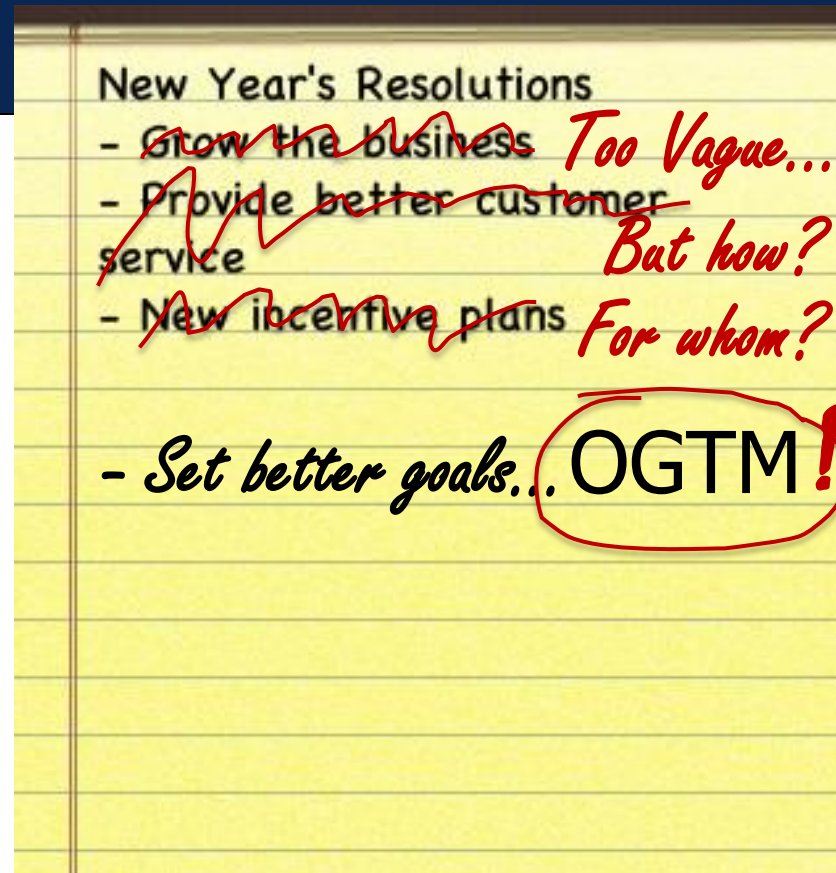


# The OGTM Method of Goal Setting

Linking Strategy and Performance

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STRATEGY



## Having trouble with your new year's resolutions?

*Combined with superior execution, OGTM is a simple, yet powerful framework that you can put into action for immediate benefit.*

# OGTM Framework



By definition, OGTM is an iterative process that helps management develop and deploy an ***integrated*** strategic plan across the organization, defining the specific actions needed to deliver competitive advantage at every level in the company.

# Organizational Alignment

- The OGTM framework creates connectivity and accountability across the company
  - Between enterprise functions, operating units, and geographies
- Realistic & aligned financial *goals* and *metrics* are established and analyzed
  - Facilitates deployment and review progress
  - Align team and individual performance to the over-arching company objectives



**Increase value and enable the Executive Suite to lead the way on alignment and performance.**

# OBJECTIVES

G  
T  
M

# Writing Objectives

Company objectives already exist.

Objectives have a 2-3 year time frame for completion.

Objectives are determined by the strategic orientation of the company.

*Example:*

**Research, implement, maintain,  
and continue to evolve  
processes and information  
systems that provide data and  
reporting capabilities to improve  
patient care**

**Objectives require *no* creative writing**

# The OGTM Scorecard - *Objectives*

Objectives

Goals

Tactics

Metrics

## Description

- Long term, broad objectives.
- Usually to be accomplished over the next 2-3 years.

## Questions Answered

- What do we need to achieve as a business?

