

The Realities & Practicalities Of Strategically Assessing...



...Your Board,
Your Organisation,
Your Services



Better Boards 2019 Conference | Master Class: Thursday, 1 August 2019
9.00am – 12.30pm
Brisbane Convention & Exhibition Centre, Brisbane



Masterclass Disclaimer

- ◆ This presentation and any associated discussion only provides:
 - * an overview of the various considerations, elements and processes of strategically assessing your board, your organisation and your services
 - * potential ideas, improvements and actions that directors, chief executive officers and executives may wish to consider, noting these are only generic in nature.
- ◆ This presentation does not provide legal, financial or business advice specifically tailored for your board, organisation or services.



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Masterclass Objectives

- ◆ The objectives of this masterclass are focused on:
 - * **strengthening the understanding and knowledge** of directors, chief executive officers and executives in regard to the considerations and processes of strategic assessing their board, organisation and services.
 - * **enhancing individual's governance, organisational and service frameworks and perspectives** as a way of bringing about "a shift and lift" in the way boards govern, chief executive officers lead organisations and managers manage services.
 - * **providing powerful, practical tools and documents** that can be used to facilitate insightful and informative strategic discussions and decisions that can then be enacted via various governance, leadership or management strategies or projects.

Masterclass Acknowledgements

- ◆ In presenting this information I acknowledge that:
 - * directors, chief executive officers and executives have commenced, are in the process of, or need to strategically assess their board, organisation and services in order to transform their organisation, re-engineer their business model and reinvent their culture, thereby adapting to the customer-driven, competitive marketplace
 - * each board, chief executive officer and executive and their respective organisations operate within different frameworks consisting of legislation/regulation, standards/accreditations, contracts/service agreements and legal entities/constitutions, visions/philosophy, strategy/business model etc
 - * this presentation provides a broad overview of the various elements, considerations and processes of strategically assessing your board, organisation and services therefore specialist legal, financial and business strategic assessment and planning support and advice should be sought when and where required.

Masterclass Rationale & Principles

- ◆ In essence, strategy is a way of thinking, not a framework or set of procedural exercises or tools...in fact traditional, strategic planning is being reinvented.
- ◆ An increasing number of boards have recognised that strategy is a journey and therein quarterly strategy events are touchstones that enable boards, chief executive officers and executives to refocus on both strategy and performance.
- ◆ Within this context, dynamic and proactive boards, first and foremost, strategise, as they recognise that individual directors are, or should be, strategists, supported by their chief executive officer and executives or managers.



Masterclass Rationale & Principles

- ◆ Strategising boards, along with their chief executive officers and executives (the leadership team) engage in strategic assessment, strategic discussion and strategic decisions...combined, these three processes underpin a “leadership team strategic dialogue”.
- ◆ Such strategic dialogue should enable each leader to gain a deeper understanding and appreciation of:
 - * the current status of the board, the organisation and its services that is the current “state of the nation” and therein the mission criticals that will need to be addressed in order to ensure the organisation’s future success and sustainability; “the desired future”
 - * the current and future industry/sector, big picture forces and trends, the stage and backdrop upon which the organisation is currently positioned and where it could be positioned in the future

Masterclass Rationale & Principles

- ◆ Such strategic dialogue should enable each leader to gain a deeper understanding and appreciation of (*cont*):
 - * the likely future industry/sector scenario/s and therein the associated characteristics, key assumptions and risks
 - * the current and future “business/service models” and therein customer and market categories, market channels and revenue streams



Masterclass Rationale & Principles

- ◆ Such strategic dialogue should enable each leader to gain a deeper understanding and appreciation of (*cont*):
 - * the identification of the organisation's current and future "competitive differentiators" from the industry/organisation's peers
 - * the agreed future scenario of the organisation and its associated strategies and/or projects that will propel the organisation forward
 - * the additional or redirected human, financial or capital resources that need to be prioritised and applied in order to deliver on the future scenario and its associated strategies and/or projects
 - * the internal or external challenges, barriers or risks that may inhibit or stop the future scenario and its strategies and/or projects from being delivered against the defined specifications, agreed timeframe and allocated budget.

Part One: Strategically Assessing Your Board



Do Your Directors Understand & Practically Apply Their Corporate Governance Roles & Responsibilities?

- ◆ Q1: Do all of your directors understand the requirements of the *Corporations Act 2001* (or other relevant Act) incorporating your legal entity, that is your organisation, and what accountabilities and responsibilities are placed upon them and other company office holders?

* Many NFP are also charities. The ACNC Governance Standards imposes similar requirements to the Corporations Act 2001 on these charities



Have All Directors Read, Understood & Appropriately Applied Your Organisation's Constitution?

- ◆ Q2: Have all directors read your organisation's constitution, know what each section means for the members, board, individual directors and your organisation, as well as operated in accordance with its requirements and those of the relevant Act?

[Organisation Name]
T250 – Example Constitution One

Boards/Committees/Chief Executive Officers must seek independent legal advice and should not develop the Constitution in isolation from legal advice.

Note: This generic Constitution is provided free of charge by the generosity of St Vincent DePaul (Victoria).

Legislation, Accreditation & Constitution Tools

1.3 **Payment by the Company in good faith**
Subject to article 6.5, article 1.2 does not prevent payment in good faith to an officer or Member, or to a firm of which an officer or Member is a partner

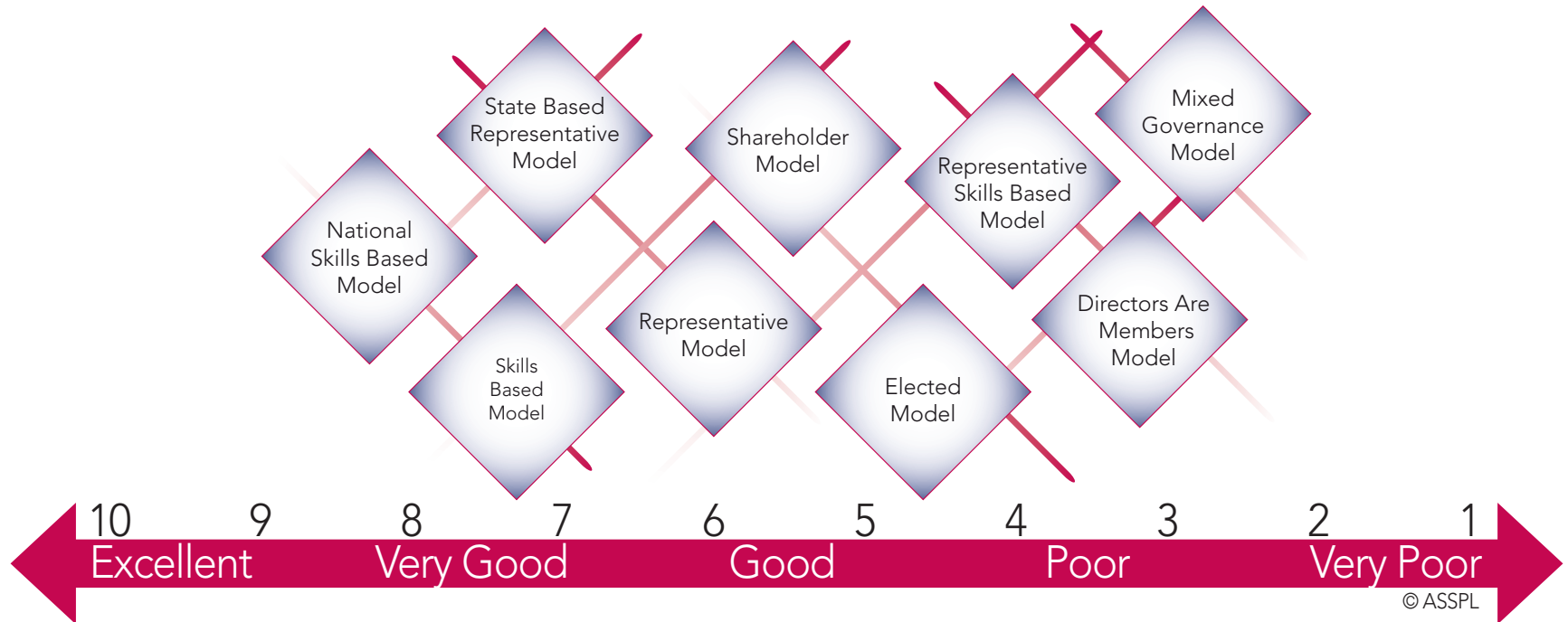
2.3 **Resignation**
A Member may by written notice to the Company resign their membership with immediate effect.

2.4 **Limited Liability**
The Members have no liability as Members except as set out in article 15.



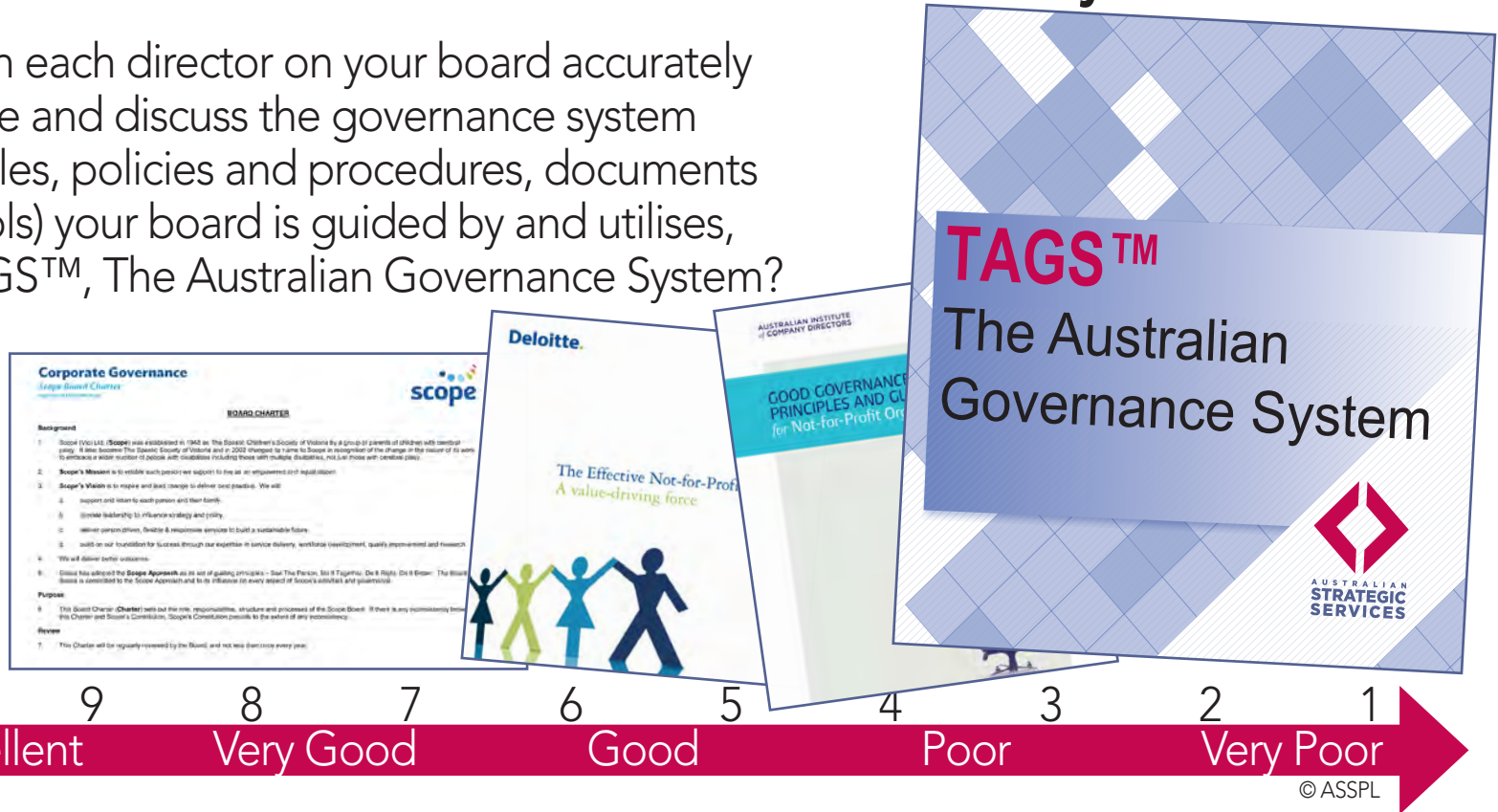
Can All Directors Describe Your Board's Governance Model?

