



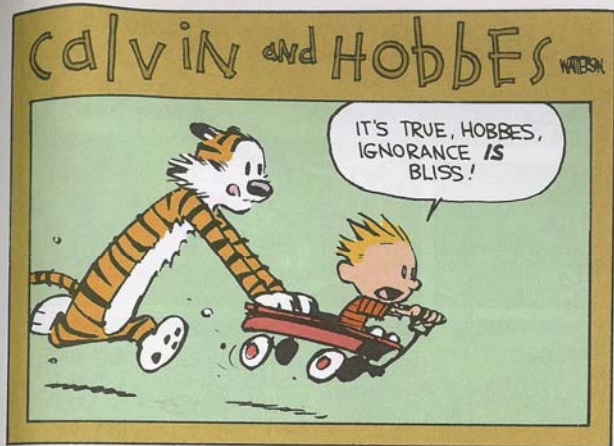
Creating Sustainability
Through Planning, Performance, Results

April 2005



WHY! Company, LLC
Planning • Performance • Results

Ever Feel Like Hobbes?



Ever Feel Like You Are Falling Off of the Same Cliff and Keep Wondering Why?



What is the Undesirable Situation?

Leaders are often faced with an undesirable situation.

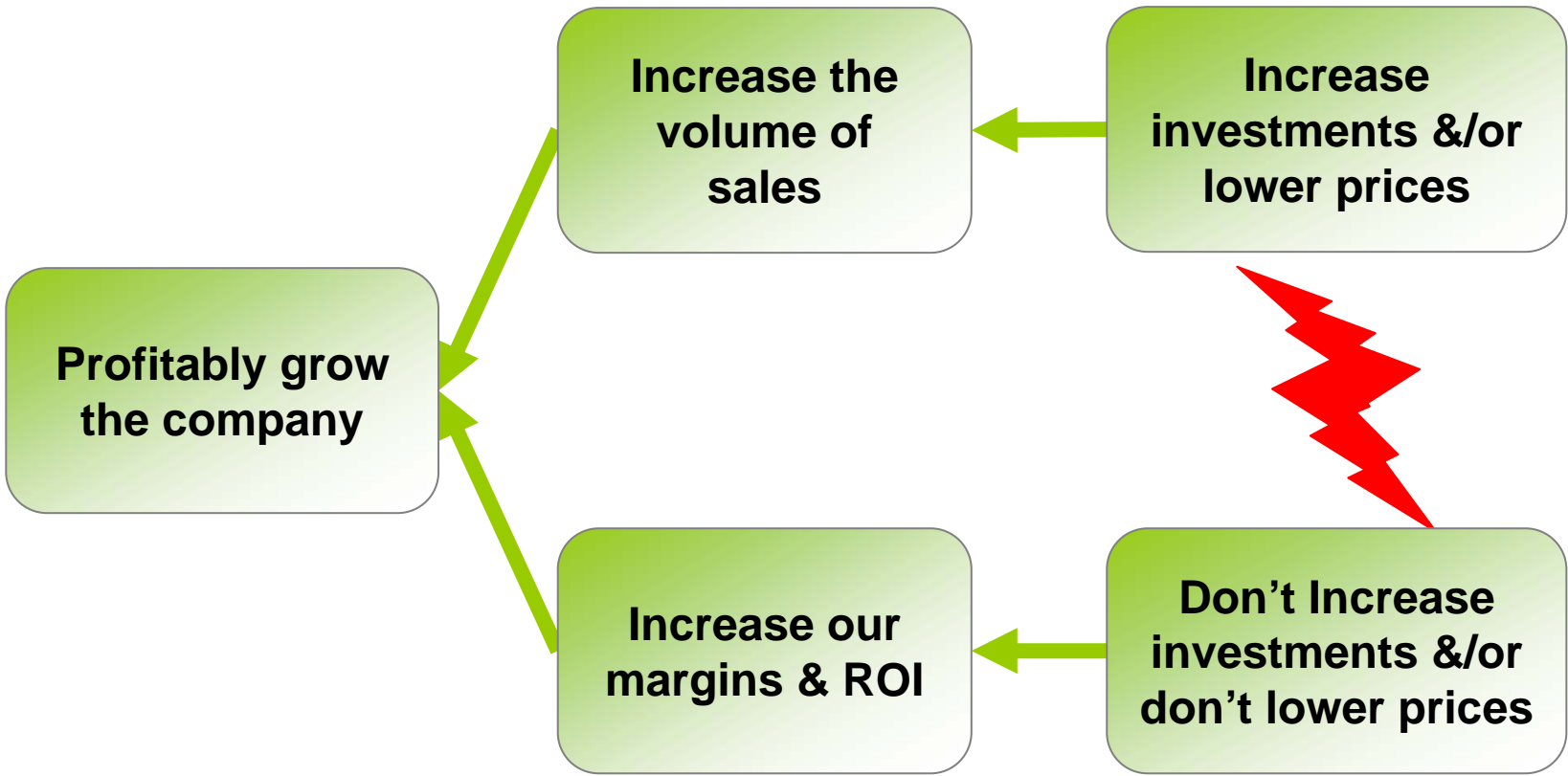
- The organization is not as profitable as it could be
- The organization cannot exploit its strengths in the market
- It is very difficult to be attractive enough to a larger share of the market.
- It is difficult to synchronize and align resource capacities to the marketplace



