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Strategy Creation

Organization, Differentiation, & Revenue Management



Justin Lurie

Sterling Concord Partners

*Mergers & Acquisitions, boutique
investment bank*



Ignition Program



Sterling Concord Partners

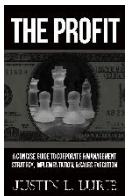


Boutique investment bank, Mergers & Acquisitions

Focus on the Middle – Market, client revenue size between \$25MM to \$150MM

Sell-side focus, representing private business owners in multiple industries

Justin Lurie



Author: *The Profit, Concise Guide to Corporate & Management Strategy*

American Petroleum Institute, Houston, (API) *Board of Directors*

Master of International Business: University of Sydney, Australia

BA: University of Michigan, Ann Arbor & Richmond College, London, England





Tip of the Strategy Iceberg

Defining Your
Company

Strategy Pyramid

Market
Differentiation

Revenue / Sales
Strategy
Execution





“If we had more time... I would also like to review with you”

- Competitive forces and creating leverage
- Measuring strategy performance & projections
- Avoiding common strategy & implementation mistakes
- When the business model needs a reboot
- Implementation & creating internal buy-in
- Internal politics and teamwork
- Fixing decision making bottleneck
- Barriers to market adoption / marketing strategy
- International expansion
- Building best practices & implementing sales strategy
- Goal setting and milestones





Core Ideology

Topic #1





Core Ideology

1. Raison d'être
2. Long term guidance
3. Example:



The Water Project, facilitates water well construction and projects



With the support of folks like you, The Water Project provides access to clean, safe and reliable water across sub-Saharan Africa.

Help us end the water crisis and restore hope - one community at a time.





What is the core ideology of *The Water Project*?

My suggestion:

Helping people live better lives by facilitating something necessary for survival

Improve life at the basic necessity level

Could expand to additional regions or product

Food & Medicine in Haiti
Shelter post earthquake





More Core Ideology examples:

Cargo shipping company:

Not: moving giant container loads or boxes from port to port

Yes: facilitate safe and reliable international commerce

Office supply company:

Not: to sell pencils and pens

Yes: to provide the tools for business to be conducted





If you were to start a new company today, would you want to take these concepts with you?

If these core ideologies were of a person, not a company or organization, would you want to be associated with this person?

Core Ideology Framework Questions

If you lived another 100 years, would these ideologies be relevant, or would you want them to be?

If it were a competitive disadvantage, would you still want to hold these core ideologies?





Strategic Principal

Topic #2





Strategic Principle:

- A. Action oriented
- B. Provides guidance
- C. Pithy, direct, and yet descriptive
- D. Unambiguous direction for the company
- E. Freedom to make decisions within confines
- F. Training tool
- G. Doesn't last forever



Strategic Principle Examples



Strategic Principle: Action oriented & guidance



Low Prices, Every Day



Be #1 or #2 in every industry, or Get Out

Company



Meet Customers
Short Haul Travel
Needs at Fares
Competitive with cost
of Automobile Travel

“Never tell people how to do things. Tell them what to do and they will surprise you with their ingenuity.”

