



Guide to Strategy Formulation and Execution for DIDM Offices and Functional Units



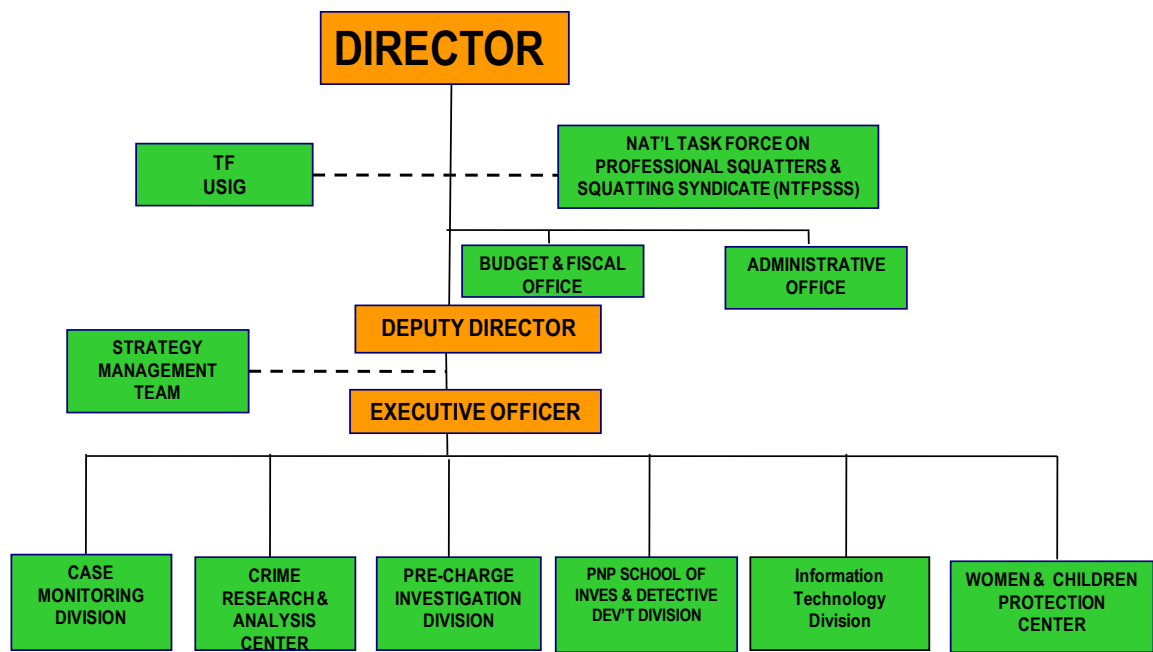
1. Organizational Overview of the DIDM Family

1.1. The DIDM Mission and Core Values. DIDM Mission Statement: “The DIDM assists and advises the Chief, PNP in the direction, control, coordination and supervision of the investigation of major and sensational crimes” DIDM Core Values: Integrity, Competency, and Efficiency. NAPOLCOM Resolution No. 97-032 indicates the Mission Statement of DIDM :

The DIDM assists and advises the Chief, PNP in the direction, control, coordination and supervision of the investigation of major and sensational crimes.

