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SAMPLE OF DETAILED REPORT

Please note that this is a sample report that contains only extracts from the detailed report which on average is 35 pages long.

PWC Demo Report
21 January 2009

REPORT

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PricewaterhouseCoopers used NXTmove to generate this report

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"Business Strategy": What exactly are we talking about?

Introduction: What is strategy? NXTmove has overheard many boardroom discussions on its definition. Is it blue-sky breakaway sessions, workshops on the business' future, vision & mission statements, or the game we will play to win? To answer this, we must understand the word's origin.

Understanding Strategy: Strategy is a military word derived from the Greek word strategos and in this context describes the big-picture battle-plan towards winning. It refers to the deployment of operational capabilities in such a way that they serve the goal of winning. The challenge presents when a 'big-picture plan' does not take into account the current operational realities of a business.

NXTmove holds the view that any credible strategy is fully dependent on an operational reality. In the absence of a supporting operational framework any strategy is at best a pipe dream. The two are interdependent. No credible strategy can exist independent of operations.

And in Business: A business strategy should have five focus points to ensure credibility:

1. A business' position relative to competition.
2. A business' ability to manage and service customers.
3. The value products / services hold for customers.
4. The business processes required to ensure seamless delivery of the product to a customer.
5. The operational actions necessary to fulfill the strategy.

The Missing Link: The operational/functional capabilities necessary to deliver on the strategy are functions of design. Unless the business has been operationally designed to enable a specific strategy and make it happen, strategic planning results in nothing tangible for the success of the business. Strategy – as our plan towards winning – must be mapped against an operational reality. NXTmove refers to this map as the design of the business.

Understand the Design of Your Business First! Unless business leaders understand the design of the business operationally, they run the risk of futile strategies with no deliverable content. The NXTmove system creates a clear picture of the design of the business as manifested in the way the business operates. The data is then shaped to create a strategic business design map. From this map, a leadership team can formulate a solid future business strategy geared towards delivering tangible success for the business.

SAMPLE OF DETAILED REPORT

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Table of Contents

SAMPLE OF DETAILED REPORT

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1. Introduction

This is the full assessment of the strategic and operational design of your organization. The recommendations and projects recommended by NXTmove provide an integrated and holistic development programme for the business, taking into full consideration the interdependencies of divisions, functions, processes and systems within the business.