-George Patton



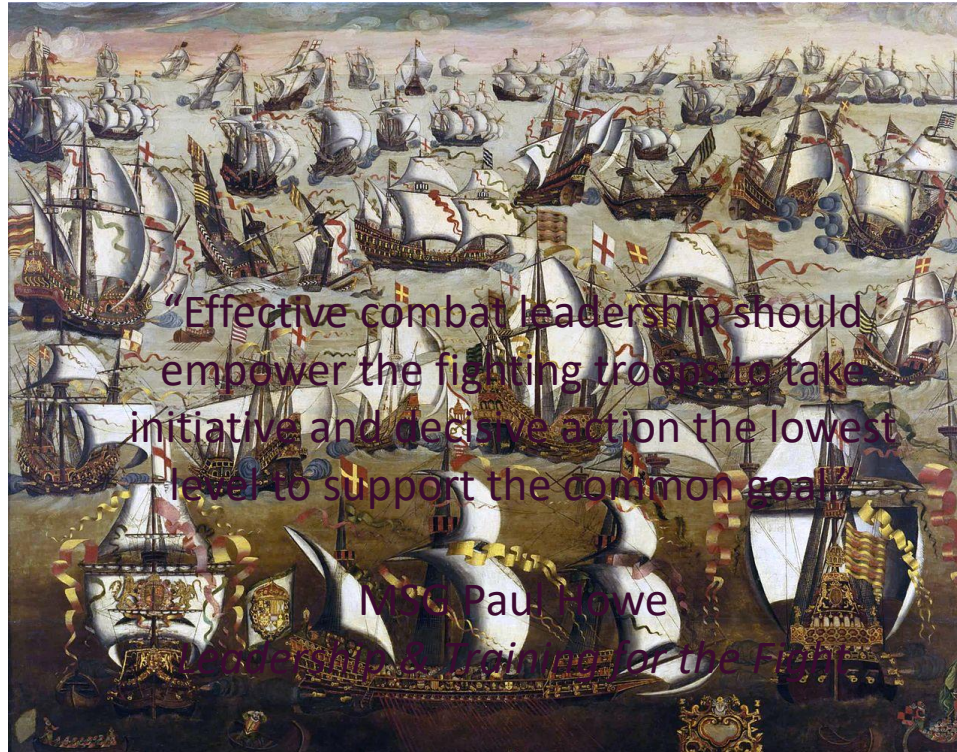
Kingdom vs Iberian



“Get as close as you can to each ship and fight with your sword & muskets”

Sir Francis Drake,
Kingdom of England

Spanish Armada, 1588



“Effective combat leadership should empower the fighting troops to take initiative and decisive action the lowest level to support the common goal”

Major Paul Howe
United States Marine Corps

Duke of Medina,
*Iberian Union
(Hapsburg Spain)*

“Watch the Flagship and we’ll tell you what to do”



Strategic Questions



How to Create:

How does your company differentiate?

What is the substitution for your product or industry?

What does the firm want to accomplish?

Test the Principle with
the Framework:

Is it pithy and
memorable?

Does this portray a
five year horizon, or a
forever vision?

Is it actionable, does it
tell you or the staff
what should be done
or achieved?

Does it guide the
organization to the
same point or
direction?

Can this be used as a
framework to against
which decisions can
be made?



Strategy Pyramid

What: organizational tool

Who: collaborative effort, but usually the founder(s) creates as part of business plan

