



**Sample materials:  
Value creation planning  
and execution**



# Contents

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## • Value creation planning and execution: Overview

- Phase 1 – Strategic planning: Example materials
- Phase 2 – Resourcing: Example materials
- Phase 3 – Performance management: Example materials



# A value creation planning and execution process has three key phases: Strategic Planning, Resourcing, and Performance Mgmt.

Phase	Phase 1: Strategic Planning	Phase 2: Resourcing	Phase 3: Performance Mgmt.
Key goals	<ul style="list-style-type: none"><li>• Synthesize and articulate company strategy</li><li>• Help articulate vision and goals to support strategy</li><li>• Define universe of opportunities (both value initiatives and enablers)</li><li>• Identify biggest value opportunities in enterprise value (EV) terms</li><li>• Prioritize the top 3-5 value initiatives to pursue over the next 3-5 years</li><li>• Identify key strategic risks</li></ul>	<ul style="list-style-type: none"><li>• Identify specific resources needed to deliver on strategic plan from Phase 1: People, Processes, and Tools / Technology</li><li>• Develop investment summary (“<i>how much do we need?</i>”)</li></ul>	<ul style="list-style-type: none"><li>• Lay out KPIs and key milestones with targets (e.g., target dates)</li><li>• Create performance mgmt. dashboards at the initiative- and portfolio-level</li><li>• Set-up governance system (e.g., exec meetings, Board) to drive follow-through</li></ul>

**Deep-dives follow  
on each phase**



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# Value creation planning processes begin by articulating the company's core business strategy (e.g., how we will win)

## Key question

## Description

## Key elements to define

1

**What is our winning aspiration?**

The purpose of the enterprise

- Our guiding aspiration for our company

2

**Where will we play?**

The right playing fields

- Where we will compete: geographies, product categories, consumer segments, channels, and stages of production

