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The logbook is categorized by the three disciplines of strategic thinking:

Section 3: ACTION

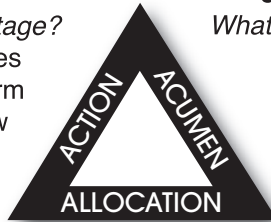
How will I achieve advantage?

Top Strategic Initiatives
Strategic Initiative Form
Post-Initiative Review

Section 1: ACUMEN

What are the key insights?

Market
Customers
Competitors
Company



Section 2: ALLOCATION

Where will I focus resources?

Don't-Do List
Trade-offs
Resource Allocation Calculator

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Key Terms

Strategy is the intelligent allocation of limited resources through a unique system of activities to outperform the competition in serving customers.

Strategic thinking is the generation and application of business insights on a continual basis to achieve competitive advantage.

Strategic planning is the channeling of business insights into an action plan to achieve goals and objectives.

Competitive advantage is an offering of superior value based on differences in capabilities and activities.

Principle of Competitive Exclusion: No two species can coexist that make their living in the identical way.

Three Value Disciplines:

1. Product Leadership—best total product
2. Operational Excellence—best total cost
3. Customer Intimacy—best total solution



Strategy Design

The Strategy Design provides you with the bearings to continuously keep your business on course, despite the waves of meaningless activities and tactics crashing in all around you. It comprises the seven salient aspects of the strategic direction for a business:

| | |
|------------------|-----------------|
| Purpose | Reason |
| Value | Type |
| Context | Situation |
| Who | Customer |
| What | Offering |
| How | Capabilities |
| Advantage | Differentiation |

As an example, the Strategy Design for the fictitious medical device company CustoSolution might look like the following:

| | |
|------------------|---|
| Purpose | Provide surgeons with the best combination of product & service |
| Value | Customer intimacy-best total solution |
| Context | Old technology not tailored to surgeons' new techniques |
| Who | General surgeons at academic hospitals |
| What | CustoSolution medical device |
| How | Product development by thought-leading surgeons |
| Advantage | Medical device wrapped in business & clinical consulting services |



Acumen



Develop your Strategy Design:

| | |
|------------------|--|
| Purpose | |
| Value | |
| Context | |
| Who | |
| What | |
| How | |
| Advantage | |

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Allocation

Trade-offs:

What will we not offer to customers that we potentially could:

Which potential customers we have chosen not to serve:

What activities will we not perform to maintain focus:



Allocation

Resource Allocation Calculator:

The Resource Allocation Calculator is a tool for evaluating whether a strategy has sufficient resources for successful implementation. The three areas of tangible (physical & financial assets), intangible (culture, brand, relationships) and human (people, knowledge, competencies) resources are compared on their actual level versus their required level to indicate any gaps

Example:

| Types of Resources | Required Level | Actual Level | Gap |
|--------------------|---|--|-------------|
| Tangible | \$125,000 | \$140,000 | None |
| Intangible | Relationships with 15 thought leaders | Relationships with 22 thought leaders | None |
| Human | 2 Sales Reps, 1 Surgeon, 1 District Manager | 1 Sales Rep, 1 Surgeon, 1 District Manager | 1 Sales Rep |





Allocation

Resource Allocation Calculator:

Strategic Initiative: _____

| Types of Resources | Required Level | Actual Level | Gap |
|--------------------|----------------|--------------|-----|
| Tangible | | | |
| Intangible | | | |
| Human | | | |

Strategic Initiative: _____

| Types of Resources | Required Level | Actual Level | Gap |
|--------------------|----------------|--------------|-----|
| Tangible | | | |
| Intangible | | | |
| Human | | | |

Strategic Initiative: _____

| Types of Resources | Required Level | Actual Level | Gap |
|--------------------|----------------|--------------|-----|
| Tangible | | | |
| Intangible | | | |
| Human | | | |

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Action

Strategic Initiative Form:

Strategic Initiative: _____ Date: _____

Initiative Leader: _____ Initiative #: _____

Initiative Description: _____

Start Date: _____ Finish Date: _____

Goal/Objective the initiative supports: _____

Expected Results: _____

Team: _____

Budget: _____

Key Activities

Completion Date

Accountability

| Key Activities | Completion Date | Accountability |
|----------------|-----------------|----------------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |





Action

Post-Initiative Review:

Initiative: _____

1) What happened?

2) Why did it happen?

3) Key Learnings?

