



Principles of Strategic Management

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What is a strategy

- A strategy combines the experiences of the past with key-issues of the outlook into the future
 - A strategy can be short (2-3 years), medium (5-6 years) or long-term (10 years or more)
 - Comprehends several elements of the organisation
 - Combines different factors and is more complex than simple changes
 - Answers the question “Are we **doing the right things**”
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Why is a strategy important

- The world and the political, technological, economical, institutional and societal environment of NMI **is changing faster** and faster
 - Future development is **uncertain**
 - An organisation as NMI is no technical entity but a “**social, living structure**”
 - Changes cannot be planned and built as houses – development is also matter of culture, cannot be planned in detail
 - Strategy development is closely related to the **learning capacity** of an organisation
 - What should remain as it has proofed to be effective
 - What needs to be changed and why – **what for**
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Benefits and functions of a strategy

- It allows to develop a **shared picture of the future** (and not the back-mirror)
 - A strategy **reduces complexity** and creates thus more “security” in a changing world
 - A strategy provides **orientation** for management and other stakeholders
 - It orients the **utilisation of resources and capacities** (effectiveness and efficiency)
 - It contributes to the **motivation** of NMI staff and answers the question of the “**meaning**” of the NMI
 - It directs attention to the **required changes** and developments of an organisation
 - A strategy helps to “**do the right things**”
 - Helps to develop and maintain the **recognition as a competent and innovative partner or service provider**
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Management and strategy

- “Every director has a strategy”
 - **Intuitive decision making** and strategic orientation – implicit decisions (“feeling”)
 - Limitations: depending on individual capacities, no learning within the organisation from strategic reflection, limited participation
 - **Explicit reflection about potentials, threats risks** of the uncertain future and requirements for organisational development and changes
 - Good practise: Joint reflection process: provide appropriate resources and commitment for systematic reflections about the strategic development with participation of key-stakeholders, not delegated to external experts only. With some distance from the day-to-day perspective
 - Every NMI has a different answer, every NMI answer is different to different periods
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Principles of successful strategies

- Focus on **resources** and energy and not on problems or deficits
 - Development of **strengths** of the NMI
 - Use of **potentials** in the environment
 - Looking for **innovations**
 - Use of potentials for **synergy, cooperation with strategic partners** at national and regional level
 - Alignment of **objectives with resources**, risk assessment
 - Keep it **simple** but do
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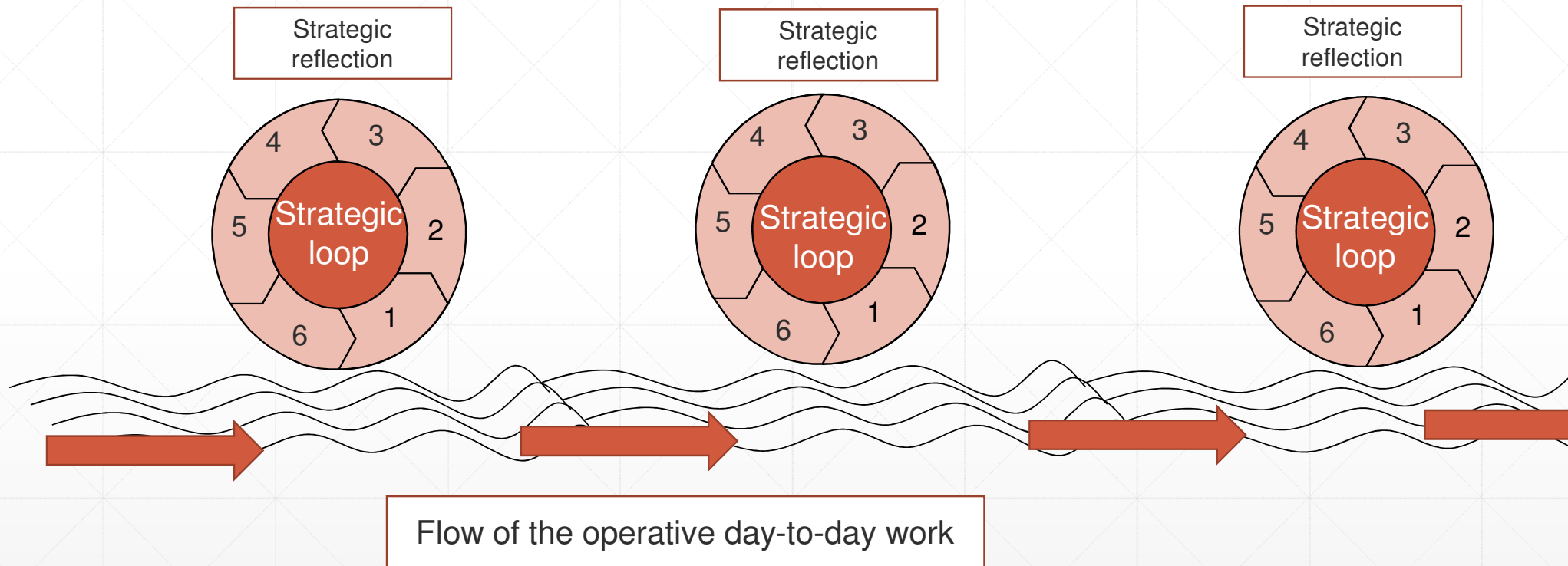
The strategic loop



