

## Strategy Management Journey:



## Moving from Financial Information to Strategic Performance

Workshop II - 11<sup>th</sup> November  
LG PRO Forum 2011

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# Aim of Workshop ~ why are we doing this?

During this workshop we have the following aims:

- ✓ Understand the *Typical* Planning lifecycle through the lens of Strategic Impact ~ From Performance Reviews where *assessments & adaptations* are made more frequently to strategy to Transformations where *reviews & refreshments* are necessary to the strategy as environment changes
- ✓ Understand the Reporting continuum from Financial & Operational Reporting to Strategic Performance Reporting
- ✓ Understand what is involved in a Strategic Theme Assessments and how this may be beneficial
- ✓ Leverage Balanced Scorecard Methodology for better results – including having different types of meetings each month, quarter which contribute to input into next Council Plan

# Objective of Today's Workshop

During the workshop we will :

- ✓ Provide insights into the planning cycle and timeline based around Strategy Management
- ✓ Compare Traditional Reporting to Strategic Reporting
- ✓ Complete a Strategic Theme Assessment
- ✓ Explore enhanced ways of testing progress with Strategy
- ✓ Provide an aspirational framework to manage Strategy

# Process for Today's Workshop

The following process should be used for the Workshop

[5 min]

Step 1: For each group identify a:

- Leader / Presenter
- Scribe
- Timekeeper

Step 2: Identify which theme from Shire of Lipton Strategy Map your group is reviewing

[5 min]

Step 3: Review case-material provided and confirm “Strategy Map” contents

[10 min]

Step 4: Complete theme assessment for your specific theme by *creating ACTUAL performance* for previously provided KPIs performance and related Initiatives

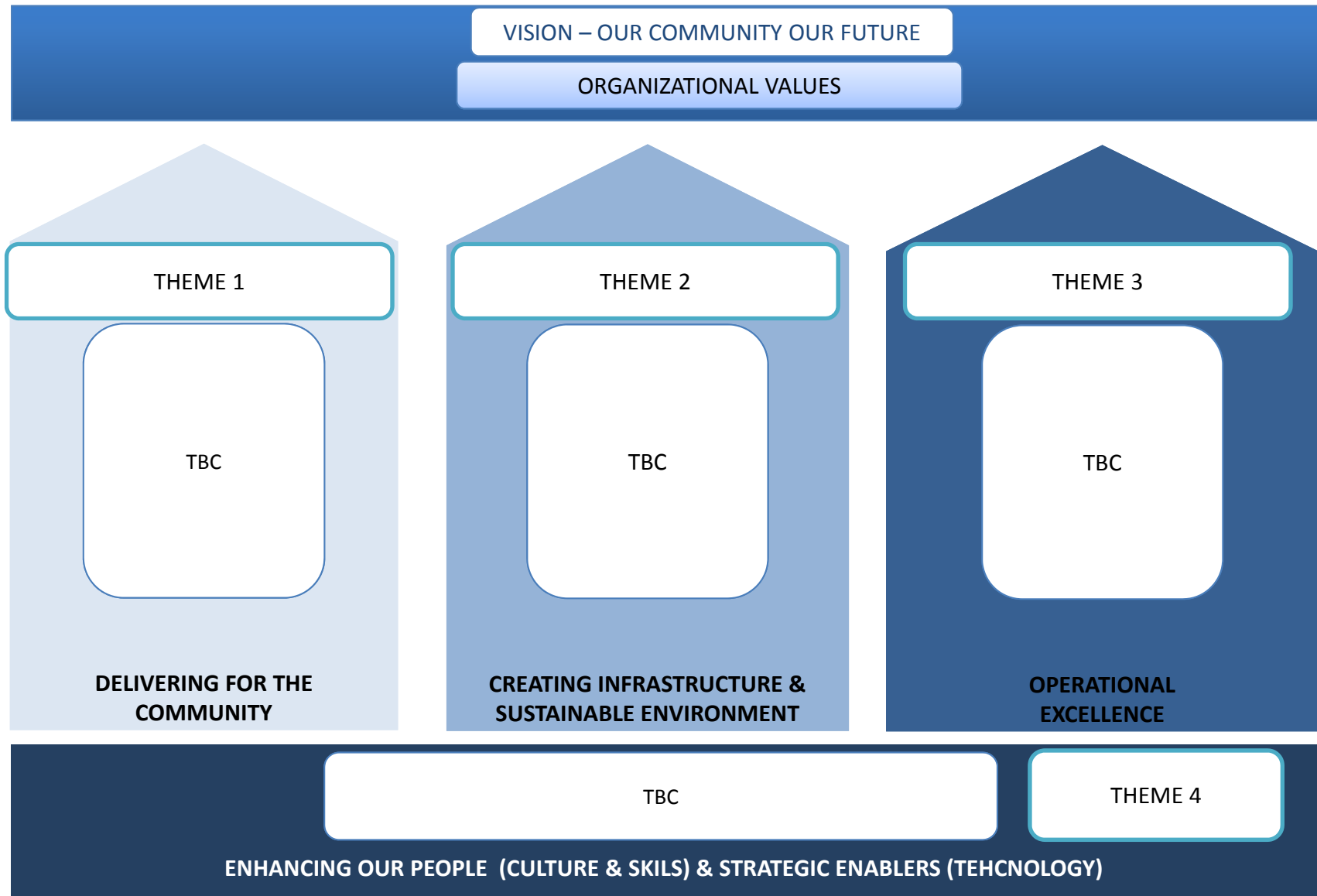
[15 min]

