



STRATEGY WITH AN EYE TOWARD EXECUTION

Don't develop your strategy in a vacuum

You know the importance of strategic planning. But will your plan translate into meaningful action? A highly executable strategic plan connects you from where you are now to where you want to be while accounting for the realities of the market, your resources and the competitive landscape.



In this edition of *Executive Issues & Insights*, we explore key insights drawn from the extensive C-suite and Board

experiences of the NextLevel team on how to develop strategy with an eye toward execution.

NEXTLEVEL CASE STUDY *New strategy grows bank from \$19 billion to \$33 billion*

A bank holding company had the highest and second-highest deposit market share in its two states of operation but faced competitive and potential acquisition threats. The company wanted to review its operations to respond to the potential threats.

The Senior Vice President and Manager of Corporate Planning and Development, now a NextLevel executive, assisted top executives in reviewing and resetting strategy and operations goals. He led a team that analyzed approximately two dozen competitors across the country. The team built a profile of “breakout” companies by analyzing their financial performance, business line composition and stock price performance. The team also performed a gap analysis of those companies’ structures and performance as compared to their own company.

The NextLevel executive then designed and

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NEXTLEVEL INSIGHTS

Take an unvarnished look at your company

Thoroughly evaluate your company to get a realistic picture of your position and a detailed understanding of your current and potential customers. Identify any gaps in your business model, the market potential, your competitive standing and your resources. Following a planning framework, such as SWOT, will help ensure that you haven't missed any elements, enabling your resulting strategy to be more precise.

Solicit employees and managers for input

Your employees often will have a good sense of the market and the issues and opportunities within the company. Early in the process, use confidential peer groups to solicit their input. Incorporating that information into your strategic planning saves time and creates buy-in when it's time to execute.

Focus on a few key initiatives

Your company should have a vision that clearly describes where you want to be in three to five years. Your strategy serves as a bridge from where you are now to that vision. Brainstorming will generate lots of ideas for how to get there. But the best strategic plans concentrate on three to five key initiatives that will make the most difference in pursuing your vision. That should be your focus.

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implemented, with top executives' participation, a total-organization restructuring to pursue a breakout strategy. The company redefined business lines, shifting from legal/state boundaries to company-wide businesses. They repositioned three businesses without natural geographic assets as national businesses to boost visibility and earnings momentum.

As part of the restructuring, the company built new corporate measurement systems and realigned incentives with the new metrics. They also changed corporate resource allocation processes and promoted several new leaders of the company. The restructuring was completed within six months.

Under this leadership, the company identified, negotiated and closed key acquisitions in two contiguous states to expand their base business. As a result, the company grew from \$19 billion to \$33 billion in assets over seven years. Ultimately, the company was sold at a substantial stock premium.

**“HAVE A DEEP UNDERSTANDING OF
THE MARKET AND CUSTOMER NEEDS.”**

Taking the time to understand your customers and the potential market is fundamental to developing a good strategy.

More Information

To learn more about how NextLevel can help you develop strategy with an eye toward execution, call us at (800) 833-NEXT or email info@nlbev.com.

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Ensure your infrastructure and resources can support your strategy

Do you have the infrastructure and operational procedures available to support your strategic initiatives? Do you have financial, physical, and human resources ready and available? If not, you must be willing to invest in them up front before taking steps to execute your strategy.

Provide dedicated resources to new initiatives

Your key strategic initiatives will need a structured implementation team with project management and committed staff. You will need to ensure that you have resource allocation methods in place for staffing, capital expenses, etc., to support both day-to-day business and the strategic initiatives. Regular reports on the progress of both day-to-day business and strategic initiatives will be important to successful outcomes.

Understand strategic leadership needs

Make sure that everyone in the top layers of leadership is on board with the strategy. Have a personnel plan that accounts for the differing skills that are needed. Often those who are good at running regular operations are not good at change management. You need people with the right skills and the right attitude to implement major strategic change.

KEYS TO DEVELOPING STRATEGY WITH AN EYE TOWARD EXECUTION

- **Your company:** Have you taken an unvarnished look at where you stand?
- **Your employees and managers:** Have you solicited their input?
- **Your initiatives:** Have you focused on three to five key initiatives for your strategy?
- **Your infrastructure:** Can it support your strategic initiatives?
- **Your resources:** Can you provide dedicated resources to the new initiatives?
- **Your leadership:** Is everyone on board with the strategy? Do you have the right skills to execute strategic change?