

# What Matters Most

Strategic Development to  
Grow Your Business & People

Paul Hindelang



*Strategic  
Solutions*

Results Systems Corporation is an ISO 9001:2000 Registered Company



# Paul Hindelang



Is the President of Results Systems Corporation, a strategic development and quality management company. Mr. Hindelang serves on the faculty of Leadership Management University and travels widely speaking to business leaders and management teams on strategic development issues.

His consulting firm has developed methods for breakthrough and continual improvement using assessment, focused planning, leadership development and results measurement systems to bring CEO's a clear picture and control of the most critical issues in their company. Client results have been achieved in Fortune 500 firms, privately held manufacturing distribution, retail and service companies creating millions of dollars in cost/sales improvements.

He holds a B.S.E.E. degree from Michigan Tech University and a M.S.A. in Human Resources from Central Michigan University. He is broadly credentialed in the field of quality improvement, is a senior member of the ASQ, an ISO 9000 senior auditor, APICS certified in production and integrated resource management, and a certified business manager through APBM.



# What Matters Most

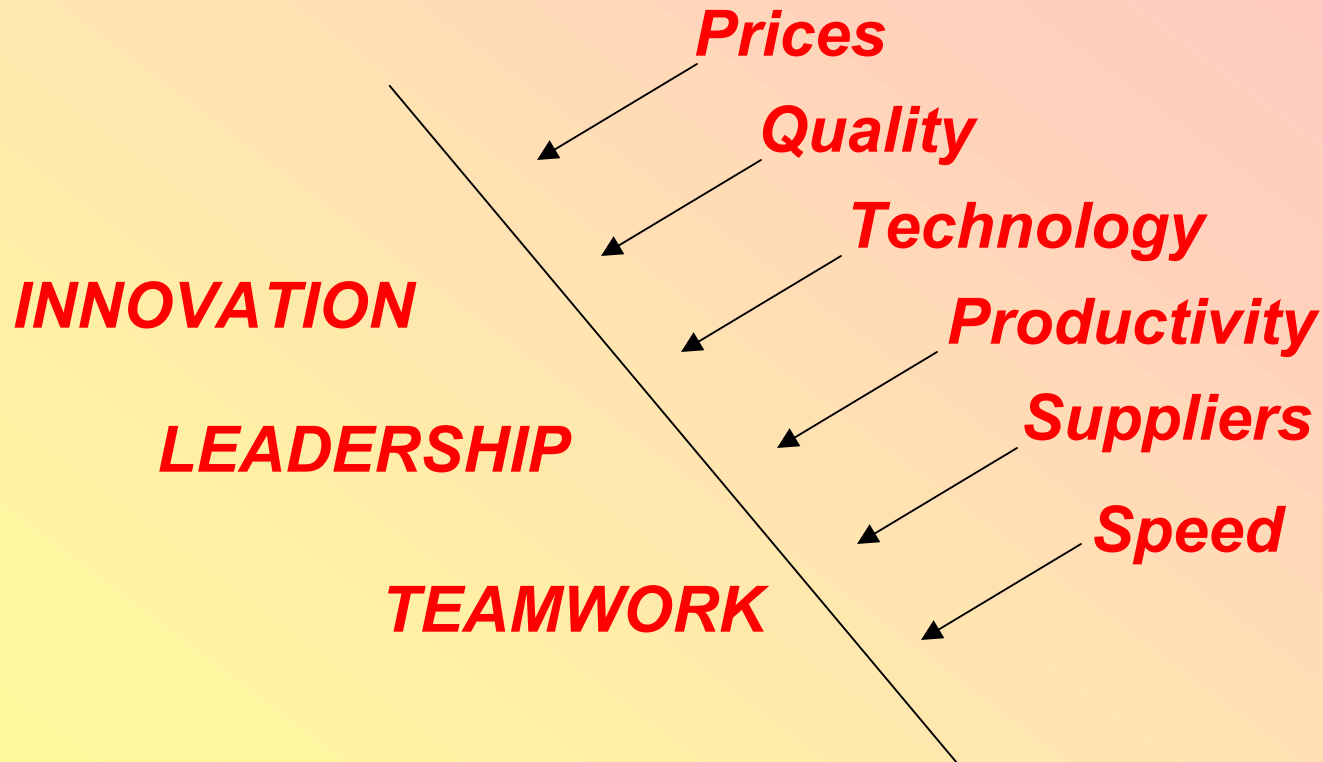
*...in life, leadership development  
and organizational performance*



