

# Developing a Strategy Map with Value Analysis

Value Symposium 2014  
Toronto  
Nov 17, 2014

steVE Holmes

6Steps  
6StepJobPlan

Teamwork

InformationPhase

ValueManagement

ProjectManagment

CostAvoidance

ProblemSolving

Creative

AlternativeSolutions

ValueAnalysis

ROI DevelopmentPhase  
Innovation

MaximizeResources

Analytical

Risk

ValueEngineering

StimulateInnovation

FunctionAnalysis

BuyIn

Value4Money PresentationPhase

FunctionAnalysisPhase

SatisfyUsers

# Using VA in Strategic Planning

- *Meeting the challenge of Change*
- *Overview of FAST Diagrams*
- *How to map strategies with Function Analysis*
- *Developing Key Performance Indicators*
- *Business Definition for the Fleet Management Centre*
- *Strategy Mapping with Aboriginal Policy office*

# Why strategic planning?

To develop strategies to respond to internal and external forces

- Traditional organizational rules are changing
  - Companies and organizations are becoming flatter, more integrated.
- Interaction with external change
  - Demographics; communication patterns and speed, rapidly changing external situations;

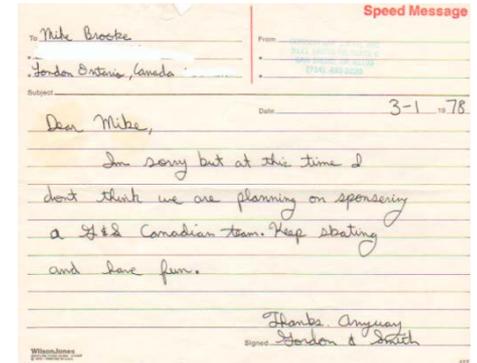


# What is Strategic Planning?

- Activity that is used to set priorities
- Focus resources
- Work toward common goals
- Establish agreement on outcomes/results
- Respond to a changing environment

- *Balanced Scorecard Institute* -

# What do you need strategic planning?



If you maintain the status quo...

RIM, Polaroid, Kodak, Parliament Hill, Speedy Memos,  
...

If you plan you can develop a new value proposition.

Freshbooks, IFIS, Lean Six Sigma, TurboTax; E-health...

# What is in a value proposition?

- A vision that defines your raison d'être.
- Strategies and tactics that define how the organization delivers value through day to day operations and through longer term projects.
- Kaplan and Norton suggest a value proposition is part of a business strategy.

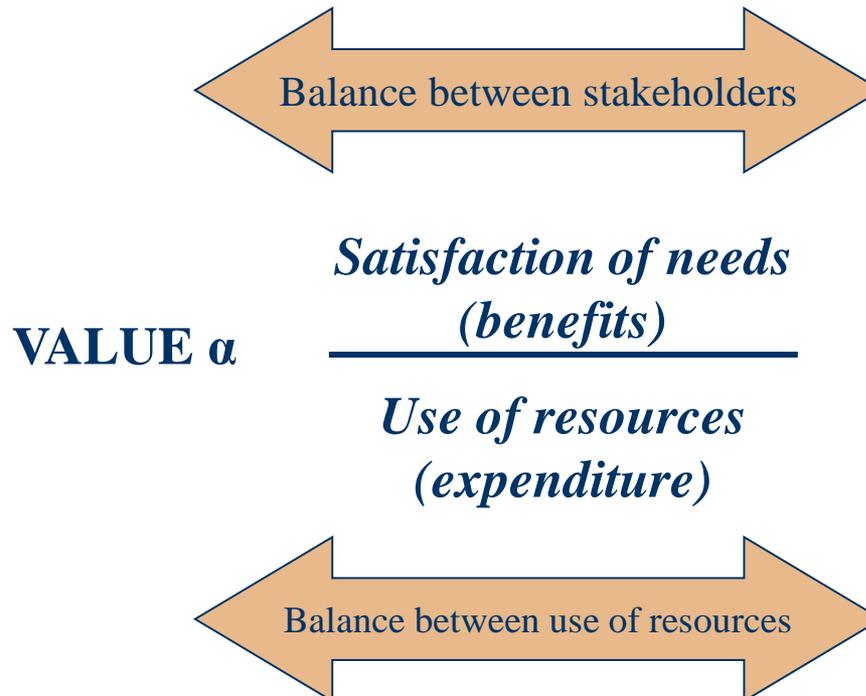
# How do you Measure Value?