From a strategy to strategic management

- Provide **leadership** and develop relations
 - A strategy also requires **implementation**
 - Integration of the strategy into the **vision and mission**
 - Implement **organisational changes** (structure, processes, capacity development, etc.)
 - **Operationalisation** of the strategy in concrete work packages and activities – and changes e.g. of the attitudes and mindset
 - **Result-oriented management**, e.g. Formulation of indicators, monitoring of the implementation
 - Periodic review and **adaptation of the strategy**
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Strategic management



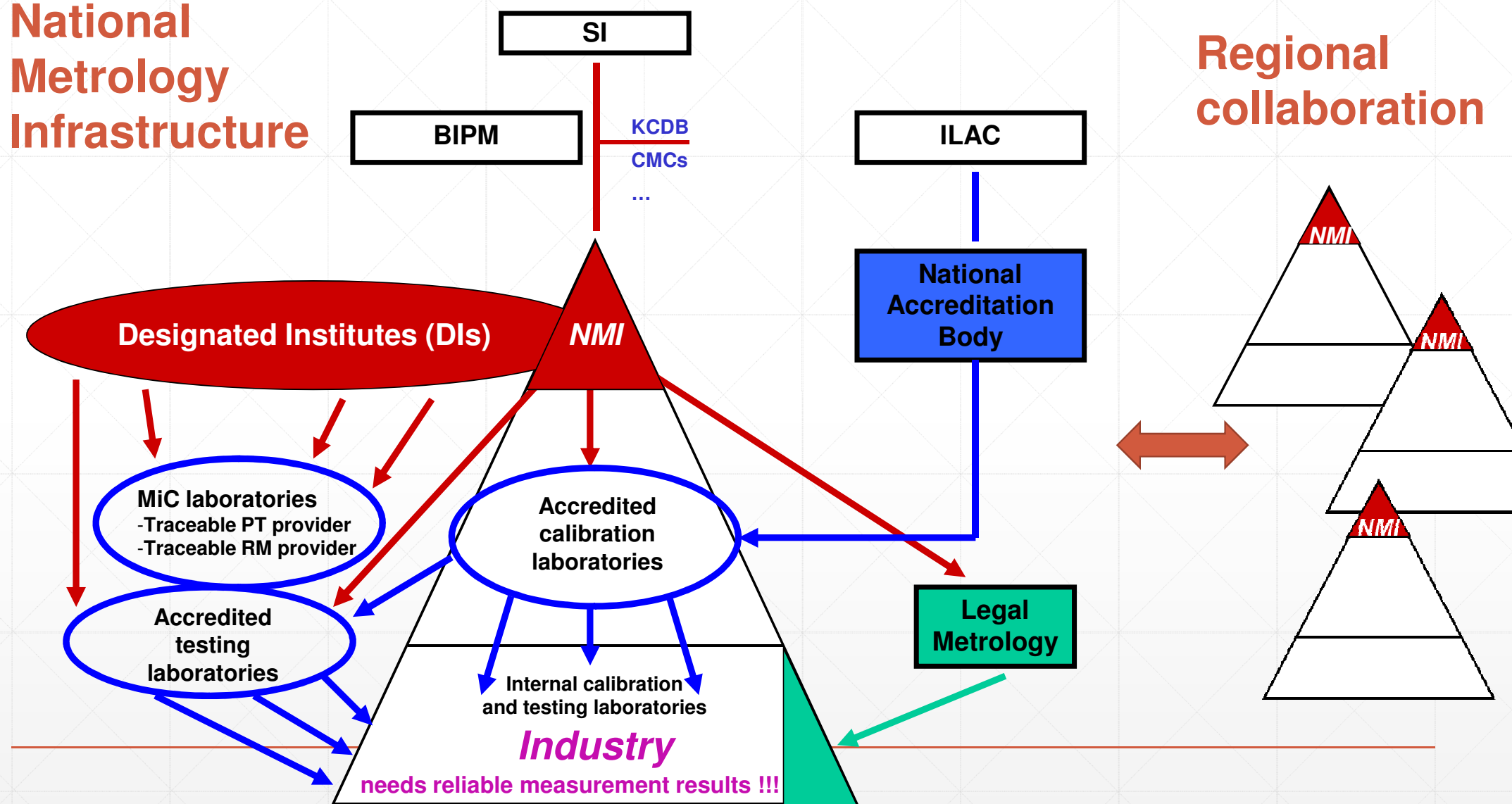
Buzzing groups



- What are your **experiences** with strategy development and implementation?
- What **challenges and difficulties** did you encounter?
- How did you **overcome** difficulties?
- What were **benefits**?



National Metrology Infrastructure



Areas of strategy development

1 Relations within the national metrology infrastructure / system

- Relation between the NMI and the responsible ministry / agency
 - Relation between NMI and (potential) Designate Institutes (DI)
 - Relation between NMI and secondary laboratories (incl. MiC)
 - Relation between NMI, Regulators and QI components
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2 NMI services and relations to clients (metrology users)

- Products and services, relation between NMI and Industry
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3 Public relations

- Diffusion, Education, Marketing
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4 Regional and international cooperation

- Regional cooperation and international relations of the NMI
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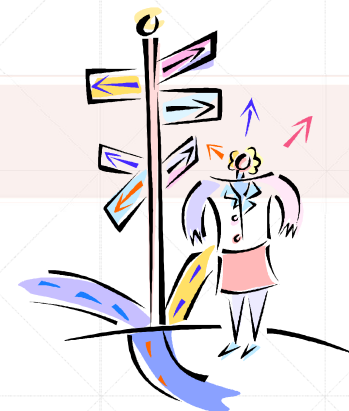
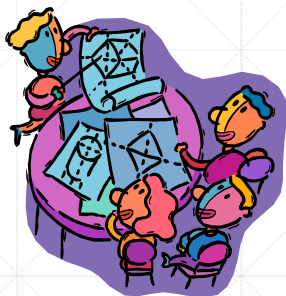
5 NMI internal management, operation and organisational development

