



# Overview of the Paterson StratOp Process

# Introduction

StratOp is a 3-day, team-discovery process, that:

1. Gives you perspective on all of the strategic, financial, and operational parts of your organization;
2. Helps you know *where you stand*;
3. Clarifies *where you should go*; and
4. Gives you a customized plan on *how to get there*.

The StratOp process is a powerful and proven process that will help you to grow a successful organization. Over the last 40 years, Paterson StratOp Facilitators have helped hundreds of teams, from startups to billion-dollar companies, grow sales and profits.

Many companies are not focused around a central plan, and many leaders are left wondering how to maximize potential. With StratOp, your entire team will be focused around the same unique mission and vision, and will have a clear plan to make that vision a reality.

Our clients get more than a plan; they get tools to help them manage their plan, renew their plan, and succeed. For your team - those who make things happen - they are brought into the StratOp process; planning isn't something done *to them*, it is something the whole team does *together*. The process can be used for all kinds of team problem-solving and strategic efforts, either in business or in not-for-profit organizations like churches, educational institutions and social service enterprises.

Tom Paterson, the founder of StratOp, is a master strategic thinker. Tom's accomplishments are too many to number, but a few of the highlights include: holding the first patent on the ATM pin technology; working as the lead inventor of the DVD in 1969 with RCA; working with Disney on developing Space Mountain; and serving as an honorary consultant to the People's Republic of China. Tom had a successful career with IBM, RCA, and others, before launching his own consulting and facilitation business. Tom is a master at *Process*, and has received a Noble Laureate and a Presidential Seal of Honor.

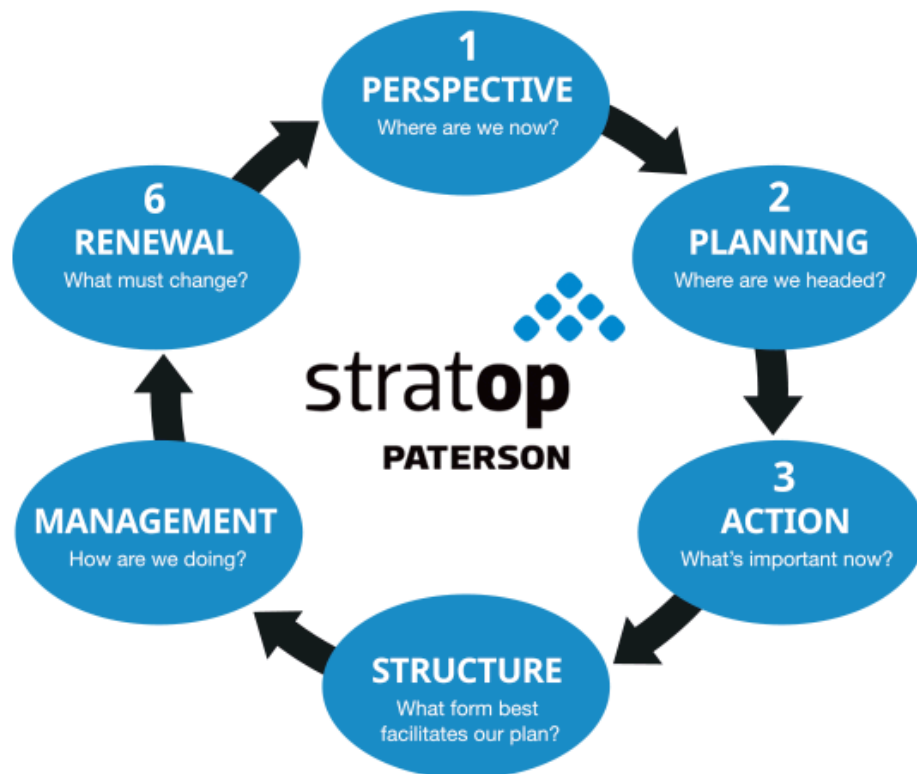
Building on the foundation of his early years, Tom then went on to launch his consulting practice where he spent nearly thirty-five years working alongside the likes of management guru, Peter Drucker. Those who knew them called Drucker the "Business Theorist" and Tom the "Process Practitioner." Drucker called Tom "the greatest consultant in America".

Now 91 years old, Tom is in the "Yoda" stage of life, writing and developing advanced training modules from his home in Fort Collins, CO.

## What is the StratOp Process?

The word “StratOp” blends two words vital to a successful strategic planning process. “Strat” stands for *strategic*, the art of planning for tomorrow, today. “Op” stands for *operational*, the discipline of managing today, today. The Paterson Process is a Strategic Operational planning process: we must plan for tomorrow – today, while insuring we manage today – today. Weaved through the entire process is a third component – the *financial*. Both strategy and operations must be financed. The Paterson StratOp process is a comprehensive system that weaves together the strategic, operational and financial.

The StratOp process guides a leadership team to gain full perspective of all internal and external realities. It ensures the team crafts a core plan and strategy that emerges from the gained clarity, to focus on *What Is Important Now* in order to move towards the clarified vision, and to create a plan that can be measured, incrementally installed and adapted to internal and external change. Six phases flow through the StratOp process and, when worked, become an ongoing cycle of renewal.



