

Paterson Process™

Strategic Planning Model

RED POINT
Leadership Group
Randy Phillips
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Leaders inherently plan. Some are good at it. Others are not. Some do it alone. Others include their leadership team. Most plans are budget-driven and end up in a three-ring notebook only to be pulled off the shelf the following year.

Over the past twenty-five years, I've been exposed to some top-level leaders. I've used many of their tools in my own leadership venues and in attempting to help others. But when accepted an invitation to the Paterson Process Training Seminar encounter in 2007, I encountered the work of a master facilitator and peerless process professional.



A few flashpoints highlight Tom's contribution to our modern-day world:

- ✓ *Filed the first patent to the ATM machine*
- ✓ *Was the lead inventor of the DVD in 1969 with RCA;*
- ✓ *Pushed for the manual landing of the Lunar Lander for the Apollo project;*
- ✓ *Integrated light technology with the theme park concept and was the lead designer for Space Mountain at Disneyland;*
- ✓ *Was honorary consultant to the People's Republic of China*
- ✓ *Has received a Noble Laureate and a Presidential Seal of Honor.*

*Bottom-line: Tom is a master at **process**.*

Tom Paterson spent nearly thirty-five years joined at the hip with Peter Drucker. Those who knew the tandem called Drucker the "Business Theorist" and Tom the "Process Practitioner." Now 83 years old, Tom is in the "Yoda" stage of life writing and developing advanced training modules from his Grants Pass, Oregon home. After a full week of training and with a fresh certification in hand I am now beginning to understand the unique value of his finely honed practice.

I believe The Paterson Process™ is world class. I have yet to discover anything like it.

*This document overviews Tom's process. Keep in mind that this is not a prescriptive, cookie-cutter production. Inherent in its design is customization and adaptation. As a trained and experienced facilitator, nothing brings me more satisfaction than helping a leadership team gain breakthrough focus to create a **core plan** that will help them accomplish their **vision** for the **tomorrow** of their organization.*

I appreciate your interest in Red Point's leadership toolkit,

Randy Phillips

WHAT IS THE TOM PATERSON PROCESS?

The Tom Paterson Process™ is a strategic operating planning process that designs and installs a balanced business plan in one week. Tom's process embeds the *tomorrow we desire* into the *reality of today*. Once a plan is installed, leaders are equipped to systematically manage it through a checkpoint-revise control process.

The Tom Paterson Process™ helps you and your leadership team understand and manage the whole of your organization, and helps you have a trained and experienced team in place with an ability to assess and react quickly. By *manage the whole*, we mean:

- **Managing for the *tomorrow we want today*.** *Tomorrow* (the strategic) can only be managed *today*.
- **Managing for the *today we want today*.** *Today* (the operational) can only be managed *today*.
- **Managing the organization as a “system”** designed for the particular purpose of productivity, effectiveness and adaptivity, which means managing as a unified team. Systemic (organic) leadership is not managing the parts as parts but as parts of a whole.

The Tom Paterson Process™ moves a leadership team towards breakthrough perspective and creates a plan-on-a-page with an underlying playbook that seamlessly implements an organization's core strategy. By monitoring system performance drivers as *one team family*, with *one vision* and *one playbook*, the process equips leadership to manage for strategic, operational and financial results.

The six-phase chart on the following page overviews The Tom Paterson Process™.