Step 5: Prepare summary analysis and draw conclusions

Step 6: Present back to group answering the following questions:

- Identify any issues during the exercise from your table's?
- What did you conclude in preparing theme-assessment for the specific Shire of Lipton's theme? Was it helpful?
- What are the overall recommendations?
- Compare this approach to your current situation? What is better? What is not?

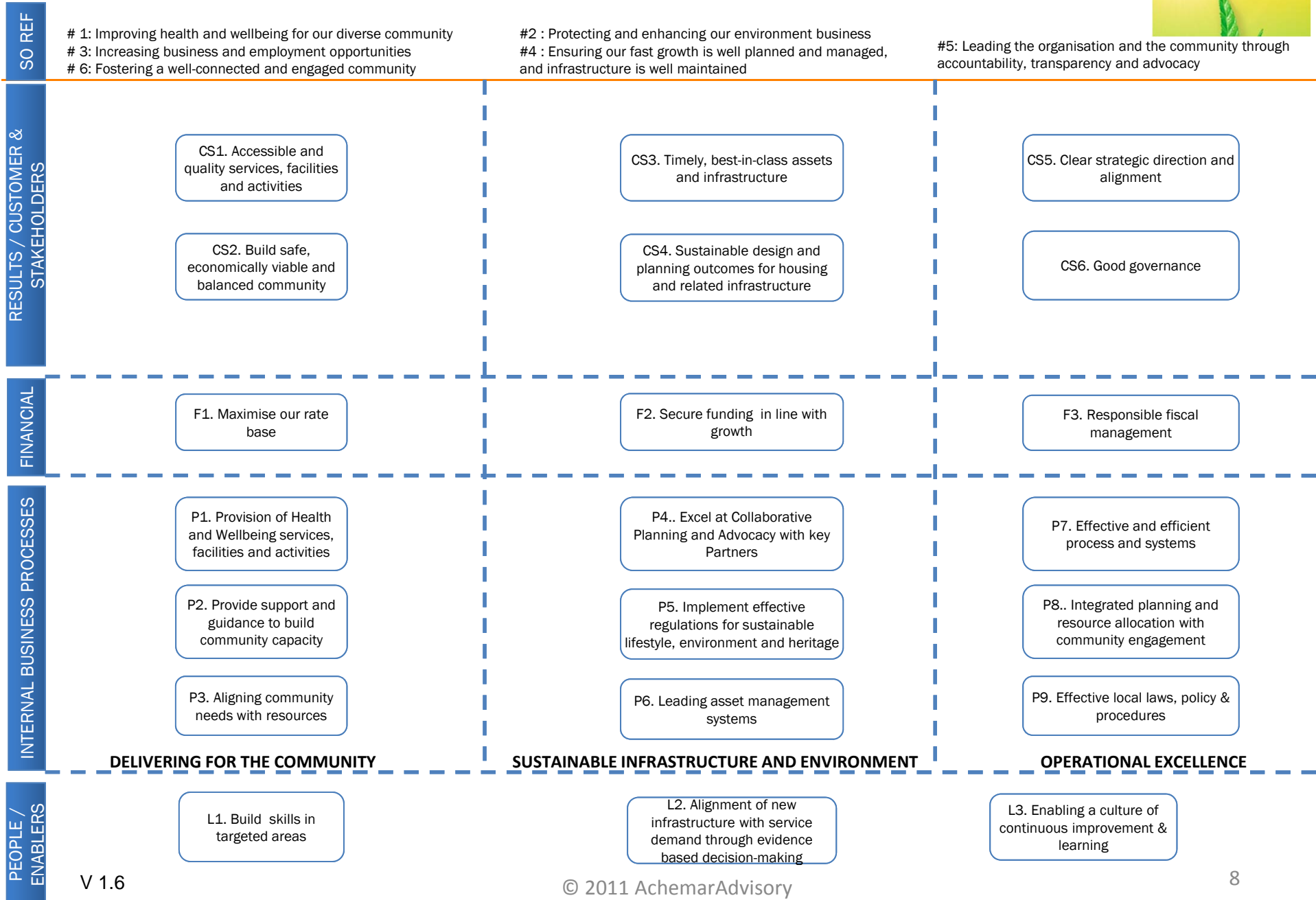
Shire of Lipton – we have identified four themes and each group will analyse ONE