- ◆ Q3: Can each director consistently describe and discuss the corporate governance model that your board is founded upon and how it operates?



Does Your Board Have & Use A Governance System?

- ◆ Q4: Can each director on your board accurately describe and discuss the governance system (principles, policies and procedures, documents and tools) your board is guided by and utilises, eg: TAGS™, The Australian Governance System?



Does Your Board Have & Operate Against Contemporary Corporate Governance Standards Or Principles?

- ◆ Q5: Can each director of your board present and discuss the corporate governance standards or principles (typically 6 – 8) by which they operate, in essence categorising the various governance policies and procedures that enact those standards or principles?

Principle Two

Governance Structures

Principle Two provides for a Board's Governance
A clearly defined governance structure provides for the effective working of a board including its committees and It also assists in defining the requirements of the various committee and taskforce positions, the relationships between various structures and positions, and the expected skills and knowledge of individual board, committee or taskforce who will work in those positions.

Principle Five

Governance Processes

Principle Five provides for Governance Processes

A contemporary Constitution and contemporary governance policies and procedures should enable the establishment of clear and rigorous governance processes that guide members, directors, the board, committees, taskforces and individuals holding key board positions to efficiently and effectively govern the organisation.

These clear and rigorous governance processes should, in part, enable the practical application of the organisation's governance system and be supported by the other associated governance policies, procedures and interrelated organisational processes.



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Does Your Board Have & Utilise Contemporary Governance Policies & Procedures?

- ◆ Q6: Does your board have a contemporary set of governance policies and procedures which are categorised against, and enact the governance standards or principles under which the board operates, eg: clinical governance?

Principle Six: Organisational Systems

Policy 1.6

Duty of Skill & Care

The board has a duty of skill and care to first and foremost the organisation and thereafter internal and external stakeholders, whether they are directly or indirectly associated with the organisation.

As part of the board's governance roles and responsibilities it is in the organisation's best interest for the board to act in the best interests of the organisation and thereafter the internal and external stakeholders.

Principle Five: Governance Processes

Policy 5.14

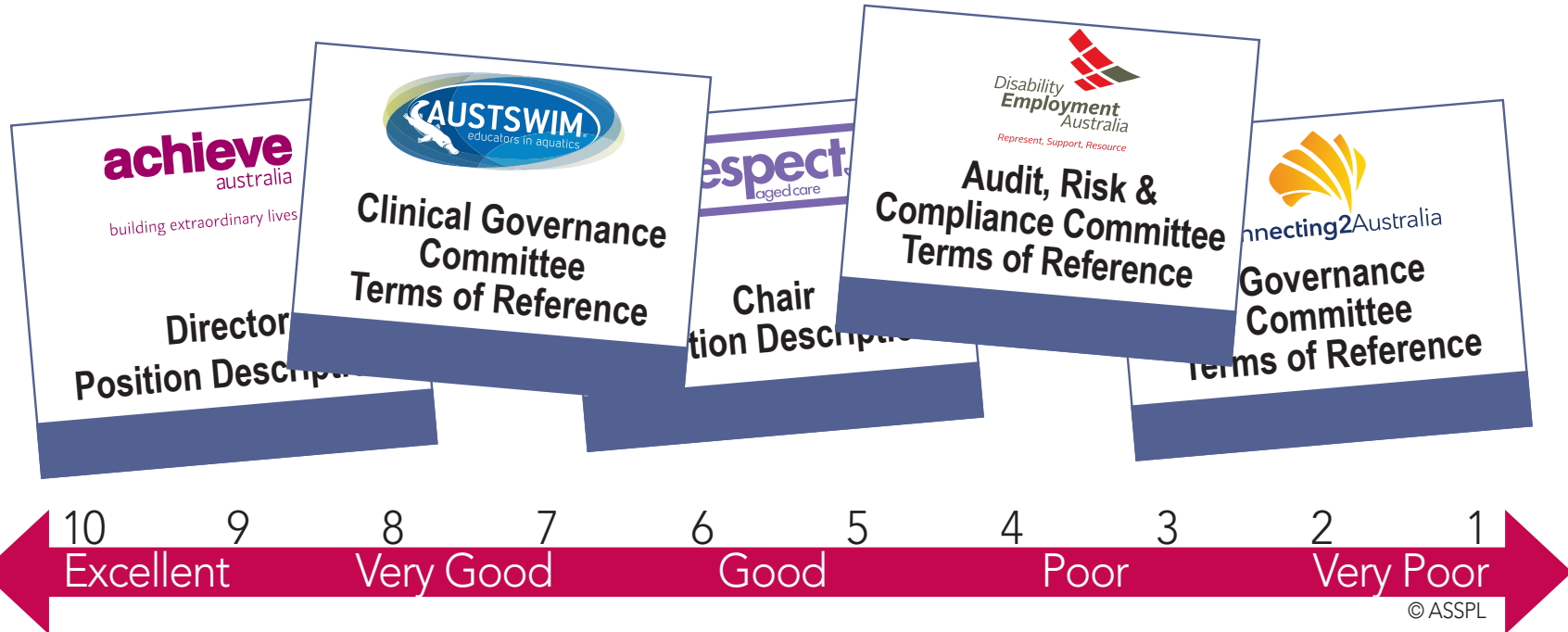
Clinical Governance Framework and Processes

Policy 5.14 Clinical Governance Framework and Processes made up of four policies; Policy 5.14.1 Clinical Governance Framework, Policy 5.14.2 Monitoring, Reviewing & Continuous Improvement of Clinical Care, Policy 5.14.3 Clinical Care Risk Management and Policy 5.14.4 Clinical Accreditation, Registration or Certification, thereafter the internal and external stakeholders.



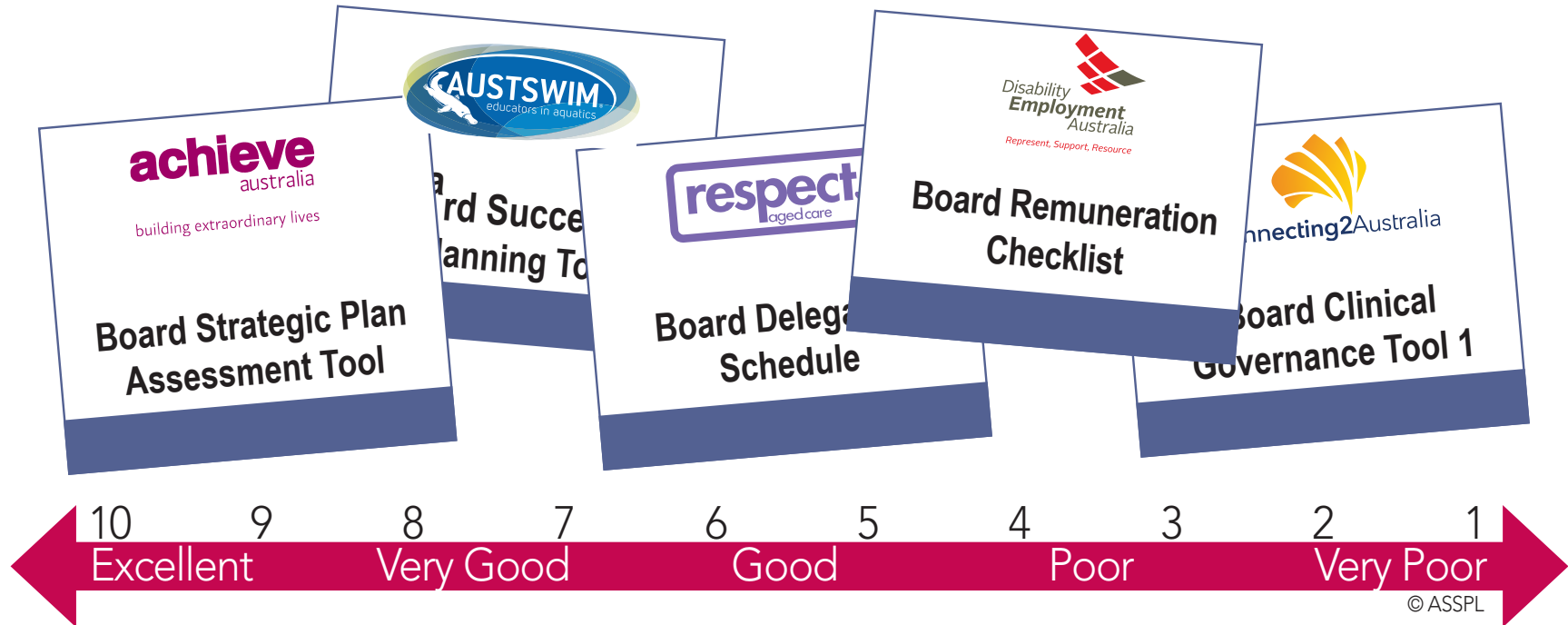
Does Your Board Have & Utilise A Range Of Governance Documents, Including Industry Specific Documents?

◆ Q7: Does your board have and use a range of governance documents, such as:



Does Your Board Have & Utilise A Range Of Governance Tools, Including Industry Specific Tools?

