opportunities where AI technologies are in a unique position to add value, provide innovative solutions, and contribute to your business KPIs.*

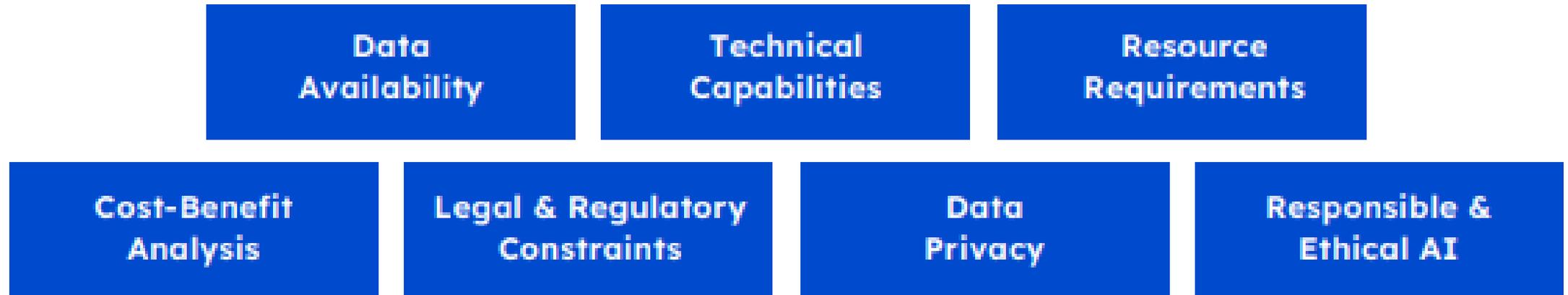
When selecting these use cases, anticipate the potential impact on your business, the feasibility of implementation, and data availability. Use cases with a clear ROI and alignment with business objectives should be prioritized.

Revenue generation, cost reduction, risk mitigation, and strategic alignment.

Another approach is going after building an AI portfolio with a mix of quick-win projects for immediate impact and long-term projects for strategic advantage. Quick wins involve optimizing simple touchpoints, often using off-the-shelf ML, to expose the organization to AI potential and build consensus. Long-term projects aim to redefine entire processes, such as automating entire workflows.

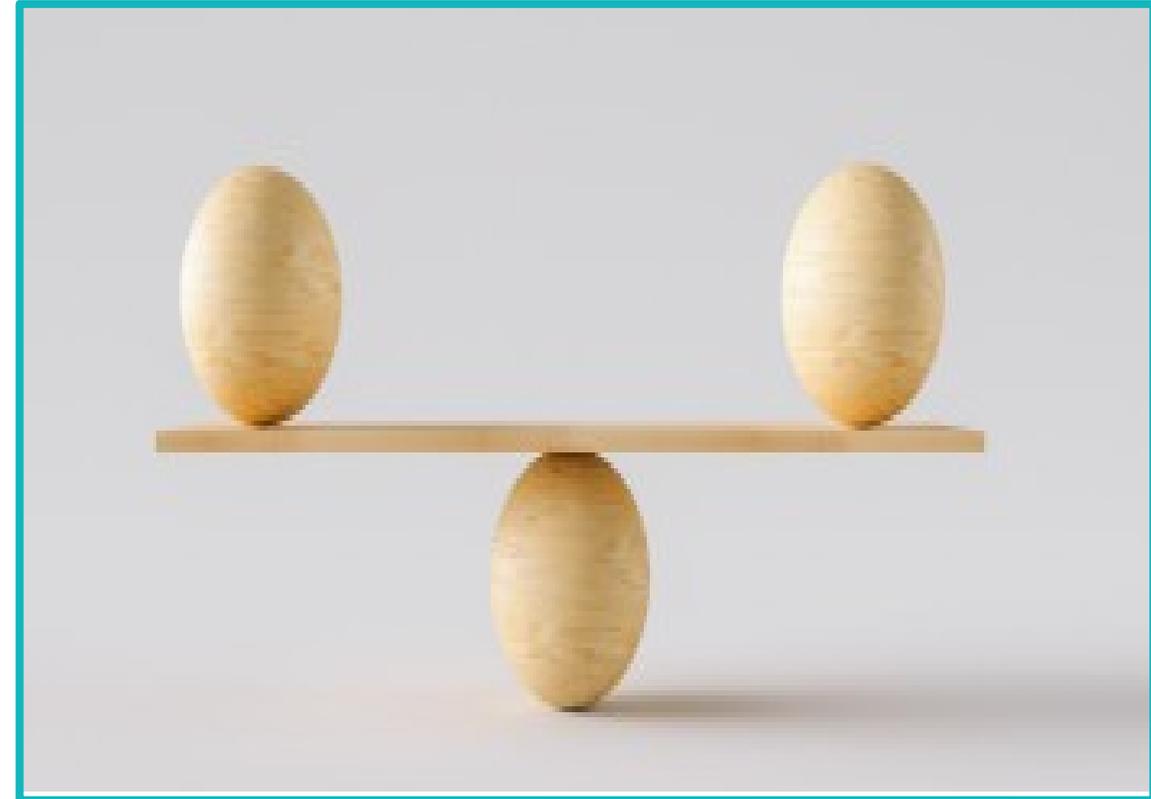


# Feasibility Analysis key factors



# AI Risk Assessment

- While feasibility focuses on project viability, risk assessment identifies and mitigates potential negative impacts.
- This step has become increasingly important due to growing awareness and concern over the ethical implications of AI. The evaluation is usually proportional to the AI system's potential impact.
- An AI Risk Assessment helps organizations evaluate the risks and benefits associated with deploying AI technology in a specific use case.



# AI Risk Assessment

- By conducting a rigorous cost-benefit analysis, organizations can make informed decisions about resource allocation, project prioritization, and the overall feasibility of AI initiatives.
- This analysis is a vital tool for assessing whether the potential gains outweigh the investments, helping organizations select and prioritize use cases that align with their strategic objectives and offer the most substantial value.



# Accelerating the Journey

Companies in all sectors are moving fast to realize meaningful gains through generative AI. Executives should use this one-year mark as an impetus to accelerate their organization's journey. Here's how to get started:

- **Establish a solid foundation:** Create a secure environment for the company to grow its exploration of Gen AI. Develop training, guardrails, and cybersecurity practices to drive safe, responsible, and informative experimentation.
- **Prioritize your value plays.** Strive for a balanced portfolio of initiatives across the Deploy, Reshape, and Invent plays to lock in table-stakes requirements, find short-term productivity gains, and reach for lasting competitiveness.
- **Steer the organization to the best ways to realize value.** Focus on the best opportunities to link Gen AI with positive results. Avoid getting lured in by flashy Gen AI functions that don't align with specific business objectives.
- **Accelerate enterprise learning.** Invest in coordinated experimentation at both the local and global levels. Given the speed of Gen AI's evolution, companies can't afford to have disparate teams embarking on their own individual learning journeys. Continuous, widespread learning is the best way to keep in step with the latest capabilities, and teams throughout a business should share what they learn as often as possible.
- **Envision your organization's future advantage.** Eventually, the playing field will normalize; every company throughout a sector will implement generative AI tools, and some competitive advantages that a business enjoys today will grow less pronounced. But Gen AI will also offer new advantages as it continues to evolve—especially data-quality superiority, speed, and agility. Anticipate where the most

# Business Benefits of GEN AI



Expanding labor productivity



Personalizing customer experience

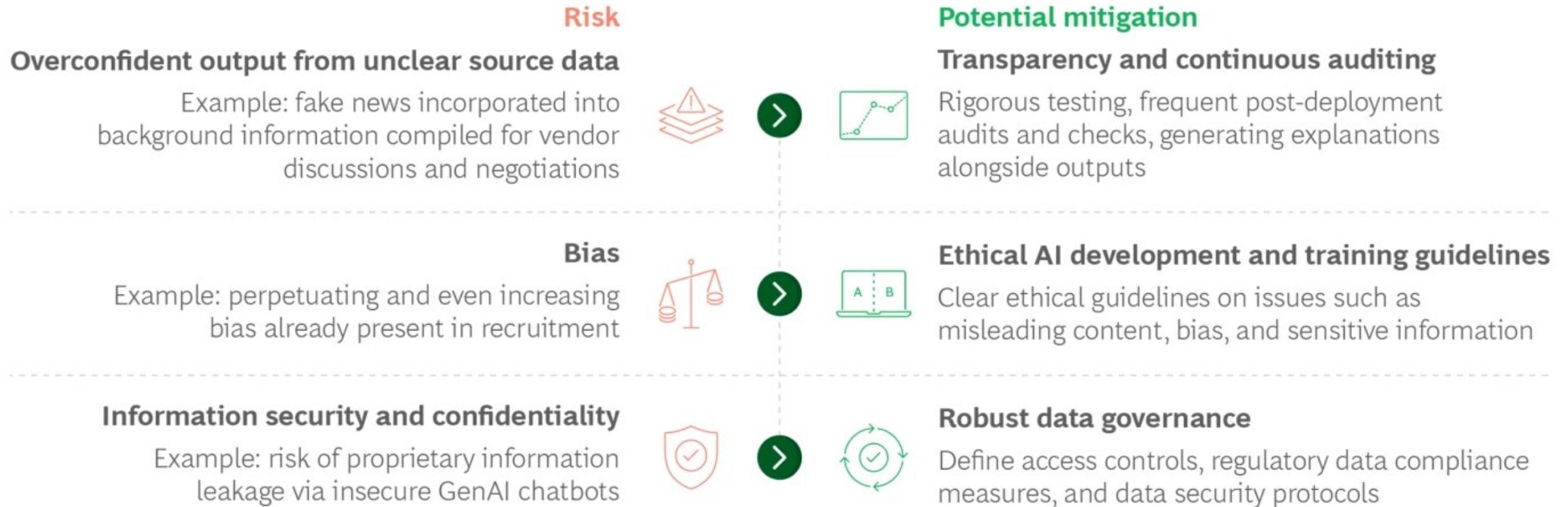


Accelerating R&D through generative design



Emerging new business models

# Controlling Risk of GEN AI in Global Business Services



Source: BCG analysis.

# Designing a GEN AI CoE (Center of Excellence)

## Global business services organization

	GenAI center of excellence	Global delivery centers	
 Location	Nearshore or offshore	Nearshore	Offshore
 Choice based on	Talent availability	Time zone, language, cost	Language and cost
 Role	Talent platform to attract and retain critical capabilities and deliver deep expertise at optimal, not lowest, cost	Factory for lowest-cost, end-to-end delivery of specific, value-added activities within traditional support functions	

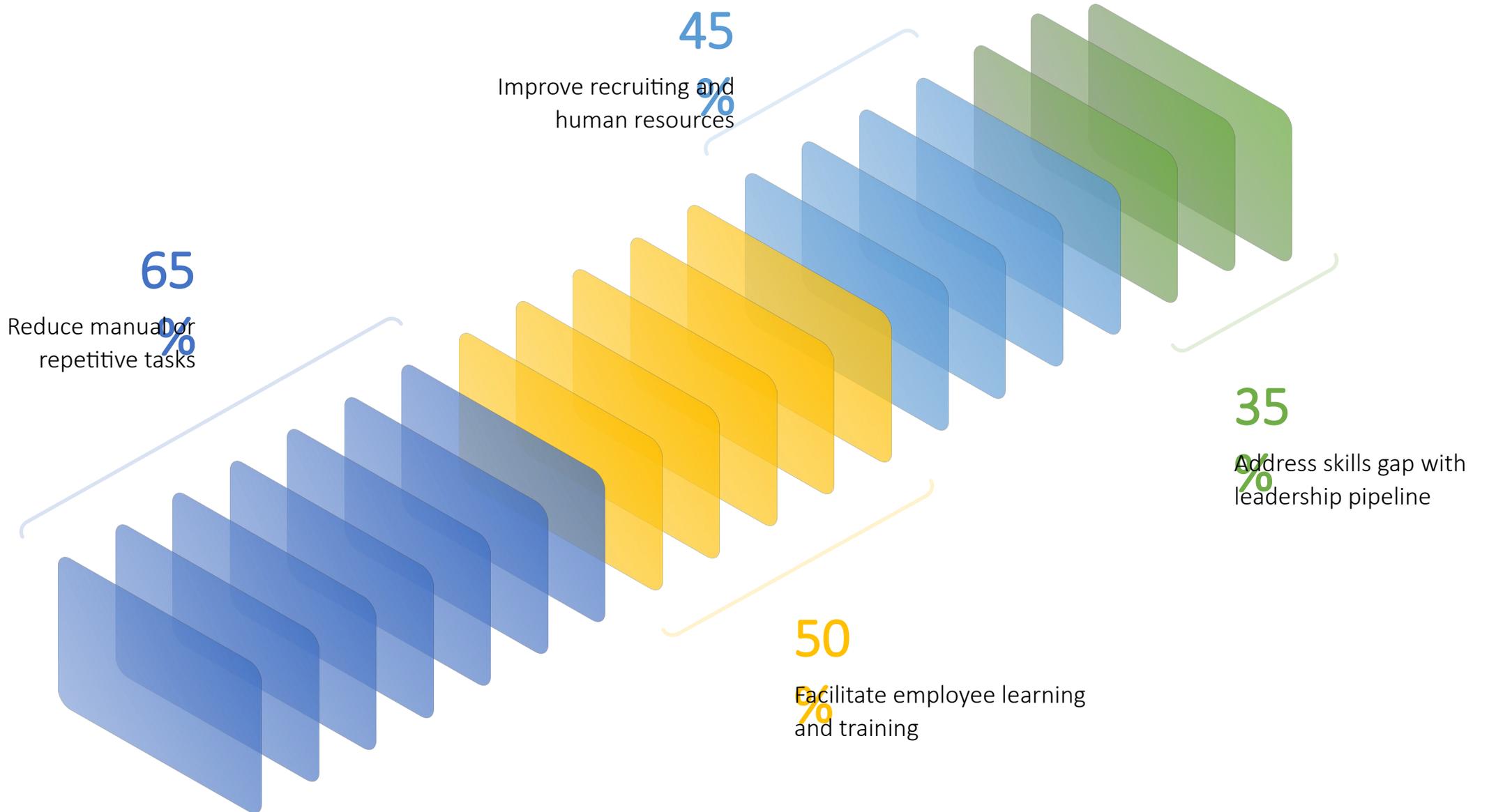
### Governance options

- 1 Fully centralized:** find use cases, drive adoption in partnership with other stakeholders, make the vision real.
- 2 Partially centralized (sub-optimal):** work closely with GBS and other leaders, co-owning projects and driving adoption where possible.
- 3 Hotel owner concept (not preferred):** offer high-level oversight and expertise when consulted. Try to implement central vision without direct ownership or control.

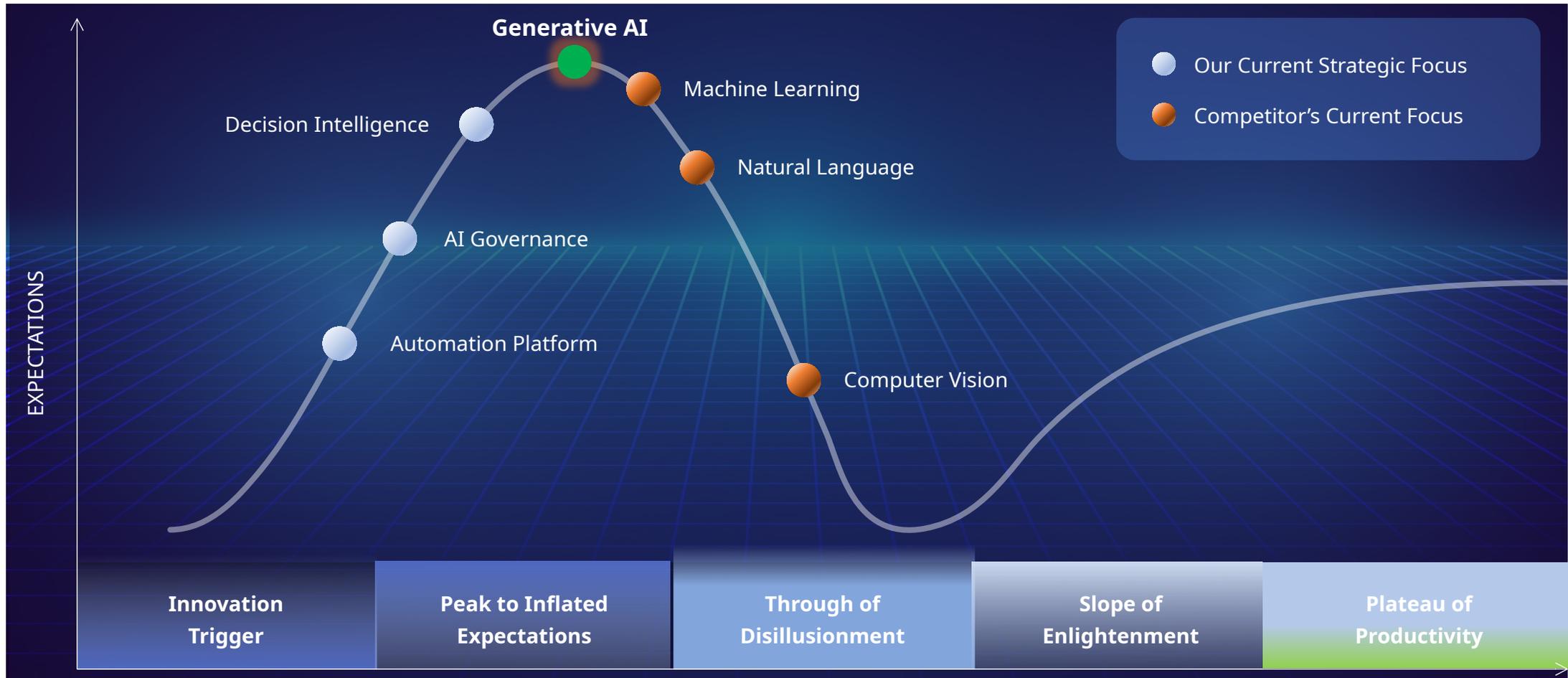
Source: BCG analysis.

Note: GBS = global business services.

# AI ADOPTION



# AI DEVELOPMENT HYPE CYCLE



# CORPORATE USE CASES

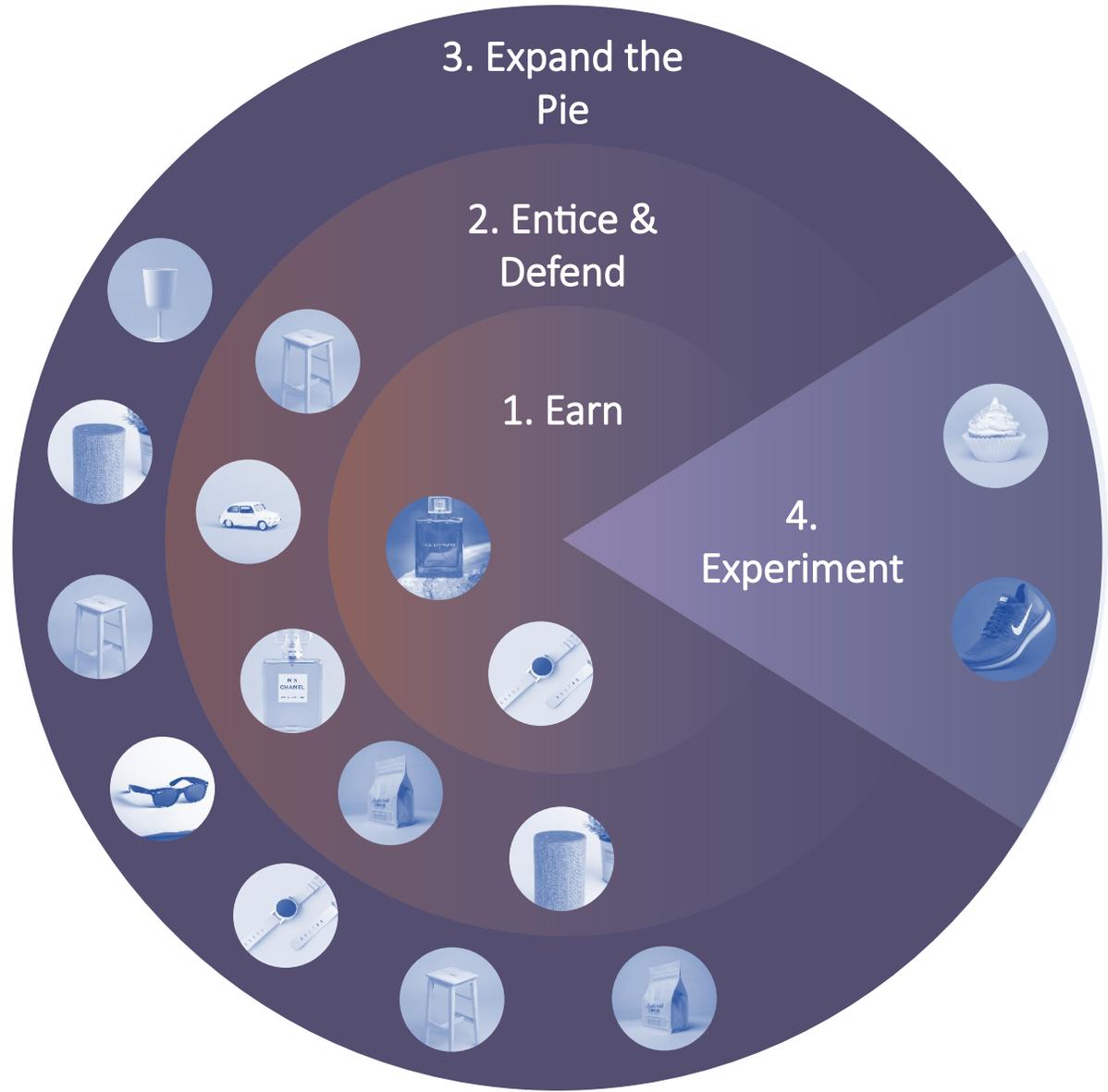
● None    🕒 High  
● Low    ● Very High  
● Medium

	Business Value			
	Income/Cash Improvement	Efficiency	Reporting/Forecasting Accuracy	Audit/Compliance
Demand/Revenue Forecasting	🕒	🕒	🕒	🕒
Anomaly & Error Detection	●	🕒	🕒	●
Decision Support	🕒	🕒	🕒	●
POC Revenue Forecasting	🕒	🕒	🕒	🕒
Cash Collection	●	🕒	🕒	🕒

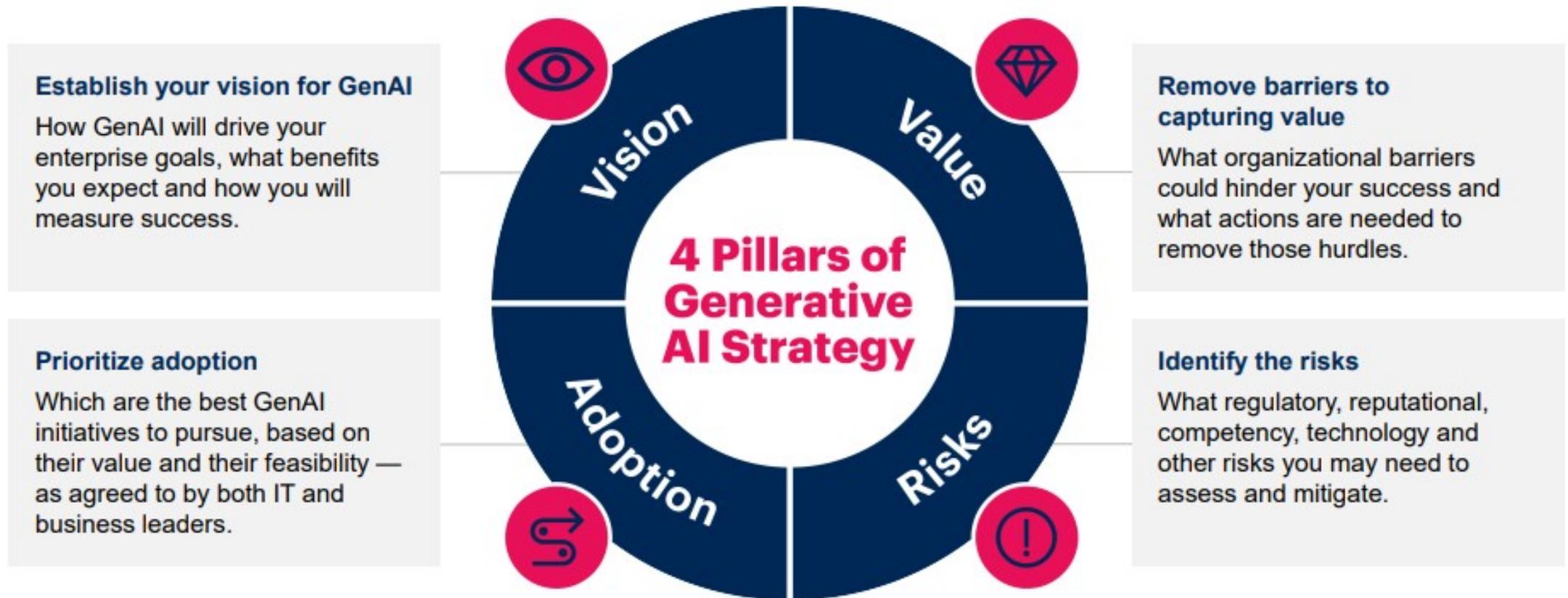
	Feasibility		
	Technical Feasibility	Data Feasibility	Organizational Feasibility
Demand/Revenue Forecasting	🕒	●	🕒
Anomaly & Error Detection	🕒	●	🕒
Decision Support	🕒	🕒	🕒
POC Revenue Forecasting	🕒	🕒	🕒
Cash Collection	●	🕒	●

# AI-INTEGRATED PRODUCT MIX

---



# Actions related to the 4 pillars of GenAI strategy



\*Gartner

# Key components of your AI strategy framework



## Vision

- Goals
- Benefits
- Success metrics



## Value

- Business impact
- Change management
- People and skills



## Risks

- Regulatory
- Reputational
- Competency



## Adoption

- Use cases and value maps
- AI decision framework
- Decision governance

# Then, specify how GenAI will drive business goals

Goal	How AI/GenAI Enables That Goal	Use Cases to Pursue (Illustrative Examples)
<b>Topline revenue growth</b>	Business model change inspired or supported by AI creates net-new business initiatives.	Behavioral analytics, contract life cycle management
<b>Improved customer satisfaction</b>	Greater ability to conduct customer behavior analytics increases proximity to the customer.	Virtual customer assistants
<b>Reduced costs</b>	Task and process automation reduce operational costs.	Risk/fraud mitigation, asset performance management
<b>Staff augmentation and increased productivity</b>	Augmented AI and automation increase productivity by shifting people away from managing mundane tasks.	Knowledge management and training, content generation, code generation
<b>Improved service availability</b>	Data-driven predictive analytics tools advance digital services.	Predictive maintenance, proactive threat management

\*Gartner

# Also, set AI success metrics

Business Goal	Appropriate Success Metric	Completion
Improved customer satisfaction	Customer satisfaction index/Net Promoter Score	Date
Topline revenue growth	Revenue growth for product lines	Date
New business initiatives	Number of new business initiatives	Date
Task or process automation	Reduction in processing time	Date
Reduce costs	Reduction in CapEx and OpEx	Date
Staff augmentation and increased productivity	Workforce productivity metrics, such as time spent on value-added tasks	Date
Improved service availability	% of annual availability	Date

\*Gartner

# Remove organizational barriers to capturing value

Strategic Concern	Solution	Executive(s) Responsible	What the Organization Will Do
Projects aligned to corporate goals are more likely to succeed and mature.	Document goals and require a portfolio approach to AI opportunity.	CIO	<ul style="list-style-type: none"> <li>Indicate which corporate goals should be addressed.</li> <li>Size portfolio (five or fewer pilots and minimum viable products).</li> </ul>
Metrics deliver credibility for project maturity.	Select metrics as proxies for financial and risk results or direct such measurements.	CFO	<ul style="list-style-type: none"> <li>Collaborate with your chief data and analytics officer to discuss what will be most measurable and educational for future projects.</li> </ul>
Formal structures of accountability bolster AI results.	Help complete a RACI (responsible, accountable, consulted and informed) matrix for AI strategy development and execution.	Chief data (and analytics) officers, CIO	<ul style="list-style-type: none"> <li>Draft a RACI matrix for all aspects of AI project and product development.</li> </ul>

\*Gartner

# Assess and mitigate risks

Key Types of Risks	Risk Category	Executive(s) Responsible	Action Plan		
<b>Regulatory</b>	<b>Adhere to regulations</b>	CIO/CTO and CRO	Understand the continuously evolving regulatory landscape.	Enable collaboration between AI practitioners and legal, risk and security members to evaluate use case feasibility and acceptable risks.	Create an AI governance office, which serves an independent audit committee to review results.
<b>Reputational</b>	<b>Secure and safe</b>	CIO/CTO	Acknowledge the threats against AI posed by both malicious and benign actors in your organization.	Bolster security across enterprise security controls, data integrity and AI model monitoring.	Leverage external resources to help secure your AI systems.
<b>Competencies</b>	<b>Technical debt</b>	CIO/CTO	Align AI strategy with cloud strategy and explore cloud as foundation for AI.	Create a technology roadmap to modernize data and analytics infrastructures to align with AI goals and timeline.	Create a startup accelerator program to reduce technical debt and innovate incrementally.

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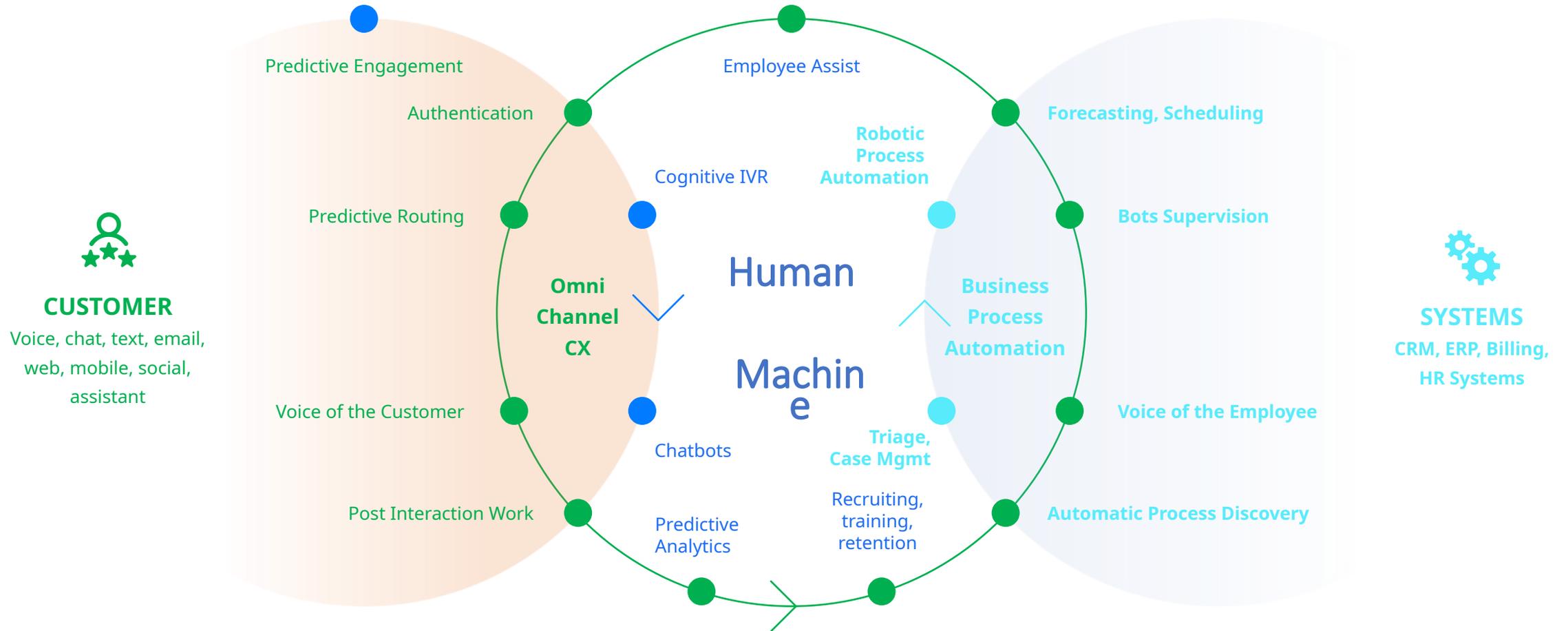
# Prioritize projects that are valuable and feasible

Project	TECHNICAL FEASIBILITY FACTORS			BUSINESS VALUE FACTORS			Overall Business Value (Scale of 1 to 10; 10 Being High)	Overall Technical Feasibility (Scale of 1 to 10; 10 Being High)	Ranking
	Access to Labeled Data	Architecture and Technology Feasibility	Have Skills/ People to Execute	Aligns With Our Mission and Values	Sponsor Support	KPIs Measurable			
Name	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No			
Name	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No			
Name	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No			
Name	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No			
Name	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No	Yes/Maybe/No			

\*Gartner



# END-TO-END AUTOMATION CAPABILITIES



# Jobs-to-be-done (JTBD)

## The Job

### Context

What situation or condition triggers the job?

### Role

Which persona or executor performs this job?

### Step

What part of the customer journey is this?

## Related

### Higher Job

Which (more aspirational) job is this a part of?

### Lower Jobs

Which (more functional) jobs are part of this?

### Other Jobs

Which other jobs come before and after this?

## Intrinsic

### Activities

What is the customer doing? What intrinsically driven activities are stable over time and solution-agnostic? How will you close the happiness gap?

## Extrinsic

### Outcomes

What does the customer achieve? What extrinsically driven outcomes are stable over time and solution-agnostic? How will you close the happiness gap?

## Alternatives

### Competition

What are the existing, alternative solutions that help the customer do the same thing or reach a similar outcome?

## Motivation

### Needs

Which pains, problems, and frustrations push the customer toward the new product?

### Role

Which gains, opportunities, and wins pull the customer toward the new product?

## Opposition

### Inertia

Which pains, problems, and frustrations push the customer toward the new product?

### Anxiety

What is the customer uncertain about that prevents switching to the new product?

## Impression

### Senses

Is a Wow Moment achieved by triggering some of the five senses?

### Emotions

Is a Wow Moment achieved by triggering certain feelings?

# Gain/Pain Ratio



Gain

Inertia, risk

Pain

>10

# Value Prop Booster

Basic value prop

With booster option A

With booster option B

With booster option C

**Verbiage**

Be more productive at work with less effort

Get started for free today

Zero commitment, cancel anytime

Schedule free demo with our expert today

**CTR**

N/A

8%

3%

5%

# RESPONSIBILITY & SOCIAL IMPACT

**PEOPLE**

<b>\$25.152M</b>	<b>\$67M</b>	<b>-39%</b>	<b>1.5M</b>	<b>46</b>
Distributed \$7.32 billion in economic wealth to our stakeholders, helping improve lives in our communities	Invest \$67 million in our communities in 20XX, including >373,000 hours volunteered by our team members	Maintained safety performance in 20XX amounting to a 39% improvement in injury rate since 2014	Provided 1.5 millions bours of training to our team members in 20XX- more than 27 hours per team member per year	Turned every dollar of revenue into a contribution to its communities of 46 cents- almost four times the average

**PLANET**

<b>-19.7%</b>	<b>A &amp; A-</b>	<b>43%</b>	<b>-3%</b>	<b>40,000</b>
Achieved a 19.7% reduction in absolute scope 1 & 2 emissions versus 2011, reaching 64% of our 2025 science based emissions	Scored A for climate & A- for water in CDP questionnaires, ranking Caesars as a top climate performer in industry	Diverted 43% of all our waste from landfill	Reduce water use per 1000 square feet at our properties and other lands by 3% in upcoming years	Reached more than 40,000 charging sessions resulting in more than 500 tons of GHG emissions through our stations

# STRATEGIC GOALS FOR NEXT YEAR

## OBJECTIVES >>>



### Optimize value of raw materials



### Create a culture of innovation



### Consistently produce quality products



### Enhance our brand

## WHAT IT MEANS TO US >>>

Raw materials are at the center of our business and their utilization must not exceed the capacity to replenish. It is increasingly important for us to continue optimizing the value of this precious resources.

Innovation requires a culture of idea generation, with our targets to set global benchmarks in the field.

Implement a company wide focus on quality to preserve the inherent quality of our natural resources through the supply chains.

By living our values both internally and in the public sphere, we aim to become the employer of choice and enhance our overall brand.

## KEY INITIATIVES

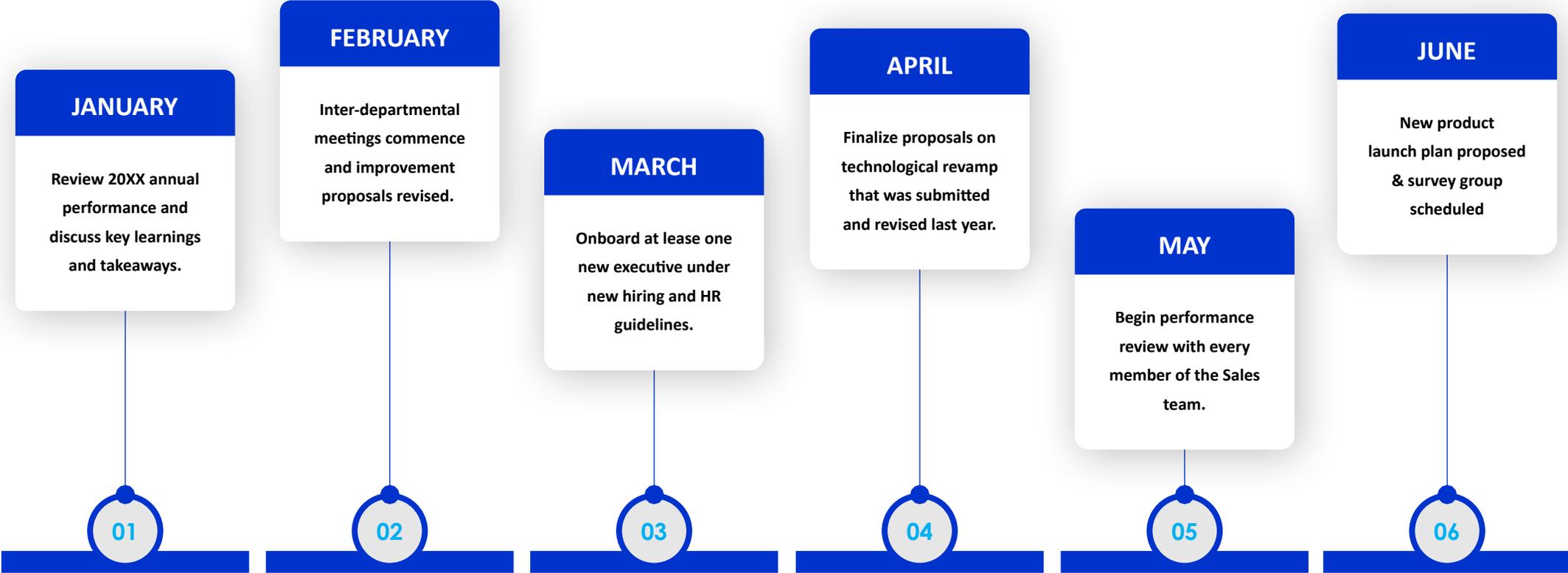
- Understand current cost of everything we do
- Increase the returns on all raw materials through value stream mapping and build organizational flexibility
- Develop our collaboration both internally & externally & build strategic alliances

- Stimulate idea generation
- Introduce research & development KPI's
- Benchmark against leading innovators

- Develop precise & relevant specifications
- Align rewards with effective communication, training etc.
- Quality assessment system to be appropriate
- Sharing all customer feedback
- Create quality culture

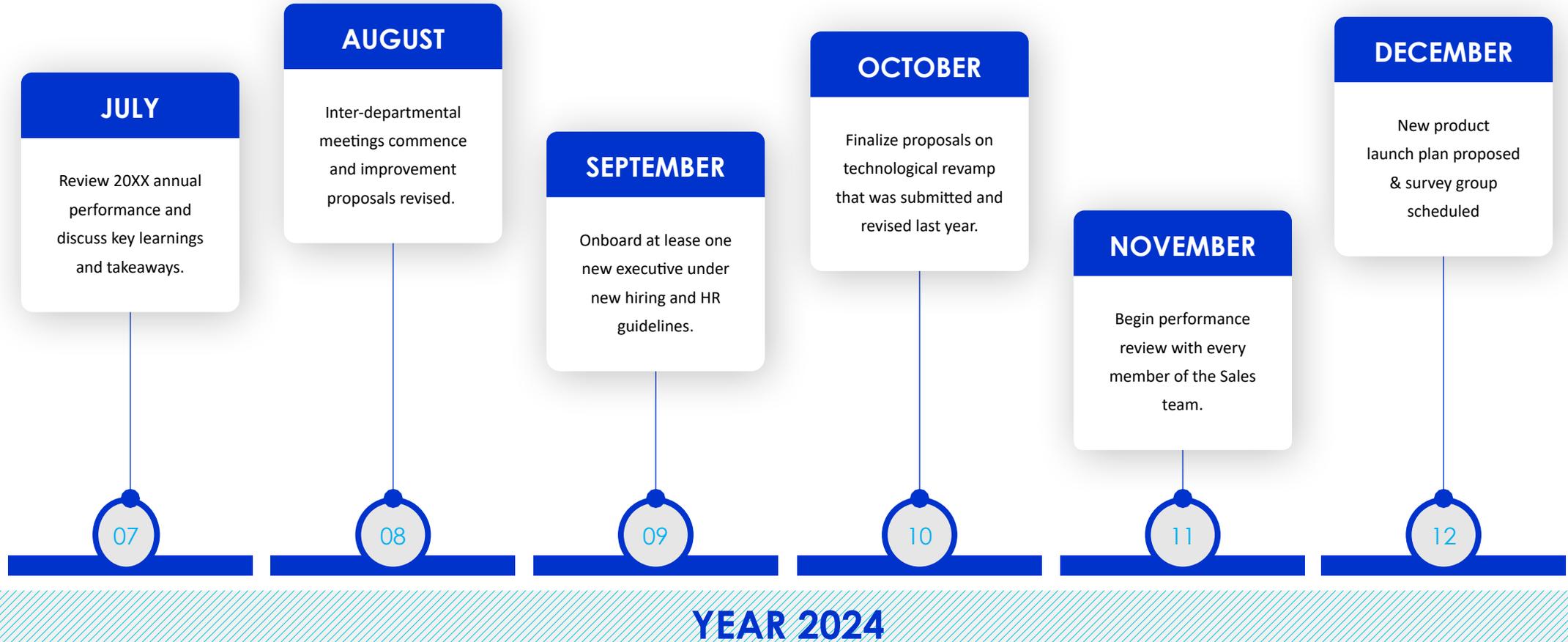
- Enhance public image
- Develop visibility
- Live our values
- Employer of choice

# 12-MONTH TIMELINE



YEAR 2024

# 12-MONTH TIMELINE (CONT.)

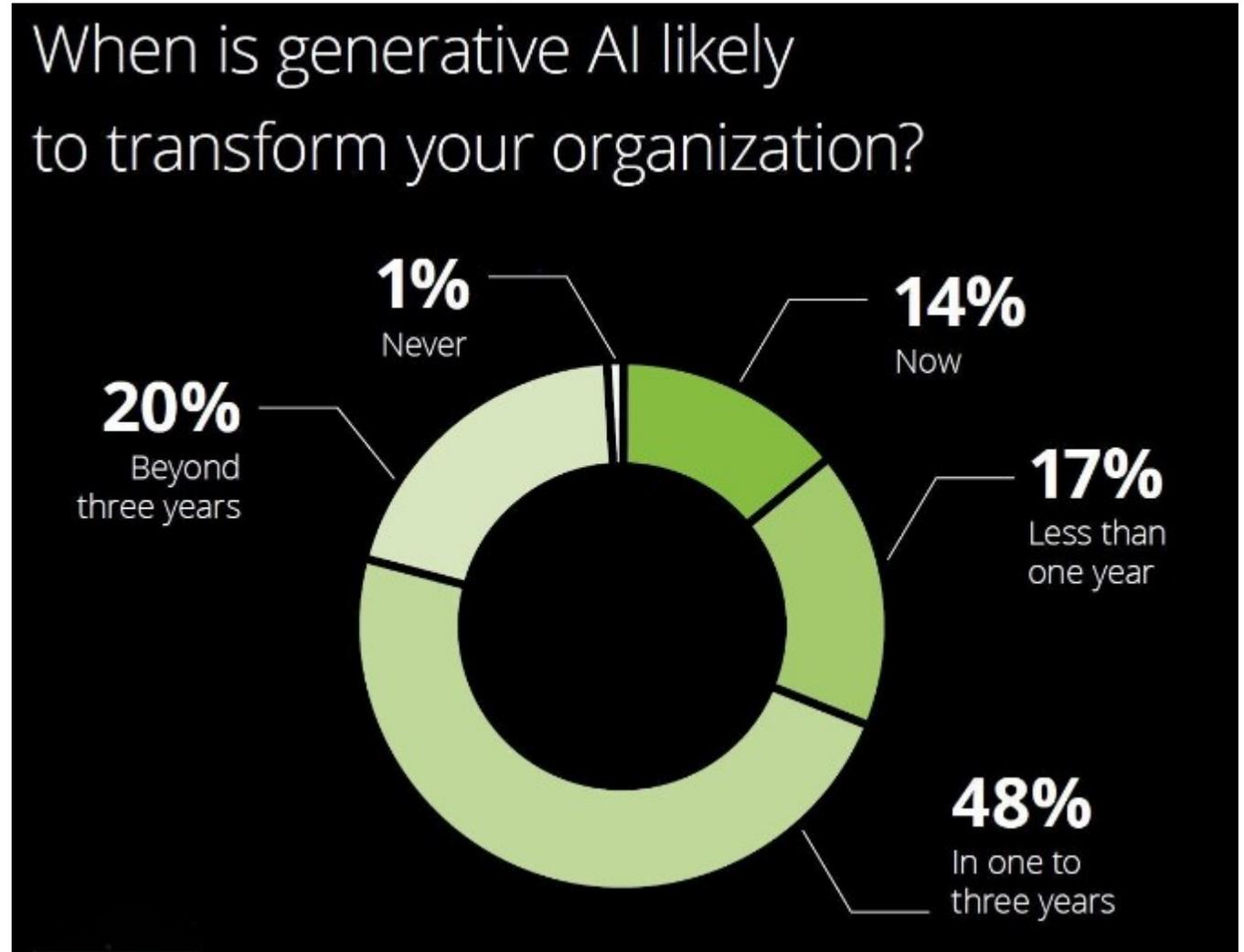


YEAR 2024

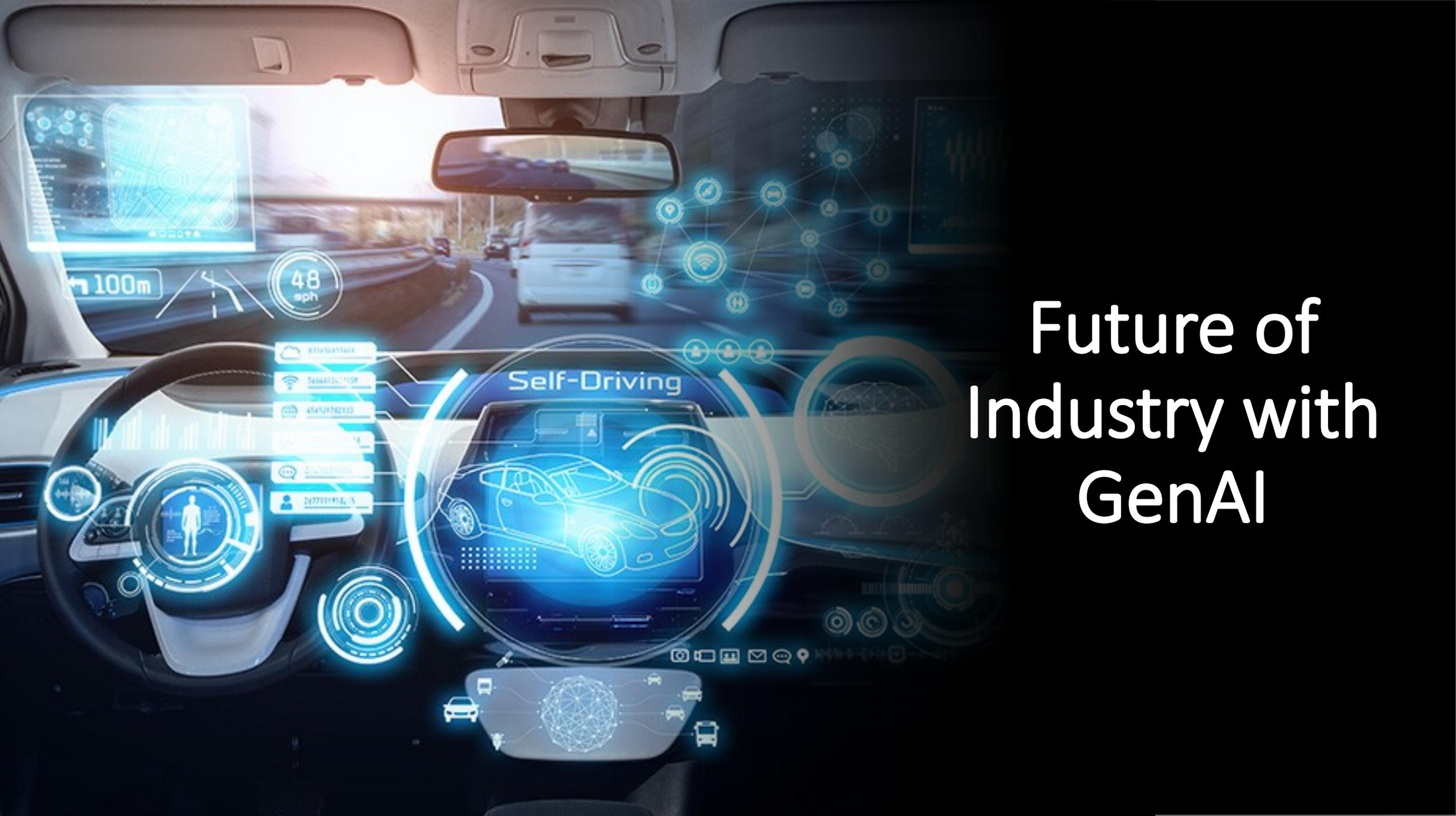
# 3 ways to harness Gen AI as a business disruptor

Gen AI roadmap to help propel you forward as a disruptor:

- Establish a strategy that embraces collaboration and innovation.
- Prioritize the human impact.
- Adopt a proactive approach to risk and governance.



\*WEF and Image: Deloitte



# Future of Industry with GenAI

# Gen AI Adoption and Maturity Phase

PHASE	DESCRIPTION
PoC	Team Experiment, Focus on learning
Tactical	Simple use cases for tactical need. Minimal disruption and team get comfortable in rolling out GenAI to PROD. Focus on proving technology and less significance is ROI.
Well Governed	Test cases, Govern policies are in place to deliver GenAI. Org structure in place to review, approve GenAI use cases. Enterprise gain expertise where to take caution related to risk, cost, copyright issues and areas where there are opportunities to generate values from GenAI.
Strategic	Deliver business value in multiple use cases. Bring efficiency and cost saving.
Transformational	New use cases and new data set are build. Give competitive advantage.

# Gen AI Adoption Framework

High Risk

Universal data is available  
But risk of error is high.  
Opportunities for product  
companies to build accurate  
model

02

Productize  
Opportunity

03

Data Product  
& AI

Require domain specific dataset  
Require accurate drawers. Risk of  
error is high.  
Opportunities for companies that  
produce new dataset and have AI  
skill

Generic Data

Domain Specific Data

Universal data is available  
Risk is low.

01

Opportunity For  
consumers

04

Service  
Opportunities

Need domain specific result.  
Risk is low.  
Human can correct output.  
Outsource: Opportunities for  
services companies.

Low Risk

# Gen AI Challenges and Threats

## CHALLENGES

1. Ethical concerns (Fake content, malicious, copyright issue)
2. High compute costs
3. Data Quality
4. Data Availability
5. Mapping objective to feasibility
6. Algorithm hallucination (require guardrail)
7. Staleness and feedback loop
8. Interpretability
9. Token constraint
10. Ability to keep state (working memory)

AI has challenges - bias, interpretability, loss of control. Generative AI expand these threats

Areas to consider	Description
New threats	new trajectories, has more blind spots
Change to existing threats	People can be targeted, Effective in fake content,
Expansion to existing threats	The costs of attacks may be lowered by the scalable use of generative AI systems to complete tasks that would ordinarily require human labor, intelligence and expertise.

# Gen AI – Uncontrolled Behaviors

1. Generative AI model are un supervised/self supervised. There is no labeled truth to evaluate even on training data.
  - a. By design they produce different data even fiction. It is hard to quantify their accuracy.
2. Generative AI model produce output for variety of tasks e.g Q&A, writing articles, summarizing.
  - a. It is hard to provide accuracy/evaluate for variety of tasks
3. Generative AI models are complex deep learning models
  - a. It is hard to explain or test for all conditions

# Gen AI – Ethical Issues

1. Transparency
  - a. Type of data
  - b. Prediction
2. Bias
  - a. Design to handle bias
3. Data privacy
  - a. How to collect, store data
  - b. Know what data you have, what you are collecting
  - c. Know sensitivity of data
  - d. Have clear procedure
  - e. Educate employees
4. IP and copyright violations
  - a. Understand laws, ensure training is compliant
  - b. Ensure generation is compliant
5. Establish incident mgmt
  - a. Reporting and feedback
  - b. Review prompts and output
  - c. Educate consumer about their responsibilities

# Gen AI – Scenarios for quick adoption

- Build Marketing Content
- Build websites and blog
- Use for marketing emails
- Assist Sales rep to investigate B2B customers, competition
- Assist in customer support
- Build bot for customer support and knowledge base
- Travel Blog and advices about places to see
- Automate report reconciliation

# ADOPTION FRAMEWORK FOR GENAI IN ENTERPRISES

- Adoption framework help companies determine areas where generative AI adoption can happen quickly. Areas that are less mission critical and where out of box generative AI works well with low error rate are good candidate to onboard generative AI.
- Framework need to be structured. It should provide stages, best practices and how to evaluate risks and opportunities.
- There are 5 stages of generative AI adoption phases.
- These stages describe areas where out of box model can be used without issues. It describe areas where out of box model will not work and there is opportunity to innovate.
- It describes how to extend AI risk and consider all risk for generative AI
- Finally describes use cases that can be adopted with ease.
- Mission critical areas where out of box model does not work - should be adopted at last stage. Companies should evaluate whether training on domain specific data will help. If building such model produce good result, it will provide competitive advantage.-

# Factors to Consider for Generative AI Adoption

- **Data Availability:** Assess the availability and quality of data required for training the generative AI model.
- **Computational Resources:** Evaluate the computational resources needed to train and deploy the generative AI model.
- **Expertise and Skills:** Determine the level of expertise and skills required to develop and maintain the generative AI model.
- **Ethical Considerations:** Consider the ethical implications and potential biases associated with the generative AI model's outputs.
- **Legal and Regulatory Compliance:** Ensure compliance with relevant laws and regulations when using generative AI.
- **Business Objectives:** Align the adoption of generative AI with the organization's strategic goals and objectives.
- **Costs and Return on Investment:** Evaluate the costs associated with implementing and maintaining generative AI, and assess the potential return on investment.
- **Security and Privacy:** Address security and privacy concerns related to the data used and generated by the generative AI model.
- **User Acceptance:** Consider the acceptance and usability of generative AI outputs by end-users or customers.

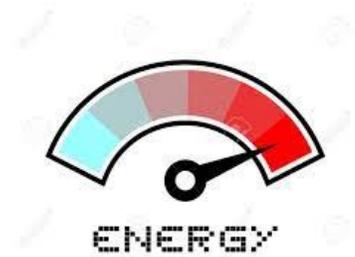
# Data Ownership – Open Questions

LLM and generative AI image model are train on large universal data from web

<b>Issue Type</b>	<b>Description</b>
<b>Consent</b>	Does company have right to use? Can content owner have a license for reading/non commercial use but not for training  Will there be opt-out feature in future
<b>Genuine</b>	Which site has good content and which does not have good content
<b>Poison</b>	What if people start introducing bad data from where LLM learn
<b>Copyright</b>	Who has copyright e.g. A site A publish content. LLM learn from it. A site B use LLM and get content and publish on their site. Now site B has more traffic than site A

# ENVIORNMENT CONCERN AND LEGAL QUESTION

## ONE NEED TO RESPONSIBLY USE GENERATIVE AI



high energy, compute



Carbon foot print

# The boom in GenAI demand is causing supply constraints

- Ongoing supply constraints on AI chips are due not to a lack of physical chips **but limited capacity in advanced chip packaging services**, a critical step in the manufacturing process.
- The bottleneck in AI chip output underscore the importance of advanced chip packaging and stacking technologies in the race to produce more powerful and efficient semiconductors.
- The semiconductor industry should **embrace a “paradigm shift”** of new ways to connect, package, and stack chips to meet the surging demand for AI products.

## Top five semiconductor markets impacted by generative AI:

*Generative AI requires high-performance processing and networking, along with innovative power delivery solutions, driving the demand for semiconductors. Technology and service providers' product plans must consider electronic design priorities, power implications and die-size packaging constraints.*

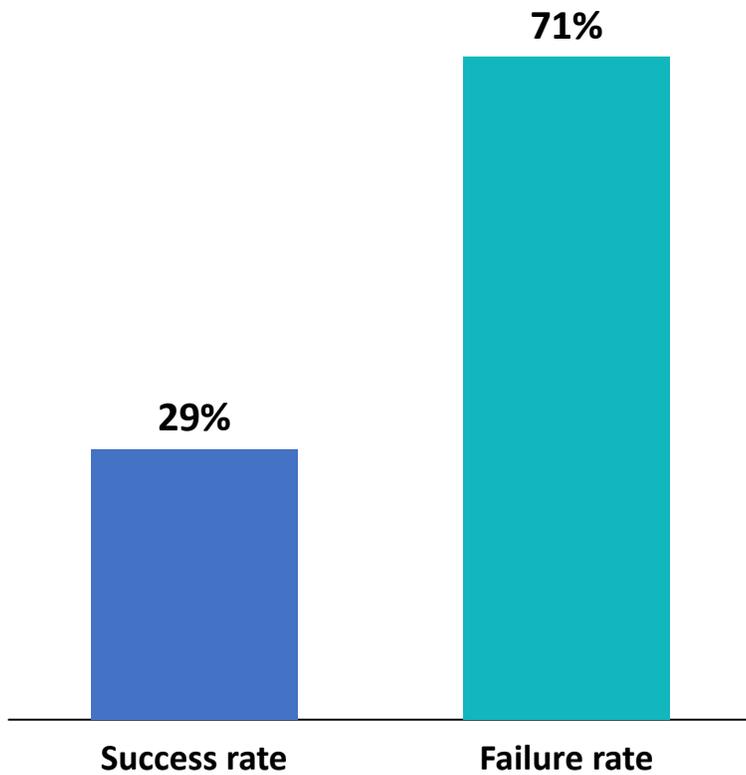
- **High-performance compute:** Developing large generative AI (GenAI) models demands massive compute power, high-performance processors and workload accelerators.
- **High-bandwidth input/output (I/O) and memory:** Training GenAI models requires exponential support of higher-bandwidth memory and networking.
- **Advanced manufacturing and packaging:** Workload accelerators demand high transistor counts, which creates demand for chips manufactured on leading-edge semiconductor nodes and multi die packaging.
- **Power delivery:** Large high-performance chips consume hundreds of watts of power, requiring specialized power regulation and delivery systems.
- **Electronics design:** Electronics design — from integrated circuit (IC) design and testing, to printed circuit board (PCB) design, placement and inspection

# PROGRAM, PROJECT & CHANGE MANGEMENT



# Problem: Projects are the lifeblood of organizations, but many projects fall short of expectations

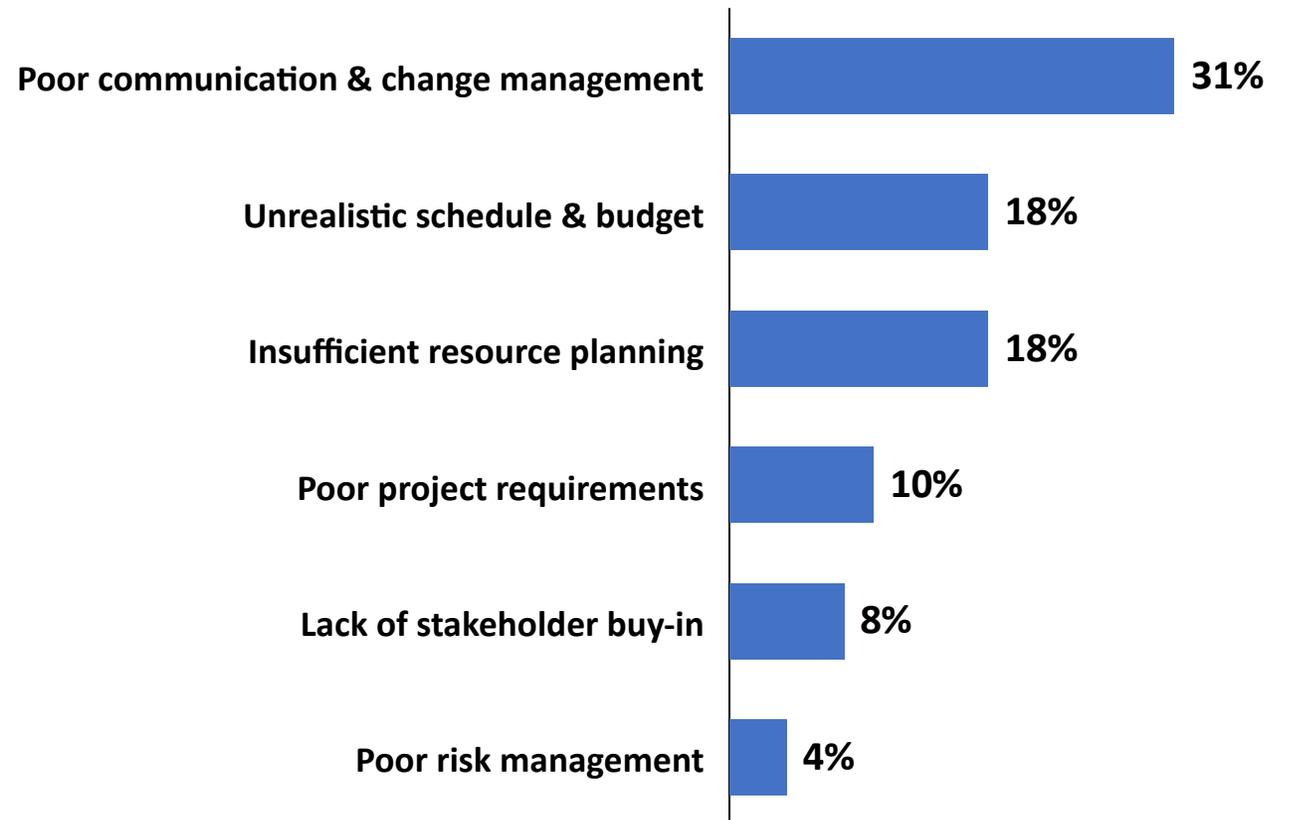
## Projects success and failure rate<sup>1</sup>



Sources: (1) Project Management Software Pie; (2) Project Management Society



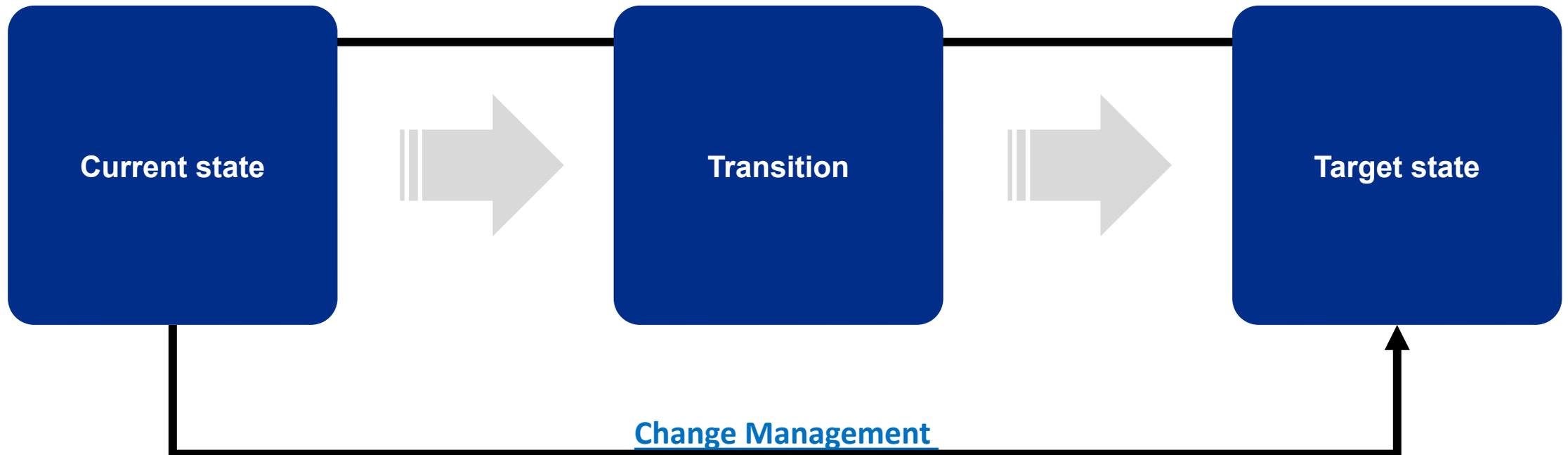
## Primary causes of failures<sup>2</sup>



# PROGRAM, PROJECT & CHANGE MANAGEMENT

## Program/Project Management

Focuses on business & technical changes such as the organization structure, job roles, processes, and systems



Focuses on helping individuals impacted by the business and technical changes in their company to adapt and be successful

# Project & Program Management Approach

## Program Management Approach



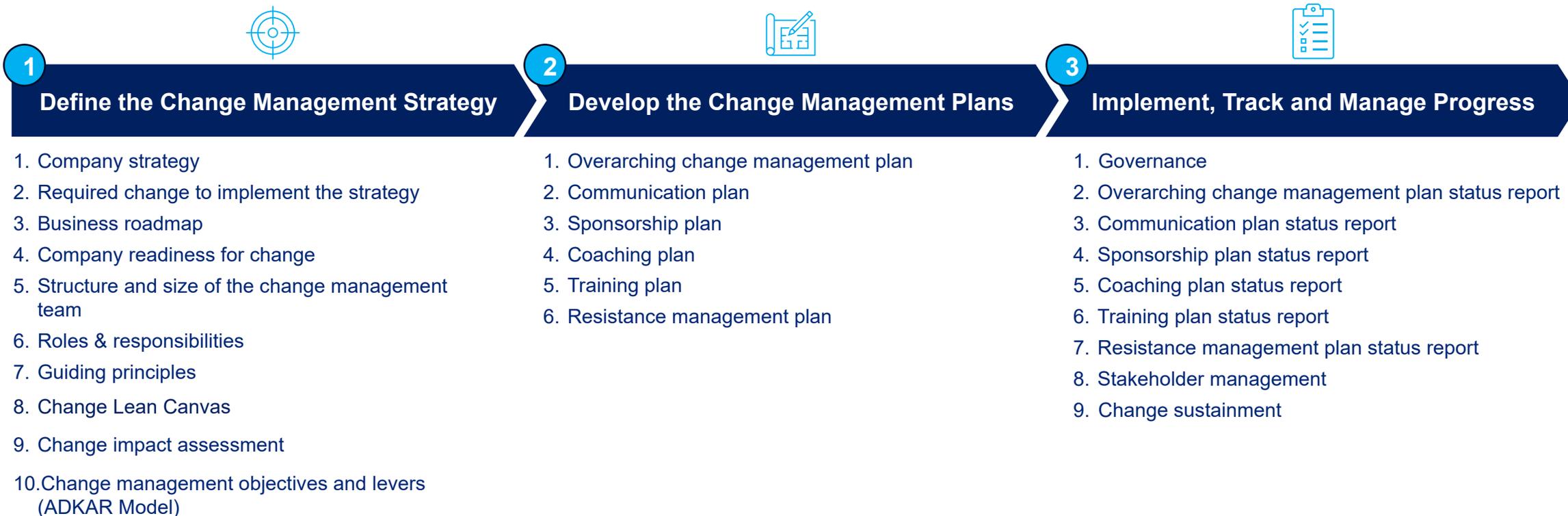
## Project Management Traditional Approach



## Project Management Agile Approach



# 3-phase approach



## Top 12 change management frameworks and tools commonly used in most Fortune 100 companies

Kotter's 8 step Model of Change

McKinsey 7S framework

Burke-Litwin Change Model

Prosci 3-phase process

The Adkar Change Management Model

Lewin's Change Management Model

Change commitment curve

Change personal transition curve

Heart and mind human drivers

Innovation adoption curve

Maslow's hierarchy of human needs

Four stages of team development

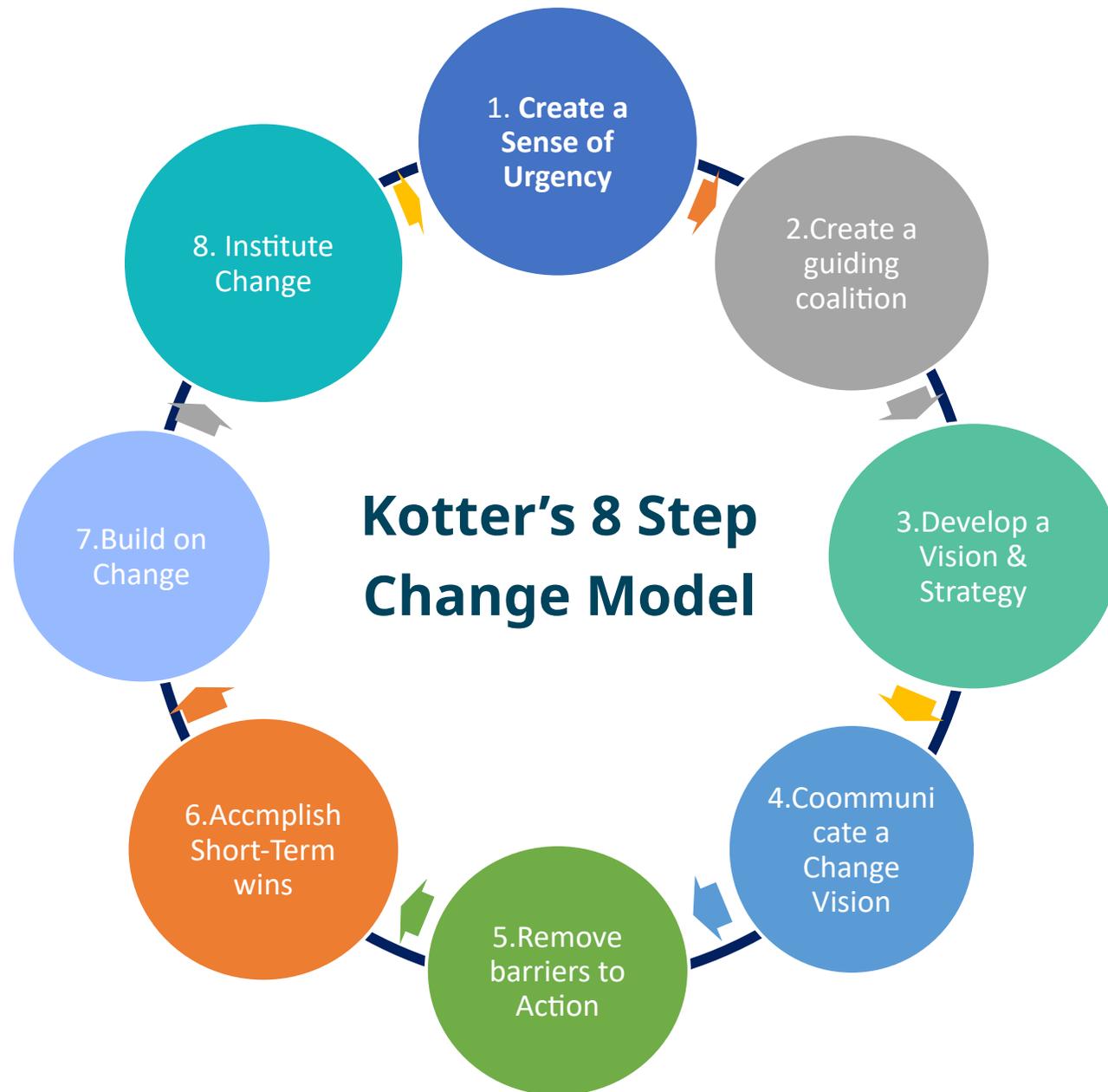
# Program, Project and Change Management Tool

## Program/Project Management

- **Adopt a robust program management approach:** (1) Potential initiatives, (2) Business cases, (3) Project prioritization, (4) Business roadmap, (5) Governance, (6) Dashboards, (7) Continuous improvement, (8) Program evaluation
- **Improve the project management capabilities of your organization with a simple and comprehensive 3-phase approach:** (I) Build a business case and financial model, (II) Initiate the project, (III) Define and implement your project plan
- **(I) Build a business case and financial model to get your project approved by the executive committee:** (1) Situation, key challenge and proposed solution, (2) Project objectives and key performance indicators (KPIs), (3) Project scope, approach and team, (4) Key activities and deliverables, (5) Strategic alignment, (6) Value: project initial investment, project costs, additional revenue generated, cost savings, cash flows and net present value, (7) Ease of implementation
- **(II) Initiate your project:** (1) Project charter, (2) Project challenges and key success factors, (3) RACI matrix, (4) Stakeholder analysis, (5) Capacity planning, (6) Risk management framework, (7) Risk log and dashboard, (8) Issue log and dashboard
- **(III) Define and implement your project plan:** (1) High-level project plan, (2) Detailed project plan, (3) Project dashboard, (4) Parking lot, (5) Punch list, (6) Post-project evaluation report
- **Become a more agile organization with a 7-phase approach commonly used by Fortune 500 and global consulting firms:** (1) Product Backlog, (2) Sprint Planning, (3) Sprint Backlog, (4) Sprint Execution, (5) Sprint Review, (6) Potentially Shippable Product Increment, (7) Retrospective

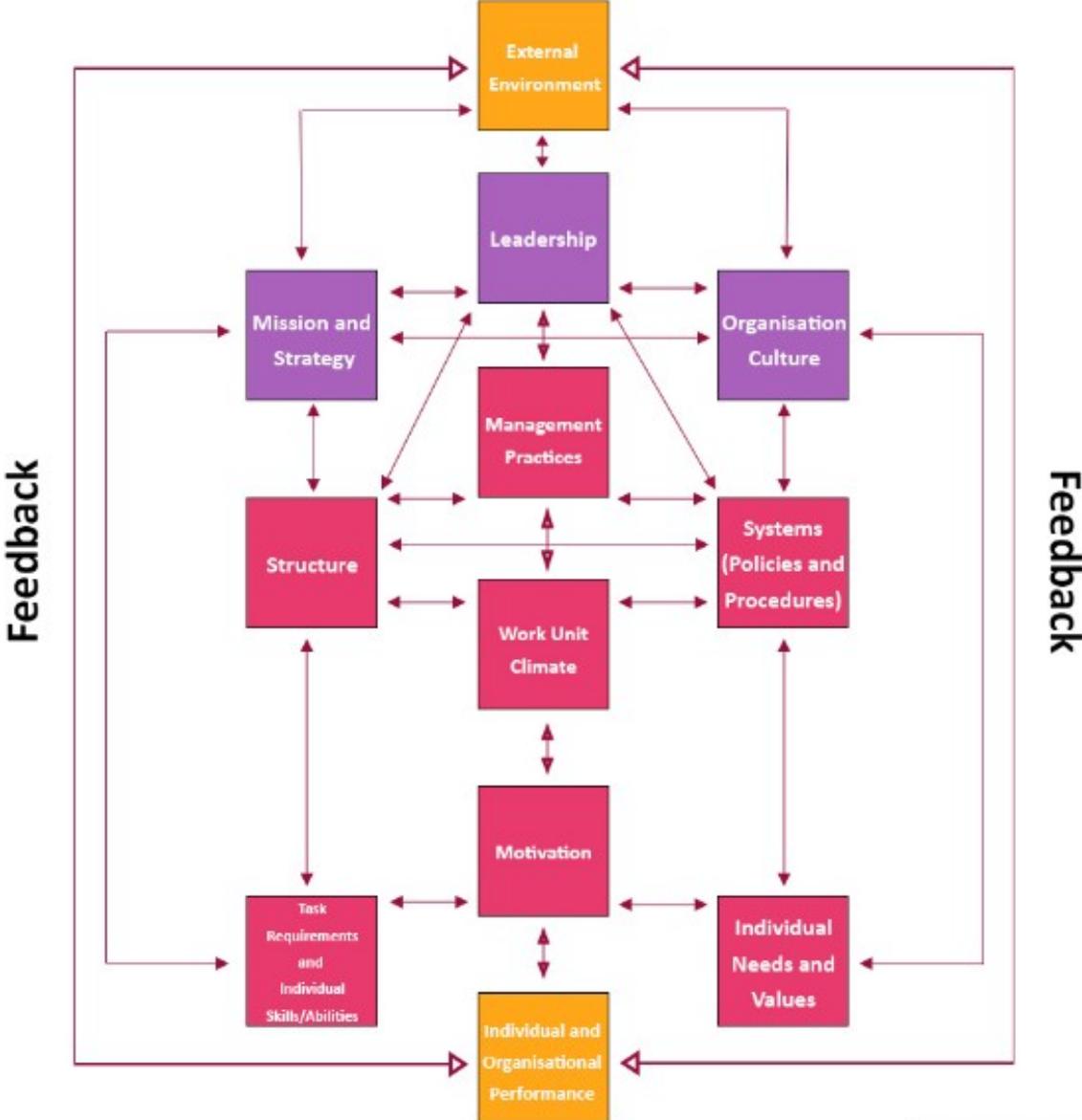
## Change Management

- **Improve the change management capabilities of your organization with a simple and comprehensive 3-phase approach:** (I) Define the change management strategy, (II) Develop the Change Management Plans, (III) Implement, Track and Manage Progress
- **(I) Define your change management strategy:** (1) Company strategy, (2) Required change to implement the strategy, (3) Business roadmap, (4) Company readiness for change, (5) Structure and size of the change management team, (6) Roles and responsibilities, (7) Guiding principles, (8) Lean change canvas, (9) Change impact assessment, (10) Change management objectives and levers (ADKAR Model)
- **(II) Develop your change management plans:** (1) Overarching change management plan, (2) Communication plan, (3) Sponsorship plan, (4) Coaching plan, (5) Training plan, (6) Resistance management plan
- **(III) Implement, track and manage progress:** (1) Governance, (2) Overarching change management plan status report, (3) Communication plan status report, (4) Sponsorship plan status report, (5) Coaching plan status report, (6) Training plan status report, (7) Resistance management plan status report, (8) Change sustainment
- **Leverage the top 12 change management frameworks and tools:** (1) Kotter's 8 step Model of Change, (2) McKinsey 7S framework, (3) Burke-Litwin Change Model, (4) Prosci 3-phase process, (5) The Adkar Change Management Model, (6) Lewin's Change Management Model, (7) Change commitment curve, (8) Change personal transition curve, (9) Heart and mind human drivers, (10) Innovation adoption curve, (11) Maslow's hierarchy of human needs, (12) Four stages of team development



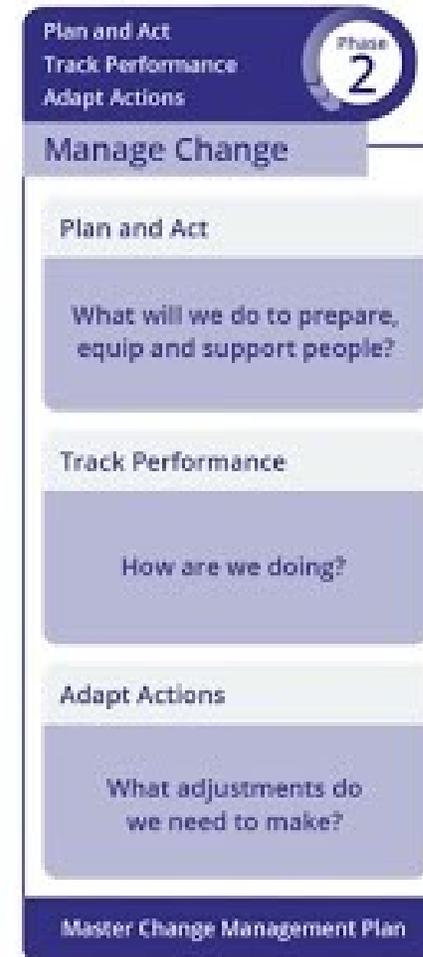
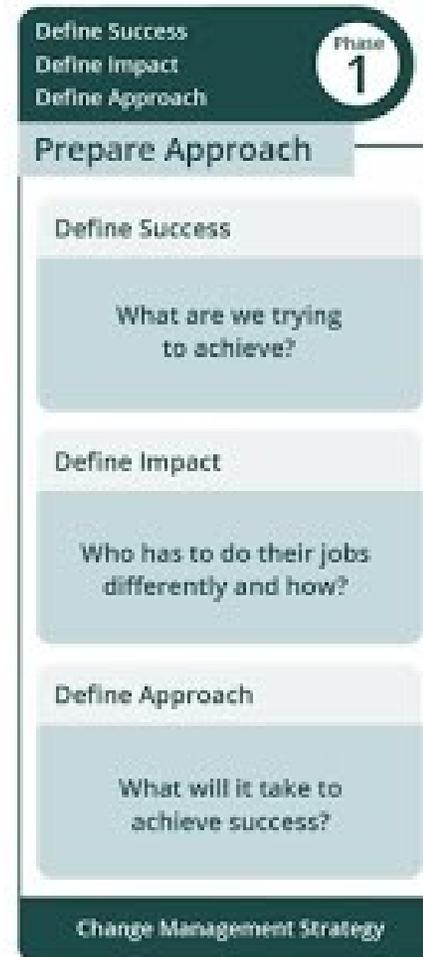
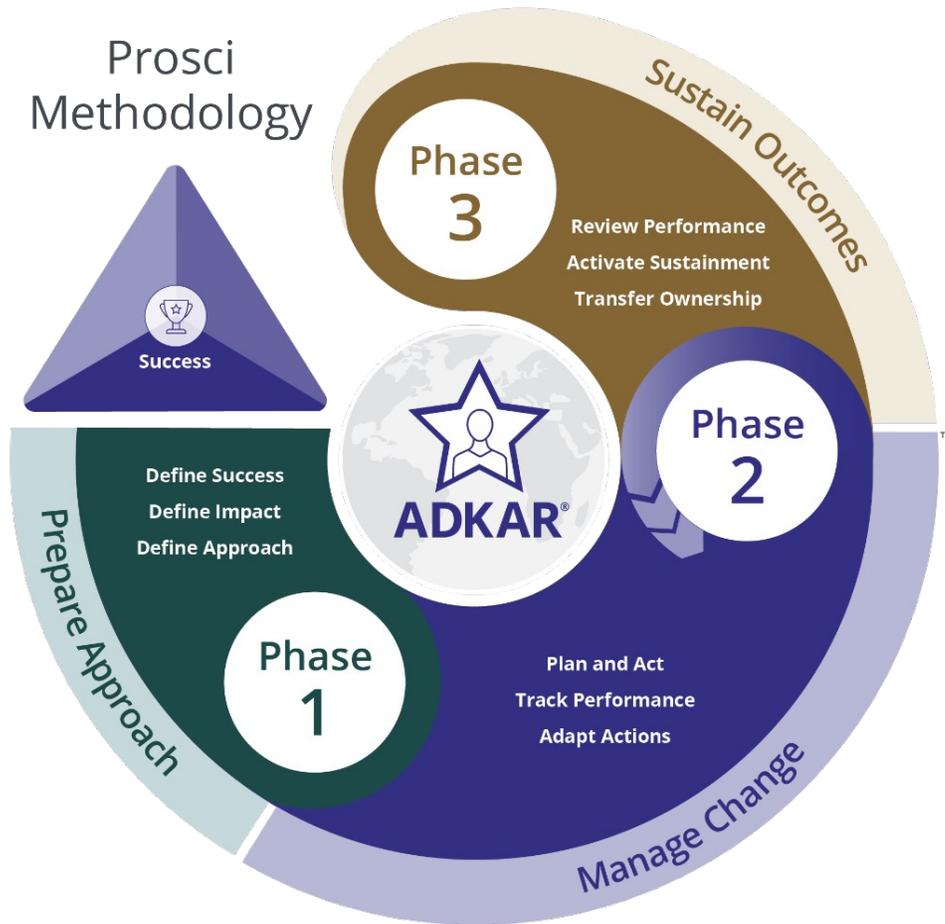
\*Online Reference

# The Burke-Litwin Change Model



\*Online Reference

# Prosci 3-Phase Process



\*Online Reference

## Prosci Change Triangle Model

A framework that shows the four critical aspects of any successful change effort and how they are interrelated: a shared definition of success with leadership/sponsorship, project management and change management.

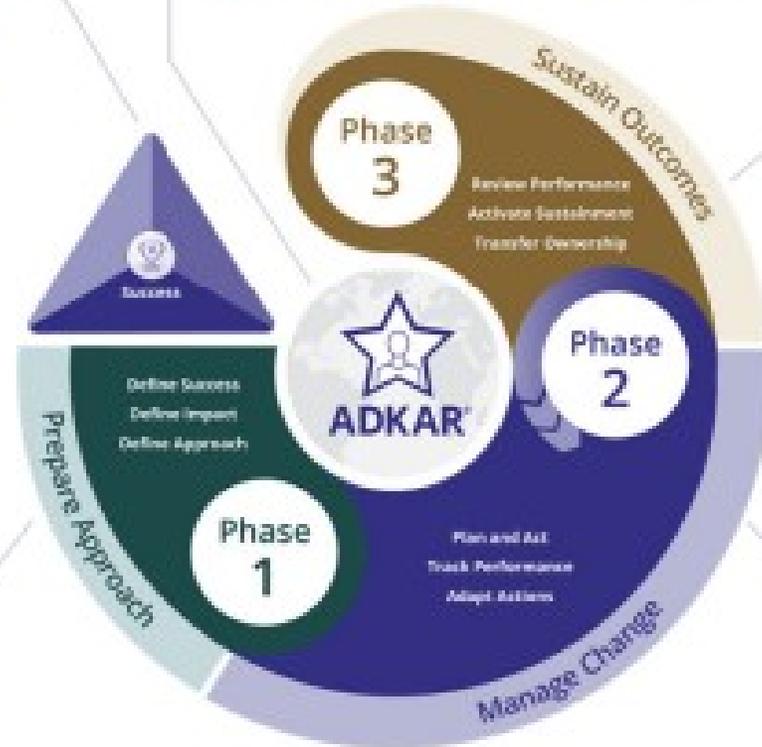
### Phase 1 – Prepare Approach

Purpose: To position the change for success by developing a customized and scaled change management strategy with the necessary sponsorship and commitment.

## ADKAR Model

Describes the five “building blocks” or elements an individual needs to achieve for a change to be successful.

Impacted individual is at the center of the Prosci Methodology. Individual success leads to organizational success.



### Phase 3 – Sustain Outcomes

Purpose: To realize the value of the change by ensuring the change is adopted and the organization is committed and prepared to sustain the change.

### Phase 2 – Manage Change

Purpose: To achieve adoption and usage of the change by creating, implementing and adapting plan(s) that will move individuals and the organization through ADKAR transitions.

\*Online Reference

# The ADKAR Model Defines Successful Change at Scale

Change with one person...



Or five people...



Or 20 people...

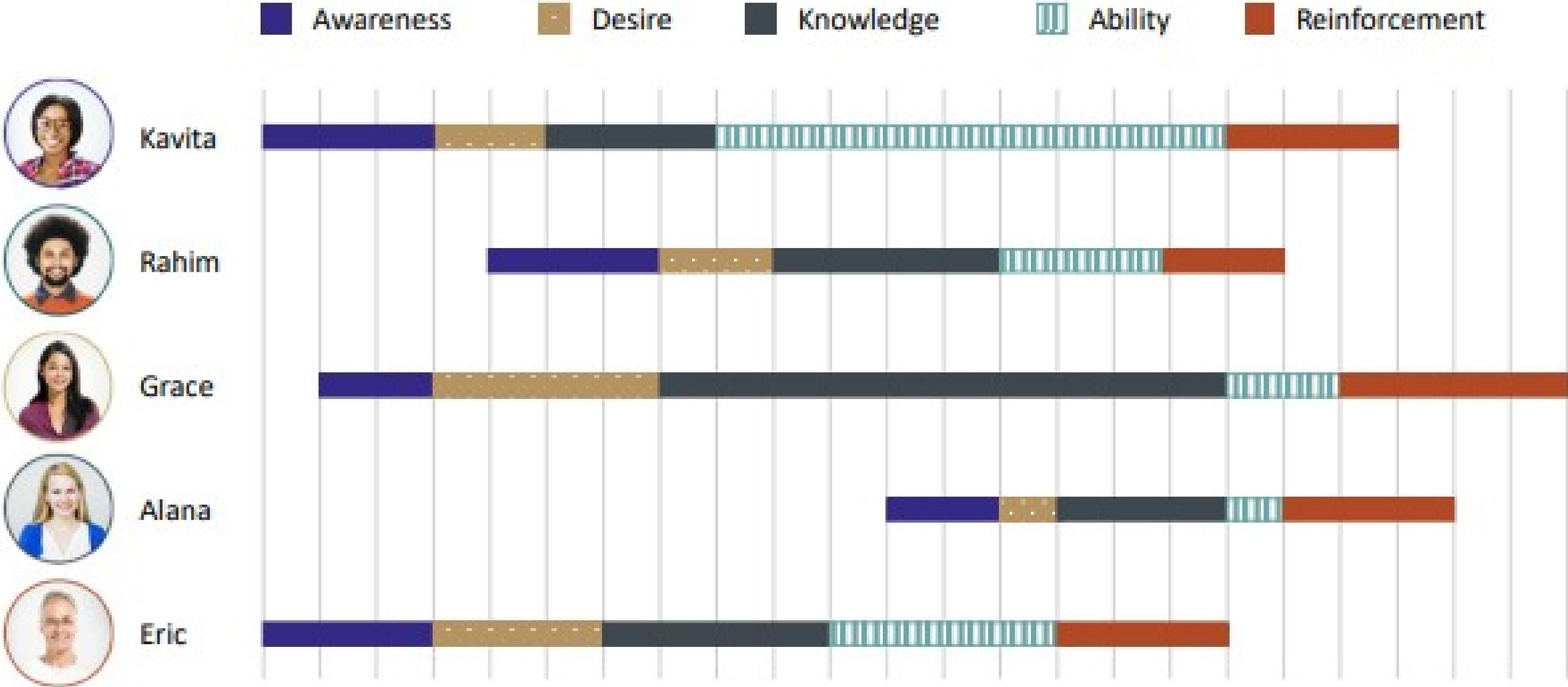


Or 1,000 people...



\*Online Reference

# People Change at Different Paces



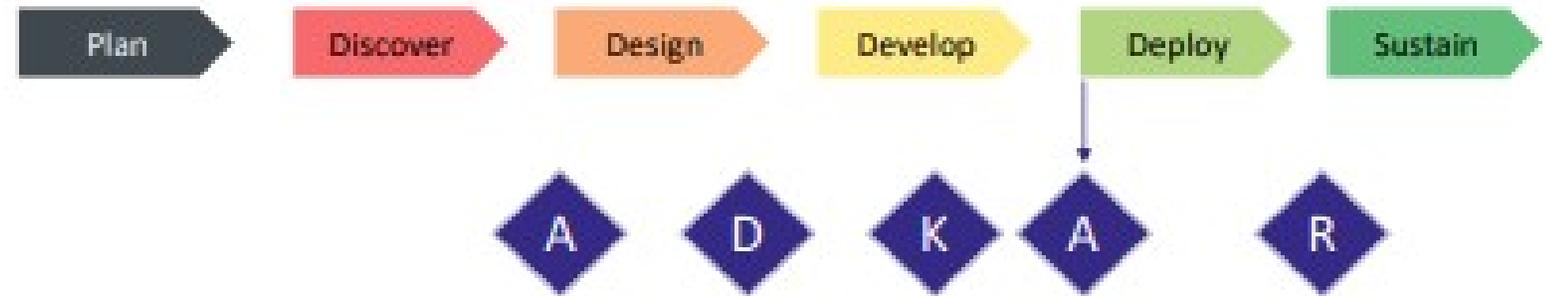
\*Online Reference

# Aligning ADKAR Model With Sequential and Iterative Change

## Sequential Change Process

A change that results from a series of progressive steps that culminate in a singular push to the organization.

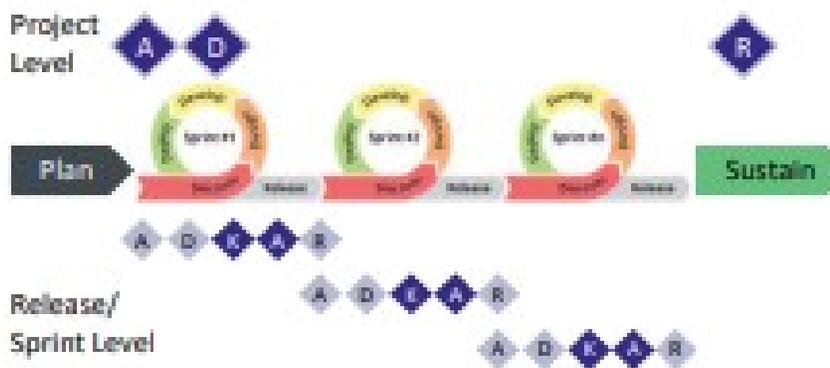
### Waterfall



## Iterative Change Process

A change that results from repeated cycles of change, with each cycle moving toward the final, intended outcome.

### Agile



### PDCA



\*Online Reference

# ADKAR Model Summary

## Why

- Manage a personal transition
- Identify what is needed for successful change
- Focus conversations
- Diagnose gaps (which element is missing?)

## When



## Who

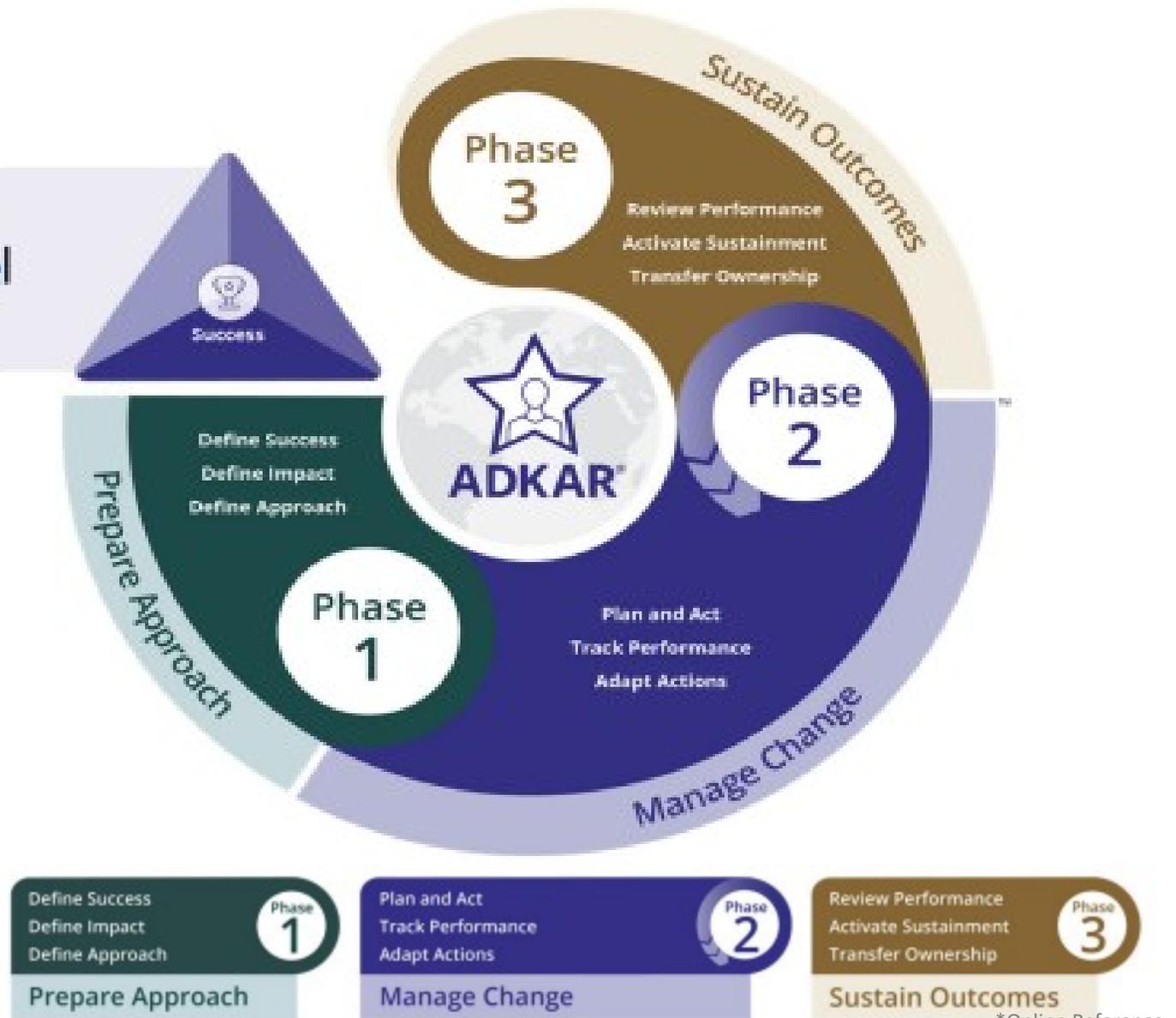
Change practitioner completes the ADKAR status checks on highly impacted groups.

Include managers of impacted groups in conducting the status checks and support them in acting on the results.

\*Online Reference

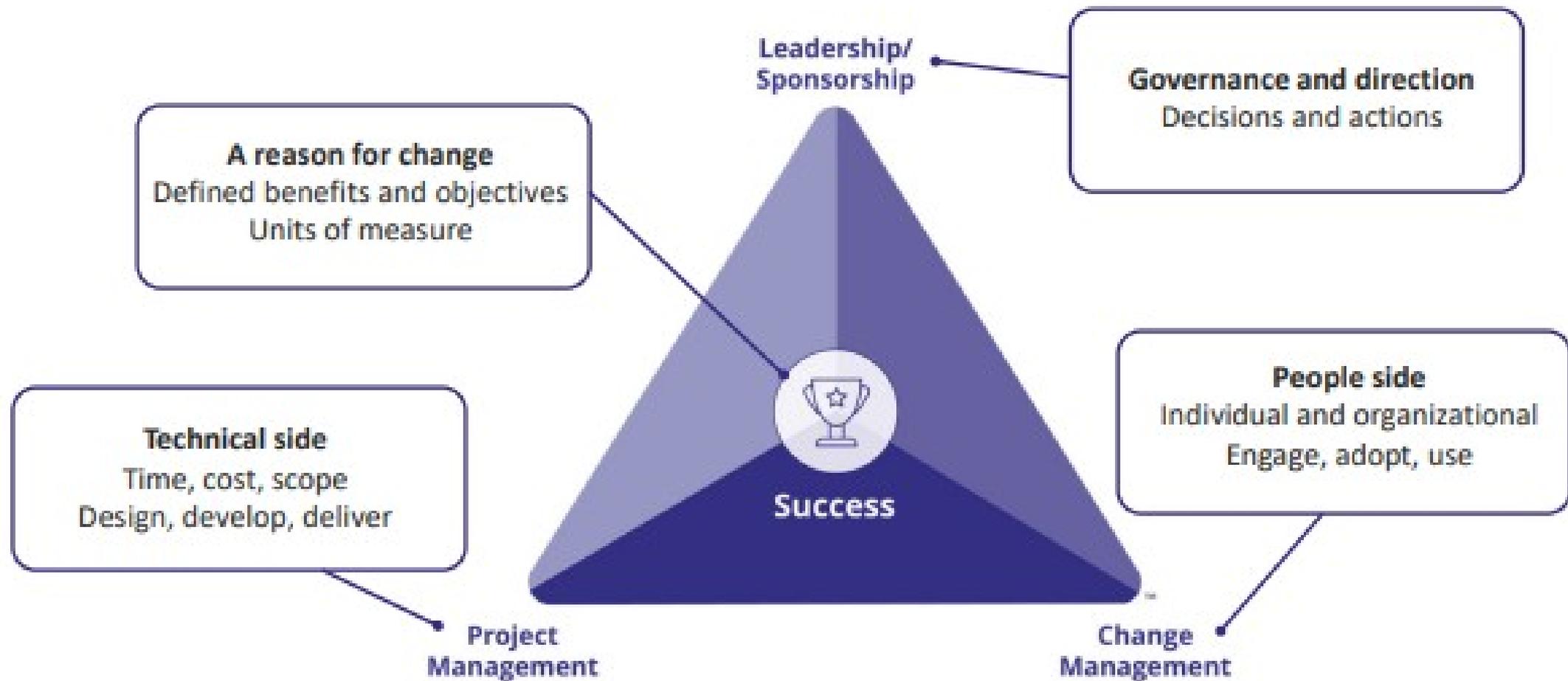
# Begin with Project Health

## Prosci Change Triangle (PCT) Model



\*Online Reference

# PCT Model: Critical Aspects for Success



\*Online Reference

# Relationship Between L/S, PM, CM



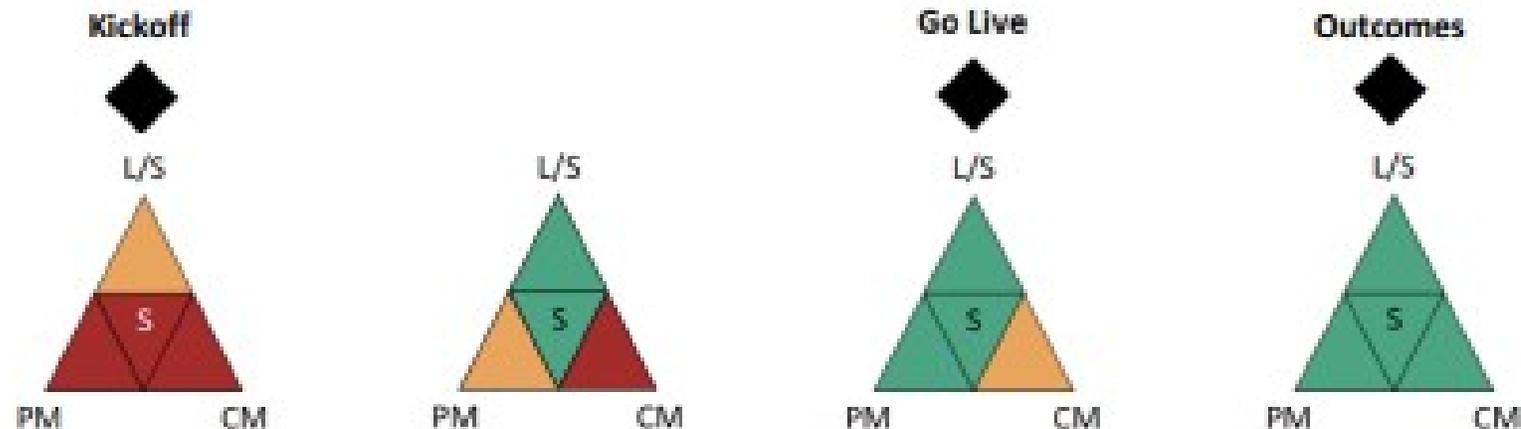
\*Online Reference

# PCT Assessment Over the Project Lifecycle

## Why

- Health check throughout your project
- Track your organizational performance
- Determine if the initiative delivered what was expected

## When



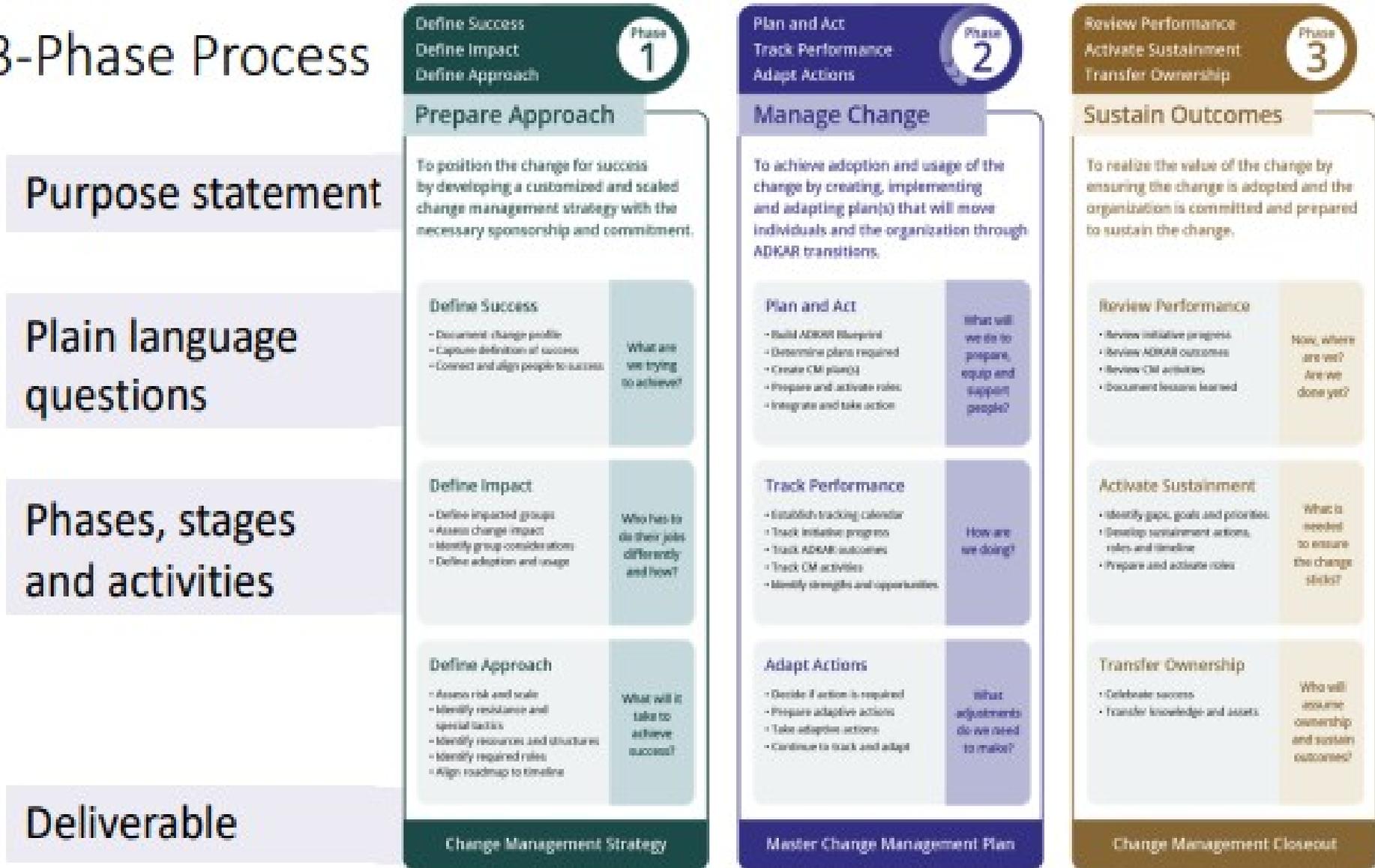
Score Interpretation	
10-19	High Risk
20-24	Alert
25-30	Strength

## Who

Whom would you engage with the PCT Assessment to create a shared vision and monitor the health of the project?  
A sponsor, project manager, project team, key stakeholders, others?