DIDM Core Values: Integrity, Competency, and Efficiency

1.2. DIDM Offices

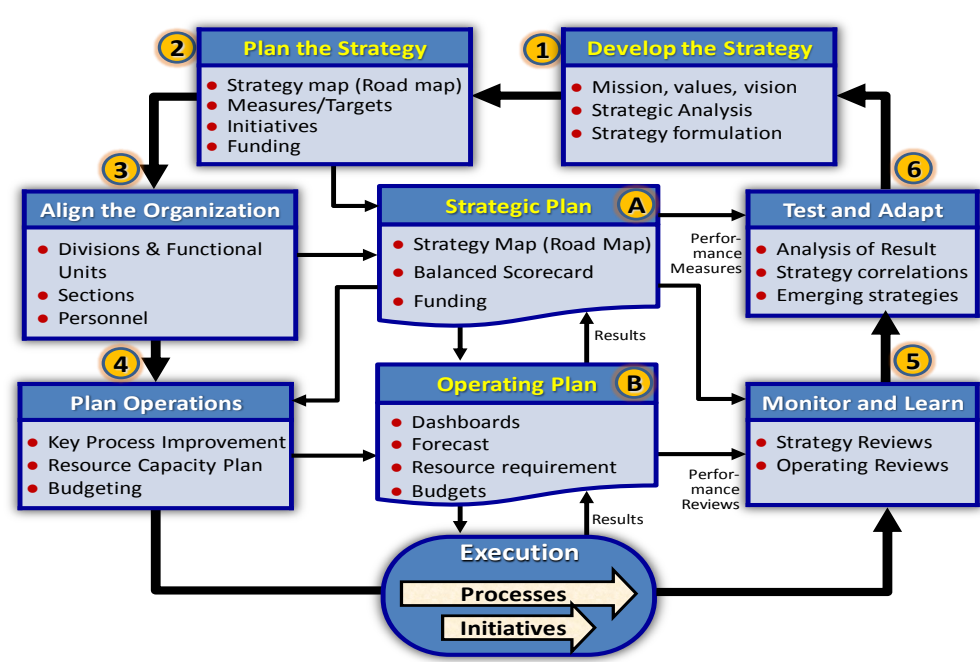


1.3. DIDM Functional Units

Under DIDM are the following functional units:

- 1. Crime Laboratory
- 2. Criminal Investigation and Detection Service
- 3. Anti-Cyber Crime Group
- 4. Regional Investigation and Detective Management Divisions (PROs)

2. The Modified Balanced Scorecard-based Strategy Formulation and Execution Process



2.1 Develop the Strategy

2.1.1 Clarify the Mission and Values. The development of strategy starts with studying the mission of the organization and the values that will guide the actions to be taken to perform the mission. The mission statement is a brief statement (usually one or two sentences) that defines why the organization exists. It should describe the fundamental purpose of the organization, especially that it provides to customers, clients, citizens (for public sector), or beneficiaries (non-profit organizations). The mission statement should inform executives and employees the overall goal they have come together to pursue. (*The Execution Premium*, p38) The Mission Statement of the Directorate for Investigation and Detection Management based on NAPOLCOM Resolution No. 97-032 is:

“The DIDM shall assist and advise the Chief, PNP in the direction, control, coordination and supervision of the investigation of major and sensational crimes.”

The values, often called *core values*, of a company prescribe its attitude, behavior and character. (*The Execution Premium*, p37). Integrity, competency, and efficiency are the core values of DIDM as guides for its actions.

2.1.2. Formulate the Vision Statement. A *vision statement* defines the mid- to long- term (3 to 10 years) goals of the organization. For a government organization, the vision statement should define a stretch goal that relates to its mission and should describe a clear measure of success and a specific time horizon or end-date. (*The Execution Premium*, p40) The vision creates the picture of the destination. (The Strategy Focused Organization p 74)

In the PGS initiation stage, DIDM has a vision statement of *“Imploring the Aid of the Almighty, The DIDM will be a highly capable, effective and credible Directorate in the direction, control, coordination and supervision of investigation and detection services by 2016”*. Following how the PNP Vision is written, the P.A.T.R.O.L PLAN “basecamping” period that coincides with the term of Presidents and Major Final Output (MFO) assigned to the Directorate, the DIDM Vision may be stated as:

“Imploring the Aid of the Almighty, The DIDM shall be a Highly Capable and Effective Investigation and Detective Service successful in achieving 65% crime solution for Index Crimes by 2028.”

The above DIDM Vision reflects its Wildly Important Goal (WIG) of improved crime solution, consistent with the DIDM Mission, and has an end-date, which is 2028 “Improved crime solution” will become the overall goal of all the offices and functional units of DIDM that must be considered in their strategic planning and in their varied core functions.