Value defined as ratio between satisfaction of needs (benefits) and use of resources (expenditure)

Reconciling the needs and views of different stakeholders

Balancing the use of resources to suit priorities

Balancing the overall **benefits realised** with the use of resources

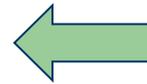


# Strategic Planning Hierarchy



# Kaplan and Norton's Framework Formula

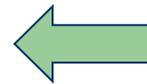
Describe the strategy



Strategy Maps

+

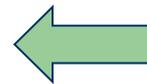
Measure the strategy



Scorecards

+

Manage the strategy  
Meetings



Strategy Review



# What is a Balanced Scorecard?

- A visual aid and communication tool
- A strategic planning system to:
  - align business activities to the vision and strategy of the organization
  - improve internal and external communications
  - monitor organization performance against strategic goals

# What is a Balanced Scorecard?





# 2008-2010 OPP STRATEGIC PLAN - AT A GLANCE

**OUR VISION: Safe Communities, A Secure Ontario**

**OUR VALUES: Professionalism, Accountability, Diversity, Respect and Excellence**

**STRATEGIC PRIORITIES**

## PUBLIC SAFETY

We ensure public safety is our core focus.

## RELATIONSHIPS

We build trusting relationships with the public, our partners and stakeholders.

## WORKFORCE

We are a professional and diverse workforce that is the Benchmark of Excellence.

## EFFECTIVENESS

We invest public resources wisely in support of frontline service delivery.

### PROTECT THE PUBLIC

### EARN TRUST

### BE A LEADER

### BE ACCOUNTABLE

**OUTCOMES**

Safer communities, reduced victimization and enhanced professional frontline service delivery.

We are trusted by the varied communities we serve, and by our partners, stakeholders and colleagues.

A sustainable stream of skilled and motivated employees who are proud to dedicate themselves to the OPP and who represent the varied communities we serve.

We demonstrate our ability to operate efficiently and effectively in an increasingly complex and challenging policing environment.

**OPP STRATEGIES**

- P1** Safer highways, waterways and trails.
- P2** Enhance public safety and confidence through crime prevention and investigative excellence.
- P3** Deliver professional frontline services, one contact at a time.
- P4** Enhance OPP Emergency Preparedness.
- P5** Support First Nations Policing.

- R1** Deliver responsive programs and services that address the needs of the varied communities we serve.
- R2** Develop harmonious, trusting and mutually respectful relationships with Aboriginal Communities.
- R3** Strengthen internal communication and partnerships.
- R4** Continue to enhance our cooperative relationships with policing and justice partners, governing authorities, and bargaining agents.

- W1** Lead and promote a healthy, diverse and committed organization that reflects the OPP's values and the varied communities we serve.
- W2** Implement viable recruitment, retention and succession management strategies.
- W3** Promote employee safety through the Collision Reduction Strategy.
- W4** Create a culture in which every employee is a leader and all contributions are valued.
- W5** Support workforce excellence through learning and development opportunities.

- E1** Measure performance and hold ourselves accountable through ongoing evaluation, including RDP and Performance Management.
- E2** Ensure effective fiscal management.
- E3** Streamline, standardize and improve OPP systems, processes and practices.
- E4** Use technology to maximize our effectiveness.