## Nature of Component

QUALITATIVE

# O GOALS T M



# Writing Goals



Goals can come from three places:

1. Boss' Goals

- *pass through to you*

2. Boss' Tactics

- *reword the tactics so they fit what you are accountable for*

3. Your own knowledge of how you add value

- *what you will deliver in the next performance period*

## Writing Goals (cont.)

Create **goals** for your objectives by:

- Determining how you will achieve objectives

Using **quantitative** measures:

- Time, money, quality, % increase or decrease
- Providing deadlines/completion data



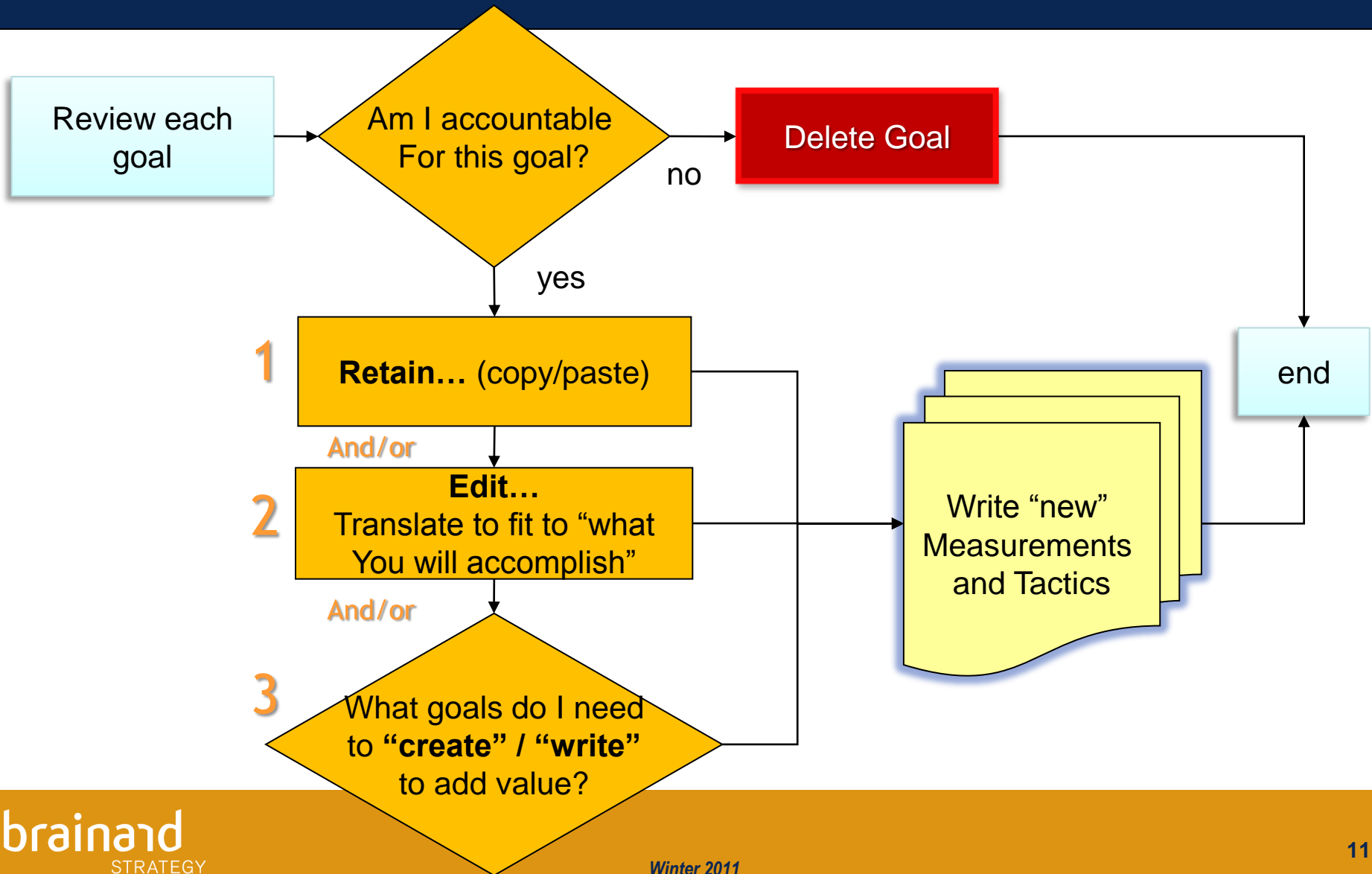
# SMART

*Specific*  
*Measurable*  
*Actionable*  
*Realistic*  
*Timely*

*Example:*

**Improve performance by 10% on  
nationally recognized quality  
indicators by year end**

# Writing Goals (cont.)



# The OGTM Scorecard - Goals

## Objectives

## Goals

## Tactics

## Metrics

### Description

- Long term, broad objectives.
- Usually to be accomplished over the next 2-3 years.

