

Strategic Planning

Coastal Plywood Company



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Ground Rules

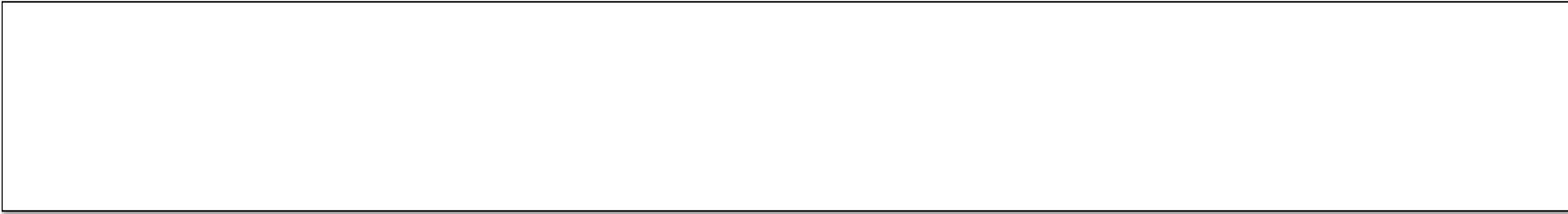
1. Turn any cell phones or pagers to the off or vibrate position.
2. Be on time including from breaks.
3. Listen actively.
4. Participate but don't dominate.
5. Keep an open mind.
6. Be respectful to everyone; don't interrupt.
7. Any concerns off task go in the "parking lot."
8. If you break any rules, you sing. 😊

Introductions

- Name
 - Job role (title)
 - How long with CPC
 - Something unique about you
- One accomplishment that makes you proud
 - Your biggest dream for the year ahead

Agenda

0830	Icebreaker, Ground Rules, Objectives, Introductions
0845	Gap Analysis - Where Have We Been and Where Do We Need to Go?
0900	Strategic Planning ▶ Mission, Vision, Values
1000	SWOT Analysis
1130	<i>Lunch and Q&A</i>
1300	Performance Improvement ▶ Basics, Barriers, Lagging and Leading Indicators
1330	SMART Goal Setting
1500	Leadership Development
1615	Wrap-Up



Icebreaker

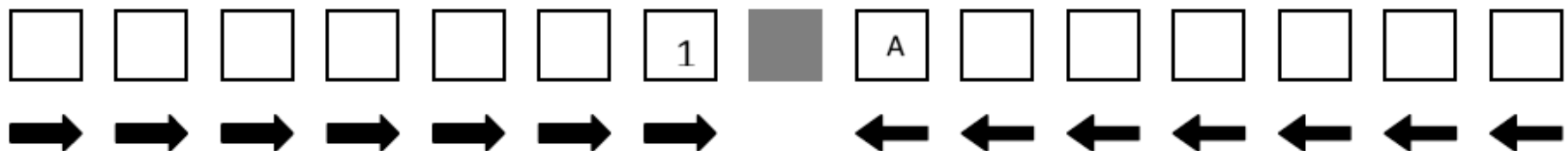


Problem Solving Icebreaker Rules

1. To begin, one group stands on the places to the left of the middle square, the other group stands to the right. Both groups face the middle unoccupied square.
2. Using the following moves, people on the left side must end up in the places on the right side and vice versa.
3. Illegal Moves:
 - Any move backwards. Your car does not have a reverse gear.
 - Any move around someone facing the same way you are.
 - Any move that involves two persons moving at once.
4. Legal Moves:
 - A person may move into an empty space in front of him/her.
 - A person may move around a person who is facing him into an empty space.

Traffic Jam Rules Continued

- You will continue the challenge until...
 - You reach a “traffic Jam” (two people facing back to back) or
 - You successfully accomplish the task.
- Every time the group reaches a “traffic jam”, the two people who were in the “1” and “A” spot move to the back of the line and two new people start it all over.
- Once the strategy has begun, there is no stepping off your space unless making a move.



