



12 STEPS TO BUSINESS TRANSFORMATION

HOW A SIMPLE SYSTEM CAN DECREASE COSTS,
DRIVE GROWTH AND INCREASE PROFITS

DAVID M. TAYLOR



12 Steps to Business Transformation

**How a Simple System Can Decrease Costs,
Drive Growth and Increase Profits**



David M. Taylor

Thinking Business

Calgary, Canada

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12 Steps to Business Transformation: How a Simple System Can Decrease Costs, Drive Growth and Increase Profits

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Endorsements

The processes outlined in this book are the real deal! I worked with David and he helped me identify areas of improvement in my business that resulted in potential savings of 13% of revenue (which moved straight to net income!) In addition to this, we identified another 8% of revenue in one-time cost savings that could be used to pay down debt and position my business for success!

Glen Stark - Franchise Owner, Budget Blinds

The Thinking Business processes really helped us get our business off the ground! It was amazing having someone like David work with us to define parts of our Operations Engine so that we were ready to hit the ground running when our new business kicked off!

Justice Rankin and Drew Taylor - Founders, Yard Gnome Landscaping

Your book is great! It basically sums up my university degree & business experience in an easy to digest and practical way.

Emma Shields – Business Consultant

Dave Taylor arrived on the scene during one of the most challenging seasons in our 14 years of business. Using the Thinking Business Blueprint, he identified the key areas of our business that needed immediate attention, gave us the insight, clarity, and focus we needed to get us stable again and moving in the right direction. More than worth the read, it's worth the implementation.

Blake Schroeder – Intoria Director of Operations

David has written a book that all business leaders should distribute to his/her management team and keep on their desktop for quick reference. The book provides a clear and practical methodology that you can apply immediately to grow your business and get your entire organization pulling in the same direction. Great read!

Ian Shirt – Operations Manager, Blue Range Consulting

Dave's blog and books provide a logical way for business executives to review and make the smart changes for continued growth.

Wayne King P.Eng. – President & CEO, Innovative Pipeline Crossings Inc.

Businesses often fall into two categories: a) they don't follow any business planning process, or b) they 'over plan' with no mechanism for feedback or adjustment. The world and the markets we serve are highly dynamic and ever changing. As a result, businesses must rapidly adjust to maintain their relevance and competitiveness. In his eBook entitled "12 Steps to Business Transformation", David provides a succinct yet highly effective approach to business planning and transformation that even the most complex businesses will profit from. By implementing the 12 steps, business leaders will translate their vision into SMART goals that can be used to progress and drive the business forward. The results of the transformation exercise can be documented into a highly effective strategy which can be used as communication tool for alignment purposes that will help unleash the full potential of the business.

Mark Nudd – Business Executive

In challenging economic times, when businesses need to be "firing on all cylinders" (more than ever), Dave has defined the essentials that will equip business leaders to succeed. From a fellow businessman, thank you.

Brian Vogelaar – Insight Automation Inc.

Like putting one foot in front of the other, Dave lays out all the elements of what an individual or business needs to start right and to stay focused and true. If you follow these steps I believe you will get to where you want to go. I have applied these principles for myself.

Dr. Randy Johnson

I found myself nodding in agreement while reading Dave's book, as I both witnessed and participated in the execution of the steps in the Thinking Business Model while working in a services company with Dave at the helm. His influence on my approach to leadership and employee engagement cannot be understated. I'm privileged to have seen this model in action, and can say unequivocally that the lessons I learned from Dave's leadership are ones that I reference again and again in my work with a successful company undergoing tremendous growth. There's a wealth of information in this book laid out Dave's typically logical and usable fashion, and I guarantee you'll be able to put some or all of the steps into practice immediately if your business is experiencing change of any sort.

Crystal Wood – Planning and Implementation Specialist

If you own a business, want to own a business or want to make a difference in the business you're in, 12 Steps to Business Transformation is a must read! The information is on track, concise and will transform the way you approach, implement and run your business!

Lucy Mrakawa – Managing Partner, Co-Founder, EvolveWell Integrative Medical Centre

Links the fundamentals of business into a great visual representation how each fundamental affects the other. There is something to be learned for everyone, regardless of stage in career development, status in organization. –

Zabrina Shaw – Project Controls Manager

FREE BUSINESS TOOLS AND PROCESSES – get free access to the Thinking Business System tools and processes referenced in this book at www.thinkingbusinessblog.com

FREE BUSINESS ADVICE – get access to powerful business advice by signing up for weekly blog updates delivered directly to your inbox at www.thinkingbusinessblog.com

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*This book is dedicated to all the hard working entrepreneurs,
business owners and business executives who are dedicated to
continuous improvement and achieving amazing success!*

Where many people go wrong in trying to reach their goals is in constantly looking for the big hit, the home run, the magic answer that suddenly transforms their dreams into reality. The problem is that the big hit never comes without a great deal of little hits first. Success in most things comes not from some gigantic stroke of fate, but from simple, incremental progress.