◆ Q8: Does your board have and use a range of governance tools, such as:



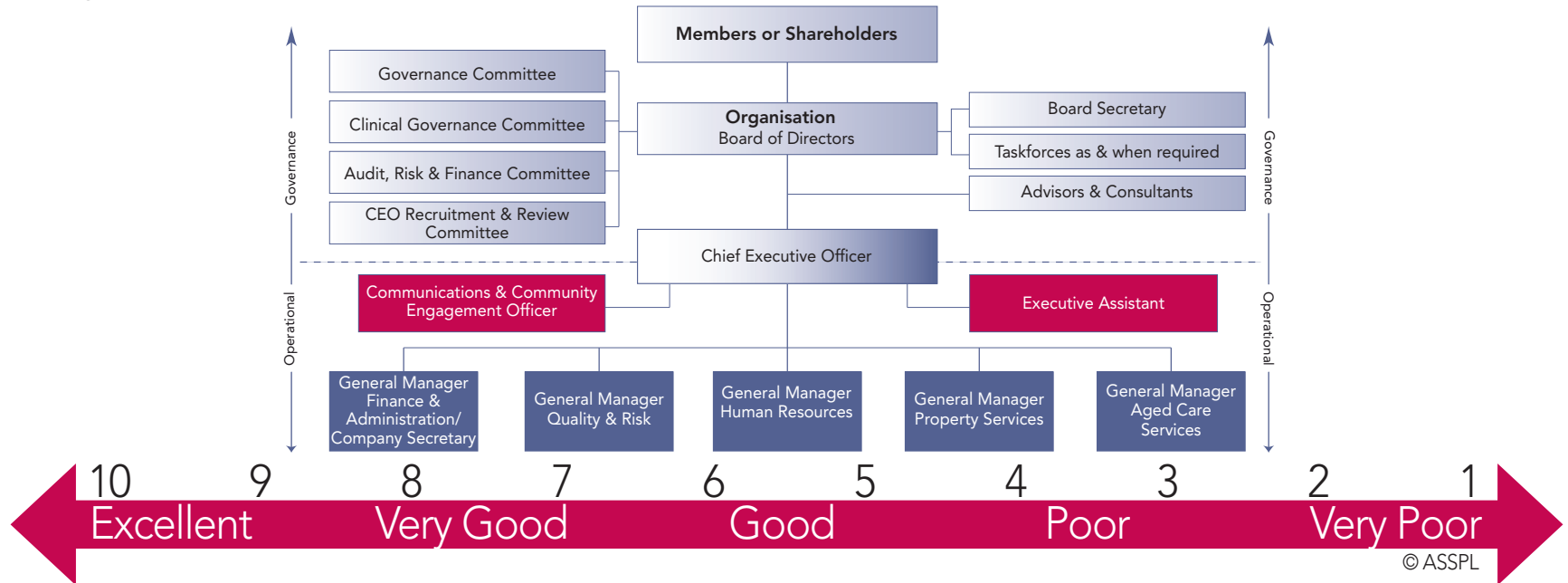
Does Your Board Currently Have & Use An e-Boardroom?

- ◆ Q9: Does your board have and use an e-boardroom, board portal, e-portal, a quality management system or similar software to collate, manage and distribute all of its various governance principles, policies and procedures, documents and tools, and board and committee agendas, minutes and reports?



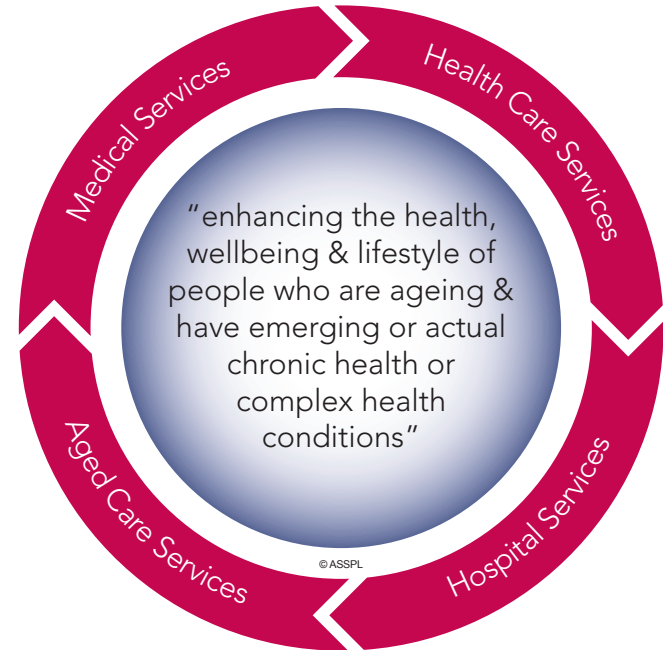
Does Your Board Have A Documented Governance Structure?

- ◆ Q10: Has your board established and documented its governance and organisational structure which portrays the board, its committees and taskforces together with various organisational components and inter-relationships?



Have Your Board, CEO & Executives Documented & Use A Core Business Statement?

- ◆ Q11: A core business statement is an organisation's raison d'être or reason for being...have your board, chief executive officer and executives discussed, determined and documented and consistently use a core business statement?
- ◆ **Note:** A core business statement is not a description of what services or products are managed or delivered.



Are The Board Positions & People Aligned To The Core Business?

- ◆ Q12: Are the board positions and directors' skills experience, knowledge and qualifications aligned to the organisation's core business statement?



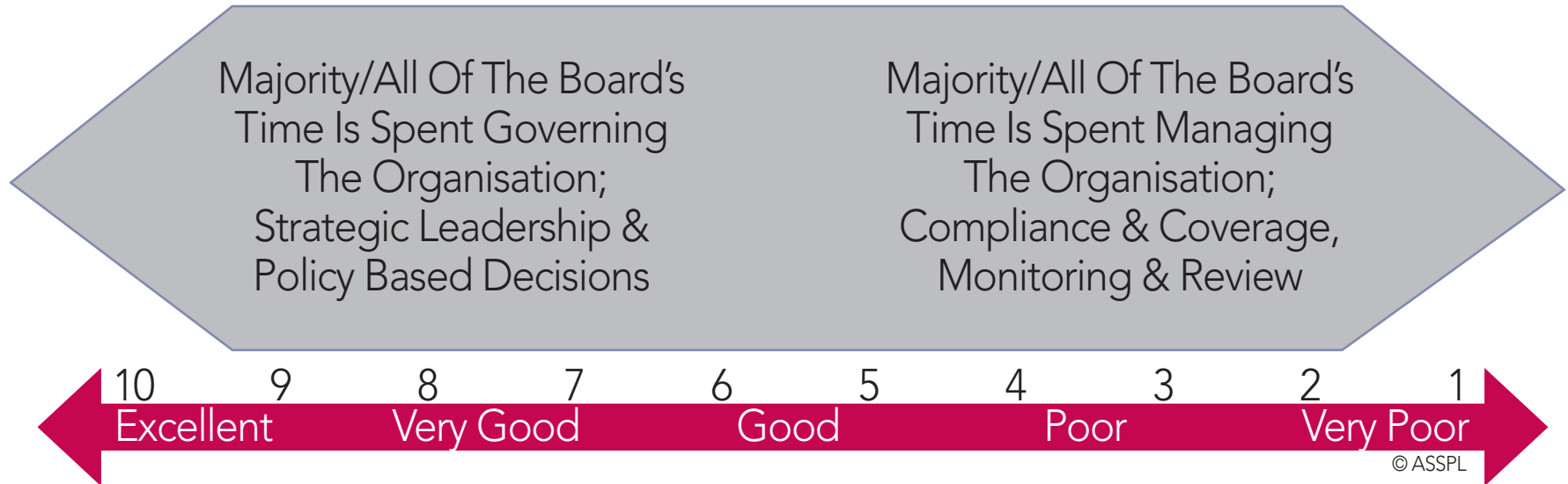
A Chair's Primary Role Is To Lead & Facilitate Strategic Thinking, Discussion & Decisions

- ◆ Q13: In all honesty, does your board's chair consistently and practically lead and facilitate the strategic thinking and discussion of directors, thereby ensuring informed and timely decisions are made, which in due course can be monitored?



Are Your Board's Agendas & Minutes, Information & Reports, As Well As Thinking, Discussions & Decisions Proactive or Reactive?

- ◆ Q14: Is your board governing your organisation, that is, 65%–75% of their time is proactive, focused on strategic leadership discussions and decisions, or 75%–85% of their time is focused in the business, not on the business?



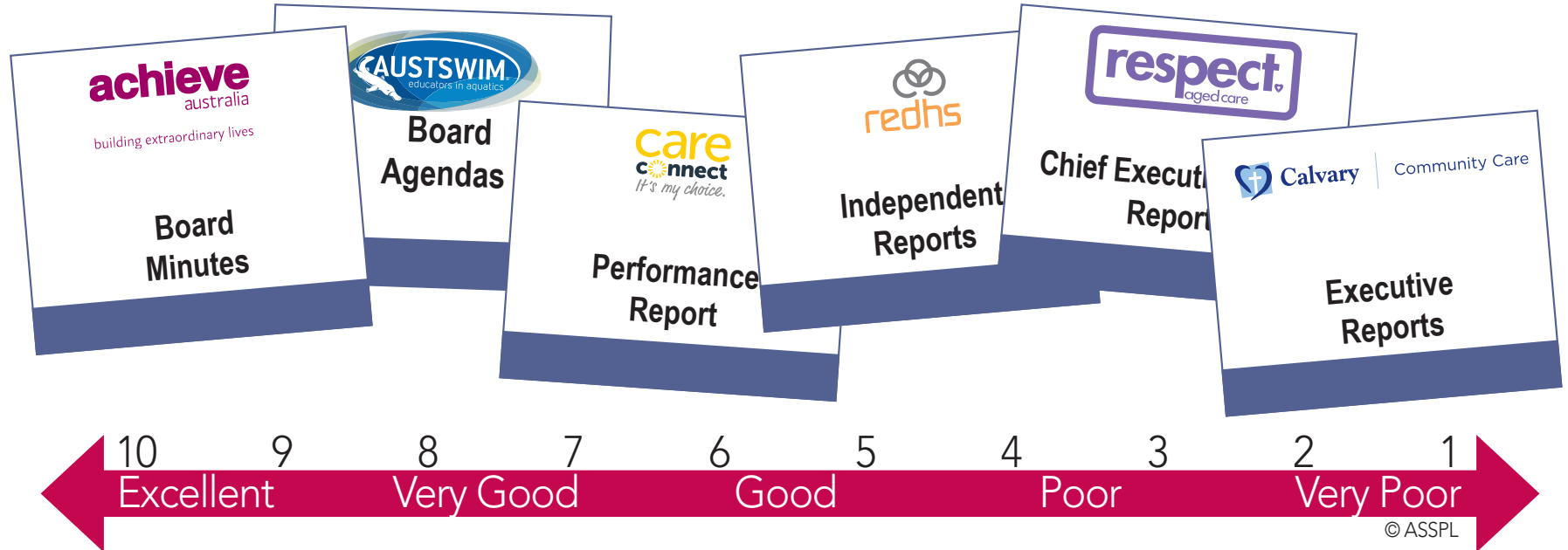
Your Board's Human Dynamics...How Does The Power, Politics & Personality Triangle Operate?

- ◆ Q15: Reflecting on each individual director and your board as a whole:
 - * what are the attitudes, behaviours and board practices really like, how would you rate them
 - * what is the intensity of power, politics and personalities, the human dynamics, in your board room and how would you rate them?



How Is Your Board's Organisational Understanding...The Quality, Objectivity & Validity Of Data & Information It Receives?

- ◆ Q16: How would you rate the quality, objectivity and validity of the data and information, the content of your board's minutes, reports and documentation?



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Does Each Director & The Board As A Whole Undertake A Variety Of Professional Development Activities?

◆ Q17: Does your board and/or each individual director annually undertake professional development activities, eg:

- * attend conferences
- * engage in webinars
- * undertake personal study
- * meet other boards
- * review reports?



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Do Your Directors Provide Tangible & Measurable Value & Benefit Or Are They Just Seat Warmers Or Cucumber Sandwich Eaters?

- ◆ Q18: In all honesty, does each individual director add tangible and measurable value and benefit to the board discussions and decisions...or are some directors just warming a seat or cucumber sandwich eaters who need to leave or be removed from the board?



Does Your Leadership Team (Board, CEO & Executives) Deliver The Intellectual Horsepower Your Organisation Requires?

- ◆ Q19: Does your board always meet with the chief executive officer, executives or managers, other than an odd "in camera meeting", thereby harnessing and delivering the full intellectual horsepower of all the organisation's leaders at industry, governance, organisational and service levels?



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If I Owned The Organisation, Who Would Be On The Board & Who Would Be Off The Board?

- ◆ Q20: If you personally owned the organisation and were the chair/ managing director, would you honestly dismiss existing and/ or bring on new, more dynamic informed and contributing directors...directors who would really engage and make a significant contribution to advance the strategy of the organisation?