\*Online Reference

# Prosci 3-Phase Process



\*Online Reference

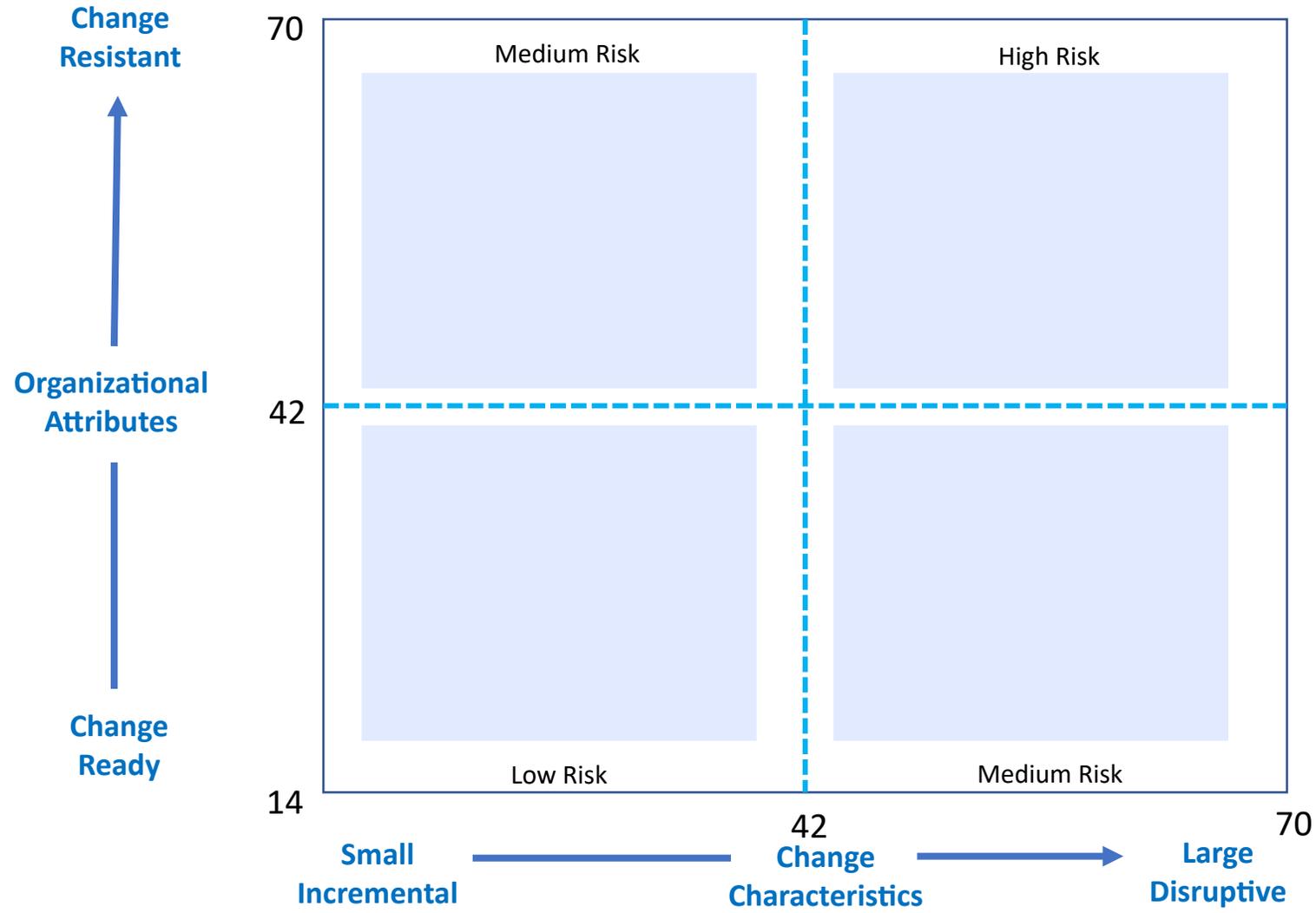
*“It is not the answer that enlightens, but the question.” Eugène Ionesco Romanian-French playwright*

## Prosci 3-Phase Process Plain Language Questions



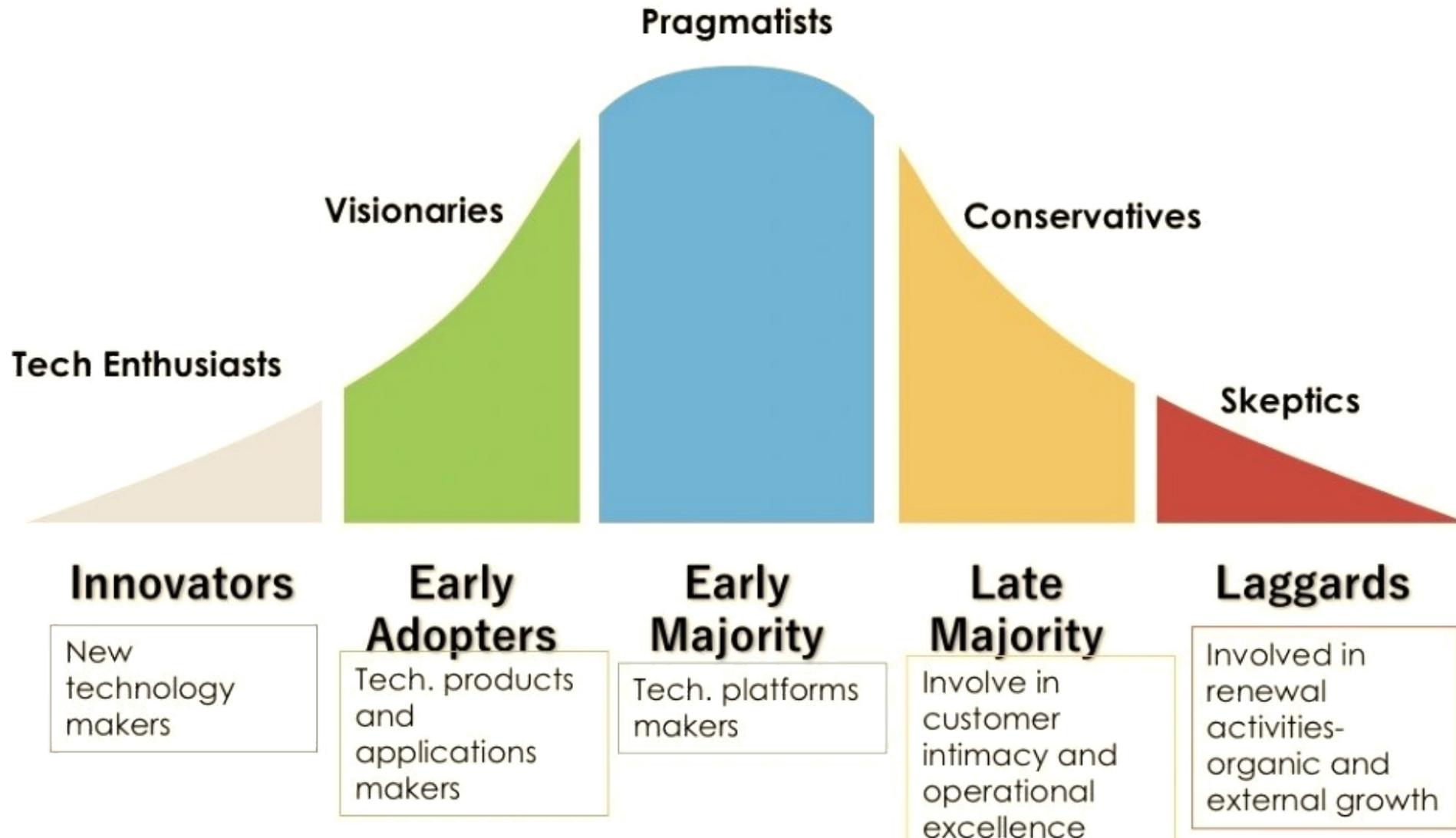
\*Online Reference

# Change Risk Assessment



\*Online Reference

# Innovation Adoption Curve



\*Online Reference

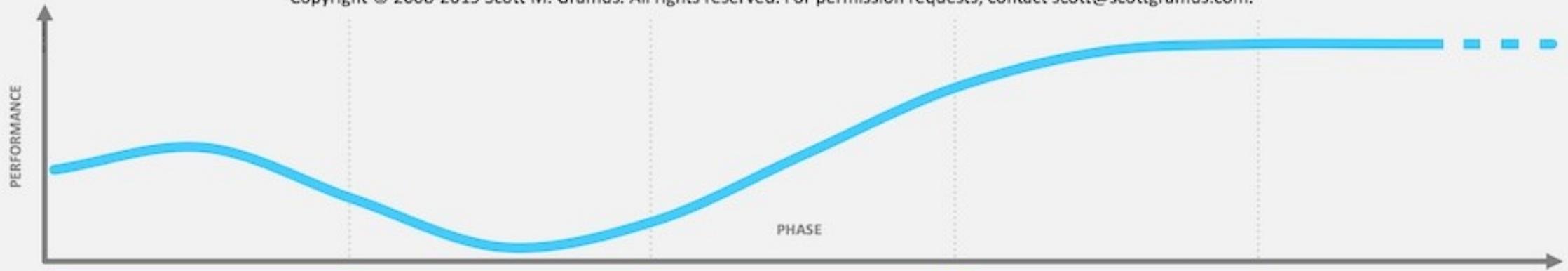
# Maslow's Hierarchy of Needs



\*Online Reference

# Phases of Team Development

Forming, Storming, Norming, Performing, and Adjourning — based on group development model by Bruce Tuckman  
 All phases are necessary and inevitable for a team to grow, tackle problems, find solutions, plan work, and deliver results  
 Copyright © 2008-2019 Scott M. Graffius. All rights reserved. For permission requests, contact [scott@scottgraffius.com](mailto:scott@scottgraffius.com).



	FORMING	STORMING	NORMING	PERFORMING	ADJOURNING
CHARACTERISTICS	<ul style="list-style-type: none"> <li>Questioning</li> <li>Socializing</li> <li>Displaying eagerness</li> <li>Focusing on group identity &amp; purpose</li> <li>Sticking to safe topics</li> </ul>	<ul style="list-style-type: none"> <li>Resistance</li> <li>Lack of participation</li> <li>Conflict</li> <li>Competition</li> <li>High emotions</li> <li>Starting to move towards group norms</li> </ul>	<ul style="list-style-type: none"> <li>Reconciliation</li> <li>Relief, lowered anxiety</li> <li>Members are engaged &amp; supportive</li> <li>Developing cohesion</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrations of interdependence</li> <li>Healthy system</li> <li>Ability to effectively produce as a team</li> <li>Balance of task and process orientation</li> </ul>	<ul style="list-style-type: none"> <li>Shift to process orientation</li> <li>Sadness</li> <li>Recognition of team and individual efforts</li> </ul>
STRATEGIES	<ul style="list-style-type: none"> <li>Taking the 'lead'</li> <li>Providing clear expectations and consistent instructions</li> <li>Quick response times</li> </ul>	<ul style="list-style-type: none"> <li>Normalizing matters</li> <li>Encouraging leadership</li> </ul>	<ul style="list-style-type: none"> <li>Recognizing individual and group efforts</li> <li>Providing learning opportunities and feedback</li> <li>Monitoring the 'energy' of the group</li> </ul>	<ul style="list-style-type: none"> <li>Celebrating</li> <li>'Guide from the side' (minimal intervention)</li> <li>Encouraging group decision-making and problem-solving</li> <li>Providing opportunities to share learning across teams</li> </ul>	<ul style="list-style-type: none"> <li>Recognizing change</li> <li>Providing an opportunity for summative team evaluations</li> <li>Providing an opportunity for acknowledgments</li> </ul>

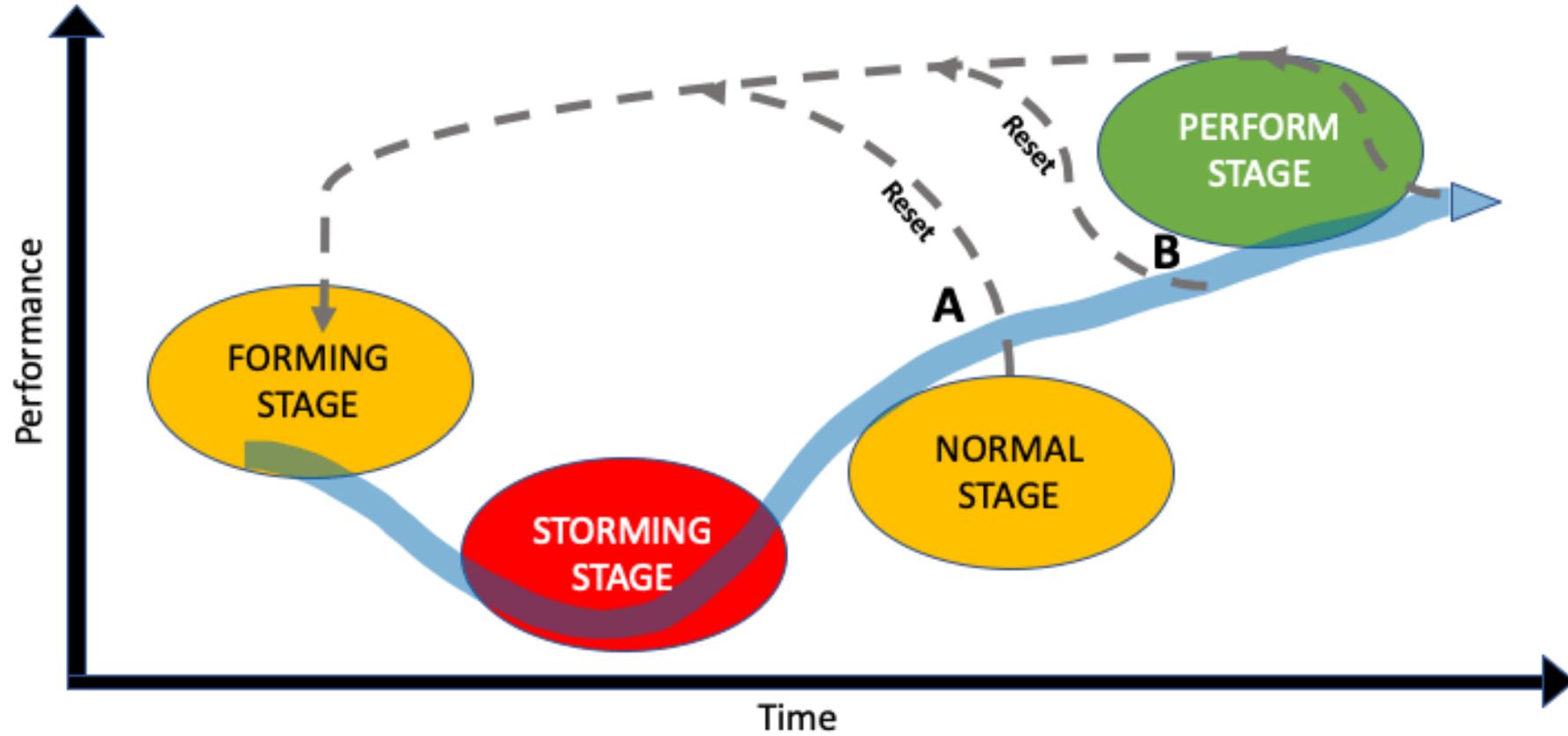
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\*Online Reference

# Team Formation Strategy

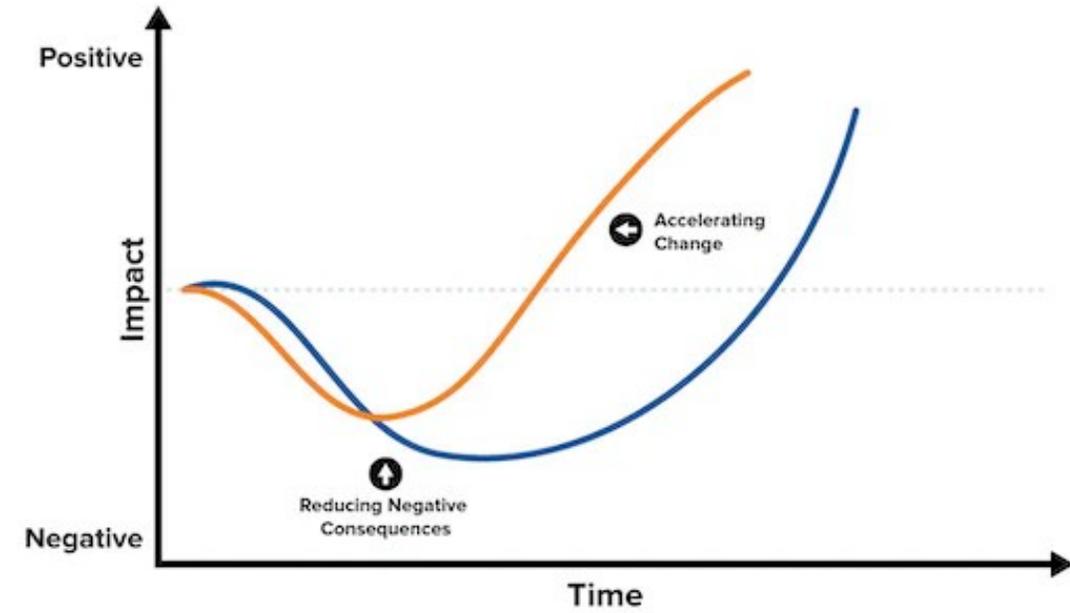
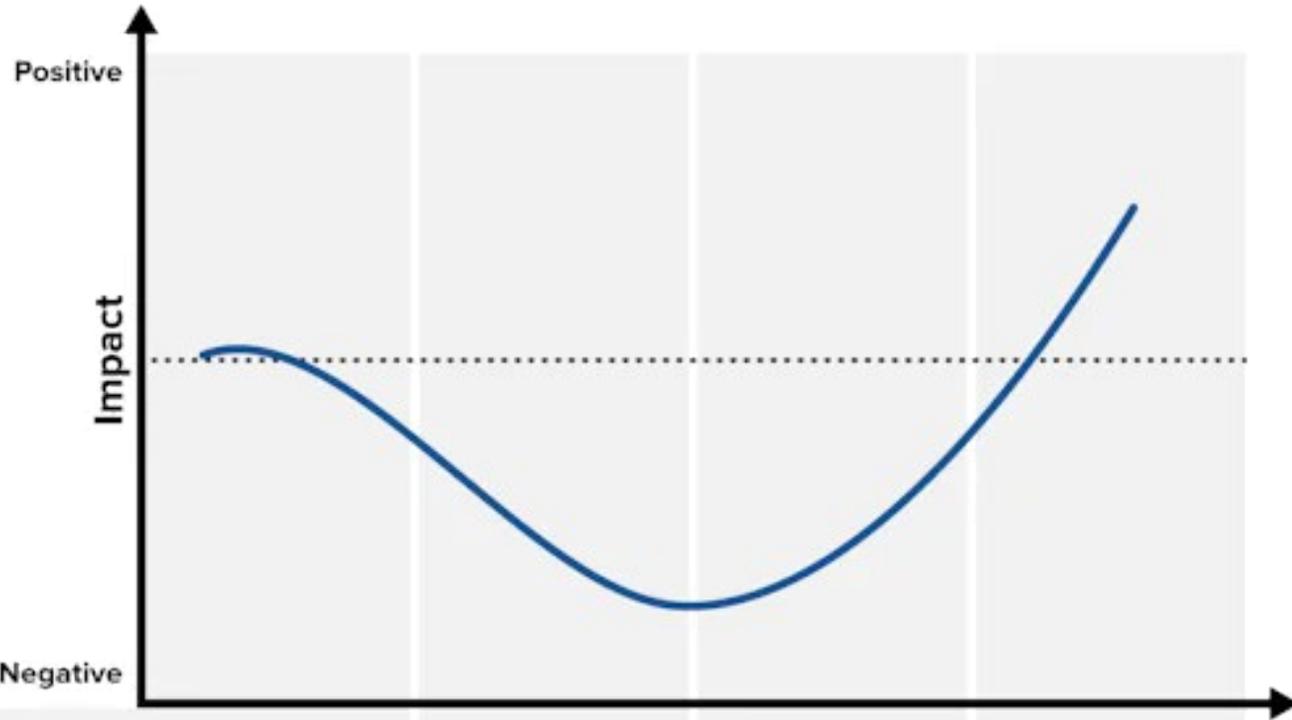


## STAGES OF TEAM FORMATION



\*Online Reference

# Change commitment curve

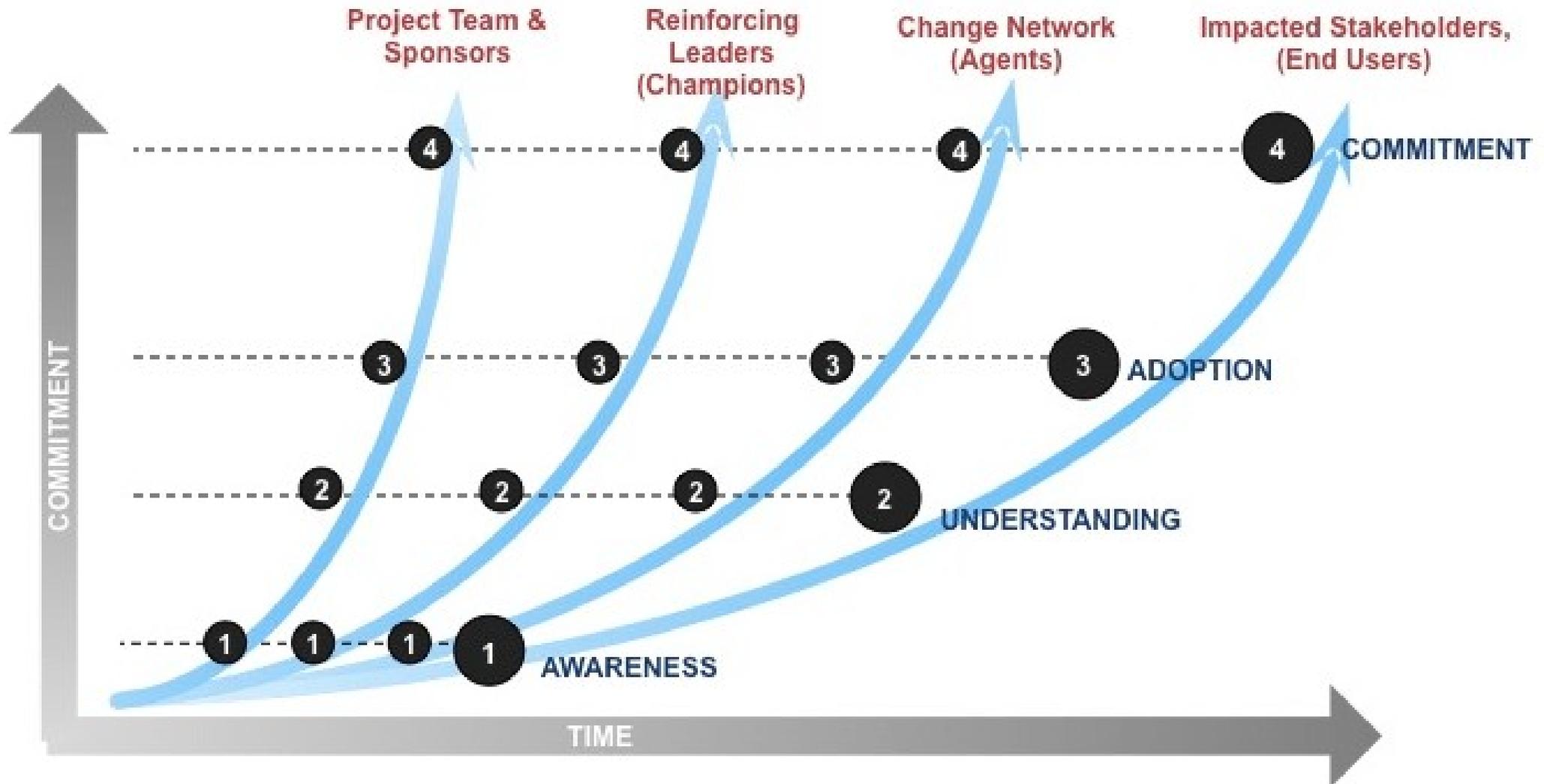


■ Managed Change     
 ■ Unmanaged Change

Stage	1	2	3	4
State	Status Quo	Disruption	Exploration	Rebuilding
Reaction	Shock, Denial	Anger, Fear	Acceptance	Commitment

\*Online Reference

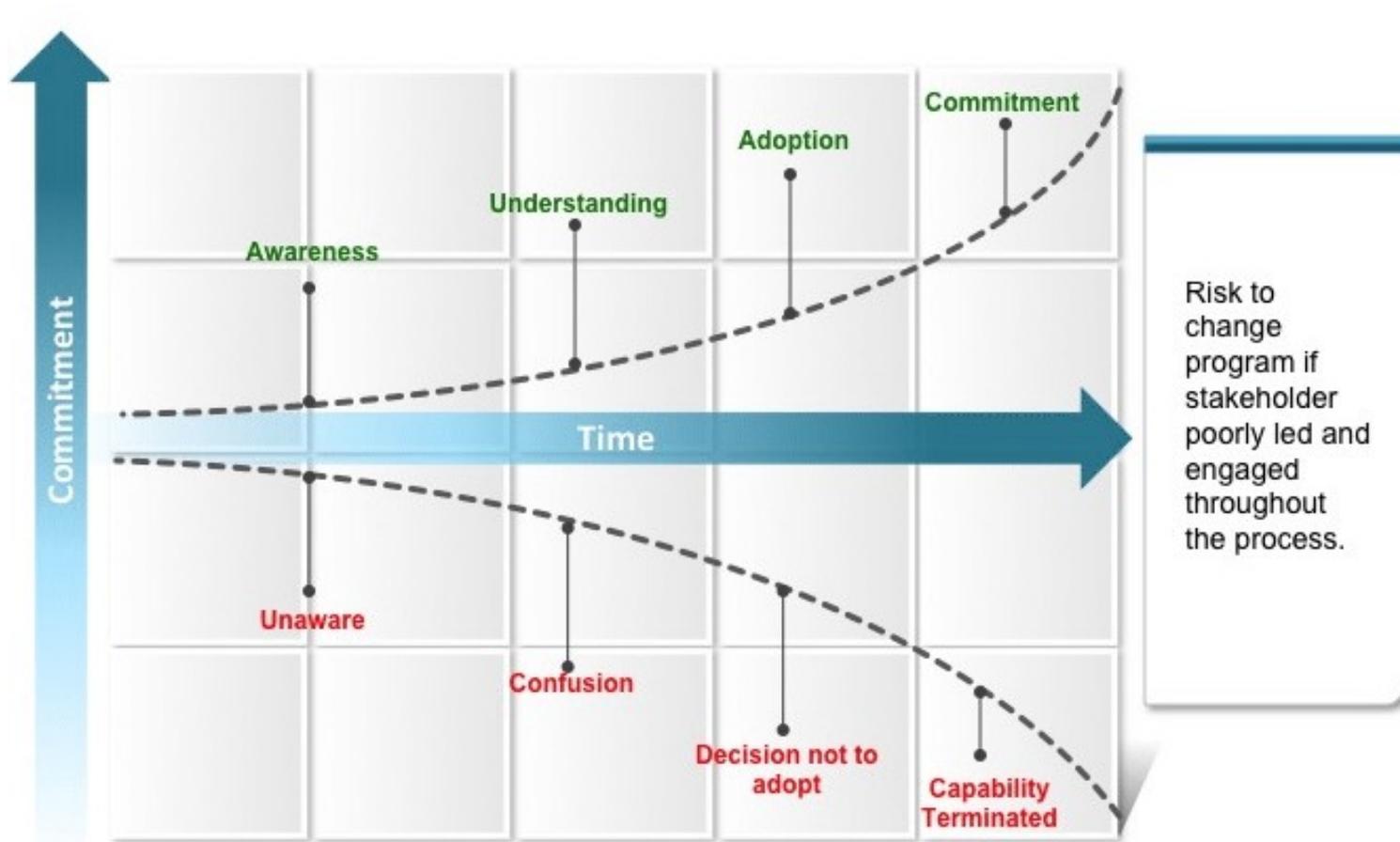
# Change commitment curve



\*Online Reference

# Change commitment curve

## Well-Managed vs. Poorly-Managed Commitment Curve



### Breadth of proposed change

- How many functional areas are directly impacted by the change?
- How many roles are impacted by the change?
- How many people are directly impacted by the change?

### Depth of proposed change

- What type of change is expected in terms of responsibility?
- What type of change is expected in terms of skill?
- What type of change is expected in terms of workload?

### Impact of proposed change

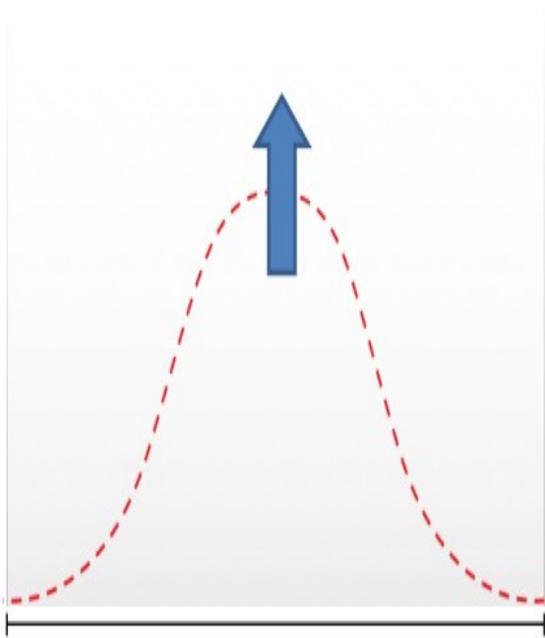
- Business Process
- Technology
- Organization
- Culture

### Criticality of proposed change

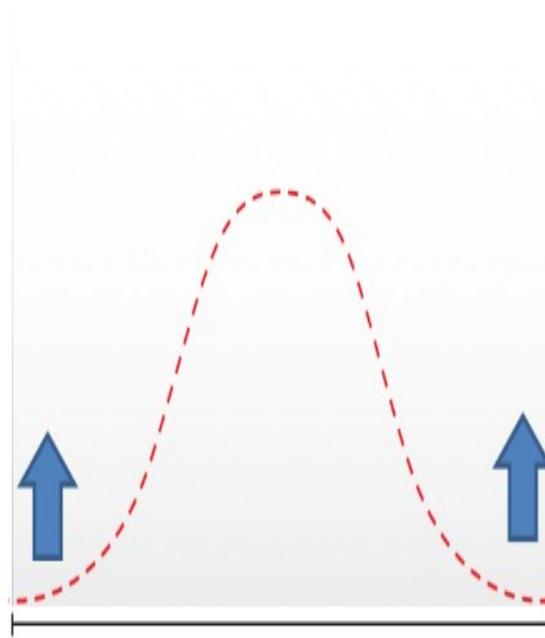
- Internal vs. External Driver
- Core
- Strategic Relevance

\*Online Reference

# Change commitment curve

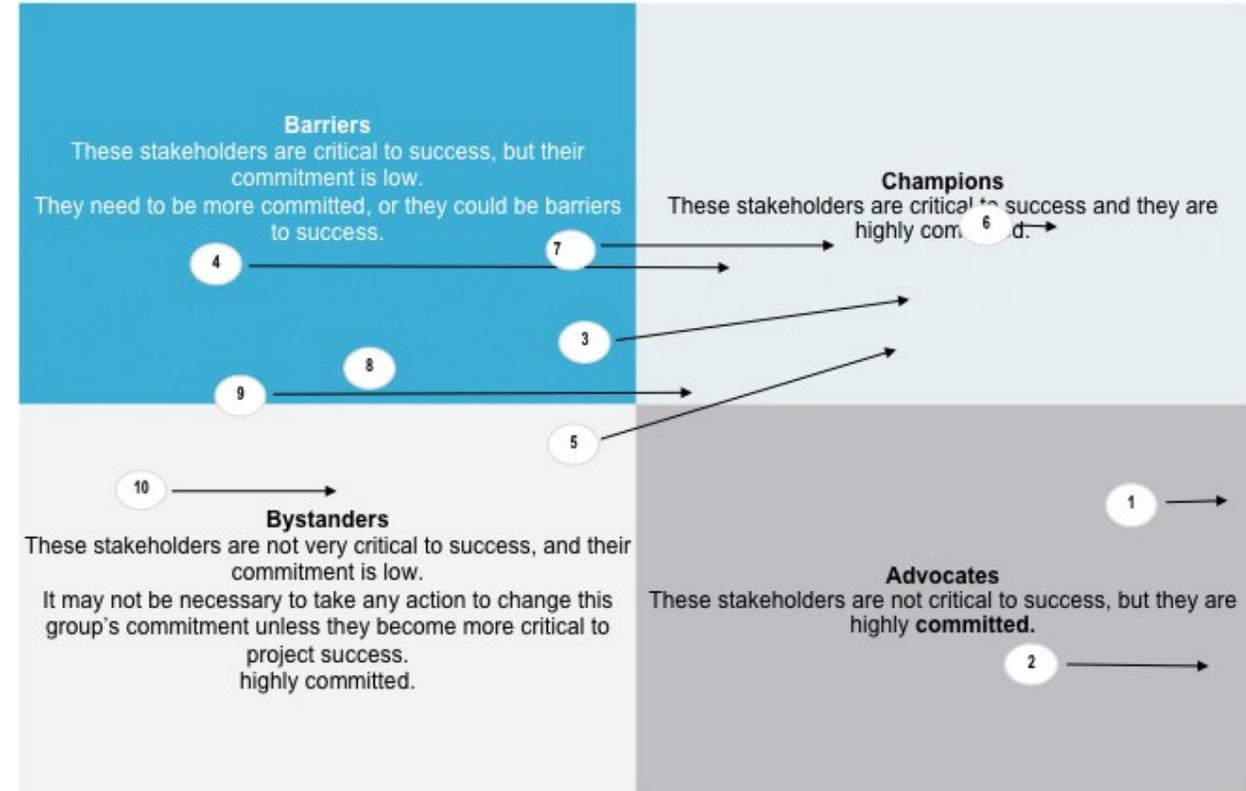


Conventional Wisdom



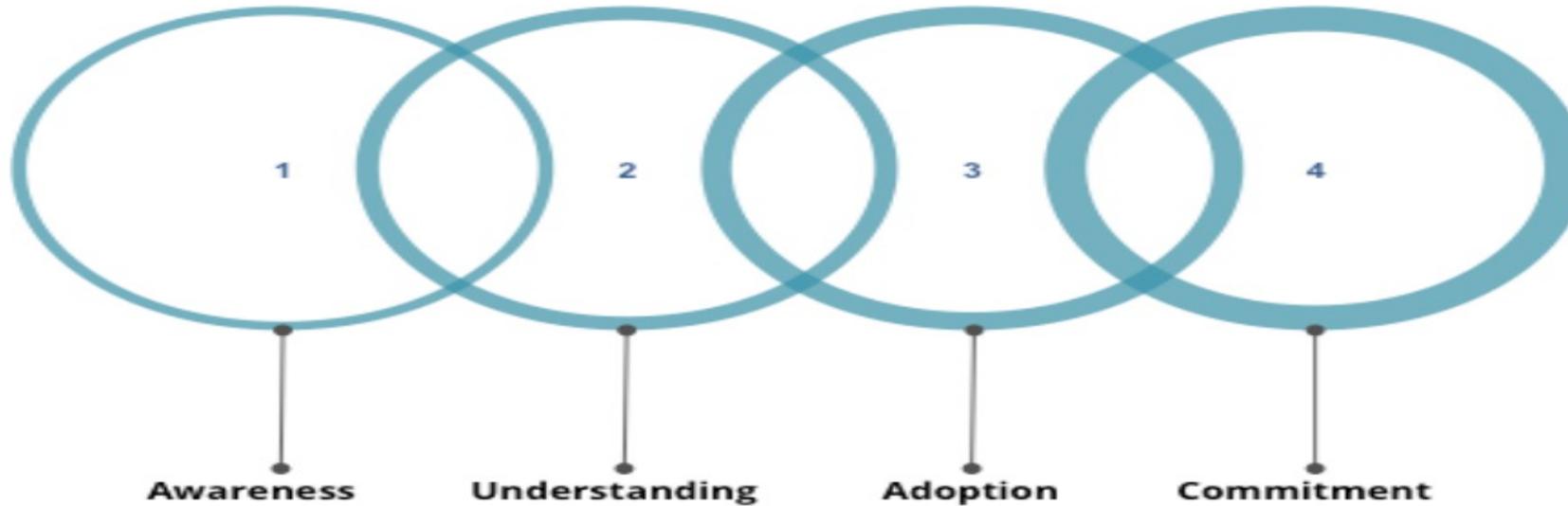
Tipping Point Leadership

## Stakeholder Analysis Map



\*Online Reference

# Emotional Responses to the Change



## Awareness

Knows that change is coming  
Has a high level awareness of what is driving the change the broad vision of change



## Understanding

Understands what the overall future state (change solution) looks like  
Understands how new ways of working will impact them



## Adoption

Is the change in his or her area in order to try out the change and become familiar with its implications  
Conveys message that new ways of working are soon to be reality



## Commitment

Articulates the change as the new status quo and 'the way things are done around here'  
Demonstrates personal ownership and alignment with the change

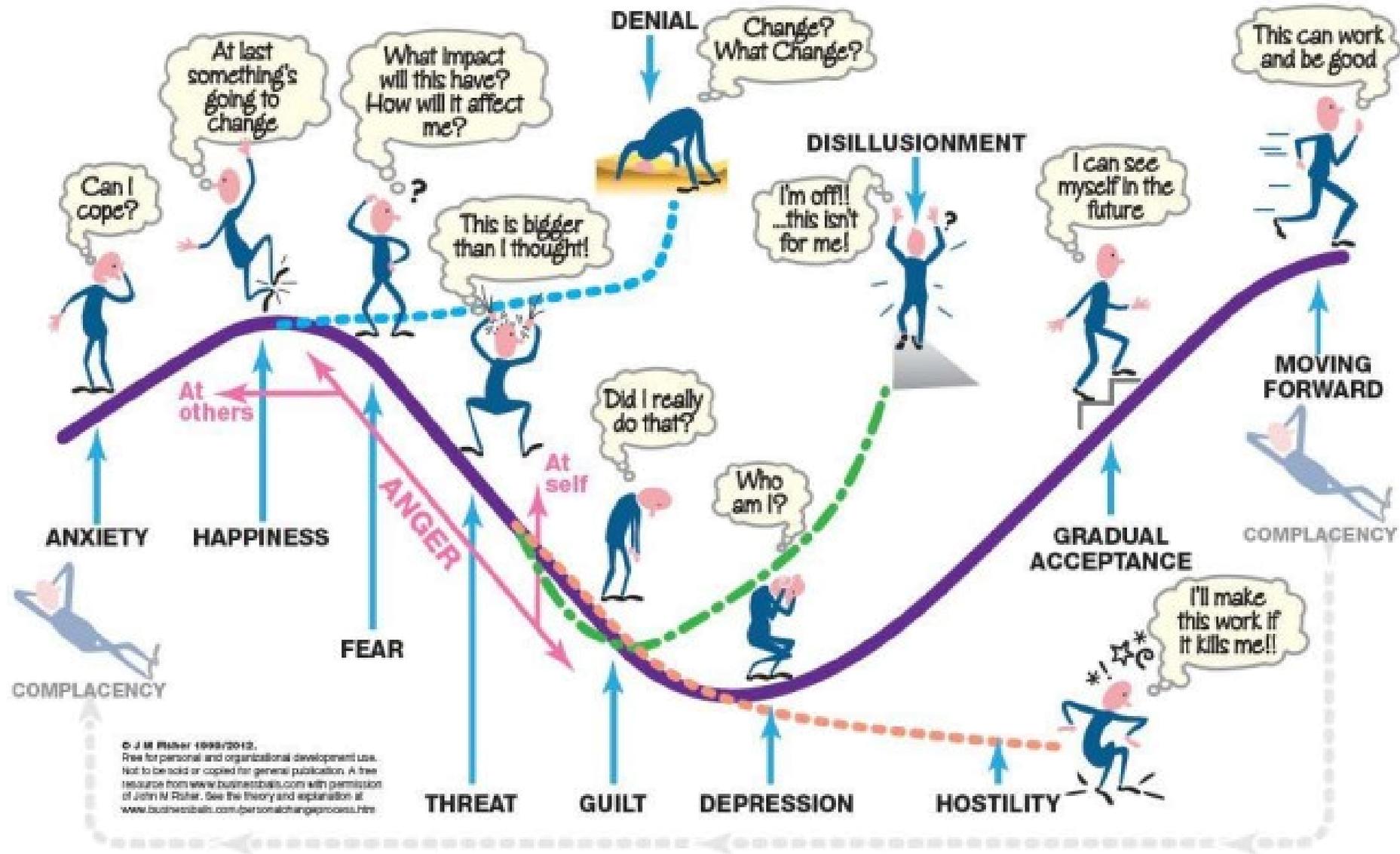
\*Online Reference

# Examples of Communications Goals by Change Curve

Awareness → Understanding	Understanding → Adoption	Adoption → Commitment
<ul style="list-style-type: none"> <li>• Communicate vision and importance of project</li> <li>• Describe the project and anticipated changes</li> <li>• Share the timeline for the Project</li> <li>• Describe impact</li> <li>• Explain their role in the project and expectations</li> <li>• Build strong communication, support and trust</li> </ul>	<ul style="list-style-type: none"> <li>• Celebrate new environment</li> <li>• Gain input and feedback from all stakeholders</li> <li>• Measure effectiveness and communicate results</li> <li>• Revise messaging as needed</li> <li>• Support users during the adoption phase so that they begin to demonstrate new capabilities and behaviors</li> <li>• Gain approval</li> </ul>	<ul style="list-style-type: none"> <li>• Gain input and feedback from all stakeholders</li> <li>• Measure effectiveness and communicate results</li> <li>• Revise messaging as needed</li> <li>• Ensure that users have embraced change and are proficient in their work processes</li> <li>• Coach and support others as they adopt and adapt</li> </ul>

\*Online Reference

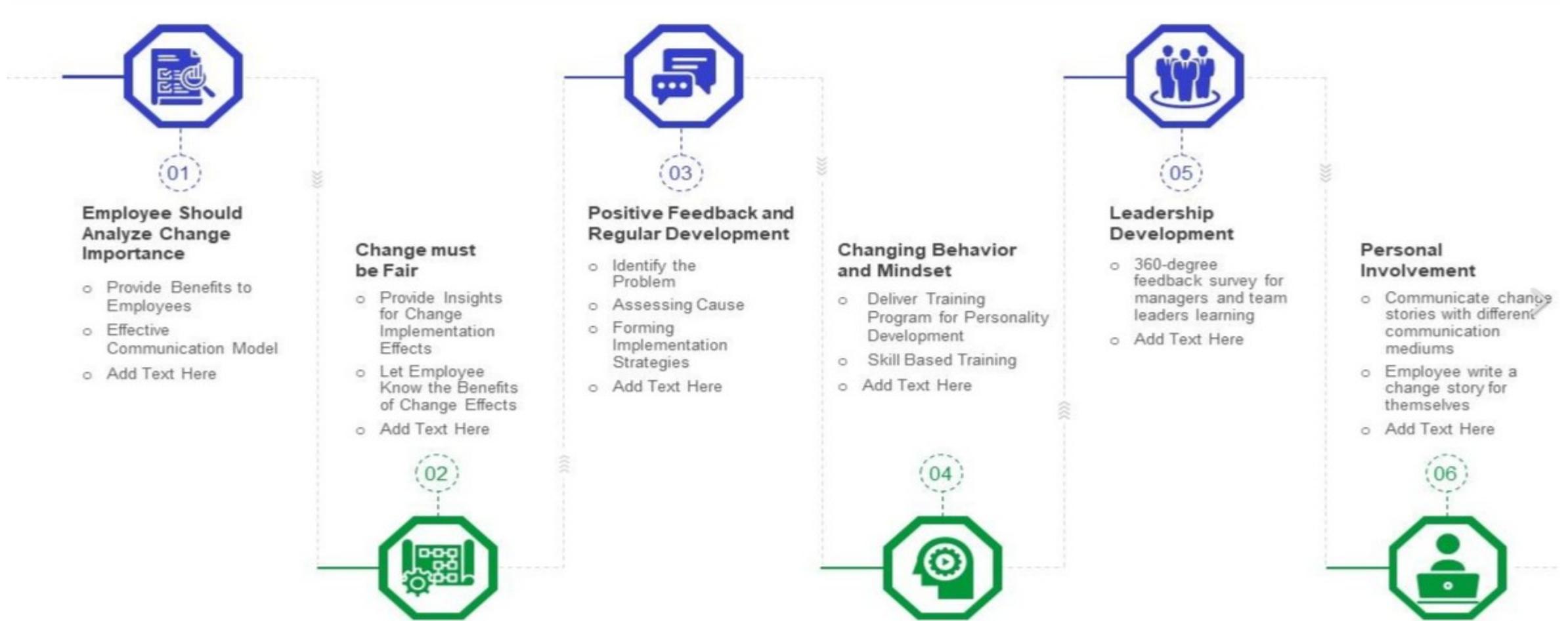
# Fisher's Personal Transition Curve



\*Online Reference

# Heart and mind human drivers

A Roadmap which can be used to motivate and educate the employee about the change implementation program in the company. It can be used to break rigid attitude of the workforce.

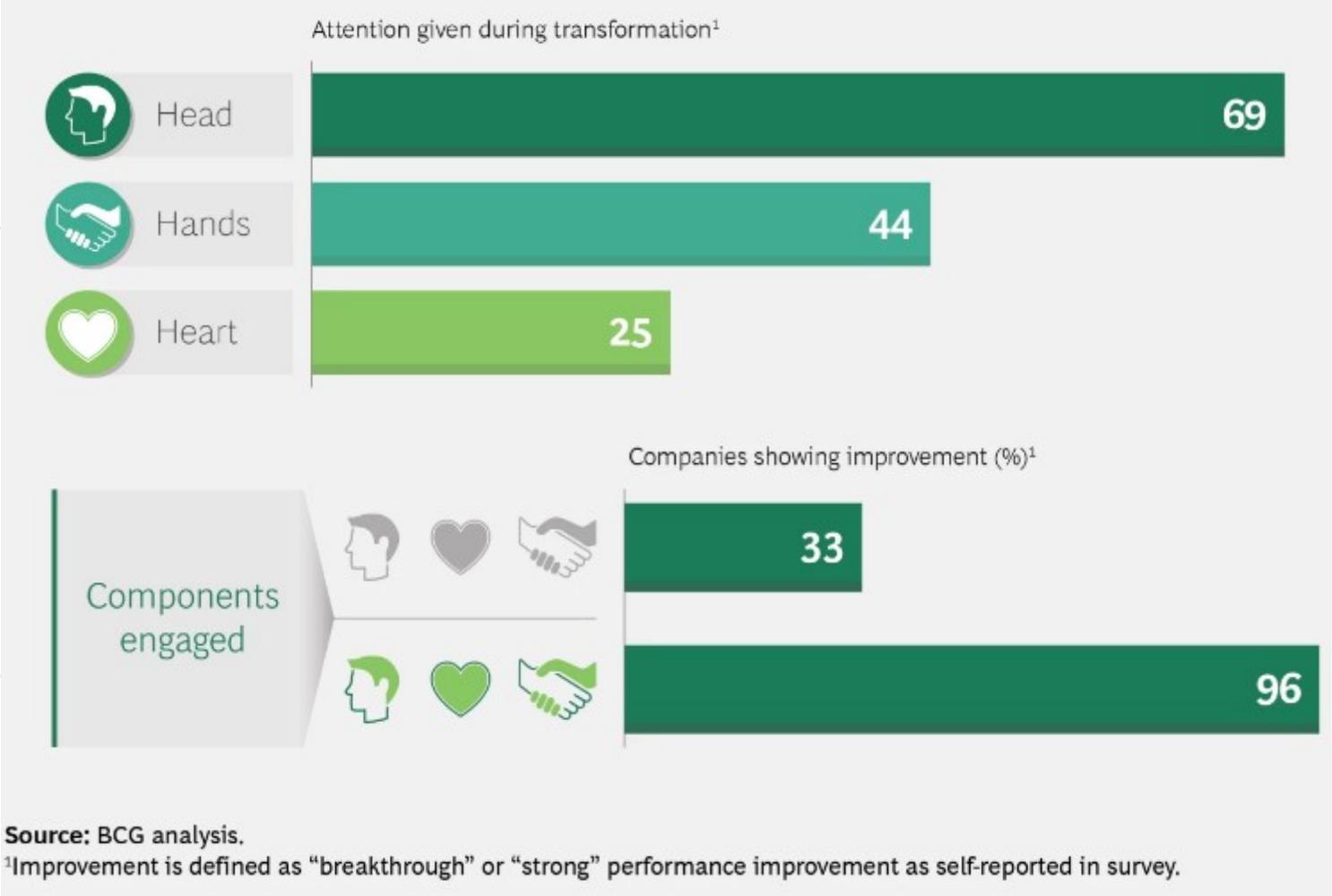


\*Online Reference

# HEALTHY HEART, STRONG PERFORMANCE

It's thus only fitting that the heart—as the metaphorical center and source of inspiration and power—is at the center of this holistic approach

Companies showing improvement when Head, Heart and Hand all are involved during Change Management



# PM and PPM Defined

## Project Management

- Application of knowledge, skills, tools & techniques to project activities to meet project requirements
- Stakeholders: business owners, sponsors, end users
- Stakeholder needs: business requirements, controlling costs & schedule

## Project Portfolio Management

- Application of knowledge, skills, tools & techniques to a collection (or portfolio) of projects in order to meet needs of an organization's investment strategy
- Stakeholders: financial management, senior executives, stockholders
- Stakeholder needs: optimal investment of resources, ROI, strategic alignment



## Congratulations, you've completed the knowledge check.

You should now be able to:

- Define AI and generative AI
- Explain how generative AI can amplify a project practitioner's work
- Describe how project practitioners use generative AI in their work
- List considerations for project practitioners when using generative AI



If you haven't done so already, visit the menu to the right and head to our AI Community on [projectmanagement.com](https://projectmanagement.com) where you'll find meaningful, relevant, and timely discussions from our experts and community. Complete the [feedback survey](#) to let us know what you thought of the course. PMI acknowledges that AI technology is moving incredibly fast and offers tremendous opportunities, but it also presents significant risks. PMI aims to have a voice in the conversation and will continue to evolve opinions, products, and tools as the story evolves, through updates to this course and through the creation of future courses like this one.

Thank you for embarking on this journey with us, and we look forward to witnessing the incredible contributions you'll make in the realm of artificial intelligence.



✓ 1. Introduction to GenAI



✓ 2. Solving PM Problems with GenAI



✓ 3. Voice of the PM



✓ 4. ChatGPT Lab



✓ 5. AI Tool Library



6. Knowledge Check



Generative Artificial Intelligence (GenAI) will impact project management in important, productive, and unexpected ways. It brings the potential to unlock endless opportunities for improvement of project delivery success rate, benefits realization, the societal impact of projects with global influence, and career advancements for project managers.

World Economic Forum predicts:

# 75%

of companies are set to have adopted AI technologies by 2027

Although the adoption of AI has been gaining momentum for several years, the current wave triggered by the launch of highly capable and publicly accessible GenAI chatbots is unfolding at lightning speed. GenAI breakthroughs are announced almost daily. Project managers need to understand the technology, the impact, and their ability to add value in their role, as well ensure ethical and reasonable implementation.

In this course, you'll learn what GenAI is, how you can leverage it, and what you should consider when implementing it into your project work. You'll hear from other project managers about how they're using it, and we'll give you some tools and guidelines so you can get started using GenAI right away.

# Generative AI in Project Management Can Lead to:

Cost savings

Better risk management

Increased stakeholder satisfaction

Greater adaptability

More accuracy in data-driven decisions

Happier project managers

01:39

# Generative AI Challenges to Consider:

Data quality and availability

AI model selection and integration

Ethics

Security and privacy concerns

Use a human-in-the-loop approach

Training



Data  
quality & availability



AI model  
selection & integration



Ethics



Security & privacy  
concerns



Human-in-the-loop  
approach



Training

To help ensure fairness in AI applications:



Conduct an  
ethical assessment



Include diverse  
perspectives



Implement  
fairness safeguards



Monitor and  
audit outcomes

To help select the right GenAI model:



Conduct a  
needs assessment



Run a  
pilot test



Consult with  
cross-functional  
teams



Develop an  
integration roadmap

To help ensure fairness in AI applications:



Conduct an  
ethical assessment



Include diverse  
perspectives



Implement  
fairness safeguards



Monitor and  
audit outcomes

To help ensure security measures:



Conduct a  
security audit



Implement  
authentication and  
access controls



Encrypt  
your data



Adhere to  
compliance and  
documentation

# HUMAN-IN-THE-LOOP APPROACH

To help ensure you're using  
a human-in-the-loop approach:



Identify key  
decision points



Train team  
members



Implement feedback  
mechanisms



Regularly review  
and update  
your approach

To help ensure your team is properly trained:



Don't stop  
learning



Get hands-on  
experience



Network within  
your industry



Share knowledge  
internally

# Solving PM Problems with GenAI

The PMI Talent Triangle is a framework that represents the three key areas of skills and competencies project managers need to be successful. GenAI can help solve project management problems in each leg of the triangle.

**Ways of Working:** Master many ways of working so you can apply the right technique at the right time and deliver winning results. You and your project team can utilize GenAI to get work done.

**Power Skills:** These interpersonal skills include collaborative leadership, communication, an innovative mindset, for-purpose orientation, and empathy. GenAI can help you become more effective in these areas.

**Business Acumen:** Professionals with business acumen understand the macro and micro influences in their organization and industry and have the function-specific or domain-specific knowledge to make good decisions.

Use GenAI to help cultivate effective decision-making skills and to understand how your projects align with the broader organizational strategy and global trends.



Project Managers are accountable for:

- their own actions
- actions taken by the team
- project performance

GenAI will always only be "C" for consulted



# Ways of Working

AS A PROJECT MANAGER, YOU ARE ACCOUNTABLE FOR:

The questions  
being asked of GenAI

Consider:

- Training your team on prompting to create a unified approach
- Examining ethical considerations when crafting questions
- Holding lunch-and-learn sessions to share experiences

The accuracy, safety,  
and utility of the answers

Consider:

- Sharing approaches for ensuring accuracy, like validating citations and fact checking
- Having frequent team discussions about which data is useful for decision-making
- Ensuring policies are in place regarding the use of proprietary data and make sure the team is trained in their use

The decisions made  
as a result of those answers

Consider:

- Gaining an understanding of the data set the AI is drawing from to understand how it aligns with the business objectives
- Role playing a possible stakeholder conversation with your favorite AI chatbot

# GEN AI IS A POWER SKILL OPTIMIZER



GenAI can be a powerful solution to the age-old problem of poor information delivery

It can serve as a tool for effective interactions with project stakeholders



# Power Skills

MAKE YOURSELF MORE EFFECTIVE BY:

Defining your "why"

## CONTEXT

Provide a description of your project and how it connects to the strategy and big picture.

## PURPOSE

Inform the AI of your intent and future-state vision so it can suggest content aligned with that purpose.

## AUDIENCE

Describe the audience profile to the AI. The AI will adjust the complexity and tone to fit the your readers.

## SCOPE

Ask your AI to keep its response within 3-5 sentences.

Defining your "what" and "how"

## PYRAMID PRINCIPLE

Ask the AI to structure content based on the Pyramid Principle. Provide raw content or main points. AI can help prioritize and structure them from the main takeaway down to the supporting details.

## REVISE AND EDIT RUTHLESSLY

**Draft First.** Ask the AI to create a starting point.

**Trim the Fat.** The AI can optimize for brevity.

**Simplify.** Ask the AI to rephrase sentences for readability.

**Use Visuals.** While text-based GenAI might not create visuals directly, it can indicate or suggest where visuals might be useful.

# BUSINESS ACUMEN IS SITUATIONAL. GEN AI CAN PLAY THE ROLE OF EXPERT COACH, IN THE MOMENT



GenAI can provide access to expert-level guidance in real time, making you more adaptable and capable of leading projects across diverse domains.



## Business Acumen

MAKE YOURSELF MORE EFFECTIVE BY:

### 1. IDENTIFYING THE PROBLEM

When you encounter a challenge, articulate it in clear terms to your favorite GenAI.

### 2. GATHERING THE DATA

Ask the AI to source information on the specific industry, function, or challenge, drawing from a vast database of knowledge and real-world examples.

### 3. GENERATING SOLUTIONS

GenAI presents possible solutions, best practices, or steps tailored to your context. It might also run simulations or predictions, if required.

### 4. UTILIZING HUMAN-IN-THE-LOOP

Apply the AI's suggestions and give it feedback on outcomes. The AI refines its future responses based on this iterative learning.



## Voice of the Project Manager

Project managers like you use GenAI to do the heavy lifting across various actions, like resource allocation, scheduling, project planning, documentation, resource demand prediction, risk logs, cost estimation, quality assurance/testing, and more. This saves enormous amounts of time, freeing up project managers to focus on higher-value activities.

GenAI can offer advice, diagnose, and make recommendations throughout the project management process. It can suggest how ideas should be presented. It can predict when and for what reasons an ongoing project could fail, and which projects should not be launched at all.

Project managers can hold ongoing conversations with GenAI, the way they would with a coach or mentor, about how to convince resistant stakeholders, how to identify why a task is not performing the way it should, or how to communicate more empathetically with team members. Over time, GenAI can observe performance and explain why project managers succeed or fail and will then offer recommendations to enhance performance.



## ChatGPT Lab

Prompt engineering is the art and science of crafting precise and effective instructions to guide the output of GenAI models. This involves writing and tailoring prompts for desired responses while considering the model's capabilities and limitations.

Open AI's ChatGPT is one of the most popular GenAI chatbots. The ChatGPT Lab is designed to allow you to select a project management task, view a pre-engineered prompt, and review ChatGPT's output. This tool provides a number of sample starting points to give you ideas about how you might use ChatGPT in your work.

Next, try creating accounts with two similar GenAI chatbot tools—Google's Bard, and Anthropic's Claude. Try these prompts—and modify them to suit your needs—across the three tools to get a feel for the variations in the outputs.

To get the most accurate and helpful information from GenAI chatbots, ask multiple, subsequent questions. Instead of prompting with a one-off query as you might do when using Google, think of it as a dialog. By continually refining your questions and asking the chat bot to reshape the answers based on its output, you improve the accuracy of the information you receive.



## GenAI Tool Library

While the fundamental concepts and ideas behind generative models have been present in the AI research community for several decades, the convergence of computational power, algorithmic innovations, and a conducive research environment has led to the rapid advancement and practical utilization of generative AI technologies—resulting in a boom of new tools.

Browse the tools in the AI Tool Library and set aside some time to experiment with them to improve and enhance your work. Download the PDF list and take it with you.

If you decide to implement these tools in your work, make sure you understand each tool's Terms of Service and Privacy Policy. Understand how your data will be used, stored, and protected. Clarify who owns the content and data generated by the tool and whether the tool can be integrated into your existing tools, software, and workflows. Evaluate the reliability and quality of the generated content. It's important to keep in mind that inaccuracies or errors in the AI-generated content could impact your projects negatively. Happy exploring.



# LINKED TOOLS



ChatGPT Prompt Engineering 100323.pdf



GenAI Tools for PMs 100323.pdf



## Knowledge Check

AI is revolutionizing project management work, augmenting human capabilities by automating tasks and carving out significant time for higher-value activities. Taking advantage of this revolution will require project managers to develop skills and quickly adapt the safe and effective use of GenAI tools.

**Gartner Predicts:**

**80%**

of project management tasks will be run by AI powered by big data, machine learning (ML) and natural language processing.

**IBM Says:**

**77%**

of entry-level workers will see their jobs shift by 2025. Over the next few years, the use of generative AI will dominate all roles and all levels across an organization.

Congratulations on taking the first step in acquiring those skills by completing this course. To earn your badge for this course, you must attempt the knowledge check and answer at least 12 of the 15 questions correctly. When you are ready, close this popup and begin. You may attempt the knowledge check as many times as you like.

# PM and PPM Process Integration

## PM Processes

- Initiating
- Planning
- Executing
- Closing
- Monitoring and Controlling

## PPM Processes

- Identifying
- Categorizing
- Evaluating
- Selecting
- Prioritizing
- Balancing
- Authorizing
- Performance Reporting
- Monitoring and Communicating Adjustments

# Important Elements of Portfolio Management



\*Online Reference

# Four Pillars of Project Portfolio Management



\*Online Reference

# Portfolio Management Maturity: Components

1. Portfolio Governance
2. Project Opportunity Assessment
3. Project Prioritization and Selection
4. Portfolio and Project Communications Management
5. Portfolio Performance Management
6. Portfolio Resource Management

# Governance through Portfolios

- Enables Executives to establish the required governance to engage with the business effectively and to deliver investment results efficiently
  - Align with organizational goals, strategies and priorities
  - Select the right investments and make the right tradeoffs
  - Demonstrate measurable business value
  - Involve top management in project portfolio execution
  - Communicate effectively with business partners and stakeholders
  - Operate in compliance with corporate governance requirements
- Requires a holistic view of the entire IT portfolio across the enterprise
  - Projects, People, Applications, Assets, Demand, Services

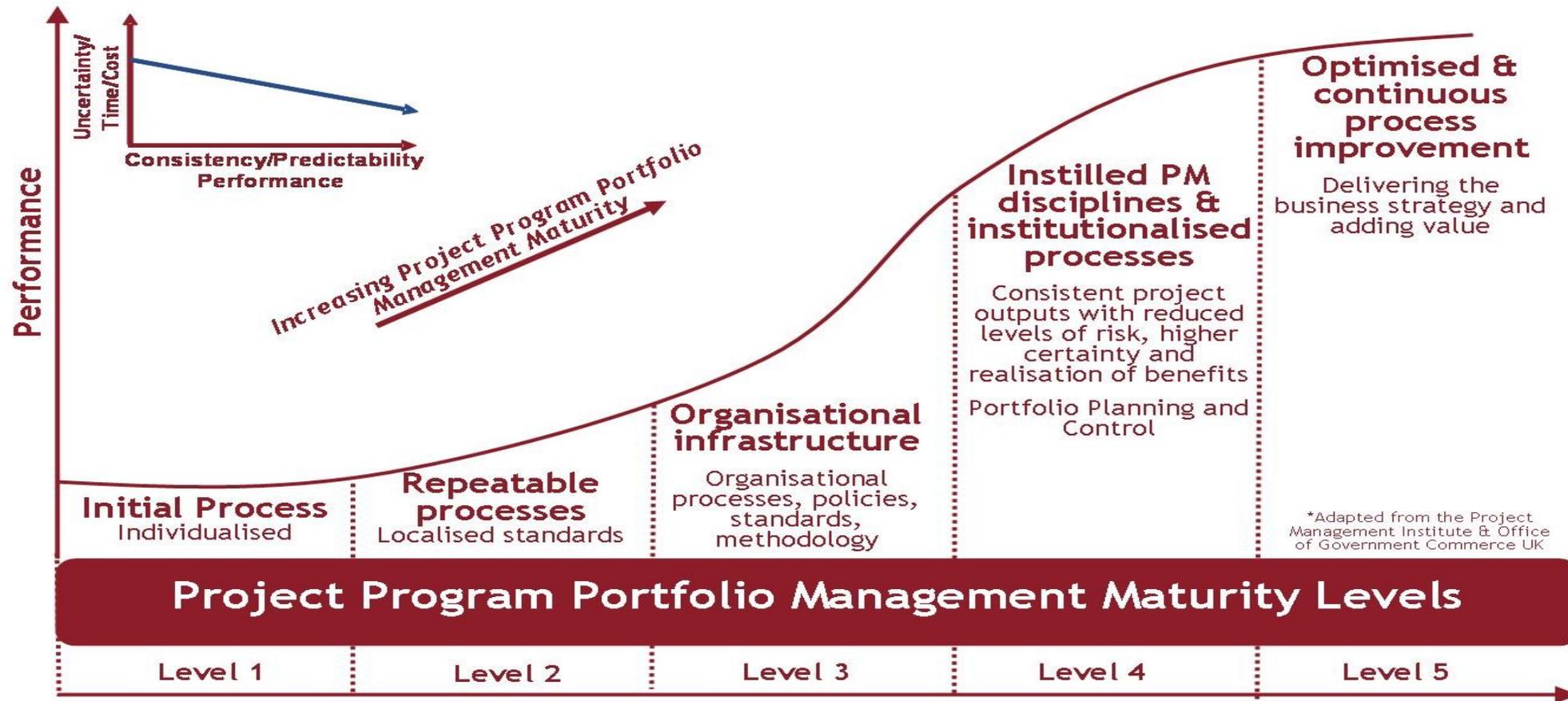
# Become the Center of Excellence

- Process and methodology – without bureaucracy or policing
- PM and PPM tools repository
- Project Manager Mentoring - Staffed by experienced experts
- Help Desk providing fast, knowledgeable response to requests
- Project Manager development approach and career track
- Training strategy and plan

# Project Management Maturity Model

Project Program Portfolio Management Maturity Curve - Illustrates Increasing PPP Management Maturity

24/04/2008 V 0.10



# PMO To-Do List

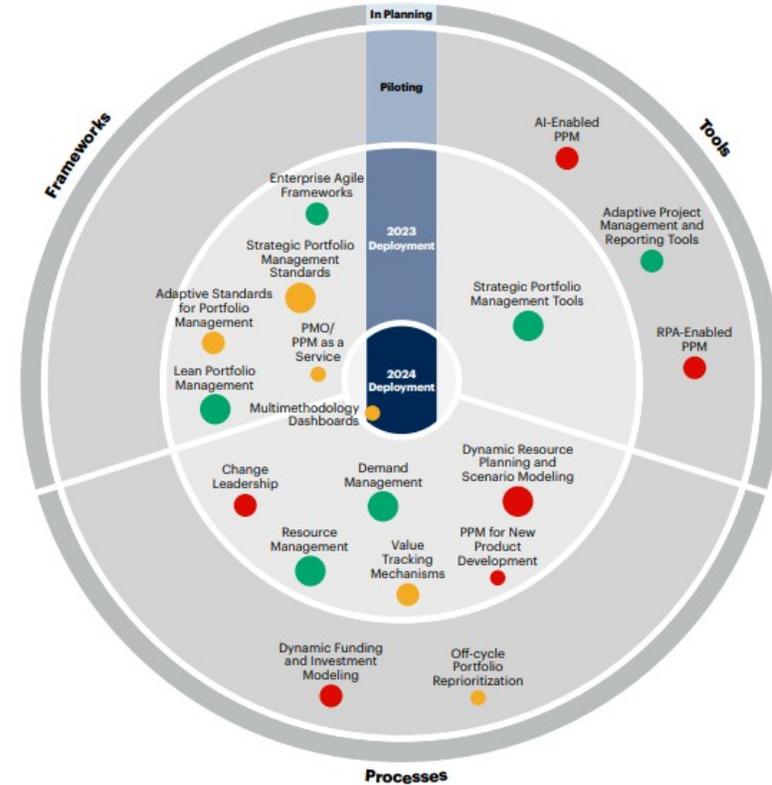
Current PMO Maturity Level	Characteristics of PMOs at This Maturity Level	Initiatives that Will Move the PMO to the Next Maturity Level
INITIAL	<ul style="list-style-type: none"> <li>Some defined PM processes are available</li> <li>informal support to teams as requested</li> <li>No PM training is available</li> </ul>	<ul style="list-style-type: none"> <li>Assemble a task force to establish a PM process</li> <li>Document the PM process</li> <li>Make PM training available</li> </ul>
REPEATABLE	<ul style="list-style-type: none"> <li>A document PM process is in place</li> <li>Part-time support to teams available</li> <li>Limited PM training is available</li> </ul>	<ul style="list-style-type: none"> <li>Establish programs to increase PM process usage</li> <li>Establish a full-time PMO staff to support teams</li> <li>Monitor and enforce compliance</li> <li>Increase available PM training</li> </ul>
DEFINED	<ul style="list-style-type: none"> <li>Fully documented and supported PM process</li> <li>Full-time support to teams is available</li> <li>All project teams are using the process</li> <li>PM processes are integrated with other processes</li> <li>More extensive PM training is available</li> </ul>	<ul style="list-style-type: none"> <li>Projects are made part of the business plan</li> <li>Put project portfolio management in the PMO</li> <li>Give the PMO an active role in project staffing</li> <li>Offer more extensive training</li> <li>Create a career development program in the PMO</li> <li>Staff project managers in the PMO</li> </ul>
MANAGED	<ul style="list-style-type: none"> <li>PMO responsible for professional development</li> <li>Complete PM training is available</li> <li>project portfolio managed as a business</li> </ul>	<ul style="list-style-type: none"> <li>PMO begins identify and adopt best practices</li> <li>Metrics are defined to track process quality</li> <li>Project reviews are used to monitor compliance</li> </ul>
OPTIMIZED	<ul style="list-style-type: none"> <li>A continuous improvement process is in place</li> <li>There is measured improvement in project success</li> </ul>	

# Strategic Portfolio Management Framework, Process and Tool Investments Roadmap

## Key Take-Aways

### Strategic Portfolio Leaders

- To navigate economic headwinds, Strategic Portfolio (SP) leaders are making strong investments in SPM frameworks, processes and tools in 2023.**  
Over 70% of the frameworks, processes and tools asked about in the survey are in deployment according to SP leaders.
- As organizations continue to move towards their digital goals with restricted funds and resources due to the looming recession, increasing the ability to innovate within portfolios becomes the highest priority in 2023.**  
In 2023, almost two thirds of frameworks, processes and tools selected by respondents are expected to increase the ability to innovate for the organizations.
- Lack of organizational readiness is the biggest risk to successfully adopting key frameworks, processes and tools in 2023.**  
Lack of organizational readiness is the primary risk factor for two thirds of the frameworks, processes and tools included in the survey.
- As developing flexibility within a portfolio continues to grow in importance, SP leaders have increased expectations of value from dynamic funding and dynamic resource planning in 2023.**  
Both processes have seen an increase in their perceived value (from low to medium and medium to high respectively).
- With ongoing scarce availability of resources in the market and gaps in critical skills, demand management and dynamic resource planning have become highly valuable processes to adopt in 2023.**
- Expecting a tumultuous global socio-economic situation in 2023, SP leaders are increasing adoption of SPM tools in 2023 to enable "one source of truth" for data-based decisions.**
- SP leaders are expecting to see more value in AI-enabled and RPA-enabled PPM tools in 2023 as compared to 2022.**
- Organizations are looking to adopt frameworks, processes and tools that improve speed and agility at scale, so that organization's digital investments can give faster results while navigating uncertainty.**  
Enterprise agile frameworks have shifted from being perceived as high risk and low value in 2022 to low risk and medium value in 2023 at the time of adoption.



### Enterprise Value

The value factor awarded to each framework, process and tool is based on the analysis of value drivers, including increased transparency of the portfolio, improved delivery speed and agility, reduced coordination complexity across existing silos, increased ability to innovate and reduced portfolio risk.



### Adoption Risk

The risk factor awarded to each framework, process and tool is based on the analysis of potential risks posed, including lack of vendor or service provider support, talent unavailability, lack of leadership buy-in, lack of employee buy-in and lack of organizational readiness.



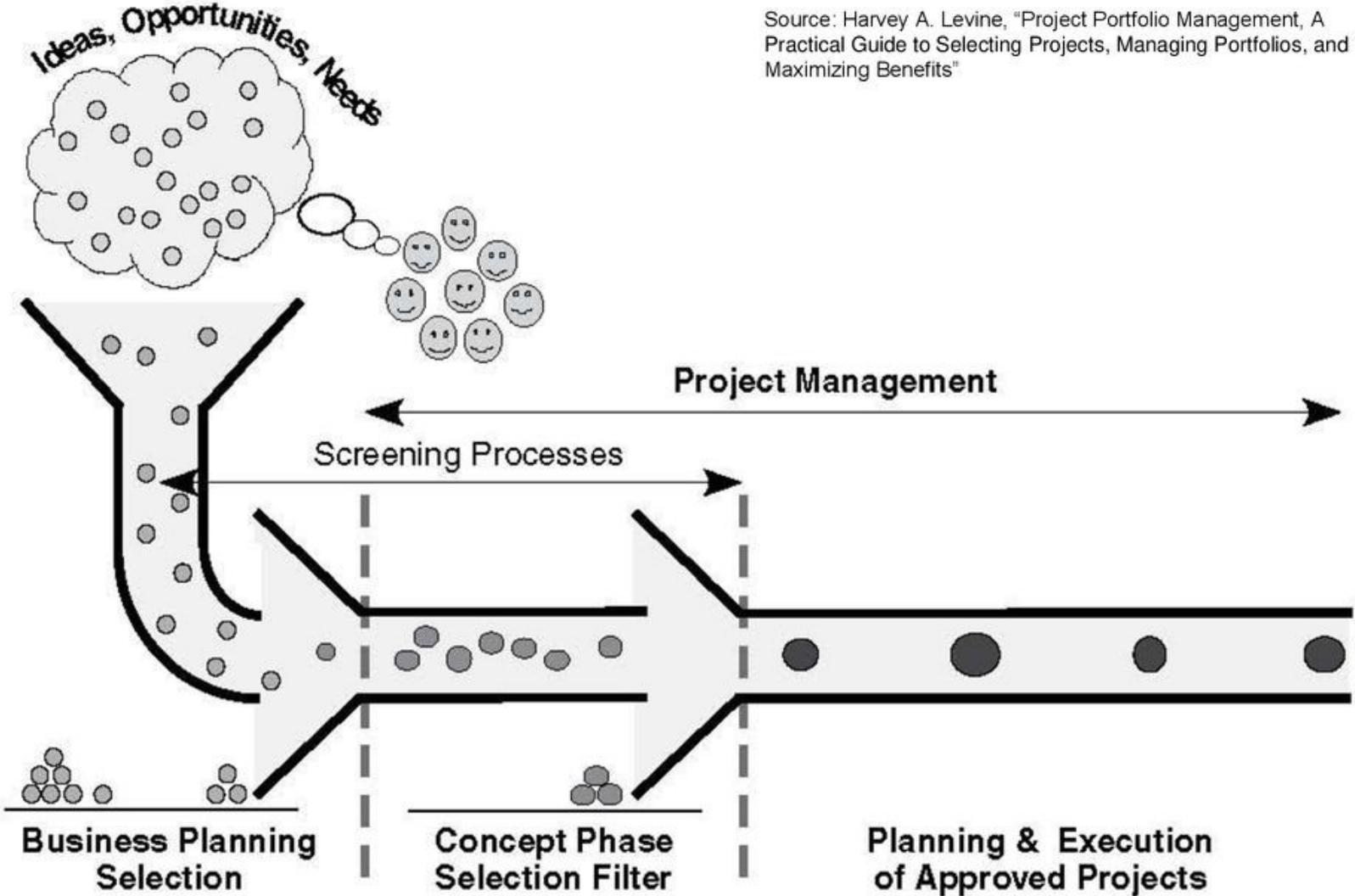
### Adoption Phase

The adoption phase is determined by the current deployment plans for a majority of organizations. Frameworks, processes and tools placed on the border between phases are on the cusp of moving into the next deployment phase.

A Gartner survey revealed the number of organizations that have already deployed AI/machine learning (ML) for digital commerce rose from 19% in 2019 to 31% in 2021.

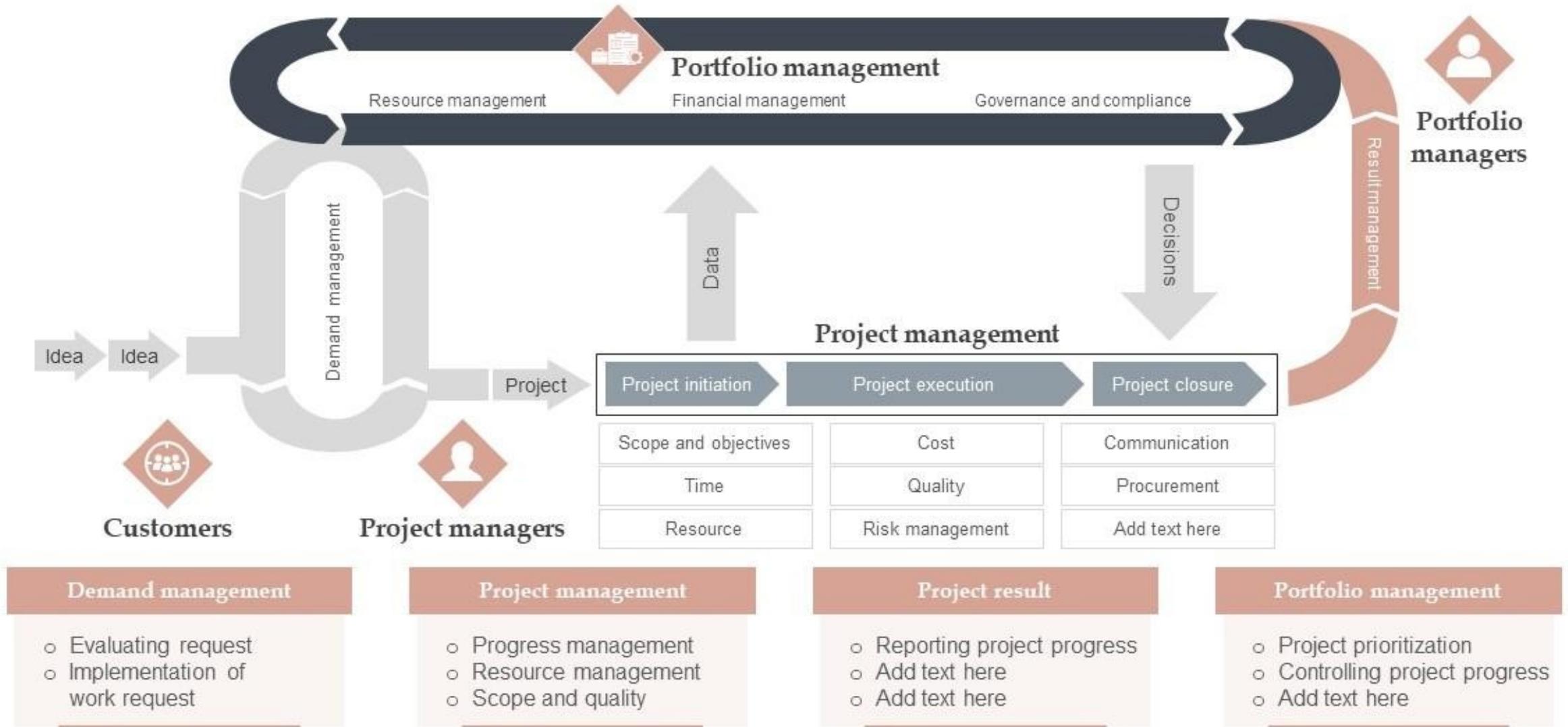
# Project Portfolio Management

Source: Harvey A. Levine, "Project Portfolio Management, A Practical Guide to Selecting Projects, Managing Portfolios, and Maximizing Benefits"



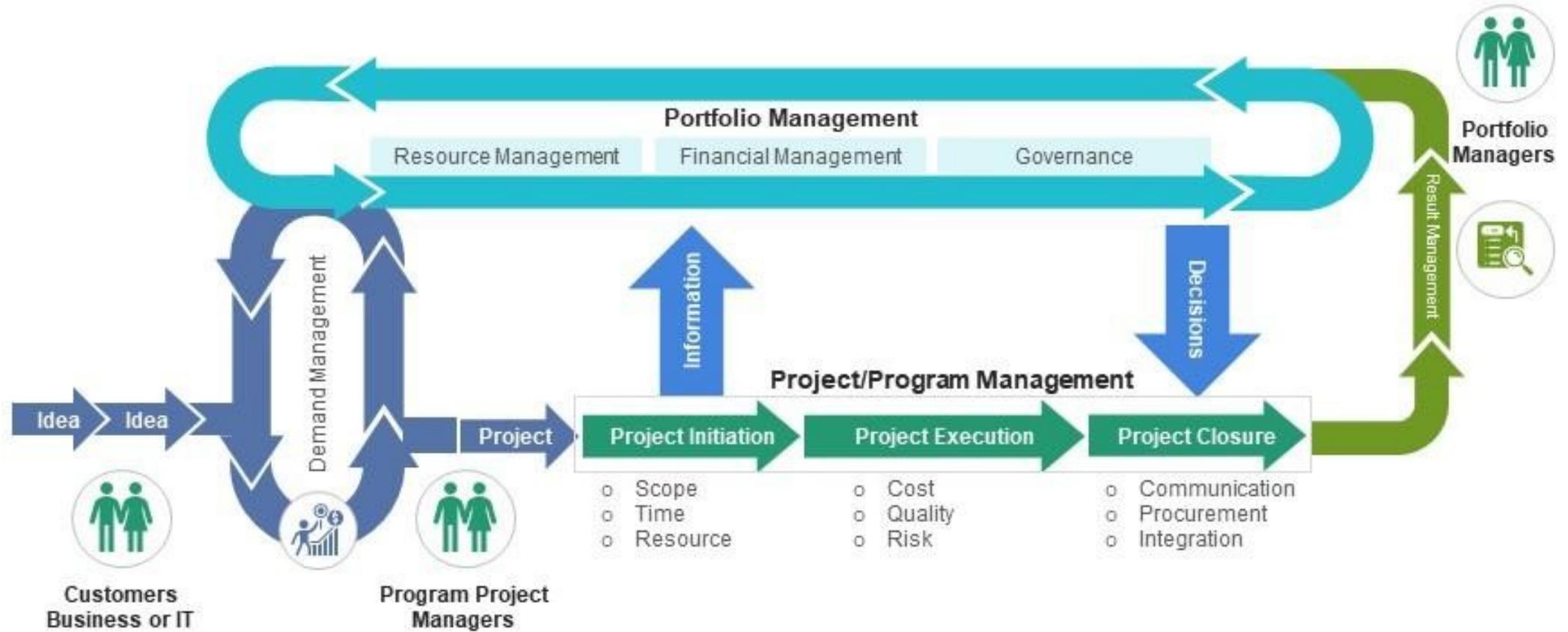
\*Online Reference

# End to End Project Portfolio Management



\*Online Reference

# Project Portfolio with demand and financial management



## Demand Management

- Demand evaluation
- Text here

## Project/Program Management

- Analyze project progress
- Text here

## Result Management

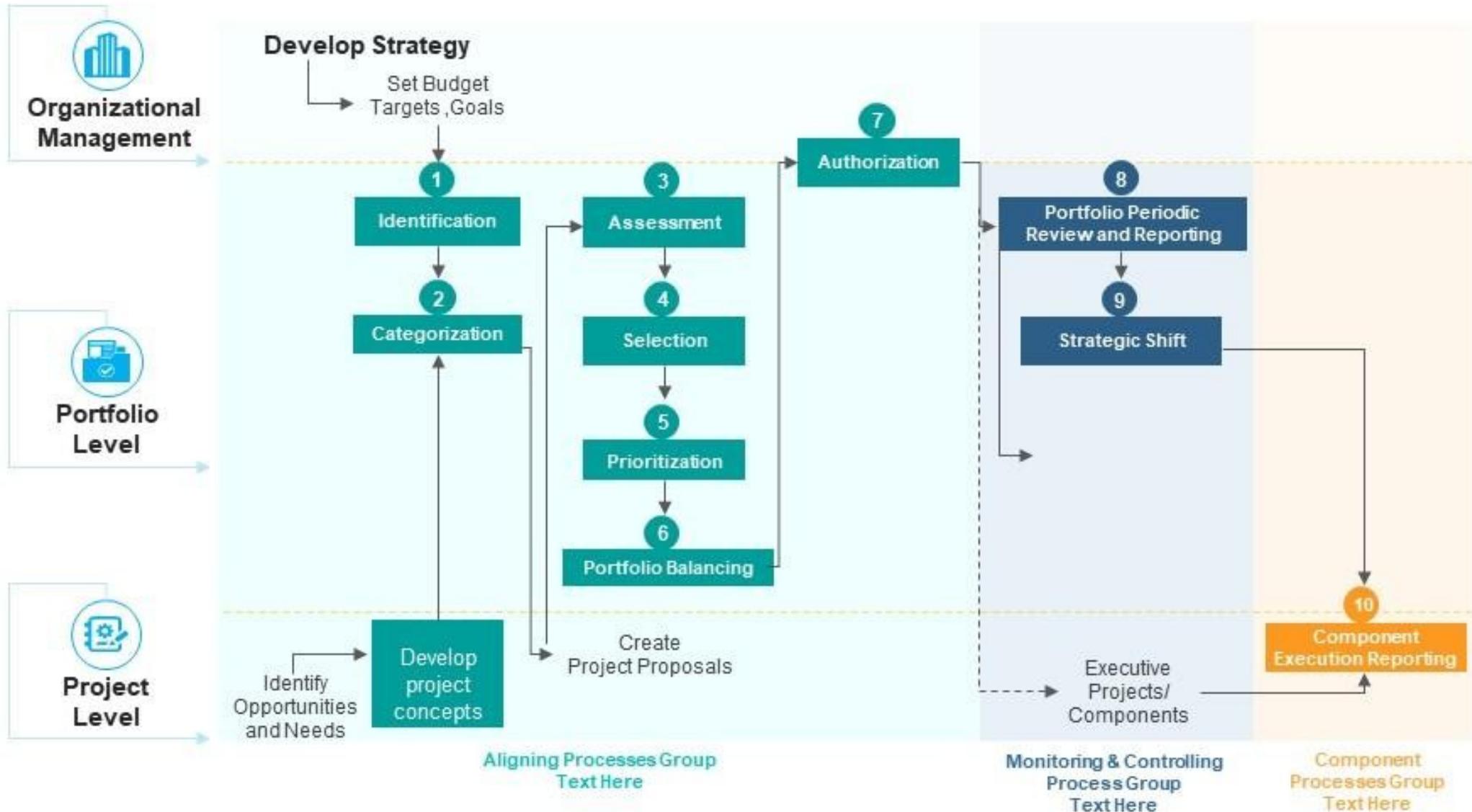
- Analyze project result
- Text here

## Portfolio Management

- Improving process
- Text here

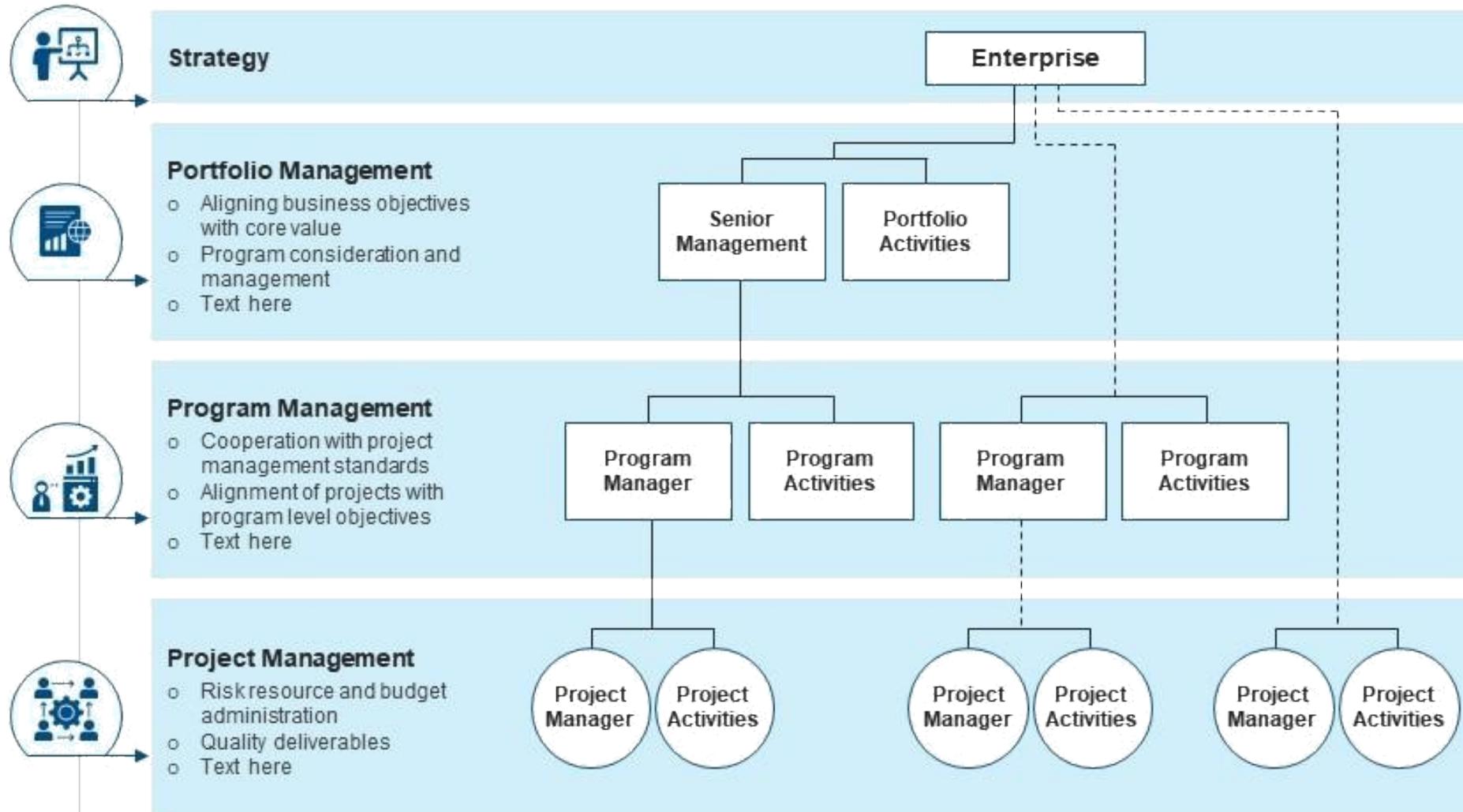
\*Online Reference

# Project Portfolio management with strategic shift



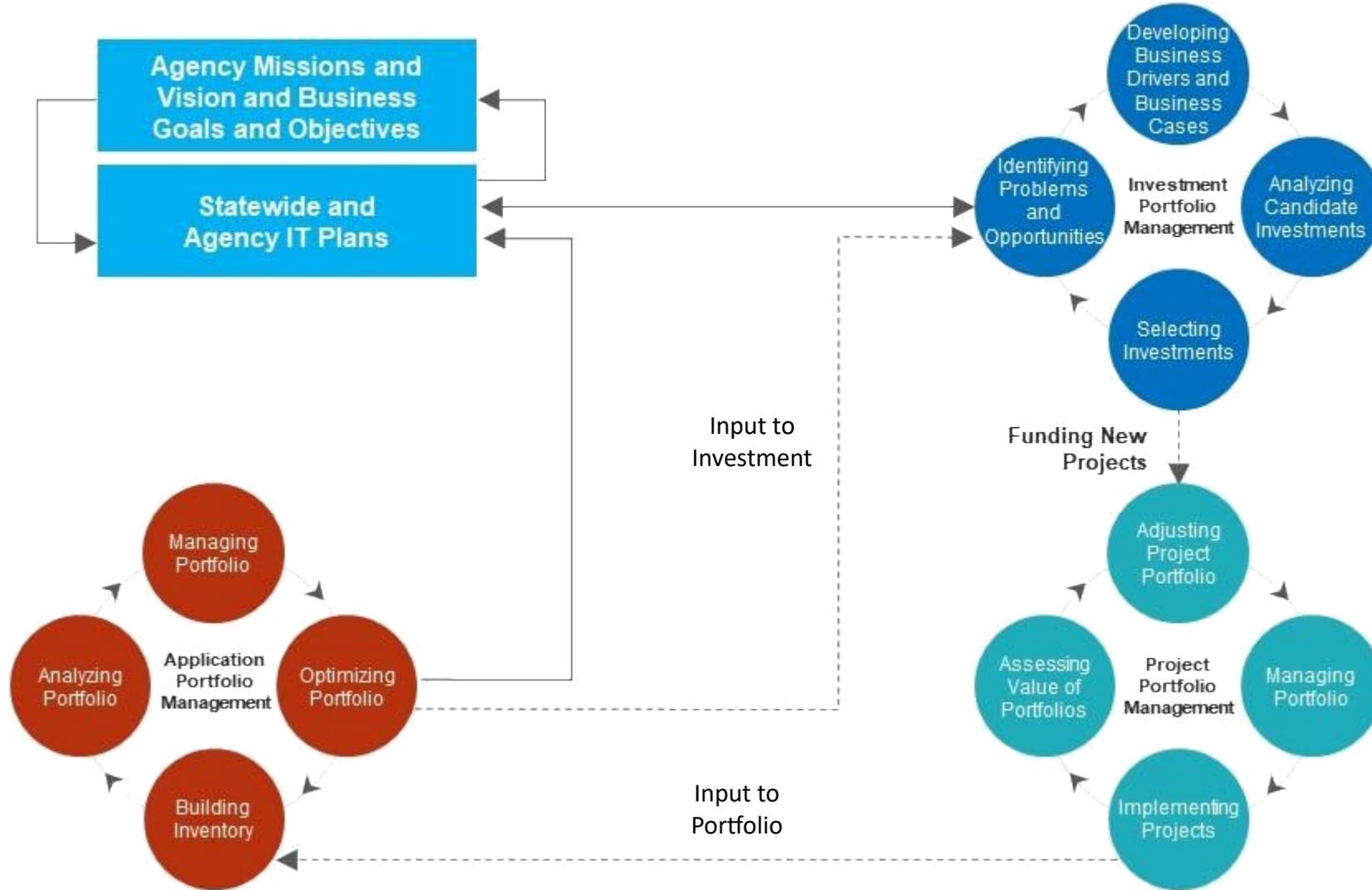
\*Online Reference

# Lean Agile Portfolio and Program Management



\*Online Reference

# IT Project Portfolio Management Framework



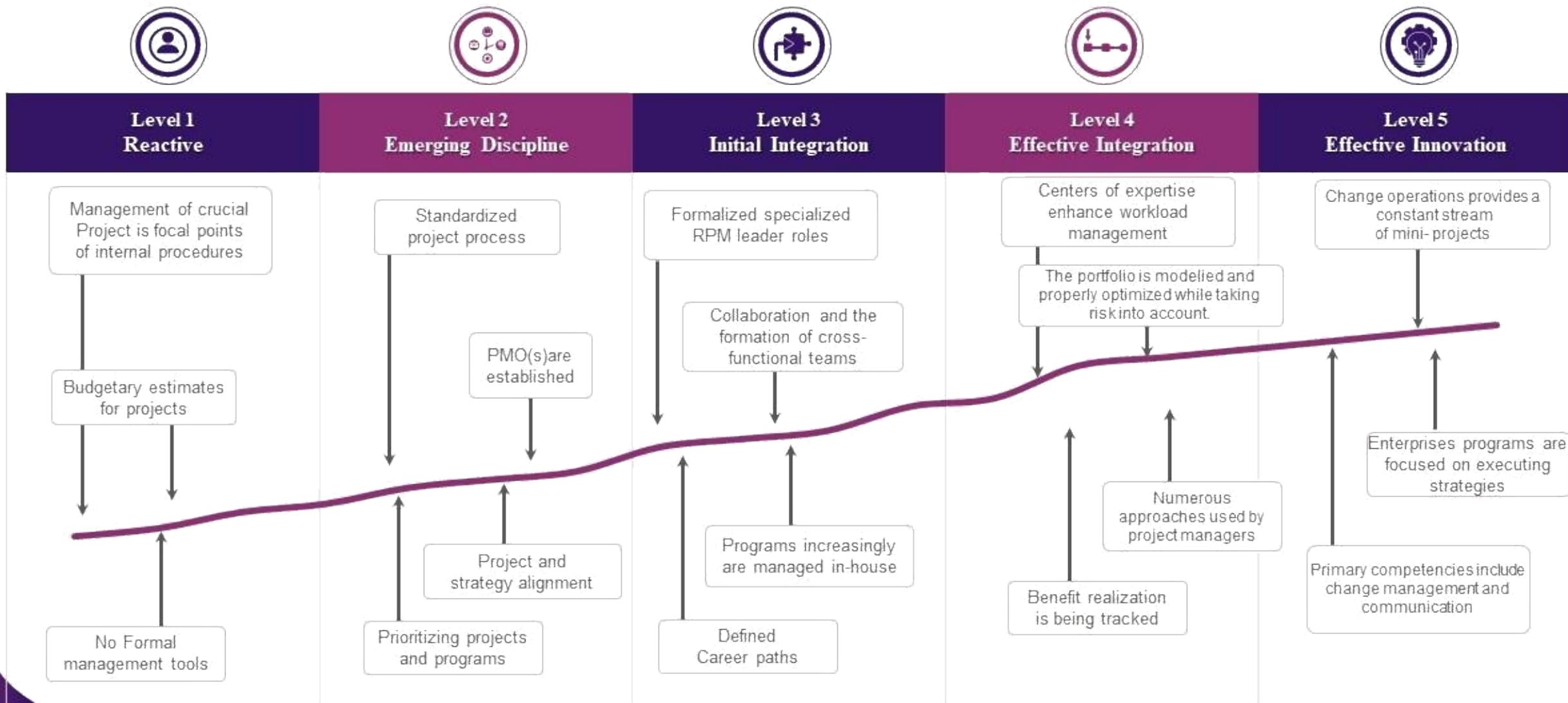
\*Online Reference

# Project Portfolio Management Tool Assessment

 Project Management Software and Standards	 Stakeholders	 Project Performance Metrics	 Prioritization Metrics	 Resources	 Process	 Design	 Environment
<b>Software 1</b>	Project sponsor	User can set the metrics	Analyze categories and major risks	Personal equipment	Activity management	Not public	Internal
<b>Software 2</b>	Project manager	User can set the metrics	Analyze categories and major risks	People environment	Analyze project progress	Not public	Pc-based
<b>Software 3</b>	Team member	User can not set the metrics	Recommendation on prioritization	People environment	Tasktracker	Not public	Web application
<b>Text here</b>	Text here	Text here	Text here	Text here	Text here	Text here	Text here