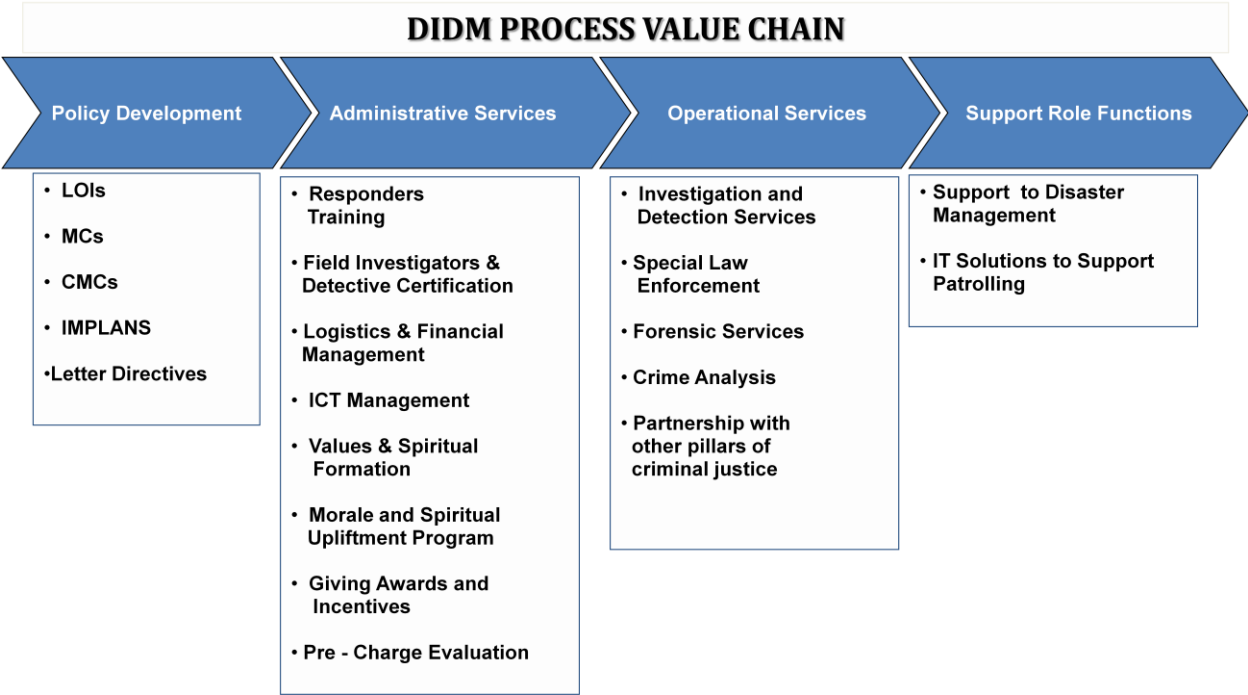
2.1.3. Conduct of Strategic Analysis. With the vision statement formulated and the strategic shifts (strategic change agenda) set, it is necessary that the executive team needs to conduct strategic analysis both external and internal.

2.1.3.1. External Analysis. The external analysis examines the factors in the organization’s external environment that have direct or indirect impact on its operations. The most common external analysis tool for the public sector is the **PESTEL Analysis** which stands for political, economic, social, technological, environmental, and legal environment. (*The Execution Premium, p49*)

