

# CHAPTER 1

## Getting from “Where you are now” to “Where you want to be”

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### Defining your Current and Future Desired Position

The key to success is indeed simplicity in all things. Complexity surrounds us in our daily lives, and often distracts us from achieving the things that are most important for us to achieve success in our business and personal lives.

In this book, I have emphasised the need for companies to make sure that they know where they are now on the business journey, and to establish where they want to be in the short and medium terms. I have asked hundreds of owners, Managing Directors, and Chief Executive Officers of Small to Medium Enterprise companies what they consider to be short, medium and long term. Their broad consensus is that short term is one year, and medium term is three to five years. I am convinced that they are right, despite the accelerating rate of change in our business and private lives.

### Getting from “Where you are now” to “Where you want to be”

I have found that during the nearly thirty years that I ran other people’s companies, the biggest problem was to establish two key points on the journey:

# CHAPTER 2

## The Strategic Business Planning Process

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To be successful, the Strategic Business Planning process you use must be:

- **Practical**
- **Simple to use**
- **Effective**
- **Transferable**
- **Easily monitored**
- **Adjustable**

The Strategic Business Planning process is often complex, requires too much resource and is difficult to implement. The key differences between the old and new ways of business planning are clearly set out by Professor Graham Hubbard, who was Professor of Strategic Management at the Mt. Eliza Business School in Australia until 2003.

The following table summarises these key differences in the Strategic Business Planning process:

# CHAPTER 3

## Strategy

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What is Strategy?

Strategy can be defined as a single or series of “outcomes” which you need to achieve in order to move you towards your Vision. By this definition, everything else is tactics or operational.

What is the purpose of Strategy?

**“The purpose of Strategy  
is to achieve  
Sustainable Competitive Advantage”**

**Make sure that the Strategy is in place and well  
anchored  
before starting on the implementation.**

If you do anything other than develop a Sustainable Competitive Advantage, why have a Strategy in the first place? You have to get some strategic thinking in place. You have to try and anticipate what is going to happen and how you are going to benefit from the future; how you are going to manage your business to take advantage of it. This is all about making sure that you stay ahead of the pack. Only the lead dog has fresh clear forward vision and clean air.

# CHAPTER 4

## Key Strategic Steps

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Get the Vision and Values right. You will note that I do not use the word “Mission”.

I believe that there are too many confusing terms in Strategic Business Planning. They become meaningless. For example, walk around the central business district of any major city. Walk into twenty of the top one hundred company offices. What you will usually see as you go in their foyers, are a couple of well-framed, beautiful plaques, which spell out their “Vision, Mission, Values”. Right? I will guarantee that if you sent in a SWAT (Special Weapons and Training) team in the early hours of the morning, removed these plaques and changed them for another company’s “Vision, Mission, Values”, it would take them months to realise it! It is a waste of time and energy if the key leadership team did not develop them, and does not live by them.

There should be an understanding of the “brand essence” of the company – the experience that everyone has when dealing with you.

