

# **ChAMP:** **Change Acceleration Management Process**

---

*Superior methodology for...*

*Strategy Execution, 100-Day Plans, Post-Merger Integration,  
Project Management, Business/Product Launches, Change  
Management and Transformations*

**About ChAMP...**

---

## EXECUTIVE SUMMARY

**ChAMP: Where strategy converts to results!!!**

**ChAMP** is a proven approach to shifting the mindset of a company toward one that is action-oriented and focused on long-term results



*“Outstanding” - President at The Estée Lauder Companies, President at Ryder Global Logistics, Chief Executive Officer and Director of The Defense Logistics Agency, Head of Global Supply Chain Management and Global Manufacturing at Compaq Computer Corporation, and Vice Admiral and Commander of Naval Supply Systems Command (head of all US Navy and US Marine Corp global logistics activities)*

## EXECUTIVE SUMMARY (CONT'D)

**ChAMP is institutionalized as a powerful performance accelerator**

### EMBEDDED

ChAMP is an embedded enterprise-wide strategy execution program that nets the complete span of strategic initiatives into a closed-loop ecosystem. The transformative nature of the program coordinates all doer-level and executive activities, and bridges communication silos across disparate functions, divisions, and hierarchies.

### GUARANTEED

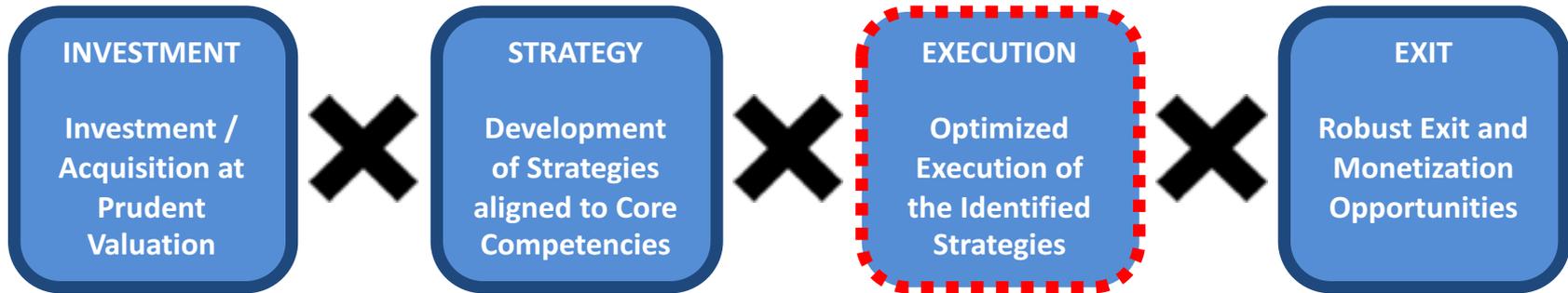
ChAMP guarantees improved executional traction, less organizational 'gear slippage' and more accountability, more acute forward-looking focus, better communications, and higher yield from strategic initiatives.

### EVERLASTING

ChAMP remains an everlasting part of a new culture with an ongoing bias toward action. Our team's focus is simple: getting organizations to function more efficiently in order to accomplish their strategic goals.

## EXECUTIVE SUMMARY (CONT'D)

Why is Strategy Execution so important?



**■ ■ ■ SUPERIOR INVESTMENT RETURNS**

### Four Primary Levers Determine Investment Returns

- INVESTMENT and EXIT are the bookends of the investment lifecycle. These are event-driven and largely contingent on deal competition and the capital markets.
- STRATEGY is the raw ingredient for growth and profitability exploitation and it must align with core competencies.
- EXECUTION is the most 'undermanaged' lever for superior investment returns, yet it is key to reaping maximum yield from the strategy.

## EXECUTIVE SUMMARY (CONT'D)

### ChAMP History: How was it developed?

*ChAMP was forged from a triangulation of leading organizational theory plus renowned military programs, and refined through numerous private sector deployments spanning the middle market and Fortune 1000. It is founded on three prominent Department of the Navy (USN and USMC) execution methods:*

Naval Designation	Naval Description	ChAMP Application
<b>Total Quality Leadership (TQL)</b>	<ul style="list-style-type: none"><li>Focuses on continuous improvement of the Navy's operational effectiveness and spawned the creation of the Malcolm Baldrige National Quality Award and paved the way for the private sector</li></ul>	TQL is used as a guideline for the overall direction of the ChAMP program
<b>Plan of Action and Milestones (POAM)</b>	<ul style="list-style-type: none"><li>Identifies tasks that need to be accomplished, the resources required to accomplish the tasks, any milestones in meeting the tasks, and scheduled completion dates for the milestones</li></ul>	ChAMP charters and master calendars are built off of the POAM technique, with all critical components identified during the chartering phase (PHASE I)
<b>Continuity of Operations (COOP)</b>	<ul style="list-style-type: none"><li>Guides the execution of mission-essential functions during continuity events, such as long-term military occupation</li></ul>	ChAMP's PHASE II is built to mirror COOP, with an emphasis on identifying potential issues/delays and taking immediate corrective action

## EXECUTIVE SUMMARY (CONT'D)

What benefits most from the ChAMP forward-looking closed loop?

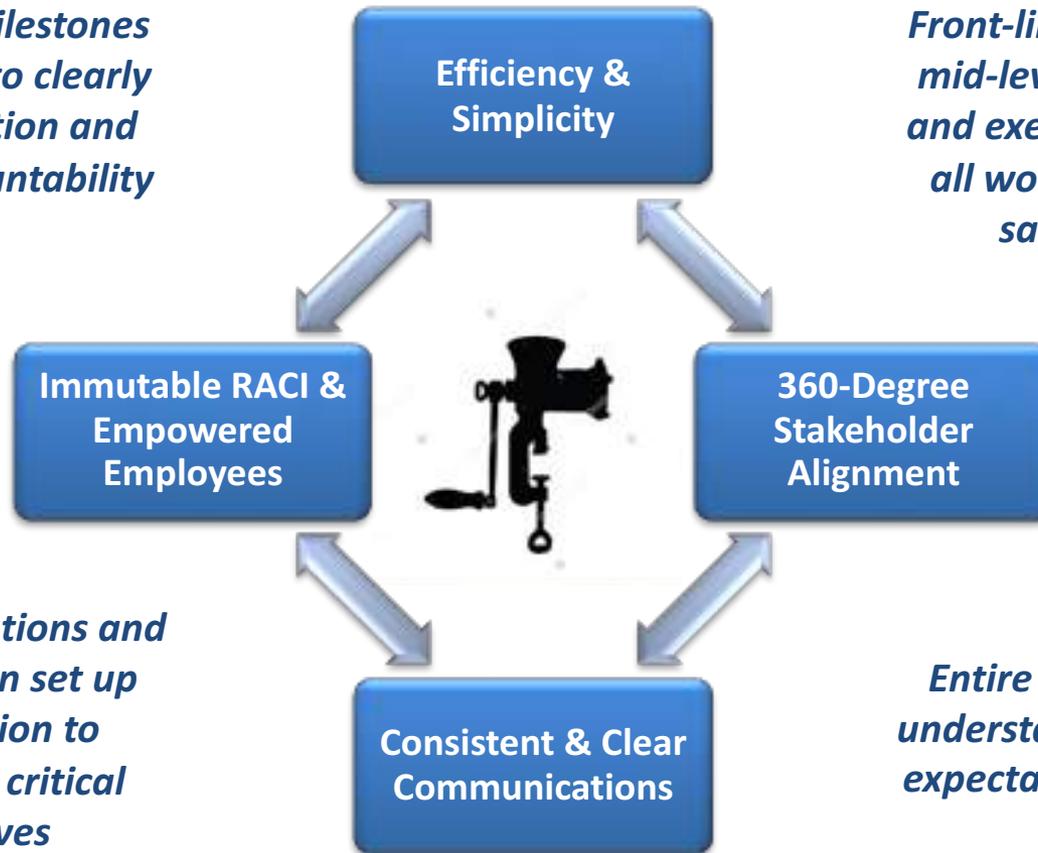


## EXECUTIVE SUMMARY (CONT'D)

ChAMP brings together initiatives and individuals critical for organizational success

*Tasks and milestones established to clearly align execution and ensure accountability*

*Front-line employees, mid-level managers, and executive leaders all working toward same goals*



*Clear expectations and prioritization set up organization to succeed on critical initiatives*

*Entire organization understands goals and expectations from top down*

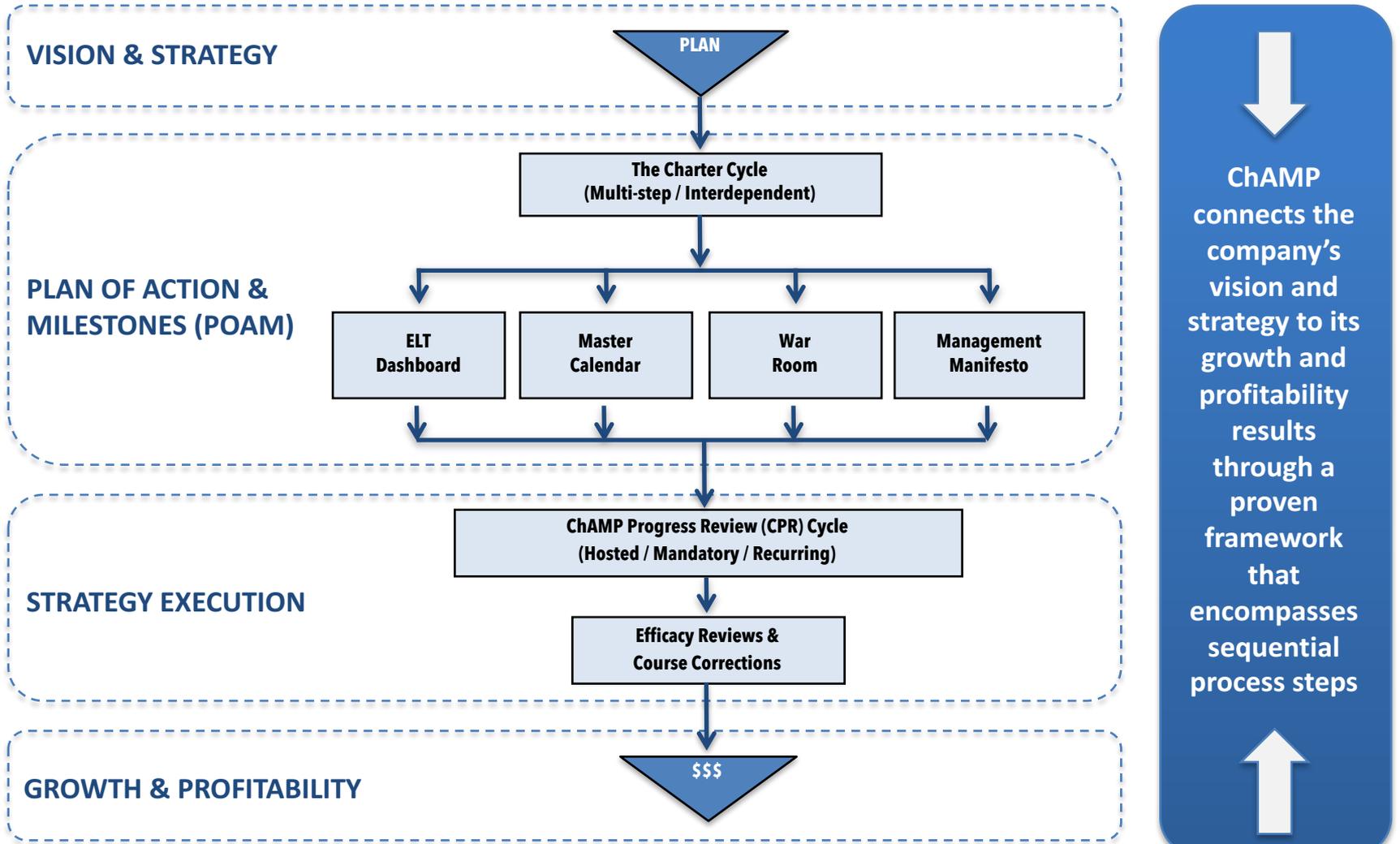
## EXECUTIVE SUMMARY (CONT'D)