Tally Time...Your Board's Score, Rating & Key Messages

Score

Rating

Key Messages

161 – 200

••• **Excellent**
Nil-Limited Risk

A very solid foundation to strategically capture ideas and innovations and develop strategy.

121 – 160

••• **Very Good**
Low Risk

Call to action, work required to avoid risks. Improvements need to be undertaken.

81 – 120

••• **Average**
Medium – High Risk

Medium – high probability of challenges. Significant strategic improvements required.

41 – 80

••• **Poor**
High-Extreme Risk

High probability of issues and risks. External assistance required ASAP.

1 – 40

••• **Shocking**
Extreme Risk

Extreme probability of serious events. External assistance urgently required.

★ For comprehensive board self assessment tools email aaron@asspl.com.au, 0400 996 331

Board Reflections, Actions & Resource Considerations

- ◆ Before moving onto Part Two: Strategically Assessing Your Organisation, what are the key reflections, practical actions and required resources that come to mind when one considers the ideas and improvements your board needs to make?



Board Reflections, Actions & Resource Considerations

Key Reflections

- ◆ Example: we only have a governance manual

Practical Actions

- ◆ Example: initiate a governance review

Required Resources

- ◆ Example: governance Strategic Advisor

Key Board & Governance Messages That I Need To Deliver

Key Board Governance Messages	To Whom	By When
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Message One:

Message Two:

Message Three:

Key Board & Governance Messages That I Need To Deliver

Key Board Governance Messages

To Whom

By When

Message Four:

Message Five:

Message Six:

[Organisation Logo]

[Organisation Name]

T260 – Governance Due Diligence Checklist (Two Part)

Governance System Review & Improvement Tools



Tool: T260 | Master Version 4.0 | Master Date: 6 October 2016
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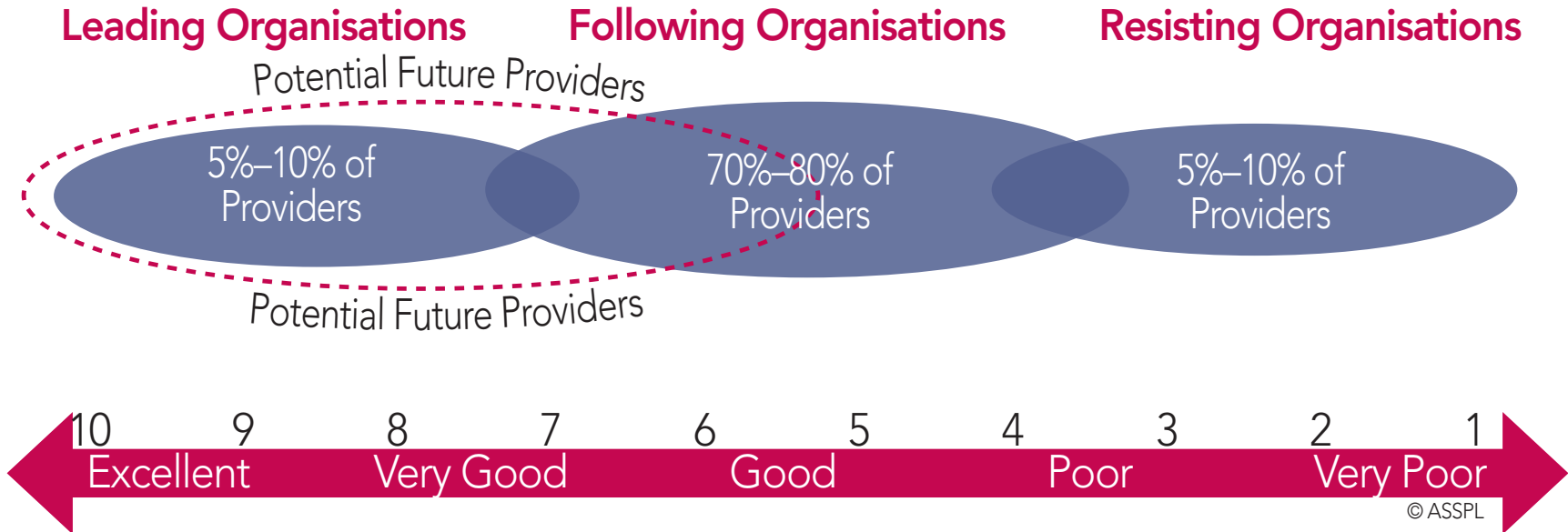
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Part Two: Strategically Assessing Your Organisation



Are You Governing, Leading Or Managing...A Leading, Following Or Resisting Organisation?

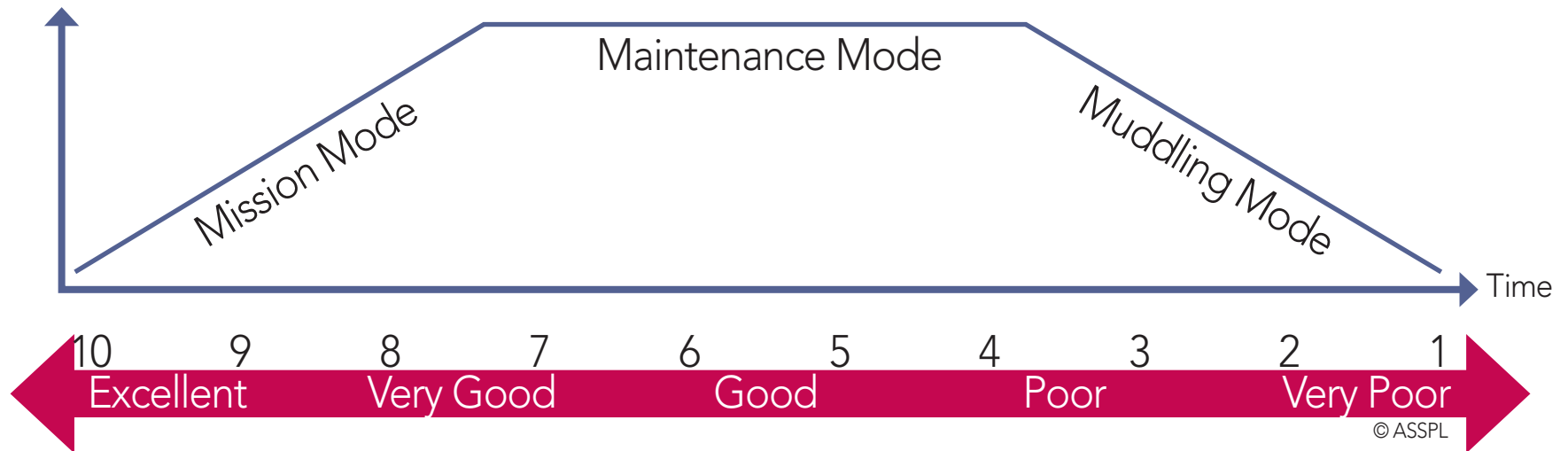
- ◆ Q1: Considering all organisational components, processes and results of your organisation...is it a leading, following or resisting organisation?



Is Your Organisation In Mission Mode, Maintenance Mode Or Muddling Mode?

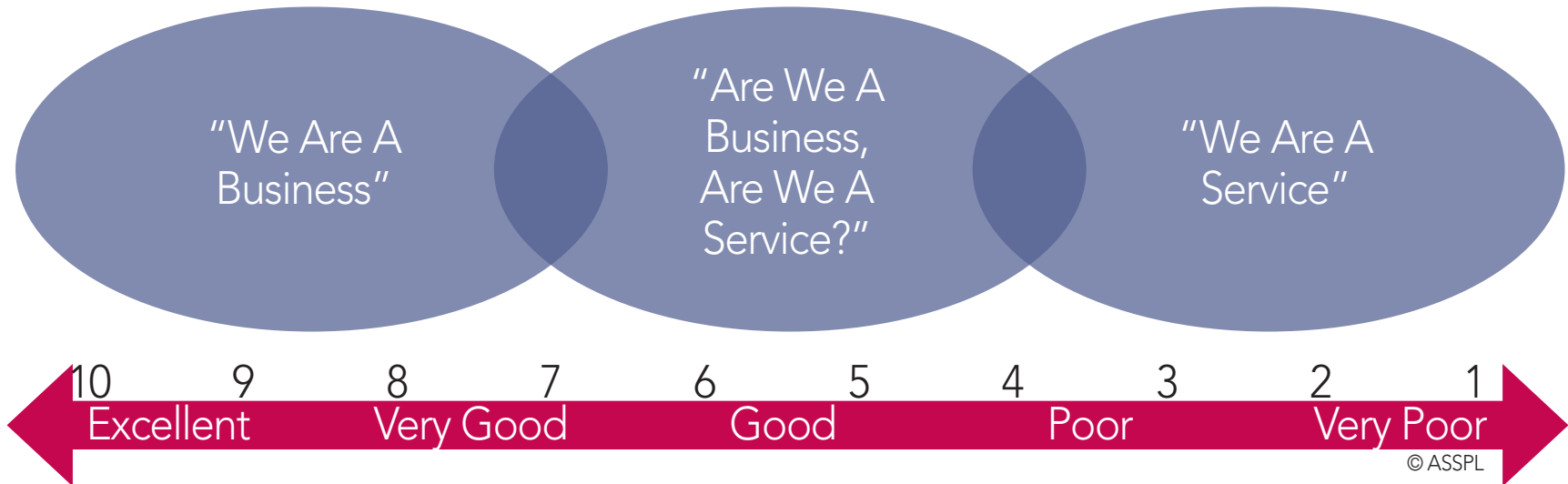
- ◆ Q2: Reflecting on the organisational strategy, structure, systems and service components of your organisation and how it is operating globally...is your organisation in mission mode, maintenance mode or muddling mode?

Strategic Position



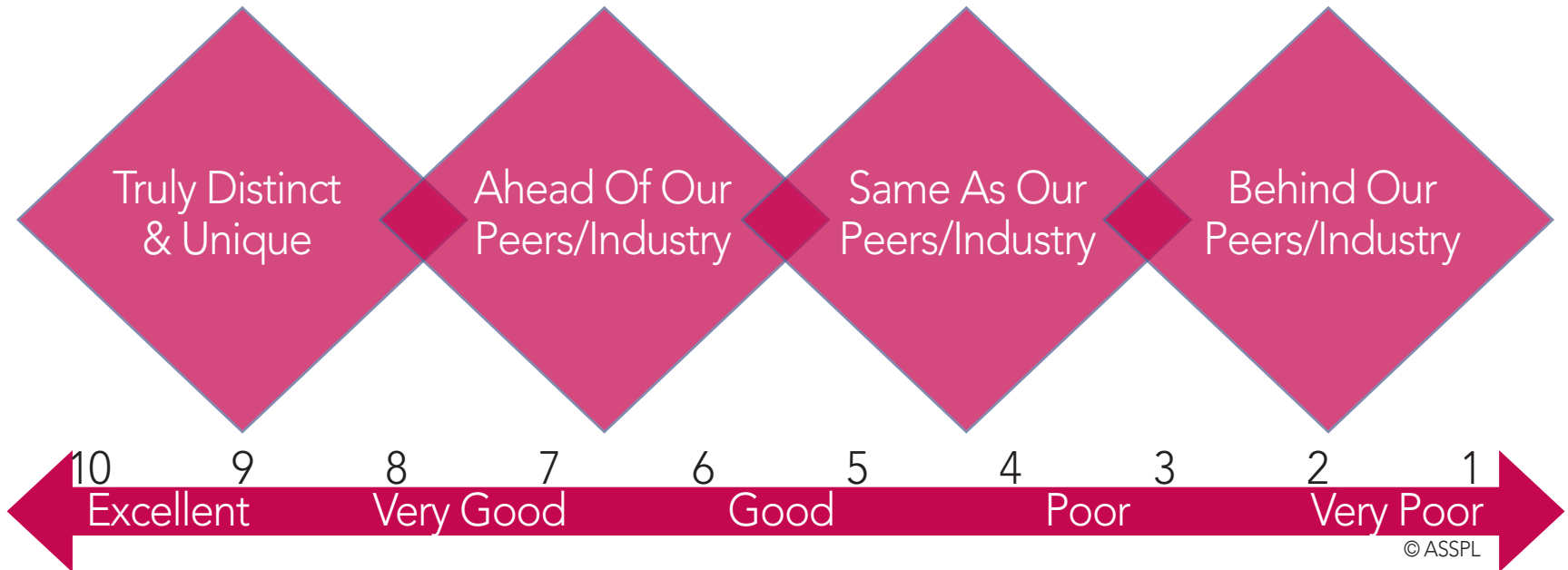
Where Is The Terminology, Mentality & Approach Of Your Organisation...In Business, Transitioning Or Service Mode?