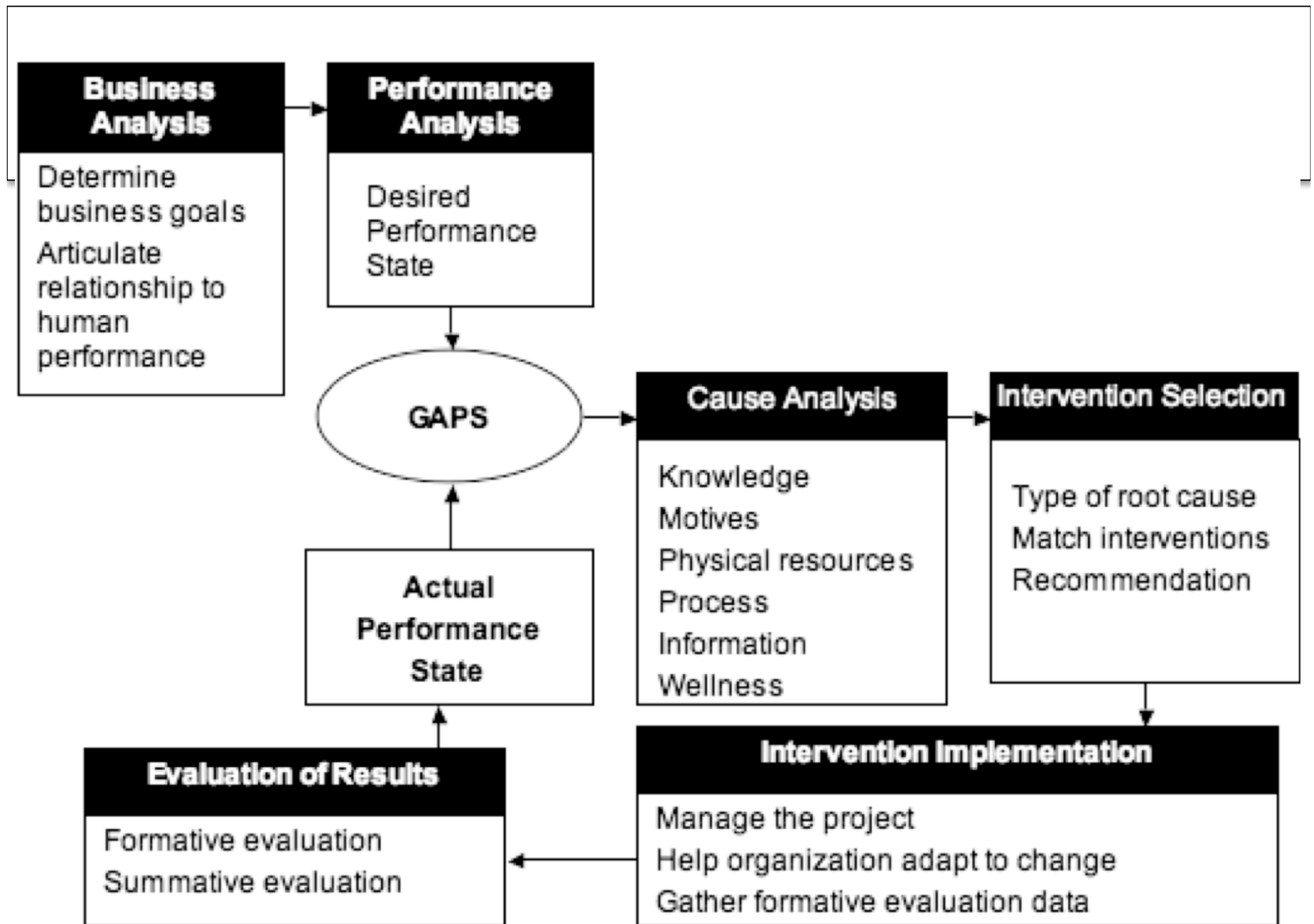
Objectives

By the end of this course, participants should be able to:

- ✦ Conduct a gap analysis.
- ✦ Write a mission, vision, and values for CPC.
- ✦ Create and prioritize SMARTER goals.
- ✦ Conduct a SWOT analysis.
- ✦ Discuss the importance of trust, communication, and accountability to improve leadership and performance in an organization.
- ✦ Determine what success looks like for the road ahead.