— Andrew Wood



Introduction

AS THE SPEED OF data processing and communication increases, the speed of business increases. What used to take weeks or months can now be completed in minutes or even seconds! Any cracks that might appear “below the surface” in your business soon will become visible. These cracks were manageable in the past when things were slower because the business had more time to fix things on the fly. However, in today’s fast paced world, these cracks will tear your business apart!

Having a clearly defined and communicated purpose for your business is absolutely critical for success.

Similarly, defining all aspects of your business so nothing is left to chance and having a solid strategy for how the business is to move forward is paramount to your success.

The Thinking Business Model described in this eBook provides a way of articulating your purpose, defining your business model and establishing a

dynamic strategy to grow your business, all illustrated in twelve simple but powerful steps.

By following the twelve steps of the Thinking Business Model, you will literally transform your business in the following ways:

- Increase engagement of employees as they gain understanding of the Vision, Mission and Values and buy into the reason WHY the business is doing what it is doing
- Identify and eliminate inefficiencies, unnecessary costs and other waste in all areas of your business
- Identify and implement improvement opportunities in all areas of your business
- Instill a culture of continuous improvement
- Reduce your time to market for new services or products because of your efficient processes
- Develop a culture of goal setting and achievement
- Increase awareness of business health as everyone becomes aware of key business metrics and strives to improve them
- Increase business acumen throughout all levels of the business
- Identify business opportunities in the marketplace that have not yet been pursued
- Build a culture that embraces change and is well prepared to meet the demands of a quickly changing marketplace
- Enable your business to build a proactive, dynamic and powerful business strategy that is setting the market pace rather than reacting to market changes dictated by others

Before diving into the twelve steps, we need to define the Key Components of a business and set them in the context of a business model. The next two chapters will deal with that and then the twelve steps will be introduced in Chapter 3.

Note that throughout this eBook, “organization” and “business” are used interchangeably. This is because the concepts discussed are applicable to a business, not-for-profit, NGO, government department or any other type of organization.

CHAPTER 1



Key Components of a Business

THERE ARE SEVEN KEY components for any business or organization that are critical to its longevity and growth. These key components are defined in the Thinking Business Model. They are: *Vision, Mission, Values, Operations Engine, Goals, Objectives, and Outcomes.*

1. Vision – A powerful picture of the future which creates an ideal and unique image of what the organization will become or achieve. It provides the reason for the organization’s existence. It defines the organization’s WHY and is the organization’s “North Star.”

“If we don’t know who we are or where we’re going, how can we possibly know exactly what we should do today, and tomorrow? Vision is fundamental for ethical success . . . With a powerful ethical vision directing all our other thoughts, we don’t need long lists of rules to guide us.” Tom Morris

2. Mission – The mission defines exactly where you are going and what you are doing right now to attain the vision. Essentially, a mission details WHAT the organization does every day to work towards achieving the Vision.

“A mission cannot, and must not, be delegated to anyone except the people ultimately held accountable for it. In fact, a mission is the defining moment for a company’s leadership.” Jack Welch

3. Values – Describes the behaviors that will get you from where you are now to achieving your mission and ultimately attaining the vision. These driving behaviors govern HOW the organization drives toward successful Outcomes and they are the foundation of any organization.

“A visionary company almost religiously preserves its core ideology, changing it seldom, if ever. Core values in a visionary company form a rock-solid foundation and do not drift with the trends and fashions of the day.” Jim Collins and Jerry Porras

4. Operations Engine – This is the means by which the organization’s people, processes and tools are combined in a unique fashion to allow the business to produce its products and services. This is HOW the business produces Outcomes.

“Core values and core purpose in enduring great organizations remain fixed, while their operating practices, cultural norms, strategies, tactics, processes, structures, and methods continually change in response to changing realities.” Jim Collins

5. Goals – Goals are well-defined targets that are critical to achieving the mission and ultimately the vision of the organization. Goals define WHAT the organization is going to do. They must be defined in a SMART format; Specific, Measureable, Achievable, Relevant and Time-bound.

“Goals. There's no telling what you can do when you get inspired by them. There's no telling what you can do when you believe in them. There's no telling what will happen when you act upon them.” Jim Rohn

6. Objectives – These are sub-goals that are needed to complete the larger goal. They define WHAT needs to be done to achieve the larger Goal.

“Every goal, when reached, becomes a foundation upon which successive goals must be built.” David M. Taylor

7. Outcomes – Outcomes are the results produced by the Operations Engine. If everything goes as planned, the Outcome of the Goal is the realization of the Goal as it is defined.

“Each of us must do massive right thinking, take massive right action and get massive right results, right here, right now.” Mark Victor Hansen

CHAPTER 2



Fitting the Key Components Together

THERE ARE TWO DIAGRAMS that we will look at in this chapter that clearly explain how the seven key components of the Thinking Business Model work together to form a healthy, growing organization: the *Business Structure Diagram* and the *Business Operations Diagram*.

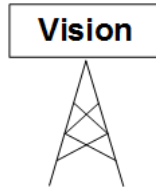
The Business Structure Diagram

The first diagram depicts the organization as a building composed of the seven critical components. Each of the components plays a key role in ensuring the building is structurally sound and functional. Similarly, each of the components plays a key role in ensuring the business is solid and viable.