## Phase 1: Perspective - Where are we now?

The strategy for your StratOp Plan begins with *perspective*. “Perspective before planning” is one of our core and distinctive beliefs. If you are in the right perspective, the core plan almost writes itself. Perspective is seeing things without distortion, correctly reading the signals of what is unfolding. Perspective is the result of finding truth and new realities before they have happened. It is squarely facing truth, and acting on what it demands for achieving your mission and vision.

We use a variety of perspective tools necessary to help us gain the perspective on all the critical organizational issues. These tools include:

- Turning Point Profile: how we got to where we are.
- 4 Helpful Lists: where we are now.
- Patterns and Trends Analysis: internal and external patterns and trends and their implications on us.
- Opportunity Mapping: understanding the life cycles of our products and services, identifying opportunities to seize, and assessing opportunities and risks.
- Performance Drivers: identifying and assessing vital drivers of success.
- Risks and Constraints: identifying and assessing those things that can paralyze us.

## Phase 2: Core Plan – Where are we headed?

The core is the essential part of anything; a living plan requires a living core. If we are properly in perspective, we have found truth. Truth is often elusive and it takes profound experience and deep understanding to get to it. If you have found today’s truths and tomorrow’s truths, your team has the wisdom to develop a living *core plan*. Your team will also have a rationale for its core plan; it will have a set of shared fundamental beliefs upon which to develop this plan.

Asking the question, “Where are we headed?” we now build our core plan from the perspective gained in Phase 1. These core plan components include:

- Core Assumptions: strategic, operational, and financial assumptions summarized from the perspective gained.
- The Strategic Control Panel: like a dashboard on a car’s driving panel, we create a control panel to be managed regularly.
- Life-Generating Cycle: clearly understanding who our primary customer is and what they value.

- Purpose: crafting a clear, crisp and compelling statement of why we exist.
- Vision: identifying clearly where we are headed.
- Core Values: the irrefutable foundations for all that we do.
- Big Idea Core Strategies: our distinctive statements of strategy, that set us apart from all others.

## Phase 3: Action – What’s Important Now?

Your team now recognizes the issues and they want to move forward as one group. A unified plan is unfolding before their eyes. Contrast this with individual functional department leaders setting independent objectives, where continuous improvement is vertical and functional. With StratOp, *breakthrough is horizontal and involves the whole team*. To succeed, we need both the vertical and horizontal. Under the StratOp process, there is no more “we vs. them”; the team-developed core plan makes a unified action plan possible. Individualized departmental plans can later be developed to align with the master plan.

We use the following tools to launch and install the plan.

- Our W.I.N. Wheel: identifying “What’s important now?”
- Action Initiative Profiles: each action initiative is profiled, creating parameters of clarity for cross-functional teams.
- Champions, Team Leaders, and Team Members: we draft cross-functional teams that work together to plan and meet the objectives of their assigned initiative.
- Situational Analysis: identifying the strengths, weaknesses, opportunities, and threats of each action initiative.
- Action Initiative Plans: action steps extracted from each situational analysis.
- Action Initiative Plan Scrubs: each plan is scrubbed by the leadership team for clarity, sign off and release.
- Dovetailed Timelines: all timelines are integrated and assessed for operational and financial capacity.
- Plan Launch and Install: the plan is officially launched.

## Phase 4: Structure – What form best facilitates our plan?

Form should follow substance. The core plan and its resulting action plan are substance. The overriding purpose of structure is to ensure that the right decisions get made in a timely way. The new plan will have its own structural requirements. If a fundamental shift to adjust the

business to changed circumstances is part of the plan, there will be major structural change required. Patching will not do. We use the following tools to launch and install the plan.

- Structure Design Boundaries: the lead team agrees on the design principles.
- Organizational Design: 2-3 executives work on designing the structure that best supports and facilitates the core plan.
- Culture Assessment: all hiring and management practices are filtered through the core values.
- Systems and Processes: vital systems are identified, updated and managed.
- People Development Plan: building self-sufficient, high-performance teams is the goal.

## Phase 5: Management – How are we doing?

There is no control or management without learning; it is through feedback that we learn to do things better. A process isn't stable until it gives predictably high output. We resist controlling the entire system for predictable high yields because our primary organizational technique for over a century has been function decentralization ("to each his own and leave mine alone"). The problem is that it is no longer good enough to have functional efficiency at the expense of system optimization. The StratOp process affords a way of having both.

Asking the questions related to "How are we doing?" you learn how to manage the following components of your plan:

- Managing the Wheel of Action: the company-wide W.I.N. wheel is managed every six weeks or so, depending on the organization.
- Managing "Reds": the entire StratOp system has a "red-yellow-green" rating system. Reds are managed feverishly.
- Managing Performance Drivers and Risks: we want to manage drivers to high performance and mitigate risk (both internal and external).

## Phase 6: Renewal – What needs to change?

To renew is to recover lost vitality. All planning processes embrace adaptation in general. In the StratOp process, we address renewal very specifically in two special senses:

1. Recognizing when the old strategy is simply worn out and a core plan based on a new strategy must be developed; and
2. Consciously embedding renewal into plans and operations for progressive adaptation.