### Why does ChAMP work?

- ChAMP **works within an existing company's organization**—there is no disruption or displacement of existing management
- ChAMP **changes the productivity of the company's culture** in a way that only a relentless, focused, and structured program can
- ChAMP **focuses on leading indicators** that drive future performance
- ChAMP **creates an executional closed loop** that forever connects the C-level and the “doers”, which works because changing a culture is hard and cannot be done through merely top down communications or directives
- ChAMP **forces all levels of the organization into a task-orientation**, which the leadership team sees in the form of tangible, process-oriented results on a regular basis – executives know explicitly whether their teams are executing on the vision, and can respond accordingly
- ChAMP **is impactful in any company**, though it is most effective in a company with strong leadership vision and goals, but desirous of improved execution

# EXECUTIVE SUMMARY (CONT'D)

## ChAMP Bridge: How to link corporate vision to growth and profitability results



## EXECUTIVE SUMMARY (CONT'D)

### ChAMP Features: How to build an internal culture obsessed with execution and accountability

#### Points of Differentiation

- ChAMP enables **CEO to become omniscient and ahead of the curve**, yet free to focus on top matters
- ChAMP is execution-oriented, **leaving teams with an everlasting process** that spans the enterprise, and with tools and a culture to ensure that it optimizes strategy impact
- ChAMP is **NOT a leave-behind PowerPoint deck** where outsiders look at your business and make recommendations – it is **a process you learn and tools you use to execute the vision of your company**
- We have many decades of experience leading ChAMP programs for the span of lower middle market companies and the Fortune 500 – **no approach has a stronger bias toward action!**
- ChAMP is NOT a PMO! We do manage selected critical discrete projects, but it is *within the context of a broader, long-term shift in mentality*

#### Key Components

- The first steps in include a detailed, bottom-up planning process for all critical teams that outlines reverse engineered **tasks, milestones, KPIs, deadlines, and responsible owners**
- This is followed by 360-degree reviews and lockdown from all relevant stakeholders to review **resource requests**, and confirm **interdependencies and critical operational links**
- In addition to establishing a milestone-based performance and review process, we organize surgical **“Tiger Teams” to facilitate the execution of key cross-functional tasks**
- Lastly, during the execution-stage, we facilitate strict, forward-looking all hands **review sessions to ensure progress is being made**
- We leave behind a relentless, closed-loop **repeatable process** that sticks with companies, and creates change and momentum for the long-term

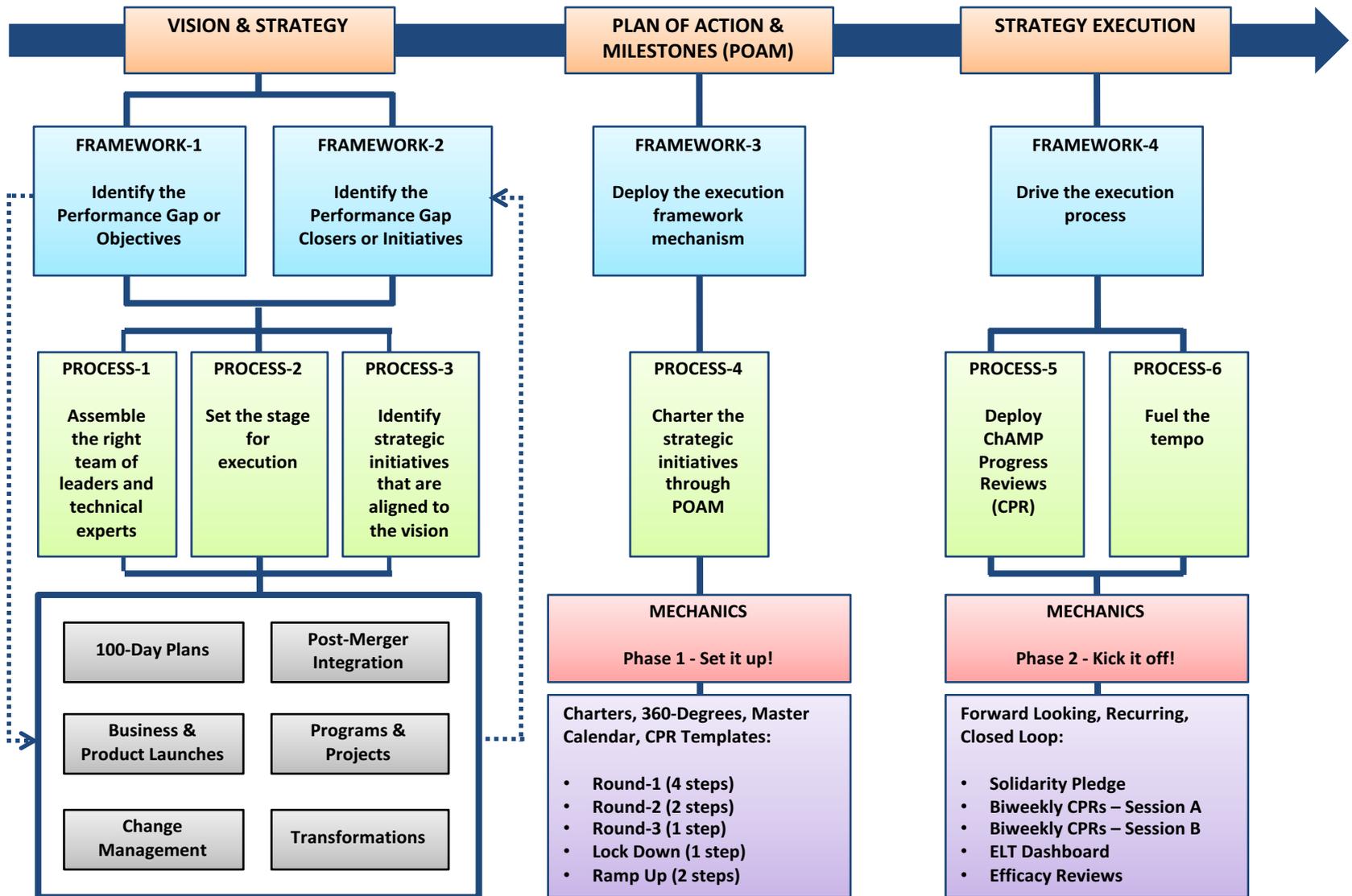
## EXECUTIVE SUMMARY (CONT'D)

ChAMP transcends the noteworthy holistic limitations of traditional program management

IMPACT ATTRIBUTES	PMO	ChAMP
Forges a cohesive and unified executive leadership team, as well as establishes a “corporate tempo”		
Affords CEO’s focus on the most acute issues, while never losing track of the network of moving parts		
Captures real-time 360-degree stakeholder perspective and participation across the span of all corporate strategic initiatives		
Provokes forward-looking, anticipatory actions across the span of the company, nudging forthcoming action steps and verifying follow through		
Permanently transforms and cultivates a corporate culture that embraces strategic execution with a bias toward action		
Improves not only board level communications, but also "shop floor" communications—busting silos both vertically and horizontally		
Establishes a company-wide ecosystem that captures all of the "kinetic activity" of the strategic plan; unequivocally ensures optimized strategic yield		
Pinpoints the efficacy of any given strategy and affords reallocation of resources to reap maximum impact		
Blueprinted for enterprise-wide “change governance” and embedded as a permanent management process		

# EXECUTIVE SUMMARY (CONT'D)

ChAMP Architecture: casts a holistic execution web to govern implementation across the enterprise



# How ChAMP works...

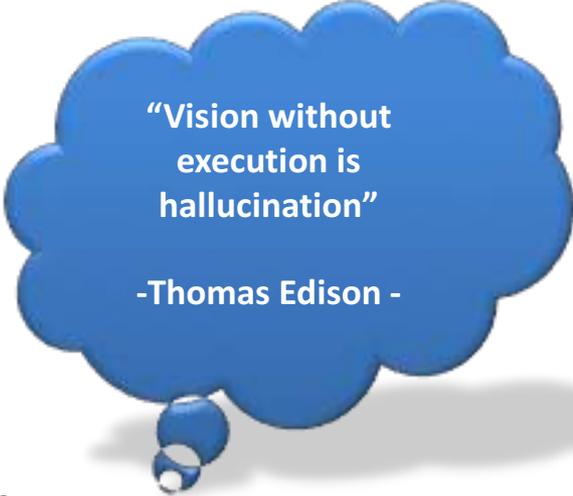
---

## CHAMP: KEY FEATURES

Executorial excellence through hands-on leadership and a recurring, closed-loop process

Deployed numerous times, this hands-on program is an accelerant for strategic initiatives, and affords:

- Cyclical closed loop for enterprise-wide execution;
- Turnkey framework from “The Charter Cycle” to the “Efficacy Review”;
- Connection and communication from executive suite to “doer” level;
- Accountability and execution through continuous points of impact;
- Forward-looking bias and milestone-centric momentum;
- Leading indicators of financial results;
- Increased rate of change and minimized gear slippage;
- Embedded organizational discipline; and
- New culture of accomplishment



“Vision without execution is hallucination”

