

**HBR GUIDE TO
MANAGING STRATEGIC
INITIATIVES**

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FIGURE 4-1

How one company assigned a priority score to initiatives

Balance of criteria					Potential initiatives						
					Priority-setting criteria		Set up Japanese business		Develop marketing plan and planning process		Build performance management process
Internal	External	Long-term	Short-term	Weighting	Score out of 10	Weighted score	Score out of 10	Weighted score	Score out of 10	Weighted score	
•			•	10	Maximize speed to market	7	70	5	50	3	30
•	•			10	Maximize return on investment	7	70	6	60	8	80
•	•	•		6	Support use of parent brand	8	48	4	24	0	0
•	•	•	•	4	Minimize business risk	2	8	8	32	5	20
	•	•		3	Maximize value to external partners	7	21	3	9	1	3
Prioritization score						342		277		173	
Resource requirements											
Marketing						•		•			
Process design						•		•		•	
Finance						•		•		•	
HR						•				•	
						Go		Go		No go	

FIGURE 5-1

Example spreadsheet for strategic priorities

Step 1: List resources

East Coast sales (10 people)						
West Coast sales (7 people)						
Midwest sales (4 people)						
Southern U.S. sales (3 people)						
Travel (\$10,000)						
Sample bus						
IT resources (6 people)						

Step 2: Add projects, improvements, or initiatives

	Renew all clients	Win IBM contract by March 1	East Install Salesforce by March 1	West Install Salesforce by ?	Midwest Install Salesforce by ?	South Install Salesforce by ?
East Coast sales (10 people)						
West Coast sales (7 people)						
Midwest sales (4 people)						
Southern U.S. sales (3 people)						
Travel (\$10,000)						
Sample bus						
IT resources (6 people)						

Step 3: Allocate resources

	Renew all clients	Win IBM contract by March 1	East Install Salesforce by March 1	West Install Salesforce by ?	Midwest Install Salesforce by ?	South Install Salesforce by ?
East Coast sales (10 people)	3 people	7 people				
West Coast sales (7 people)	3 people	4 people				
Midwest sales (4 people)	3 people	1 person				
Southern U.S. sales (3 people)	3 people					
Travel (\$10,000)	\$5,000	\$5,000				
Sample bus		X				
IT resources (6 people)			6 people			

Step 4: Decide on one or two critical projects

	Renew all clients	Win IBM contract by March 1	East Install Salesforce by March 1	West Install Salesforce by ?	Midwest Install Salesforce by ?	South Install Salesforce by ?
East Coast sales (10 people)	3 people	7 people				
West Coast sales (7 people)	3 people	4 people				
Midwest sales (4 people)	3 people	1 person				
Southern U.S. sales (3 people)	3 people					
Travel (\$10,000)	\$5,000	\$5,000				
Sample bus		X				
IT resources (6 people)			6 people			

FIGURE 7-1

Initiative performance analysis (IPA) document—Summary

This summary is for our hypothetical company's strategic theme "Realize Operational Efficiencies." Among other things, summaries illustrate that different initiatives return at different rates and time periods.

Theme: Realize operational efficiencies

Initiative name	Status	Percent completed	Budget	Variance from budget	Financial impact (expected)	Financial impact (realized)	Owner
Project Zebra	G	100%	\$300K	\$0K	\$1,000K	\$1,050K	Jennifer Smith
Project Lion	Y	90%	\$250K	\$20K	\$365K	\$365K	John Opal
Project Penguin	R	20%	\$800K	\$200K	\$2,400K	\$2,400K	Mike Faith
2020 Business impact (budgeted)			\$1,350K	\$0K	\$3,765K		Executive team
2020 Business impact (actual)			\$1,350K	\$220K		\$3,815K	Executive team

FIGURE 7-2

IPA—Detail for Project Zebra

The detail report provides further data on each individual initiative, including qualitative analysis of results and benefits realized. For example, it would explain that new inventory tracking systems reduced theft by 90% and spoilage by 35%. This detail was the last one written for Project Zebra, at its successful completion.