# Functions are a Verb – Noun abridgement describing a need

Item	Active Verb	Measurable Noun
Drilling a hole	Make	Opening
Traffic Lights	Control	Traffic
Minister's Letter	Address Demonstrate	Concern Understanding

# A function based Balanced Score Card



# Strategy Map

- A Strategy Map is a pictorial model (visual representation) that holistically describes an organization's strategy
- The Function Analysis System Technique is a technique to show the logical relationships between functions of a project, product, process or service based on the questions "How" and "Why"
- How and Why are great strategy questions

# From FAST to Strategy Map

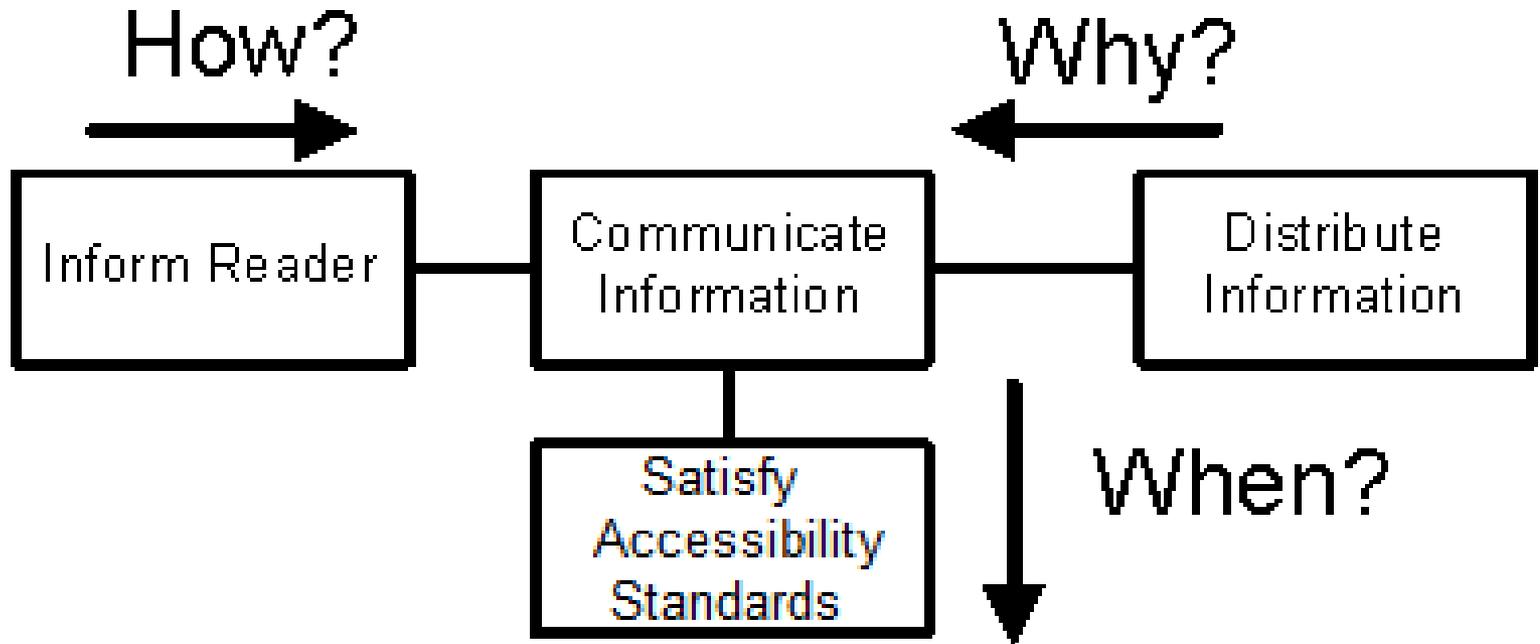
- MISSION derived from Basic Function
- VISION derived from Higher order function
- STRATEGIC OBJECTIVES derived from critical path and “When” functions
- “How-and-why” logic helps create linkage between strategic objectives
- Integrate customer/stakeholder needs



# Function Analysis System Technique (FAST) Diagram

- Method of organizing relationships between functions based on 'how' and 'why' questions.
- Graphical representation of relationship between functions
- Enables objective thinking

