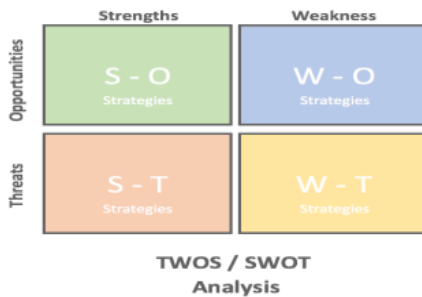




alternative products. It is also necessary to consider rivalry from existing competitors. When undertaking strategic decisions, an organisation cannot only consider ROI (return on investment) or any one particular metric. Strategic decisions should consider multiple variables measured on a balanced score card.



SWOT & TWOS Analysis



A successful strategic execution is composed of two parts an understanding of the organisational cycle, and knowing what tools to apply at each stage. Once established a strategy will be necessary to translate it into objectives, measure points communicated to all divisions. The strategic roadmap of each section should tie into the overall goals of the organisation; balanced scorecards that are specific and measurable.

As part of undertaking the organisational strategy, a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis should be evaluated. It is a major component of the planning process as it identifies key internal and external factors that are seen to be important for an organisation to achieve its objective. It can be used to build organisation strategy as it can be used to relate strengths, and opportunities to better manage the organisational strategy. An organisation can use it to identify competitive advantages and better manage threats and weaknesses.

A strategic map should reduce the complexity for an organisation in achieving divisional targets. The establishment of specific strategic divisional or regional themes has several advantages including the ability to create a focus for local competitive situations while integrated into the overall strategy of the organisation. Each specific objective should be measurable, and controllable. The use of a balanced scorecard with specific metrics and targets allows for an evaluation of organisational performance at the divisional and corporate level. As a result, an organisation can modify decision(s) proactively.

SWOT analysis can be taken a step further to develop TWOS Analysis to leverage strengths into opportunities, leverage threats into strengths, weaknesses into opportunities, and reduce the risk of weaknesses. These two matrices used strategically together can provide valuable insight into an organisation in undertaking the strategic plan.

Before a forecasting strategy for sales or revenue, targets that include projections, and mixes will need to be analysed. A starting point might be past sales, by product line and region. An important piece in the planning process as it can be part of the baseline to determine resources such as materials, equipment, labour, and other overhead costs.

Translating Strategy to Organizational Units

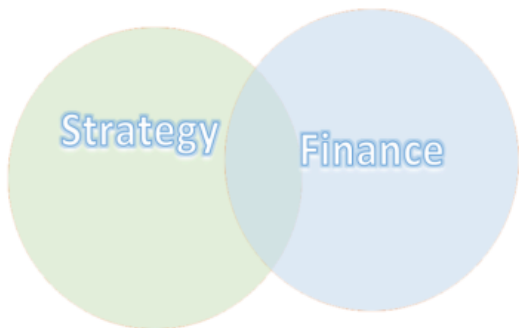
Operational Review Meetings



Operational meetings can be used to discuss concerns with core functional groups that may include capacity and quality problems. Such meetings ensure that the goals of each division aligned with that of the organisation. Key Performance Indicators (KPI) can monitor through the use of dashboards. The use of Business Intelligence (BI) to analyse information is necessary to ensure cross-departmental meetings stay focused. A properly focused BI can assure that discussions are not sidetracked due to irrelevant information that may derail focus on the overall strategy.

The type of strategic road-map undertaken will depend on the industry, product cycles, market conditions. An understanding of the operating divisions and correlations can provide an understanding of the type of strategy to use. Among the standard styles are classical, adaptive, shaping, and visionary. As well organisations need to be prepared to change their style due to unpredictable events that may arise from external forces.

Operational Strategy and Decisions Based on Financial Results



Although financial reporting such as quarterly, and annual reporting is important, it should not be the only basis for decision making. Financial results exclusively cannot be used for decisions as it is based on historical information, and may not contain forward enough looking information. Seeing beyond financial results with the use operational, and financial dashboards are an important factor in using information strategically.

Financial reporting is essential to organisational stakeholders such as shareholders, but an organisation should also focus on strategic operations, and tie this information to financial reporting including management discussion and analysis (MD&A) that can provide some insight than strategies alone. The challenge organisations may face is that shareholders may focus on short-term results rather than longer-term goals of an organisation.

Elements of a Good Operational Strategy Execution

It is important that information is available to the core strategy group on a timely basis. Ensuring relevant information is shared with other divisions such as complementary product lines, as such divisional lines may be blurred, it can provide the necessary dynamics to consider the consequences of short-term, and long-term decisions.

With access to relevant information, organizations can modify their short-term decisions while staying focused on the overall strategy of the organisation. A well founded strategic plan should involve various direct profit centre divisions, but should also include support units such as human resources, finance, legal & compliance to support strategic decision making. Access to timely, accurate, and relevant information is a key factor to undertaking a proper operational strategy execution.

Focus on the Strategic Plan



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information can be used to undertake optimal strategic decisions.

Conducting a detailed integrated financial forecasting model may have a high maintenance cost and complicated. As a result, it may not be practical for all organisations. It also allows for better response time as it considers balanced scorecard metrics that include financial, and non-financial key performance indicators (KPI) to measure the risks and benefits to the organisation. Strategic forecasting may also consider external information such as economic environment conditions.

External forces include changes in the economy; government influence can be considered. Depending on the complexity of the operating environment this may also include strategically, and public analytics information. The addition of such information allows a firm has a good handle on its strategic plan and forecasting strategy.

The focus of a well established strategic plan considers core drivers that is the consumer or client. It should not become the clear front for forecasting that is not strategic. Financial budgeting and forecasting should not be confused with the strategic plan. Strategy and forecasting are equally important. When considered together it can provide a well-focused strategic planning and forecasting exercise. The financial aspect is important to understand cost drivers so that it does not become unmanageable both for short and long term planning. Key financial analytics should form part of strategic planning process.

Use of Business Intelligence (BI) for Forecasting



In undertaking forecasts factors such as market conditions, competition, consumer demand, as well as product margin. The use of business intelligence (BI) applications that find information from multiple sources. Such software can assist with analytics without sophisticated statistical analysis that can be time-consuming.

Business Intelligence (BI) has limiting factors such as limited information on competitors, variable market conditions that can be different regionally within a country, and the quality of information that

Influence of Strategic Forecasting



Strategic Forecasting leads the organisation's strategic plan. Dynamic Forecasts can allow business units react to changes in the business environment. A dynamic budgeting and forecasting can allow groups to consider the effects of their decisions if used strategically. Strategic forecasting can allow for what-if-analysis that considers costs, and benefits from a financial standpoint which together with other operational, and strategy



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is available from third parties. As well although BI does provide real insight for decision together with other strategic information.

A well founded organisational strategic planning exercise will consider information from various sources including divisional, external factors, support departments, as well as financial reporting. It is important that relevant information is shared and relayed within an organisation to ensure decisions can be undertaken on a timely basis while focusing on the overall strategy of the organisation.

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