

PROCESS-ORIENTED STRATEGIC MANAGEMENT SYSTEM UPGRADE

This document outlines the initiatives aimed at enhancing the company's operations by adopting a processbased approach to long-term development management. These initiatives also involve establishing regular processes for strategic analysis, development, and monitoring of strategy implementation

This presentation is valuable for internal meetings focused on the company's strategic development and management system enhancement

https://strategium.space/

Deem Rytsev CEO Strategium.Space Contacts: +7-916-687-2001, dir@strategium.space



Greetings!

In a constantly changing world, timely and effective responses to new challenges are crucial for maintaining long-term competitiveness, regardless of an organization's size.

As the concept of dynamic capabilities proves, the economic success of enterprises depends largely on the quality of their management systems.

Minor issues in the management system can lead to significant delays that are challenging to compensate for, especially in the face of rapid technological advancements.

To ensure long-term success and competitiveness, companies must prioritize not only developing a comprehensive strategy, but also analyzing and improving the quality of their strategic management system.

By adopting this approach, the company can establish a robust management system that enables quick adaptation and adjustment of the strategic plan to any market shifts, ensuring that development is continuous and uninterrupted. Developing a quality strategy for an enterprise cannot be achieved through a one-time exercise alone.

Developing a quality strategy is not a one-time exercise, but rather a continuous, iterative process that involves strategic analysis, goal setting, strategy implementation, and parallel adaptation of enterprise systems and structures. This process can provide a sustainable competitive advantage in today's economy.

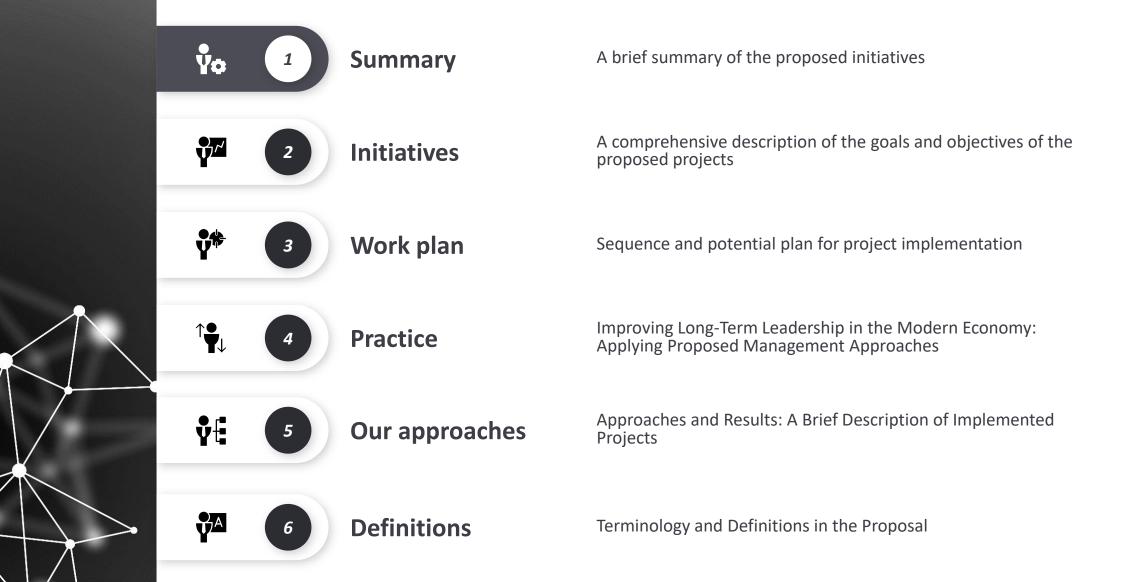
To lay the foundation for a successful strategy, the first step is to conduct a comprehensive analysis of the management system. This will reveal the bottlenecks and shortcomings that need to be addressed to improve existing management practices. The insights gained from the analysis will help create a strategy that is effective and sustainable, providing a roadmap for the future development of the organization.

Our methodology enables your team to independently run and implement the proposed projects below. This approach is costeffective and increases budget flexibility.

Regards, Deem Rytsev Founder of <u>Strategium.Space</u> and <u>NooSphereum.Org</u>



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PROJECT PROPOSAL PREREQUISITES

Management quality shapes strategic decision-making and enterprise competitiveness

Consider management system bottlenecks to increase goal achievement likelihood.