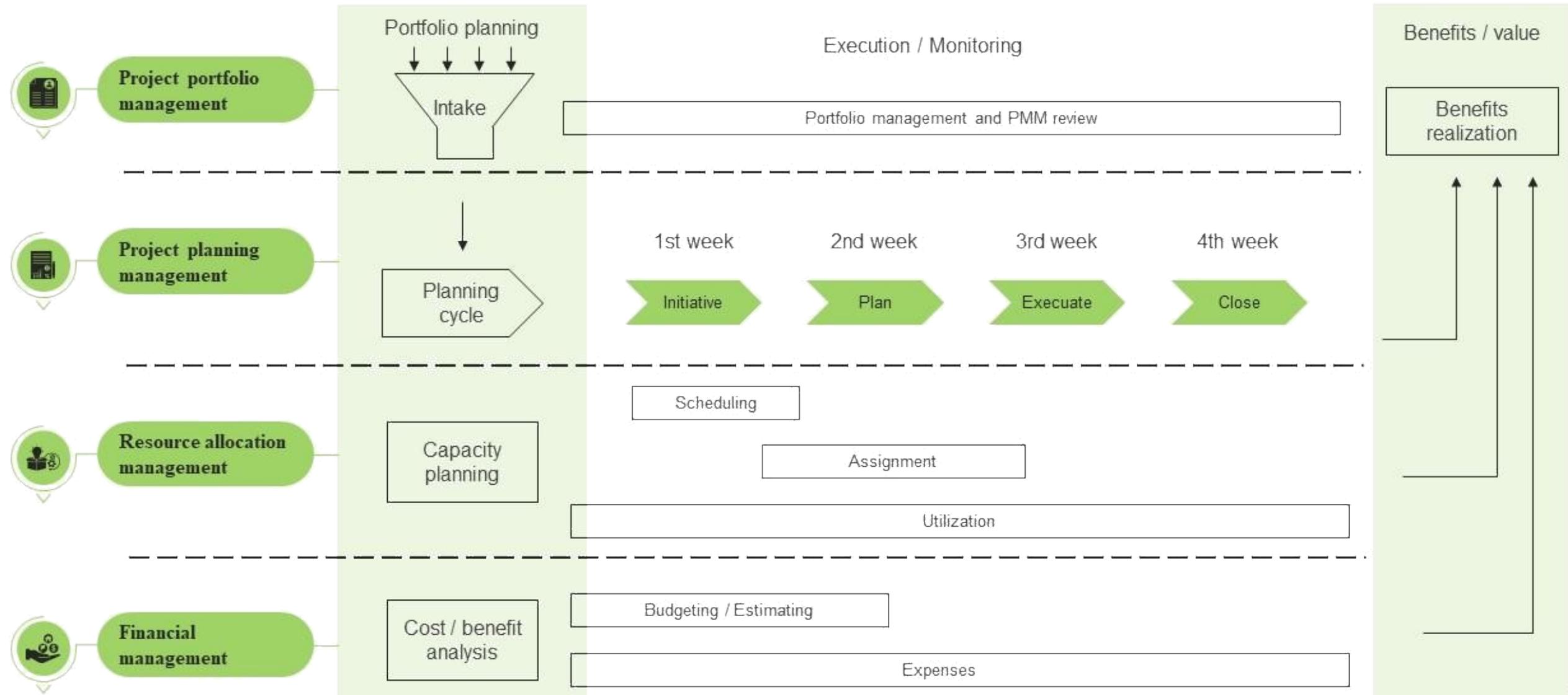
\*Online Reference

# Project Portfolio Management and Integration Maturity Model



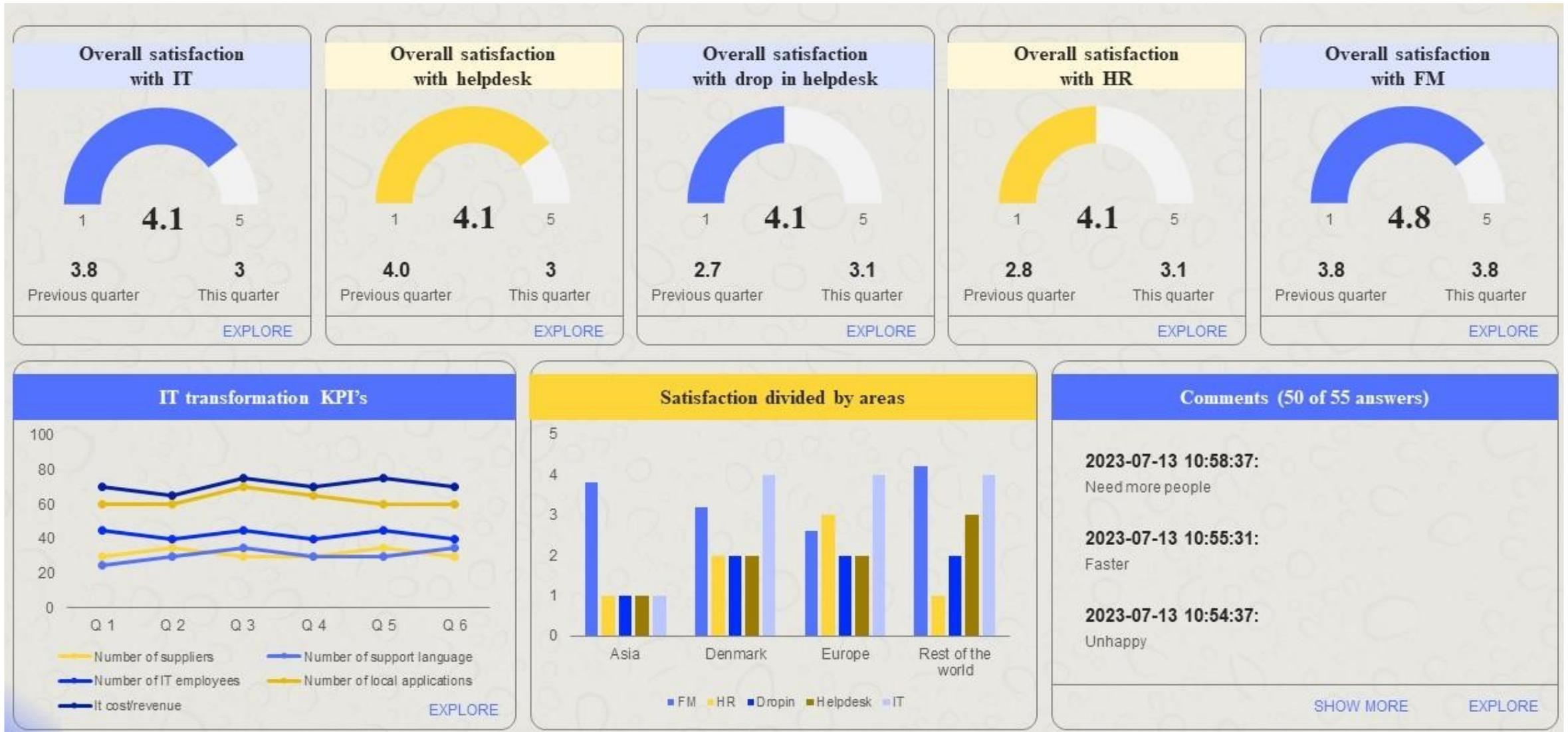
\*Online Reference

# Strategic Project Portfolio Management Process Flow



\*Online Reference

# KPI Dashboard to Track Stakeholder Satisfaction



\*Online Reference



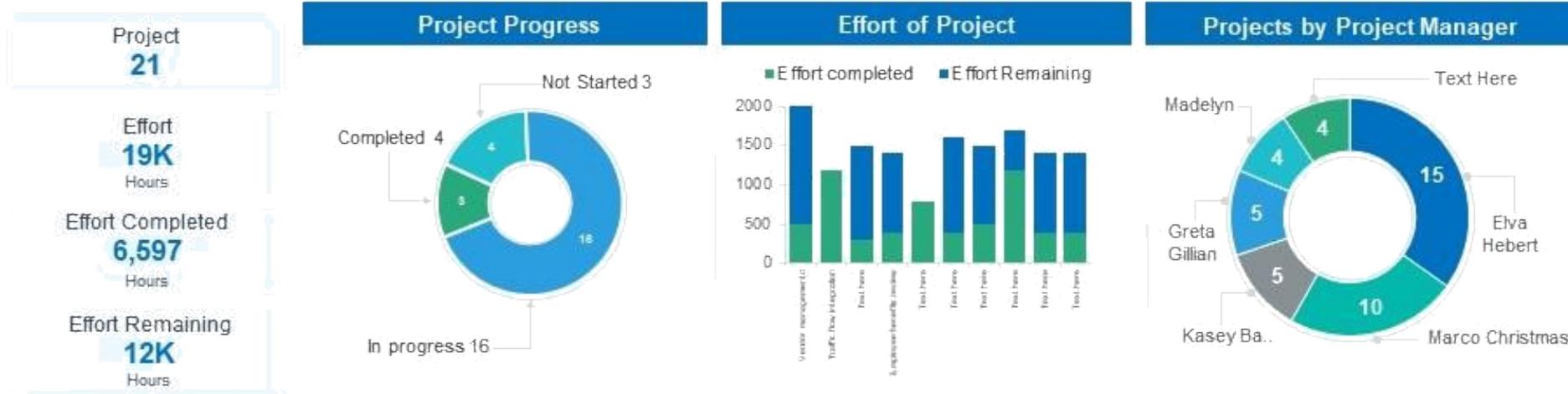
# End to End Project Management Service Automation



WBS – work breakdown structure

\*Online Reference

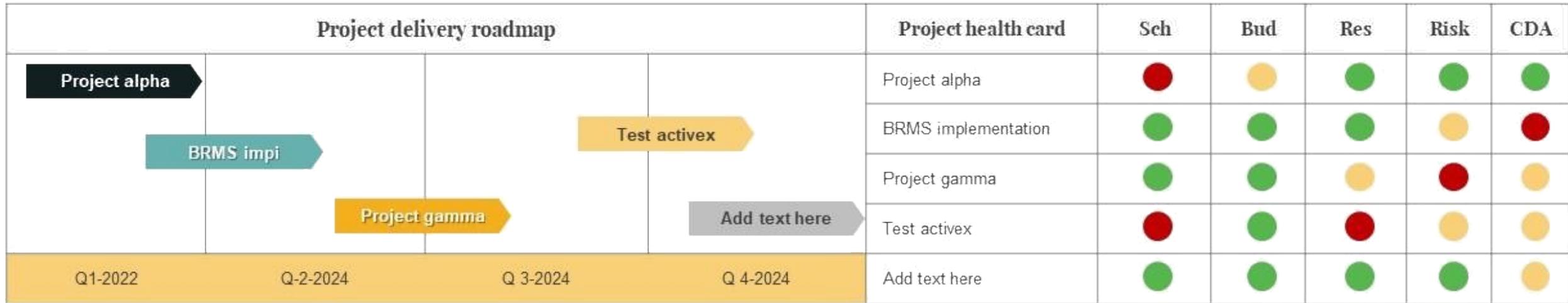
# Project Portfolio Management Dashboard and chart



Project	Project Manager	Start	Finish	Progress	Effort (Hours)	Total Tasks	Remaining Tasks	Late Tasks	On Track Tasks	Future Tasks	Completed Tasks
SEO Campaign	James Milner	20-Dec-21	07-Nov-21	0%	440	23				23	24
SCO Campaign	Adam Smith	22-Oct-21	07-Nov-21	84%	209	23					2
Blogs	William	31-Oct-21	07-Nov-21	19%	0	6	15	5		4	3
Email Campaign	Carter	25-Oct-21	07-Nov-21	29%	203	2	3				2
Text Here	Nick Carter	04-Nov-21	07-Nov-21	49%	224	5				2	4
Text Here	Text Here	14-Nov-21	07-Nov-21	39%	345	20	4		5	6	6
Text Here	Text Here	25-Nov-21	07-Nov-21	29%	566	7	2		3	3	2
Text Here	Text Here	07-Feb-21	07-Nov-21	20%	234	3			4	17	5
Text Here	Text Here	28-Nov-21	07-Nov-21	32%	209	4				8	2
<b>Text Here</b>	<b>Text Here</b>	<b>27-Dec-21</b>	<b>07-Nov-21</b>		<b>17,533</b>	<b>269</b>	<b>45</b>	<b>2</b>	<b>18</b>	<b>125</b>	<b>79</b>

\*Online Reference

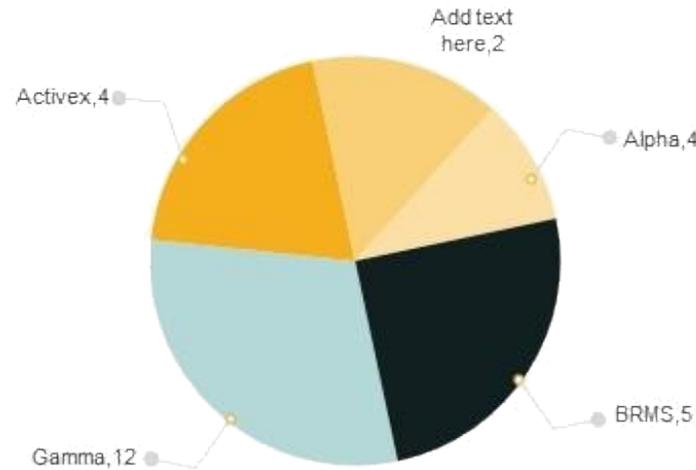
# Dashboard Showing Project Portfolio Management



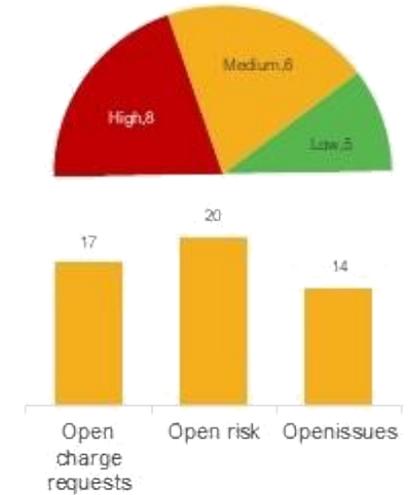
Project funding



Resource allocation (headcount)



Portfolio risks



\*Online Reference

# Project Management Quality Metrics Dashboard With Employee Performance Analysis



Tasks completed in June 2023

1020



Monthly Target

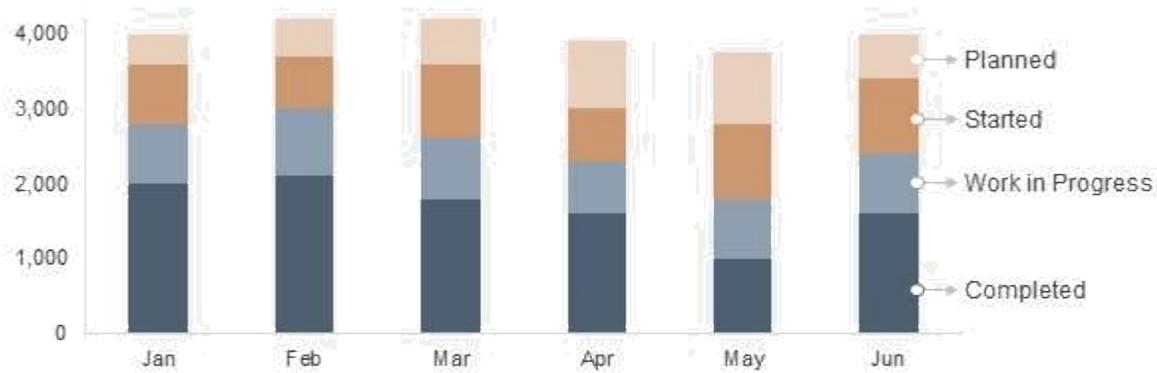
1000



Milestones covered in June 2023

105

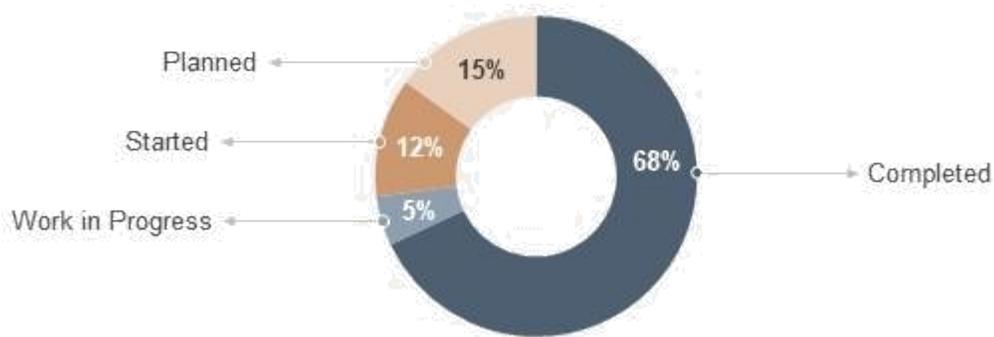
## Monthly Workload



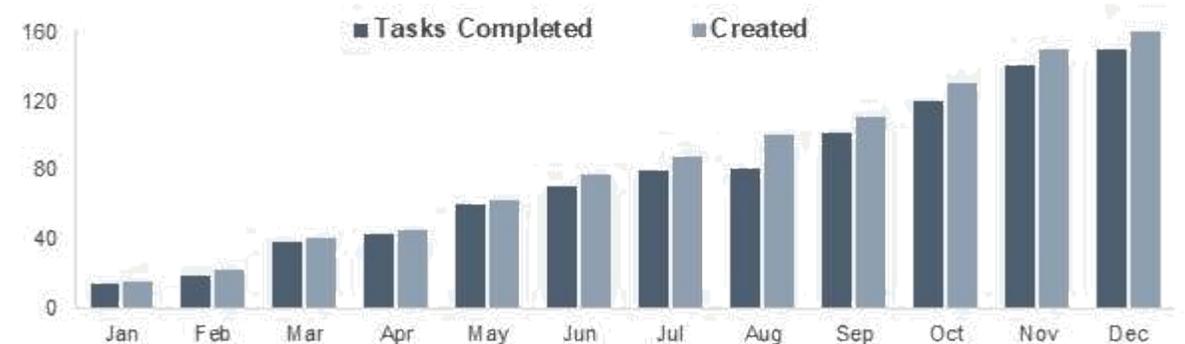
## Employee Performance

Name	Tasks Completed	In- Progress
Dan Smith	25	11
Rosa Scott	22	9
Add Text Here	Add Text Here	Add Text Here
Add Text Here	Add Text Here	Add Text Here

## Status of Tasks



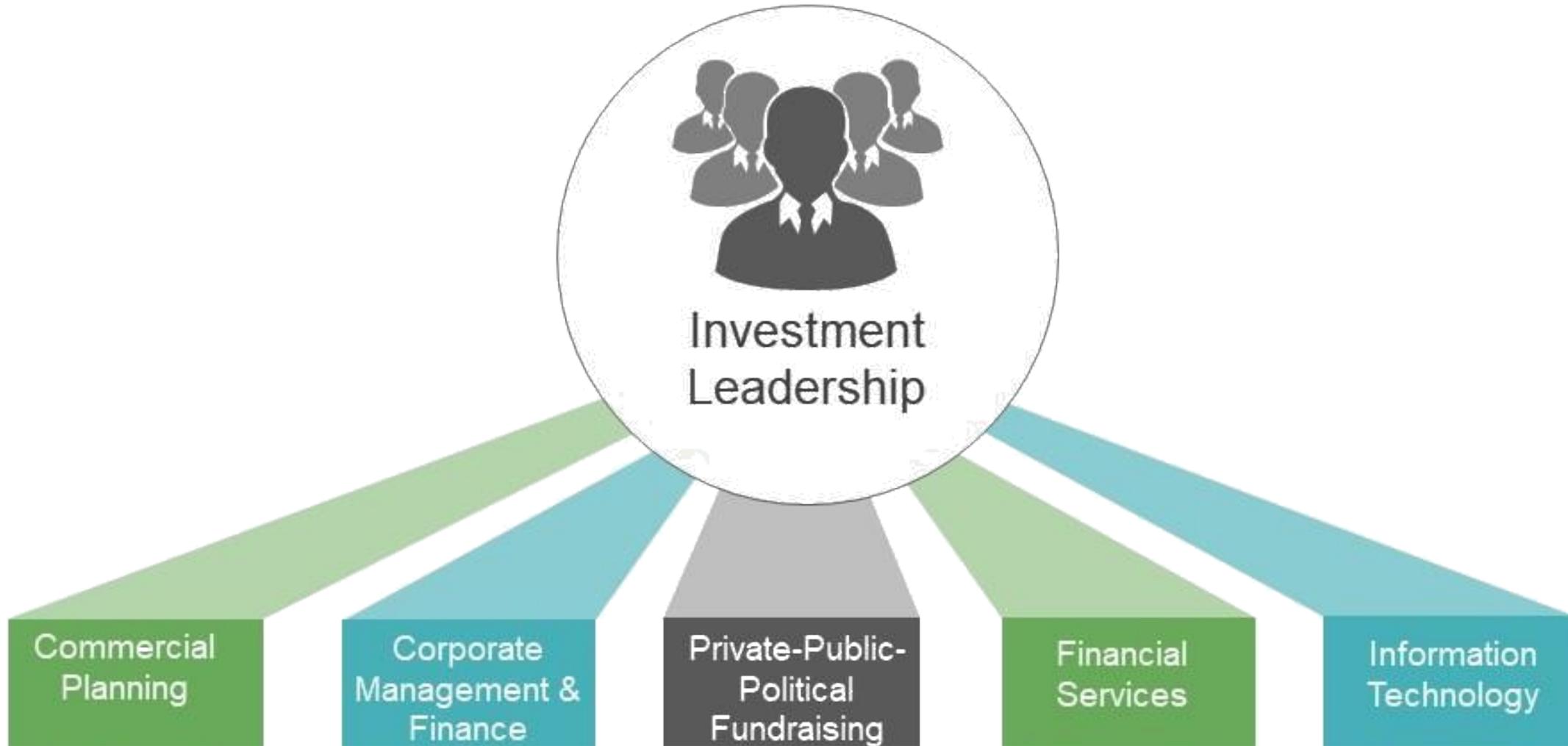
## Project Tasks Created vs Completed



\*Online Reference

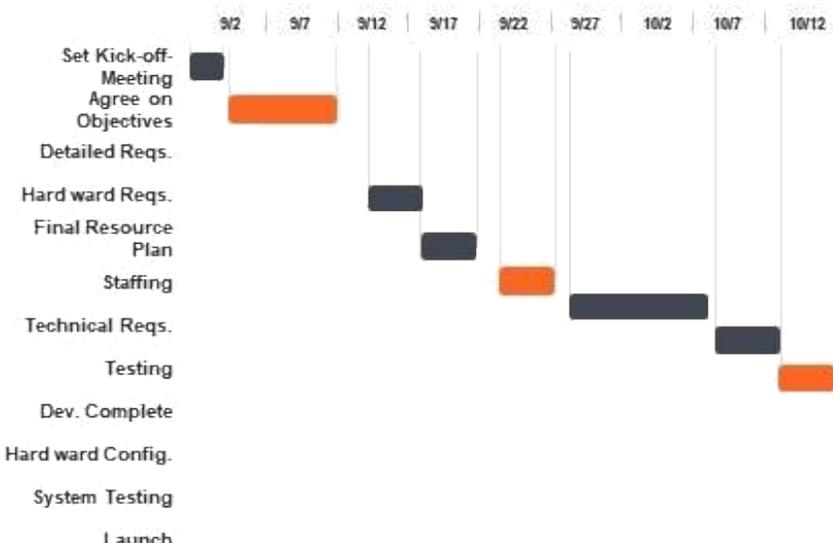


# Project Management Portfolio Investment Leadership



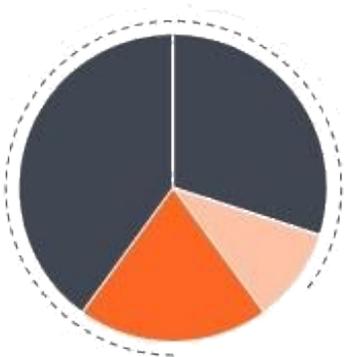
\*Online Reference

# Project Management Planning and Governance Dashboard



Tasks	Assigned To	Priority	Status
Set kick-off meeting	Alex B.		Complete
Agree on objectives	Frank C.	★	Complete
Detailed Reqs.	Jacob S.		Complete
Hardware Reqs.	Jacob S.	★	Overdue
Final Resource Plan	Jacob S.		In progress
Staffing	Alex B.	★	In progress
Technical Reqs.	Frank C.		Not started
Testing	Kennedy K.	★	Not started
Dev. Complete	Jacob S.	★	Not started
Hardware Config.	Alex B.		Not started
System Testing	Kennedy K.	★	Not started
Launch			

## Overall Task Status



■ Complete ■ Overdue ■ In Progress ■ Not Starts

## Budget

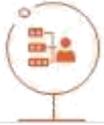


## Pending Items



\*Online Reference

# Portfolio Management Initiation Playbook



Project Name	Priority	Status	Resources	Schedule	Budget	Value	Risk	Project Owner	Project Manager
Project A	High	●	Sufficient	At Risk	Over Budget	High Value	Medium Risk	Tom Sullivan	Jay Cooper
Project B	Medium	●	Borderline	On Track	Under Budget	Medium Value	Low Risk	Jeff Ride	Chris Miles
Project C	Low	●	Inadequate	On Track	Over Budget	Low Value	High Risk	Karla Venn	Debrah Sheen
Project D	High	●	Sufficient	At Risk	Under Budget	High Value	Medium Risk	Debrah Sheen	Miz Oliver
Project E	Medium	●	Borderline	At Risk	Over Budget	Medium Value	Low Risk	Miz Oliver	Jay Cooper
Project F	Low	●	Inadequate	On Track	Under Budget	Low Value	High Risk	Tom Sullivan	Chris Miles
Project G	High	●	Sufficient	On Track	Over Budget	High Value	Medium Risk	Jeff Ride	Debrah Sheen
Project H	Medium	●	Borderline	At Risk	Under Budget	Medium Value	Low Risk	Karla Venn	Miz Oliver

**Project Status** ● Delayed ● Potential Delays ● Apt Progress

\*Online Reference



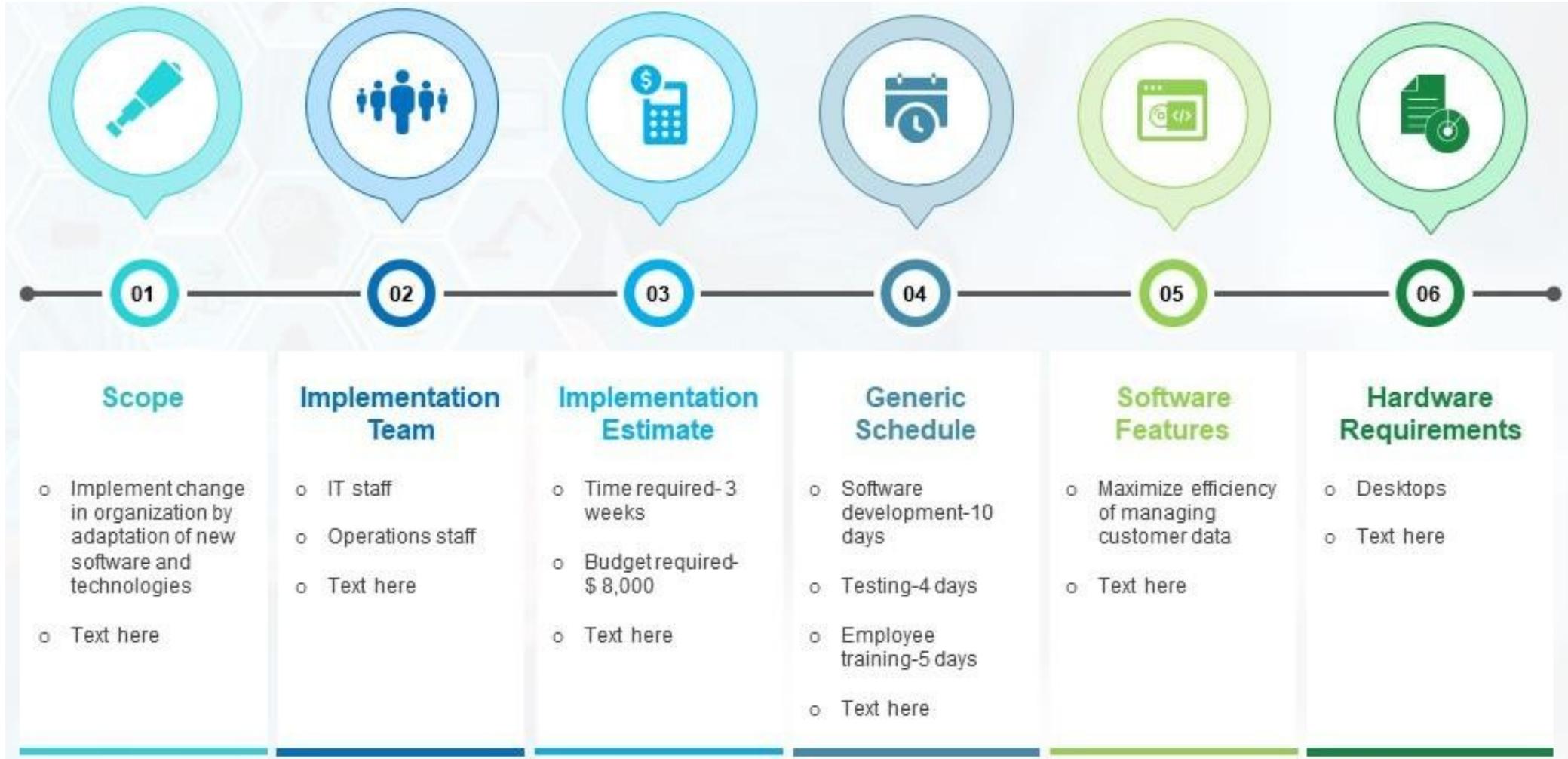
# Portfolio Management Initiation Playbook

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Project A	High		Sufficient	At Risk	Over Budget	High Value	Medium Risk	Tom Sullivan	Jay Cooper
Project B	Medium		Borderline	On Track	Under Budget	Medium Value	Low Risk	Jeff Ride	Chris Miles
Project C	Low		Inadequate	On Track	Over Budget	Low Value	High Risk	Karla Venn	Debrah Sheen
Project D	High		Sufficient	At Risk	Under Budget	High Value	Medium Risk	Debrah Sheen	Miz Oliver
Project E	Medium		Borderline	At Risk	Over Budget	Medium Value	Low Risk	Miz Oliver	Jay Cooper
Project F	Low		Inadequate	On Track	Under Budget	Low Value	High Risk	Tom Sullivan	Chris Miles
Project G	High		Sufficient	On Track	Over Budget	High Value	Medium Risk	Jeff Ride	Debrah Sheen
Project H	Medium		Borderline	At Risk	Under Budget	Medium Value	Low Risk	Karla Venn	Miz Oliver

**Project Status**  Delayed  Potential Delays  Apt Progress

\*Online Reference

# Project Portfolio Management Implementation Plan



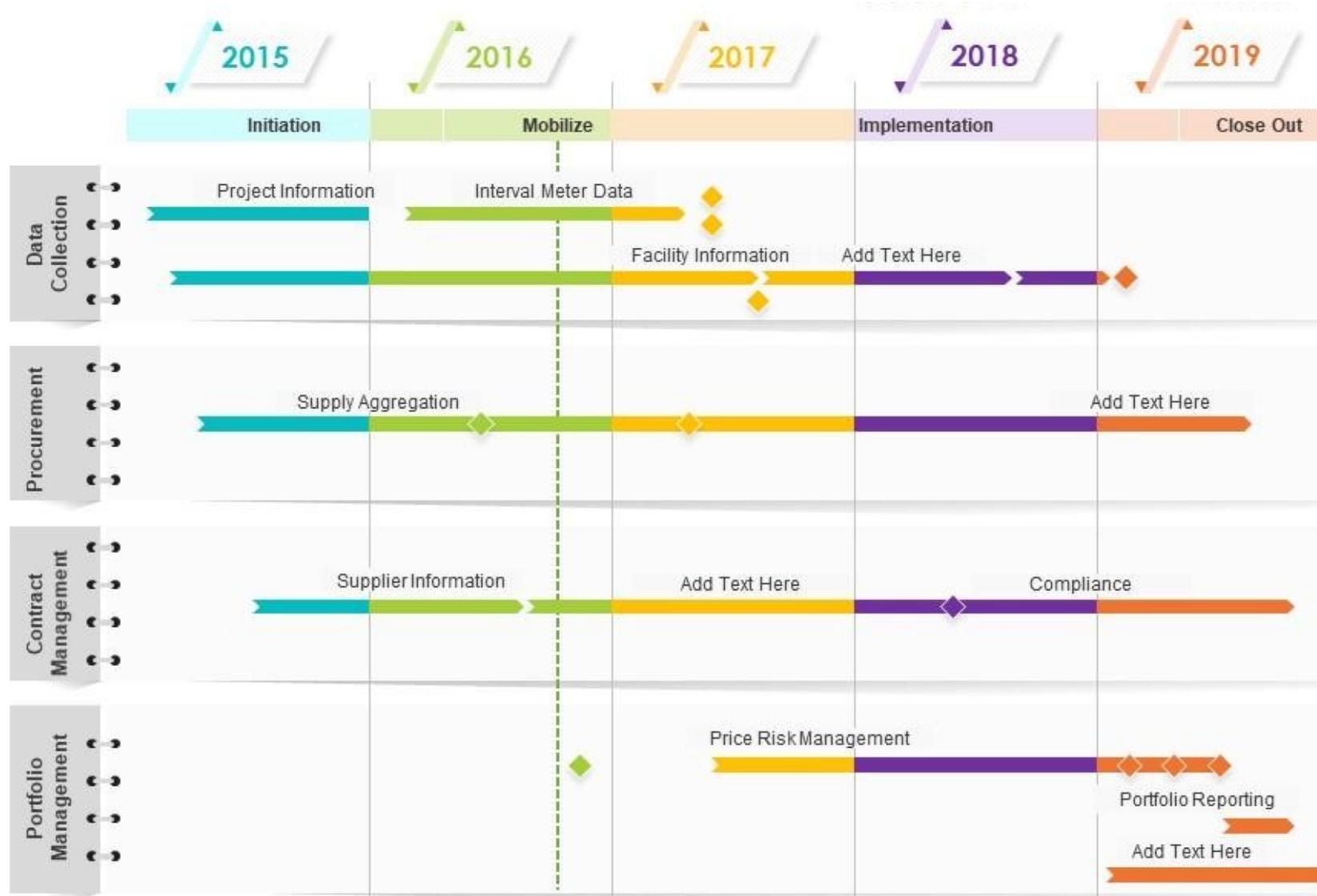
\*Online Reference

# Project Portfolio Management with Execution and Control



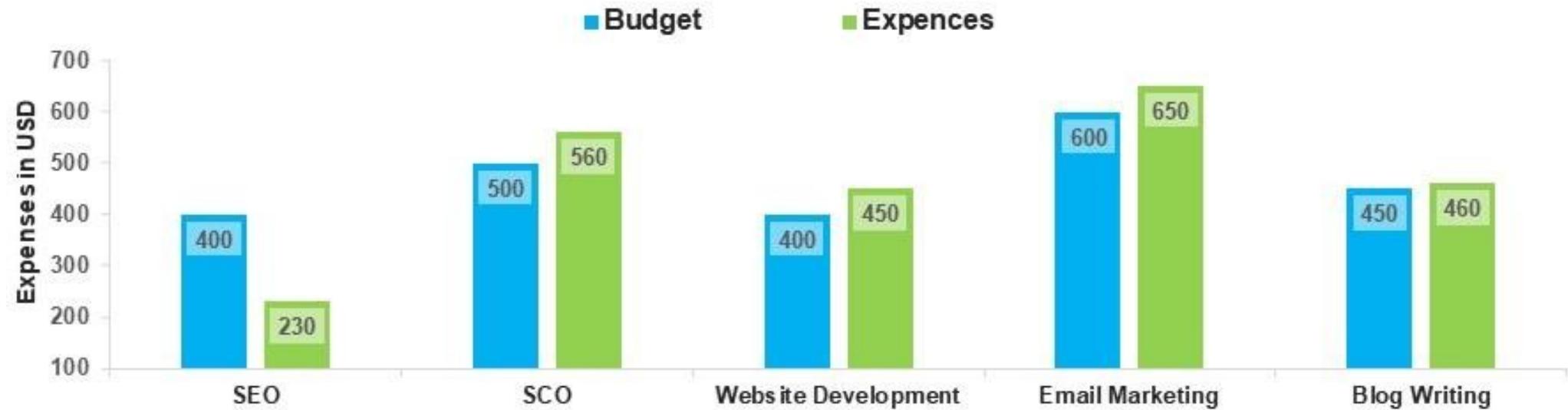
\*Online Reference

# Portfolio Management 5 Years Roadmap



\*Online Reference

# Budget Analysis Project Portfolio Management



## Chart Summary-

- Highest budget was allocated for email marketing campaign

- SEO campaign has less expenditure than its budget

- SEO campaign has least expenditure in comparison to other activities

- Text here
- Text here
- Text here

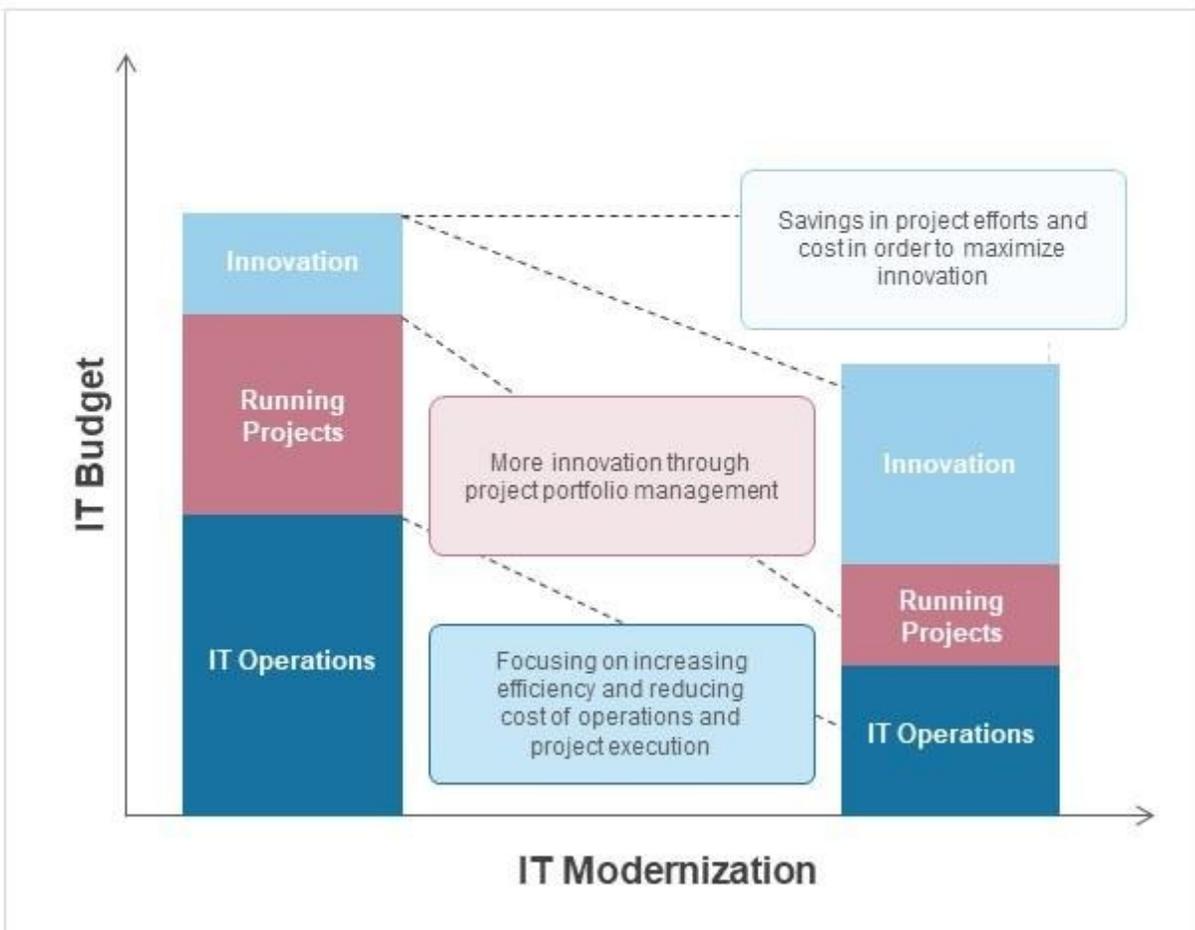
SEO- search engine optimization  
SCO- search channel optimization

\*Online Reference

# CIO's Initiatives 5 – Enabling Project Portfolio Management

CIOs are focusing on assessing potential projects based on their success rate and risk, allocate resources, setup timelines in order to gain optimal efficiency

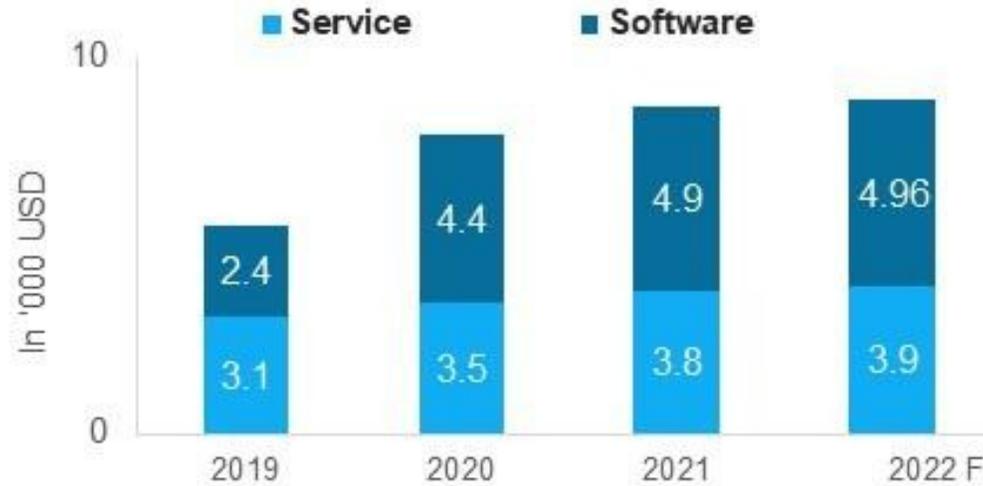
- ▶ Address business goals – building strategy map showcasing business goals and how team can prioritize them
- ▶ Determine information regarding potential project – information collected from team members, customer feedback and regulatory requirements
- ▶ Potential project selection – selection of projects that are in alignment with business goals and build portfolio in order to optimize return and balancing risk
- ▶ Validate portfolio feasibility and project initiation – project portfolio validation in context to feasibility and resources availability
- ▶ Portfolio tracking and management – portfolio rescoping, resource reallocation and regular review
- ▶ Add Text Here
- ▶ Add Text Here



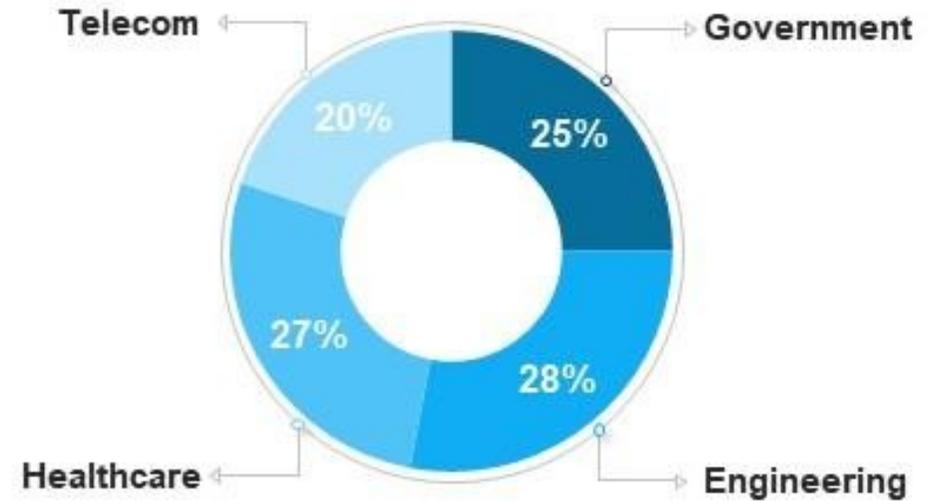
\*Online Reference

# Project Portfolio Management Industry Overview

Portfolio Management Industry Overview



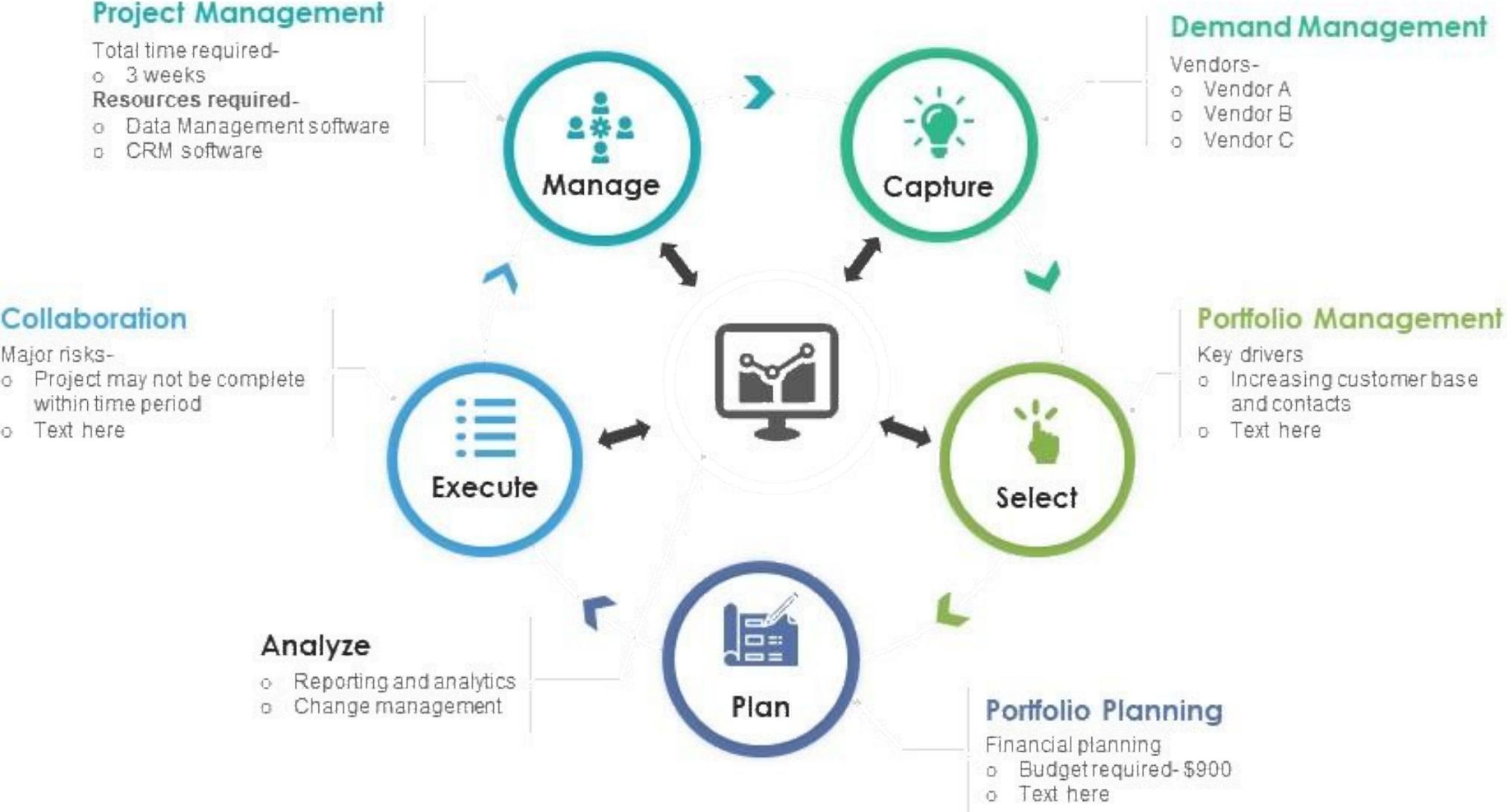
Portfolio Management Market Share



Report Attribute	Details
Market size value	USD 5.1 Billion
Revenue forecast	USD 12.2 Billion
Market growth estimates	CAGR of 14.2% from 2020 to 2021
Base year of estimation	2020

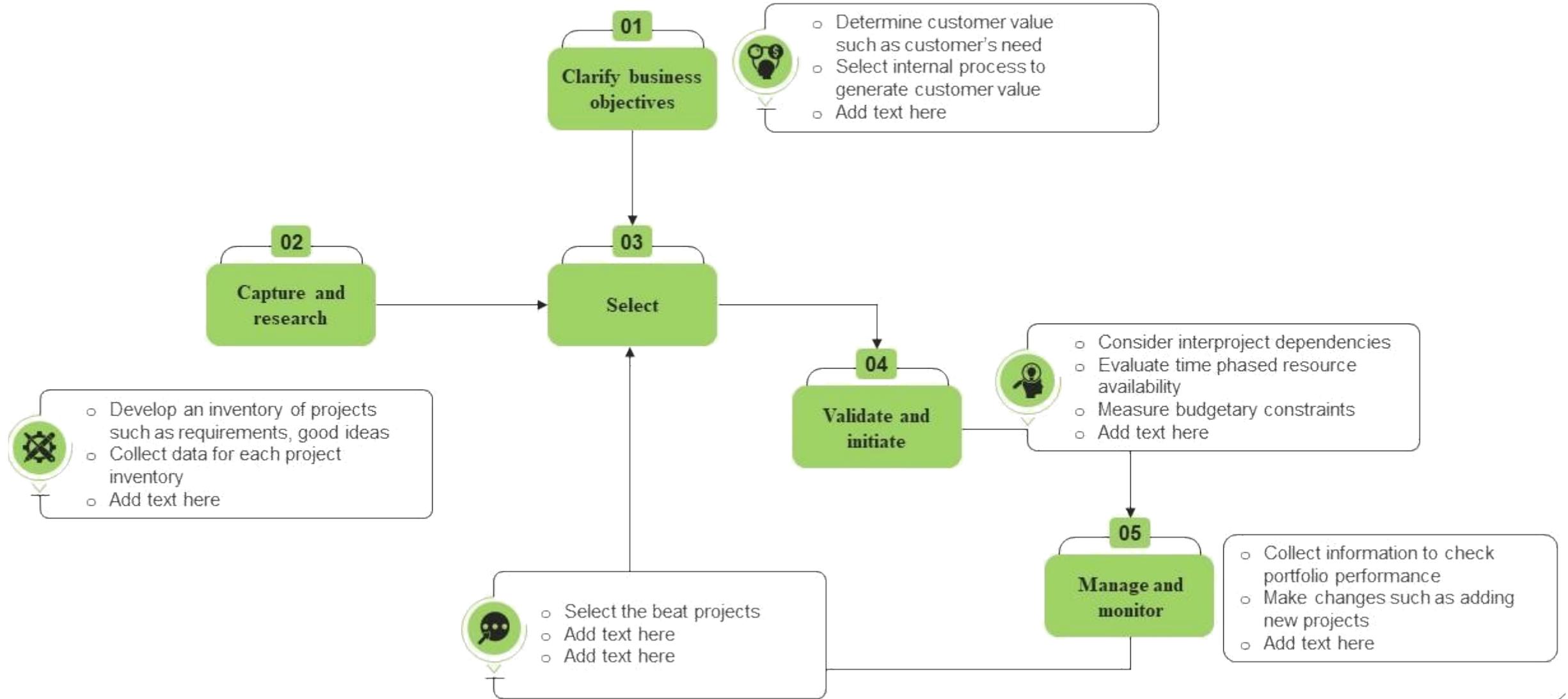
\*Online Reference

# Project Portfolio Management with Demand Planning



\*Online Reference

# Project Portfolio Management Process Flow Chart



\*Online Reference

# Project Portfolio Management Task Priority List

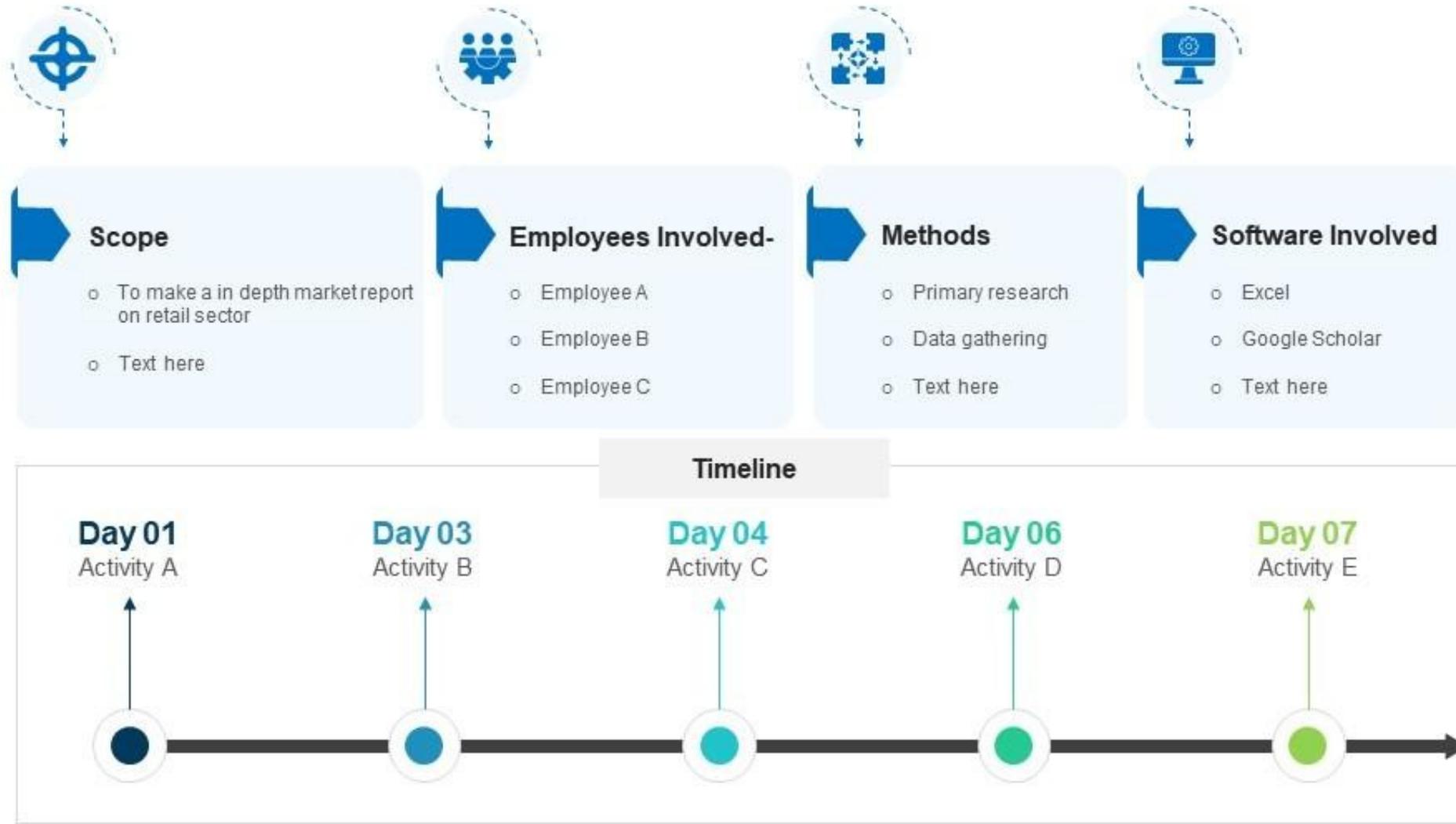
ID	Tasks	Score
1	Install operating system	90
2	Check system settings	90
3	Set reminders for	90
4	Meeting	90
5	Update risk registers	90
6	Develop project timeline	80
7	Text here	80
8	Text here	80
9	Text here	80
10	Text here	80
11	Text here	40
12	Text here	40
13	Text here	40
14	Text here	40
15	Text here	30
16	Text here	30
17	Text here	30
18	Text here	30
19	Text here	30
20	Text here	20
21	Text here	20
22	Text here	20

## Tasks Priority

- ▶ **Critical Tasks-**
  - Check system configuration
  - Text here
- ▶ **Medium Priority Tasks-**
  - Install OS
  - Text here
- ▶ **High Priority Tasks-**
  - Check user issue
  - Text here
- ▶ **Low Priority Tasks-**
  - Log issue product support
  - Text here

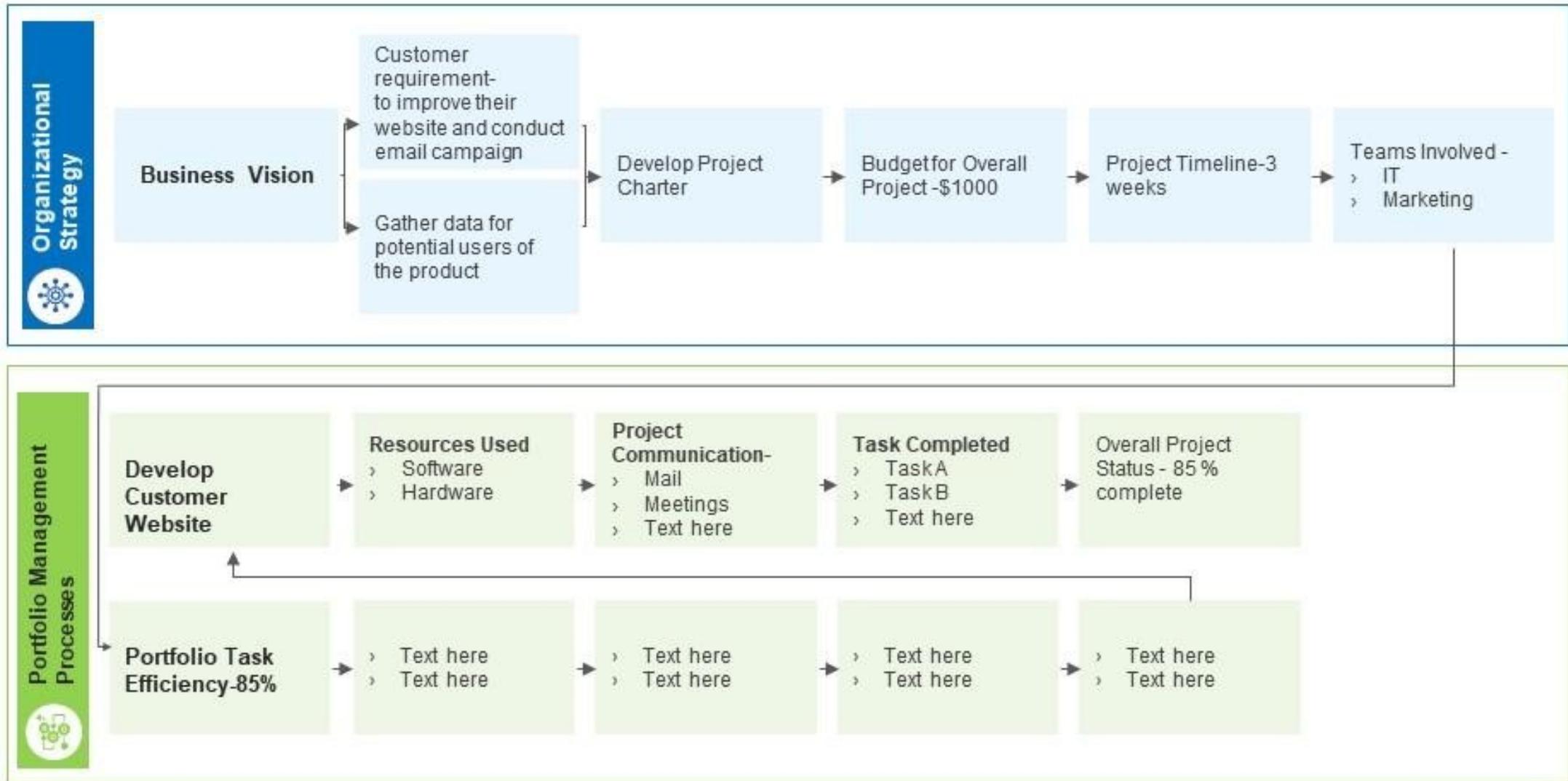
\*Online Reference

# Project Portfolio Management Timeline with Scope



\*Online Reference

# Project Portfolio Management with Resources Utilized



\*Online Reference

# Project Portfolio Management Dashboard with Risk Assessment

Project Delivery Roadmap



Project Health Card

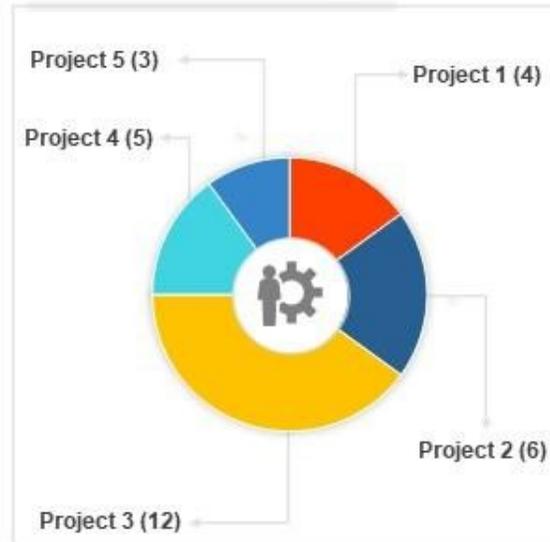
Q4 2021

Project Health Card	Risk	Budget	Resources
Project 1	●	●	●
Project 2	●	●	●
Project 3	●	●	●
Project 4	●	●	●
Project 5	●	●	●

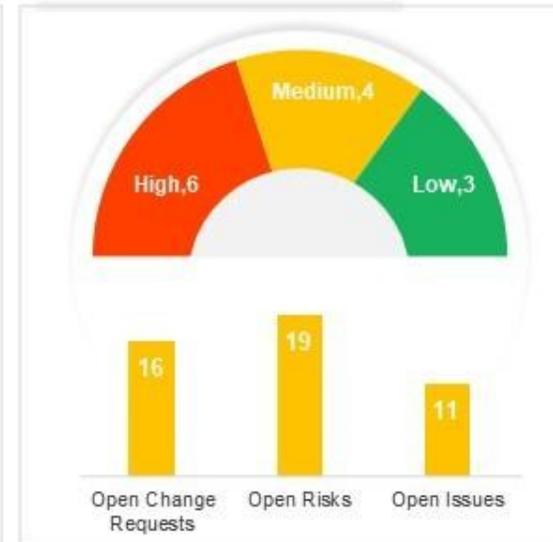
Project Funding



Resource Allocation (Headcount)

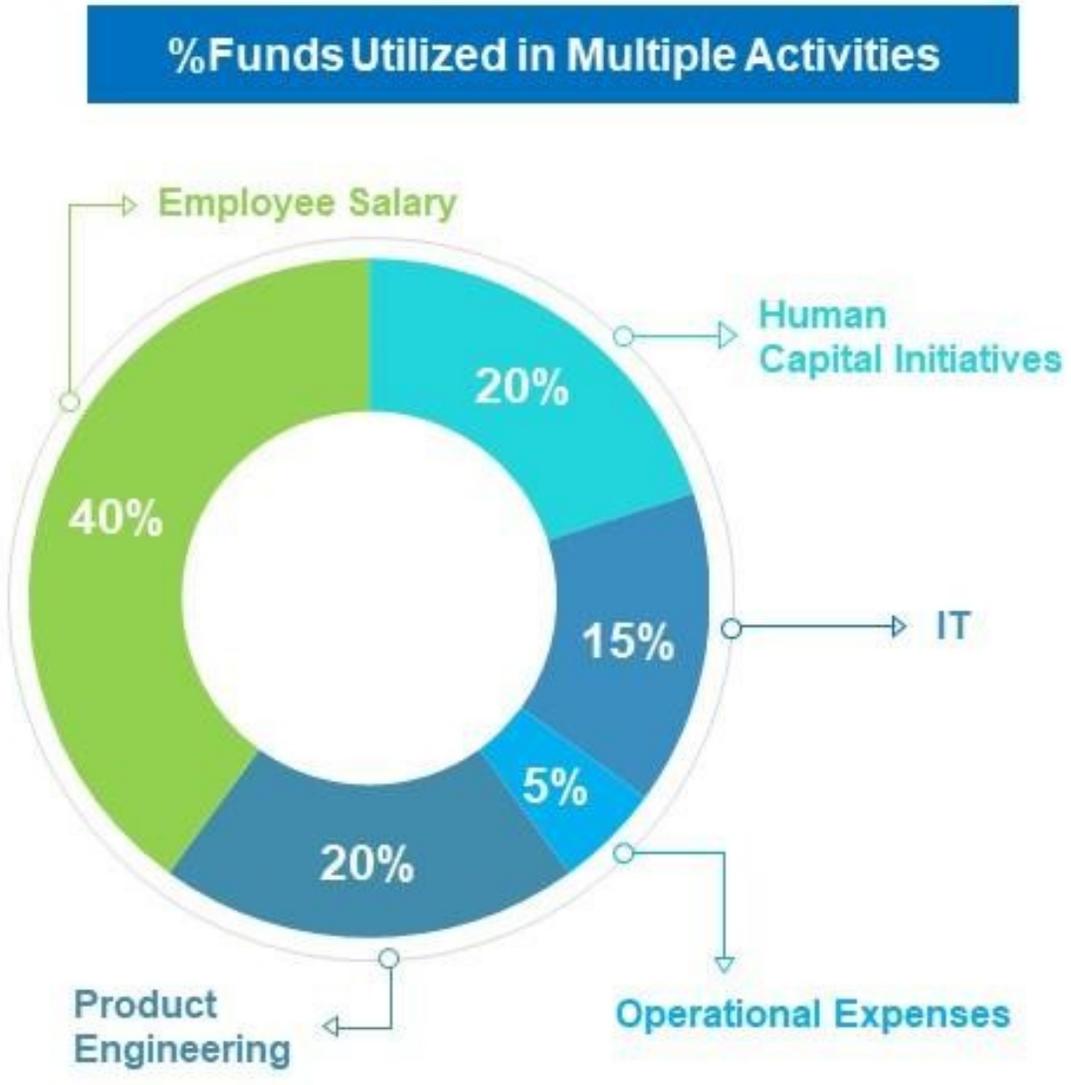


Portfolio Risks



\*Online Reference

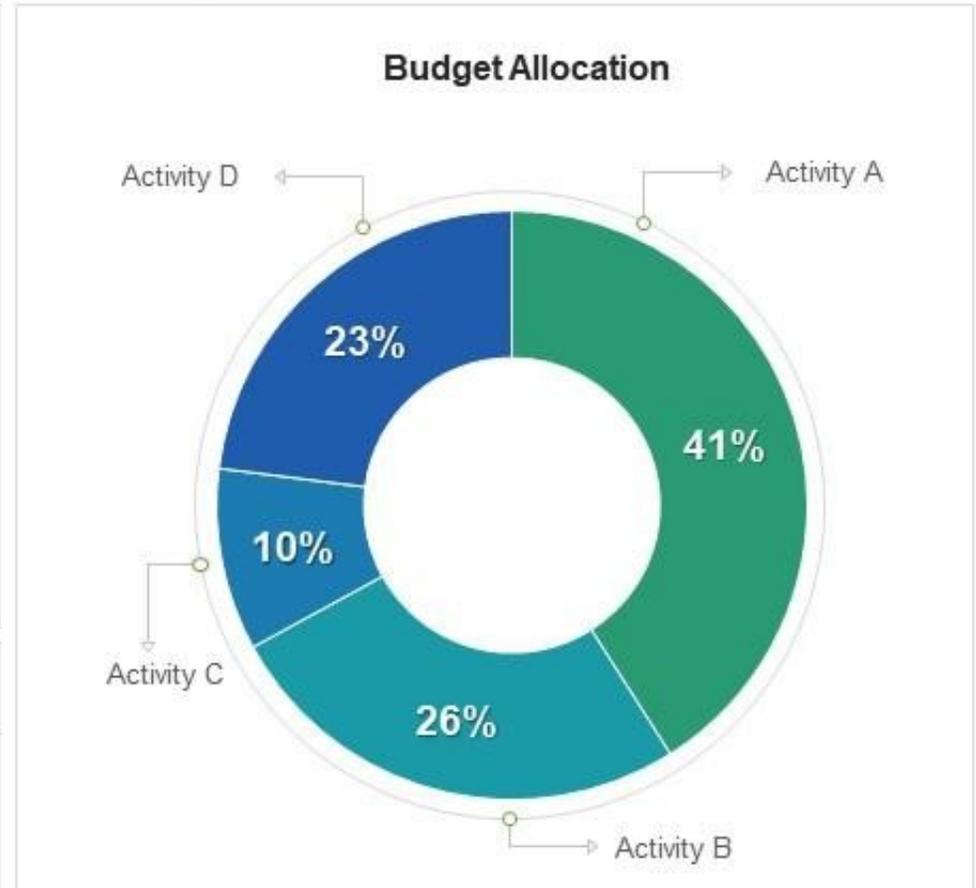
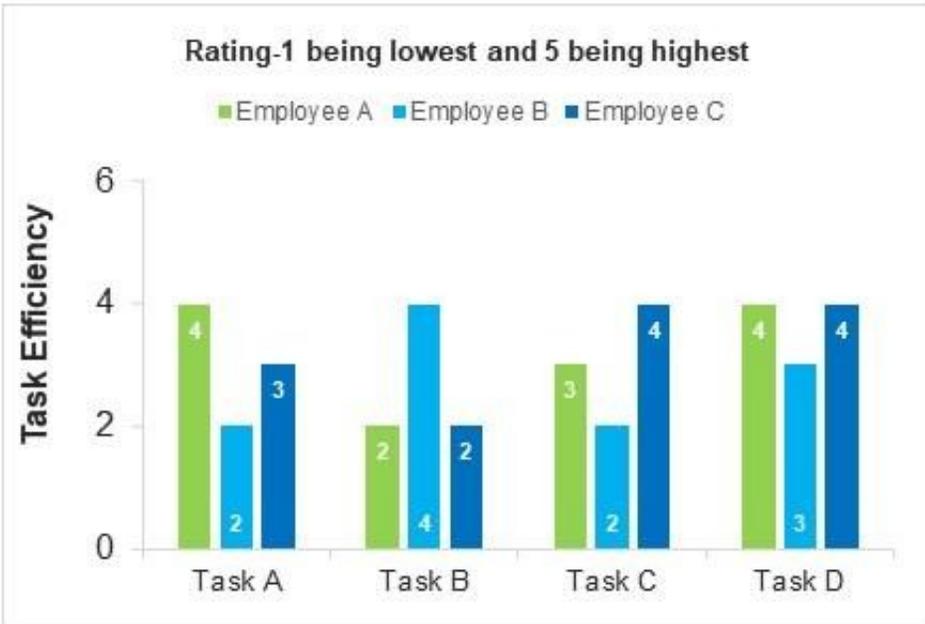
# Project Portfolio Management with Fund Assessment



\*Online Reference

# Project Portfolio Management with Milestone Achievement

<b>Project Name:</b>	Project ABC	<b>Start Date:</b>	20 Jan	<b>Total Duration:</b>	6 Jan
<b>Project Manager:</b>	James Carter	<b>End Date:</b>	26 Jan		



\*Online Reference



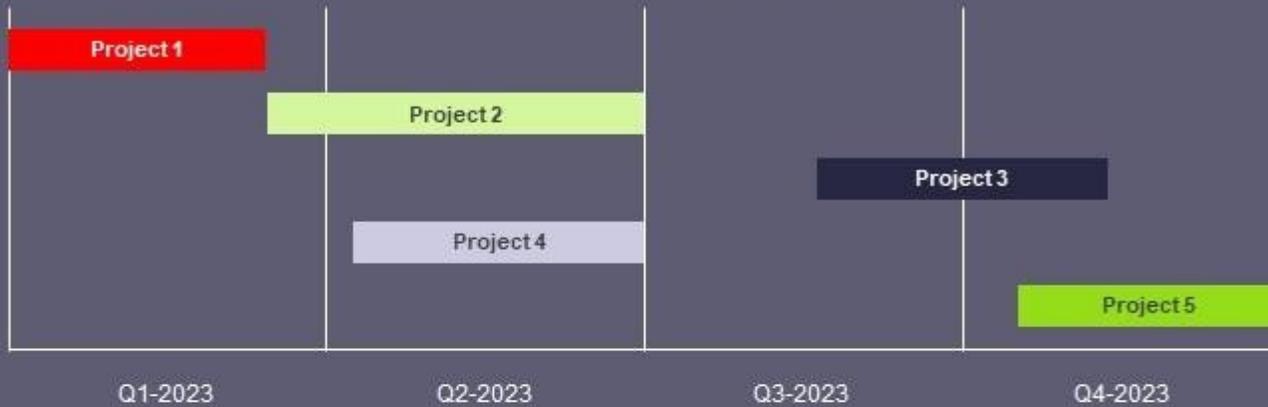
# KPI's of Project Portfolio Management



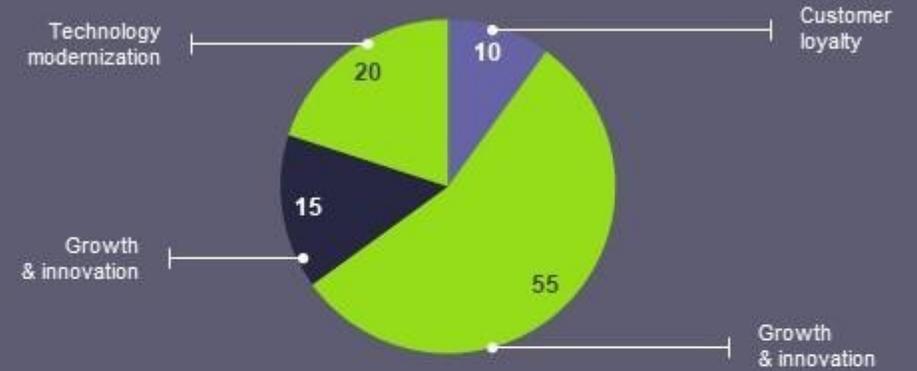
\*Online Reference

# Risk Integrated Project Portfolio Management

Project delivery roadmap



Project strategy



Project funding



Project health card

Project health card	Risk	Budget	Resources
Project 1	● (Red)	● (Yellow)	● (Green)
Project 2	● (Green)	● (Green)	● (Green)
Project 3	● (Green)	● (Green)	● (Yellow)
Project 4	● (Red)	● (Green)	● (Red)
Project 5	● (Green)	● (Green)	● (Green)

Portfolio health status



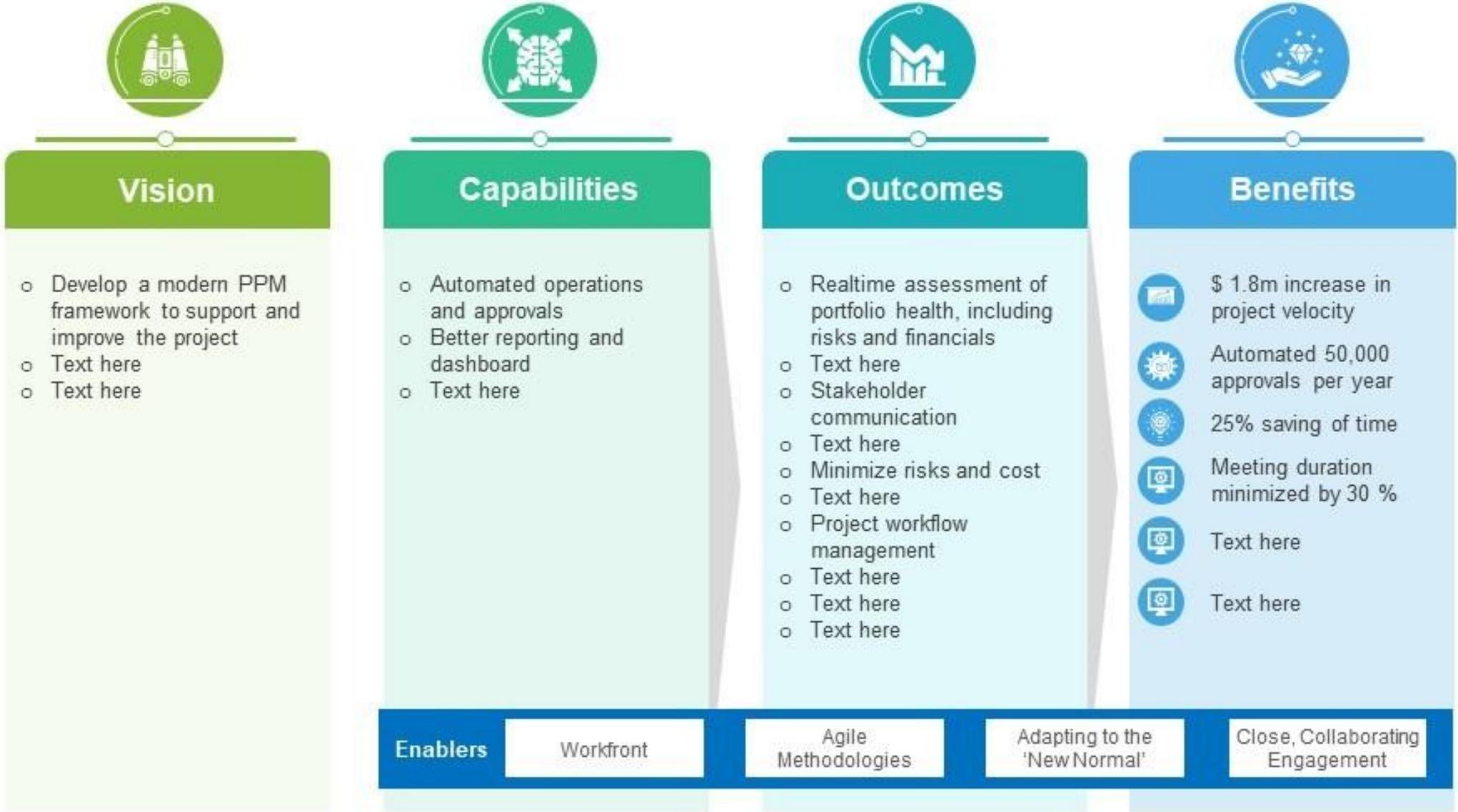
\*Online Reference

# Business Risk Register For Project Portfolio Management

 Project name	 Risk name	 Priority	 Impact on cost	 Impact on schedule	 Responsible	 Action taken
Project A	Delay in financing	High	High	Low	Olivia Adams	Add text here
Project B	Failed performance testing	Medium	Low	Low	John Davis	Add text here
Project C	Change in requirements	Medium	Medium	High	Joshua miller	Add text here
Project D	Delay in software development	High	High	Medium	Michele smith	Add text here
Project E	Failed integration with outsourced software	High	Low	Low	Jake Williamson	Add text here

\*Online Reference

# Project Portfolio Management For Transportation Business



\*Online Reference



# Project Portfolio Management Process with Prioritization



## Project Prioritization

### Tasks Priority-

- o Develop deployment checklist
- o Set up date and time
- o Create Campaign ID
- o Link Mapping
- o Text here



## Resource Management

### Resources Required-

- o Client database
- o Email Marketing Team
- o Text here
- o Text here
- o Text here



## Project Management

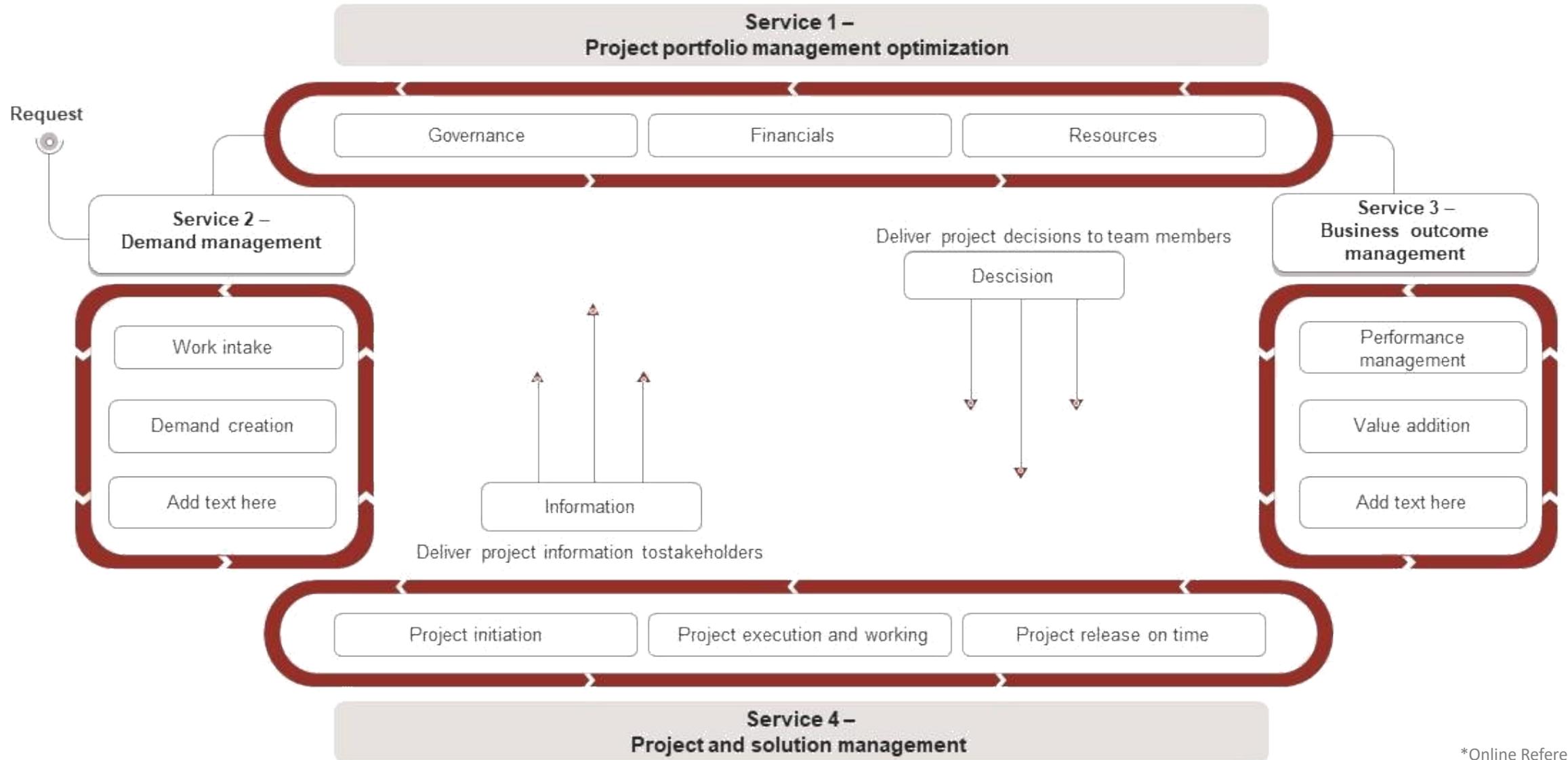
- o Project Time-5 days
- o Budget Allocated-900 USD
- o Project Manager- James Milner
- o Text here
- o Text here



## Project Portfolio Reporting

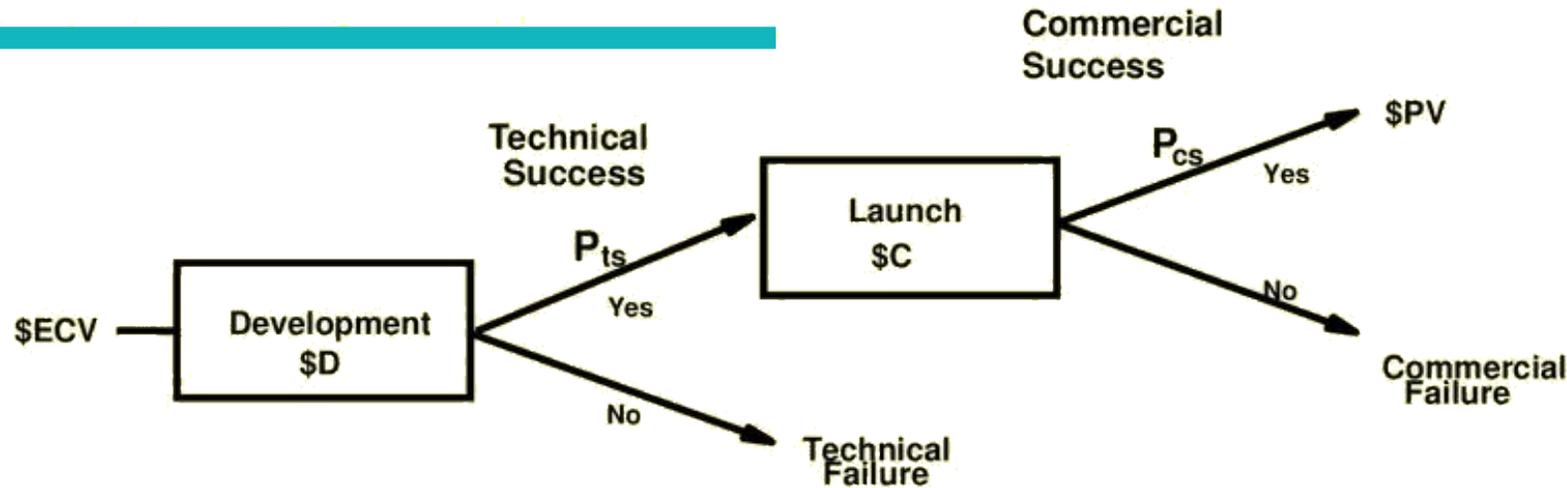
- o Delivery rate- 96 %
- o ClickRate- 86 %
- o Conversion Rate-3 %
- o Text here
- o Text here

# Enhancing Business Value with Effective Project Portfolio management Services



\*Online Reference

# Expected Commercial Value of the Project



$$ECV = [(PV * P_{cs} - C) * P_{ts}] - D$$

$\$ECV$  = Expected Commercial Value of the project

$P_{ts}$  = Probability of Technical Success

$P_{cs}$  = Probability of Commercial Success (given technical success)

$D$  = Development Costs remaining in the project

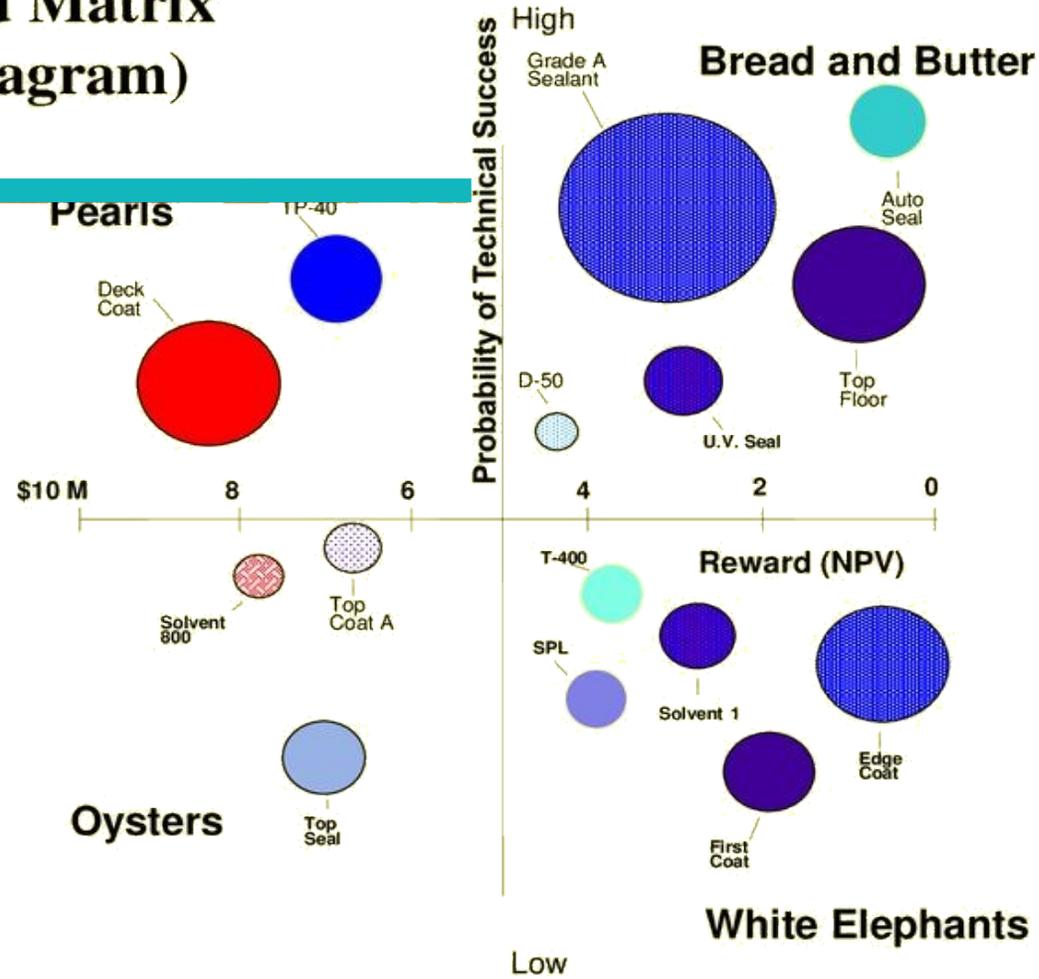
$C$  = Commercialization (Launch) Costs

$PV$  = Net Present Value of project's future earnings (discounted to today)

Source: Cooper, Edgett, and Klienschmidt, "Portfolio Management for New Products"

\*Online Reference

# Risk-Reward Matrix (Bubble Diagram)



Source: Cooper, Edgett, and Klienschmidt, "Portfolio Management for New Products"

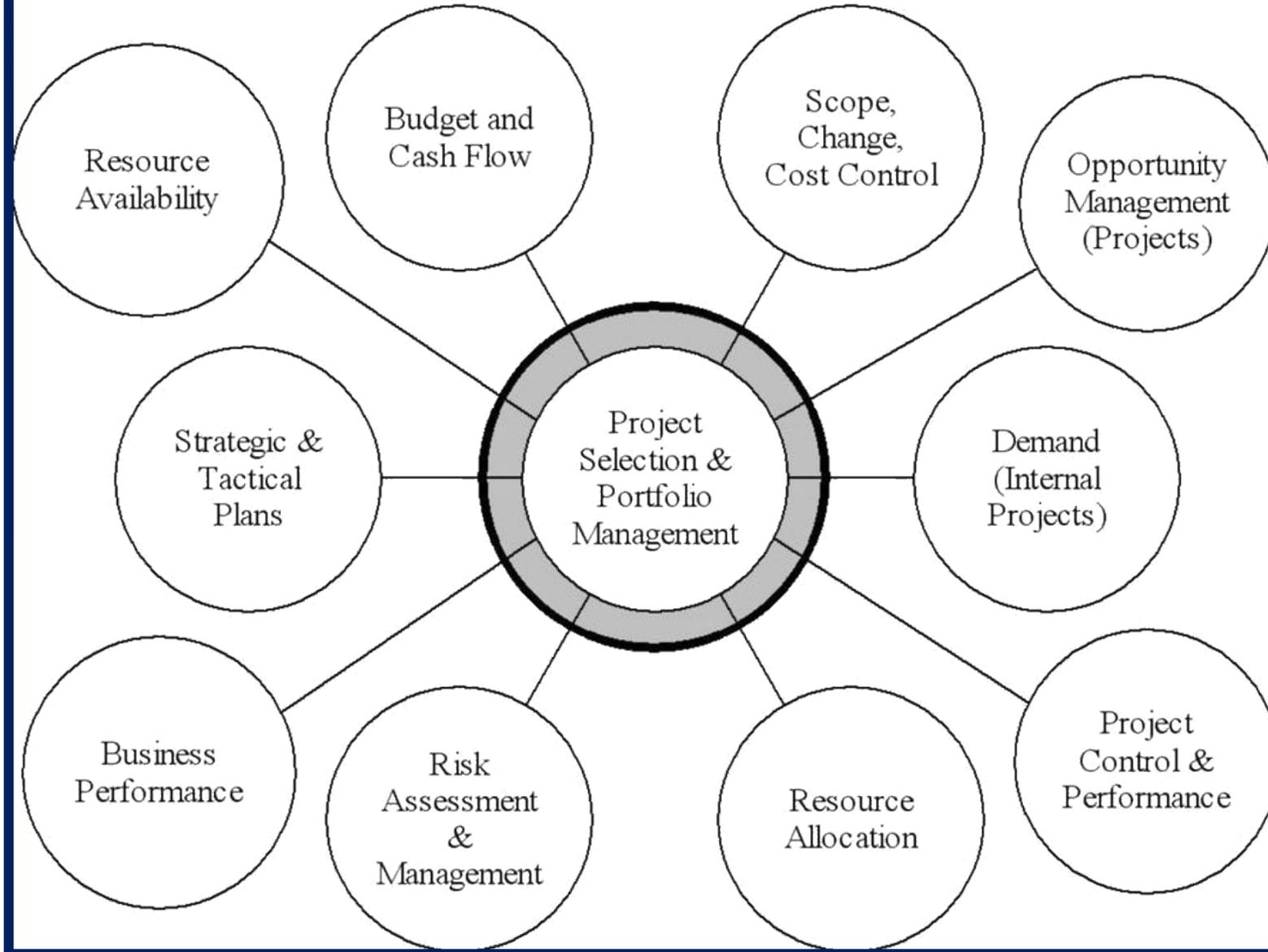
\*Online Reference

STRATEGIC INITIATIVES

STRATEGIC BUSINESS UNIT

Alignment Matrix	Establish New Market Beachhead			
	Generate Income	Reduce Costs	Reduce Headcount	Establish New Market Beachhead
Desktop & Notebook Computers	Add Build to Order Capability	Outsource Customer Support to India	Outsource Customer Support to India	Add Build to Order Capability
Specialty Computers (PDA, Pocket PC)				New Leading-edge Pocket PC
Servers & Networks		Move Euro plants to China		
Printers	Add Color Laser	Outsource Customer Support to India	Outsource Customer Support to India	
Displays	Add Plasma Line	Build new plant in Mexico		
Other	Develop New Advertising Program	R&D for Packaging	Outsource Surveys & Marketing Research	

# PPM AS A HUB



\*Online Reference

“The ultimate leader is one who is willing to develop people to the point that they surpass him or her in knowledge and ability.”

- Fred A. Manske, Jr

# What is Program Management?

*„The Orchestration of a portfolio of projects effecting organisational change to deliver business benefits of strategic importance“*

\*Online Reference

# Why Program Management?

- Good management control of costs
- The wider context of risks is better understood
- The gap between strategies and projects is filled
- Co-ordination and control of the complex range of activities
- Projects are prioritised and integrated to manage resources better
- Effective management of the Business Case to achieve the vision
- Formal process for identifying, managing, realising and measuring benefits
- A management framework that focuses on business change objectives
- Clear responsibilities for preparing for implementing business change

\*Online Reference

# Risk Hierarchy

- **Strategic** - Other programmes, other initiatives, inter-programme dependencies, political pressures
- **Program** - Changing objectives, program definition, management skills, inter-project dependencies
- **Project** - Project risks, third party
- **Operational** - Transfer of deliverables to operations, acceptability within business operations, acceptability to stakeholders

# Program Stakeholders

- Third-party suppliers
- Regulatory bodies
- The program management team
- The governing body of the program
- People creating the program's deliverables
- Providers of support for the program's deliverables
- All business areas impacted by the program, both during the program or after its completion
- Providers of support to the program's activities in areas outside the Program Manager's control
- Custodians of standards and policies relating to the program's activities
- Providers / supporters of the technical infrastructure used by the program

\*Online Reference

# Program - Key Roles

- Change Agents
- Quality Manager
- Governing Body
- Program Sponsor
- Program Manager
- Technical Authority
- Business Planners
- Project Managers
- Business Change Managers
- Program Management / Support Office

\*Online Reference

# Project Vs. Program Management

Area	Project Management	Program Management
Focus	Single objective	Business strategy
Scope	Narrow	Wide-ranging, cross-functional
Benefits	Determined in advance Accrue after completion	Used to make decisions Accrue during the programme
Deliverables	Few, clearly defined	Many , many initially undefined
Timescale	Clearly defined	Loosely defined
Change	To be avoided	Regarded as inevitable
Success Factors	Time, budget, specification	Mission, cash-flow, ROI
Plan	Specific, detailed, bounded	High-level and evolving

\*Online Reference

# Program Manager Vs. Project Manager

## Program Manager

- Plans program-level activities and schedule of projects
- Defines TOR for projects
- Starts, stops and monitors progress of constituent projects
- Manages program level risks and issues. Delegates risks to projects
- Sets policies and procedures for projects
- Resolves resource conflicts
- Determines program standards

## Project Manager

- Plans a project given the dependencies and interfaces defined by the Program Manager
- Works within the defined TOR
- Runs a project, reporting to the Program Manager
- Manages project risks and issues, escalating to the Program Manager wherever necessary
- Runs project according to policies and procedures
- Uses assigned resources
- Delivers products to the defined standards

\*Online Reference

# Program Manager Competencies

- Strong leadership and management skills
- Effective interpersonal and communications skills
- Ability to create a sense of community
- Ability to find ways of solving and pre-empting problems
- Marketing and communication skills to “sell” the program into the business areas
- Good knowledge of techniques for planning, monitoring and controlling programmes
- Knowledge of project management approaches
- Good knowledge of budgeting and resource allocation procedures
- Knowledge of business change techniques, e.g. BPR
- Knowledge of benefits identification and management techniques

\*Online Reference

# Change Management Blueprint

- Data required
- Business models of the new functions, processes and operations
- Organisation structure, staffing levels, roles, and skill requirements
- Information systems, tools, equipment and buildings
- Costs, performance and service levels for support of future operations

# Benefit definition

- Depends on other activities outside the control of the programme
- Business / operations areas expected to be affected
- Projected changes from the current business operations
- current measures of the business operations and the target for improvement (e.g. financial savings or improved throughput)
- When the benefit is expected to be realised
- Financial & non financial value of the benefit

\*Online Reference

# Program Management Office (PMO)

- Can you estimate the business value of programs ?
- How do you plan and manage the investments and deliver the business benefits?
- How can you gauge under / over performance of programs?
- How do you link business case to business strategy?
- How can you effectively use business cases for executive decision making?
- How can you assess the actually achievement to the anticipated business value?
- How can you scope the complexity of the programs initiated?
- How can you estimate the transformation change and the change management strategy for business improvement programs?
- How can you stop programs for underperformance or for not supporting the business strategy anymore?

\*Online Reference

# Transformation Change

- How do you define and manage strategic business change?
- How do you maximise the value in investments in business change?
- How to create blueprints for change in the business and its IT resource?
- How to deliver and maintain information system solutions?
- How to deliver change - on time, on budget, to defined requirements?

# What is Portfolio?

1. **Portfolio** is a group of financial assets such as shares, stocks, bonds, debt instruments, mutual funds, cash equivalents, etc. A portfolio is planned to stabilize the risk of non-performance of various pools of investment.
  - ▶ Portfolio refers to invest in a group of securities rather to invest in a single security.
  - ▶ “Don’t Put all your eggs in one basket”
  - ▶ Portfolio help in reducing risk without sacrificing return.

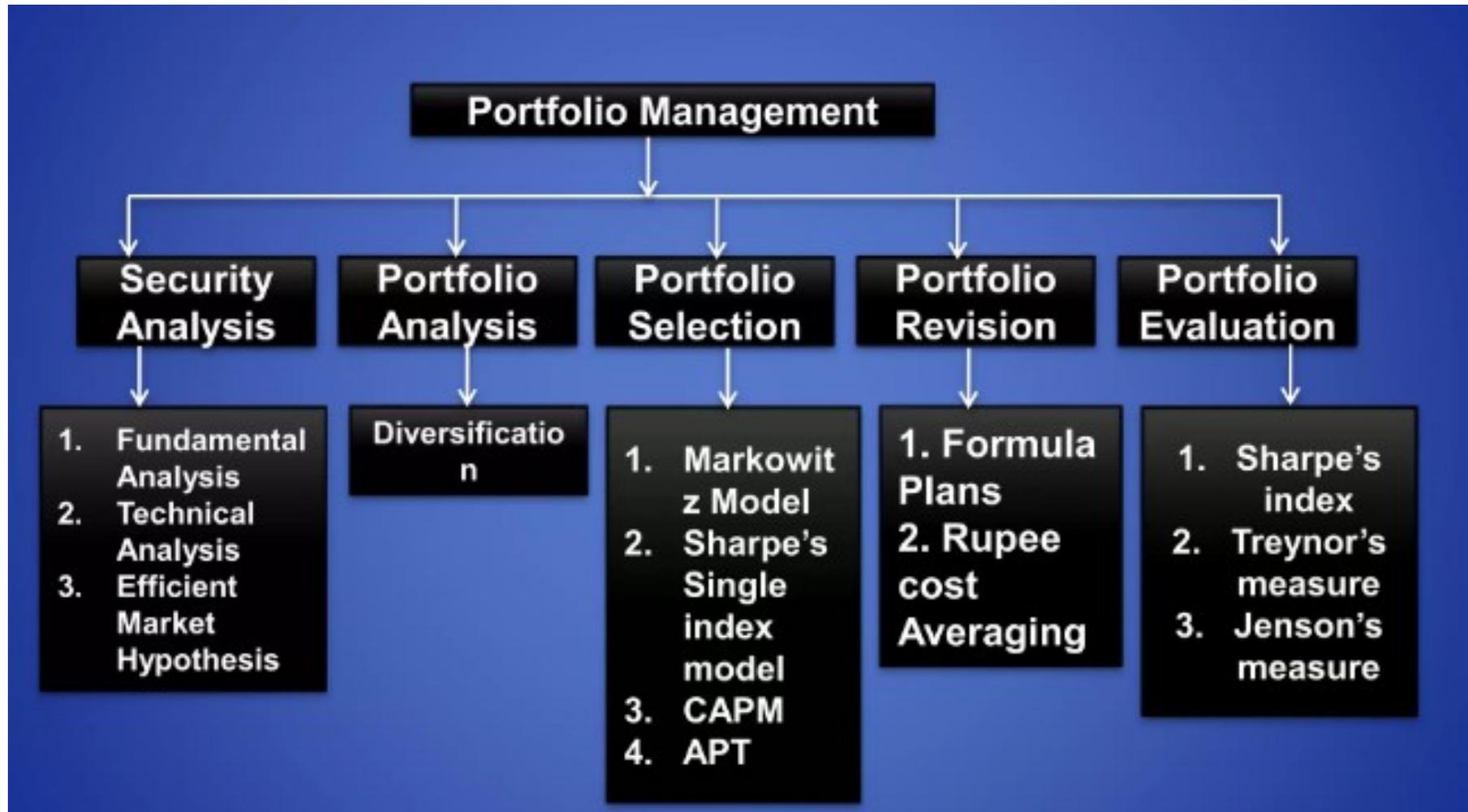
# What is Management?

- ▶ Management is the organization and coordination of the activities of an enterprise in accordance with well-defined policies and in achievement of its pre-defined objectives.

# What is Portfolio Management?

- ▶ Portfolio Management is the process of creation and maintenance of investment portfolio.
- ▶ Portfolio management is a complex process which tries to make investment activity more rewarding and less risky.

# Phases of Portfolio Management



\*Online Reference

# Phases of Portfolio Management

Portfolio management is a process of many activities that aimed to optimizing the investment. Five phases can be identified in the process:

1. Security Analysis.
2. Portfolio Analysis.
3. Portfolio Selection.
4. Portfolio revision.
5. Portfolio evaluation.

Each phase is essential and the success of each phase is depend on the efficiency in carrying out each phase.

# Modern Portfolio Theory

MPT assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics.

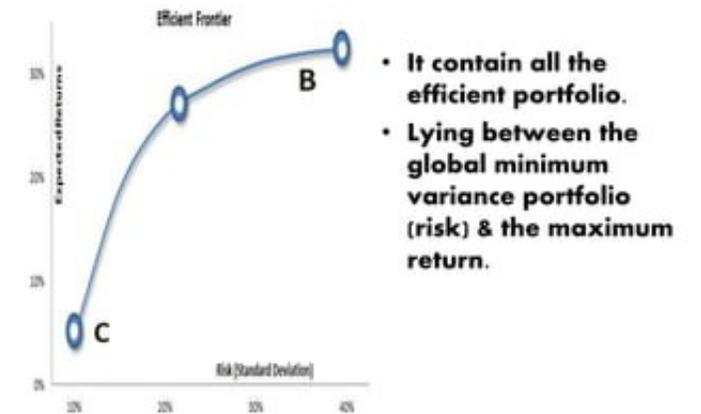
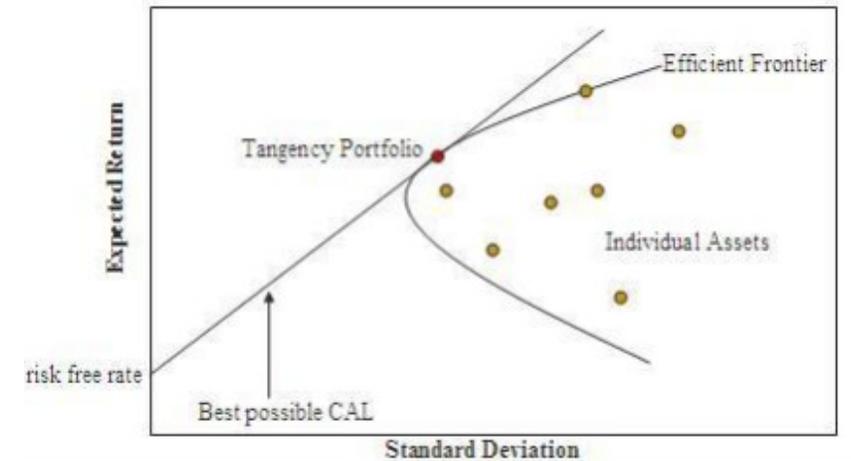
# Diversification

An investor can reduce portfolio risk simply by holding combinations of instruments that are not perfectly positively correlated. If all the asset pairs have correlations of 0—they are perfectly uncorrelated—the portfolio's return variance is the sum over all assets of the square of the fraction held in the asset times the asset's return variance (and the portfolio standard deviation is the square root of this sum).