WHY

What is the Organizational Dilemma?

A leader is often caught between the pressures of expand or don't expand forcing the organization to seek a balance point between the two – a compromise.



Why Does is This Dilemma Occur?



In order to begin finding a solution, a Leader must understand the reasons why this dilemma occurs

- The market is typified by price pressures.
- Quality and performance are very important.
- Barriers to entry are relatively low.

**Increase
investments &/or
lower prices**









**Don't Increase
investments &/or
don't lower prices**

What Criteria Would We Use to Judge a Good Solution?



A Leader must set the criteria by which any good solution will be judged.

The more criteria that are satisfied, the better the solution. A solution is good if it...

-  Enables an increase in sales
-  Enables an increase in profitability
-  Enables highly reliable due date performance
-  Significantly reduces lead time
-  Requires no significant upfront investments
-  Is sustainable over time



What is a Sustainable Competitive Advantage?

**Every Marketplace is Competitive,
The Goal is Create a Sustainable Competitive Advantage.**

*Sustainable
Competitive
Advantage*

Sustainable

Refers to the ability to maintain resources and sustain performance over time.

Competitive

Refers to what extent we are the preferred choice among many and how well we compete for customers in the marketplace.

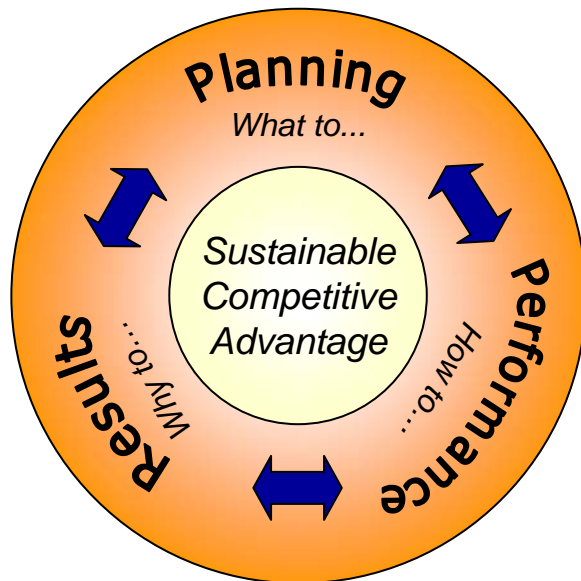
Advantage

Refers the strengths that we have relative to our competitors that are perceived of value in the marketplace.



How Do We Ensure Sustainability?

A Sustainable Competitive Advantage is Gained Through Planning, Performance and Results.



Planning- *the what to.*

What are we going to do, what do are customers ask of us, how will we look in the future and where are our major strengths and opportunities for improvements.

Performance- *the How To.*

How do we manage our processes, improve our processes, and ensure that our processes remain in control and stable over time. In other words – eliminate the whack-a-mole.