NXTmove would like to draw your attention to the following. Your NXTmove results are an indication of how far along the path of future readiness the business has progressed. There is no business in the world that has been designed with all functional capabilities fully in place. Businesses evolve and grow, and in the majority of scenarios, the evolution of the business is situational. During this evolution, the leadership team's energy is normally focused on practical aspects that will serve the business best given specific needs as well as a specific situation. The result is that leaders have had to build the business without a full map in place. The NXTmove system provides such a map and NXTmove applauds the leadership team's vision for putting such a map in place.
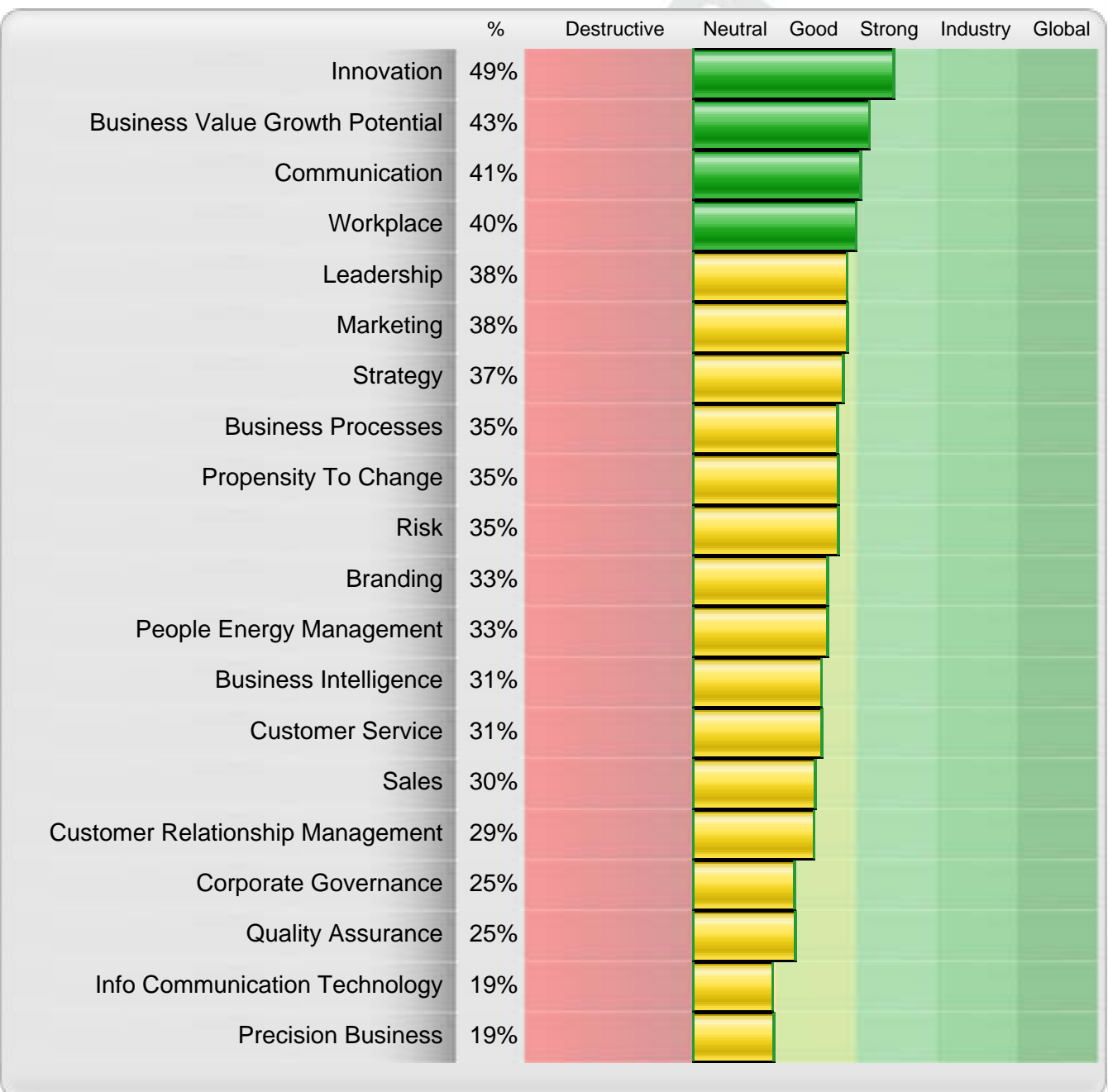
NXTmove presents a full design view of the business. It does this from the perspective of a perfectly designed business that is fully in line with future business design structures and functions. The map builds on the leadership's efforts to date. As such, it is a direct comment on future opportunities. NXTmove wants you, the leaders, to take an end-to-end view of the business, select some projects and grow the business further.

As with any report from a consulting process, it is imperative to understand and apply the principle of selection, integration and implementation. Not all the projects are equal in terms of importance and relevance to the business. NXTmove recommends the leadership team to read through the report and discuss it within three days as of today. Decide on the five to ten projects most critical to the future of the business and appoint project teams to scope, cost and implement those projects selected by this team. Full project scopes on all projects can be obtained from your PwC consultant.

SAMPLE OF DETAILED REPORT

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2. Heartbeat Graph

This graph is not an indication of the financial success of your business. Some companies are extremely profitable because of their footprint, the product they sell or even the absence of strong competitors. Other companies are successful because they are very strong in every aspect of the business and they outperform their competitors because they are really smart. This graph indicates how this business compares against global best practices.

The graph is divided into two sections: any area populated to the left of the centre zero line indicates that the majority of working forces in this area adds up to a net negative flow of energy. If the graph is very close to the centre zero line it indicates that no specific driving energy is active in that particular area. The graphs that populated to the right of this zero line indicate positive working energy in that area. For each graph that makes it into green, give yourself a tap on the back for the way energy and success in that area is channeled. Please refer to Appendix B for a detailed interpretation of the Heartbeat Graph.