# FAST Diagram Example



Source: VA in Depth

Function Analysis

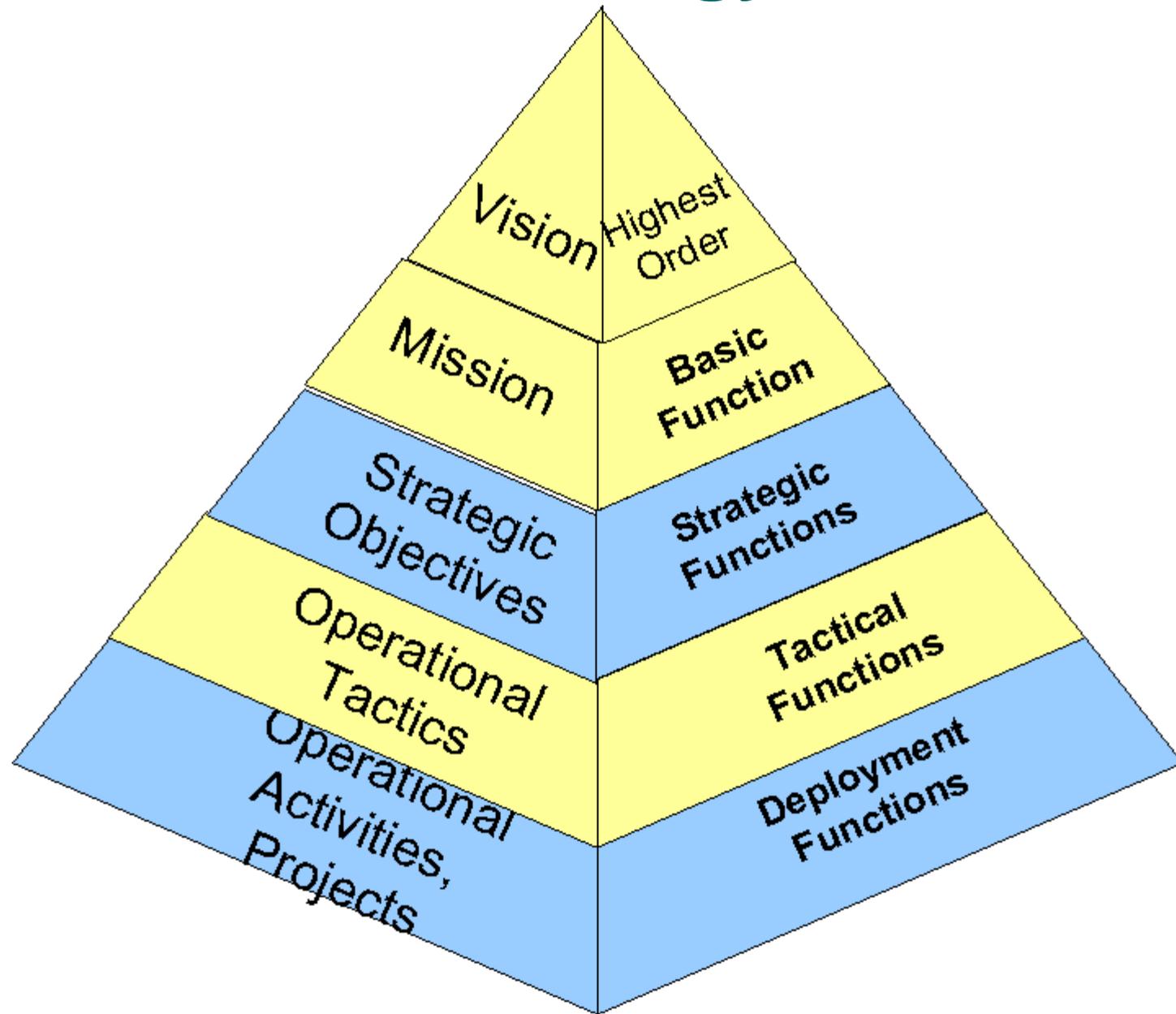
Function Analysis System Technique (FAST)

Canadian Society for Value Analysis

[www.scaV-csVa.org](http://www.scaV-csVa.org)



# Functions and Strategy



# Fleet Management Centre – Functional Diagram

## MISSION

## STRATEGY

## TACTIC

## DEPLOYMENT

**Cost effective management of all motor vehicle fleet assets to enable clients to meet their business travel and program delivery needs in a safe, efficient and sustainable way.**

1 Optimize Fleet Assets

2 Develop Fleet Acquisition Plan

3 Deliver Fleet Acquisition Plan

4 Operate Business

5 Apply standards, policies and guidelines, tools & technology

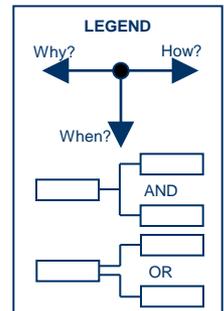
6 Manage FMC

...

