



Commercial Awareness Programme Outline



This document provides an outline of a generic programme
– a starting point.

The topics covered in this outline can be assembled in many different ways – stand-alone one or two-day workshops through to comprehensive programmes involving practical assignments.

All materials can be adapted to meet the specific needs of your organisation.

Paul Taylor
MA(Oxon), MBA, MCIM

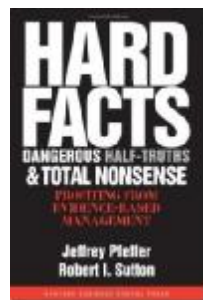
more@happyatom.com
+44 (0)1787 222 534

Commercial Awareness Programme

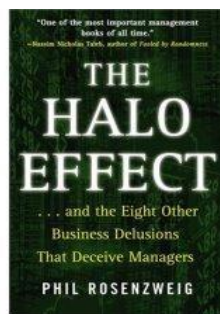
Introduction

This programme has been designed to provide managers with the skills, perspectives and tools that they require to make the most effective decisions – decisions that are in-line with your organisation’s strategy and financially astute.

The pace and complexity of change in the business world means that managers need to evaluate constantly what they are doing in every area. There are no easy answers – how could there be. Despite the regular stream of books from academic gurus and business leaders, a moment’s thought would confirm that every business situation is unique: what worked for Jack at GE will not necessarily work for your organisation and moving from good to great will not happen by rigorously applying a set of universal principles.



“We kept hearing again and again, ideas that are partly right at times, but are flawed and misleading often enough to get organisations into serious trouble. There’s simply no formula that can guarantee success.”



“In spite of our desire for simple steps, the reality of management is much more uncertain than we would often like to admit.

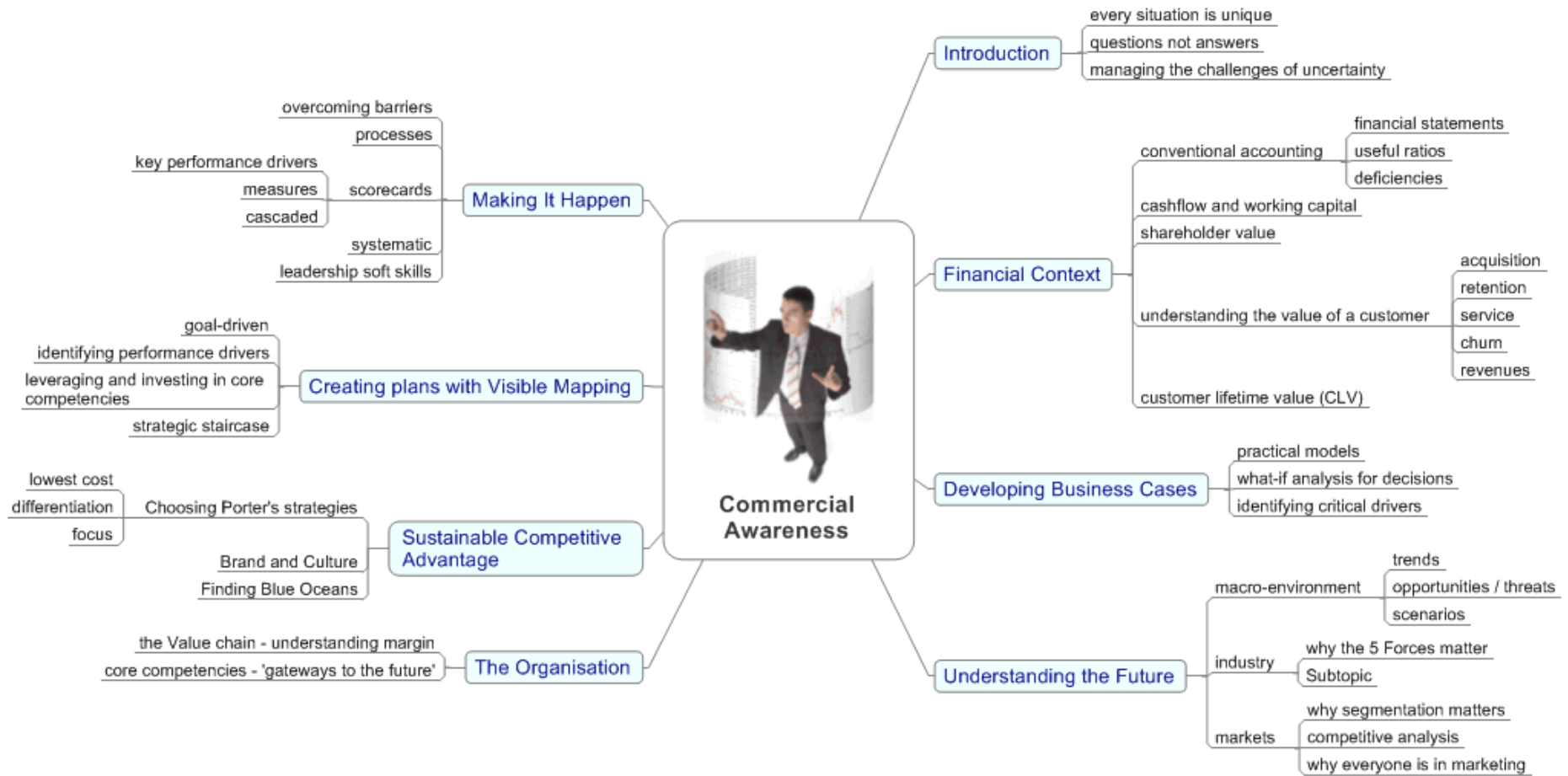
There’s simply no formula that can guarantee success.”

