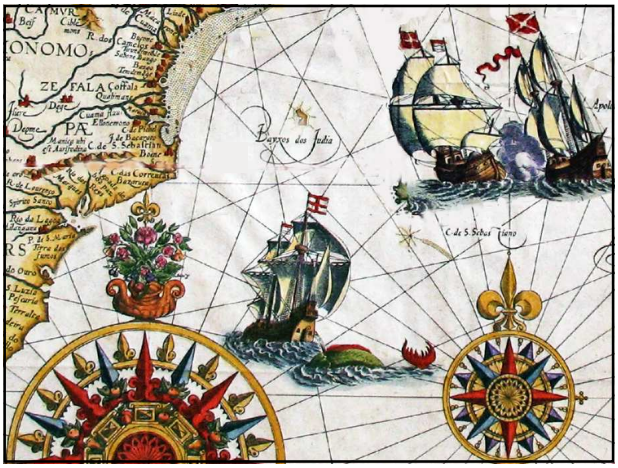
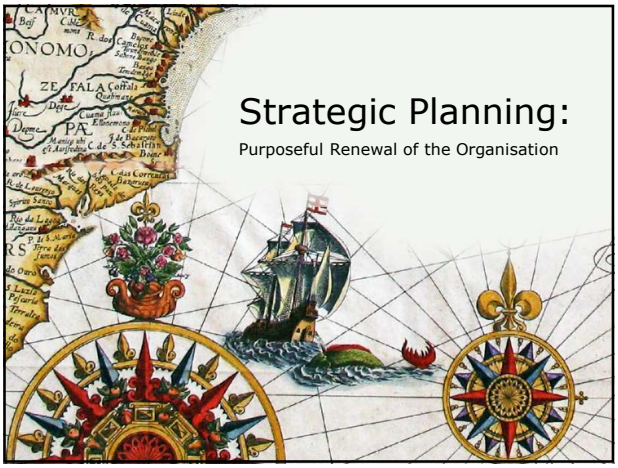
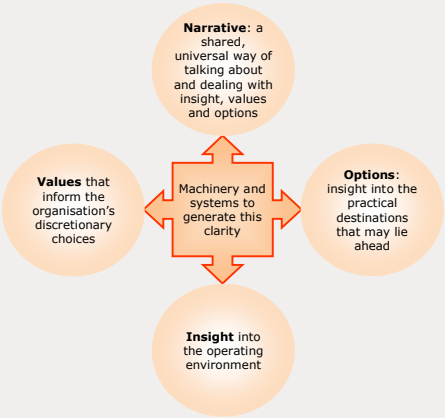
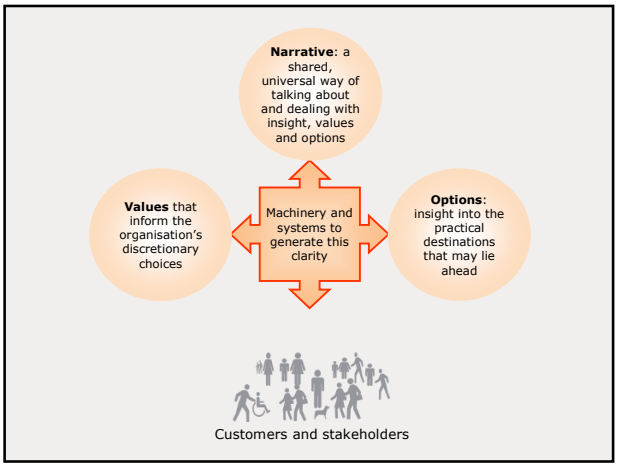