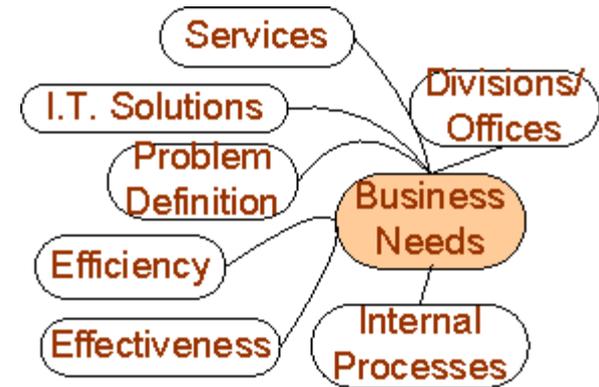
-1 Assure Financial Controllership

-2 support government initiatives.

-2.1 Manage issues



# Business Needs



- Meet Business Needs through VA
- Typically use a Functional Performance Specification to:
  - Define Problem
  - Characterize Business Needs
  - Understand Process
  - Facilitate concerns of different offices

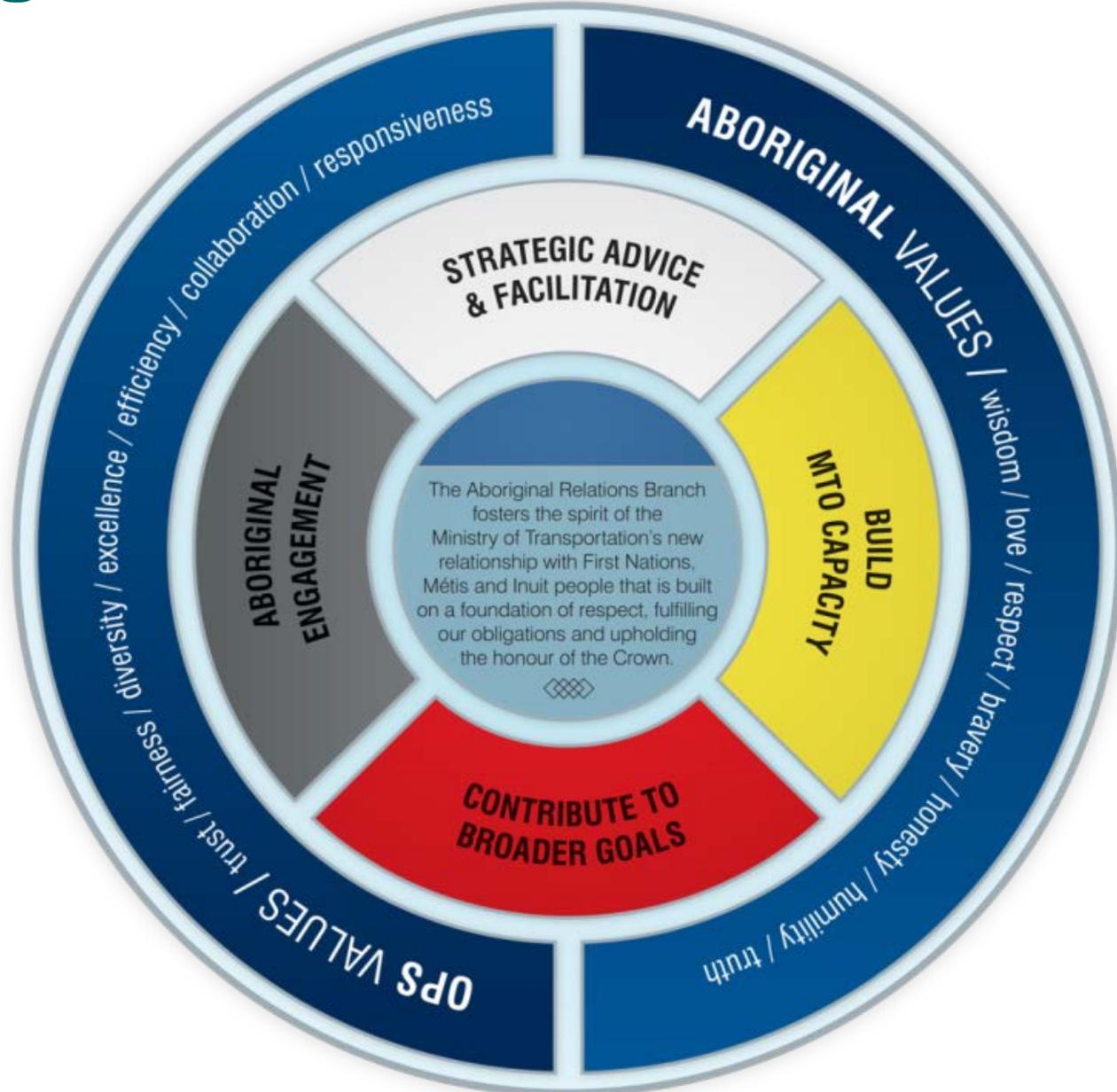
# Sample Characterization of “Acquire Assets”