- ◆ Q3: How do your board, chief executive officer, executives/managers and staff describe your organisation...“we are a business, therein operating an integrated set of services”, questioning, “are we a business, are we a service”, or “we are a service”?



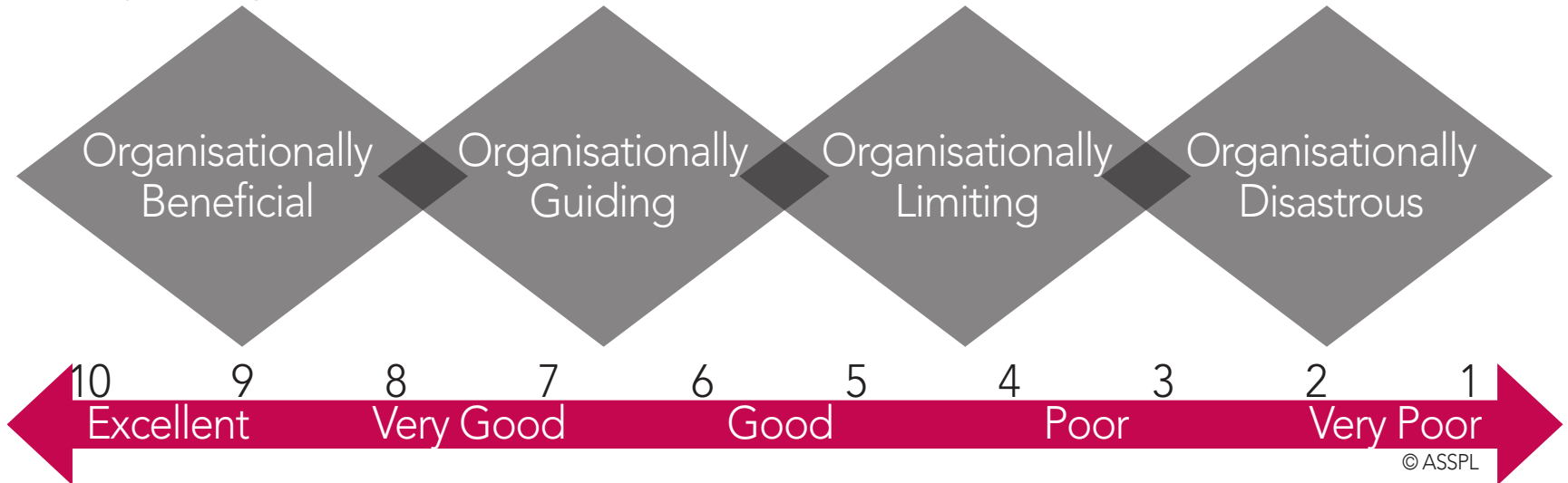
Where Does Your Organisation Sit On The Strategic Characteristics & Positioning Spectrum?

- ◆ Q4: Is your organisation truly distinct and unique, ahead of your peers/industry, the same as your peers/industry or behind your peers/industry?



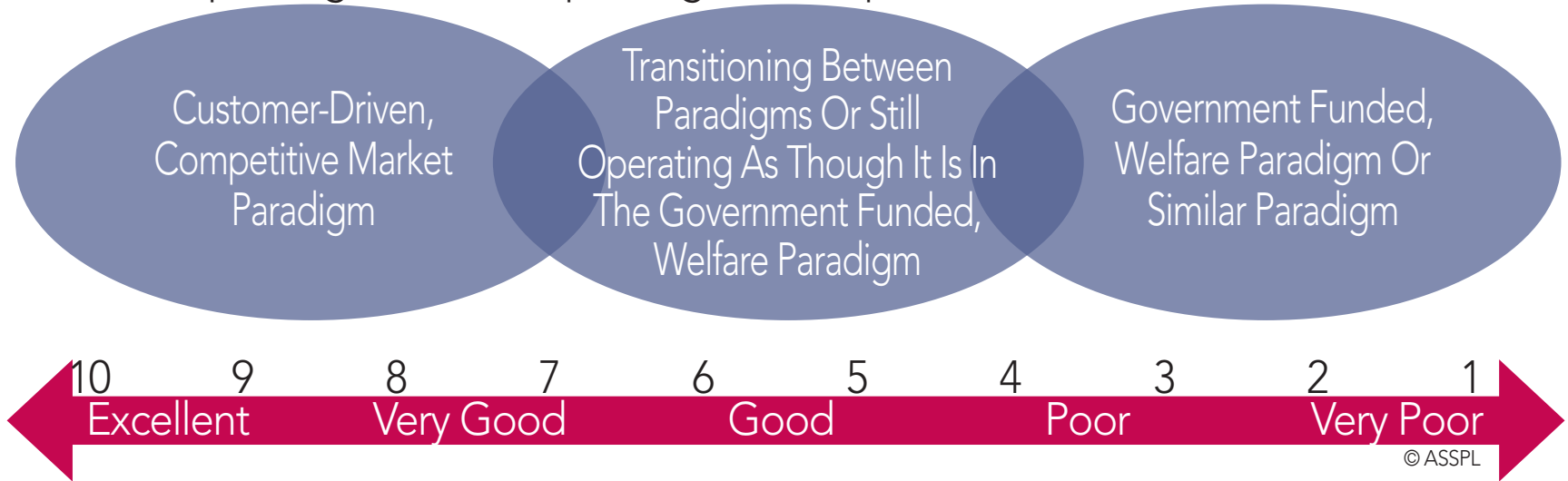
What Are The Impacts, Consequences & Outcomes Of Your Board's, CEO's & Exec's Attitudes, Behaviours & Work Practices?

- ◆ Q5: Reflecting on your board's, chief executive officer's and executives' strategic focus and discipline, along with the rigour and robustness of the strategy, what are the impacts, consequences and outcomes of their attitudes, behaviours and work practices on your organisation?



Compared To The Emerging Industry Paradigm, In What Paradigm Is Your Organisation Operating?

- ◆ Q6: Compared to your emerging industry's paradigm, in what paradigm is your organisation operating...is it operating in the customer-driven, competitive paradigm, transitioning between paradigms or still in the government-funded welfare paradigm or similar paradigm of the past?



What Is The Reality & Status Of Your Organisation's Strategy, Structure, Systems & Services?

- ◆ Q7: Thinking about your organisation's strategy, structure, systems and services, does your organisation have either excellent Strategy, excellent Structure, excellent Systems and excellent Services or any combination of the aforementioned?



A Reality Check, Where Are Your Organisation's Finances Really At & What Do The Financial Trends Tell You?

- ◆ Q8: Considering your organisation's financial position, results and trends over recent years and last year...how would you rate your organisation's cash flow, profit and loss and balance sheet position at this point in time?



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Reflecting On Your Organisation's Growth & Development, What Are The Results Of This Strategy?

- ◆ Q9: In spite of customer demand, the number of industry/sector organisations continues to consolidate as new providers continue to enter the market...so what is your organisation's strategy today and what are the results?



In A Nutshell, How Would You Describe Or Characterise Your Organisation & Its Service/Business Model?

- ◆ Q10: A traditional organisation and its service/business model cannot operate or succeed in the new, customer-driven, competitive market paradigm in the mid – long-term...therefore how would you describe or characterise your organisation?

A Wearable Device...



A Mobile Device...



A Mobile Phone...



A Bag Phone...



A Red Telephone Box



10

9

8

7

6

5

4

3

2

1

Excellent

Very Good

Good

Poor

Very Poor

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Tally Time...Your Organisation's Score, Rating & Key Messages

Score

Rating

Key Messages

81 – 100

••• **Excellent**
Nil-Limited Risk

A solid foundation to continue your organisation's journey of strategic transformation and growth.

61 – 80

••• **Very Good**
Low Risk

Call to action, work required to avoid risk. Improvements need to be undertaken.

41 – 60

••• **Average**
Medium – High Risk

Medium-high probability of challenges. Significant strategic improvements required.

21 – 40

••• **Poor**
High-Extreme Risk

High probability of organisational demise. External assistance required ASAP.

1 – 20

••• **Shocking**
Extreme Risk

Extreme probability of organisational collapse. Immediate external assistance required.

Organisational Reflections, Actions & Resource Considerations

- ◆ Before moving onto Part Three: Strategically Assessing Your Services, what are the key reflections, practical actions and required resources that come to mind when one considers the ideas and improvements your leaders need to make?



Organisational Reflections, Actions & Resource Considerations

Key Reflections

- ◆ Example: our organisation is in maintenance mode.

Practical Actions

- ◆ Example: hold a strategic planning day with the board, chief executive officer and executives.

Required Resources

- ◆ Example: external facilitator required.

Key Organisational & Leadership Messages

Key Organisational & Leadership Messages

To Whom

By When

Message One:

Message Two:

Message Three:

Key Organisational & Leadership Messages

Key Organisational & Leadership Messages

To Whom

By When

Message Four:

Message Five:

Message Six:

[Organisation Logo]

[Organisation Name]

Strategy Stress Test Tool Part One (T439)

This tool has been developed by Australian Strategic Services based on the article titled "Have you tested your strategy lately?" published in the McKinsey Quarterly 2015. See Part Two for a copy of this article.



Tool: T439 | Master Version 4.1 | Master Date: 14 February 2019
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Version: **[insert]**
Date: **[insert]**
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T414 – The Organisational Comparison Tool... How Do We Compare Against Our Competitors & The Market?

Board Strategic Planning Tools



Tool: T414 | Master Version 5.0 | Master Date: 10 December 2019
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Part Three: Strategically Assessing Your Services



Do Your Vision, Mission, Values, Philosophy & Core Business Statements Create An Organisational Platform For Staff Attitudes, Behaviours & Work Practices?

