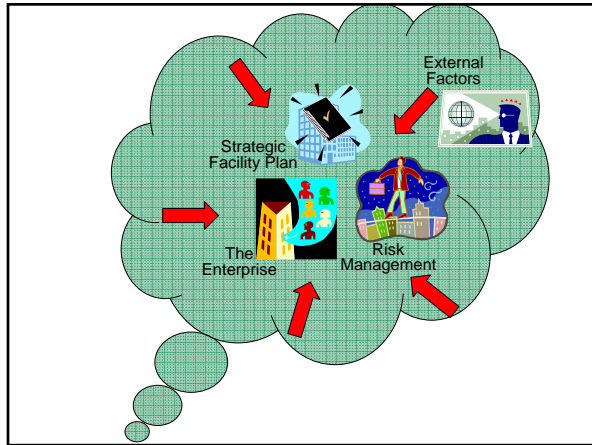


Risk & Resilience
Strategic Thinking in Your World

Meredith Thatcher, CFM, IFMA Fellow
Carroll Thatcher Planning Group

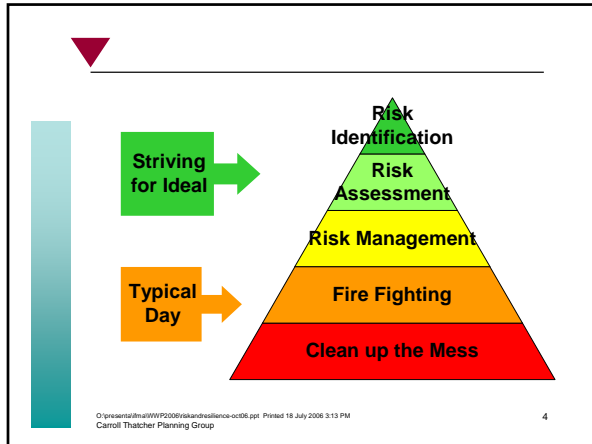
Presented at World Workplace 2006
San Diego




A Facility Manager's Ideal Day...

- Has good access to the strategic direction of the organization
- Has clients who understand and allow for the various pressures on a facility manager
- Has sufficient financial resources to allow responding to opportunities and adding value
- Has a facility management plan that defines standards or performance expectations
- Has a voice or advocate within corporate management

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- ### Strategic Plan
- **Vision** statement
 - **Mission** statement that aligns with the vision statement
 - **Values** that motivate
 - **Critical issues** that must be addressed
 - **Goals** that close the gap between the current state and the future vision
 - **Strategies** to achieve each goal
 - **Objectives** that develop each strategy
 - **Targets and measurements** that are indicators of success
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- ### Strategic Facilities Planning
- The crystal ball or.... 
 - Being prepared to respond to unanticipated events and changes in direction within a framework of goals, strategies and objectives
 - Change and uncertainty are accelerating
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▼ Barriers to strategic planning


- Lack of focus on the future
 - day-to-day activities
 - fire fighting
 - allocation of \$'s difficult
- Lack of motivation
 - push or pull
 - lack of vision of future
- Lack of knowledge
 - who does it
 - what should it include
 - how do you align it
- Does the competency exist to do it?



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▼ Paint a Picture

Words are to strategy as oils are to a painting




"The degree to which you speak in abstractions is the degree to which you abdicate to someone else the power to say what you mean."
-Mager, 1997

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▼ Tools for planning

Tasks	Questions
<ul style="list-style-type: none"> • Secure senior management support • Understand and analyze needs of your customers 	<ul style="list-style-type: none"> • Do you understand the differing agendas of senior management, both personal and professional? • Where is the organization going? • What facilities are necessary to support the direction? • What is the necessary strategy to get there? • Can you show how your plan supports the strategic vision? • Have you built in options to remain fluid to surprises? Do you know the 'next-best' ideas? • Are you always searching for deeper insight?



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Tools for planning

Tasks

- Conduct gap analysis – benchmark – measure and compare to best practices
- Set your objectives and establish goals
- Document assumptions


Questions

- What has happened in the past, that affected the present, and what factors could influence the future?
- Do you need to set different objectives than in the past? Will new objectives require new competencies, processes, methods, approaches, and talent?
- Will change in one area have implications for another area?
- Have you challenged assumptions?
- Is the change in response to a new set of agreed realities?
- Will the change cause pain or bring out strong resistance?

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BHAG

Big
Hairy
Audacious
Goals!



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SWOT Analysis

Tasks

- Strengths
- Weaknesses
- Opportunities
- Threats

Questions

- How do we build on our strengths?
- How do we resolve our weaknesses?
- How best to take advantage of opportunities?
- What approaches are best to avoid threats?

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Tools for Planning

Tasks

- Critical success factors
 - for example: achieving credibility, buy-in from management and customers, or have necessary resources
- Risk Management Plan
- Document and monitor actions necessary to achieve strategy

Questions


- Do the factors go beyond the immediate need to satisfy clients; do they take into account long term impact on our shared future?
- Can you answer: what risks and possibilities do we face? And what are we going to do about them?
- Is the plan developed before developing the targets and measures?
- How will we measure progress and success?
- Is the cost of staying/doing the same unacceptable?