Each Group(either G1/G2/G3/G4) will do 1-of-4 vertical theme OR strategic enabler (horizontal)



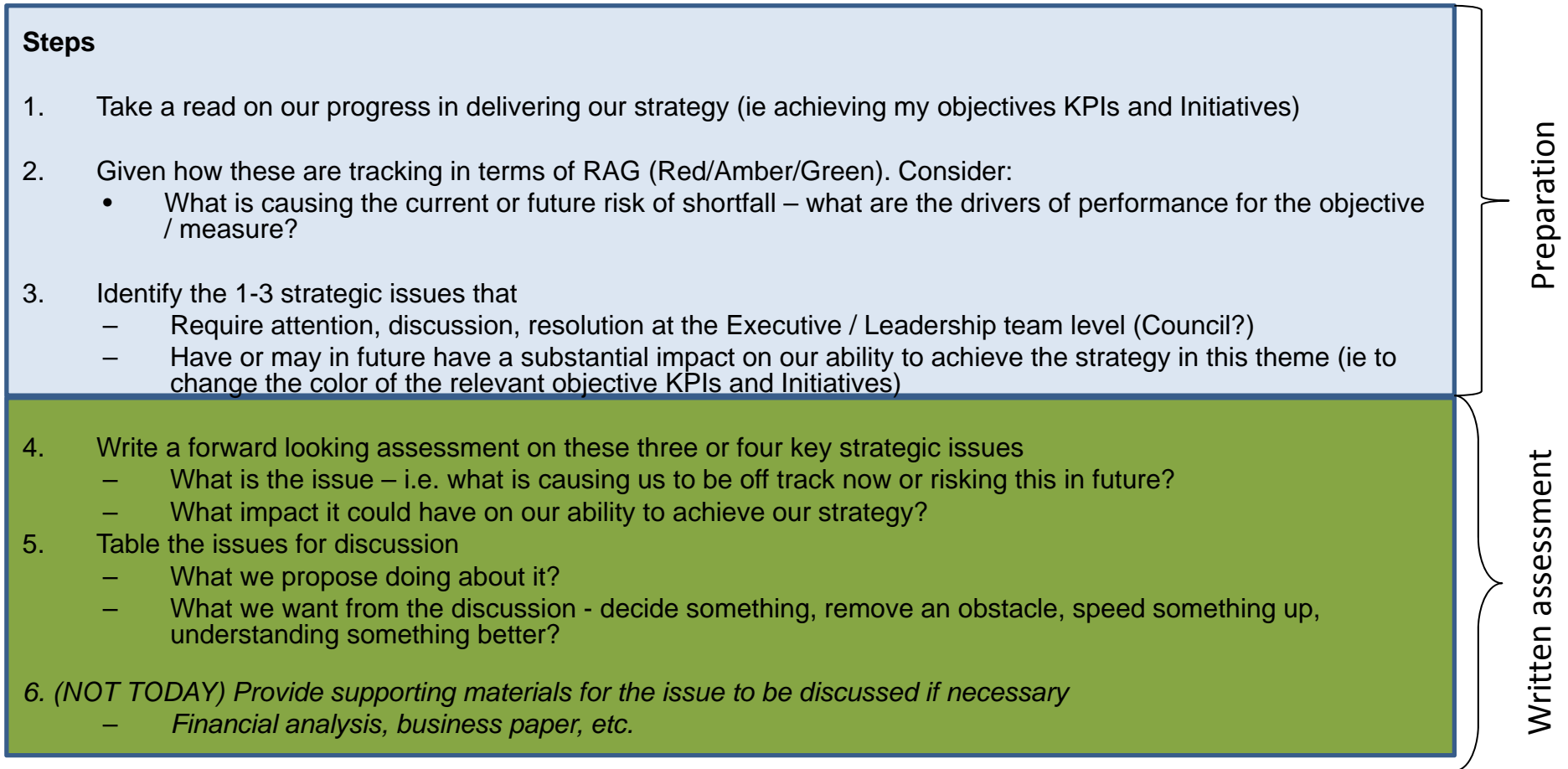
# Shire of Lipton – Simplified Strategy Map



# What is a theme assessment?

## Principles of theme assessment?

- Having reviewed the individual KPIs / Initiative performance it is a summary of the key issues, potential implications and suggested actions/discussion points. The summary should drive the discussion with leadership at the strategy review.
- The theme assessment should specify the particular next steps or outcomes that are expected from the discussion.



