Strategic Consultancy Services
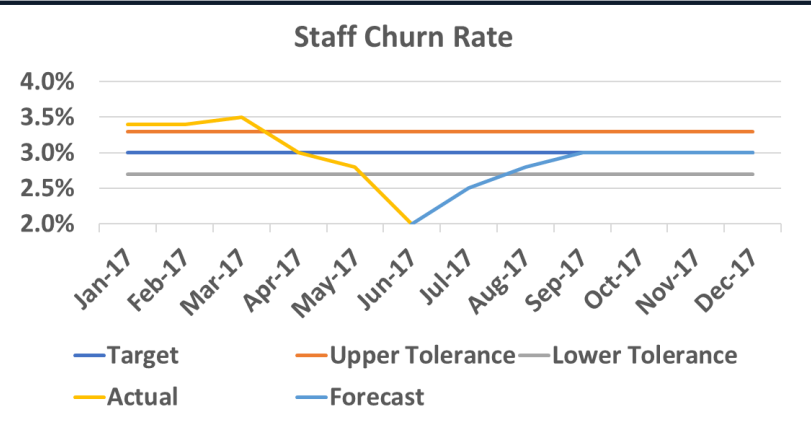
Service Type	Product/Service Analysis
Why invest in this?	Because companies typically waste a lot of effort on low volume and low margin products/services when a change in focus could dramatically increase profits
Who we typically work with?	Those with responsibility for strategic planning within an organisation (work in not for profit organisations would focus on module 1 below)
What output will be produced?	1. An As-IS evaluation of an organisations product/service mix

	Product/ Service	Revenue/ Transaction	Direct cost/ transaction (materials/labour)	Apportioned Indirect Costs	Total Cost	Profit margin	% Margin		Sales Volume	Profit	
Existing	Product 1	£110.00	£20.00	£40.00	£60.00	£50.00	45.5%		350	£17,500.00	
Existing	Product 2	£160.00	£20.00	£50.00	£70.00	£90.00	56.3%		500	£45,000.00	
Existing	Product 3	£175.00	£30.00	£40.00	£70.00	£105.00	60.0%		300	£31,500.00	
Existing	Product 4	£275.00	£60.00	£75.00	£135.00	£140.00	50.9%		150	£21,000.00	
Existing	Product 5	£650.00	£100.00	£300.00	£400.00	£250.00	38.5%		100	£25,000.00	
Potential	Product 6	£950.00	£80.00	£300.00	£380.00	£570.00	60.0%		0	£0.00	
									Total	£140,000.00	

2. A TO-BE product/service mix that optimises sales volumes/margins (costs for not for profit organisations) in line with anticipated market/customer behaviours

As-Is to To-Be sales volumes and margins (bubble size = profit)

How will it be produced?	STEP 1: Evaluate existing products/services

STEP 1: Evaluate existing products/services
1a: Identify product/service revenues and volumes
1b: Define direct costs and apportion indirect costs using ABC costing
1c: Establish margins & plot products/services on BCG Growth/Share Matrix

STEP 2: Market evaluation
2a: Compare products/services vs. competition using SWOT/USP analysis
2b: Identify other markets that align with existing strengths (SWOT)
2c: Identify barriers to entry using PESTLE/Porter's 5 forces/SWOT

STEP 3: Options analysis and TO-BE product/service mix identification
3a: Rank markets based on size/margin/competition/growth/barriers
3b: Use segmentation approaches to define targets in chosen markets
3a: Identify products/service mix that will meet demands of target markets/segments considering Porters Generic Strategies

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Format	Delivered as a business analysis exercise in consultation with the business owner/leadership team. If the data is collated in advance this can also be run as a workshop whereby products/services/markets are ranked and prioritised before identifying a realistic target mix.
How Success Measured	Measures taken to identify the increase in average product/service margin (costs for not for profit) before vs. 12 months after this work

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Service Type	Developing a Strategy that Everyone Engages With
Why invest in this?	Because leadership teams need to provide their staff, customers and stakeholders with a clear direction to motivate and engage them
Who we typically work with?	The leadership team of the business, division or business unit for which the strategy needs to be developed
What output will be produced?	1) An easy to communicate strategic roadmap including a vision, objectives and KPIs

