



UNIMAGINABLY ACHIEVABLE

CASE STUDY

GETTING BEYOND STRATEGY DEFINITION TO SUCCESSFUL EXECUTION

Founded in 1881 by philanthropist Clara Barton, the American Red Cross is the premier emergency response and relief organization in the United States. In addition to disaster relief services, the American Red Cross is also the nation's leading supplier of blood and blood products, with approximately 40 percent market share and four million donors.

THE CHALLENGE

The American Red Cross's Blood Services organization had been operating as a collection of decentralized business processes across a number of independent business units. When new leadership arrived in Blood Services, they were faced with a myriad of business challenges including ongoing scrutiny from the FDA, an eroding donor base, and the emergence of new competitors in both the public and private sectors. As such, the new leadership team was eager to reshape operations to focus on improved customer service, tighter efficiencies, and standardized business processes. Capitalizing on its strong brand and portfolio of care-giving services, the American Red Cross wanted to re-energize its mission and take the organization to the next level by executing a new strategic plan.

THE SOLUTION

To launch such a game-changing initiative, American Red Cross leadership needed a consulting partner that could help them not only define the new strategy, but also—equally important—execute this strategy across the entire Blood Services organization. To address its unique challenges, the American Red Cross engaged North Highland consulting, and the combined team immediately conducted a thorough assessment of Blood Services' organization, processes, and culture. After this initial analysis, North Highland proposed

THE CLIENT

The American Red Cross

THE CHALLENGE

The nation's largest blood supplier was faced with a number of challenges including ongoing scrutiny from the FDA, an eroding donor base, and the emergence of new competitors.

THE SOLUTION

With careful application of performance metrics, a Balanced Scorecard, and an Office of Strategy Management, the American Red Cross's corporate strategy was evaluated for how well it was executed throughout the organization.

THE VALUE

Analysis revealed that by staying the course, the American Red Cross was able to reduce over 200 siloed projects to approximately 50 key strategic initiatives.

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When you engage North Highland consulting, you can rest assured that we will deliver an innovative solution to the project. We are driven in our pursuit of unique, creative answers, tailor-made to your specific needs. However, we are also diligent in making sure that any implementation is based in reality. What we propose must always be achievable and work in concert within your enterprise as a whole.

“We have taken to heart North Highland’s advice on why so many companies fail to execute strategy, and feel the process we developed will ensure our organization’s successful execution of strategy.”

A. SAUNDERS
Vice President,
American Red Cross

northhighland

Global Headquarters
550 Pharr Road, NE
Suite 850
Atlanta, GA 30305
Phone 404.233.1015
www.northhighland.com

a multi-phase effort that would result in a measurable, manageable, and mission-driven strategy. This included three distinct phases:

- **Align**—Develop top-down strategy maps aligned directly with four key Balanced Scorecard dimensions impacting the way they do business: mission results, external constituents, internal processes, and organizational capital.
- **Measure**—Implement a framework of performance measurements to ensure that the organization’s strategic goals and vision are realized in day-to-day business functions.
- **Execute**—Establish an Office of Strategy Management to monitor performance of key initiatives, manage the project portfolio, and maintain focus on the newly-refined strategy.

Two years later, the American Red Cross sought to assess the effectiveness of its strategy execution by answering key execution questions. Was the strategy integrated into the organization at all levels? Were the metrics effective in changing behavior? Were business processes still aligned with the original strategy maps? North Highland evaluated the **strategy implementation** and identified the following success factors:

ORGANIZATION ALIGNMENT

There was clear ownership of strategic objectives, and organizational structures were redefined to best accomplish the strategy. Management and decision-making processes were redefined around the strategy, including project funding and portfolio prioritization.

STAYING THE COURSE

Despite leadership changes over the past several years, the American Red Cross has supported a consistent strategy and has not been distracted by the “next big thing”.

VISIBLE METRICS

The Balanced Scorecard provided a high visibility framework for measuring success and for decision-making through the use of metrics. The Scorecard also provided a common language for discussion and decision-making across departments and regions/divisions.

A LEARNING PROCESS

Leadership recognized that strategy development & execution are a continually evolving process, and challenged their teams to be flexible and forward-looking.

THE VALUE

The American Red Cross is now better positioned to focus on those initiatives that are clearly aligned with the strategic goals of the organization. A rationalization exercise was conducted to look at every project in the organization’s portfolio to ensure that these initiatives were accountable and measurable for improved performance. After careful analysis, the portfolio was reduced from over 200 siloed projects to approximately 50 key strategic initiatives. In turn, these initiatives have led to **improved business results**, including: expanded market share, new hospital relationships, and improved customer and donor satisfaction. Overall, the American Red Cross has learned that strategy execution is a continuously evolving management process. Likewise, they now possess much stronger execution capabilities to support the core mission of being the nation’s premier blood supplier and provider of disaster relief services.