THE TOM PATERSON PROCESS™

Seamless Management: Productivity • Seamlessness • Adaptivity

...Where are we now?	...Where are we going?	...How will we get there and who will do what?	...What is the best structure for our future?	...How will we measure progress?	...What needs to be renewed?
Phase 1 PERSPECTIVE	Phase 2 CORE PLAN	Phase 3 ACTION	Phase 4 STRUCTURE	Phase 5 MANAGEMENT	Phase 6 RENEWAL
<ul style="list-style-type: none"> • TURNING POINTS • FOUR HELPFUL LISTS • PATTERNS & TRENDS: EXTERNAL AND INTERNAL • OPPORTUNITY MAPPING • PERFORMANCE DRIVERS • RISKS & OBSTACLES • STRATEGIC CONTROL PANEL 	<ul style="list-style-type: none"> • PURPOSE • VALUES • VISION <ul style="list-style-type: none"> ▶ WHERE WE STAND ▶ WHERE WE ARE HEADED ▶ HOW WE WILL GET THERE • LIFE GENERATING CYCLE • “BIG IDEA” CORE STRATEGY • W.I.N. WHEEL (WHAT’S IMPORTANT Now) • PLAN-ON-A-PAGE 	<ul style="list-style-type: none"> • ACTION INITIATIVE PLANS <ul style="list-style-type: none"> ▶ SITUATIONAL ANALYSIS ▶ ACTION PLANS • DOVETAILED TIMELINES • “SCRUBBED” PLANS <ul style="list-style-type: none"> ▶ COMPREHENSIVE? ▶ SEQUENTIAL? ▶ REALISTIC? ▶ FINANCED? • LAUNCH PLAN 	<ul style="list-style-type: none"> • CREATING A STRUCTURE <ul style="list-style-type: none"> ▶ ORGANIZATION ▶ CULTURE ▶ SYSTEMS ▶ PEOPLE PLAN • CROSS FUNCTIONAL THINKING • STRUCTURAL DESIGN <ul style="list-style-type: none"> ▶ CAN’T OUTFRAN FOR 5 YEARS ▶ SEAMLESS ▶ FUNCTIONAL FLOW ▶ CROSS-FUNCTIONAL FLOW • GOING SEAMLESS 	<ul style="list-style-type: none"> • POP-UP CONTROL INFORMATION • MONTHLY AND QUARTERLY REVIEWS • MANAGING YOUR WHEEL OF ACTION • MANAGING PERFORMANCE DRIVERS & RISKS • MANAGING REDS 	<ul style="list-style-type: none"> • SENSING, SEIZING OPPORTUNITY • EMBEDDING RENEWAL <ul style="list-style-type: none"> ▶ EARLY WARNING ▶ SENSING & SEIZING OPPORTUNITY ▶ MANAGING GROWTH ▶ MANAGING DEVELOPMENT ▶ MANAGING VALUE • “WHAT TO DO WHEN IT’S TOO LATE?”

History of THE TOM PATERSON PROCESS™

Tom's consulting career began in 1970 after he had spent his vocational life in the corporate planning area. "I knew I could do it," Tom says. "I had always been very successful in companies I worked with," companies like Douglas Aircraft, IBM and RCA. Ted Smith, Tom's boss at RCA and the technical leader for the company in the television sector, later retired and joined Tom as an associate.



Sitting in Ted's office, the two reflected on the bad reputation that strategic planning had among their colleagues. "Strategic planning didn't have a good name. We had looked at plans from different divisions at RCA, and no one implemented what the plan mapped out. Plans were put together with great effort and typically never implemented."

Tom and Ted theorized a new approach that would produce a more effective outcome. The head of corporate planning at Ingersoll-Rand challenged their thinking when he asked, "Could you do a plan in a day for a business?"

Tom thought about it and answered, "A large company might take two days."
"If you can do it in two days, you've got a job."

PERSPECTIVE BEFORE PLANNING

The strategy for a two-day plan began with perspective. "We decided to assemble everyone who would be involved in the implementation of the plan." Consequently, all the champions of the major components of the company (from areas like finance, sales, marketing, design, manufacturing, distribution) were gathered in a room.

Tom captured their wisdom and guided them in a process on the first day in which they gained perspective on the current standing of the business. They clarified where they were gaining, where they were losing, what was currently confused, and where the risks and voids were in the company.

"Find a truth before it finds you," says Tom. "Truth without grace is brutality. We'll never point a finger at an individual. We will never blame someone. If there is a problem, everyone owns it."



Tom used inductive and deductive logic and moved from the specific to the general and the general to the specific. "Everyone has their own set of eyes and their own set of logics. Together, we ascended out of the valley and to the mountain top. It was an *a-ha* moment. We had gained perspective. From the mountain top we could see beyond the valley." Tom is quick to add that breakthrough perspective like this is fun.

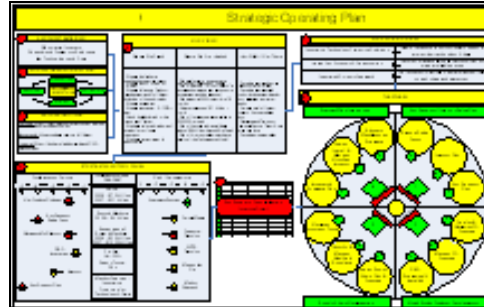
PLAN THE WORK, WORK THE PLAN

The details of the plan then flowed out of the new-found perspective. "We designed a core plan called W.I.N.'s, those few things we decided to focus on. I win because I work on *what's important now*," Tom says. "When I manage tomorrow today, that's strategic. But we also have to manage today, today. That's operational. So we don't just need a strategic plan, we need a strategic operating plan."

"Plans don't self-execute," says Tom, in one of his classic, memorable lines. "Don't start with me if you don't intend to follow through. I don't want any orphans." Consequently, the details of each core W.I.N. are fleshed out into action initiative plans with a six quarter projection, reducing all activity into focused, accountable delivery timelines. Every six months, the plan rolls forward six more months. "We get the plan down to one-page, and it's in a playbook. The

playbook tells everyone who is accountable for everything we need to do to successfully accomplish the plan.”