3

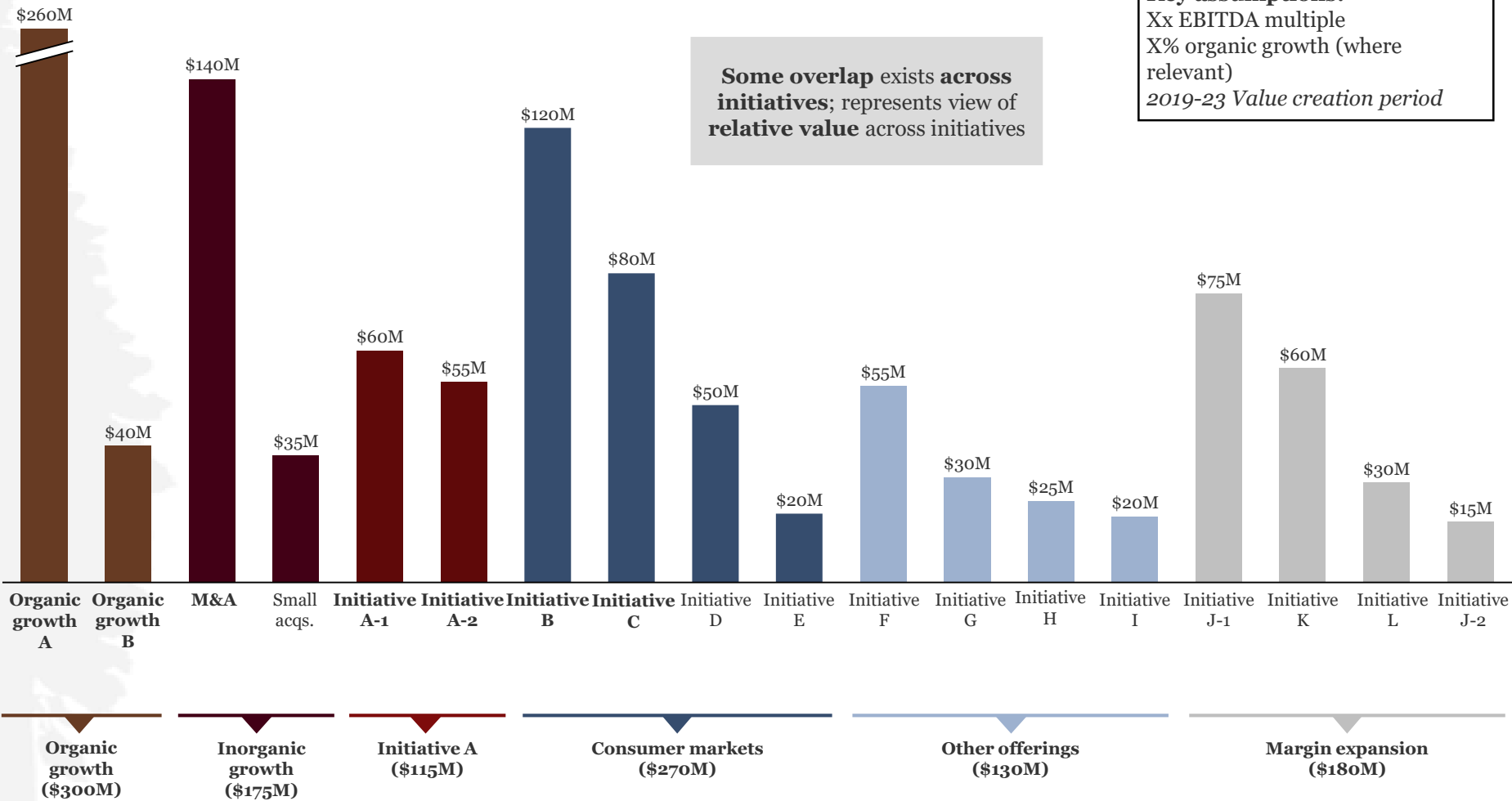
**How will we win?**

The unique right to win

- Our value proposition
- Our competitive advantage

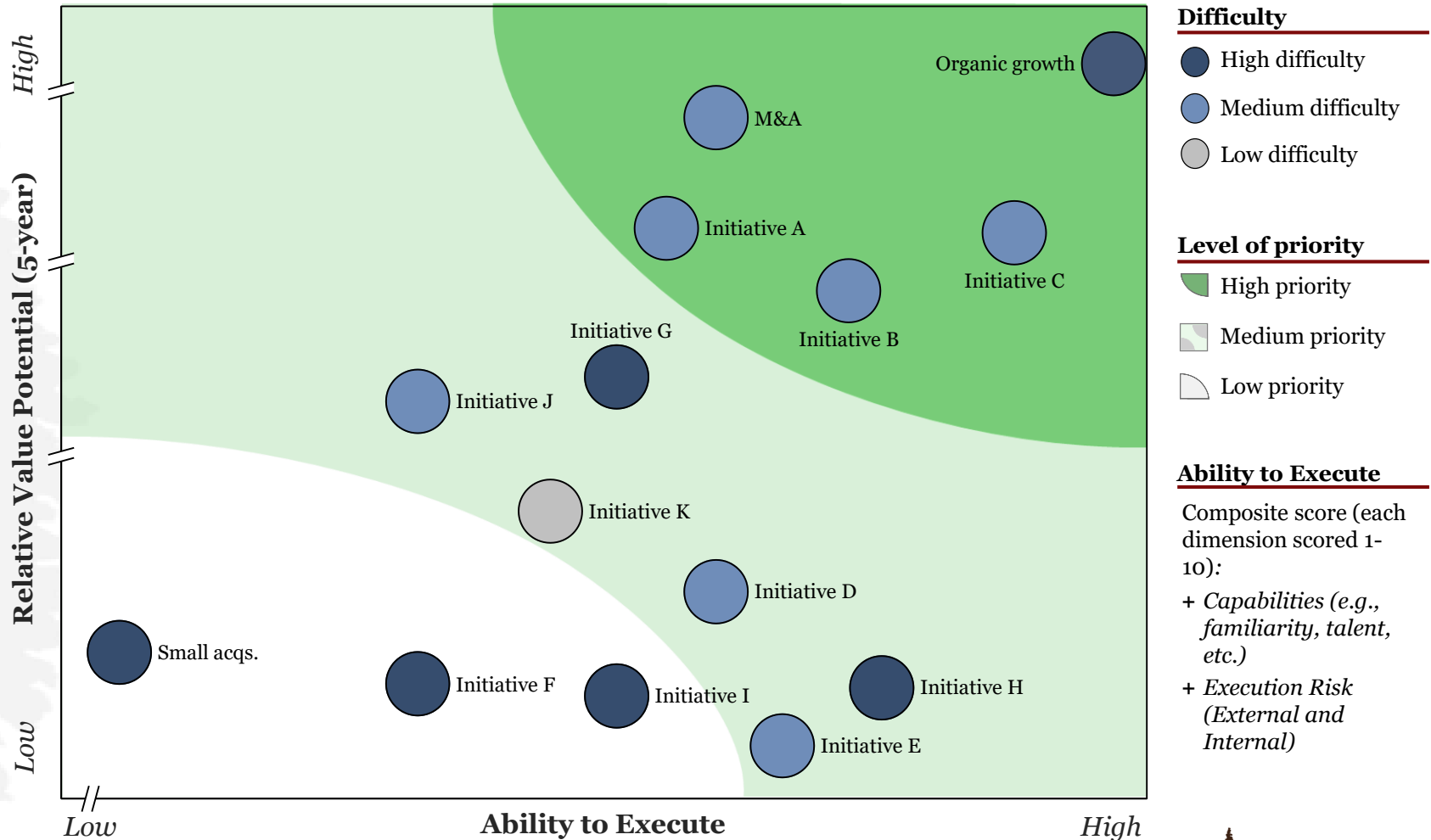
# Projects identify a universe of potential value initiatives and then estimate the enterprise value (EV) of each initiative

