

## **Aligning Initiatives to Best Support a Strategic Plan:**

### *A Case Study*

By: Richard Spoon, CEO, ArchPoint

#### **Introduction/Business Situation**

Known as North America's leading producer of dehydrated potatoes, Basic American Foods (BAF) needed to quickly realign its business activities to meet growth targets while simultaneously absorbing a major acquisition and responding to changes in the overall market. Founded more than 75 years ago, BAF had nearly \$400 million in sales derived largely from the domestic and international foodservice industry. However, the recent licensing of the Hungry Jack® brand and the acquisition of the Idaho® Spuds™ brand potato products from J.M. Smucker Company opened up unexplored retail channels for the company.

#### **Gaining a 360-degree perspective**

Historically, BAF created a three-year strategic plan, but realized that widespread changes in the economy and their business dictated that the plan be revisited before the end of its term. After establishing an overall strategic template, the functional heads, as usual, created their respective operating plans. Richard Spoon and Amy Ritchie of ArchPoint Consulting gathered operating plans from BAF management and functional leaders along with other information about their respective initiatives.

Each initiative was scored according to six criteria: expected financial return; resource (capital, people, production capability) intensity; skill and knowledge competency of staff; expected productivity gains; competitive leverage or strategic fit; and payback period. Each criterion was also weighted according to importance so that the sum totaled 100 percent.

"The challenge was making the best use of our resources. The process raised some red flags and pinpointed when someone was overextended and, conversely, if they were underutilized. Even though much of this was intuitive, it became easier to sequence activities from a plethora of strategies when all of the company's initiatives were clearly mapped," says Loren Kimura, CEO of BAF. "It also helped different functional areas gain a better appreciation of what others in the company were doing and the challenges they were facing."

During an intensive 1.5-day session, ArchPoint and the BAF team collectively weighted each initiative as high, medium or low in importance, calendared the activities with their respective critical resources, and adjusted rankings according to subsequent cross-functional discussions to determine Tier 1, Tier 2 and Tier 3 priorities. From nearly 60 initiatives, the top 12 were identified and scheduled with enough resources to get the job done while the others were deferred.

Amy says, "Our objectives were threefold: discuss strategic priorities and the value each contributes to the company's operating plan, review departmental operating plans to align with the greatest growth opportunities for the company rather than just the individual departments, and resolve any resource conflicts or constraints before work began in earnest."

#### **The "fruits" of an organized collaborative effort**

According to Amy, prework done by the BAF team greatly expedited the process of prioritizing initiatives and identifying resource "hot spots." In addition, the group was predominately long-tenured employees who maintained a positive can-do attitude despite the substantial workload ahead. "They all wanted to move the business forward and there

was little, if any, posturing,” she says. “These factors, plus Loren’s highly engaged, collaborative leadership style helped keep the process focused and moving forward.”

In addition, Loren noted that the process helped identify obstacles that could hinder BAF from achieving their goals. To reap the most from their efforts, BAF assigned a project manager to specifically track the progress of each scheduled initiative, and the company plans to explore additional means of bringing new products and innovations to market as they take the company to its next level.

“There will be an ongoing strategic relationship between BAF and ArchPoint. They’ve developed a good understanding of our business and bring a lot of expertise to the table. Having a skilled outside perspective also helped pinpoint what needed to be done, identify the process for getting there, and bring the discipline needed to keep things moving forward. It’s all too easy for a company to get distracted when there’s a lot going on and to lose sight of what’s important to the overall strategic mission,” Loren concludes.

### **Key Insights to Aligning and Prioritizing Company-wide Initiatives**

1. *Understand the current state of affairs* – stay abreast of what’s going on in the company, what makes it successful, where it can be improved and industry challenges.
2. *Leadership style and support contributes to success* – a high level of engagement and mutual respect are key during strategic discussions.
3. *Prioritization of initiatives needs to be for the overall good of the company rather than benefit of individual functions.*
4. *Cross-functional evaluation of all initiatives is essential to prioritizing activities and determining a sustainable schedule.*
5. *Synchronized pre-work expedites the alignment of priorities and resources.*

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