- Efficient and effective management and leadership
 - Appropriate organisational structures and processes
 - Capacities of staff and competence of NMI
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Group work: NMI self assessment

Each NMI:

- Assess each of the criteria in the hand-out
- Indicate your assessment on the board



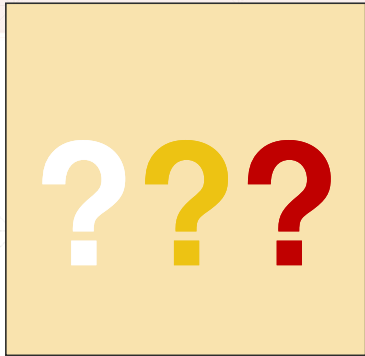
Buzzing groups – Case studies



- What are your **questions** (areas of specific interest) concerning the **topic** of the two case studies:
NMI Relations to other stakeholders ?



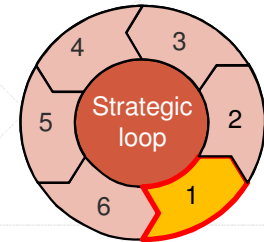
Buzzing groups – Case studies



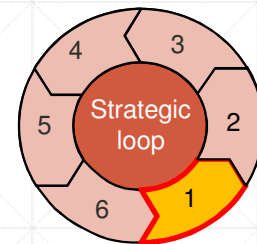
- What are the **answers** to your questions?
- What are **new ideas** for you and your NMI?



1 Analyse the current situation: the NMI “outside world”

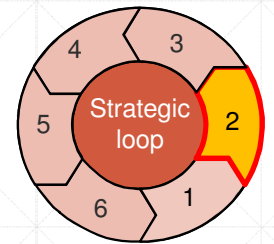


- **Refine the previous reflections and analysis (elements 1 – 4)**
 - Compromise between too detailed analysis (research) and too superficial
 - **Relations within the national metrology infrastructure / system**
 - The responsible ministry / agency, Designate Institutes (DI), secondary laboratories (incl. MiC), Regulators and QI components
 - **Public relations, support creation**, diffusion, education and awareness raising, marketing
 - What is the **visibility, reputation and "political weight" of the NMI**, the position of the NMI within the society?
 - **Regional and international cooperation**
 - Developed networks to other stakeholders and their benefits?
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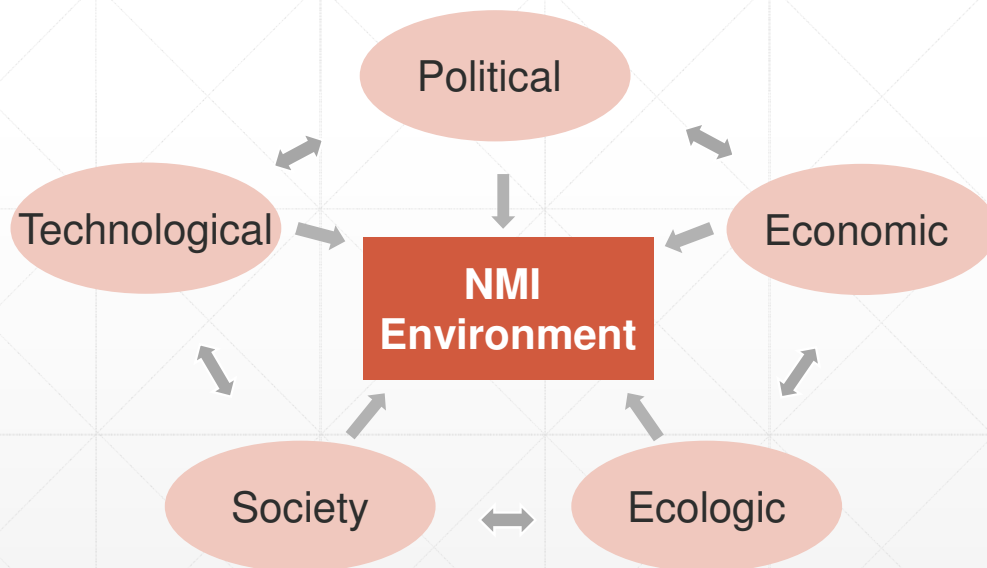
1 Analyse the current situation: The NMI and the relations with the industry

- What are the **main services** to the industry (calibration, training, consulting, etc.)?
 - Who are the important **current clients** /groups of metrology users?
 - What are their criteria to assess our services? What is their **degree of satisfaction**? Does their perception and our assessment differ?
 - What are important **demands which are not satisfied**?
 - What metrological services are currently essential for **economic development**?
 - What are currently important **challenges** concerning the **improvement** of services?
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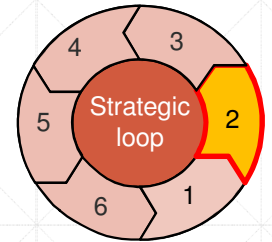
2 Inventing the future - Trends and factors

- What are important **social, economic and technological trends** and probable developments at national, regional and international level ? What are probable and important developments which will affect the NMI and NMI-services?



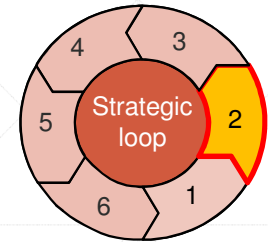
- How could the situation look like **in 5 / 10 years?**
- What **political aspects** might influence the trends?
- What are **key factors**?