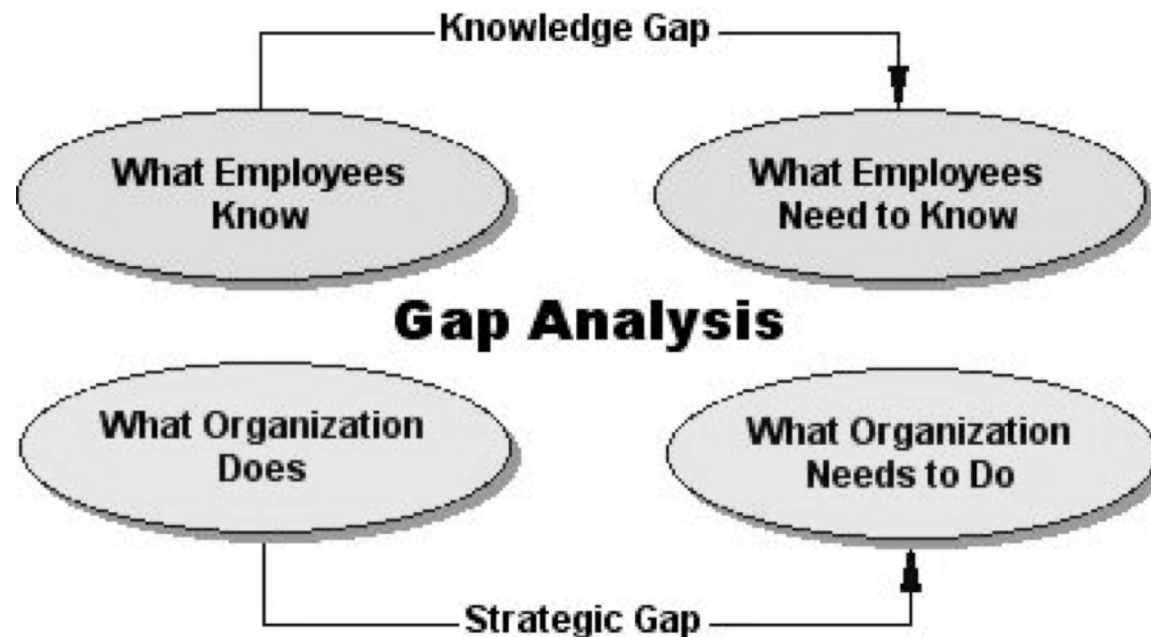
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- “Not finance. Not strategy. Not technology. It is teamwork that remains the ultimate competitive advantage, both because it is so powerful and so rare.”

Patrick Lencioni, The Five Dysfunctions of a Team, 2002, p. vii



Performance Gap Analysis

- Organizational Analysis: Vision, Mission, Goals, Values, Strategies
- Gap Analysis and Needs Assessment



Where Have You Been?

Year	2006			2011		
	CPC	Survey Average	Top Quartile ¹	CPC	Survey Average	Top Quartile ¹
Sales (\$/M-3/8")						
Plywood	280	254	264	233	221	238
Veneer	-	232	242	-	192	152
Subtotal³	280	254	263	233	220	237
Log Costs (Net Green Veneer Basis)	122	131	94	92	100	97
By-Products ²	22	22	22	22	21	26
Net Wood Cost	100	109	72	70	79	71
Manufacturing Costs	88	111	119	102	118	118
Fixed Costs ⁸	18	16	18	21	23	26
Total Cost of Plywood Produced⁹	206	236	209	193	220	215
Pre-Tax Profit - Net Plant Basis (\$/M-3/8)						
EBIT ¹²	74	18	54	40	0	22
Log Cost (\$/Ton)	65.76	65.77	62.71	49.00	50.00	48.00

Beck Study, 2006-2011

Where Are You Today?