Each initiative is measured with a red, yellow, or green status: red means something wasn't done, yellow means that there are glitches, and green means the initiative was accomplished as planned. “We have to know where we stand at all times,” says Tom. “The plan must be managed to insure that in the end we accomplished what we said we would accomplish. The accomplishment is not the plan. The accomplishment is in managing the plan to get the results we set out to accomplish.”



FORM FOLLOWS SUBSTANCE

Often, organizational structure must be changed in order to create a seamless and productive culture. “I don't do this with the group,” says Tom. “I ask the team, ‘What are the boundary conditions that must be met with this plan?’ and then work with the CEO and his Chief of Staff to restructure the organization. Later, when the new structure is presented, he asks, ‘Did we honor your boundary conditions?’ It's a real, honest approach to an important part of the process.

ANTICIPATE CHANGE

As his process matured over the years, Tom designed important key measurements that would help leaders monitor their business life cycles and therefore help them anticipate the future. “Things change so fast today and can get out of control,” says Tom. Rate of change becomes central to THE TOM PATERSON PROCESS™. “Products go through an accelerating, booming, decelerating, and tanking cycle. It's vital that we see tomorrow before it happens.”

THE OUTCOME FOR AN ORGANIZATION

The result of THE TOM PATERSON PROCESS™ is a strategic operating plan, completed in 3 days and managed systematically for success. A team develops a plan-on-a-page with an underlying playbook to facilitate monthly reviews of their ministry action initiative teams.

THE FACILITATOR'S ROLE

“The facilitator is process. The team is content,” Tom emphasizes. “We strive for a plan that will bring the team to breakthrough levels of thinking. If necessary, we slow down the pace in order to ascend to the mountain-top of perspective. This is not a cookbook process. It is a very creative process. And it's fun!”

THE TOM PATERSON PROCESS™ is a “behaviorally correct plan,” says Tom. It's about teamwork and the team respecting each other's wisdom. “Breakthroughs come when teams work together horizontally. No silos.” The process must be facilitated in a way that leads to self-discovery, to ownership of the plan and to a respect for each person in the room. “A team will own the plan if they are heard. Was each person's voice heard? Was each person respected? Did each person know that I as the facilitator valued their thinking?” If this happens, says Tom, a team's response is, “It's our plan. We created it. Not some consultant going off and creating a plan for us.”

What Others Are Saying About Tom's Process

"It has been three months since attending your Facilitator Training Session. Since then I have continually found opportunities to engage the power of the Paterson Process...I have used the process to launch a new project to develop and promote pre-engineered pumping packages. This particular project has been addressed numerous times in the past without success. By using the Paterson Process we have gained true perspective which has enabled us to identify the core issues which need to be addressed in order to realize the vision we established. Thank you for giving me a helping hand in the utilization of my facilitation tools borrowed from the Paterson Process. I am confident I will use these skills the rest of my life."

Bert Elfers, Manager Business Development
Fluid Products Division, The ARO Corporation
Bryan, Ohio

"A year ago I volunteered to run strategic planning sessions with each of the Masco company divisions. Lo and behold they took me up on it, and over the past year I've run 25 of these two-day planning sessions. They're all based on the Thomas G. Paterson methodology I learned at Ex-Cell-O and they've been highly successful. For most divisions, this has been the first time they've done any planning of this sort. Thanks for educating me in a very effective process!"

John F. Ullrich, Vice President
Technology and Support Services, Masco Corporation
Taylor, Michigan

"Tom's 'Plan-in-a-Week' process is, in my opinion, unmatched. His unique Convergence methodology brings his participants up to the '40,000 foot' level. Tom's approach is not prescriptive; rather, it addresses the collective wisdom and develops a plan to which the team is totally committed, having full pride of authorship and ownership. Tom is a master at what he does so well...he has very effectively taught others to emulate his approach by skillfully embracing the basic tenets of the methodology."

Gary Liebl
Chairman of the Board, Artisoft, Inc.

"Tom is the best strategic thinker and planner I have ever met. I'm pleased he has decided to share his talent by teaching others. His legacy should be to clone himself."

A. Tee Migliori
President, RJS Inc.

"The Tom Paterson Process was terrific! It was a tremendous success in deepening my understanding of both general business practice and of the very important process of strategic planning. It truly provides a way for executive teams to 'plan Today and plan Tomorrow today.' I especially appreciated his willingness to customize the program for our needs. Every month, I come to appreciate the beauty, simplicity and effectiveness of the process."