	%	Destructive	Neutral	Good	Strong	Industry	Global
Innovation	49%						
Business Value Growth Potential	43%						
Communication	41%						
Workplace	40%						
Leadership	38%						
Marketing	38%						
Strategy	37%						
Business Processes	35%						
Propensity To Change	35%						
Risk	35%						
Branding	33%						
People Energy Management	33%						
Business Intelligence	31%						
Customer Service	31%						
Sales	30%						
Customer Relationship Management	29%						
Corporate Governance	25%						
Quality Assurance	25%						
Info Communication Technology	19%						
Precision Business	19%						

SAMPLE OF DETAILED REPORT

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3. Business Challenges Identified

The following challenges have been identified and NXTmove urges your leadership team to address them. To help you, there are detailed recommendations and project outcomes.

Automate Business Processes

A future ready business is high on process automation. They have migrated the majority of their business processes onto intelligent information communication technology (ICT) platforms and manage these processes with minimal to no human intervention. The speed and efficiency benefits can be very significant and invariably deliver effective cost savings. The simplicity and lack of human intervention also serves to minimize risk. Your business process automation is too low. This is not cost efficient, it will have an impact on your process interaction with suppliers and customers that will very soon put the company back in terms of sophisticated business capabilities.

Process Intelligence

Sophisticated companies run their business from computers and not from paper. They automate the intelligence necessary to run the majority of activities and processes in the business. The point being that company employees don't have to understand the process. The process intelligence forms part of the automation platform. The systems are intelligent enough to manage the process with minimal dependence on people. The more paper-based process intelligence a business uses, the less intelligent the systems are likely to be. This will hold the business back. Having the process intelligence predominantly within people presents a risk. In other words, you depend on people to understand your business. It is recommended that the business redesign the process intelligence into an automated platform. Your challenge is to ensure that your processes and activities working in the business hold as much systematised intelligence as possible.

Know Your People

Most organisations know exactly what is happening in relation to the finance of the business, sales performance, marketing activities and some even have detailed information about their clients. Very few organisations, however, have real workable detail about their people, which in most cases is the most expensive cost item and valuable asset in the organisation.You cannot focus and maximise the success of your people unless you know them. Knowing your employees requires knowledge of the individual as well as the collective of which they form part. This knowledge will enable the business to motivate its people and provide meaning in what they do. You don't have enough information to design the physical and emotional working environment around the needs of your people.

SAMPLE OF DETAILED REPORT

PRICEWATERHOUSECOOPERS

4. Project Recommendations

4.1 Sales, Marketing and Branding

Every business entity has a brand, in fact business leaders increasingly see themselves and their business as being a brand. This is the public image and perception of the business in the market. Governments have brand identities. Industries have brand identities. Every business has a brand identity. This is the anchor of successful advertising and marketing. Building a credible, prominent brand is probably the most important business to market reality. Amongst the many definitions, NXTmove defines brand as the public perception and awareness about a business or any acting entity, a product or a service. The brand forms the framework of the product you sell. Sales, Marketing and the Brand of a business/product are so dependent on each other that it will be impossible to comment on these aspects of the business in separation. This is why the report doesn't distinguish aggressively between these functions of the business.

A Living Business Brand
This EXCO should consider ways to become active brand agents of the business. There are many ways to do this and the project plan will give a full outline of all the possibilities towards building a successful living brand.

Recommended Project: (SMB9402)
Project Outcome: Design a strategy to ensure that this EXCO will become more active brand building agents for this business and implement this plan.

Differentiate
Revisit every aspect of the business and find ways to turn the business radically different. Any differentiating drive has value. Your opposition is most probably already radical, luring customers to their products. Don't be left with customers not seeking radical services, products and business. You will develop a dull and boring business brand with the inevitable result that you attract dull and boring employees, customers and a dull future.

Recommended Project: (SMB10002)
Project Outcome: In a responsible way, start the process to turn your customer's experience of your business positively radical and different!

4.2 Risk

Future business leaders will have to understand risk and - Total Risk Management - in a new way. This aspect of business will have to be managed more holistically because the threat to sustainable business and growth is much more complex and intense than it has ever been in the past. It is also much more subtle, virtual and invisible. The biggest danger is that change on different levels of society, technology, legislation, global markets, intellectual capital and many other can happen so quickly that it can destroy not only a business, but an entire industry in a very short space of time. A classic example is the impact that voice over internet protocol (VOIP) will have on the telecommunications industry. Or the fact that the firearm industry in South Africa was (almost) destroyed overnight by the new firearm legislation. Think about the impact 11 September had on the air travel industry globally. An impact never imagined.