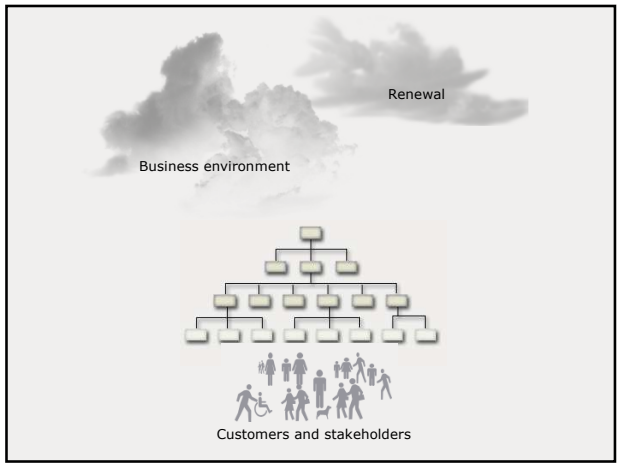


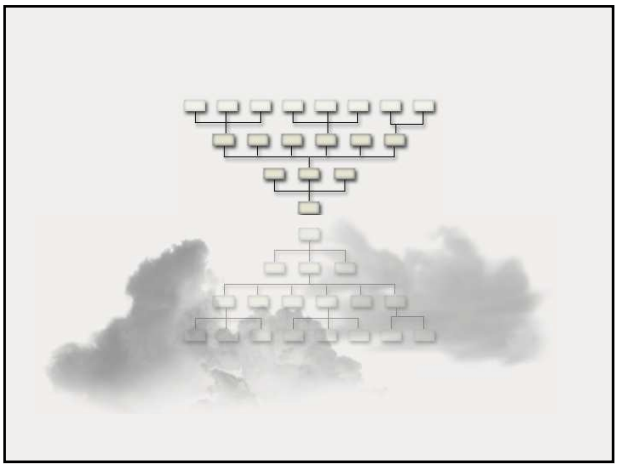

Our program:

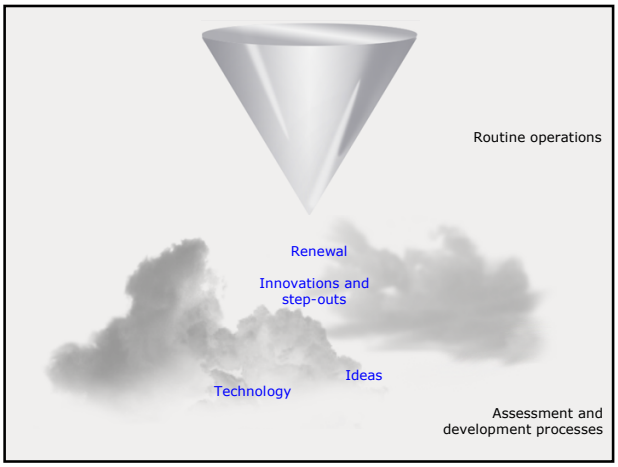
- The quickening pace of change
- Models of adaptation
- On renewing an organisation
- The infrastructure of renewal
  - Insight
  - Values
  - Narrative
  - Options
  - Machinery
- Managing for renewal

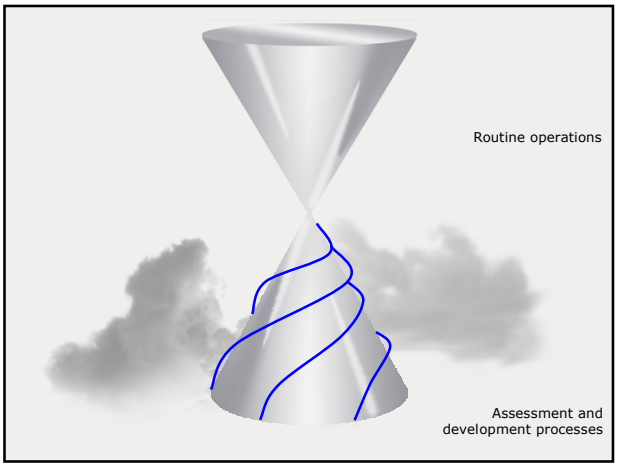


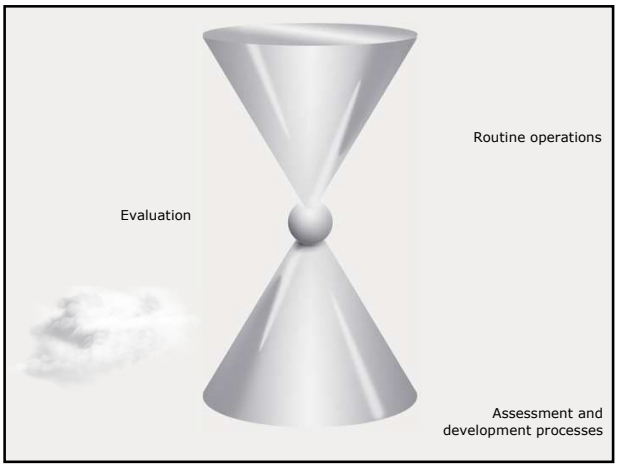

**Narrative**: a shared, universal way of talking about and dealing with insight, values and options
**Values** that inform the organisation's discretionary choices
Machinery and systems to generate this clarity
**Options**: insight into the practical destinations that may lie ahead
Customers and stakeholders