Why: it becomes a checklist

When: at the beginning, and revisit

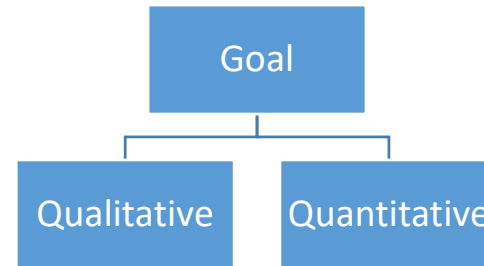
How: let's take a look



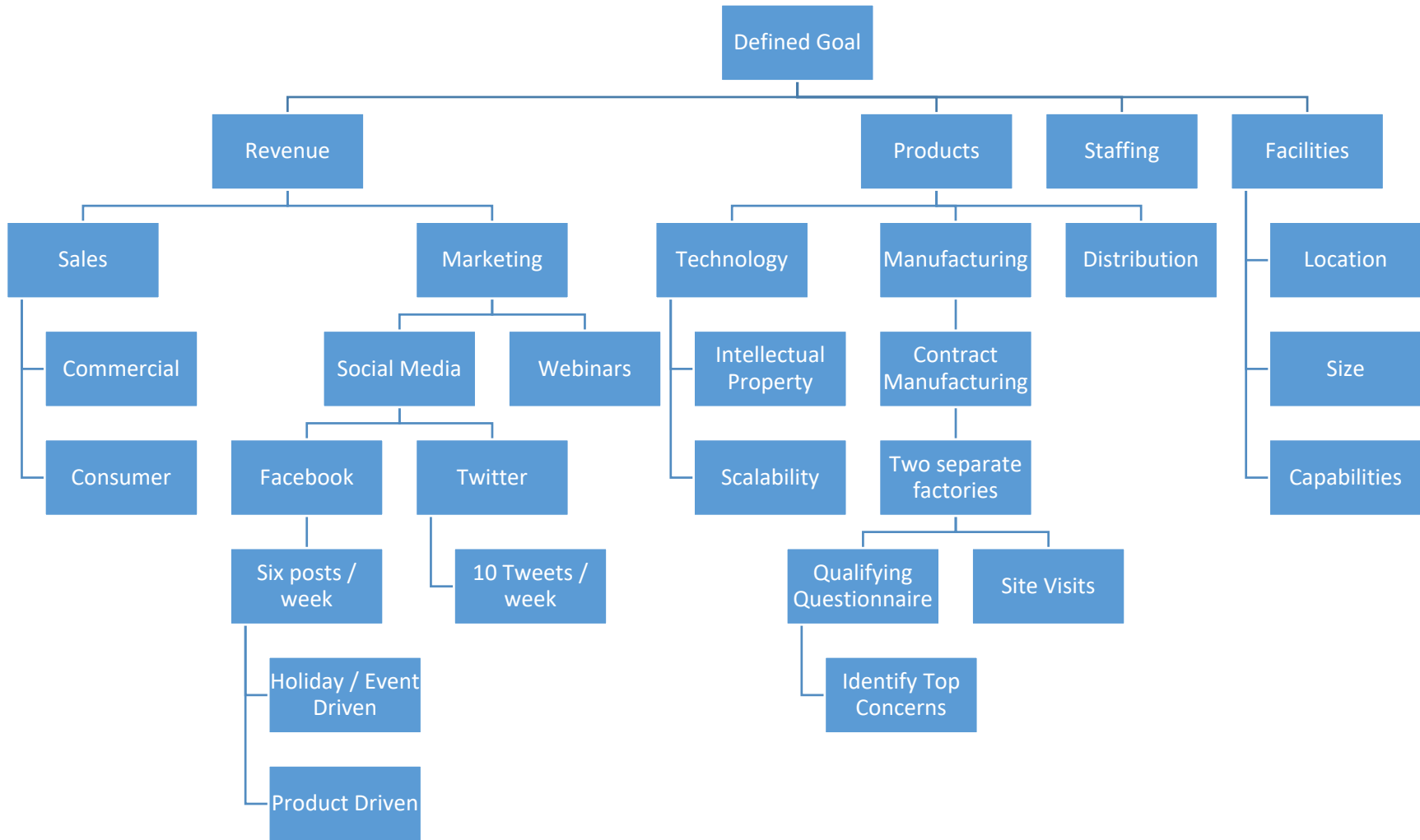


Steps:

1. Define Your Goal (ROI, Investors, Exit?)
2. MECE (*mutually exclusive, collectively exhaustive*)
3. Top Line Segmentation



Strategy Pyramid Example





Market Differentiation

Topic #3





How to differentiate in the market?

What happens if you do not?