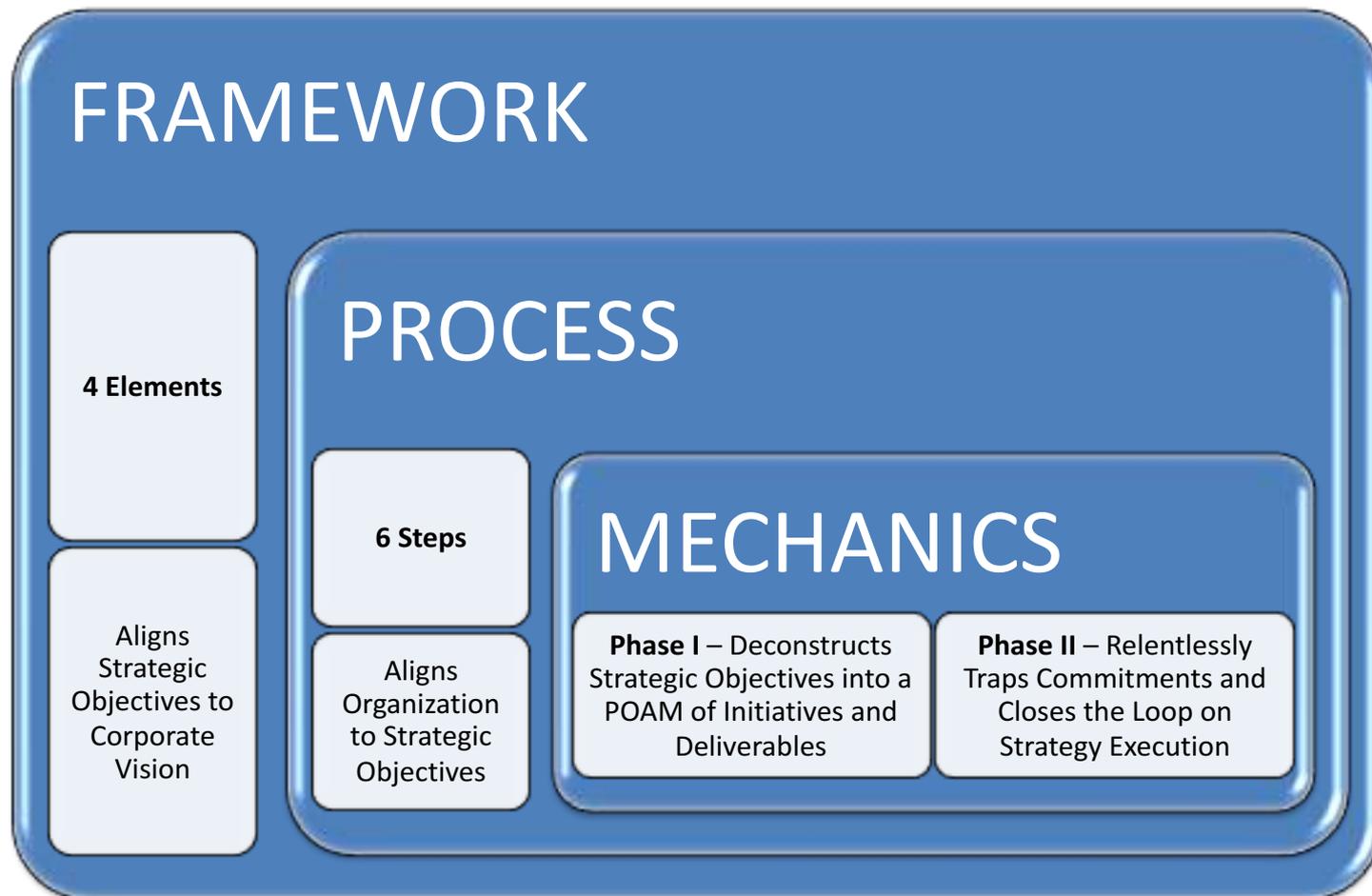
-Thomas Edison -



“However beautiful the strategy, you should occasionally look at the results”

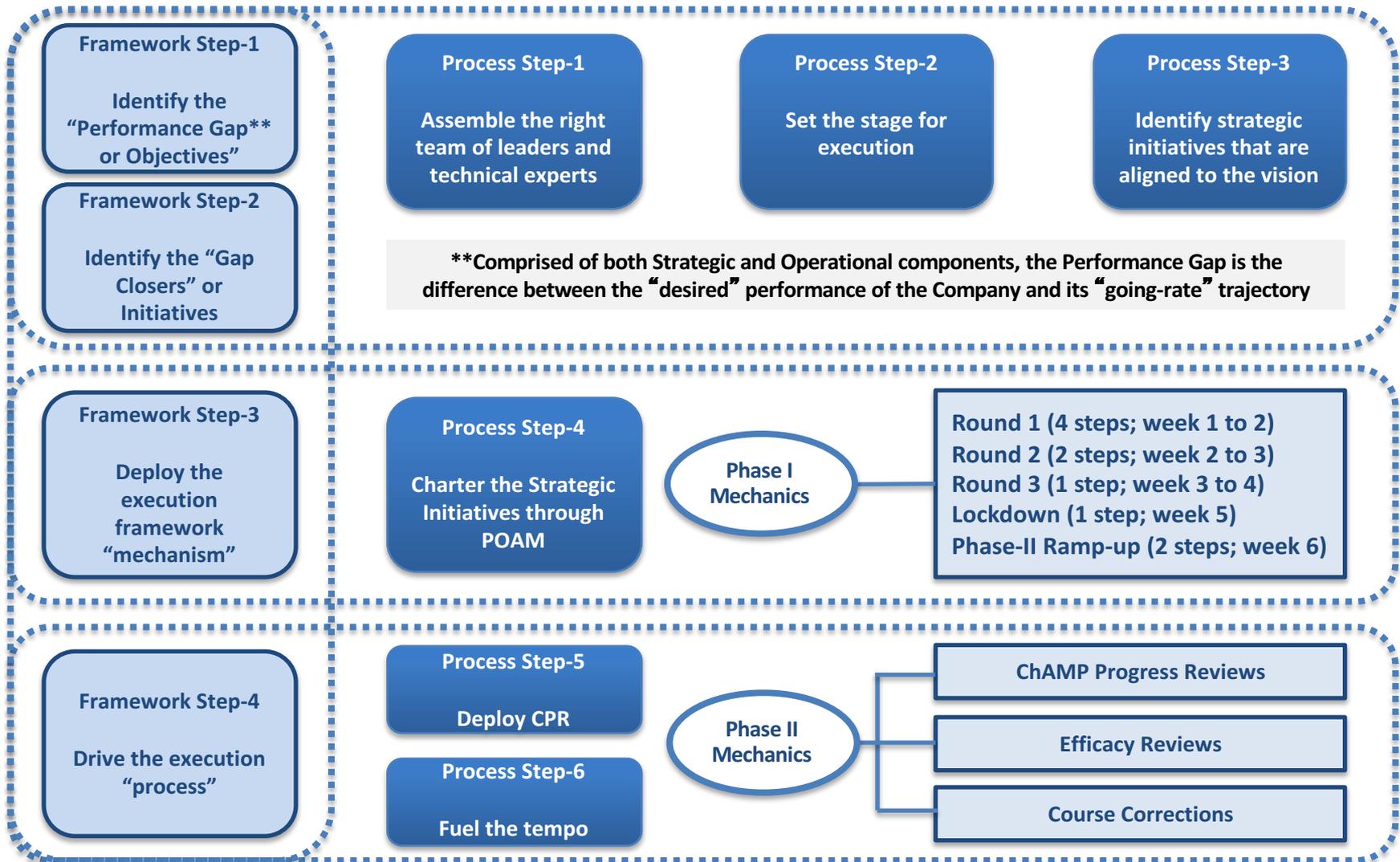
- Winston Churchill -

## The DNA of ChAMP's unique and proven approach



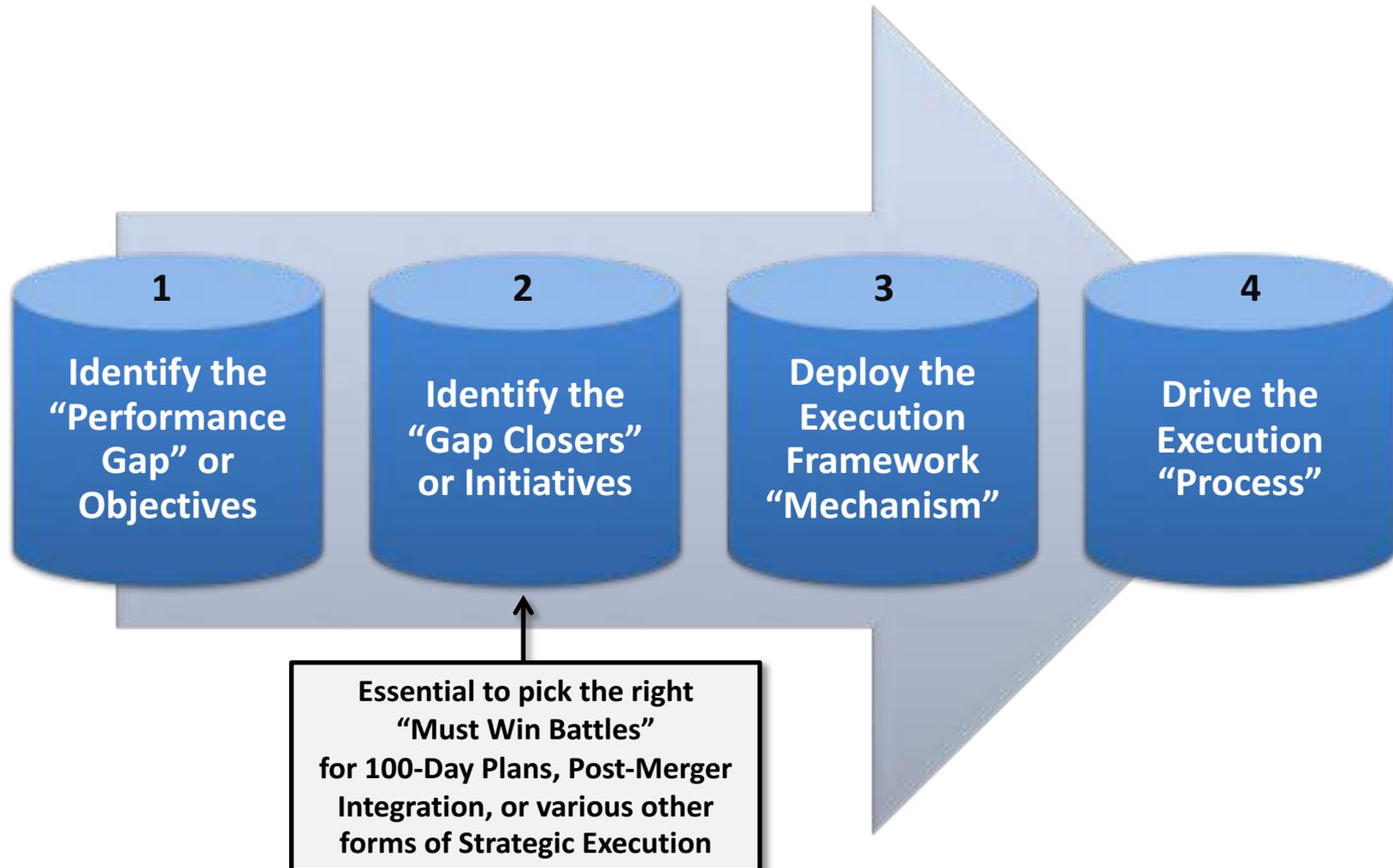
# CHAMP: THE ROADMAP

How strategy embarks on a disciplined campaign to achieve execution excellence and top performance