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# Change



***Where should leaders focus?***

# What Matters Most

## *Strategic Development to:*

- *Obtain an Organization Focus*
- *Create a Results Driven Culture*
- *Build Inspired Growing People*

# Strategic Development Process

- ***Strategic Planning***  
***... An Event***

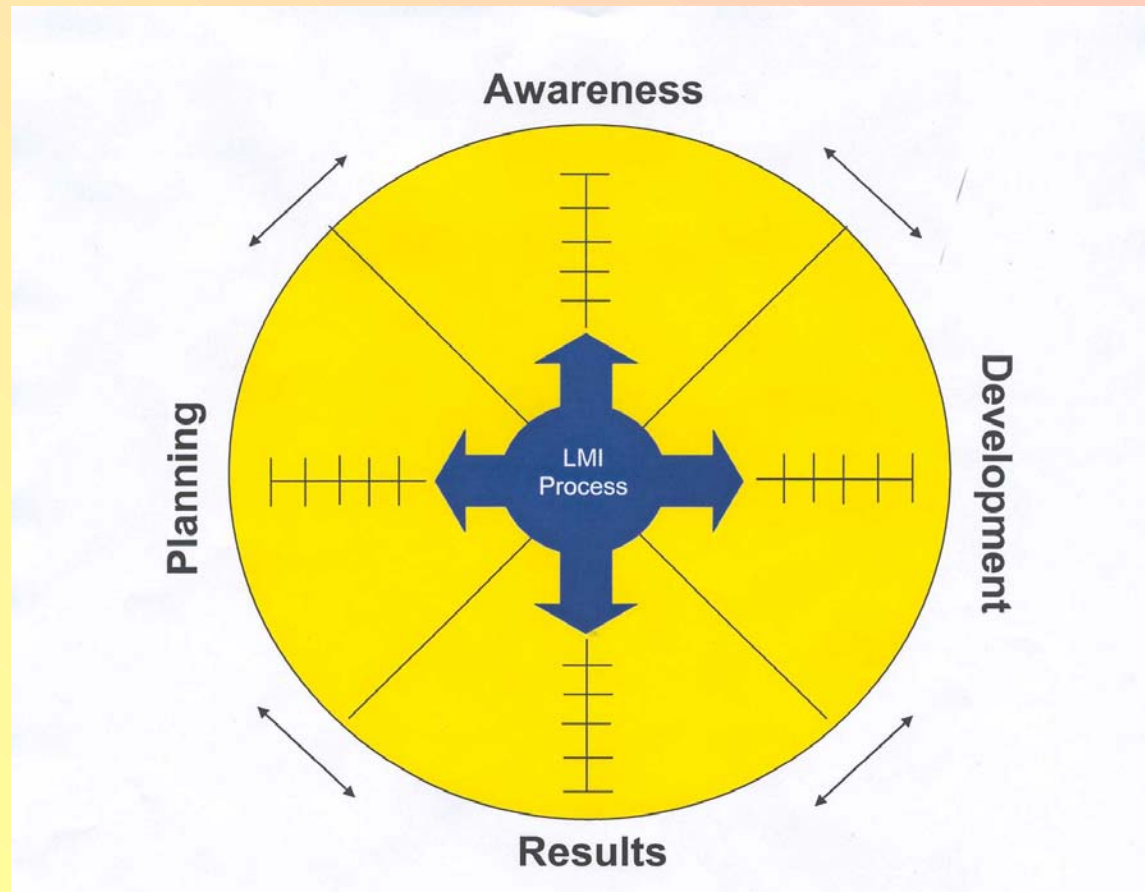
- ***Traditional Planning Schools***
- ***Military, Bureaucratic, Entrepreneurial***

**vs.**

- ***Strategic Development***  
***... A Process***

- ***Awareness***
- ***Planning***
- ***Development***
- ***Results***

# Strategic Development Process



# Awareness

- *Key to Positive Change*
- *Understand Results Desired, Capacities, Potential, Gaps*
- *Insight precedes Transformation from “Good” to “Great”*