Each of the building components will be described individually and then “snapped together” in the final diagram to form a complete picture of the business.

Vision

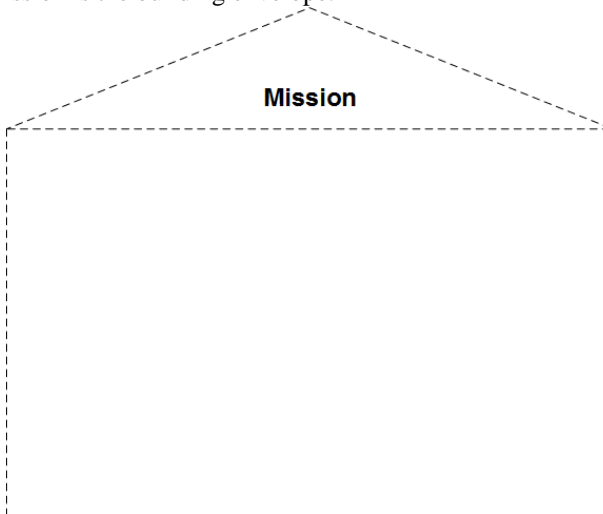
The Vision is at the top of the building like a flag, antenna or billboard.



It is the picture of the future for the organization and its staff. It creates an ideal and unique image of what the organization will become or achieve. It is the reason for the organization's existence. The Vision defines WHY the employees in the building are working and provides a higher level purpose for everyone in the company.

Mission

The Mission is the building envelope.



It contains all the Goals, Objectives and the Outcomes for the organization. The Mission is WHAT the employees in the building are doing every day to achieve the Vision.

Goals

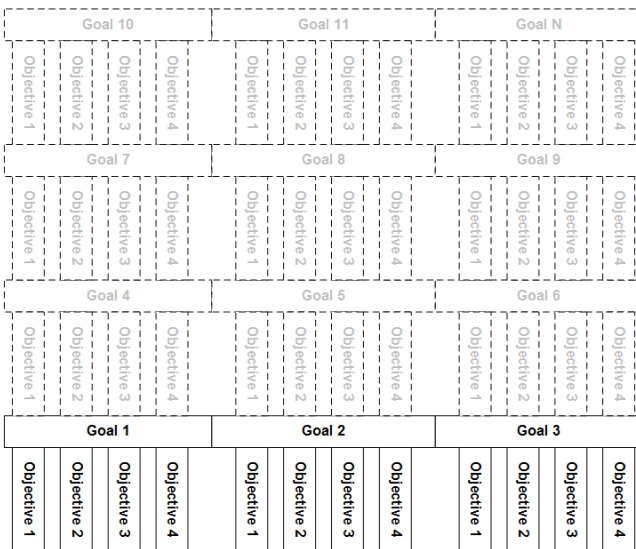
The Goals form the floors in the organization.



Goals define WHAT the organization needs to produce to achieve the Mission. As Goals are achieved the floors in the building are completed and the building climbs towards the Mission and Vision. Future Goals are shown as dashed lines because they have not yet been established or achieved.

Objectives

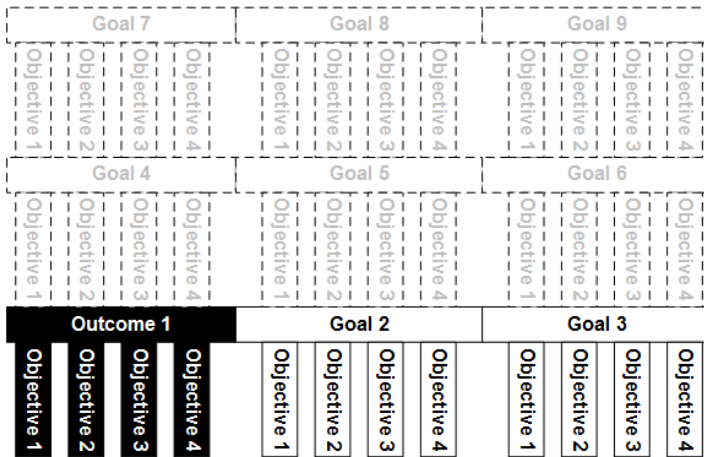
The Objectives are the vertical support columns in the building that are supporting the Goals.



The completion of the Objectives is required to support and complete the Goal. Future Objectives are shown as dashed lines because they have not yet been established or achieved.

Outcome

An Outcome is the result of a Goal’s Objectives being completed and the Goal being realized.



At this point in time, the Goal and the Objectives are no longer “virtual” but are now a concrete, realized achievement and provide real structure to the organization.

Operations Engine

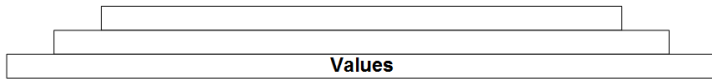
The Operations Engine determines HOW the organization will produce Outcomes that achieve Objectives and Goals as it strives to reach the Mission and Vision.