Results – *the Why to.*

How do we ensure that we are producing results for our major stakeholders. Are we the supplier of choice for our customers, are we the employer of choice for our people and are we the investment of choice for our shareholders?

The Wholistic Model of Sustainability?



Any model of sustainability must address planning, performance and results. The “What” are we doing, the “How” are we doing it, and the “Why” are we doing it.



Planning – *What to...*

- Internal Assessment & Diagnostics
- External Market Analysis & Research
- Strategic Planning & Deployment

Performance – *How to...*

- Process Management for Results
- Process Improvement of Results
- Process Control & Sustain Results

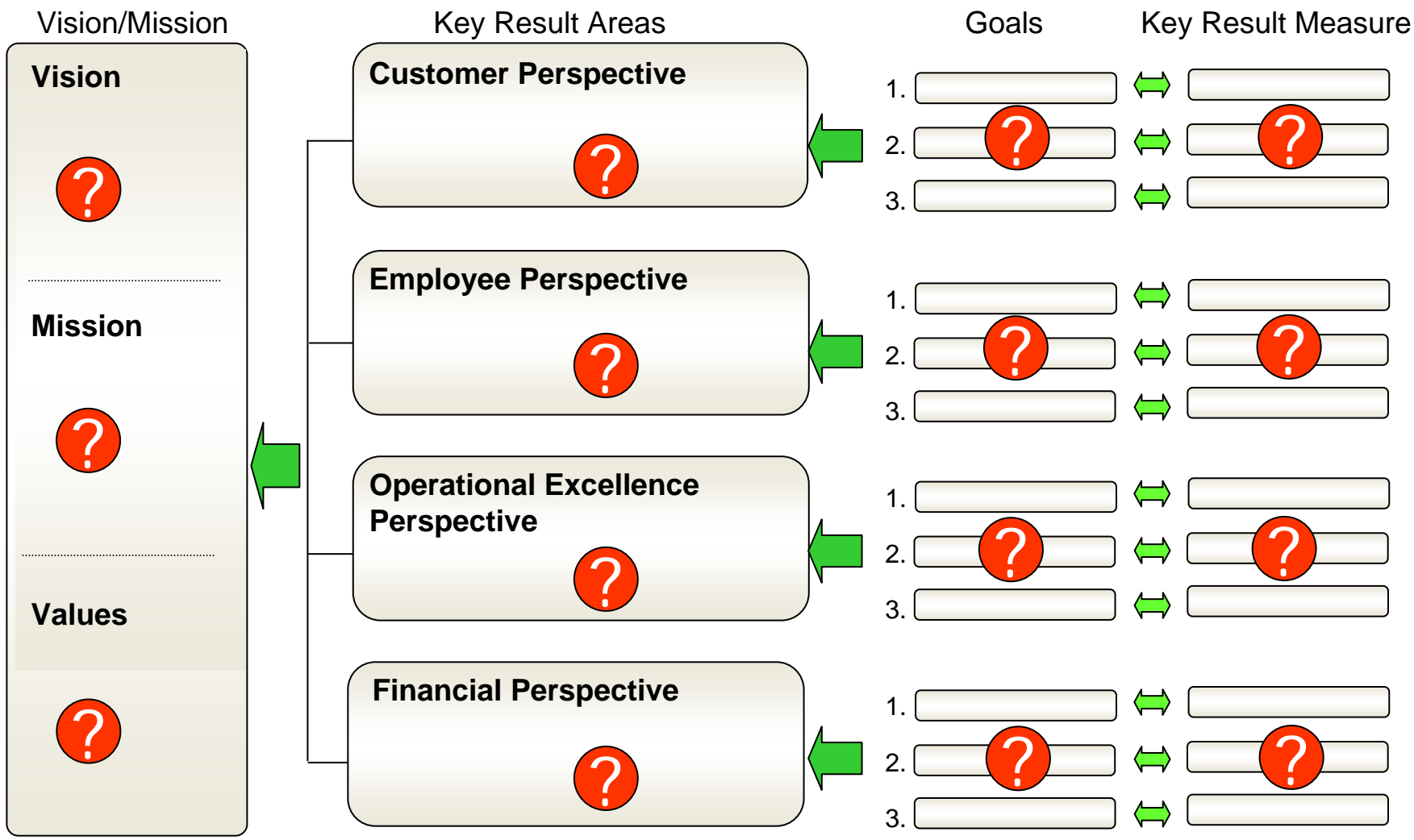
Results – *Why to...*

