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## Update

Welcome to our latest issue of the Chaucer Quarterly Review. I hope that you find the articles both informative and interesting. In addition to reading this issue please also visit our new website at:

[www.chaucer.com](http://www.chaucer.com)



**Bob Laslett**  
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Developing a website to reflect the current and future face of Chaucer has undoubtedly been good fun but it has also given us the space to focus on understanding who we are, our strengths and how our service offer provides real value and support to our clients old and new.

Probably, like me, you are busy with everyday business-as-usual activities and the luxury of stopping to consider your past achievements and successes and presenting that through a global shop window does not occur very frequently. It has been rewarding to see how many clients and projects we have successfully supported professionally across our service offer.

We have taken the unusual decision to enable our own library of methodologies known as 'The Chaucer Ways'® to be downloaded. You can now visit our website and



## Strategic Planning – What is a Strategic Plan anyway?

We are all familiar with the term but do we really understand what it means and what benefits it can deliver to an organisation if approached in a pragmatic and focussed way?

The free online dictionary defines 'strategic' as "highly important to an intended objective."

It defines 'a plan' as "a scheme, program, or method worked out beforehand for the accomplishment of an objective".

A Strategic Plan could be defined then as any plan which looks forward several years and is concerned with delivering major or significant change.

It follows that strategic decisions involve the commitment of substantial resources, their implementation and ultimate impact may take several years, and they are not easily reversible. So it's definitely worth getting them right.

### Why have a Strategic Plan?

An organisation of any shape or size needs to know where it wants to get to and how to get there otherwise it will stagnate and decline. Improvements and changes will not be embraced and staff will feel disengaged and move elsewhere. Having a strategic plan is essential for the long term health of your organisation.

### Not all strategic planning is equal.

We have noticed in today's market that there seems to be a decreasing demand for buying off-the-shelf strategies or to ask others to define your strategy for you. Strategic planning which is created and delivered (often via voluminous reports) **for**

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access documents that have been created based on our collective knowledge and experience over the last 24 years.

In addition, visit our website where you can see the services we offer, read blogs, look at case studies and even 'meet the team'. Additionally, we have included some of the professional organisations with whom we have close links and you can drop us a question or comment any time. We are always pleased to hear from you.

As I started by saying I hope you can find a moment to take a look at [www.chaucer.com](http://www.chaucer.com) your feedback would be welcome and of course we hope it inspires you to contact us to talk about your latest challenges and any support you need. We look forward to hearing from you.

#### Exploring Chaucer

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**you rather than by you** tends to unravel as it becomes clear that, although good in theory, the impact on the business may not be fully thought through. Many of us have seen strategic decisions taken only to see them reversed later on.

Strategic planning needs to be based on the fundamental starting point that the best people to understand how a strategy will unfold within your organisation are yourselves. After all, who knows your business best? You do.

Often there is an appetite for strategic planning but getting started, dedicating time, resources and experience to deliver a strategic plan which will truly engage an organisation across all levels can seem like a mountain to climb.

That is where the Argenti Process of Strategic Planning comes in.

Argenti is a proven and clearly documented strategic planning process taking the chief executive (or equivalent) and their team through a highly systematic strategic planning process, stage by stage and step by step.

The Argenti Process was deliberately designed to be pragmatic and make its users self-reliant and the masters of their own destiny.

The key features of the Argenti Process include the certain knowledge, learned over four decades, that the first step in any strategic plan should be a definition of the purpose of your organisation, and how its performance towards or against that purpose is to be measured.

An organisation's long term prosperity depends upon identifying the half dozen key issues that can make or break it in future years.

It guides the chief executive and his or her strategic planning team through the jungle of data in search of these 'Strategic Elephants'. The Process then shows the team how to develop a set of strategies and action plans that will address them. It really is as simple as that.

The success of the Process can also be traced to the conviction that an organisation's own executives need to be intimately engaged in its development, both because of what they know, and because of what they are responsible for achieving.

