

Vision21 Strategic Framework (**V21SF**)

Executive Briefing

V21SF – Strategic Logic Diagram

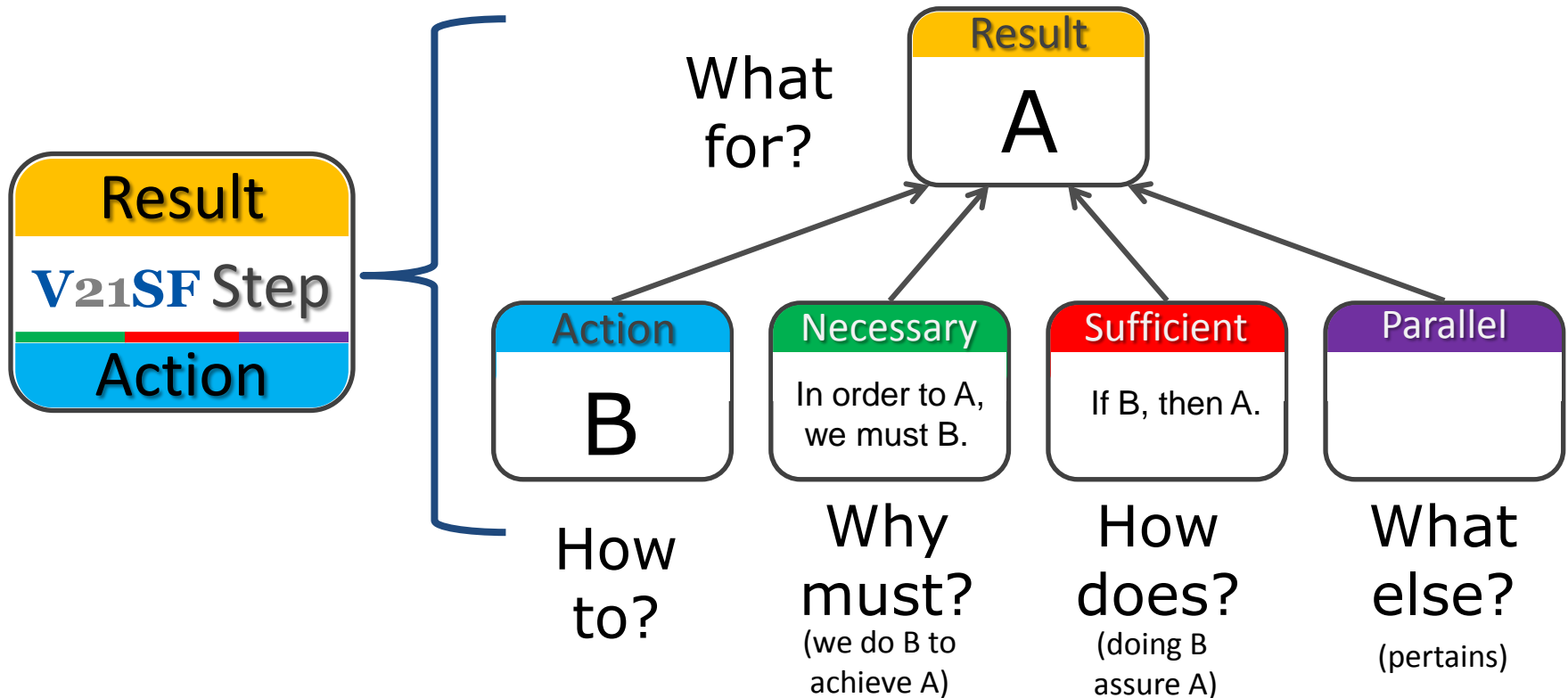
- **V21SF** organizes and presents all of the required actions and results of any strategy.
- **V21SF** uses “Steps” as building blocks. Each Step comprises one “Result” and one “Action” to achieve that Step’s Result.
- **V21SF** logic facilitates the formulation and validation of each Step.

V21SF – Step Composition



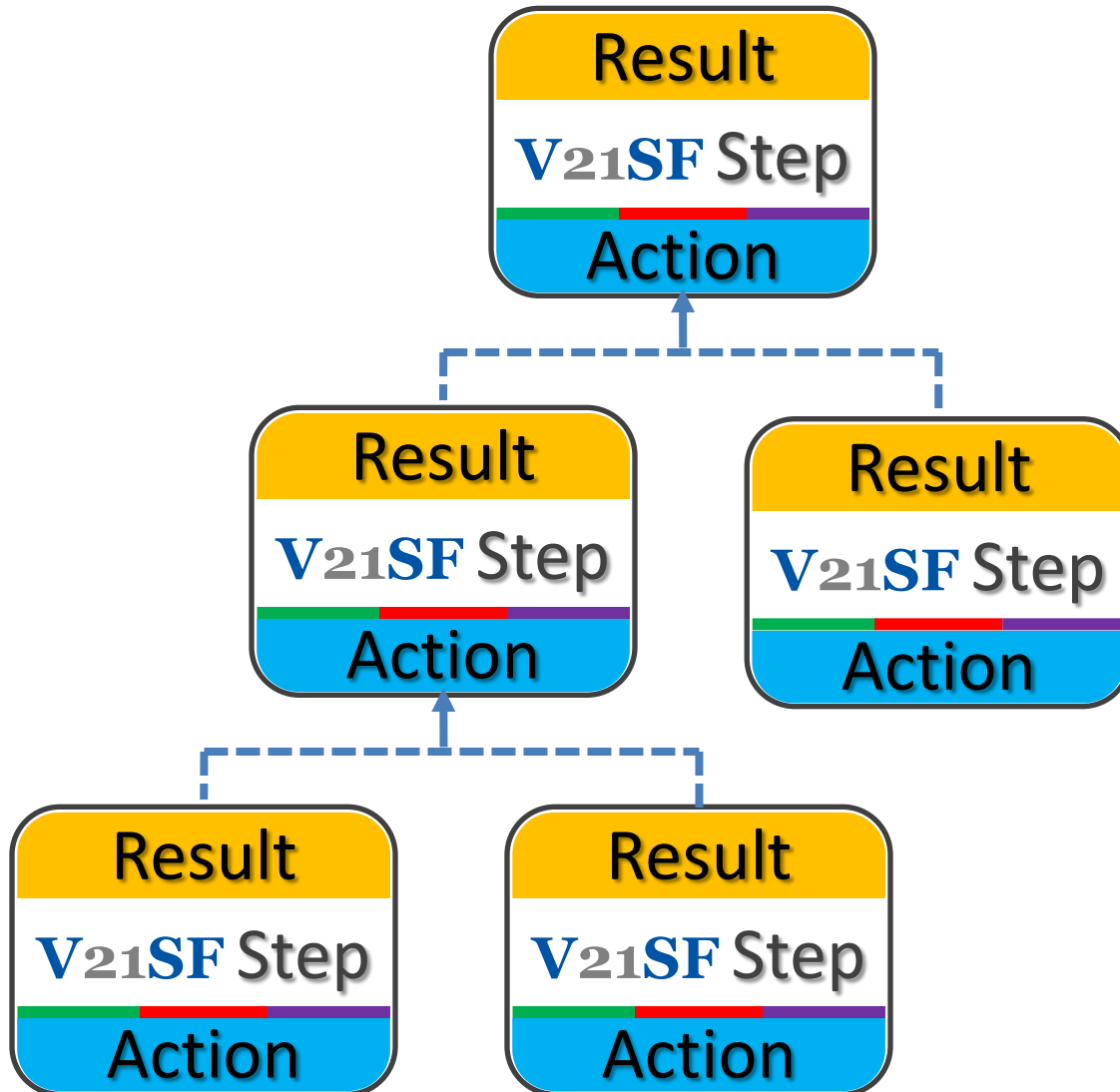
A **V21SF** Step pairs a **Result** with an **Action** which is both **necessary** and **sufficient** to achieve that Result. Visually, the green band depicts the necessity condition and the red band depicts the sufficiency condition. The purple band represents the parallel assumption(s) that underwrite success – i.e. Action achieves Result, as intended.

V21SF – Step Composition



When complete, each **V21SF** Step stands on its own, as a fully validated means to achieve a particular Result, with all of the associated facts and logic fully available for inspection.