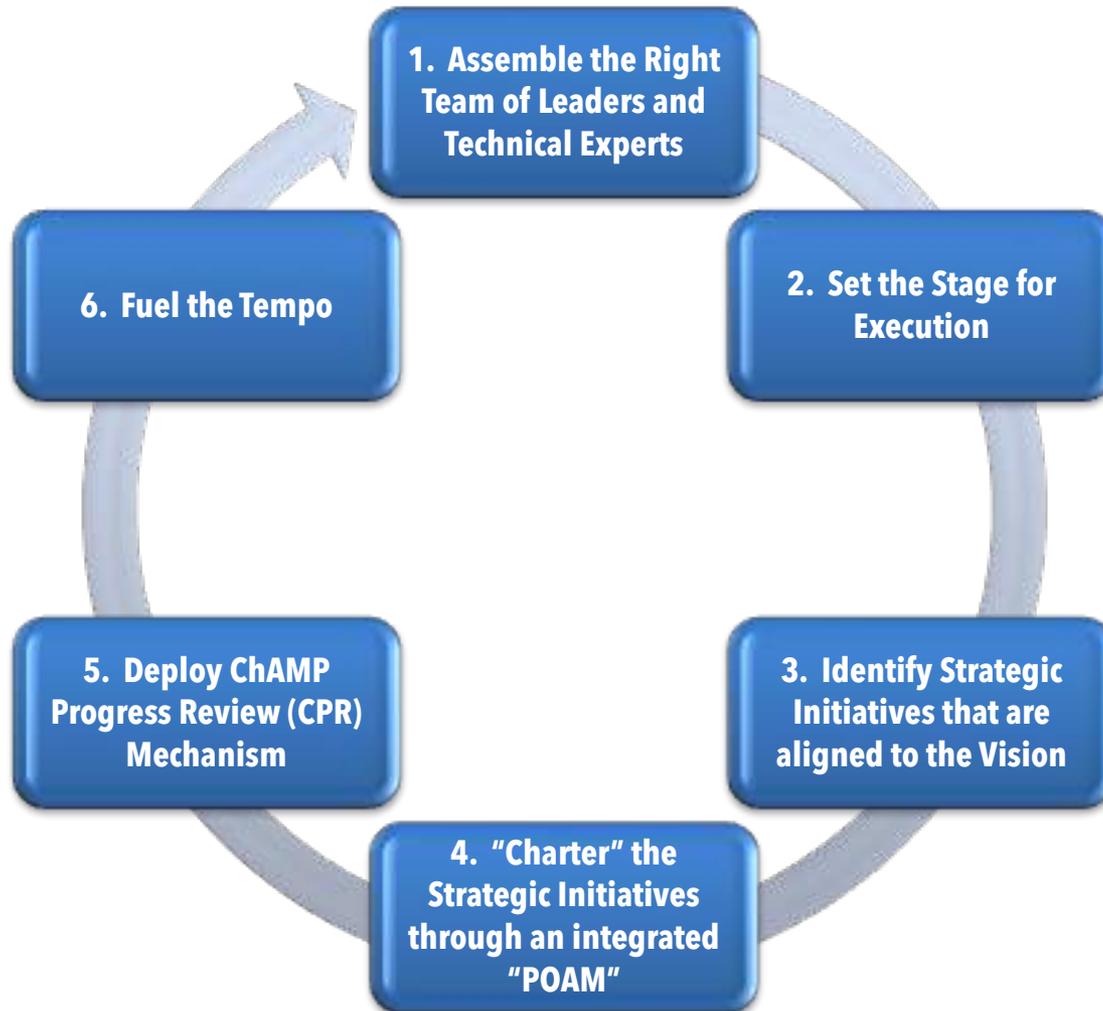
## CHAMP: THE FRAMEWORK

Our program framework enables the company to accelerate corporate performance



## CHAMP: THE PROCESS

Six primary action steps that drive cultural, growth, and profitability initiatives



# CHAMP: THE PROCESS (CONT'D)

Execution is key to a successfully realized strategy

## Step-1

*Assemble the Right Team of Leaders and Technical Experts*

- If necessary, establish "CO/XO" framework
- Establish and deploy "Tiger Teams" if required
- Establish a "War Room" if required
- Establish a "Master Calendar"

## Step-2

*Set the Stage for Execution*

- Identify the state of affairs
- Establish command and control, with sense of urgency
- Centralize authority
- Reduce complexity
- If necessary, deploy cash preservation measures
- Pinpoint top few priorities; jettison all else
- Pinpoint most vital reports; jettison all else
- Broadcast a "Vision" and "Mission"
- Establish internal (i.e. board/staff) and external (i.e. vendors/customers) communication lines
- Push responsibility down and empower and sponsor for success; elevate accountability
- Broadcast a "Management Manifesto" as the senior management compass
- Establish a "Council of Chiefs"
- If desired, align teammates to a "Solidarity Pledge", which will become a cultural binding agent that commits the team to their stated deliverables

## CHAMP: THE PROCESS (CONT'D)

One key to preventing gear slippage is to memorialize the milestones and set sacrosanct deadlines

### Step-3

*Identify Strategic Initiatives that are aligned to the Vision*

- **If a stand-alone Business Unit (BU), align BU strategy to enterprise-wide mandate; forge a BU cultural moat**
- **Strategic Gap Closers: Strategic Misfits; Entry through Make vs. Buy**
- **Operational Gap Closers: Revenue Enhancements; Asset Redeployments; Cost Cutting**
- **Financial Restructuring**
- **PMI Initiatives, 100-Day Plans, etc.**

### Step-4

*"Charter" the Strategic Initiatives through an integrated POAM*

**Phase-I Mechanics**

- **Develop Plan Of Action and Milestones (POAM) using RACI matrix (i.e. Responsible, Accountable, Consulted, Informed)**
- **ELT Sponsor**
- **Objectives, End State, Milestones, Sub-milestones, Interdependencies, KPIs, Delegates**
- **Cross-functional Charter reviews**
- **Charter Lock Down...do not let perfection be the enemy of the good enough**
- **Plan Development**
- **Enterprise-wide ELT Dashboard**

## CHAMP: THE PROCESS (CONT'D)

It is not enough to drive the plan; continuous points of impact must be stimulated and monitored

### Step-5

*Deploy ChAMP  
Progress Review  
(CPR) Mechanism*

**Phase-II Mechanics**

- **Pump Strategic Initiatives into CPR cycle**
- **Recurring closed loop**
- **Forward looking**
- **Milestone focused (vs. financial focused)**
- **Bottom-up approach; Connect ELT/SLT with "doer" level**
- **Continuous points of impact (i.e., cultures have a spring memory)**
- **Promote execution accountability**
- **All hands, mandatory CPR sessions**
- **Deploy CPR tools (various), including memos, policies, tools, etc.**

### Step-6

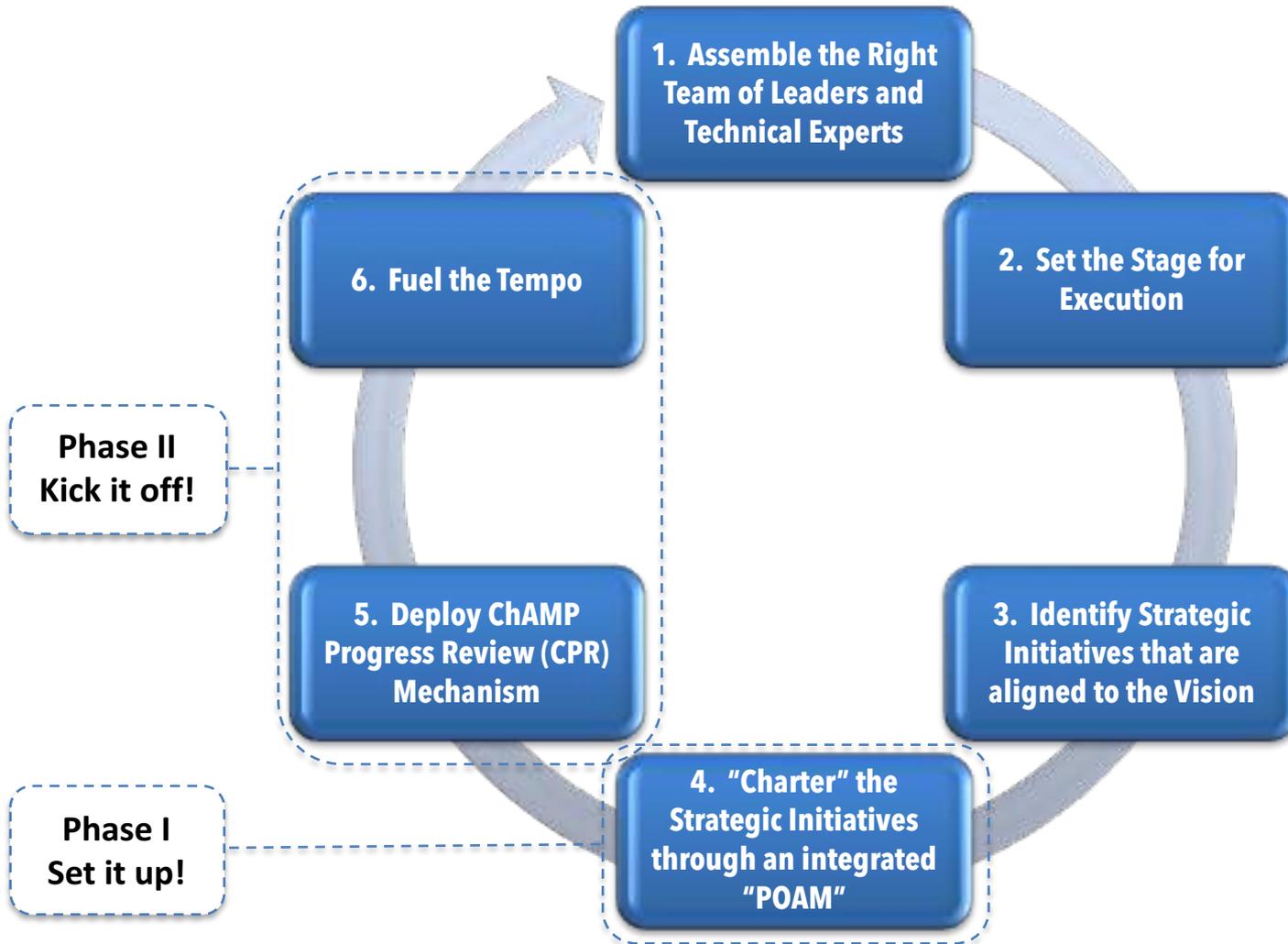
*Fuel the Tempo*

**Phase-II Mechanics**

- **Broadcast wins; create an infectious "can do" environment**
- **Reward disproportionate behavior disproportionately**
- **Host periodic efficacy reviews and identify course corrections**
- **Lead, listen, lead!!!**
- **Decentralize authority and delegate span of control**

# CHAMP: THE MECHANICS

Two essential phases to convert strategies to action plans and drive results



## CHAMP: THE MECHANICS (CONT'D)

Two sequenced and coordinated phases

### PHASE I: Set it up!

- Collaborate with investment professionals and portfolio company senior executives to identify and/or validate the company's core initiatives (problem statements and end-state objectives for the “Must Win Battles”)
- Collaborate with investment professionals and portfolio company senior executives to identify core initiative sponsors, deputies and working teams
- Collaborate with core initiative sponsors and working teams to develop strategic initiative charters that establish accountability, responsibilities, interdependencies, resources, metrics, and milestones.
- Charters will be subject to review by various stakeholders (e.g. CFO, IT, HR, Legal, etc.)
- Final signoff by CEO

### PHASE II: Kick it off!

- Collaborate with investment professionals and portfolio company senior executives to develop a master calendar for enterprise-wide core initiative executions
- Collaborate with investment professionals and portfolio company senior executives to launch a ChAMP Progress Review (CPR) program aimed at institutionalizing an execution tempo (commitments, takeaways, follow-ups...repeat!)
- Cycle at least two (2) CPR sessions to ensure mechanics, cycle leaks, and monitor cultural adoption
- Hand-off program to appointed executive; Review need for on-going support
- Mid-period Efficacy Reviews
- Course corrections