Every business situation is unique – and tomorrow, it will be unique in a different way. There is no status quo. Competitors, suppliers and customers are all making decisions and acting. A manager needs to constantly re-assess and make decisions.

This programme has been designed to help managers cope with the enormity of that task, not by recommending some universal, imaginary panacea but rather by providing frameworks, tools, perspectives, theories and case studies. These do not in themselves provide the answer; their role is to provide the right questions and a route forward towards an answer that is appropriate to your unique situation.

“Don’t forget, if someone tells you that they have the answer, they probably don’t understand the question”

CK Prahalad



The Financial Context

A business exists to earn returns for shareholders. Yet many decisions by managers which appear sensible in the short-term actually destroy shareholder value. In this section, participants will consider short-term measures – profit and loss, balance sheet and cashflow (working capital) – and how they fit with longer-term perspectives relating to investment in people, processes, brand, knowledge, R&D etc.

This section will provide participants with a better understanding of the customers' financial perspective and, in particular, the concept of customer lifetime value. This will enable participants to relate your organisation's services to customer benefits – and justify customer investment in terms that customers can relate to.

- conventional accounting
 - financial statements
 - measuring performance - useful ratios
 - the flaws in conventional accounting
- cashflow and working capital
- the shareholder perspective
- the cost of capital and the time value of money –economic profit and discounted cashflow
- justifying strategic investment, particularly in intangibles such as brand, knowledge and skills
- customer lifetime value

“In today's information age, the accounting focus only on tangible assets makes little sense now that intangible assets are the overwhelming source of value creation.”

Professor Peter Doyle

Developing Business Cases

No one can predict the future but some guesses are better than others!

- building practical models
- what-if analysis – understanding the risk factors and how to mitigate
- identifying critical drivers
- what are the critical measures
 - payback
 - IRR
 - NPV

Understanding the Future

Strategic Analysis – the Macro-environment

The macro-environment consists of forces that are beyond the control of even the largest organisations in the world. For those who interpret these forces correctly, they offer immense opportunities – for those who don't, disaster awaits.

- the macro-environment – PESTLE analysis
- identifying trends, opportunities and issues
- scenario analysis and planning
- creating “future memory” and preparedness to gain first-mover advantages
- developing a “learning organisation” – embedding strategic foresight in the organisation

“If you do not know how to ask the right question, you discover nothing”
W Edwards Deming

Strategic Analysis – Industry

A critical strategic question is: where shall we compete? Many other players are involved in the game - current and potential future competitors, suppliers and, of course, customers.