# Efficient Frontier

This graph shows expected return (vertical) versus standard deviation. This is called the 'risk-expected return space.' Every possible combination of risky assets, can be plotted in this risk-expected return space, and the collection of all such possible portfolios defines a region in this space

*„Don't put all your eggs in one same basket.“*



\*Online Reference

# Building a Portfolio

- Step-1 : Use the Markowitz portfolio selection model to identify optimal combinations.
- Step-2 : consider borrowing and lending possibilities.
- Step-3 : choose the final portfolio based on your preferences for return relative to risk.

# Security Analysis

- ▶ Security analysis is the initial phase of the portfolio management process.
- ▶ The basic approach for investing in securities is to sell the overpriced securities and purchase under priced securities
- ▶ The security analysis comprises of Fundamental Analysis and technical Analysis.

# Portfolio Analysis

- ▶ A large number of portfolios can be created by using the securities from desired set of securities obtained from initial phase of security analysis.
- ▶ . It involves the mathematically calculation of return and risk of each portfolio.

# Portfolio Selection

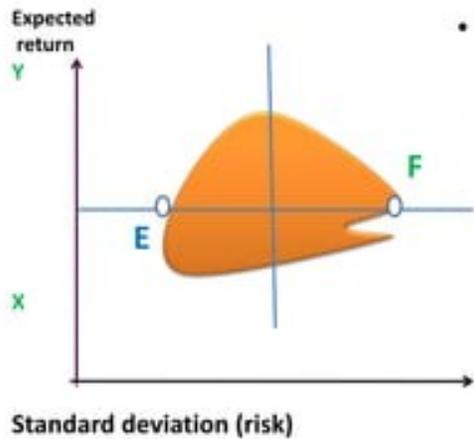
- ▶ The portfolios that yield good returns at a level of risk are called as efficient portfolios.
- ▶ The set of efficient portfolios is formed and from this set of efficient portfolios, the optimal portfolio is chosen for investment.

# Portfolio Selection

- Goal: finding the optimal portfolio
- **OPTIMAL PORTFOLIO:** Portfolio that provides the highest return and lowest risk.
- Method of portfolio selection: Markowitz model

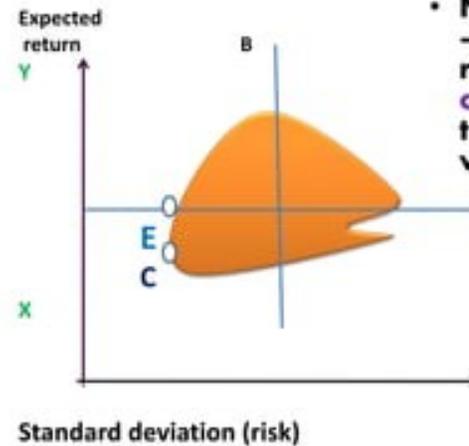
# Portfolio Selection

GRAPH



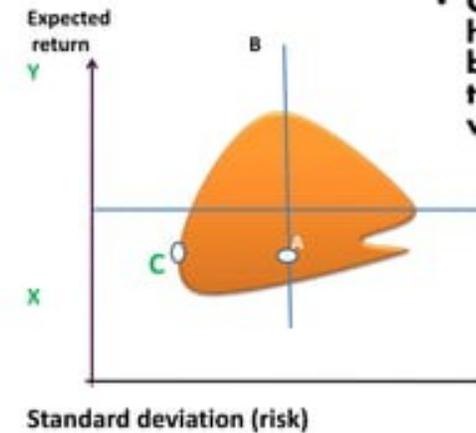
- Consider **E & F** – both have same return but **E has less risk** then portfolio E would be preferred

GRAPH



- Now consider **C & E** – both have same risk but portfolio **E offer more return** then portfolio E would preferred.

GRAPH



- Consider **C & A** – both have same return but **C has less risk** then portfolio C would be preferred

\*Online Reference

# Portfolio Revision

- ▶ Due to dynamic changes in the economy and financial markets, the attractive securities may cease to provide profitable returns.

# Portfolio Evaluation

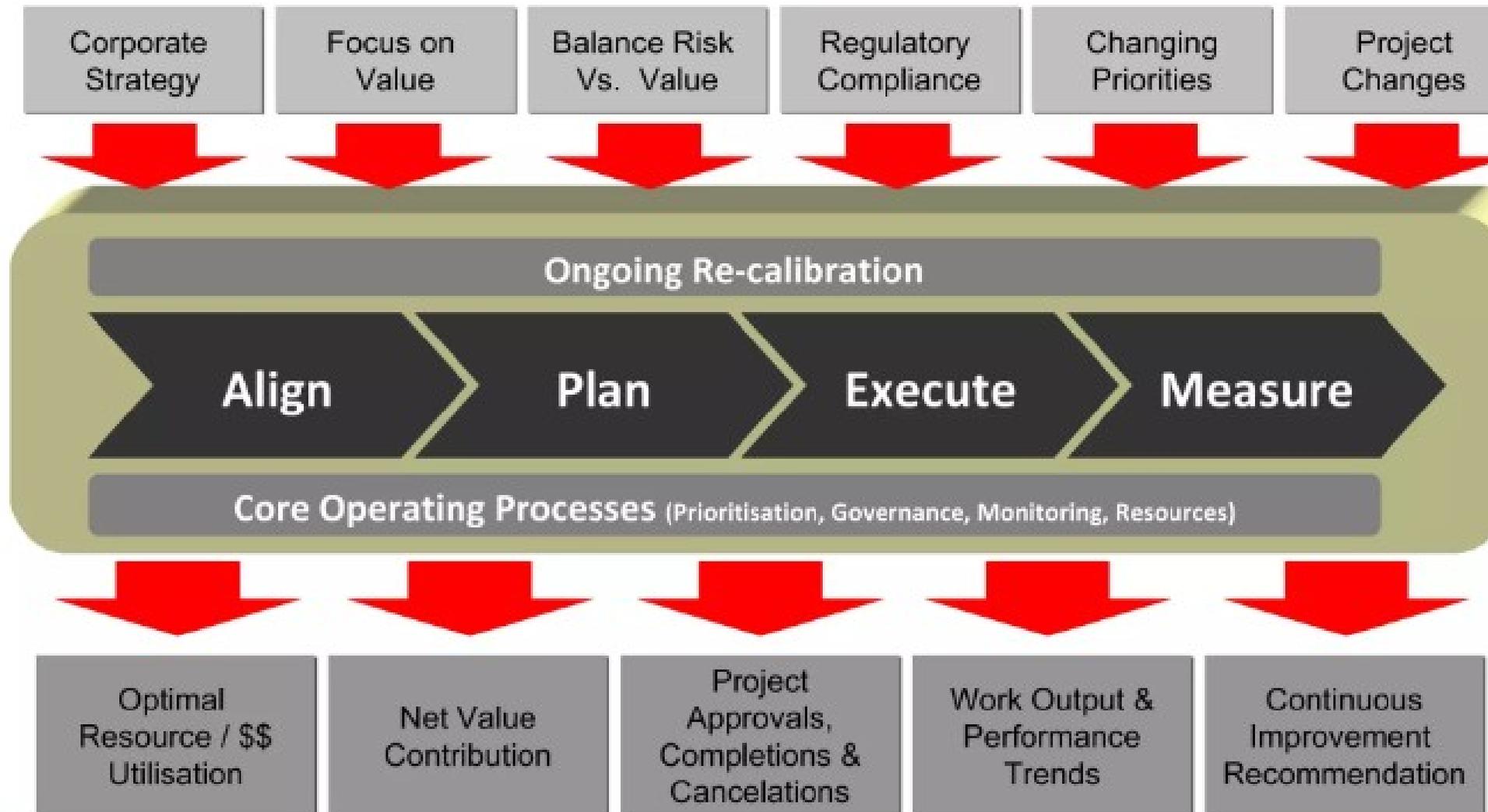
- ▶ This phase involves the regular analysis and assessment of portfolio performances in terms of risk and returns over a period of time.

# Conclusion

- ▶ **SECURITY ANALYSIS:** Classification of securities( shares, debentures, bonds etc.), examining the risk-return characteristics of individual securities, fundamental and technical analysis.
- ▶ **PORTFOLIO ANALYSIS:** Identification of range of possible portfolio from a different set and ascertaining risk and return.
- ▶ **PORTFOLIO SELECTION:** Efficient portfolio is identified and optimal portfolio is selected.
- ▶ **PORTFOLIO REVISION:** Addition or deletion of securities due to change in availability of additional funds, change in risk, need for cash etc.
- ▶ **PORTFOLIO EVALUATION :** Comparison of objective norms with relative performance. Provides feedback mechanism for improving the entire portfolio management process.

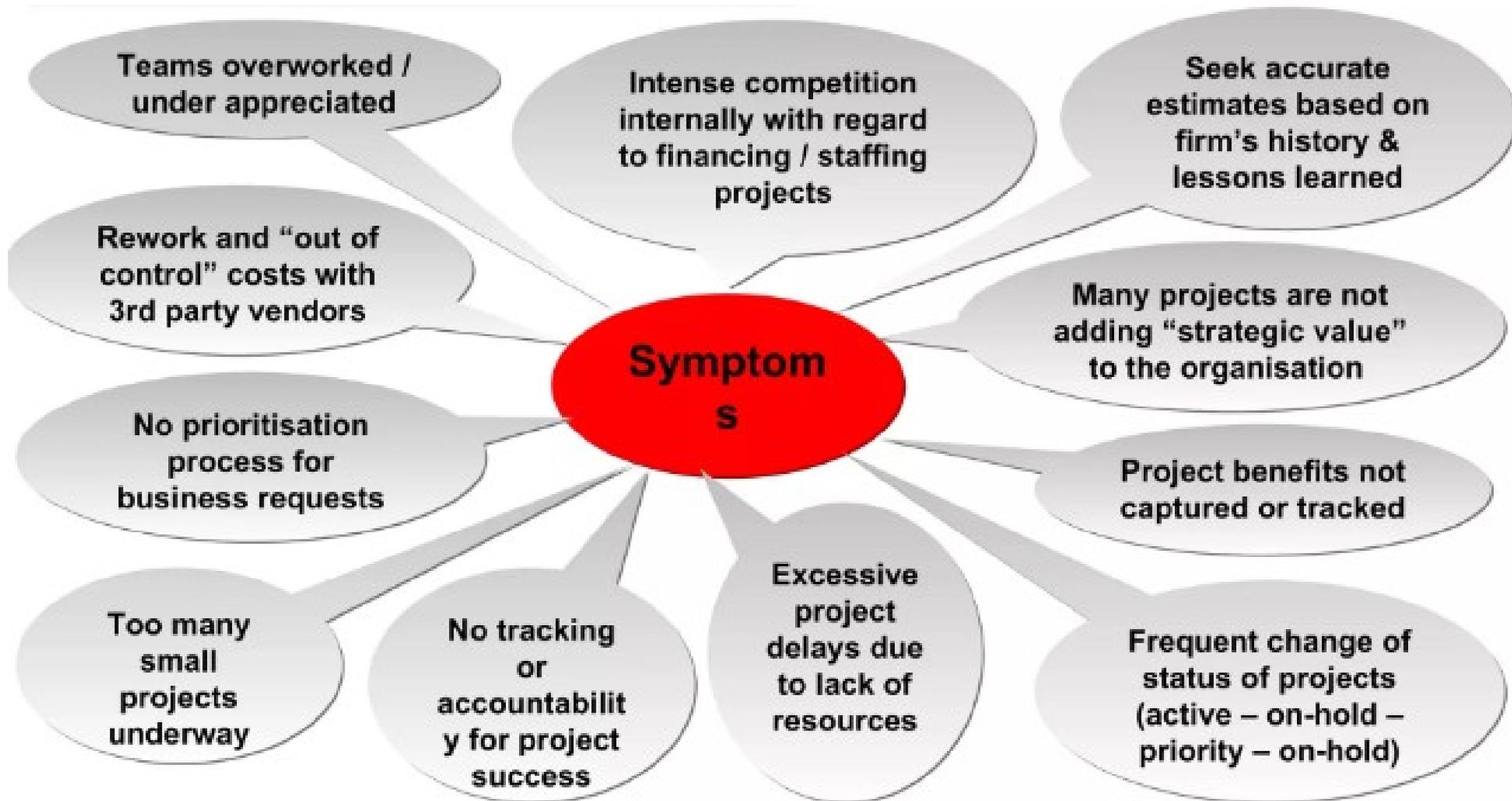
\*Online Reference

# Project Portfolio Management



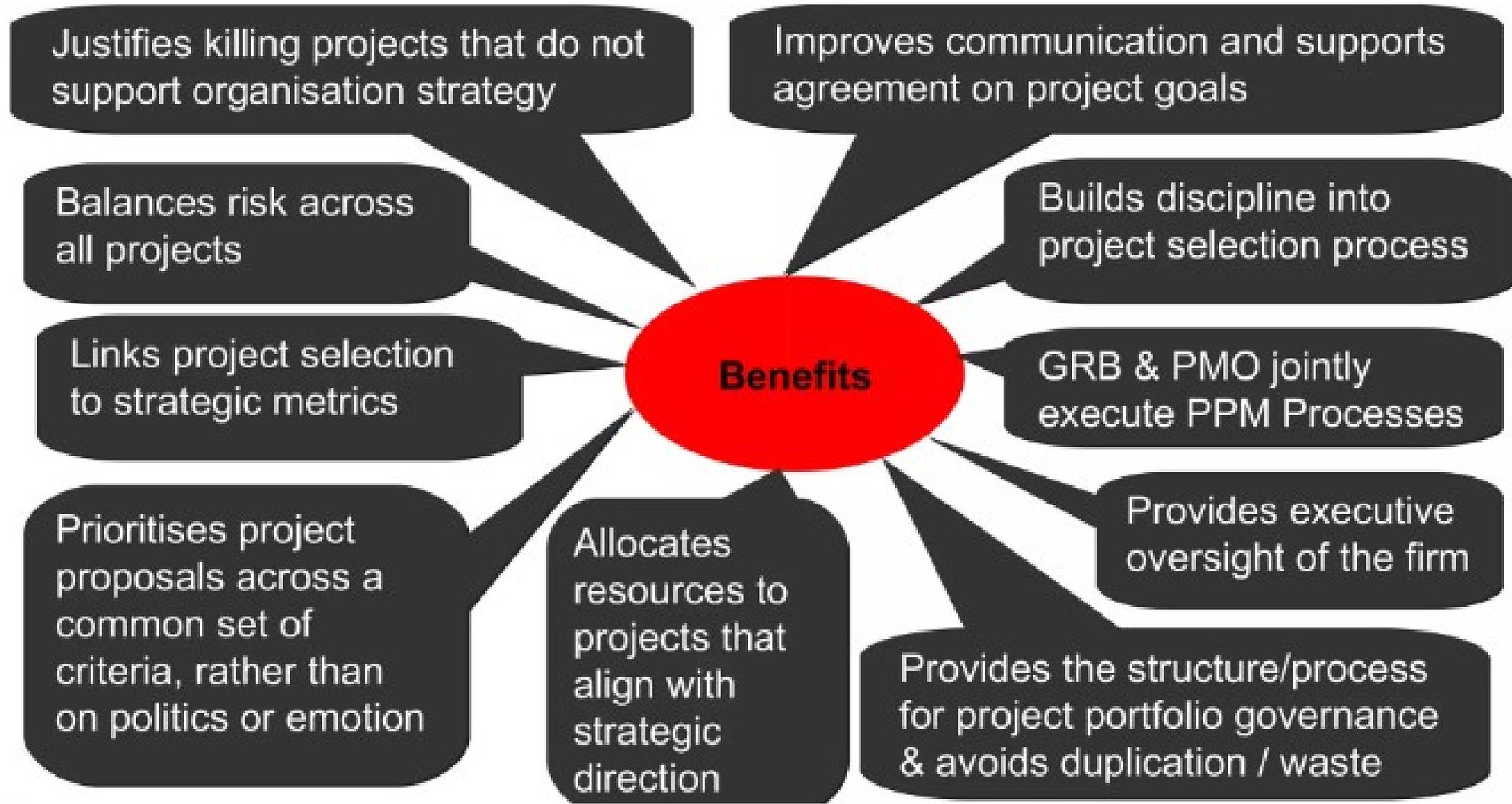
\*Online Reference

# Symptoms Calling for PPM



\*Online Reference

# PPM Benefits



\*Online Reference

# PPM Goals

- Helps the organisation to make the best use of its resources
- Enables the removal of low value projects from the portfolio
- Ensures that all new and existing projects are aligned with the organisation's mission, goals and objectives
- Produces and maintains a comprehensive listing of all projects which the organisation is undertaking
- Develops a “bigger picture view” and a deep understanding of the project collection as a whole
- Creates an “objective” methodology for identifying, ranking, prioritising and selecting new projects
- Ensures that a healthy balance across different types of projects with different cost, schedule, complexity and risk profiles is maintained

\*Online Reference

# PPM Goals

- How do you ensure that the investments are aligned with the key business objectives?
- How do you find the most efficient ways to realise the strategic goals?
- How do you check the right balance of investments across the portfolio?
- How do you realise the predicted benefits of these efforts?
- How do you assess programs and projects in the portfolio and to say 'No' and 'Stop'?
- How do you provide information to make better decisions?
- How do you align actions to strategy and increase success on strategic initiatives?
- How do you minimise risk, manage workload, decrease time to delivery, decrease costs and to increase value delivered?

# PPM Goals

- How do you create an Inventory of current programs and projects?
- How do you apply categorisation to understand the different kinds of initiative in the portfolio?
- How do you apply evaluation criteria which enables reliable selection of high value / low risk initiatives?
- How do you create visualisation of the Portfolio to support executive decision making?
- How do you define and create the capability / Maturity level target and develop a "roadmap" of how to get there in a realistic timeframe?

“You can tell whether a man is clever by his answers. You can tell whether a man is wise by his questions.”

- Naguib Mahfouz

Costs



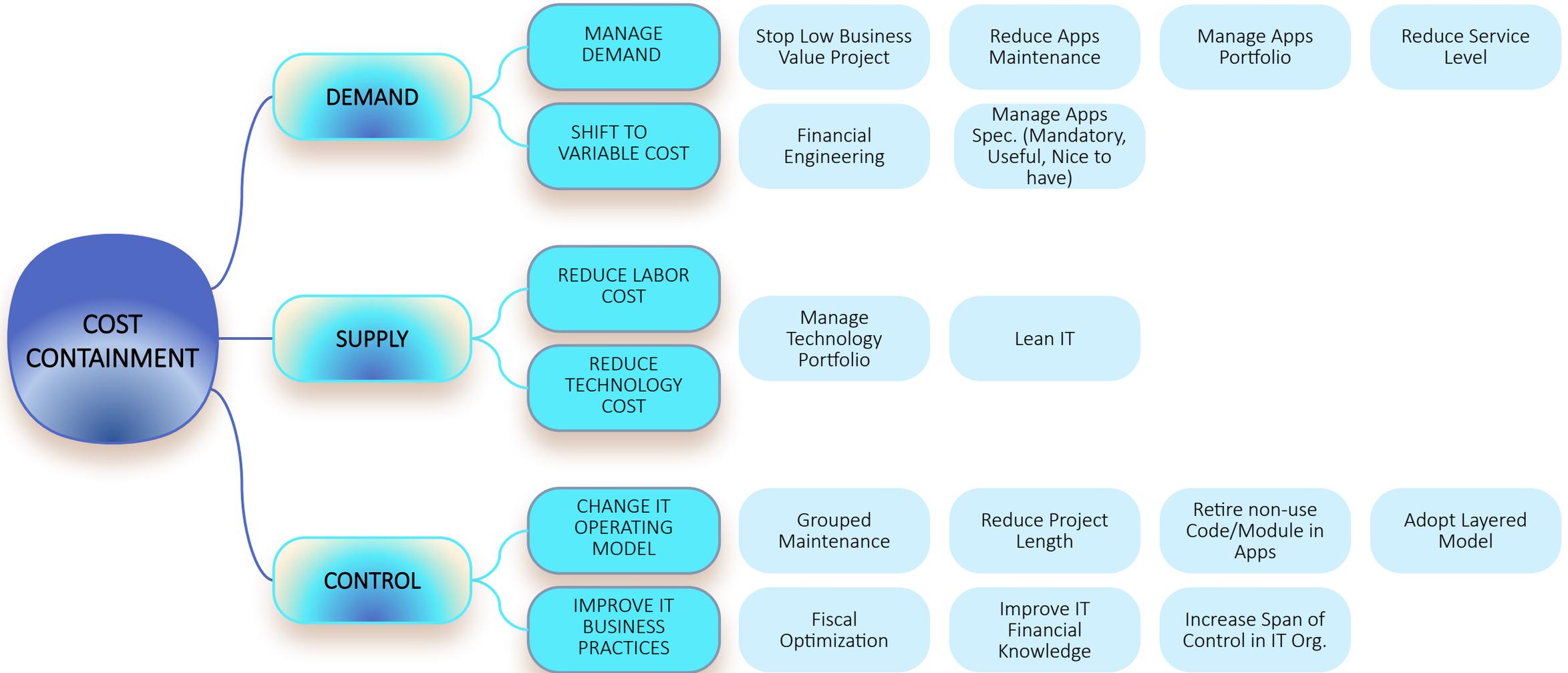
# Cost Reduction

---

Quality Speed Results



# COST REDUCTION AREAS



# COST REDUCTION BENEFIT MATRIX

OPPORTUNITY		<u>Financial Benefit</u>	<u>Time</u>	<u>Organizational Risk</u>	<u>Technical Risk</u>	<u>Investment Required</u>
	Stratification of desktop user types	● Low	● Low	● Low	● Low	● Low
	Automated software distribution	● Low	● Low	● Low	● Low	● Low
	Desktop printer rationalization	○ Moderate	● Low	○ Moderate	● Low	○ Moderate
	Standardized desktop products	○ Moderate	○ Moderate	● Low	● Low	● Low
	Cell phone audits	● High	● Low	○ Moderate	○ Moderate	● High
	Centralize portal management	● Low	● Low	● Low	● Low	● Low
	Telecommunications line audits	○ Moderate	● Low	● Low	● Low	● Low
	Consolidation of IT infrastructure	● Low	● High	● High	● High	● High
	Server virtualization	● Low	● High	○ Moderate	○ Moderate	○ Moderate
Storage migration	● Low	○ Moderate	○ Moderate	○ Moderate	○ Moderate	
Reduce business continuity capability	○ Moderate	● Low	● Low	● Low	● Low	

# COST CATEGORIZATION

## Not Required

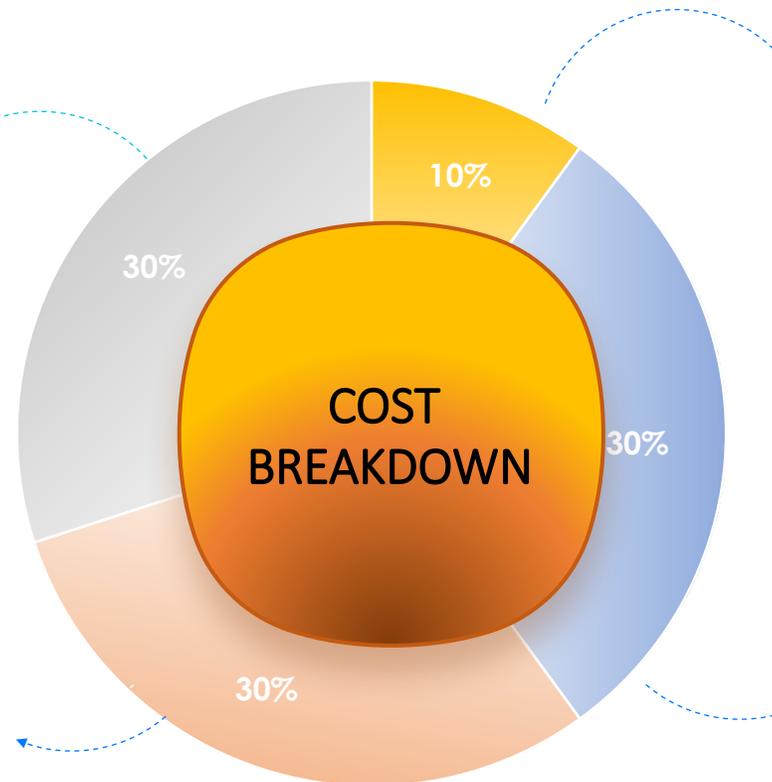
- Non-essential capabilities
- Challenges the need to have any cost at all
- Increase efficiency or lower service levels for what you keep

*ELIMINATE OR BE PARE DOWN*

## Differentiating Capabilities

- 3-6 Differentiating capabilities that build sustainable advantage
- Streamline for effectiveness and efficiency
- Invest in critical activities to reach best-in-class service levels

*MAY SPEND MORE THAN COMPETITORS*



## "Lights-On"

- Activities required to "Keep the lights on"/ operate (e.g. property)
- Look for opportunities to increase efficiency.

*AIM FOR BEST IN CLASS COST LEVEL*

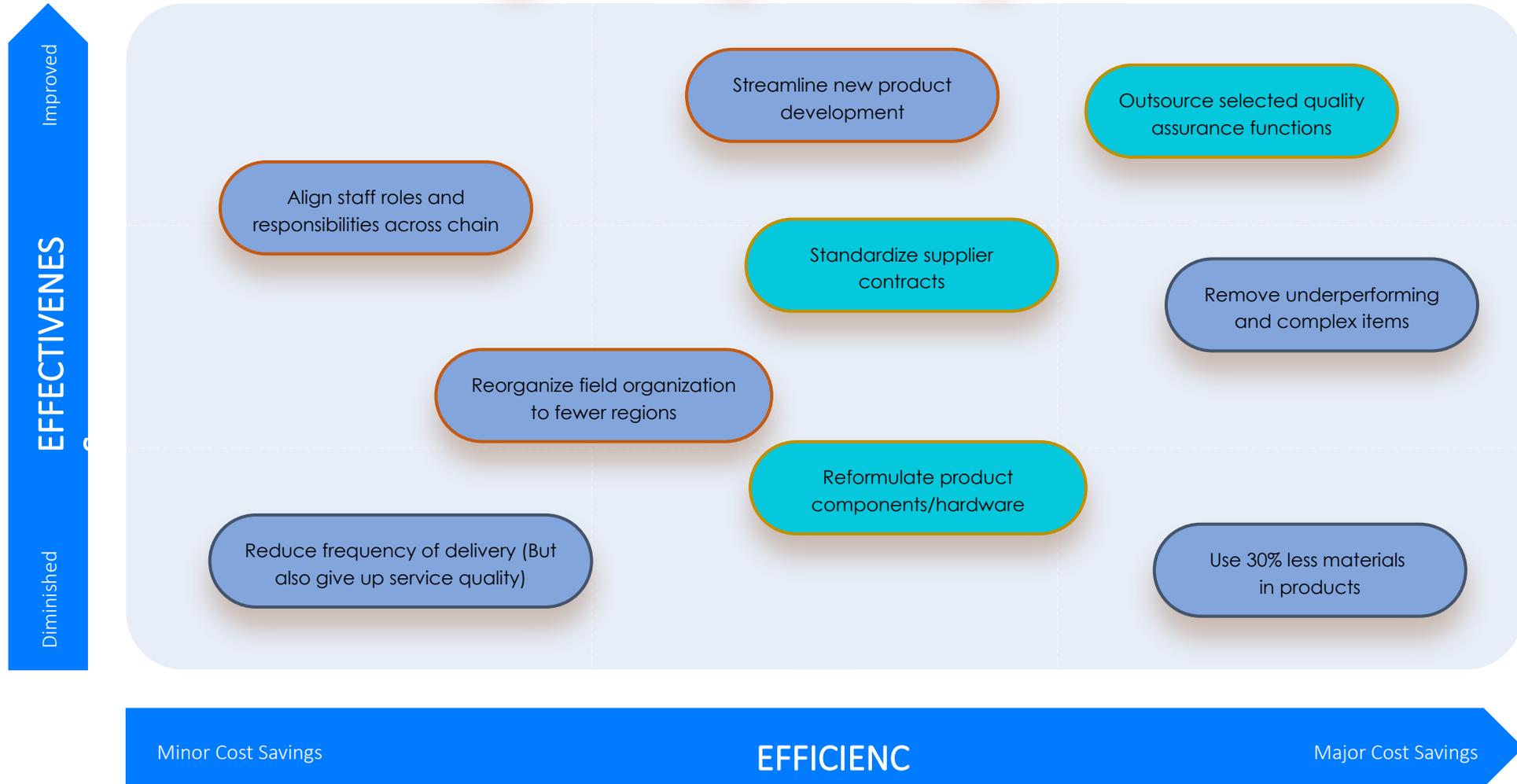
## "Can't Avoid"

- Activities required by to compete
- Look for opportunities to increase efficiency.

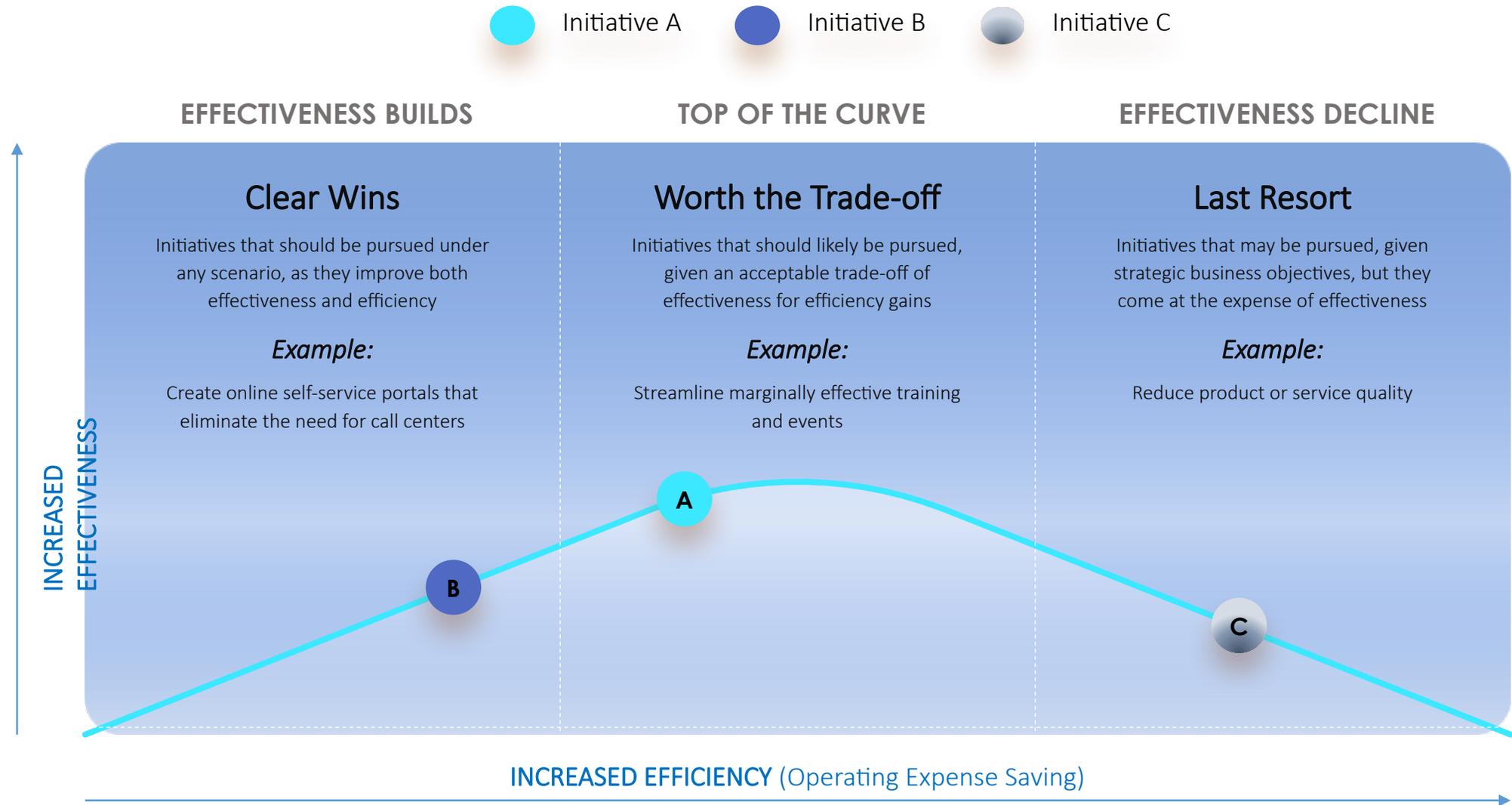
*AIM FOR BEST IN CLASS COST LEVEL*

# COST SAVING INITIATIVES

● High Effort    ● Medium Effort    ● Low Effort



# EFFECTIVENESS OF INITIATIVES



# CONTROLLABLE EXPENSE MANAGEMENT



OBJECTIVE OF STEP	1	2	3	4
	<ul style="list-style-type: none"> <li>Obtain data files and complete initial review of controllable expenses</li> </ul>	<ul style="list-style-type: none"> <li>Analyze and validate client's controllable expense categories and amounts</li> </ul>	<ul style="list-style-type: none"> <li>Develop recommendations on savings opportunities and seek buy-in from client</li> </ul>	<ul style="list-style-type: none"> <li>Manage implementation process of recommendations</li> </ul>
KEY INPUTS	<ul style="list-style-type: none"> <li>Client files, policies and interview findings</li> </ul>	<ul style="list-style-type: none"> <li>Client expense categories and spend amounts analysis ready</li> </ul>	<ul style="list-style-type: none"> <li>Client's feedback &amp; buy-in</li> </ul>	<ul style="list-style-type: none"> <li>Client's feedback in terms of scope, resources, etc. available for implementation</li> </ul>
KEY OUTPUTS	<ul style="list-style-type: none"> <li>Understanding of categories and spend amount</li> </ul>	<ul style="list-style-type: none"> <li>Baseline value, hypotheses, and savings opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Recommendation statements</li> </ul>	<ul style="list-style-type: none"> <li>Communication plan, policies, optimized incentive program, etc.</li> </ul>

# USING THE VALUE STICK TO DRIVE VALUE CREATION

## THE VALUE STICK



# The Value Stick

The background features a light gray gradient with several overlapping, wavy, translucent shapes in shades of blue and purple. A white rectangular box is centered horizontally, containing the text "Budget Planning".

# Budget Planning

# Annual Budget Plan

COMPANY XYZ	Annual Budget Year 1 – Year 2	Actual Year 1 – Year 2	Variance (Budget vs Actual)	Variance (Budget vs Actual)
Revenue	\$50,000	\$51,231	\$1,231	2.46%
Expenses	\$38,000	\$39,573	\$1,573	4.14%
<b>Net Profit</b>	<b>\$12,000</b>	<b>\$11,658</b>	<b>\$342</b>	<b>2.85%</b>
<b>Revenue</b>	\$50,000	\$51,231	\$1,231	2.46%
<b>General &amp; Administration Expenses</b>	\$24,000	\$24,808	\$808	3.37%

## FULL YEAR

	Budget	Actual	Difference
Operating Revenue	\$50,000	\$50,000	\$50,000
Non-Operating Revenue	\$50,000	\$50,000	\$50,000
Total Revenue	\$1,875,000	\$1,875,000	\$1,875,000
Total Expenses	\$1,425,250	\$1,425,250	\$1,425,250
Profit	\$449,750	\$449,750	\$449,750

## YEAR TO DATE

	Budget	Actual	Difference
Operating Revenue	\$50,000	\$50,000	\$50,000
Non-Operating Revenue	\$50,000	\$50,000	\$50,000
Total Revenue	\$1,875,000	\$1,875,000	\$1,875,000
Total Expenses	\$1,425,250	\$1,425,250	\$1,425,250
Profit	\$449,750	\$449,750	\$449,750

## MONTH

	Budget	Actual	Difference
Operating Revenue	\$50,000	\$50,000	\$50,000
Non-Operating Revenue	\$50,000	\$50,000	\$50,000
Total Revenue	\$1,875,000	\$1,875,000	\$1,875,000
Total Expenses	\$1,425,250	\$1,425,250	\$1,425,250
Profit	\$449,750	\$449,750	\$449,750

# Budget Planning by Costs vs Benefits

Projects	Year 1 Cost	Year 2 Cost	Year 3 Cost	Direct ROI	Benefits
 Project Name	\$250,000	\$250,000	\$250,000	<b>Negative</b> -\$95,000	 Less Carbon Footprint
 Project Name	\$6,500	\$4,000	\$4,000	<b>Positive</b> +\$12,000	 Improve Productivity
 Project Name	\$115,000 0	\$115,000 0	\$115,000 0	<b>Positive</b> +\$75,000	 Business Opportunities

# brand strategy

success advertising media design  
orientation target trend  
market consumer sign business loyalty  
local  
name symbol image  
focus trademark logo  
management  
expectation unique  
marketing corporate  
impression distribution  
registration quality  
product identity  
research label image  
value recognition



# BRAND POSITIONING STRATEGY

## PURPOSE

Provide source of wealth-generation for investors

## BRAND ATTRIBUTES

Innovative

Tech driven

Empathetic

Open-minded

Lasting

## CORPORATE BRAND POSITIONING

Company is the leader in technology. We provide breakthrough and easy-to-use digital products to service and empower retail investors with information transparency, community unity, and ease of trades

Personalized data

Excellence in technology

Community oriented

Sustainable value for all

## GUIDANCE FOR STAKEHOLDER SPECIFIC MESSAGE DEVELOPMENT

Value propositions

Topic priorities

Business priorities/stakeholder research

# BRAND ANATOMY

SURFACE BRAND

EXPERIENTIAL BRAND



## Iconic Capital

- Name
- Logo
- Brand identity
- Packaging
- Social presence

## Financial Capital

- Strategic plan
- Research
- Brand values
- Management structure
- Culture (outbound)
- Investor relations
- Marketing strategy
- Sales strategy

## Emotional Capital

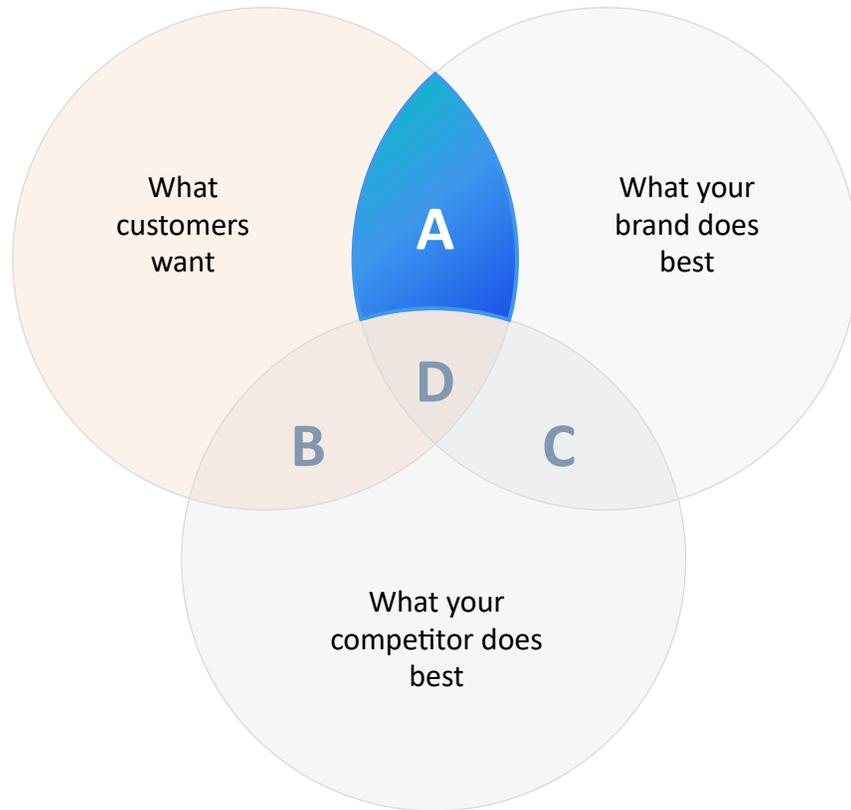
- Engagement
- NPS
- Customer relations
- Loyalty clubs
- Knowledge management
- Database/CRM

## Human Capital

- Human resource
- Culture (inward)
- Staff motivation
- Recruitment programs
- BOH environments

BRAND EQUITY

# BRAND POSITIONING STRATEGY



**A**

**WINNING ZONE**

Your brand's clear difference matter to the consumers

**B**

**LOSING ZONE**

Competitors meet consumers needs better than you

**C**

**DUMB ZONE**

Competitive battle where consumers doesn't care at all

**D**

**RISKY ZONE**

Equally meet consumer needs. You win through speed, innovation & emotional connection

# PERCEPTUAL MAP



# BRAND AUDIT: BRAND MIND MAP



# CUSTOMER ATTITUDE SURVEY

Strongly Disagree

Strongly Agree

I think we are not doing enough to save scant natural resources from being used up.

1

2

3

4

5

Natural resources must be preserved even if people must do without some products.

1

2

3

4

5

I feel sorry that the government does not do more to help control pollution of the environment

1

2

3

4

5

Much fuss is being made about air and water pollution than is really justified.

1

2

3

4

5

I feel angry and frustrated when I think about the harm being done to plant and animal life by pollution.

1

2

3

4

5

I think the government should devote more money toward supporting conservation and environmental programs.

1

2

3

4

5

Consumers should be interested in the environmental consequences of the products that they purchase.

1

2

3

4

5

Consumers should pay higher prices for the products which pollute the environment.

1

2

3

4

5

Non-recyclable containers should be taxed to reduce waste.

1

2

3

4

5

# BRAND AUDIT: CUSTOMER SURVEY

1. How would you rate the value for money?

0 1 2 3 4 5 6 7 8 9 10

Not at all Satisfied

Extremely Satisfied

2. How likely is it that you would recommend this company to a friend or colleague?

0 1 2 3 4 5 6 7 8 9 10

Not at all Likely

Extremely Likely

3. Overall, how satisfied or dissatisfied are you with our company?

Very Dissatisfied

Somewhat Dissatisfied

Neither  
Satisfied  
nor Dissatisfied

Somewhat Satisfied

Very Satisfied

PROJECT



Semiconductor-Company-Analysis.pdf



# SEMICONDUCTOR COMPANY BUSINESS ANALYSIS

Three Financial Statement Model

Project Business Case & Financial Model

Discounted Cash Flow Model

Scenario and Sensitivity Analysis Model

Business Units Consolidation Model

Discounted Earnings Model

Comparable Company Analysis Model

Precedent Transaction Analysis Model

Mergers & Acquisitions Model

Weighted Average Cost of Capital (WACC) Model

## Financial Planning and Analysis (FP&A)



### I. Gather Financial Data

1. Income Statement
2. Cash Flow Statement
3. Balance Sheet
4. Working Capital Schedule
5. Depreciation Schedule
6. Debt & Interest Schedule
7. Sales Breakdown
8. Costs Breakdown

### II. Assess Current Financial Performance

1. Efficiency Ratios
2. Solvency Ratios
3. Liquidity Ratios
4. Profitability Ratios
5. Leverage Ratios
6. Return on Investment Ratios
7. Sales Breakdown Analysis
8. Costs Breakdown Analysis

### III. Define Financial Plan

1. Company's Mission, Vision and Strategic Objectives
2. Forecast, Scenarios, Discounted Cash Flow valuation, and Sensitivity Analysis
3. Financial Objectives and KPIs to reach our Vision
4. Budget Allocations
5. List of Potential Initiatives to reach our Financial Objectives
6. Project Business Cases and Financial Models to assess our list of potential initiatives
7. Initiative Prioritization
8. Business Roadmap

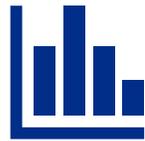
### IV. Implement, Track & Manage Progress

1. Governance
2. Dashboards
3. Projects Plans
4. Project Implementation:
  - Agile Methodology
  - Design Thinking
  - Traditional Methodology
5. Quarterly Update of the Financial Plan
6. Post Projects Evaluation and Lessons Learnt
7. Post Financial Planning Evaluation and Lessons Learnt

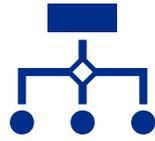
# financial model in 6 simple steps



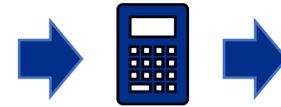
1.  
Define the question  
that the financial  
model needs to  
answer



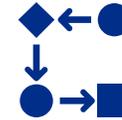
2.  
Draft a dashboard  
that will present the  
answer effectively



3.  
Create a driver tree  
to help you identify  
what you need to  
answer the question  
and create your  
model



4.  
Identify what should  
be your inputs,  
calculations and  
outputs



5.  
Identify the building  
blocks of your  
financial model

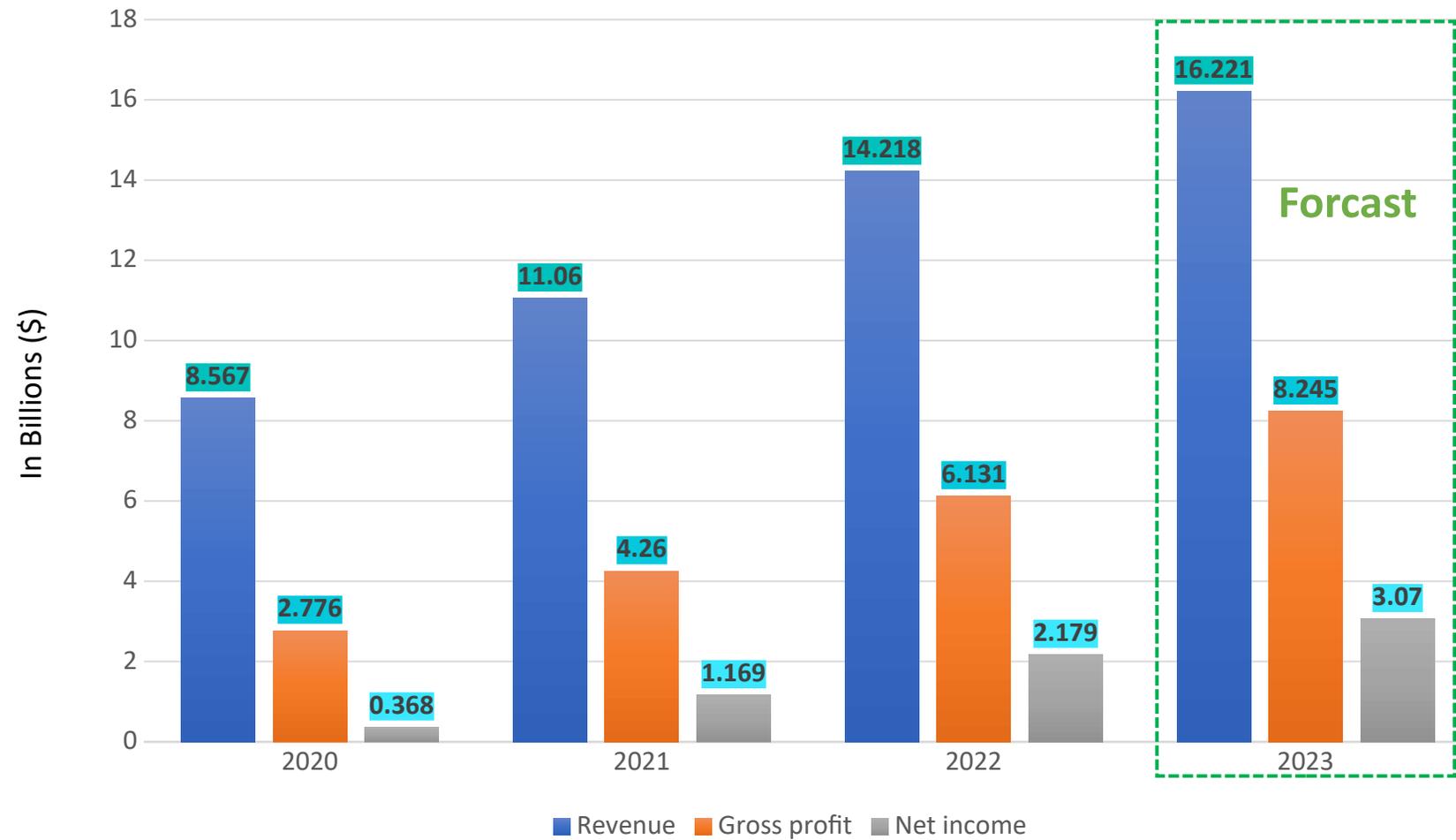


6.  
Identify the  
periodicity

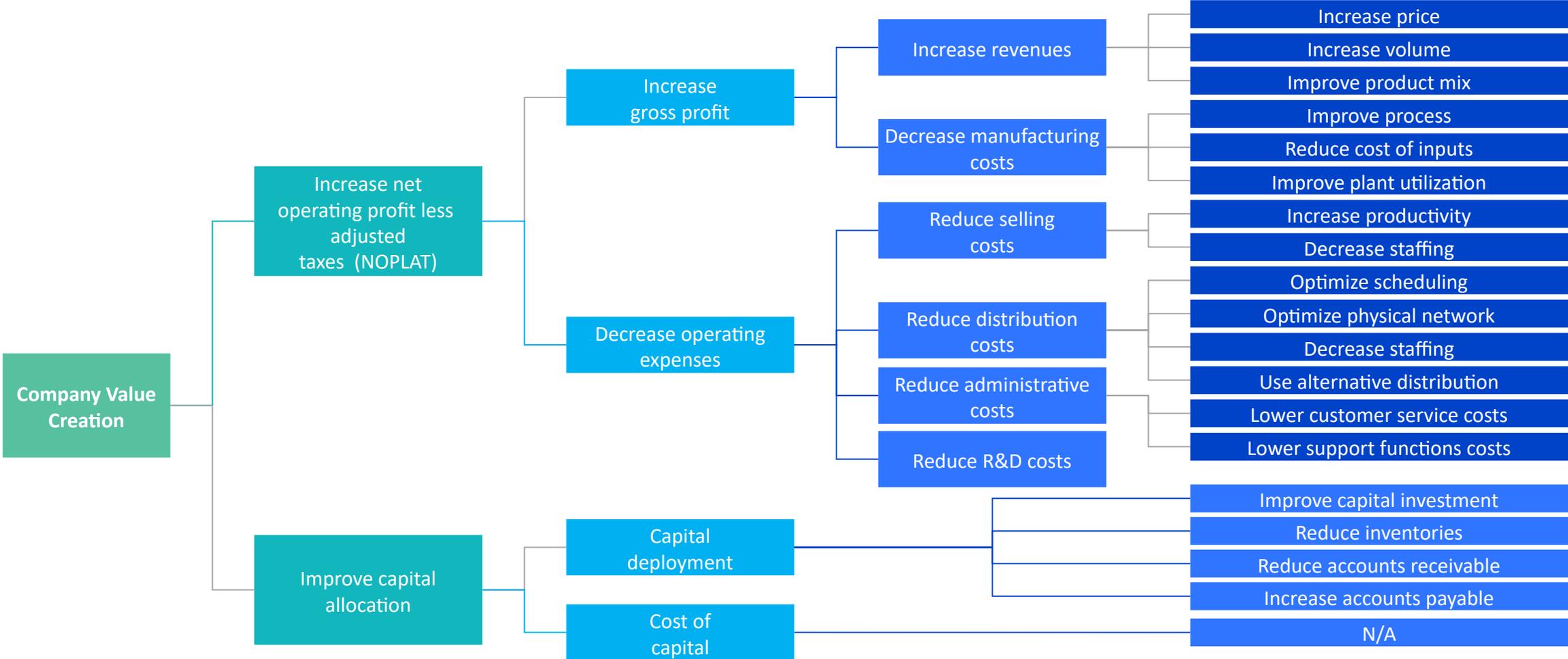
# Step 1: Define the question that the financial model needs to answer

- ✓ Switch off your computer
- ✓ Define the question your financial model needs to answer
- ✓ Identify what will not be solved by your model
- ✓ Do a back of the envelope calculation to give you an idea of the final answer

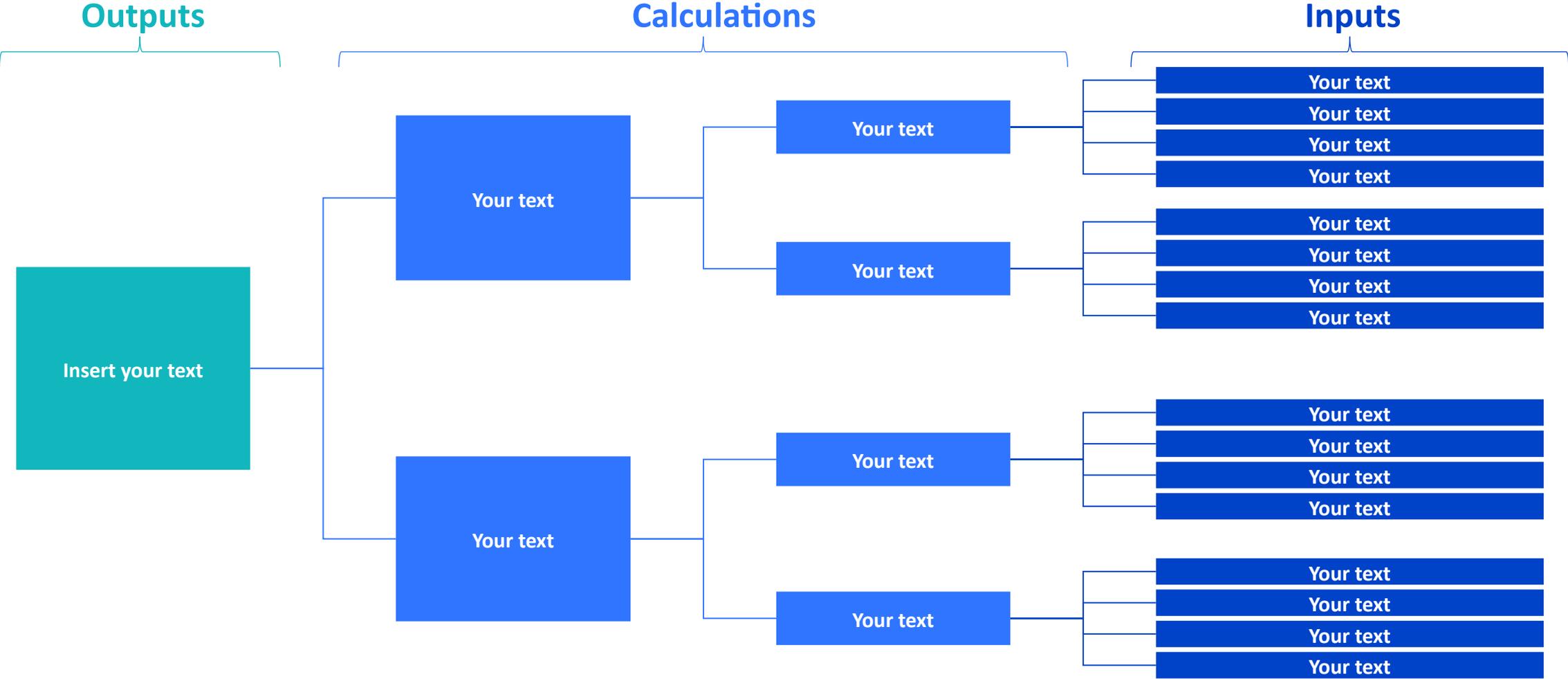
## Step 2: Draft a dashboard that will present the answer effectively



# Step 3: Create a driver tree to help in identify what would it need to answer the question and create your dashboard



# Step 4: Identify what should be the inputs, calculations and outputs



# Step 5: Identify the building blocks of your financial model

Real-life example of building blocks used in a **3-statement** financial model



**Cover**

Cover

**Inputs**

Inputs

**Calculation**

Income statement

Balance sheet

Cash flow statement

Working capital

Depreciations

Debt & Interest

**Outputs**

Dashboard

**3 Statement Financial Model**

*All figures in USD thousands unless stated*

	Historical Periods					Forecast Period				
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Balance sheet balanced	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
<b>Assumptions</b>										
<b>Income Statement</b>										
<b>Cash Flow Statement</b>										
<b>Balance Sheet</b>										
<b>Supporting Schedules</b>										
<b>Dashboard</b>										

# Three Financial Statement Model

## Cover Page

### Overview

<b>Company name:</b>	Insert company name
<b>Project name:</b>	Insert project name
<b>Project description:</b>	Insert a quick description of the project
<b>Project manager:</b>	Insert the name, title and business unit of the project manager
<b>Change manager:</b>	Insert the name, title and business unit of the change manager
<b>Project sponsor:</b>	Insert the name, title and business unit of the project sponsor
<b>Financial model name:</b>	Insert name of the model (e.g. 3 Statement Financial Model)
<b>Model objective</b>	To forecast the company's income statement, balance sheet, and cash flow statement, and to analyze the financial health of the company.
<b>Model building blocks:</b>	Assumptions, income statement, balance sheet, cash flow statement and the supporting schedules.
<b>Model owner:</b>	Insert document owner's name
<b>Last update:</b>	Insert date (e.g. March 12 2023)
<b>Model status:</b>	Work in progress

### Table of contents

<a href="#">3 Statement Model</a>	Includes Assumptions, income statement, balance sheet, cash flow statement and the supporting schedules.
-----------------------------------	--

### Model checks

<b>Balance sheet balanced</b>	Yes
-------------------------------	-----

## 3 Statement Financial Model

All figures in USD thousands unless stated

	Historical Periods					Forecast Period				
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Balance sheet balanced	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK

Assumptions

Income Statement

Cash Flow Statement

Balance Sheet

Supporting Schedules

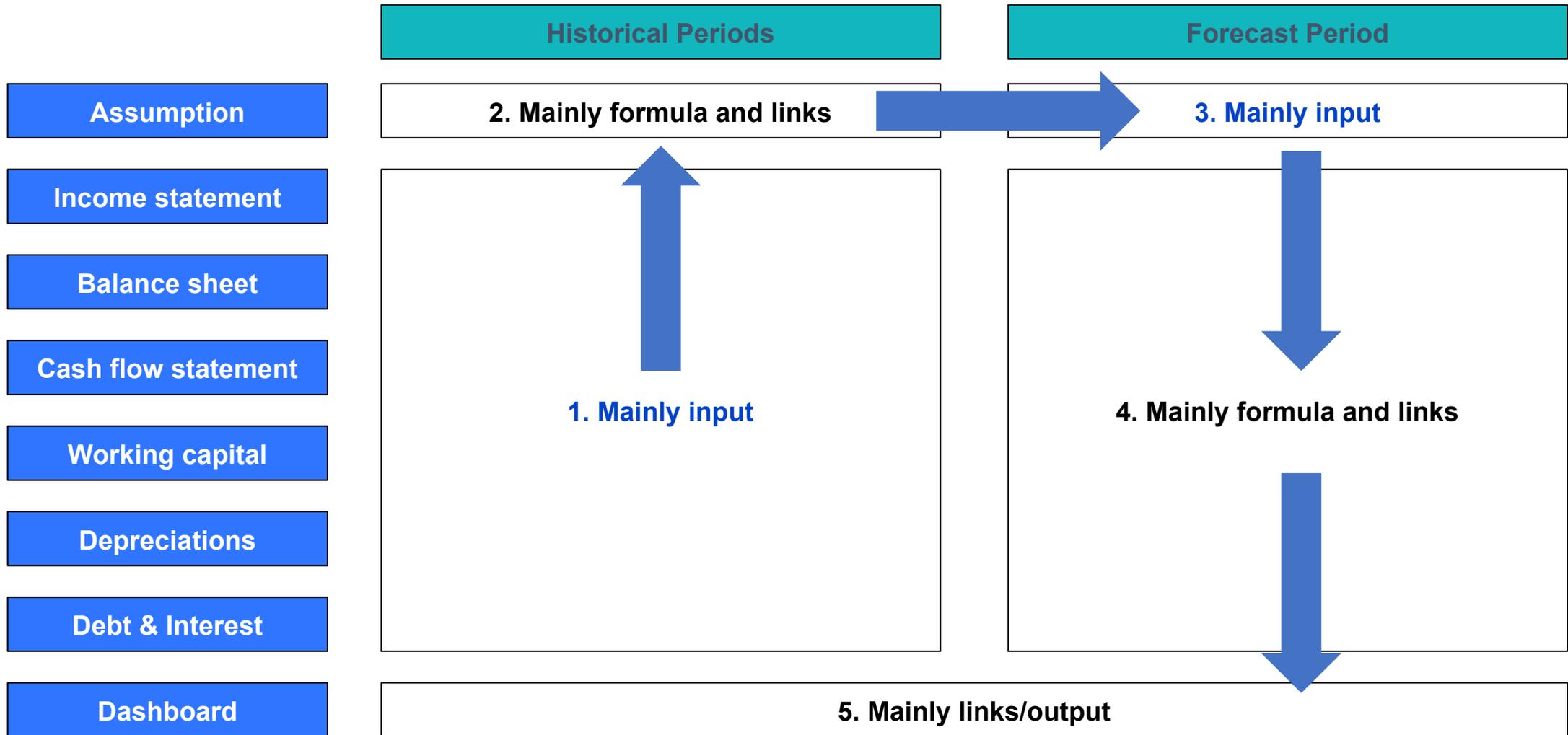
Dashboard

## Adjust if required the items in each building block

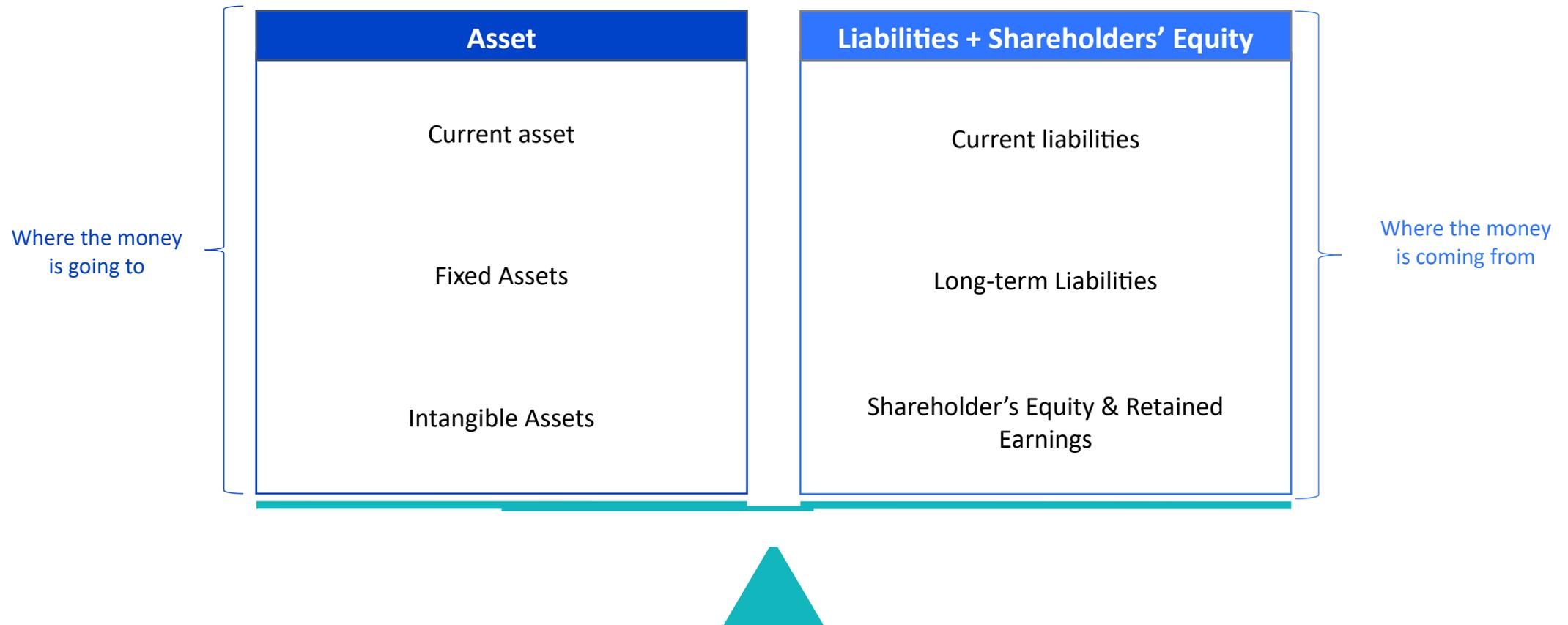
3 Statement Financial Model											
All figures in USD thousands unless stated			Historical Periods					Forecast Period			
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Balance sheet balanced			OK	OK	OK	OK	OK	OK	OK	OK	
<b>Income Statement</b>											
Revenue	100,000	110,000	120,000	130,000	140,000	149,800	160,286	171,506	181,796	192,704	
Cost of Goods Sold (COGS)	30,000	35,000	40,000	45,000	50,000	53,928	57,703	63,457	67,265	71,301	
Gross Profit	70,000	75,000	80,000	85,000	90,000	95,872	102,583	108,049	114,532	121,404	
<b>Expenses</b>											
Salaries and Benefits	30,000	28,000	28,000	27,000	27,000	27,000	27,000	27,000	26,000	26,000	
Rent and Overhead	10,000	11,000	10,000	11,000	10,000	11,000	10,000	11,000	10,000	10,000	
Depreciation & Amortization	20,000	19,000	18,000	17,000	16,000	15,000	13,500	12,450	11,715	11,201	
Interest expenses	2,000	4,000	3,800	3,800	3,800	3,500	3,500	3,500	3,100	3,000	
Total Expenses	62,000	62,000	59,800	58,800	56,800	56,500	54,000	53,950	50,815	50,201	
Earnings Before Tax	8,000	13,000	20,200	26,200	33,200	39,372	48,583	54,099	63,717	71,203	
Taxes	2,000	5,000	7,000	8,000	11,100	11,812	14,575	16,230	19,115	21,361	

For example, you may decide to add the item "Dividend payout" by adding a row. Or you may decide to remove the interest expenses. If required, you may have to add a row in the assumption building block if it helps you forecast the future dividend payout

# Fill in the templates in the order displayed below

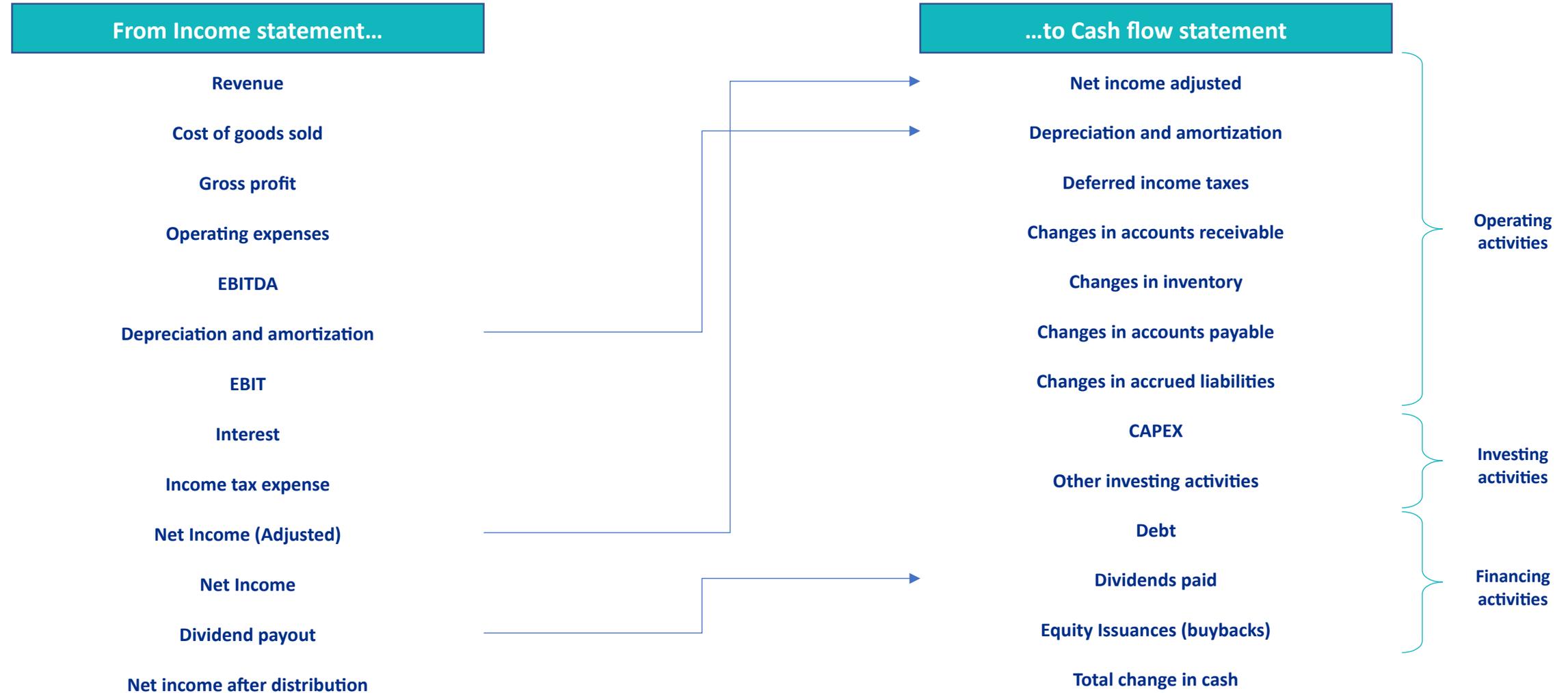


# Double check that the balance sheet is balanced



# If the balance sheet is not balanced, review all your inputs, formulas and links

How the income statement and cash flow statement can be linked



# Sensitivity Analysis table

Sensitivity Analysis: Intrinsic Value per Share (\$)						
		Revenue Growth Assumptions				
		5%	6%	7%	8%	9%
Discount Rate Assumptions	8%	9.18	9.64	10.11	10.60	11.10
	9%	8.45	8.86	9.28	9.72	10.17
	10%	7.88	8.25	8.63	9.02	9.43
	11%	7.41	7.75	8.10	8.46	8.83
	12%	7.01	7.32	7.65	7.98	8.33

Add a code color following these 5 steps:

1. Select the data inside the table
2. Click on "Home"
3. Click on "Conditional formatting"
4. Click on "Color scales"
5. Select the color scales that you like

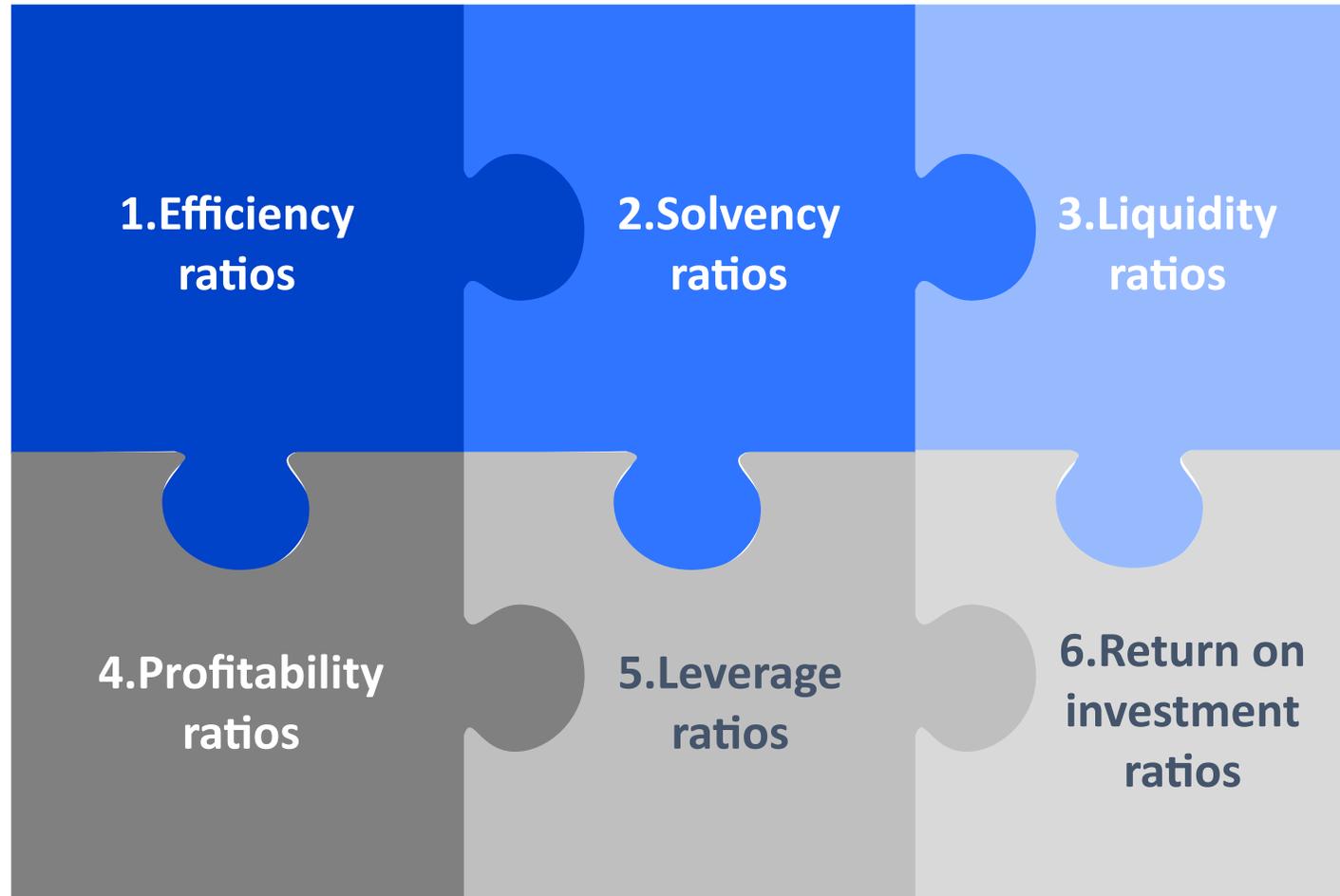
# Create more scenarios in the building block “Assumptions”

Scenario & Sensitivity Model <i>All figures in USD thousands unless stated</i>	Actuals					Estimates				
	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Balance sheet balanced	OK	OK	OK	OK						
Selected Scenario										
Estimated Intrinsic Value per Share (\$)										
Equity Issued (Repaid) (\$000's)	100,000	-	-							
<b>1. Base Case Scenario</b>										
Revenue Growth (% Change)										
Cost of Goods Sold (% of Revenue)										
Selling, general, and administrative (\$000's)										
Depreciation & Amortization (% of PP&E Open Bal)										
Interest (% of Debt Open Bal)										
Tax Rate (% of Earnings Before Tax)										
Accounts Receivable (Days)										
Inventory (Days)						60	60	60	60	60
Accounts Payable (Days)						20	20	20	20	20
Capital Expenditures (\$000's)						10,000	10,000	10,000	10,000	10,000
Debt Issuance (Repayment) (\$000's)						-	-	(8,000)	(2,000)	-
Equity Issued (Repaid) (\$000's)						-	-	(10,000)	-	-
<b>2. Pessimistic Scenario</b>										
Revenue Growth (% Change)						5.0%	4.0%	3.0%	2.0%	1.0%
Cost of Goods Sold (% of Revenue)						36.0%	36.0%	37.0%	37.0%	37.0%
Selling, general, and administrative (\$000's)						27,000	27,000	27,000	26,000	26,000
Depreciation & Amortization (% of PP&E Open Bal)						30.0%	30.0%	30.0%	30.0%	30.0%
Interest (% of Debt Open Bal)						5.0%	5.0%	5.0%	5.0%	5.0%
Tax Rate (% of Earnings Before Tax)						30.0%	30.0%	30.0%	30.0%	30.0%
Accounts Receivable (Days)						11	11	11	11	11
Inventory (Days)						60	60	60	60	60
Accounts Payable (Days)						20	20	20	20	20
Capital Expenditures (\$000's)						10,000	10,000	10,000	10,000	10,000
Debt Issuance (Repayment) (\$000's)						-	-	(8,000)	(2,000)	-
Equity Issued (Repaid) (\$000's)						-	-	(10,000)	-	-
<b>3. Optimistic Scenario</b>										
Revenue Growth (% Change)						10.0%	11.0%	12.0%	13.0%	14.0%
Cost of Goods Sold (% of Revenue)						36.0%	36.0%	37.0%	37.0%	37.0%
Selling, general, and administrative (\$000's)						27,000	27,000	27,000	26,000	26,000

In our template, we created a Base Case Scenario, a Pessimistic Scenario and an Optimistic Scenario. You can of course change the name of the scenarios (e.g. Best-case scenario, Worst case scenario, etc.)

# Financial Analysis

To analyze our company's performance, we are going to use 6 categories of financial ratios



# Profitability ratios are used to analyze a company's ability to generate a profit

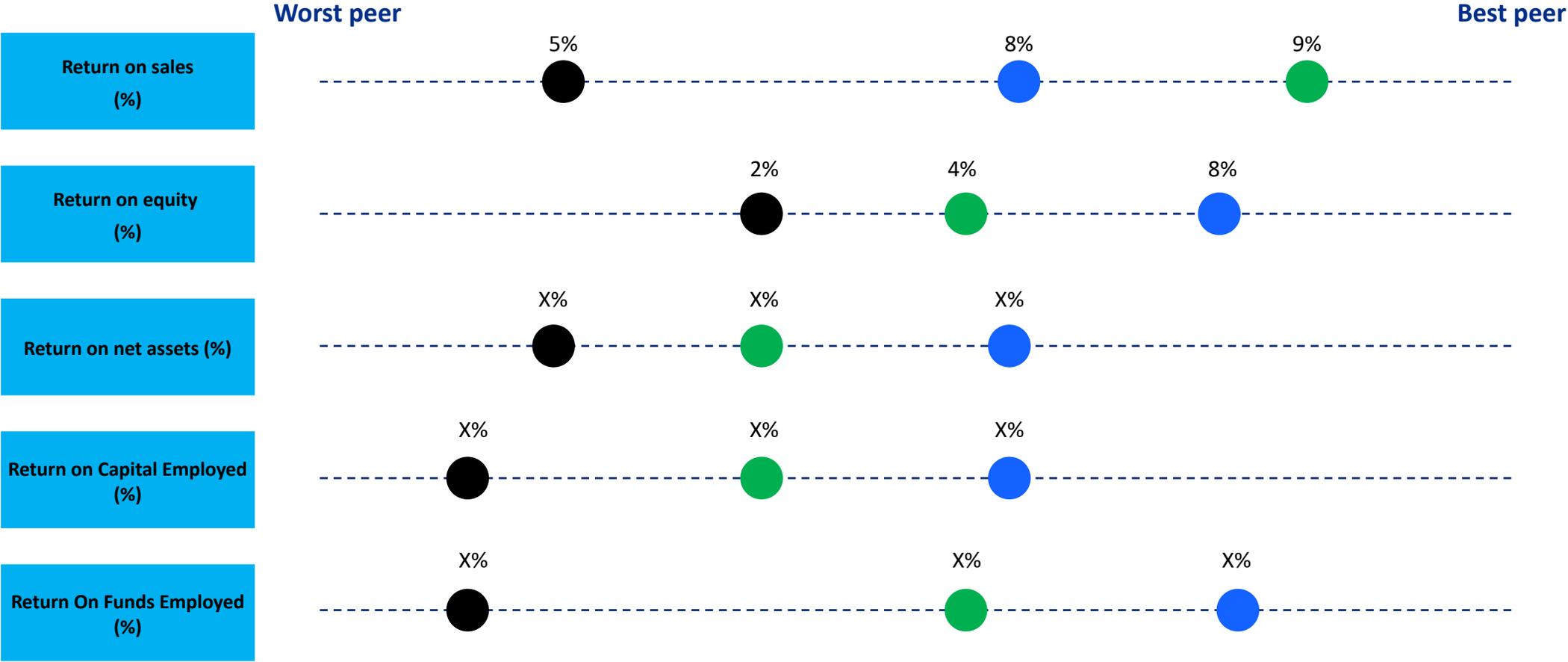
Ratio	Formula <sup>1</sup>	Definition	Result (%)
Return on sales	Net income / Net sales	The amount of net income earned from each unit of sales. This ratio is also called net profit margin	XX %
Return on equity (ROE)	Net income / Average shareholder's equity	The return stockholders are receiving on their investment in the company	XX %
Return on net assets	Net operating profit after tax (NOPAT) / Total net assets	The amount of net income earned per unit of asset used in the business	XX %
Return on Capital Employed (ROCE)	Net income / Average working capital	The return a company is realizing from its capital employed, i.e. how efficient is the capital used to generate revenues	XX %
Return on invested capital (ROIC)	NOPAT / Average total capital	How well does a company generate cash flow relative to its capital invested. A ratio >1 means that the company is creating value	XX %
Return On Funds Employed	NOPAT/ Average funds employed	The net operating return the company generates relative to all funds invested. Funds employed = total liabilities	XX %

<sup>1</sup>The average equals the value at the beginning of the year + the value at the end of the year divided by 2

# Dashboard

## Profitability ratios

- Our company
- Competitor A
- Competitor B

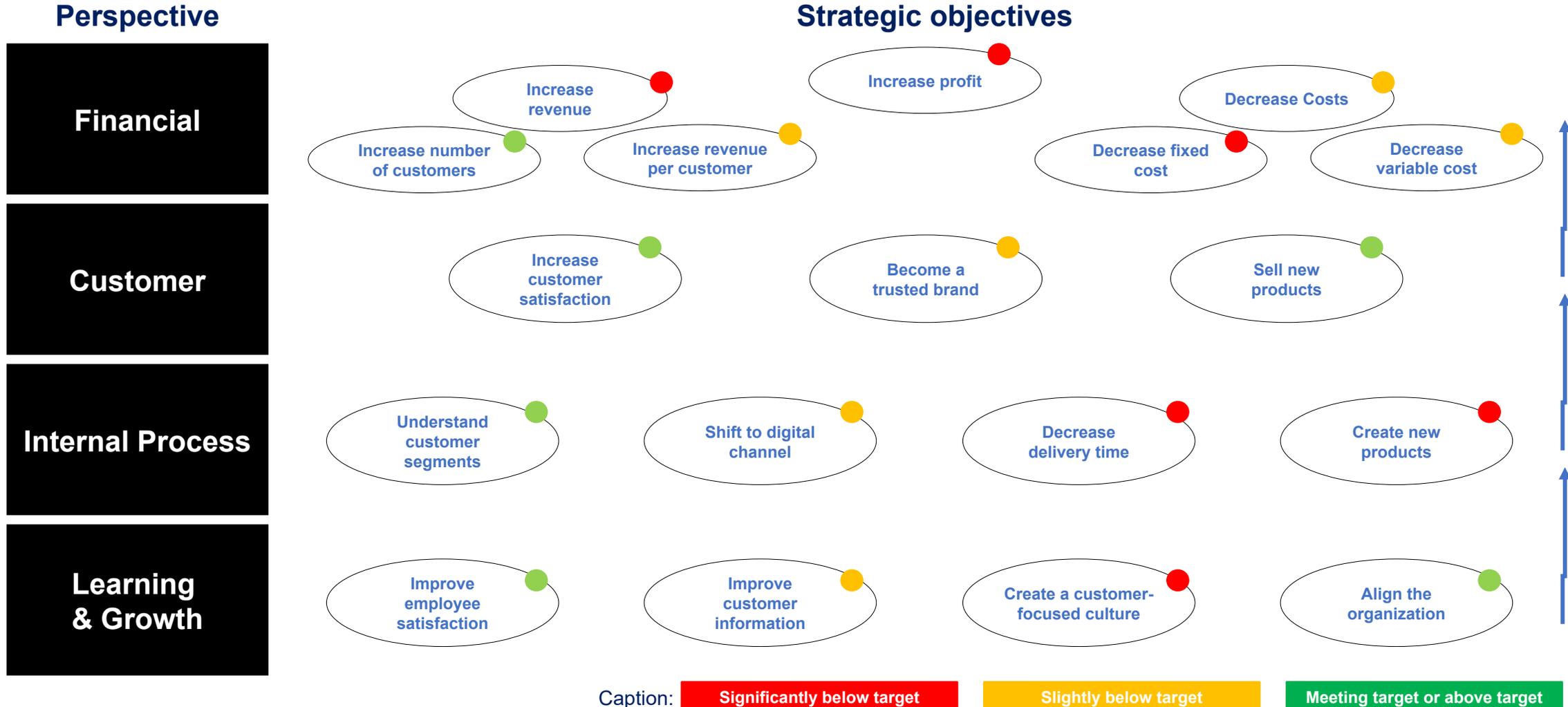


# After reviewing all the ratios, add to Scenario and Sensitivity Analysis Model the following 8 ratios for deeper analysis

Scenario & Sensitivity Model <i>All figures in USD thousands unless stated</i>		Actuals					Estimates				
		2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Balance sheet balanced		OK	OK	OK	OK	OK	OK	OK	OK	OK	OK
Selected Scenario		1									
Estimated Intrinsic Value per Share (\$)		8.63									
Financial Analysis: Key Ratios & Metrics											
ROE		14%	14%	15%	16%	15%					
ROIC		10%	9%	10%	11%	11%					
Gross Profit Margin		70%	68%	67%	65%	64%					
Net Profit Margin		16%	17%	19%	22%	23%					
Debt to Equity		0.36	0.61	0.47	0.38	0.33					
Equity Ratio		0.73	0.62	0.68	0.72	0.75					
Debt Ratio		0.27	0.38	0.32	0.28	0.25					
Asset Turnover		0.10	0.09	0.10	0.11	0.11					

# Strategy map including our Strategic Objectives

Real-life example



# Financial Strategic Objectives

Real-life example

Financial Strategic Objectives	KPIs	Targets
Increase earnings per share	<ul style="list-style-type: none"><li>• Net income per share versus last year</li></ul>	<ul style="list-style-type: none"><li>• From \$3 to \$4</li></ul>
Increase Return on Invested Capital (ROIC)	<ul style="list-style-type: none"><li>• ROIC versus last year</li></ul>	<ul style="list-style-type: none"><li>• From 11% to 12%</li></ul>
Increase Return on Equity (ROE)	<ul style="list-style-type: none"><li>• ROE versus last year</li></ul>	<ul style="list-style-type: none"><li>• From 15% to 16%</li></ul>
Increase Net Profit Margin	<ul style="list-style-type: none"><li>• Net Profit Margin versus last year</li></ul>	<ul style="list-style-type: none"><li>• From 23% to 25%</li></ul>

# List of potential initiatives to help us reach our financial objectives



	Strategic Alignment	Value	Ease of Implementation	Should we invest in this initiative?
<b>Cost Reduction Initiatives</b>				
1 Process optimization and efficiency improvements to reduce operational costs.	Yes	High	Easy	Yes
2 Implementation of lean manufacturing or Six Sigma methodologies.	Yes	Medium	Easy	Maybe Later
3 Outsourcing non-core activities to lower-cost providers.	Yes	High	Easy	Yes
4 Negotiating better terms with suppliers to lower procurement costs.	No	Low	Intermediate	No
5 Energy-saving initiatives to reduce utility expenses.	Yes	Low	Difficult	No
<b>Revenue Growth Initiatives</b>				
1 New product development or expansion into new markets.	Yes	High	Easy	Yes
2 Marketing campaigns to increase brand awareness and customer acquisition.	Yes	Medium	Easy	Maybe Later
3 Sales force effectiveness initiatives to improve sales performance.	Yes	High	Easy	Yes
4 Strategic partnerships or collaborations to access new customer segments.	No	Low	Intermediate	No
5 E-commerce or digital transformation initiatives to boost online sales.	Yes	Low	Difficult	No
<b>Pricing and Revenue Optimization Initiatives</b>				
1 Pricing strategy review and optimization to maximize profitability.	Yes	High	Easy	Yes
2 Introduction of dynamic pricing models based on demand and market conditions	Yes	Medium	Easy	Maybe Later
3 Upselling and cross-selling programs to increase average transaction value	Yes	High	Easy	Yes

# Financial Objectives Dashboard

Real-life example

Meeting target or above target or on track

Slightly below target

Significantly below target

Financial Objectives	KPIs	Targets	Status
Increase earnings per share	<ul style="list-style-type: none"><li>Net income per share versus last year</li></ul>	<ul style="list-style-type: none"><li>From \$3 to \$4</li></ul>	Significantly below target
Increase Return on Invested Capital (ROIC)	<ul style="list-style-type: none"><li>ROIC versus last year</li></ul>	<ul style="list-style-type: none"><li>From 11% to 12%</li></ul>	Slightly below target
Increase Return on Equity (ROE)	<ul style="list-style-type: none"><li>ROE versus last year</li></ul>	<ul style="list-style-type: none"><li>From 15% to 16%</li></ul>	Meeting target or above target or on track
Increase Net Profit Margin	<ul style="list-style-type: none"><li>Net Profit Margin versus last year</li></ul>	<ul style="list-style-type: none"><li>From 23% to 25%</li></ul>	Slightly below target

# Financial Objectives Excel Dashboard

	Owner	KPIs	Targets	Status
<b>Financial Objectives</b>	<b>Aurelien F.</b>			
1 Increase earnings per share	Aurelien F.	Net income per share versus last year	From \$3 to \$4	Meeting target or above target
2 Increase Return on Invested Capital (ROIC)	Christian G.	ROIC versus last year	From 11% to 12%	Slightly below target
3 Increase Return on Equity (ROE)	George P.	ROE versus last year	From 15% to 16%	Significantly below target
4 Increase Net Profit Margin	George P.	Net Profit Margin versus last year	From 23% to 25%	Meeting target or above target
5 Insert strategic objective	George P.	Insert KPI	Insert target	Slightly below target

# Business Roadmap Dashboard

				2023														
				Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec			
<b>Cost Reduction Initiatives</b>				<b>Christian G.</b>	<b>Feb 28</b>	<b>On Track</b>	[Gantt bar]											
1	Process optimization and efficiency improvements to reduce operational co	Aurelien F.	Jan 20	On Track	[Gantt bar]													
2	Implementation of lean manufacturing or Six Sigma methodologies.	Christian G.	Jan 20	Late	[Gantt bar]													
3	Outsourcing non-core activities to lower-cost providers.	George P.	Jan 20	Done	[Gantt bar]													
4	Negotiating better terms with suppliers to lower procurement costs.	George P.	Feb 15	On Track	[Gantt bar]													
5	Energy-saving initiatives to reduce utility expenses.	George P.	Feb 15	Done	[Gantt bar]													
<b>Revenue Growth Initiatives</b>				<b>Fabian V.</b>	<b>Feb 28</b>	<b>On Track</b>	[Gantt bar]											
1	New product development or expansion into new markets.	Aurelien F.	Jan 20	On Track	[Gantt bar]													
2	Marketing campaigns to increase brand awareness and customer acquisiti	Christian G.	Jan 20	Late	[Gantt bar]													
3	Sales force effectiveness initiatives to improve sales performance.	George P.	Jan 20	Done	[Gantt bar]													
4	Strategic partnerships or collaborations to access new customer segments	George P.	Feb 15	On Track	[Gantt bar]													
5	E-commerce or digital transformation initiatives to boost online sales.	George P.	Feb 15	Done	[Gantt bar]													
<b>Pricing and Revenue Optimization Initiatives</b>				<b>Jean G.</b>	<b>Feb 28</b>	<b>On Track</b>	[Gantt bar]											
1	Pricing strategy review and optimization to maximize profitability.	Aurelien F.	Jan 20	On Track	[Gantt bar]													
2	Introduction of dynamic pricing models based on demand and market condi	Christian G.	Jan 20	Late	[Gantt bar]													



# Zero Based Budgeting



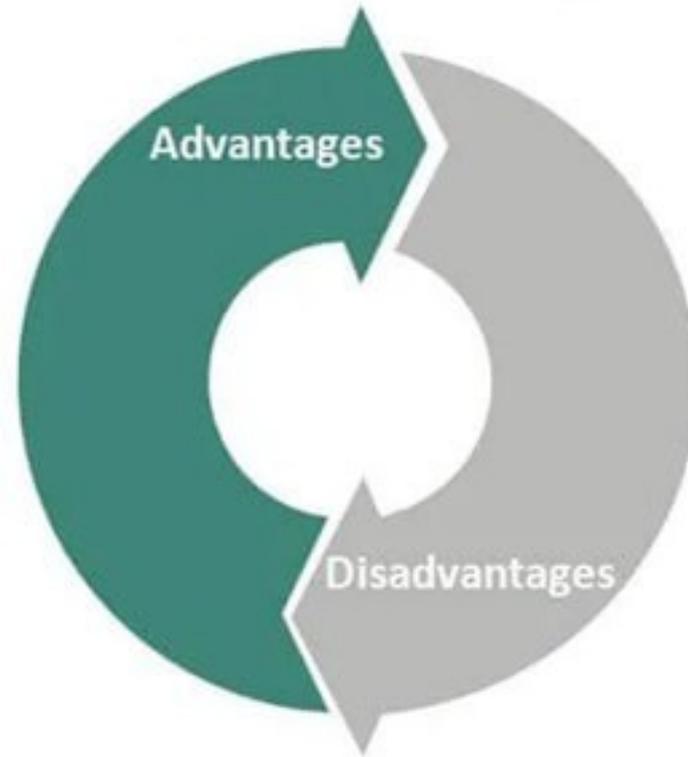
# What Is Zero-Based Budgeting (ZBB)?

*“Zero-based budgeting (ZBB) is a method of budgeting in which all expenses must be justified for each new period. The process of zero-based budgeting starts from a “zero base,” and every function within an organization is analyzed for its needs and costs. The budgets are then built around what is needed for the upcoming period, regardless of whether each budget is higher or lower than the previous one.”*

# Zero-Based Budgeting vs. Traditional Budgeting

*Traditional budgeting calls for incremental increases over previous budgets, such as a 2% increase in spending, as opposed to a justification of both old and new expenses, as called for with zero-based budgeting. Traditional budgeting also only analyzes only new expenditures, while **ZBB starts from zero** and calls for a **justification of old, recurring expenses** in addition to new expenditures. Zero-based budgeting aims to put the onus on managers to justify expenses and aims to drive value for an organization by optimizing costs and not just revenue.*

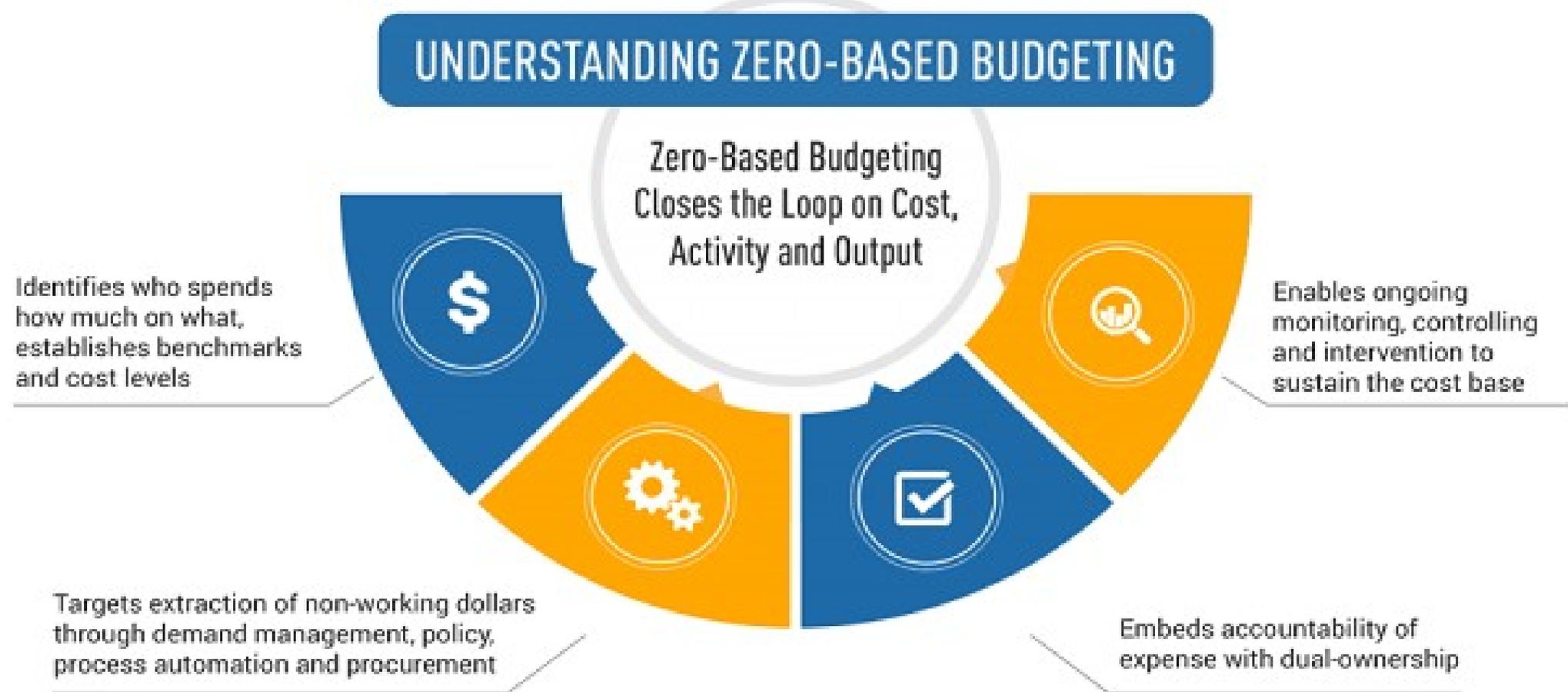
- 1. Profit Centers**
- 2. Very detailed**
- 3. It's strategic**
- 4. It's situational**



- 1. No focus on cost centers**
- 2. Too complex**

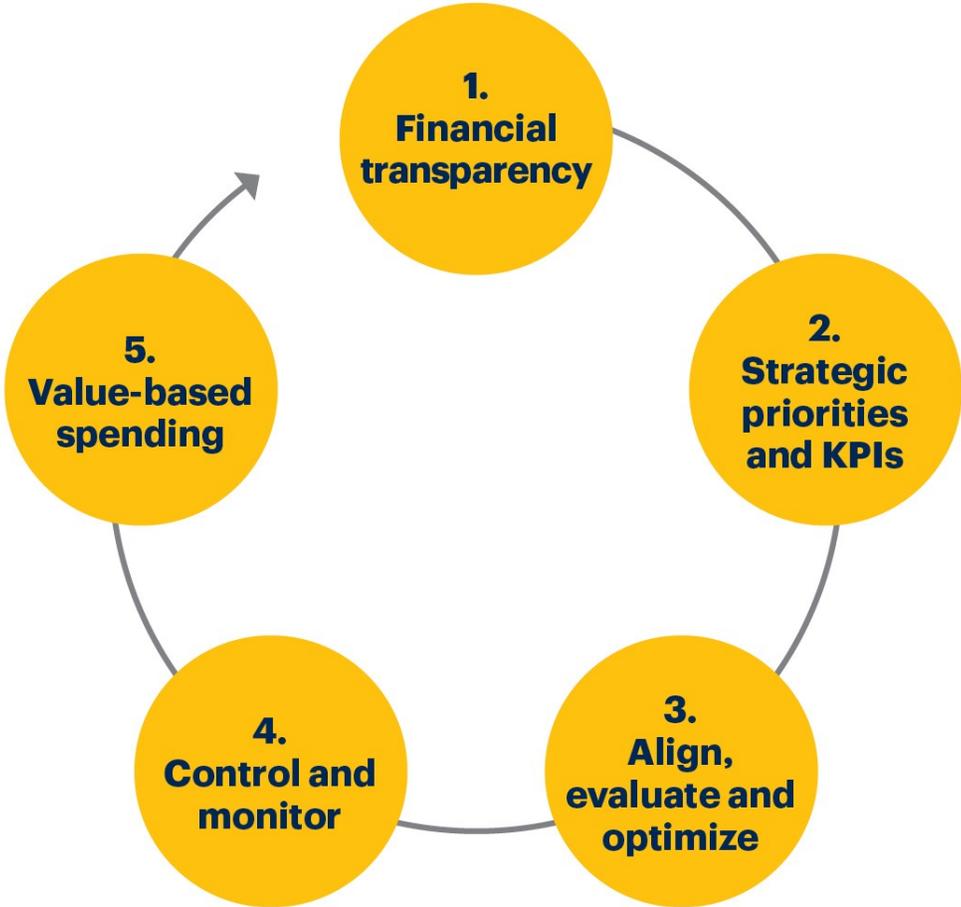
\*Online Ref.

# Everything You Need To Know About Zero-Based Budgeting



\*Online Ref.