KEY PERFORMANCE INDICATORS	FY2010 Actual	FY2011 Actual	FY2012 Per11YTD	FY2012 Budget
1 Product Mix (Press Prod)				
Total B&Btr	38.0%	30.6%	30.6%	41.4% U
UL	14.6%	16.5%	12.9%	11.7% F
Total Sanded	52.6%	47.1%	43.5%	53.1%
Sheathing	40.9%	45.5%	49.0%	41.4% U
Down Fall	6.5%	7.4%	7.5%	5.5% U
Total Rough	47.4%	52.9%	56.5%	46.9%
Total Panels	100.0%	100.0%	100.0%	100.0%
MSF Prod / Week	4,292	4,543	4,425	4,750 U
Hot Press Volume				
2 On Grade %	93.5%	92.6%	92.5%	94.5% U

Where Are You Today?

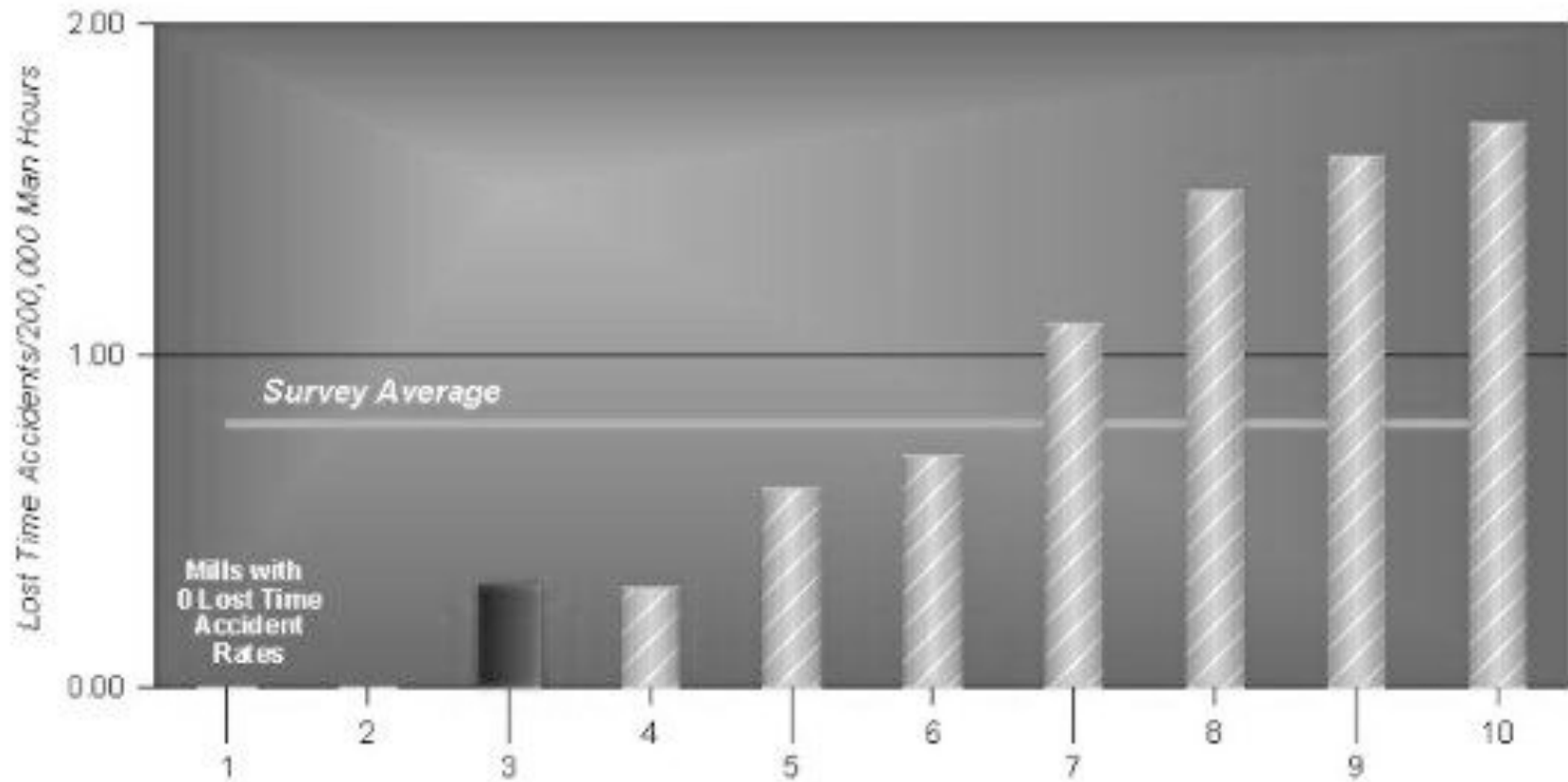
	FY2010 Actual	FY2011 Actual	FY2012 Per11YTD	FY2012 Budget
3 B&Btr Survival Rate	80.0%	80.4%	80.5%	81.5% U
% Dry Veneer 54's	67.1%	64.9%	64.3%	67.5% U
% Reclip	18.0%	20.0%	20.4%	18.0% U
% Strip & FT	14.9%	15.0%	15.2%	14.5% U
% Face Grade	26.9%	22.3%	21.9%	25.0% U
4 Production Rates				
Green End SF/Hr	34,239	35,576	33,638	36,538 U
Dryers SF/Hr	26,995	27,667	27,454	28,963 U
LUL SF/Hr	37,406	37,636	36,987	38,500 U
Sawline Panels/Hr	822	858	828	867 U
Sander Panels/Hr	498	544	516	550 U
Patchline Panels/Hr	348	368	348	370 U