2023 Enterprise Value by initiative and category (\$Ms)



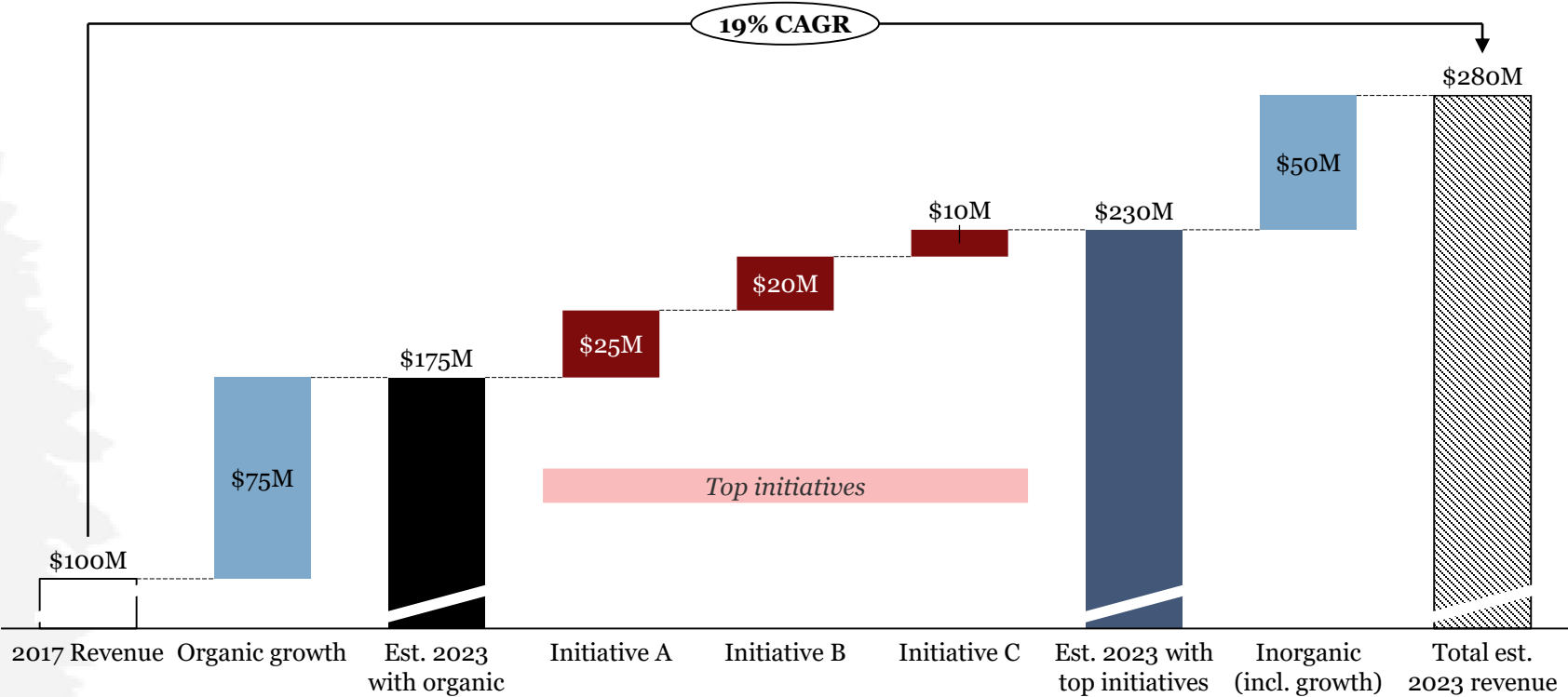
# Initiatives are then prioritized according to their size (i.e., EV) and an assessment of the organization's ability to execute

