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EBSOMED
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EBSOMED Academy – Maximizing the effectiveness of BSOs

03 – 04 December 2018

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Session – Strategic Planning

ITC 
International Training Centre

“If you don’t know
where you are going,
any road will take you
there....”



Strategic Planning – Why?

- Increasing service demands and expectations
- Limited resources
- Increasing competition

THEREFORE:

- Strategic approach helps to determine priorities and effectively deliver them
- Also ensure member understanding and “buy-in” to organization's objectives

Strategic Planning – What?

- What we are discussing is a long-term direction for FUE
- Strategic objectives - statements of what we intend to do
- Strategic actions - steps we take to make our long-term intent a reality
- You know what is important to an organization by how they spend their time and resources

Strategic Planning – Content



1. ANALYSIS
2. INSIGHT
3. PLAN
4. ACTION
5. RESULTS

Strategic Planning – Content

1. **ANALYSIS:** Data gathering, clustering & identification of gaps
2. **INSIGHT:** What is our **REAL** problem? What is our **PRIORITY** issue?
3. **PLAN:** Strategic statements / Strategic objectives / Strategic actions
4. **ACTION:** Alignment of the board and staff efforts
5. **RESULTS:** Mechanism to monitor and report performance & adapt

What's in it for the EBMO?

- Gain a sense of direction
- Get a solid base for short term planning
- Ensure accountability of the organization
- Ensure resources and energies are synchronized
- Become a “control device” for actual progress

Discussion

What are the tools you use for strategic planning in your organization?

What is working well? What is not?



- Work in groups
- 20 minutes
- Note down on a flipchart

“You know what is important to an organization by how they spend their time and resources”

I. Your EBMO business model

1. Define the **scope of your association** = define your member

- Sectors (potentially) covered by your EBMO ?
- Type of companies ?
 - SME's only ?
 - Large companies only ?
 - Mix of SME's and large companies ?
 - Location?
 - Type of ownership?

Segmentation

2. Define your **Value Proposition**: the services and products you want to deliver to your members
3. Assess the **means** needed to offer the products/services to your members: channels and relationships
4. Define **what you need to do** / who do you need to partner with to deliver the products and services? (assets, activities, partners)



<https://www.youtube.com/watch?v=QoAOzMTLP5s>










The Business Model Canvas

Designed for:

Designed by:

On:

Iteration:

<h3>Key Partners</h3>  <p>Who are our Key Partners? Who are our key suppliers? Which Key Resources are we acquiring from partners? Which Key Activities do partners perform?</p> <p><small>Key Partnerships: Strategic alliances, joint ventures, co-opetition, etc.</small></p>	<h3>Key Activities</h3>  <p>What Key Activities do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue streams?</p> <p><small>Key Activities: Production, Logistics, Platform Development, etc.</small></p>	<h3>Value Propositions</h3>  <p>What value do we deliver to the customer? Which one of our customer's problems are we helping to solve? What bundles of products and services are we offering to each Customer Segment? Which customer needs are we satisfying?</p> <p><small>Value Propositions: New Services, New Features, Performance, Reliability, Price, etc.</small></p>	<h3>Customer Relationships</h3>  <p>What type of relationship does each of our Customer Segments expect us to establish and maintain with them? Which ones have we established? How are they integrated with the rest of our business model? How costly are they?</p> <p><small>Customer Relationships: Personalized, Self-Service, Automated, etc.</small></p>	<h3>Customer Segments</h3>  <p>For whom are we creating value? Who are our most important customers?</p> <p><small>Customer Segments: Mass, Niche, etc.</small></p>
	<h3>Key Resources</h3>  <p>What Key Resources do our Value Propositions require? Our Distribution Channels? Customer Relationships? Revenue Streams?</p> <p><small>Key Resources: Physical, Intellectual, Financial, Human, etc.</small></p>		<h3>Channels</h3>  <p>Through which Channels do our Customer Segments want to be reached? How are we reaching them now? How are our Channels integrated? Which ones work best? Which ones are most cost-efficient? How are we integrating them with customer routines?</p> <p><small>Channels: Direct, Indirect, etc.</small></p>	
<h3>Cost Structure</h3>  <p>What are the most important costs inherent in our business model? Which Key Resources are most expensive? Which Key Activities are most expensive?</p> <p><small>Cost Structure: Fixed, Variable, etc.</small></p>		<h3>Revenue Streams</h3>  <p>For what value are our customers really willing to pay? For what do they currently pay? How are they currently paying? How would they prefer to pay? How much does each Revenue Stream contribute to overall revenues?</p> <p><small>Revenue Streams: Recurring, One-time, etc.</small></p>		

Discussion

What is your cost structure?

What are your revenue streams?

List both and indicate any challenge you face



- Work in groups
- 20 minutes
- Note down on a flipchart

II. Your EBMO cost structure

TOTAL ANNUAL COSTS OF THE ASSOCIATION	
Human resources costs (salaries, social security, employee benefits, legal insurance)	
Office costs (rent, service charges, electricity, maintenance)	
Publications (annual reports, reports, printing)	
Administrative costs (office supplies, equipment maintenance, travel and meeting expenses, copying, phone charges)	

TOTAL ANNUAL COSTS OF THE ASSOCIATION (2)

Capital expenditures/depreciation	
Costs of membership in the national umbrella employers' organization (membership fee, other shared costs with the national umbrella employers' organization)	
Other costs and contingencies	
TOTAL ANNUAL COSTS	

II. Raising the funds : your EBMO revenue streams

1. *Membership fees*

The EBMO rules should clearly establish the mechanism by which membership fees are determined, including the mechanism for periodic changes

□ Memberships fees = **backbone**

Membership fees form the backbone of the association income (minimum 70 %)

- ⇒ Ensure the income **stability**
- ⇒ Ensure your **independance** towards governments, donors, etc
- ⇒ Reflect **representativeness** of the association

□ The various **types** of fees

- **Standard fee** covering
 - Information and services
 - Advocacy
 - Networking
- Additional **sector-group fee** (**extra** fees charged to a subgroup for the extra-costs their activities incur)
- **Sub association fee** (covering only lobby and informations, **no** individual services)

□ The rate evolution

- Every year or every 2 or 3 years ?
- Through a mechanism reflecting the increase of the cost of living

2. *Other sources of funding*

A. Paid-for services

Risks :

- Divert association resources
- Administrative work (invoicing, etc...)

B. Paid-for sector initiatives

E.g. :

- Sectoral packaging prevention plan
- Sectoral salary survey

C. Secretariat for sector committees/sectoral (training) funds, etc.

Risks :

- Divert associations resources

D. Sponsorship (payment in return for exposure, advertising, ...)

Challenges :

- Need to offer to all members the same opportunity
- Could require lots of energy for relatively minor benefits

⇒ Solution : work with a few structural sponsors

E. State support

Means

- a. Taxbreak for association
- b. Direct grant
- c. Funding of projects/research, etc.

Risk of b and c :

the association might lose its independence
towards the
authorities

Discussion

Are all key elements of your Business model (9 building blocks) part of your current Strategic Plan?

What is missing? Why?

How do you ensure efficient monitoring of the Strategic plan? How do you measure success?



- Work in groups
- 15 minutes
- Note down on a flipchart



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