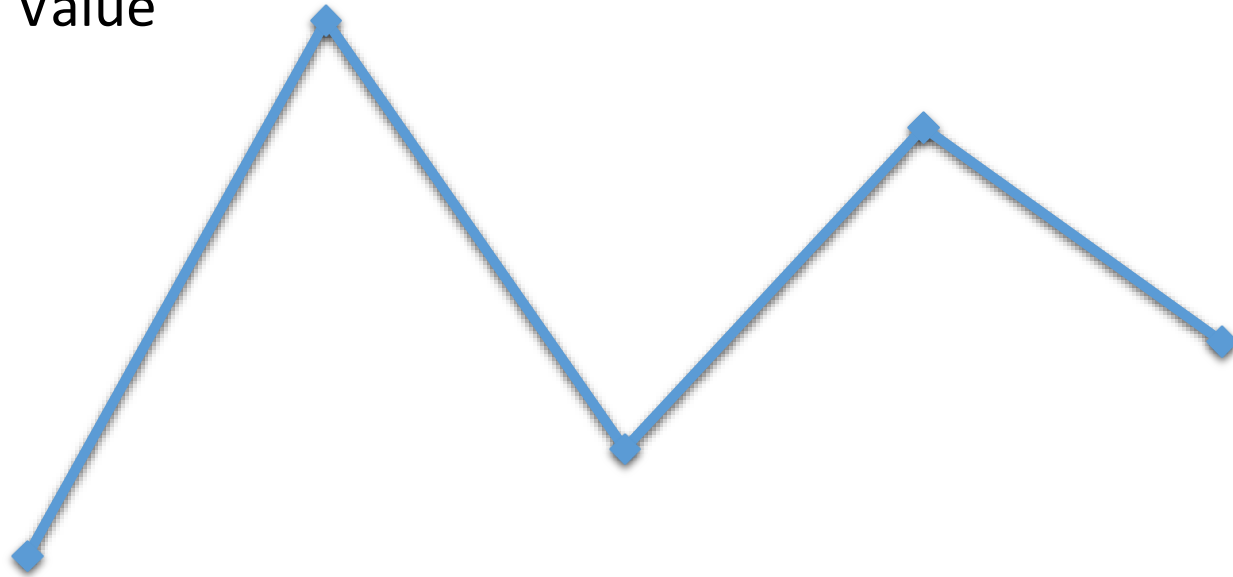
A truly linear and analytical approach

Bench the old marks





High Value



Low Value

Offering 1

Offering 2

Offering 3

Offering 4

Offering 5



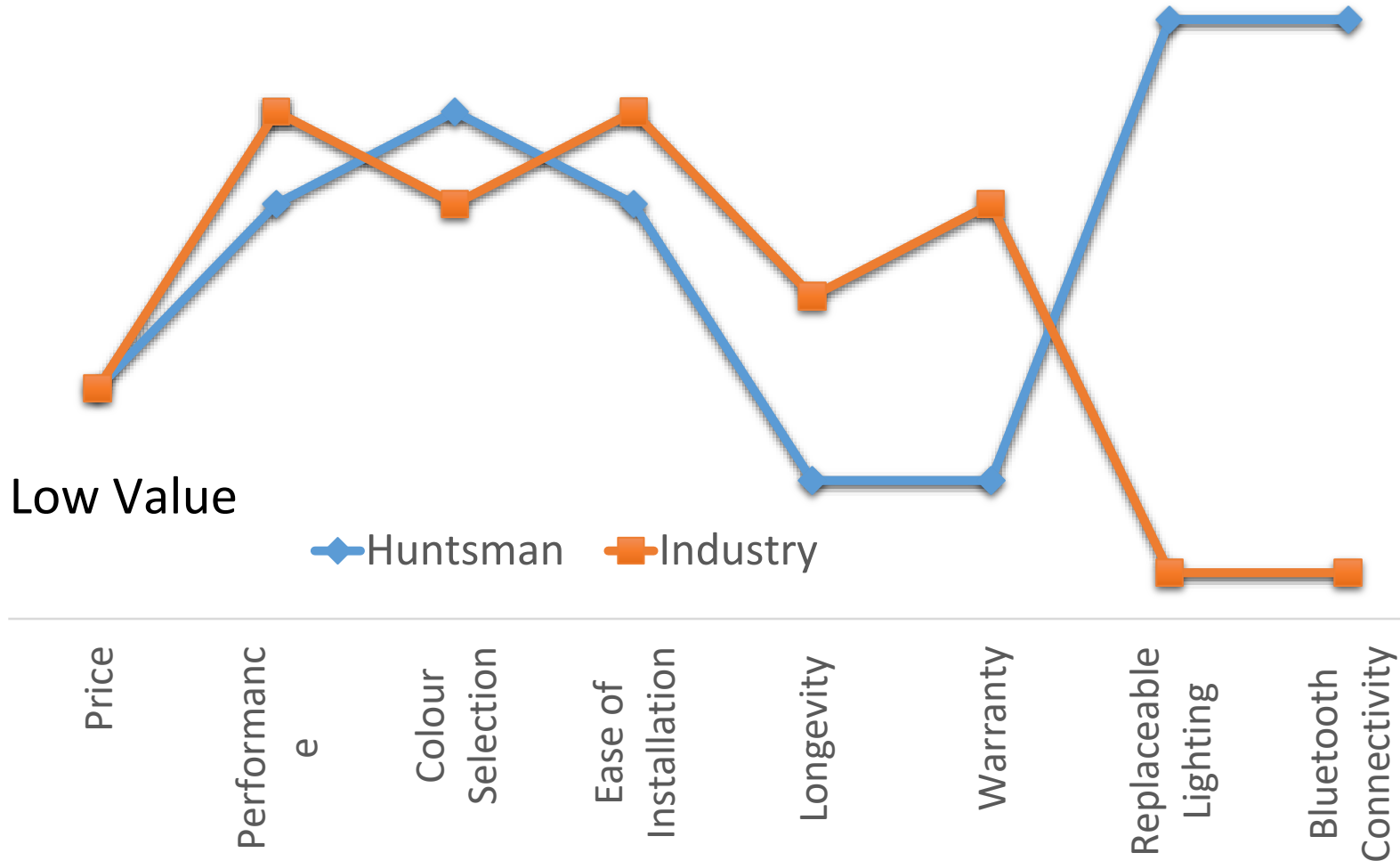
Value Curve, Part 1

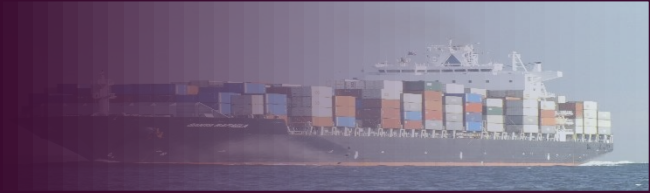


Value Curve, Part 2



High Value





Framework and Questions to ask to build the right side of the graph:

1. Why do we operate in this current way / method?
2. Is the new offering appropriate today?
3. Will it be significant tomorrow?

Go deeper inside your clients' needs: **FACILITATE YOUR OFFERINGS TO YOUR CLIENTS NEEDS**

- A. What do our clients use our products for?
- B. Why is it relevant?
- C. What can we do to help the clients' reach their goal better / faster / safer, etc?





Final Value Curve Steps:

1. Review your new curves with as many current or potential clients as you're able
2. Implement
3. Review, often or as needed