# CHAMP: THE MECHANICS...BUILDING A REPOSITORY OF “MUST WIN BATTLES” (MWBs)

Sample: Master Gantt from a ‘live’ post-investment 100-day plan

PORTFOLIO COMPANY XYZ WORK PLAN							6/20/XXXX											
TASK	RESPONSIBLE PARTY	Priority	Initial Target	Revised Target	Delt	% Complete	DATE											
							Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
<b>STRATEGIC PLAN OBJECTIVES</b>																		
Objective 1: Achieve 10% Revenue (+/- 2 months); Maximize short term business issues																		
Objective 2: Present for the Future 2003 (+/- 12 months); Increase Market Share - C&A/MS&A																		
Objective 3: Future Environment 12 (+/- months); Strategic/Source/Products/Markets																		
<b>Optimize the Platform</b>																		
<b>I.A. Administrative</b>																		
I.A.1	Reporting Package - Internal Agents	Winners	Complete	3/31		81%	100%											
I.A.2	Reporting Package - External (Global)	Winners	Complete	3/31		81%	100%											
I.A.3	Reporting Package - External (Local Group)	Winners	Complete	3/31		81%	100%											
I.A.4	Client Winner for March 31, 2004 Reporting Requirements	Winners	Complete	3/31		83%	100%											
I.A.5	Health Enhancement Agreement / Implementation	Winners	High	6/18	6/1	33%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.A.6	Brand Migration	Winners	High	5/30	5/30	71%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.A.7	Employee Incentive Program	Winners	High	6/18	6/1	25%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.A.8	Bank Meeting Report (2004)	Winners	Complete	3/15		91%	100%											
I.A.9	Bank Meeting (2-Function)	Winners	Complete	6/18		91%	100%											
I.A.10	Client Winner for Mar 31, 2004 Reporting Requirements	Winners	Complete	3/31		81%	100%											
I.A.11	CO Board Meeting (Budget/Plan Approval)	Winners	Complete	5/18	6/28	87%	100%											
I.A.12	CO Board Meeting	Winners	Medium	5/31		9%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
<b>I.B. Operational</b>																		
I.B.1	Develop Key Performance Indicators (KPI) and Executive Dashboard	Winners	Complete	6/17		33%	100%											
I.B.2	2004 Operating Plan Development (w/ "Budget")	Winners	Complete	6/18		61%	100%											
I.B.3	2004 Operating Plan Rollout (Internal)	Winners	Complete	5/31		87%	100%											
I.B.4	2007 Strategic Plan (see Section II)	Winners	Medium	7/15/0		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
<b>Improve the Bottom Line</b>																		
<b>I.A. Revenue Enhancements</b>																		
I.A.1	Computer Re-evaluating	Winners	High	6/17		71%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.A.2	Computer Training	Winners	Complete	6/5/0		61%	100%											
I.A.3	Systems Program Re-evaluating	Winners	Complete	7/30		61%	100%											
I.A.4	Systems Program Re-evaluating	Winners	Complete	1/31		87%	100%											
I.A.5	Sales Support Tools - Re-evaluating	Winners	Complete	5/31	6/17	61%	100%											
I.A.6	Sales Support Tools - Long Term Fix	Winners	High	6/5/0	1/31	71%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.A.7	Reporting Focus	Winners	High	6/17		36%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.A.8	New Reporting Program	Winners	Complete	5/18		81%	100%											
I.A.9	Strategy Review	Winners	Medium	5/31	6/30	0%												
I.A.10	Other Sales' Committee	Winners	Cancel	6/18		100%												
I.A.11	Capacity Business Plan	Winners	Medium	6/18		31%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.A.12	Capacity Business Plan	Winners	Complete	7/31		81%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.A.13	CO Board Meeting	Winners	High	6/30	5/30	81%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.A.14	Custom Trained Act	Winners	High	1/31		31%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.A.15	Gift Structure	Winners	Medium	6/31		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
<b>I.B. Asset Re-deployment</b>																		
I.B.1	Asset Re-deployment (Operational Asset)	Winners	High	6/30		71%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.2	Asset Re-deployment (Operational Asset)	Winners	High	6/30		50%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.3	Investment Deal	Winners	High	1/31		71%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.4	Overseas - Grants Team	Winners	Low	1/31		23%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.5	Overseas - Grants Team	Winners	Complete	5/30		81%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.6	Overseas - Grants Team	Winners	Complete	5/31	5/31	100%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.7	SKU Reduction - Phase 1	Winners	Complete	5/31		100%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.8	HQ Sales Leaseback	Winners	High	1/31		50%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.9	Corporate Plan	Winners	Complete	5/30		100%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.10	Warehouse Rationalization	Winners	Complete	1/31		81%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.11	Merchandise Consolidation and Economics	Winners	Medium	6/30		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.12	Merchandise User Review Calendar	Winners	Low	1/31		23%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.B.13	Web Strategy (see I.C.4 "Tasks - Merch")	Winners	High	1/31		36%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
<b>I.C. Cost Control Initiatives</b>																		
I.C.1	Monthly Budget/General Department Reviews	Winners	High	6/31	6/28	71%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.2	Lambda Optimization (ASC, VMI, Min/Max)	Winners	High	6/30		49%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.3	Shipping	Winners	High	1/31		49%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.4	Supply Chain Optimization (Supply Chain / Warehouse Planning)	Winners	High	1/31		23%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.5	Supply Chain Optimization (Supply Chain / Warehouse Planning)	Winners	Complete	5/1	6/18	81%	100%											
I.C.6	Dashboard	Winners	Medium	4/31	1/31	23%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.7	(see I.B. 1)	Winners	High	6/31	6/30	91%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.8	Authorized (operational / V-Card, Injunct, Levels)	Winners	High	6/30	6/31	49%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.9	Purchase Order System Phase 2 ("System-wide rollout" - Mexico et al)	Winners	High	7/30		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.10	HQ Corporate "See New" Profitability	Winners	Complete	6/31		81%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.11	Delta Woodstock Optimization (ASC, Plant Layout)	Winners	Complete	1/31		100%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.12	Warehouse Travel	Winners	Complete	1/31		100%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.13	Car Fuel	Winners	High	7/30		10%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.14	China Financial Rationalization	Winners	High	7/31		50%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.C.15	China Agency Rationalization	Winners	High	6/30		10%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
<b>I.D. Human Resources</b>																		
I.D.1	Organizational Chart	Winners	Complete	4/30		81%	100%											
I.D.2	Payroll Process Re-evaluating	Winners	Medium	6/30		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.D.3	Comprehensive Job Scope Review	Winners	Medium	6/30		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.D.4	Payroll Process Re-evaluating	Winners	Complete	1/31		100%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.D.5	Payroll Process Re-evaluating	Winners	Complete	1/31		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.D.6	Support Staff - Reporting Program	Winners	Medium	6/30		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.D.7	60130	Winners	Complete	6/31		100%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
I.D.8	Functional Area Report Cards	Winners	Low	1/31		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
<b>II. Future Environment</b>																		
II.A.1	Preliminary Long Term Strategic Assessment	Winners	Low	9/30		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
II.A.2	Develop 2004 Strategic Plan Update	Winners	Low	7/30		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
II.A.3	Develop 2004 Financial Targets/Strategic Budget	Winners	Low	7/30		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
II.A.4	Receive PE Fund Approval for 2004 Strategic Plan	Winners	Low	7/30		0%		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		

- Sample battery of “Must Win Battles” from a 100-day plan
- Many moving parts to coordinate and track between sponsor and management team
- Eventually numerous charters and sub-tasks underlying each initiative
- High potential for ‘gear slippage’
- Essential to charter in parallel, but prioritize and stagger batches for execution

## CHAMP: THE MECHANICS...PHASE I – SELECTING CORE “MWB” BATCHES

Sample: Strategic Initiatives/Performance Gap Closers/“Must Win Battles” from ‘live’ corporate transformation

Initiative	Description	Sponsor
MWB1	Improve Product Execution	Executive 1
MWB2	Develop Global Manufacturing Strategy	Executive 2
MWB3	Reenergize the Workforce	Executive 3
MWB4	Grow Existing Sales	Executive 4
MWB5	Generate New Business Opportunities	Executive 5

*MWBs each have a name, a sponsor, a deputy, and various responsible teammates*

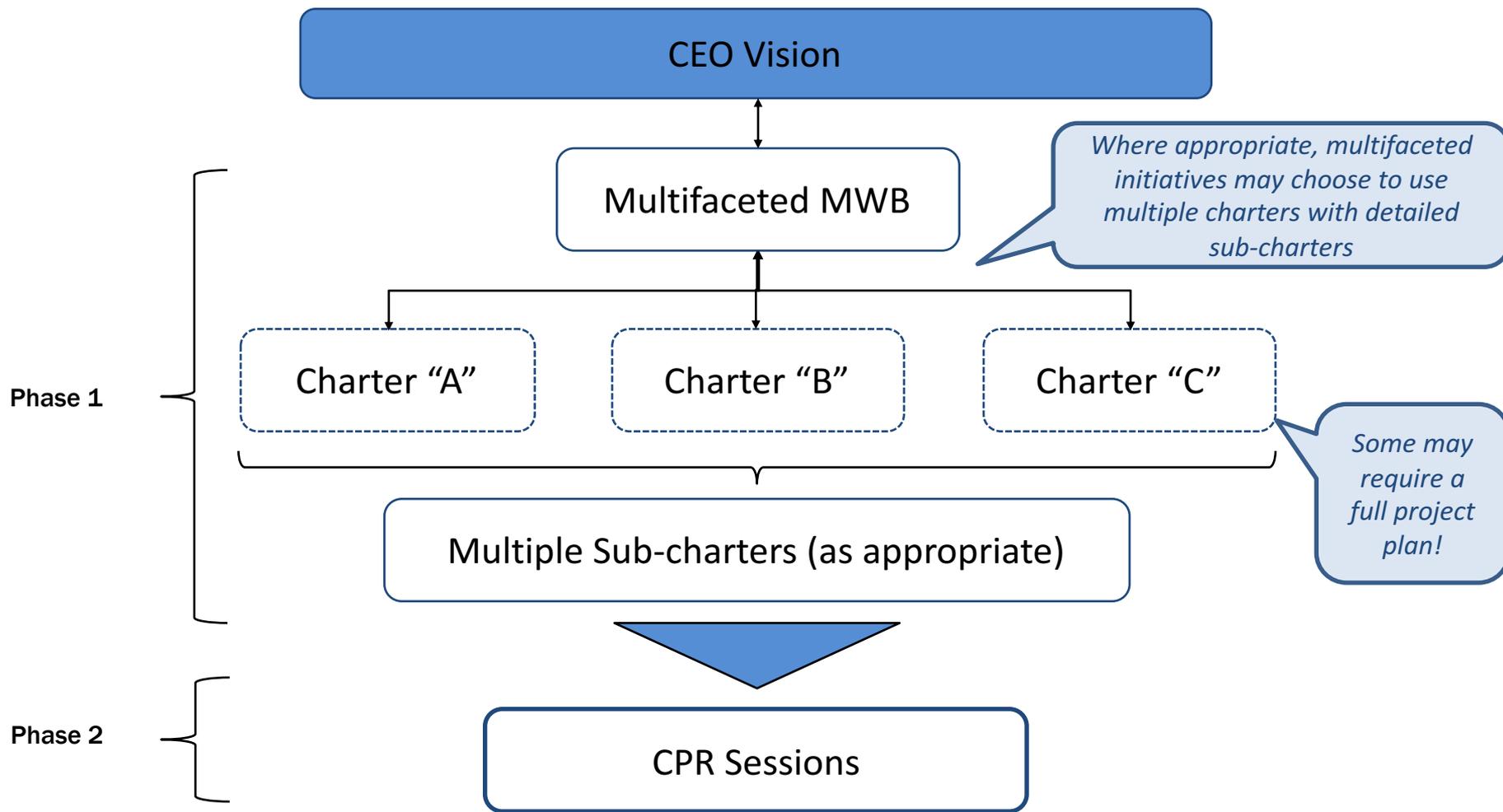
# CHAMP: THE MECHANICS...PHASE I – ACTION CALENDAR

Three rounds and a lock down!!!

