PRESENTATION TO GCCA EUROPE

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Chair of the Board of Directors
IARW
THE NEED TO EVOLVE
Market Signals Come from Many Places

- The Market Place
- Customers
- Association Membership
- Competition
- Financials – Operational Metrics
- Employees
- Investors/Lenders
- Government Regulations
- Technology Providers

Do organizations hear these signals, are they reacted to or discounted?
Our Industry

- Industry Consolidation
- Customer Globalization and Consolidation
- Popularism and the impact on Trade – Agreements
- Technology
- Changes in Food trends & tastes
- Regulation – Food Safety
- Aging workforce in the Western World
- Pressure to reduce Prices (Cost Efficiency-Margin Improvement through Differentiation)
- Global and in Country economy
DIAGNOSIS OF THE CHANGE CHALLENGE

Shallow

Operational
“What we are doing is right - we just need to do it better” - no change to mission, values, strategy

Deep

Strategic
“The fundamentals are right - but we need to refocus” – add/delete products, programs

Cultural
“We have to change the way that we think and act” - change vision, values and leadership

Deepest

Paradigm
“We have to recreate the business - or disappear” - change, redefine and recreate the total enterprise

Source: Queens School of Business: E. Murray
Culture & Messaging

- Mission—the plan within the next year
- Vision—looking 3-5 years out
- Values & Culture
- Positioning Statement—why we will win
ESSENTIAL STRATEGY SETTING STEPS

Environmental Scan → Deeper Analysis → Synthesis → Define Future Direction

Make It Happen

An integrative and creative process

Source: Queens School of Business: E. Murray
AN AGILE STRATEGY SETTING PROCESS

Prep Work (OBSERVE)
- Environmental Scan
  "Voice of the Customer"
- One-on-one chats with people
- "Hackathons"
- Possible options
- Ongoing

Size-Up Workshop (ORIENT)
- What is our ‘planning’ context?
- What is happening in our world?
- What does this mean for the changes we need to make?
- What decisions do we have to make?
- What are the actual options?

Strategic Issue Analysis (ORIENT)

Task Forces
- Option Evaluation
- Board Discussions
- Customer Discussions

Strategy Selection and Plan Preparation (DECIDE)
- What did we learn from the taskforces?
- What are our decisions?
- What "guardrails" do we need to establish?
- What is the plan?
- What resources do we need?

Implement (ACT)
- Implement and
- Review Progress Quarterly (at least)

1 - 2 days
4 - 6 weeks
1 - 2 days

Source: Queens School of Business: E. Murray
RECOGNIZING THE NEED TO CHANGE: STRATEGIC AND OPERATIONAL HEALTH

**Strategic Health**

- **Strong**
  - Monitor performance
  - Execute well
  - Avoid complacency

- **Weak**
  - Operating performance may mask deteriorating strategic health
  - Re-formulate strategy

**Operational Health**

- **Strong**
  - Avoid long-term pain for short-term gain
  - Operational program: Improve margins, costs, productivity

- **Weak**
  - Turnaround required: Improve operating performance
  - Re-position the business

Source: Queens School of Business: E. Murray
THE APPROACH

- Involvement of key executives, thought leaders, team members and outside resources
- Use of Data and Metrics, Fact Based
- Off site
  - Two day meetings
  - Outside facilitation
  - Task Teams performing work
- An ongoing quarterly process
- Creates alignment = speed
- Basis for execution and communication
- Tough Decisions-Tough Discussions

*Strategies Fail not because of the strategy but the difficulty of execution, change and being relentless*
LIVING THE STRATEGY-CULTURE

- Is culture more important than strategy?
  - A key enabler
  - It’s not a written statement, it’s the values a company and its people live
  - Toughest change
  - One the strategy is set the Culture and Values to underpin it must be decided
    - Specific cultures support specific values, it may evolve over time, i.e., control vs empowered
  - Hire on culture vs skill
  - Reward on culture first vs results
  - Reinforce repeatedly
The most challenging part is the implementation of the strategy

- It can take up to 18 months to see meaningful progress depending on the degree of change required
- There are dips along the way, engagement and financial—but staying the course pays dividends, most companies that are challenged fail because they are not resilient and committed
- Use of metrics to track progress and data is key
- Deal with the dissenters (20-70-10 principle)
- Use project management tools
- Speed is critical, early wins important
- Assign ownership and project teams—-but owned by CEO
- Celebrate success!
THANK YOU

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