V21SF – Step Connections

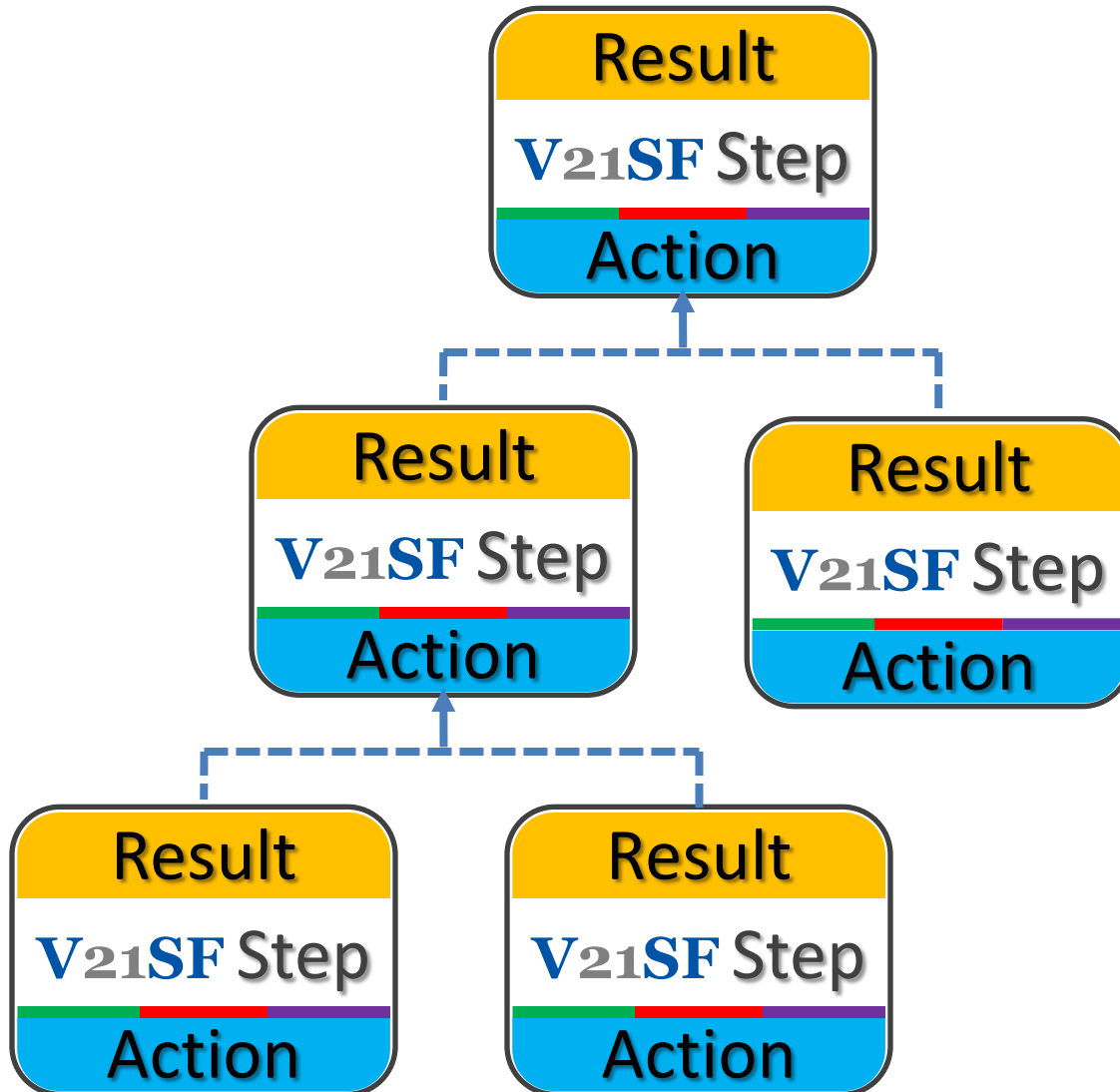


A **V21SF** dashed line indicates the necessity of lower tier Steps to the next higher tier Step. A solid arrow shows the collective sufficiency of the lower Steps to the next higher tier Step.

There is no limit on the number of necessary Steps which may be needed to satisfy the sufficiency condition.

A **V21SF** logic diagram always connects all of the Steps of any strategy in exactly this way.

V21SF – Step Connections

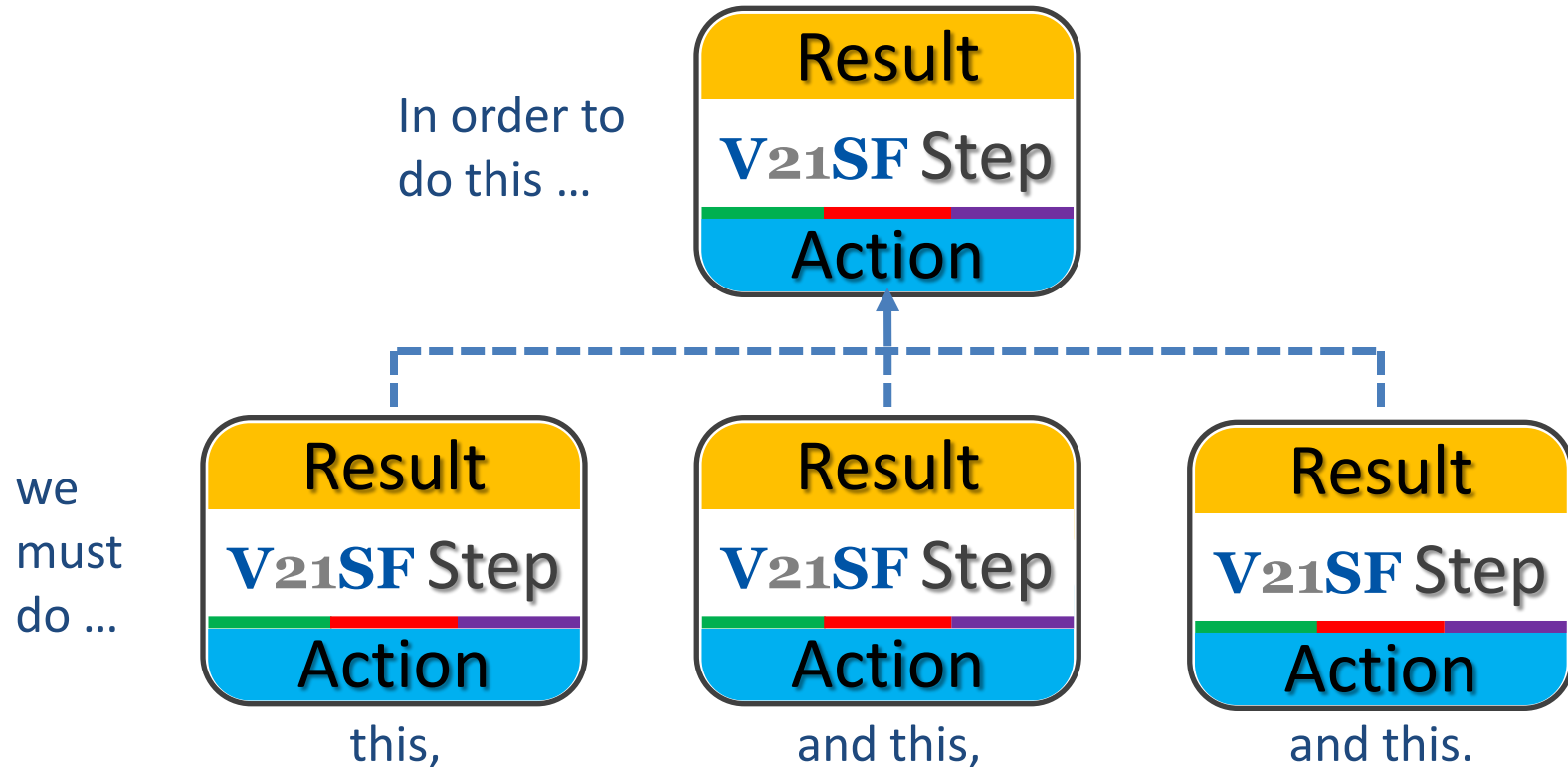


V21SF Step connections flow upward toward the ultimate enterprise Result (goal or strategic objective).

Step connections also cascade downward into increasing levels of detail that communicate the enterprise strategy and attest to its validity.