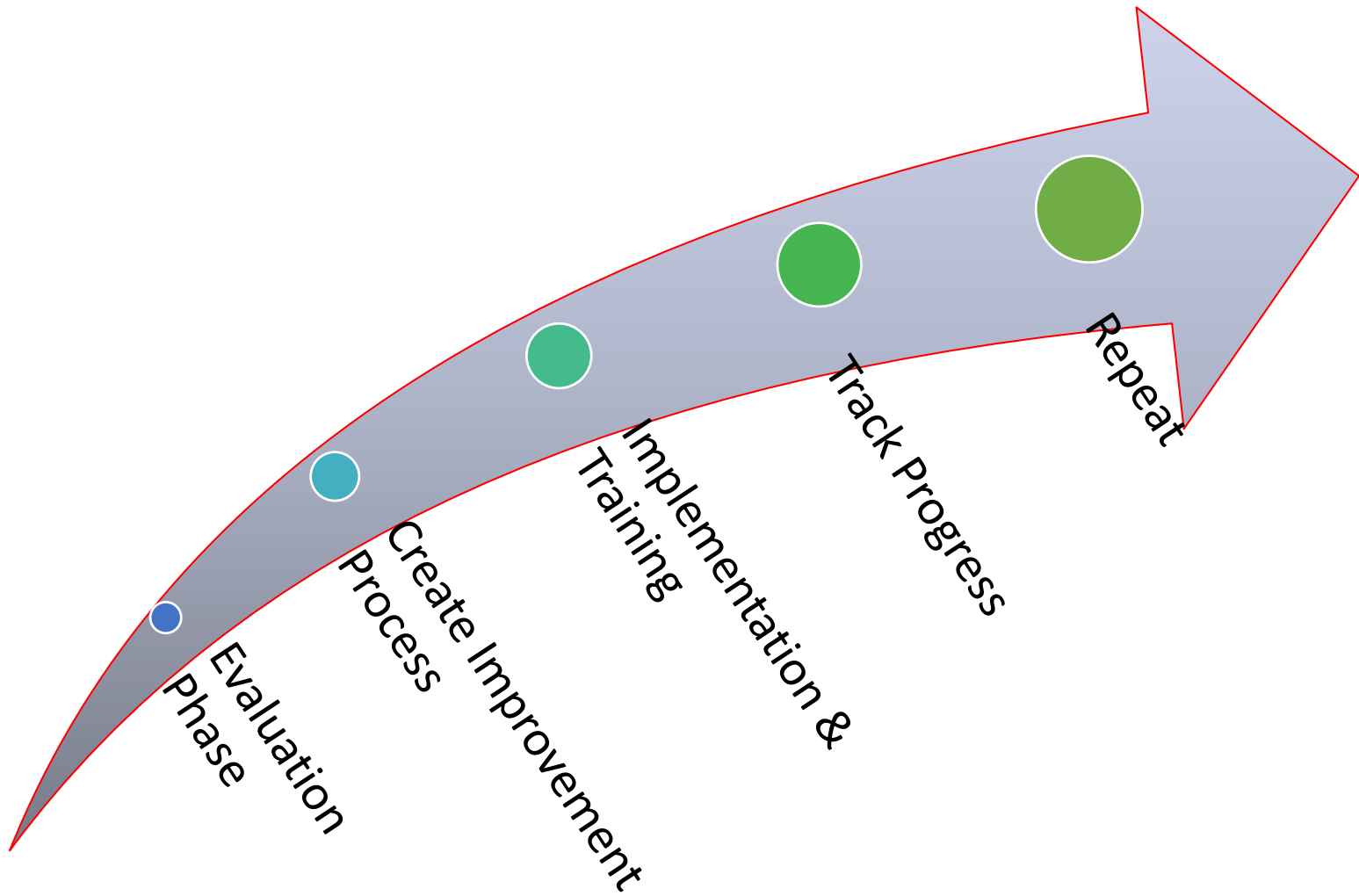


Revenue Strategy Execution

Topic #4



Revenue Strategy Execution





Evaluation Phase:

- Quantitative assessment
- Buy In of your:
 - Company Culture and Values
 - Strategy
- Two Way Street
 - Can you offer what they want or need?
- Examination
 - Product knowledge
 - Skills / Abilities





Q: Is the culture of the sales team consistent, and is consistent with the culture of the rest of the company?

Q: Is the accountability model understood, agreed upon, and is there an effective deterrent for non-performance?





The Examination:

A: Goal is not to reach a score of 100. Goal is to identify

B: Discover each person's process

C: Inconsistently consistent?