KPIs

Staff satisfaction/ Churn

Customer satisfaction/ Churn

Objectives

Activities to deliver ambitions

Keep Staff Happy | Improve Quality

Year 1 | Year 2 | Year 3

Company Vision

Save Money | Grow, Add or Improve Services

Costs

Sales or Service Usage

2) A breakdown of the key drivers of those objectives/KPIs

Primary Measures			
Sales or Service Usage	Costs	Customer satisfaction/ Churn	Staff satisfaction/ Churn
Secondary Measures			
Product/ Service 1 Usage	Staff Costs **££**	Product/ Service Quality ☺	Reward / Recognition ☺
Product/ Service 2 Usage	IT Costs **££**		
	Marketing **££**	Value for Money ☹	Development Opportunity ☹
Tertiary Measures			
Service 2 Awareness	IT Service 1 Contract Cost **££**	Service 1 call handling Time ☺	Average training days ☹

How will it be produced?	**STEP 1: Vision and strategic objective definition (VMOST)** **1a: Define a vision to summarise your target markets & ambitions** **2a: Understand objective types (balance scorecard/GROW model)** **2b: Define a balanced scorecard that will evaluate delivery of the vision** **STEP 2: Identification of primary KPIs** **2a: Understand measure types (process/input/output, leading/outcome/lagging, quantitative/qualitative)** **2b: Define a balanced set of measures to track objective delivery** **STEP 3: Identification of secondary/tertiary measures and owners** **3a: Establish the drivers of your measures using 5 WHYs/Fishbone methods** **3b: Allocate owners for measures at a level that aligns with their roles**
Format	Typically run as a workshop where the group produce an outline strategic roadmap and value driver matrix using brown paper and post-it notes. The completed outputs are written up in a clear and simple format for the leadership team to use as a powerful communication and engagement tool.
How Success Measured	Measures taken to identify the increase in awareness of the businesses strategic direction before and 6/12 months after the session

Service Type	**Producing a Business Plan and Ensuring its Delivery**
Why invest in this?	Because companies that plan grow 30% faster than those that don't[11]
Who we typically work with?	The leadership team of any business, division or business unit
What output will be produced?	1. A business plan that defines targets for the short, medium and long-term

Measure 1: Costs (£m)	2017				2018				2019			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Target	£12.8	£12.6	£12.4	£12.2	£11.8	£11.6	£11.4	£11.2	£10.8	£10.6	£10.4	£10.4
Actual	£12.9	£12.8	£12.6									
Forecast				£12.3	£11.8	£11.6	£11.4	£11.2	£10.8	£10.6	£10.4	£10.4

2. A performance framework that oversees delivery of business objectives/targets

MEASURE & RAG	Staff Churn Rate
Staff satisfaction/ Churn	
TARGET	
3%	
ACTUAL	
2%	
YEAR END FORECAST	
2.9%	

Staff Churn Rate chart: 4.0%, 3.5%, 3.0%, 2.5%, 2.0% — Jan-17 to Dec-17. Legend: Target, Upper Tolerance, Lower Tolerance, Actual, Forecast

Strategic Activities	Date	REASONS FOR CURRENT PERFORMANCE	
Activity 1	19/08	• Reason 1	• Reason 3
Activity 2	12/09	• Reason 2	
Activity 3	31/10	NEXT STEPS:	
Activity 4	12/12	• Step 1	• Step 3
Activity 5	10/01	• Step 2	• Step 4

How will it be produced?	**STEP 1: Identification of strategic initiatives (VMO<u>ST</u>)** **1a (1 HR): Brainstorm options for initiatives that will support objectives/measures** **1b (1 HR): Estimate potential impact on high level KPIs and rank accordingly (using NPV, IRR, Cost-Benefit and/or Break Even analysis for financial measures)** **STEP 2: Develop business plan** **2a (30 min): Rationalise list of initiatives and sequence on 3-year roadmap** **2b (1 HR): Document targeted improvements in KPIs in a medium-term plan** **STEP 3: Track delivery of the plan** **3a (1 HR): Develop an outline performance reporting framework in Excel** **3b (1 HR): Develop an outline governance system to support the framework** **3c (30 mins): Define potential risks/issues and mitigating actions**
Format	The brainstorming, prioritisation and sequencing of initiatives will normally be delivered through leadership team workshops. In between these workshops financial analysis will be undertaken to size potential opportunities. Anticipated KPI improvements will be recorded in an Excel-based plan with the reporting and governance system developed in Excel or dedicated reporting solutions.
How Success Measured	Business growth rates compared for the year before and the year after the planning work has been completed

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