# Theme Assessment Sample

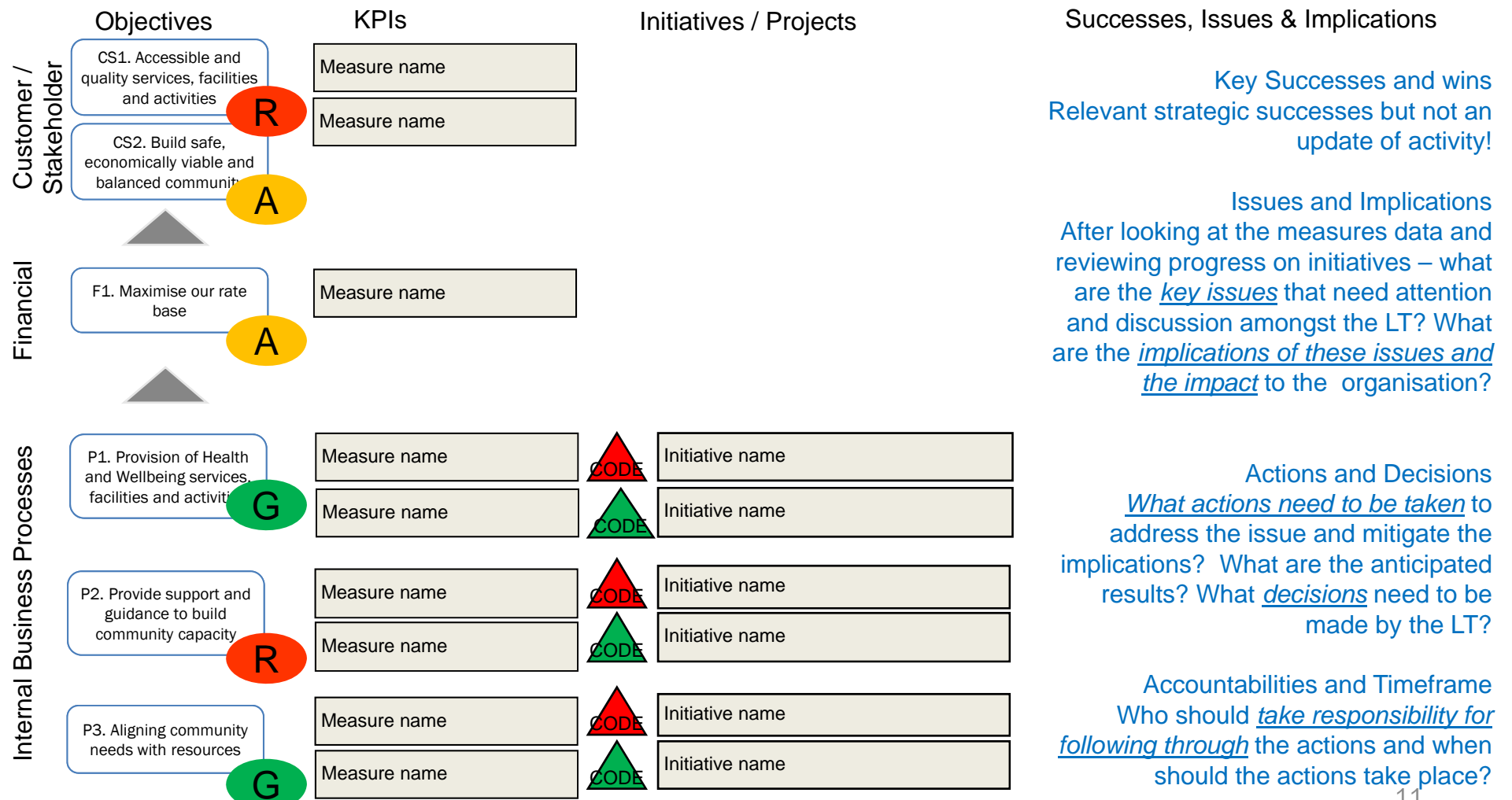
## Theme Assessment TEMPLATE – Date Theme Owner: xx