The development and implementation of strategy is the most important tasks of the strategic management system

The process-oriented approach enables organizations to embed goal achievement into their DNA

* The meaning of the terms is provided in the "Terms And Definitions" section of this presentation



1. Express Analysis of Strategic Management System and Risk Assessment for Sustainable Competitiveness

2. Online Workshop Series: Designing a Robust Development Strategy for Your Team with Multi-Level Methodological Guidance

3. Process-Oriented Strategic Management System Implementation* (embedding strategy development processes into the regulatory framework of the enterprise)

MODERNIZING THE STRATEGIC MANAGEMENT SYSTEM: KEY PROGRAM COMPONENTS



The Management System Modernization Program includes a full cycle of projects to enhance long-term competitiveness.

The program includes workshops adapted for internal teams to perform the planned work themselves.

Express Audit of Strategic Management System

Our method enables you to conduct a comprehensive audit of your strategic management system independently, evaluating it against 20 key criteria.

This audit will help you identify potential risks to your company's long-term competitiveness, specifically those related to the quality of your management practices. <u>Read more</u>



Crafting a Company Development Strategy

A strategy can be developed independently with the help of a dedicated workshop.

Our online workshop contains detailed plans, instructions templates and examples to assist you in conducting strategy sessions and developing a full-fledged strategy.

Read more

Remote support for the project team can be arranged, if necessary, to provide quality results and feedback.

If there are any restrictions related to the confidentiality of activities, the project team can follow our methodologies and detailed instructions to perform the work independently.



Strategic Management System Implementation

Our online workshop provides a methodology and regulations for process-oriented strategic management, allowing for independent implementation.

This includes the creation of a regulatory framework for the development and implementation of the strategy.

Read more



Optional Remote Consulting Support for Online Workshops

Our online workshops are designed to be completed at your own pace and tailored to your specific goals.

However, if needed, we offer optional remote consulting support to ensure the quality of your results.

Read more

EACH PROJECT CAN BE COMPLETED BY THE COMPANY ALONE!

PROJECT SCOPE AND WORK OPTIONS







Putting it into practice

We develop practical management tools and methodologies that draw on the latest scientific research in the field of strategic theory, with the ultimate goal of assisting companies in creating and sustaining a competitive advantage that is both unique and difficult for competitors to imitate.

We assist in developing and implementing development strategies and aligning company operations accordingly



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Companies that have long been global leaders achieve strategic compliance through sophisticated and customized management approaches. Our approach makes it easy to achieve strategic unity with tools proven in practice.

Strategic alignment

While many companies aim to achieve strategic focus, only a small percentage of them are able to maintain it in the long term. Our proven management approaches and tools create a cohesive system that embeds strategic focus into the very DNA of the organization, helping companies maintain their competitive advantage over time.

Companies with Similar Strategic Management Approaches

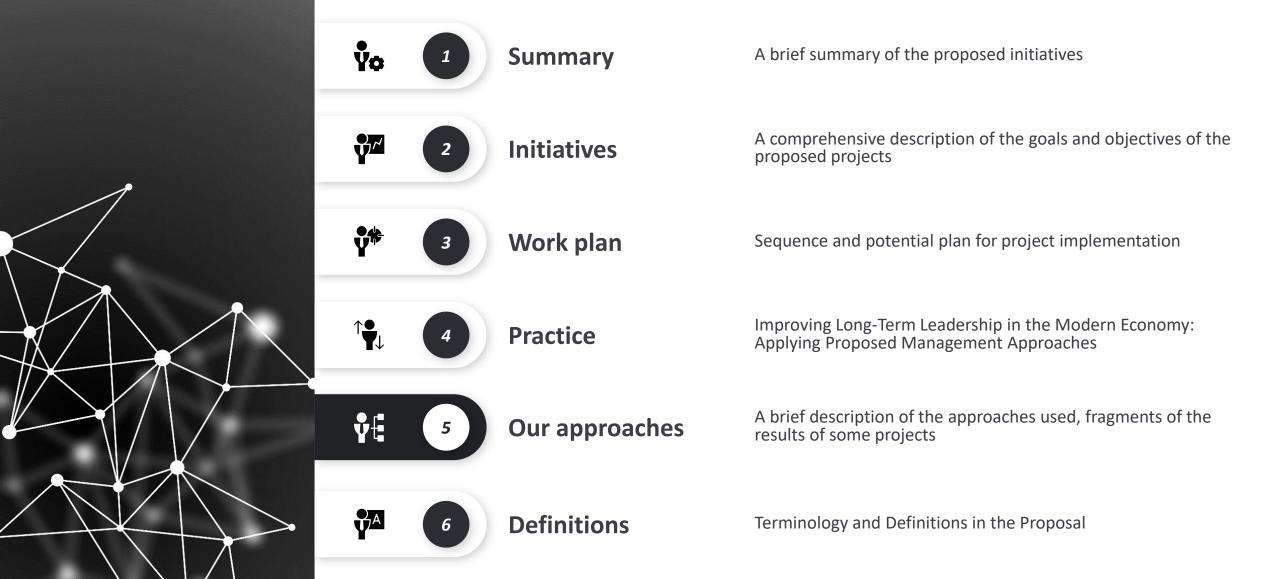
Organizations invest significant resources in enhancing their management practices to attain long-term success. The winners of the BSC Collaborative's 2000-2010 rankings, who demonstrated the successful implementation of Norton and Kaplan's strategic management system, remain the leaders in their respective industries. Our solutions build on these approaches and offer further enhancements.