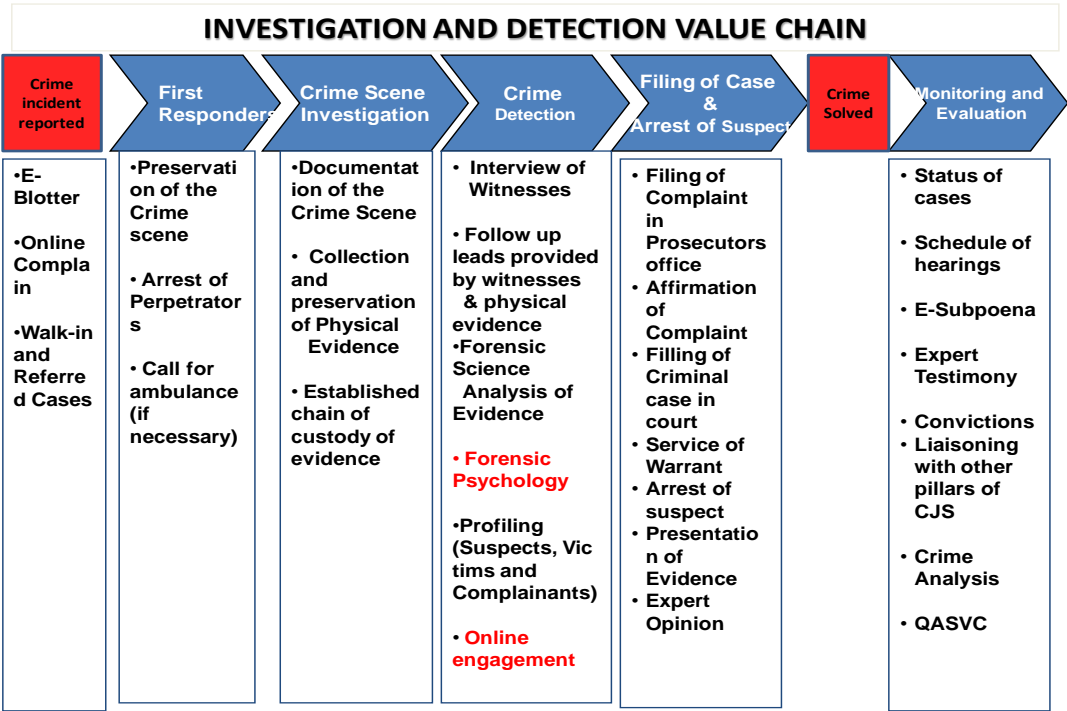
2.1.3.2. Internal Analysis. The internal analysis examines an organization’s own performance and capabilities. The popular analysis tool is the **value chain analysis**. The value chain identifies the sequences of processes necessary to deliver an organization’s products and services to customers. In addition to the primary activities of delivering products and services, the value chain can encompass secondary, or support, activities such as research and development, human resource management, and technology development – that facilitate the primary value-creating processes.

After the Revalida for the Compliance Stage of PGS, DIDM Technical Working Group (TWG) and Strategic Management Team (SMT) started to review its strategy in anticipation of the directive for all PNP offices and units to conduct their respective Strategy Refresh. The value chain analysis produced by the DIDM TWG and SMT are the following:

a. DIDM Value Chain



b. Investigation and Detection Value Chain
(For DIDM Functional Units)



2.1.3.3. Identifying Strengths, Weaknesses, Opportunities, and Threats (SWOT). The SWOT Analysis identifies the organization’s existing strengths and weaknesses, its emerging opportunities, and the worrisome threats facing the organization. The matrix that follows summarizes SWOT Analysis. (*The Execution Premium*, pp.49-50).

	Helpful for achieving the organization’s vision	Harmful for achieving the organization’s vision
Internal Attributes	Strengths	Weaknesses
External Attributes	Opportunities	Threats

Some organizations and companies use SWOT matrix that are organized by Balanced Scorecard perspective. For DIDM, its offices and functional units, the matrix below can be used as guide in the conduct of SWOT Analysis. (*The Execution Premium*, p.51)

SWOT Guidance				
Perspective	Strengths	Weaknesses	Opportunities	Threats
Community (Customer)	Existing strengths of our value proposition as perceived by customers	Existing weaknesses of our value proposition as perceived by customers	Opportunities to improve the customer value proposition strategy as perceived by the customers and their requirements	Threats from customers
Process Excellence	Strengths in our internal processes: where we excel	Weaknesses in our internal processes and value chain	Opportunities for internal process improvement to achieve opportunities	Threats posed by internal process weaknesses
Learning and Growth	People, culture, core competencies, and strategic capabilities strength	People, culture, core competencies, and strategic capabilities weaknesses	Opportunities to develop culture, competencies, and capabilities to enable strategic priorities	Threats and risks to delivering on the strategy due to shortfalls in the capabilities of our people, structure, competencies and culture.
Resource Management	Strengths in our Logistical and financial resources	Weaknesses in the logistical and financial resources	Opportunities to support financial and logistical requirements	Threats and risks in Resource Management

2.1.3.4. Set the Strategic Change Agenda. The *strategic change agenda* compares the current status of the organizational structure, capabilities, and processes with what they need to become over the next three to five years.(*The Execution Premium*, p.38)