D: Leadership evaluation

Search internet for a generic sales skills questionnaire. Many available gratis





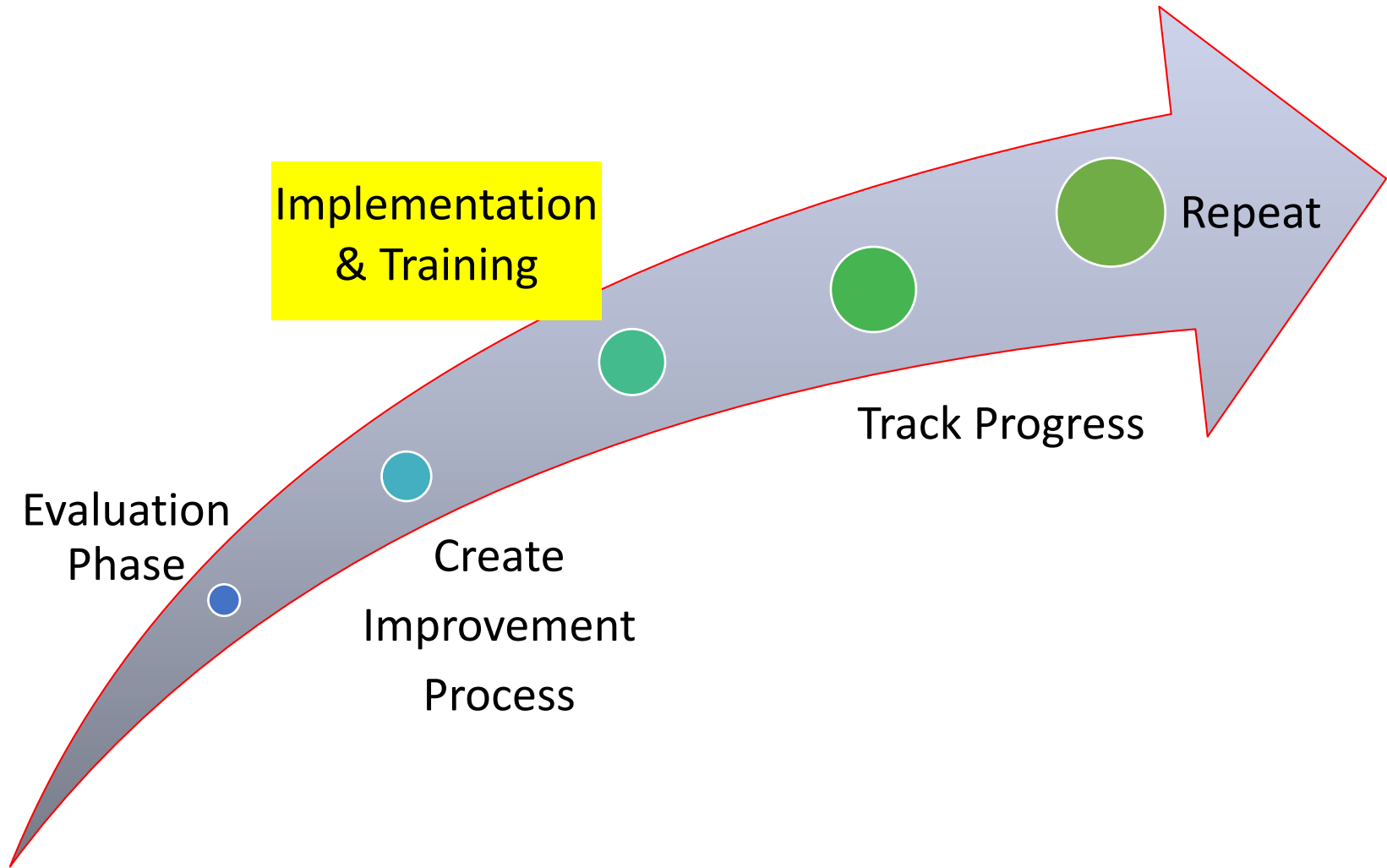
Improvement Process – Developing Best Practices

- A. Group environment
- B. Practitioner points of view
- C. One learns, everyone learns

Consistency in message and delivery

Setting a new standard







Implementation & Training:

1. Ask for commitments from staff that they'll use best practices
 1. Discover any hesitancies
2. Technical Training
3. What is their motivation?
 1. Not everyone is motivated the same
 2. Create environment where staff can motivate themselves