2 Inventing the future – The NMI and demands of the industry



- What kind of changes for the **demands** of industry will the trends provoke?
 - What are the **current expectations and preferences** of main users of our services? How will their needs and demands develop in the next years?
 - What are other / **new potential users** of metrology services? What are their needs?
 - How will services of **other service providers** e.g. secondary laboratories develop in the next years?
 - Where are the **major deficits** of capacities in terms of metrology in different sectors of industry, in public institutions, in secondary laboratories today and in future considering the technological development?
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2 Inventing the future – The NMI's visibility and recognition



- What and who gives currently **recognition and political as well as economic support** to the NMI? What are main factors how this has been achieved? What is the NMI's current reputation among other important stakeholders? What will be future challenges?
 - What are **political trends** the NMI has to consider and which influence the mandate, funding sources and general political support?
 - What will become **more important** in future for the NMI's ministry / funding institutions?
 - What kind of **relations** to funding or supporting organisations does the NMI need to **develop**? With what kind of objective? Who are **important stakeholders** who will determine the visibility, recognition and support to the NMI?
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- According to NMI or topic??



Buzzing groups – Steps 1 and 2 external factors

Analysis of the current situation, trends and opportunities and risks



- Quit everyday perspectives usual patterns of thinking – think in scenarios
1. Analyse the **current situation and challenges**
 2. Identify **important trends**
 3. What kind of **chances, opportunities and risks** for the NMI will result from these scenarios?
How probable are they?



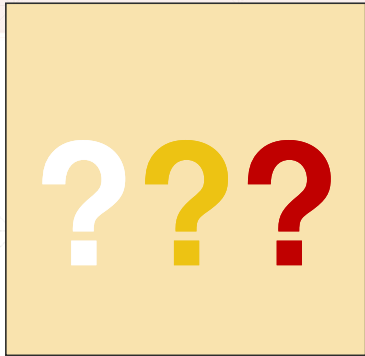
Buzzing groups – Case studies



- What are your **questions (areas of specific interest)** concerning the **topic** of the two case studies:
NMI Internal aspects (management processes, etc.)?



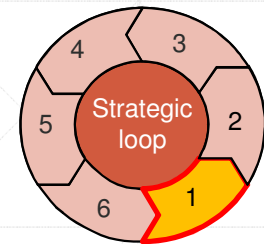
Buzzing groups – Case studies



- What are the **answers** to your questions?
- What are **new ideas** for you and your NMI?

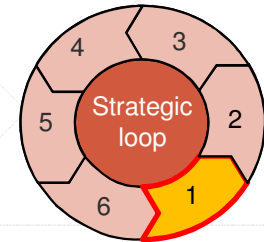


1 Analysis of the current situation – SWOT Analysis



1 Analysis of the current situation

NMI internal factors

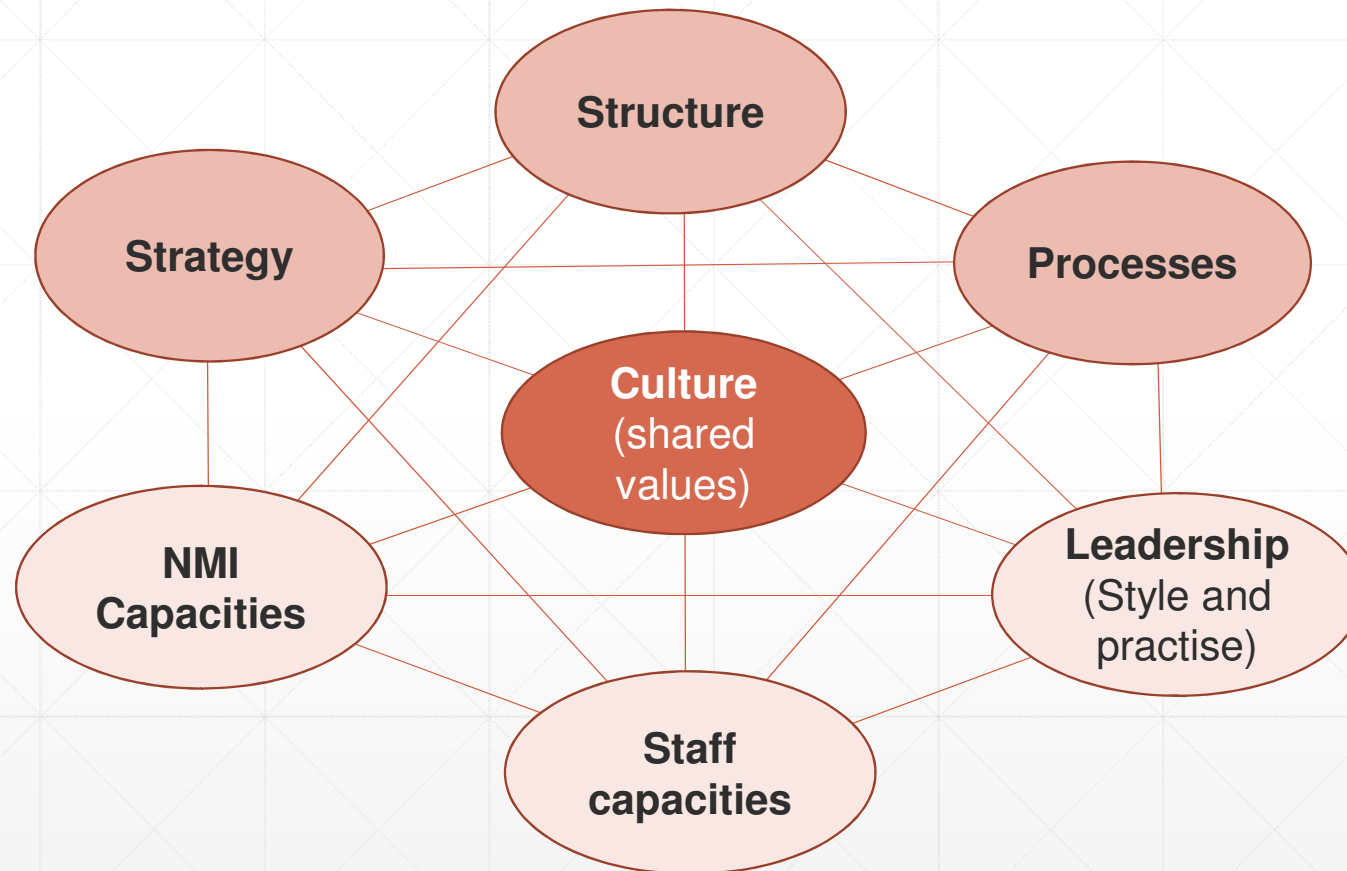
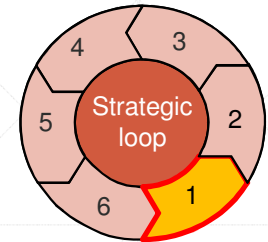