## Initiative assessment by relative value potential (EV) and ability to execute



# Prioritization helps create an integrated, long-term financial (e.g., revenue) model based on capturing top priority initiatives

Est. growth by key initiative, 2017-2023 (\$Ms)



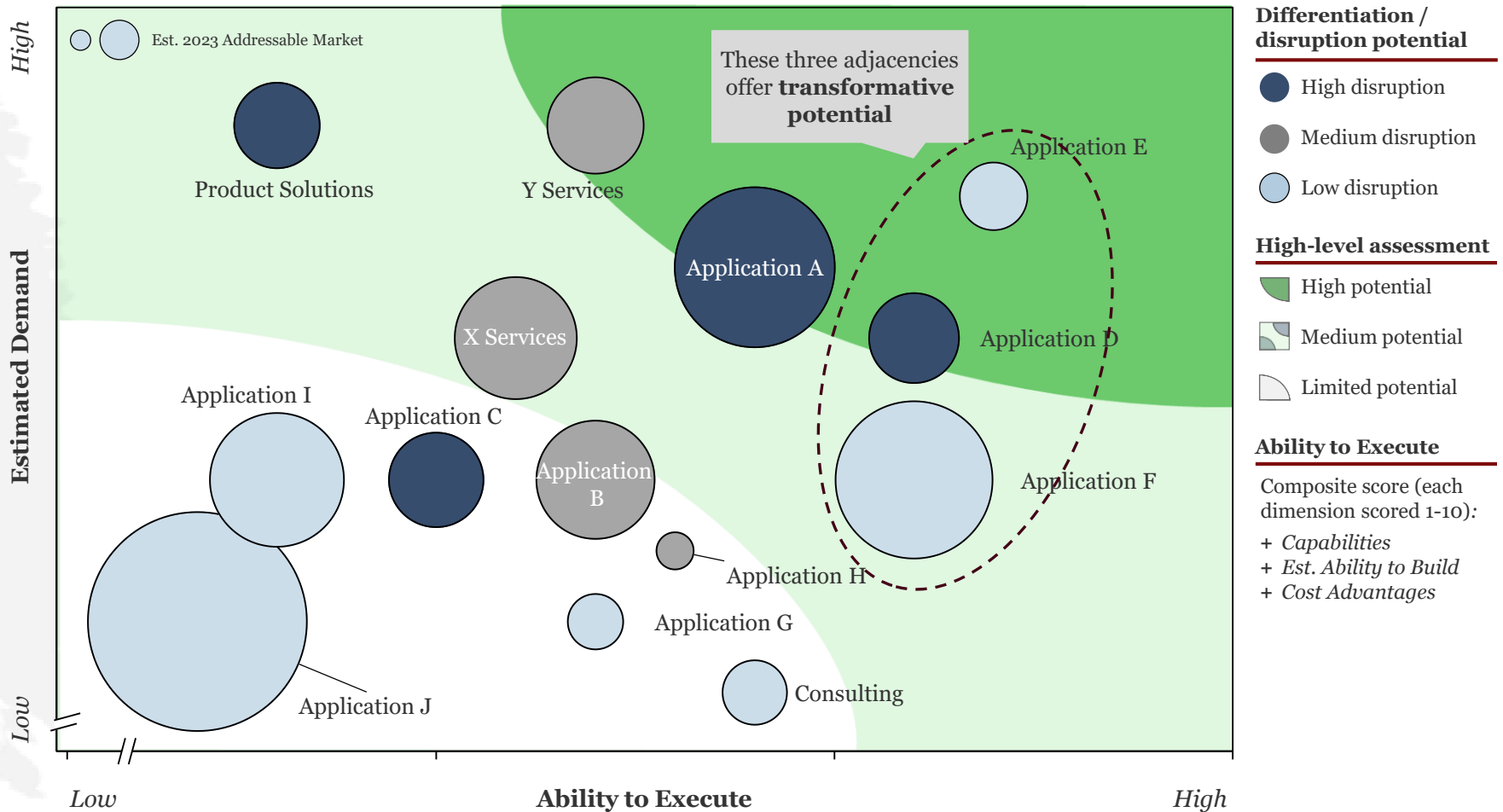
- ~X% segment A organic growth
- Organic growth for segment B assumed to be X% (mgmt. team estimate)
- Organic growth in other segments estimated at X%