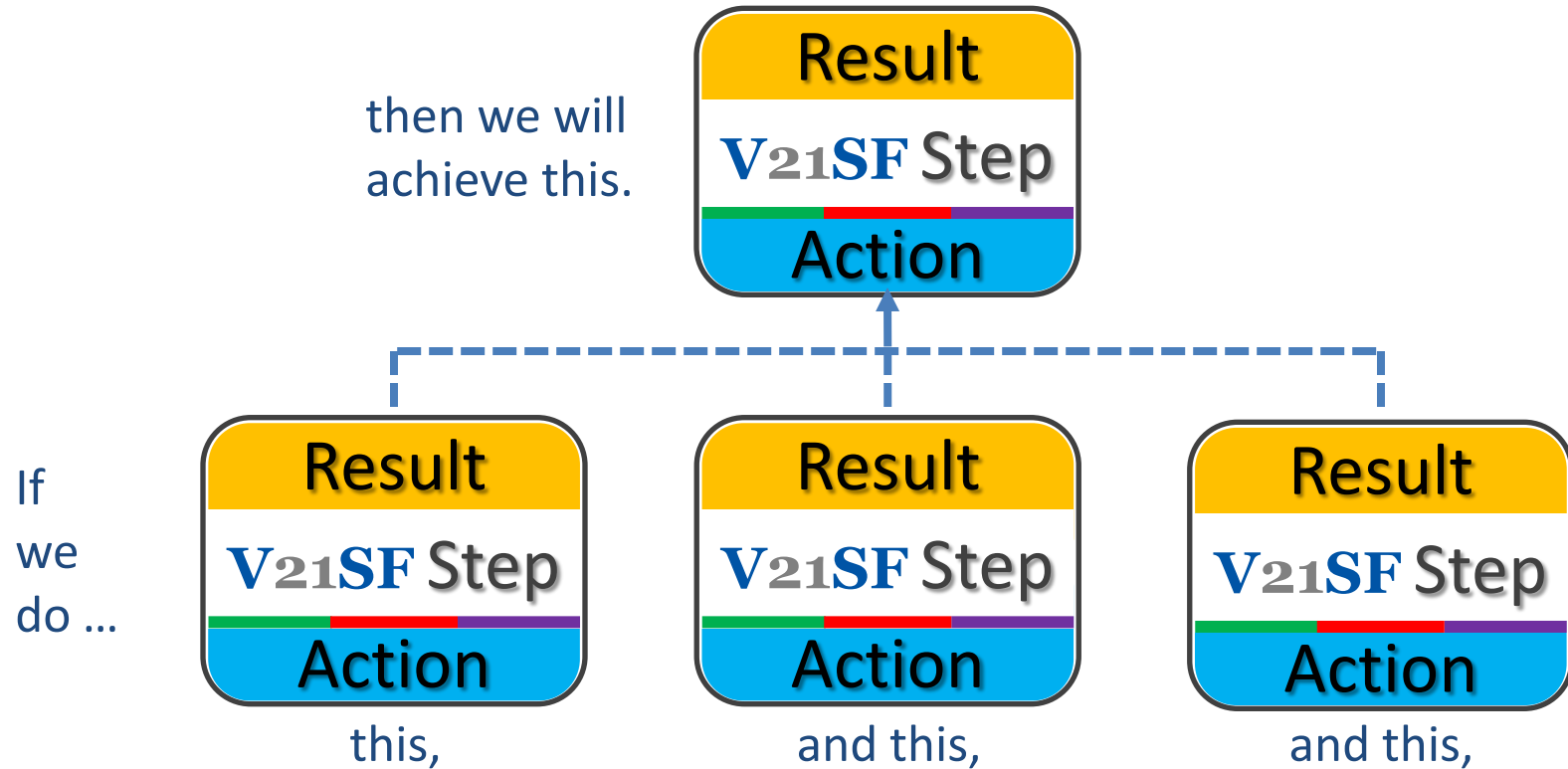
The connection paths clearly show how lower tier Steps contribute to achieving the enterprise goal (i.e. line of sight).

V21SF – Step Connections



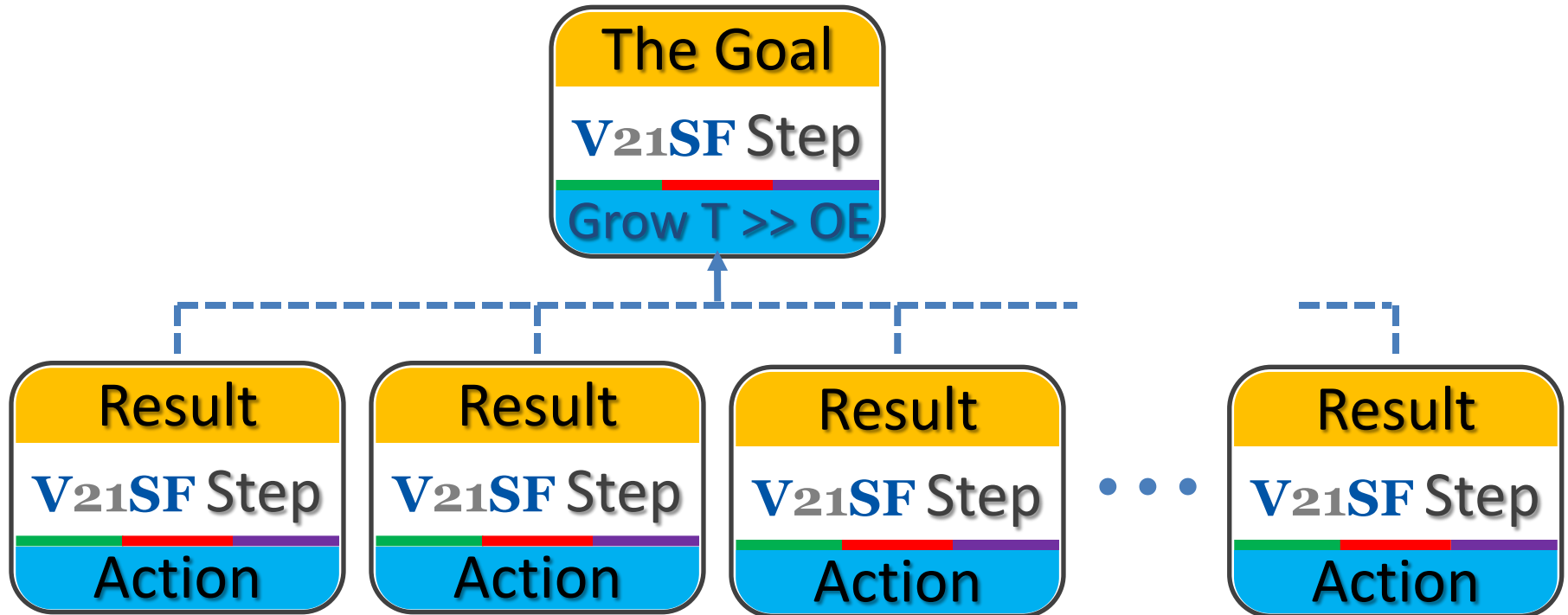
V21SF logic diagrams make it easy to verbalize **necessity** conditions.

V21SF – Step Connections



V21SF logic diagrams make it easy to verbalize **sufficiency** conditions.

V21SF – One System, One Goal



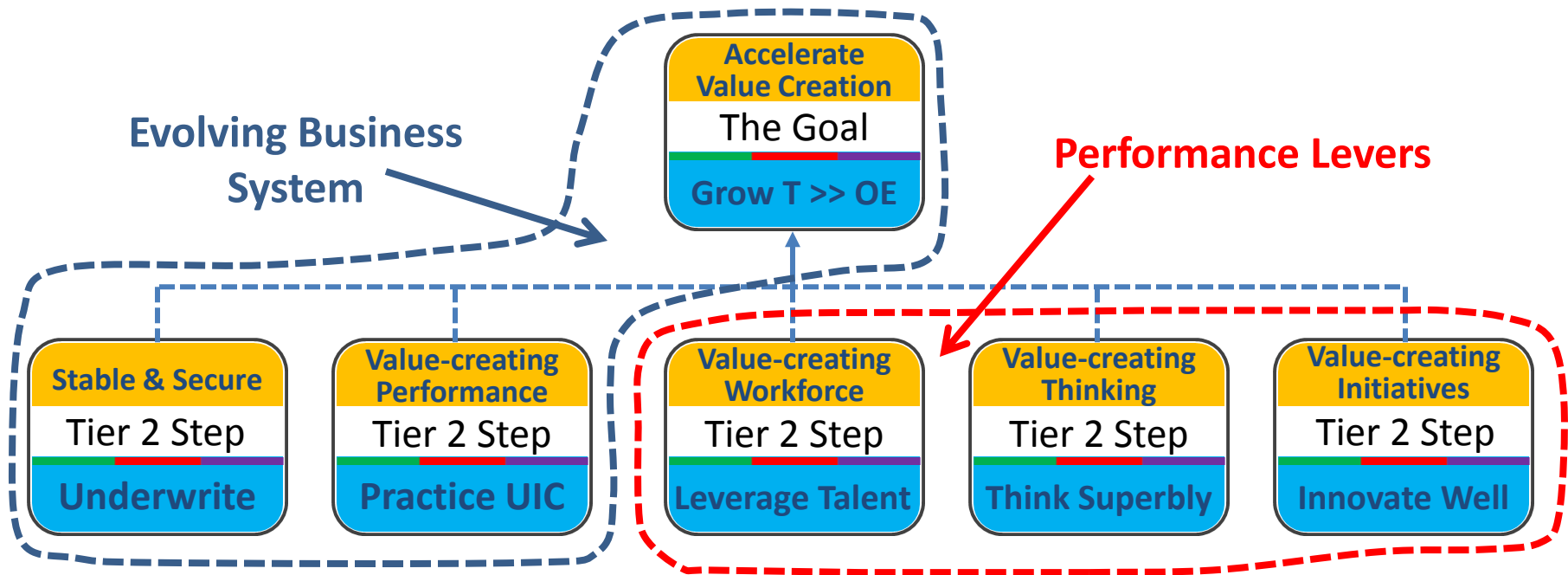
V21SF logic diagrams focus attentions, resources and efforts on The Goal of every business: **Accelerate Value Creation** – i.e. “Create more value, now and in the future”.