WE CREATE MANAGEMENT SYSTEMS FOR GLOBAL LEADERS OF THE FUTURE



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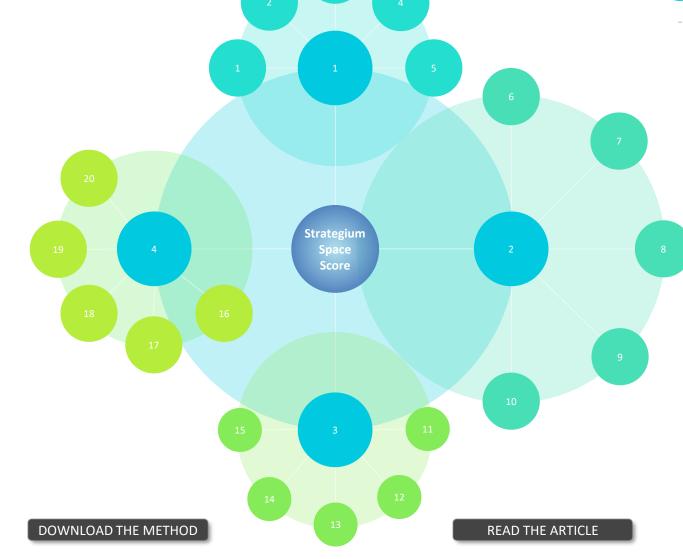


OUR METHOD PROVIDES AN EVALUATION OF THE STRATEGIC MANAGEMENT SYSTEM BASED ON 20 CRITERIA IN 4 AREAS



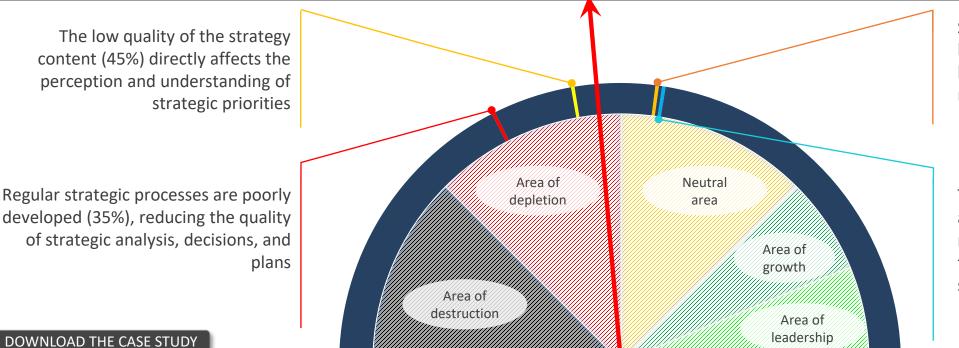
Strategium

INNOVATIONS IN MANAGEMENT



AN EXAMPLE OF THE RESULTS OF A QUICK AUDIT: AN OVERALL ASSESSMENT OF THE STRATEGIC MANAGEMENT SYSTEM **UNSATISFACTORY LEVEL OF STRATEGIC MANAGEMENT (47%)**

- > The current level of management quality is inadequate for systematic and effective long-term development and strategic adaptation of the enterprise
- > The enterprise's management system can react to market changes in a timely manner, but the implementation of strategic decisions is only at an average level in terms of quality and effectiveness.
- > In the pursuit of maintaining long-term competitiveness, strategic management processes are often replaced with operational responses to internal and external issues.



