



Strategic Management:

How to grow your business

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Strategic Management

How to get from here to there....

And what is here - and what is there

LEAN is a Growth Strategy

If you have decided to go Lean, you have strategically decided you either have more sales than you can manufacture or you have committed to aggressive marketing...

Or you are not paying attention...

Fact-Based Company Performance

- Know thyself
- Know thy customers and their markets
- Know thy competition

Assessing your performance in the eyes of the customer versus competitors

- Delivery
- Cost
- Quality
- Technical knowhow
- Field service
- Performance
- Responsiveness, etc

Assessing the Customer

- Weight attributes of customer
 - Sales volume
 - Profitability
 - Technology challenge
 - Future potential, etc.
- Separate Most Valued Customers from Least Valued
- Compare margins for both types

Value Proposition

- Product/Service Attributes-- price, quality, time, functionality, selection
- Relationships—service, long term relations
- Product leadership strategy addresses primarily functionality and time
- Customer intimacy strategy focuses on service and relationships
- Operational excellence strategy encompasses price, quality time, and selection

Value proposition as seen by customer

- MVCs value your VP and will pay for it
- LVCs either don't know your VP, or don't value it
- You may be able to take a high volume, low margin LVC and make them profitable by reducing the service you provide, but if they don't appreciate and wont pay for it... you need to seriously consider firing them.....but maybe not now

Typical Content of Strategic Plan

- Vision, Mission, Strategic goals 1 to 5 years out
- Services and/or Product description
- Customer, market, competitor, --characterization
- SWOT analysis; Core Competencies/Value Proposition
- Strategies to meet growth goals
- Manufacturing —capability and growth requirements
- Organizational assessment—current and projected
- Financial projection

Key Factors in Plan for Deployment Success

- Quantify and prioritize goals
- Keep strategies simple; use common language
- Thoroughly review resource requirements
- Focus on value proposition
- Align goals, strategies, resources –use PDCA

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Guidelines for Successful Deployment

- Review regularly
- Must have corrective action when missing milestones
- Continue to re-evaluate assumptions
- Continue to re-align objectives and resources
- Reward execution
- PCDA implementable at all levels

Balanced scorecard

- Develop the strategy
- Translate the strategy
 - objectives and themes
 - targets and initiatives
- Align the organization—people and groups
- Link strategy to operations-KPIs, Lean
- Monitor, adapt



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