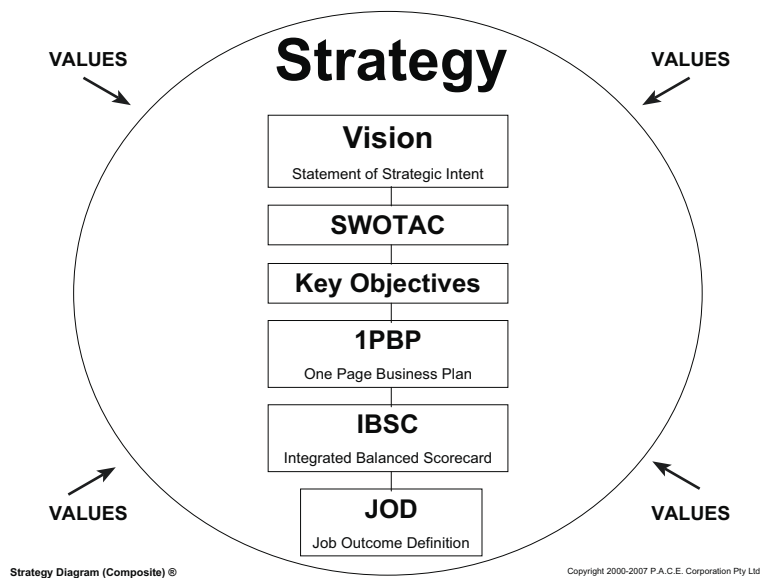
# CHAPTER 5

## Vision and Values – are about Leadership

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You tend to attract people that are like you because you get on well together. You can end up with a room full of high-energy doers with nobody to stop you. It is very hard to get away from that. You will see from the schematic below that everything is surrounded by “Organisational Values” – the culture of the company.

Strategy Diagram (Composite)®



# CHAPTER 6

## Values

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People are our greatest, and generally under – recognised and appreciated, asset. They need guidance and leadership regarding the Core Values held by the organisation, and the supporting behaviours. This becomes, “the way we do things around here”.

I believe that the Values of any organisation are the most important criteria that need to be established in order for the organisation to be cohesively moving forward towards its Vision through a series of Key Strategic Objectives – strategic goals. I have found that establishing the Values early in the discussion, that is, immediately after the Vision, is essential in ensuring that the group of people are moving in the same direction within a set of common behaviours.

When I run team-building exercises, I find that once the Values have been established by the group, the effectiveness of the group increases markedly. There is a common understanding.

Values are vital to the understanding of people and how they should operate. In my experience, the best way to develop these is by using the same process we used to establish the Vision. We discussed this in Chapter 5. Take the same list of key words and establish whether each word is a Vision word, a Value word or an Objective. This can be easily done

# CHAPTER 7

## Strategic Analysis

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The Strategic Analysis process that I have incorporated into the One Page Business Plan (1PBP®) is still very current. It is based on the process taught as part of the final year of Commerce degrees at most universities.

In undertaking this Strategic Analysis, it is very important to start looking from outside the organisation. Clearly, the most important influence on the company will be events that are external to the company, and activities that take place within the operating environment, which are often beyond the control of the company. Clear examples of this are the New York World Trade Centre terrorist attack on 11 September 2001; the Bali bombings on 12 October 2002; Severe Acute Respiratory Syndrome (SARS) in 2002/2003; and the War in Iraq in 2003. All of these had significant international economic impact, which had varying degrees of impact on Australian businesses.

We can be inward looking and try to shield ourselves against major events beyond our control. The easiest way to do this is to get up in the morning, look at oneself in the mirror and say, "We are doing okay". There is nothing wrong with this as a self-motivational activity, but as a business tool, it is a fairly pointless exercise.

# CHAPTER 8

## Key Strategic Objectives

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The Strategic Analysis will give us a future focus. As I have said earlier, this is vital because the past is a very poor predictor of the future, and is becoming even more so in our rapidly changing business and personal worlds. So many things are outside our control. We cannot possibly rely on the way we have done things for years to be successful in the future.

The Strategic Analysis – SWOTAC – provides us with a window to the future. The following steps should be taken to implement Strategic Analysis:

- Compare the opportunities to the external environment, the Forces Driving Change (FDCs) – match your strengths against these
- Opportunities are the outcomes of the Forces Driving Change and the fit with your industry – Critical Success Factors (CSFs) and Strengths, Weaknesses and Threats (SWTs)
- Craft some Key Strategic Objectives that will move you towards your Vision
- Benchmark for focus

# CHAPTER 9

## The One Page Business Plan (1PBP®)

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The essence of this Strategic Planning process is the 1PBP®.

The key driving factors behind the A4 landscape layout are:

- Simplicity
- High-end focus
- Transferability
- Adaptability
- A useful working document

Schematically, the 1PBP® is set out overleaf.

The 1PBP® process has a number of elements. These are:

- **Key Objectives** – drawn from the Strategic Analysis
- **Critical Roadblock Factors (CRFs)**
- **Key Performance Indicators (KPIs)**
- **Targets** – one year and three years
- **Issues** – arising from the development of the plan
- **Allocation of ownership** – WHO
- **Benchmark of current status of the KPI** – NOW

# CHAPTER 10

## The Integrated Balanced Scorecard (IBSC™)

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There are many versions of the “Balanced Scorecard”.