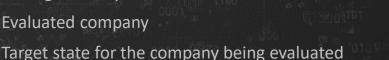
Strategy implementation processes have average quality (54%) and can be compensated by emergency or manual management

The quality of strategic dialogue is average (55%) and also in the neutral zone However, problems in the processes and content of the strategy can offset its influence

ASSESSMENT OF STRATEGIC MANAGEMENT SYSTEM: A DETAILED ANALYSIS THROUGH EXPRESS AUDIT

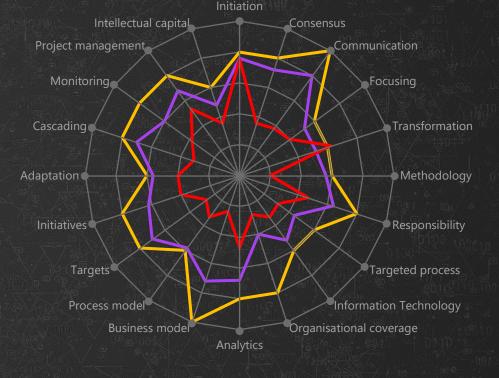
Analyzing 20 Key Factors for Long-Term Competitiveness: A Case Study

- Rating of long-term competitiveness based on analysis of 20 key factors using a 0 to 5 scale
- Identification of imbalances in the control system
- Identification of control system imbalances and gaps between current and target states
- Prioritization of key factors and establishment of target state for strategic management system
- Initiation of modernization projects to enhance strategic management system



A company with an extremely low quality strategic

management system



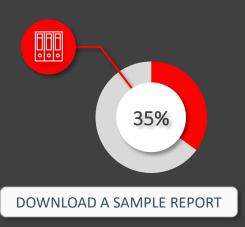


FRAGMENT OF THE MANAGEMENT SYSTEM AUDIT REPORT: SECTION 2. STRATEGIC PROCESSES (ROUTINES)



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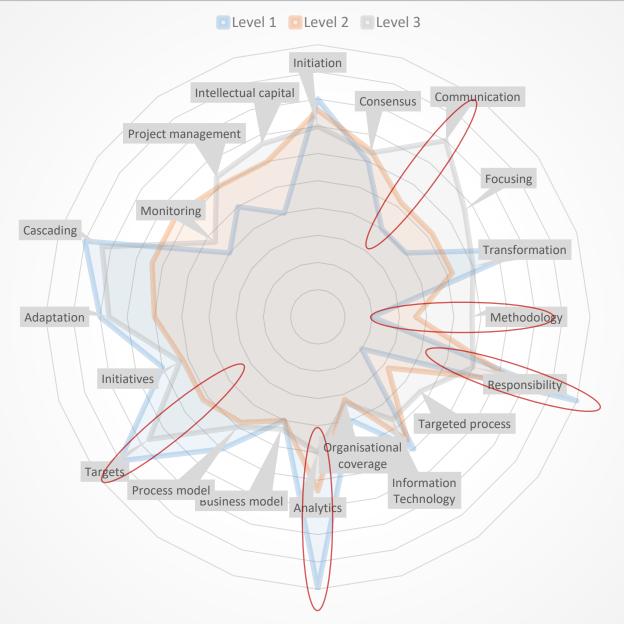
Strategic routines are established processes in the management practice of the company, associated with the development of strategy			ANALYSIS AND CONCLUSIONS OF THE SURVEY RESULTS				
29%		Методология страт планирования	Having a strategic management methodology that is tailored to the company's needs and specifics increases the reliability of information and improves the quality of strategic analysis and planning by reducing dependence on the skills of individual employees and other factors.				
	65%	Ответственность за этапы	Clearly defining the stages of strategic analysis and planning as well as assigning responsibility for each stage enhances the quality of strategic process across different departments. However, this responsibility can only be effective if the stages themselves are clearly defined				
21%		Регламенты страт планирования	and the relevant internal regulations specify the sequence of these stages and who is responsible for their implementation. The informal assignment of responsibility for the stages of strategy development reduces the contribution of this factor to the quality of management. The use of information systems for collecting, storing, and sharing strategic information enhances the relevance				
40%		Использование ИТ систем	of data, speeds up analysis, and facilitates information exchange among management levels. The importance of IT systems decreases when there is a lack of data to feed into them, making it difficult for them to provide				
17%		Охват уровней управления	useful insights or support decision-making processes. A low level of management involvement in the strategic process decreases the likelihood of achieving goals. A strategy developed under such circumstances may overlook important limitations and opportunities that are familiar to lower-level managers and employees.				