During the Strategy Refresh for P.A.T.R.O.L. Plan 2030, the PNP’s brand of the Performance Governance System (PGS), the following are the strategic change agenda (we call it Strategic Shifts):

Strategic Shifts	
From	To
High Index Crime Volume	Reduced index crime volume
Reactive policing	Proactive policing

Strategic Shifts	
From	To
Limited community participation in crime prevention and crime solution activities	Increased community participation in crime prevention and crime solution activities
Low crime solution efficiency	Increased crime solution efficiency
Traditional “testimony-based and few forensic based method”	Technology-based enhanced by forensic investigation

The following Strategic Change Agenda may be instructional for DIDM, its offices and functional units: (*The Execution Premium*, p.41-42)

a. Canadian Blood Service Change Agenda

From....		To.....
Blood Products	Mission	Expanded products and services
Tactical, operational, crisis	Executive Team Focus	Longer-term strategic dialogue
Resisted and not understood	Implementation of quality systems	Championed and owned
Short-term, single-source funding	Funding Infrastructure	Multisource funding, strategic investments
Inherited, ineffective	Medical R&D	Refurbished; modern, purpose-built
Responsive and limited visibility	Core Processes	Targeted. Strong, and visible thought leadership
Manual	Leadership	Standardized and automated
Top Down	Unit Cost	Identity, develop, empower
Unclear benchmark	People	Well defined, near benchmark
Focused on local jobs and tasks, unaware of strategy		Connected to the strategy

b. Federal Bureau of Investigation

FBI Strategic Change Agenda	
From	To
Domestic	Global
Law enforcement	National security and law enforcement
Case-driven	Threat-driven
Quantitative evaluation (case-driven)	Qualitative evaluation (threat-based)
Contributor	Full partner

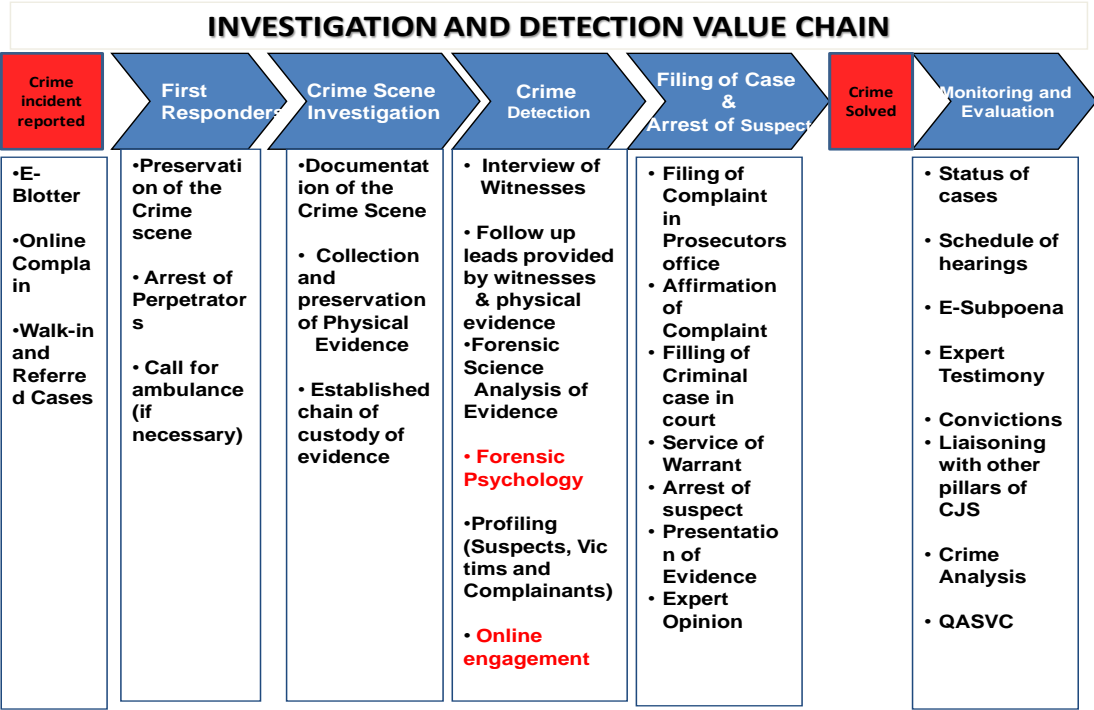
FBI Strategic Change Agenda	
From	To
Tactical	Strategic
“Restrict; and share what you must”	“Share, and restrict what you must”
Ineffective Communication	Effective, relevant, and timely communication
Operational silos	Integrated team approach
Ineffective and inefficient HR processes	Highly effective and efficient HR processes
Agents/support	Team of Professionals
Antiquated and disparate IT systems	Mission-enhancing integrated IT systems; productivity tools
Applying developed science and technology	Developing and applying optimal science and technology
Budget drives strategy	Strategy drives budget