# Planning

- *Targets the desired performance*
- *Focus becomes a competitive advantage*
- *Continuous improvement process becomes a culture*

# Development

- *Changes behavior to unlock human potential*
- *Performance gaps with product and process are closed*
- *A 10% use of untapped potential will yield over a 100% gain in results*

# Results

- *Critical Success Factors Identified*
- *Measurement provides control tied to the plan*
- *Daily action steps drive Continual Improvement*

# Human Potential

*Staff is employed to:*

- *Produce*
- *Sell*
- *Control*

# Human Potential

## *Cost of Staff:*

- *Production*                      **33% Sales – 3 X**
- *Sales*                                **20% Sales – 5 X**
- *Control*                            **10% Sales – 10 X**
- *Cost of Goods*                  **32% Sales**
  
- *Profit*                                **5% Sales**

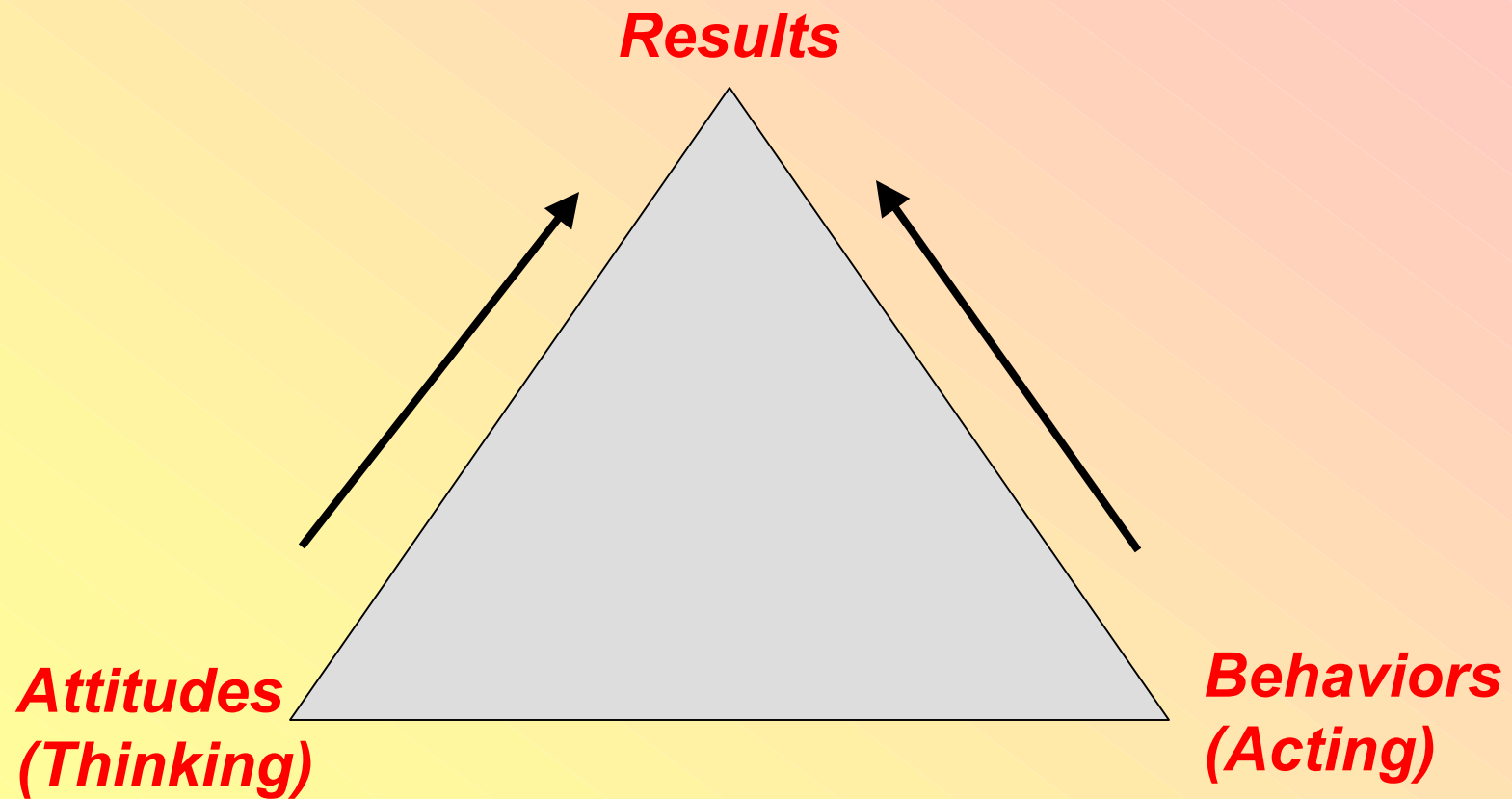
# Human Potential

*With 10% Improvement*

- *Production*                      **3.3%**
  - *Sales*                                **2.0%**
  - *Control*                            **1.0%**
- Gain*                                      **6.3%**