THE QUALITY OF STRATEGIC PROCESSES IS LOW

- > The absence of instructions (methodologies and regulations) creates problems in working out the goals set by shareholders and creating operational plans to achieve them. Insufficient competencies and time constraints make it impossible to develop strategies and cascade them down to lower levels of management.
- Strategic plans and projects require constant and increased managerial attention from initiators and \triangleright senior management to be implemented, as they risk getting buried in departmental tasks.

FRAGMENT OF THE MANAGEMENT SYSTEM AUDIT REPORT: RESPONSE VARIANCE AND LEVELS OF MANAGEMENT



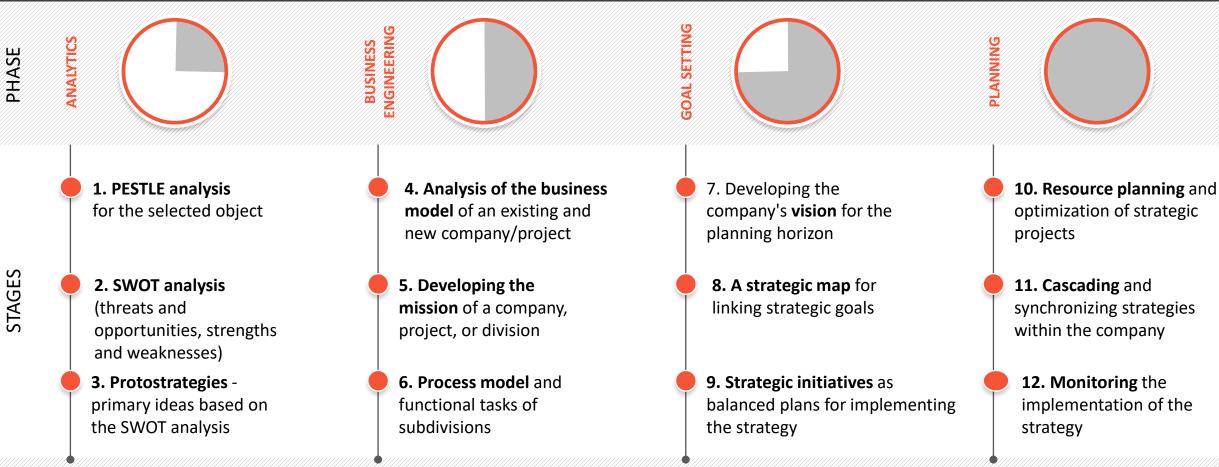
- There is significant dispersion in the questionnaire results for certain areas of assessment, indicating significant discrepancies in the understanding of certain aspects of strategic management among different levels of management
- Areas where senior management (shareholders and managing director) significantly overestimate compared to other levels of management (analytics, strategy transformation, responsibility and goals) require particular attention
- The opposite situation also needs attention, such as the varying understanding of the quality of communication, with the third level of management being most satisfied, while the first and second levels do not rate this area highly.