Management Recognition

- Travel
- Awards
- Prizes & Gifts

Perks

- Extra Days Off
- Work From Home
- Flexibility

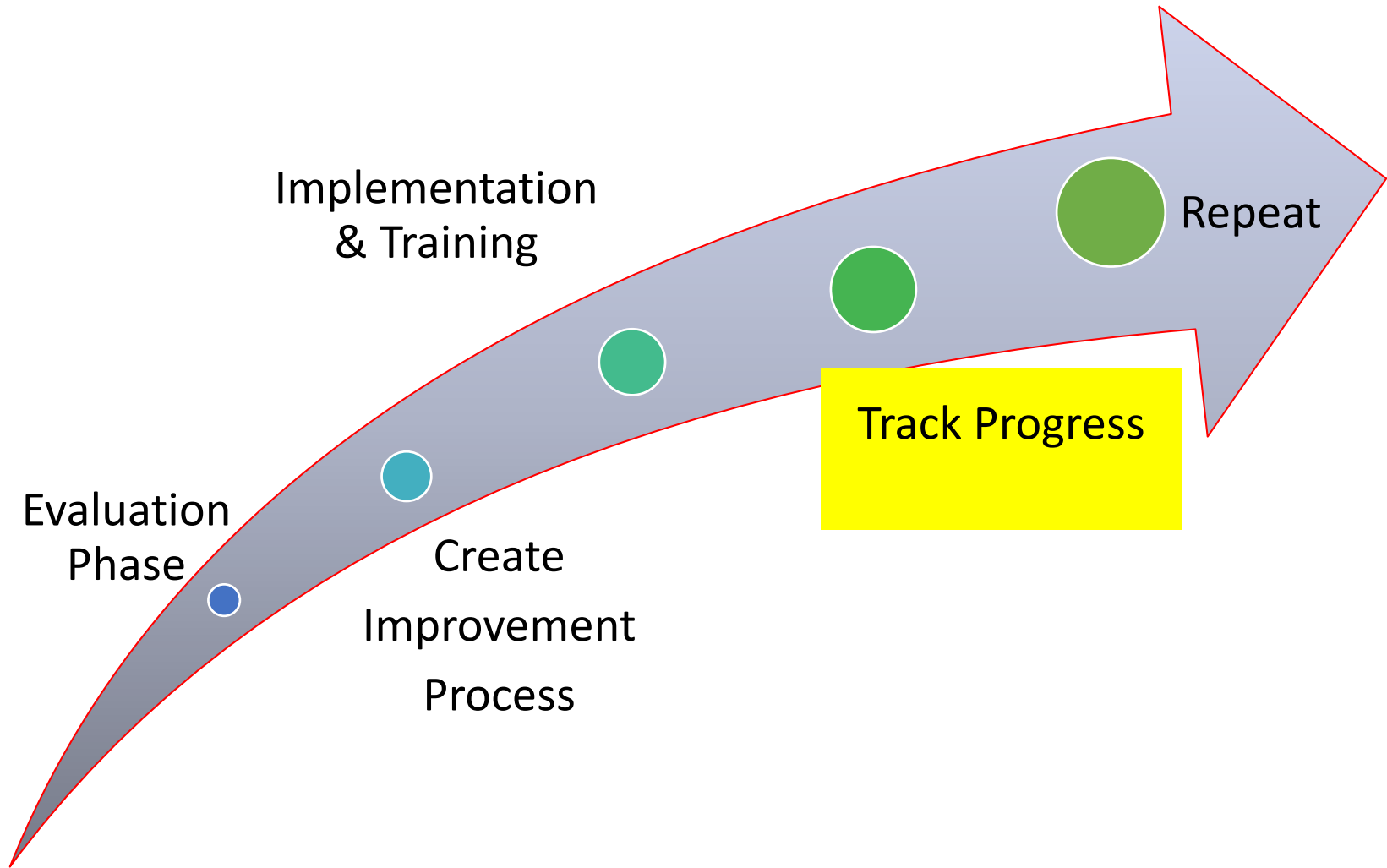
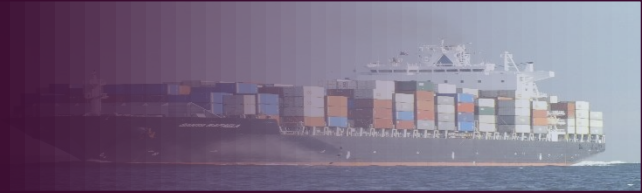
Increased Responsibility

- Larger Territories
- More Empowerment
- Supervisory Role
- Larger Customers

Advancement

- Job Title
- Promotion







And **Repeat** the whole process!





Recap:

1. **Core Ideology:** who you are
2. **Strategic Principle:** how you do it
3. **Strategy Pyramid:** organize your thoughts, strategy, and tasks
4. **Market Differentiation:** don't be a commodity
5. **Revenue Strategy:** defined process of best practices





Thank you for listening



Justin Lurie
Sterling Concord Partners
*Mergers & Acquisitions, boutique
investment bank*

JLL@SterlingConcord.com

832.777.1168