Objectives	Measures	Initiatives	Successes, Issues & Implications
<p>OBJECTIVE STATEMENT</p> <p style="text-align: right;"><b>R</b></p>	<p><b>CODE</b> Measure name</p>		<p>Key Successes and wins Relevant strategic successes but not an update of activity!</p>
<p>OBJECTIVE STATEMENT</p> <p style="text-align: right;"><b>A</b></p>	<p><b>CODE</b> Measure name</p> <p><b>CODE</b> Measure name</p>	<p><b>CODE</b> Initiative name</p> <p><b>CODE</b> Initiative name</p>	<p>Issues and Implications After looking at the measures data and reviewing progress on initiatives – what are the <u>key issues</u> that need attention and discussion amongst the LT? What are the <u>implications of these issues and the impact</u> to the organisation?</p>
<p>OBJECTIVE STATEMENT</p> <p style="text-align: right;"><b>A</b></p>	<p><b>CODE</b> Measure name</p> <p><b>CODE</b> Measure name</p>	<p><b>CODE</b> Initiative name</p> <p><b>CODE</b> Initiative name</p>	<p>Actions and Decisions <u>What actions need to be taken</u> to address the issue and mitigate the implications? What are the anticipated results? What <u>decisions</u> need to be made by the LT?</p>
<p>OBJECTIVE STATEMENT</p> <p style="text-align: right;"><b>G</b></p>	<p><b>CODE</b> Measure name</p> <p><b>CODE</b> Measure name</p>	<p><b>CODE</b> Initiative name</p> <p><b>CODE</b> Initiative name</p>	<p>Accountabilities and Timeframe Who should <u>take responsibility for following through</u> the actions and when should the actions take place?</p>

# Theme Assessment Template – Theme 1



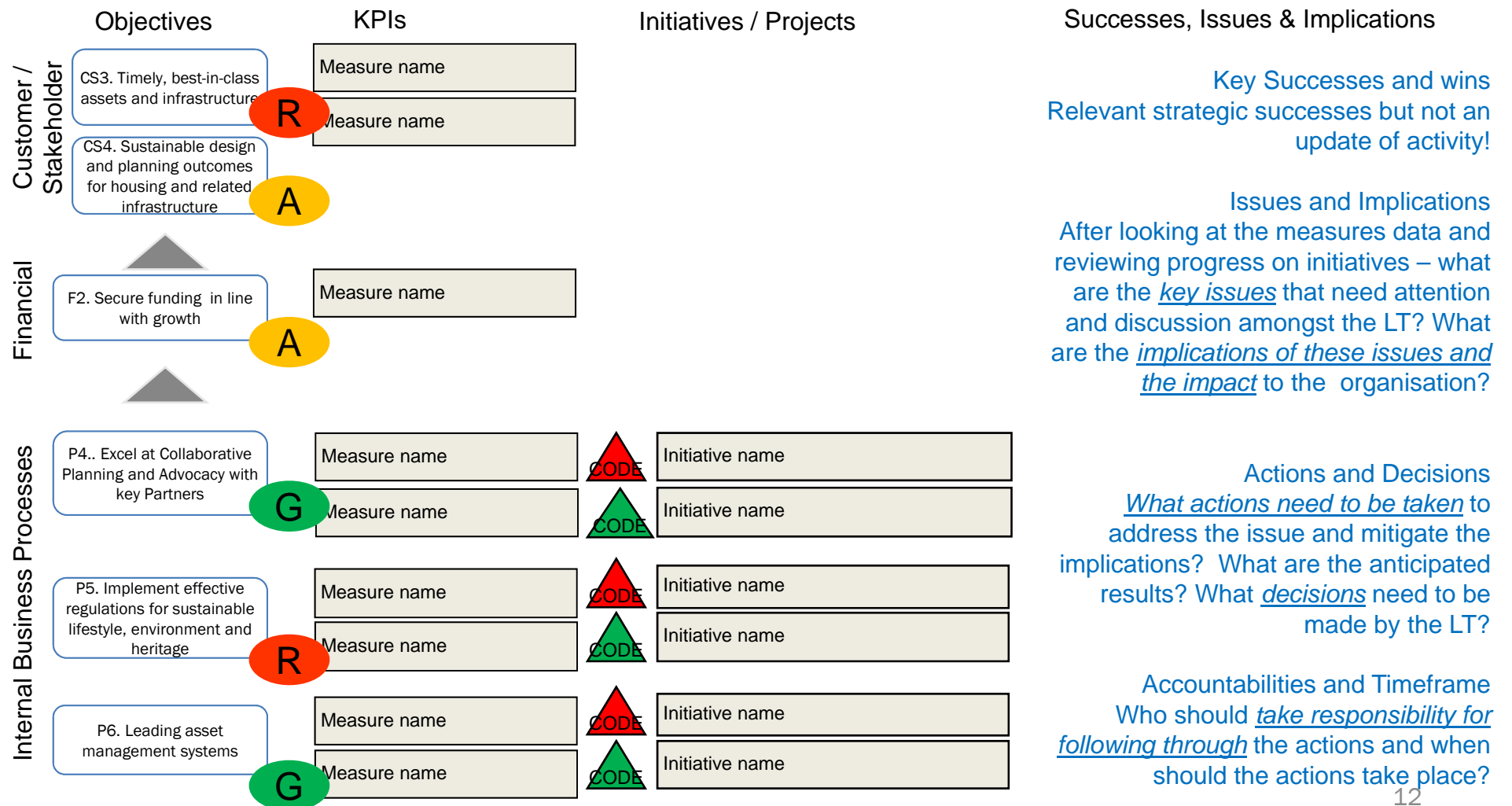
Theme 1: Delivering for the Community – November 11<sup>th</sup> 2011      Theme Owner: Group 1