*or Profit Gain = 132%*

# Human Potential



# Human Potential

## Attitudes (*Thinking*)

- *Positive*
- *Healthy Lifestyle*
- *Continual Improvement*

# Human Potential

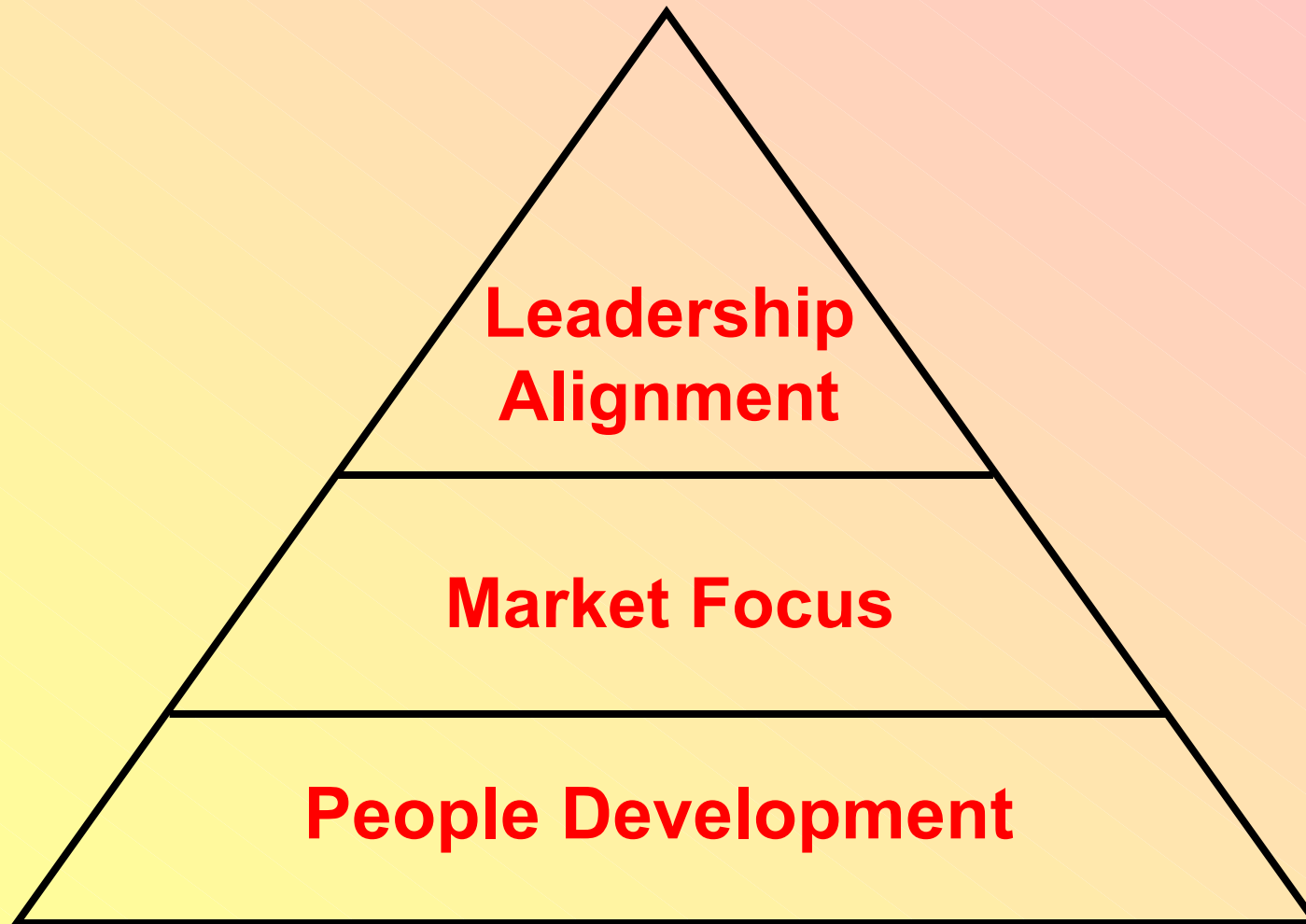
## Behaviors *(Acting)*

- *Team Player*
- *Time Disciplined*
- *Goal Directed*

# A Difference



# Strategic Development



# Transformation



# **IBM People Development**

**Budget: \$800,000,000 per year**

**Employees: 315,000**

**\$2,540 / employee / year**

**Approximately 5% payroll cost**

# Strategic Development Steps

	<b>Cost</b>	<b>Return</b>
<b>1. Leadership Alignment</b>	<b>- 1% sales</b>	<b>+ 5% sales</b>
<b>2. Market Focus</b>	<b>- 1% sales</b>	<b>+ 10% sales</b>
<b>3. People Development</b>	<b>- 5% payroll</b>	<b>+ 10% payroll</b>

# Typical Company

<b>Revenue</b>	<b>\$10,000,000</b>
<b>Production</b>	<b>3,300,000</b>
<b>Sales</b>	<b>2,000,000</b>
<b>Control</b>	<b>1,000,000</b>
<b>Cost Goods</b>	<b><u>3,200,000</u></b>
