

LEADERSHIP TEAM WORKSHOP:

Resource Governance Strategy Development

to bring a senior leadership team to consensus on a strategy for developing effective resource governance (financial) processes



Objectives

To bring a senior leadership team to consensus on a strategy for developing effective resource-governance (financial) processes, including agreement on a long-term vision and a near-term action plan.

To develop executive sponsorship for financial management initiatives, including commitment to personal involvement as needed.

Scope

Business planning, budgeting.
Service catalog, rate setting.
Priority setting, portfolio management.
Cost and service tracking.
Invoicing, show-backs.
Dashboards, ROI analysis.
Asset management and cost management.
Demand management.

Intended Attendees

An organization's C-level executive and direct reports, plus the organization's finance and planning leaders.

Time Required

6 hours (9am to 3pm).

Outcomes

- A common language among the senior leadership team to discuss resource-governance processes.
- A shared vision of the end-point: market-based resource governance.
- Consensus on what to implement next.
- Commitment to the required level of leadership-team involvement in implementation (if any).

Abstract

Inadequate resource-governance (financial) processes create many common problems, such as:

- Internal-customer expectations exceed resources ("managing expectations").
- The impossible "do more with less" demand, and budgets unrelated to the needs of the business.
- Client frustration with internal service providers over costs, rates, or allocations; or mistrust due to a lack of transparency.
- Difficult or unfair benchmarking of costs.
- Inadequate funding for infrastructure and innovation.
- The wrong kind of executive-to-executive dialog, defending costs instead of discussing strategic opportunities.
- A lack of internal customer focus, entrepreneurship, and teamwork.

Market economics provides an effective foundation for the design of resource-governance processes.

Basic principles are:

An internal service provider is considered a business within a business.

Its clients (the rest of the enterprise) choose what they "buy" (whether or not money changes hands), both during the annual budget planning process and throughout the year.

Clients are limited by their spending power (the organization's budget and their own ability to pay fee-for service).

And the internal service provider sets rates, comparable to outsourcing, for all its products and services—a rate which includes a fair share of indirect costs such as internal support services, customer relationships, and innovation.

Using the principles of market economics avoids bureaucratic processes which slow the business down and strain relations with clients.

A comprehensive system of resource-governance processes includes numerous sub-processes (such as budgeting, rate setting, portfolio management, invoicing, and dashboards).

Experience has shown that, rather than a "scatter shot" approach, an organization is best served by focusing on one sub-process at a time, implementing it in the

Agenda:

9:00 - 9:15	Why we're here; why NDMA is here; introductions.
9:15 - 9:45	Brainstorming: issues of concern related to resource-governance processes (using a structured questionnaire).
9:45 - 10:30	Concepts: market economics as a foundation for resource governance.
Break	
10:50 - 11:30	The "big picture": all the resource-governance sub-processes portrayed on one page, linked to show dependencies.
11:30 - 11:30	Mapping: which specific subprocesses address the organization's issues of concern.
11:45 - 12:00	Dependencies: the ideal sequence of sub-processes based on dependencies and payoff.
Lunch	
1:00 - 1:30	Discussion: consensus on priorities (which sub-process to address first).
1:30 - 2:00	Implementation: what is required (elapsed time, money, involvement) to implement chosen sub-processes.
Break	
2:20 - 2:45	Discussion and consensus: where to start and what to do.
2:45 - 3:00	Next steps.

context of the "big picture" vision of how all sub-processes will ultimately work together.

Furthermore, experience has proven that effective implementation requires some degree of involvement of the senior leadership team; it cannot be left to the organization's planning and finance staff alone.

This workshop builds an understanding of and consensus on the end-point, and on next steps. It also develops an appreciation for what's involved in implementing the chosen next step, and a commitment to any necessary leadership involvement. □

CONTACT US TO SCHEDULE A COMPLIMENTARY CONSULTATION

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