#### The key strengths of the Argenti Process are:

- Its simplicity – it's Jargon free and you do not need an MBA qualification to understand it
- It's easy to introduce - it is logical, sequential, and flexible
- It's non-disruptive - it is foundational, yet it builds on whatever good work has already been done
- It's inclusive - at set stages you open the process up to relevant staff
- It works - some of the world's most successful companies (large and small) use the system

#### Why have a Strategic Planning Process Facilitator (Internal or External)?

Strategic planning is vital, and a skilled external facilitator can typically contribute additional value to the process for a variety of reasons:

- He (or she) brings a wider perspective and greater independence of thought
- He can also serve as the "guardian" of the process

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# Strategic Planning

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- The facilitator can offer objectivity and independence, a breadth of exposure and experience across various sectors of endeavour
- Relevant skill-sets in process management, including group dynamics and participative decision-making

The facilitator's task is to ensure that the system is used to best effect, and particularly to ensure that the discussion and due diligence are inclusive, robust, constructive, exhaustive, and conclusive; to make sure all the right questions are asked and addressed. They should certainly suggest alternative strategies – but should not determine the final selection – ultimately it is the CEO that authorises and leads the process throughout, and it is he (or she) who presents the final Strategic Plan to the board - not someone outside.

There is an obvious additional benefit to using an external facilitator. Chaucer's familiarity with the Argenti Process, and the fact that we have 'been there, done that' provides additional confidence to the CEO that whatever arises can be taken in its stride. We also find that we play a significant role in strengthening the organisation's strategic communications during the process.

Chaucer is delighted to be appointed as partners by Argenti to provide facilitation support services exclusively in the UK and USA and to support across other regions such as the Middle East, Russia and Asia. As Chaucer majors in project and program management we are now able to offer a total strategy solution i.e. strategy planning development and strategy execution.

For a confidential discussion of your organisation's specific needs please contact :



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[www.chaucer.com](http://www.chaucer.com)

or go to

[www.argentisys.com](http://www.argentisys.com)

where you can find more detail on the process and real life testimonials as well as the being able to download the free Argenti Purpose Sequence Document.

## Project Portfolio Management

Why Project Portfolio Management can be the key to getting the biggest strategic bang from finite resources.

"In real life, strategy is actually very straightforward, you pick a general direction and implement like hell". Jack Welch wrote these words in his bestselling management handbook 'Winning' over five years ago but for many organisations the sentiment and approach is just as relevant today.

The general direction that Jack refers to is commonly known as strategic intent. Organisations invest significant amounts of time and money understanding and assessing current situation and future positioning but the difficulty

for most remains definition of the steps required to move from current to future in the most effective manner and with the least disruption to business as usual. Once strategic intent has been set, the key question for many CEOs and senior leadership teams is how to turn strategy into day to day operational performance improvement.

At the same time, competitive forces have driven many organisations down a transformational route that seeks to deliver performance improvement through cost reduction. Organisational



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# Project Portfolio Management

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de-layering, process fitness, functional and business transformation, non-core operations divestment, value chain mapping and rationalisation have all become tools of the trade for those CEOs and senior leaders looking to drive increase in performance and profitability. The result of all this activity can often be a lean, mean, fit for purpose organisation that has little bandwidth to deliver anything other than day-to-day business operations.

Yet the world is a constantly changing environment and the lean, mean, fit for purpose organisation of today soon needs to be able to adapt to meet the newly emerging challenges of tomorrow. If only the outside world could contain itself to a 3, 5 and 10 year strategic planning cycle. Those organisations that do not have effective strategic planning processes are busy delivering initiatives that are fit for yesterday, let alone today's purpose and certainly not tomorrow's challenges. If you are thinking about at least one initiative/project that your organisation is applying critical resources to, but is past its sell by date, then you should read on.

The ultimate challenge for today's organisations remains how to deliver strategy with the finite set of resources (finances, people and physical assets) that are the legacy of years of transformational change. This is a tight rope that Chaucer helps senior leaders walk successfully and in doing so, ensures organisational potential is fully realised.