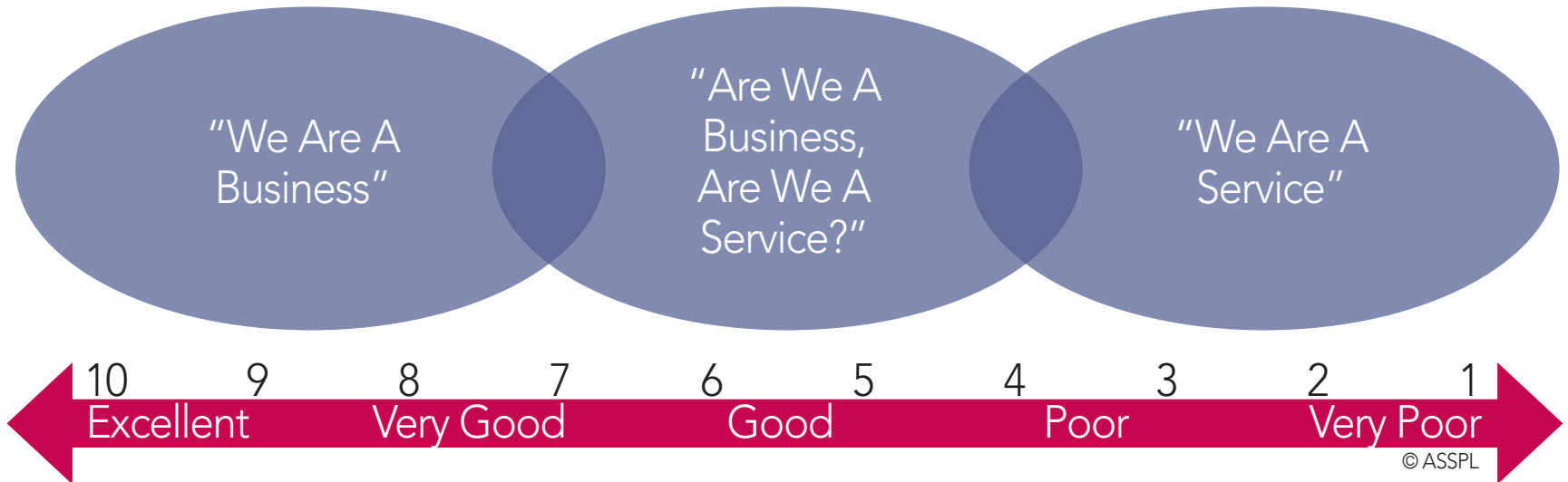
- ◆ Q1: Thinking about the emerging customer-driven, competitive marketplace in which your services operate, does your organisation have truly relevant, unique and aligned vision, mission, values, philosophy and core business statements that provide an organisational platform for the creation of appropriate attitudes, behaviours and work practices?



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What Is The Staff's Current Philosophy & Concepts, Mentality & Approach, How Do They Describe The Organisation?

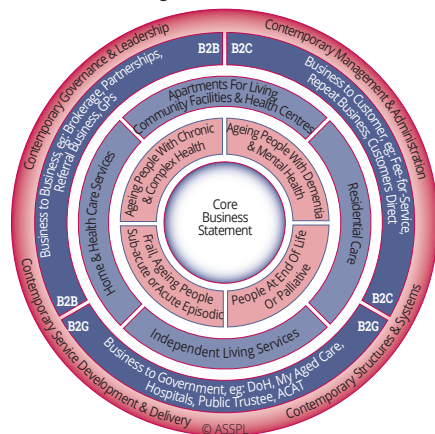
- ◆ Q2: Reflecting on staff's (whether full time, part time or casual) current philosophy and concepts or mentality and approach to service delivery, how would they characterise and describe the organisation and its service or various services?



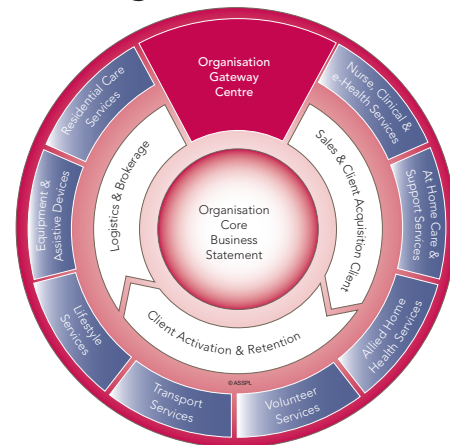
Today, Is Your Organisation's Service/Business Model Unchanged, Transitioning Or Different From Yesterday?

- ◆ Q3: Reflecting on your organisation's emerging or planned service/business model, compared to the current service/business model, in all honesty is there a significant difference, has today's service/business model really been re-engineered?

Our
Service/
Business
Model
Tomorrow

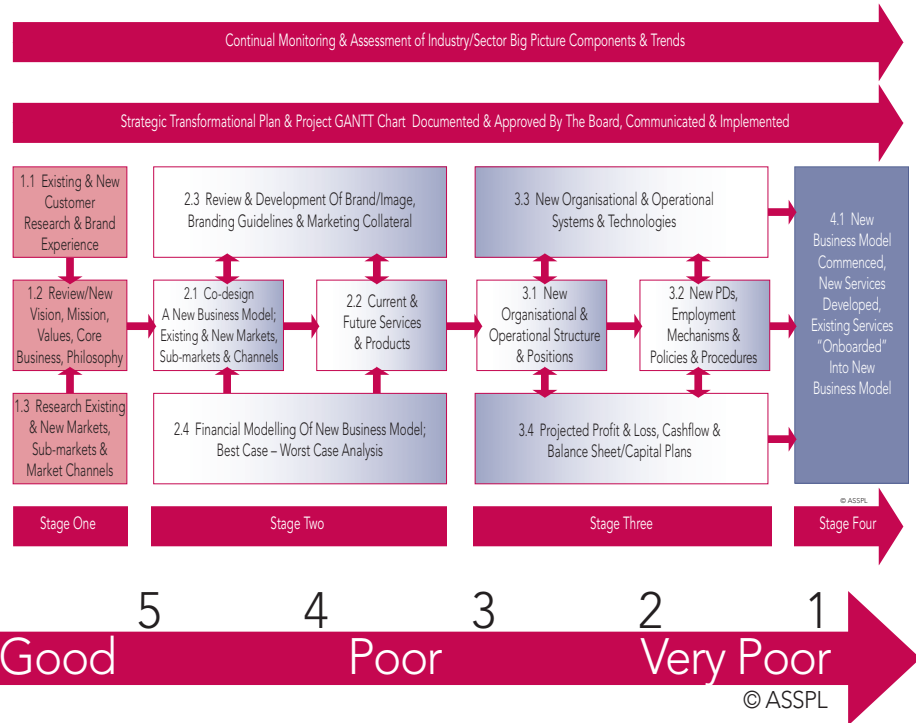


Our
Service/
Business
Model
Today



Have Your Board, CEO & Execs Seriously Committed To A Strategic Organisational/Service Transformation Project?

- ◆ Q4: Given many industries/sectors and organisations are now focused on customer choice and control and operating in a competitive, dynamic, customer-driven marketplace, has your board, chief executive officer, executives/managers seriously committed to and resourced a project to transform your organisation, re-engineer your service/business model and reinvent your culture?



How Seriously Have Your Current & Potential Customers Been Engaged & Educated About Your Existing/New Services?

- ◆ Q5: How seriously and thoroughly has your organisation engaged and educated your current or potential customers and their associated stakeholders about customer choice and control (CDC) and the service options and pathways available to them, including other external providers?



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What Has Been The Level & Intensity Of Customer & Staff Service Co-design, As Well As Customer & Market Research?

- ◆ Q6: To what level and intensity have current and potential customers and staff been engaged in the co-design of existing services or new services (or products) and how rigorously have customer categories and market or sub-market categories been researched and analysed?



Do Staff Deliver Services To Specifications, At An Agreed Price & To Pre-determined Standards?

- ◆ Q7: For an ever increasing number of human service or similar organisations (eg: NDIS, Home Care etc) the core business or reason for being is ultimately focused on “co-designing and/or delivering individual or customised services to required specifications, at an agreed price and to pre-determined standards”. Where are your staff at in their understanding and practical application of this statement?



Are Leaders' Heads (Business) & Hearts (Services) Connected & Integrated, In Essence Commercially Driven?

◆ Q8: How commercial are your organisation's executives, managers, coordinators and or team/leaders:

- * highly commercial
- * commercial
- * transitioning to a commercial mentality and approach
- * not commercial at all?



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Does Your Organisation, Therein Its Service/s Essentially Rely On "One Banker", That Is One Funder/Revenue Stream?

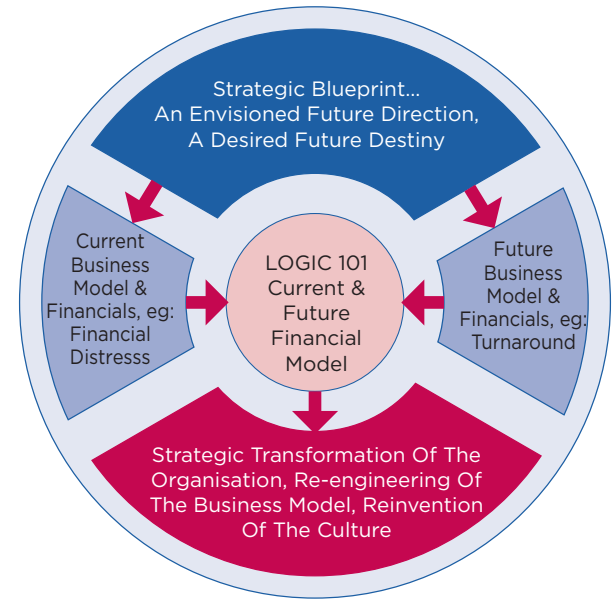
- ◆ Q9: Reflecting on your various services and their associated funding/revenue stream is your organisation essentially reliant on "one banker", such as the Commonwealth government or are there multi-services, multi-markets, multi-customer categories and multi-revenue streams, eg: government revenue, fee for service, private health insurance, private companies, brokerage fees, private income etc?



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Yesterday's Money, Today's Money...Today's Money, Tomorrow's Money, Is The Strategy Aligned To A Financial Model?

- ◆ Q10: No doubt your organisation has a financial management system, which accounts for "yesterday's money and today's money", but does your organisation have a robust financial model accounting for "today's money and tomorrow's money", integrating cashflow, profit and loss and balance sheets against industry or organisational KPIs and benchmarks as well as financially based strategic scenarios?



Tally Time...Your Service's Score, Rating & Key Messages

Score

Rating

Key Messages

81 – 100

••• **Excellent**
Nil-Limited Risk

A solid foundation to continue your organisation's service growth and development.

61 – 80

••• **Very Good**
Low Risk

Call to action, work required to avoid risk. Improvements need to be undertaken.

41 – 60

••• **Average**
Medium – High Risk

Medium-high probability of service challenges. Significant strategic improvements required.

21 – 40

••• **Poor**
High-Extreme Risk

High probability of organisational service demise. External assistance required ASAP.

1 – 20

••• **Shocking**
Extreme Risk

Extreme probability of organisational and service collapse. Immediate external assistance required.

Service Reflections, Actions & Resource Considerations

- ◆ Before moving onto Part Four: Big Picture Industry/Sector Considerations, what are the key reflections, practical actions and required resources that come to mind when one considers the ideas and improvements your organisation needs to make to its services?



Service Reflections, Actions & Resource Considerations

Key Reflections

- ◆ Example: our staff culture is focused on past ways and days.

Practical Actions

- ◆ Example: staff development and change is required.