⇒ Orientation to strengths and potentials

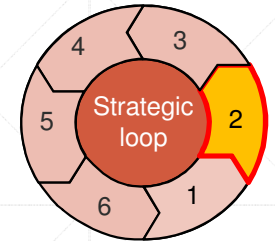
- What were **main successes** – and what **internal factors/strengths** were decisive for the success?
 - What are important **capacities** of the NMI and staff which have allowed to develop the strengths? What are important capacities which will be more important in future?
 - What are the main **NMI sources for economic development**?
 - What are main **sources of recognition**?
 - What do the NMI's **clients** appreciate, what are frequent criticisms from their point of view?
 - What are the **strengths, what are the weaknesses in service provision**? How did the NMI address the weaknesses?
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1 Analysis of the current situation

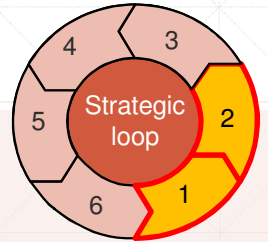
NMI internal management and operation



2 Priorities for the future NMI internal management and operation

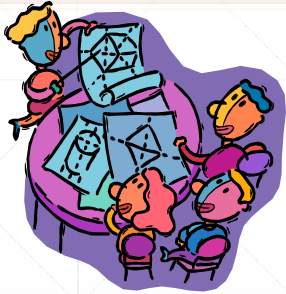


- What are the strengths which have the **potential** to play a more important role in future? What are key weaknesses which will hinder the NMI's development?
 - What are **services** which will play an important role in future? And for whom? What is the importance of current clients, how important will be new clients?
 - E.g. group calibrations, proficiency testing, training, awareness creation for important decision makers, etc.
 - What are **priorities for future development**
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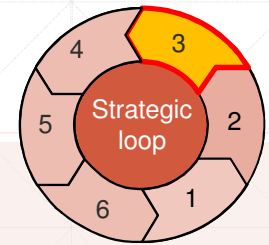
NMI reflection – Steps 1 and 2

For the internal factors: Strengths and weaknesses and general priorities

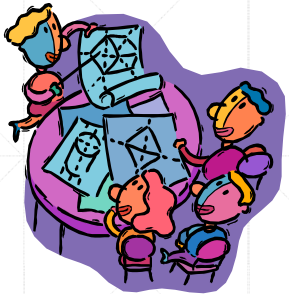


- Discuss and identify main **strengths and weaknesses of your NMI**.
 - What are **priorities** for future improvements of the **internal factors** ?
 - Relate the reflections about **external and internal factors** (SWOT)
- ⇒ Identify **general priorities for the development of your NMI**



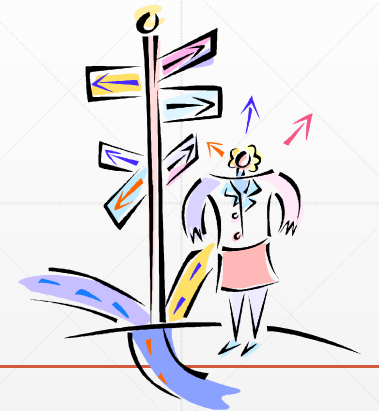


NMI reflection – “creative walk”

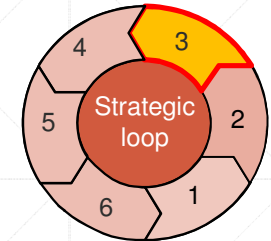


In teams of two NMI:

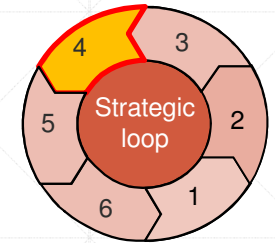
- **“Walk”** : Based on the reflections before (analysis, future trends, priorities, etc.)
 - ⇒ what are **2 – 3 strategic options** for your NMI? (think big)
 - ⇒ what would be a **symbol** and a short title of each option? (visual presentation)