<b>NET</b>	<b>\$ 500,000</b>

# Company with Strategic Development

	Before	After
Revenue	\$10,000,000	\$11,300,000
Production	3,300,000	3,135,000
Sales	2,000,000	1,900,000
Control	1,000,000	950,000
Cost Goods	<u>3,200,000</u>	<u>3,390,000</u>
NET	\$ 500,000	\$1,925,000

**285% Gain**

# Strategic Development

## Awareness

- *Customer/Product Needs*
- *Financial Requirements*
- *Quality/Service Requirements*
- *Leadership Skill Capacities*

## Planning

- *Objectives*
- *Goal Plans*
- *Action Timelines*

# Strategic Development

## Development

- *Staff – Employees & Management*
- *Product - Customer Expectations*
- *Suppliers – Materials & Services*

## Results

- *Critical Performance Indicators*
- *Customer Focused Issues*
- *Quality, Delivery, Cost*

# What Matters Most

*Organizations that manage by a  
strategic plan, and  
develop their staff potential*

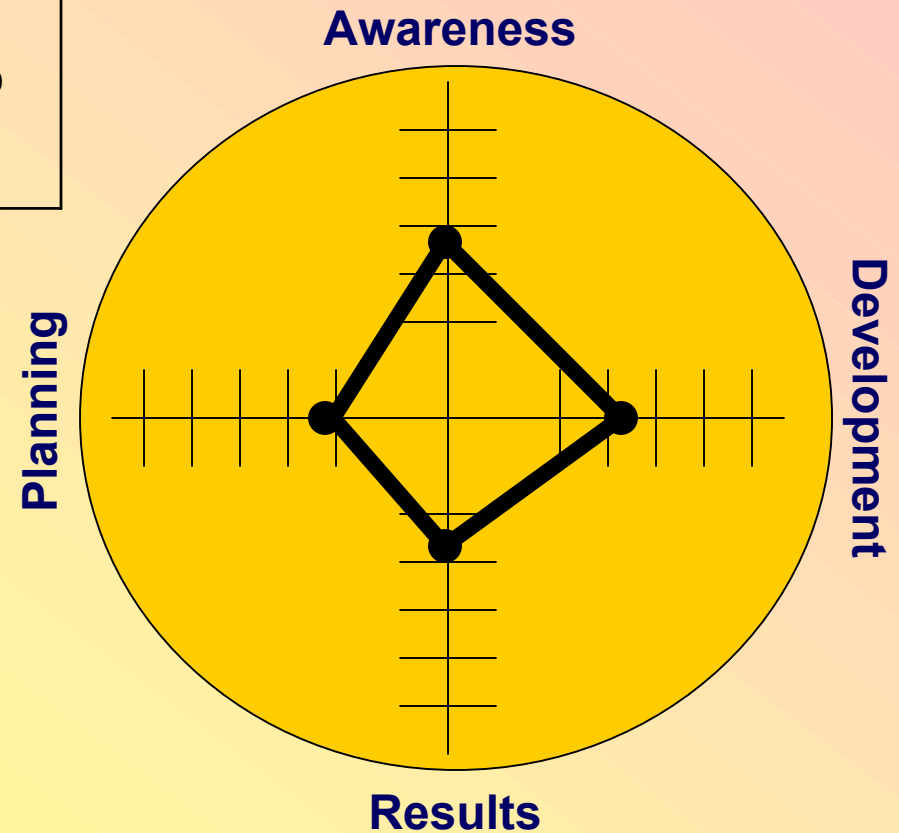
*Out-perform other organizations  
significantly.*