Vision21 Strategic Framework (**V21SF**)



- Operate one business system, with one enterprise Goal.
- Unambiguously align all enterprise efforts and initiatives.
- Create customer-centric value, at ever-increasing rates, in order to:
 - assure sustainability;
 - delight essential stakeholders/constituencies; and
 - finance worthy pursuits (with owners' concurrence).
- Focus on "Throughput" (T) – i.e. value created (money generated) by the system. $T = \text{Sales} - \text{Purely Variable Expenses}$.
- Manage "Operating Expense" (OE) and "Investment" (I). Grow T much faster than OE.
- **Accelerate Value Creation.**

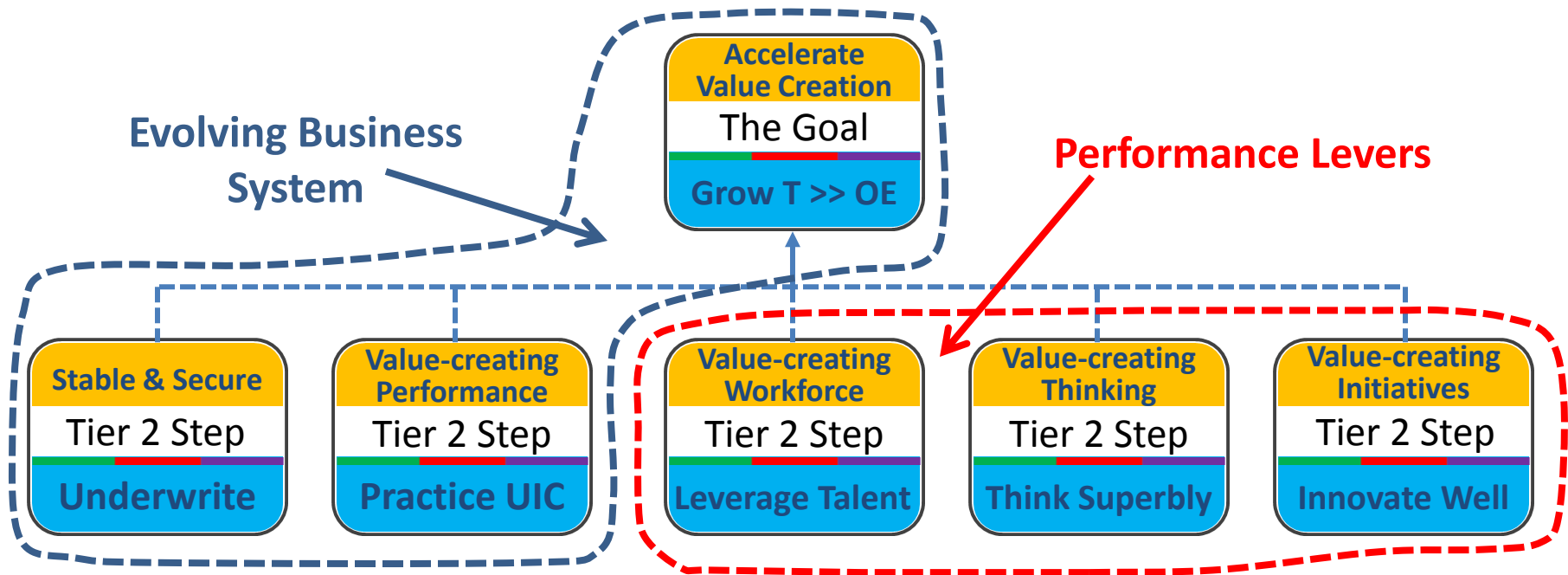
Vision21 Strategic Framework (V₂₁SF)



Most businesses should share the same goal: **Accelerate Value Creation**. They should also share generic means for achieving that goal, in the form of a stable, secure and evolving business system, as well as performance levers capable of systematically conferring value-creating advantage on their business system.

The evolving business system should operate in (and on) the present. The performance levers should operate across three distinct business development time horizons: core, emerging and promising.

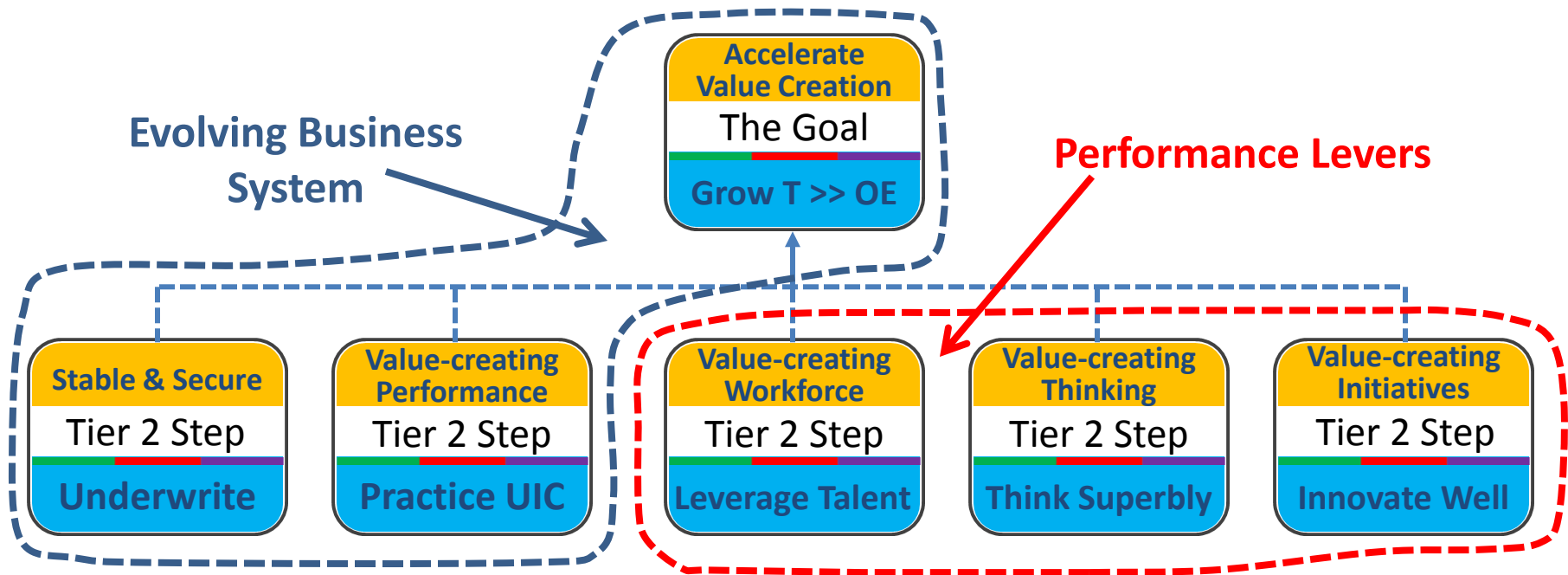
Vision21 Strategic Framework (V₂₁SF)



Each business must identify the conditions, which are necessary and sufficient to **grow T >> OE**. For most businesses, those conditions include a stable and secure foundation, together with a core business that delivers customer-centric value and continuously improves.

Beyond that, most businesses share a set of performance levers that include: workforce capabilities, enterprise thinking skills and game-changing initiatives.