- Customer Loyalty
- Employee Loyalty
- Shareholder Loyalty



Planning – Getting Down to One Picture

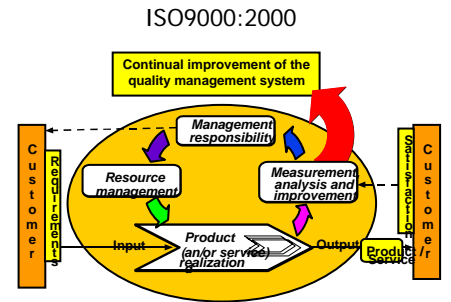
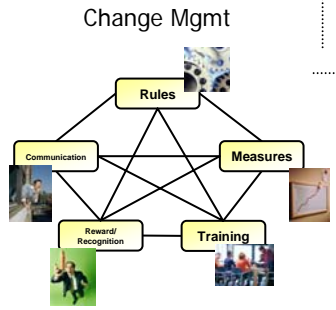
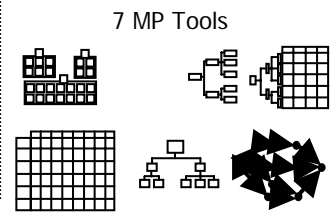
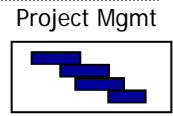
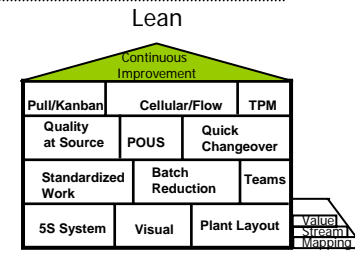
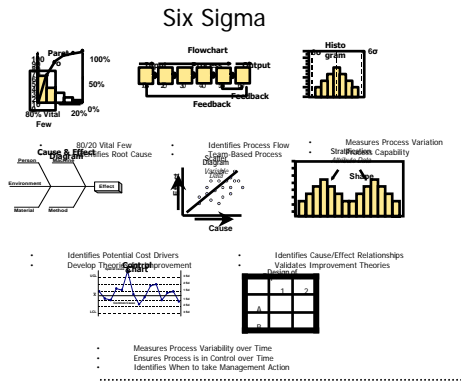
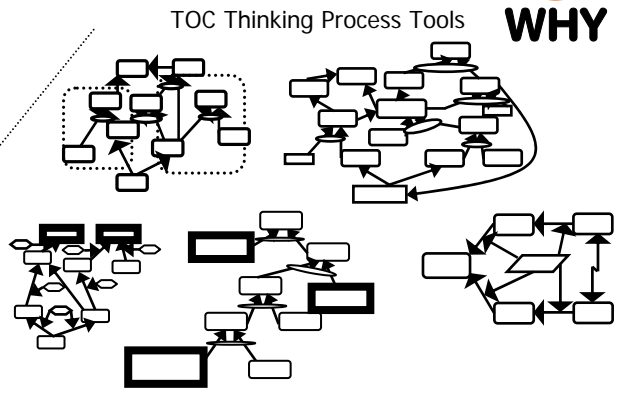
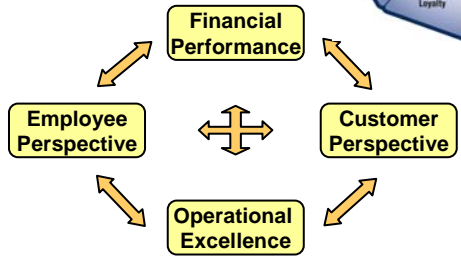
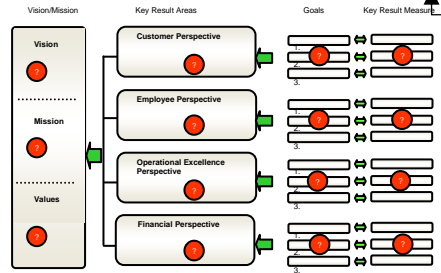
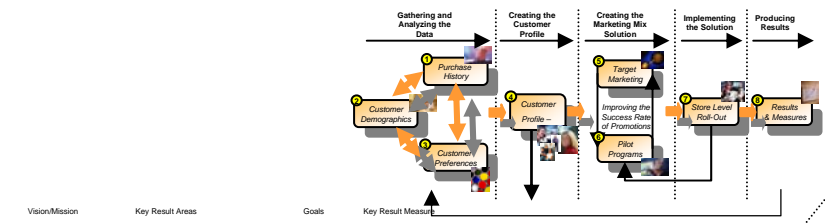
To create sustainability, an organization must create linkage and alignment around its vision, mission and values. These are the “big” picture pieces that propel the organization forward with action that is supported by Goals and Key Result Measures.