# Theme Assessment Template – Theme 2



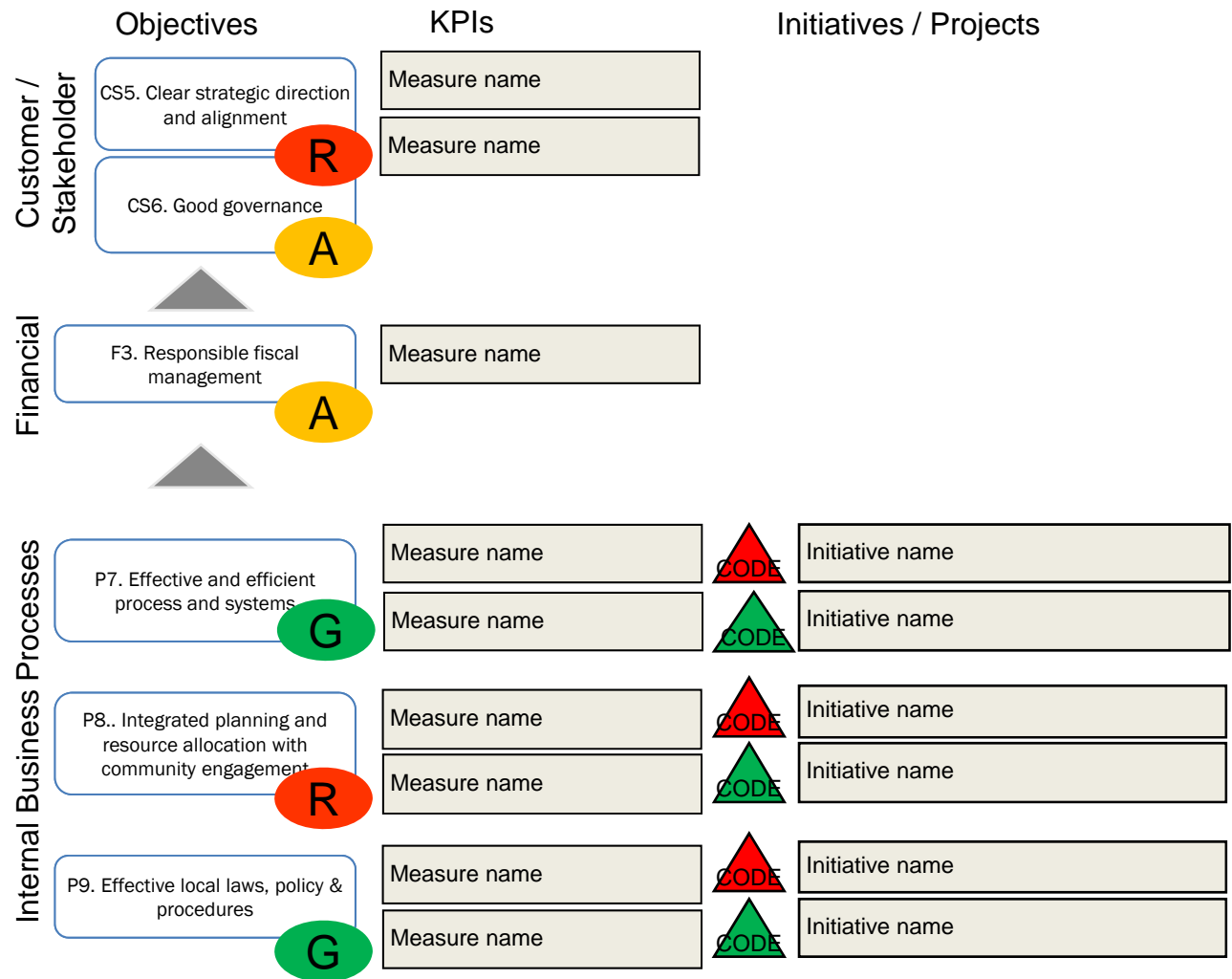
## Theme 2: Sustainable Infrastructure & Environment – November 11<sup>th</sup> 2011 Owner: Group 2