		Project Zebra May 31, 2020		Initiative owner Jennifer Smith		
Objectives impacted <ul style="list-style-type: none"> Internal process objective Internal process objective 		Description The purpose of this initiative is to improve our operational efficiency. Reducing shrink by 3% will lead to an additional \$3m in savings for the business.				
Budget		\$300K		Financial impact (budgeted)		\$1,000K
Variance from budget		\$0K		Financial impact (realized)		\$1,050K
Start date		January 21, 2020		Percent complete		100%
End date		April 23, 2020		Recommendations		
Performance analysis						
Status	Milestone/task	% Complete	Start	End	Responsible	

FIGURE 8-1

The nine-cell grid for evaluating theme portfolios

This grid, an aid in portfolio analysis, provides a snapshot view of an office products company's initiative portfolio for its innovation theme. The five projects represented here run the gamut in terms of purpose (design improvements to transformational change), risk, and time-to-benefit.

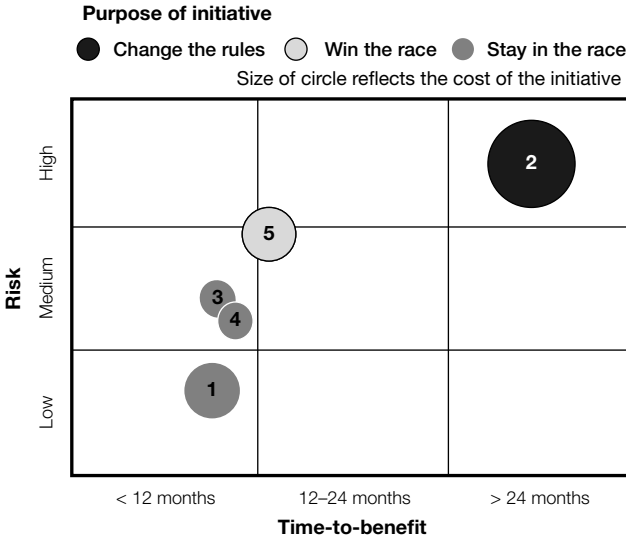


TABLE 12-1

The rewards of teaming

The most challenging attributes of teaming can also yield big organizational and individual benefits.

Multiple functions must work together	People are geographically dispersed	Relationships are temporary	No two projects are alike	The work can be uncertain and chaotic
Challenges	Time zone differences and electronic communication present logistical hurdles.	People may not have time to build trust and mutual understanding.	Individuals must get up to speed on brand-new topics quickly, again and again.	Fluid situations require constant communication and coordination.
Benefits				
ORGANIZATIONAL Innovation from combining skills and perspectives Ability to solve cross-disciplinary problems	ORGANIZATIONAL Greater alignment across divisions Better diffusion of the company's culture	ORGANIZATIONAL More shared experience among colleagues Greater camaraderie across the company	ORGANIZATIONAL Ability to meet changing customer needs	ORGANIZATIONAL Ability to manage unexpected events
INDIVIDUAL Boundary-spanning skills Understanding of other disciplines Broader perspective on the business	INDIVIDUAL Familiarity with people in different locations Deeper understanding of different cultures and of the organization's operations	INDIVIDUAL Interpersonal skills Extensive network of collaborators	INDIVIDUAL Flexibility and agility Ability to import ideas from one context to another	INDIVIDUAL Project management skills Experimentation skills

RAPID-RESULTS PROJECT OBJECTIVES

Five rapid-results teams cut across the original five work streams, each focused on one specific objective:

Establish alternative feed.

Within 120 days, incorporate an alternative source for pig feed in 15 farms, and establish five purchase agreements.

Implement seed distribution.

Within 100 days, ensure that 80% of the enhanced corn seed is available to farmers.

Establish service contracts.

Within 100 days, secure commitments from private-sector experts to provide technical services to 150 farmers.

Increase milk production.

In 120 days, increase daily milk production from 600 to 1,600 gallons at 60 producers.

Increase animal weight and productivity.

In 100 days, increase pig weight by 30% and chicken productivity by 20% in 30 arms, using enhanced corn seed.

**Overall project objective:
Improve productivity of 120,000
farmers by 30% in 16 years**