Performance – Utilizing and Blending the Toolkits



Business Unit	Q1	Q2	Q3	Q4	Annual
Revenue	100	110	120	130	460
Profit	20	25	30	35	110
Customer Satisfaction	85	88	90	92	89
Employee Engagement	75	78	80	82	79
Operational Excellence	60	65	70	75	68
Financial Performance	50	55	60	65	58
Market Share	15	18	20	22	19
Process Efficiency	40	45	50	55	48
Quality Control	30	35	40	45	38
Customer Loyalty	20	22	25	28	24
Employee Retention	10	12	15	18	14
Process Sustainability	5	8	10	12	8
Strategic Integration	3	5	7	9	6
Organizational Assessment	2	3	4	5	3.5
Market Analytics	1	2	3	4	2.5
Process Management	0.5	1	1.5	2	1.25
Process Improvement	0.2	0.3	0.4	0.5	0.3
Process Sustainability	0.1	0.2	0.3	0.4	0.25
Customer Loyalty	0.5	0.6	0.7	0.8	0.65
Employee Loyalty	0.3	0.4	0.5	0.6	0.45
Shareholder Loyalty	0.2	0.3	0.4	0.5	0.35
Strategic Integration	0.1	0.2	0.3	0.4	0.25
Organizational Assessment	0.05	0.1	0.15	0.2	0.125
Market Analytics	0.02	0.03	0.04	0.05	0.035
Process Management	0.01	0.02	0.03	0.04	0.025
Process Improvement	0.005	0.01	0.015	0.02	0.0125
Process Sustainability	0.002	0.003	0.004	0.005	0.0035
Customer Loyalty	0.01	0.015	0.02	0.025	0.0175
Employee Loyalty	0.005	0.007	0.009	0.011	0.008
Shareholder Loyalty	0.002	0.003	0.004	0.005	0.0035
Strategic Integration	0.001	0.002	0.003	0.004	0.0025



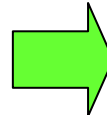
A Tool Helps You Do A Better Job With Less Effort



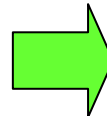
WHY!'s Five Drivers of Sustainability



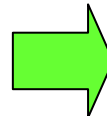
Rules & Deployment Systems



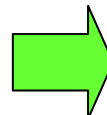
Training Systems



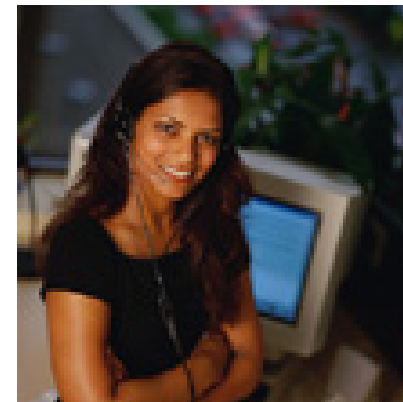
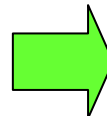
Measurement Systems



Communication Systems



Reward/Recognition System








Happy people doing good work for each other and the customer.

An organization is a collective set of behaviors. To ensure alignment and integration, an organization is challenged to ensure that their system of Rules, Training, Measures, Communication and Reward/Recognition are synchronized and in alignment.