# Theme Assessment Template – Theme 3



Theme 3: Operational Excellence – November 11<sup>th</sup> 2011 Theme Owner: Group 3



**Key Successes and wins**  
Relevant strategic successes but not an update of activity!

**Issues and Implications**  
After looking at the measures data and reviewing progress on initiatives – what are the key issues that need attention and discussion amongst the LT? What are the implications of these issues and the impact to the organisation?

**Actions and Decisions**  
What actions need to be taken to address the issue and mitigate the implications? What are the anticipated results? What decisions need to be made by the LT?

**Accountabilities and Timeframe**  
Who should take responsibility for following through the actions and when should the actions take place?

# Theme Assessment Template – Theme 4



## Theme 4: Develop People & Strategic Enablers – November 11<sup>th</sup> 2011 Owner: Group 4

### People / Enablers

Objectives	L1. Build skills in targeted areas <b>R</b>	L2. Alignment of new infrastructure with service demand through evidence based decision-making <b>A</b>	L3. Enabling a culture of continuous improvement & learning <b>A</b>
KPIs	Measure name	Measure name Measure name	Measure name
Initiatives / Projects	Initiative name	Initiative name	Initiative name

### Successes, Issues & Implications

**Key Successes and wins**  
 Relevant strategic successes but not an update of activity!

**Issues and Implications**  
 After looking at the measures data and reviewing progress on initiatives – what are the key issues that need attention and discussion amongst the LT? What are the implications of these issues and the impact to the organisation?

**Actions and Decisions**  
What actions need to be taken to address the issue and mitigate the implications? What are the anticipated results? What decisions need to be made by the LT?

**Accountabilities and Timeframe**  
 Who should take responsibility for following through the actions and when should the actions take place?

Please CREATE Actual Performance Information to *CRAFT*  
*A MEANINGFUL STORY!!!*

Please remember rarely everything “works-out” perfectly

# Wrap-up

## Questions to Consider for presenting

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Once you have the performance information in-front of your table

1. Confirm you understand what the Shire of Lipton theme story is for your theme? Its Definition?
2. Note individual performance of each objective (RAG) and / or Initiatives
3. Ensure your group “fits-in” individual objective or initiative performance into overall picture (remember to think about the location within the map – vis-à-vis cause & effect)
4. Initiative performance vs. Objective KPI performance – how do they differ?
5. Linkage ~ making the cause & effect linkage is where the magic happens
6. Make Proper & Rigorous forward analysis

*This is not an easy process initially and certainly is about building strategic analysis skills within the organization. It does get easier over time!*

In each table group please provide the following analysis:

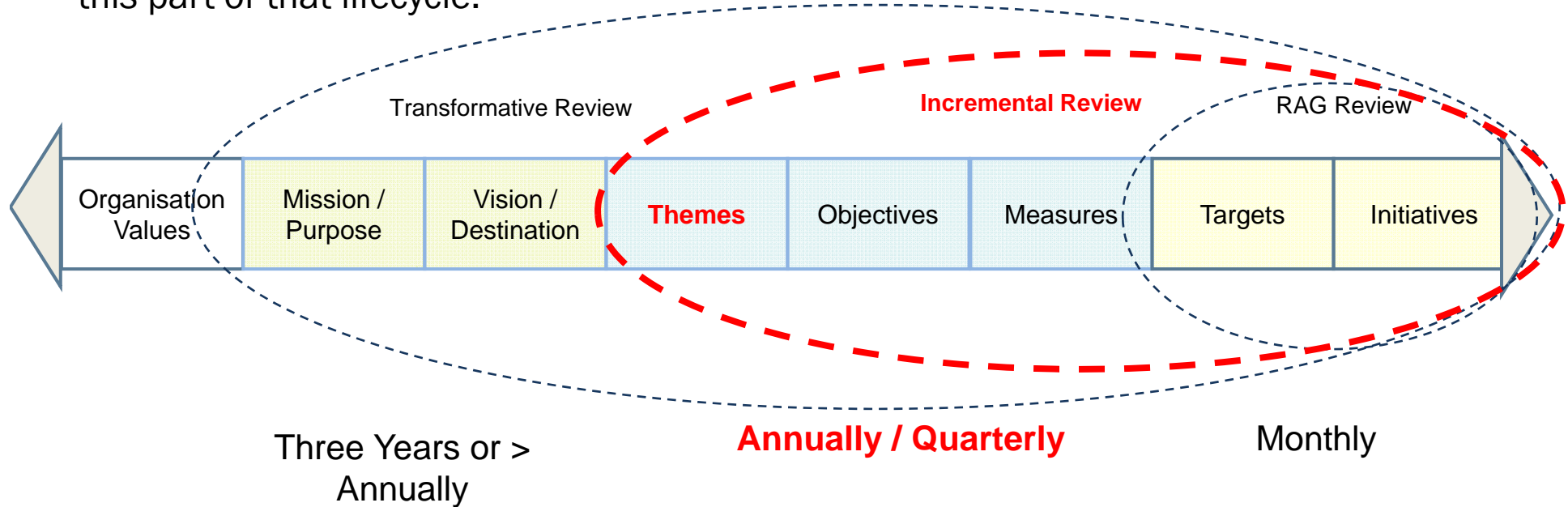
- 1) Talk about the process – 1 or 2 highlights / lowlights?
- 2) Actual Theme Assessment of ONE Shire of Lipton Theme
- 3) What are your recommendations following this analysis for the Shire Council / Executive Committee of Management? Consider:

- ✓ Do you understand what the theme story is? Its Definition?
- ✓ Need to understand individual performance of each objective
- ✓ “Fit-in” individual performance (RAG) picture (remember to think about the location within the map – vis-à-vis cause & effect)
- ✓ Initiative performance vs. Objective KPI performance – how do they differ?
- ✓ Linkage ~ making the cause & effect linkage is where the magic happens
- ✓ Proper & Rigorous forward analysis

*If you are presenting following another group then please add new comments / further clarify previously repeated comments.*

# Wrap-up and Conclusions

We have identified an advanced approach to reviewing an organization’s strategy. Relating this back to the initial slide on “typical planning life-cycle” we are focusing on this part of that lifecycle:



By combining this theme assessment approach (say each quarter) with Monthly RAG reviews of the various objectives and Initiatives we are “gathering information” for smaller incremental changes in the organization strategy ~ ultimately over time these will consolidate into quality input for the 4-year Council Plan



# Shire of Lipton – Simplified Strategy Map

18 # of Action Plan KPIs  
 18 # of Strategic Indicators  
 18 # of CEO KPIs

SO REF

# 1: Improving health and wellbeing for our diverse community  
 # 3: Increasing business and employment opportunities  
 # 6: Fostering a well-connected and engaged community

#2 : Protecting and enhancing our environment business  
 #4 : Ensuring our fast growth is well planned and managed, and infrastructure is well maintained

#5: Leading the organisation and the community through accountability, transparency and advocacy

RESULTS / CUSTOMER & STAKEHOLDERS

CS1. Accessible and quality services, facilities and activities  
 1  
 2  
 18

CS2. Build safe, economically viable and balanced community  
 3  
 22

CS3. Timely, best-in-class assets and infrastructure  
 1  
 6

CS4. Sustainable design and planning outcomes for housing and related infrastructure  
 3  
 10

CS5. Clear strategic direction and alignment  
 2  
 2

CS6. Good governance  
 3  
 2  
 2

FINANCIAL

F1. Maximise our rate base  
 1

F2. Secure funding in line with growth  
 2

F3. Responsible fiscal management  
 2  
 5

INTERNAL BUSINESS PROCESSES

P1. Provision of Health and Wellbeing services, facilities and activities  
 1  
 10

P2. Provide support and guidance to build community capacity  
 14

P3. Aligning community needs with resources  
 1  
 1  
 8

P4.. Excel at Collaborative Planning and Advocacy with key Partners  
 1  
 1  
 2

P5. Implement effective regulations for sustainable lifestyle, environment and heritage  
 2  
 7

P6. Leading asset management systems  
 1  
 5

P7. Effective and efficient process and systems  
 1  
 1  
 10

P8.. Integrated planning and resource allocation with community engagement  
 1  
 1  
 4

P9. Effective local laws, policy & procedures  
 5

DELIVERING FOR THE COMMUNITY

SUSTAINABLE INFRASTRUCTURE AND ENVIRONMENT

OPERATIONAL EXCELLENCE

PEOPLE / ENABLERS

L1. Build skills in targeted areas  
 2

L2. Alignment of new infrastructure with service demand through evidence based decision-making  
 2

L3. Enabling a culture of continuous improvement & learning  
 1  
 1