The Operations Engine is fundamental to the business. It is composed of people, processes and tools that design and deliver products, services or other outputs.

Values

The Values are the foundation for the whole business.



These are the driving behaviors that govern HOW the organization drives toward successful Outcomes.

The Integrated Picture

Diagram 1 shows all the business components described individually above, now integrated together into a fully functional business structure. If the building is missing any of these components it will be structurally unsound and will eventually collapse. Similarly, if the business is missing any of the key components it will also be unsound and will eventually fail.

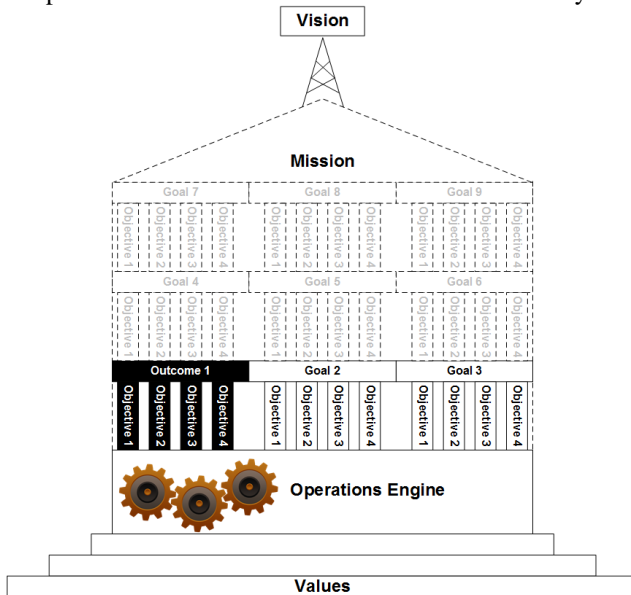


Diagram 1: The Business Structure

The Business Operations Diagram

As opposed to the Business Structure diagram which illustrated the seven critical components and how they fit together to build a structurally sound organization, the Business Operations diagram depicts the interaction of the seven critical components on a day to day basis.

Operations Engine

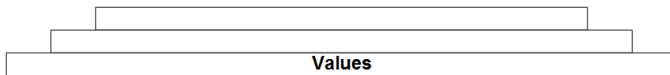
Everything that a business produces for Outcomes (proposals, products, services, etc.) come from the Operations Engine.



This is like the turbine in a power plant. If the turbine is broken, nothing is produced.

Values

As mentioned in the previous section, the Values are the foundation for the business.



If the Values are loosely defined, broken or non-existent, the Operations Engine and its Outcomes will be unreliable, highly unstable or non-existent.

Vision, Mission and Goals

The Vision, Mission and Goals components form the inputs to the Operations Engine.



When the Vision, Mission and Goals are defined properly, they provide clear inputs to the Operations Engine so that it can produce the required service or product as required.

Outcomes

These are the outputs from the Operations Engine. Data from the Outcomes can be fed back to the Operations Engine so that it can be tuned and adjusted to produce better Outcomes. This data can also be fed back to the Vision, Mission and Goals if the Outcomes could be improved by adjusting these inputs.



Typically, the Vision and Mission are rarely adjusted once they are established. Any adjustments to the Operations Engine's inputs would be done to the Goals to ensure they are in alignment with the Vision and Mission.

The Integrated Picture

Diagram 2 below shows the interaction of the seven critical components in a healthy growing business.

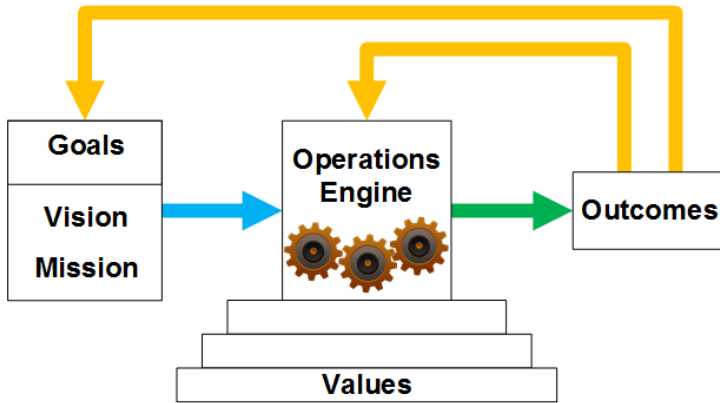


Diagram 2: The Business Operations Diagram

This process of inputting Vision, Mission, Goals into the Operations Engine and then using the feedback from the Outcomes to “tune” the Operations Engine and the Goals is iterative and continuous. It should never stop until the business achieves its Vision or the business closes down.

Now that the Thinking Business Model components have been defined and the model has been explained structurally and operationally, the next chapter will introduce the twelve step business transformation process.

CHAPTER 3



The 12 Steps to Business Transformation

What Comes First?

THERE ARE NO HARD and fast rules that determine which of the seven key components need to be defined first. However, what happens most often in business is that either the Outcome (product or service) or the organization's Vision is defined before anything else.

For example:

- An entrepreneur or business founder has a very well defined product that they want to bring to market (or perhaps are already producing and selling in the marketplace) but they have not yet determined what the rest of the organization should look like.