2.1.3.5. Formulate the Strategy. Strategy formulation is the process of determining appropriate courses of action for achieving organizational objectives and thereby accomplishing organizational purpose. (www.1000ventures.com) In creating a strategy, there is a need to articulate the customer value proposition, identify the key processes that need to be improved, ascertain the human capital capabilities required by the strategy, and the technology enablers of the strategy. (*The Execution Premium*, p10)

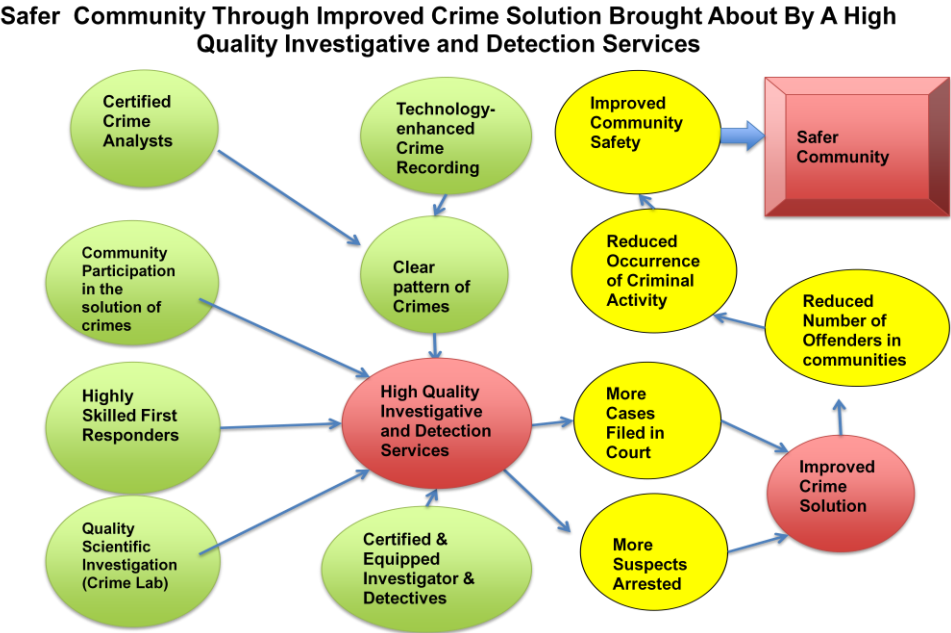
2.1.3.5.1. Customer Value Proposition. Customer value is the package of benefits that an organization delivers to its customers through its products and services. It is the fundamental business philosophy for an organization, the reason they exist.

Customer Analysis (Who are our customers and what are their needs and expectations?)	
Primary Customer	C, PNP
Secondary Customers	RDs, CIDG, CL, ACG, DI, DO, DPCR, Other NOSUs with Investigative Functions, Other D-Staff, Other LEAs, Foreign Counterparts, Diplomatic Communities and Other Pillars of CJS
Major Deliverables (Customer Needs)	<ul style="list-style-type: none"> •Policies •Crime Statistics •Certification Process for Field Investigators and Detectives •IT Solutions in the management of crimes •Crime environment information
Customer Value Proposition	Quality Investigative and Detective Services

2.1.3.5.2. Process Value Chain. The value chain identifies the sequences of processes necessary to deliver an organization’s products and services to customers. In addition to the primary activities of delivering products and services, the value chain can encompass secondary, or support, activities such as research and development, human resource management, and technology development – that facilitate the primary value-creating processes.