Vision21 Strategic Framework (V₂₁SF)



Why is stability and security necessary?

Why is a capable business system necessary?

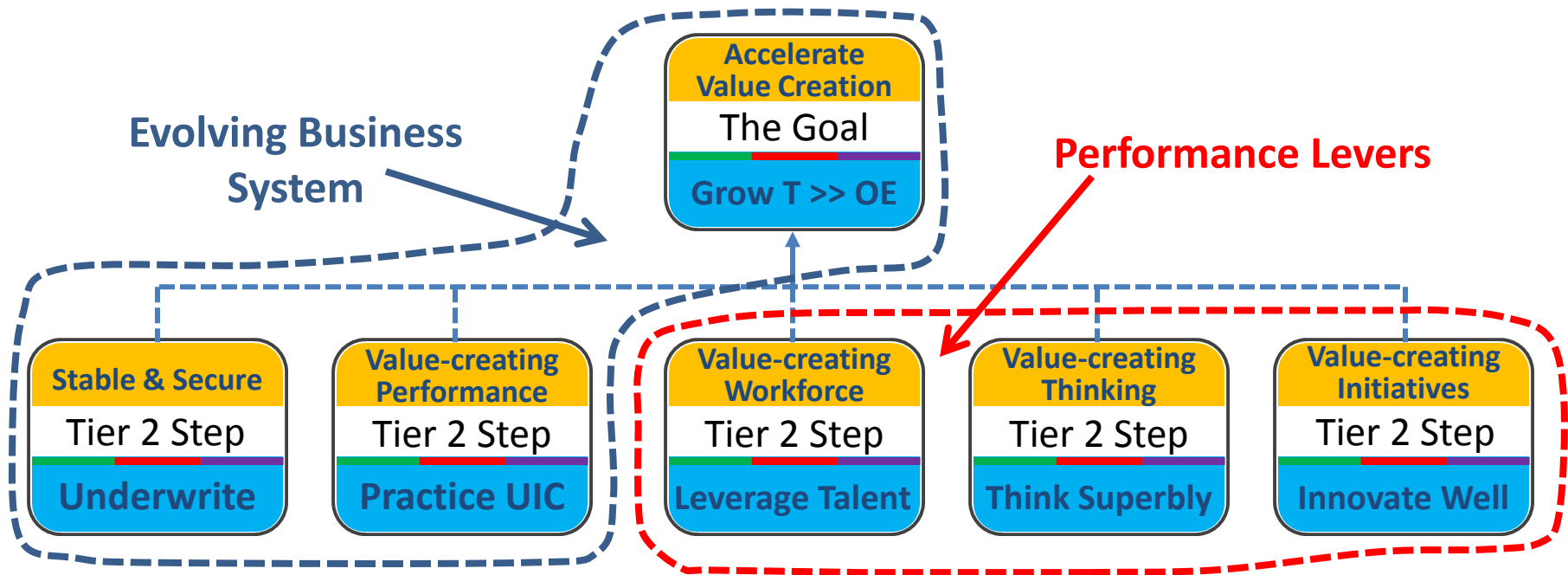
Why is a competent workforce necessary?

Why is enterprise thinking ability necessary?

Why is business development initiative necessary?

Are these five conditions, in combination, sufficient to **Accelerate Value Creation**? If, not what else is necessary?

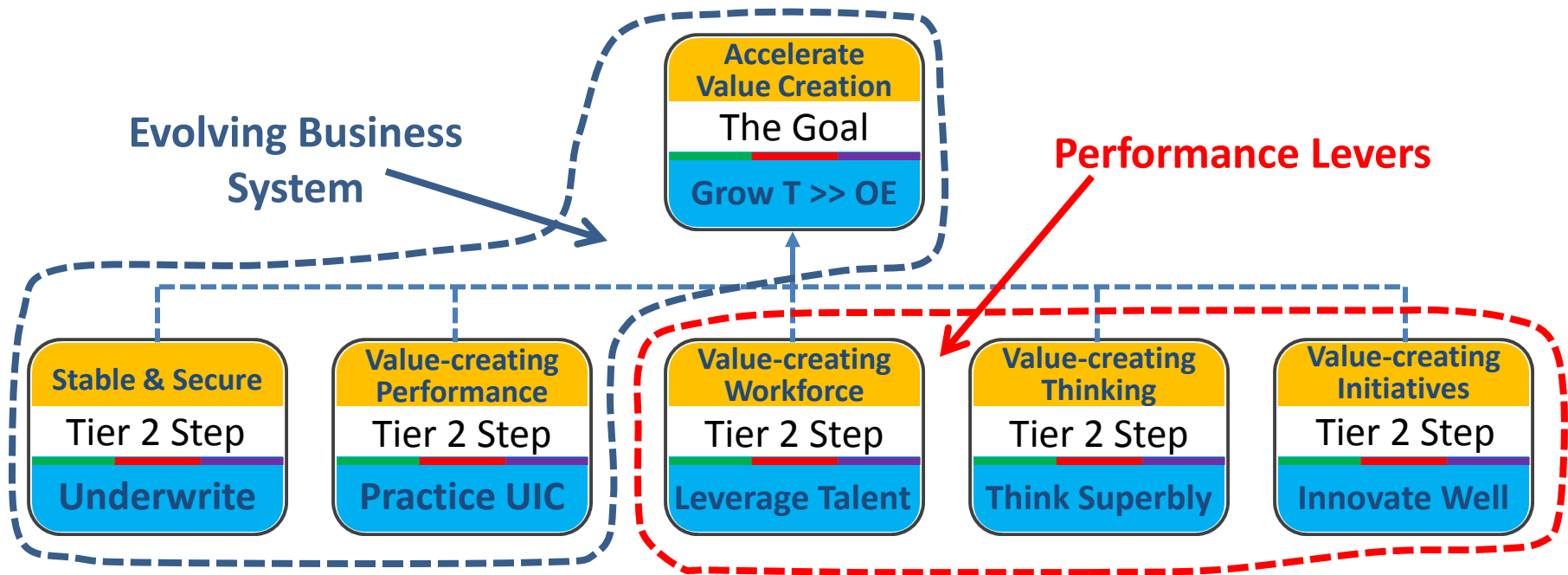
Vision21 Strategic Framework (V₂₁SF)



Since every enterprise should share the same Goal and since every enterprise has equal access to the same generic Tier 2 Steps, it becomes apparent why winning firms must excel at value delivery, with respect to their own evolving spectrum of relevant buyer utilities.

Today, very few enterprises excel at all five of these Tier 2 Steps. That spells profound leadership opportunities, in practically every industry.

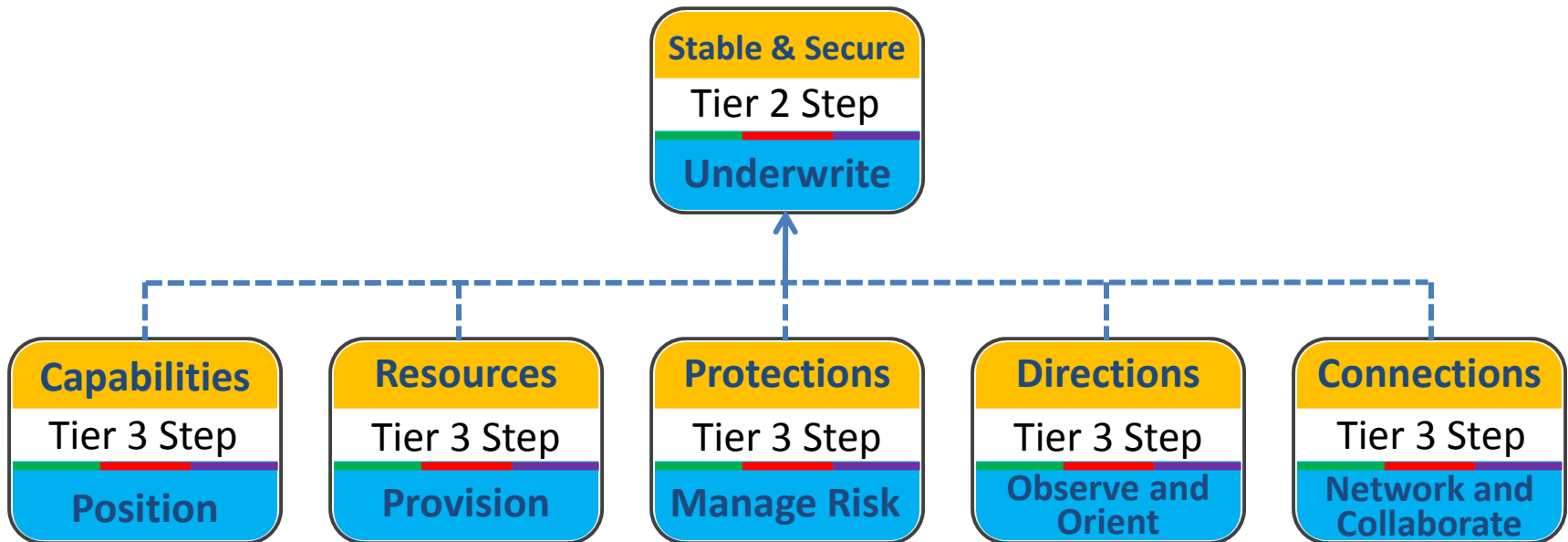
Vision21 Strategic Framework (V₂₁SF)



Whether an airline, automobile retailer, enterprise consulting firm, consumer packaged goods producer or oil company, the same five generic Tier 2 steps can capably sustain the enterprise Goal: **Accelerate Value Creation**.