Required Resources

- ◆ Example: obtain new leaders and new managers

Key Service & Management Messages

Key Service & Management Messages

To Whom

By When

Message One:

Message Two:

Message Three:

Key Service & Management Messages

Key Service & Management Messages

To Whom

By When

Message Four:

Message Five:

Message Six:

[Organisation Logo]

[Organisation Name]

Current Business Model Tool (T466)



Tool T466 | Master Version 2 | Master Date: 29 August 2019
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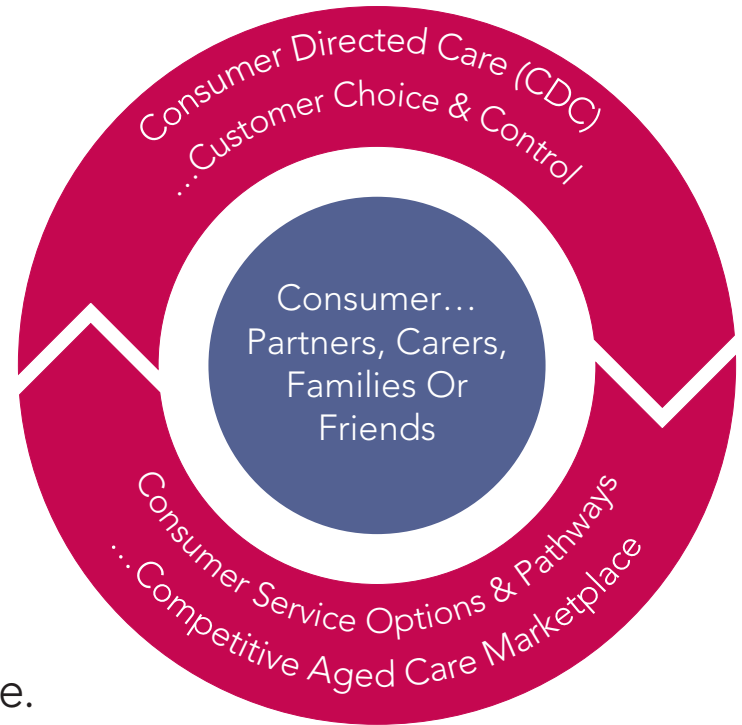
Part Four: Big Picture Industry/Sector Considerations In Strategically Assessing Your Board, Your Organisation & Your Services



Consideration 1: Your Industry's Government Reforms & Policies

- ◆ It is essential that directors, chief executive officers and managers understand their respective State and/or Commonwealth government reforms and policies that underpin their industry's/sector's strategic transformational journey.
- ◆ An example being the adjacent model, therein the two principles that underpin State/Commonwealth government reforms and policies for aged care and NDIS:
 - * Consumer Directed Care (CDC)...the creation of full consumer choice and control
 - * Consumer Service Options & Pathways... the establishment of a competitive marketplace.

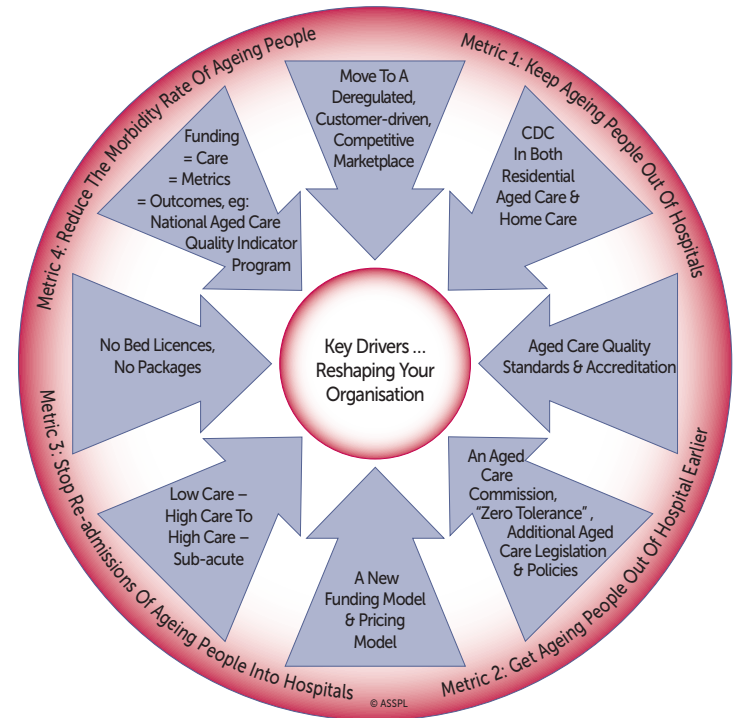
Example Principles Model



Consideration 2: Your Industry's Key Drivers, The Reshapers

- ◆ Each industry/sector has a number of key drivers, that is reforms, policies, initiatives or similar mechanisms that create:
 - * 70%–80% of all strategic, organisational or service responses by your board, chief executive officer and executives
 - * a reshaping of your industry/sector
 - * unique challenges, yet significant opportunities and options
 - * typically, but not always industry consolidation
 - * new strategies or projects within an organisation's strategic plan or a new strategic plan.

Example Aged Care Key Drivers

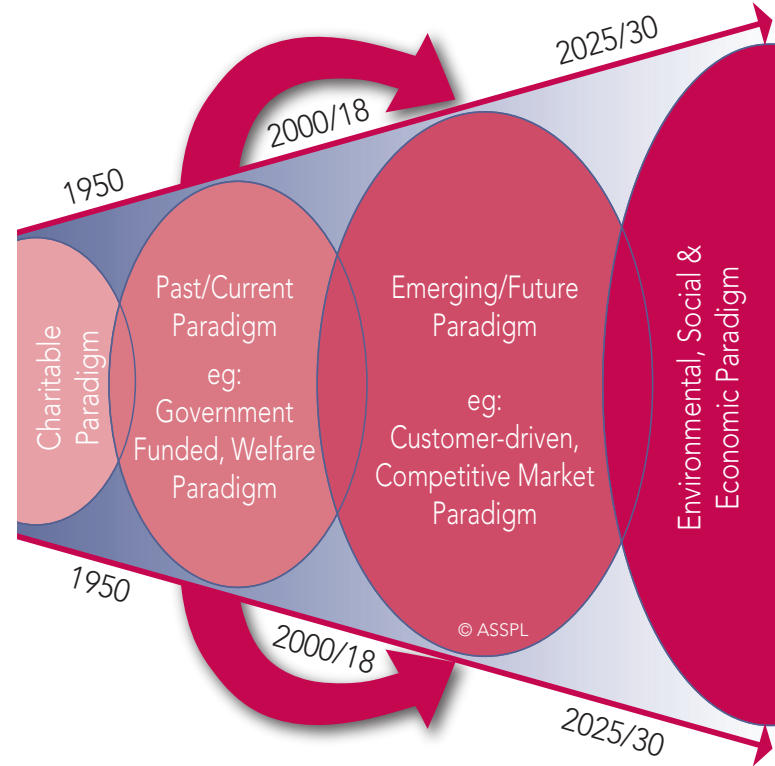


Consideration 3: The Continuing Customer & Market Journey

◆ The Journey Continues...

Boards, chief executive officers and executives need to consistently and stridently lead their organisation into the customer-driven, competitive market paradigm...

"a transformational journey needs to be undertaken"



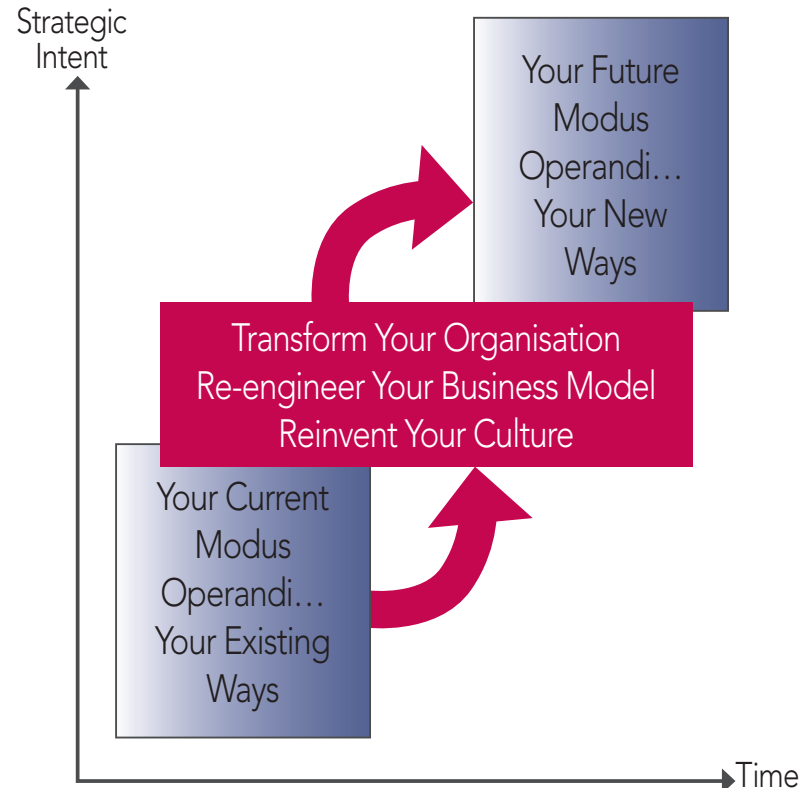
Consideration 4: Transitional Leadership Transforms Organisations

◆ Transform Your Culture, Reinvent Your Organisation

Only transformational leadership from boards, chief executive officers and executives will ensure:

- * the transformation of their organisation
- * the re-engineering of their business model, therein its strategy, structure, systems and services
- * the reinvention of their culture...

"transformational leadership, supports the organisation, the business and the people journey"



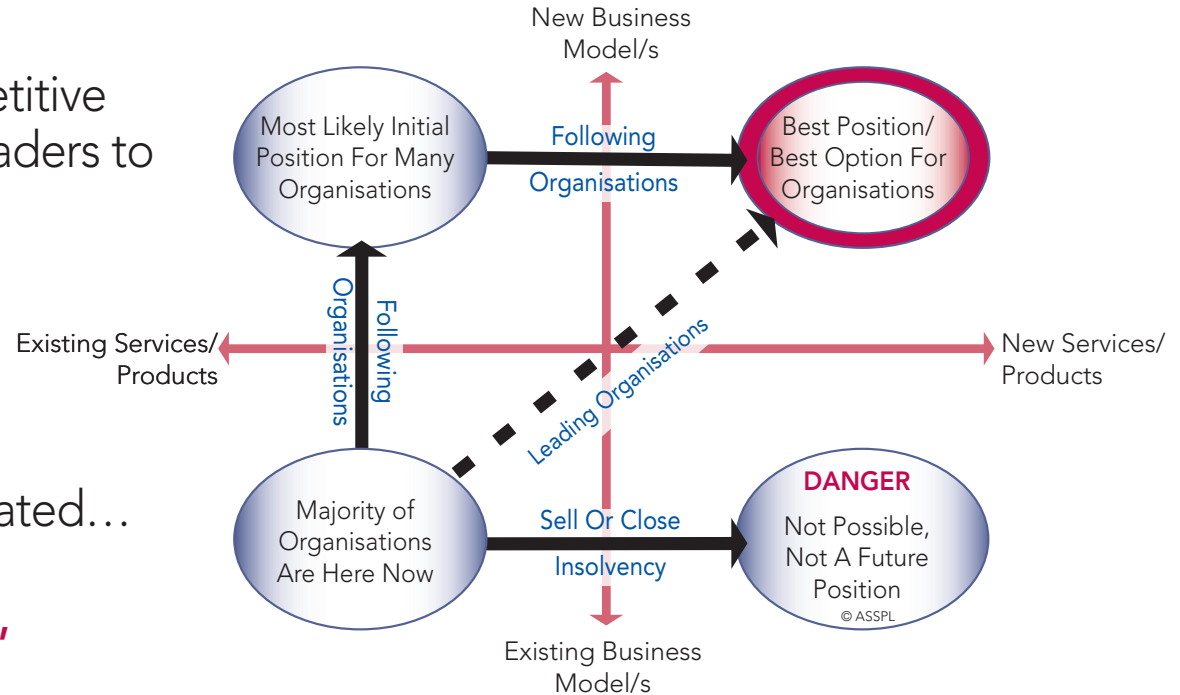
Consideration 5: Two Ways To A New Business Model

◆ A New Paradigm Demands A New Business Model

The customer-driven, competitive marketplace has required leaders to adopt customer, retail and commercial principles and practices.