# Gartner five-step zero-based budgeting cycle



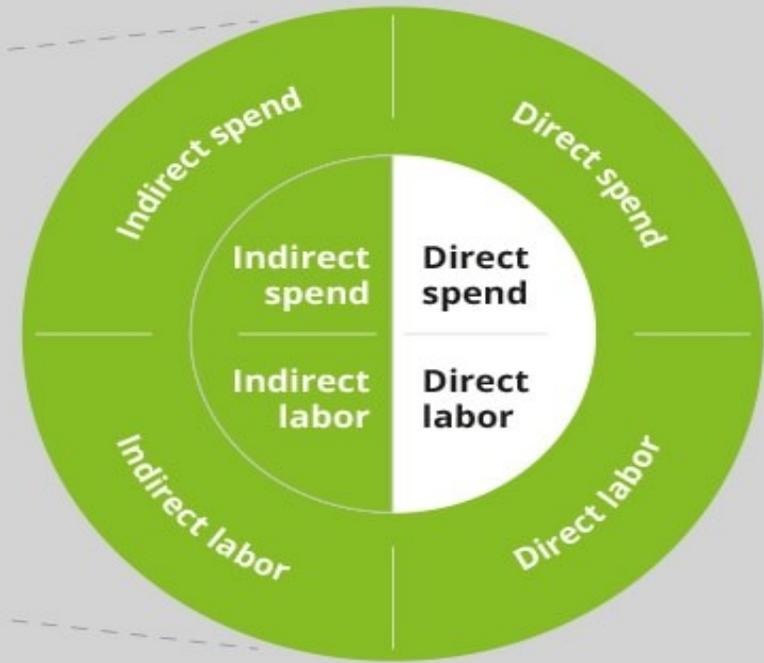
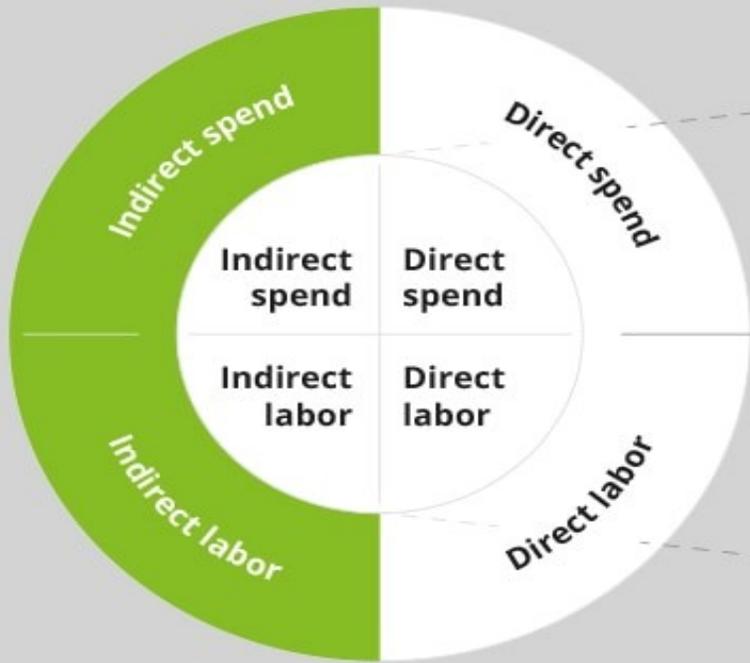
\*Gartner

### Traditional ZBB

Bottom-up and detailed approach focused on indirect spend and indirect labor

### Digital ZBB

Approach applying cognitive technology and accelerators to identify strategic savings across budgets/teams



#### Savings: Traditional ZBB

- Tactical savings ✓
- Strategic savings ✗
- Indirect spend/labor ✓
- Direct spend/labor ✗

#### Savings: Digital ZBB

- Tactical savings ✓
- Strategic savings ✓
- Indirect spend/labor ✓
- Direct spend/labor ✓

Target savings focused on "tactical" opportunities  
Typical savings opportunity 10% or less

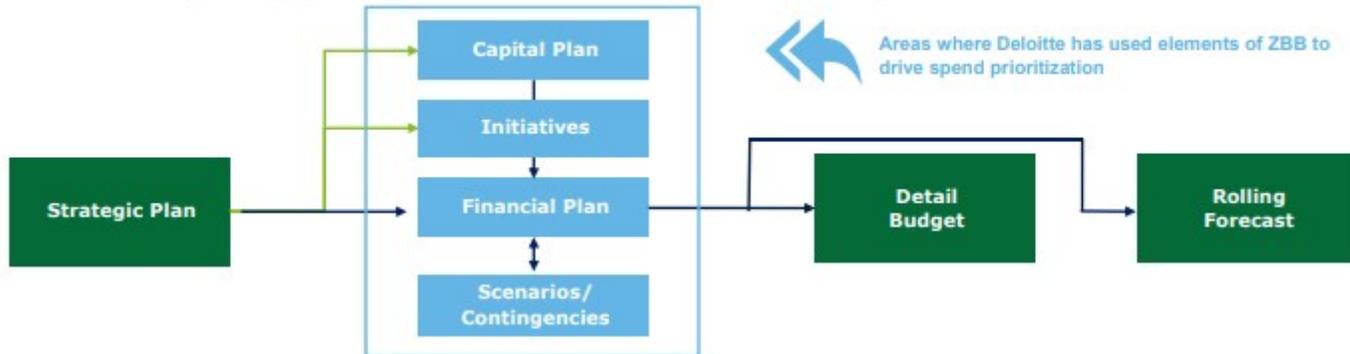
Balanced top-down (60-70%) and bottom-up (30-40%) approach  
Typical savings opportunity 10-20% or more

\*Deloitte

# Zero-Based Budgeting In a Box Solution:



Elements of the planning process where Deloitte has deployed ZBB principals



## Zero-Based Budgeting In a Box Solution:

Is focused on executing four key strategies that support department leads in making key expense decisions

### Disconnected budgets to prior year spending



- Prevents "embedding" of existing spend in the cost base
- Allows spending levels to be set based on necessary activities of a function, rather than historical trends
- Requires more work to understand activities and cost structure

### Changes in Budget spending either increases or cuts, not simply spread evenly



- Eliminates common "sandbagging" practices in the budgeting process
- Allows for more strategic allocation of planned spend
- Requires more work to analyze and prioritize activities and expenditures

### Budgets are tied to specific activities



- Better aligns spending targets with required activities of a function
- Replaces "do more with less" with "do the right things with the right amount"
- Requires fairly detailed knowledge of departmental activities and willingness to do less or discontinue activities

### Strategic Priority activity funding

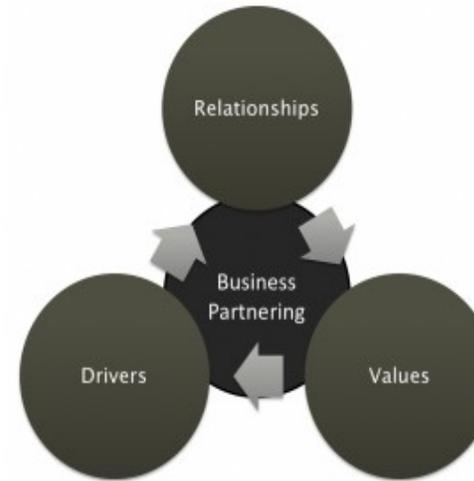


- Allows for better alignment of expenditure with the overall strategy and departmental missions
- Can reduce incidences of "we have always done that"
- Prioritizing activities across various functions can be challenging

\*Deloitte

# Drivers

Macro / market knowledge	Operational knowledge	Zero Based - Financial Knowledge
Drivers	Relationships	Values (£ / # / etc)
Volume	Revenue / Cost of Sales / Variable costs	Cost / revenue per unit Multipliers Support costs & requirements
Market penetration	Resources required / capacity to sell	Potential sales value
Product lifecycle	R&D Costs, Amortisation / Depreciation, Patent cliff	Price / Cost point
Change - Irregular / 1 time events	Everything	Should only be from a Zero Base



Business partners coordinate detailed input to specific areas by subject matter experts.

This builds an accurate cost picture from a zero base



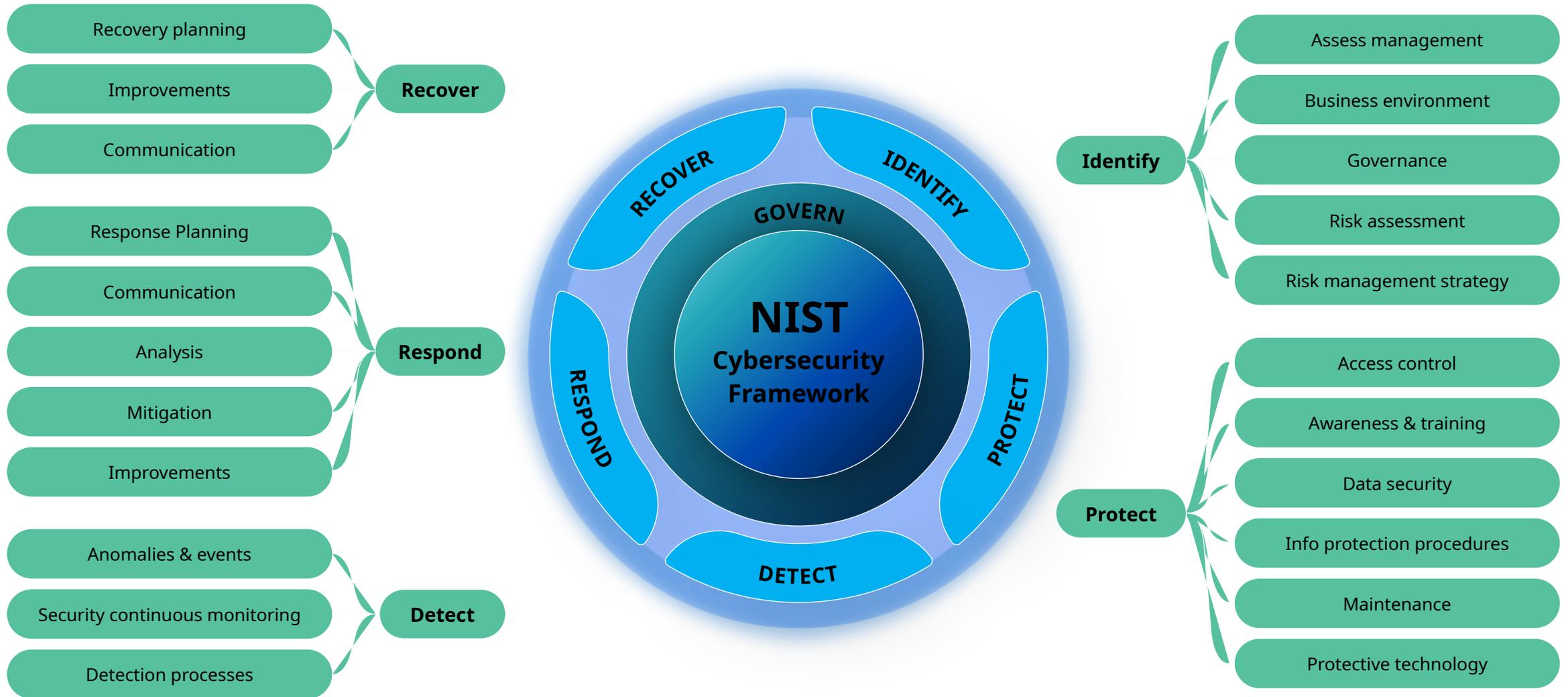
## Recommendations

- Focus on sustainability – you need to win the hearts and minds, and create an ‘ownership’ mindset amongst employees.
- Position this as a way to fuel growth and to simplify the organization, not just a cost reduction exercise (Bain: you are 2x more likely to succeed).
- ZBB is a tough process for employees, engage them as early as possible
- In addition to bottom-up employee engagement, this needs to have top-level sponsorship and visibility

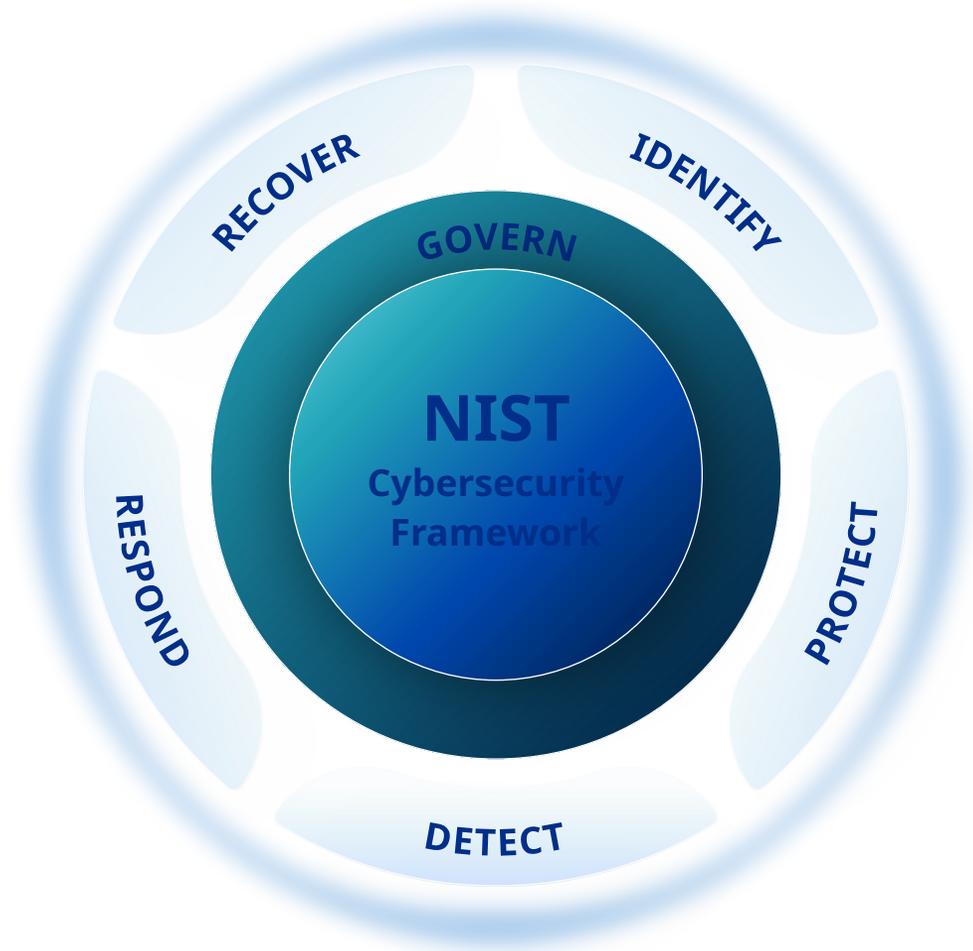


Cybersecurity

# NIST Cybersecurity Framework

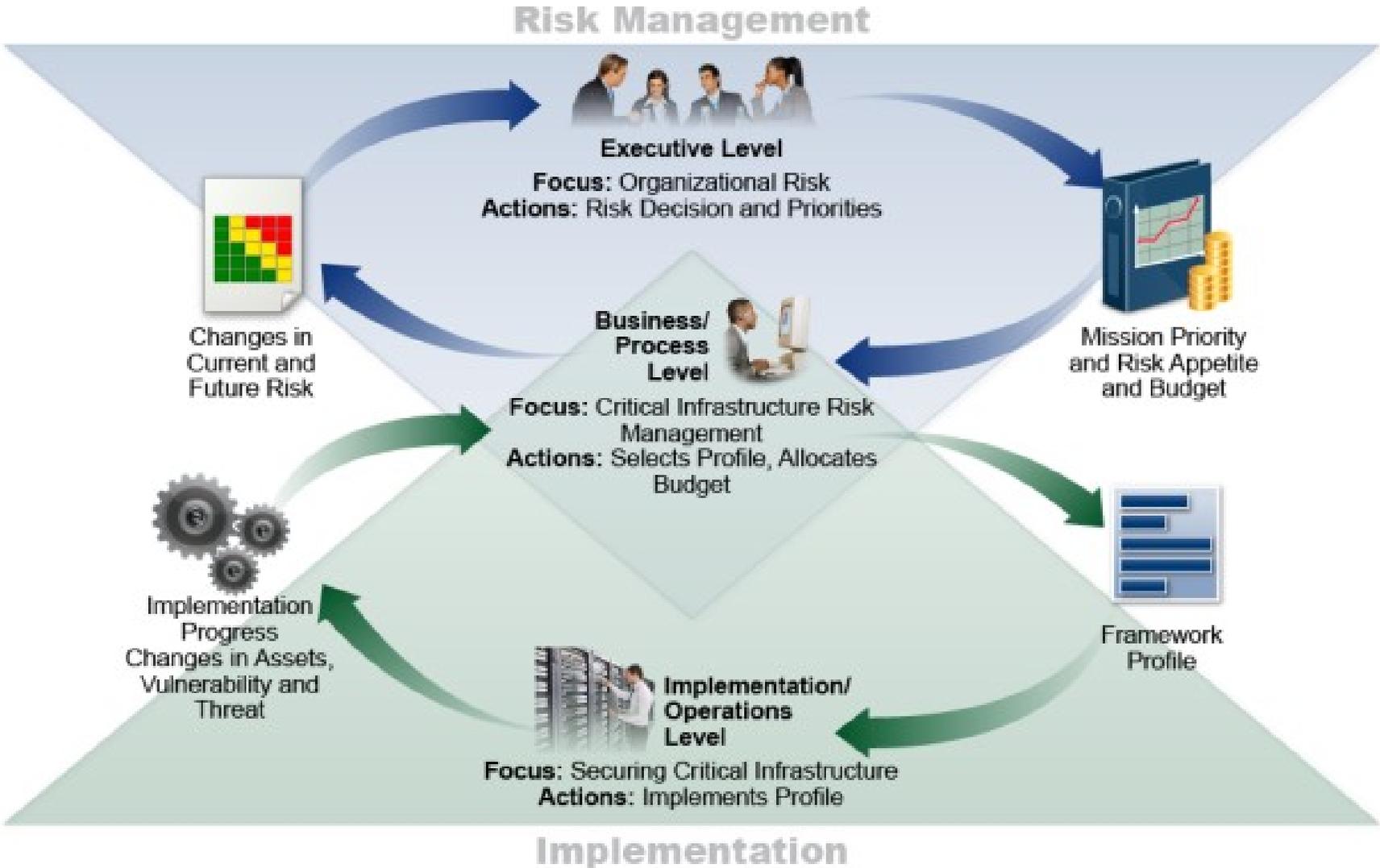


# NIST Cybersecurity Framework



Function	Category	Category Identifier
Govern (GV)	Organizational context	GV.OC
	Risk management strategy	GV.RM
	Cybersecurity supply chain risk management	GV.SC
	Roles, responsibilities, and authorities	GV.RR
	Policies, processes, and procedures	GV.PO
Identify (ID)	Oversight	GV.OV
	Asset management	ID.AM
	Risk assessment	ID.RA
Protect (PR)	Improvement	ID.IM
	Identity management, authentication, and access control	PR.AA
	Awareness and training	PR.AT
	Data security	PR.DS
	Platform security	PR.PS
	Technology infrastructure resilience	PR.IR
Detect (DE)	Continuous monitoring	DE.CM
	Adverse event analysis	DE.AE
Respond (RS)	Incident management	RS.MA
	Incident analysis	RS.AN
	Incident response reporting and communication	RS.CO
	Incident mitigation	RS.MI
Recover (RC)	Incident recovery plan execution	RC.RP
	Incident recovery communication	RC.CO

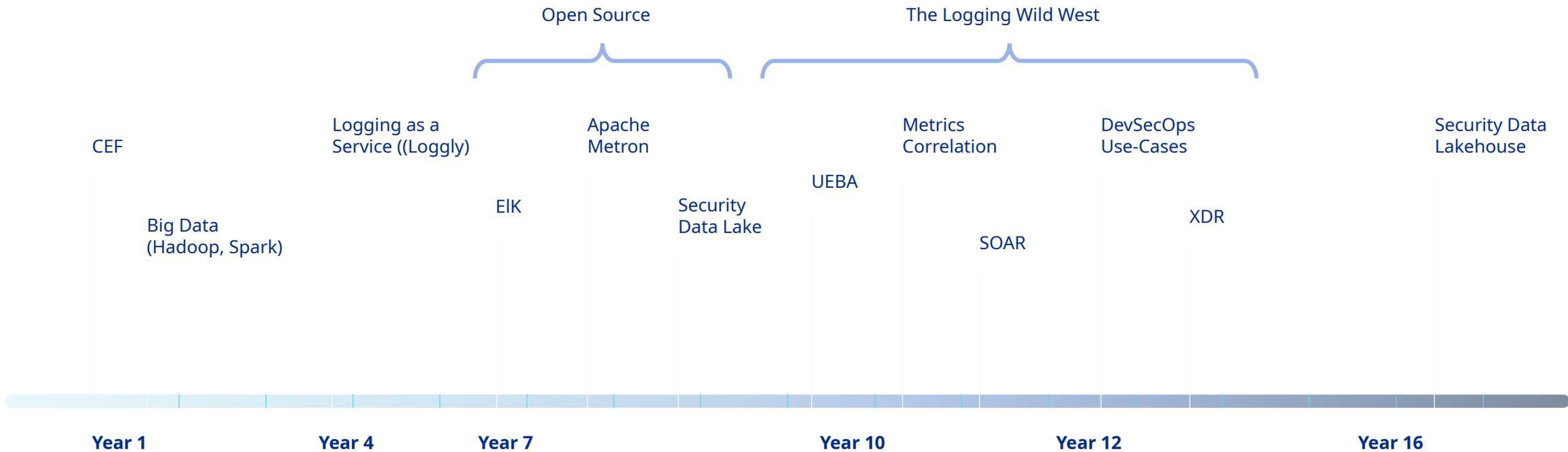
# Coordination of Framework Implementation



\*Cybersecurity Framework

# Risk Management Strategy

Function	Category	Subcategory	Informative References
	<b>Risk Management Strategy (ID.RM):</b> The organization's priorities, constraints, risk tolerances, and assumptions are established and used to support operational risk decisions.	prioritized	<ul style="list-style-type: none"> <li>NIST SP 800-53 Rev. 4 PM-4, PM-9</li> </ul>
		<b>ID.RM-1:</b> Risk management processes are established, managed, and agreed to by organizational stakeholders	<ul style="list-style-type: none"> <li>COBIT 5 APO12.04, APO12.05, APO13.02, BAI02.03, BAI04.02</li> <li>ISA 62443-2-1:2009 4.3.4.2</li> <li>NIST SP 800-53 Rev. 4 PM-9</li> </ul>
		<b>ID.RM-2:</b> Organizational risk tolerance is determined and clearly expressed	<ul style="list-style-type: none"> <li>COBIT 5 APO12.06</li> <li>ISA 62443-2-1:2009 4.3.2.6.5</li> <li>NIST SP 800-53 Rev. 4 PM-9</li> </ul>
		<b>ID.RM-3:</b> The organization's determination of risk tolerance is informed by its role in critical infrastructure and sector specific risk analysis	<ul style="list-style-type: none"> <li>NIST SP 800-53 Rev. 4 PM-8, PM-9, PM-11, SA-14</li> </ul>



### ANALYTICS

Attempt in Visual analytics

Data on demand

Threat Hunting

Risk Centricity

Artificial Intelligence

Cloud Analytics

Federal Analytics

### DATA

- IAM
- PCAP

- Endpoint
- Threat Intel

- API

- IaaS Logs

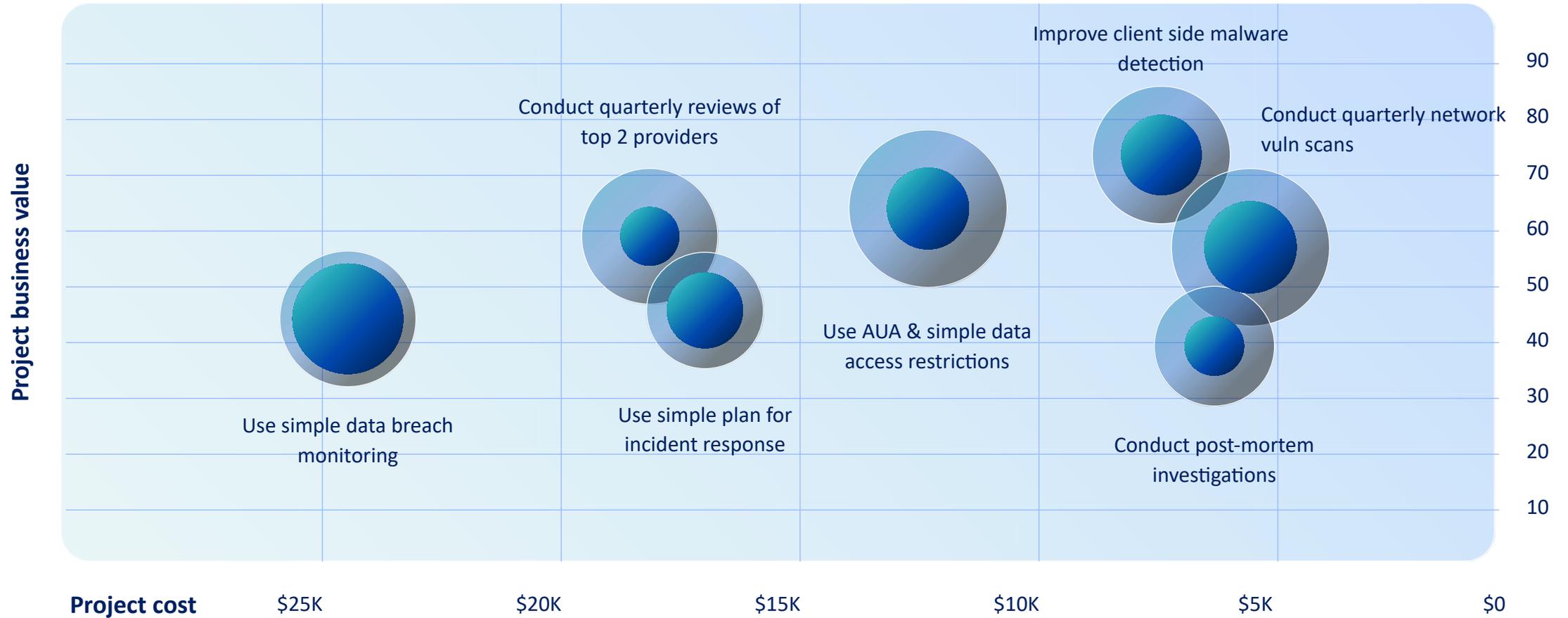
- Metrics

- SaaS Logs

- Data Activity

# RISK MITIGATION VISUALIZER

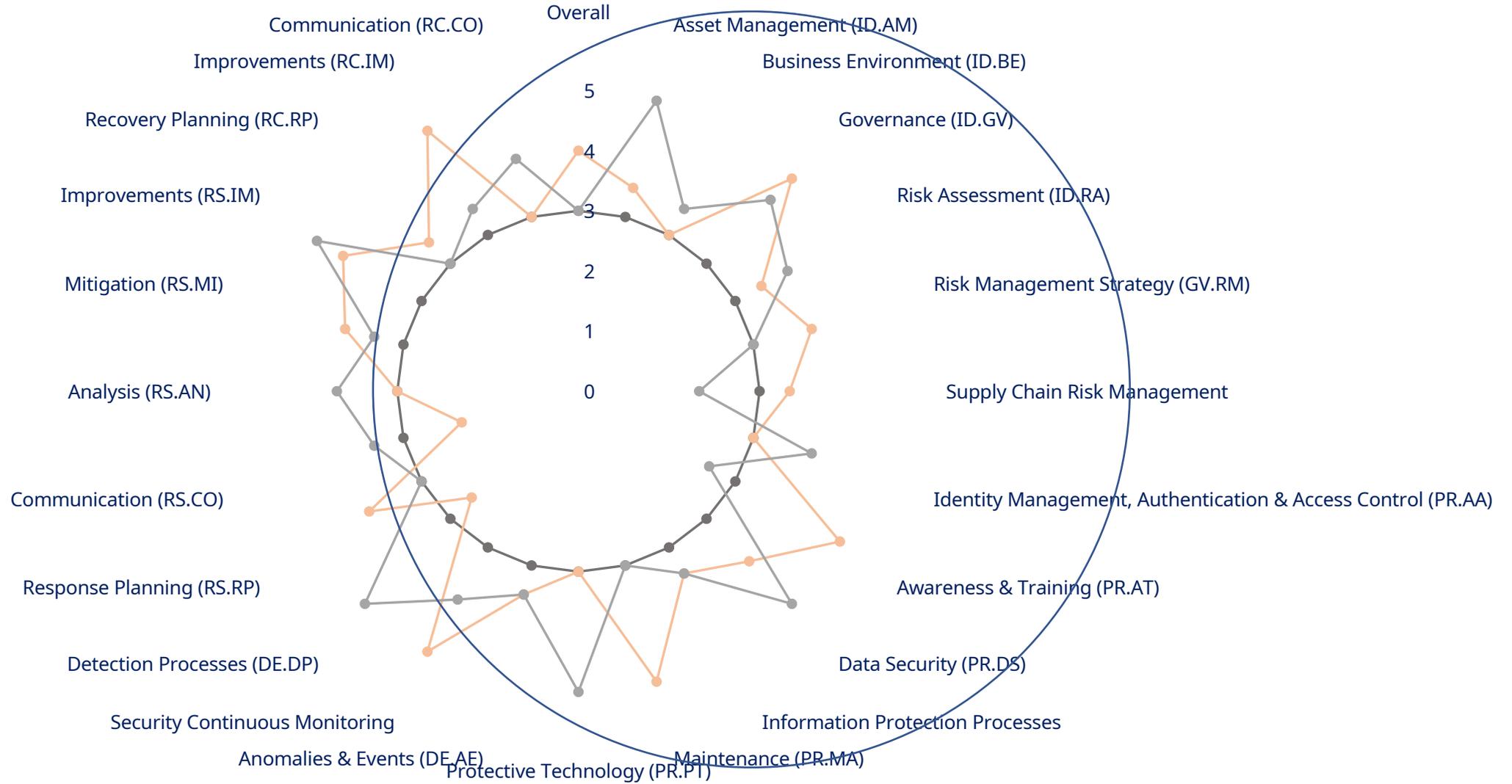
- Expected security level
- Current security level



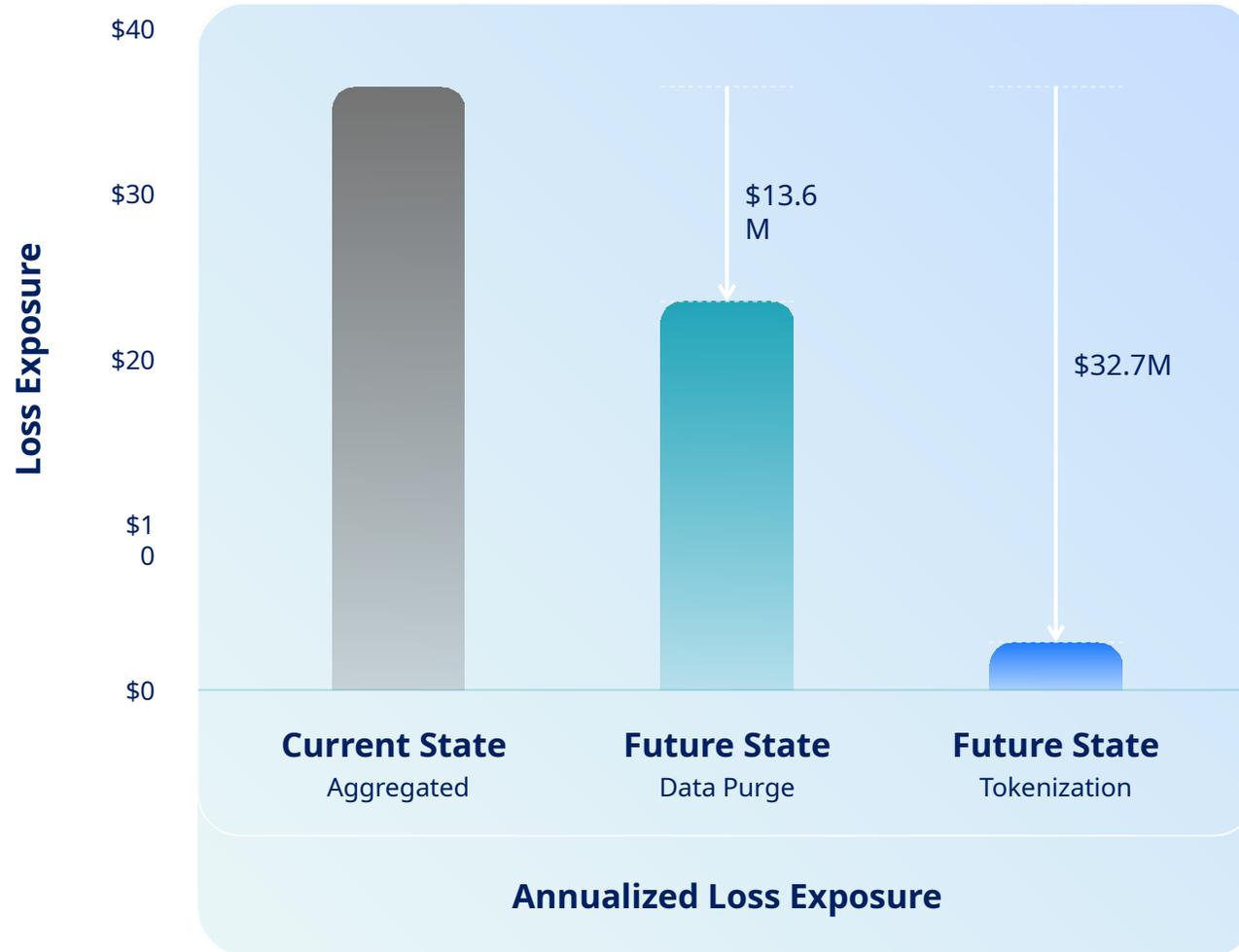
# NIST CYBER SECURITY FRAMEWORK MATURITY LEVELS

- 5 – Optimal
- 4 – Managed
- 3 – Defined
- 2 – Acknowledged
- 1 – Initial
- 0 – Non-existent

- Target score
- Policy score
- Practice score



# COST BENEFIT ANALYSIS



### Data Purge

**\$13.6M** Risk Reduction **vs** **\$5.6M** Investment

### Tokenization

**\$32.7M** Risk Reduction **vs** **\$12.8M** Investment

- ### Possible Decisions
- Pursue investment based on ROI
  - Review Cyber insurance policy
  - Accept Risk (no further actions)

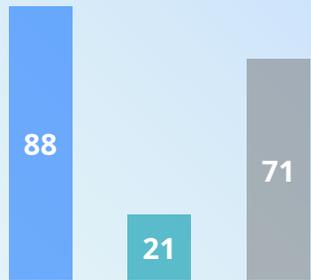
# NIST CYBERSECURITY FRAMEWORK SUMMERY

- Practices Performed
- Practices incompletely Performed
- Practices not performed

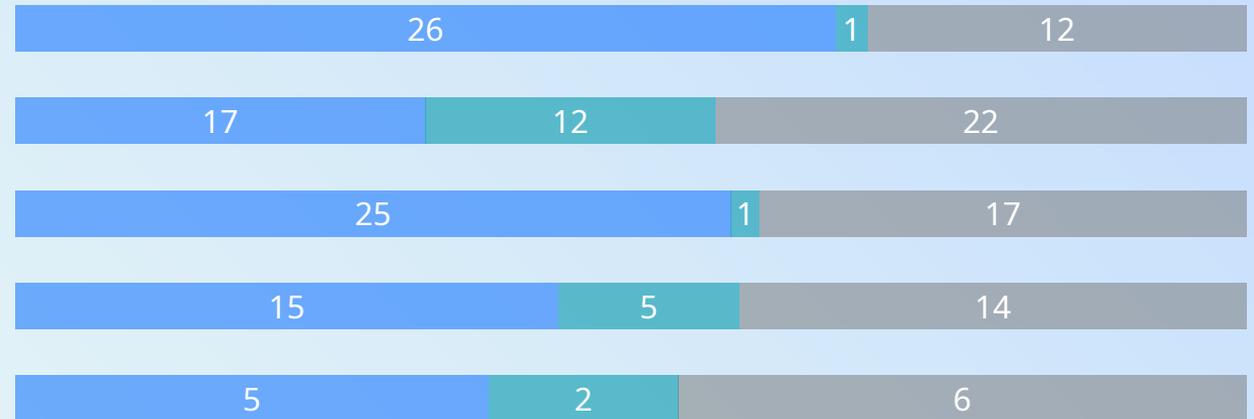
## NIST CSF Summary



## Identify (ID)



- ID.AM**  
Asset Management
- ID.BE**  
Business Environment
- ID.GV**  
Governance
- ID.RA**  
Risk Assessment
- ID.RM**  
Risk Management Strategy



## Protect (PR)



- PR.AC**  
Access Control
- PR.AT**  
Awareness & Training
- PR.DS**  
Data Security



# DAY 1 ASSESSMENT

# DAY 4 ASSESSMENT

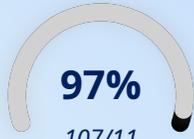
## NIST SP 800-171 Compliance View



Implemented



Partially



Not Implemented

## NIST SP 800-171 Compliance View



Implemented



Partially



Not Implemented

## NIST Cyber Security Framework Compliance View



Implemented



Partially



Not Implemented

## NIST Cyber Security Framework Compliance View



Implemented



Partially



Not Implemented

## Manufacturing Profile NISTIR 8183 Compliance View



Implemented



Partially



Not Implemented

## Manufacturing Profile NISTIR 8183 Compliance View



Implemented

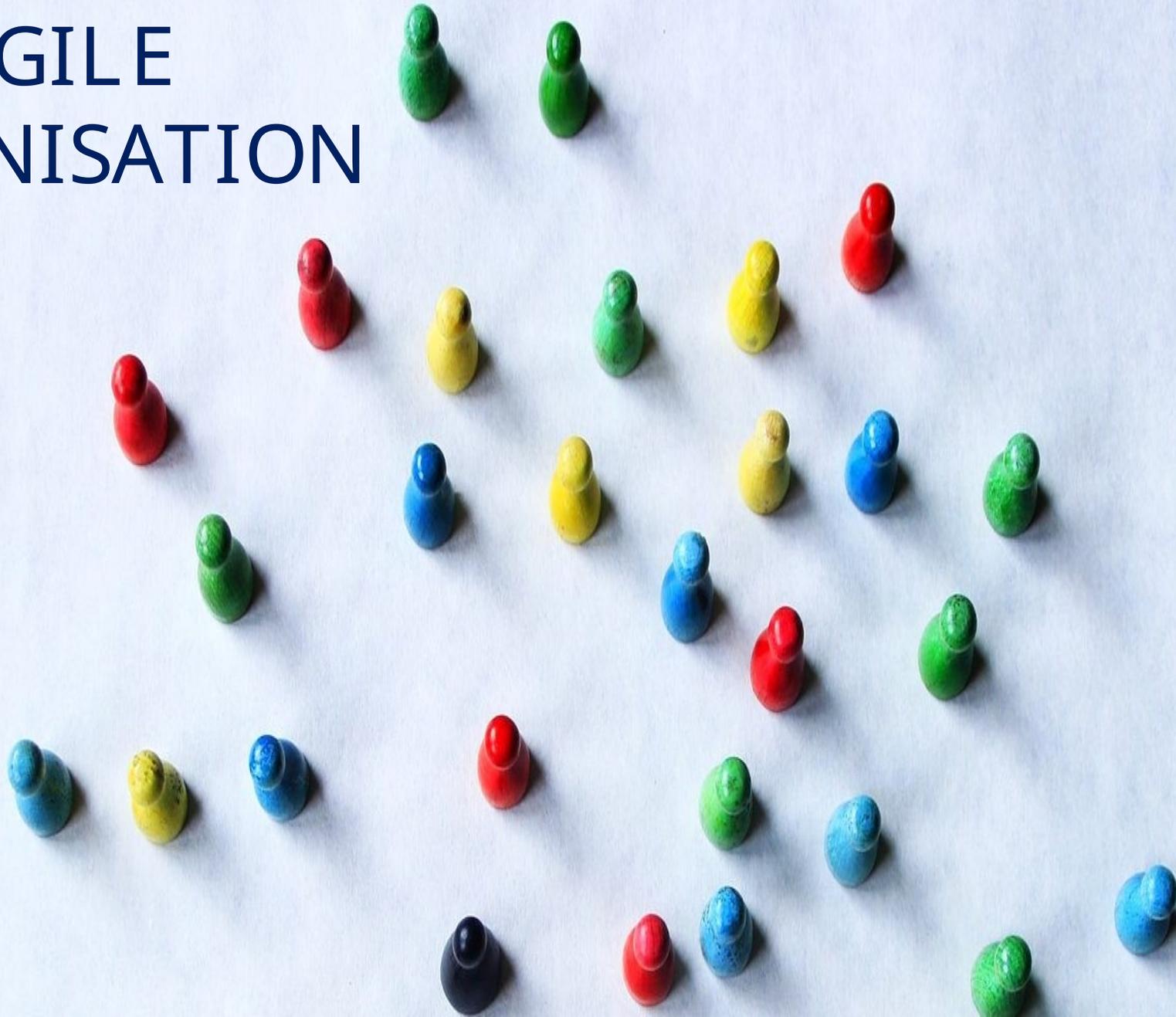


Partially



Not Implemented

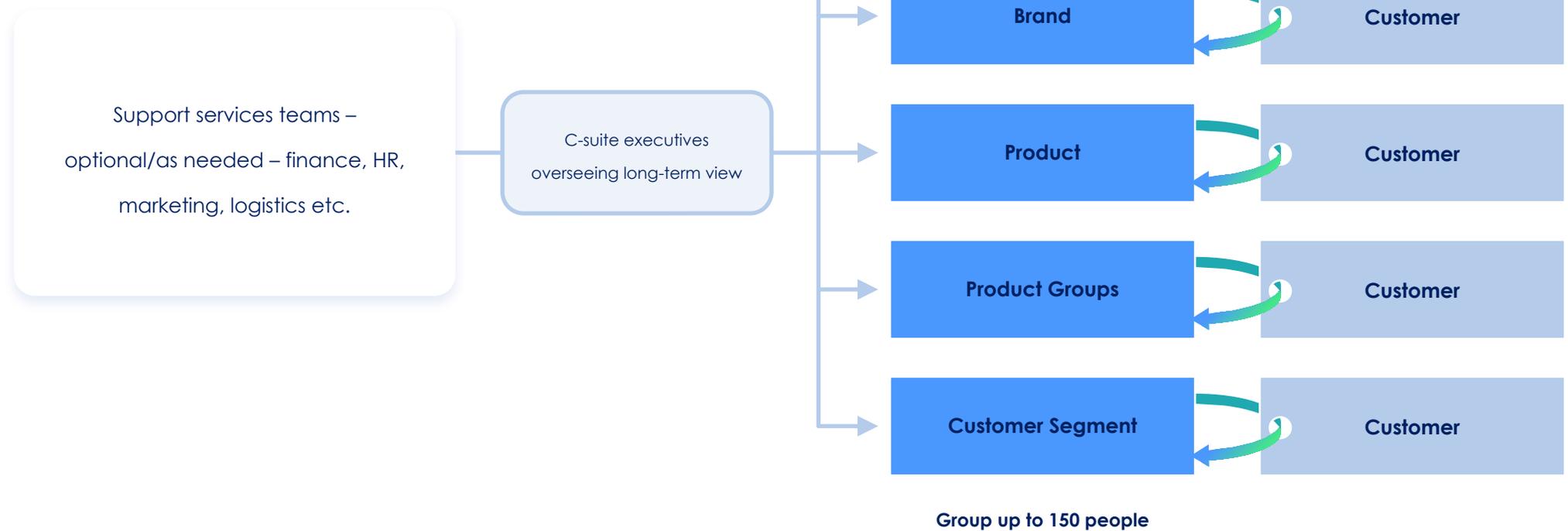
# AGILE ORGANISATION



# Moving to the New Organization Model

	TODAY	FUTURE
<b>ORGANIZATION STRUCTURE:</b>	Hierarchical business functions	Projects, squads, teams, shared services
<b>TEAMS AND PROJECTS:</b>	Team formed slowly over time	Teams assemble and stop quickly
<b>JOBS AND ROLES:</b>	Job descriptions, job levels, job titles	Assignments, tasks, expert roles
<b>MANAGERS:</b>	Managers "own" teams & people's career	Managers manage projects & "sponsor" people
<b>CAREERS:</b>	Jobs are "owned" by the manager & not shared	Jobs open in transparent marketplace
<b>FLEXIBILITY AND SPACE:</b>	People "assigned" jobs by management	People sought out based on skills, work on multiple projects
<b>REWARDS:</b>	People rewarded by level, tenure, experience	People rewarded by outcomes, reputation, sponsorship
<b>CULTURE:</b>	Inclusion, sustainability, diversity	Citizenship, collective thinking, shared values

# Agile & Transparent Organization Structure



**Workforce Size & Location Model:**

Take a mission-oriented approach to workforce sizing and location

**Reporting Structure:**

Simplify and delayer your reporting structure

**Role and responsibilities:**

Build roles and responsibilities up from the businesses and limit HQ to the minimum necessary to run the businesses

**Governance:**

Streamline decision making

**Supporting Systems & Tools**

Ensure the enterprise has the right tools to support an agile way of working

**Architecture Evolution:**

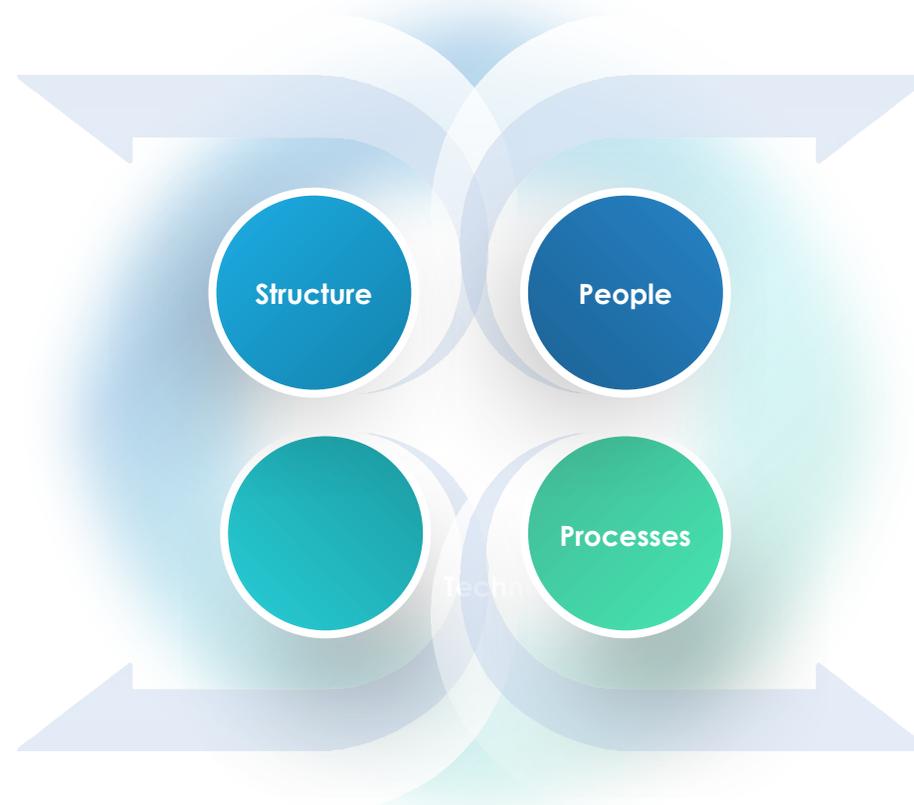
Enable the design and evolution of architecture base on requirements

**Delivery Pipeline:**

Automate your testing and integration processes to enable fast and continuous delivery

**IT Infrastructure and Operations:**

Ensure you have the appropriate infrastructure and operations to support rapid changes



**Leadership:**

Train managers to provide vision, inspire, model and coach rather than direct

**Talent Management:**

Be ready to attract and retain the best talent

**Culture:**

Challenge existing culture and mind-sets

**Informal Networks and Communication:**

Create opportunities for employees to form organic network across the organization

**Team Processes:**

Free up a team's time to work on value creating activities

**Linkage Mechanisms:**

Create means for resources from different functions to collaborate

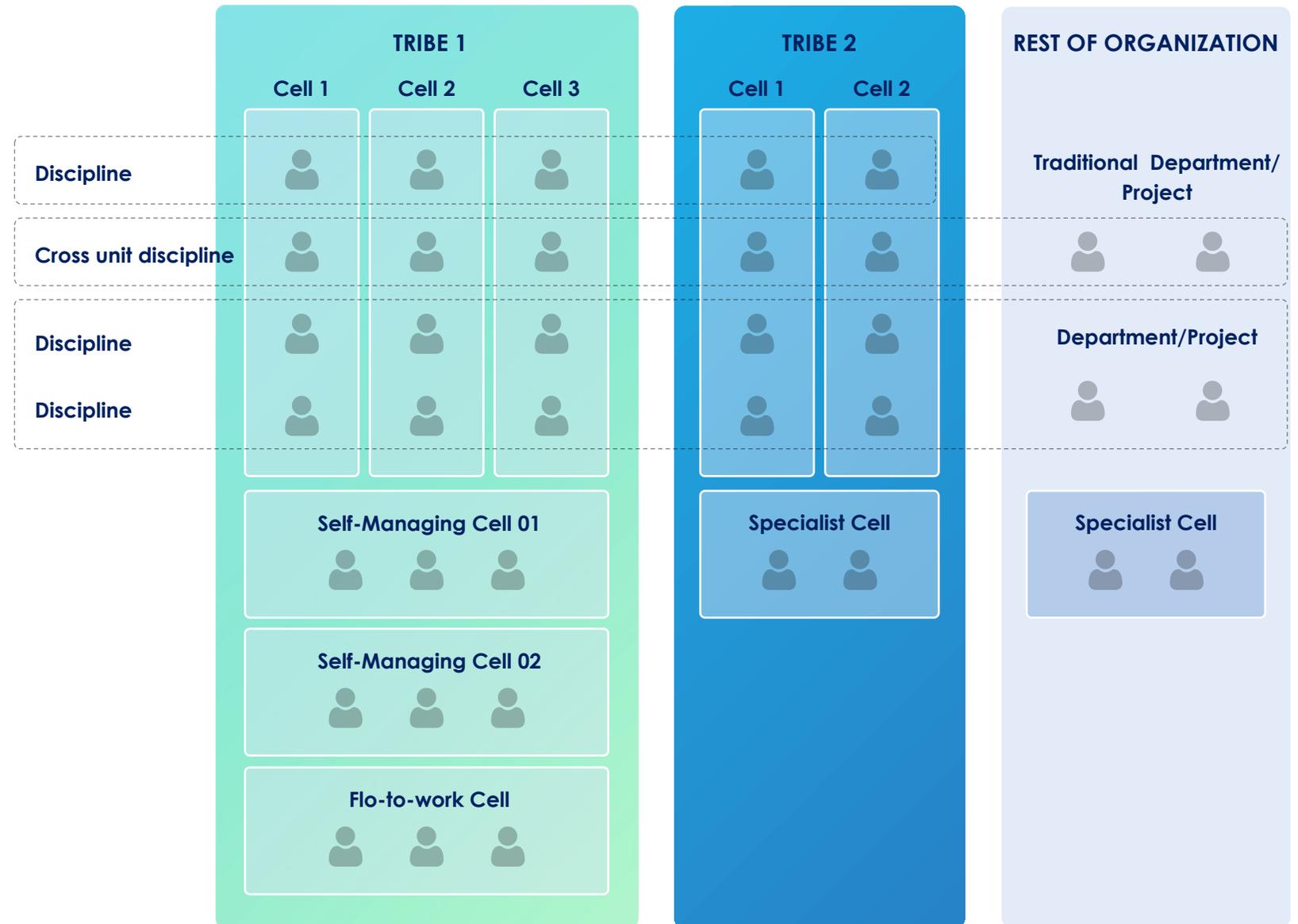
**Planning & Decision Processes:**

Recognize that even the best plans can fail, and design planning and decision making to rapidly test and learn

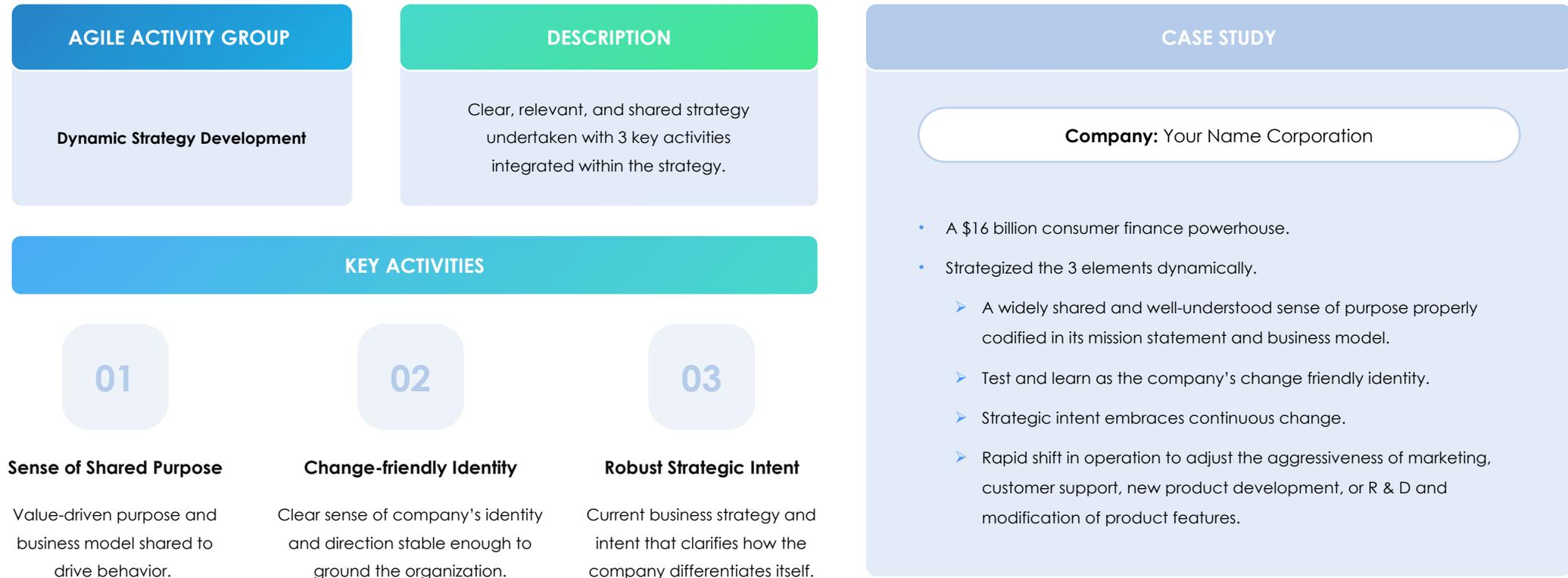
**Performance Management:**

Structure performance management based on outcomes

# Agile Blueprint: Tribe Map



# Agile Activity Groups: Example





Organisational  
Development, Transformation &  
Innovation

## **Organizational development**

- Organizational development
- Framework conditions for organizational changes
- Concepts of organizational development
- Organizations in transition
- New forms of organization
- Organizational design
- Problem areas and intervention techniques
- Success assessment and transfer

## **Change Management**

- Introduction to change management
- Understanding and shaping change
- Phase models of change management
- Phases of the change process
- Change communication
- Influencing factors and typical mistakes in change management
- Operational tools as part of change management

## **Project management**

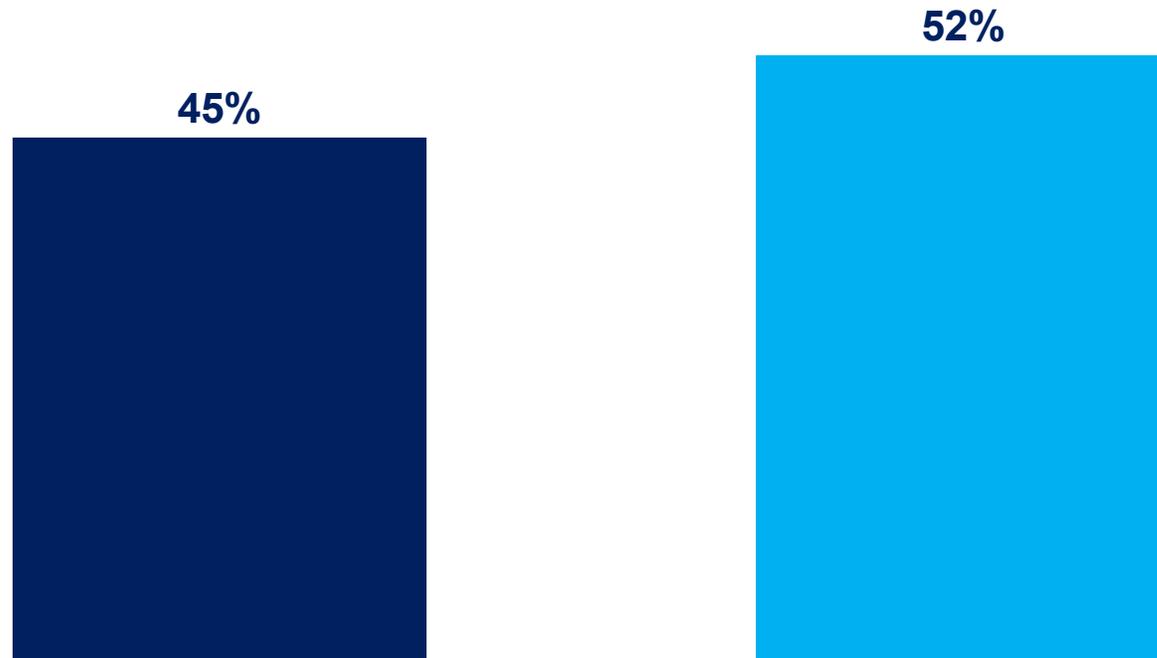
- Fundamentals of Project Management - An Introduction
- Project management and organization
- The project framework, the project stages and instruments
- Project completion

## **Collaborative work**

- Learn self-directed and collaboratively
- Network and cooperate
- Performance in (virtual) teams
- Communicate, argue and convince
- Recognize conflict potential and handle conflicts
- Self-leadership and personal skills

# Problem: Fewer than half of the reorganization efforts are successful

## Reorganization initiatives' ability to reach value creation objectives



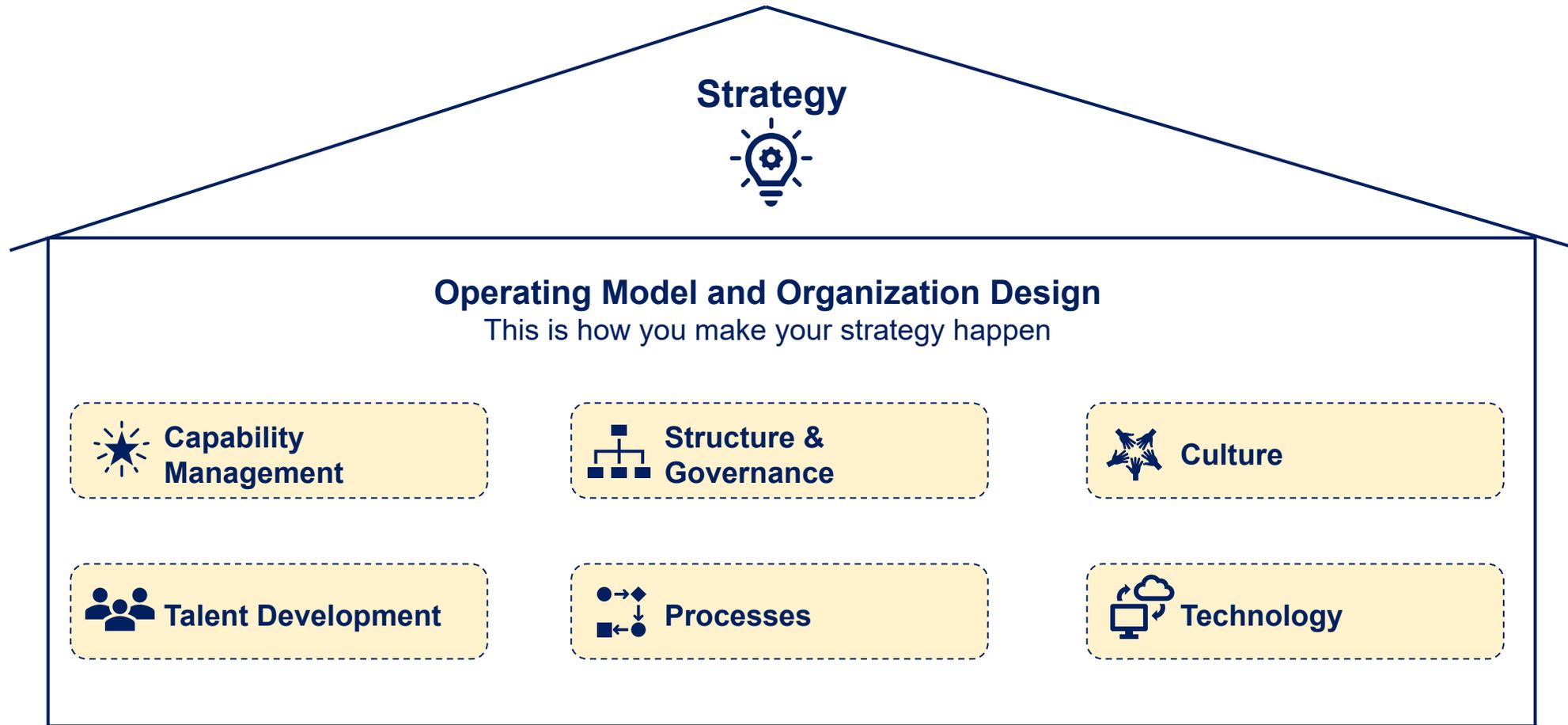
## Key insights:

- In a survey conducted by The Boston Consulting Group, almost 80% of the respondent companies reported under-going a recent reorganization exercise.
- However, the survey respondents rated fewer than half of the reorganization efforts as successful. The underlying reason for such a low success rate was that all too often, the companies' leaders relied on complex organizational frameworks that have become outmoded and ineffective in today's business environment.

# Objectives

- **Make your strategy happen** and boost your company's performance
- **Successfully implement an operating model and organization design initiative** with our simple and comprehensive 7-phase approach
- **(I) Carry out your business case for change:** (1) Situation, key challenge and proposed solution, (2) Project objectives and key performance indicators (KPIs), (3) Project scope, approach and team, (4) Key activities and deliverables, (5) Strategic alignment, (6) Value: project initial investment, project costs, additional revenue generated, cost savings, cash flows and net present value, (7) Ease of implementation
- **(II) Define your operating model and organization design:** (1) Capability management, (2) Structure and governance, (3) Culture, (4) Talent management, (5) Processes, (6) Technology, (6) Culture
- **(III) List your potential initiatives** for each pillar
- **(IV) Create your business cases and financial models** to assess potential initiatives
- **(V) Prioritize, plan and implement your projects:** (1) Project prioritization, (2) Business roadmap, (3) Governance, (4) Dashboards, (5) Project implementation: agile methodology, design thinking and traditional methodology, (6) Continuous improvement (7) Post projects evaluation and lessons learnt, (8) Post program evaluation and lessons learnt
- **(VI) Define and implement your change management strategy and internal communication strategy:** (1) Change management strategy, (2) Change management plans, (3) Implementation, tracking and progress management, (4) Effective communication
- **(VII) Engage your stakeholders effectively:** (1) Stakeholder analysis, (2) Stakeholder engagement strategy, (3) Stakeholder engagement detailed plan

# The Operating Model and Organization Design focuses on 6 components that will help you make your strategy happen



# 7-phase approach

## I. Business Case for Change

Situation, key challenge and proposed solution

Project objectives and key performance indicators (KPIs)

Project scope, approach and team

Key activities and deliverables

Strategic alignment

Value

Ease of implementation

## II. The 6 Pillars of our Operating Model and Organization Design

### Capability Management

1. The importance of capability management
2. Desired capabilities
3. Current state and target state of each desired capabilities
4. Gap analysis and action plan

### Talent Development

1. Identifying high-potential talent
2. Individual development plans
3. Forming talent pools and leadership pipelines
4. Blended learning for talent development
5. Talent mobility and career pathing
6. Employee retention strategies

### Structure & Governance

1. The importance of structure & governance
2. Structure
3. Roles and responsibilities
4. Governance
5. Workforce size
6. Location model

### Processes

1. Business process management essentials
2. Identification of key processes
3. Design principles
4. Current state and target state

### Culture

1. The importance of organizational culture
2. Current culture assessment
3. Culture design principles
4. Highest performing cultures
5. Desired culture
6. Action plan and progress monitoring

### Technology

1. Design principles
2. IT tools and systems
3. Technologies

## III. List of Potential Initiatives for each Pillar

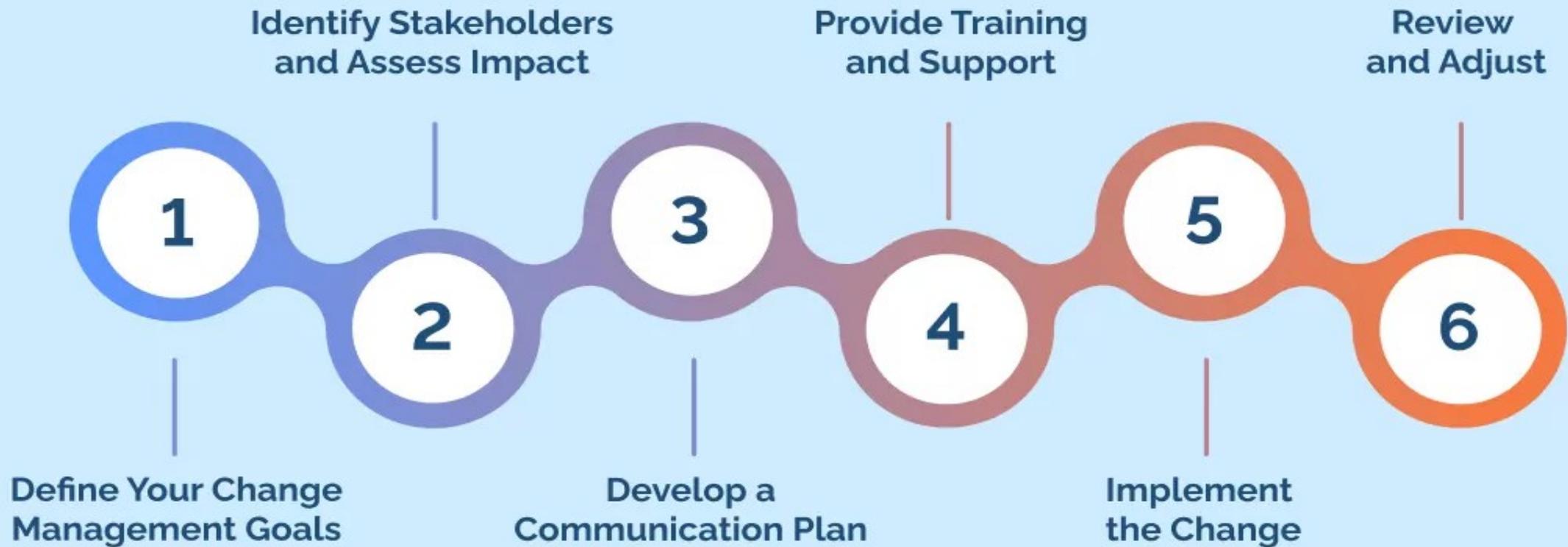
## IV. Business Cases and Financial Models to assess Potential Initiatives

## V. Project Prioritization, Business Roadmap and Implementation

## VI. Change Management and Internal Communication

## VII. Stakeholder Engagement

# Develop a winning change management strategy in six steps



1

Monitoring

2

Adjustment

3

Consolidating  
the Change

4

Review and  
Continuous  
Improvement

**Now you have a winning  
change management  
strategy. What next?**

# ORGANIZATION DEVELOPMENT

*“A planned systematic process in which applied behavioral science principles and practices are introduced into an ongoing organization towards the goals of effecting organizational improvement, greater organizational competence, and greater organizational effectiveness. The focus is on organizations and their improvement or, to put it another way, total systems change. The orientation is on action – achieving desired results as a result of planned activities. Organization, design and development.*

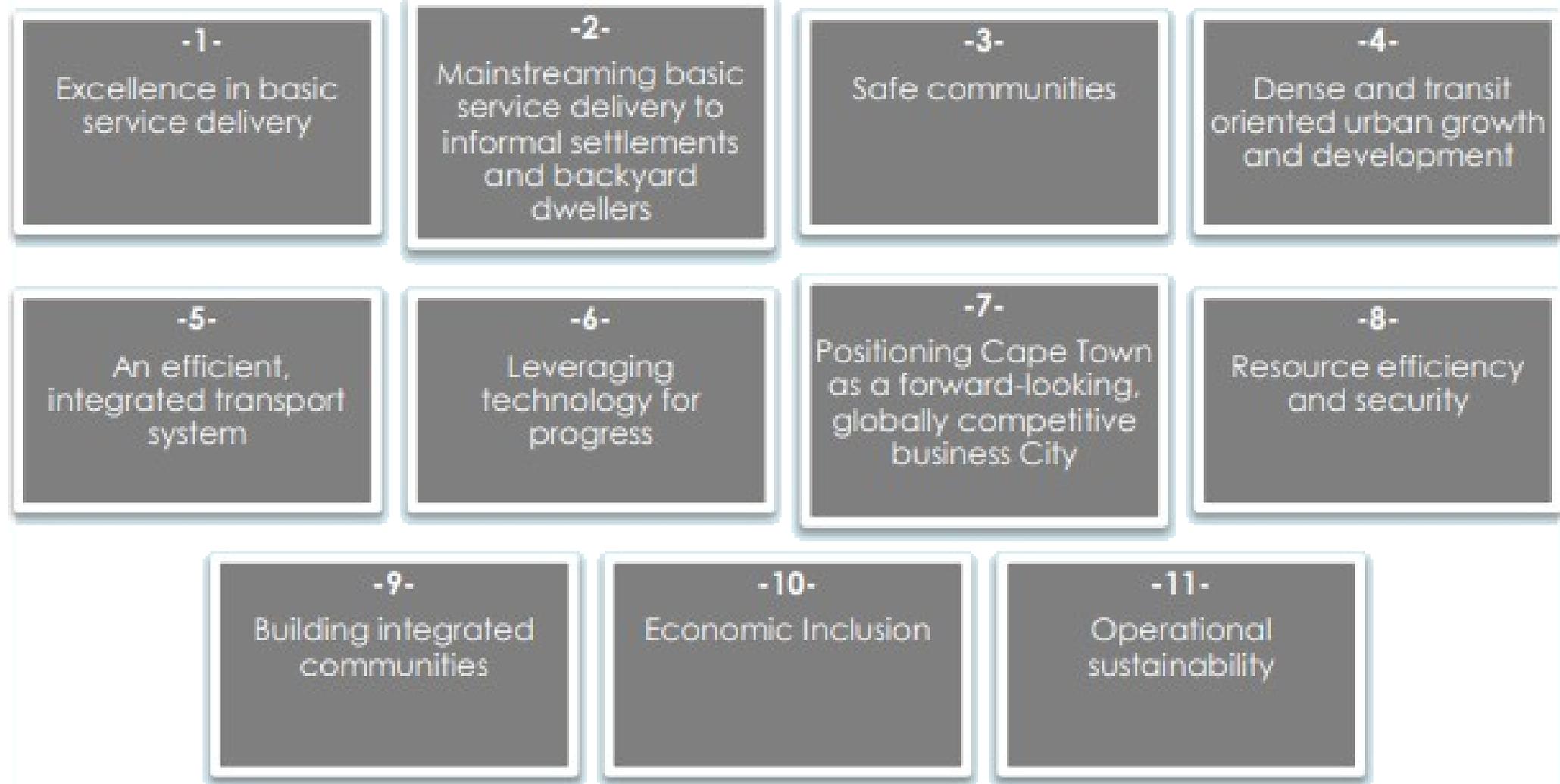
*The classic and ambitious approach to OD was described by Bennis (1960) as follows: ‘Organization development (OD) is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values, and structure of organizations so that they can better adapt to new technologies, markets, and challenges, and the dizzying rate of change itself.’”*

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# Strategic Transformational Priorities-Example



# Organizational Development framework

- Organization development (OD)
- Change management
- Team building
- Culture change or management
- Total quality management
- Continuous improvement
- Business process re-engineering
- Performance management
- Organizational transformation

# Organizational Development

- Business Environment is dynamic and ever changing.
- In response to the changes in environment, planned efforts are made which are commonly known as organizational Development.
- Conditions for OD
  1. Rapid & Unexpected Changes
  2. Organization Growth
  3. Increasing Diversity
  4. Change in Managerial Behaviour
- An organisation built on bureaucratic model is ill adapted to rapid changes. E.g. Post, Ford
- New Information, beliefs, attitudes, values and organisation structures are required to be adapted to changing environment.
- Changes should be systematic and participative as unilateral changes are mostly opposed by people in organisation.

## Definition of OD

- OD is a long range effort to improve an organization's problem solving and renewal process, particularly through a more effective and collaborative management of organisational culture with special emphasis on the culture of formal work teams with the assistance of a change agent or catalyst, and the use of the theory and technology of applied behavioural science including action research.

## Planned Organisational Change

- OD is characterised by planned organisational change efforts.
- It orderly attempts to identify the problem, diagnose the organisation, develop strategies for improvement and material resources fundamental to this purpose. E.g. Railway
- OD efforts attempts to change system as a whole such as team development, management strategy or record system. The system doesn't necessarily imply total enterprise. E.g. Depository System

## Top Management Commitment

- Top management must be interested in change and its outcome.
- It must support the process of change and its direction.
- In fact, OD is the result of coordination between change agent and top management.

## Increase in Organisational Effectiveness

- Internal Flexibility, effective communication, integration and commitment to organisational goal, and high morale and motivation are some of the important sign of an organisation in good health.
- Organisational effectiveness is also described in terms of its ability to adapt and cope with the changes in environment.

# Characteristics of OD

1. **Focus on the whole organisation :** OD Focuses on the organisation as a whole so that it can respond to change effectively.
2. **System orientation :** It focuses on all the parts of the organisation as they affect each other. Emphasis on how parts relate, not on the parts themselves.
3. **Use of a change agent:** Change agent are the people whose role is to stimulate and coordinate change. They may be internal or external.
4. **Problem Solving :** OD emphasis on problem solving rather than discussing it theoretically.
5. **Learning by experience :** In OD programmes participants learn by experiencing in the training environment the kinds of human problems they face on the job.
6. **Group Process :** OD relies on the group process like group discussion, inter group conflicts and process of cooperation.
7. **Feedback :** Feedback encourages participants to understand a situation and take self correcting action.
8. **Contingency Orientation :** OD is usually said to be situational and contingency oriented. OD is flexible and pragmatic, adapting actions to fit particular needs.
9. **Team Building :** General goal of OD is to build team work throughout the process.

# Planned Intervention

- Planned intervention requires examining its present working norms, value and possible areas of conflict, and developing alternatives for organisation's better health.
- On the basis of certain assumption he develops a strategy for systematic improvement of the organisation.
- The important areas of intervention are planning and decision making processes, goal setting, team development , organisation structure, values and cultural norms, organisation culture, and upgrading employee skill and abilities.

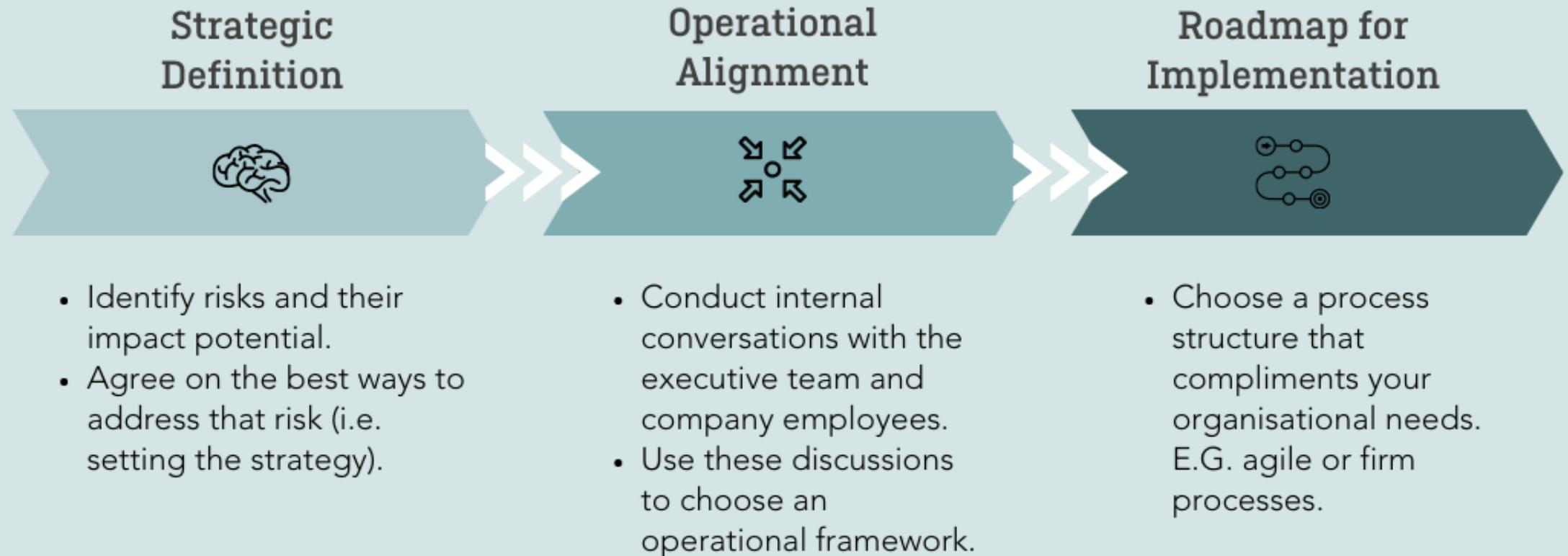
# Goals of Planned Intervention/Change Agent

- The Important goals of change agents in organisation development are as follows:
  1. To supplement authority, obedience and hierarchical role with knowledge and competence.
  2. To change structure and roles consistent with accomplishment of goals.
  3. To encourage senses of ownership in organisation goal.
  4. To locate decision making close to the source of information and action.
  5. To lay emphasis on the feedback, self control and self direction.
  6. To build spirit of cooperation, mutual trust and confidence.
  7. To develop a reward system based on recognition of achievement of goals of the organisation and development of people.

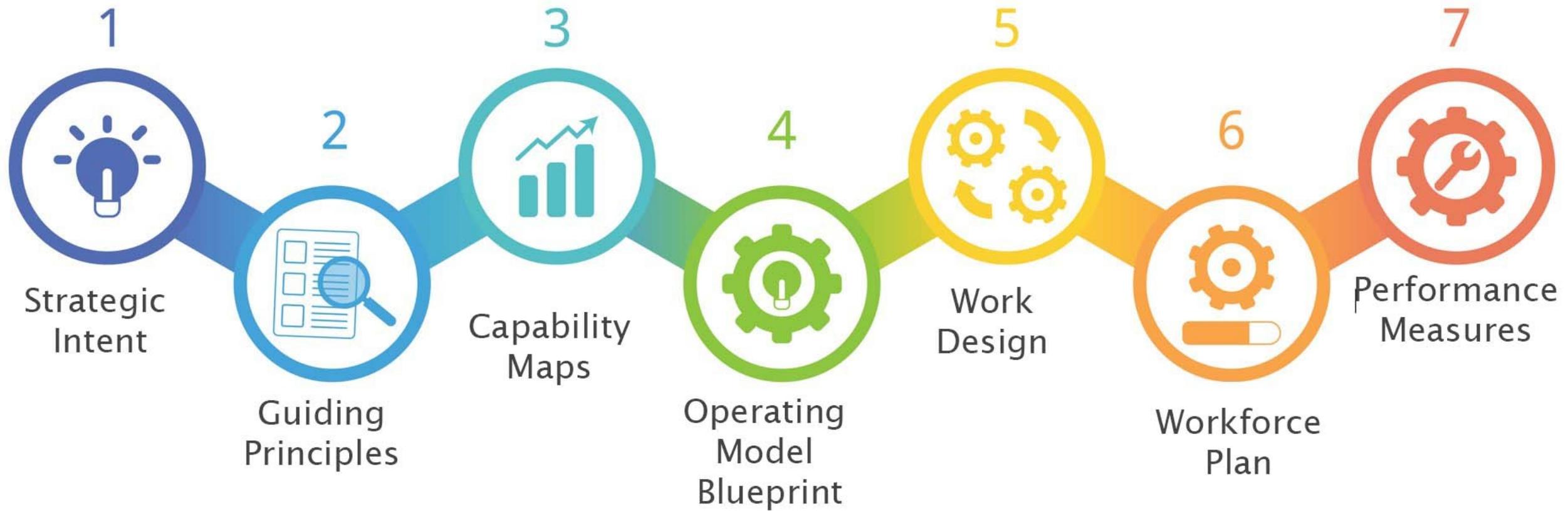
## Stages in organisation development effort

- 1. Identifying and diagnosis the real Problem :** The Underlying social relationship deserve more attention. Diagnosing process frequently requires use of some of employee survey and feedback system.
- 2. Development of Strategy:** While formulating the strategy for the organisation, change agent should decide about the units of organisation requiring concentration – Individuals, sub system and the total system and also create adequate sufficient interest and secure internal support for the programme.
- 3. Implementation of the Programme :** It may be tried to a part of the organisation b4 it is used for the whole organisation. OD experts should also arrange for the training of the employees either within the organisation or outside it. Sensitivity training is of great help in improving understanding and skills in practice.
- 4. Reviewing the OD Programme:** Its desirable to be done by the person who was not involved in the OD programme.

# Changing Your Organisational Design



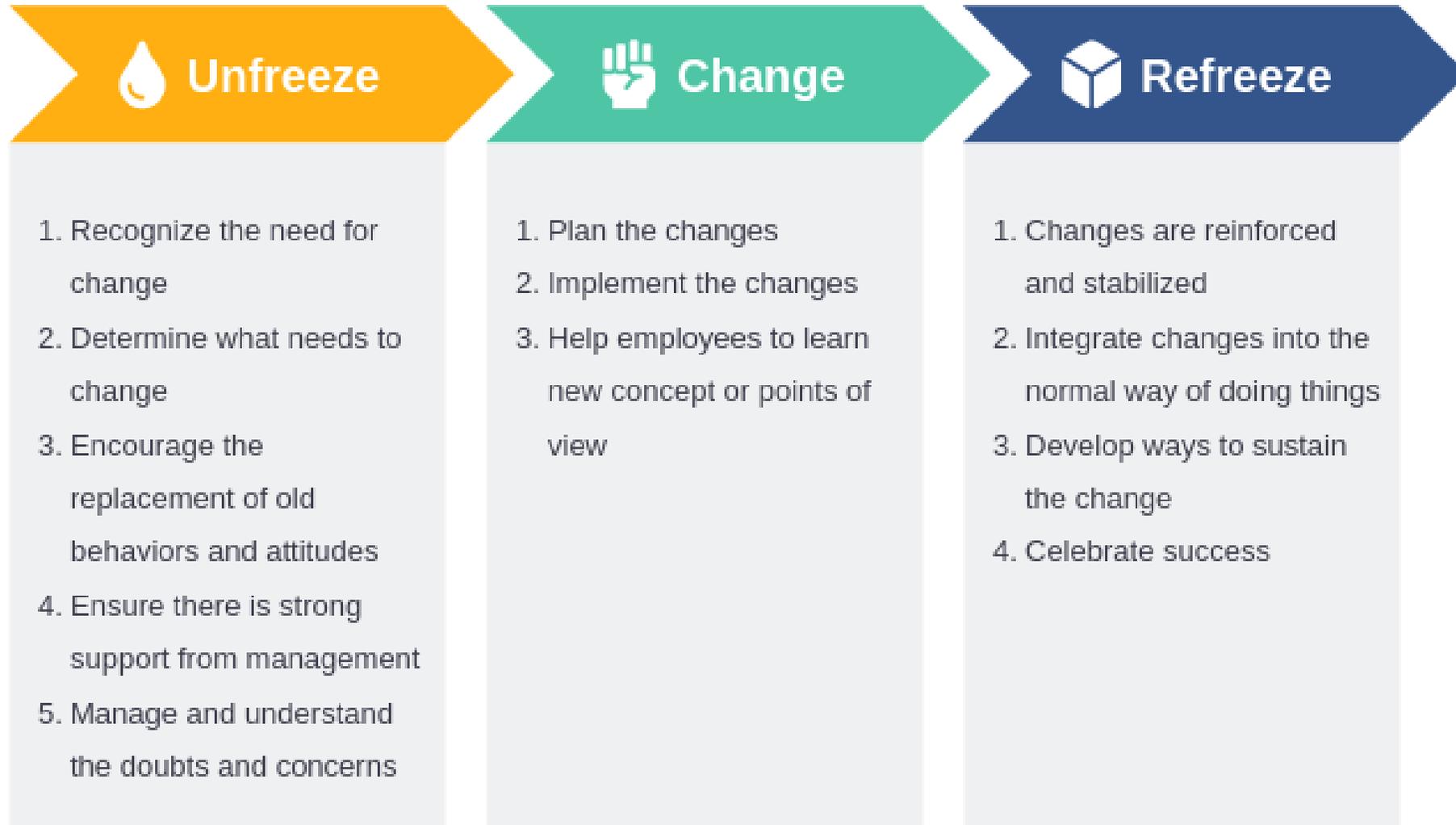
# Organizational Design



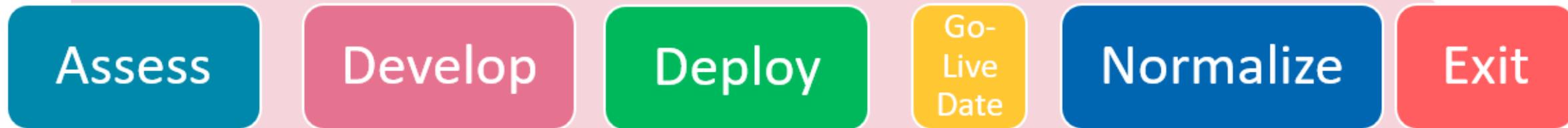
# Organizational Development Framework



# Lewin's Change Management Model



## OMCS Framework Change Management Phases



### Assess

- Assess Project
- Identify Audiences
- Assess Impacts
- Assess Stakeholders
- Assess Communication needs
- Assess Readiness
- Assess Champion Network
- Assess Training Needs

### Develop

- Create Strategic Change Plan
- Create Roadmaps
- Develop Detailed Change Management Plan & Program

### Deploy

- Deliver Communications
- Engage Stakeholders
- Manage Champions
- Resolve Resistance
- Deliver Training
- Track Change Readiness
- Assess Adoption Readiness

### Normalize

- Provide Post Go-Live Support
- Assess & Track Change Adoption Success
- Provide Additional Training, as needed
- Recognize Successes
- Reward Champions Network

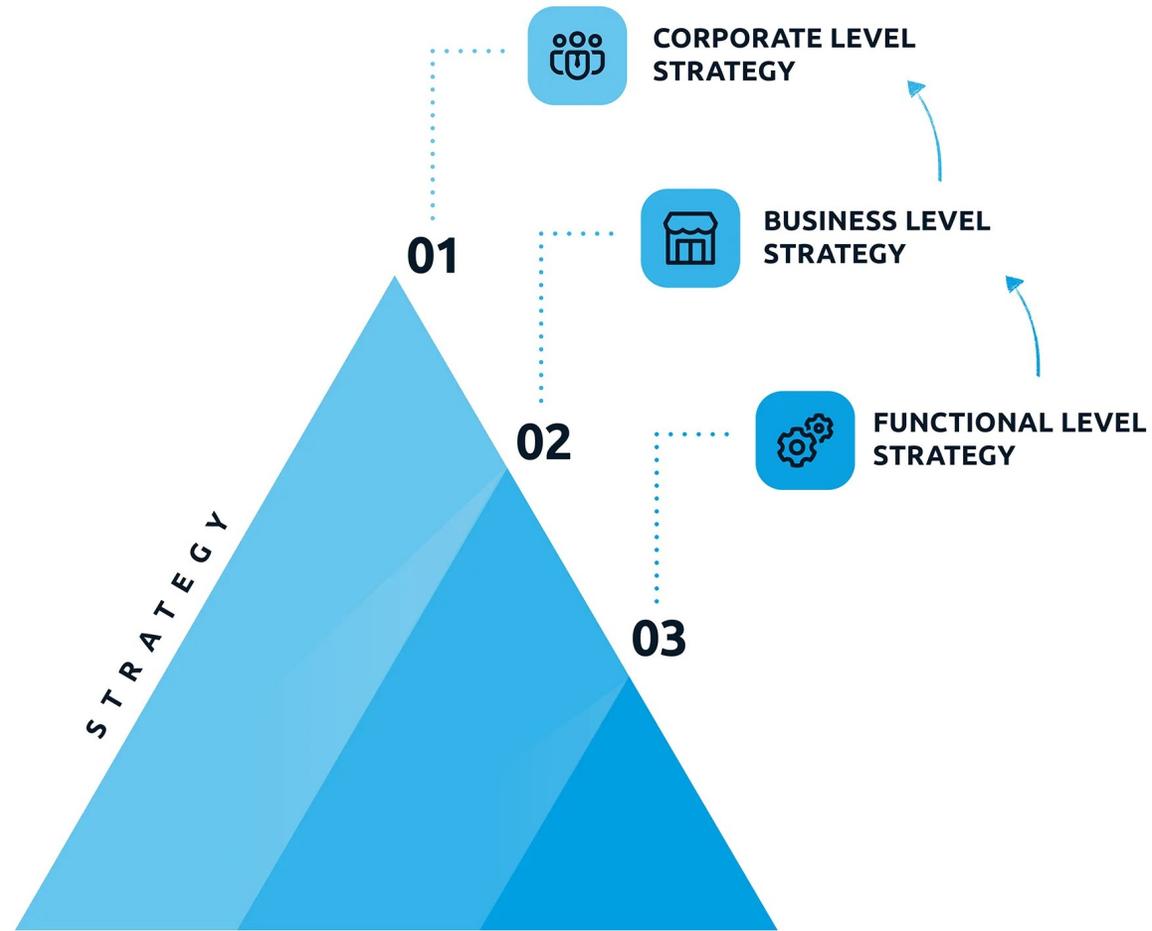
### Exit

- Implement Transition Plan
- Hand off Resources
- Complete Final Report & Recommendations
- Formally Close Project

# Taking Steps Towards Effective Operational Change Management



# ORGANIZATIONAL STRATEGY

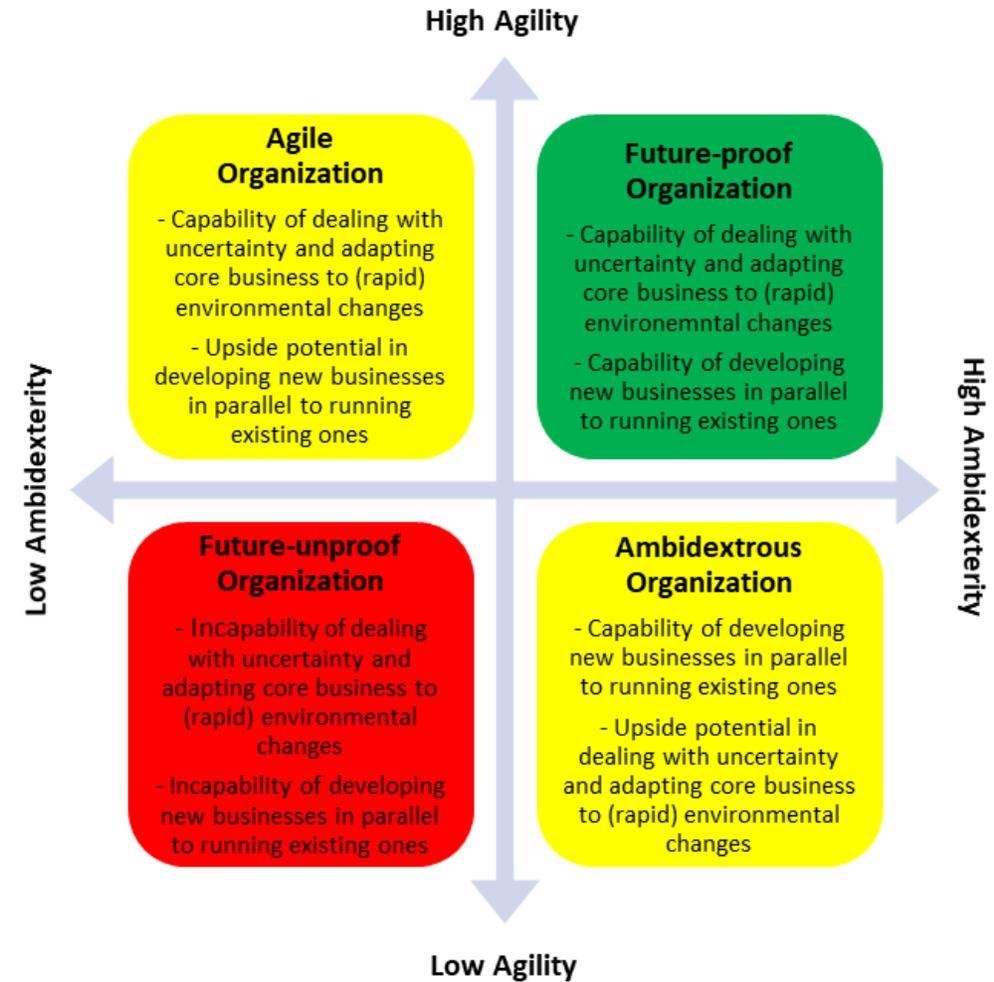


➤ Digital Leadership

# KEITH THURLEY - 1979

## 5 approaches for managing change

1. Directive.
2. Bargained.
3. Hearts and minds.
4. Analytical.
5. Action based.



# The distinction between organizational transformation and organization development

*“Organizational transformation programs are business-led. They focus on what needs to be done to ensure that the business performs more effectively in adding Organization, design and development value, especially for its owners, and achieving competitive advantage. They will be concerned with building strategic capability and improving the ways in which the business reaches its goals. This means considering what needs to be done to ensure that people work and interact well, but they are not dominated by the concepts of behavioral science, as was the case in traditional OD interventions.”*

# Types of transformational change

## The four types of transformational change as identified

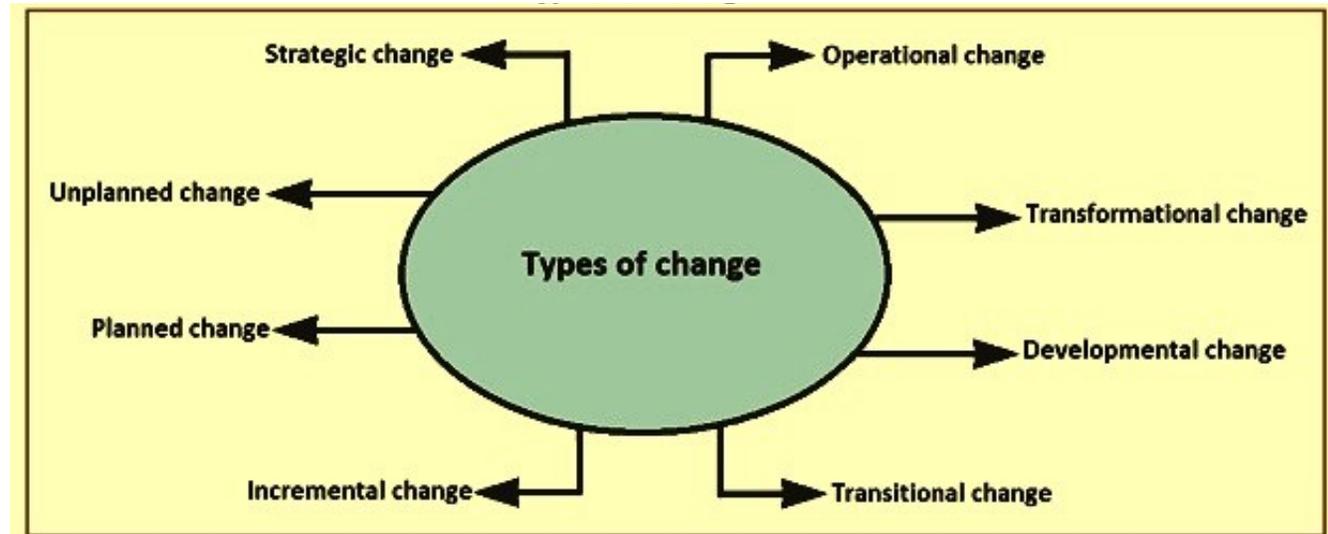
- **a change in what drives the organization** – for example, a change from being production-driven to being market-driven would be transformational;
- **a fundamental change in the relationships between or among organizational parts** – for example, decentralization;
- **a major change in the ways of doing work** – for example, the introduction of new technology such as computer-integrated manufacturing;
- **a basic, cultural change in norms, values or research systems** – for example, developing a customer-focused culture.

# The transformation program The eight steps required to transform an organization have been summed up by Kotter (1995) as follows:

1. **Establishing a sense of urgency** – Examining market and competitive realities – Identifying and discussing crises, potential crises, or major opportunities
2. **Forming a powerful guiding coalition** – Assembling a group with enough power to lead the change effort – Encouraging the group to work together as a team
3. **Creating a vision** – Creating a vision to help direct the change effort – Developing strategies for achieving that vision
4. **Communicating the vision** – Using every vehicle possible to communicate the new vision and strategies – Teaching new behaviors by the example of the guiding coalition
5. **Empowering others to act on the vision** – Getting rid of obstacles to change – Changing systems or structures that seriously undermine the vision – Encouraging risk taking and non-traditional ideas, activities and actions
6. **Planning for and creating short-term wins** – Planning for visible performance improvement – Creating those improvements – Recognizing and rewarding employees involved in the improvements Organization, design and development
7. **Consolidating improvements and producing still more change** – Using increased credibility to change systems, structures and policies that don't fit the vision – Hiring, promoting and developing employees who can implement the vision – Reinvigorating the process with new projects, themes and change agents
8. **Institutionalizing new approaches** – Articulating the connections between the new behaviors and corporate success – Developing the means to ensure leadership development and succession.

# Type of Change

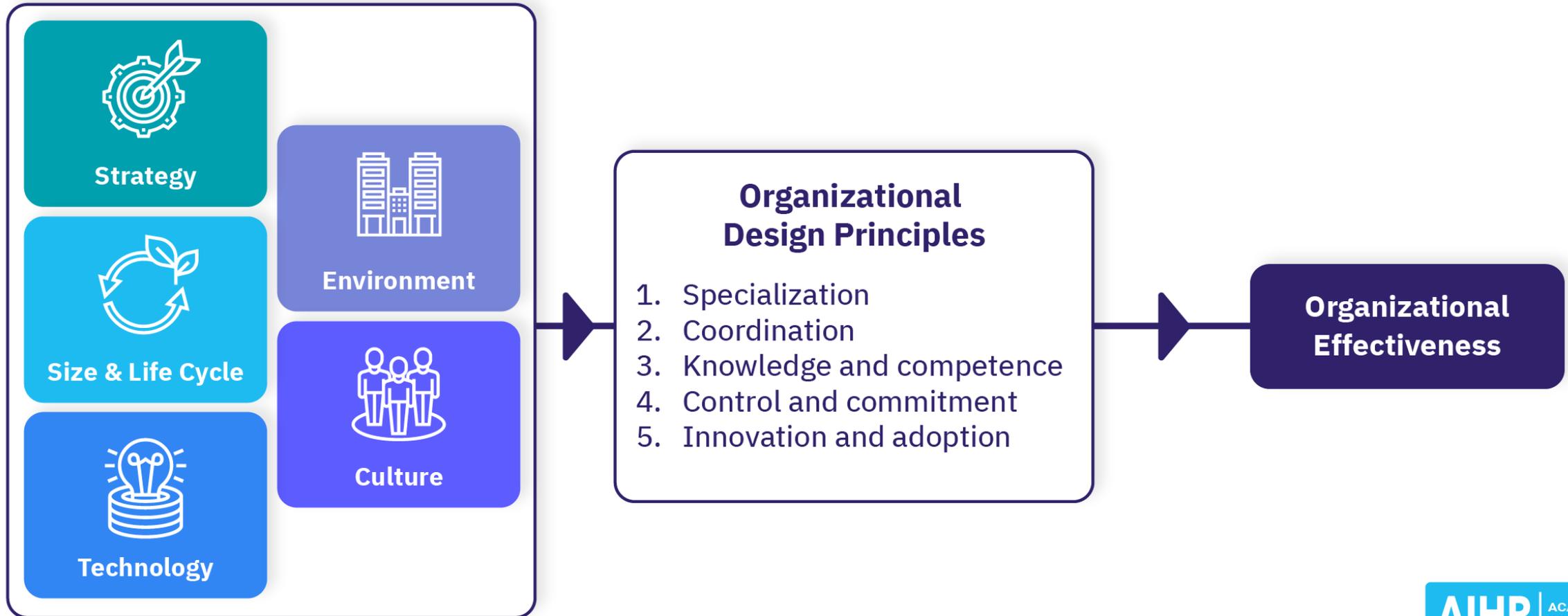
		Scope of change	
		Realignment	Transformation
Nature of change	Incremental	Adaptation	Evolution
	Big Bang	Reconstruction	Revolution



STRATEGIC DEVELOPMENT AND MANAGING STRATEGIC CHANGE



# Organizational Design and Organizational Effectiveness



# Three Types of Transformation

In our work we identify three types of Transformation: Shock, Shift & Evolution.



## SHOCK

Shock is triggered by outside events or outside pressures that force the company to transform, or at least attempt to transform.  
Burning platform.

**Very hard to pull off.**

**Case: Nokia**



## SHIFT

Shift is a sudden strategic move that carries massive and abrupt changes to the business models and underlying value creation logic.

**Exit a declining core.**

**Case: Adobe**



## EVOLUTION

Evolution is a long-term, planned and well-executed gradual change in resource allocation and business areas. The evolutionary transformation may play out over ten+ years. The Core-Growth-Explore playbook is virtually always followed.

**Continuous reconfiguration.**

**Case: Microsoft**

**#transform**

# Reasons for resisting changes

The shock of the new

Economic fears

Inconvenience

Uncertainty

Symbolic fears

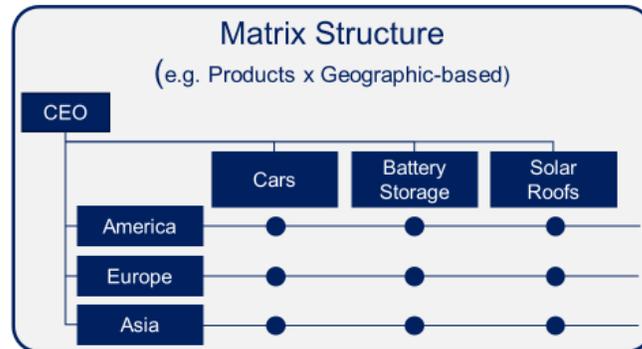
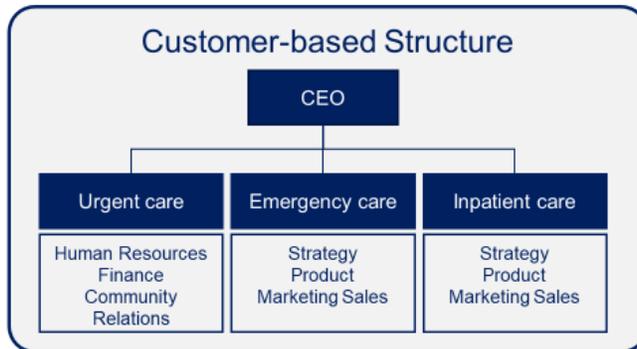
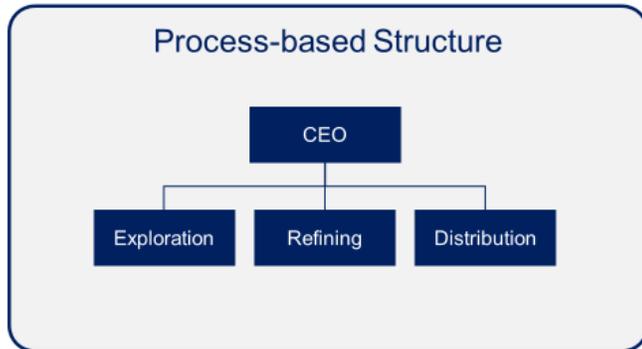
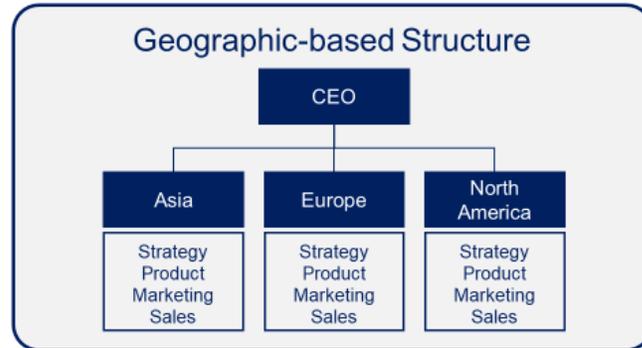
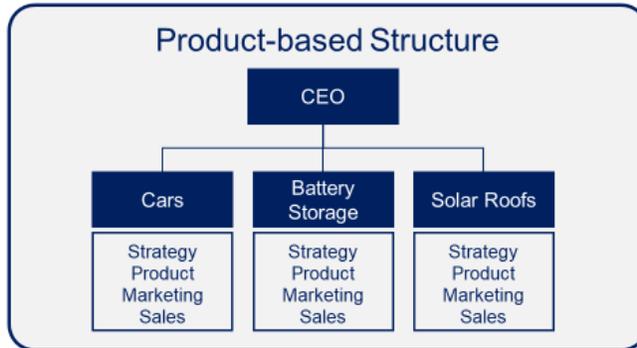
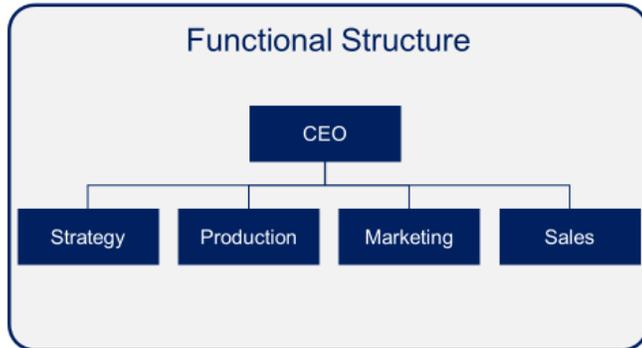
Threat to interpersonal relationships

Threat to status or skill

Competence fears

# Potential Structure Options

We are considering 6 types of organizational structures for our target state



## Based on our specificities, we decided to use the Organizational culture inventory [insert the Tool you decided to choose] tool

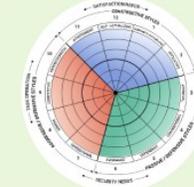
### Denison organizational culture model

This model measures culture in four key areas: adaptability, mission, involvement, and consistency. It provides an understanding of how our culture relates to our business performance.