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RATEGIUM

A STRUCTURED APPROACH TO STRATEGY DEVELOPMENT ENSURES RESULTS ACROSS ALL SKILL LEVELS



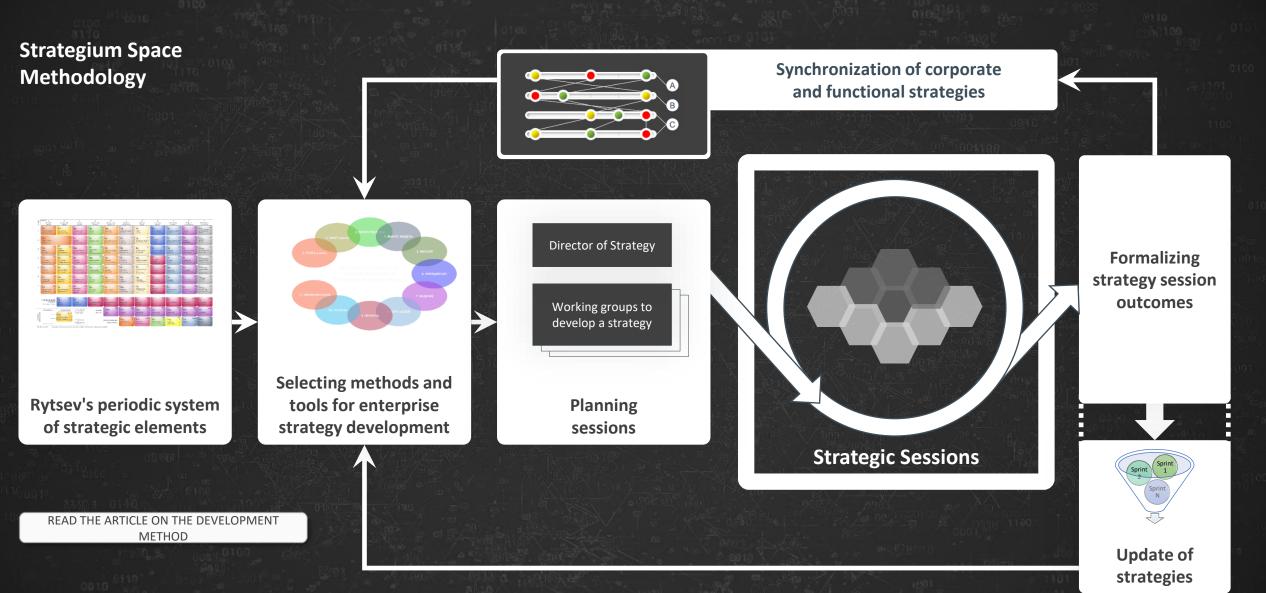


A detailed methodology allows for effective goal-setting and strategy development at each stage of the process.

Each microstage forms a critical component of the overall strategy, and can be carried out sequentially to facilitate analysis, design, and adjustment while maintaining strategic relevance.

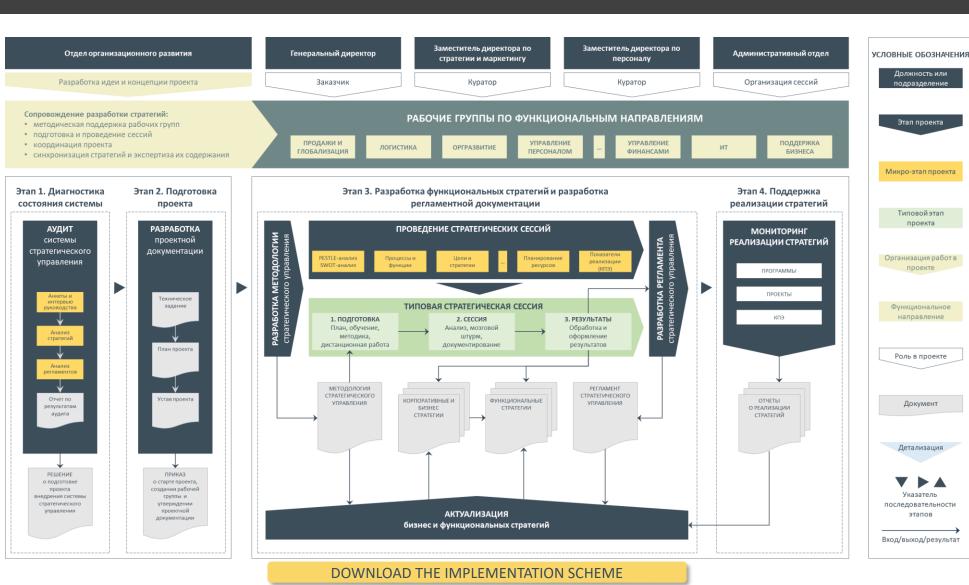
FLEXIBLE STRATEGY DEVELOPMENT METHOD FOR ADAPTATION TO CHANGES IN THE EXTERNAL ENVIRONMENT





DIAGRAMMATIC REPRESENTATION OF THE STRATEGIC MANAGEMENT SYSTEM IMPLEMENTATION PROCESS





- Approaches to system implementation and operation
- > Organizational issues
- Customers, supervisors and performers
- Sequence of macro stages during system implementation and operation
- Project microstages within the framework of typical strategy sessions
- Working, regulatory, planning and reporting documentation