Where Are You Today?

	FY2010 Actual	FY2011 Actual	FY2012 Per11YTD	FY2012 Budget
5 Plant Uptime % M&E	95.4%	95.5%	94.4%	96.5% U
Total Uptime	89.9%	91.0%	89.9%	91.3% U
6 Recovery				
Veneer Recovery	3.02	3.02	3.00	3.05 U
Block Diameter	11.65	11.47	11.32	11.60 U
Tons Chips / MBF Logs	1.34	1.37	1.39	1.29 U
7 Productivity				
MSF3/8"/MH	0.412	0.430	0.412	0.445 U
8 Terminations	46	36	26	40 F
9 Safety				
Incidents	6	11	7	6 U

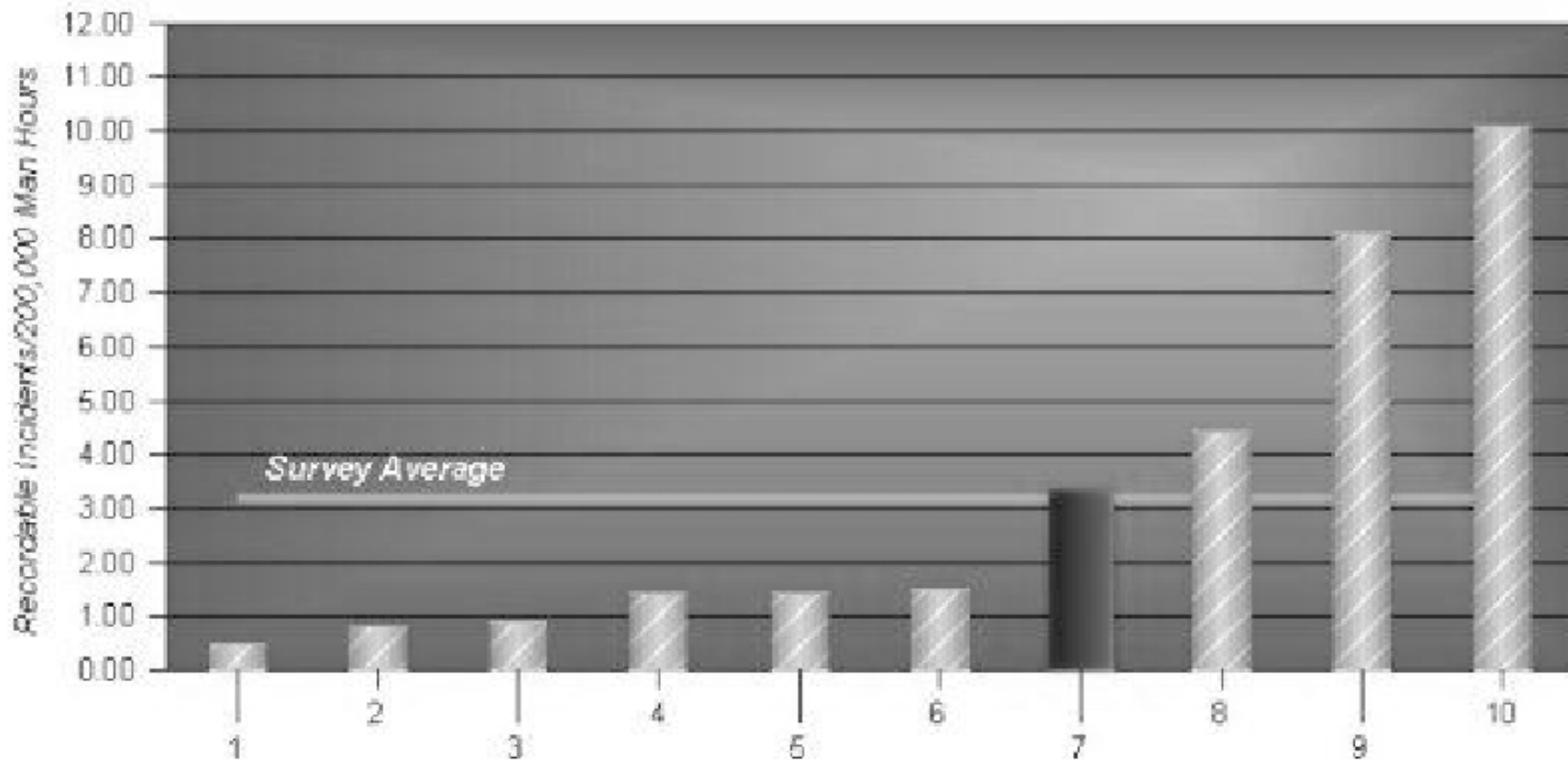
Lost Time Accident Rate

LOST TIME ACCIDENT RATE



Recordable Incident Rate

RECORDABLE INCIDENT RATE



Leadership

- *“A great leader's courage to fulfill his vision comes from passion, not position.”*

- John C. Maxwell

SWOT ANALYSIS

	Helpful to achieving the objective	Harmful to achieving the objective
Internal origin (attributes of the organization)	S Strengths	W Weaknesses
External origin (attributes of the environment)	O Opportunities	T Threats

SWOT Analysis

- **Strengths:** attributes of the organization that are helpful to achieving the objective.
 - *We want to capitalize on these.*
- **Weaknesses:** attributes of the organization that are harmful to achieving the objective.
 - *We want to shore up these.*
- **Opportunities:** external conditions that are helpful to achieving the objective.
 - *We want to invest in these.*
- **Threats:** external conditions that are harmful to achieving the objective.
 - *We want to identify these.*

Visioning

- Reflection and contemplation to learn from the experience and better see the road ahead.



Where Are You Going?

- Planning
- Strategic Planning
- Vision, Mission, Values, Goals, Strategies, Objectives

Strategic Planning

- An organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people.

Planning