- Porter's Industry Analysis – understanding how firms compete and the impact on profitability of:
 - barriers to entry and exit
 - substitutes
 - potential entrants
 - competitive rivalry
- Competitive Advantage – gaining and sustaining
- Customer Focus – the link between brand, culture and competitive advantage

Strategic Analysis – Markets

This session examines competitors and how the segmentation perspective an organisation adopts can lead to success or failure

- the art-science of segmentation
- identifying “attractive” segments
- positioning within markets
- competitive analysis
- why everyone is in ‘marketing’

The Organisation

Having gained an understanding of the wider environment and the industries in which the organisation operates, the next stage is to consider your organisation – what resources are available; how can the bundle of knowledge, skills, reputation, relationships, equipment etc be utilised to gain sustainable competitive advantage.

- Porter's Value Chain – analysing how your organisation delivers value to the customer
- “Core Competencies” – gateways to the future
- Strategic Fit – culture

“It is important that top managers view the firm as a portfolio of competencies, for they must ask, “Given our particular portfolio of competencies, what opportunities are we uniquely positioned to exploit?”
Hamel & Prahalad

Sustainable Competitive Advantage

“Some managers think, ‘The world is changing, things are going faster - so I've got to move faster. Having a strategy seems to slow me down.’
I argue no, no, no - having a strategy actually speeds you up.”
Professor Michael Porter

Porter identified three viable options for sustainable success. This session explores (and questions) these approaches, encompassing topics such as branding and culture. The investment implications of each are examined.

- thinking behind “Blue Ocean” strategies
- lowest cost
- differentiation
- focus

Brand and Culture

Brand and culture are the foundations of sustainable competitive advantage. They are difficult to copy and they enable organisations to escape the shackles of existing product-market combinations – in other words to adapt to the future competitive environment.

For instance, the least important aspects of branding is advertising and logos. A brand is how the phone is answered, the tone of voice in an email to a customer or the response when mistakes are made. And clearly, each of these is driven by culture – brand and culture are two sides of the same coin.

“Whenever you see a successful business, someone once made a courageous decision”
Peter Drucker

Techniques for Developing Strategy

"However lean and fit an organization, it still needs a brain. But the brain we have in mind is not the brain of the CEO or strategic planner. Instead it is an amalgamation of the collective intelligence and imagination of managers and employees throughout the company, who must possess an enlarged view of what it means to be 'strategic'."

Hamel & Prahalad

A reminder that the strategic process is not a linear sequence; it is an iterative process. Strategy can often be perceived as esoteric and removed from what managers do on a daily basis; this is a mistake. In this session, participants will use a number of practical techniques that convert strategy into specific tasks:

- understanding goals
- visible mapping – identifying performance drivers, issues
- leveraging and developing core competencies
- next actions – a systematic approach – the strategic staircase

Making it Happen

This section is where participants consider how to translate strategy into action, whilst integrating measurement into implementation.

Strategic Implementation – Balanced Scorecard

The Balanced Scorecard is a framework for:

- communicating strategy throughout the organisation
- making strategy part of everyone's everyday job
- aligning individual and organisational goals
- measuring and controlling the real performance drivers, including intangibles
- delivering shareholder value

"Organisations today need a language for communicating strategy... Success comes from having strategy become everyone's everyday job."

Kaplan & Norton

Strategic Implementation – the Soft Side

Successful strategists recognise that effective implementation depends on people.

- culture and values
- leadership behaviours
- winning hearts and minds

About Happy Atom

Paul Taylor is an accredited facilitator on the Ericsson Leadership Core Curriculum (LCC). The LCC is a comprehensive leadership programme comprising 3 dimensions:



- leading self – personality (DiSC), values, personal effectiveness, trust
- leading others – Blanchard’s Situational Leadership II, coaching, leading teams
- leading the organisation – leading change, innovation, performance management

Paul has worked with Ericsson since 1997 and in 2008 has been the lead developer on a new version of the LCC for “Individual Contributors” (key staff without direct reports) that emphasises influencing skills. He has worked in over 15 countries for Ericsson, including Egypt, Turkey, Romania, Sweden and Lebanon. He is currently involved in the development of a Senior Leaders program and regularly delivers a series of two-day courses on finance, strategy and customer focus.



Paul has also worked extensively with Virgin Media, developing and delivering a programme of modules ranging from Implementing Change through Leadership Communication to Leading Teams and Financial Awareness.