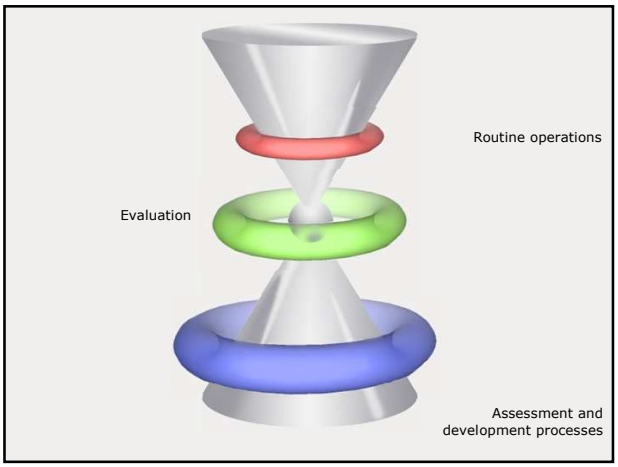

Renewal
Business environment
Customers and stakeholders

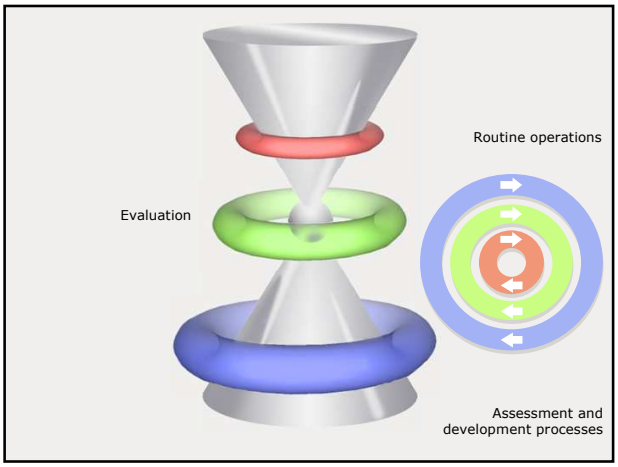


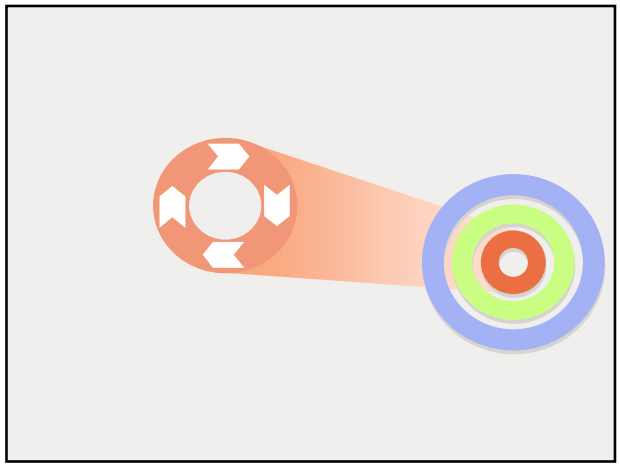

Routine operations
Renewal
Innovations and
step-outs
Ideas
Technology
Assessment and
development processes