# **Results Achieved**

- **Terry Machine Company**
- **Hartland Insurance**
- **Intelligent Transportation Society**
- **Results Systems Corporation**

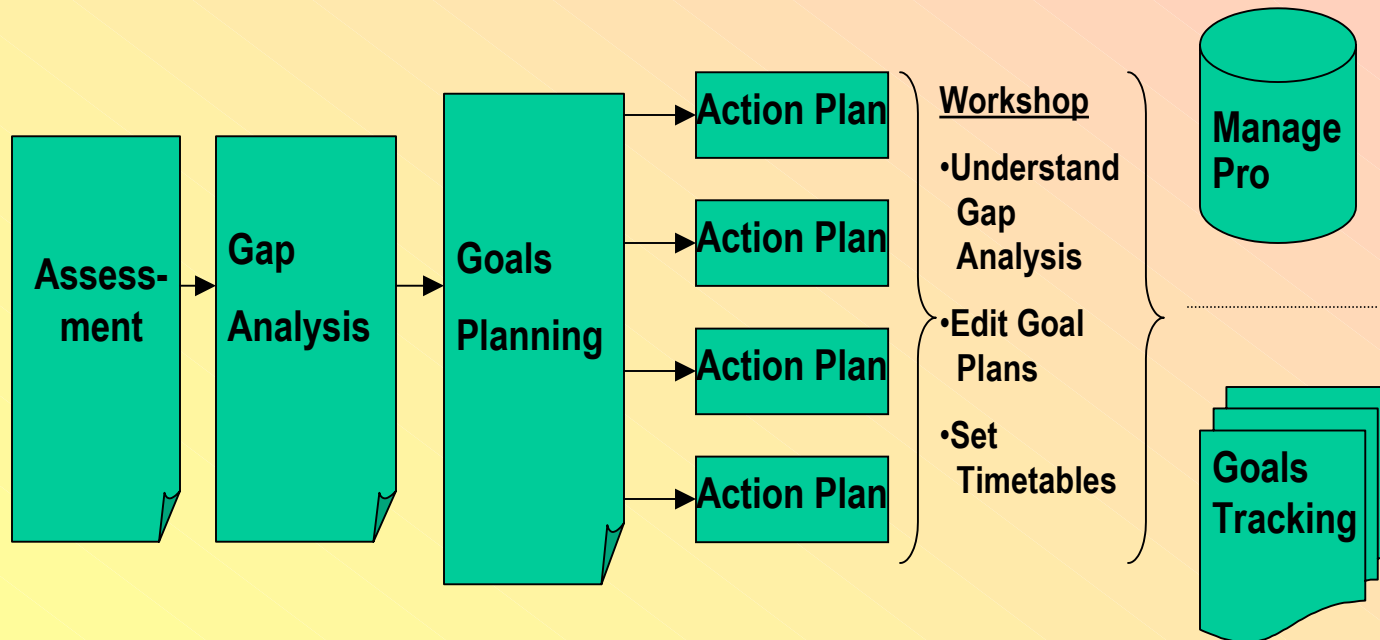
# Strategic Assessment

Score					
Name	Awareness	Planning	Development	Results Management	Average
Paul	15	0	5	5	6
Brad	10	0	10	10	8
Steve	15	10	15	15	14
Julie	15	5	10	5	9
Debbie	15	10	10	5	10
Pushpa	15	10	15	5	11
<b>Average</b>	<b>14</b>	<b>6</b>	<b>11</b>	<b>8</b>	