2.1.3.5.3. Strategy Direction Statement. The “Safer Community Through Improved Crime Solution Brought About By A High Quality Investigative and Detection Services” Continuum presented below is the result of the Strategic Analysis in Section 3.3. and made use in designing the DIDM Strategic Direction Statement which goes: *To be able to contribute to the PNP goal of a safe community to live, work and do business, DIDM shall endeavor to transform into a high quality investigative and detection service capable of filing more cases in court and arrest more suspects. It has to manage and help its offices and functional units to achieve their strategic objectives.* (Note: Objectives are shown in green circles).

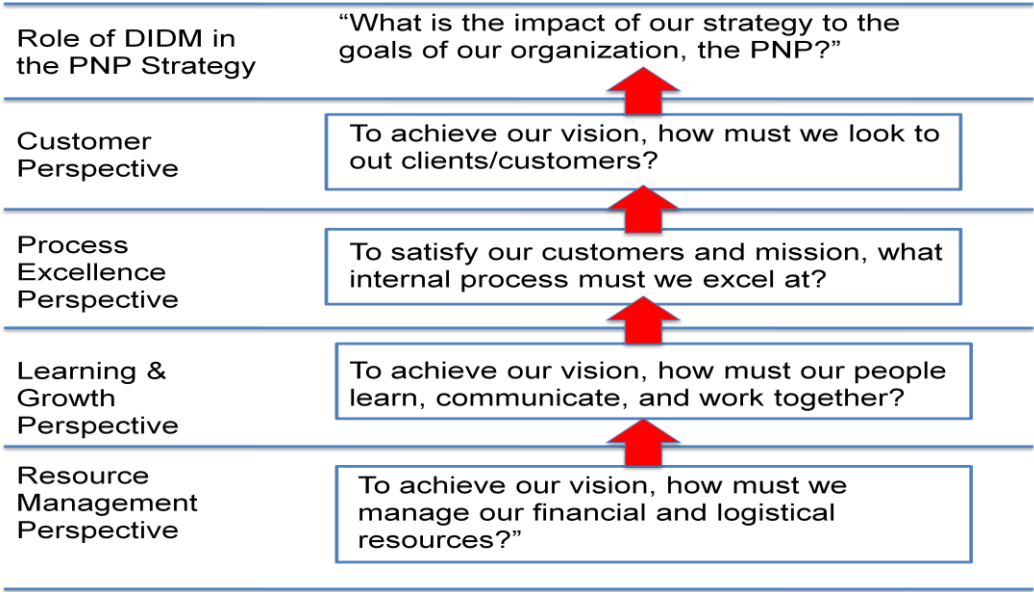


2.1.3.6. Plan the Strategy. The process to plan the strategy converts statements of strategic direction into specific objectives, measures, targets, initiatives and budgets that guide actions and align the organization for effective strategy execution. (*The Execution Premium*, p69). We will use here the strategy translation model recommended by Kaplan and Norton presented below as a matrix. (*The Execution Premium*, p.71) .

Strategy Translation Process	Objectives	Barriers	Enabling Tools
Create the Strategy Map <i>(How do we express our strategy?)</i>	To develop a comprehensive integrated model of the strategy that pulls together the many diverse components of the plan.	Typical strategies are built by different groups in different parts of the organization. <i>They are not integrated.</i>	Strategy map (cause and effect relationship) Strategic objectives
Select Measures and Targets <i>(How do we measure our strategy?)</i>	To convert strategic direction statements into measures and targets that can be linked to the management system.	Lower-level objectives and targets are not aligned with the higher-level goals.	Balanced Scorecard <ul style="list-style-type: none"> Measures Targets Gaps

2.1.3.6.1. Create the Strategy Map. The strategy map provides an architecture for integrating the strategies and operations of diverse units scattered throughout the organization. (*The Execution Premium*, p69) It describes the process of value creation through a series of **cause-and-effect linkages among objectives** in the four Balanced Scorecard perspectives of customer perspective, internal process (process excellence) perspective, learning and growth perspective, and resource management perspective. (*The Execution Premium*, p98). Objectives answer the question **“What the strategy is trying to achieve?”**

