Vision21 Strategic Framework (**V21SF**)

A straightforward, customer-focused, business-building solution that operates with extreme effectiveness, in any enterprise, in any industry, at any time.

Accelerate value creation by systematically addressing society's (customers') needs.

Vision21 Strategic Framework (**V21SF**)

- <u>Customer</u> value creation, alone, <u>earns</u> profits.

- Every enterprise should: **Accelerate Value Creation**, by serving and acquiring customers, on continuously improving and systematically expanding bases.

- Anything less underperforms, to the detriment of all of the enterprise's constituents.

Perspective from Peter Drucker

- "What the customer thinks he is buying, what he considers value, is decisive – it determines what a business is, what it produces, and whether it will prosper."

- "It is the customer alone whose willingness to pay for a good or for a service converts economic resources into wealth."

- "Profit is not the explanation, cause, or rationale of business behavior and business decisions, but rather the test of their validity. If archangels instead of businessmen sat in directors' chairs, they would still have to be concerned with profitability, despite their total lack of personal interest in making profits."

- "A company can make a social contribution only if it is highly profitable."

- "Managers must convert society's needs into opportunities for profitable business. That, too, is a definition of innovation."

Vision21 Strategic Framework (**V21SF**)

- Focuses the enterprise on **value creation**.
- Engages the entire organization with one unambiguous roadmap in the form of a comprehensive strategic logic diagram.
- Functions top down <u>and</u> bottom up.
- Systematically identifies and validates all essential steps (actions and results).
- Pairs <u>one</u> specific action with <u>one</u> crucial result, at every step.
- Applies necessity and sufficiency logic, throughout.
- Captures parallel assumptions to underwrite success.
- Aligns, harmonizes and synchronizes execution.
- Boosts performance, while streamlining business practices.
- Provides "line of sight" from any step (action/result) to the ultimate enterprise Goal: **Accelerate Value Creation**.
- Facilitates real-time monitoring and continuous improvement.

Vision21 Strategic Framework (**V21SF**)

- Vision21 based its Framework on Eli Goldratt's Strategy & Tactic Tree (S&T Tree) development.

- Goldratt refers to an *Action* as a "Tactic" and to the *Result* of an *Action* as a "Strategy".

- To avoid confusion, given the disparate legacy meanings associated with the words "Strategy" and "Tactic", Vision21 prefers using the words: *Action* and *Result* in formulating a *Step*, within the Vision21 Strategic Framework.

Vision21 Strategic Framework (**V21SF**)

- Goldratt Consulting uses the S&T Tree as the comprehensive planning, organizing, directing and controlling document for the delivery of "Viable Vision" consulting engagements that are oriented toward: ***"Achieving profit levels which everyone currently believes are unachievable, and achieving it within four years"***.

- Vision21 has integrated several complementary disciplines, beyond the scope of Goldratt's Theory of Constraints (TOC), to create an even more powerful framework.

Vision21 Strategic Framework (**V21SF**)

- In its Strategic Framework, Vision21, explicitly acknowledges the value of applying Goldratt's TOC, along <u>with</u> Lean and Six Sigma disciplines, to manage the evolving business system, using "The Ultimate Improvement Cycle (UIC)".

- Vision 21 also adds three enterprise performance levers to address "Talent Management", "Thinking Ability" and a range of "Value-creating Initiatives" that lie beyond the scope of UIC, per se.

Innovate: Forget, Borrow, Learn*

- Vision 21 <u>borrowed</u> the S&T Tree, The Ultimate Improvement Cycle, multiple Talent Management practices, several Thinking disciplines and multiple ways to drive value-creating Initiative. Vision21 has also borrowed the "Three Horizons of Growth".

- Vision21 <u>forgot</u> Goldratt's understandable devotion to TOC as the primary (singular) instrument of value creation, along with Goldratt's potentially confusing use of the words "strategy" and "tactic".

* Ref: 10 Rules for Strategic Innovators, Vijay Govindarajan and Chris Trimble

Innovate: Forget, Borrow, Learn

- Vision21 <u>learned</u> how to integrate proven disciplines into a single, very straightforward strategic framework that operates with extreme effectiveness.

- Finally, Vision21 <u>borrowed</u> the capability of Flying Logic software to overcome <u>the</u> last obstacle to V21SF implementation – i.e. difficulty in creating and maintaining multi-tiered, multi-faceted strategic logic diagrams.   Now, a $149 PC-based software package does it all, superbly!

Note: Flying Logic uses Goldratt's "strategy" and "tactic" nomenclature in defining "S&T Tree" steps; however, once properly understood and acknowledged, this does not detract from the software's functionality and exceptional value.