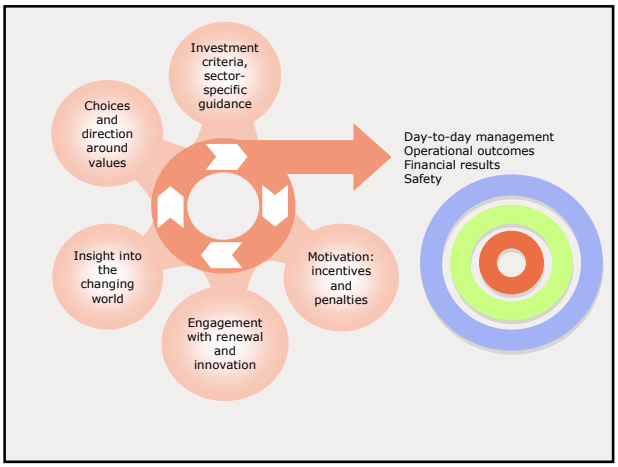

Routine operations
Assessment and
development processes

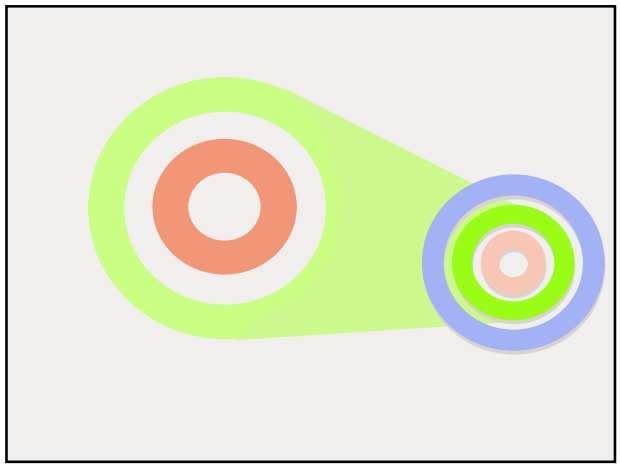

Routine operations
Evaluation
Assessment and
development processes

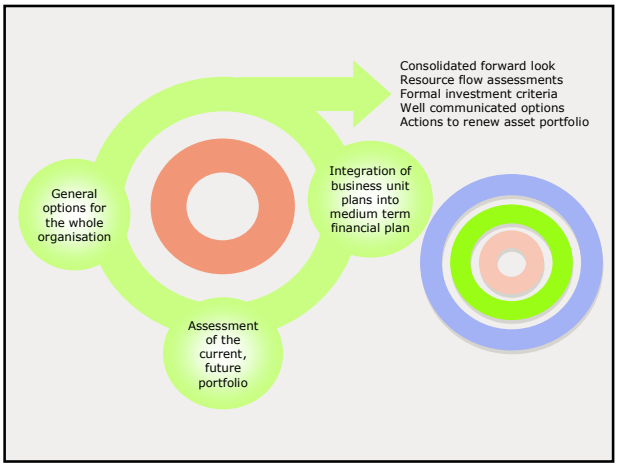

Routine operations
Evaluation
Assessment and
development processes

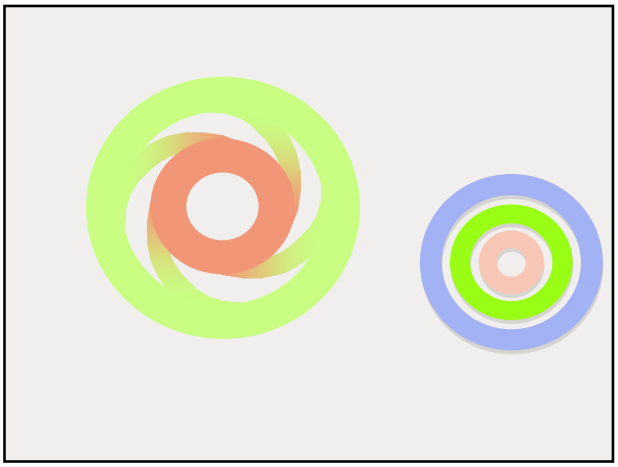

Routine operations
Evaluation
Assessment and development processes

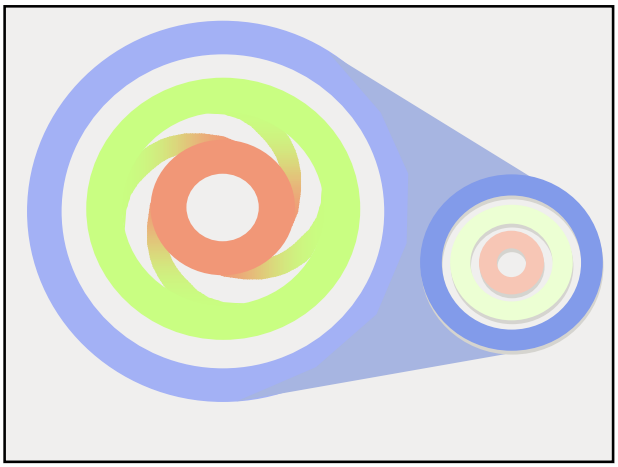


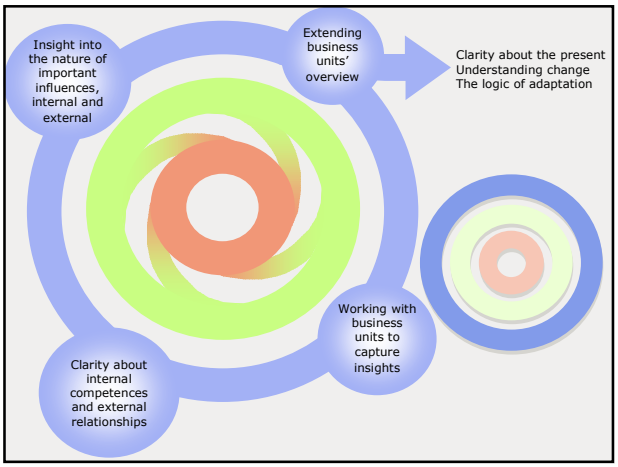

Investment criteria, sector-specific guidance