- Planning is setting the direction for something -- some system -- and then guiding the system to follow the direction
- Systems have:
 - Inputs
 - Processes
 - Outputs
 - Outcomes

Strategic Planning

- Strategic planning determines where an organization is going over the next year or more and how it is going to get there

Mission Statement

- A mission statement should clearly define the purpose of the organization as well as the products and services to be offered.
Why does CPC exist?

3 Components of Mission Statement

- Key market - who is your target customer?
- Contribution - what product or service do you provide to your customers?
- Distinction - what makes your product or service unique...why should the client choose you?



Examples of Mission Statements

Robert Weed Plywood Corp.

- *Service with integrity and value earns trust and respect leading to innovation and growth.*

Liberty Woods International

- *Liberty Woods International, Inc. strives to maintain its leadership position in the Imported Hardwood Plywood Industry. With a strong emphasis on teamwork within and between the various departments, we provide customers with reliable delivery information and rapid issue resolution.*

Dixie Plywood and Lumber

- *To be the preferred wholesale supplier of quality building materials.*
- *To be on the leading edge of our industry and to provide superior, cost-effective services to our customers.*
- *To apply the highest standards of business integrity and provide a positive, ethical working environment for our employees.*
- *To be a total quality company committed to excellence in all phases of our operation.*

At Dixie Plywood and Lumber Company, we define quality in terms of our customers. We have organized our company to ensure that all of their needs are met, and that we always exceed their expectations.