Chaucer has recently been appointed sole UK/US partner for Argenti, a strategic strategic planning methodology that is used by some of the world's leading organisations. [Please see previous article.]

In addition, Chaucer has recently launched 'The Chaucer Way – Project Portfolio Management', a proprietary approach that combines over 20 years of project and portfolio management to help organisations to operationalise strategy through more robust project selection techniques and more rigorous management of finite resources.

Chaucer's approach to project portfolio management helps organisations maximise utilisation of finite resources, improve organisation performance, identify and prioritise project and program activity and become more cost efficient.

Our approach to project portfolio management is underpinned by proven project management principles and techniques and focuses on selecting the right projects, balancing constrained resource demand and supply, ongoing validation of individual initiatives and providing quality data and information to support difficult senior leadership decisions.

## The proven business benefits of our approach are:-

- Selection and delivery of those projects that deliver best risk/return metrics
- A well-balanced portfolio of projects to match short, medium and long term business needs
- Assurance that key interdependencies within a portfolio of projects are identified and actively managed
- Effective 'pace of implementation' management to ensure that greatest return is gained from finite or constrained organisational resources
- Provides a 'big picture' overview of critical projects underway within the organisation and timing of cash sensitive decision points
- Improves an organisation's ability to quickly react to changing market and other external environment factors



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# Project Portfolio Management

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So, is Project Portfolio Management for you? Give the following questions a few minutes thought:

- Do I know what the current portfolio of projects in my organisation is?
- Will this portfolio of projects ensure that my organisation delivers its strategic intent?
- Is my organisation selecting the right projects and delivering them effectively?
- Is my organisation striking the right balance between risk and return?
- Is my organisation allocating critical or constrained resources to the best opportunities?
- Is my organisation stopping projects that no longer contribute to strategic intent so that critical resources can be allocated to those that are?

If you cannot answer 'Yes' to all of the above questions, then please call us today to discuss how Chaucer's unique Project Portfolio Management approach can help your organisation get the biggest strategic bang from its finite resources.

The Chaucer Way – Project Portfolio Management can be downloaded from [www.chaucer.com](http://www.chaucer.com)



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## Benchmarking for 'Justified Decision Making'

Have you ever found yourself in need of hard facts to answer key questions such as

"how to allocate this year's change budget?"; "is my department under/over-resourced?"; "are outsourcing or offshoring viable options I should be considering?"; "are we competitive in the market place?"; "do I need to replace my core IT systems?"; or "how should we be reacting to key trends, developments and best practices in my industry?" etc.?



Benchmarking is a tried and tested tool which, if used carefully, can support positive change and transformation. In these days of cautious investment being able to understand where you are

positioned in the market, what your competitors are doing and identifying areas to improve can provide a solid foundation to justify targeted spend.

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# Benchmarking for 'Justified Decision Making'

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Essentially benchmarking will help concentrate your change agenda and give it real objectives. It will support your business case and allow real facts and figures, current industry knowledge and best practice to guide you.

Working with an experienced benchmarking partner with current, wide industry knowledge and senior contacts will give your benchmarking results real validity. Using a discreet, independent partner, such as Chaucer, who can present the information in an easy to understand format which can be shared with internal parties will enable clear decision making and stakeholder management.

## So what is benchmarking?

In its simplest form it is the process of comparing like-for-like data across a number of entities, to understand how your data compares with that of your peers. Common examples of benchmarking that most are familiar with include salaries, investment performance, and hospital waiting times; although there is no constraint on which industries or what data can be benchmarked. We at Chaucer are often asked to look at an organisation's structure and set-up, market readiness for company expansion or new products and service performance. The most important consideration with regards to data is ensuring comparability or like-for-like. For instance, comparing salary data is meaningless if some participants provide base salary whilst others provide total benefits.

Dependent upon the size of the organisation, it may be an option for you to benchmark internally e.g. number of complaints per 1,000 customers or average account opening times compared across function or geography. Providing standard benchmarking principles are followed then this can prove to be a useful exercise and may even feed regularly into a balanced scorecard tool; however, most of our clients wish to benchmark themselves externally – against their peer organisations.