Choices and direction around values
Day-to-day management
Operational outcomes
Financial results
Safety
Insight into the changing world
Motivation: incentives and penalties
Engagement with renewal and innovation

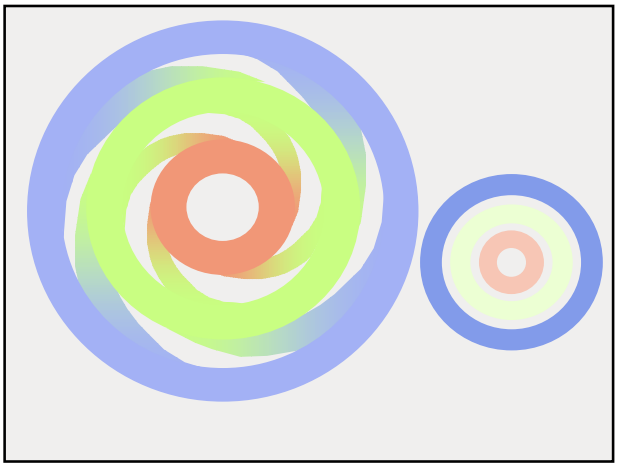


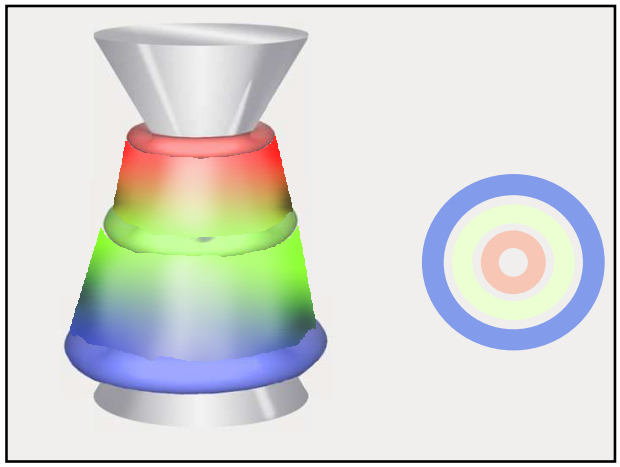

Consolidated forward look
Resource flow assessments
Formal investment criteria
Well communicated options
Actions to renew asset portfolio
General options for the whole organisation
Integration of business unit plans into medium term financial plan
Assessment of the current, future portfolio