Real-time Business Intelligence

NXTmove would like to see a research programme that will identify any form of real-time information that might empower the leadership team to be fully informed on all aspects that can impact the business. The business should also then find methods to present this information to the leaders in a meaningful package.

Recommended Project: (RISK10303)
Project Outcome: Identify business critical internal and external information faculties that might influence the sustainable success of the business, ways to source the information and ways to best present the information to the business leaders.

Legislation and the Business

Investigate all legal compliances applicable to the way you practice business with the aim to comply in the most credible way.

Recommended Project: (RISK12602)
Project Outcome: List and prioritise legal compliance requirements and automate top down through the development of artificial intelligence.

SAMPLE OF DETAILED REPORT

PRICEWATERHOUSECOOPERS

4.3 Customer Relationship Management

A Customer Relationship Management Strategy is the philosophy and business framework that guides the way in which a company manages the relationship with its customers. It includes the capabilities developed in the business to handle their customers in such a way that the customers' needs are fully satisfied and their queries and requests are handled with acceptable levels of efficiency and professionalism. The customer's experience should be such that he/she will remain with the business, continue doing business with the company, recommend the products and services to other potential customers and experience full satisfaction when interacting with the business at every touch-point and on all levels of the business. In short, it is the level of dazzling service and customer experience provided by the company.

Who's your Customer?

The business will have to develop a full Customer Relationship Management Strategy and make use of best practice to provide customers with the service and products they expect in an efficient manner. On top of all these challenges, this strategy should help keep the cost of customer service under control.

Recommended Project: (CRM10911)
Project Outcome: Compile a customer relationship management strategy that will enable the business to succeed in managing and retaining positive customer relationships.

SAMPLE OF DETAILED REPORT

PRICEWATERHOUSECOOPERS

4.4 People Energy Management

Energy is the engine of the train - pulling everything - the skills, the innovation, the talent of the business. If you have the energy, then knowledge, skills and innovation can guide the success of the business. The future company will succeed as a result of harnessing people's energy to create intelligent business, drive innovation and engage in strategic thinking. Talent will rule the business space in future. Skilled and properly qualified people will become increasingly difficult to find and when you do find them, it will be difficult to keep them. Fact is, that without them no business will reach its full potential. Future companies will manage their people differently. They will apply rules and allow behaviour never thought possible in the past. Everything will focus on energy, innovation and intellectual efficiency. In short, companies must have smart people, talented people and specialists. They must retain their capabilities and fully utilize their innovative thinking. If this doesn't happen, the opposition will outsmart those companies without the best people with the inevitable result that disadvantaged organisations will lack relative intellectual and specialist capability. Smart people will put their companies in such a strong position that businesses with average people will not be able to compete successfully in the future business world. The opposition will recruit the smart intellectuals and reap the profits. This is why future Human Resource Management is not about Employee administration, medical aid, pension and leave administration. It's about one thing only: to maximize the human energy on an emotional, intellectual and physical level of performance.

SAMPLE OF DETAILED REPORT

4.5 Information Communication Technology

Information and Communication Technology (ICT) refers to the electronic/computer technology used by the business to increase efficiencies, productivity, precision business and real time capabilities. It also refers to electronic communication capabilities for internal and external communication. The future business will increasingly utilize these systems to manage every aspect of the business, reduce risk through proper technology driven governance, become much more cost efficient and develop a marketing image of sophistication and futuristic thinking. We don't see business processes separate to technology. The reason is that technology has become such an integral part of future business processes that the strategies with regards to technology and processes have become the same business strategy.

Automate Business Processes
NXTmove recommends that you immediately embark on a business automation programme.

Recommended Project: (ICT001)
Project Outcome: Phase 1: Audit all processes and ICT capabilities in order to automate and compile a process automation roadmap.
Phase 2: Implement the process automation roadmap, reaping early and easy benefits first.

SAMPLE OF DETAILED REPORT

PRICEWATERHOUSECOOPERS

4.6 Business Technology and Process

Business operations refer to activities we carry out in a business in order to produce value. The future business is very precise in the activities it chooses to do. It focuses on including only those activities in its operational framework that it knows it can be best at and finds outsource partners for the rest.