Other recent projects undertaken by Paul include:

- strategic management courses designed and delivered for Asia Business Forum in Malaysia and Singapore
- strategic management workshops with senior leadership team at Oando PLC, Nigeria
- developed and delivered a flexible leadership programme for Bausch & Lomb
- value-based marketing and measuring marketing effectiveness workshops for Cisco
- influence and negotiation skills courses delivered for Akzo Nobel, Maersk and Philips
- strategy workshops for Rajawali senior managers in Indonesia
- finance courses designed and delivered for Centrica (British Gas)
- leadership program designed and delivered for UK television station, five
- marketing courses designed and delivered for EDF Energy
- finance course for senior managers at Gulf News in United Arab Emirates
- strategic management courses designed and delivered for Oxford University Press
- branding workshop for the British Council



- presentation skills courses for Barnett Waddingham and Ericsson

Differentiators

Happy Atom is different from other training providers:

- extensive knowledge and experience delivering both soft skills training and workshops focusing on strategy, marketing and finance. This means that our soft skills courses are always set in the context of improving business performance and sustaining competitive advantage, whilst our hard skills courses emphasise the importance of people, culture and the role of leaders.
- experience across a wide range of different industries, markets and cultures enables us to provide new approaches and help managers to break free of old paradigms. Technical training benefits from industry specialisation; leadership and strategic thinking requires a much broader perspective.
- our Learning Management System (LMS)¹ greatly increases your return on investment. It provides participants with knowledge prior to training so that expensive classroom time is spent on the practical application of knowledge and techniques. Following workshops, knowledge and skills are embedded via continued access to the LMS – summary reminders of key principles, new articles, interactive multimedia content etc.
- a further benefit is that the LMS can be used to evaluate learning through quizzes, case studies and questionnaires, with results analysed and used to justify investment in training and to provide feedback for future training development.
- WYSIWYG – what you see is what you get – unless discussed and agreed in advance, the facilitator will be Paul Taylor.

Paul Taylor

- MA in law, Oxford University
- MBA, City University, London
- Member of the Chartered Institute of Marketing
- Member of the Institute of Management Consultancy
- Blanchard Situational Leadership II, DiSC and Profilor 360 accredited

Paul first worked in sales and marketing for the largest UK telecommunications company GPT (later Marconi) and then Boeing. Following his MBA he moved into consulting for a number of years before becoming the Business Marketing Manager

¹ The LMS simply requires internet access. It is hosted on Happy Atom's server. No software of any kind is installed on client computers. (Acrobat Reader for PDF articles and Adobe Flash Player for multimedia presentations are required; both of these are usually installed as standard on most PCs.)

for London Electricity (LE). At LE, he was responsible for developing the competitive strategy as the UK energy market was liberalised. This period of intense activity saw Paul involved in: brand development, managing culture change, financial projections and managing a team of marketing professionals and a multi-million pound marketing budget.

Having successfully managed the transition of LE into the competitive marketplace, Paul returned to training and consultancy and established Happy Atom.



Paul Taylor with Ken Blanchard (chairman of the Blanchard organisation and author of the One Minute Manager books) and Joselito Rivera, Director of Ericsson LCC

Happy Atom Approach

Our development programs use a broad range of learning approaches, combining:

- questionnaires (eg styles of leadership, influencing, conflict handling etc) to provide personal insight
- videos
- role plays
- presentations
- teach-backs
- group discussion and feedback
- team activities
- case studies

We are *facilitators* rather than lecturers:

- introducing leading edge models, frameworks, principles and tools
- encouraging participants to share their own knowledge and experience
- assisting in translating generic approaches into practical, real-world actions

LMS - Blended Learning

The Happy Atom online Learning Management System will enable participants to acquire knowledge prior to classroom training sessions through access to:

- interactive multimedia presentations
- video and podcasts
- articles and concept summaries
- internet links

This ensures that facilitated classroom sessions focus on using knowledge and skills rather than transferring knowledge.

Following the classroom sessions, delegates would complete further online activities, individually and possibly in groups. Continued access to the LMS will allow participants to retain and keep their knowledge fresh.