Or

- A business owner has a great idea of what they want to achieve (Vision) but they don't have a clear definition how they will do it or exactly what the product or service will look like.

In either of these cases, the business or organization will end up struggling because they have not determined a complete operational strategy (e.g., they are missing one or more of the seven key components).

The twelve step process outlined below will step through the process of building a complete operational strategy framework. This process is not a one-time event but an iterative process that must continue as long as the business is operating.

The Twelve Steps

Refer to Diagram 3 on the following page as you work through the twelve steps of the Thinking Business Blueprint.

Step #1 - Define the Vision of the organization – refer to Chapter 4 for more details

Step #2 - Define the Mission of the organization – refer to Chapter 4 for more details

Step #3 - Define the Values of the organization – refer to Chapter 4 for more details

Step #4 - Work through the strategic SWOT tool (described in Chapter 5) and define a high level business strategy

Step #5 - Build SMART Goals to achieve the strategy de-fined above – refer to Chapter 6 for more details

Step #6 - Define measurements and reports to monitor progress against the Goals and against desired business Outcomes – refer to Chapter 6 for more details

Step #7 - Complete the Strategy Summary to conveniently and succinctly document and communicate everything in items 1 to 6 above – refer to Chapter 7 for more details

Step #8 - Build/tweak your Operations Engine (described in Chapter 8)

Step #9 - Feed the Vision, Mission and Goals into the Operations Engine – refer to Chapter 8 for more details

Step #10 - Check the Outcomes from the Operations Engine using measurements from Step 6. Do some detailed analysis. What has to be changed to improve the Outcomes (Strategy, Goals or the Engine itself)?

Step #11 - Use the results of the analysis from Step 10 above and make adjustments to Strategy, Goals and Operations Engine as required to refine the Outcomes. Update the Strategy Summary as required. Note that the Vision and Mission may need to be adjusted but this is very rare. Vision and Mission should be very stable over the life of a business and should only change when the original Vision and Mission have been achieved or when the marketplace has changed so significantly that the Vision and Mission are no longer relevant.

Step #12 - Continually iterate through Steps 9, 10 and 11.

Note that tools, processes and more information for each step can be found at www.thinkingbusinessblog.com