### Organizational culture inventory (OCI)

This tool measures behavior that members believe is required to fit into the organization, thereby meeting their needs. It helps identify the behaviors that are currently expected, and the ones we want to encourage in the future.



### Hofstede's cultural dimensions theory

Originally created for national cultures, it can be adapted for organizational cultures. It allows us to examine our culture along dimensions like power distance, individualism versus collectivism, and uncertainty avoidance.



### The Cultural Web Diagram

The Cultural Web Diagram is made up of six interrelated elements that make up the model of the work environment: Stories & myths, Rituals & routines, Symbols, Organizational structure, Control systems, and Power structures.



Company name 138

# Executive Summary

	Current State	Target State
<b>1-line summary</b>	Bureaucratic and high-growth organization	➔ Agile and highly efficient organization
<b>Capabilities</b>	Top line-focused capabilities	➔ Bottom line-focused capabilities
<b>Structure and Governance</b>	Independent businesses, centralized control points and multi-layered management	➔ Interdependent businesses with more local empowerment and accountability and less layers
<b>Talent Management</b>	No talent management framework	➔ Talent management framework attracting and retaining great talents
<b>Processes</b>	Complex solutions	➔ Streamlined services
<b>Technology</b>	Costly legacy systems	➔ Cost effective cloud systems
<b>Culture</b>	Siloed thinking and aggressive, defensive style	➔ Enterprise-wide perspective with constructive style

# To be able to deliver on our new strategy, we need to master 5 core capabilities

<p><b>Mission &amp; Vision</b></p> 	<p><b>Mission:</b> To provide branded products and services of superior quality and value that improve the lives of the world's consumers, now and for generations to come. As a result, consumers will reward us with leadership sales, profit, and value creation, allowing our people, our shareholders, and the communities in which we live and work to prosper.</p> <p><b>Vision:</b> To be recognized, respected, and admired as the best consumer products and services company in the world.</p>				
<p><b>Core Capabilities</b></p> 	<p><b>Understanding consumers</b></p>	<p><b>Creating and building brands</b></p>	<p><b>Innovating</b></p>	<p><b>Optimizing Supply Chain and Logistics</b></p>	<p><b>Leveraging global scale</b></p>
<p><b>Description</b></p> 	<p>Really knowing consumers, catering to their unmet needs and designing solutions for them better than any competitor can</p>	<p>Launching and cultivating brands with powerful consumer value equations for true longevity in the marketplace</p>	<p>R&amp;G with the aim of advancing materials science and inventing single breakthrough new products, but also taking an innovative approach to business models</p>	<p>P&amp;G has a sophisticated and efficient supply chain and logistics network, optimizing distribution and product availability.</p>	<p>Operating as one company to maximize buying power, cross-brand synergies, and development of globally replicable capabilities</p>

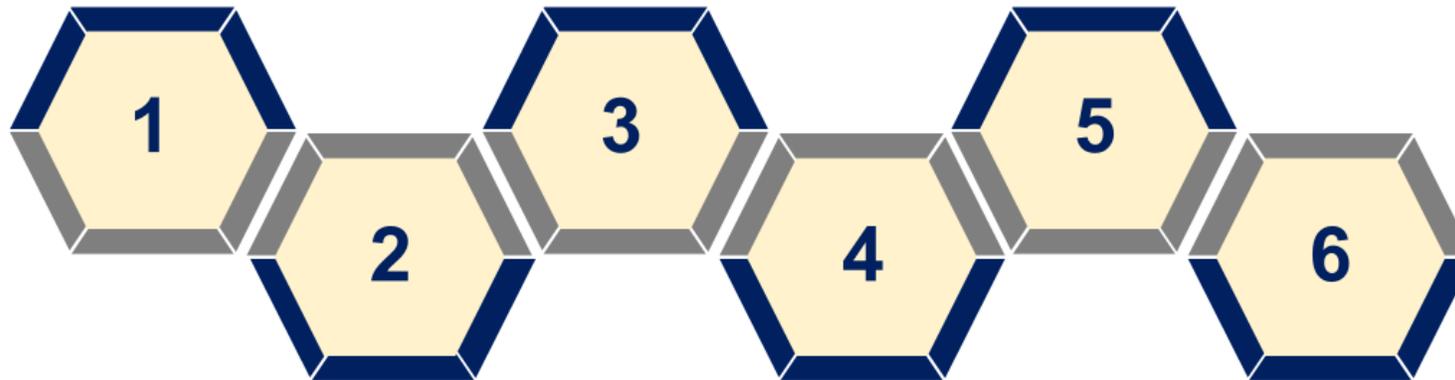
# Blended learning in talent development

Blended learning is an educational approach that combines traditional face-to-face classroom teaching methods with online instruction. By integrating these two forms of education, blended learning aims to create a more engaging and personalized learning experience. Here's a breakdown of what blended learning entails:

**Face-to-face instruction:** This is the traditional classroom setting where the instructor and students interact in person.

**Student control:** Blended learning often gives students more control over the pace, time, path, and place of their learning.

**Integrated design:** The online and face-to-face elements are thoughtfully integrated in a way that the online component complements the in-person experience



**Online learning:** This portion of blended learning includes various online educational resources. (video lectures, online discussions)

**Collaboration and communication:** Blended learning encourages collaboration and communication, both in the classroom and online

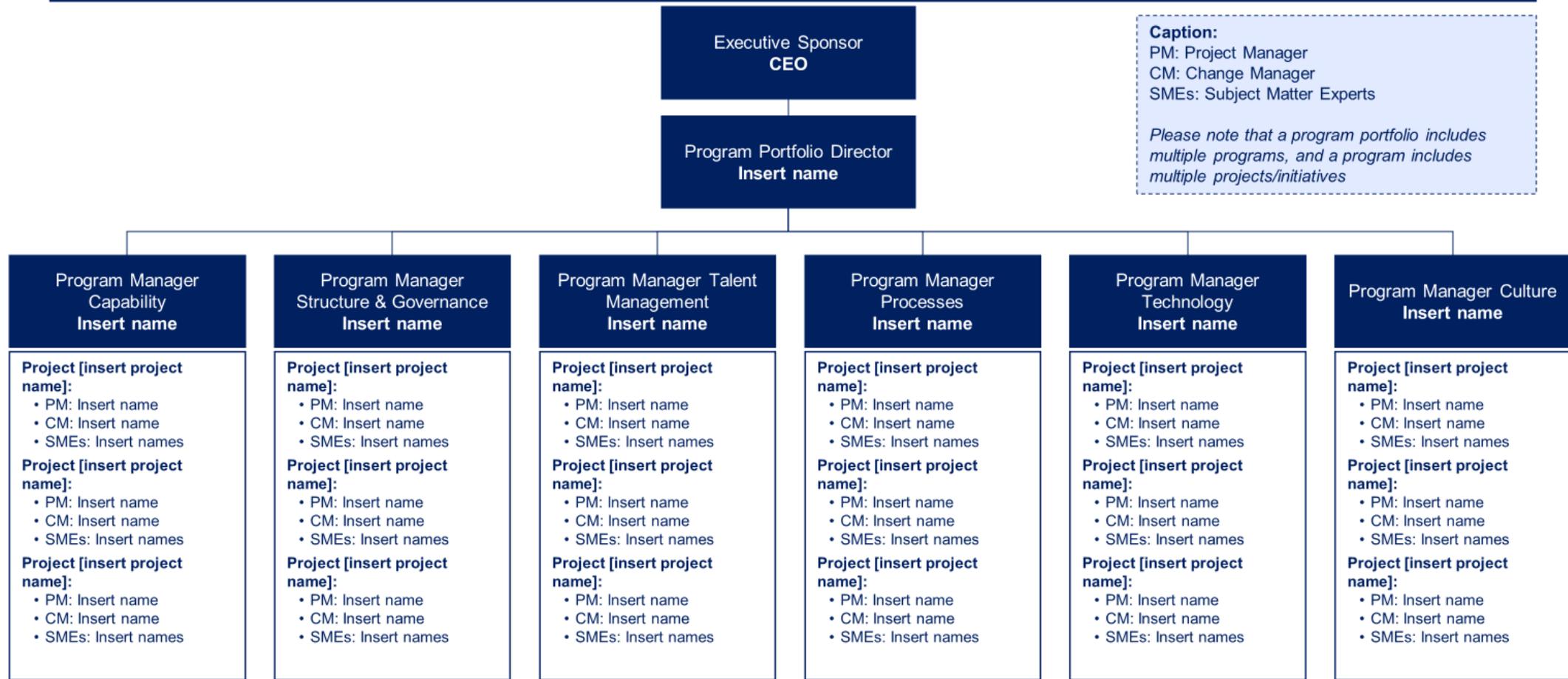
**Real-time assessment and feedback:** Instructors can use online tools to assess student progress and provide immediate feedback

## Benefits of blended learning:

- **Personalization:** Blended learning enables personalized instruction, where lessons can be tailored to fit individual learning styles, needs, and pace.
- **Accessibility:** It makes education more accessible, allowing students to review materials and complete assignments on their schedules.
- **Engagement:** The combination of face-to-face and online interaction often increases engagement by providing varied learning experiences.
- **Cost-Effectiveness:** Blended learning can reduce costs related to travel, materials, and facility usage while maintaining or even enhancing educational outcomes.

	A	B	C	D	E	F	G	H	I	J
		List of Potential Initiatives for each Pillar		Strategic Alignment		Value		Ease of Implementation		Should we invest in this initiative?
2										
3										
4		<b>Pillar 1 - Capability Management</b>								
5		1 Desired capabilities		Yes		High		Easy		Yes
6		2 Current state and target state of each desired capabilities		Yes		Medium		Easy		Maybe Later
7		3 Gap analysis and action plan		Yes		High		Easy		Yes
8										
9		<b>Pillar 2 - Structure &amp; Governance</b>								
10		1 New structure		Yes		High		Easy		Yes
11		2 Roles and responsibilities		Yes		Medium		Easy		Maybe Later
12		3 New governance model		Yes		High		Easy		No
13		4 Workforce sizing		Yes		Medium		Easy		Maybe Later
14		5 Location model		Yes		High		Easy		Yes
15		6 New ethical conduct definition and implementation		Yes		High		Easy		Yes
16		7 HR policies and procedures		Yes		High		Easy		Yes
17										
18		<b>Pillar 3 - Culture</b>								
19		1 Current culture assessment		Yes		High		Easy		Yes
20		2 Culture design principles		Yes		Medium		Easy		Maybe Later
21		3 Highest performing cultures identification		Yes		High		Easy		Yes
22		4 Desired culture identification		Yes		Medium		Easy		Maybe Later
23		5 Role modeling desired culture		Yes		High		Easy		Yes
24										
25		<b>Pillar 4 - Talent Development</b>								
26		1 Skills assessment and gap analysis		Yes		High		Easy		Yes
27		2 High-potential talent program		Yes		Medium		Easy		Maybe Later
28		3 Individual development plans design		Yes		High		Easy		Yes
29		4 Talent pools and leadership pipelines program		Yes		Medium		Easy		Maybe Later
30		5 Training and development programs		Yes		High		Easy		Yes
31		6 Talent mobility and career pathing program		Yes		Medium		Easy		Maybe Later
32		7 Employee retention program		Yes		Medium		Easy		Maybe Later
33		8 Knowledge management and sharing		Yes		Medium		Easy		Maybe Later
34		9 OKR tool implementation		Yes		Medium		Easy		Maybe Later
35										
36		<b>Pillar 5 - Processes</b>								
37		1 Key processes identification		Yes		High		Easy		Yes

# Governance model to define and implement our Target Operating Model and Organization Design



# Strategic objectives, KPIs and targets

Meeting target or above target or on track

Slightly below target

Significantly below target

Strategic Objectives	Key Performance Indicators (KPIs)	Targets
Improve employee satisfaction	Employee satisfaction survey	From 50 to 60
Develop Employee Skills and Competencies	Training hours per employee	From 100 to 200
Foster an Inclusive and Engaging Work Environment	Diversity and inclusion index	From 40 to 50
Successfully launch Product A in the US	Revenue from Product A in the US	Above \$2M
Improve our Performance Management process	Completion rate of performance reviews	From 70% to 80%

# Executive Summary

## Change Impact Assessment Matrix

The Executive Summary is a very important section, especially when you present during an executive committee, where you will probably not have time to go through all the slides

Tutorial

Caption: Low Impact Moderate Impact Medium Impact High Impact Extreme Impact

<b>Complexity of the Change</b>	Extreme	•Insert name of the Change				
	High	•Insert name of the Change				
	Medium	•Insert name of the Change				
	Moderate	•Insert name of the Change				
	Low	•Insert name of the Change				
		1 team impacted	1 Business Unit	1 Division	Half of the Company	Extreme
		<b>Size of the Change</b>				

# Executive Summary - Change Lean Canvas

<b>Change Name</b>	Enter the name of the change	<b>Business Owner</b>	Enter Business owner name	<b>Change manager</b>	Enter Change manager name	<b>Submit Date</b>	Enter Change Canvas version & submit date
--------------------	------------------------------	-----------------------	---------------------------	-----------------------	---------------------------	--------------------	---

<b>Describe the change that is happening</b>  Insert what the employee, customer or user used to be able to do  Insert what the employee, customer or user will be able to do with this new change	<b>Why did we decide to do this change?</b>  Describe the rational behind the decision to do this change	<b>Who will be impacted by this change?</b>  Insert the different stakeholder groups impacted by this change	<b>What will we do to prepare impacted stakeholders?</b>  Insert what we will do to ensure proper adoption of the change (i.e. communication, training, pilot group,...)
<b>When will they be impacted by this change?</b>  Insert date	<b>What are the business outcomes we want to reach?</b>  Insert the business outcomes we want to reach	<b>What are the business outcomes we are reaching?</b>  When available, insert the business outcomes and their source	<b>What are the next steps?</b>  Include the next steps if any

# Stakeholder Engagement Strategy

## Overview

---

In the context of a project, a stakeholder engagement strategy outlines how we will engage with our stakeholders to achieve our project objectives.

A stakeholder engagement strategy can easily be defined by following these 4 steps:

**1**

List the stakeholders who can influence the project or be impacted by it

**2**

Map the stakeholders by leveraging our 2-by-2 matrix

**3**

Develop an engagement strategy for each stakeholder

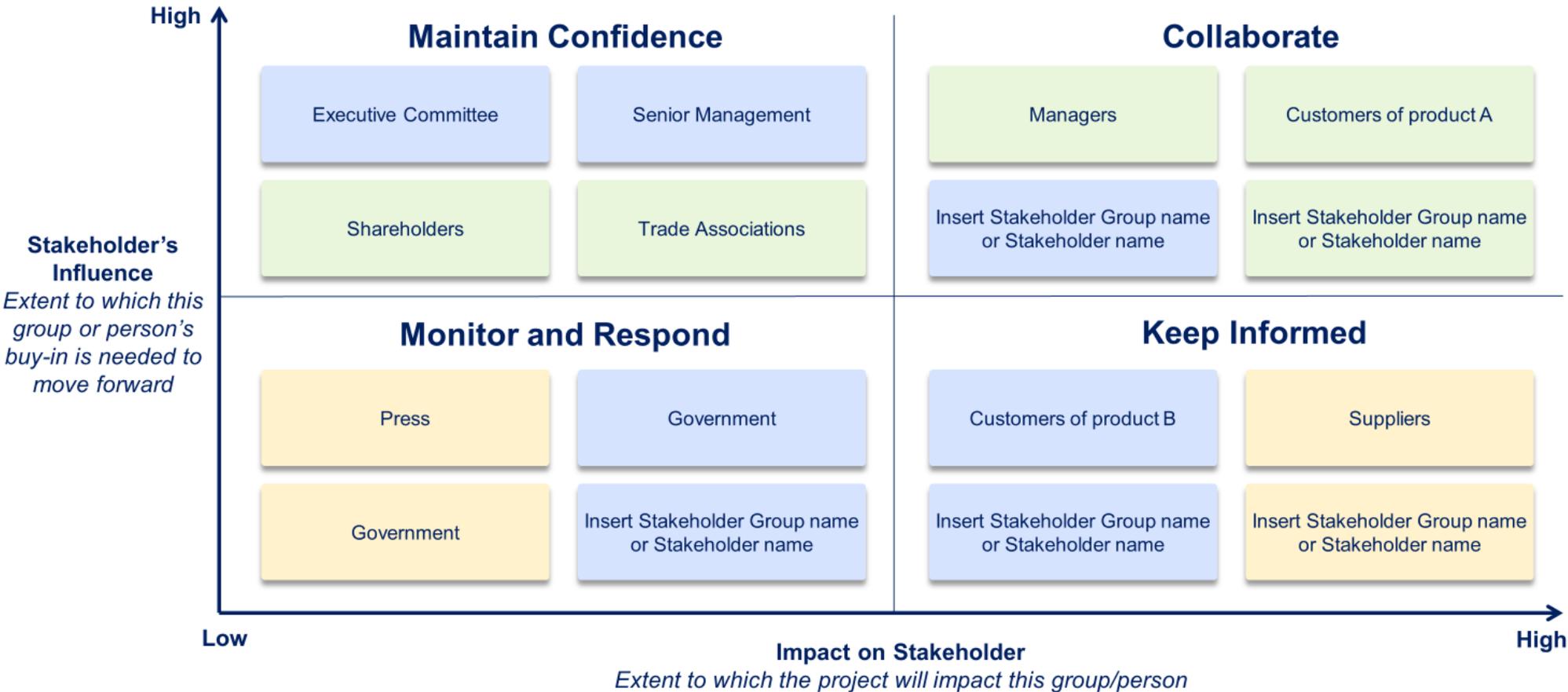
**4**

Develop an engagement detailed plan for each stakeholder

# Step 2: Map the stakeholders by leveraging our 2-by-2 matrix (3/3)

Who must be in contact with each stakeholder?

John
Jean
Raphael



# What is Organisational Innovation?

Organizational innovation defined as the **implementation of a new organizational method** in:

- company's business practices,
- workplace organization or
- external relations.

*\*Organizational innovation is aimed at **increasing the company's performance** by reducing administrative or transaction costs, improving the workplace satisfaction and therefore employee's productivity, or even reducing the supply costs.*



# What is organizational development?

*“Organizational development is a critical and science-based process that helps organizations build their capacity to change and achieve greater effectiveness by developing, improving, and reinforcing strategies, structures, and processes.”*

# The Organizational Development Process



\*Academy to Innovate HR

# ODV process

**1 Organization review.** To identify what it needs - 'needs analysis'. This uses a range of tools and approaches including:  
Strategic review.  
Future state analysis.  
SWOT.  
PESTLE.  
Quantitative performance targets.  
Target Operating Model.

**2 Diagnose the extent to which those needs are being met.** This is similar to doing a gap analysis to identify the difference between a current position and the desired future position, but uses a range of frameworks or diagnostic tools to analyze the situation fully, including:

- ISO.
- Lean / Six Sigma.
- Force Field Analysis.
- Total Quality Management (TQM).
- Organization design frameworks (used as diagnostics). For example,
- McKinsey's 7S model, the Burke Litwin framework, or the 5 Star model.

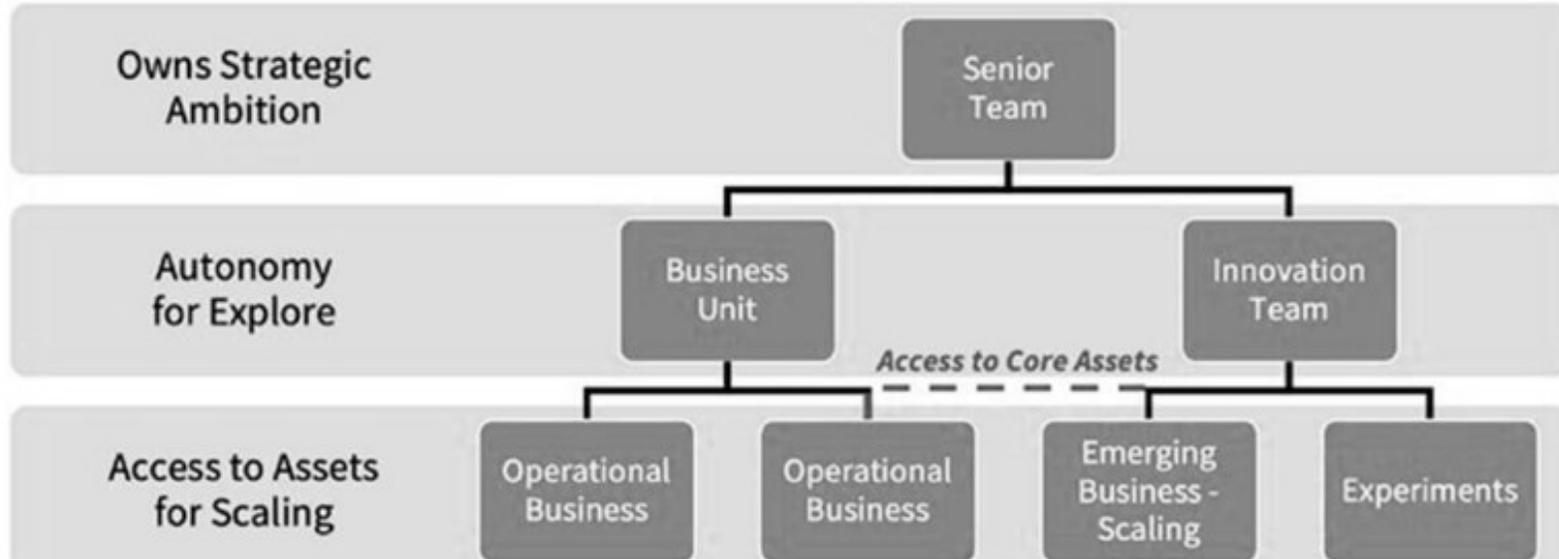
- 3 Deciding what intervention would best fit the gap identified, and whether to design it or buy it in.** ODV's multidisciplinary roots means there are different types available:
- Human process interventions – coaching, mentoring, training, group work, facilitation, action learning.
  - Techno-structural interventions – Lean / Six Sigma, business process re-engineering (BPR), outsourcing.
  - Human resource interventions – performance management, reward and motivation, employee surveys, psychometrics.
  - Strategic interventions – business planning, cultural change, transformation programmes.

- 4 Implement the initiative.** It's always good practice to use robust **change management** practices. This will include focusing on communication, stakeholder involvement, and evaluation metrics. Our **Transformational change: Theory and practice** report gives practical action points for change interventions in organizations. It's complemented by case studies of organizations applying the approaches in practice. Evaluating the effectiveness of any intervention is also integral to the ODV process.

# Ambidextrous Organization

An Ambidextrous Organizational Structure has three key features–

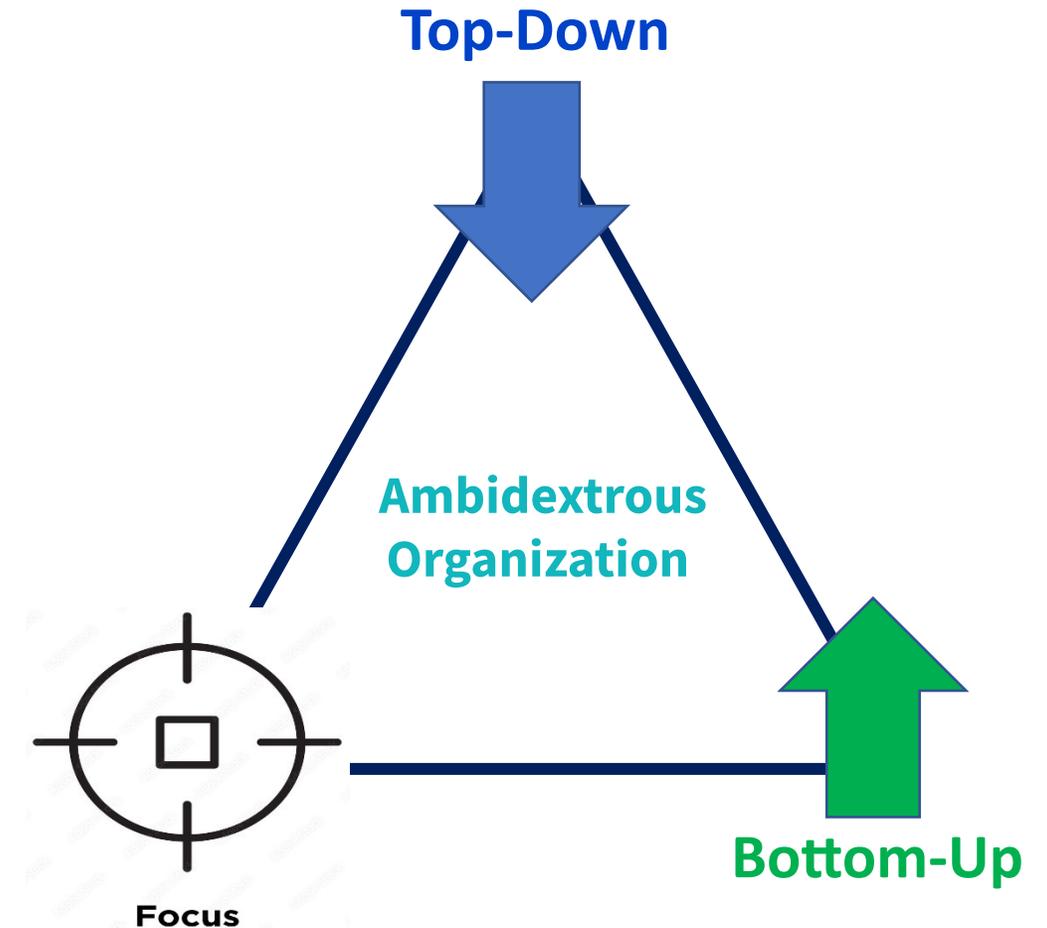
- autonomy for the new venture,
- access to the assets of the core business,
- and a shared ambition for growth that unifies core and explore business.



# Three main versions of the ambidextrous organizational structure

The ambidextrous organizational structure has three main variations:

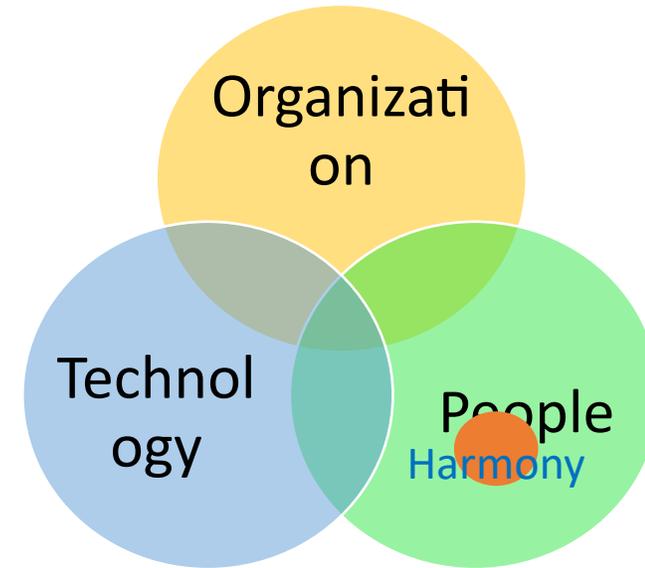
1. Focused,
2. Bottom-Up,
3. and Top Down.



# Bringing people, Technology and Organization into harmony

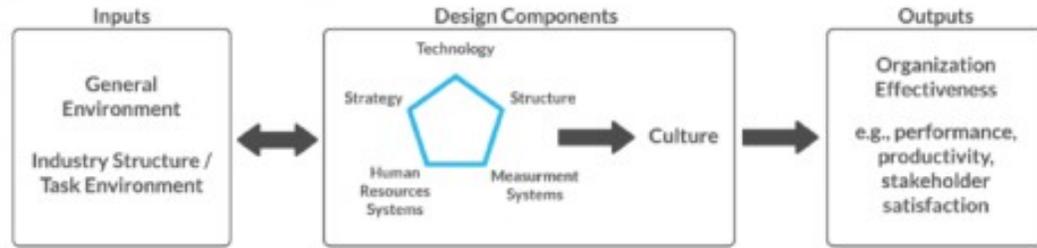
An organization's success depends substantially on the **innovation** capability of its **members** and of the organization as a whole. The coexistence of successful innovations and efficient implementation requires flexible **and agile** structures, **transformative management concepts**, work environments that foster **productivity**, and a corporate culture that **motivates and inspires**.

Designing work systems for the respective organizations, helping them plan and implement **people-friendly working environments** that foster **high performance**. The shared goal make organizations more **responsive, innovative and productive**; to create the conditions under which employees are motivated and **achieve excellence**; and to create **sustainable employment**.

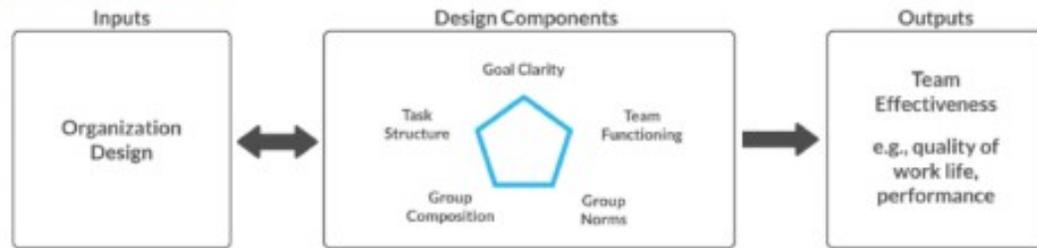


# Models for Diagnosing Organizational Systems in OD

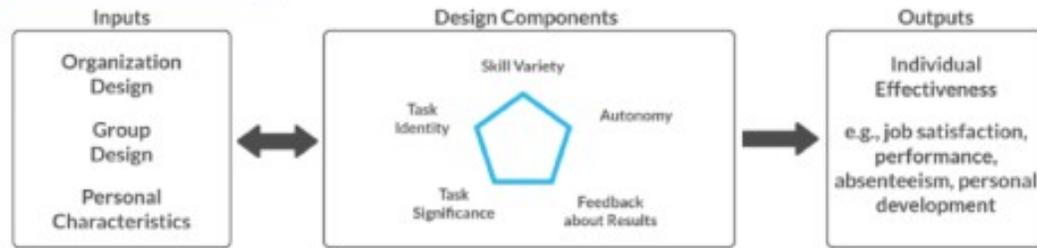
## A. Organizational level



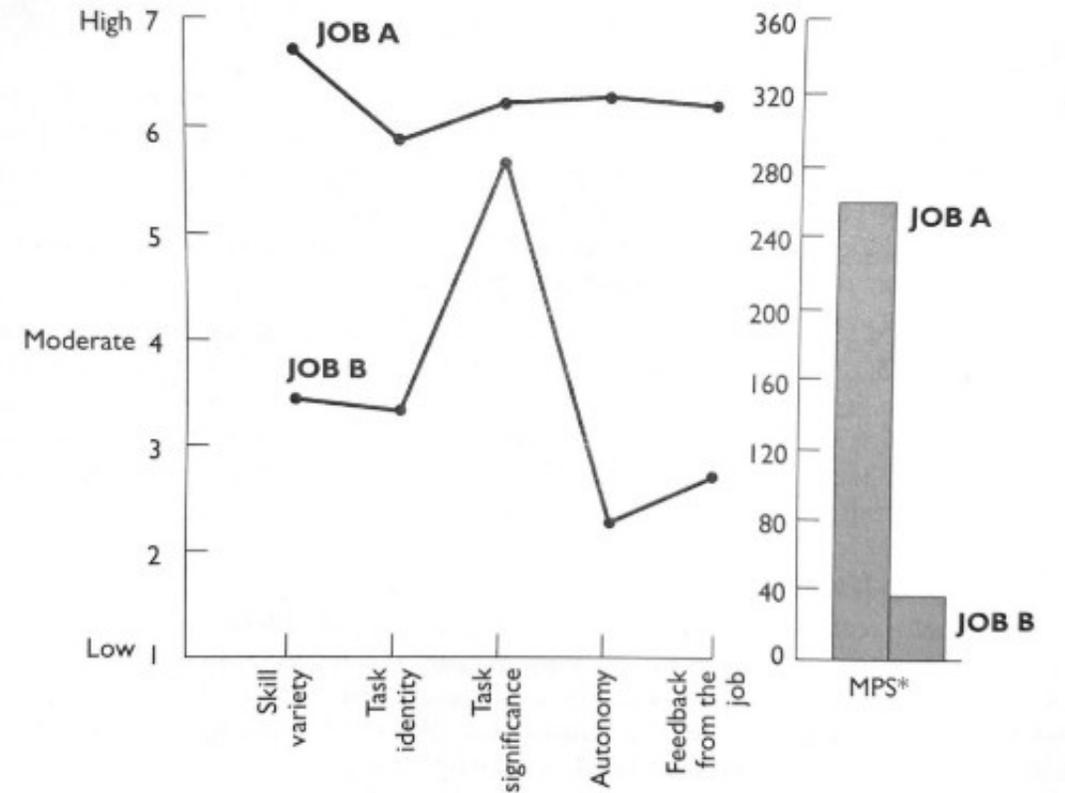
## B. Group level



## C. Individual level



The JDS Diagnostic Profile for a "Good" and a "Bad" Job



\*MPS, MOTIVATING POTENTIAL SCORE.

A Job Diagnostic Survey (JDS) is part of work design, an Organizational Development Intervention (image based on Cummings & Worley, 2009)

# Kotter's 8 Step Change Model



## ORGANIZATION DEVELOPMENT STRATEGY: Five Phases to Designing and Implementing



### ENTRY

Exploring the problem, opportunities, or situation. Output is an engagement contract or project plan with expectations and agreement on scope.

### DIAGNOSIS

The fact-finding phase. A data collection process where information is gathered, analyzed, and reviewed.

### FEEDBACK

Exploring information for understanding, clarity, and accuracy. Output is an action plan that outlines the change solutions to be developed, and defined success indicators based on the information and data analysis.

### SOLUTION

Correcting the problem, closing gaps, improving, or enhancing performance, or seizing opportunities. Output is a plan or suggested training course curriculum.

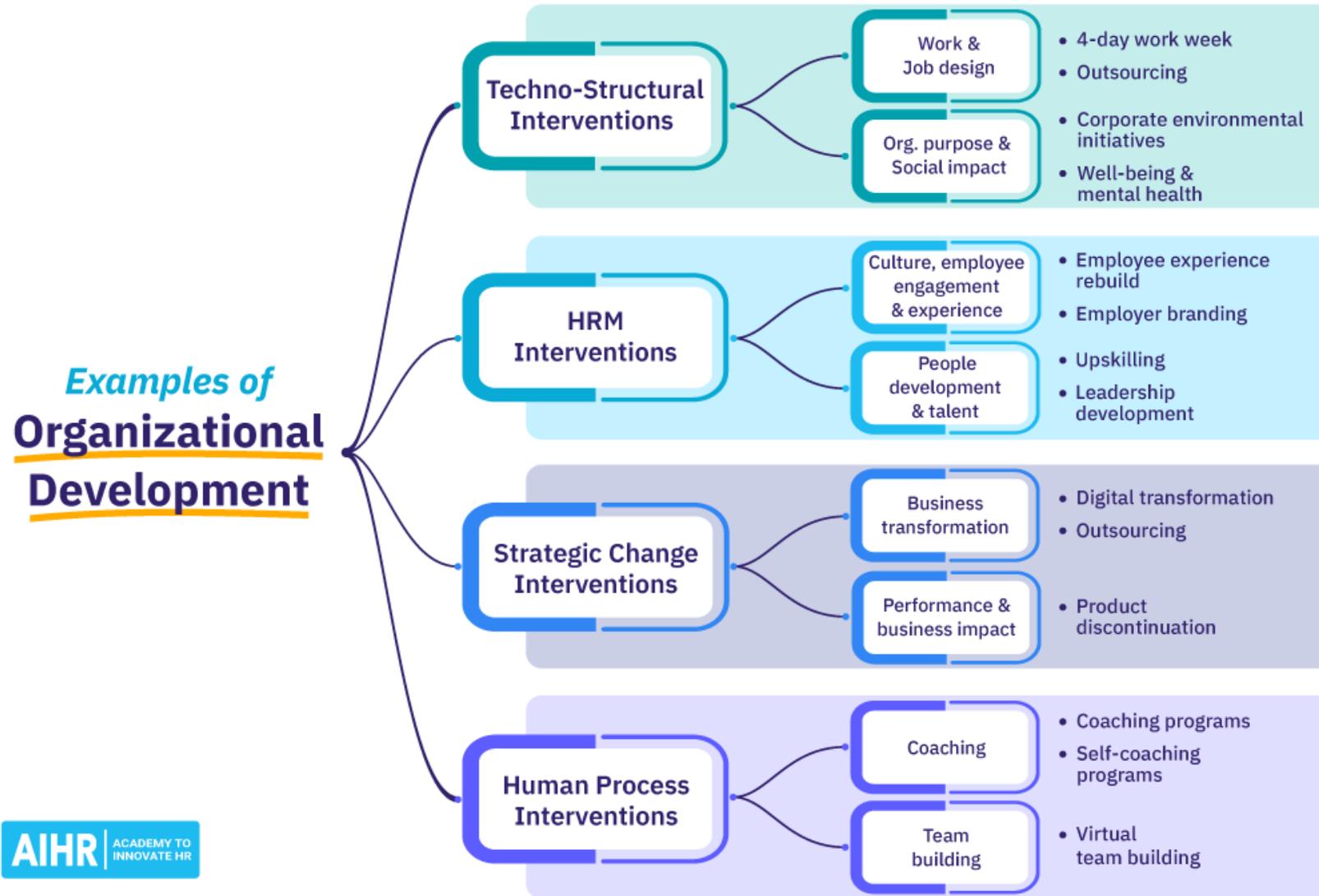
### EVALUATION

Collecting data to determine if the initiative is meeting goals and achieving defined success indicators. Output is an evaluation report with recommendations for continuous improvement.

# Organization Development Initiatives



# Organization Development Examples



# THE GOALS OF ORGANIZATIONAL DEVELOPMENT

While companies use organizational development strategies to pursue a variety of strategic goals, there are a few objectives that are common to most OD initiatives.

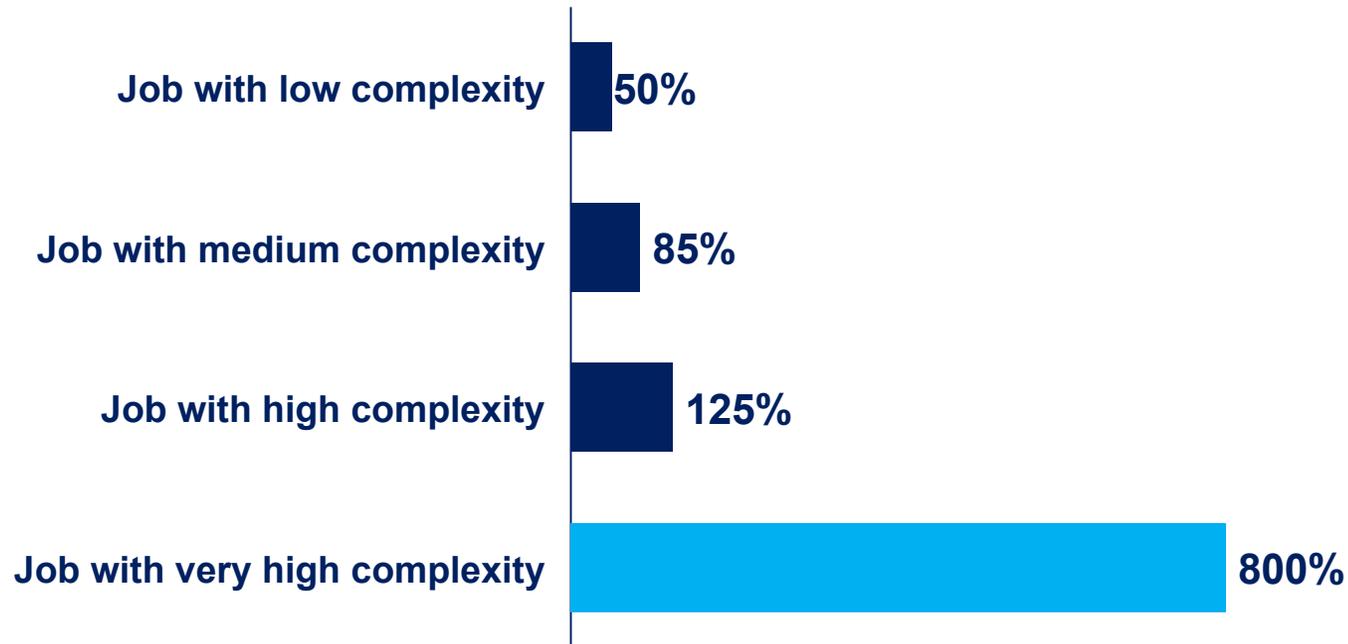


Source: *Houston Chronicle*

# HR and Talent Management



## Productivity gap between average performers and high performers



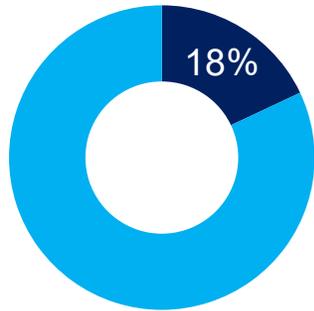
## Key insights

- In a new era post covid where the war for talent is fierce, Human Resources and Talent Management have never been more important to attract, develop and retain top talent.
- According to a recent McKinsey survey, superior talent is up to **8 times more productive than average talent**. In other words, the relationship between quality of talent and business performance is dramatic.

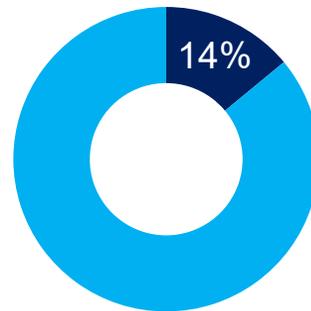
# Problem: The HR function is often barely contributing to organizational performance

## % of Fortune 500 executives who agree that their organization...

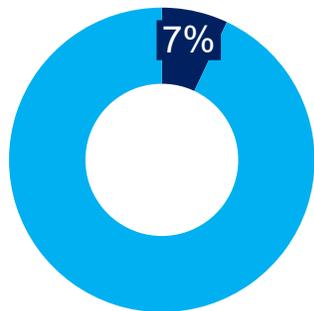
...recruit highly talented people



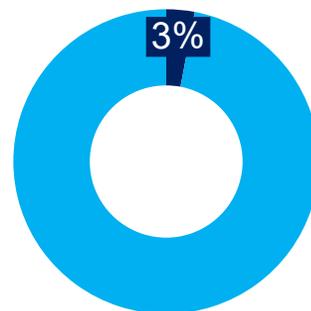
...know who are high and low performers



...retain high performers



...develop people quickly and effectively



## Key insights

- Over the past 10 years, our team of ex-McKinsey, Deloitte & BCG Management Consultants have noticed that, in many companies, the HR function was barely contributing to organizational performance.
- According to the survey “War for talent” conducted by McKinsey, a whopping 82 percent of companies don’t believe they recruit highly talented people. For companies that do, only 7 percent think they can keep their talented people. More alarmingly, only 23 percent of managers and senior executives active on talent-related topics believe their current acquisition and retention strategies will work.

# I. HR and Talent Management Strategy

Summary of the Corporate and Business Strategy	HR Analysis	HR and Talent Management Capability Maturity Model	Current State And Target State	HR and Talent Management Mission, Vision & Values	Strategic Objectives & KPIs to Reach our Vision	HR Team & Budget	Guiding Principles
--	-------------	--	--------------------------------	---	---	------------------	--------------------

## II. 10 Pillars to reach our HR and Talent Management Strategic Objectives

 <b>Capability Management</b> <ol style="list-style-type: none"> <li>The importance of capability management</li> <li>Desired capabilities</li> <li>Current state and target state of each desired capabilities</li> <li>Gap analysis and action plan</li> </ol>	 <b>Structure &amp; Governance</b> <ol style="list-style-type: none"> <li>The importance of structure &amp; governance</li> <li>Structure</li> <li>Roles and responsibilities</li> <li>Governance</li> <li>Workforce size</li> <li>Location model</li> </ol>	 <b>Culture</b> <ol style="list-style-type: none"> <li>The importance of organizational culture</li> <li>Current culture assessment</li> <li>Culture design principles</li> <li>Highest performing cultures</li> <li>Desired culture</li> <li>Action plan</li> <li>Progress monitoring</li> </ol>	 <b>Competency Management</b> <ol style="list-style-type: none"> <li>The importance of competency management</li> <li>Competency framework</li> <li>Competency map</li> <li>Competency development</li> <li>Career progression</li> <li>Competency management evaluation</li> </ol>	 <b>Recruitment</b> <ol style="list-style-type: none"> <li>Employer branding strategy</li> <li>Recruitment process &amp; strategy</li> <li>AI and automation</li> <li>Inclusive hiring practices</li> <li>Hiring for culture fit</li> <li>Recruitment KPIs</li> <li>Recruitment outsourcing</li> <li>Candidate experience &amp; onboarding</li> </ol>
 <b>Talent Development</b> <ol style="list-style-type: none"> <li>Identifying high-potential talent</li> <li>Individual development plans</li> <li>Forming talent pools and leadership pipelines</li> <li>Blended learning for talent development</li> <li>Talent mobility and career pathing</li> <li>Employee retention strategies</li> </ol>	 <b>Mentoring</b> <ol style="list-style-type: none"> <li>Setting up a mentoring program</li> <li>Mentor-mentee matching</li> <li>Mentoring culture</li> <li>Reverse mentoring</li> <li>Impact of mentoring programs</li> <li>Current trends and innovations in mentoring</li> </ol>	 <b>Performance Management</b> <ol style="list-style-type: none"> <li>Top 8 models and approaches</li> <li>Implementing OKR framework</li> <li>Feedback and performance conversations</li> <li>Leveraging technology in performance management</li> <li>Measuring the success of performance management plans</li> </ol>	 <b>Reward and Recognition</b> <ol style="list-style-type: none"> <li>Setting up a reward and recognition program</li> <li>Transparency and equity in reward systems</li> <li>Leveraging technology for reward management</li> <li>Evaluating the impact of reward and recognition programs</li> </ol>	 <b>Reassignment &amp; Termination</b> <ol style="list-style-type: none"> <li>Strategies for employee reassignment</li> <li>Termination processes and protocols</li> <li>Managing downsizing and layoffs</li> <li>Legal and ethical considerations</li> </ol>

### III. Potential Initiatives for each Pillar

### IV. Business cases and financial models to assess potential projects

### V. Project Prioritization, Business Roadmap and Implementation

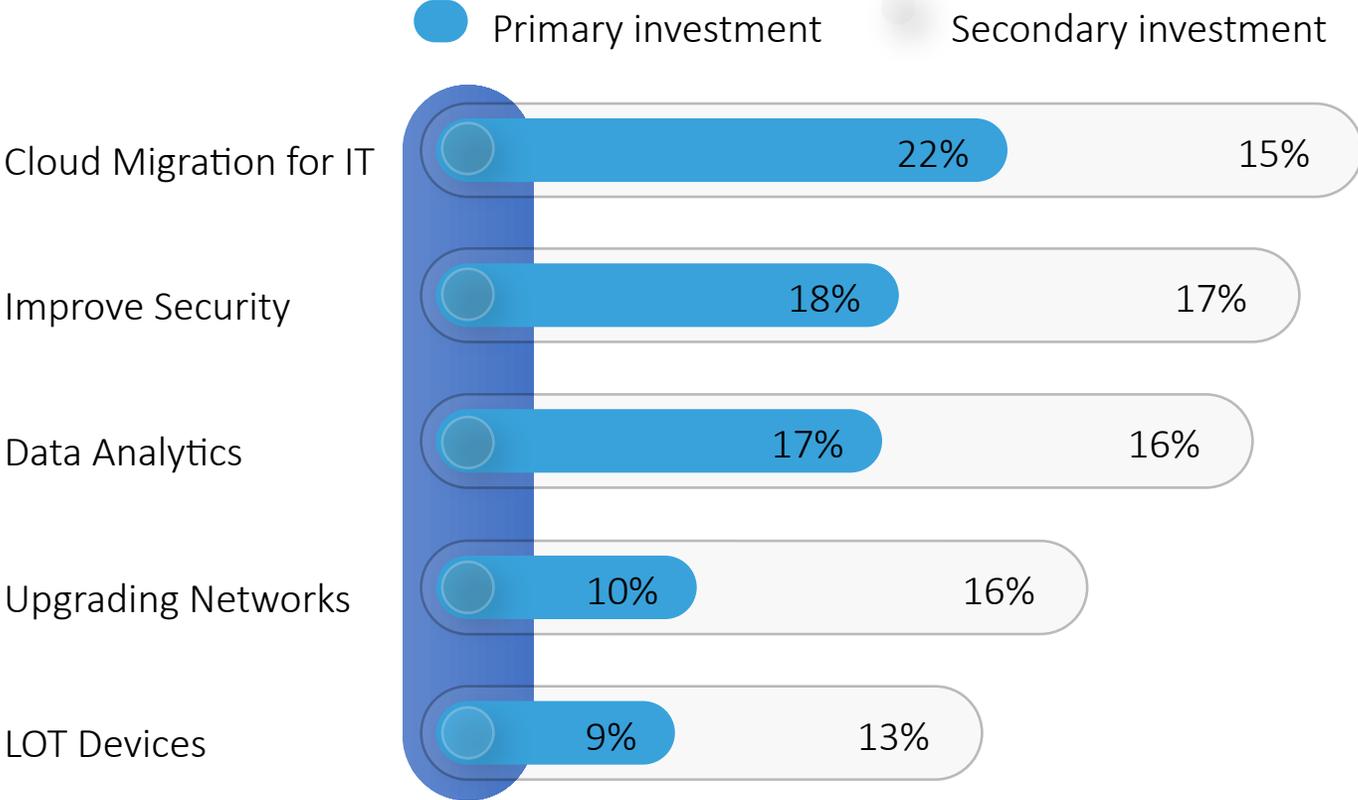
### VI. Change Management, Internal Communication and Stakeholder Engagement



# DIGITAL TRANSFORMATION



# BUDGET ALLOCATION

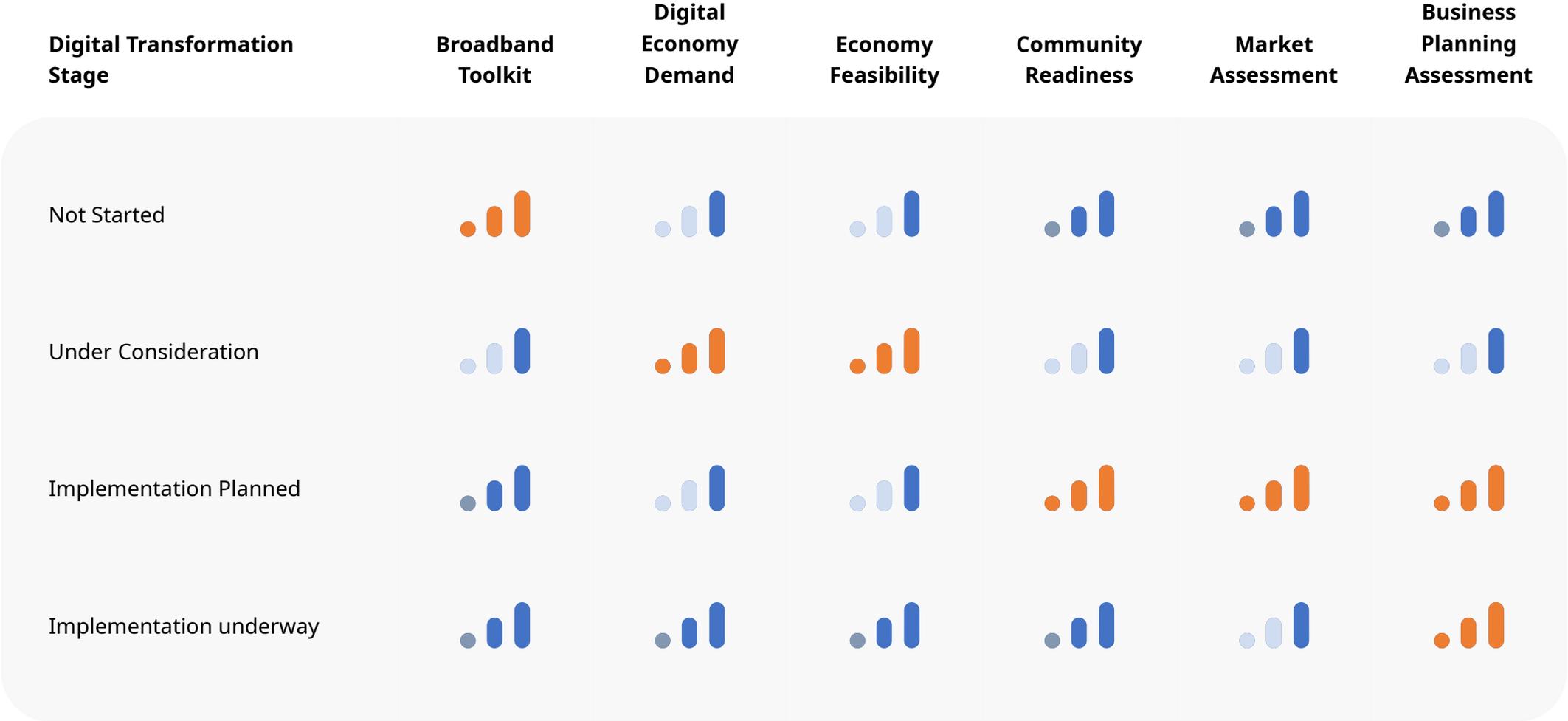


## KEY TAKEAWAYS

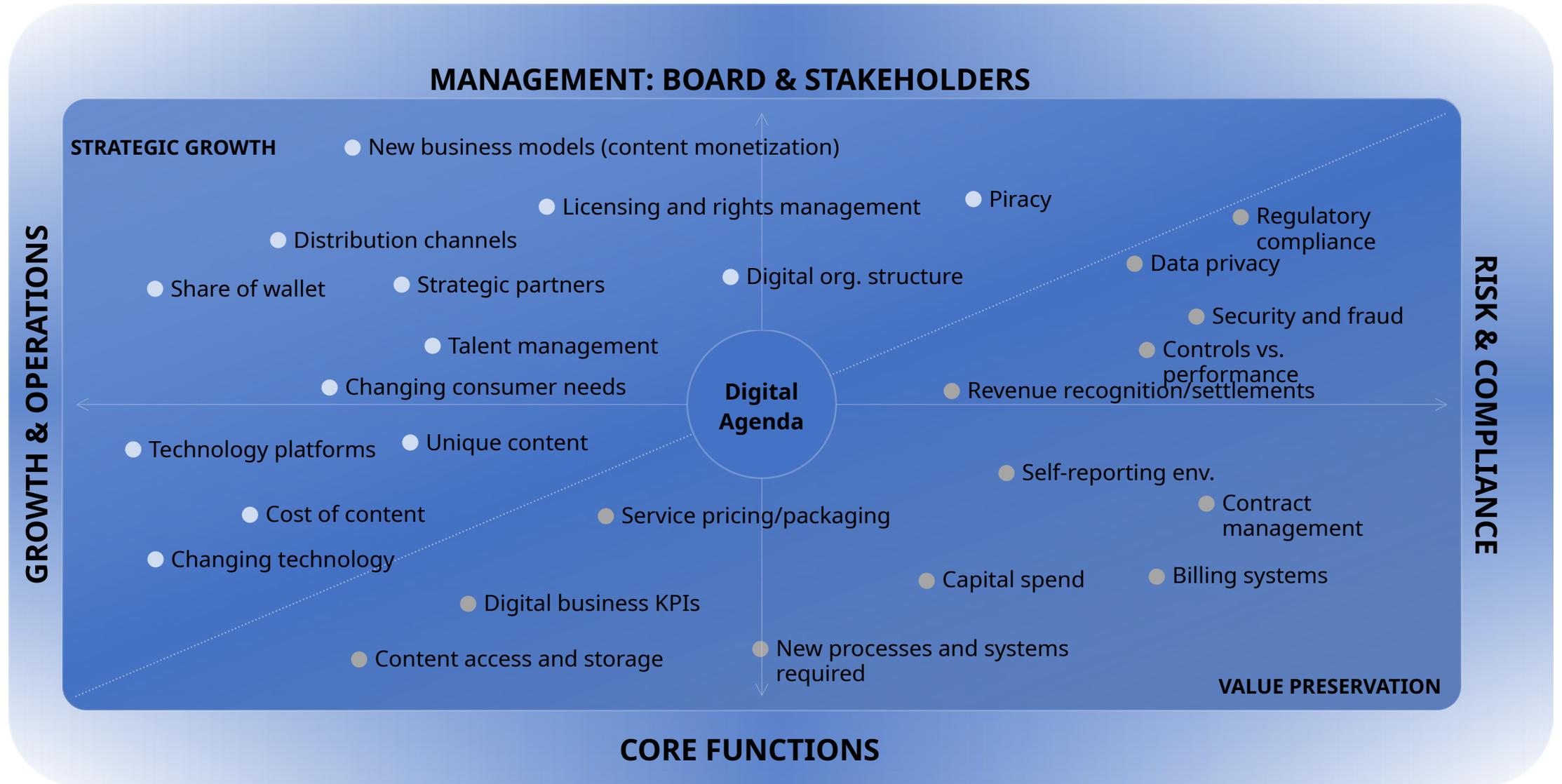
- 1** Large portion of the Budget of IT Transformation has been allocated to cloud migration of data
- 2** Data analytics will have low expenditure in the budget

**Total Budget : \$451,000**

# TRANSFORMATION READINESS



# TRANSFORMATION MAPPING



# IMPLEMENTATION PLAN

## KEY OBJECTIVES

- 1** Ensure executive alignment
- 2** Reassure clarity of vision
- 3** Translate executive vision into specific project goals and objectives
- 4** Define project governance processes
- 5** Engage the executive team and create ownership

## WORKSTREAM

## KEY ACTIVITY

### Executive Boot Camp

- One-day Executive team workshop to align executive understanding and expectations
- Knowledge of ERP implementation best practices

### Project Strategy Articulation

- Translate executive team's vision into specific ERP project goals, objectives, and measures
- Drive Decision-making to address areas of misalignment

### Stakeholder Assessment/ Plan

- Assess level of alignment and buy-in
- Identify potential sources of resistance

### Business Decisions/ Ops Alignment

- Facilitate key operational decisions among executive team
- Engage, create awareness and buy-in

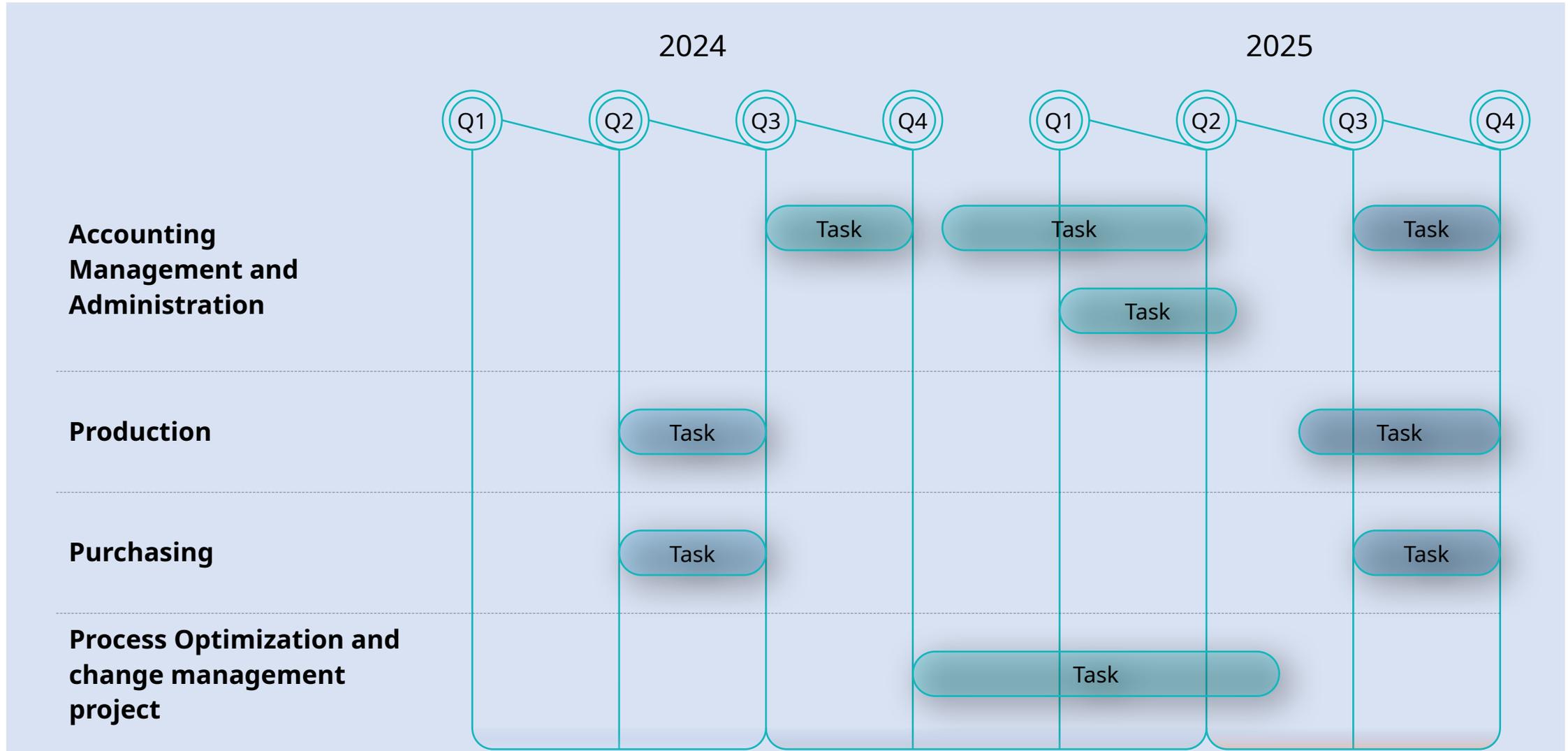
### Executive/ Management Comms

- Define "top-down" communications plan
- Execute executive team and management communications

### Implementation Readiness Stage Gate Review

- Review and validate implementation readiness outputs
- Facilitate Phase 1 Go/No-Go decision

# IMPLEMENTATION TIMELINE



QUICK WINS

DEEP IMPROVEMENT

ADDITIONAL WINS





# COMPANY PROFILE





CLUSTIV

CLUSTIV

# HISTORY

As the leading company in the tech industry with a passion for innovation and excellence, **CLUSTIV** has become a brand name in the tech world, known for its groundbreaking products and services.

With a team of highly skilled professionals, CLUSTIV is committed to delivering cutting-edge solutions that transform the way people live, work and play.



2021



2022



2023





## MISSION

At CLUSTIV, our mission is to be the leading innovator in the tech



## VISION

At CLUSTIV, our mission is to be the leading innovator in the tech



## VALUES

At CLUSTIV, our mission is to be the leading innovator in the tech

# CLUSTIV MISSION

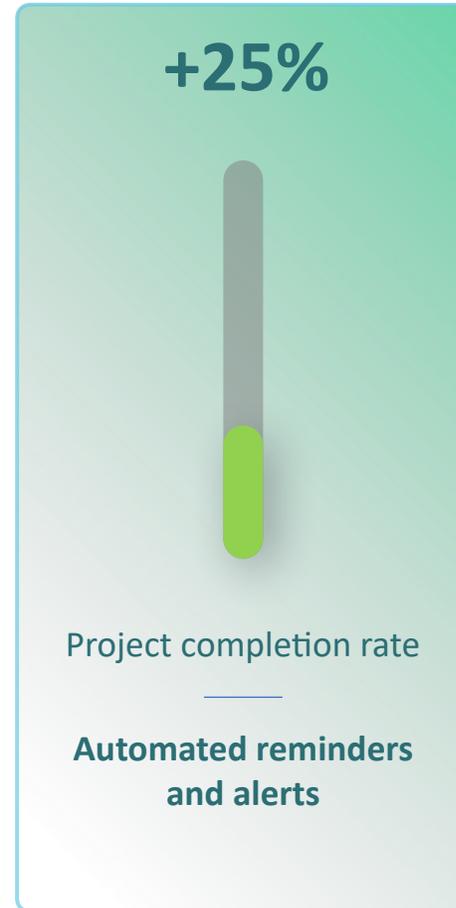
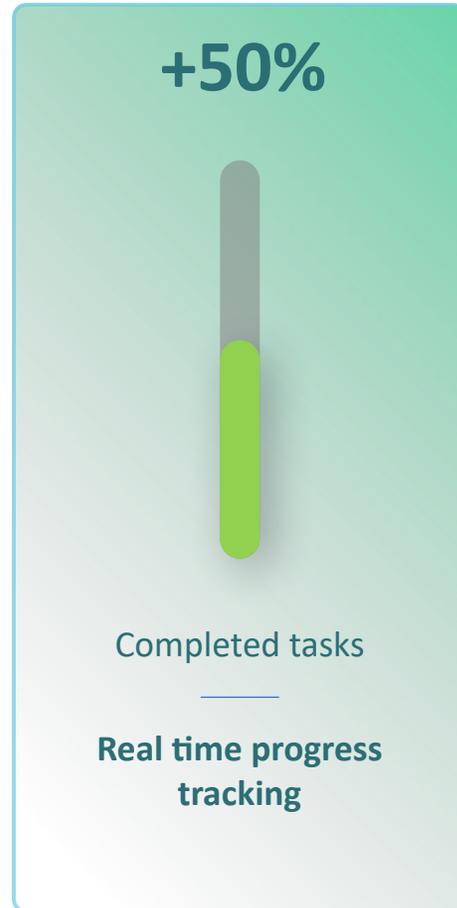
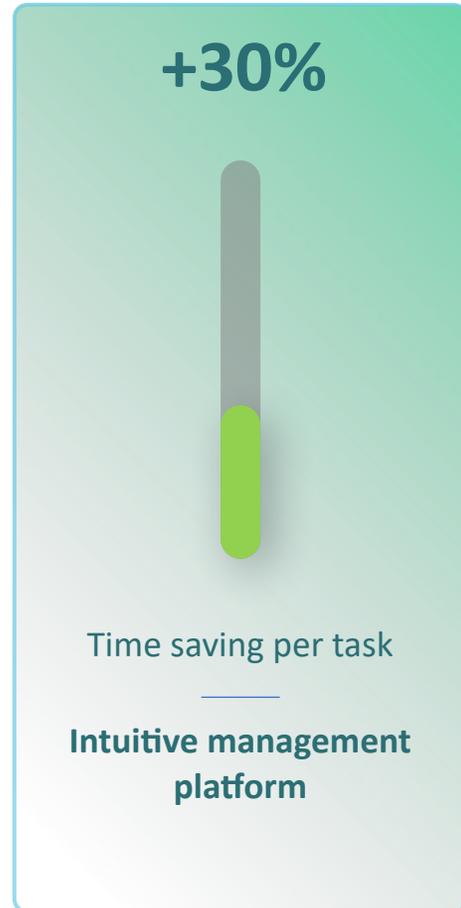
At CLUSTIV, our mission is to be the leading innovator in the tech industry, providing solutions that enhance people's lives and empower them to achieve their full potential.

# OUR SOLUTION APPROACH

By offering tailored solutions that are designed to meet the unique needs of each client, Companies can provide unparalleled value and help its clients achieve their goals.



# KEY PRODUCT BENEFITS



# OVER \$3 BILLION

In combined revenue generated for our  
enterprise users

Our product allows clients to gain a deeper understanding of customers' needs and behaviors, leading to better satisfaction and loyalty. Many top global firms have already used this to drive profitability.

**200+**

Independent  
Member Firms

**620**

Offices

**110**

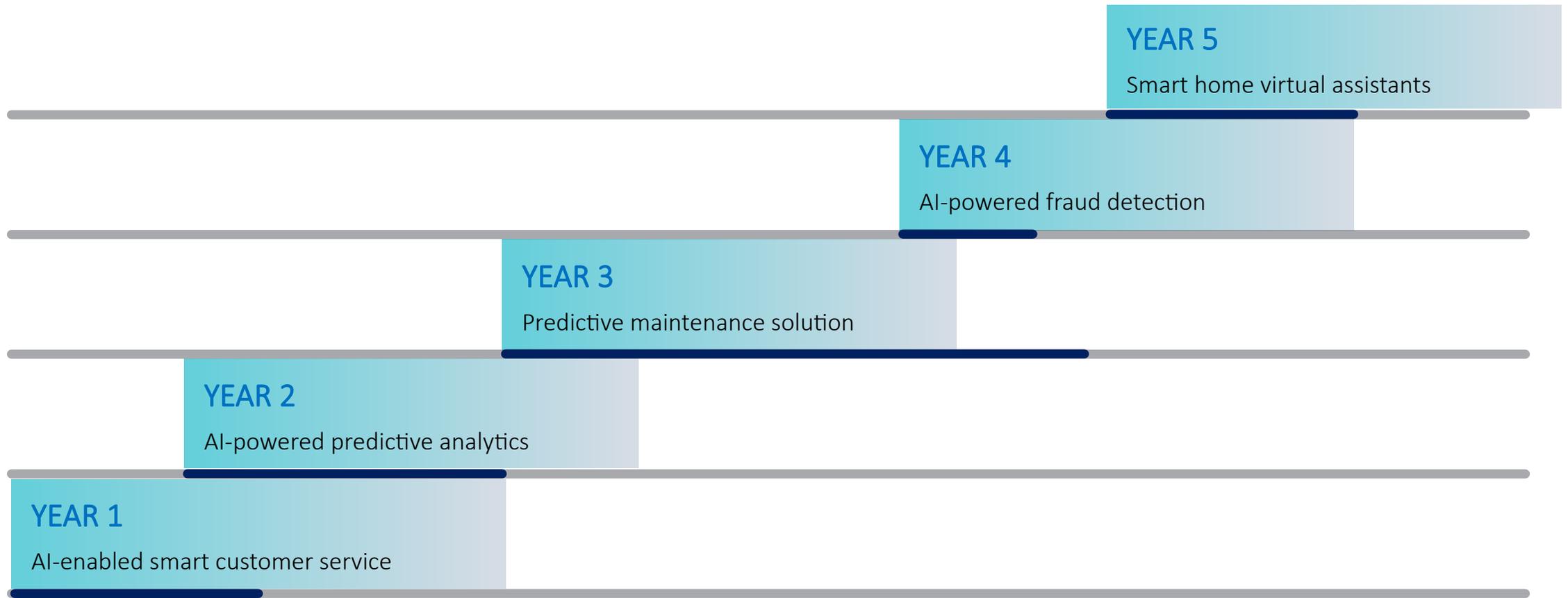
Countries

**300+**

Special Interest  
Groups

# UPCOMING DEVELOPMENTS

To allow our customers make better informed decisions, our company is developing and will be launching more AI-enabled features, products, & services in the near future. Here's a sneak peak on what's in the works.



# GLOBAL PRESENCE AND TALENTS

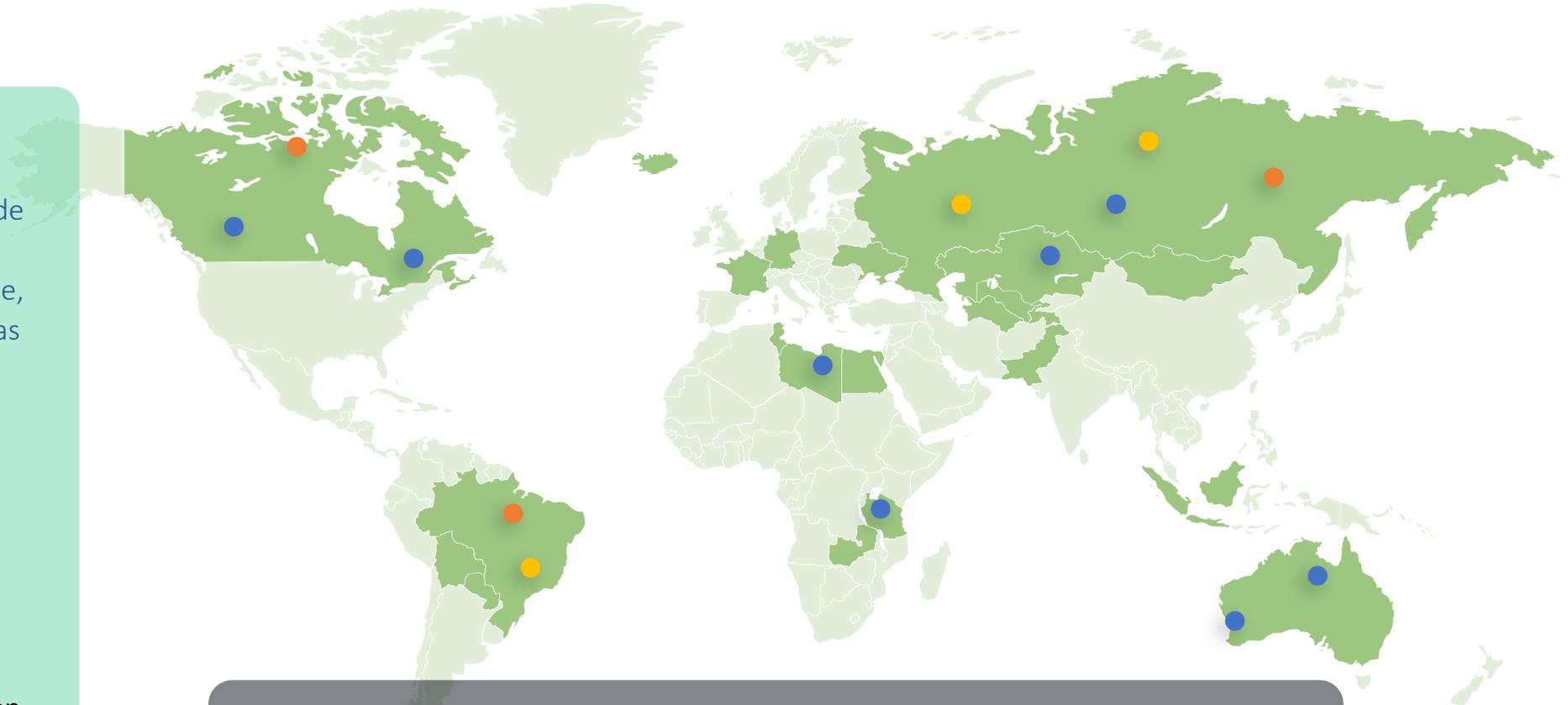
7,500

Employees worldwide delivering industry expertise, top service, & breakthrough ideas

Operating from 10+ Locations

20+ Partners across the globe

Offers Worldwide services in more than 15 countries



Major Serving Locations



Headquarters



Offices



Partners

# CONTACT US



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<http://www.clustiv.com>



## SOCIAL

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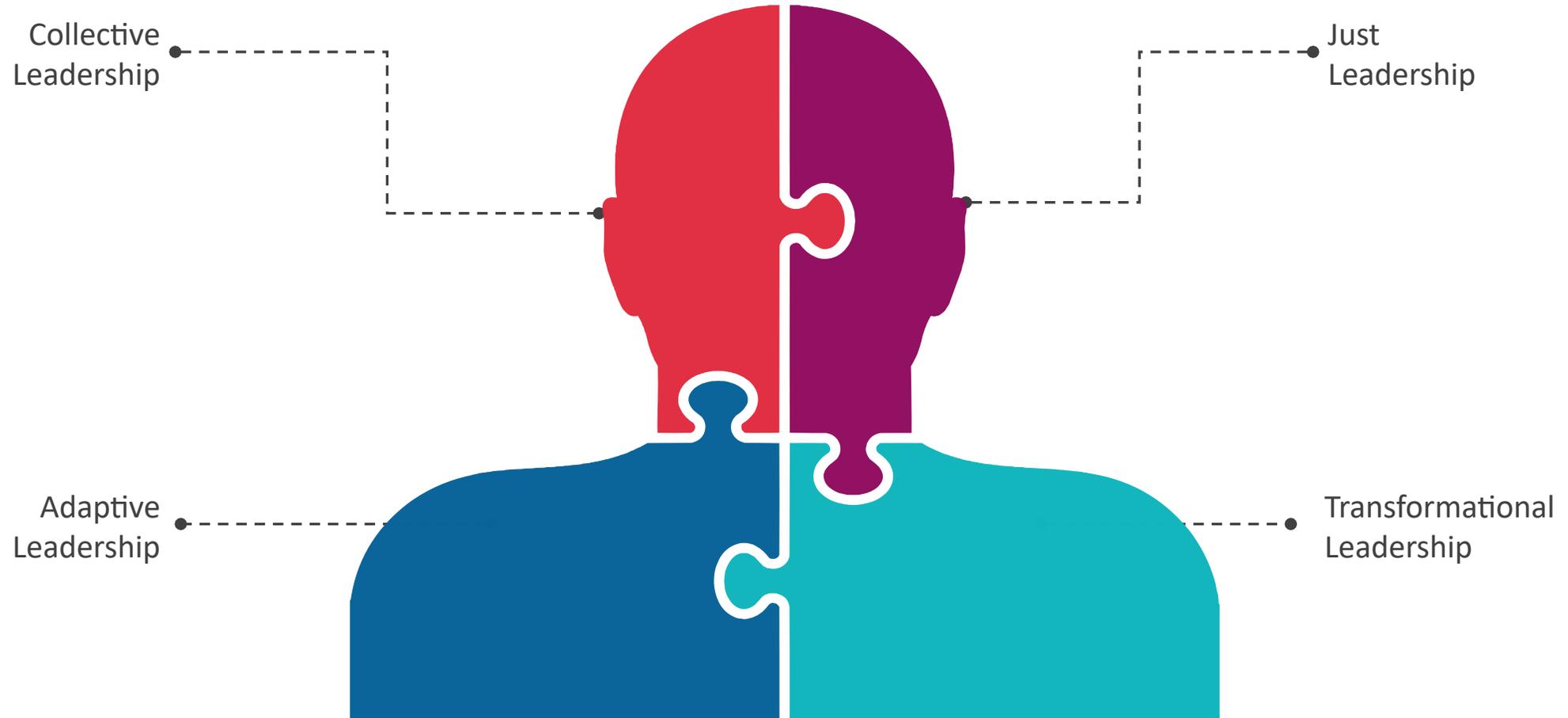




# LEADERSHIP & ORGANISATIONAL CULTURE

# Leadership Model

## Leadership Principals



# Leadership Model

## Transitional Leadership Model

Communicate And Cultivate Improved Relations

C

Humility within Authority and Power

H

Awareness and Authenticity of self and other

A

Navigate Complex and Dynamic Challenges

N

Gain and Embrace Multiple and New Perspectives

G

Empower Strength and Action in Self and others

E



# Leadership Model

Pillars Of Leadership Model

# Leadership Model





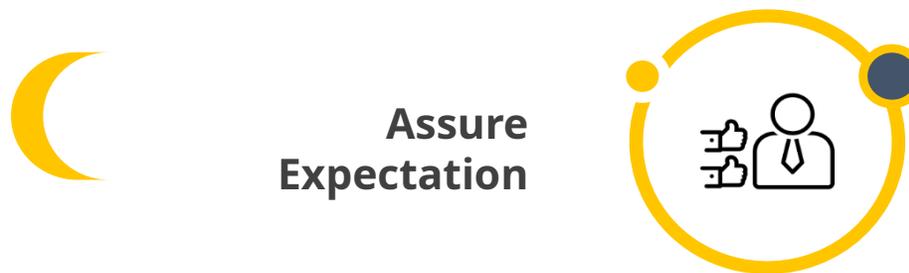
**Develop Capacity**



**Focus Intentions**



**Strengthen Culture**



**Assure  
Expectation**

# Leadership

## TRAITS

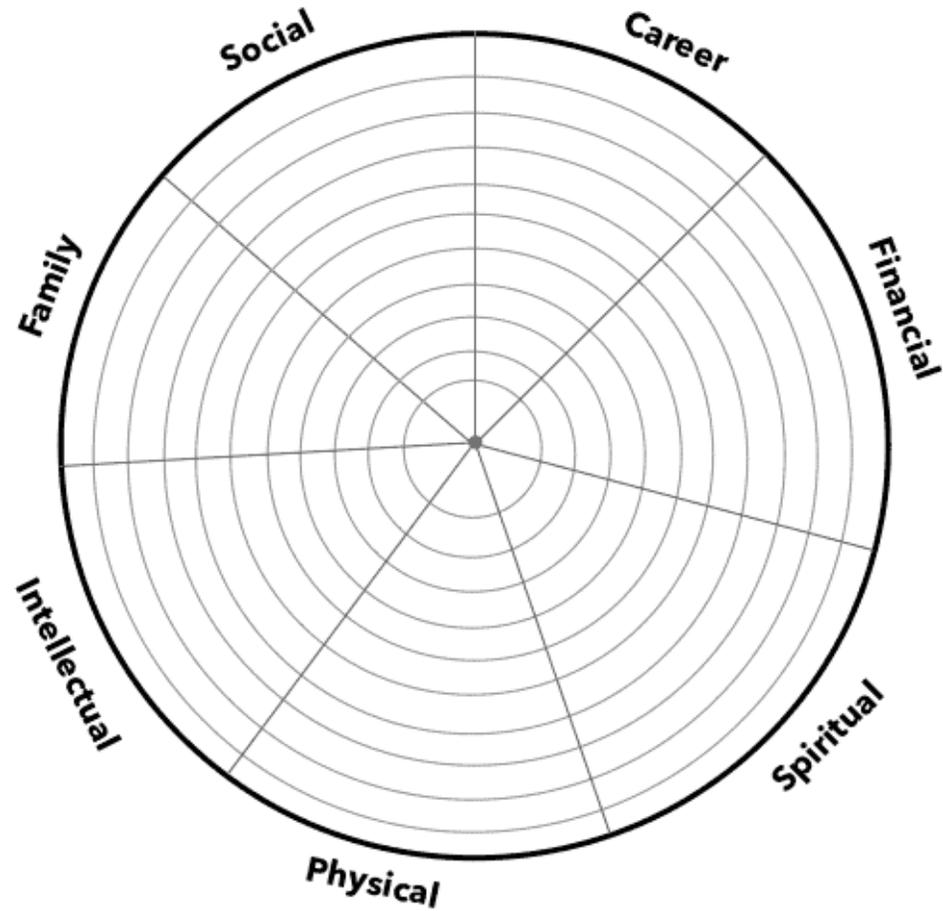
# Leadership Model

## Leadership Principals

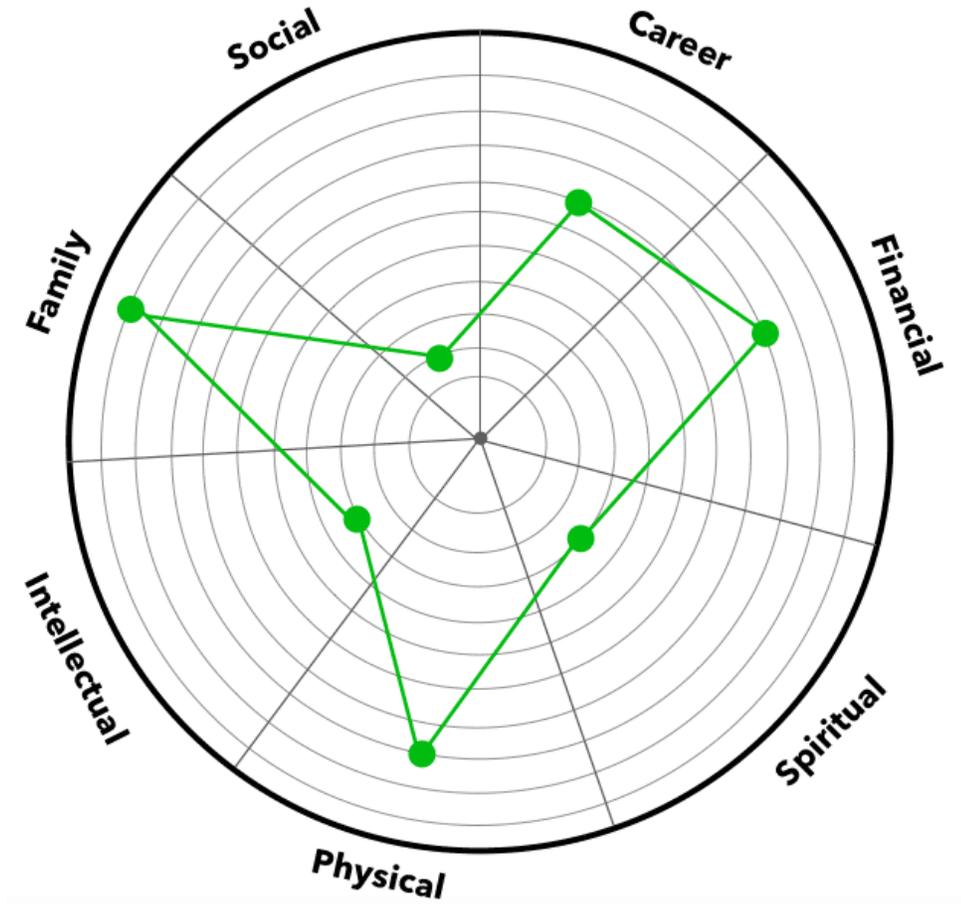


# Self-aware Leadership

Template



Example



# PROBLEM STATEMENT WORKSHEET

## PROBLEM STATEMENT

• xx

### KEY QUESTIONS

### ANSWERS

WHO?



• Who does the problem impact and involve?

• xx

WHAT?



• What does the problem impact? What are the drivers of the problem?

• xx

WHY?



• Why is solving the problem important to stakeholders and the business?

• xx

WHERE?



• Where does the problem reside or have impact?

• xx

WHEN?

• When did the problem begin? When does the problem need to be solved by?

• xx

HOW?

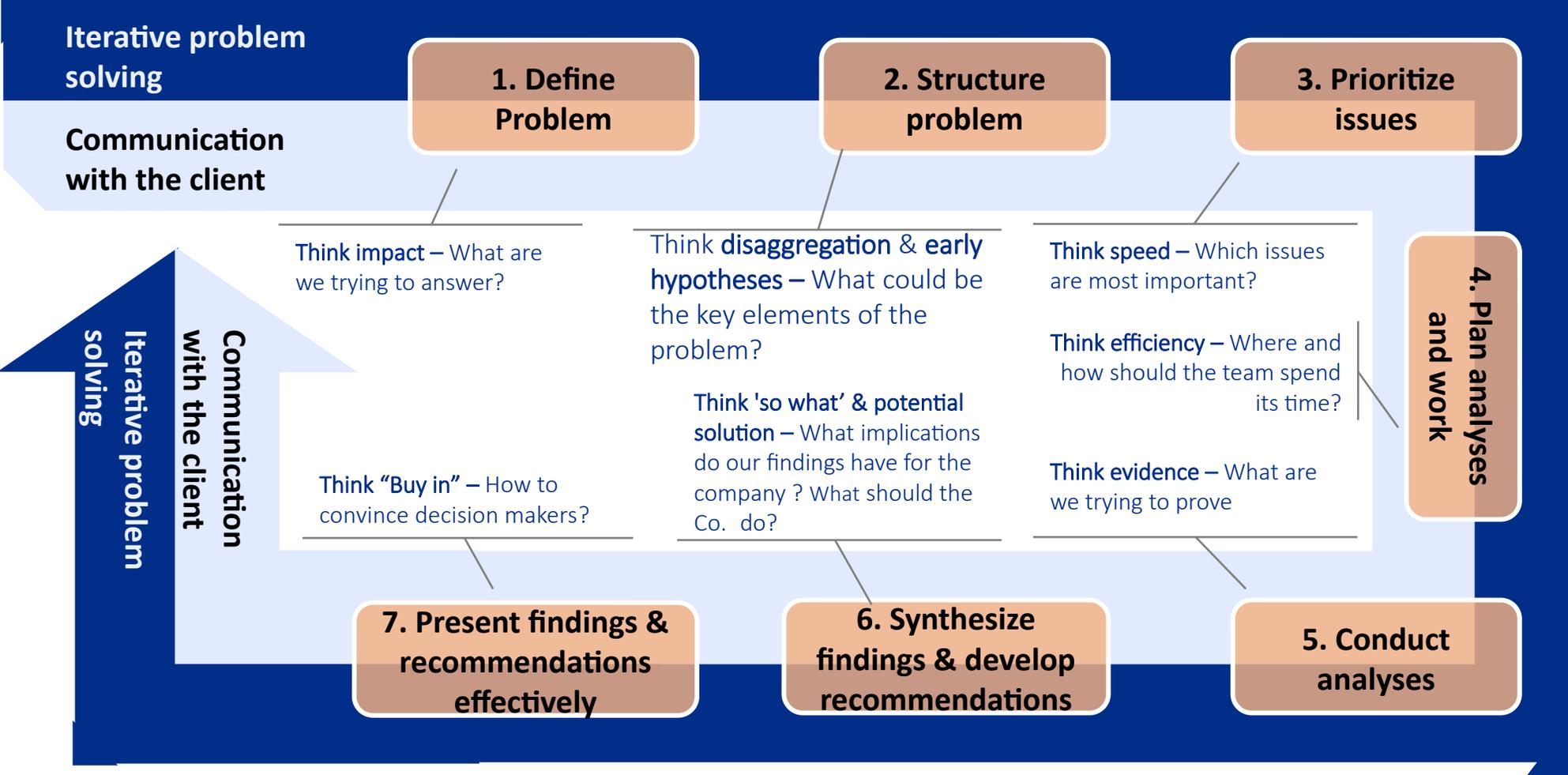
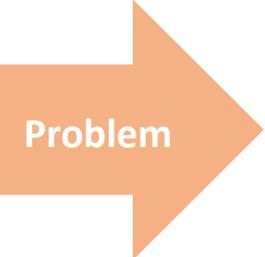


• How was the problem created? How can the problem be solved?

• xx

# McKinsey's 7-step problem solving approach

## Process



# McKinsey's 7-step problem solving approach

## Consideration

- 1. Iteration:** The problem-solving process is not linear. You should focus on developing early solutions and iterating them throughout the process. Regular, thoughtful iteration saves time and leads to stronger solutions.
- 2. Communication/syndication:** Effective communication and syndication are vital during problem-solving. Engage in co-creation with senior clients and stakeholders to sharpen the solution, identify issues, and ensure client ownership. As you work through the process, expand **stakeholder analysis** to understand their expectations, values, motivations, and effective communication mechanisms.

### Stakeholder Analysis

<b>Stakeholders</b>	<ul style="list-style-type: none"><li>• Who will be affected?</li><li>• Whom do we need to engage?</li><li>• Whom do we need to inform?</li></ul>
<b>What do we need from them?</b>	<ul style="list-style-type: none"><li>• What do we want this group or individual to think or do?</li><li>• What can they do to support our objectives?</li><li>• How can we minimize any potentially negative impact?</li></ul>
<b>Where are they?</b>	<ul style="list-style-type: none"><li>• What issues do they have regarding the project/business?</li><li>• What values and motivations can we build on?</li><li>• What values and motivations may cause conflict?</li></ul>
<b>What do they need from us?</b>	<ul style="list-style-type: none"><li>• What could we do or say that would resolve their issues?</li><li>• What communication approaches would work best with them?</li></ul>

# 1. Define Problem

## Overview and framework

The "**Define problem**" step involves clearly identifying the core issue that needs to be addressed. This is achieved by understanding the client's objectives and desired outcomes, as well as the context in which the problem exists. To ensure the team focuses on the most critical aspects of the problem, the problem statement should be specific, measurable, action-oriented, relevant, and time-bound (SMART).

### Framework- Problem Statement Worksheet

The Problem Statement Worksheet serves as a crucial tool for teams to clearly define and understand the problem they are trying to solve. It encourages a structured approach to problem definition and helps prevent scope creep. The worksheet comprises the following key elements:

1. **Basic question to be resolved:** Define the central issue that must be addressed to deliver exceptional client impact. The question should be SMART: specific, measurable, action-oriented, relevant, and time-bound.
2. **Context:** Describes the client's situation and challenges, such as industry trends and their position within the industry – e.g., industry trends, relative position in the industry.
3. **Criteria for success:** Defines success for the project. Must be shared by client and team and must include relevant qualitative and quantitative measures – e.g., impact and impact timing, visibility of improvement, client mindset shifts.
4. **Scope of solution space:** Indicate what will and will not be included in the study – e.g., international markets, research and development activities, uncontrolled corporate costs.
5. **Constraints within solution space:** Define the limits of the set of solutions that can be considered – e.g., must involve organic rather than inorganic growth.
6. **Stakeholders:** Identify who makes the decisions and who else could support (or derail) the study – e.g., CEO, division manager, SBU manager, key outside influencers.
7. **Key sources of insight:** Identify where best-practice expertise, knowledge, and engagement approaches exist (internal and client) – e.g., practice experts, EM guides, practice databases.

# 1. Define Problem

## Problem statement worksheet- Example

### Basic question

"How can XYZ Pharmaceuticals improve its product pipeline and increase its revenue by 25% within the next three years?"

### Context

XYZ Pharmaceuticals operates in a competitive market with increasing regulatory pressures, patent expirations, and emerging competition from biosimilars. The company has faced a decline in R&D productivity and a few recent late-stage clinical trial failures.

### Criteria for success

Success for XYZ Pharmaceuticals includes a 25% increase in revenue, an improved and diversified product pipeline, reduced time-to-market for new drugs, and a shift towards a more innovative and data-driven R&D culture within the organization.

### Scope for solution space

The study will focus on XYZ Pharmaceuticals' global operations, targeting R&D process improvements, portfolio optimization, and strategic partnerships, while excluding manufacturing and supply chain operations.

### Constraints within solution space

Solutions must prioritize organic growth, such as improving R&D processes and collaboration with academia and startups, while considering strategic partnerships and licensing deals rather than large-scale acquisitions.

### Stakeholders

The key stakeholders for XYZ Pharmaceuticals include the CEO, Chief Scientific Officer (CSO), R&D directors, heads of therapeutic areas, and regulatory affairs managers.

### Key sources of insight

Sources of insight for the study include pharmaceutical industry experts, R&D process improvement specialists, the McKinsey EM guide on pharma strategy, proprietary databases on drug development success rates, and external publications on best practices in pharmaceutical R&D

# Can you take 5 minutes to list the main verbal “communication killers” you hear on a weekly basis?

## Verbal Communication Killers

"You must work together..."

"You better..."

"It is your responsibility..."

"If I were you..."

"You are still too new...  
inexperienced..."

"Why did you...?"

"Can you stop crying like a baby..."

"Your problem is..."

## Hidden Meaning

Ordering

Threatening

Moralizing

Advice-giving

Judging

Interrogating

Ridiculing

Interpreting

If you had a real conversation with one of your subordinates, what kind of non-verbal communications would you use to encourage them to openly discuss and express their feelings?

**S**

Sit facing the other person squarely

**O**

Adopt an Open posture when you are talking

**L**

Lean towards the other person

**V**

Make sure your Voice qualities like tone, pitch, and loudness are appropriate to the conversation

**E**

Use good eye contact

**R**

Try to be Relax. It will help the other person to relax too and show that you are comfortable listening to them

# What are the 2 main types of questions you can ask? Describe the advantages and disadvantages of each type of question

## Closed questions and open questions:

### Closed questions

Closed questions start with “Is”, “Are”, “Do”, “Does”,....:

- Do you like your new role?
- Is this your first experience as a manager?

They can be answered by a single word such as “Yes” or “No”

#### Advantage

These questions are good for obtaining specific information and clarifying issues

#### Disadvantage

These questions do not encourage a person to talk openly and do not provide you with adequate material to work with

### Open questions

Open questions start with “Why”, “When”, “How”, “What”...:

- How do you feel about this whole situation?
- What can I do for you?

They promote open-mindedness and invite many answers or possibilities

#### Advantage

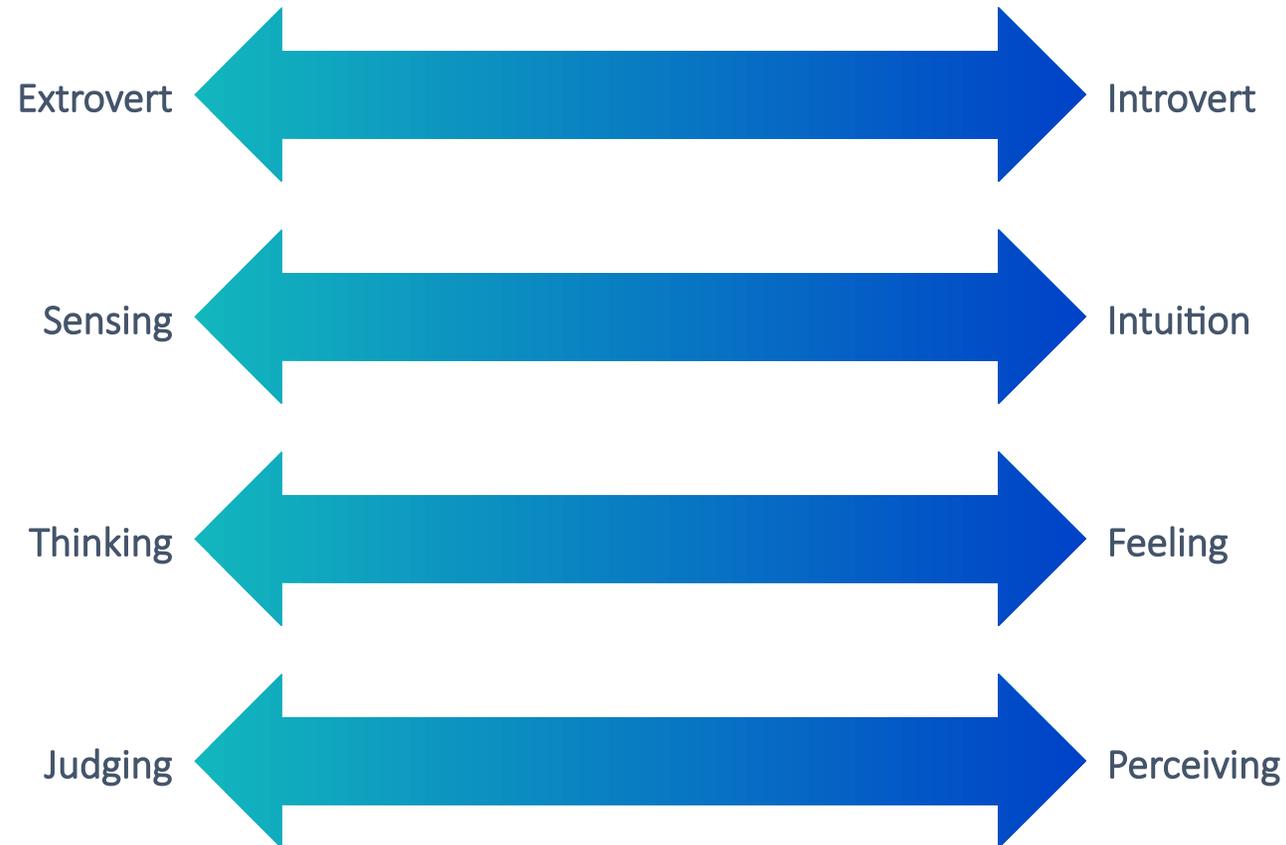
These questions stimulate exploration of concepts and ideas and facilitate creative and critical thinking

#### Disadvantage

You may receive unnecessary information  
Not appropriate if you have a tight timeframe

It is also very important to learn how to communicate differently depending on the person's style

According to MBTI, people can be categorized as:



# Preparing for negotiation

## 2. Identify ZOPA (Zone of possible agreement)- Example

ZOPA stands for "**Zone of Possible Agreement**", which is the range of potential outcomes that is acceptable to both parties in a negotiation. Essentially, it is the area where the interests of both parties overlap, and a mutually beneficial agreement can be reached.

### Scenario

A buyer is negotiating with a supplier over the price and delivery time of a batch of raw materials.

### Buyer's position

- Wants to pay no more than \$10,000 for the raw materials
- Needs delivery within 2 weeks

### Supplier's position

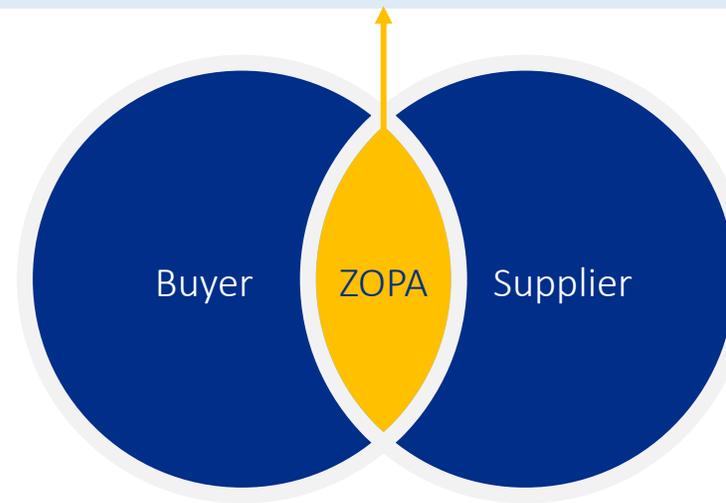
- Wants to sell the raw materials for \$12,000
- Can deliver within 4 weeks

### Possible outcomes that fall in ZOPA

- The buyer and supplier agree to a price between \$10,000 and \$12,000 and a delivery time between 2 and 4 weeks
- The buyer agrees to purchase the raw materials for \$11,000 and the supplier agrees to deliver within 2 weeks
- The buyer agrees to purchase the raw materials for \$10,500 and the supplier agrees to deliver within 3 weeks

### Possible outcomes in favor of buyer

- The supplier agrees to sell the raw materials for \$10,000
- The supplier agrees to deliver the raw materials within 2 weeks
- The supplier agrees to sell the raw materials for less than \$10,000 and/or deliver within 2 weeks



### Possible outcomes in favor of supplier

- The buyer agrees to purchase the raw materials for \$12,000
- The buyer agrees to accept delivery in 4 weeks
- The buyer agrees to purchase the raw materials for more than \$12,000 and/or accept delivery in 4 weeks

# Preparing for negotiation

## 2. ZOPA – Negotiation scenarios



	Increasing Price ➔	Potential Outcome
<b>Scenario 1</b>		<b>Deal reached:</b> Whoever will judge the other side's reservation point and BATNA will be on advantage
<b>Scenario 2</b>		<b>Deal reached:</b> Only if well-negotiated
<b>Scenario 3</b>		<b>No deal reached:</b> Reservation points do not overlap – There is no ZOPA (Zone of Possible Agreement)
<b>Scenario 4</b>		<b>Deal reached:</b> Supplier will be at advantage - wrong choice of starting point by buyer due to missing knowledge of other side's BATNA

# DEALS framework

## Strategic guidelines



1. **Define your goals clearly:** Identify your objectives for the negotiation and be prepared to adjust them based on new information or changing circumstances.
2. **Explore a wide range of options:** Look for creative solutions that can benefit both parties and be open to unconventional approaches. Define your willingness to invest time and resources into the negotiation process.
3. **Choose a negotiation strategy:** Decide whether a collaborative, integrative approach or a more

competitive, distributive approach is most appropriate for the situation.