To generate the next level of Steps (i.e. Tier 3), businesses need only ask: “What exactly must we do in order to, for example, underwrite a stable and secure platform for business development?”

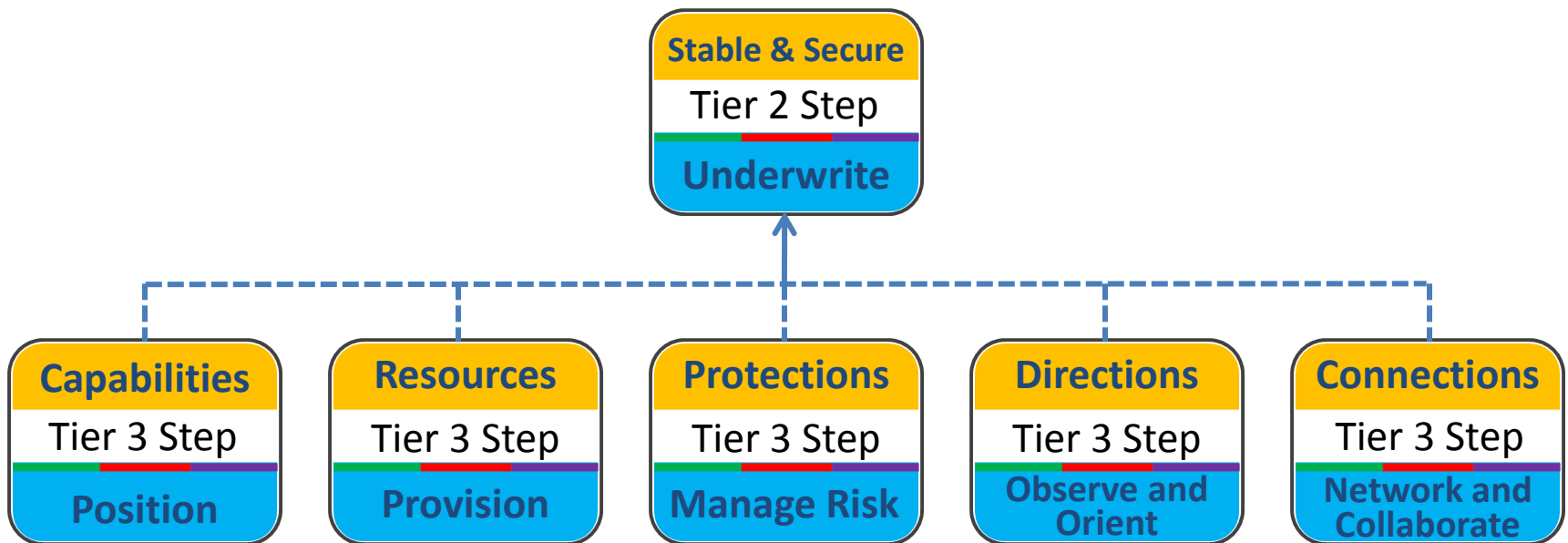
Vision21 Strategic Framework (V₂₁SF)



“What exactly must we do in order to underwrite a stable and secure platform for business development?”

The answer might look something like this: (i) position to establish capabilities, (ii) provision to secure resources (iii) manage risk to provide protections, (iv) observe and orient to set directions and (v) network and collaborate to make connections. ***Are these are individually necessary and collectively sufficient steps to underwrite a secure and stable business development platform? What, if anything, is missing?***

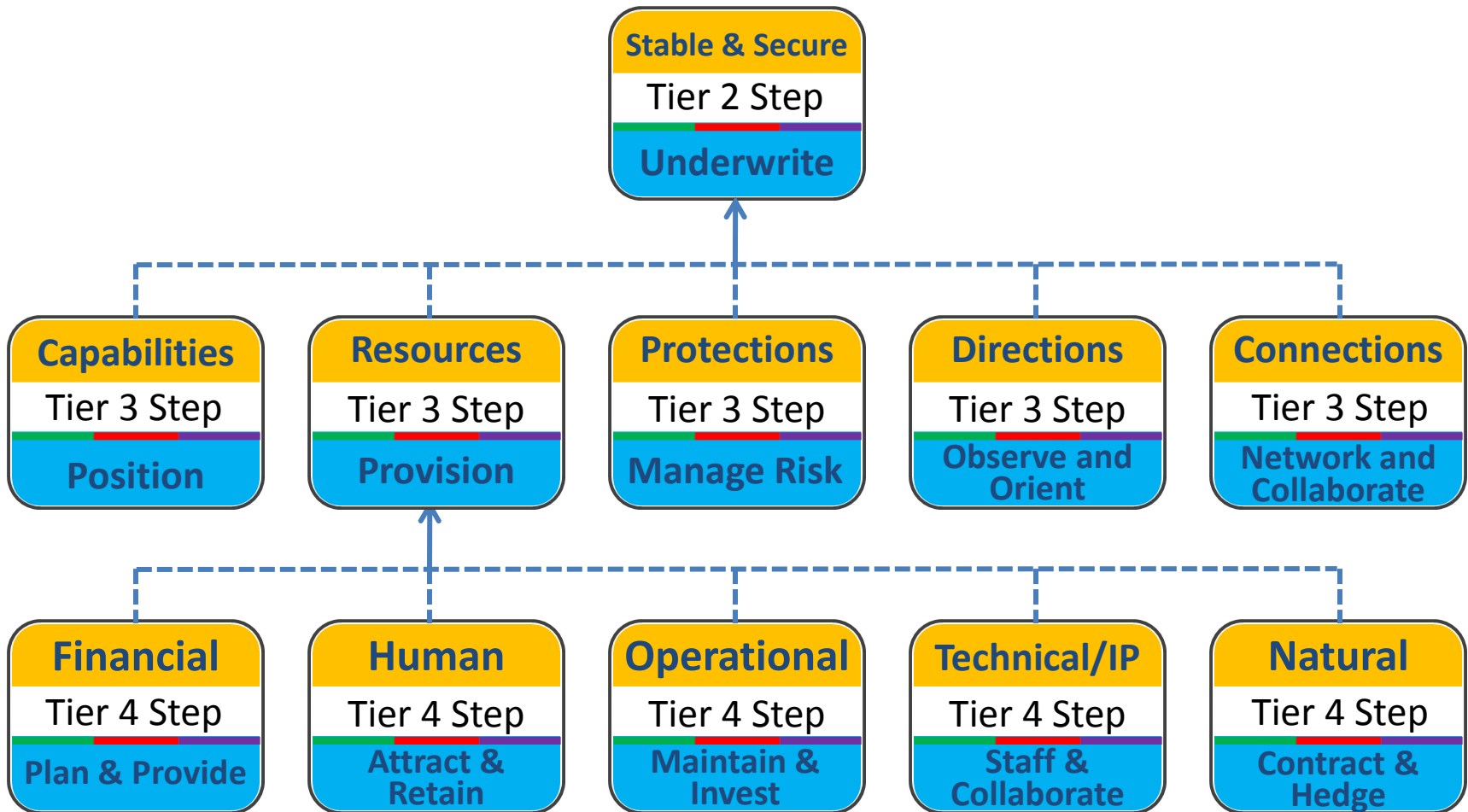
Vision21 Strategic Framework (V₂₁SF)



Each set of answers (identified Steps) generates another set of questions to aid in generating the next lower tier of Steps, and so on.