Business processes refer to the way in which we accomplish the operations in the business. Smart business always locate the solution as close to the source of the problem as possible. This could mean empowering an employee, or a customer, or both. Think of internet banking, through which banks have empowered their clients to do things themselves, rather than to have bank employees doing it for the client. In order to provide customer service, companies could, for instance, empower the customer service employees to fully resolve a query without the need for management to approve certain actions necessary to help the customer. These are all examples of how smart empowerment strategies not only save costs but also increase on efficiencies.

Sophisticated business also ensures that processes working in the business are supported by digital networks connecting stakeholders to each other to facilitate the free-flow of information. They connect suppliers, employees and customers into a seamless network. They give appropriate access to their processes so that activities can take place efficiently and with maximum speed. These networks consequently serve as learning mechanisms and real-time risk barometers. When things do not work, the business knows, and people have appropriate access to processes to do something. Smart business also ensures that it stays close to the market with regards to changes and new business innovations that have significant operational and process capability implications. The business then uses this knowledge to know when and where to change.

In short, sophisticated businesses run smart operations backed by processes that link all players along the whole value chain to the customer. They empower all role players along the value chain as much as possible: employees, suppliers, customers and prospective customers.

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5. Conclusion

Now that you have read the NXTmove report, we recommend you use it as a living and working document on a daily basis in order to guide and steer the business towards growth and development.

The immediate NXT step is to prioritize the project outcomes against the following framework:
1. Critical and Urgent
2. Critical and Not Urgent
3. Nice to Have and Urgent
4. Nice to Have and Not Urgent.

Once you have prioritized the project outcomes, the business can purchase full project plans with full detail. These project scopes are available from your PwC consultant.

Intelligent application of the recommendations made in this report as well as successful implementation of the top projects will enable this business to continually take the organization to the NXT level and compete with the best globally.

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Appendix A: Project List

	Project	Notes
	SMB9402 A Living Business Brand Project Outcome: Design a strategy to ensure that this EXCO will become more active brand building agents for this business and implement this plan.	
	SMB10002 Differentiate Project Outcome: In a responsible way, start the process to turn your customer's experience of your business positively radical and different!	
	SMB8403 Social Responsibility - Your Business and Your Brand Project Outcome: Bring the social responsibility actions of the business to the marketing and branding front-end of the company.	
	RISK10303 Real-time Business Intelligence Project Outcome: Identify business critical internal and external information faculties that might influence the sustainable success of the business, ways to source the information and ways to best present the information to the business leaders.	
	RISK12602 Legislation and the Business Project Outcome: List and prioritise legal compliance requirements and automate top down through the development of artificial intelligence.	
	R11205 Electricity Availability Project Outcome (R11205): Compile and implement a strategy that will provide uninterrupted power to ensure production continuity for a minimum of 90% of full production capacity.	

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SAMPLE OF DETAILED REPORT

PRICEWATERHOUSECOOPERS

Appendix B: Detailed Interpretation of the Heartbeat Graph

Innovation

Innovation is what drives a business to stay fresh, new and leading edge. NXTmove assesses the extent to which an innovation culture and practice is developed in the business. NXTmove could find some differentiating practices in the business towards innovation - not enough!

Business Value Growth Potential

NXTmove measures the collective capabilities in place to unlock value towards growth in the business. It doesn't assess the value potential of any single function, product or service but the value growth practices as a whole. This business' practices contribute somewhat to unlocking value growth potential.

Communication

The free flow of information to all offices, divisions and individuals in the business is imperative to the success of any sophisticated company. Communication in your business is reasonable. Your people might at times experience the business to be disjointed and that they have difficulties in knowing enough to do their work properly. NXTmove wants you to improve on your communication capability.

Workplace

The place where people work is a critical contributor to the way they experience the company and the value they have for the business. You have done a few things to make this a contributor to the motivation and positive experience of your people but NXTmove recommends work to be done in order to improve on the workplace as a critical contributor to the energy of your people as well as the image of the business.

Leadership

NXTmove measures the collective leadership function in the business. It doesn't assess the leadership capability of any individual but the leadership culture of the top team. This team doesn't do enough to create a leadership differentiating factor in the business. The team will have to be more bold in their approach.

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