

Using Agile Execution for Business Growth

Robert J Jonas
President, Strategy International Inc
rjonas@strategyinc.com
bobjonas.com strategyinc.com



STRATEGY
INTERNATIONAL

Small Business Growth Using Agile Execution

- The Business Owner's Challenges
- What is Strategy?
- Why most strategic plans fail
- Agile Thinking
- Leadership Challenge
- Small Business Growth Strategies

The Business Owner's Challenges

What are your ^{Growth} ^ challenges?

*“What is Strategy?**”

“Competitive strategy is about being different. It means...”

“...choosing to perform activities differently or to perform different activities than rivals.”

“Strategy is making trade-offs in competing. The essence of strategy is choosing what not to do.”

* By Michael Porter, p. 64, 70. Harvard Business Review, November-December, 1996.

STRATEGY
INTERNATIONAL

The Concept of Strategy...

A *unique* way of creating and delivering value...

...that makes your customers want you to
flourish and thrive...

It's what makes you *hard for others to imitate.*

Our Definition of Strategy...

A short, **unique customer promise** and a **sets of tactics** (strategic initiatives) all working together to deliver that promise and thereby create unique value.

The Two Components of Strategy

What

How

STRATEGY
INTERNATIONAL

With Superior **Application**
Expertise and Leading Knowledge
of Combustion Solutions, We
Deliver **Safe, Reliable, Efficient**
and Clean Heat to Industry
Worldwide.

STRATEGY
INTERNATIONAL

The What: Your Customer Promise

“Absolutely, positively overnight.”



“Save Money. Live Better.”



“Low fares. No hidden fees.”

“Tastes Great. Less Filling”



* See “Can You Say What Your strategy Is?” by David Gillis and Michael Rukstad, Harvard Business Review, April 2008.

STRATEGY
INTERNATIONAL

Why most strategic business plans fail

Reasons:

The members of the organization don't know about the plan

Compensation is not based upon success of implementation

Lack of communication from the top management down to the ranks

Goals are all financial, not predictable

Competition changes their strategy

No differentiation from the competitor's strategy

Customers' needs change rapidly

Do not have appropriate resources – money to invest

Wrong people – skills sets do not match implementation need

Lack of innovation in profits or operations or service

Customers are excluding from contributing to the strategy

Strategy is flawed

No tests or pilots were conducted to prove the strategic concept before rolling out the strategy

Individuals in organizations did not agree with strategy

Functional departments were not aligned for execution

- Management is not open to listening to changes and acting accordingly

- Not identifying Critical Success Factors

- Not identifying Potential success factors

- Too many Goals

Lack of priority of action

- Too many strategic initiatives

- Too long to implement changes

Value propositions does not meet market place needs

New competitors enter the marketplace

- Disruption technology replaces SP essential

No feedback loop from the customers to the organization

- Performance measurements did not align with actions required

- Performance measurement was not used to measure success

- Necessary conditions for success were not identified or acted upon

Not anticipating competitor's reaction

- Market needs are not understood

- Trend the SP was based upon have changed extremely

- Trends change during the roll out

STRATEGY
INTERNATIONAL

Agile Thinking



What is Agility?

Agility is the ability to rapidly **respond** to inputs and **change** direction without impact on business **performance** or loss of **momentum**.

- Rapid Response
- Change in Direction
- Maintain Performance
- Keeping Momentum

Rapid Response

- To respond quickly, the system needs a **way to sense** what is happening.
- **Flow of information** to and from management is imperative from customers, suppliers, employees and industry stakeholders.
- They actively **disseminate information** about competitive threats and potential opportunities

Change in Direction

- Clarity in **who** has the ultimate say on specific decision
- The ability to take **decision quickly** and **ability to transmit** those decisions effectively through the organization

Maintain Performance

- The organization **internalizes** what the key priorities and metrics are
- **Disciplined** in keeping their core set of priorities:
Consistent, Focused and Simple
- **Resist temptation** to allow objectives and metrics to proliferate.

Keeping Momentum

- Establish processes and infrastructure that **enables continuous improvement**
- Capture **learnings** and shared **knowledge**
- **Pragmatically** standardize proven methods
- Cut unnecessary, **low value activities**
- Avoid “reinventing the wheel”