Marian K. Witherow
CEO, Witherow & Co.

"The key to The Tom Paterson Process is its simplicity. With a reasonable amount of training, the process can be used to analyze virtually any business question. It uses the collective wisdom of those who are closest to the business to focus the issues and set the priorities for moving forward. It's a proven winner!"

Thomas Bennett
Retired President and CEO
Ingersoll-Dresser Pump Company

"The Tom Paterson Process allows you to, in a systematic way, identify all the critical elements necessary for the success of a project, explain it to upper management for approval, and communicate it to the project team. After an intense 2 days, we walked away with an action plan that could easily have taken us a month to formulate on our own."

Ben Randazzo
Director, International Sales
W.W. Grainger, Inc

Randy Phillips' Red Point Bio



Over the past 30 years, Randy Phillips has been gained invaluable experience in the worlds of secondary education, globally reaching non-profit organizations, entrepreneurial ministries and an array of profitable businesses, ranging from start-ups to market-leading corporate ventures. A native of Washington State, he has a uniquely broad range of leadership competencies and credentials. Randy has held certification as a classroom teacher with training to recognize a variety of learning styles and tools to overcome educational deficiencies. He is also a trained marriage counselor and has officiated at more than 50 weddings. He served as a credentialed minister in the Evangelical Covenant Church for 20 years with accompanying skills in team-building, conflict management and platform speaking/presentation.

Randy began his career in an emerging private school in Colorado Springs where he served as a full time teacher, coach and athletic director. In his early years the program developed into a full slate of competitive varsity sports in all seasons. Eventually he found his way into youth ministry where he served in three churches in Colorado Springs, Springfield, MA and eventually in Bellevue, WA over a span of 15 years. During this time he coordinated the programming for a 4000 student national youth gathering, developed youth leader training curriculum and traveled on several speaking tours – training volunteer youth workers in churches across the nation.

In 1998 Randy lead the launch of an innovative new church in Redmond, Washington where he remained as Lead Pastor for the first seven years. Creekside Covenant Church began with a core of 45 committed friends and grew within 3 years to a weekly attendance of over 500 and a staff of 8 ministry leaders/pastors. In this same year he was asked to facilitate a round table group of senior business leaders in the Madison Park area of Seattle.

In 2005 Randy left Creekside and devoted a year to the creation of several unique leadership tools which now fill the toolbox at the Red Point Leadership Group:

- © The **DECISION COMPASS** for Leaders & the **TEAM COMPASS** for Management Teams
- © **DECISION MAPPING** and **DECISION FRAME** tools for well honed decision processes
- © The **SANDBOX** Strategic Performance Planning Tool

Red Point Leadership Group was formed in the beginning of 2007 and quickly gained a full slate of projects in wireless services, group communication technology, hospital in-patient care enhancement, manufacturing, aviation software development and venture capital funding. Randy achieved certification with the Paterson Process for Strategic Operational Plans in 2007.

Randy is currently working on three book projects, one of which is in collaboration with his son Josh. His book on the topic of “Great Decisions” is expected to be available near the end of 2008. Randy and Karen have been married for 28 years and live in Redmond, Washington with their 21 year-old daughter, Kaitlyn, and 18 year-old son, Josh.

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Paterson Process FAQ's

What do I do?

- I facilitate a **3-day process** in Round 1. We complete phases 1 and 2 in the 6 phase Paterson Process.
- I give you the tools to manage your action initiative teams over the next 2-4 weeks after Round 1.
- I return approximately a month later for a 2-day process (Round 2) to scrub and prepare you to **install your strategic-operating plan**.
- I help you create your plan in a Plan-On-A-Page format and help you create your undergirding Play Book that supports your Plan-On-A-Page.
- Depending on your structure, I work with you to restructure your organization and then to help you learn how to manage your plan and to read the signs of change and renewal (Phase 4, 5, and 6 in the Paterson Process).

What do you get?

- You get a ready to install, customized strategic-operating plan, both in a **Plan-On-A-Page** format and in a **Playbook** format.
- You get unity and alignment from your team with clarified roles and a plan to move towards your vision and future, while tending to the operational realities of today.
- You learn a new system to manage and integrate the strategic, operational and financial components of your organization.
- (I do not make you dependant on me for success. In fact, I strive for the opposite—to equip you and give you the tools for a new system of managing the whole of your organization).

What does it cost?

- **\$15,000.00** for a ready to install strategic-operating plan (Includes 5 full days in person with your leadership team and an additional 4 days of my time for pre and post meeting work).
- Plus all travel expenses and expenses for your Playbook creation.
- Additional fees may apply for the restructuring process, depending on the nature of the restructure.