Phase I	
Round 1	Week 1 <ul style="list-style-type: none"><li>▪ All hands introduction, with CEO sponsorship</li><li>▪ Executive sponsors appoint deputies</li><li>▪ Commence individual MWB Kickoffs</li><li>▪ Establish and schedule daily check-ins (working team only)</li><li>▪ Schedule formal check-ins and CEO panels</li><li>▪ Commence daily field reports</li><li>▪ Establish corporation-wide momentum and commence chartering</li></ul>
Round 2	Week 2 <ul style="list-style-type: none"><li>▪ First formal MWB Check-ins with leadership (“horseback ride”)</li><li>▪ Finalize stakeholder list (MWB teams, HR, Legal, IT, Finance, Supply Chain, Operations, etc.)</li><li>▪ Collect, bundle, distribute charters to all stakeholders</li></ul>
Round 3	Week 3 <ul style="list-style-type: none"><li>▪ MWB teams receive and integrate <u>all</u> stakeholder feedback</li><li>▪ Continue to refine charters for CEO panels</li></ul>
Lock Down	Week 4 <ul style="list-style-type: none"><li>▪ Second formal MWB Check-ins with leadership (pre-panel prep)</li><li>▪ Continue to refine charters for CEO panels</li></ul>
	Week 5 <ul style="list-style-type: none"><li>▪ CEO Panels</li><li>▪ Lock-down charters!!!</li></ul>

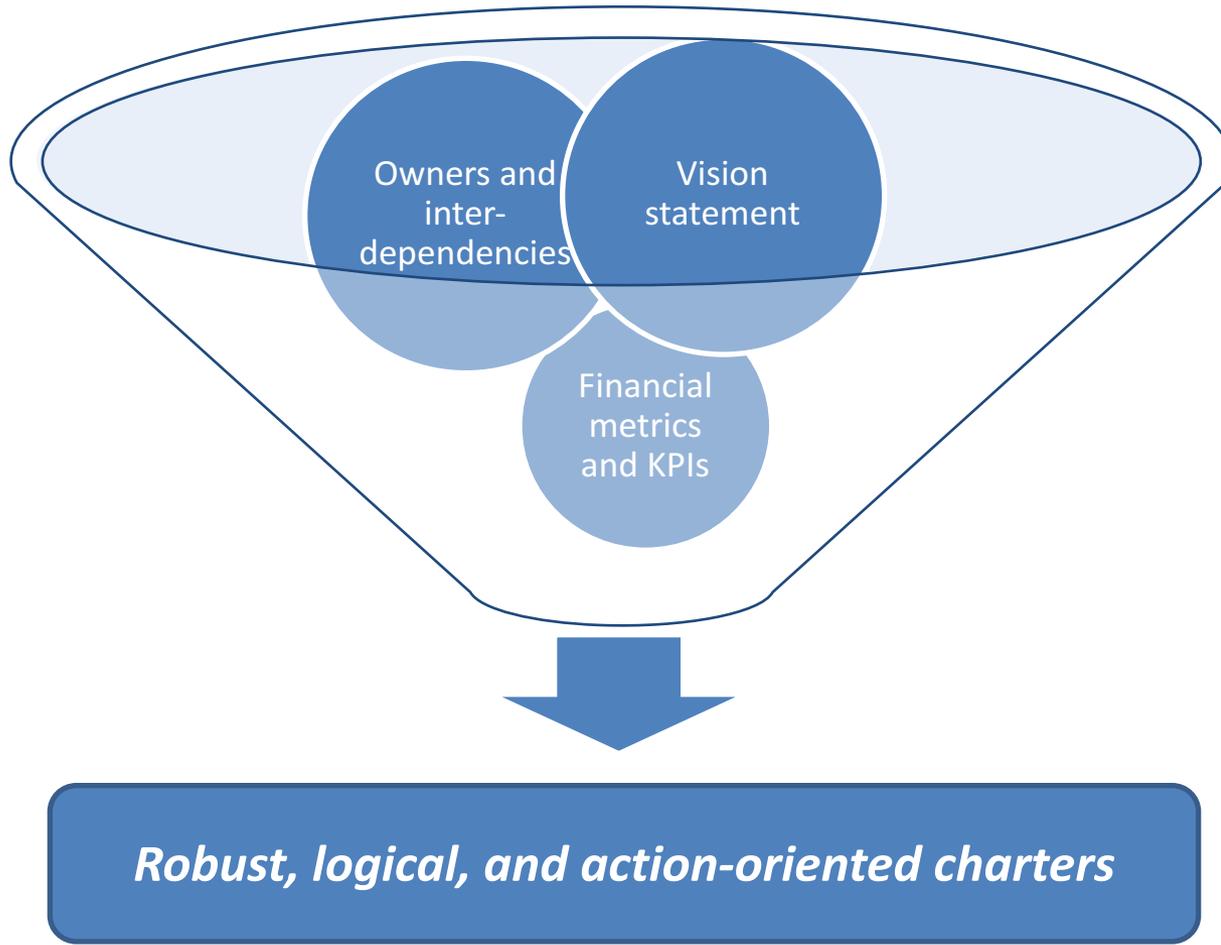
# CHAMP: THE MECHANICS...PHASE I – BUILDING THE CHARTERS

## The Architecture of the Must Win Battle's Charter



# CHAMP: THE MECHANICS...PHASE I – BUILDING THE CHARTERS (CONT'D)

## The Charter's Governing Construct



- **VISION STATEMENT:** Each initiative should reflect CEO's vision statement
- **OWNERS AND INTER-DEPENDENCIES:** Each initiative should have owners' approval, and call out inter-dependencies for approval
- **FINANCIAL METRICS AND KPIs:** Metrics, corresponding to an agreed-upon definition of success, should be included for each initiative in order to measure ongoing progress toward goals
- **ROBUST, LOGICAL, AND ACTION-ORIENTED CHARTERS:** All steps should be simple enough to follow that even without the leader's presence, the team knows the exact process

# CHAMP: THE MECHANICS...PHASE I – BUILDING THE CHARTERS (CONT'D)

## Standardized format for each MWB charter

Program / Initiative Name: [Program Name]		Created By: [Name]	
Business Leader: [Name]		Version No.: 1.0	
Team Members: [Names]		Last Updated: [Date]	
Executive Summary		TMO Lead: [Name]	
Objective of the Initiative		Sponsor: [Name]	

*Names of all team members, roles, and objectives*

Financial Targets	2016
[Target #1]	
[Target #2]	

*Deliverables, with KPI goals and timelines that tie back to specific financial targets*

Financials & Other Key Performance Indicators	
Key Performance Indicators (KPI)	
Deliverables	KPI
[Deliverable #1]	
1. [Item]	[KPI]
2. [Item]	[KPI]
2. [Item]	[KPI]
[Deliverable #2]	
1.	
2.	
2.	
[Deliverable #3]	
1.	
2.	
2.	

[Initiative Name]

Scope of the Initiative

In-Scope	Out-of-Scope
• [Item]	
• [Item]	

*Relevant activities that will be in-scope and out-of-scope*

Major Milestones & Deliverables	Accountable Owner	Target Date
1. [Deliverable]		
1.1. [Milestone]		
1.2. [Milestone]		
1.3. [Milestone]		
2. [Deliverable]		
2.1. [Milestone]		
2.2. [Milestone]		
2.3. [Milestone]		
3. [Deliverable]		
3.1. [Milestone]		
3.2. [Milestone]		
3.3. [Milestone]		
4. [Deliverable]		
4.1. [Milestone]		
4.2. [Milestone]		
4.3. [Milestone]		
4.4. [Milestone]		
5. [Deliverable]		
5.1. [Milestone]		
5.2. [Milestone]		
5.3. [Milestone]		

*Milestones, owners and key inter-dependencies for all strategic initiatives*

**MWB sponsors and team create the charters, which are then approved by leadership and signed by all**

## CHAMP: THE MECHANICS...PHASE I – BUILDING THE CHARTERS (CONT'D)

### The Charter's Best Practices

- ★ Clarify “Point Solutions” vs. “Continuous Programs”
- ★ Identify RACI at every step
- ★ Comprehensive 360° stakeholder sign-off
- ★ Use data to inform initiative
- ★ Bias toward “more details” – feeder milestones
- ★ Bottoms-up team Input: ownership from the shop floor
- ★ It is a “living document”... a management tool
- ★ It's real! You own it!
- ★ Charter should comport with the company's “vision statement”
- ★ Version control: charter iterations continue in Rounds 2 or 3
- ★ Impact Analysis: Financial Metrics and “Forward-looking” KPI's

## CHAMP: THE MECHANICS...PHASE I – KEY PERFORMANCE INDICATORS

**You cannot manage it if you do not measure it!**

In general, P&L and Balance Sheet Key Performance Indicators (KPIs) tend to be lagging. Accordingly, KPIs are most effective when:

- They are non-financial in nature
- They are forward-looking, operationally focused—leading indicators change quickly and are generally seen as a precursor to the direction something is going
- They are aligned with business strategy, otherwise they become too generic
- They are frequent and understandable
- They receive c-level attention as a critical, agreed-upon measure of success
- They drive positive behavior
- They are “SMART” (i.e., specific, measurable, achievable, relevant, time-phased)
- In the end, the best proactive measures come from a specific need within a specific company, rather than selecting from a range of “off-the-shelf” measures

# CHAMP: THE MECHANICS...PHASE I – KEY PERFORMANCE INDICATORS (CONT'D)

There are myriad KPIs that can be embedded across the primary functional areas

Sales and Marketing	Supply Chain	Production	Information Technology	Customer Service	Capital Budgets
New customers acquisition funnel:	Carry Cost of Inventory	Overall Equipment Effectiveness (OEE) =	Availability / Uptime	Duration of a stockout situation	Estimate to Complete
1. How many calls is a sales person making per week?	Rework on procured inventory	Availability x Performance x Quality	Mean time between failure	Customer order waiting time	Labor Spent / Month
2. Who is the sales person calling on?	Inventory Turnover	Availability = Run Time / Total Time	Mean time to repair	Average Time to Delivery	Dollars Spent / Month
3. How many of these calls turn into opportunities?	Order Tracking	Performance = Total Count / Target Counter	Unplanned unavailability	Planned Delivery Date vs Actual Delivery Date	Planned Dollars / Month
4. How many of these opportunities turn into wins?	Units per Transaction	Quality = Good Count / Total Count		Net Promoter Score	Planned Labor / Month
5. How is the sales person performing in these categories compared to the peer group?	Rate of Return	Cycle Time Ratio (CTR) - CTR = Standard Cycle Time / Real			Project Overhead / RO
Lead response time	Back-order Rate	Utilization			On Time Milestone Completion Rate
Rate of Contact and Follow-up Contact	Perfect-order rate	Rejection rate			
Clicks from Sales Follow-Up Emails	Delivery In Full and On Time				
	Line Item Fill Rate				
	Warranty>Returns Processing Costs				
	Storage Space Utilization				

**Even the most noteworthy companies have their essential leading indicators; for example, 3M relies on “# of innovations” and “# of patents” as leading indicators of competitive advantage**

# CHAMP: THE MECHANICS...PHASE I – BUILDING MOMENTUM TOWARD EXECUTION

“Three rounds and a lockdown” revisited – The ten Phase-I action steps prior to Phase-II

		MWB #1	MWB #2	MWB #3	MWB #4	MWB #5
Round 1	1. Kick-off Session	✓	✓	✓	✓	✓
	2. Share Templates	✓	✓	✓	✓	✓
	3. Commence Daily Sessions	✓	✓	✓	✓	✓
	4. Formal Check-in #1	✓	✓	✓	✓	✓
Round 2	5. Collect and disseminate 360° stakeholder reviews	✓	✓	✓	✓	✓
	6. Edit Charters based on 360° reviews					
Round 3	7. Formal Check-in #2					
Lock Down	8. CEO Panel					
PHASE II Ramp-up	9. Calendarization					
	10. CPR Templates					

**Illustrative Only**

# CHAMP: THE MECHANICS...PHASE I – BUILDING MOMENTUM TOWARD EXECUTION (CONT'D)

In Round 2, the “Stakeholder Reviews” will bubble up many of the unforeseen interdependencies