3 Decide on one strategic option



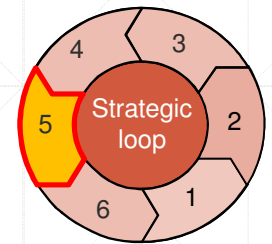
- **Potential criteria** to assess options and take a decision
 - What are our specific **strengths**?
 - What kind of metrological services does our industry require for **economic development**?
 - What option is favoured and will be support by the **political actors**?
 - What kind of services do we need to develop ourselves? What could be developed in **cooperation with other NMIs in the region**?
 - How many **resources** can we invest? What level of ambition is **realistic** and achievable?
 - What option will be supported by other stakeholders and bear the potential to develop **strategic alliances**, friends?
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4 Specify the strategy and objectives

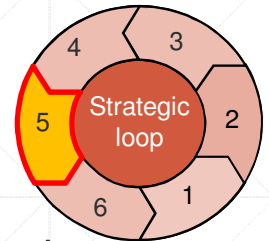
- What are the **desired changes and specific objectives** which should be reached thanks to a new or improved strategy?
 - Identify **objectives and indicators**
 - Identify **future benefits** for the NMI and other stakeholders
 - Example:
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5 Operationalisation of the strategy



- Operationalisation of the objectives : **milestones and roadmap**, work packages, **activities**.
 - The clarification of **roles and responsibilities as well as contributions of different stakeholders** helps to create a common understanding and ownership among all stakeholders and a coordinated implementation.
 - Eventually it will be necessary to **identify key actors**, analyse their interests, their relationships, their potential contributions, etc. regarding the particular topic.
 - What are **priorities**?
 - Where will it be necessary to **change current practises**?
 - How will the implementation and the results of strategy we **monitored**? Who will be involved in which role? What are important indicators?
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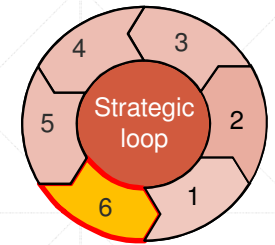
5 Operationalisation of the strategy



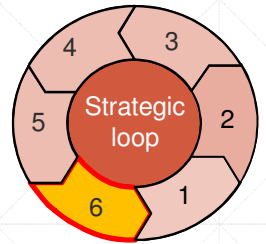
- What are other **favourable changes** which are conducive to implement the strategy and reach the desired objectives as e.g.
 - organisational changes, management procedures, management capacities,
 - specific technical capacities, capacities to develop and maintain relation to important clients, capacities to develop and maintain relations to the "political area" in order to ensure support, etc.
 - Identify most relevant changes compared to the current situation in all fields. See internal analysis of strengths and weaknesses.
 - Identify and communicate **changes of behaviour, attitudes and mindset**
 - To what extent will the new **strategy fit to the organisational culture** e.g. the informal relationships within the NMI, management practices, etc?
 - What kind of changes and capacities are required for constant and **systematic strategy development**?
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6 Integration into management

- Provide resources
- Provide support
- Mobilise support system and co-operation, e.g. peer groups
 - Internal capacity development
 - Exchanges with regional NMI
- Linking systems and the mechanisms of stimulation incentives to strategic objectives



6 Implementation: Important leadership tasks



Preparation

- Ensure participation
- Obtain feed-back
- ..

Clarification

- Information
- Ensure understanding of objectives
- Coordination
- Clarify roles, responsibilities and tasks

Support

- Support cooperation
- Ensure required technical support
- Favour capacity development