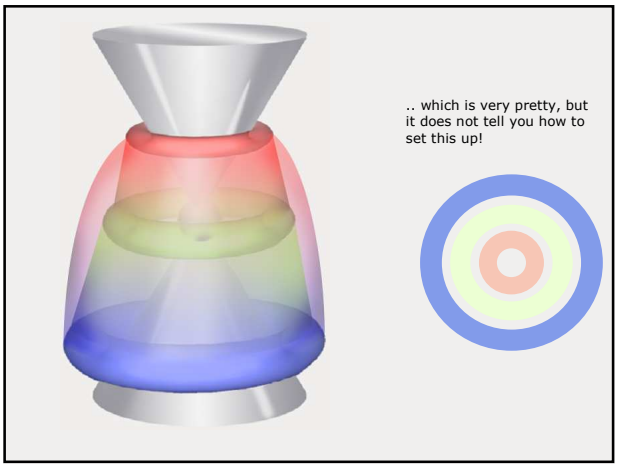


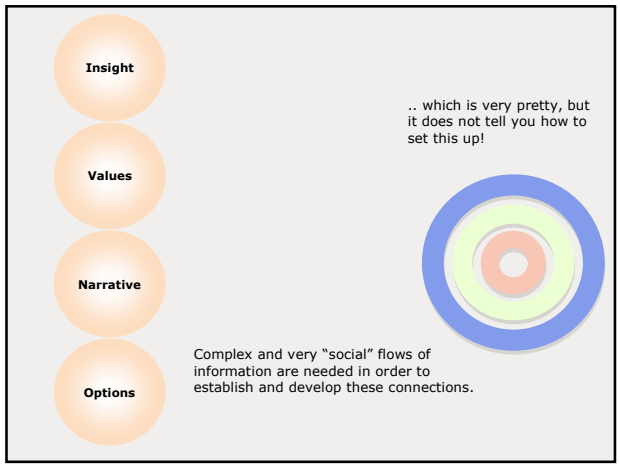


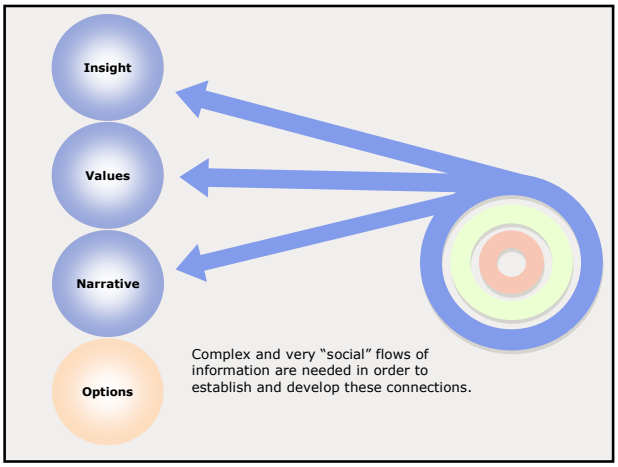

Insight into the nature of important influences, internal and external
Extending business units' overview
Clarity about the present
Understanding change
The logic of adaptation
Working with business units to capture insights
Clarity about internal competences and external relationships