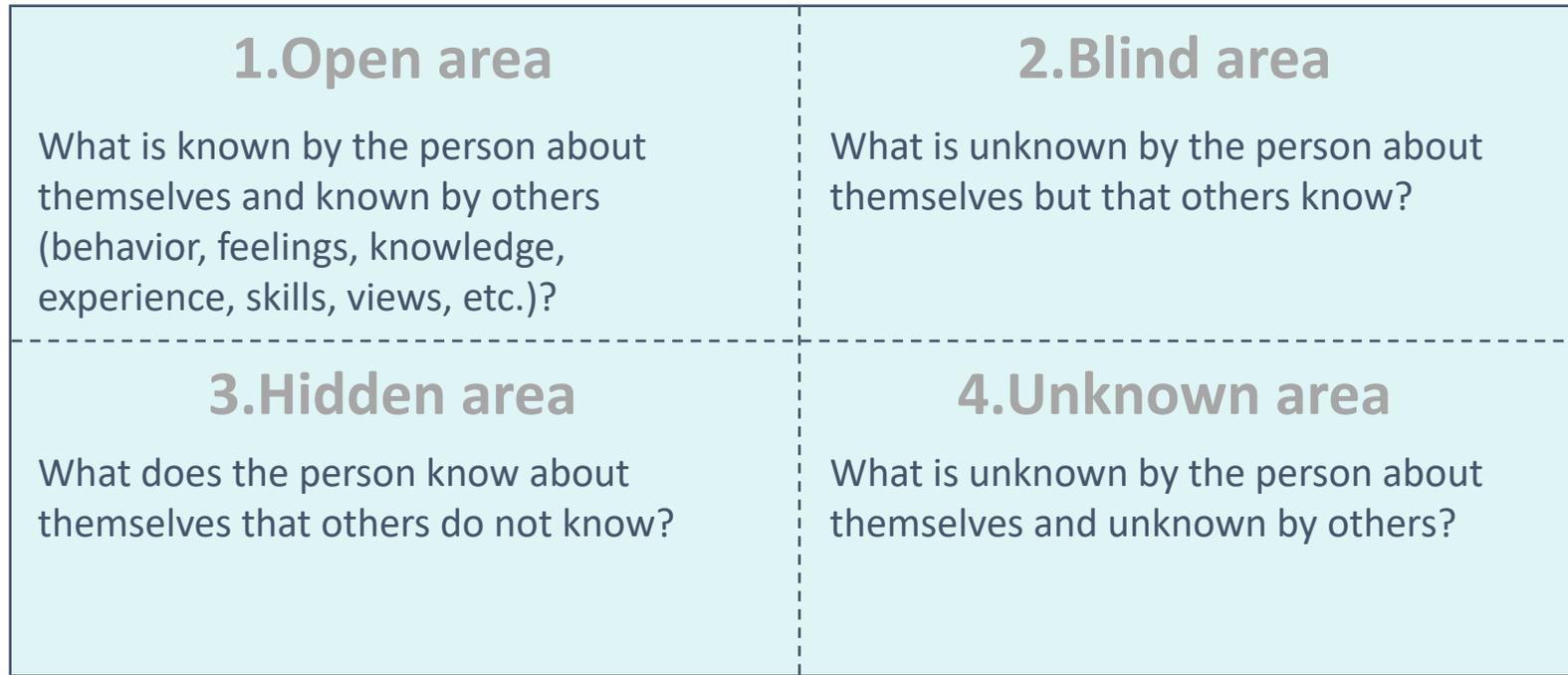
4. **Select the right negotiation method:** Choose a negotiation method that is appropriate for the balance of power between the parties and avoid being too predictable or rigid in your approach.
5. **Understand your BATNA:** Know your Best Alternative To a Negotiated Agreement (BATNA) and try to identify the other party's BATNA for each element of the agreement.
6. **Identify the ZOPA:** Determine the Zone Of Possible Agreement (ZOPA),

which represents the range of possible outcomes that would be acceptable to both parties.

7. **Ensure you can deliver on commitments:** Make sure that you have the resources and capabilities to follow through on any commitments made during the negotiation process.
8. **Manage the negotiation context:** Consider external factors such as cultural differences, legal constraints, and power dynamics, and adjust your approach accordingly.

# What is the Johari Window exercise?

- The Johari Window model is a simple and useful tool for illustrating and improving self-awareness and mutual understanding between individuals within a group
- The Johari Window model includes 4 quadrants:



# Why is it important to define your mission, vision, values, and goals?

## Mission

Your mission will help you to have a rough understanding of who you want to be

## Vision

Your vision will help you to have a rough understanding of what you want to achieve in the long run

## Values

Your values will guide your behaviors

## Goals

Your short-term goals will help you to track your progress towards your vision



**By being clear on these 4 blocks, you will give more meaning to your life and help your subconscious mind to help you**

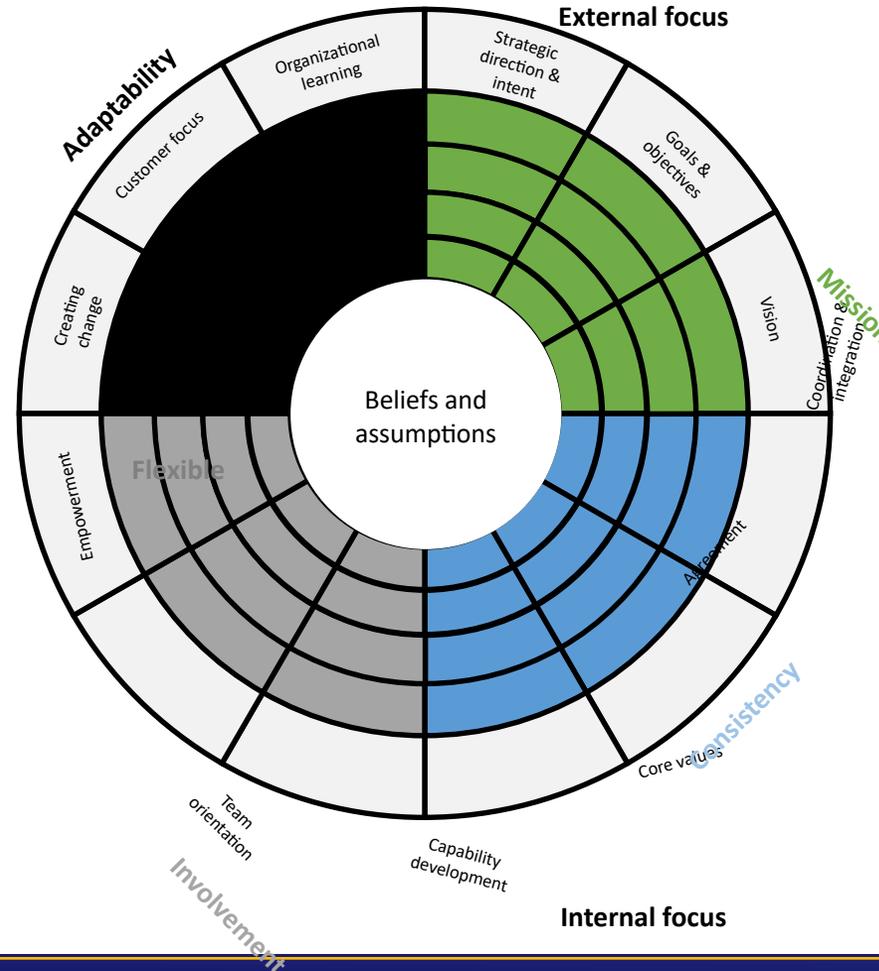
# Description of the Denison organizational culture model

**Adaptability**  
Patterns, trends, & market

“Are we listening to the marketplace?”

**Involvement**  
Commitment, Ownership, & Responsibility

“Are our people aligned and engaged?”



**Mission**  
Direction, purpose, & blueprint

“Do we know where we are going?”

Stable

**Consistency**  
Systems, Structures, & Processes

“Does our system create leverage?”

# Description of the Organizational Culture Inventory (OCI)

Human Synergistics uses a Circumplex tool, called Organizational Culture Inventory (OCI), which provides a way to see, measure and change the thinking and behavioural styles proven to drive the performance of not only individuals, but also groups and organizations. It enables you to use a common language and visual model for development across 5 levels:

- Individual: Thinking and behavioural styles of leaders and other key members
- Leader/Manager: Impact of leaders/managers on the styles of the people around them
- Group: Interaction styles of members of problem-solving groups
- Organization: Organizational culture in terms of values (ideal) and behavioural norms(current)
- Customer: Styles exhibited by service providers when interacting with customers

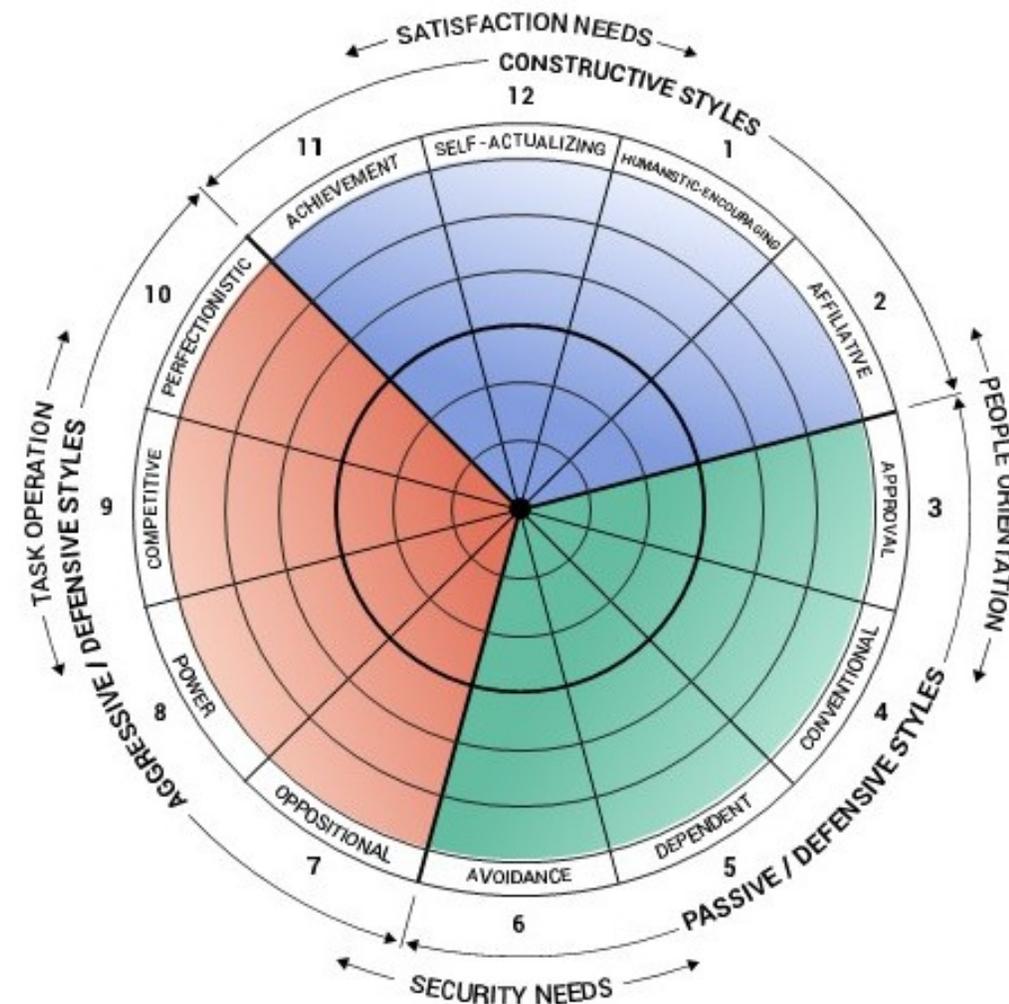
The Organizational Culture Inventory is one of the most widely used organizational culture diagnostic tools.

The OCI framework was developed by Robert A. Cooke and J. Clayton Lafferty, the OCI provides an assessment of the operating Culture in terms of the behaviors that members believe are required to "fit in and meet expectations" within their organization.

This model measures 12 sets of behavioral norms associated with three general types of organizational cultures:

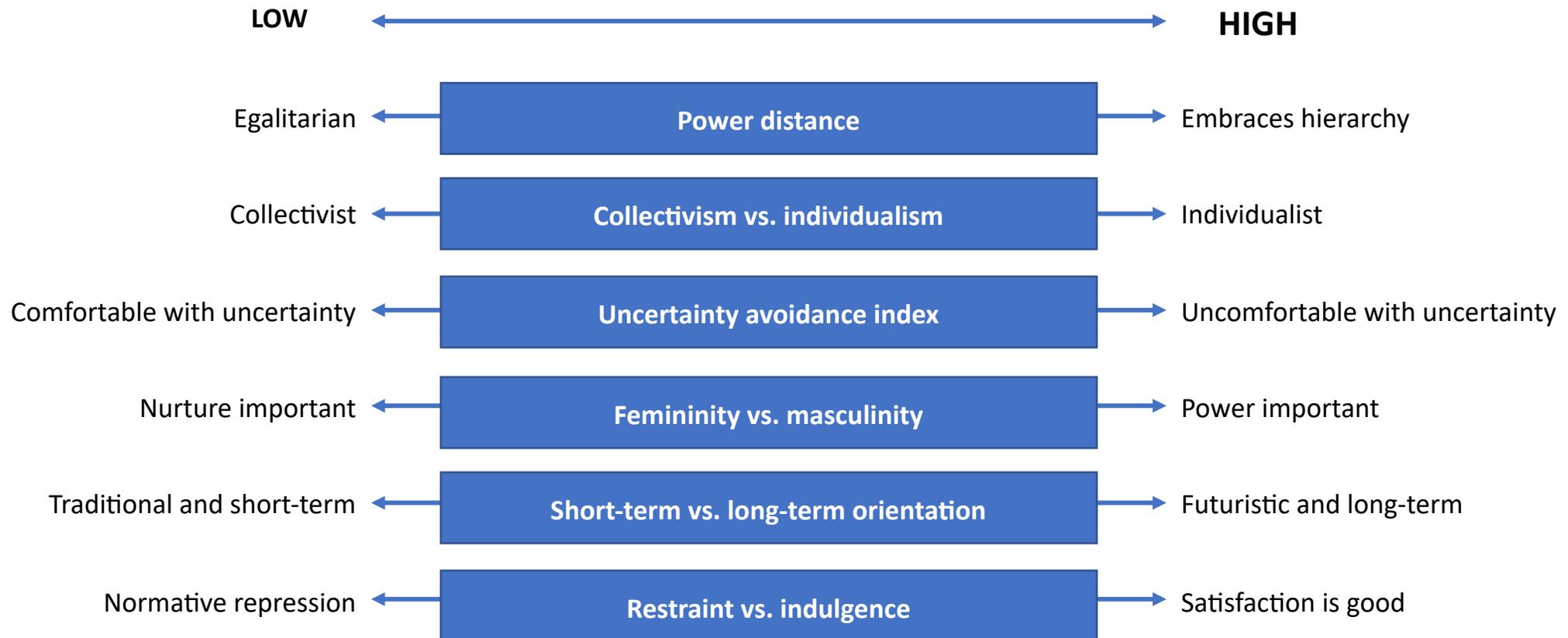
- 1. Constructive culture:** They are the organizations that encourage healthy interaction amongst the employees.
- 2. Passive/defensive culture:** In the passive culture, the employees behave in a way contrary to the way they feel is correct and should be ideal way.
- 3. Aggressive/defensive culture:** In the aggressive culture, organizations promote competition amongst the employees. They encourage the employees to compete against each other so that each one performs better than his fellow worker.

Source: <https://www.humansynergistics.com/blog/constructive-culture-blog/details/constructive-culture/2020/09/15/there-is-a-right-culture/>



# Description of the Hofstede's cultural dimensions theory

Hofstede's cultural dimensions theory is a framework for cross-cultural communication, developed by Geert Hofstede. It shows the effects of a society's culture on the values of its members, and how these values relate to behaviour, using a structure derived from factor analysis. Researchers assess individual cultures on each dimension on a scale of 1-100. This allows for comparison of cultures based upon the individual dimensional scores.



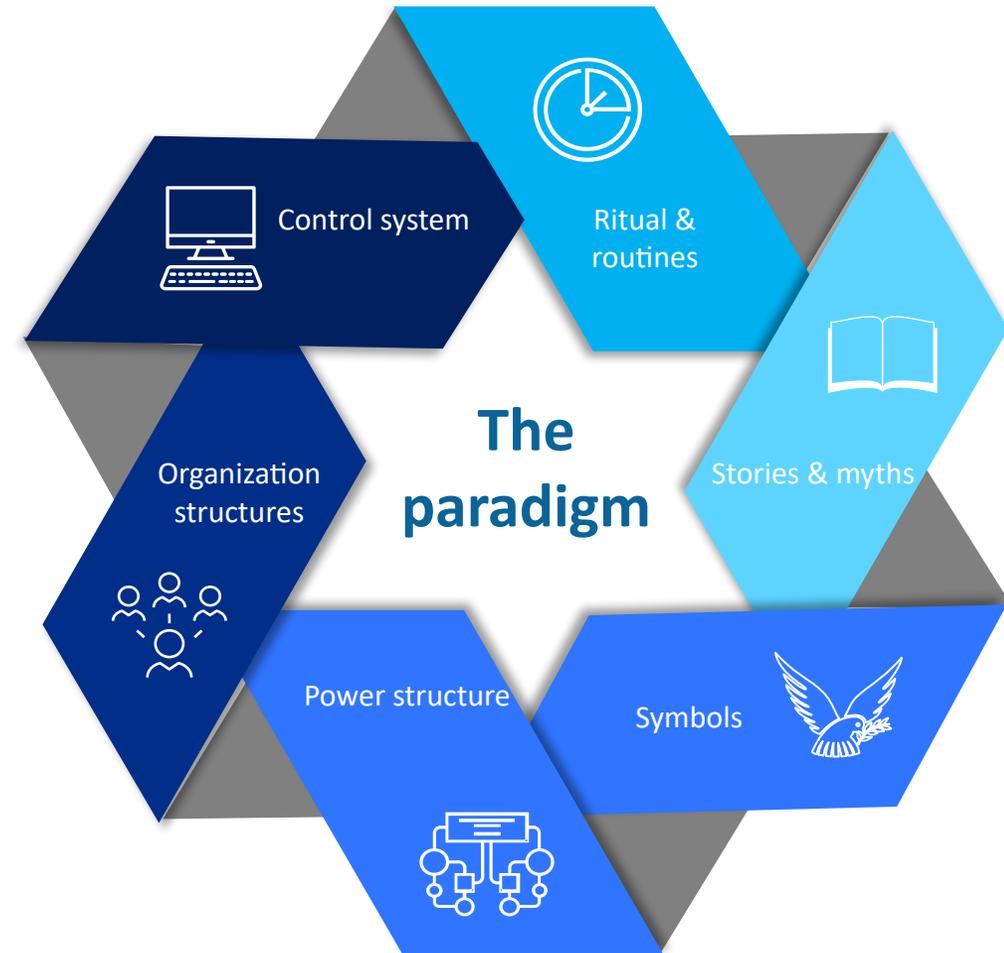
# Description of the Cultural Web Diagram

The Cultural Web Diagram is made up of six interrelated elements that make up the model of the work environment:

1. **Stories and myths:** These are the past events and people talked about inside and outside the company. They reflect the core values and underlying assumptions of our culture.
2. **Rituals and routines:** These are the daily behavior and actions of people that signal acceptable behavior. This determines what is expected to happen in given situations, and what is valued by management.
3. **Symbols:** These include logos, offices, titles, or even the type of language used, that convey meaning about the organization.
4. **Organizational structure:** This includes both the structure defined by the organization chart, and the unwritten lines of power and influence that indicate whose contributions are most valued.
5. **Control systems:** The ways that the organization is controlled, including financial systems, quality systems, and rewards.
6. **Power structures:** The pockets of real power in the company. This may involve one or two key senior executives, a whole group of executives, or even a department.

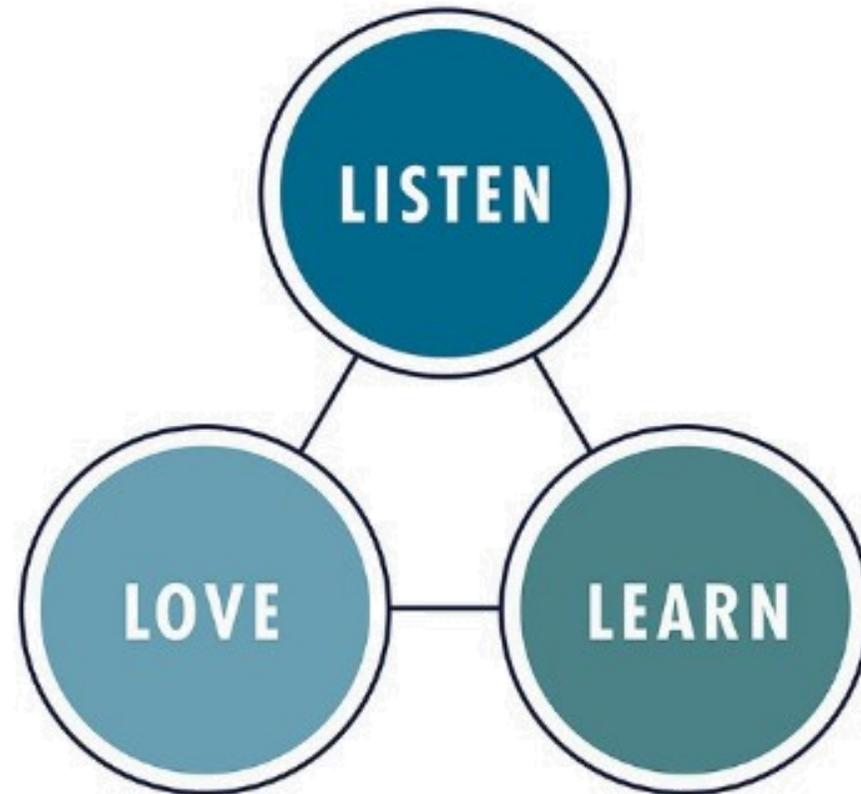
By analyzing these elements, we can paint a picture of the shared assumptions and 'unwritten rules' that shape our behavior, perceptions, and attitudes within the organization.

We can then compare this picture with our desired culture to identify areas of alignment and misalignment. This gives us a roadmap for cultural transformation, guiding us in changing the elements that don't align with our vision.

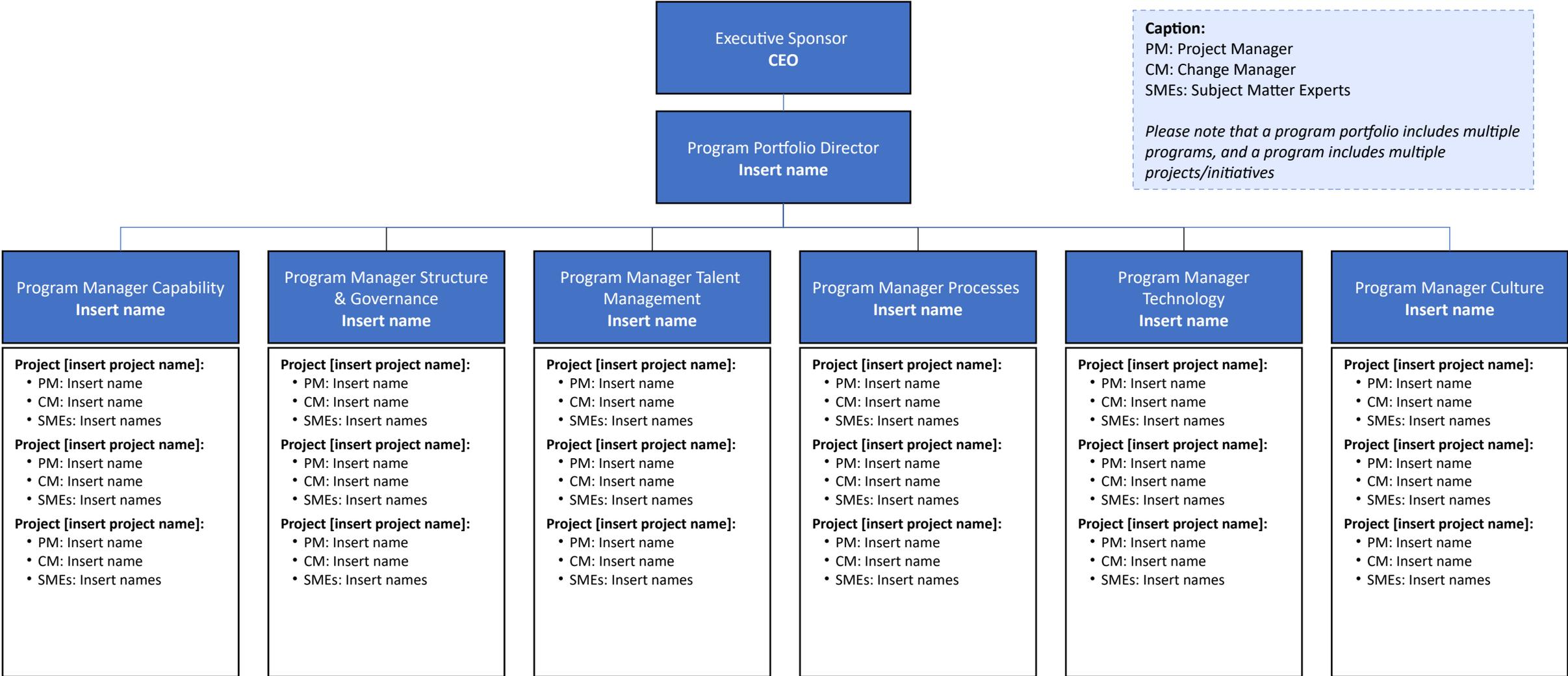


# The 3 L's for Building an Empathetic Culture

Embracing the three L's will help create a culture that's open to difference, curious about change, and loving toward others



# Governance model to define and implement our Target Operating Model and Organization Design



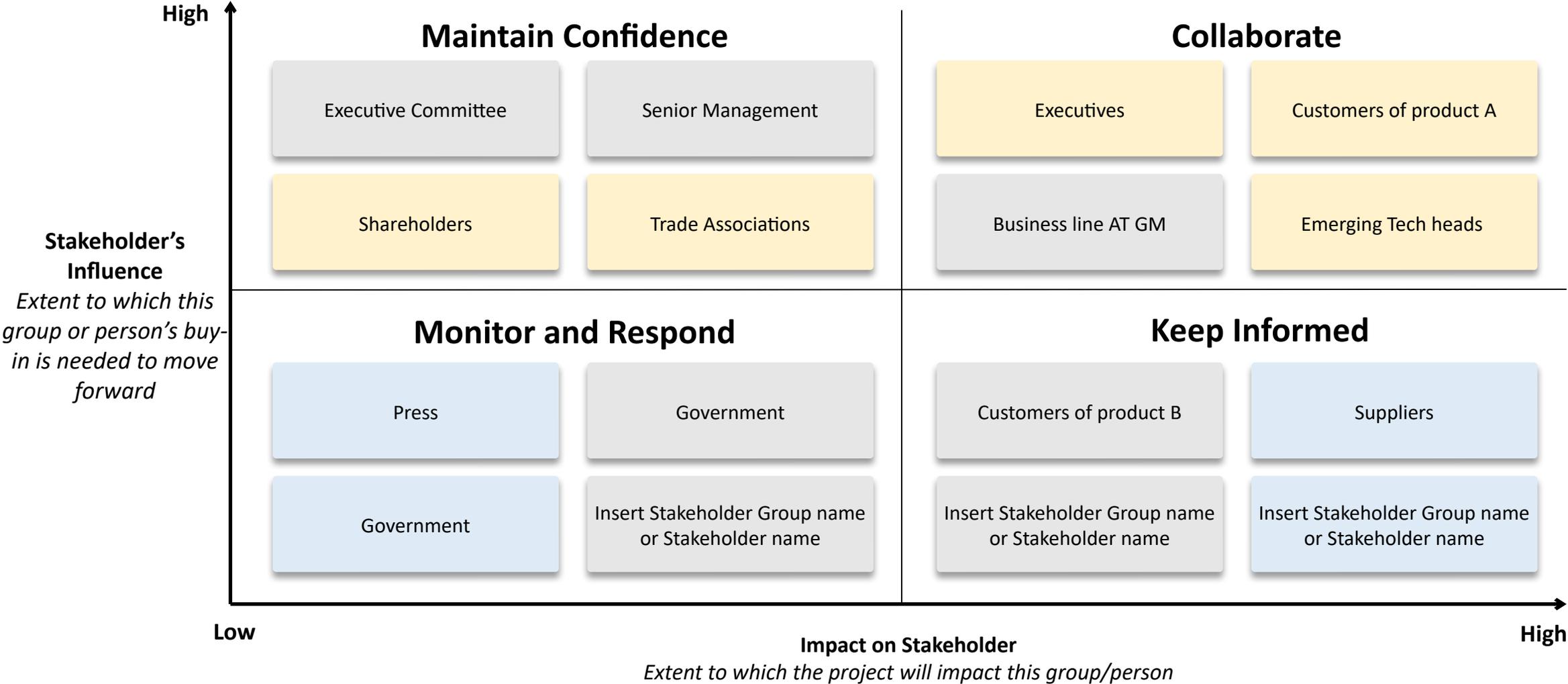
**Caption:**  
 PM: Project Manager  
 CM: Change Manager  
 SMEs: Subject Matter Experts

*Please note that a program portfolio includes multiple programs, and a program includes multiple projects/initiatives*

# Stakeholders Mapping

Who must be in contact with each stakeholder?

- John
- Jean
- Raphael



# HR and talent management capability maturity assessment

## Current state

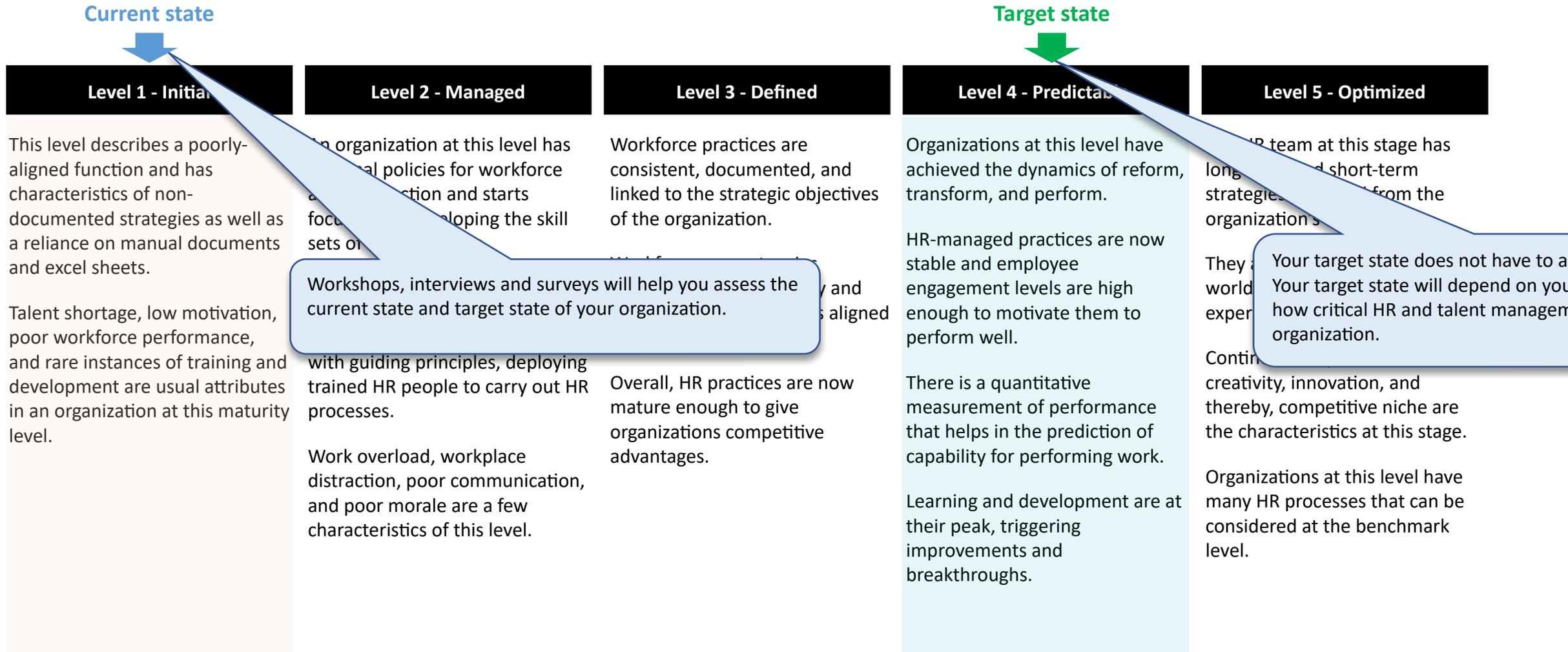
Current state



Level 1 - Initial	Level 2 - Managed	Level 3 - Defined	Level 4 - Predictable	Level 5 - Optimized
<p>This level describes a poorly-aligned function and has characteristics of non-documented strategies as well as a reliance on manual documents and excel sheets.</p> <p>Talent shortage, low motivation, poor workforce performance, and rare instances of training and development are usual attributes in an organization at this maturity level.</p>	<p>An organization at this level has informal policies for workforce and HR function and starts focusing on developing the skill sets of the workforce.</p> <p>It is also at an early stage of realization that they should have properly documented processes with guiding principles, deploying trained HR people to carry out HR processes.</p> <p>Work overload, workplace distraction, poor communication, and poor morale are a few characteristics of this level.</p>	<p>Workforce practices are consistent, documented, and linked to the strategic objectives of the organization.</p> <p>Workforce competencies development gets priority and workforce performance is aligned to key business activities.</p> <p>Overall, HR practices are now mature enough to give organizations competitive advantages.</p>	<p>Organizations at this level have achieved the dynamics of reform, transform, and perform.</p> <p>HR-managed practices are now stable and employee engagement levels are high enough to motivate them to perform well.</p> <p>There is a quantitative measurement of performance that helps in the prediction of capability for performing work.</p> <p>Learning and development are at their peak, triggering improvements and breakthroughs.</p>	<p>The HR team at this stage has long-term and short-term strategies cascaded from the organization's strategy.</p> <p>They are now equipped to create world-class employee experiences.</p> <p>Continuous improvement, creativity, innovation, and thereby, competitive niche are the characteristics at this stage.</p> <p>Organizations at this level have many HR processes that can be considered at the benchmark level.</p>

# HR and talent management capability maturity assessment

## Target state



# Skill gaps need to fill in

## Competency map

Caption: Skill gaps

Customer-Facing Competencies		
Insert competency name	Insert competency name	Analysis and AI
Insert competency name	Insert competency name	Insert competency name
Insert competency name	Insert competency name	Insert competency name
Insert competency name	Insert competency name	Insert competency name

Operations Competencies		
Manufacturing design	Insert competency name	Insert competency name
Supply chain Strategy	Insert competency name	Insert competency name
Insert competency name	Insert competency name	Program and product management
Insert competency name	Insert competency name	Insert competency name

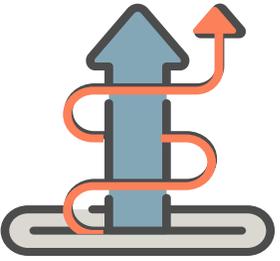
Support Functions Competencies		
Insert competency name	Insert competency name	Insert competency name
Tech Support	Insert competency name	Insert competency name
Insert competency name	Insert competency name	Insert competency name
Insert competency name	Insert competency name	Insert competency name

➔ Then we asked our managers to identify people who can fill those gaps now, or talented individuals who can be developed to fill these gaps in the future.

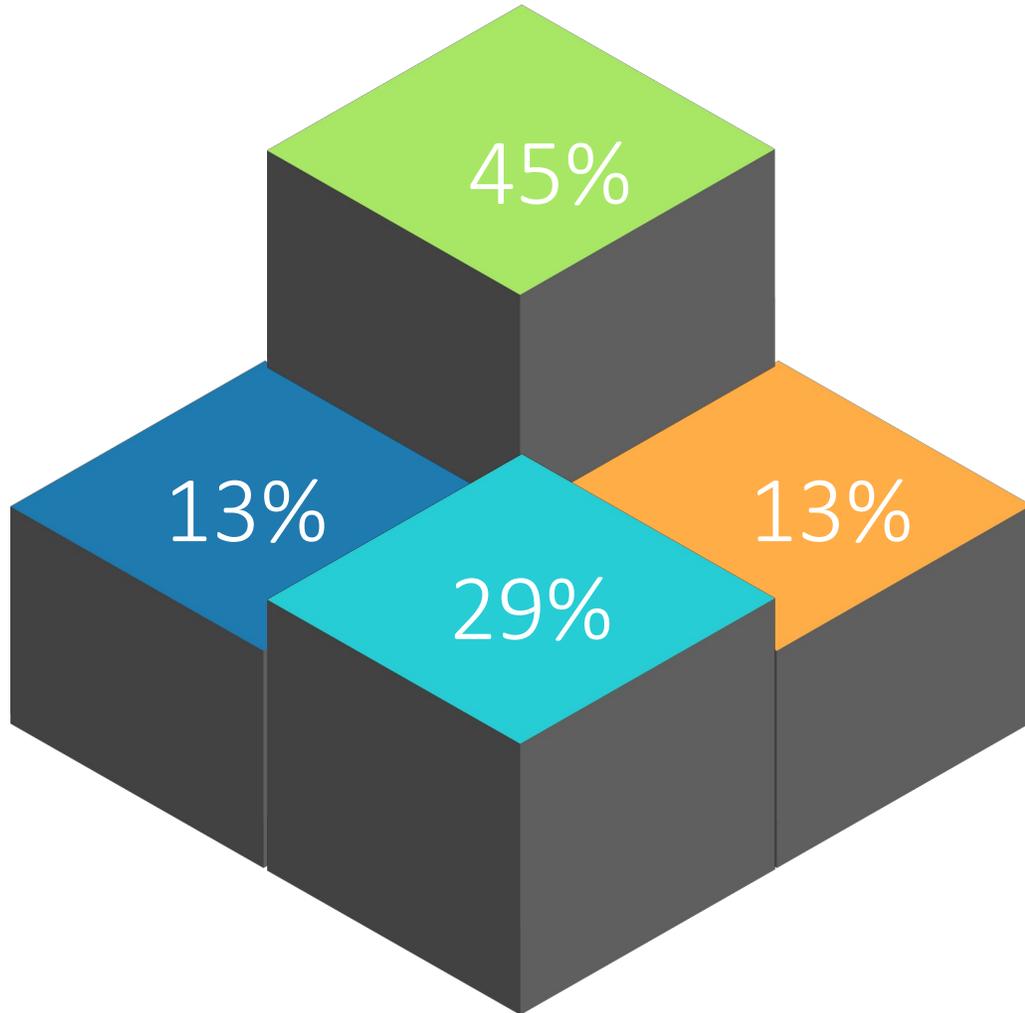


# Strategic Business Plan





# Business Growth Secrets



01

## Business Unit 1

Capturing partnerships quickly to gain market share.

02

## Business Unit 2

Diversifying product portfolio by inorganic growth in greener technologies.

03

## Business Unit 3

Expanding business services in emerging technologies.

04

## Business Unit 4

Partnership with governments and academia by using security solutions.



SCALE UP AND SCALE DOWN



# Scale Up Preparation



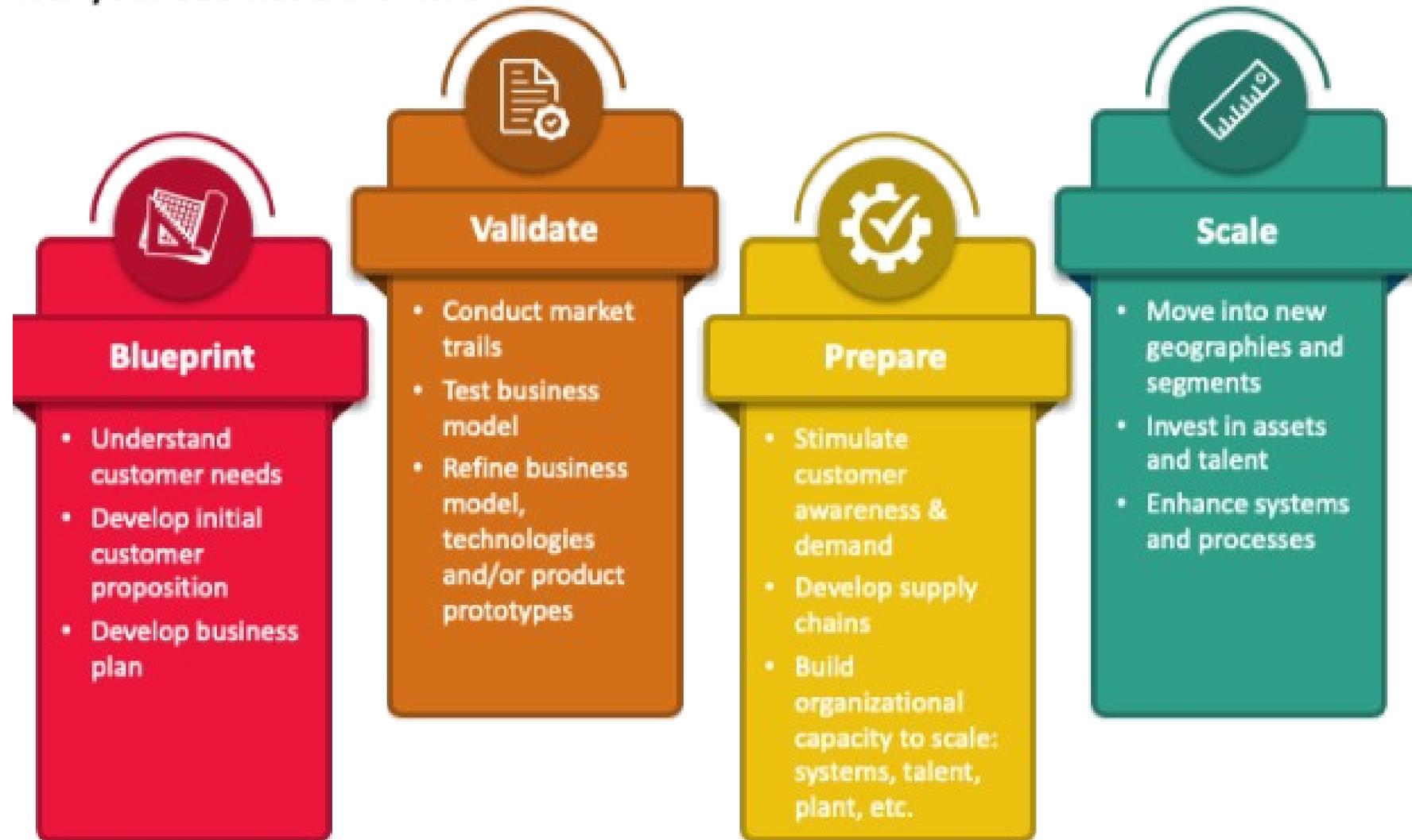
# Prepare Start Up to Scale Up



# 10 Points Scale Up Business Plan



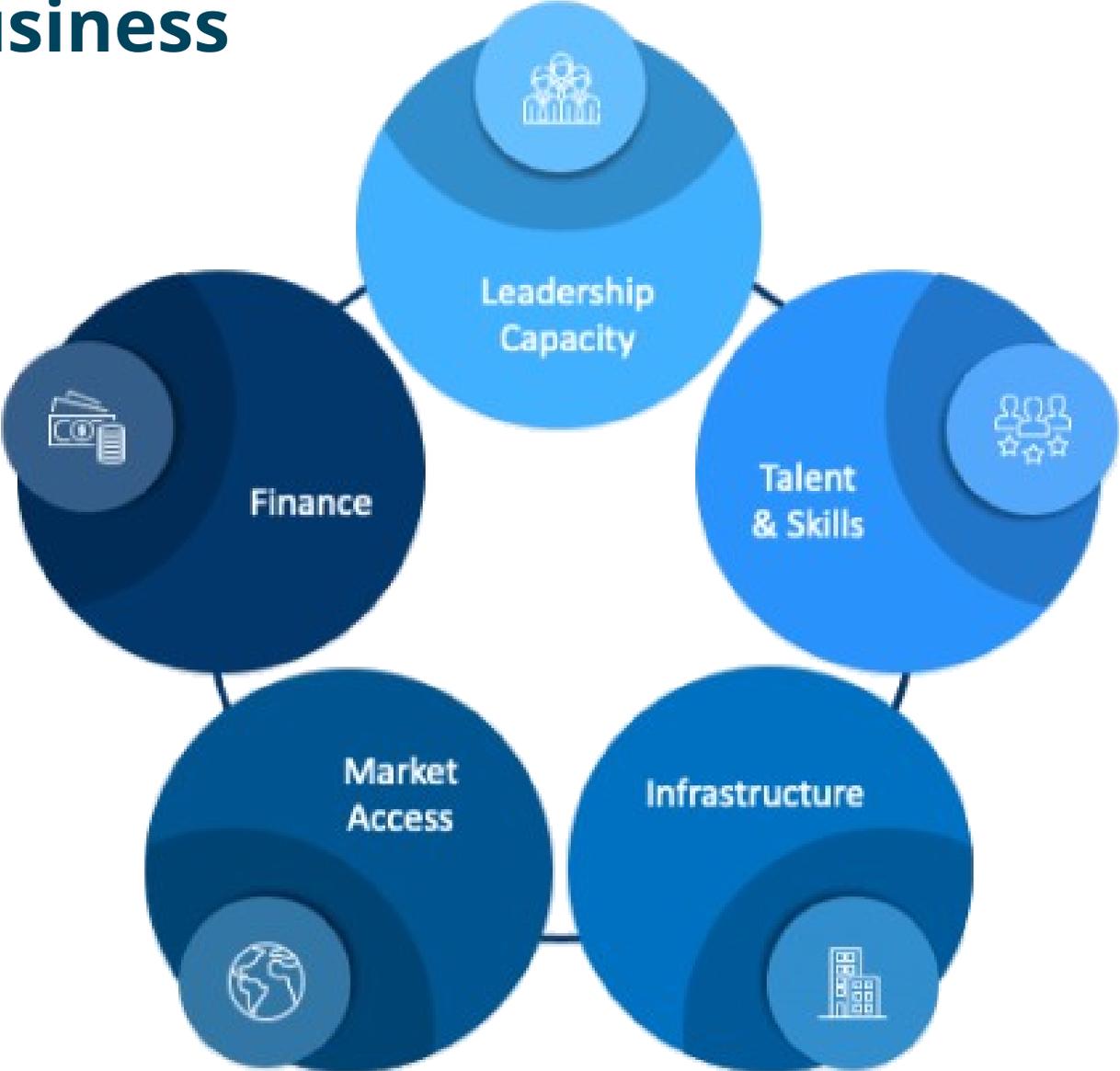
# Scale Up Plan



# Scale Up Plan



# A 5 Scale Up Business Barriers



# Scale Up Strategy



# Advantage of Scale Up Strategy

Scale-up businesses are more productive, with high levels of productivity twice as common.

01

Scale-ups are more pioneering and innovative in their respective marketplaces.

02

Growth becomes a habit with scale-ups.

03

Scale-ups naturally create more jobs as the business expands.

04

08

Scale-ups can operate across all sectors, including recruitment.

07

They are good corporate citizens.

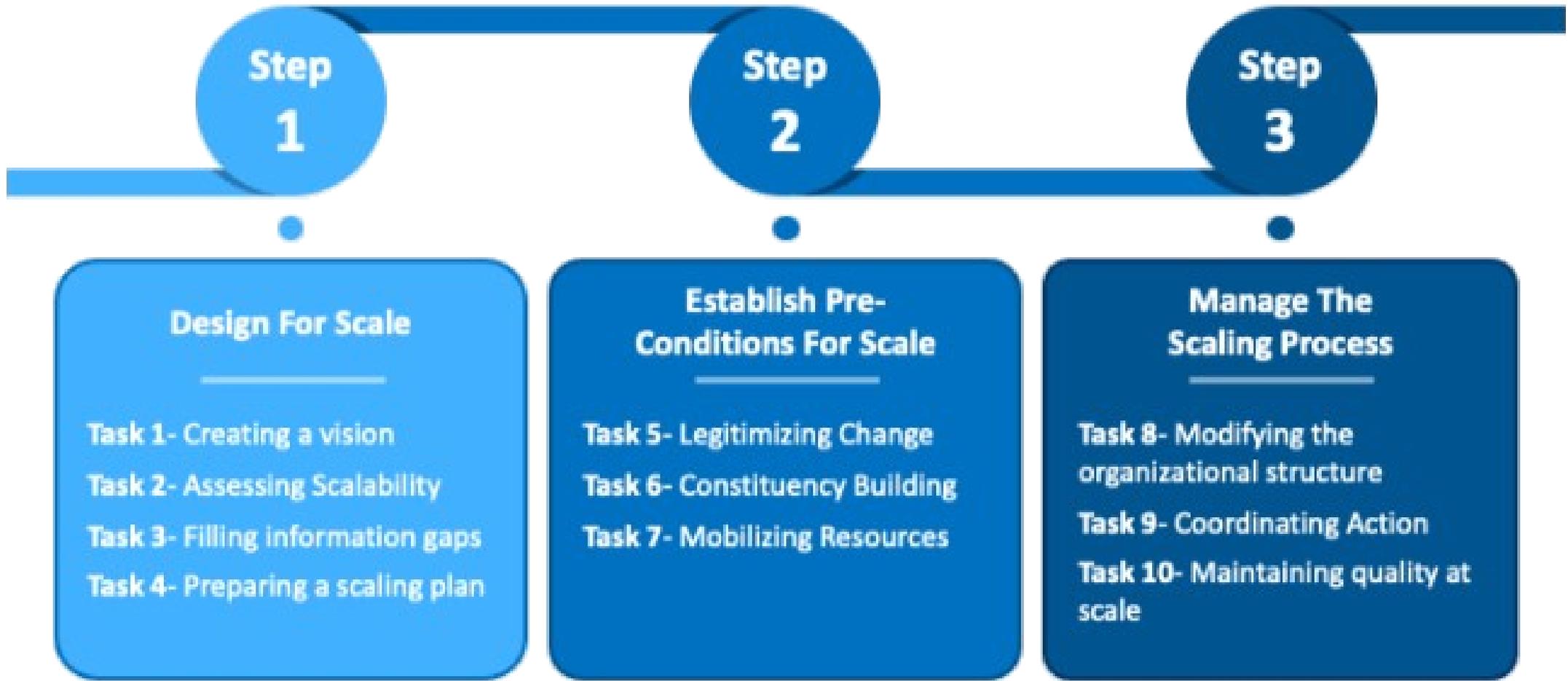
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Scale-ups typically have greater diversity in the workforce.

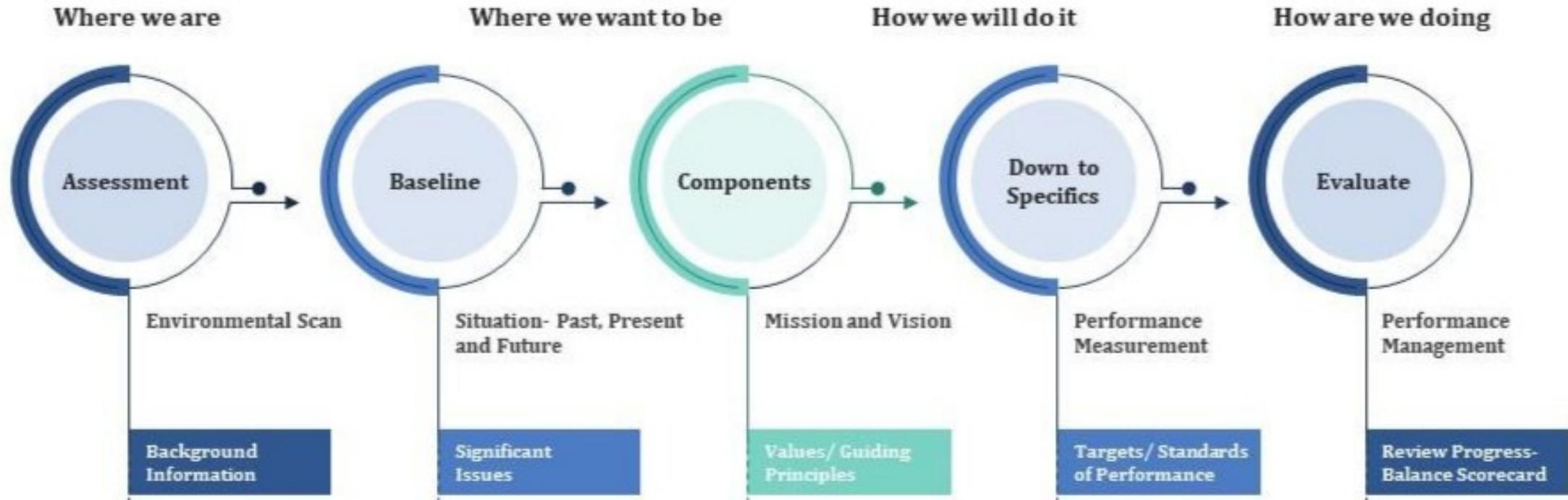
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They are great places to work, with a vibrant, dynamic atmosphere that creates high-quality jobs with high levels of employee satisfaction.

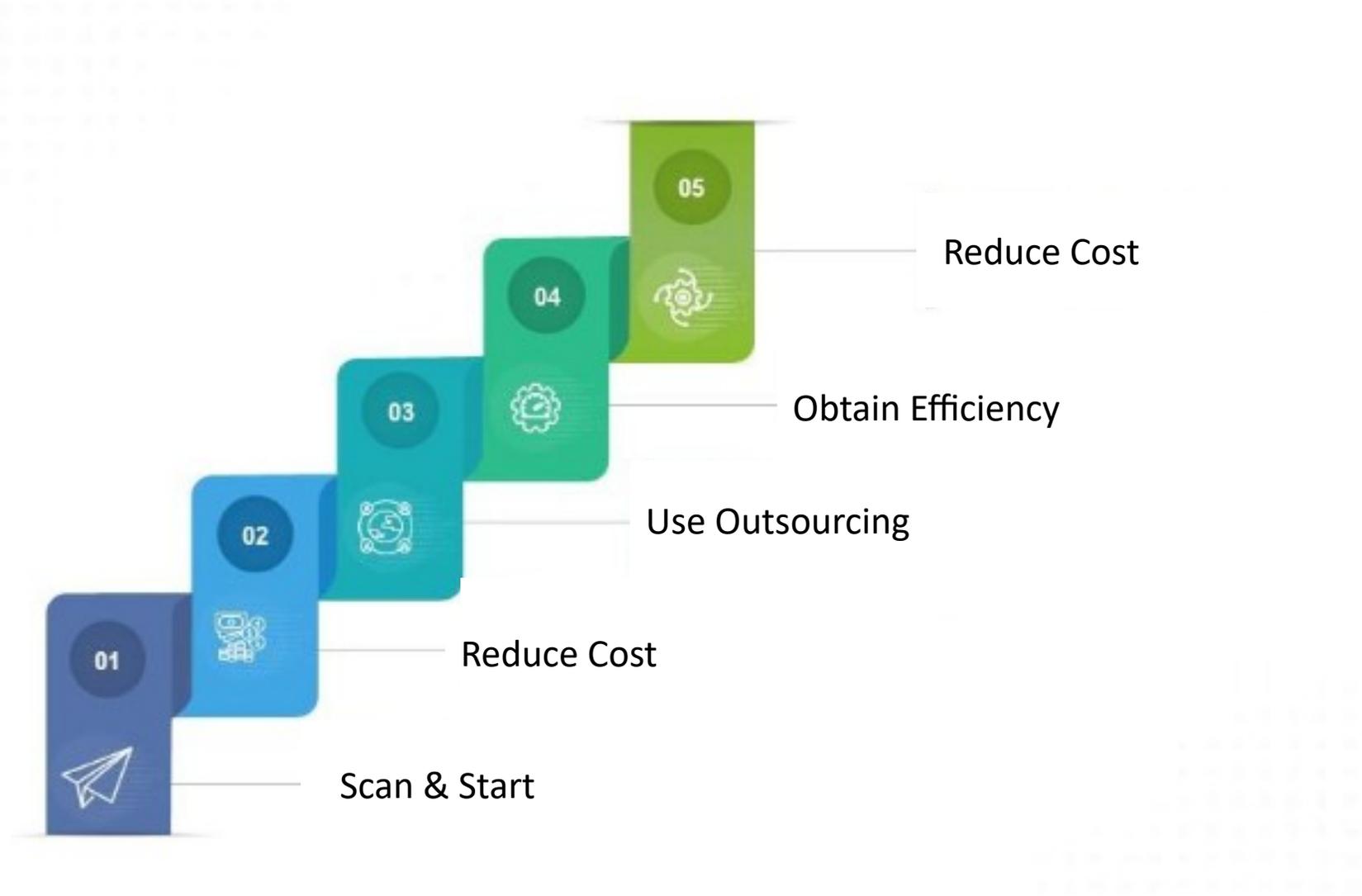
# Scaling Up Framework



# Business long term strategy for growth



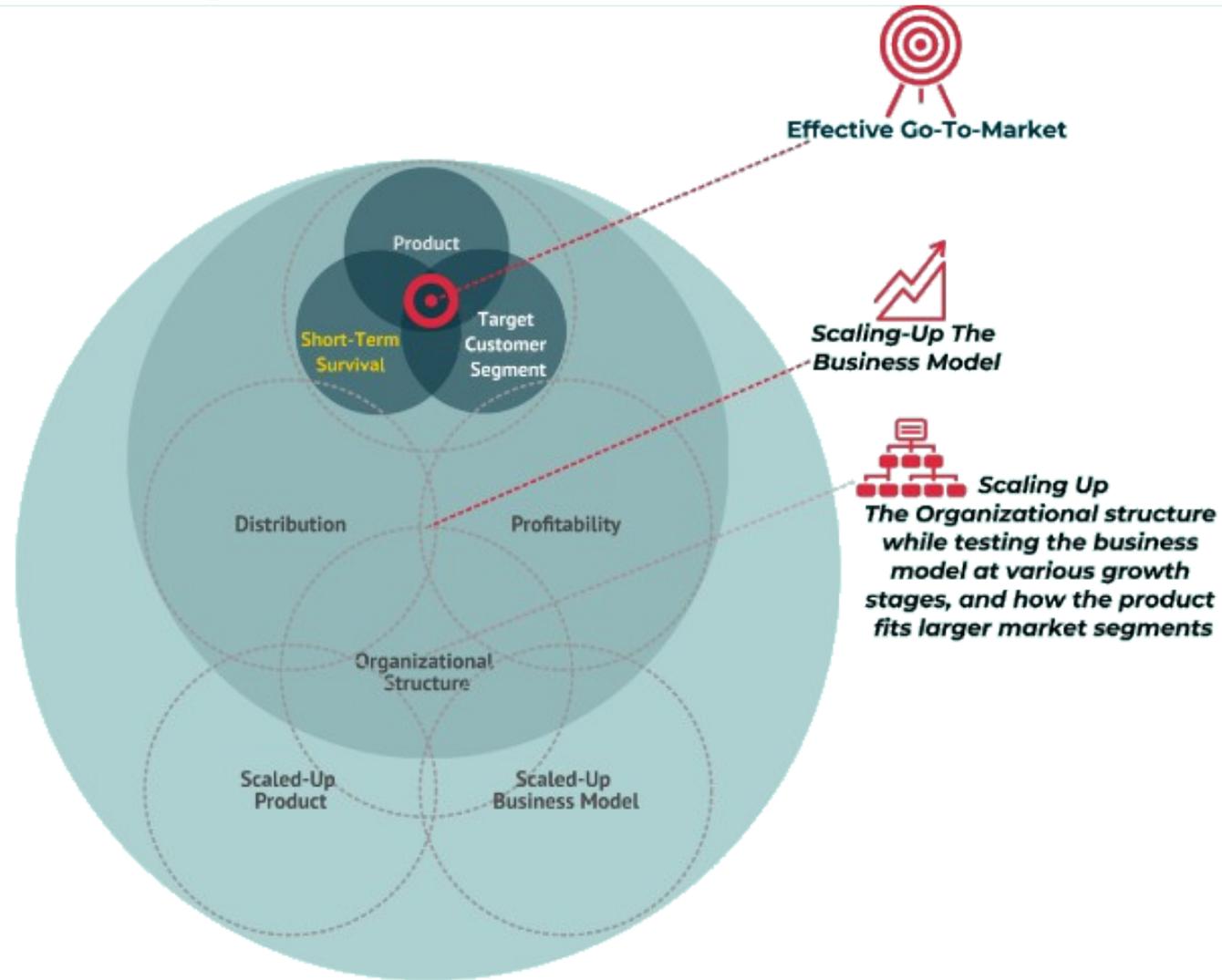
# Strategies to save cost



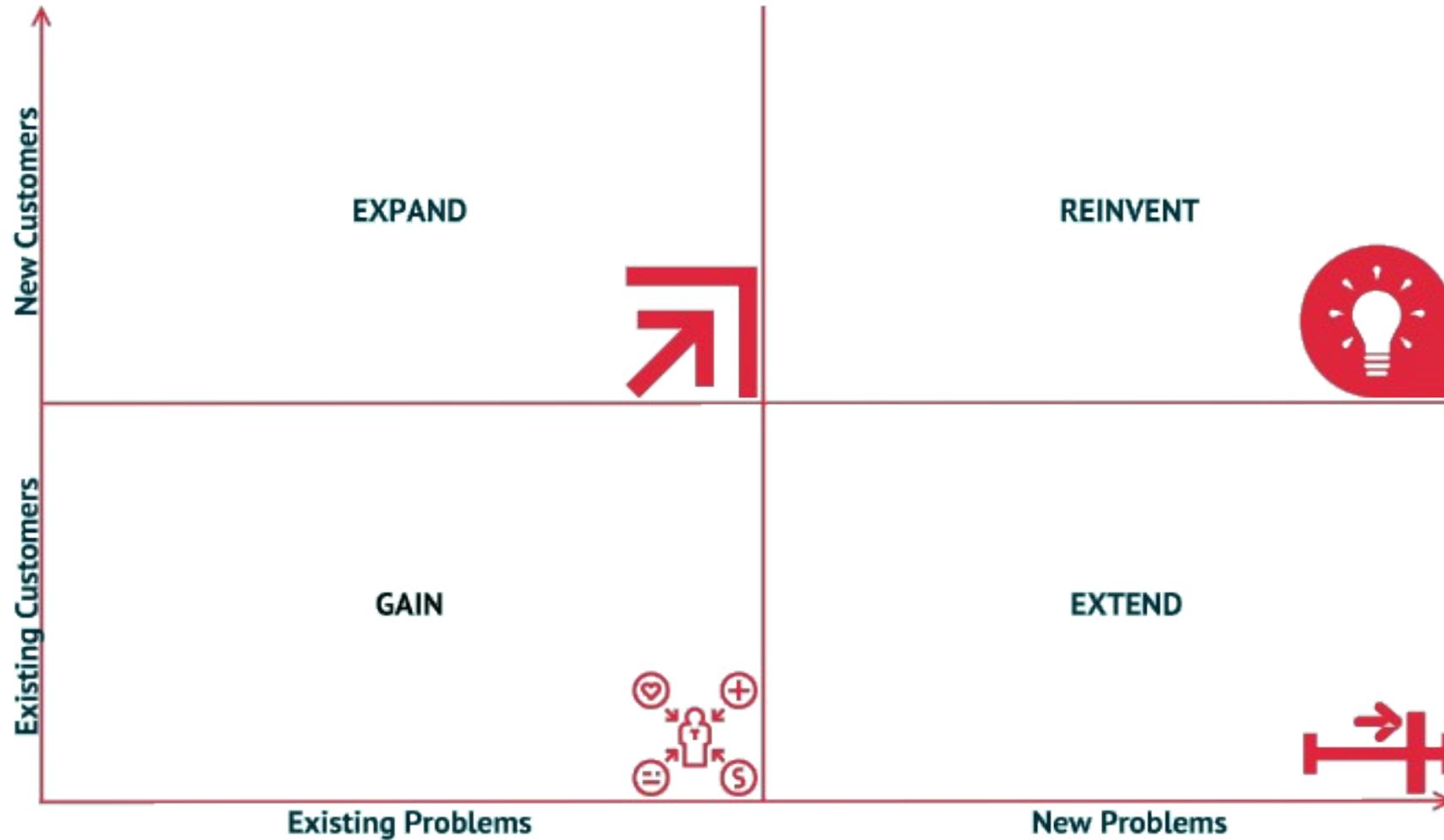
# 5 Important Components for Scaling Up



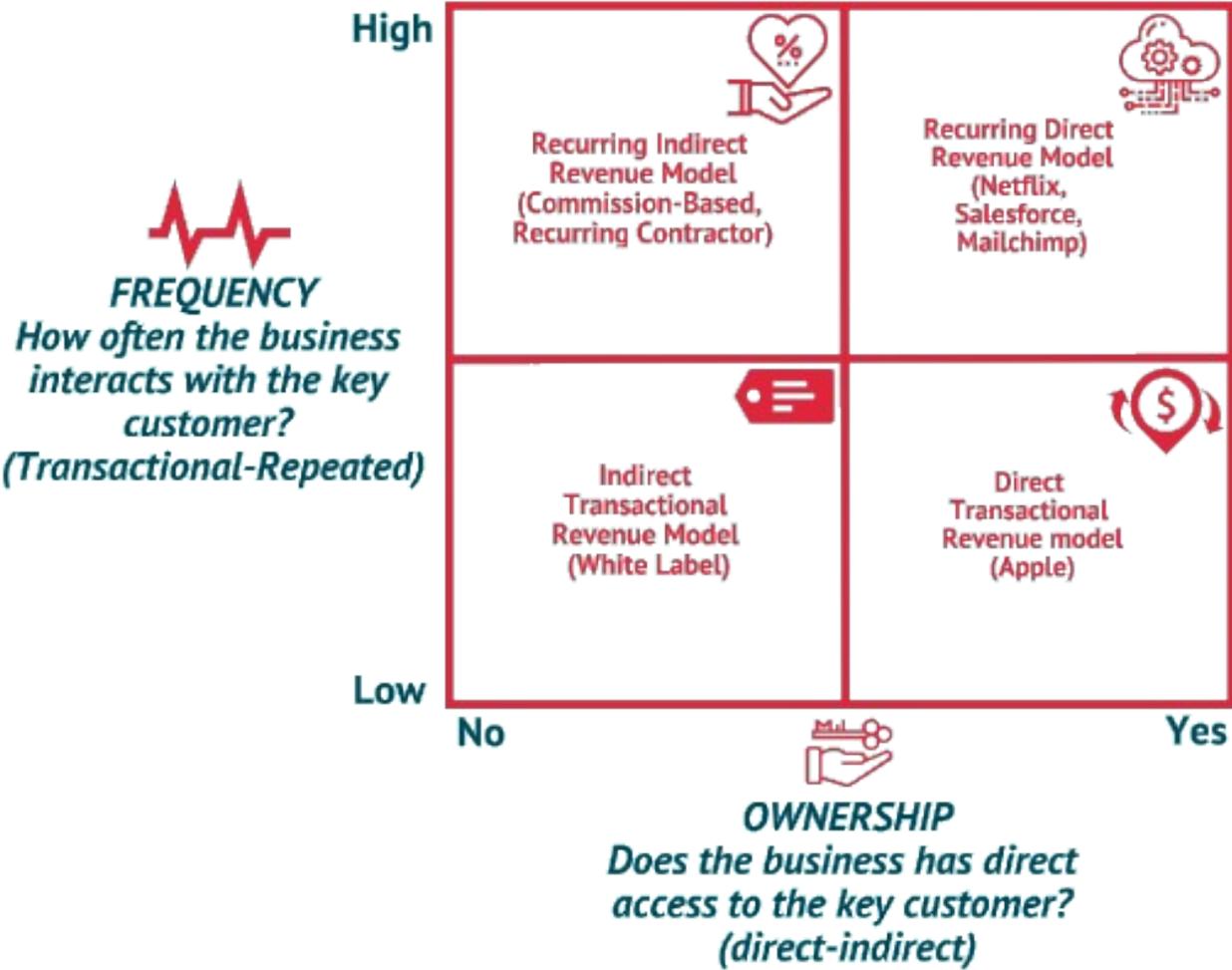
# Scale Up Business Model



# Growth Matrix



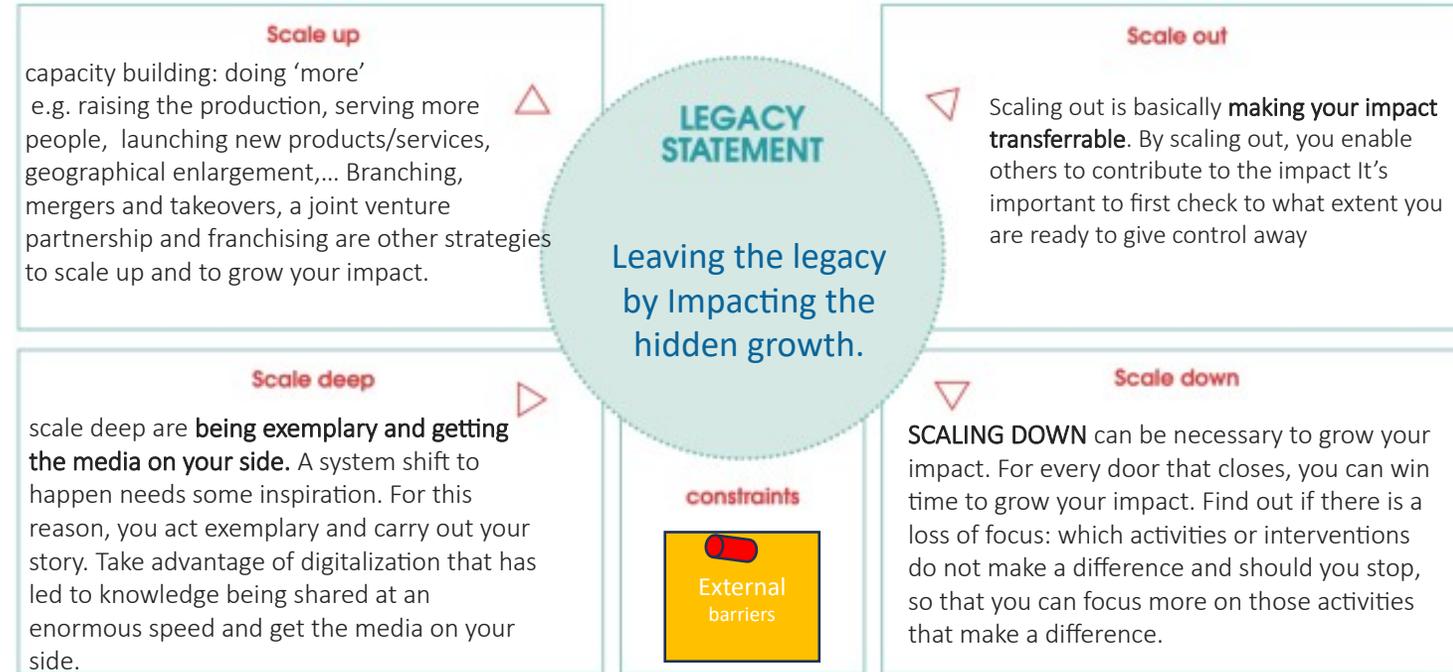
# Revenue Stream Model



# Scale up – scale deep – scale out – scale down

Motivate change by **sparking the public debate**. This can be done through lobbying, writings, lectures, partnerships, influencing policy and the effect of social media,... For sure, **government adoption** can grow impact substantially. Imagine your idea being institutionalized. Reaching out to private as well as public actors often requires specific skills and as an organization, you might need to change your business model so that specific skills and networks can get involved to achieve deep scaling.

## Legacy Canvas



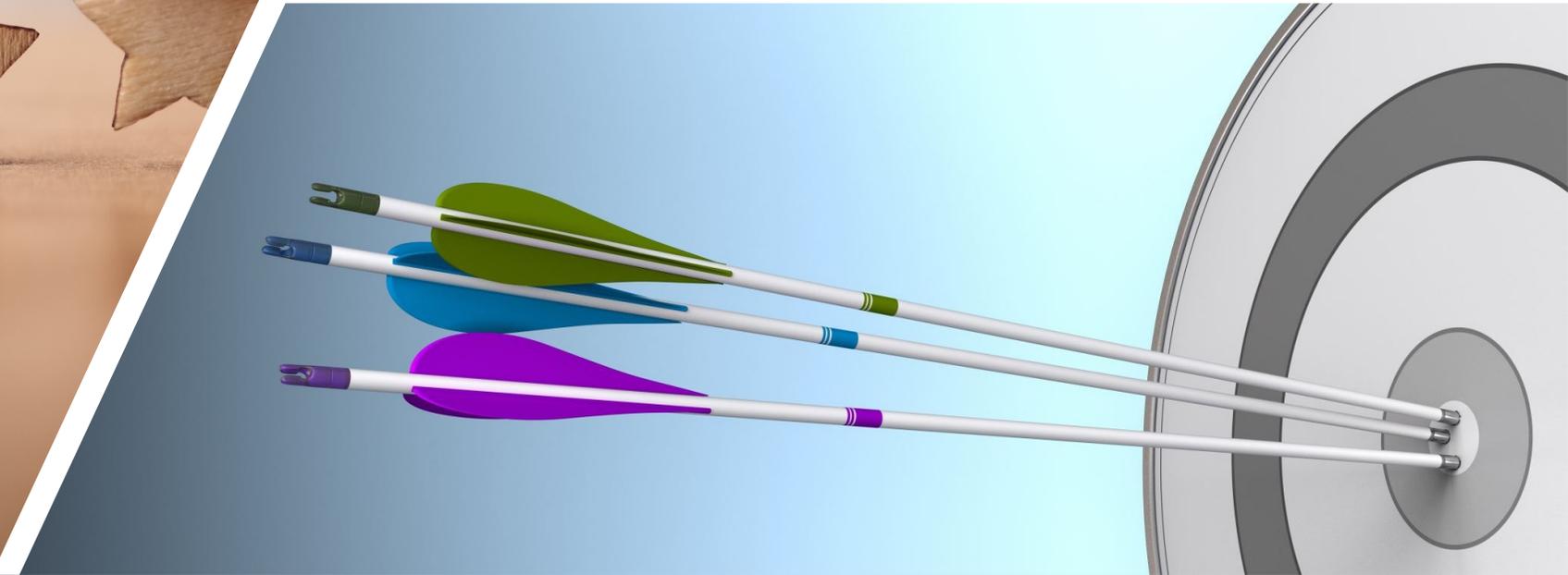
CURRENT	STAGES OF IMPACT	AMBITION
	4: leaving a legacy	4
3	3: scaling impact	
	2: positive impact	
	1: becoming less harmful	
	0: recognizing having negative impact	
	-1: negative impact	



NOW ———→ 2050

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**CUSTOMER EXPERIENCE  
&  
DESIGN THINKING**



## I. Customer Experience Strategy

Summary of the Corporate & Business Strategy

Current & Target Customer Experience Maturity Levels

Customer Experience Vision, Mission & Values

Strategic Objectives & KPIs to reach our Vision

Customer Experience Team & Budget

Customer Segments & Customer Journeys

Initiative Prioritization & Business Roadmap

### Design Thinking Process to implement Initiatives



1. Empathize

2. Define

3. Ideate

4. Prototype

5. Test

Objective

Gain an empathic understanding of our users

Define the key problem we are trying to solve

Generate a range of ideas to solve the problem

Build prototypes for a range of our ideas

Return to our users for feedback

Activities

1. Project canvas
2. Stakeholder management
3. Research plan
4. Desktop research
5. User interviews
6. Focus groups
7. Shadowing
8. DILO (day in the life of)
9. Contextual inquiry
10. Diary study
11. Ethnographic research
12. Emotional response cards
13. Surveys
14. Expert interviews
15. Service safari

1. Customer journey
2. User personas
3. Empathy map
4. Five whys
5. Five WH questions
6. Affinity mapping
7. Card sorting
8. Landscape review
9. Problem statement
10. Value proposition

1. Define success
2. Ideation constraints
3. "How might we" questions
4. Ideation workshop
5. Brainstorming
6. Mind mapping
7. Sketching
8. Crazy 8s
9. Design sprint
10. NABC
11. Idea evaluation

1. Sketching
2. Storyboarding
3. Low-fidelity prototyping
4. Co-creation workshops
5. High-fidelity prototyping
6. Role-playing
7. Proof of concept
8. Minimum viable product

1. Testing sheet
2. Heuristic evaluation
3. Usability testing
4. Accessibility testing
5. A/B testing
6. Eye tracking
7. Heatmaps
8. Performance testing
9. Feedback capture grid

# Customer experience is increasingly becoming a top priority for companies, as it helps improve business performance

Improvement in customer satisfaction



Increase in sales conversion



Lower cost to serve



# Customer Experience Maturity Model

	Current State		Target State	
Dimension	Level 1 - Basic	Level 2 - Medium	Level 3 - Good	Level 4 - World-class
<b>Strategic alignment</b>	No formal effort to align customer experience with the corporate and business strategy	Limited alignment between customer experience and the corporate and business strategy	Strong alignment between customer experience and the corporate and business strategy	Very strong alignment between customer experience and the corporate and business strategy
<b>Customer Experience Strategy</b>	No formal customer experience strategy	Basic customer experience strategy	Advanced customer experience strategy	Sophisticated and comprehensive customer experience strategy
<b>Process to improve customer experience</b>	No formal process	Basic process	Advanced process such as the Design Thinking process. But only the customer experience team master the process.	Advanced process such as the Design Thinking process, which is integrated across the organization
<b>Organization</b>	No dedicated customer experience team	Small dedicated customer experience team	Medium-sized dedicated customer experience team	Big dedicated customer experience team that directly report to the executive committee
<b>Culture</b>	Customer-centricity is barely ingrained in the culture	Customer-centricity starts to be ingrained in the culture	Customer-centricity is ingrained in the culture	Customer-centricity is deeply ingrained in the culture
<b>Understanding of customer needs</b>	Limited understanding. No formal customer feedback mechanisms	Average understanding. Basic customer feedback mechanisms	Good understanding. Advanced customer feedback mechanisms	Perfect understanding. Sophisticated and comprehensive customer feedback mechanisms
<b>Technologies</b>	No CRM Tool	Basic CRM Tool	Advanced CRM Tool. Advanced technologies, such as artificial intelligence and predictive analytics, are starts to be leverage to anticipate and exceed customer expectations	Advanced CRM Tool. Advanced technologies, such as artificial intelligence and predictive analytics, are leveraged to anticipate and exceed customer expectations

# To prioritize the customer journeys, a simple matrix with 2 criteria

1

## Revenue

How much does each customer journey contributes to the revenue

Other criteria may be used based on the specificities of your organization

2

## Customer satisfaction's room for improvement

The lower the current customer satisfaction, the higher the room for improvement. Customer satisfaction can be calculated based on metrics such as:

- Net Promoter Score (NPS): Percentage of customers who would further recommend your company, product or service
- Customer Satisfaction (CSAT): Total number of satisfied customers divided by the total number of responses
- Customer Effort Score (CES): Easiness of accomplishing customer's goal measured after a touch (1 - easy to 5 or 7 - difficult)
- Renewable rate: Percentage of customers who renew their subscriptions out of those who are up for renewal at the end of each subscription period
- Customer churn rate: Number of customers who churned during a certain period customers, divided by the number of customers at the start of the period

# Our focus should be on the journeys that generate high revenue and high customer satisfaction's room for improvement

Customer Journey Prioritization matrix

	High	Priority 3 Journeys	Priority 2 Journeys	Priority 1 Journeys
Revenue	Medium	Unattractive Journeys	Priority 3 Journeys	Priority 2 Journeys
	Low	Unattractive Journeys	Unattractive Journeys	Priority 3 Journeys
		Low	Medium	High

Customer satisfaction's room for improvement

# List of Potential Initiatives

	Strategic Alignment	Value	Ease of Implementation	Should we invest in this initiative?
<b>Customer Segment #1 and Customer Journey #1</b>				
1 Customer service improvement	Yes	High	Easy	Yes
2 Bank transfer	Yes	Medium	Easy	Maybe Later
3 Speed delivery	Yes	High	Easy	Yes
4 Reduce time to refund	No	Low	Intermediate	No
5 Technical service after delivery	Yes	Low	Difficult	No
<b>Customer Segment #1 and Customer Journey #2</b>				
1 Customer Feedback Programs	Yes	High	Easy	Yes
2 Omni-channel Customer Support	Yes	Medium	Easy	Maybe Later
3 Self-Service Options	Yes	High	Easy	Yes
4 Loyalty Programs	No	Low	Intermediate	No
5 Proactive Customer Service	Yes	Low	Difficult	No
<b>Customer Segment #2 and Customer Journey #1</b>				
1 Customer service improvement	Yes	High	Easy	Yes
2 Bank transfer	Yes	Medium	Easy	Maybe Later



# To be able to prioritize potential projects, a business case with 7 sections has been created for each project

## Project Description

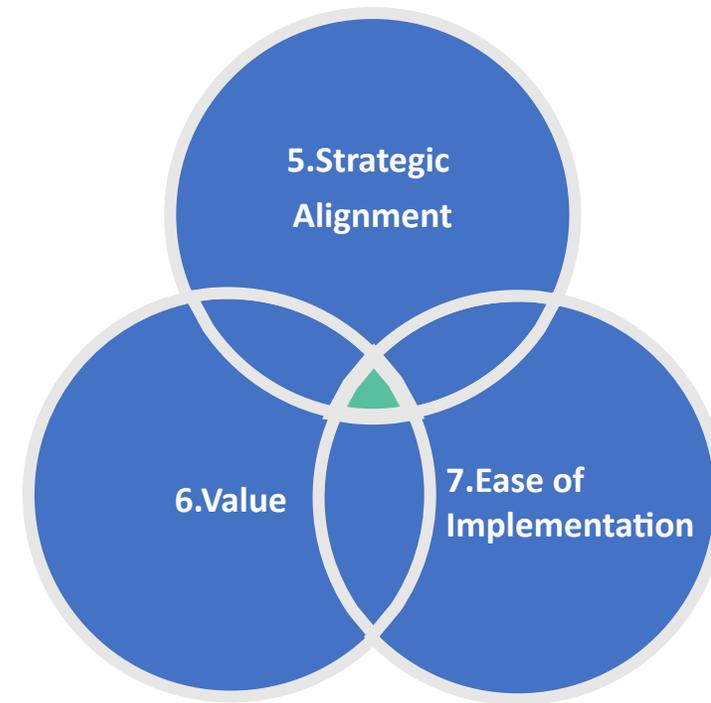
1. Business opportunity & suggested solution

2. Project objectives and key performance indicators (KPIs)

3. Project scope, approach and high-level plan

4. Deliverables, activities & key success factors

## Project Assessment



# Research plan

## Research Objectives

- To better understand the current market and competition
- To identify consumers (who they are and what they care about)
- To explore what features or services could improve customer experience

Activities	Purpose	Methodology	Timeline
Desktop research	To gather existing information and data sources, to gain insights into user needs and behavior	Review of relevant research reports, articles, and data sources.	1 week (January 1st till January 8th)
Insert activity	Insert your own text	Insert your own text	Insert your own text
Insert activity	Insert your own text	Insert your own text	Insert your own text
Insert activity	Insert your own text	Insert your own text	Insert your own text
Insert activity	Insert your own text	Insert your own text	Insert your own text
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Insert activity	Insert your own text	Insert your own text	Insert your own text

# Research plan

## Research workplan

January

	Owner	Due date	Status	15	16	17	18	19	20	21	22	23	24	25	26
Desktop research	Aurelien D.	Jan 18	On Track												
User interviews	Jean L.	Jan 19	On Track												
Focus groups	Jean L.	Jan 22	Done												
Shadowing	Christian G.	Jan 22	Late												
A day in the life of	George P.	Jan 25	Done												
Contextual inquiry	Aurelien D.	Jan 25	Done												
Diary study	Christian G.	Jan 25	On Track												
Ethnographic research	George P.	Jan 26	On Track												

# Research plan

Research workplan example in Excel



					February																		
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
			Owner	Due Date	Status	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
3	1	Desktop research	Aurelien F.	Jan 29	On Track																		
4	2	User interviews	Christian G.	Jan 29	Late																		
5	3	Focus groups	George P.	Jan 29	Done																		
6	4	Shadowing	George P.	Jan 29	On Track																		
7	5	A day in the life of	George P.	Jan 29	Done																		
8	6	Contextual inquiry	George P.	Feb 21	Done																		
9	7	Diary study	George P.	Feb 28	On Track																		
10	8	Ethnographic research	George P.	Mar 25	Done																		
11	9	Insert your own text	George P.	Mar 31	On Track																		
12	10	Insert your own text	George P.	Mar 31	On Track																		
13	11	Insert your own text	George P.	Mar 31	On Track																		
14																							

# Ethnographic Research

## Purpose

Ethnographic research is a qualitative research method that is used to understand and describe the cultural and social aspects of people's lives. It is a key component of the design thinking process, as it helps designers to understand the people they are designing for and the cultural, social, and historical context in which they live. Ethnographic research is different from other research methods, such as contextual inquiry, DILO (Day-in-the-Life-of), and shadowing, in that it focuses on understanding the context of the participant's life in a broader and more holistic manner.

Examples of ethnographic research include:

1. Understanding the culture and traditions of a particular community to understand their customs, beliefs, and values. This may help in designing products or services that are culturally appropriate and sensitive.
2. Studying the behavior of people in a particular environment such as a school, workplace, or public space, to understand how they interact and what motivates them.
3. Examining the impact of technology on society to observe how people use technology in their daily lives and the impact it has on their relationships, work, and leisure activities.

In conclusion, ethnographic research provides a deep understanding of the cultural and social context. It helps designers to better understand the needs, motivations, to design culturally appropriate and responsive products / services / experiences.

# Ethnographic Research

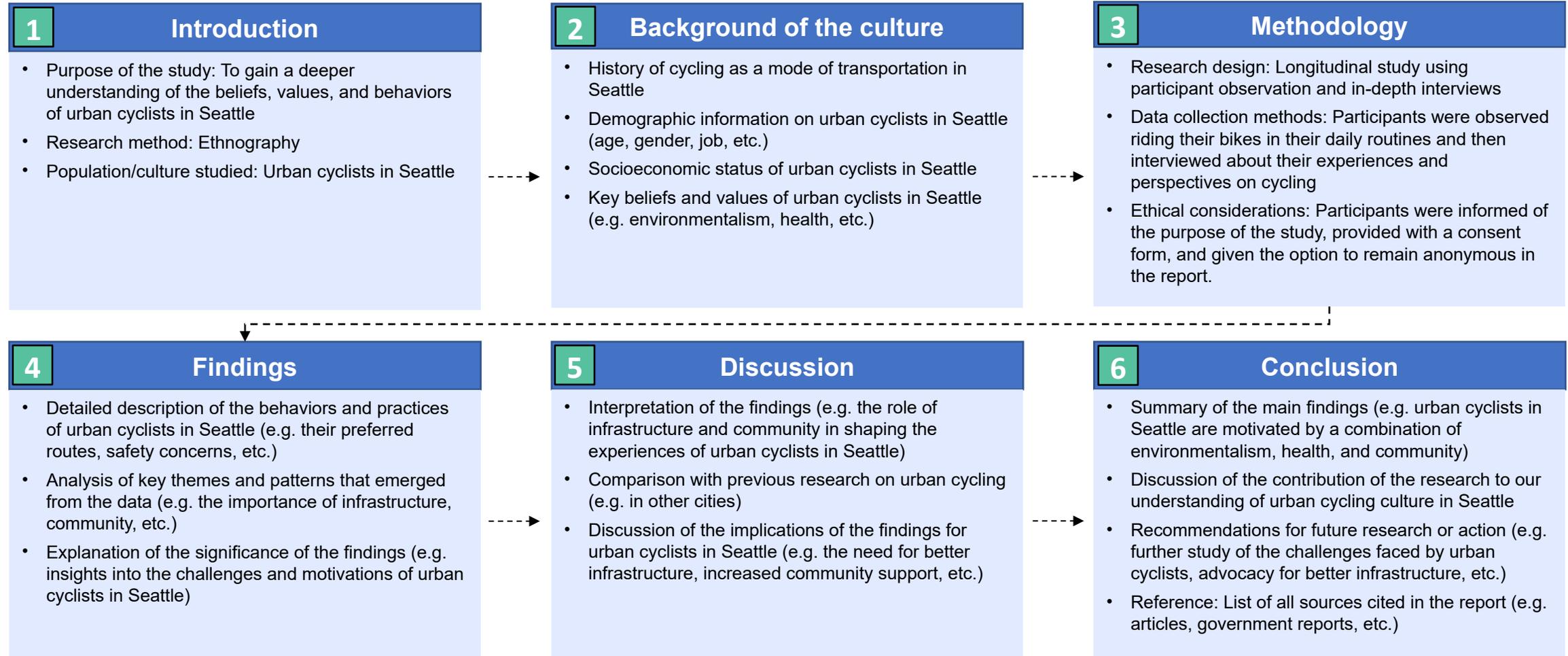
## Example observations and suggestive actions

Example	Observation	Suggestive Action
<b>Time of the Day</b>	People use the day-light app more often during the early morning and late evening, when natural light is scarce.	Consider adapting the app's color scheme to match the different light levels during those times, to improve the user experience.
<b>Season</b>	During the winter, people use the app more often to help fight against seasonal depression.	Consider adding features to the app that help people beat seasonal depression, such as guided meditation exercises or inspirational quotes.
<b>Gender</b>	Women tend to use that particular app more frequently than men.	Consider adding features to the app that specifically appeal to women, such as personalized skin care routines or women's health tips.
<b>Age</b>	Older adults tend to use the app more often than younger adults.	Consider adding features to the app that specifically appeal to older adults, such as fall prevention tips or reminders to take medication.
<b>Cultural background</b>	People from different cultural backgrounds use the app differently, with some cultures valuing privacy and others valuing community.	Consider adding features to the app that allow users to customize their experience based on their cultural background, such as different privacy settings or community groups.
<b>Environment</b>	Older adults may have trouble seeing small text on mobile devices.	Consider larger font sizes and high-contrast color combinations for the app design to cater to the needs of older adults.
	People in rural areas may have limited or no internet connectivity	Develop an app that can work offline and store data temporarily. The app should then be able to upload the data to a database once the user is back online.
<b>Physical Ability</b>	People with limited mobility may have difficulty using touchscreens.	Consider implementing alternative methods of interaction, such as voice commands or physical buttons, to make the app more accessible to users with limited mobility
	People with visual impairments may need audio cues to navigate the app	Integrate audio cues and describe visual elements for users who are visually impaired.
<b>Technology Access</b>	People with outdated technology may struggle with using newer apps	Consider the hardware and software requirements of the app and ensure that it works well on older devices and operating systems.
	Some people may not have access to the latest smartphones or other high-end technology	Consider using simple and low-cost technologies such as basic mobile phones or laptops to develop the app and make it accessible to as many people as possible.

# Ethnographic Research

## Output: Example of a study of user's culture

### An Ethnographic study of the culture of urban cyclists in Seattle



# Emotional response cards

## Description

"Emotional Response Cards" is a method used in the Empathize phase of Design Thinking. The purpose of the Empathize phase is to gain a deep understanding of the users and their needs, emotions, and experiences related to the problem being addressed.

The Emotional Response Cards method involves creating a set of cards with different emotions written on them (e.g. joy, frustration, sadness, anger, etc.). During user interviews or observation sessions, the facilitator asks the user to describe a specific experience they had related to the problem, and then invites them to pick an emotional response card that best reflects how they felt during that experience. This method helps the design team to better understand the emotional context and impact of the problem on the user, which is critical information for creating effective solutions.

The benefits of using Emotional Response Cards include:

- Gaining a deeper understanding of the user's emotional state and how it relates to their experience with the problem
- Encouraging empathy and human-centered design thinking
- Allowing the design team to identify patterns and common emotions across multiple users, which can inform the development of solutions
- Providing a visual and tangible representation of the user's emotions, making the information easier to recall and share with the rest of the design team.

# Emotional response cards

Sample cards (1/2)

old	Stimulant	appealing	demanding	appealing
thrilling	Exceptional	impressive	satisfactorily	cheap
unambiguous	simple	easy to use	intimidating	anticipated
impressive	flexible	kind	frustrating	ordinary
helpful	inconsistent	innovative	intuitive	comfortable
complex	creatively	not valuable	slow	boringly

# Emotional response cards

## Sample cards (2/2)

is fun	modern	laborious	new	not relevant
beneficial	personal	professional	relevant	unruffled
swift	difficult to apply	difficult	sure	useful
solid	stressful	comprehensive	unattractive	unwanted
unconventionally	unprofessional	vital	trustworthy	intimate
disheveling	predictable	valuable	time-consuming	time-saving

# Emotional response cards

## Tutorial

**Step 1:** Print the words with the adjectives, cut them out and place them on a separate table as cards

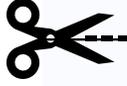
is fun	modern	laborious	new	not relevant
beneficial	person			unruffled
swift	difficult to			useful
solid	stressful	comprehensive	unattractive	unwanted
unconventionally	unprofess			intimate
disheveling	predictable	valuable	time-consuming	time-saving

**Step 2:** Ask the respondents to select the three cards from the set that best describe the experience with the product, negative as well as positive

**Step 3:** Explore what the user's sensation was about the three adjectives. It is best to dig deeper with "Why" questions and learn more with other question techniques, such as "What would you have expected instead?"

# Emotional response cards

## Best Practices



is fun	modern	la	The adjectives can be adjusted based on the specificities of the project		
beneficial	personal	professional	relevant	unruffled	
swift	difficult to apply	dis	To use the cards with the adjectives several times, print them out, glue them on a thin cardboard and cut out the individual cards.		
solid	stressful	com	vital	trustworthy	intimate
unconventionally	unprofessional				
disheveling	predictable	valuable	time-consuming	time-saving	

# Emotional response cards

Output: Matrix of user emotions

The "Matrix of User Emotions" is a tool used to organize and categorize the emotions and feelings expressed by users during the emotional card sorting activity. The layout of the matrix typically includes two axes:

1. The vertical axis categorizes the emotions based on their intensity, ranging from positive to negative.
2. The horizontal axis categorizes the emotions based on their type, such as anger, fear, joy, frustration, etc.

Each cell in the matrix represents a specific emotion and its intensity. The emotions are often illustrated using symbols or illustrations to help communicate their meaning and make the matrix more visually appealing.

The matrix helps designers to identify patterns and trends in the emotions experienced by users and can guide the design of products and services that better meet their needs and expectations.

Intensity	Joy	Fear	Anger
High			
Medium			
Low			

# Customer Journey

## Description

Customer Journey is an exercise aimed at understanding the experiences, emotions, and pain points that customers go through as they interact with the product or service. Customer journey map is a visual representation of the experiences and interactions across various touchpoints. It helps organizations identify areas for improvement. It helps:

1. **Identify and understand customer needs and pain points:** By mapping out the customer journey, organizations can better understand what the customer needs, wants, and expects from their products or services. This can help identify areas where the customer experience is lacking or needs improvement.
2. **Improve customer experience:** By identifying pain points and areas for improvement, organizations can change their products, services, and customer interactions to create a positive and seamless customer experience.
3. **Foster customer loyalty:** A positive customer experience leads to customer loyalty and repeat business. By improving the customer journey, organizations can foster long-term customer relationships and build brand advocacy.
4. **Drive business growth:** Improving the customer experience can lead to increased customer satisfaction, repeat business, and positive word-of-mouth, which can drive business growth.
5. **Enhance collaboration and cross-functional understanding:** Customer Journey Mapping requires input and collaboration from multiple departments, including marketing, product development, and customer service. This cross-functional collaboration helps create a shared understanding of the customer experience and can lead to more effective and efficient solutions.

# Customer Journey

## Customer journey mapping process

1

### Define goals and

Identify the need for improvement in each aspect of the customer journey and how those improvements will be measured. Focus on the five stages of Awareness, Consideration, Purchase, Onboarding, and Loyalty & Advocacy.

2

### Conduct persona research

Gather information about the target persona through qualitative research methods such as customer interviews and surveys, and quantitative methods such as customer service logs and purchase histories.

3

### Identify touchpoints

Determine the interactions and experiences customers have with the brand, analyzing their effectiveness in reaching goals and identifying potential challenges.

4

### Identify pain points

Highlight obstacles and issues at each step and stage of the customer journey and find opportunities to resolve them.

5

### Create Current State Map

Use the gathered information to create a visual representation of the customer's current journey, including a timeline or flowchart of the customer's interactions with the product or service at each stage.

6

### Create Future State Map

Use insights from the Current State Map to create a visual representation of the ideal customer journey.

# Customer Journey

Output: Customer journey map template

	Customer persona	Scenario			Goals and expectations
	1. Awareness	2. Consideration	3. Purchase	4. Onboarding	5. Advocacy & Loyalty
Touchpoints		 	   	  	   
Actions		Research different options, compare prices, gather opinions	Place an order, make payment, provide delivery information	Receive delivery, unpack groceries, get help if needed	Repeat purchases, recommend to others, provide feedback
Emotions	 	Interest, excitement, frustration  	Nervousness, frustration  	Frustration, confusion  	Satisfaction, loyalty, frustration  
Pain points	Difficulty finding information about the products, conflicting information from different sources etc.	Difficulty finding information about specific products, conflicting information from different sources etc.	Complicated checkout process, difficulty finding the right product, long wait times for customer service	Late delivery, incorrect items delivered, difficulty understanding the delivery process	Poor product quality, poor customer service, difficulty finding information
Opportunities	Highlighting product availability website, providing concise product comparisons, address concerns through FAQ section	Providing detailed product information on the website, offering personalized product recommendations, Live chat	Streamlining the checkout process, providing clear product information, reducing wait times for customer service	Improving delivery timeliness, ensuring correct items are delivered, simplifying the delivery process	Improving product quality, improving customer service, simplifying the information.

# Customer Journey

Output: Future state journey map – Real life example

	Customer persona Busy working mom with two young kids	Scenario The customer needs groceries for the week and is looking for shopping online.	Goals and expectations Goal is to conveniently get groceries at home and save time		
	1. Awareness	2. Consideration	3. Purchase	4. Onboarding	5. Advocacy & Loyalty
<b>Touchpoints</b>					
<b>Actions</b>	Research different online grocery stores, gather information	Research different options, compare prices, gather opinions	Place an order, make payment, provide delivery information	Receive delivery, unpack groceries, get help if needed	Repeat purchases, recommend to others, provide feedback
<b>Emotions</b>	Excitement, curiosity, confidence 	Interest, excitement, confidence 	Excitement, confidence, ease 	Excitement, ease, confidence 	Satisfaction, loyalty, ease 
<b>Pain points</b>	No pain points as this is the ideal state.	No pain points as this is the ideal state.	No pain points as this is the ideal state.	No pain points as this is the ideal state.	No pain points as this is the ideal state.
<b>Opportunities</b>	The store has addressed all opportunities for improvement and has added virtual assistants at all stages	The store has addressed all opportunities for improvement and has added virtual assistants at all stages	The store has addressed all opportunities for improvement and has added virtual assistants at all stages	The store has addressed all opportunities for improvement and has added virtual assistants at all stages	The store has addressed all opportunities for improvement and has added virtual assistants at all stages

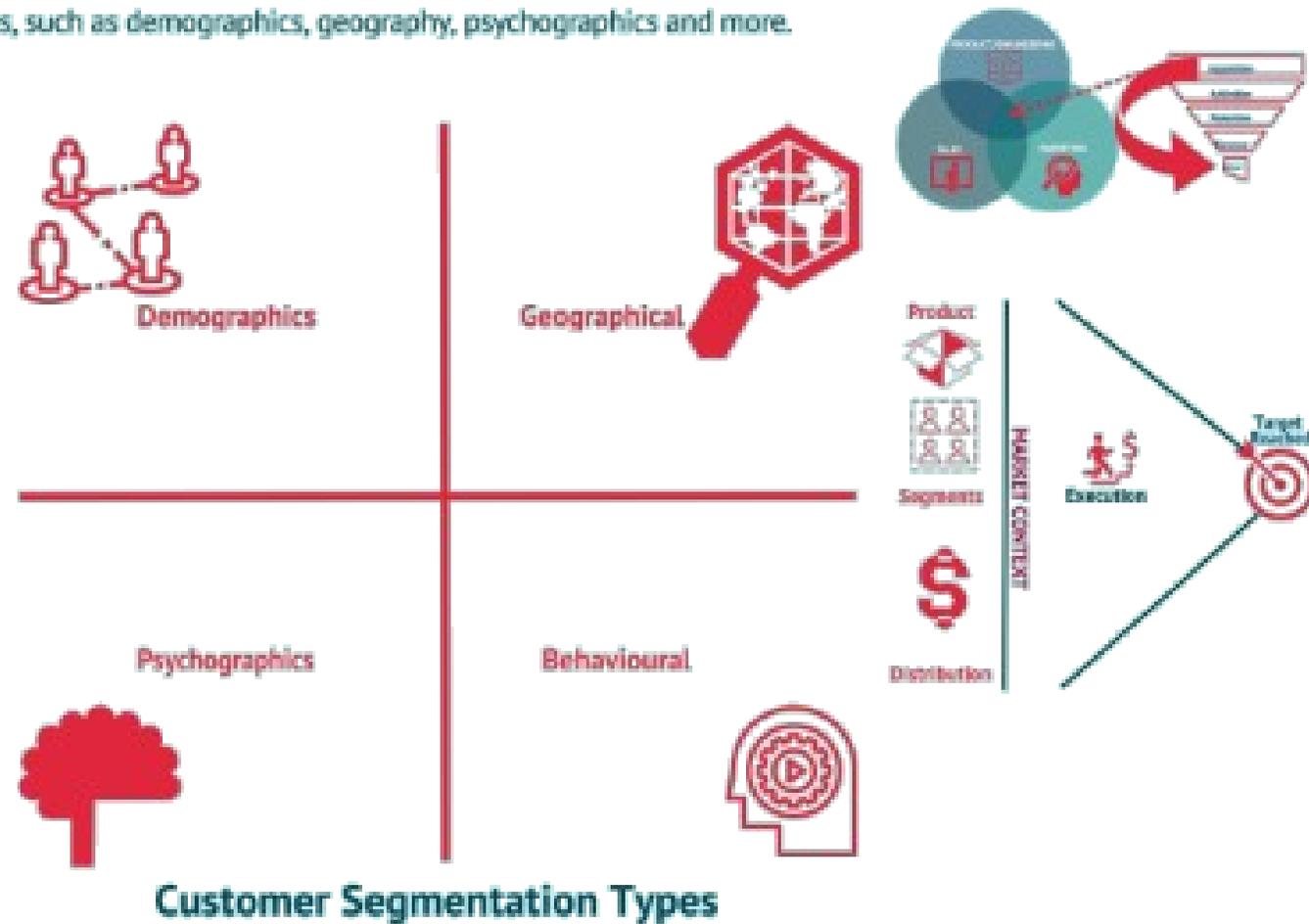
# Pricing Strategies In A Nutshell

A pricing strategy or model helps companies find the pricing formula in fit with their business models. Thus aligning the customer needs with the product type while trying to enable profitability for the company. A good pricing strategy aligns the customer with the company's long term financial sustainability to build a solid business model.

AppSumoed	Transforming subscriptions in lifetime deals
Bidding	The winner takes it all
Bundled	More for less
Consumption-based	Pay what you consume
Couponized	Discounted as default
Fixed-price	The safe price
Pay as you go	Charge it up and go
Pay as you want	Customer-made pricing
Platformed	Get a cut on one or both sides
Psychological pricing	Change the product's perception
SaaSified	Transform a product into a service
Subsidized	Let the rich pay for the poor
Uberized	Dynamic pricing
Unbundled	Just give them what they want

# Customer Segmentation In A Nutshell

Customer segmentation is a marketing method that divides the customers in sub-groups, that share similar characteristics. Thus, product, marketing and engineering teams can center the strategy from go-to-market to product development and communication around each sub-group. Customer segments can be broken down in several ways, such as demographics, geography, psychographics and more.