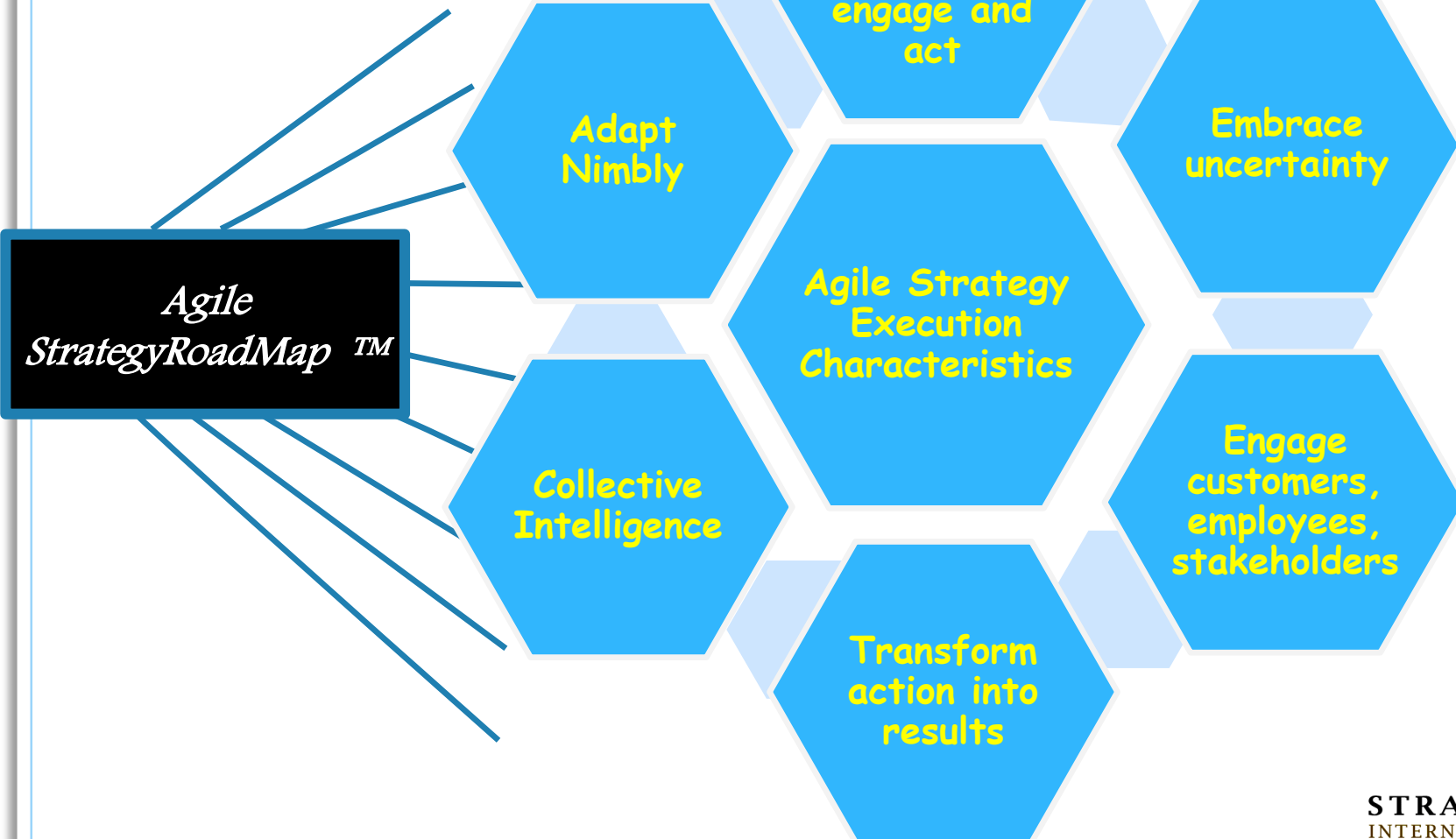
Agile Strategy RoadMap™ Development Process

A New Concept for Strategy - it
reflects today's fast moving pace
of markets

STRATEGY
INTERNATIONAL

Benefits of Agile Execution

Attributes of Agile Thinking



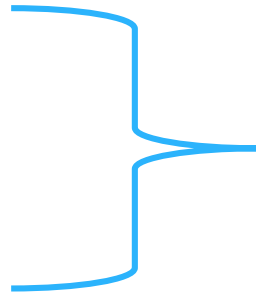
Agile Thinking

Key Benefit:

Your ability to sense and respond to changes in your marketplace - will determine your ability to gain and sustain margin and accomplish your goals.

Purpose:

- Being **creative**
- Being **flexible**
- Providing **value**
- Being **innovative**
- Fast **outcome**



Creating Business Value

Alignment



- Common Language
- Real-Time Transparency
- Feedback Loops
- Clear line of sight
- Decentralized Decision Making
- Linked to project, programs, run the business activities and process improvement

Accountability



- Employees Committed
- Have visible line of sight
- Know the interconnectedness
- Know their role
- Know their value contribution
- Updates are collaborated, engaged and reported

Responsiveness

Charles Darwin:

**"It is not the Strongest
of the species that
survive, nor the most
intelligent, but the one
most responsive to
Change"**

InspirationBoost.com

- On-going adaptation
- Realignment to evolvement
- Adapt changes internally
- Monitor external drivers as they change
- Proactive and real-time resourcing
- Course solutions and correcting
- Study, pilot or test new innovation

STRATEGY
INTERNATIONAL

Agile Execution

Individuals/Teams/Departments/Suppliers

Tasks/Goals

Who is responsible for **What**?

Are they **Equipped** enough to carry out the **What**?