Mis-alignment in any one of these creates confusion and frustration and drives behavior and attitudes in ways that do not benefit the individual or the organization as a whole.



Creating Sustainability Across the Organization - Example

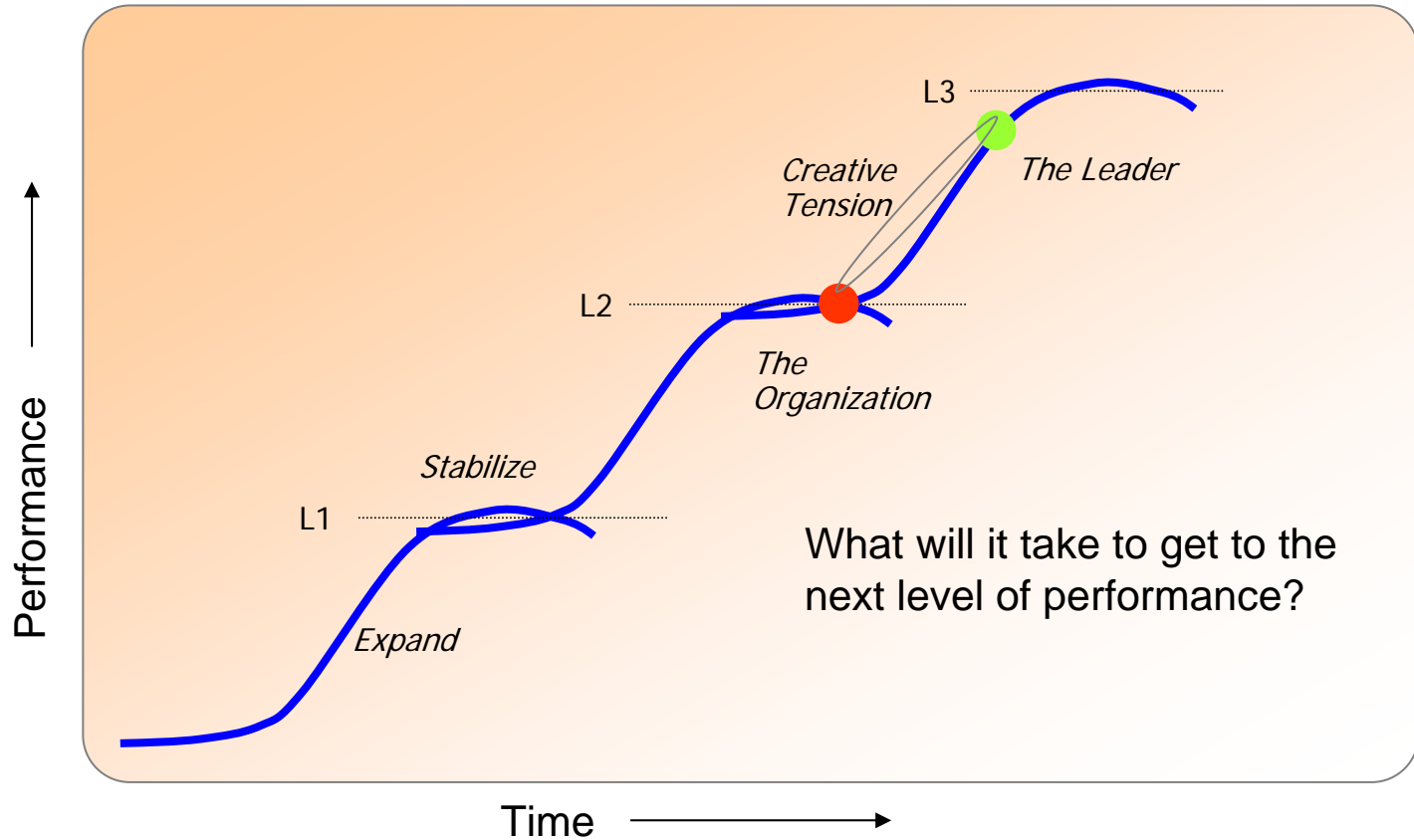
Program to Implement: <i>Successful Market and Sell fountain pops with cups that have game pieces for the Summer Mustang Price Giveaway</i>			
<i>Departments:</i>	Sales/ Marketing	Purchasing	Operations
Desired Behavior	<i>Drive Customer Count Up with Big Summer Promotion</i>	<i>Ensure We Have Enough Cups with Crack and Peel Stickers in the Right Places for the Duration of the Promotion</i>	<i>Ensure that we actively engage in selling the promotion at the point of sale.</i>
 Rules	Create an easy game to market and promote	Get the right cups to the right places at the right time for purchase/sale	Create an easy game to market and promote
 Training	Training the store associates how to market the promo	None Required	Training the store associates how to market the promo using role play and CBT
 Measures	Customer Count by Store for Same Stores Year over Year Increase	No stockouts of cups for the duration of the promotion	Customer Count In-store Fountain Sales Average Transaction Value
 Communication	Produce a communication package for in-store, billboards and radio ads	Ensure stores know how to communicate that they are low.	Ensure easy to use methods are in place to communicate with customer.
 Rewards	Ensure that the customer knows the prizes available and how to win.	None Required	Reward system for associates to promote prizes and programs