# INVESTMENT STRATEGY

## Warren Buffet Value Investing Strategy

Strategic Objective

Portfolio Strategy

Attitude & Mindset

Decision-making Process

Investment Frequency

Cash on Hand

Horizon

Financial Tools in Excel

## Stock Watchlist and Screener in Excel with real-time data



## Detailed Stock Investment Decision-making Process



Assess my Understanding of the Company

1. Business model
2. Annual & quarterly reports
3. Income statement
4. Cash flow statement
5. Balance sheet
6. Sales & costs breakdown
7. Financial ratios
8. Industry

Assess the quality of the Company

1. Future earnings
2. Free cash flow
3. Profit margin
4. MOAT
5. Management team
6. Manageable leverage

Assess if the Company is Fairly or Undervalued

1. Financial modeling best practices
2. Three financial statement model
3. Sophisticated discounted cash flow (DCF) valuation model
4. Simple discounted cash flow (DCF) valuation model
5. Simple discounted earnings valuation model

Decide if you should invest



## Stock Portfolio Management

Excel Trade Record

Excel Stock Portfolio

Excel Net Worth Calculation

Excel Dashboard

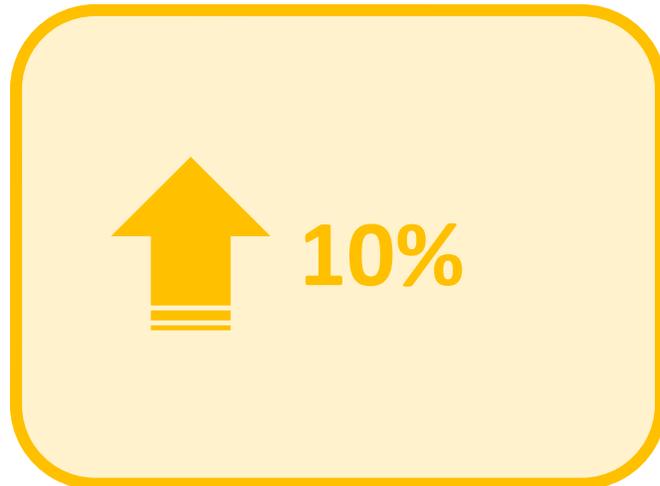
# Investing Strategy

## Strategic Objective

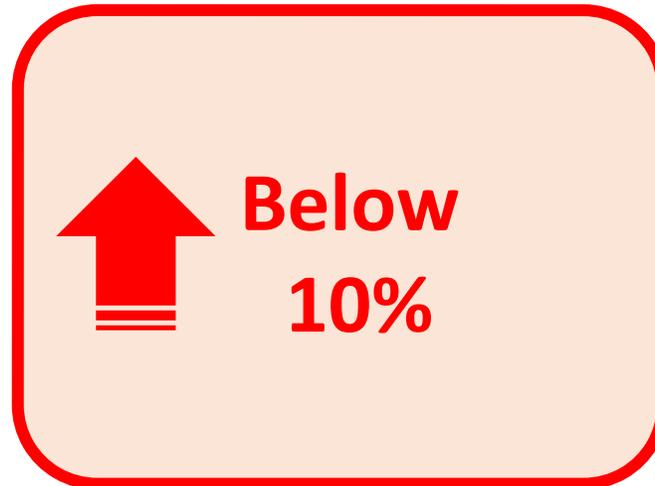
To achieve an average annual return of 20%+ by investing in companies which are good or great companies, fairly or undervalued, and perfectly understood.

To put things into perspective, see below a comparison of the average annual return of the S&P 500, 95% of Hedge Funds and Warren Buffet over the past 50 years:

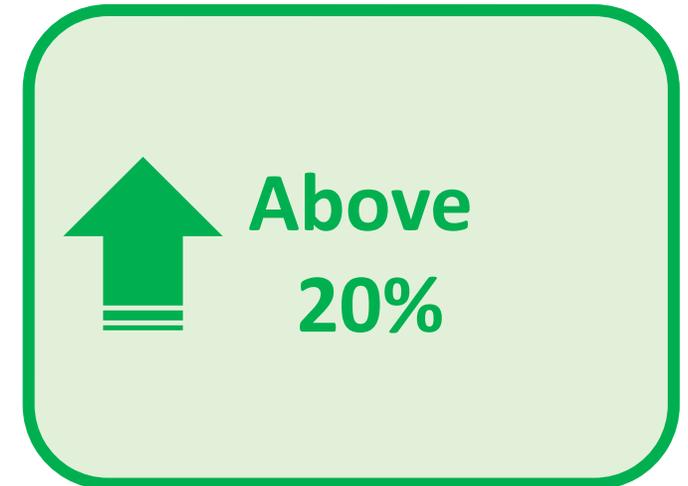
Average annual return of the S&P 500



Average annual return after fees of 95% of Hedge funds



Average annual return of Warren Buffet



# Warren Buffet Value Investing Strategy

## Strategic Objective

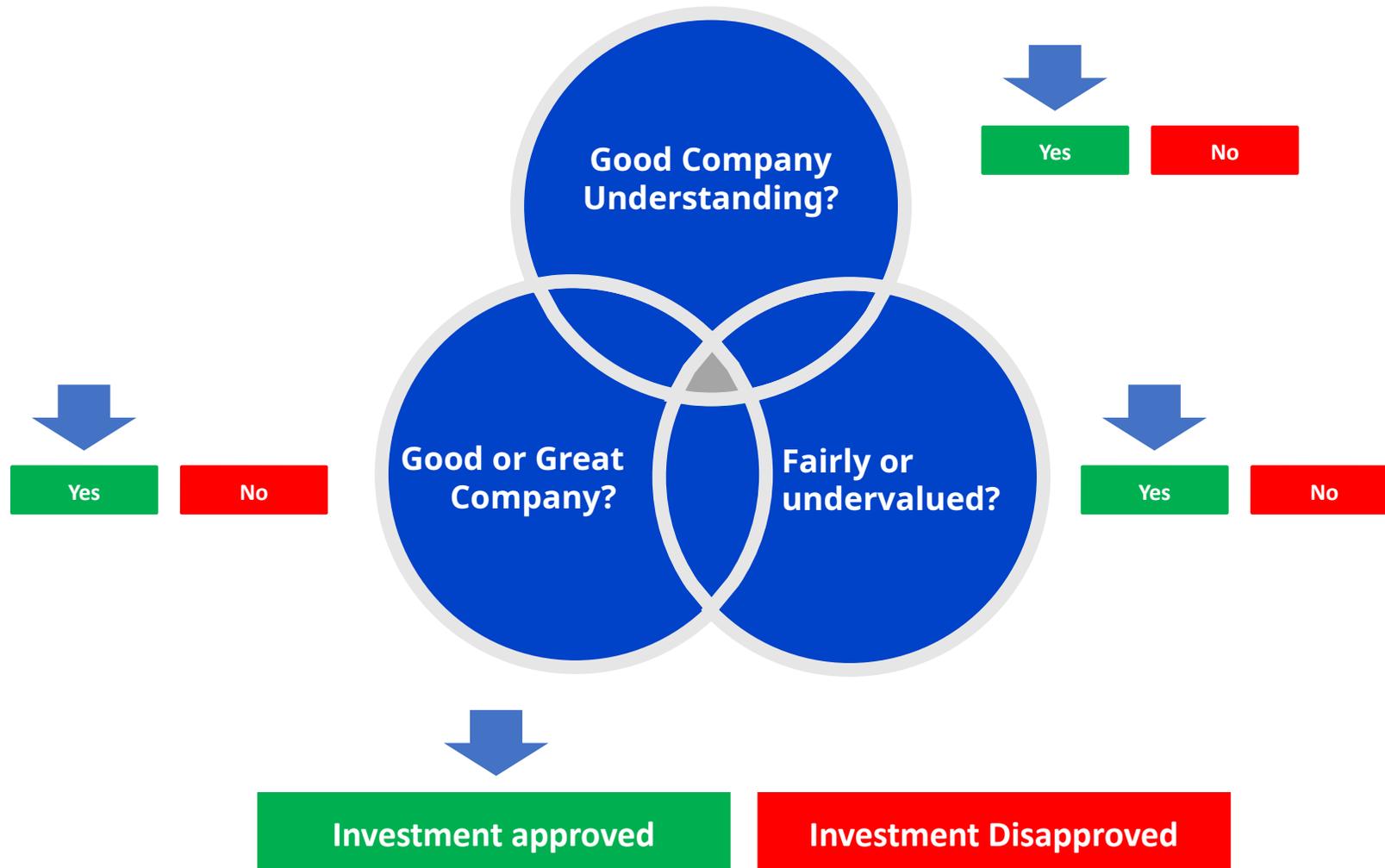
95% of Hedge funds are not able to beat the S&P 500 for the following reasons:

<b>Too much money under management</b>	With Billions of dollars under management, investment funds gravitate toward the biggest stocks, which are the only ones they can buy in the multimillion-dollar quantities they need to fill their portfolios. Thus, many funds end up owning the same few overpriced giants.
<b>Money flowing in the wrong direction</b>	People tend to pour more money into funds as the market rises, which forces the managers to buy more stocks at inflated prices. On the other hand, people ask for their money back when the market drops, which forces the fund to sell stocks when the prices are down. In other words, the funds are often forced to buy high and sell low.
<b>High fees</b>	Hedge funds will usually charge each year 2% of the sum under management (SUM) and 20% of the annual gains above the S&P 500 (the few years when they beat the market). These high fees will significantly decrease the returns of their clients.
<b>High transaction fees</b>	To justify their high fees and salary, investment funds will tend to buy and sell many times every month. The problem with this strategy, is that the more transactions, the more transaction fees and tax the fund will have to pay.
<b>Fear of losing their job</b>	Many portfolio managers get bonuses for beating the market, so they obsessively measure their returns against benchmarks like the S&P 500. If a company is added to the S&P 500, hundreds of funds compulsively buy it. If they don't and the company does well, they will look foolish. If they do buy the company and it does poorly, no one will blame them.

# Investing Strategy

## Decision-making Process

Company Name



# Our Stock Watchlist and Screener is in Excel

	A	E	F	G	H	I	J	K
1	Name	Market Cap	P/E Ratio	All-time High	% decrease from All-time High	52-week High	% decrease from 52-week High	Stock Exchange
2	Apple Inc.	\$2,984,835,399,000	31.90	\$194.48	2%	\$194.48	2%	Nasdaq Stock Mark
3	Microsoft Corp.	\$2,507,246,553,600	36.04	\$351.47	4%	\$351.47	4%	Nasdaq Stock Mark
4	Nvidia Corporation	\$1,047,404,000,000	220.38	\$439.90	0%	\$439.90	0%	Nasdaq Stock Mark
5	Exxon Mobil Corp.	\$430,539,070,000	7.17	\$119.92	11%	\$119.92	11%	New York Stock Exc
6	United Health Group Inc.	\$420,547,154,400	21.17	\$558.10	19%	\$558.10	19%	New York Stock Exc
7	Lilly (Eli) & Co.	\$418,249,639,740	69.75	\$469.87	6%	\$469.87	6%	New York Stock Exc
8	Mastercard Inc.	\$379,705,383,872	39.73	\$403.17	1%	\$403.17	1%	New York Stock Exc
9	Oracle Corp.	\$314,908,329,180	37.43	\$127.54	9%	\$127.54	9%	New York Stock Exc
10	Chevron Corp.	\$298,439,157,640	8.55	\$189.68	16%	\$189.68	16%	New York Stock Exc
11	Merck & Co.	\$272,698,246,920	21.21	\$119.65	10%	\$119.65	10%	New York Stock Exc
12	PepsiCo Inc.	\$252,352,026,809	38.18	\$196.88	7%	\$196.88	7%	Nasdaq Stock Mark
13	McDonald's Corp.	\$215,823,057,779	31.64	\$299.10	1%	\$299.10	1%	New York Stock Exc
14	ConocoPhillips	\$132,271,549,290	8.57	\$138.49	21%	\$138.49	21%	New York Stock Exc
15	Bristol-Myers Squibb	\$130,840,751,160	18.29	\$81.44	24%	\$81.44	24%	New York Stock Exc
16	Caterpillar Inc.	\$130,694,205,520	18.69	\$266.04	5%	\$266.04	5%	New York Stock Exc
17	Amgen Inc	\$119,614,400,000	15.21	\$296.67	24%	\$296.67	24%	Nasdaq Stock Mark
18	Deere & Co.	\$119,525,623,407	13.89	\$448.40	9%	\$448.40	9%	New York Stock Exc
19	Lockheed Martin Corp.	\$117,577,551,044	21.30	\$508.10	9%	\$508.10	9%	New York Stock Exc
20	Stryker Corp.	\$113,132,187,999	43.14	\$306.93	3%	\$306.93	3%	New York Stock Exc
21	Analog Devices Inc	\$97,977,135,820	27.06	\$198.25	1%	\$198.25	1%	Nasdaq Stock Mark
22	TJX Companies Inc.	\$97,386,470,000	26.12	\$86.43	1%	\$86.43	1%	New York Stock Exc
23	Automatic Data Processing	\$92,948,498,772	28.92	\$274.92	18%	\$274.92	18%	Nasdaq Stock Mark
24	Marsh & McLennan	\$92,339,730,645	29.23	\$189.02	1%	\$189.02	1%	New York Stock Exc

# Our Stock Watchlist and Screener includes multiple key data automatically updated based on Official data

<b>Industry</b>	This column highlight the industry the company belongs to (e.g. Banking services, Specialty retailers, Software and IT Services, etc.).
<b>Market Capitalization</b>	Market capitalization, often referred to as "market cap," is a measure used to determine the total value of a publicly traded company. It represents the market value of a company's outstanding shares of stock and is calculated by multiplying the current share price by the total number of outstanding shares.
<b>P/E Ratio</b>	The price-to-earnings ratio (P/E ratio) is a valuation metric used to assess the relative value of a company's stock by comparing its stock price to its earnings per share (EPS). It is one of the most widely used financial ratios by investors and analysts. The P/E ratio is calculated by dividing the market price per share of a company's stock by its earnings per share. A lower P/E ratio means that the share price is becoming more attractive.
<b>All-time High</b>	The term "All-time high" refers to the highest trading price at which a particular stock has traded since 2000.
<b>% decrease from all-time high</b>	This column displays how much the current price is down compared to the all-time High. If the current price is down by 20% or 30%, maybe it means that the share price is now more attractive.
<b>52-week High</b>	The term "52-week high" refers to the highest trading price at which a particular stock has traded during the past 52-week period. It represents the highest price point that the stock has reached over the course of the previous year, regardless of whether it was sustained for a brief period or sustained for an extended period. The 52-week high is a commonly tracked metric by investors and traders to assess the recent performance and potential value of a stock. It provides a reference point for understanding how close or far the stock is from its recent peak price.
<b>% decrease from 52-week High</b>	This column displays how much the current price is down compared to the 52-week High. If the current price is down by 20% or 30%, maybe it means that the share price is now more attractive.

# The tool automatically highlights in green the stocks that meet certain criteria

	A	E	F	G	H	I	J	K
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22	T.I.X Companies Inc	\$117,000,000,000	26.12	\$86.43	1%	\$86.43	1%	Nasdaq Stock Mark

Using conditional formatting, our Tool automatically highlights the stocks that have a P/E ratio below 25. Based on your needs, you can easily change the number by:

1. Selecting the numbers in the P/E ratio column
2. Click on the Home tab
3. Click on Conditional Formatting and then Manage Rules
4. Double click on the rules and replace 25 by your own number

Using conditional formatting, our Tool automatically highlights the stocks that have seen their share price decreased by more than 20% from their all-time high. Based on your needs, you can easily change the number by:

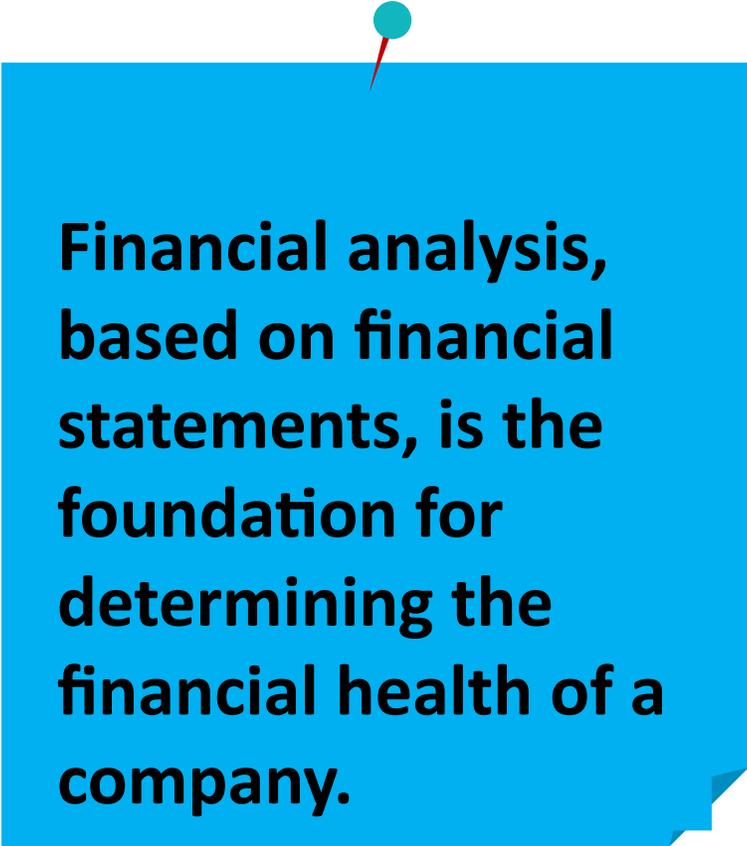
1. Selecting the numbers in the "% decrease from 52-week low" column
2. Click on the Home tab
3. Click on Conditional Formatting and then Manage Rules
4. Double click on the rules and replace 25 by your own number

Using conditional formatting, our Tool automatically highlights the stocks that have seen their share price decreased by more than 20% their 52-week high. Based on your needs, you can easily change the number by:

1. Selecting the numbers in the "% decrease from 52-week low" column
2. Click on the Home tab
3. Click on Conditional Formatting and then Manage Rules
4. Double click on the rules and replace 25 by your own number

# Financial Analysis

## Purpose



**Financial analysis, based on financial statements, is the foundation for determining the financial health of a company.**

# Financial Analysis

We are going to analyze the 3 key financial statements



## Income Statement

*(also called Profit & Loss statement)*



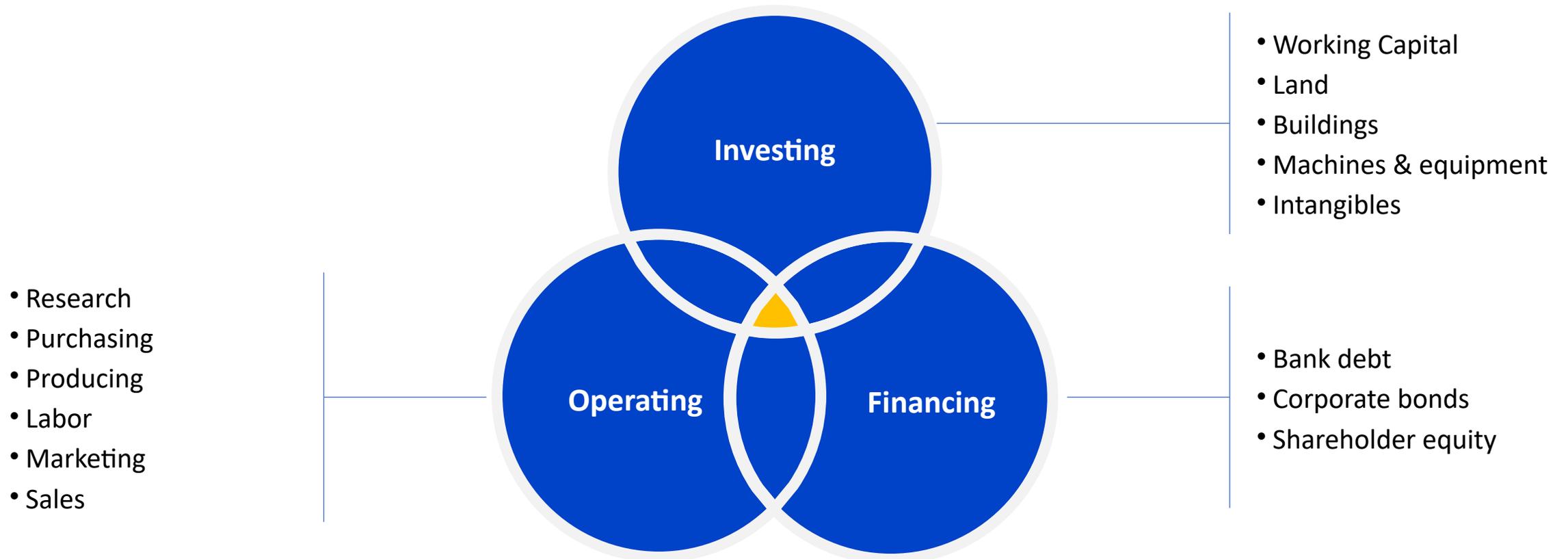
## Balance Sheet Statement



## Cash Flow Statement

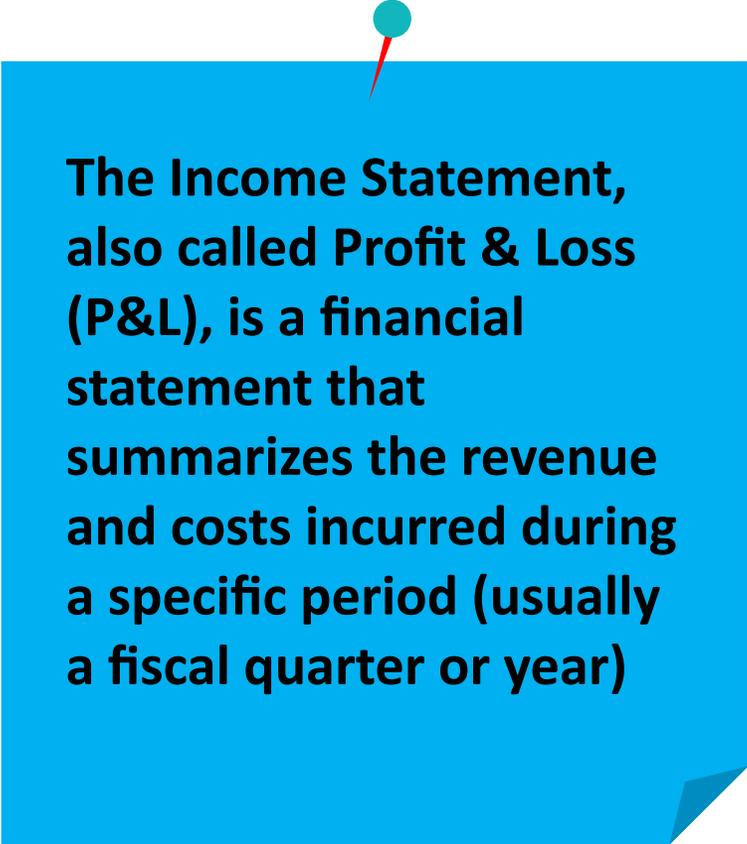
# Financial Analysis

The 3 financial statements capture 3 Business activities

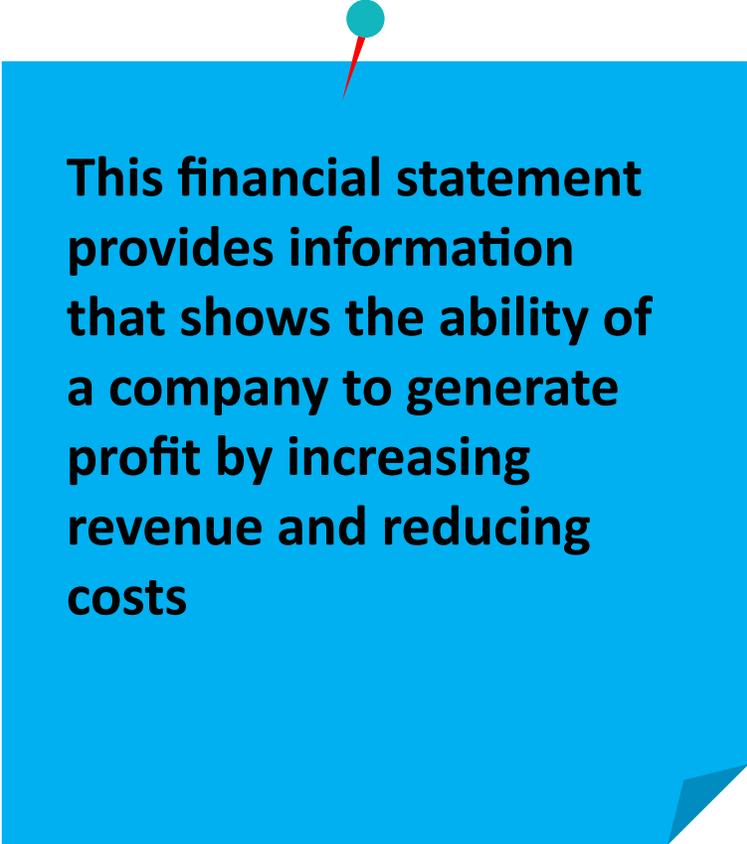


# Income Statement

## Purpose



**The Income Statement, also called Profit & Loss (P&L), is a financial statement that summarizes the revenue and costs incurred during a specific period (usually a fiscal quarter or year)**



**This financial statement provides information that shows the ability of a company to generate profit by increasing revenue and reducing costs**

# Income Statement

The Income Statement has three primary components:

## Revenue

**The money earned by the company which includes:**

- The sale of goods and services
- The interest earned
- Some investment activities

## Expenses

**The Money spent to generate revenue which includes:**

- Cost of Goods Sold (COGS): The direct costs attributable to the production of the goods sold by a company
- Selling Expenses: Cash payments (or equivalent) for marketing services
- Administrative Expenses: Costs to the firm to cover items such as salaries
- Interest Expenses: Payments made to cover costs of financing
- Tax Expense: Payments made to the government to cover income taxes
- Depreciation Expenses: Amount of asset usage that is applied to this year

## Net Income

**Net Income is referred to as “Profit” or “Earnings,” when not negative and “Loss” when negative.**

**It is the company revenues minus its expenses**

# Valuation models

**Sophisticated discounted cash flow (DCF) valuation model**

**Screenshots**

Discounted Cash Flow Model <small>All figures in USD thousands unless stated</small>	Actuals			Estimates				
	2020	2021	2022	2023	2024	2025	2026	2027
Balance sheet balanced	OK	OK	OK	OK	OK	OK	OK	OK
Net Increase (decrease) in Cash	25,200	30,200	40,100	37,741	43,772	29,043	50,583	57,265
Opening Cash Balance	136,000	161,200	191,400	231,500	269,241	313,013	342,056	392,639
Closing Cash Balance	161,200	191,400	231,500	269,241	313,013	342,056	392,639	449,904

Balance Sheet								
<b>Assets</b>								
Cash	161,200	191,400	231,500	269,241	313,013	342,056	392,639	449,904
Accounts Receivable	3,000	4,000	4,000	4,809	4,932	5,277	5,594	5,929
Inventory	6,000	6,000	6,000	8,865	9,485	10,431	11,057	11,721
Property & Equipment	63,000	56,000	50,000	45,000	41,500	39,050	37,335	36,135
<b>Total Assets</b>	<b>233,200</b>	<b>259,400</b>	<b>291,500</b>	<b>327,715</b>	<b>368,930</b>	<b>396,815</b>	<b>446,625</b>	<b>503,688</b>
<b>Liabilities</b>								
Accounts Payable	3,000	2,000	2,000	2,955	3,162	3,477	3,686	3,907

**Description**

**More Accurate but more time consuming**

**Simple discounted cash flow (DCF) valuation model**

**Simple DCF Valuation Model**

Input	Valuation	Assessment
Company Name: Alibaba	Enterprise Value: 313,468,806	<b>UNDERVALUED</b>
Company Symbol:  Limited (XNYS:BABA)	(+) Cash (mrq): 26,788,153	
Assessment Date: 19/07/2023	(-) Debt (mrq): 20,685,405	
Annual Growth over the next 5 years: 10.0%	Equity Value: 319,571,554	
Perpetual Growth Rate: 3.5%	Shares Outstanding: 2,587,500	
Discount Rate (WACC): 10.0%	Share Intrinsic Value: \$123.51	
Free Cash Flow (fcm) in thousands \$: 14,981,965	Share Current Price: \$91.20	
Cash and Cash Equivalents (mrq): 26,788,153	Upside: 35.4%	
Debt (mrq): 20,685,405	IRR: 16.5%	

Free Cash Flow and Terminal Value	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Free Cash Flow	16,480,162	18,128,178	19,940,995	21,935,095	24,128,604	
(Entry price) / Terminal Value	(242,082,748)					384,201,625
<b>Total</b>	<b>(242,082,748)</b>	<b>16,480,162</b>	<b>18,128,178</b>	<b>19,940,995</b>	<b>21,935,095</b>	<b>408,330,229</b>

**Very quick & easy**

**Simple discounted earnings valuation model**

**Simple Discounted Earnings Valuation Model**

Input	Valuation	Assessment
Company Name: Alphabet	Enterprise Value: 1,366,929,847	<b>OVERVALUED</b>
Company Symbol:  NC (XNAS:GOOGL)	(+) Cash (mrq): 25,924,000	
Assessment Date: 30/03/2023	(-) Debt (mrq): 13,697,000	
Annual Growth over the next 5 years: 15.0%	Equity Value: 1,379,156,847	
Perpetual Growth Rate: 2.5%	Shares Outstanding: 12,697,000	
Discount Rate (WACC): 10.0%	Share Intrinsic Value: \$108.62	
Earnings (fcm) in thousands \$: 59,972,000	Share Current Price: \$125.42	
Cash and Cash Equivalents (mrq): 25,924,000	Upside: -13.4%	
Debt (mrq): 13,697,000	IRR: 6.2%	

Free Cash Flow and Terminal Value	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Earnings	68,967,800	79,312,970	91,209,916	104,891,403	120,625,113	
(Entry price) / Terminal Value	(1,606,330,000)					1,648,543,214
<b>Total</b>	<b>(1,606,330,000)</b>	<b>68,967,800</b>	<b>79,312,970</b>	<b>91,209,916</b>	<b>104,891,403</b>	<b>1,769,168,328</b>

**Very quick & easy**

# Investing Strategy

## Financial Tools in Excel: Dashboard #1



### Performance

Initial Investment	Market Value	Dividend
1,917,608	2,470,219	10,000
Total Return (\$)	Total Return (%)	Total Realized Profit
561,698	29%	135,503



# Investing Strategy

## Financial Tools in Excel: Dashboard #2





# Lean 6 Sigma



# Table of contents

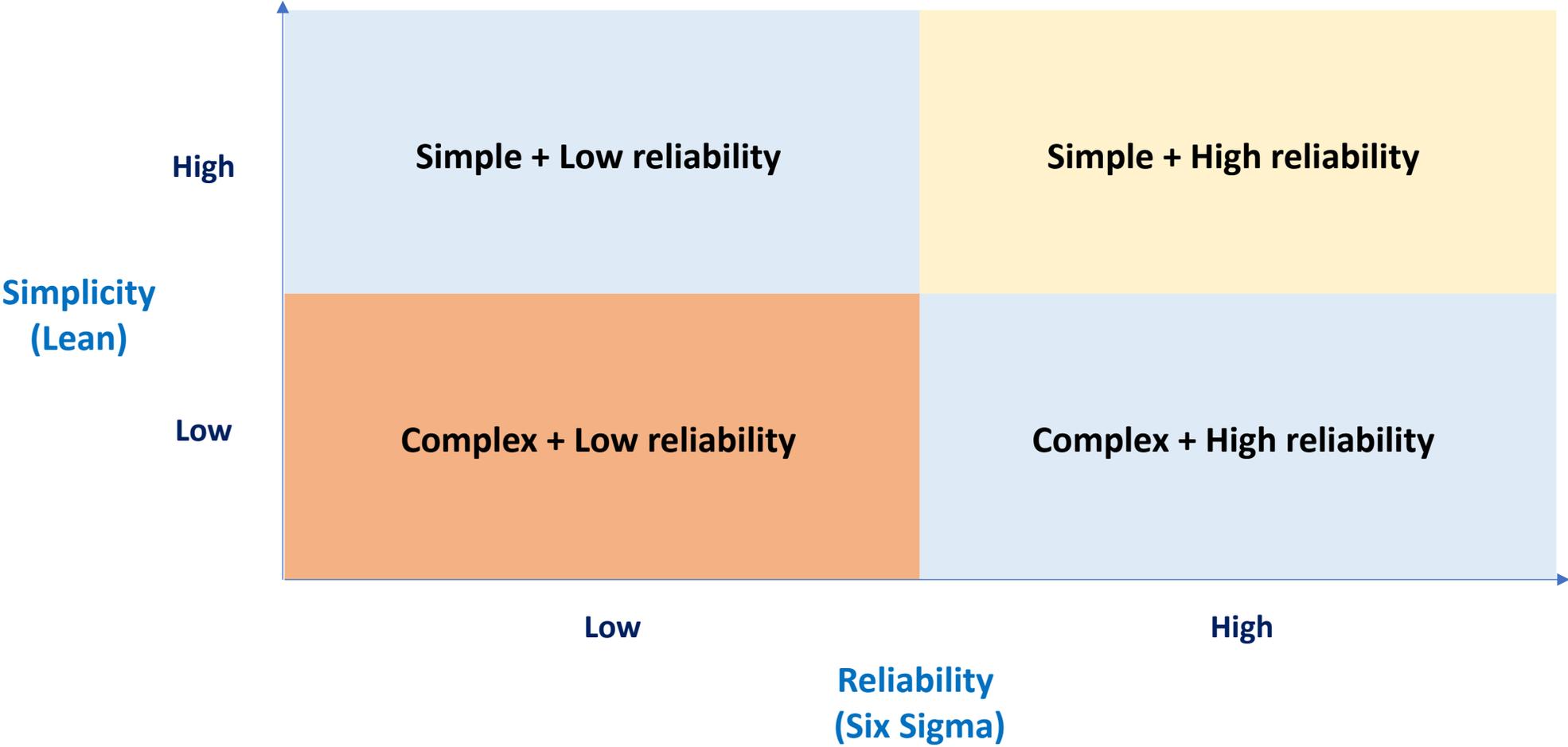


**1** | **What is Lean Six Sigma?**

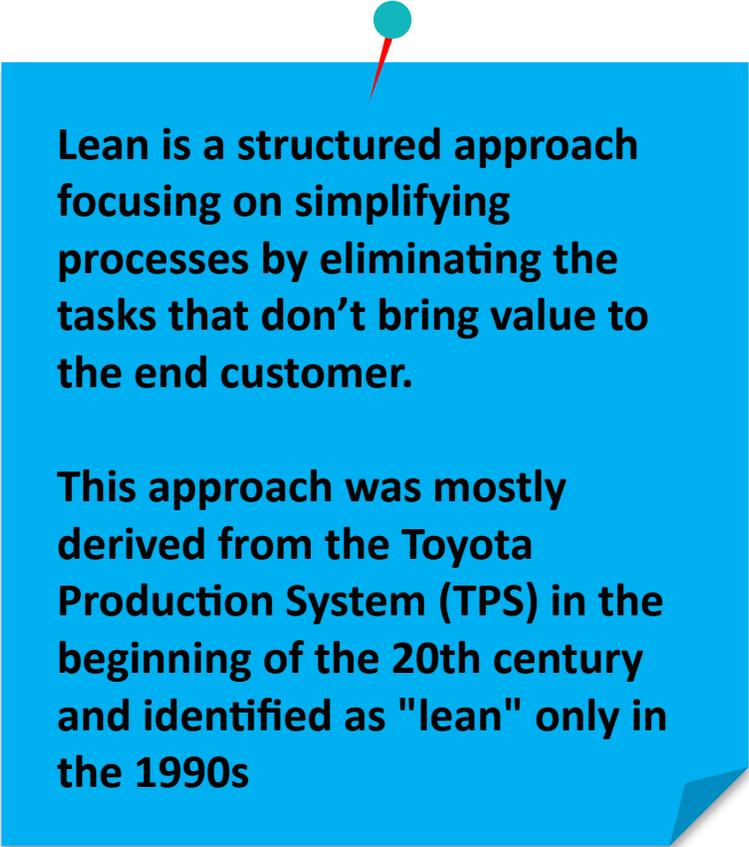
**2** | **What are the key benefits of using Lean Six Sigma?**

**3** | **Lean Six Sigma - Approach and overview**

# Lean Six Sigma provides a balanced approach to simultaneously reducing complexity (Lean) and increasing reliability (Six Sigma)



# Lean methodology definition

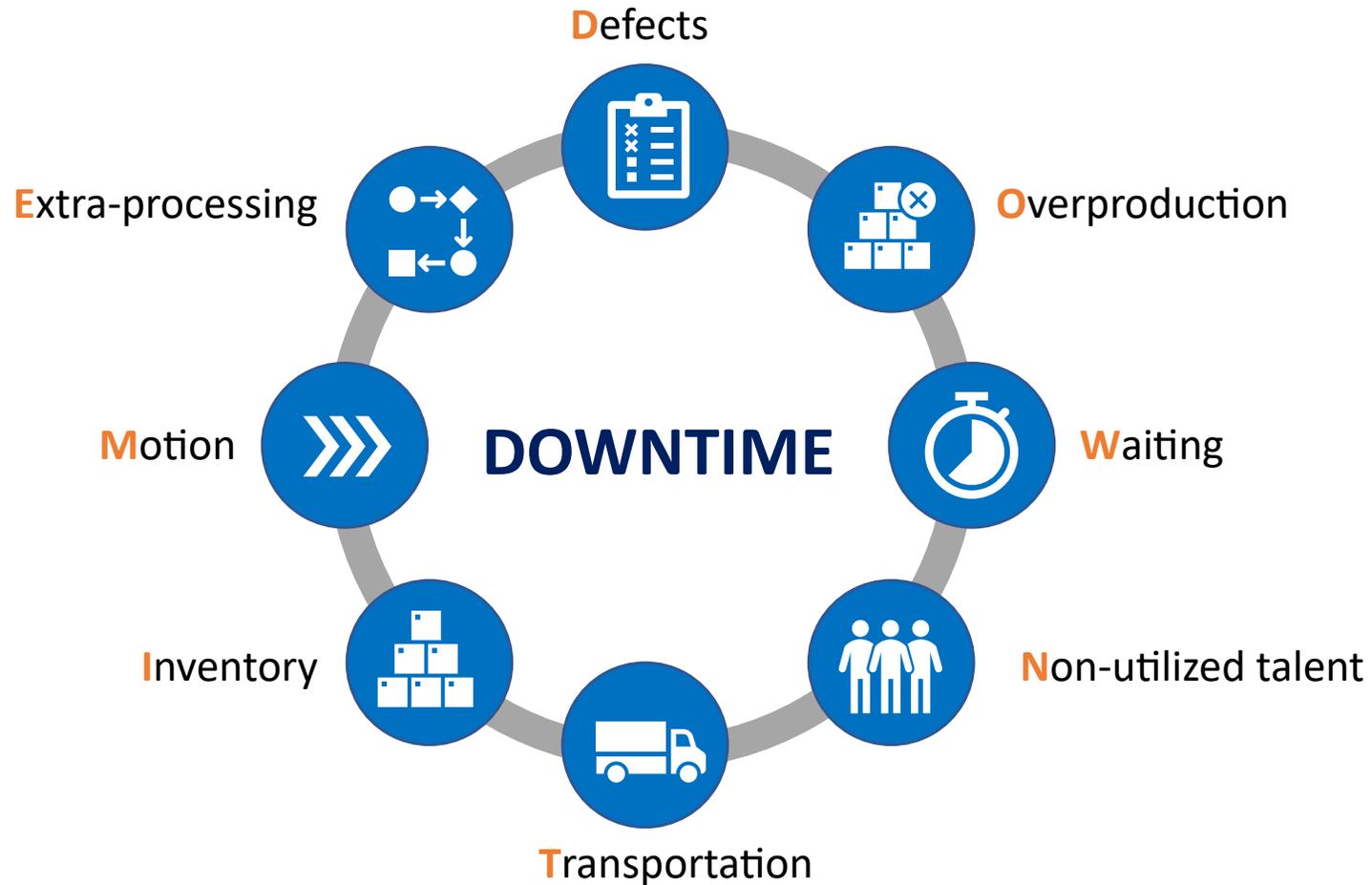


**Lean is a structured approach focusing on simplifying processes by eliminating the tasks that don't bring value to the end customer.**

**This approach was mostly derived from the Toyota Production System (TPS) in the beginning of the 20th century and identified as "lean" only in the 1990s**

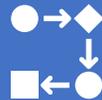
# Lean methodology objective

The objective of a Lean project is to eliminate 8 types of waste that can be easily remembered using the word "Downtime"



# Lean methodology objective

Lean tries to eliminate 8 types of waste that can be easily remembered using the word "Downtime"

<p><u>D</u>efects</p> 	<p>Making mistakes that cause products to fail customer requirements</p>	<p><u>T</u>ransportation</p> 	
<p><u>O</u>verproduction</p> 	<p>Making more than it is immediately required</p>	<p><u>I</u>nventory</p> 	<p>Storing parts, pieces, documentation ahead of requirements</p>
<p><u>W</u>aiting</p> 	<p>Waiting for the previous step in the process to complete</p>	<p><u>M</u>otion</p> 	<p>Unnecessary movements by people</p>
<p><u>N</u>on-utilized talent</p> 	<p>Not recognizing and utilizing human talent and creativity available within the workforce</p>	<p><u>E</u>xtra-processing</p> 	<p>Performing any activity that is not necessary to produce a functioning product or service</p>

# Lean methodology objective

Lean tries to eliminate 8 types of waste that can be easily remembered using the word "Downtime"

**Defects**



1. Wrong-site surgeries
2. Medication errors
3. Dealing with service complaints
4. Illegible, handwritten information
5. Collection of incorrect patient information

**Overproduction**



1. Multiple signature requirements
2. Extra copies of forms
3. Multiple information systems entries
4. Printing hard copy of report when digital is sufficient

**Waiting**



1. Early admissions for procedures later in the day
2. Waiting for internal transport between departments

**Non-utilized talent**



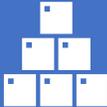
1. Not using people's mental, creative, and physical abilities
2. Staff not involved in redesigning processes in their workplace

**Transportation**



1. Moving patients from room to room
2. Poor workplace layouts, for patient services
3. Moving equipment in and out of procedure room or operating room

**Inventory**



1. Overstocked medications on units/floors or in pharmacy
2. Physician orders building up to be entered
3. Unnecessary instruments contained in operating kits

**Motion**



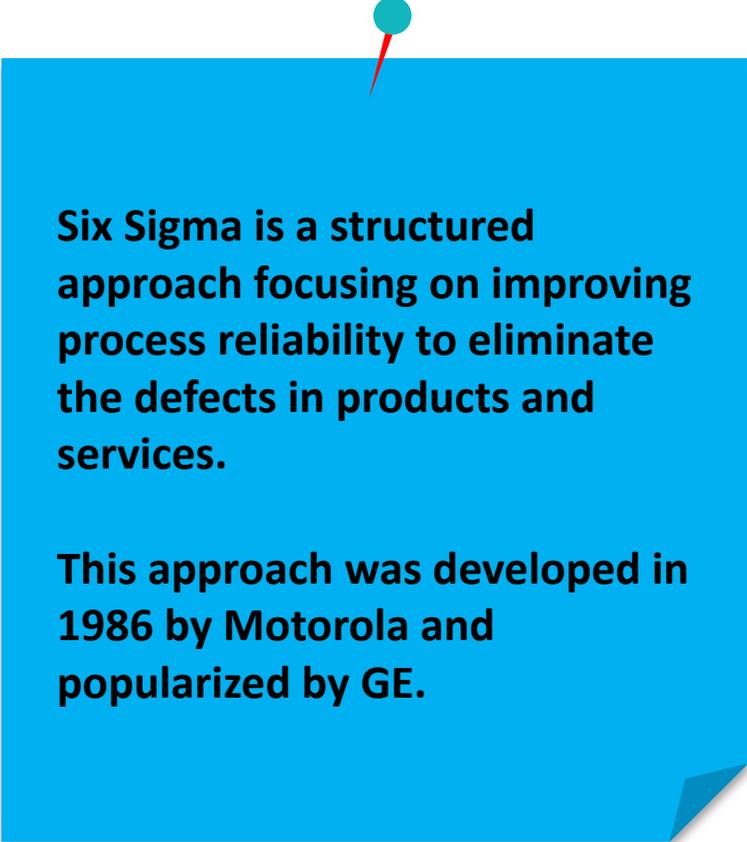
1. Leaving patient rooms to get supplies or record
2. Large reach/walk distance to complete a process step

**Extra-processing**



1. Asking the patient, the same questions multiple times
2. Unnecessary carbon copying
3. Batch printing patient labels

# Six Sigma methodology definition

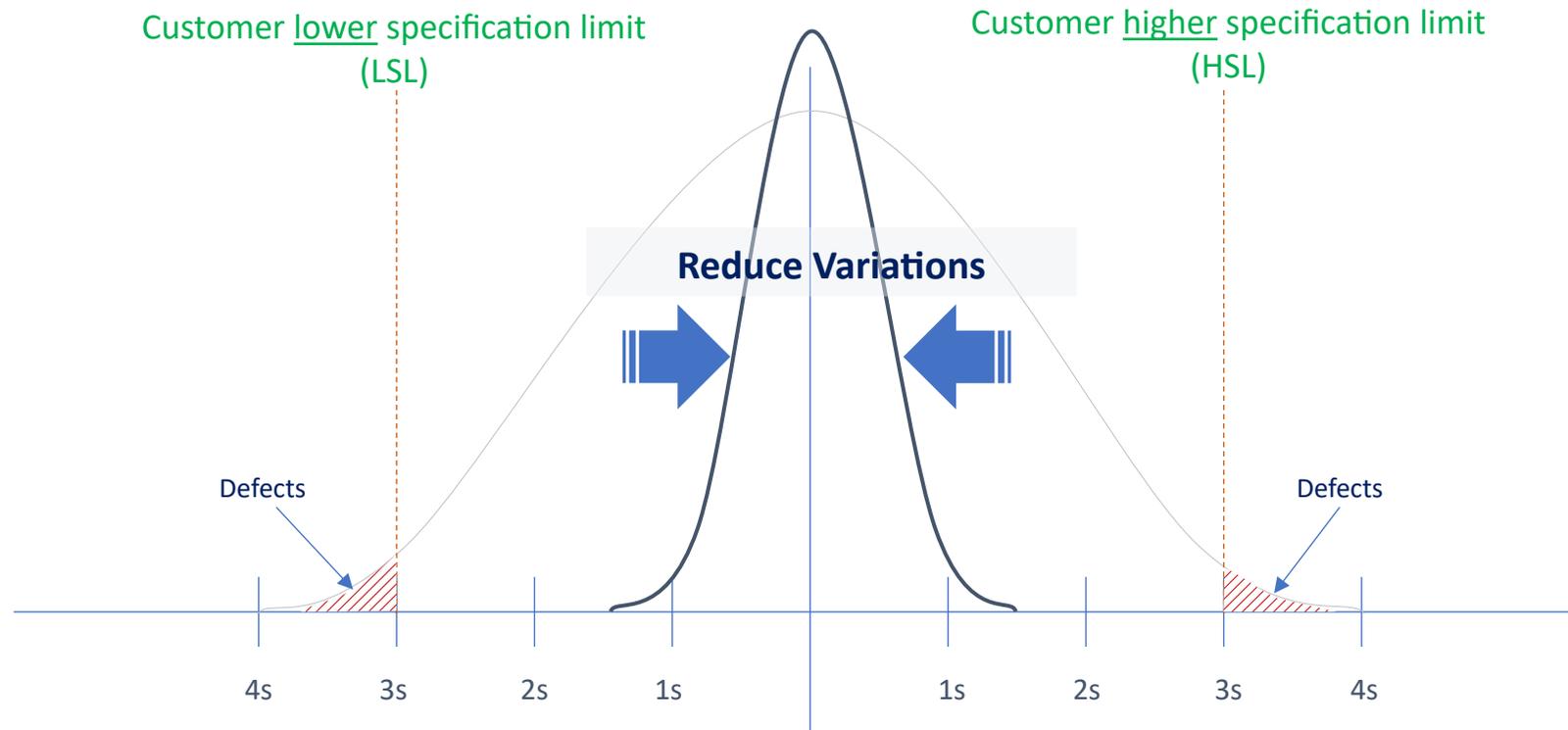


**Six Sigma is a structured approach focusing on improving process reliability to eliminate the defects in products and services.**

**This approach was developed in 1986 by Motorola and popularized by GE.**

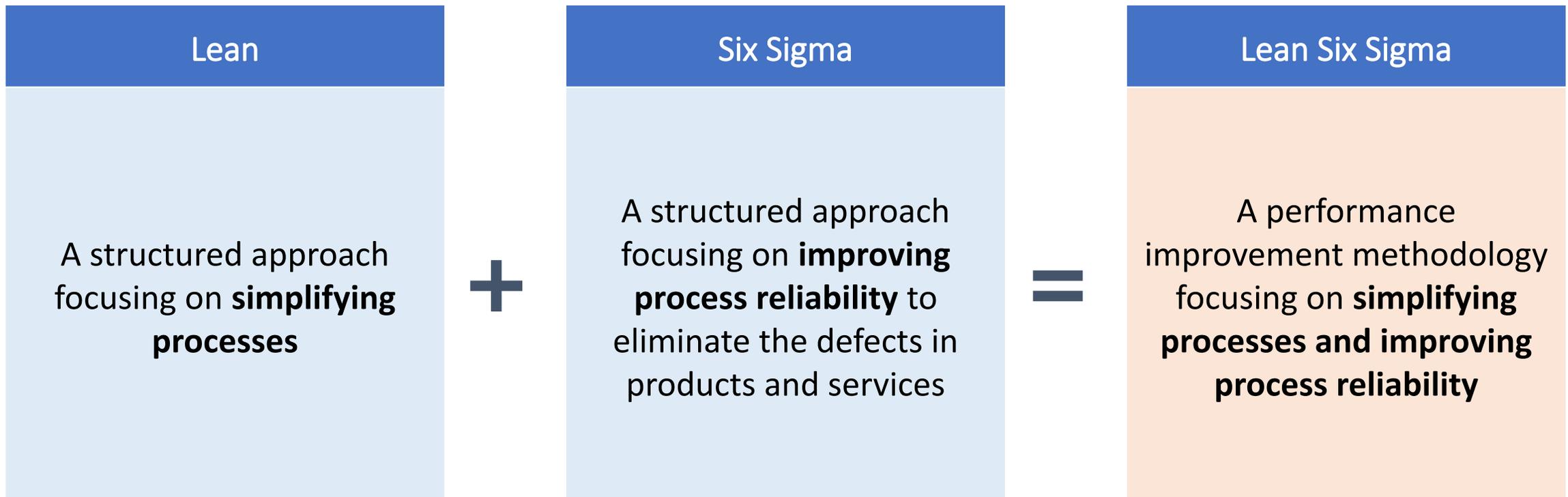
# Six Sigma methodology objective

The objective of a Six Sigma project is to reduce process variation to such a degree that the sigma's of variation will fit within the specification limits defined by customers



Technically, 6s refers to having a process that will result in fewer than 3.4 defects per one million opportunities (DPMO)

# Lean Six Sigma methodology definition



# Lean Six Sigma key principles

## Focus on your customer

Defining the customer's perception of value is key to improving the process

## Measure process performance

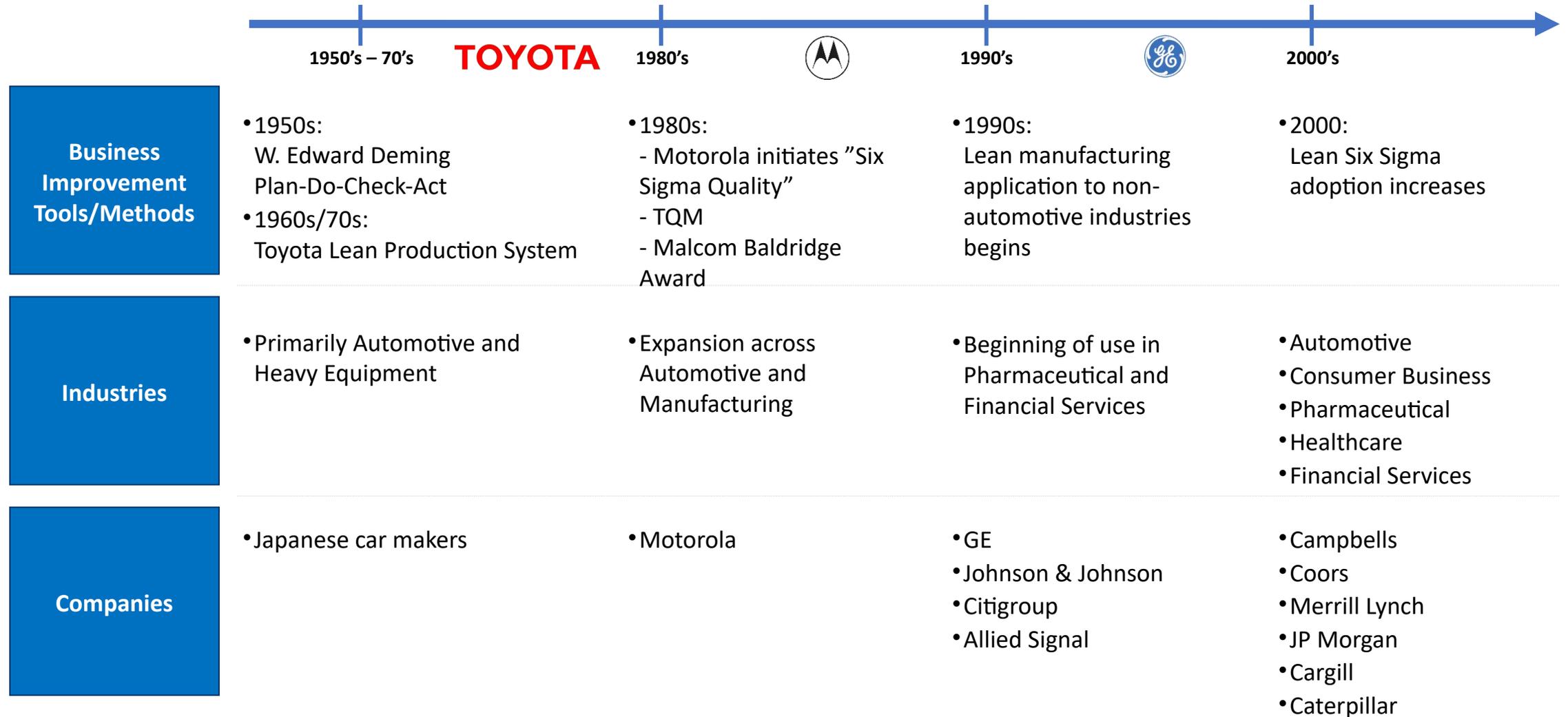
The process performance needs to be measured before and after implementing Lean Six Sigma

## Identify value stream

Your value stream is “the processes of creating, producing, and delivering a good or service to the market”<sup>1</sup>

*Source: APICS Dictionary*

# Lean 6 Sigma background



# Table of contents



**1** | **What is Lean Six Sigma?**

**2** | **What are the key benefits of using Lean Six Sigma?**

**3** | **Lean Six Sigma - Approach and overview**

# Lean Six Sigma drives shareholder value

Lean Six Sigma addresses both tactical and strategic value drivers linked directly to shareholder value



# Lean Six Sigma benefit #1

Lean Six Sigma increases asset efficiency

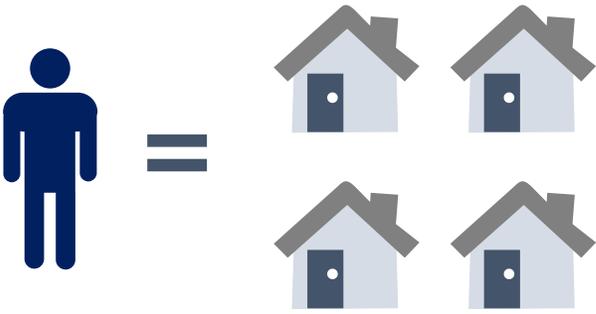
## Before implementing Lean Six Sigma

One employee was able to process 2 home loans  
a day



## After implementing Lean Six Sigma

One employee was able to process 4 home loans  
a day



Other examples: Implementing Lean Six Sigma can also help decrease your stock and optimize your working space

# Lean Six Sigma benefit #2

Lean Six Sigma decreases cost

## Before implementing Lean Six Sigma

Number of broken products and related cost to remanufacture them (per month):



## After implementing Lean Six Sigma

Number of broken products and related cost to remanufacture them (per month):



Other examples: Implementing Lean Six Sigma can also help decrease your IT, supply Chain and SG&A costs

# Lean Six Sigma benefit #3

Lean Six Sigma increases revenue

**Before**  
implementing Lean Six Sigma

A sales representative was focusing 20% of his time on administrative tasks and 80% of his time on selling products



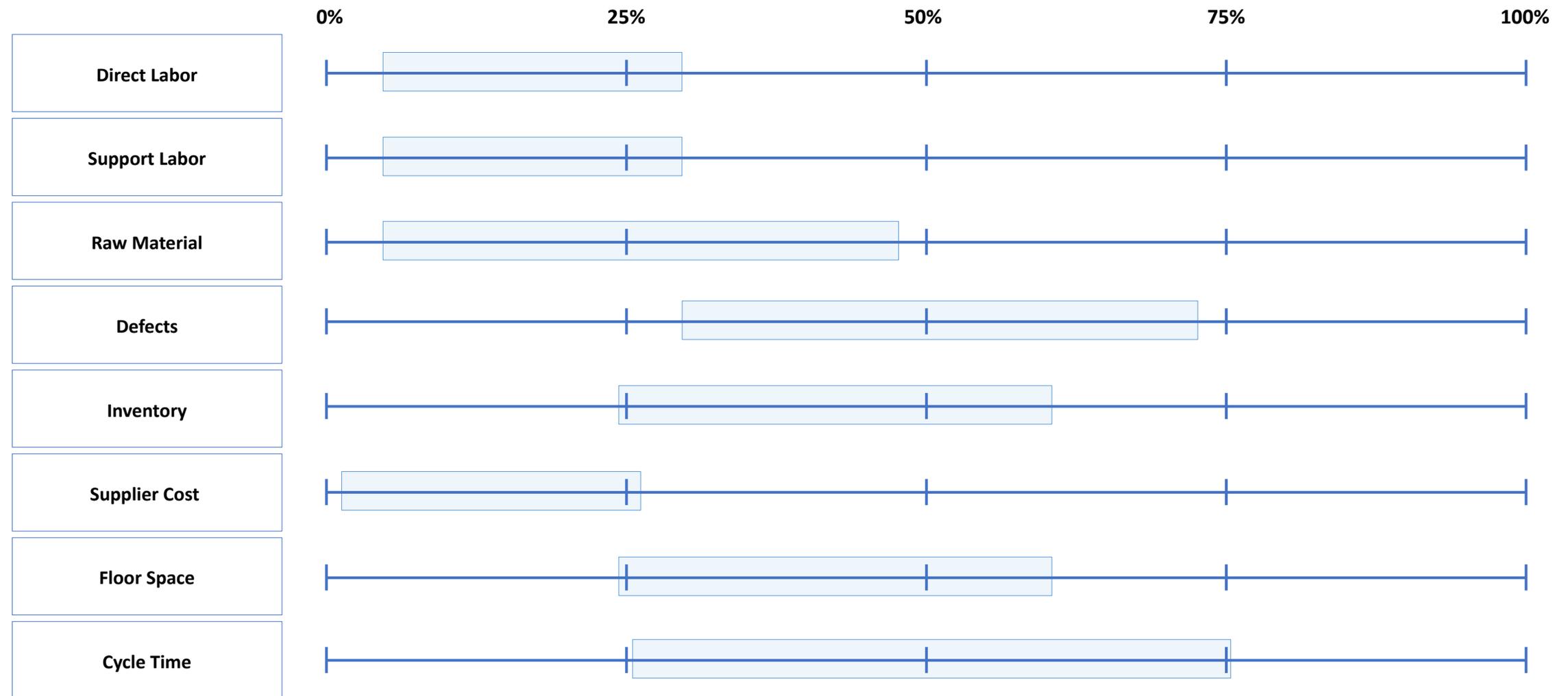
**After**  
implementing Lean Six Sigma

The process improvement allowed the sales representative to focus only 10% of his time on administrative tasks and 90% of his time on selling products

**Other examples:** Implementing Lean Six Sigma can also help to improve product quality, on-time delivery and customer satisfaction

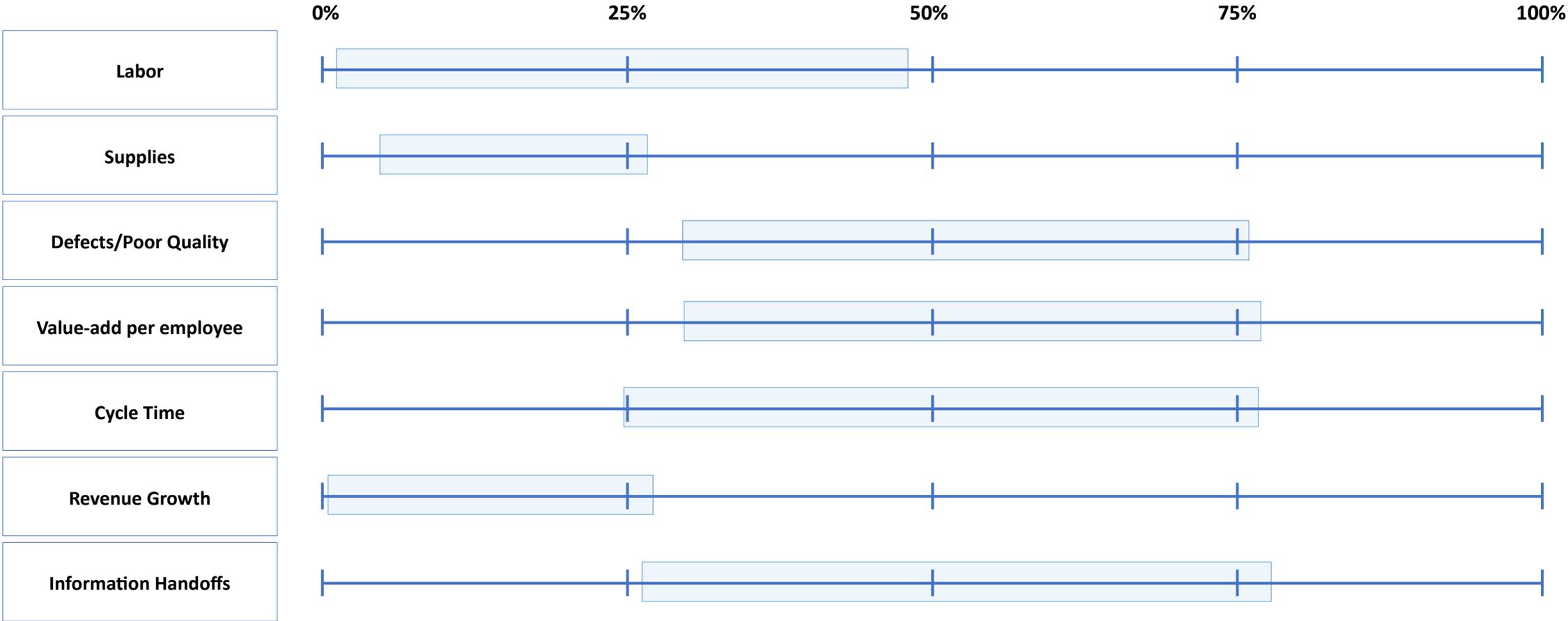
# Typical improvement ranges in a manufacturing environment

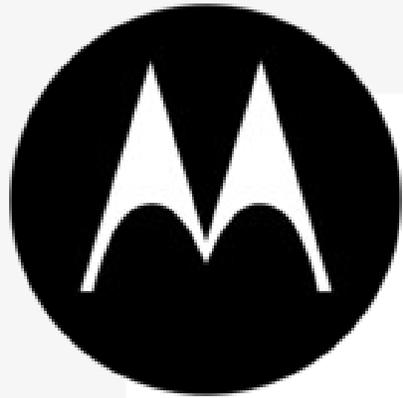
## Benchmark savings



# Typical improvement ranges in a white-collar environment

Benchmark savings





# MOTOROLA

## Success stories of companies using Lean Six Sigma

Motorola estimated that its Six Sigma program had saved the company over \$16 billion in costs and increased customer satisfaction by 15%

- Motorola is a global telecommunications company that is often credited with the development of the Six Sigma methodology. In the 1980s, Motorola was struggling with quality control issues in its manufacturing processes, which led to high costs and low customer satisfaction. To address these issues, Motorola implemented the Six Sigma methodology to improve its processes and reduce defects.

- As a result of its Six Sigma efforts, Motorola was able to significantly reduce defects in its products, which led to increased customer satisfaction and reduced costs. In fact, by the early 1990s, Motorola estimated that its Six Sigma program had saved the company over \$16 billion in costs and increased customer satisfaction by 15%.

- Motorola's success with Six Sigma has inspired many other companies to adopt the methodology and has helped to establish Six Sigma as a leading approach to process improvement. Today, Six Sigma is used by companies around the world to improve their processes and increase efficiency.

# TOYOTA

## Success stories of companies using Lean Six Sigma

Toyota is widely regarded as one of the most efficient and effective automotive manufacturers in the world

- Toyota is a Japanese automotive manufacturer that is known for its use of Lean manufacturing principles. In the early 2000s, Toyota was struggling with quality control issues in its manufacturing processes, which led to a series of high-profile recalls and damaged the company's reputation.

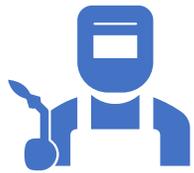
- To address these issues, Toyota implemented a Six Sigma program to improve its processes and reduce defects. The company also introduced a quality control initiative called "Total Quality Management" (TQM) that emphasized the importance of continuous improvement and employee involvement.

- As a result of its Six Sigma and TQM efforts, Toyota was able to significantly improve its product quality and reduce defects. In fact, the company's quality control improvements were so successful that they became known as the "Toyota Way" and have been emulated by many other companies around the world.

- Today, Toyota is known for its commitment to quality and continuous improvement, and is widely regarded as one of the most efficient and effective automotive manufacturers in the world.

# Success stories of companies using Lean Six Sigma

GE has credited Lean Six Sigma with saving the company billions of dollars and improving customer satisfaction



General Electric (GE) is a multinational conglomerate that has been using Lean Six Sigma since the 1990s to improve its manufacturing and business processes.

GE has credited Lean Six Sigma with saving the company billions of dollars and improving customer satisfaction.



One of the most famous success stories from GE's Six Sigma program is its efforts to improve the quality of its aircraft engines. In the 1990s, GE's aircraft engines were experiencing high levels of defects and failures, which were leading to costly repairs and replacements.



To address these issues, GE implemented the Six Sigma methodology to improve its manufacturing processes and reduce defects. The company also introduced a quality control initiative called "Design for Six Sigma" (DFSS) that emphasized the importance of designing products that were less likely to fail.



As a result of its Six Sigma and DFSS efforts, GE was able to significantly improve the quality of its aircraft engines and reduce the number of defects and failures. In fact, by the early 2000s, GE's aircraft engines had become so reliable that they were considered the most reliable engines in the world.

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**1** | **What is Lean Six Sigma?**

**2** | **What are the key benefits of using Lean Six Sigma?**

**3** | **Lean Six Sigma - Approach and overview**

# The Lean 6 Sigma DMAIC methodology is an iterative process



# Lean 6 Sigma DMAIC methodology



	I. Define	II. Measure	III. Analyze	IV. Improve	V. Control
Objective	Define the problem and set up project goals	Measure current performance & brainstorm potential cause(s) of the problem	Analyze the data and identify the root causes of waste	Develop solutions to address the root causes	Monitor and continuously improve
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# SIPOC tool

## Description

### What it is and why use it?

**SIPOC is an acronym used for Supplier-Input-Process-Output-Customer:**

- Suppliers provide inputs to the process
- Inputs are resources used by the process
- Process is the high-level sequence of activities that produces the output
- Outputs are the tangible products or services that are produced by the process
- Customers are the users of the outputs

SIPOC gives you a one-page depiction of how the given process is servicing the customer

It also provides an overview and establishes the boundaries of a process

And finally, it gives initial insights into the vital inputs of a process that have a significant impact on the outputs

### When and where to use?

- To build common understanding of the end-to-end process among stakeholders and team members
- To understand the high-level view of an end-to-end process when commencing an improvement initiative

### Insights

- SIPOC helps to understand a process at a high level before going into the detail
- Avoid having intended improvements on the SIPOC. It should always represent the current state
- Consider having Critical-to-Quality (CTQ) requirements for inputs, process and outputs

# High-level current process and scope

## SIPOC Tool

There should be no more than 5-7 high-level process steps

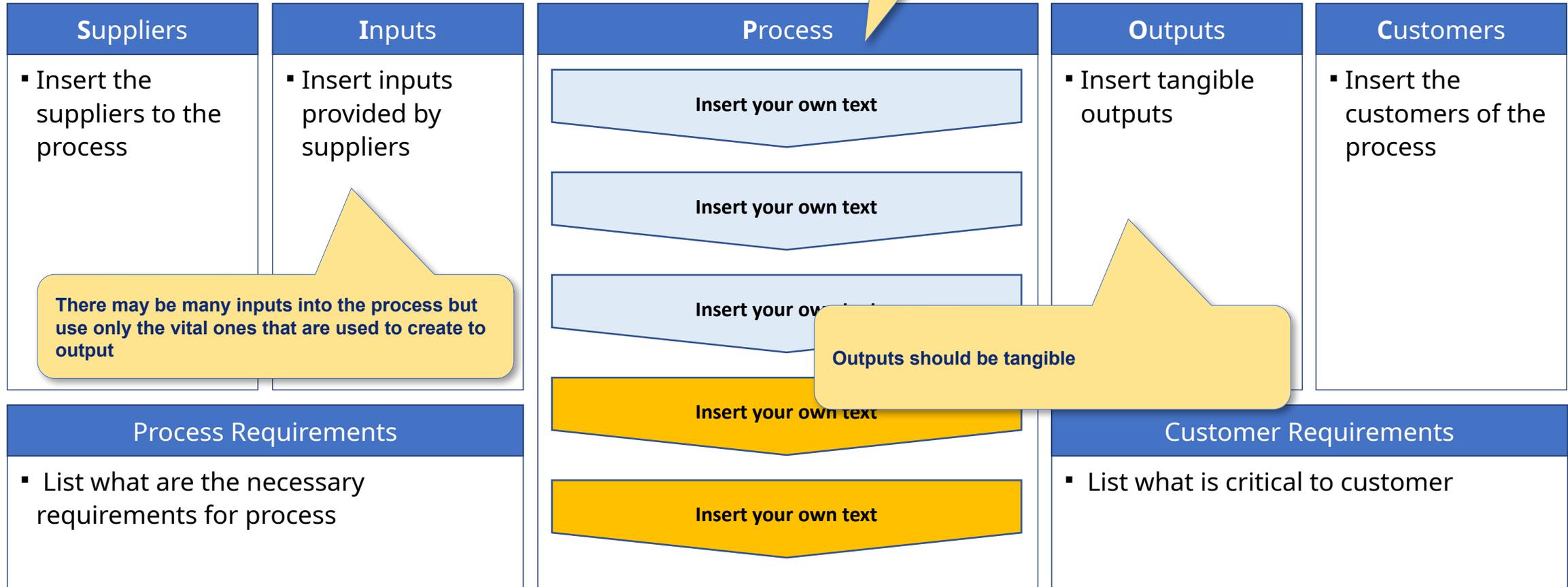
In scope

Out of scope

**Start point:** [insert your own text]

**Process Name:** [Identify the process to be worked on]  
**Process Owner:** [Confirm the process owner]

**End point:** [insert your own text]



There may be many inputs into the process but use only the vital ones that are used to create to output

Outputs should be tangible

# High-level current process and scope

SIPOC Tool

Real-life example  
for a coffee shop

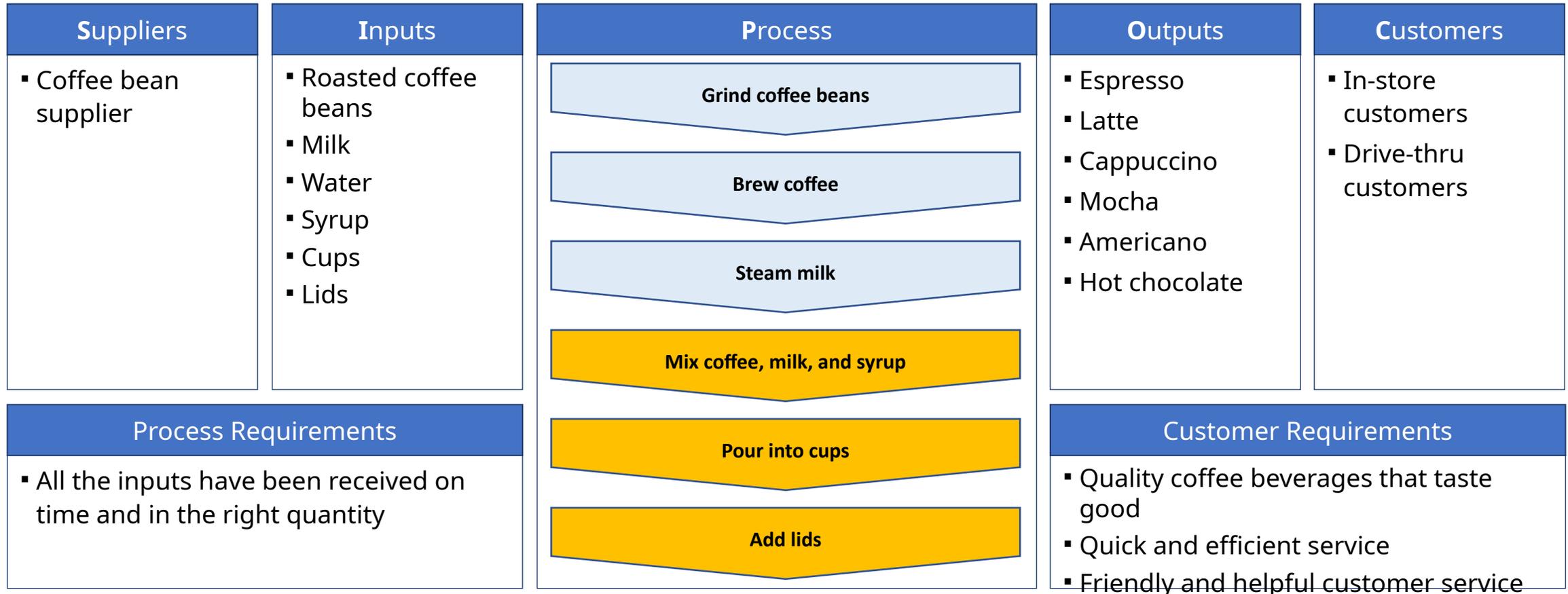
In scope

Out of scope

**Start point:** the shop orders coffee bean

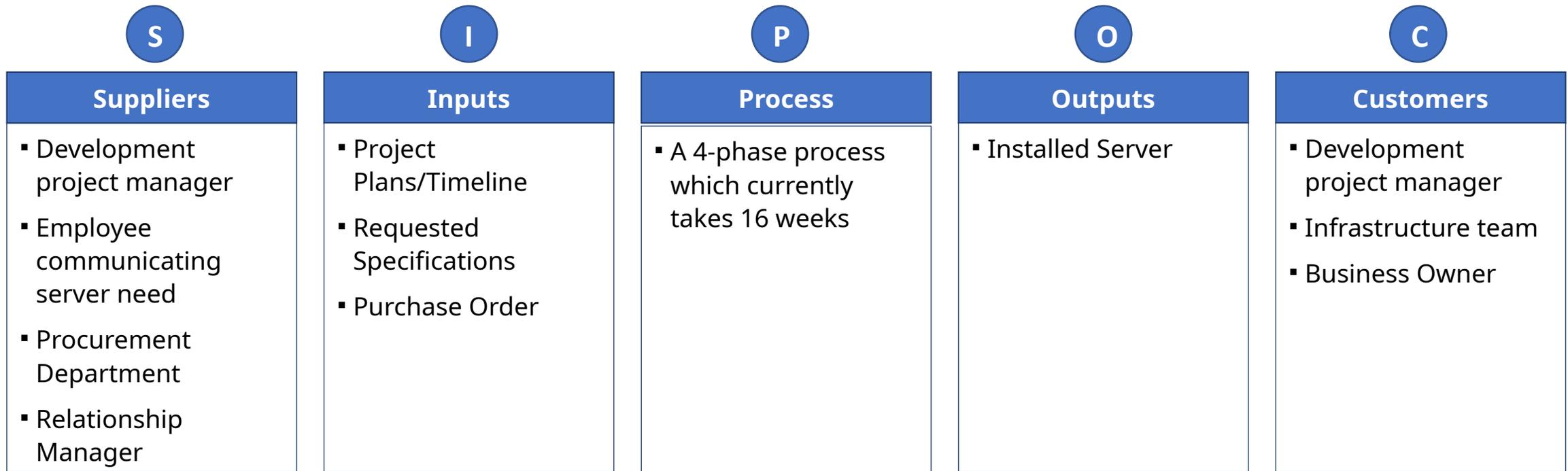
**Process Name:** [Identify the process to be worked on]  
**Process Owner:** [Confirm the process owner]

**End point:** The customer drinks her coffee

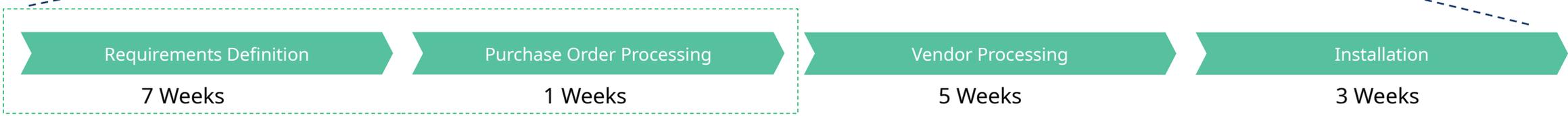


# High-level current process and scope

SIPOC Tool



IN SCOPE





### I. Define

### II. Measure

### III. Analyze

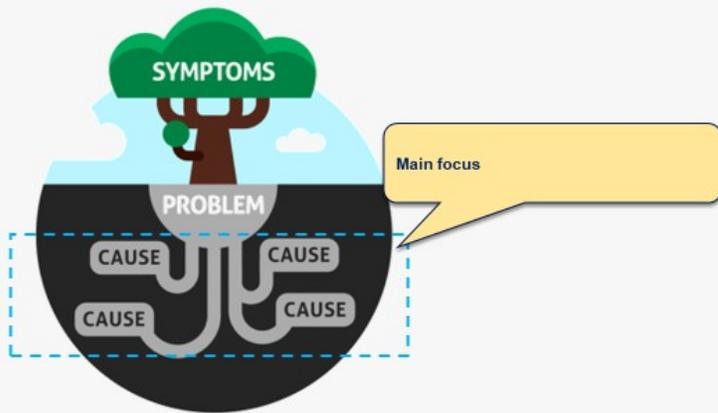
### IV. Improve

### V. Control

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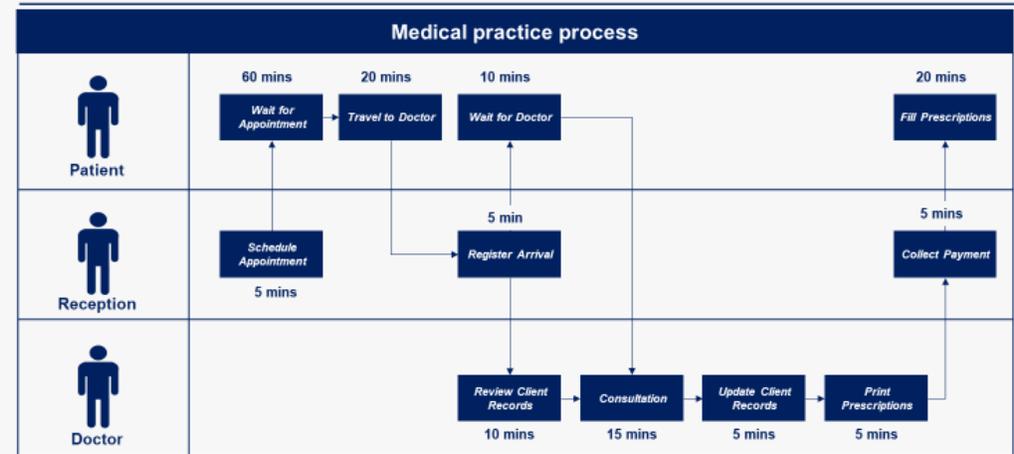
To resolve a problem, the focus should be on identifying and fixing the causes of the problem



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Real-life example for a medical practice

### Current process performance



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### I. Define

### II. Measure

### III. Analyze

### IV. Improve

### V. Control

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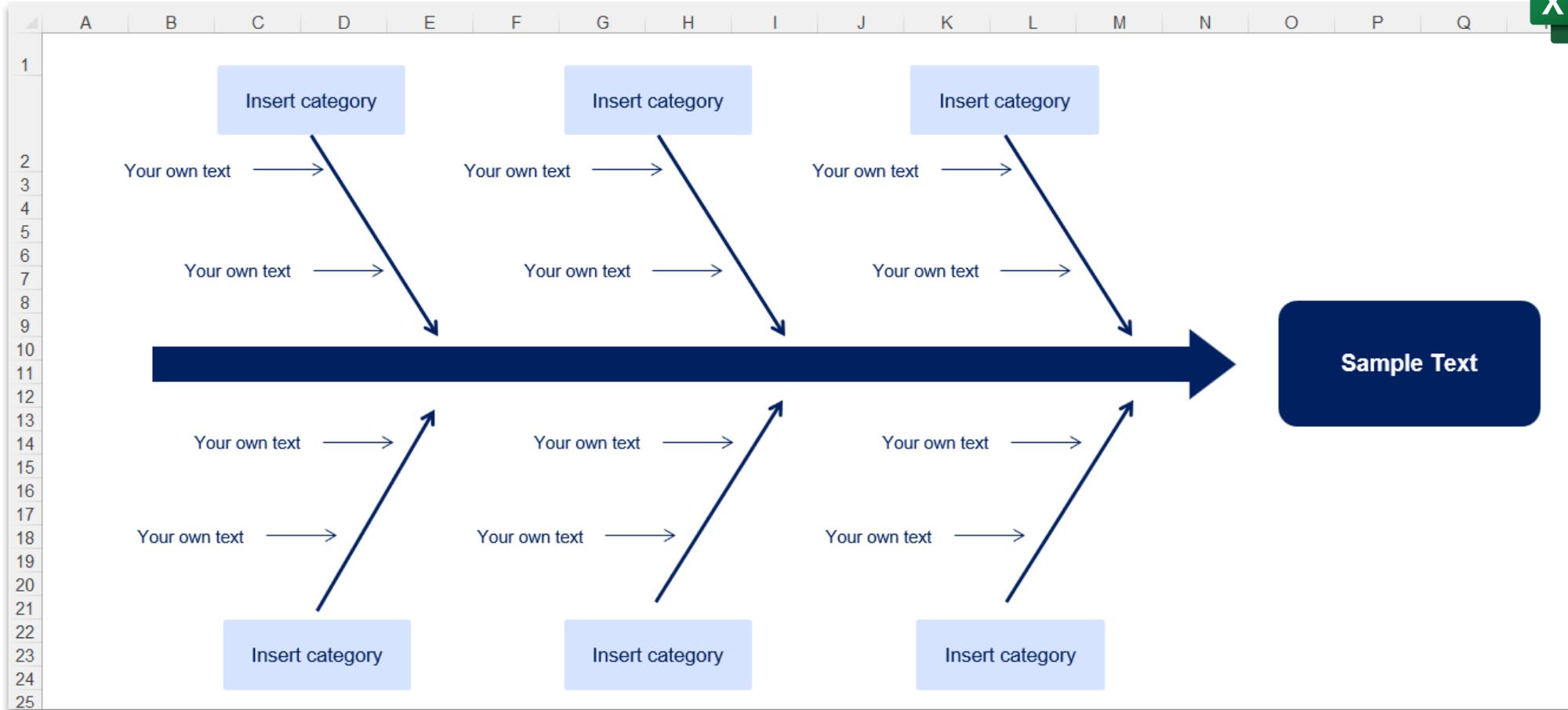
# Five whys Tool



Problem Statement	1st Why	2nd Why	3rd Why	4th Why	5th Why	Solution
The car won't start	The battery is dead	The alternator is broken	The alternator belt is broken	The car was driven with the headlights on for too long	The driver forgot to turn off the headlights when parking the car	Replace the alternator belt and recharge the battery
The website is slow	The server is overloaded	The server has insufficient memory	The server's operating system is outdated	The server's hardware is outdated	The server is 10 years old and needs to be replaced	Replace the server
The software is crashing frequently	The software is not compatible with the operating system	The software was designed for an older version of the operating system	The software was not updated to support the latest version of the operating system	The development team did not have access to the latest version of the operating system	The development team did not have a subscription to the latest version of the operating system	Purchase a subscription to the latest version of the operating system
The product is too expensive	The product has too many features	The product was designed to cater to a niche market	The product was designed with premium materials	The product was designed with advanced technology	The product was designed with features that are not essential for most customers	Remove non-essential features and use less expensive materials

# Fishbone diagram

## Tool





### I. Define

### II. Measure

### III. Analyze

### IV. Improve

### V. Control

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# FMEA

## Description

Failure Modes and Effects Analysis (FMEA) is an approach for identifying and mitigating risks caused by system or process failures. It is a proactive risk management technique that is widely used across industries to analyse potential failure modes, their causes, and the effects on overall operation.

In the context of Lean Six Sigma, FMEA is employed during the Analyse phase of the DMAIC cycle. It helps Six Sigma project teams predict the most likely process failures that will impact a customer and estimate the significance of the impact. FMEA allows organizations to prioritize and address the most critical risks by assessing the severity, occurrence likelihood, and detectability of each failure mode.

The FMEA process involves identifying failure modes, assessing their severity, determining causes and effects, estimating occurrence, evaluating existing controls, calculating Risk Priority Numbers (RPNs), developing action plans, and monitoring and reviewing the effectiveness of implemented measures.

# FMEA

Excel template: Open the Excel tool called FMEA



REF #	Process / Process Step	Potential Failure Mode	Potential Failure Effects	Severity (S)	Occurrence (O)	Detection (D)	Risk Priority Number (RPN)	Recommended Actions	Responsible
1	Step 1	Equipment failure	Production downtime	1	2	2	4	Schedule maintenance	John Doe
2	Step 2	Human error	Incorrect assembly	9	2	2	36	Implement training	John Doe
3	Step 3	Material defect	Product failure	10	1	3	30	Improve supplier quality	John Doe
4							0		

The table consists of seven columns, each with a specific purpose. The first column lists the process steps, while the second column identifies the potential failure modes. The third column describes the potential effects of each failure mode. The next three columns are used to rate the severity, occurrence likelihood, and detectability of each failure mode. The RPN is calculated by multiplying these three ratings together. Finally, the last column lists recommended actions to mitigate or eliminate each failure mode.



### I. Define

### II. Measure

### III. Analyze

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# Standard operating procedure (SOP)

## Description

### What it is and why use it?

**Standard Operating Procedures (SOPs) are documents describing the standard way of how a task should be performed in the best possible manner under given circumstances**

#### **SOPs are used to:**

- Increase consistency and predictability of service and customer satisfaction
- Prevent and reduce errors, re-work and customer complaints
- Set performance expectations, drive desired results and compare actual outcomes to target
- Establish best practice as standard working procedure

### When and where to use?

- Apply SOPs to frequently occurring, repeatable tasks and procedures.
- Use SOPs for Employee training and standard setting for process compliance.

### Tips

- Easily accessible at the point of use.
- Living documents that represents the single source of truth
- A good way to assess the usage of SOPs is evidence of actual usage throughout a process
- Updating, communicating and maintaining version control is vital.
- Prioritise introduction of SOPs into areas with relatively greater improvement opportunities

# Standard Operating Procedure (SOP)

Procedure Name: **Product Packaging Procedure**

Owner: Product manager

Version: Version xx, 30/03/2023

## Purpose

To provide a standardized process for packaging products to ensure consistency and quality.

## Scope

This SOP applies to all employees involved in the packaging process.

## Responsibilities

Packaging Operator: Responsible for packaging products according to the SOP.

Quality Control: Responsible for ensuring that the packaging meets the required quality standards.

Production Manager: Responsible for ensuring that the packaging process is executed correctly and that the products meet the desired quality standards.

## Procedure (1/2)

### 1. Preparation:

- Ensure that the product to be packaged is clean and free from defects (click [here](#) to access full checklist)
- Check that all required packaging materials are available and in good condition.

### 2. Packaging

- Follow the packaging instructions for the product, as outlined in the Product Packaging Specification document.
- Verify that the correct labels and stickers are used for the product.
- Ensure that the packaging is secured and sealed correctly.

### 3. Quality control

- Perform a visual inspection of the packaged product to ensure that it meets the required quality standards.
- Verify that the correct labels and stickers are used for the product.
- Complete the Quality Control Checklist and document any issues or defects.

### 4. Record Keeping

- Record the product packaging data in the Packaging Log, including product name, packaging materials used, and any quality issues or defects.
- File the Packaging Log in the appropriate location.

### 5. Clean up

- Clean the packaging area and ensure that all packaging materials are stored correctly.

# Standard Operating Procedure (SOP)

Procedure Name: **Product Packaging Procedure**

Owner: Product manager

Version: Version xx, 30/03/2023

Real-life example

## Procedure (2/2)

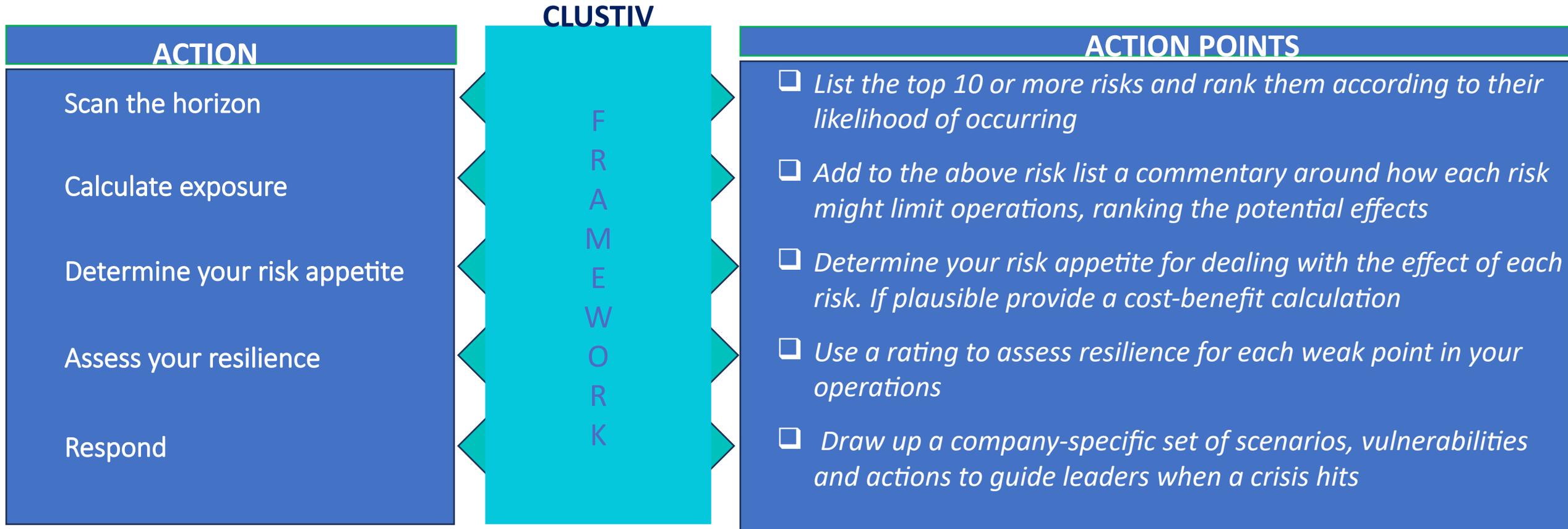
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A conference room with a long white table and several black leather chairs. The text "BOARD OF DIRECTORS" is overlaid in yellow.

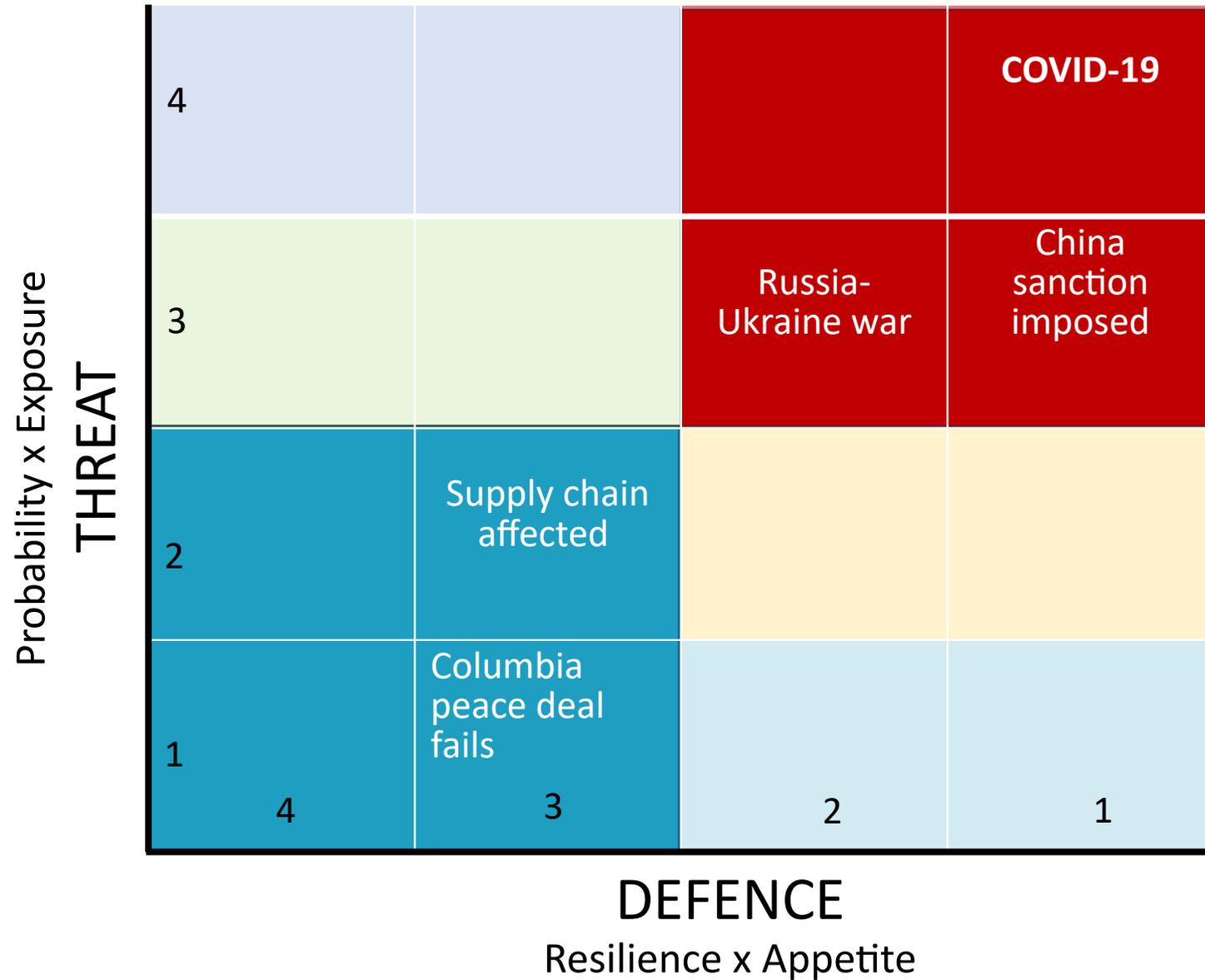
# BOARD OF DIRECTORS

# How your board of directors can prepare for geopolitical risk

A simple framework of five actions can help leaders to anticipate geopolitical risk:



Using these variables into a framework provides the board with a company-wide view of where its geopolitical risks lie, so helping them to allocate resources, assign responsibilities and, ultimately, seize business opportunities.



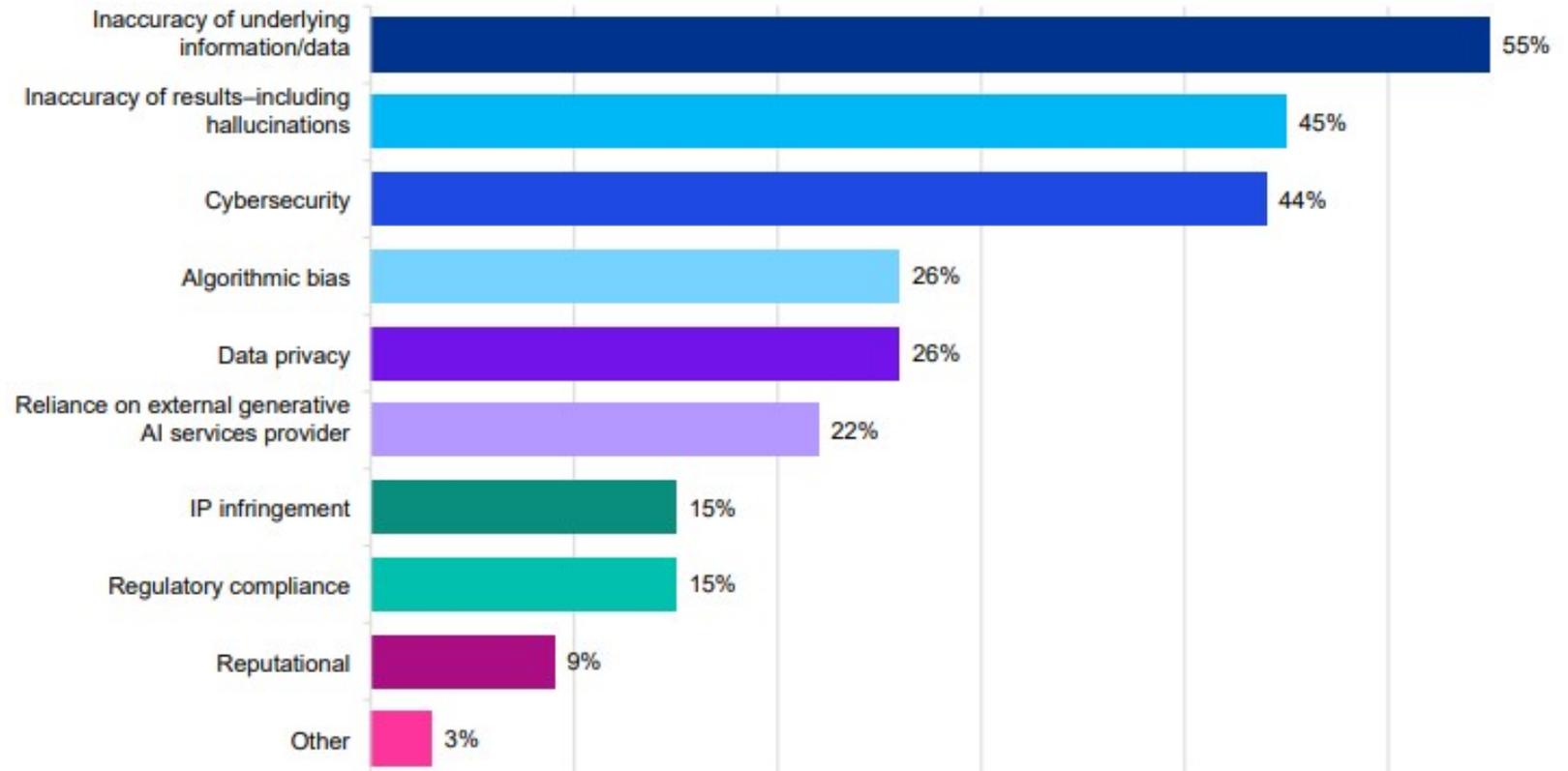
# Risk map

BlackRock Geopolitical market attention, market movement and likelihood



# Risk Posed by the Company's Adoption of Gen AI

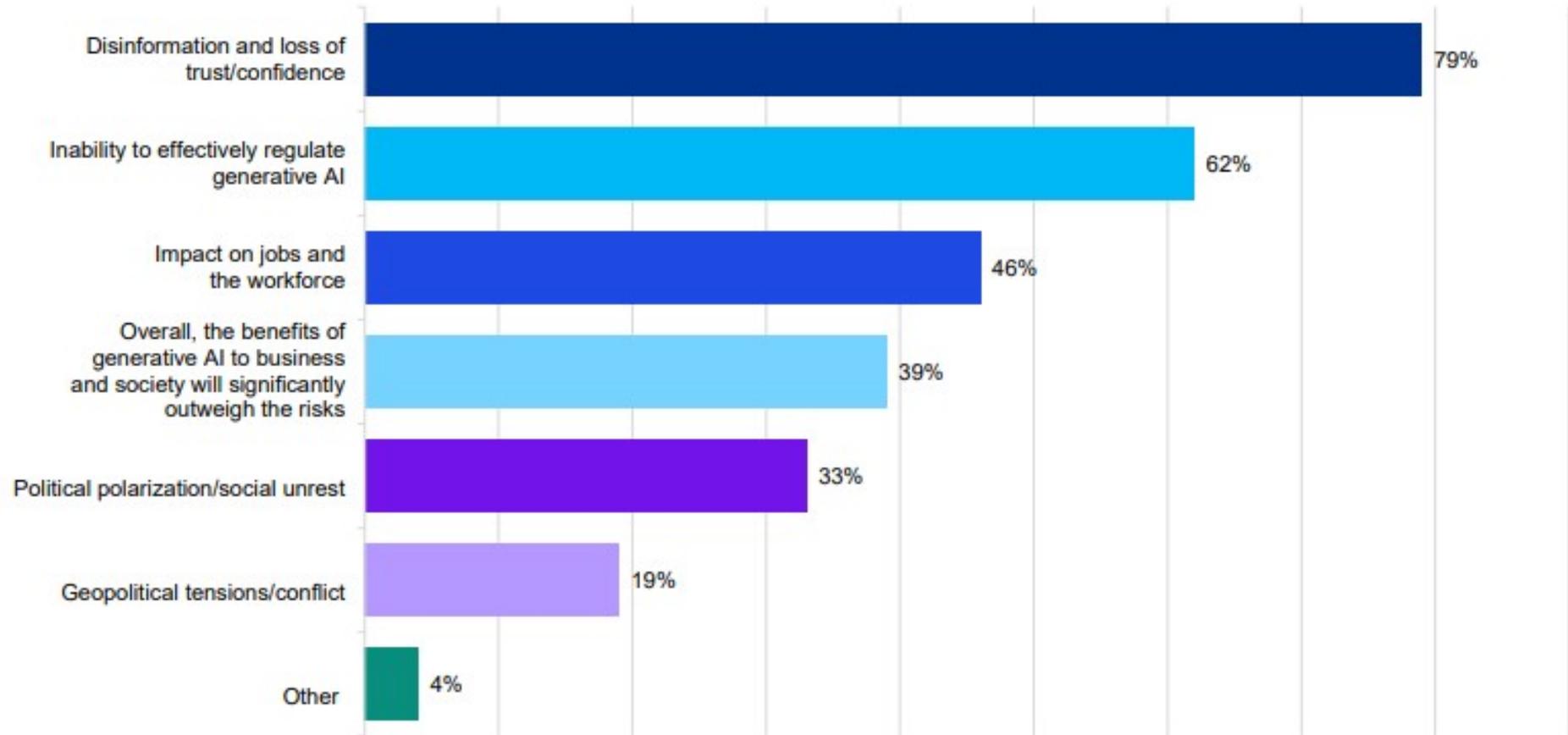
Which of the following risks posed by the company's adoption of generative AI are of greatest concern? (select up to three)



KPMG Board Leadership Center

# Macro issues about Gen AI

As a business leader, which of the following macro issues are you most concerned about in terms of generative AI's implications for the functioning of business and society? (select all that apply)



KPMG Board Leadership Center



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