	Criteria	Level	Flexibility	Comments
Acquire Assets	Number of vehicles acquired per year	320	F1	Create a requisition in IFIS which specifies vehicle type for each vehicle (by Region), FMC QA approval and DOA in FMC, OSS creates purchase order and sent to VOR, monitor orders against vendor status, delivery notification and license info sent to Region and arrangements made for vehicle delivery to selected location.

# Aboriginal Relations Office Strategy Mapping

- **Objective:** Develop, evaluate and prioritize ideas for three new key priorities that clearly advance MTO's objective to forge a new working relationship with Aboriginal communities and implement a new way of doing business with First Nations and Métis communities
- The office was new, and needed to transition from forming to operational status.
- Their current strategy was based on the 4 directions.

# Aboriginal Relations Office



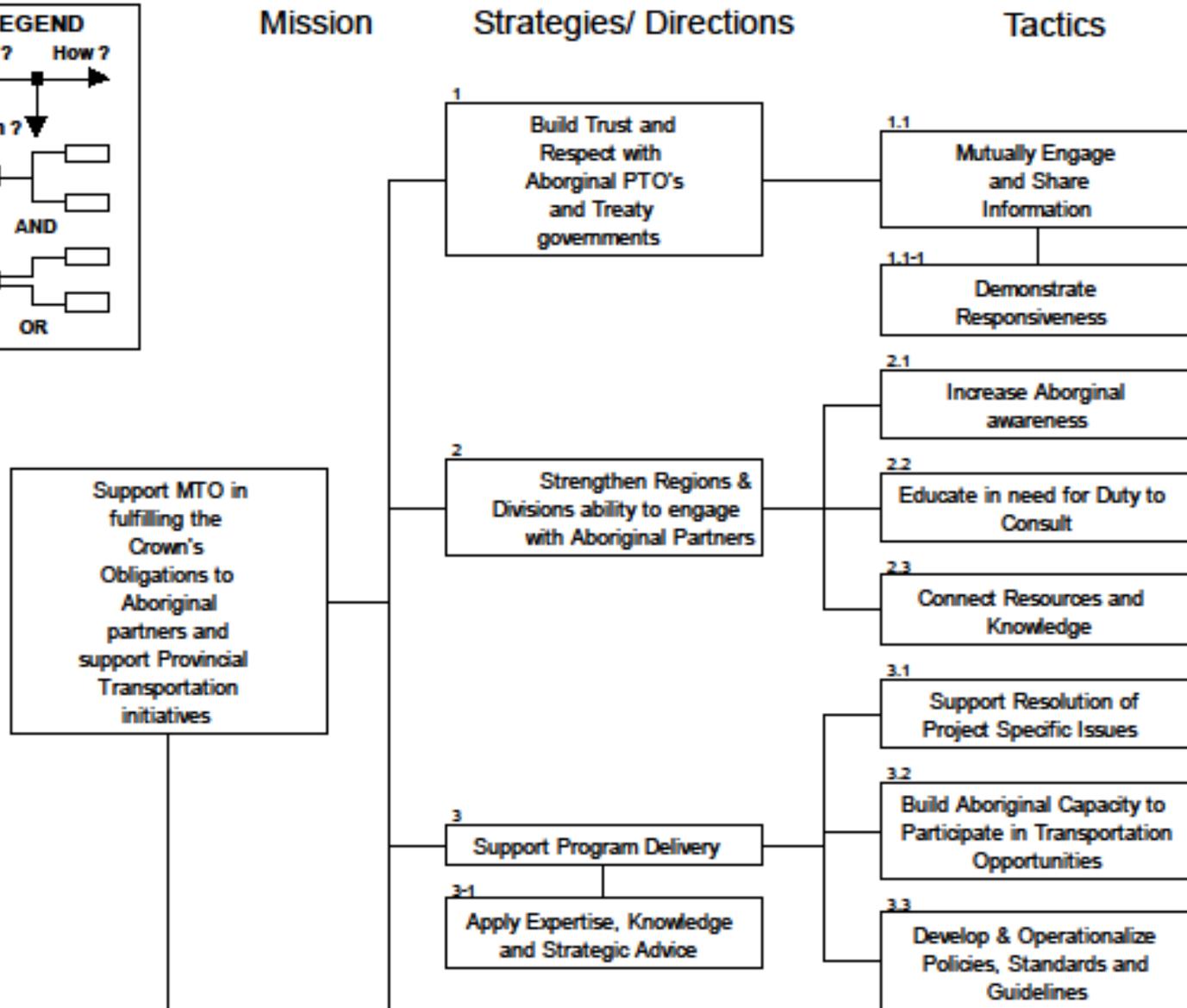
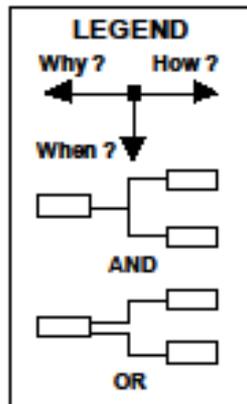
# Strategies

- Build MTO & Aboriginal Capacity
  - Educate
  - Facilitate capacity building
  - Build Ministry Capacity
- Contribute to Broader Goals
- Aboriginal Engagement
- Strategic Advice & Facilitation