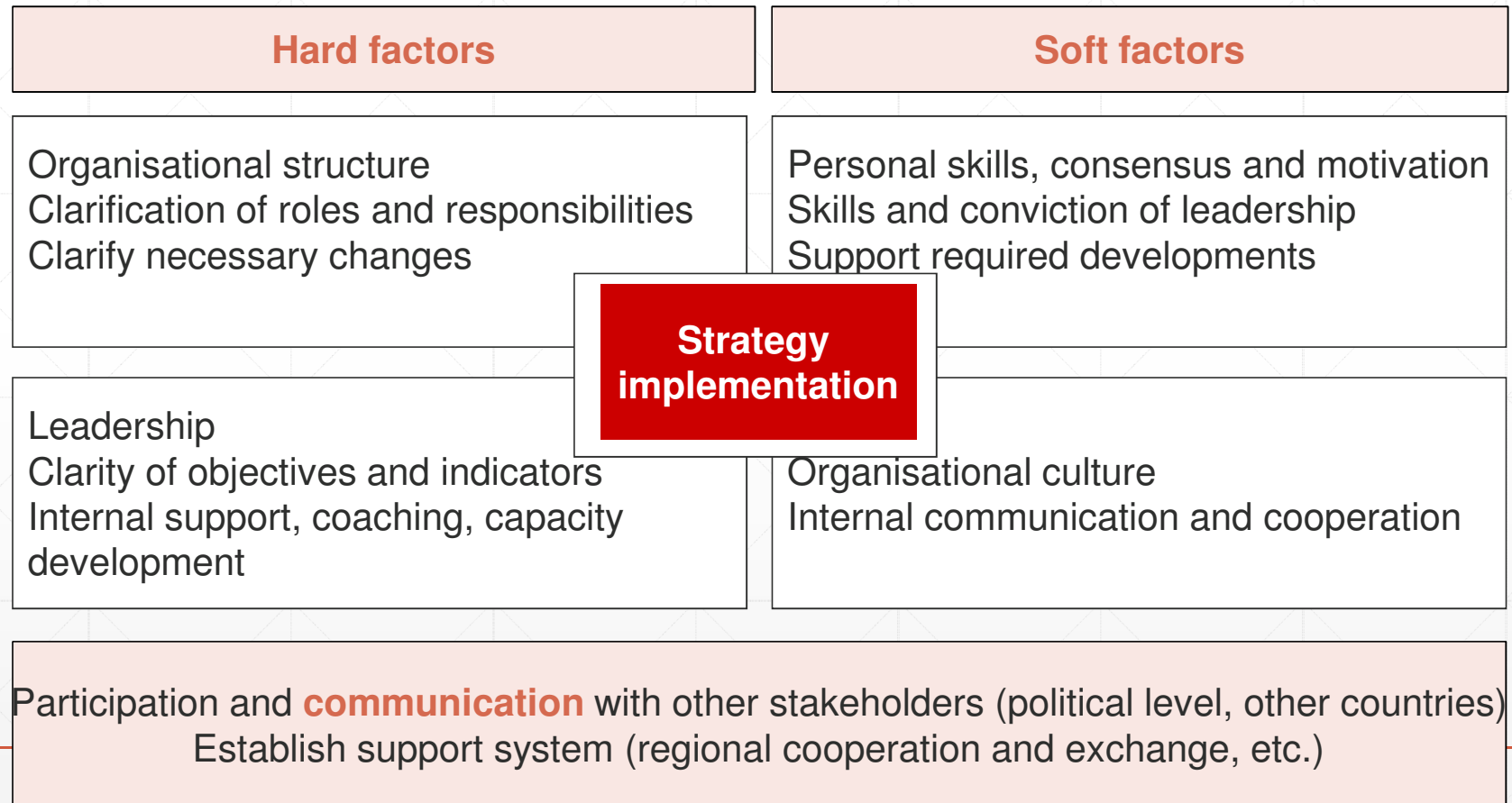
Follow-up

- Develop and discuss indicators
- Establish monitoring system of objectives and indicators
- Support critical assessment and reflection (atmosphere, learning culture)

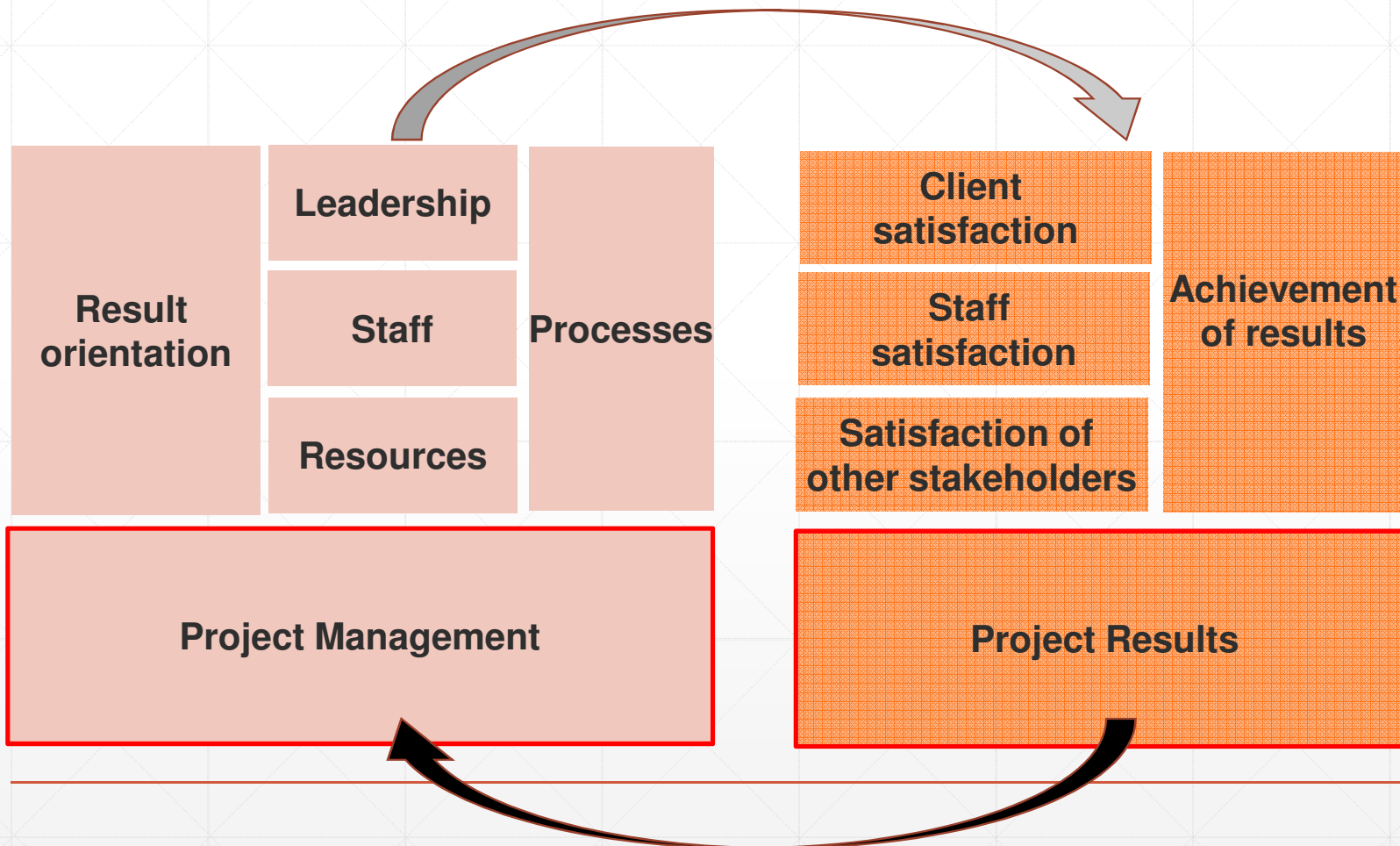
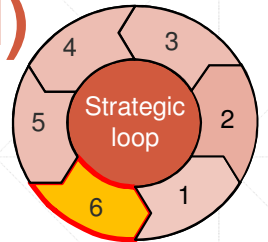
Review