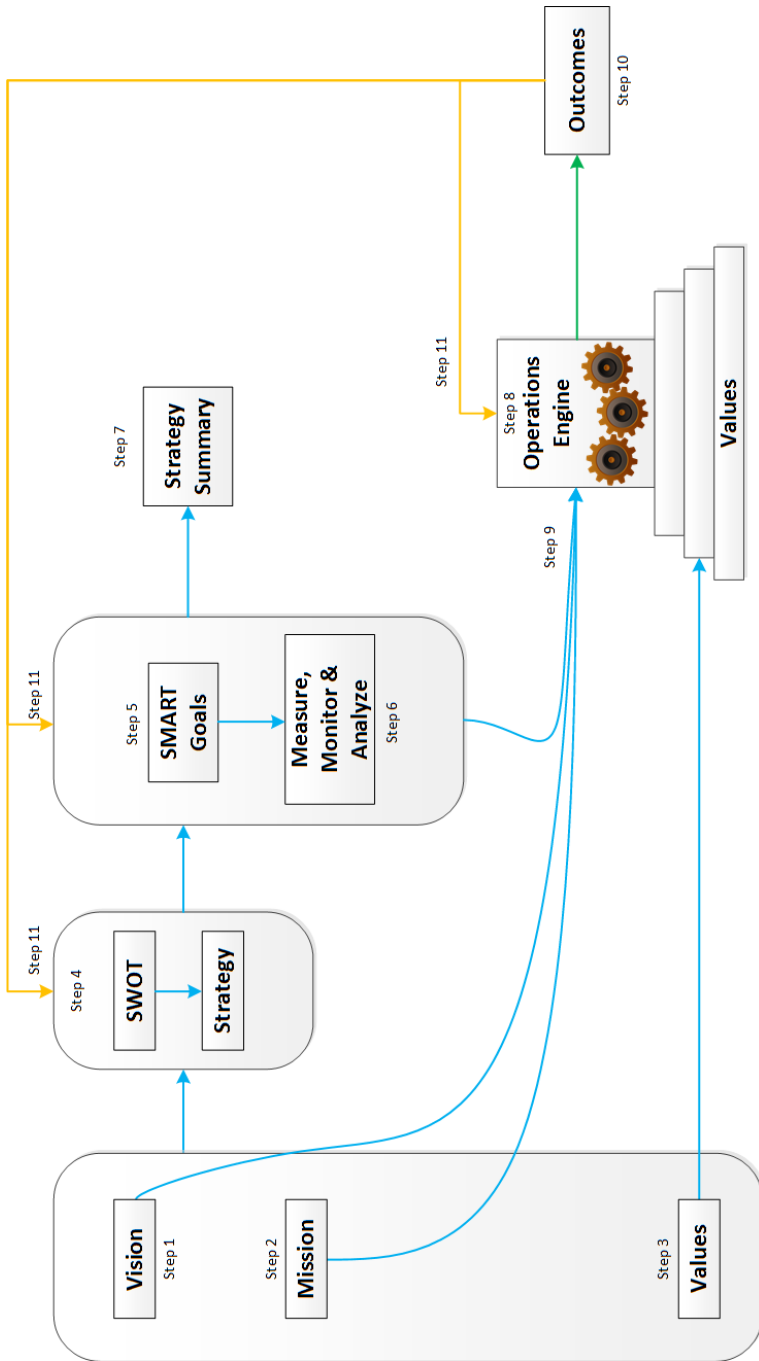


Diagram 3: Thinking Business Blueprint

CHAPTER 4



Defining Vision, Mission and Values

VISION, MISSION AND VALUES all need to be defined by the organization's leader or leaders. These are the visionary components of the business that set the overall direction, strategy and culture inside the business. As such, leaving them for anyone other than the business leader(s) will most likely result in disconnects as the organization moves forward.

If the organization is a division of a larger entity, the Vision, Mission and Values may be dictated by this larger entity and not by the local organizational leaders. This happens often in business, not-for-profit, NGOs and government.

In this case, the local leader(s) of the smaller organizations should take the larger entity's Vision, Mission and Values and use them to craft a localized version that is in line with the larger entity but customized for their business.

For example, General Electric has a Vision, Mission and Values statement for their overall business. However, the statement for their healthcare

division will be specific to that division and quite different from the statement for their aviation division or retail divisions. The one thing in common between them is that all of them are in alignment with GE's overall Vision, Mission and Values statement.

In either case (independent or dependent organization), everything the organization does, needs to be reviewed through the lenses of the Vision, Mission and Values. For example;

- Is the proposed action moving the organization closer to achieving the Vision or does it move it further away from the Vision?
- The Mission defines what the organization does every day to work towards achieving the Vision. Is the proposed action moving the organization closer to achieving the Mission?
- The Values define the underlying behaviors of the organization. They describe how the organization will behave as it moves towards the Mission and Vision. Are the actions being taken in alignment with the desired organizational Values?

For a list of Thinking Business tools available to help with the definition and communication of your Vision, Mission and Values refer to the Appendix of this document and to www.thinkingbusinessblog.com.

CHAPTER 5



SWOT – Strengths, Weaknesses, Opportunities and Threats

THERE ARE MANY TOOLS available to assist the business leader in setting a solid strategy for their business. However, the SWOT tool is simple to understand, simple to implement and gives powerful results.

The SWOT is a tool that enables the business leaders to clearly define what their business strengths and weaknesses are and what they are facing for internal and external opportunities and threats. This tool then prompts the leaders to leverage their business' strengths to take advantage of opportunities, mitigate threats and weaknesses, all within the context of their Vision, Mission and Values.

They can use this analysis to build a detailed strategy for their business and this strategy can then be turned into SMART goals (refer to the next chapter).

See the Diagram 4 for an example of a SWOT worksheet.

<p>Designed For:</p> <hr/> <p>Date:</p> <hr/>	<p>Strengths</p> <p>1.</p>	<p>Weaknesses</p> <p>1.</p>
	<p>Opportunities</p> <p>1.</p>	<p>Possible Strategy</p> <p>1.</p>
<p>Threats</p> <p>1.</p>	<p>Possible Strategy</p> <p>1.</p>	<p>Possible Strategy</p> <p>1.</p>

Diagram 4: SWOT Worksheet

For a complete description of the SWOT tool, a completed example, and to download the SWOT template go to www.thinkingbusinessblog.com.

CHAPTER 6



Defining SMART Goals

GOALS ARE THE TOOL that the organization uses to move forward once the Vision, Mission, Values and strategy are defined.

Goals clearly define what the organization needs to produce or achieve in order to move towards the Mission and Vision.

As such, they need to be set strategically so the organization can move as efficiently and smoothly as possible. Goals define what the Outcomes look like and includes the process to get from where the organization is today to where it needs to be for the desired Outcome.

As stated earlier in this chapter, the SWOT should be used to provide direction for Goal setting so that the Goals selected for the organization will then execute the strategy.

Goals must also be SMART. SMART goals are Specific, Measurable, Achievable, Relevant and Time-Bound. Without each of these components, the Goals will not be properly defined and will be hard to achieve.

- S – Specific: the goal must be defined without ambiguity

- M – Measureable: the goal must be defined in a way that allows the organization to track completion progress
- A – Achievable: the goal must be realistically achievable - stretch goals are fine but they must not be impossible
- R – Relevant: goals must relate to your vision, mission and values
- T – Time Bound: there must be a completion date assigned to the goal

As mentioned in Chapter 1, Objectives are sub-goals that are needed to complete the larger Goal. As such, Objectives also need to be SMART and, usually, multiple Objectives are combined to complete a higher level SMART Goal.

Progress towards completion of the Goals and Objectives must be accurately measured. Measuring progress allows the organization to understand the exact status of the Goal. Knowing this, the organization can adjust their approach to the Goal to ensure that it is completed on time with the results that were expected.