- Quantitative articulation of the objectives.
- Usually include overall factors like:
  - EPS
  - Share
  - Revenue
  - Profit

### Questions Answered

- What do we need to achieve as a business?

- What specific targets should the business deliver?

### Nature of Component

QUALITATIVE

QUANTITATIVE

Across key parameters – finance, marketing, operations?

# ORG TACTICS M

# Writing Tactics

- Tactics are the activities that you will do or directly manage to accomplish the goal.
- Tactics are work activities in support of achieving your goals.
- Tactics should incorporate:
  - Individual/Group Performance
  - Appropriate Stakeholders
  - Qualitative Data



# Writing Tactics - *Examples*

Deploy sales training guide

Input assumptions into new project Return-on-Investment model

Review and complete contracts

Assess resource constraints

Standardize workflow processes to reduce variation and optimize efficiency

# The OGTM Scorecard - *Tactics*

## Objectives

## Goals

## Tactics

## Metrics

### Description

- Long term, broad objectives.
- Usually to be accomplished over the next 2-3 years.

- Quantitative articulation of the objectives.
- Usually include overall factors like:
  - EPS
  - Share
  - Revenue
  - Profit

- The activities that you will do or directly manage to accomplish the goal.
- Usually includes achievement of milestones.
- Broad activities as opposed to task lists.

### Questions Answered

- What do we need to achieve as a business?

- What specific targets should the business deliver?

- How will the business achieve its goals and objectives?
- What will it do and not do?

### Nature of Component

QUALITATIVE

QUANTITATIVE

QUALITATIVE

Across key parameters – finance, marketing, operations?

How will resources – people, capital, dollars – be invested?



# OGT METRICS

# Writing Metrics

Metrics are the units of measurements that “prove” you have accomplished your goal.

Measurements can be predefined from existing business standards.

You can create your own measurements.



# Writing Metrics (cont.)

## Remember to think about:

- What will you measure to demonstrate success against your goal?
  - The unit of measure for each objective.
- How will you and others know if you are “actually” successful?
  - A metric may not exist.
- Using quantitative measures.
  - Time, money, quality, % increase or decrease.
- Lastly, how will you be measured by others?
  - Make sure metrics are specific.

*Example:*

**Enrollment Graph –  
Planned vs. Actual**

# The OGTM Scorecard - *Putting it all Together*

## Objectives

## Goals

## Tactics

## Metrics

### Description

- Long term, broad objectives.
- Usually to be accomplished over the next 2-3 years.

- Quantitative articulation of the objectives.
- Usually include overall factors like:
  - EPS
  - Share
  - Revenue
  - Profit

- The activities that you will do or directly manage to accomplish the goal.
- Usually includes achievement of milestones.
- Broad activities as opposed to task lists.

- Quantitative articulation of how you will determine whether you have achieved the goal or not.
- The criteria and measuring stick for success.

### Questions Answered

- What do we need to achieve as a business?

- What specific targets should the business deliver?

- How will the business achieve its goals and objectives?
- What will it do and not do?

- How is the business performing?
- Are strategies delivering the desired results?

### Nature of Component

QUALITATIVE

QUANTITATIVE

Across key parameters – finance, marketing, operations?

QUALITATIVE

How will resources – people, capital, dollars – be invested?

QUANTITATIVE

Are strategies delivering the desired results?