You learn how to manage the following components of your plan through the following tools:

- Renewing the Wheel of Action: at times we must renew our W.I.N. wheel after specific initiatives turn a healthy green. Then, new initiatives are added.
- Sensing and Seizing Opportunity: new opportunities that emerge must be identified and seized.
- Renewing Life Cycles: decelerating life cycles must be renewed or terminated.
- Responding to New Patterns and Trends: constant adaptation to new trends, both internal and external, keeps us relevant.
- Renewing the Core Plan: annual full plan reviews and renewals keep us constantly adapting and relevant to the ever-increasing rate of change.

## How does it all work?

Round 1: We gather the top-tier leadership team for the initial 3-day StratOp planning process. During this time we spend the first 1½ days gaining perspective and clarity – together – through the tools listed in the perspective phase of the StratOp Process. We then create the core plan from this perspective (phase 2) in the next 1½ days. By the end of these three days, we release StratOp plan “Champions” and “Team Leaders” together with their team members and perform situational analysis and create first-draft action initiative plans for all initiatives on our W.I.N. Wheel. After this round, we create a “Plan-On-A-Page” and underlying “Playbook” for you that you can duplicate and distribute to all leaders.

Round 2: We return approximately 5-7 weeks after Round 1 for a two-day process of meeting with each cross-functional team and the leadership team to review each team’s work, to “scrub” their plans (looking for comprehensiveness, sequential thinking, realistic timelines, and budget-alignment), and to prepare the implementers to launch and install their new plan.

Round 3: We return for a one-day plan review with the leadership team (4-6 weeks after Round 2) to coach you on how to facilitate a monthly plan review. We will also talk about the annual StratOp renewal process.

I will be available throughout this entire process by phone or e-mail to answer any questions on managing the StratOp system in the day to day.

## What You Get

You get a ready-to-install, customized strategic-operating plan, both in a Plan-On-A-Page format and with a supporting playbook (hard copies and electronic formats). You get unity and

alignment in leadership. You get clarified roles and a plan to move towards your vision, while resourcing the staff to tend to the operational realities they face.

You learn a new system to manage and integrate the strategic, operational and financial components of your organizations. You become self-sufficient in managing your plan and adapting to new realities as you lead into the future. You get a plan that will help you to grow.

## The Facilitator's Role

“The facilitator is process; the team is content,” Tom Paterson emphasizes. Through that process, we strive for a plan that will bring the team to breakthrough levels of thinking. If necessary, we slow down the pace in order to ascend to the mountaintop of perspective. This is not a cookie cutter process. Rather, it is a very creative process. And it's fun!

The Paterson Process is behaviorally sound; it's about teamwork and the team respecting each other's wisdom. Breakthroughs come when teams work together horizontally, not within silos. A team will own the plan if they are heard. We ensure each person's voice is heard and that each person is respected. If this happens in the right way, a team's response is, “It's our plan. We created it. Not some consultant going off and creating a plan for us.” The StratOp process is facilitated in a way that leads to self-discovery, to ownership of the plan and to a respect for each person in the room.



## Unique features of the StratOp Process

1. A holistic Approach: We will look at the entire organization as one organism with its various organs working together for overall health.
2. Addresses the Strategic, Operational, and Financial: Strategy is planning for tomorrow – today. Operational is taking care of today – today. Both the strategic and operational need to be financed. The entire process weaves these three elements together like three strands to a rope.
3. Belief that it is the entire enterprise that succeeds or fails: Therefore, all voices have the freedom to speak into the health of the whole. If one part suffers, we all suffer. We must manage the entire enterprise towards health.
4. The process is a management system: The StratOp process is a system by which we learn to adapt to change, reinvent ourselves when needed, make cross-functional decisions, and develop our people.
5. Adaptation is built in: We build in constant adaptation to change on the micro and macro levels. If we work our plan effectively, the system will guide us towards perspective on change and how to respond to it.
6. A relentless war on waste: Because breakthrough is horizontal and because the StratOp process is a cross-functional, horizontal system, waste is exposed as we manage the plan.
7. Work is organized by its own logic: Form follows function and structure forms around the substance of the core plan. How we organize ourselves logically flows out of the process.
8. Controls performance drivers towards breakthrough: All organizations have performance drivers that control the outcome of the plan's success. Once these drivers are identified, the system guides us to manage them towards higher performance.
9. Develops multi-dimensional leaders: Built into the StratOp system is a leadership development component. As the plan is worked, those with leadership competencies and potential are given an opportunity to develop, grow and lead.
10. Identifies enterprise W.I.N.'s: We can't do everything at once. We must live within our capacities of time and people resources. Lou Holtz coined the term W.I.N.'s, standing for "What's Important Now." The StratOp system guides us to focus on, and manage, our W.I.N.'s.

# Plan-On-A-Page Sample

The StratOp system manages the enterprise as one system from a Plan-On-A-Page (POAP) format. A sample is shown below. Each Plan-On-A-Page has an undergirding playbook – including all perspective tools, all action initiative plans, and all structure components.