**Skills/knowledge/Information/Authority/Equipment/
Support Motivation**

GROWTH STRATEGIES



Small Business Growth Strategies

Market Penetration -



- Reducing the selling prices of the products or services – attract new customers
- Increasing promotions for products or services to improve their pull strategy
- Expanding distribution channels to widen your reach
- Effecting improvements on the products
- Zeroing in on the competitions' customers and distribution channels

Small Business Growth Strategies

Market Development -



- Researching potential new markets to prove their value and acceptance of your offering
- Identifying new markets for your products and services.
- Expanding geographically for new customers
- Identifying new uses of your products and services

Small Business Growth Strategies

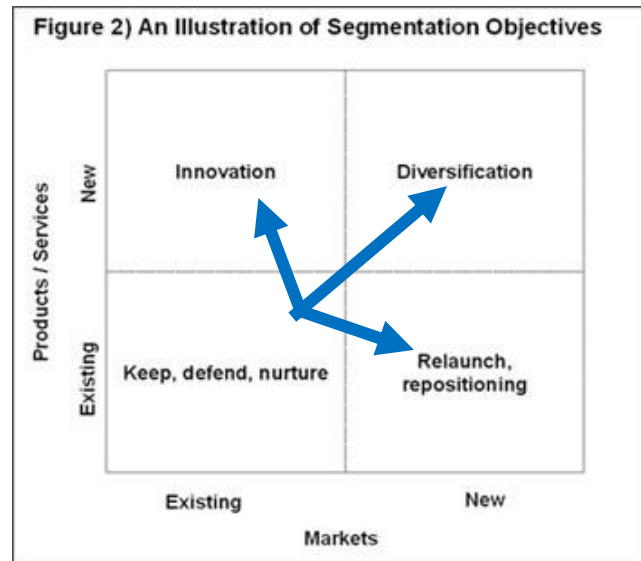
Alternative Channels -



- Selling online
- Selling through subscription programs
- Selling through the use of mobile apps
- Include **direct sales, wholesalers, retailers, resellers and sales representatives.**
- Distribution methods include retail stores, websites, catalogs, direct-response TV and radio ads.

Small Business Growth Strategies

Product Expansion -



- Expanding product lines by developing and introducing new products
- Adding new features to existing products
- Updating features of products when old ones become obsolete
- Developing new capabilities of service offerings

Small Business Growth Strategies

Diversification –



- Conglomerate Diversification – choosing to diversify into an area that is not related to your current business
- Adjacency Diversification – adding products that are related to your current market or adding markets that are related to your existing products
- Diversification is a corporate strategy to enter into a new market or industry in which the business doesn't currently operate, while also creating a new product for that new market.

Small Business Growth Strategies

Mergers and Acquisitions



- Upstream Acquisition – merger with a larger company in same industry or field – consolidate the market forces
- Downstream Acquisition – purchase a small company – to gain expansion and its operations
- Lateral Acquisition: - two business about the same size merge to consolidate operations or pooling resources.

Small Business Growth Strategies

Market Segmentation –



Research methods:

- Informal cluster analysis
- Studying marketing programs of competitors
- Conducting informal research with targeted respondents/customers
- Communicating with key industry players, such as buyers, distributors and analysts
- Secondary researches and data resources
- Data from basic research publications
- Data from industrial experts and authorities
- Data from independent and external measurement service providers

Small Business Growth Strategies

Leveraging Partnerships –



- Shared Distribution – two businesses acts as distributors or dealers of the other in their respective markets
- Technology Transfer - two businesses collaborate in developing new technology
- Cross Manufacturing – two businesses make use of the same manufacturing

ANY FINAL QUESTIONS?

Robert J Jonas
President, Strategy International, Inc
rjonas@strategyinc.com
Bobjonas.com Strategyinc.com
262-444-9275

Remember to Complete the Speaker Survey:

Supportingstrategies.com/bootcamp > 'click' event name > scroll to
agenda > select your speaker



Robert Jonas, Business Strategist

Robert Jonas is an experienced business owner, entrepreneur, corporate executive, management consultant and executive coach. Bob has founded and operated several manufacturing and business services companies during the past 30 years. He focuses on helping executives manage change with strategic design to achieve the business owner's goals and objectives.

Bob is very experienced working with middle market and small firms. His MBA from Northern Illinois University in Finance and Marketing gave him the basis for his business ownership and consulting. Bob's management consulting involved buy-sell transactions including marketing, due diligence, start-up companies, corporate buy-side transactions, international strategic alliances and business transfers.

Bob's professional experience and problem-solving skills are well anchored in his extensive knowledge of customer management, financial analysis and cost and operations analysis of consumer-industrial-manufacturing-distribution businesses.

As an experienced strategist for over 30 years, Bob recognizes that knowledge is power and is the essential component in today's increasingly global and electronic arena of competition. He has helped clients develop and execute strategies that succeed in competitive markets. Before starting his business career, Bob served in the US Army during the Vietnam War.

Robert J. Jonas

rjonas@strategyinc.com

+1 262-444-9275

STRATEGY
INTERNATIONAL