# Give it a Try..!

OBJECTIVE	GOALS	TACTICS	METRICS

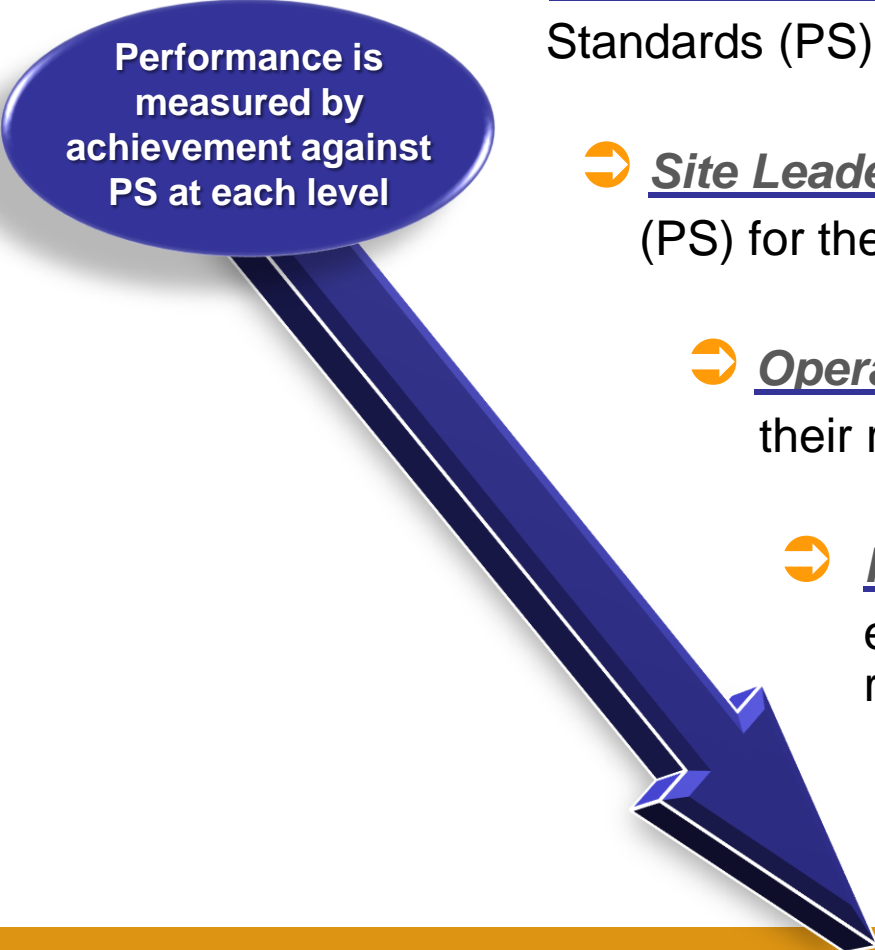
# Coaching and Teaching the OGTM Process

Ensure there is full linkage propagating from Executive Team's Performance Scorecard through each level of the company.

Consistent performance and linkage to the Company's Performance Scorecard drives desired outcomes.

# Key Tool in Performance Management

## *OGTM's cascade down the organization*



Performance is measured by achievement against PS at each level

- ➔ **Executive Officers:** establish **overall** Performance Standards (PS)
- ➔ **Site Leaders:** establish Performance Standards (PS) for their respective **functions**
- ➔ **Operating Heads / Managers:** establish PS for their respective **groups**
- ➔ **Functional Managers within Groups:** establish **departmental** PS for their respective functions
- ➔ **Employees:** establish **individual** PS by which their performance is measured

# Linking Your Tactics to Your Direct Report's Goals

Sr. Executive			
Objective	Goals	Tactics	Metrics
Develop fast growing portfolio of brands and product lines	Sales Growth	Strengthen and streamline brand & product portfolio  <b>Expand brand and product line availability to all profitable channels</b>	+4-5% Sales Growth  10% Increase in points of availability

Sr. Director			
Objective	Goals	Tactics	Metrics
Develop fast growing portfolio of brands and product lines	<b>Expand brand and product line availability to all profitable channels</b>	Increase Availability in Convenience Channel  <b>Increase Availability In Club and Mass</b>	\$300MM Incremental Sales  \$200MM Incremental Sales

Manager			
Objective	Goals	Tactics	Metrics
Develop fast growing portfolio of brands and product lines	<b>Increase Availability In Club and Mass</b>	Slim Jim / Pemmican rack in 50% of 7-Eleven locations year 1	100% Availability



# OGTM Key Concepts

## Combined with Superior Execution:

- 1 Mobilize change through executive leadership – mobilization, governance, strategic management systems.
- 2 Make strategy a continual process – Link budgets and strategies, analytics and information systems, strategic learning.
- 3 Make strategy everyone's everyday job – Personal scorecards, strategic awareness, balanced pay checks.
- 4 Align the organization to the strategies – Corporate role, business unit synergies, shared synergies.
- 5 Translate the strategies to operations terms – Strategy maps, balanced scorecards.

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STRATEGY

*Start now. Revisit often. Align your company for excellence in 2011 and beyond.*