# Strategic Development Process

## Assessment, Goal Plans, Measurement



# Action Goal Plans

## **AWARENESS**

- **Implement an organization wide performance analysis.**
- **Create a pre-hire evaluation system.**
- **Perform a communications effectiveness assessment for leadership staff.**
- **Execute a leadership assessment and development process for all leadership staff.**
- **Launch a staff development process.**

## **PLANNING**

- **Setup a formal strategic development planning process.**
- **Launch a communication process.**
- **Perform a product and market analysis for all company products and services.**
- **Implement a company wide involvement program.**

# Action Goal Plans

## DEVELOPMENT

- Implement a budget planning process.
- Create a matrix analysis of each job in the company.
- Prepare a plan and detailed illustration of the staff development process.
- Launch quarterly communications meetings.

## RESULTS

- Define measurements required to monitor results of critical success factors.
- Define measurements of key activities contributing to success factors.
- Prepare a flow map analysis of company performance data
- Hold monthly management review meetings.
- Implement a self-assessed performance review process.
- Evaluate company using detailed assessments.

# Strategic Development Process

## Assessments

- Strategic Development
- Strategic Plan Audit
- Organization Culture
- Customer Satisfaction
- Leadership Effectiveness
- Productivity Effectiveness
- Communications Effectiveness
- Management / Supervision Skills
- Malcolm Baldrige Quality Results
- ISO 9000 Quality Systems
- Legal Systems Compliance
- HR Systems Compliance
- Financial Systems Performance
- Supplier Performance

# Typical Goal Plan

Goal # 8 Category Planning Champion Steve Priority (( 1 )) 2 3

Goal: Perform a product and market analysis for all company products and services.

Benefits: Streamline product offering based upon unique market/customer needs.

## Action Steps:

Step	Description	Who	Start	Status
1.	Create master list of all products/services with a detailed explanation of each.	Steve	11/3/2003	
2.	Obtain master list of current clients and analyze them for market/industry.	Steve	11/3/2003	
3.	Contrast product/services vs. market industry and evaluate strengths & weaknesses.	Steve	11/3/2003	
4.	Identify actions needed to enhance product/market results.	Steve	11/13/2003	
5.	Create unique selling propositions for each product/market solution focused on.	Steve	11/26/2003	
6.	Audit/verify completion of goal.	Steve	12/5/2003	

# Goal Planning

<b>What obstacles are keeping you from achieving this goal for the company?</b>	
A	Lack of resources
B	Poor recordkeeping
C	Lack of industry knowledge
<b>What management decisions must be obtained to approve and achieve this goal?</b>	
A	Assign or hire staff
B	Support of IT department
C	Approval of VP Sales
<b>What resources (\$, equipment, services and time) are required to help achieve this goal?</b>	
A	Staff
B	Industry data
C	3rd party market research firm
<b>Who else in the organization should be involved with this goal?</b>	
A	Management
B	Sales staff
C	Accounting staff

# Overall Timeline Plan



# Continual Improvement



# Summary

## Strategic Development

- *A Process – moves theory into action*
- *Builds continual improvement into the company culture*
- *Uses untapped human potential which is critical in the “Innovation” economy*

# Next Steps

- **Have a free consultation by your LMI Consulting Partner**
- **Identify What Matters Most and launch your Strategic Initiatives**

# **If You Do Nothing**

- **The market is forcing change on every business**
- **New tactics will not suffice**
- **A strategy shift is critical**
- **Doing nothing is a sure loser**

# After Initial Consultation

- **Engage your Management Team to assess critical needs**
- **Identify value impact on current performance**
- **Focus on immediate high value goals**

# **Strategic Analysis Workshop**

- **Management Team Assessment**
- **Commit to What Matters Most**
- **Align Strategic Priorities**
- **Execute Goals, Plans, Timetable**

# What is Needed Now?

*“A human-based business model that stimulates creativity, innovation and agility.”*