Round 2 - Stakeholder Review Cycle						
		Must Win Battles				
		MWB-1	MWB-2	MWB-3	MWB-4	MWB-5
Stakeholders	MWB-1	Delivered				
		Returned				
	MWB-2	Delivered				
		Returned				
	MWB-3	Delivered				
		Returned				
	MWB-4	Delivered				
		Returned				
	MWB-5	Delivered				
		Returned				
	Finance	Delivered				
		Returned				
	Legal	Delivered				
		Returned				
	HR	Delivered				
		Returned				
	IT	Delivered				
		Returned				
	CEO	Delivered				
		Returned				
PE Sponsor	Delivered					
	Returned					

Illustrative Only

Note: document version control is important; charter development does not pause in Rounds 2 or 3

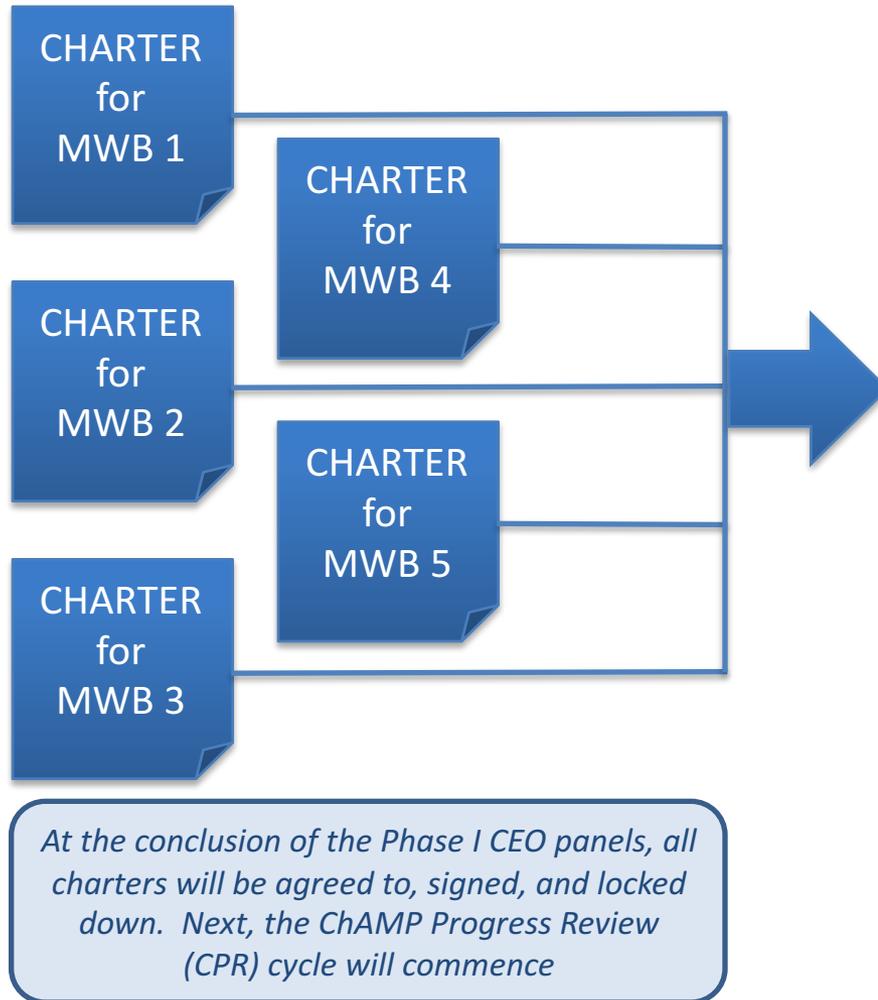
## CHAMP: THE MECHANICS...PHASE I – CEO PANEL PROTOCOL

### The “lock down” stage...feeds the CPR process

- ★ This is the final formal check-in step to “bless the go forward” and wrap up Phase-I
- ★ The session will go “around the horn” to confirm specific 360-degree stakeholder alignment (i.e., HR, IT, Finance, Legal, etc.)
- ★ This session may spawn some “takeaways”, but these are focused only on subtle refinements...not rework
- ★ Subsequent to the CEO Panel, all hands will be requested to sign (literally) the charters, which memorializes alignment and signifies “lock down”
- ★ Locked charters will be fed into the Master Calendar and CPR cycle
- ★ Some companies introduce a Solidarity Pledge before the first CPR session as a powerful alignment tool, committing teams to the approach

## CHAMP: THE MECHANICS...PHASE II – CHAMP PROGRESS REVIEW

Execution through properly run CPRs will become a cultural norm

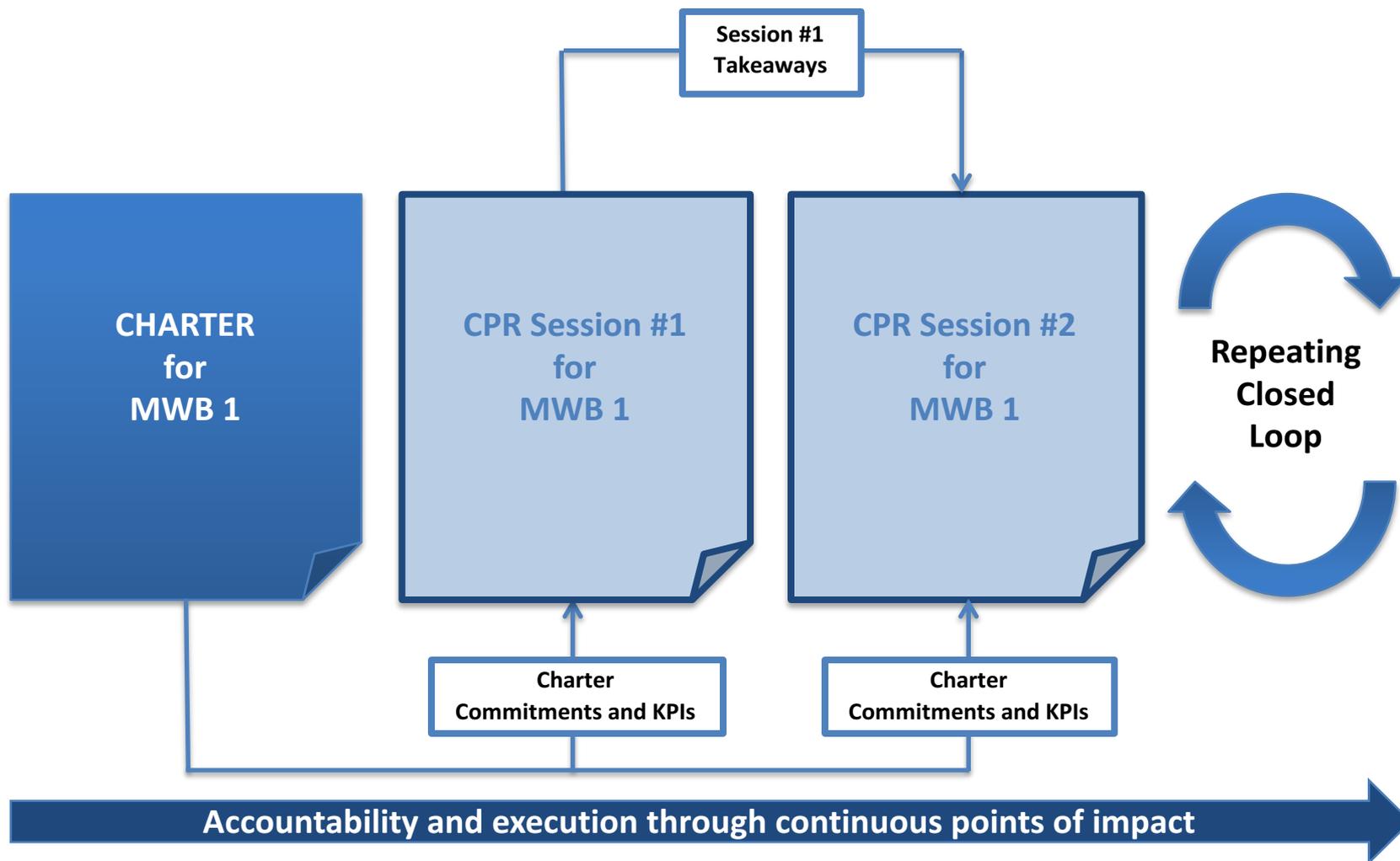


### ChAMP PROGRESS REVIEW

- Public forum to review completion of hard commitments
- RACI and Milestones captured in a relentless closed loop
- CPR cadence of every 2-4 weeks; Pre-scheduled for 12 months
- CEO is Chairperson; Administered by appointed “Head of Execution”
- Mandatory attendance for all MWBs and Stakeholders; Deputies must be appointed and empowered
- All CPR “takeaways” memorialized, disseminated, and embedded as “new commitments”
- New culture with bias toward execution

## CHAMP: THE MECHANICS...PHASE II – CHAMP PROGRESS REVIEW (CONT'D)

Properly led CPR sessions will increase the rate of change, minimize gear slippage, and drive growth and profits



### Best Practices for an Everlasting Closed-loop Cycle

- Bifurcate the various charters into logical groupings and drive through two cloned sessions
- To achieve meaningful progress between sessions, we propose a periodicity of every 30 days, and the staggering of Sessions “A” and “B” accomplishes a monthly gap
- Attendance is mandatory! Each CPR will include ELT, Functional Stakeholders (e.g., IT, Finance, HR, etc.), and the presenting MWB team. If the senior-most executive cannot attend, a deputy must stand in and be empowered to respond.
- CPRs should be scheduled for the next 12 months; same day, same time
- PMO/TMO will provide a “pre-filled” CPR template 48 hours prior to the session; MWB teams fill in the “status blanks” and return to PMO/TMO 24 hour prior to CPR
- Each session has a scribe to capture all “takeaways”—takeaways are broadcasted after session and captured on next CPR template
- CEO is Chairperson; CPR is hosted by appointed “Head of Execution” (often COO or CAO, but not necessarily) who will take role call and drive the session, nudging wherever there is gridlock that requires separate discussion
- RACI is overarching theme, and CPR actions will drive a new culture with bias toward execution
- How C-level treats “accountability” in a CPR will set the tone and tempo

## CHAMP: THE MECHANICS...PHASE II - EFFICACY REVIEWS

### Implementing a forensic process to validate the viability of the strategy

- Over the course of three months, companies typically revisit their commitments three times through the CPR process
- CPR sessions are laser-focused on milestone achievement, which is paramount for good execution. Notwithstanding, achieving milestones “on time” is only one of the key success factors
- Efficacy Reviews should be held quarterly to optimize impact; however, in some instances, semi-annual can be sufficient
- Efficacy Reviews are fundamental to determining the potency of the strategic plan and help determine the “effectiveness” of the initiatives and “impact” of the milestones
- The appointed Head of Execution (i.e., COO, CAO, etc.) should commission an Efficacy Committee to delve into the forensics, including qualitative features and hard data—led by the ChAMP Project Leader and including representatives from Finance, IT, Operations, and HR
- The forensic team should pursue the Efficacy Committee Process and Decision Tree

