

Successful Strategic Planning

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Framework Of Strategic Planning

- Starts with the idea and then begins the crafting of a comprehensive business plan.
- It must contain all of the following elements:
 - Defining corporate initiative Defining financial objectives
 - Capital allocation needed
 - Gathering of industry, competitor and market opportunity data
 - Market trends

Translate The Strategy Into Operational Terms

- Strategy should be viewed from four perspectives
 - Financial – strategy for growth, profitability and risk, viewed from the perspective of the shareholder
 - Customer – the strategy for creating value and differentiation from the perspective of the customer
 - Internal business processes – the strategic priorities for various business processes, creating customer and shareholder satisfaction
 - Learning & growth – the priorities to create an environment that supports organizational change, innovation and growth
- Strategy maps published to illustrate cause and effect linkages
- Management commitment to describe communicate strategy in consistent, insightful, financial and operational terms

Align The Organization Into The Strategy

- For organizational strategies to work, they must be linked and integrated across many functions – sales, marketing, finance, HR, IT etc.
- Synergies develop from efficient interactions between all connected business units
- Leverage economies of scale / Specialization advantages
 - ***Example – Shared Services Units***
 - ***Centralized underwriting***
 - ***Document preparation***
 - ***Purchasing***
 - ***Information Technology***
 - ***Human Resources***
 - ***Real Estate***
- Linkage between Business Units and Shared Services Units

Creating Strategic Awareness Across The Company

- Management must use strategy to educate the organization about corporate direction
 - Employees must learn about and understand the strategy before they can implement it
- Help employees develop personal and team objectives at the client delivery level and in the support units
- Compensation linkage to adherence and implementation of the business' strategy
- Employees should feel that their organization's success result in shared rewards

Companies Should Make Strategy A Continual Process

- Create a reporting system that allows the progress against the strategy to be monitored and corrective actions be taken as required.
- Strategy should be reviewed on a regular basis in senior and line management meetings
- Strategy should serve as a link between the operations control process and the learning and control process for managing strategy.
- Link strategy to the budget process
- Celebrate success

Mobilize Change Through Executive Leadership

- By way of strategic management, senior executives can embed new strategy and new culture into their management systems, thus creating a continual process to meet the corporate strategic needs for today and tomorrow.
- Senior management identification of how growth will be achieved
 - Target clients where profitable growth will occur
 - Value propositions that lead customers to do more business and at higher margins with the company
 - Innovations in products, services and processes
 - Investment in people and systems to enhance processes
 - Delivery of differentiated value propositions for growth

What Are The Pitfalls Of Implementation?

- Understand that strategies do fail more often than not due to internal factors as opposed to external influences
- Design Failures
 - Too few measures combined with failure to balance outcomes to performance drivers
 - Too many measures and never identify the critical few
 - Improper alignment to other initiatives

What Are The Pitfalls Of Implementation?

- Process Failures
 - Lack of senior management commitment
 - Too few individual involved
 - Keeping strategy at the top
 - A long development process
 - Treating the strategy as a project
 - Hiring inexperienced consultants

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