When benchmarking externally, confidentiality and anonymity become paramount. The data being benchmarked is usually highly sensitive. For example, if customer service levels are relatively poor the organisation needs to know this, but not at the expense of risking their name in the market. Or if a company is considering changing their global footprint and venturing in to pastures new then this is highly confidential and if leaked could even impact share value. This is why Chaucer is often asked to provide third party unbiased benchmarking services, under formal non-disclosure, thereby ensuring both accuracy and anonymity.

## How will benchmarking justify my decision-making?

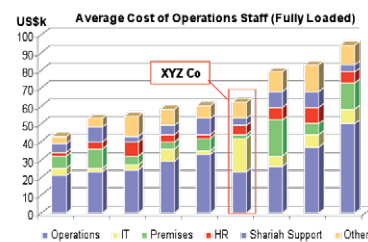
Benchmarking can help identify problem areas, eliminates the guess-work and shows where improvements need to be made and what recommendations can be made to optimise the operating model. Moreover, it builds confidence, removes emotion and replaces with facts key strengths and weaknesses. It can also act as a positive method of engagement and intent which will be a precursor to further communications and allow people to feel involved in any change. Ultimately, it will minimise reinventing the wheel as it facilitates cross-industry fertilisation to really shift gears for your business and ensures your change budget gets maximum Return On Investment.

Ultimately our aim is to give you the information and recommendations to set strategic goals and improve performance through their effective delivery.

## How can Chaucer help?

Chaucer recognises that embarking on any benchmarking process raises a lot of questions. We have extensive experience of supporting clients to ensure the maximum value can be extracted from these relatively low-cost, yet strategically high impact initiatives.

"The ChaucerWay® - Benchmarking" was launched just recently and joins our array of unique proprietary methodologies, distilling the best of our experiences from delivering over 3,000 successful client projects since 1987. If you would like a no commitment discussion with one of our benchmarking experts, please do not hesitate to get in touch.



**Nick Laslett**

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“The phrase mergers and acquisitions (M&A) refers to the aspect of corporate strategy, corporate finance and management dealing with the buying, selling and combining of different companies that can aid, finance, or help a growing company in a given industry grow rapidly without having to create another business entity”.

So states Wikipedia, however it is also a huge opportunity to lose money and damage your reputation if you get it wrong.

In the business world the name of the game is growth, ramping up, getting bigger to get stronger.

Some companies go at it conservatively, in incremental fashion. Other outfits shoot the works, so to speak, their game plan aims at exponential growth and that usually means mergers and acquisitions, growing by leaps and bounds, combining operations to get maximum market share, economies of scale and payback on technology investments, in other words, major upsizing, in high gear.

What's driving this big shift toward dominating instead of downsizing?

Well, it's that same old one-syllable word: “change”, but instead of struggling to cope with change, companies now are trying to conquer it.

Today's focus is on building, buying, and because the world's new faster metabolism is gaining traction again as it comes out of recession, mergers and acquisitions are back.

Of course, shrinking and trimming will continue. We still need to squeeze out costs and improve performance. But everybody's doing that and most companies have realised that cutbacks, by themselves, won't make you competitive for long. Having done some serious pruning to stave off the worst effects of the recession, the corporate world now needs a good growing season.

## Today's deals are different.

In the past, many deals were “financial plays.” Today, particularly coming out of a global recession, risks need to be minimised, **and deal success depends on good integration management.**

Why? Because the new game mandates operational effectiveness, so growth via mergers and acquisitions becomes a winning proposition only if the companies can be consolidated successfully, such that the whole truly is greater than the sum of the parts, or faster, or cheaper, or reaches more customers.

Financial gains are still the final target, of course, but they aren't achieved when the deal is cut. Unlike in times past, today's acquirers don't simply strip away assets and maximize shareholder value in short order. Current mergers are looked at as longer term opportunities.