In so doing a new business model is critical...no ifs, buts or excuses can be tolerated...

**"co-design a unique,
innovative, new business model"**



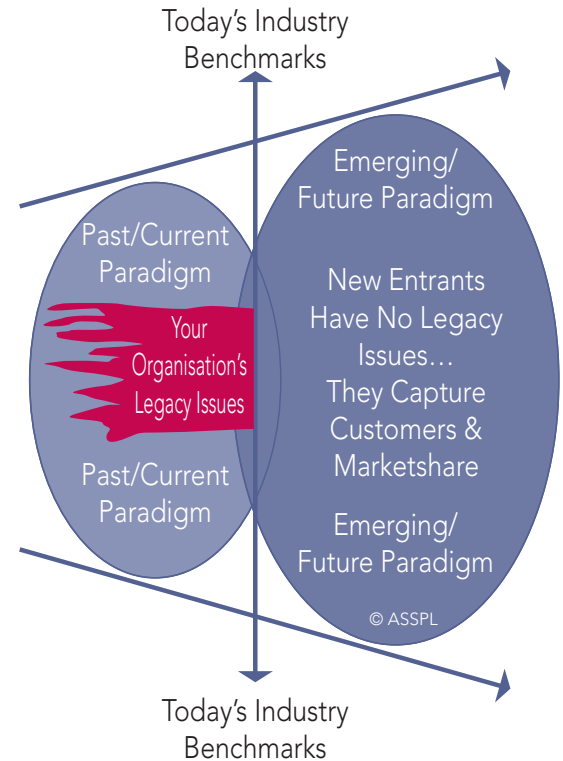
Consideration 6: Legacy Issues Are Boat Anchors

◆ Dealing With Legacy Issues Means Lost Time, More People & More \$ Over & Above The Budget

The majority of not for profit organisations were perfectly adapted to their past industry paradigm; consequently many directors, chief executive officers and executives have limited experience of customer, commercial and market realities.

Consequently many organisations have legacy issues. These will require significant time, human and financial resources just to meet today's industry benchmarks...

"new entrants to the marketplace have no legacy issues, all of their time & resources are expended on capturing customers & marketshare"



Consideration 7: The Double Challenge For Leaders

◆ Working On Today's Business, Developing Tomorrow's Business

Consideration Seven means that boards, chief executive officers and executives need to take on two jobs:

- * leading and managing today's business
- * researching and creating tomorrow's business.

To successfully do both of these jobs at once requires:

- * a board mandate for transformation based on solid insights into the future
- * transformational leadership from the board, chief executive officer and executives
- * additional human and financial resources
- * different strategies for tomorrow's business from today's business...

"work on the new business, not just in the existing business"

Consideration 8: The Real Financial Challenges

◆ Funding The Unfundable, Funding The Future

Delivering services where a customer is assessed against set pricing/revenue is a challenge for all human service organisations, eg: customers will be assessed and funded for a plan and its implementation, costs over and above this funding will not be covered.

Therefore, either individualised or customised services are delivered to individuals/groups:

- * within an agreed price
- * in a predetermined timeframe
- * to a defined standard.

However, for either unfunded customers, or funded customers who are not funded for all of the services they require, the real dilemma will be how organisations fund the unfundable services they required and/or how they fund the organisation's future strategies and projects.

“funding unfundable services or the organisation's future requires service and business focus and discipline”

Consideration 9: The Realities of Customers & Cashflow

◆ Customer is King, Cashflow is Queen

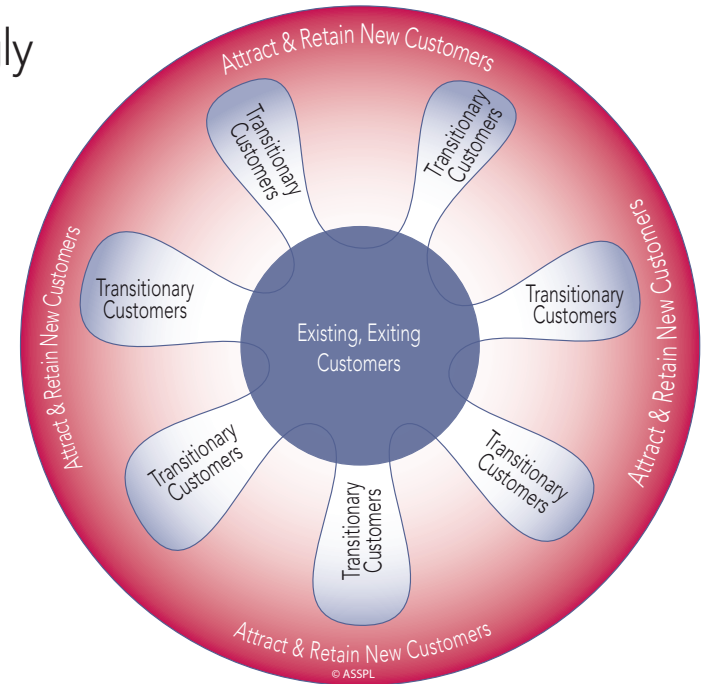
All directors, chief executive officers and executives either have become, are becoming or will increasingly become acutely aware of three customer types:

- * existing or exiting customers
- * transitioning customers
- * new customers.

◆ These three customer types will create a whirlpool of:

- * customer flow rates and numbers
- * customer mixes and types
- * customer value cashflows.

“customer is king, cashflow is queen”



Consideration 10: Address The Issues, Deliver Solutions

◆ Boards, CEOs & Executives, Reinvent & Regroup Yourselfs

Reinventing yourself is a challenge, but the real challenges for individual leaders are:

- * putting the difficult issues on the table, honestly and concisely
- * being prepared to objectively discuss and address these strategic, organisational and operational issues...

“transformational leadership requires bold discussions & brave decisions”



Part Five: Tools, Articles & Resources



Tools To Re-engineer Your Business Model, Transform Your Culture, Reinvent Your Organisation

The following tools can be provided to you by email:

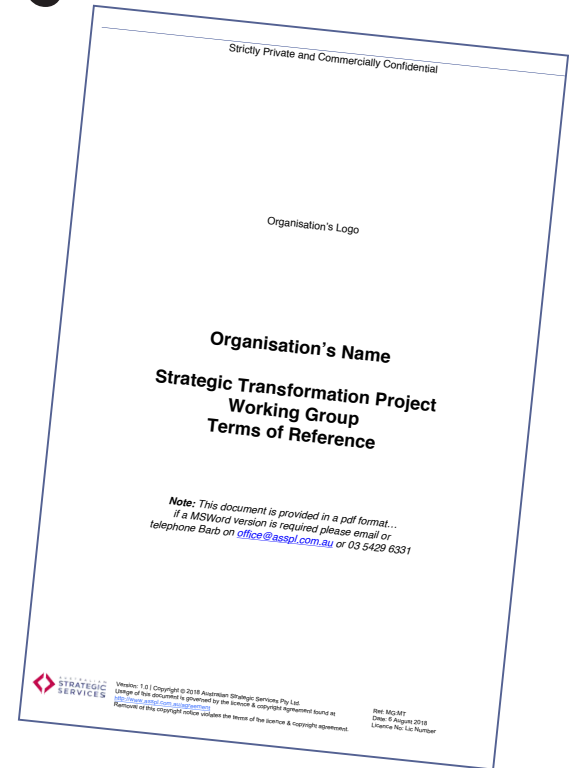
- ◆ *Achievements, Disappointments & Ideas Tool*
- ◆ *Current & Future Business Model Tool*
- ◆ *Governance Due Diligence Checklist Tool (Two Part)*
- ◆ *Strategic Transformation Project Implementation Tool*
- ◆ *The Board/Executive Comparison Tool...How Do We Compare Against Our Peers & The Market?*



Tools To Re-engineer Your Business Model, Transform Your Culture, Reinvent Your Organisation

The following tools can be provided to you by email (con't):

- ◆ *Strategic Transformation Project Action List*
- ◆ *Strategic Transformation Project Contact List*
- ◆ *Strategic Transformation Project GANTT Chart*
- ◆ *Strategic Transformation Project Status Report*
- ◆ *Strategic Transformation Project Working Group Terms of Reference*
- ◆ *Stress Test Tool (Part 1 & Part 2)*
- ◆ *Systems Review Tool*



What Resources Are Available?

- ◆ TAGS™, The Australian Governance System:
An overview of TAGS™: <http://asspl.com.au/solution/australian-governance-system/>
- ◆ The TAGS™ Presentation: <http://asspl.com.au/presentation/tags-the-australian-governance-system-the-four-steps-to-boards-governing-managers-managing/>
- ◆ Winning hearts and minds in the 21st century: <http://www.mckinsey.com/business-functions/organization/our-insights/winning-hearts-and-minds-in-the-21st-century>
- ◆ Transformation with a capital T: <http://www.mckinsey.com/business-functions/mckinsey-recovery-and-transformation-services/our-insights/transformation-with-a-capital-t>

What Resources Are Available?

- ◆ The role of the chief transformation officer: <http://www.mckinsey.com/business-functions/mckinsey-recovery-and-transformation-services/our-insights/the-role-of-the-chief-transformation-officer>
- ◆ The expanding role of design in creating an end-to-end customer experience: <http://www.mckinsey.com/business-functions/operations/our-insights/the-expanding-role-of-design-in-creating-an-end-to-end-customer-experience>
- ◆ The CEO's role in leading transformation: <http://www.mckinsey.com/business-functions/organization/our-insights/the-ceos-role-in-leading-transformation>
- ◆ Reorganization without tears: <http://www.mckinsey.com/business-functions/organization/our-insights/reorganization-without-tears>

What Resources Are Available?

- ◆ How to start building your next-generation operating model: <http://www.mckinsey.com/business-functions/digital-mckinsey/our-insights/how-to-start-building-your-next-generation-operating-model>
- ◆ Disrupt or Be Disrupted...The Six Leadership Challenges of the New Customer-Driven Competitive Marketplace: <http://betterboards.net/leadership/disrupt-disruptedthe-leadership-challenges-customerdriven-competitive-marketplace/>
- ◆ Disrupting beliefs: A new approach to business-model innovation: <http://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/disrupting-beliefs-a-new-approach-to-business-model-innovation>
- ◆ Customer-Centric Governance... Customer is King, Cashflow is Queen: <https://betterboards.net/governance/customer-centric-governance/>

What Resources Are Available?

- ◆ Strategy...The Key Domain of Directors, Chief Executive Officers & Senior Managers
- ◆ Disrupt or Be Disrupted...The Six Leadership Challenges of the New Customer-Driven Competitive Marketplace
- ◆ Adaptive Governance...Transformational Leadership
- ◆ Customer-Centric Governance...
Customer is King, Cashflow is Queen

*Articles available from Australian
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Further Information

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