At each level of questioning, repeatedly asking “What else?” helps to identify all of the necessary underlying Steps. Then ask “If we achieve all of those Results, will we secure the higher-level objective?” An unequivocal “Yes” indicates the collective sufficiency of the identified Steps.

Vision21 Strategic Framework (V₂₁SF)



Here, we “drill down” through **Resources** to identify the Tier 4 necessary and sufficient Steps for “Resource-related Stability & Security”, in support of the enterprise Goal: **Accelerate Value Creation**.

Vision21 Strategic Framework (**V21SF**)

The farther we drill down, the more detailed and more closely tailored the strategy becomes for a particular business.

The drill down process ends on any given branch when either (i) the organization agrees that they have developed enough detail to implement without compromise or (ii) drilling down does not produce at least two lower tier necessary Steps.

If questioning does not surface any lower tier necessary Steps, then the current level of detail is complete (exhaustive), on that branch.

If questioning generates only one necessary lower tier Step, then proper rephrasing of the higher tier Step can always subsume that one condition and eliminate the need for adding a lower tier Step on that branch.

When all of the branches have been fully “fathomed”, the resulting framework rigorously, robustly and unambiguously documents the enterprise strategy in terms of all the Steps, and the relationships between Steps, necessary and sufficient to **Accelerate Value Creation** .

Vision21 Strategic Framework (V21SF)

The span of Steps beneath a higher tier Step results from the number collectively sufficient lower tier, single-action, single-result Steps that are necessary and sufficient to secure the result of that higher Step.

In addition to the logical relationships (necessity and sufficiency) between Steps, each Step has its own internal logical structure.

Each Step explicitly states the singular result of that Step and the one specific action intended to accomplish that one result.

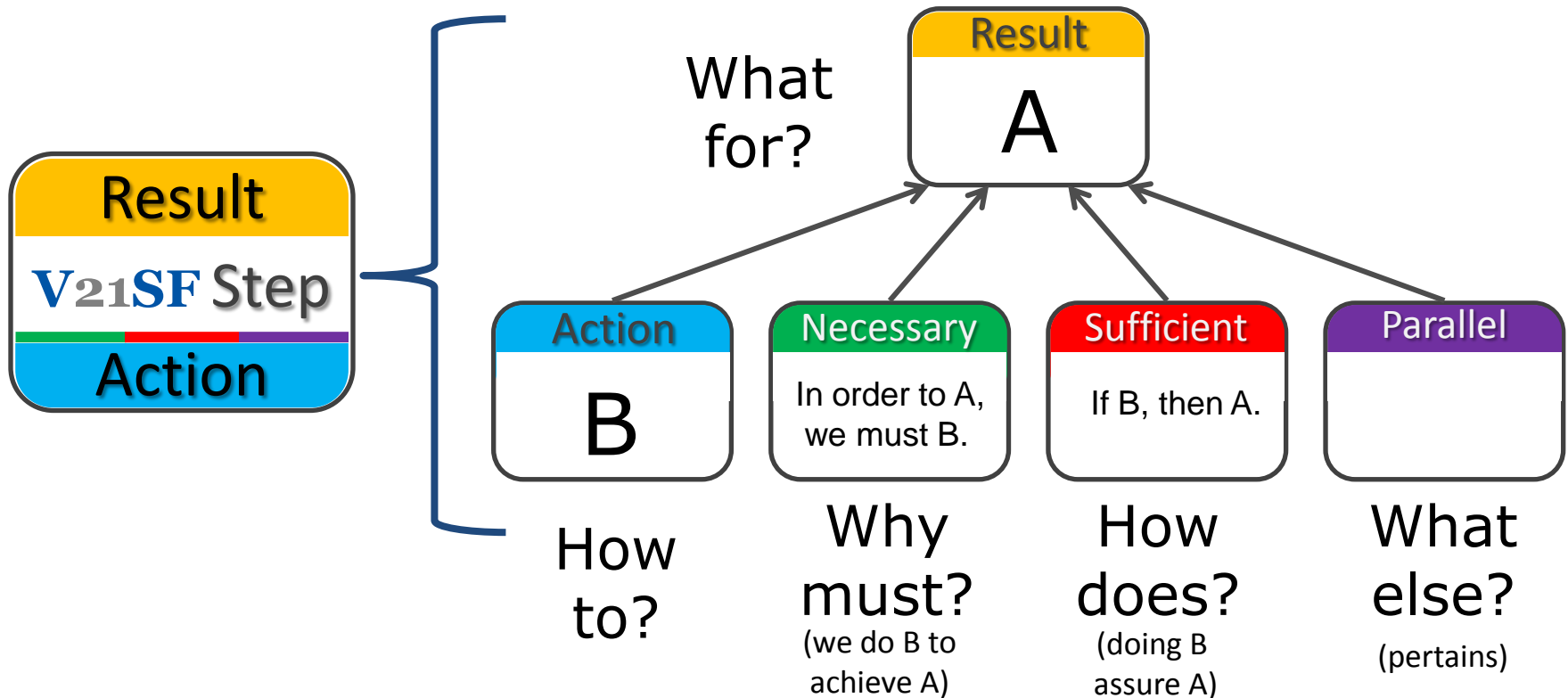
Additionally, each Step provides the necessity logic: “in order to accomplish this Step result we must take this Step action”, along with the sufficiency logic “if we take this Step action, then we will achieve this Step result”.

Each Step also includes the parallel assumptions that provide the relevant information for assuring that the intended action does indeed accomplish the Step result. For example: the result might be to “protect a home’s wooden shutters”; the action might be “apply exterior latex paint”; the parallel assumptions might include: (i) “proper surface preparation” and (ii) “painting on warm and sunny day”.

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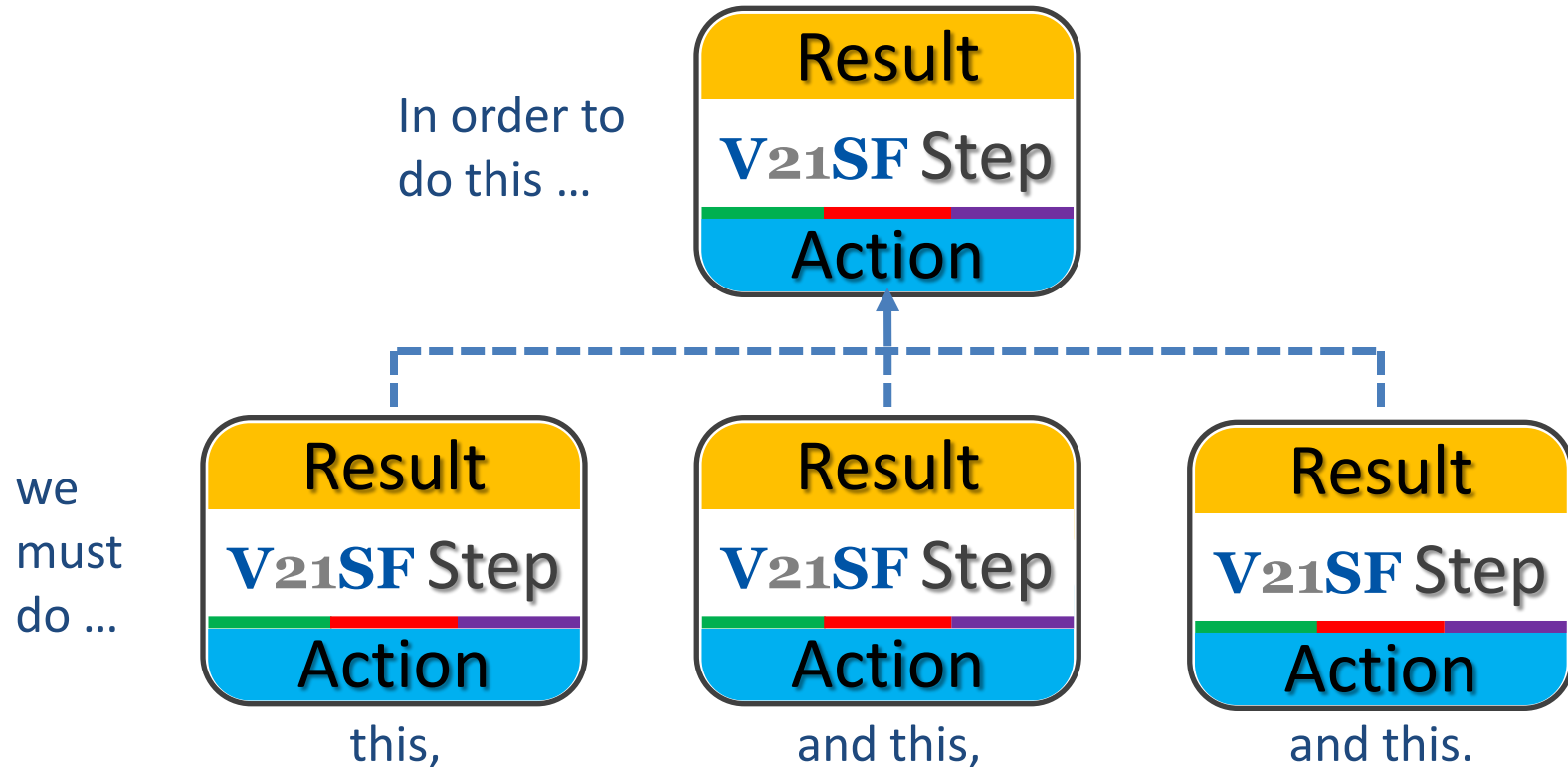
Review of Highlights