# Translated 4 directions into Functions

- Build Trust
  - How can we engage?
  - How can we Share?
- Strengthen Relationship
  - How can we build Competency at MTO?
- Support Program Delivery
  - Support Program Delivery
  - Share Expertise and Knowledge.
- Improve Ability of Partners
  - Build Capacity in Transportation Opportunities
  - Support Economic & Business Opportunities

# Developed a FAST Diagram



# Development & Characterization of Ideas

Activity/Idea	Criteria	Level	Flexibility
Hold Engagement Sessions	Engagement with PTO	2	F1

Ideas were ranked for benefits realized and resources, effort to achieve

Build Trust	Strengthen Ability	Support Program	Rank	Resources Required	Change Effort
6	6	3	15	1	1

# Last Slide

Stephen Holmes

[Steve.holmes@ontario.ca](mailto:Steve.holmes@ontario.ca)

References:

Benefits Based Planning, Claude Emond, CSVA 2004

Using VE to Strategically Plan our Future, Idaho National Laboratory, SAVE International, 2009

[Strategic Value Management](#), Michel Thiry, CSVA 2013  
Keynote

How to Successfully Devise and Implement a Strategic Business Plan by Using VM Principles, René Donais

[Delivering Better Value through Informed Decision Making](#), Michael Dallas, CSVA 2011