PROCESS-BASED SYSTEM OF STRATEGIC ELEMENTS

	^	S-BASE		EM OF S	TRATEG		IENTS 2	2.0			
	EXTERNAL ANALYSIS	INTERNAL ANALYSIS	BUSINESS MODEL	PROCCESS MODEL	ORGANISATION & FUNCTIONS	CONSTRAINS & RULES	VISION & GOALS	STRATEGIES & PLANS	PROJECTS & PLANS	CAPABILITIES & RESOURCES	MONITORING & CONTROL
1-) Pe	A1 4 E-analysis C	Ga 2 Gap-analysis C	BU 3 Business Units C	Mi 4 Mission C	Om 5 Organisation model C	Vp 6 Values/Principles C	Vi 7 Vision C	Ms 6 Macro Strategy C	9 Sp 4 Strategic Priorities C	Fi 2 Finances C	11 Kpi _{shareholde} 6 KPI Shareholder C
2-) Sw swot	-analysis	12 2 1 C	Ро 13 Business Portfolio 3 Бизнес-портфель С	Sa 14 Strategic arenas C	CI 3 Corporate level C	16 Po 6 Policies C	17 Sg 4 Shareholder Goals C	18 Cs 5 Corporate strategy C	19 Si 4 Strategic Initiatives C	20 DC 6 Dynamic capabilities C	Крі _{сео} 5 крісео с
3-) Mx _{Marke}	22 2 et matrix C	23 Pt 1 Protostrategies C	24 Bm 5 Business Model B	25 Va 5 Value-added chain	DI 26 Division level C	27 Re 5 Regulations F	28 Cg 3 Corporate goals	29 Bs 5 Business strategy B	30 Pg 4 Strategic Programs C	CC 5 Corp Competencies C	32 Kpi _{SBU} 4 KPI Business Unit
4-) Co	33 5 etitors B	34 Bp 3 Best practice B	35 Se 3 Market Segments B	Mp 4 Mega processes C	BI 4 Business level B	38 St 4 Standards	39 Bg 2 Business goals F	40 Cf 4 Operations strategy F	41 Pj 3 Strategic Projects B	42 Rc 5 Relationship capital 8	43 Kpi _{operations} 4 Operations KPI F
5-) Pa Ecosys	44 4 stem B	45 SC 5 Strategic Costs B	46 Cl 3 Channels/Clients B	Bp 3 Business processes B	48 Dp 3 Departments F	49 Pv 3 Provisions F	50 Fg 2 Functional Goals	51 Fs 3 Functional strategy F	52 Me 2 Functional Projects F	53 PC 4 Process capital F	54 Kpi_{function} Functional KPI F
6-) Te _{Techn}	55 3 iology F	56 PC 4 Process costs F	57 Ps 4 Product&Service B	Pr 2 Processes	Un 2 Units F	RU 2 Rules F	61 Ug 2 Unit Goals F	62 Us 2 Unit strategy F	63 Un 2 Unit plans	64 IC 5 Information capital P	65 Крі _{unit} 2 Unit КРІ F
7-) Wf _{Work}	66 1 force P	67 La 2 Labor input F	68 At 2 Attrributes F	69 Op 1 Operations	Po 70 Positions P	71 Ma 1 Manuals P	72 Pg 1 Personal Goals p	73 IS 1 Personal Strategy	74 Pp 1 Personal Plans P	75 In 6 Intellectual capital P	76 Kpi _{empl} 1 Employee KPI
	CTIONAL TEGIES	F100 Sa 4 ^{Sales} C	F110 Re 4 ^{Regional} C	F120 Or 4 Org Development C	F130 Hr 4 Human resources	F140 Ma 4 ^{Marketing} F	F150 Fi 4 ^{Finances} C	F160 It 4 IT F	F170 Pr 4 Public relations F	F180 Pr 4 Production F	F190 Pa 4 Partnership C
	ENT'S SYMBOL	ELEMENT'S NUMBER	EASE OF CHANGING THE OBJECTS OF ANALYSIS WITHIN AN ELEMENT (1 - MIN, 6 - MAX)	ENTERPRISE RESOURCES	R210 Time 6 Time P	R220 Fin 2 ^{Finance} C	R230 Cap 6 Capabilities c	R240 Rel 5 RelationshipC	R250 Org 4 Org capital C	R260 Pro 4 Process F	R270 Int 5 Intellectual P
	ENT'S NAME	4 PESTLE-analysis C	LEVEL: C - CORPORATE B - BUSINESS F - FUNCTIONAL P - PERSONAL	ENTERPRISE LAYERS	L410 Org 1 Organizational B	L420 Fnc 2 Functional F	L430 Tec 3 TechnologicalB	L440 Cog 4 Cognitive C	L450 Ins 4 Institutional C	L460 Cul 5 Cultural P	L470 Mnt 6 Mental P

Catalog of methods of strategic analysis and planning

STRATEGIUM

- Catalog of strategies, resources and layers of the organization
- Reflection of the process-oriented approach to management
- Distribution of methods according to the logic of creating strategic plans
- Comparison of methods and levels of management

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WHO NEEDS STRATEGIC MANAGEMENT AND WHY