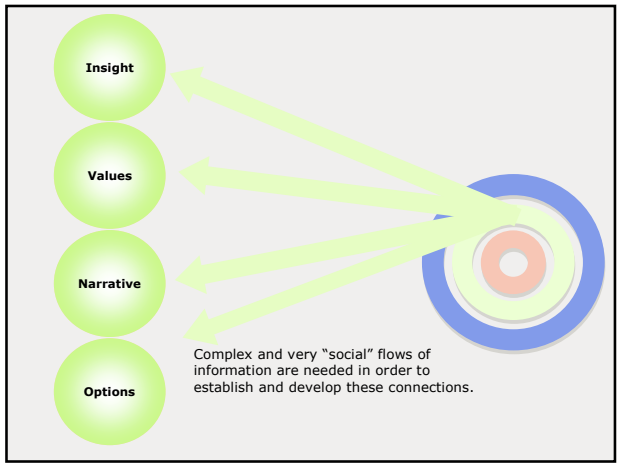


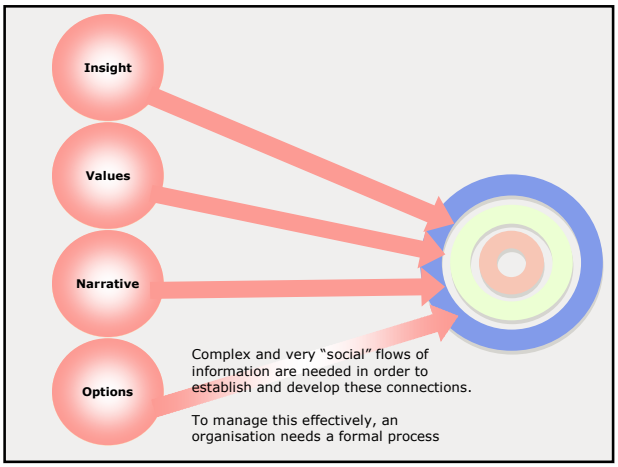


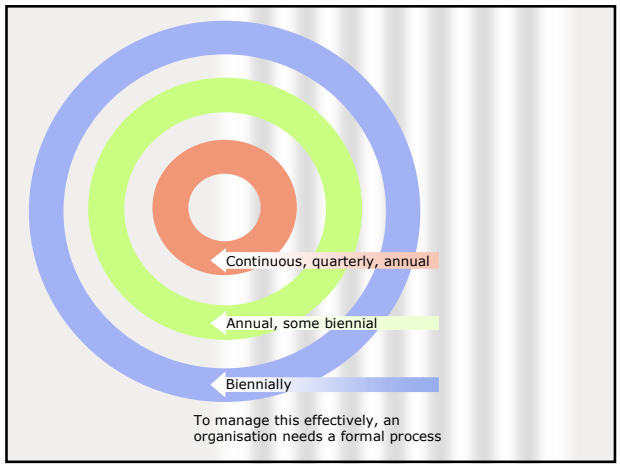

.. which is very pretty, but it does not tell you how to set this up!

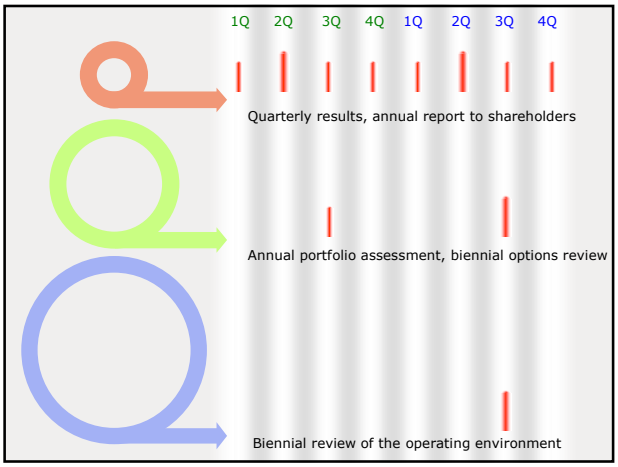

Insight
Values
Narrative
Options
.. which is very pretty, but it does not tell you how to set this up!
Complex and very "social" flows of information are needed in order to establish and develop these connections.

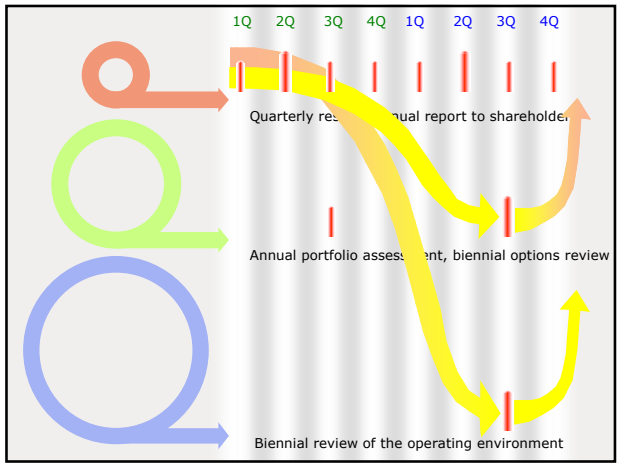

Insight
Values
Narrative
Options
Complex and very "social" flows of information are needed in order to establish and develop these connections.

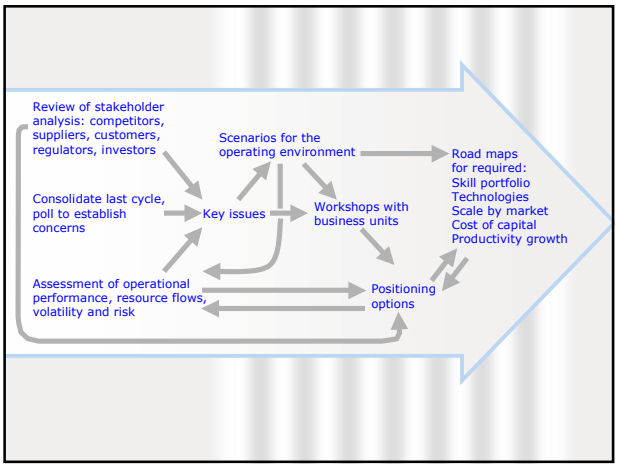

Insight
Values
Narrative
Options
Complex and very "social" flows of information are needed in order to establish and develop these connections.