For a complete list of tools for defining SMART Goals, Objectives and Outcomes, refer to the Appendix or go to www.thinkingbusinessblog.com.

CHAPTER 7



Strategy Summary

THE STRATEGY SUMMARY RECORDS how the company is moving forward based on the Vision, Mission, Values, SWOT analysis, SMART Goals and key measurements and metrics. It is a summary of how the business will leverage the Operations Engine and its components.

See the following diagram for an example of the Strategy Summary.

<p align="center">State of the Market</p> <p>- what are you seeing in the marketplace for upcoming business, market upswings, downturns, possible acquisitions or mergers, legislation changes, etc. - use <alt><enter> to add more lines</p>		<p align="center">Market Trends</p> <p>- are there trends in the market that will affect your business and what opportunities or threats do they present? - use <alt><enter> to add more lines</p>		<p align="center">Business Overview</p> <p>- how is your business looking from all perspectives (operations, sales, marketing, HR, people trends, tools, processes, finance, etc.)? - what projects or initiatives are underway? - use <alt><enter> to add more lines</p>																					
<p align="center">Strengths</p> <p>- enter the strengths from the SWOT exercise - use <alt><enter> to add more lines</p>		<p align="center">Weaknesses</p> <p>- enter the weaknesses from the SWOT exercise - use <alt><enter> to add more lines</p>		<p align="center">Opportunities</p> <p>- enter the opportunities from the SWOT exercise - use <alt><enter> to add more lines</p>		<p align="center">Threats</p> <p>- enter the threats from the SWOT exercise - use <alt><enter> to add more lines</p>																			
<p align="center">Customers</p> <table border="1"> <thead> <tr> <th>Top Customers</th> <th>YTD Revenue</th> <th>YTD GP</th> </tr> </thead> <tbody> <tr> <td>1. <<customer name></td> <td>\$</td> <td>%</td> </tr> <tr> <td>2</td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> </tr> <tr> <td>4</td> <td></td> <td></td> </tr> <tr> <td>5</td> <td></td> <td></td> </tr> </tbody> </table>			Top Customers	YTD Revenue	YTD GP	1. <<customer name>	\$	%	2			3			4			5			<p align="center">Marketplace Differentiators</p> <p>- what factors are differentiating your business in the marketplace and giving you a true competitive advantage - use <alt><enter> to add more lines</p>				
Top Customers	YTD Revenue	YTD GP																							
1. <<customer name>	\$	%																							
2																									
3																									
4																									
5																									
<p align="center">High Level Strategy</p> <p>- what is the high level strategy for your organization this year - use <alt><enter> to add more lines</p>		<p align="center">Critical Success Factors</p> <p>- what are the critical success factors for your business that clearly must be achieved to be successful? - use <alt><enter> to add more lines</p>		<p align="center">Strategic Investment Areas</p> <p>- where do you need to strategically spend money this year to increase production, proficiency, sales, infrastructure, etc. in order to meet your high level strategy - use <alt><enter> to add more lines</p>																					
<p align="center">Key Metrics</p> <p>1. what key metrics need to be measured, recorded and analyzed to ensure the business is meeting goals, working the strategy and achieving the mission. 2. 3. use <alt><enter> to add more lines</p>			<p align="center">Vision/Mission/Values</p> <p>Vision: vision statement Mission: mission statement Values: values list</p>																						

	1	2	3
Goal	- SMART goal statement 1	- SMART goal statement 2	- SMART goal statement 3
Objectives	- list of all the objectives required to achieve the goal - use <alt><enter> to add more lines	- list of all the objectives required to achieve the goal - use <alt><enter> to add more lines	- list of all the objectives required to achieve the goal - use <alt><enter> to add more lines
Strategy	- what is the strategy required to achieve the objectives and goals - use <alt><enter> to add more lines	- what is the strategy required to achieve the objectives and goals - use <alt><enter> to add more lines	- what is the strategy required to achieve the objectives and goals - use <alt><enter> to add more lines
Actions	- list the individual actions required to realize the objectives and goals - use <alt><enter> to add more lines	- list the individual actions required to realize the objectives and goals - use <alt><enter> to add more lines	- list the individual actions required to realize the objectives and goals - use <alt><enter> to add more lines
	4	5	6
Goal	- SMART goal statement 4	- SMART goal statement 5	- SMART goal statement 6
Objectives	- list of all the objectives required to achieve the goal - use <alt><enter> to add more lines	- list of all the objectives required to achieve the goal - use <alt><enter> to add more lines	- list of all the objectives required to achieve the goal - use <alt><enter> to add more lines
Strategy	- what is the strategy required to achieve the objectives and goals - use <alt><enter> to add more lines	- what is the strategy required to achieve the objectives and goals - use <alt><enter> to add more lines	- what is the strategy required to achieve the objectives and goals - use <alt><enter> to add more lines
Actions	- list the individual actions required to realize the objectives and goals - use <alt><enter> to add more lines	- list the individual actions required to realize the objectives and goals - use <alt><enter> to add more lines	- list the individual actions required to realize the objectives and goals - use <alt><enter> to add more lines

Diagram 5: Strategy Summary

For a complete description of the Strategy Summary tool, a completed example, and to download the template, go to www.thinkingbusinessblog.com.