WHY

Creating Sustainable Growth

A leader must live in the organization that exists three to five years from now.



Remember – Your Focus Determines Your Reality. - Yoda



Three questions that every leader needs to answer for their primary stakeholders?

1. Why are we in business?

2. How are we creating value?

3. What are we doing to secure our future?

*When you change the way you look at things.
The things you look at change. -Chris Ahoy*



WHY

Contact Information and More Details



Today's Presentation Can Be Found at:
www.whycompany.com/library.htm



WHY

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Planning – the “What To”

Planning – *What to....*



Planning is the “What To” do. There are three areas that work together that create sustainability for the organization:

WHY **Organizational Assessment –**

*A comprehensive look at the organization through **WHY!**'s **Organizational Assessment** process that looks at seven key categories, identifies strengths and opportunities for improvement and provides a baseline for planning.*

WHY **Market Analytics and Segmentation –**

*A comprehensive look at the market place through **WHY!**'s **Market Research and Analytics**, the opportunities for growth and the development of a segmentation strategy that identifies and delivers a sustainable competitive advantage.*

WHY **Strategic Planning and Deployment –**

*The creation and deployment of the organization's growth strategy and the alignment of the organization towards the achievement of desired results through **WHY!**'s **Strategic Integration Process**.*



Performance – the “How To”

Performance – *How to....*



Performance is the “How To” do. There are three areas that create value for the organization’s customers.

Performance Management –

*This is the way that the organization is structured and is organized to create value for its customers. The performance management system ties the string from strategy to front-line actions through **WHY!’s Performance Management System.***

Performance Improvement –

*Sustainability requires continuous cycles of improvement and a toolkit that empowers people to take the right actions. **WHY!** blends **Six Sigma, Lean Enterprise** and **Constraints Management Services** to help an organization internalize the ability to improve*

Performance Control –

*Sustainability requires that a process once in control, stays in place. **WHY!’s Performance Management System** focuses on aligning Rules, Training, Measures, Rewards and Communication to ensure that improvements are sustainable.*



Results – the “Why To”

Results – *Why to....*



Results is the “Why To” do. There must be a balancing of stakeholder needs and requirements. Understanding what the goals are helps us put the “why” and meaning in our work. Three key stakeholders include:

WHY Customer Delight –

An organization wants to develop and create loyalty to their brands with their customers. Delighted customers are more loyal and will send friends. Through [WHY!’s Market Research](#) process, we will find the drivers of loyalty.

WHY Employee Delight –

Delighted employees are committed and loyal employees. Committed employees give up their discretionary effort to drive results over and above expectations – They set the bar. [WHY!’s Performance Management](#) process will find and leverage the commitment drivers.

WHY Shareholder Delight –

Loyal customers and committed people will drive the organizational results that ensure shareholder delight. [WHY!’s Balanced Scorecard](#) Approach will measure a balance of customer, employee, financial and internal process effectiveness to ensure sustainable results.