- Facilitate exchange of (intermediary) results
- Establish platform to adapt and further develop the strategy

6 Implementation of the strategy – Success factors



Project management (Excellence model, EFQM)



Service development – some experiences

- The service has to be based on a **profound knowledge of the reality of the client**.
 - **Surveys** might help to get an overview but are usually not effective as a single tool for demand analysis. Direct contacts are needed (e.g. low rate of feedback of questionnaires, difficulty to interpret results without direct communication, accompanying visits, phone calls or discussions)
 - Develop **new services on a small scale** and in a process of first tests with verification and improvement according to the experiences and joint evaluations.
 - Maintain **constant relations with clients** even after the service is a very useful approach to develop knowledge within the NMI about clients needs and to be able to contact clients for other services. Data management systems!
 - Develop **relations with other NMI** to share experiences!
 - Very useful is also the clarification whether new services are to be developed or existing services are to be improved and whether new clients or existing clients are addressed.
-

Development of NMI services and clients

		Clients	
		<u>Existing</u>	<u>New</u>
NMI Services	<u>Existing</u>	Existing Services for existing clients: Improvement, consolidation, CMC's	Existing services for new clients: Scale factor, improved services
	<u>New</u>	New services for existing clients: confidence supports service development	New services for new clients: higher risk, look for alliances

Enhance reputation and recognition of the NMI – to enhance support to the NMI

- Maintain close **relations** to Ministry, **communication** of impacts, marketing
 - Present and communicate not only the **services** but the **impacts** for the industry, and the effects for the **economy** and the development of the **country**.
 - E.g. calibration service → reduced costs and saved time → enhanced productivity → enhanced competitiveness → more jobs, more taxes, more development
 - Ensure consistency with **national development plans and objectives**
 - **Networking, Relations**
 - Develop **partnerships** e.g. with universities (MOA) (medium term)
 - Long term: Train the trainer University curricula (vertical education), Integrated in the curriculum; Metrology topics discussed in all levels of education
 - General and **public awareness** of metrology and its effects in the economy: Use **media and social networking** sites, ensure easy access to information on metrology, metrology day, open house, etc.
-
- Use **current important topics**

Cooperation at regional level

Process of strategy development: peer groups

- What are potential cooperation partners including other NMI which might help the NMI in developing and providing new or improved services?
- Close exchange and cooperation between countries for strategy development

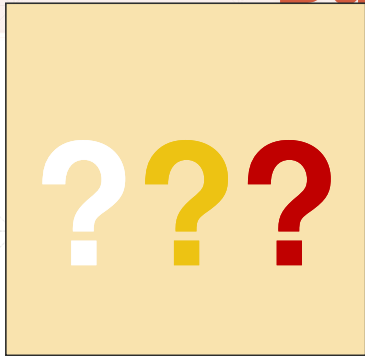
Process of service improvement and development

- Close exchange and cooperation between countries for service development (individual services, joint services)

Regional / bilateral division of tasks / services

- strategic alliances at regional level!!!
 - “Smart specialisation” – regional approach of development of services.
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Buzzing groups – Topic specific exchange



- ⇒ Exchange experiences
- ⇒ Identify good practises
- ⇒ Develop new ideas
- ⇒ Consider and agree on bilateral / regional cooperation

- Development / improvement of services
- Improvement of NMI capabilities
- Enhance government support to NMI
- NMI - DI relationships



Period between now and workshop in March

- First steps of strategy development
 - Planning of further strategy development
 - Peer groups
 - Exchange and mutual support
 - Support by coaching
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Questions to be answered when designing the strategy development process

- What has been the NMI's **strategic orientation** until now? What has proved useful, what should be improved? How realistic was that strategic orientation? How has it been developed?
 - **Why** a strategy (adaptation) **now**?
 - What should be the **horizon** for the NMI strategy (3/5/10 ... years)? Why?
 - What is the **scope of possible changes** by the strategy considering the mandate or the orientations provided by the responsible Ministry?
 - How many **resources** are available / do you want to spend for strategy development (time, funds, etc.)?
 - What is the **main benefit** you expect from a (adaptation of the) strategy?
-

The process of strategy development

- Distance from day-to day perspective creates overview – periodic retreats
 - Strategy development is closely related to strategy implementation
 - **Participation and teamwork** is a critical factor. Participants with **different perspectives and perceptions**. What are **main interests of key stakeholders**? In regard to what might different stakeholders have conflicting interests?
 - From within NMI and others (clients, political level, etc.). What are important **stakeholders** who should be involved? What is their benefit of participating in strategy development?
 - Different hierarchical levels
 - Different expertise and capacities
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The process of strategy development

- Strategic dialogue requires **time**
 - **Process architecture:** Structured sequences of settings, workshops etc.
 - Regular core team /steering group meeting for process management and assessment
 - Workshops with stakeholders, assessment, invention of the future, etc. Feed-back on ideas and suggestions
 - Tasks groups reflections
 - Internal discussions
 - What should be **communicated** to whom and when?
-