CHAPTER 8



Operations Engine

BECAUSE THE OPERATIONS ENGINE is the power plant of the business and consists of all the people, processes and tools necessary to deliver business Outcomes, it is where the majority of the time, effort and cost are expended.

This means that the Operations Engine is also where innovations, people, process and tool improvements will have the biggest impact.

The Operations Engine can contain hundreds or thousands of necessary components. Things like;

- Your people
- Engineering or design tools
- Compensation plans and structure
- Process or work flows
- Physical building
- Floor layout of the building
- Quality programs
- Key economic drivers

- Business systems
- Manufacturing equipment
- Proprietary knowledge
- Proprietary ways of manufacturing or doing business
- Patents
- Sales channel
- Procurement methodology

As you can see, these components can be quite simple or they can be extremely complex, just like the components in the engine in your car. However, regardless of complexity, each component forms a unique part of the Operations Engine and is required for the Engine to run properly.

It is the unique combination of these hundreds or thousands of components that defines your Operations Engine, what it produces and how efficiently it runs.

Your strategy determines your Goals and together with the Vision and Mission, become the fuel that powers your Operations Engine. As things in the marketplace change, your strategy must change and your Goals will change. This means the “fuel” for your Operations Engine will be changing and, consequently, the Operations Engine itself must be tweaked to remain optimized to match the “fuel” or strategy.

How effectively you apply your strategy will determine how productive your Operations Engine will be.

Your strategy cannot be static. You need to take the outputs from the Operations Engine and use these to tune both your strategy and the components of the Operations Engine so that your business is producing the outputs that meet or exceed expectations and drive towards achieving your Mission and Vision.

This analysis and tuning is a continual process because the world and the marketplace are continually changing.

As change occurs in the external world, your strategy, Goals and Operations Engine will have to adjust to ensure your Outcomes are meeting the needs of the marketplace.

Your business will perform even better if your leadership and organization are able to anticipate change and future trends and you are able to adjust your Operations Engine to produce Outcomes that take advantage of the market changes before your competitors do.

It is always best to be proactive and set the pace rather than be reactive and react to the pace set by someone or something else.

There are many tools and processes available to measure your Operations Engine effectiveness and the progress towards your goals. Similarly, there are many tools and processes available to help you tune your Operations Engine based on feedback received from what it produces.

For a complete list of these tools refer to the Appendix or go to www.thinkingbusinessblog.com.

CHAPTER 9



Conclusion

VISION, MISSION, VALUES, OPERATIONS Engine, Goals, Objectives and Outcomes are the seven components of the Thinking Business Model.

When combined properly, these components allow the business leader to clearly articulate the business purpose while defining the business model and establishing a dynamic strategy for strong business growth.

The process to achieve this can be accomplished using the twelve steps of the Thinking Business Blueprint. These twelve steps will transform your business by decreasing costs, driving business growth and increasing profits.

For more details on the model, as well as access to the collection of unique and powerful tools and processes that will help you define and build your business, go to www.thinkingbusinessblog.com.

These tools and processes are also listed in the Appendix for your reference.

Appendix – List of Tools

Vision/Mission Tools:

- Business Compass
- Did You Know . . .
- Employee Feedback
- Mission Statement
- Monthly Newsletter
- Poll of Employees – Vision and Mission
- Vision Casting

Values:

- Business Dominance Statement
- Leadership Strengths
- Peer Recognition System
- Poll of Employees - Values
- Strength Zone
- Tour of Duty
- Value Sort

Operations Engine

- 10 Principles of Change Management

- 12 Month Rolling Average
- 15 Minute Leader Huddle
- 23 Questions
- 6X6 Process
- Business Model Canvas
- Change Wheel
- Impact Tool – Vision to Action
- Compensation Model
- Flash Track Management
- Importance/Performance Curve
- Kill a Stupid Rule
- Kill the Company
- Mega-Project Delivery (MPACT)
- Monthly Financial Report
- Performance Assessment
- Portfolio Management
- Schulze's 4 Rules
- Strategy Canvas
- Strategy Summary
- SWOT
- Yearly Financial Comparison

Goals, Objectives and Outcomes:

- Quarterly Priority Management
- Goals Roadmap
- SMART Goals

Note that the collection of these tools and processes is being updated constantly so for the most up to date information refer to www.thinkingbusinessblog.com

ABOUT THE AUTHOR



David is the founder of Thinking Business and ThinkingBusinessBlog.com. He worked in multiple roles in various businesses since graduating from the University of Alberta with an electrical engineering degree in 1989. Over this time, David has led \$100M companies and project portfolios of over \$1.5B. He shares the experience he gained over the years through his writing and through mentoring other business leaders.

David has also written *Strength Zone: Discover Your Place of Maximum Effectiveness* and co-chaired and co-authored a Construction Industry Institute research effort RT315 – *Successful Delivery of Mega-Projects*