X per year (\$XM each)



# Value creation planning projects can also identify, assess, and prioritize potential adjacencies (i.e., new offers)

## Market adjacencies by ability to execute and estimated demand



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New role need

Existing leader

# In the resourcing phase, an organizational leader / owner is assigned to each prioritized initiative and key gaps are identified

Value initiative	Leader	Comment
Organic growth	Regional leaders	Decentralized system gives comprehensive ownership to regional leaders
M&A	Executive team	Executive leadership team jointly owns acquisition process; heavy engagement desired
Initiative B	Head of Market A	Leadership acquired through M&A; team has laid out growth plan through 2022 and shifting focus to execution
Initiative A	VP X	Existing role; additional staff needed to significantly grow business
Initiative C	Head of Market B	Leadership acquired through acquisition; team has laid out growth plan through 2022 and shifting focus to execution
Initiative F	New leader (TBD)	New executive leader to create vision, develop plan, and support execution; preferably will come from outside industry
Initiative G	Chief Financial Officer	Insights analytics-driven and can be housed in Finance under CFO
Initiative D	New leader (TBD)	Leader TBD; Market C can recruit resources to help drive end-user market strategy
Initiative J	Director of X	Existing role; needs support staff to drive execution at scale
Initiative E	Head of Market D	Existing role within team; additional leader not needed



## Key resource needs (People, Technology, and Processes) and top next steps are identified for each prioritized initiative