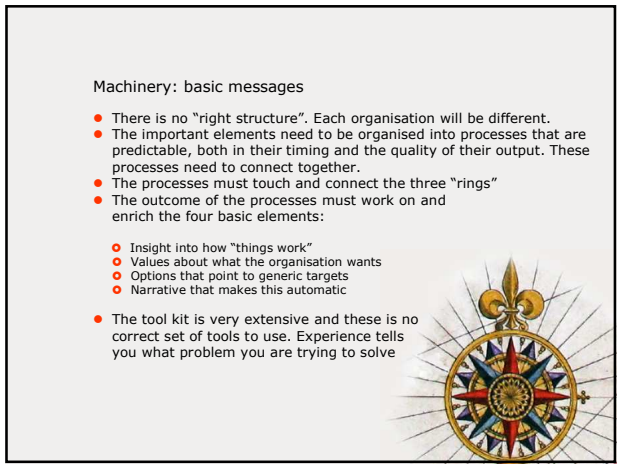

Insight
Values
Narrative
Options
Complex and very "social" flows of information are needed in order to establish and develop these connections.
To manage this effectively, an organisation needs a formal process


Continuous, quarterly, annual
Annual, some biennial
Biennially
To manage this effectively, an organisation needs a formal process


1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q
Quarterly results, annual report to shareholders
Annual portfolio assessment, biennial options review
Biennial review of the operating environment


1Q 2Q 3Q 4Q 1Q 2Q 3Q 4Q
Biennial review of the operating environment


Review of stakeholder analysis: competitors, suppliers, customers, regulators, investors
Scenarios for the operating environment
Road maps for required:
Skill portfolio
Technologies
Scale by market
Cost of capital
Productivity growth
Consolidate last cycle, poll to establish concerns
Key issues
Workshops with business units
Assessment of operational performance, resource flows, volatility and risk
Positioning options

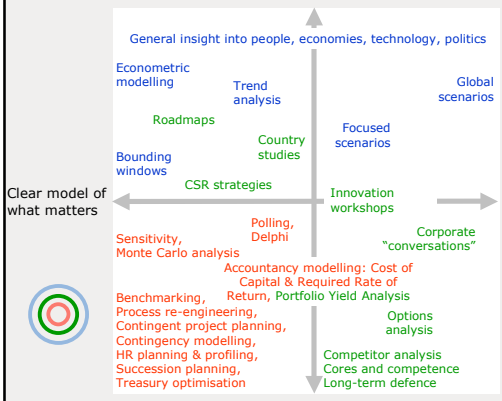

Machinery: basic messages
There is no "right structure". Each organisation will be different.
The important elements need to be organised into processes that are predictable, both in their timing and the quality of their output. These processes need to connect together.
The processes must touch and connect the three "rings"
The outcome of the processes must work on and enrich the four basic elements:
Insight into how "things work"
Values about what the organisation wants
Options that point to generic targets
Narrative that makes this automatic
The tool kit is very extensive and these is no correct set of tools to use. Experience tells you what problem you are trying to solve

Issues not directly related to organisational concerns

Clear model of what matters ⟷ No clear model, or rival models

- The tool kit is very extensive and these is no correct set of tools to use. Experience tells you what problem you are trying to solve

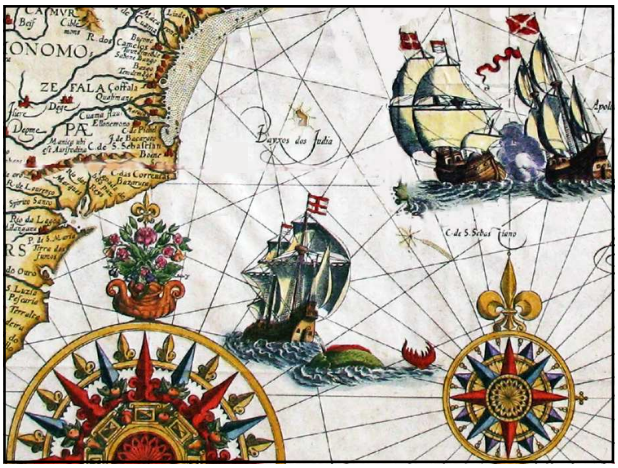
Issues not directly related to organisational concerns




Clear model of what matters ⟷ No clear model, or rival models

Issues directly that are directly relevant to recognised concerns

Machinery: basic messages

This looks complex. It is complex. That is why it can be used to make money, and to avoid costly mistakes.

Nevertheless, this is not an expensive thing to undertake. One can start quite simply. However, it is a major task of organisation (and persuasion).