V21SF – Step Composition



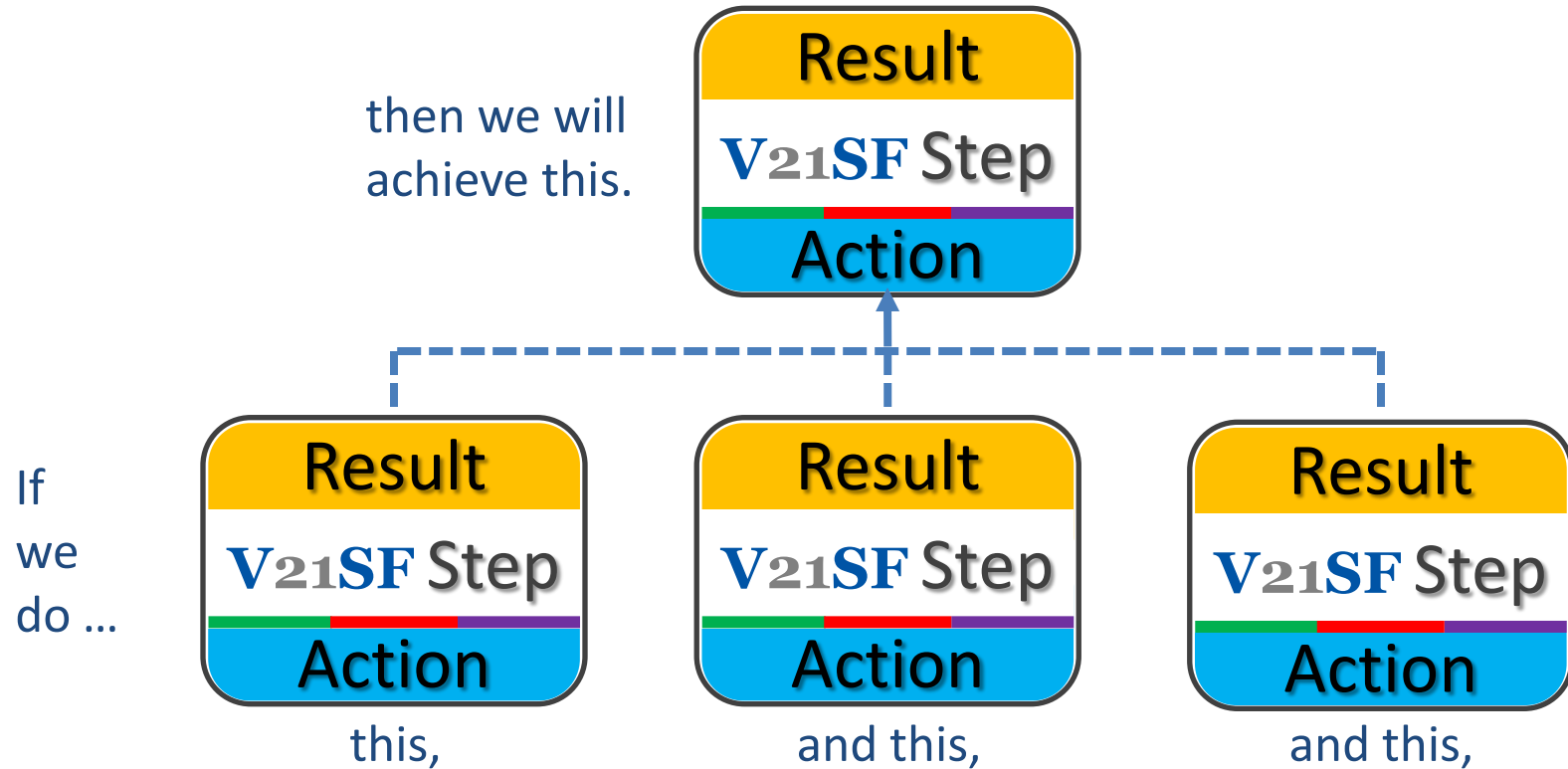
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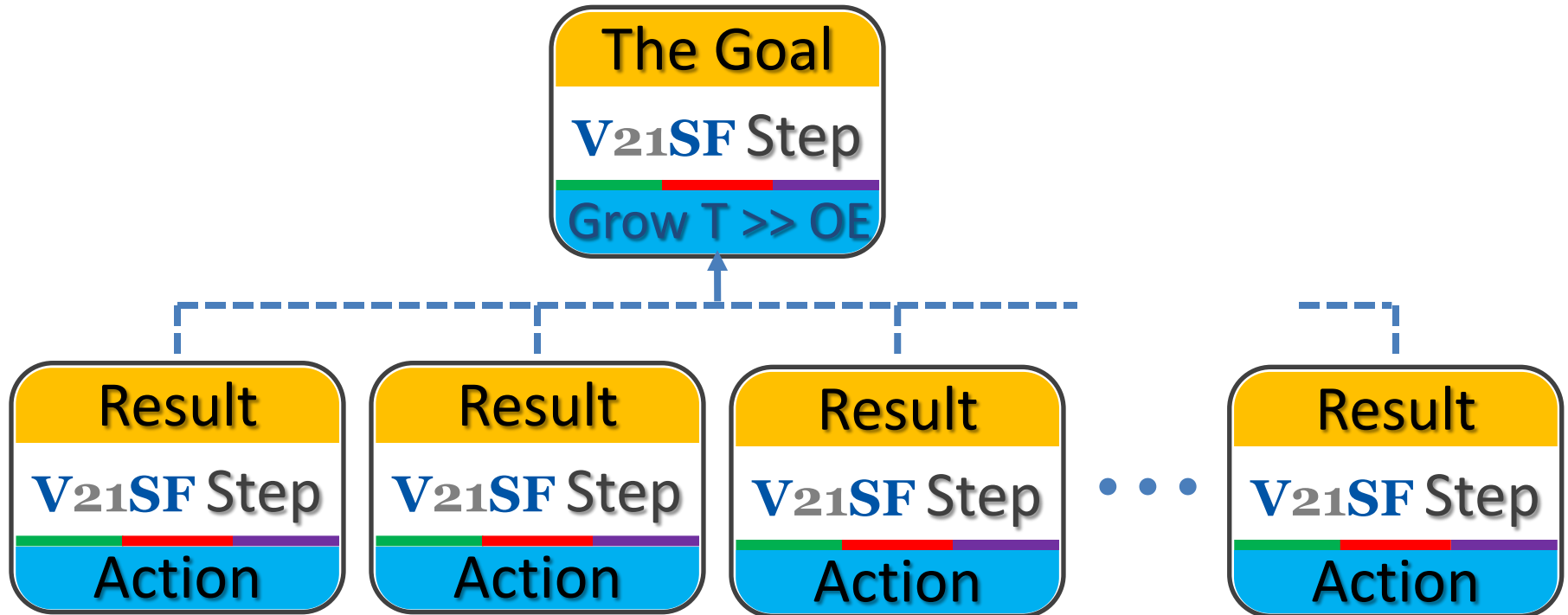
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One Business System



One Enterprise Goal

Customers buy utility and they perceive comparative value on distinctly individual terms. That makes customer-centric value hard to gauge, with precision.

Only through the aggregation of customer purchases, over time, can enterprises discern trends in customer-centric value delivery. Yet, while aggregation may reveal trends, it also tends to blur distinctions between customers and their underlying choices.

Throughput (T) provides a precisely measurable surrogate for value creation. Moreover, focusing on Throughput, while managing Operating Expense (OE) and Investment (I), helps firms make sound business decisions that respect vital interests in addition to delighting customers.