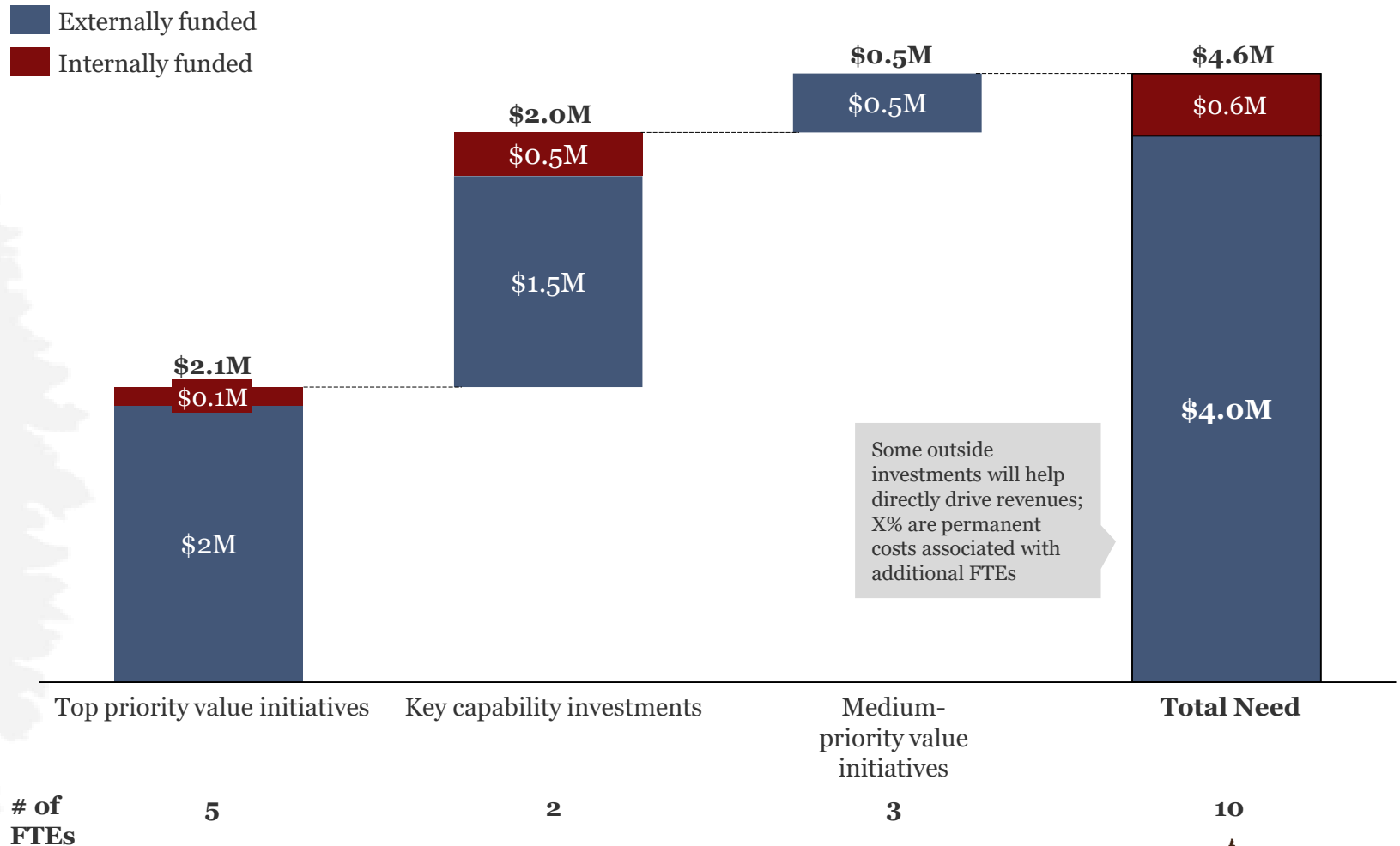
● 0-6 months ● 6-12 months 👤 People 🖨️ Technology 📄 Processes ▶ Other key actions

Key resource needs					
Key resource	Est. cost	Owner	Target date	RYG	
● 👤 1 additional sales member focused on new accounts	\$300K	VP X Accounts	2/1/2019	●	
● 👤 2 additional sales member focused on existing accounts	\$600K	VP X Accounts	2/1/2019	●	
● 👤 1 Proposal Coordinator	\$150K	VP X Accounts	1/1/2019	●	
● 👤 2 Senior Program Managers	\$400K	VP X Accounts	1/1/2019	●	
● 👤 1 additional sales member focused on existing accounts	\$300K	VP X Accounts	4/1/2019	●	