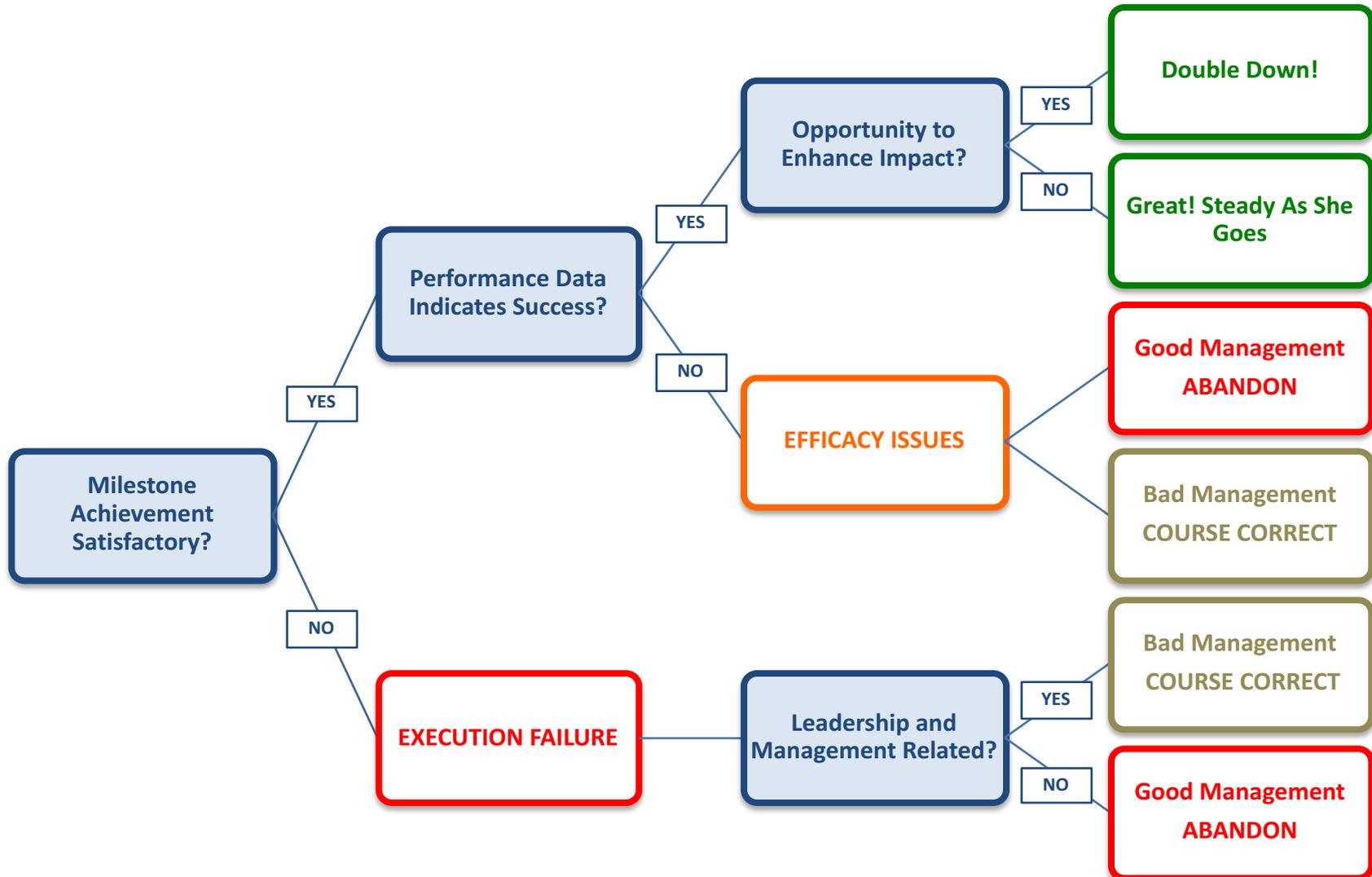
## CHAMP: THE MECHANICS...PHASE II - EFFICACY REVIEWS (CONT'D)

### Efficacy Committee Process

- Formalize and Assemble the Efficacy Committee
- Prioritize the analysis queue for forensic review
- Compile the performance data and confirm the goals/benchmarks/objectives for each strategic initiative
- Analyze and scorecard the strategic initiatives with focus on three primary Key Success Factors:
  - ✓ Performance Data/Results
  - ✓ Process Discipline and Integrity
  - ✓ Leadership and Managerial Competency
- Empirical measurements of success are the chartered KPIs, metrics, and indicators of “yield” (i.e., gross margins, etc.), as well as stand-alone ROI and/or Payback to the extent that committed resources can be pinpointed, especially earmarked capital and man-hours. It is also important to scrutinize data to flesh out false negatives and positives
- Produce Efficacy Committee Report
- Host tailored Panel Sessions that include the Efficacy Committee, Strategy Sponsor, CEO, CFO, and selected guests
- Prescribe Post-Panel Action Steps: Double Down; Steady-As-She-Goes; Course Correct; Abandon

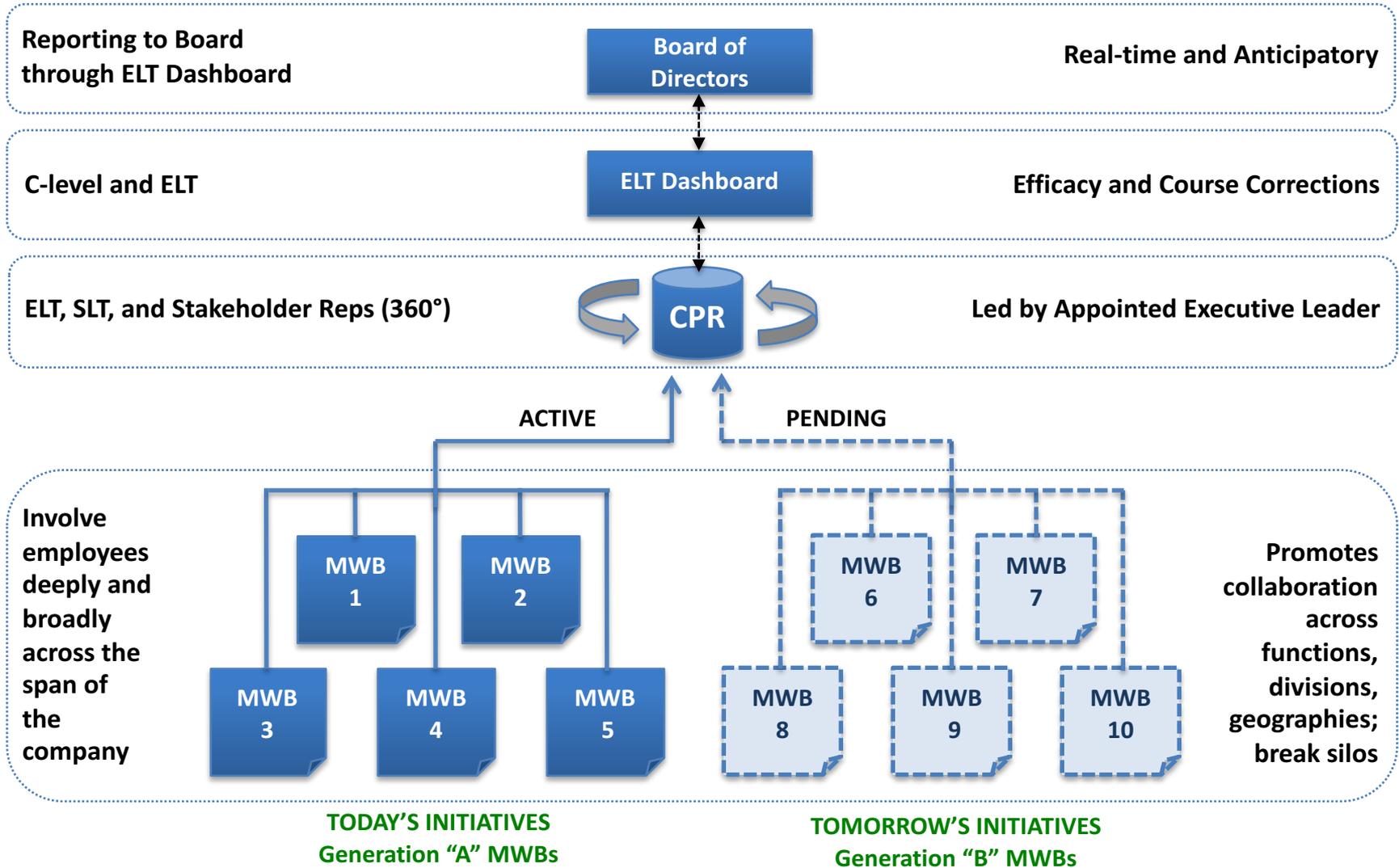
# CHAMP: THE MECHANICS...PHASE II - EFFICACY REVIEWS (CONT'D)

## Efficacy Committee Decision Tree



# CHAMP: THE EXECUTION ECOSYSTEM...FROM THE TOP DOWN

CPR is an everlasting forum to capture in a closed loop the company's highest-priority strategic initiatives



**Key Success Factors...**

---

# CHAMP: KEY SUCCESS FACTORS...OVERALL STRATEGY EXECUTION EXCELLENCE

Five Attributes for Finding Wins, Driving Growth, Profitability, & Morale, and Achieving Superior Results

## ACCOUNTABILITY

- Act on accountability breaches; otherwise, it becomes a mockery
- Eliminate excuses and crutches; bring solutions for all problems
- Break pre-existing silos and build “horizontal” linkages

## CADENCE

- Establish an unforgiving corporate-wide “drum beat”
- Promote a new bias toward action; reward disproportionate results
- Address issues and slippage real time, and streamline bottlenecks

## CONNECTIVITY

- Connect “doer-level” of company to senior management
- Senior management must sponsor and empower any delegated doers
- No such thing as “over-communication”

## CONSISTENCY

- Ensure accurate, real-time information about “true” progress, conflicting priorities, and structural impediments
- Strive for continuous points of impact

## VIGILENCE

- Cultures have spring memories and tend to recoil without tension
- Go-to, top performers will end up carry the heaviest load
- Strategies should assume neither better systems nor greater resources

## CHAMP: KEY SUCCESS FACTORS...100-DAY PLANS

### Specific considerations for 100-Day Plan excellence

- Ensure that the most important drivers of future success have been identified and prioritized
- Build a roadmap to ensure successful implementation, and clearly define responsibilities, timelines and, most importantly, measurable milestones and targets
- Define a clear strategic direction for the company and decide whether to be outcome or practice focused
- Identify a series of initiatives for optimizing post-deal performance—the “Must Win Battles”
- Obtain management ownership and support for the objectives and expectations, and Build an organization that will help realize the defined strategy
- Drive forward with ChAMP’s 100-day plan framework and mechanics

## CHAMP: KEY SUCCESS FACTORS...POST-MERGER INTEGRATION

### Specific considerations for PMI excellence

#### CULTURE

- Cultural differences tend to impede progress in cross-border PMI initiatives—a proper ‘chartering phase’ will help bridge differences and forge teams

#### END STATE

- End-state objectives are essential for ‘measuring what is being managed’—it is paramount to have proper business analytics in place to identify the timing and impact of each PMI initiative

#### CHARTERS

- Proper chartering is essential for surfacing the many ‘unknowns’ and this stage must be managed through cross-functional working groups

#### SPONSORSHIP

- Managing the ‘day job’ while driving PMI will create heavier workloads for many employees; it is essential for both the Sponsor and CEO to anticipate push back and commitment to objective

#### MIDDLE MARKET

- Middle-market PMI is unlike ‘Large Cap’ PMI—less bench strength and thinner budgets create unique challenges in middle-market PMI

#### PROGRAM MANAGEMENT

- It is essential to adhere to a proven Program Management Framework such as ChAMP

# **ChAMP:**

## **Change Acceleration Management Process**

---

For questions, please contact...

**Harry Gray**

**harry@executiongurus.com**

**214.280.7275**

**Greg Calaman**

**greg@executiongurus.com**

**201.788.7286**