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Implementation

- SMARTER goals are
 - Specific
 - Measurable
 - Audacious
 - Results focused
 - Time/cost bound
 - Encompassing
 - Reviewed

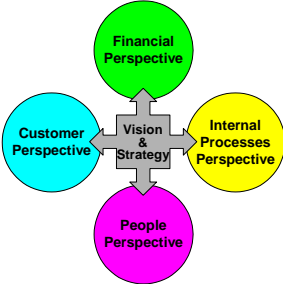


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Balanced Score Card

- Objectives
- Targets
- Measures
- Initiatives



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Consequences

- We become victims of the future and invite failure into our environment
- We spin our wheels and get nowhere
- We avoid taking responsibility for measurable results
- We waste resources on the wrong problems
- We end up competing for budgets, rather than collaborating
- Work priorities become confused
- We lose great talent

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Categories of Risk

Based on diagram from The Thomsett Company

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Business Risk

- The exposure the organization faces
 - Financial – the investment is lost
 - Strategic – the plan is compromised
 - Legal – the organization is exposed to litigation
 - Image and reputation to the public
 - Loss of market share



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Project Risk


- The factors that could cause a project to fail – for example:
 - Complexity of client system or environment
 - Managing client expectations and stability of their requirements
 - Realignment of funding
 - Regulations and legislation
 - Speed of response required
 - Scope creep

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Product/Support Risk

- The risks the organization faces in continued support of the process, product or system delivered by the project – impact of:
 - distributed locations
 - missing client deadlines
 - legacy approach


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Benefit Realization Risk

- The factors that could lead to a lack of benefits realization
 - Number of stakeholders to satisfy
 - Need for culture change required to achieve benefit
 - Time-frame established
 - Size of benefit to be achieved
 - The complexity of the business change

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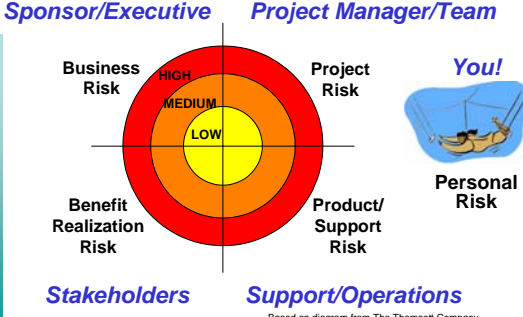
Personal Risk



- The degree of skill or competency stretch
- Impact on reputation
- Impact on health
- Potential ethical or professional compromise
- Impact on family

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Risk Accountabilities



Sponsor/Executive *Project Manager/Team*

Stakeholders *Support/Operations*

You!
Personal Risk

Based on diagram from The Thomsett Company
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Planning vs. Thinking

Strategic planning = value of asset

Strategic thinking = value of FMer

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Definitions

- Strategic Thinking – process of deciding on the optimal alignment between unlimited need and limited resources

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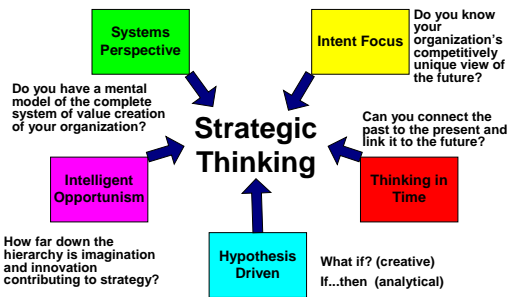
Barriers to Strategic Thinking

- Inattentional blindness – not seeing what is really happening
- Biases – minds go to most familiar possibility
- Perceptions – doing what worked last time
- Paradigm paralysis – ‘drop your tools or you will die’
- Functional fixedness



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Elements of Strategic Thinking



Systems Perspective
Do you have a mental model of the complete system of value creation of your organization?

Intent Focus
Do you know your organization's competitively unique view of the future?

Thinking in Time
Can you connect the past to the present and link it to the future?

Hypothesis Driven
What if? (creative)
If...then (analytical)

Intelligent Opportunism
How far down the hierarchy is imagination and innovation contributing to strategy?

Strategic Thinking

From Jeanne M. Liedtka: Strategic Thinking: Can it be Taught?
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So What?

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▼ **Sharpening your Strategic Thinking**

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Master the art of 'Predictive Intelligence'

The ability to act in the face of uncertainty

From Fast Company, April 2005

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Create a Strategic Thinking Culture

It is the sharing and passing on of the ideas that...

- really makes things work
- defines the identity of the enterprise
- explains why and when you do what you do

What we are really talking about is
"Curiosity with a Purpose"

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Today's Strategic Advantage

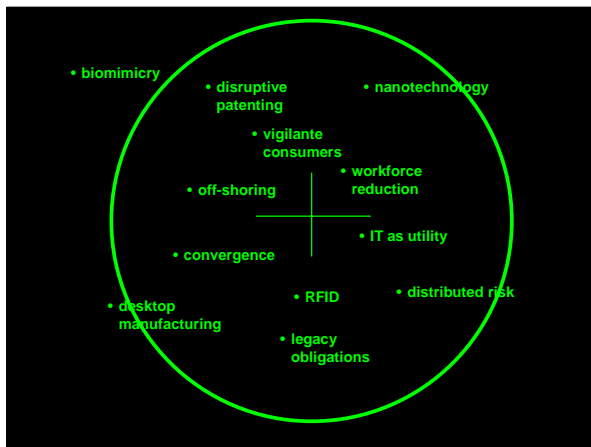
1 - Customer service


2 – Leveraging IT

From Chuck Martin, NFI Research

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IF...

Following what you have heard so far today, if you were going to do one thing to improve strategic thinking in your world, in the next 30 days, what would it be?

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The Strategic Thinking Mindset

Check out this website:
www.refresh.com/!mindset.html

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35



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36