Key next steps				
Next step	Owner	Target date	RYG	
● Optimize account definition (e.g., key criteria)	VP X	11/1/2018	●	
● Develop target list of companies for new accounts	VP X	12/1/2018	●	
● Develop sales training plan to upskill sales team responsible for X accounts	VP X	12/15/2018	●	
● Stand-up and deploy proactive sales approach focused on new accounts	VP X	2/1/2019	●	

# Identifying the resources needed to drive value for each initiative helps develop a view of the total investment required

Investment requests by category (\$Ms)





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# Ongoing performance management can be broken down into two key areas

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## Performance Management Dashboards

Dashboards to track progress on key targets and milestones on the enterprise and initiative level

## Governance

A management system for the Board, executive team and initiative teams to drive performance over time

# Initiative-level dashboards track performance across KPIs, goals, and milestones, in addition to identifying risks and issues

Initiative Overview	
<b>Owner:</b>	Head of strategy
<b>Responsible:</b>	Head of strategy
<b>Top Milestone</b>	Top 25 cust. negotiations
<b>Top KPI:</b>	Ann. \$s of price increase
<b>2020 EV Tgt:</b>	\$28M
<b>Current Perf:</b>	<span style="color: green;">■</span> ON TRACK
<b>Last Perf:</b>	<span style="color: green;">■</span> ON TRACK

Performance on Goals from Last Time
✓ Formalize contract re-negotiation strategy
✓ Prepare updated contract templates
○ Update existing data management database

Key Goals for Next Month / Quarter
• Hire 2 new Regional Sales Directors
• Build out v1.0 of performance management system to track progress

Key Risks ( □ ) and Issues ( ► )
► Client negotiations take significant time
□ Clients can refuse to re-negotiate
► Database not yet comprehensive

KPIs	'18 Act.	'18 Tgt.	Cum. Act. <sup>1</sup>	Cum. Tgt.
Annual. \$s of margin increases	\$4.0M	\$8.0M	\$0.0M	\$14.0M
\$s from higher overall rates	\$4.0M	\$7.0M	\$0.0M	\$11.0M
\$s from X	\$0.5M	\$1.0M	\$0.0M	\$1.5M
\$s from Y	\$3.5M	\$5.0M	\$0.0M	\$1.0M
\$s from Z	\$0.0M	\$0.0M	\$0.0M	\$0.0M

Key Impacting Enablers
1 Foundational IT
2 Voice of the Customer
3 Business Intelligence

Foundational Milestones	Target Date
Complete team build-out (6 FTEs)	Q4 2018
Formalize and expand contract re-negotiation strategy	Q2 2018
Enhance marketing packages for clients	Q3 2018
Complete first draft of contracting playbook	Q4 2018
Drive pricing negotiations with top 25 clients (by contract \$s)	Q4 2018

# Detailed execution plans for each initiative help lay-out a near-term plan to deliver long-term value

- High priority
- Medium priority
- Low priority

Activity	2019				2020	
	Q1	Q2	Q3	Q4	Q1	Q2
<ul style="list-style-type: none"> <li>▪ Formalize and expand re-negotiation strategy</li> </ul>						
<ul style="list-style-type: none"> <li>▪ Build-out more comprehensive pricing perf. mgmt. system to track pricing over time</li> </ul>						
<ul style="list-style-type: none"> <li>▪ Create standard pricing packages and build business case for each strategy</li> </ul>						
<ul style="list-style-type: none"> <li>▪ Develop set contracting templates, playbooks and processes</li> </ul>						
<ul style="list-style-type: none"> <li>▪ Identify list of customers with opportunities to improve pricing model</li> </ul>						
<ul style="list-style-type: none"> <li>▪ Pursue contract re-negotiations focusing, on highest potential value customers</li> </ul>						
<ul style="list-style-type: none"> <li>▪ Monitor and regularly review progress</li> </ul>						







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