Ply-Trim Enterprises

- *Our mission is to provide consistent, quality products. Backed by superior customer service and support, we deliver many benefits to our national customers and suppliers alike through the networking and building of our business partnerships. We provide profitable and consistent results that create value for our stockholders and will work to create a rewarding environment through all that we encounter, from employees to end users.*

Vision

- What do you want your organization to become?
- Vision statement gives shape and direction to the organization's future



Examples of Vision Statements

Ply-Trim Enterprises

- *Employing Christian principles in all facets of our company, we will strive to be a most trusted business partner. The Ply-Trim Companies' Goal is to provide the best products available in today's market. We are dedicated to exceptional service, complete customer satisfaction, and one hundred percent (100%) on time deliveries. You can count on each and every Ply-Trim associate to deliver on what we promise.*

WPC Plywood

- To become the largest manufacturing and prominent technology player in wood based panel and surface decoration industries of the world.

York Timber

- *Growing Value for all our stakeholders*

Kitply Industries

- *Kitply Industries Limited aims to leverage its expertise to become the top plywood companies in the world.*
- *We aim to bring innovative and quality products to our consumers through active research and development.*
- *The company intends to be completely self-reliant in timber procurement by way of Agro-forestry and hence, build long term value for the society at large.*

Values

- Values are beliefs that are shared among the stakeholders of an organization. Values drive an organization's culture and priorities and provide a framework in which decisions are made.



Examples of Value Statements

WPC Plywood

- *We value knowledge.*
- *We value experience.*
- *We value positive attitude.*
- *We value creative instinct.*

Garnica Plywood

- *To be and feel **GARNICA**.*
- ***Continuous improvement and innovation.***
- ***Result Orientated.***
- ***Internal and external customers orientation.***
- ***Sense of belonging.***
- ***Professionalism, rigor and a systematic approach.***
- ***Teamwork / Partnership / Collaboration.***
- ***Results orientation.***

Aeon Plywood

- *Our values are etched through a four letter idea.. manifested in a simple, yet memorable word .. CARE..*
 - *C...“custody” of our valued products and services;*
 - *A.... “action” that will help achieve our goal;*
 - *R.... “responsible” towards our stakeholders and society ; and*
 - *E..... “ethical” in all our deeds and acts.*

Goals

- Goals are specific accomplishments that must be achieved in total, or in some combination, in order to achieve some larger, overall result preferred from the system, for example, the mission of an organization.

Strategies

- Strategies are the methods or processes required in total, or in some combination, to achieve the goals.
- Strategies are a combination of the ends (goals) for which you are striving and the means by which it is seeking to get there. It is the roadmap which is the path chosen to plow towards the end vision.

Objectives

- Objectives are specific accomplishments that must be accomplished in total, or in some combination, to achieve the goals in the plan.
- Objectives are usually "milestones" along the way when implementing the strategies.

Goals and Objectives Should Be

- **Specific**
- **Measurable**
- **Actionable**
- **Responsible**
- **Time Bound**
- **Extending**
- **Rewarding**

Consensus

- Consensus stresses the cooperative development of a decision with group members working together rather than competing against each other.
- The goal of consensus is a decision that is consented to by all group members.
- This does NOT mean a unanimous decision, but one that everyone can live with.



THE
5
LEVELS
OF
LEADERSHIP

5

Pinnacle

— RESPECT —

People follow because of who you are
and what you represent.



4

People Development

— REPRODUCTION —

People follow because of what you have done for them.



3

Production

— RESULTS —

People follow because of what you have done for the organization.



2

Permission

— RELATIONSHIPS —

People follow you because they want to.



1

Position

— RIGHTS —

People follow you because they have to.

Conclusions

- gabrielle@gabrielleconsulting.com
- Presentation, handouts, resources:
<http://gabrielleconsulting.com/CPCStrategic>