

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
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DIAGNOSIS OF THE CHANGE CHALLENGE



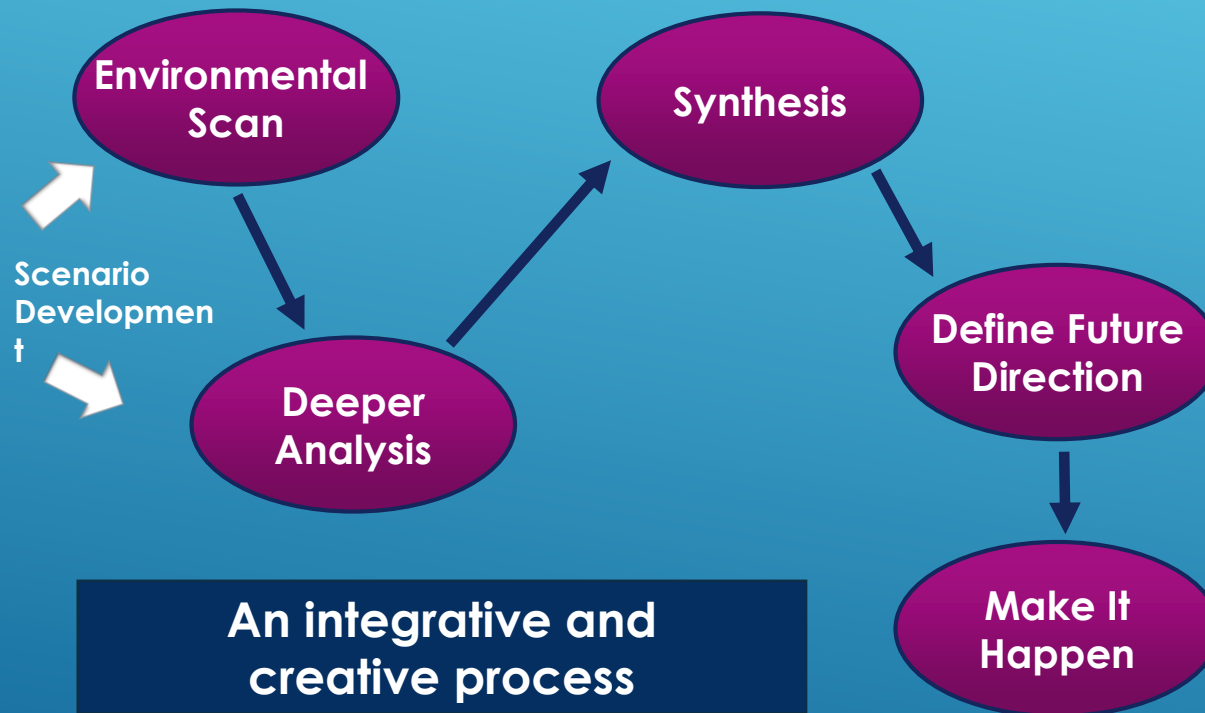
Source: Queens School
of Business:
E. Murray