Companies have been using varieties and variations of the Balanced Scorecard for over a hundred years.

**Definition:**

**A Balanced Scorecard is a format for describing activities of an organisation through a number of measures for each of four or five perspectives.**

A good Balanced Scorecard provides a link between Strategy (cause and effect) and the inter-relationship between current activities and long-term outcomes. Companies are increasingly finding that they must depend on their intangible, as well as their tangible, assets, and Scorecards are therefore becoming an essential management tool.

When we talk about *balance*, we refer to several different kinds of balance. These may include:

- The Balance between short and long term
- The Balance between the four to five perspectives
- The Balance between measuring change and the situation at a particular time

# CHAPTER 11

## Implementation

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Please refer to “Implementing Strategy Using the 1PBP®” – ISBN 0-9752293-1-1  
Brian Birley, Second Edition, October 2007

This is the hurdle that most companies fail to clear.

I have been told many times that great energy and effort is put into the business planning process, but no apparent sustainable outcome is achieved. The reality is that the best planning in the world, the best outcomes, are only as good as your implementation.

What usually happens is that we get back to the office after a very stimulating and constructive Strategic Planning session with our leadership team, and the pile of daily activities overruns us. This is particularly true when traditional, complex and detailed business planning processes are used. It is easy to put forward operational activities – we like getting things done. It is much more difficult to think strategically. This is why I focus on five key things at a time and apply *simplicity* using Pareto’s Principle (the 80/20 rule).

Implementation strategies are most effective when the key leadership team is involved in developing them. This is why the One Page Business Plan (1PBP®) process is most effective when it is conducted with your leadership team. Some people facilitate these processes themselves. This can work, but

# CHAPTER 12

## Human Capital Management (HCM)

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Refer to “Human Capital Management”  
– ISBN 0-9752293-2-X Brian Birley, July 2006.

If you agree that Managers are responsible for the performance of their teams, then we must have a simple process for linking “strategy” with “operational” activities.

I call this process **“managing for results”**.

The key process is the Job Outcome Definition (JOD™).

Let me describe this:

A Job Outcome Definition (JOD™) enables us to take specific actions, projects or activities from the Integrated Balanced Scorecard (IBSC™) and implement them at individual position level. This is a roll down of the One Page Business Plan (1PBP®) and Integrated Balanced Scorecard (IBSC™). At the same time, we should be able to overlay our budgets with the outcomes, giving us a “holistic” approach to the future through the Strategic Business Plan.

We must also have a method of *measuring* performance. We can do this through the JOD™, thus giving us the quantitative side of a performance appraisal system.

# CHAPTER 13

## RIT-AIR®

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- **R**ecruitment
- **I**nduction
- **T**raining
- **A**ppraisals
- **I**ncentives
- **R**etention

To whet your appetites, let me share with you the RIT-AIR® process.

I have developed the RIT-AIR® process in order to provide Team Leaders and Line Managers with the ability to manage the performance of their teams. There are too many complex processes involved in the “management” of an organisation, for example, an eight to twelve – page performance appraisal system. This makes it difficult and provides a disincentive to managers to effectively lead their teams. It has lead to Line Management being responsible for handing out praise and Human Resources Managers being responsible for correcting errors, handing out punishment, and being the “villains”.

The RIT-AIR® process uses the Job Outcome Definition (JOD™), which is built on outcomes rolled down from the One Page Business Plan (1PBP®) and Integrated Balanced Scorecard (IBSC™), as well as budget keep items.

# CHAPTER 14

## Implementation

### 1PPPS™ (One Page Planning and Performance System)

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To take an outline guided tour, visit [www.pacecorp.net](http://www.pacecorp.net)

The One Page Planning and Performance System (1PPPS™) is a breakthrough business application, which takes the best of the 1PBP® (One Page Business Plan) process to the web in order to create a powerful Strategic Planning and performance management system. With this system, you can navigate to any plan with the click-through organisation chart.