Most mergers are in reality acquisitions and some can be more akin to the creation of a Joint Venture.

Irrespective of the form of the merger or acquisition it presents major challenges to organisations and individuals. Developing strategy calls for bold thinking; implementing it requires planning, sound management and action every bit as bold.

The actual process of a merger or acquisition can involve many third parties to make it work and there are multiple strands that need to be managed to be sure of success; however the single most important aspect is the integration.

What do I mean when I say integration? Simple, I mean bringing together two companies and making them function and perform as a single company with a single identity, preferably with one set of business processes, unified governance, unified



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financial management and control and all the other components of the business. Should be easy really, you would think!

In practice, integration is a complex undertaking which invariably puts enormous strain on one or both companies. The majority of the “deals” themselves are concluded relatively quickly, with the negotiations and due diligence usually being completed in a matter of a few months.

Integration on the other hand occurs in phases such as Readiness for Day 1 to Day 100 and then progressive phases that can happen over the following two years or more.

## Laws of Physics

**What to expect - Newton’s three laws of motion:**

1. Inertia - a body continues in its state of rest, or of uniform motion in a straight line, unless it is compelled to change that state by forces impressed upon it.
2. The acceleration produced by a force acting on a body is directly proportional to the magnitude of the force and inversely proportional to the mass of the body.
3. For every action there is an equal and opposite reaction.

To overcome 1, to achieve 2 and to control 3, the “forces” that need to be applied are: Planning, Change Management, Risk Management, Stakeholder Management and Communication, this needs to be key components of the Integration Strategy and Action Plan.

How do I know this? I hear you ask; because I’ve got both the medals and the scars from previous campaigns involving completely different integration experiences some where they were actively planned and managed as described above and some where they were not.

## Case Number One

Major International Oil Company partners with another Oil Company creating a JV Oil Company.

Chaucer was engaged to provide integration planning, facilitation and assurance for this very substantial amalgamation and integration program. The merger was a major undertaking a highly sensitive and complex project bringing together companies with entirely different ways of working, business processes, structures and cultures. The creation of this JV and its subsequent success or failure was a major step for both parties and had a huge influence on the respective values of the companies. Flawless execution was required in an uncertain environment.

Chaucer’s role was to provide the planning, facilitation and project assurance to ensure that all the integration activities required to achieve financial, operational and organisational control were achieved in time to support ‘Day 1’ operations and management of the new company. Additionally, Chaucer supported the process for developing the new organisational design. All this work took place not only at a corporate level, but down into all the operational business units and service functions, including; Upstream, Downstream, Procurement, Legal, Financial, IT, HR, Technology, Business Development, etc.

Chaucer provided the overall planning and co-ordination of the individual merger integration teams and consultants by means of an overall Project Office. In the merger environment this is a particularly onerous task because of the large number of business and functional interfaces and interdependencies. Our scope of work therefore extended to comprehensive interdependency mapping and systematic risk identification and mitigation.

The project was delivered successfully in a high pressure environment without disruption to ongoing business, and lead to Chaucer’s appointment to continue to support the integration through to Day 100 and beyond and on

a series of post merger development projects.

## Case Number Two

Large East European Integrated Oil Company acquired by Larger Integrated Asian Oil Company.

The acquisition was designed to give the acquiring party access to the European market to be able to monetise some of its production through the acquired party’s refining capacity.

No support or expert help was brought in from outside to plan and manage the integration.

The business strategy was sound, however the integration probably did not realise all the benefits and possible synergies that it should have done and became protracted putting additional strain on the normal running of the business, inevitably some opportunities were lost, simply because there was little to no planning or change management employed on the integration.

Having seen both approaches and having been on both sides of the fence, I would always recommend bringing in the necessary expertise and supporting to properly plan and manage any M&A.

If you would like to discuss your M&A activities in confidence please contact me directly. Alternatively visit us at

**[www.chaucer.com](http://www.chaucer.com)**, to download ‘**The Chaucer Way – Mergers and Acquisitions**’ for further insights.



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