Culture & Messaging

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

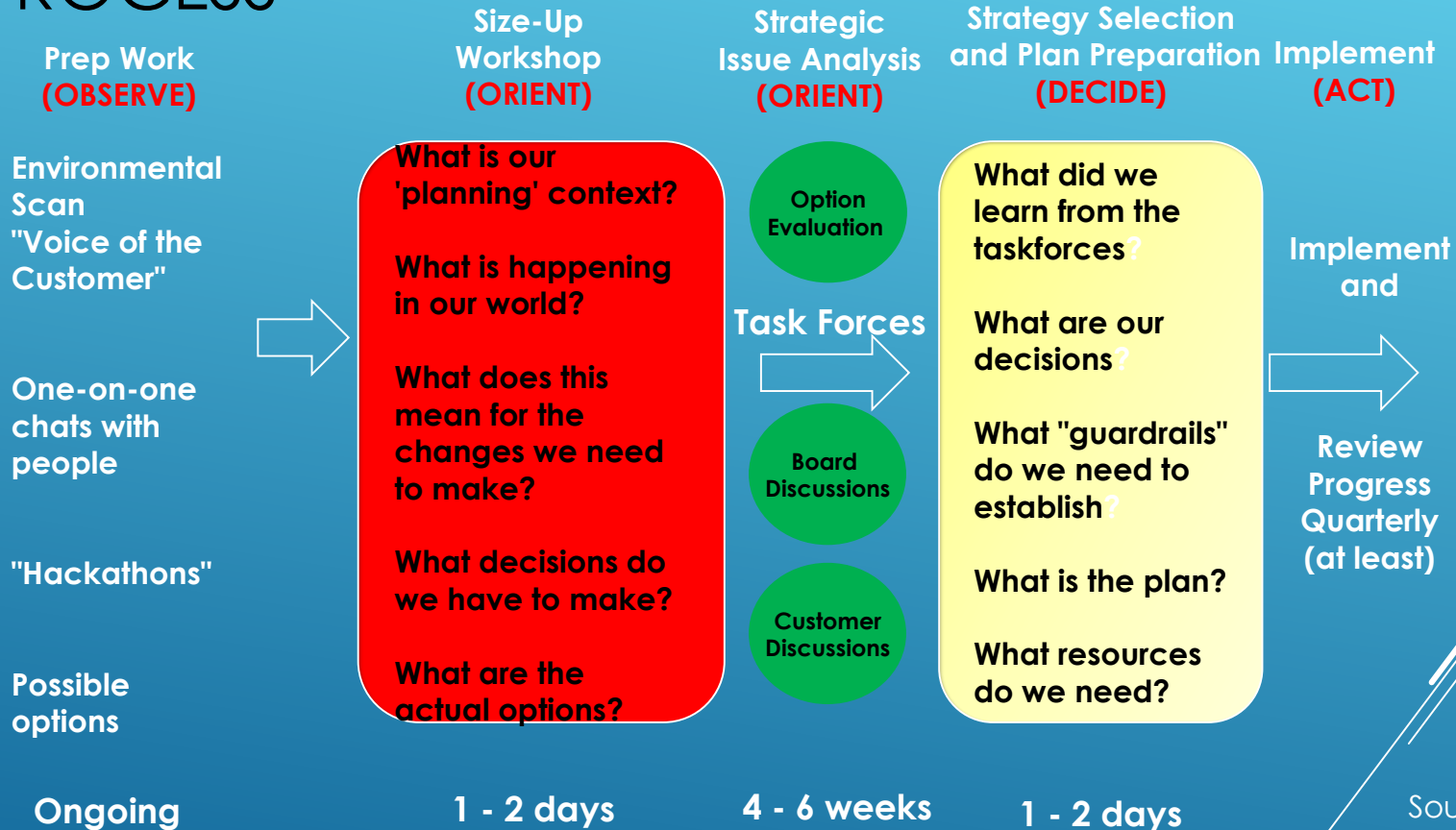


ESSENTIAL STRATEGY SETTING STEPS



Source: Queens
School of Business:
E. Murray

AN AGILE STRATEGY SETTING PROCESS



Source: Queens School of Business: E. Murray

RECOGNIZING THE NEED TO CHANGE: STRATEGIC AND OPERATIONAL HEALTH

		Strategic Health	
		Strong	Weak
Operational Health	Strong	<i>Monitor performance Execute well Avoid complacency</i>	<i>Operating performance may mask deteriorating strategic health Re-formulate strategy</i>
	Weak	<i>Avoid long-term pain for short-term gain Operational program: Improve margins, costs, productivity</i>	<i>Turnaround required: Improve operating performance Re-position the business</i>

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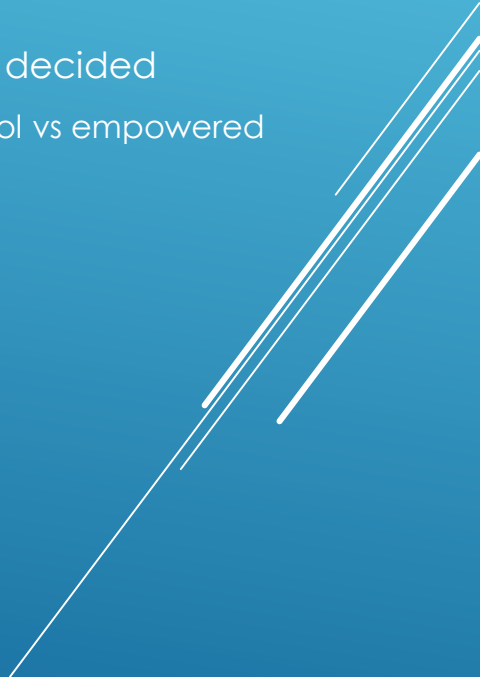
THE APPROACH

- 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
 - Its 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 overtime, ie control vs empowered
 - Hire on culture vs skill
 - Reward on culture first vs results
 - Reinforce repeatedly
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EXECUTION-IMPLEMENTATION

- 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!
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THANK YOU

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