COMMERCIAL ENTITIES	STATE	NON-PROFIT ORGANIZATIONS
 Improving competitiveness Entering global competitive 	 Effective leadership in country development 	 Achieving the vision and realizing the mission
marketsEffective implementation of plans	 Deep upgrade without turning the screw Implementation of major breakthrough solutions 	 Rational use of resources Focusing on problem solving

WHO DOESN'T NEED STRATEGIC MANAGEMENT

INTERESTED IN PRESERVING THE SITUATION

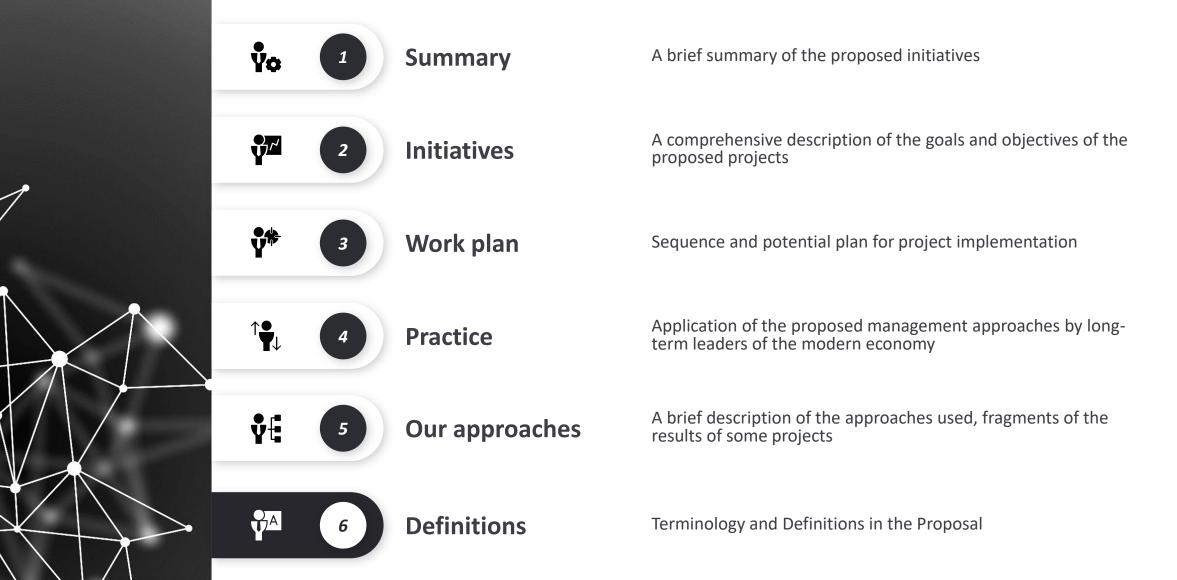
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NOT INTERESTED IN IMPROVING

WHO HAS PERSONAL INTERESTS ABOVE THE INTERESTS OF AN ENTERPRISE, ORGANIZATION, OR COUNTRY



Contents





- Strategic management system a management subsystem of an organization, which encompasses long-term planning and implementation of plans, including processes, strategic plans, reports on their implementation, regulatory documentation, relevant management bodies, departments and employees
- Strategic management process (strategic management) the management process of an organization aimed at improving its long-term competitiveness by identifying changes in the external and internal environment, formulating, coordinating and implementing a cost-effective response
- Development strategy a logical and time-balanced description of how to achieve the long-term goals of an organization, indicating the sequence of actions and resources (tangible and intangible) necessary for their implementation
- Long-term competitiveness of the company an integral characteristic of an organization's performance, indicating its ability to withstand competition in unfavorable market conditions over an extended period.
- Intellectual capital all non-monetary and intangible resources controlled by an organization, which together with other resources, contribute to value creation.

- A strategically focused organization is an organization whose entire activity is focused on implementing its strategy. The activities of units and employees do not contain inherited or structurally determined functions that do not contribute to strategy implementation
- Strategic dialogue an element of the strategic management system, covering intra-organizational communications (interaction between shareholders, management, and employees), aimed at identifying, formulating and coordinating a vision of the organization's development, determining and managing specific actions to achieve this vision
- Management mechanisms the systems and tools inherent in a particular organization used to manage its activities, such as systems of meetings, decision-making, motivation, training, and information systems
- **Cascading** the process of sequential detailing of strategies from upper levels (company or corporation), to the lower level (blocks, departments, divisions, employees), converting strategic objectives into specific tasks and activities