DIDM Balanced Scorecard Framework

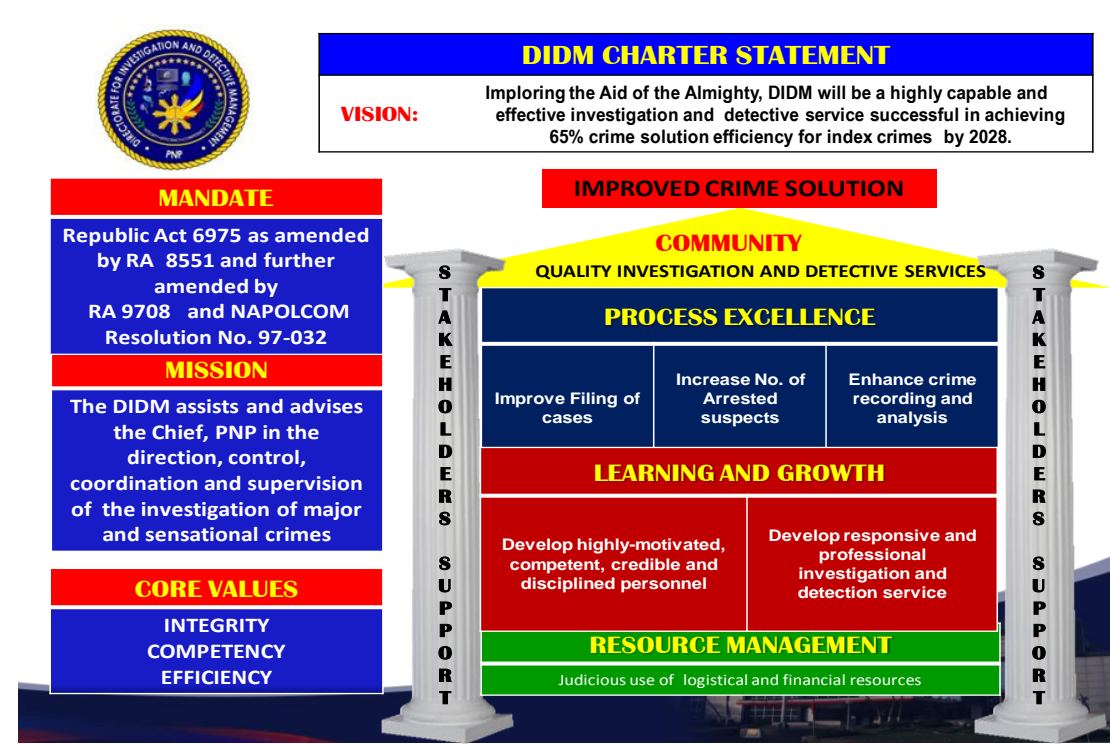


The **customer perspective** describes the tangible outcome of the strategy. The outcome in this perspective is a **lagging indicator** signal whether the strategy is working to deliver tangible results. *(For DIDM, the lagging indicator is “improved crime solution efficiency”)*

The **process perspective** identifies the critical few business processes that will satisfy the objective in the customer perspective. The objectives in this perspective drives the attainment of the customer value proposition.

The **learning and growth perspective** identifies the jobs (human capital), systems (information capital), and climate (organization capital) that support the value-creating processes. In short, this perspective (along with the resource management perspective) are the **enablers** of the value-creation processes in the process perspective.

The **resource management perspective** is a unique feature of the PNP P.A.T.R.O.L. Plan 2030 is directed to the financial stewardship responsibility of the organization.



2.1.3.6.2. Select Measures and Targets. Measures and associated targets express the objective in specific terms and enable the tracking of the organization’s progress in achieving the strategic objective (i.e. the overall WIG of improved crime solution for the DIDM Family). *(The Execution Premium, p. 86)*. Measure answers the question “How success (performance) against objectives is monitored? Target provides the level of performance or rate of improvement needed by the strategy.

The table below presents a sample of the Strategy – Balance Scorecard Matrix for better understanding of the elements of the DIDM Strategy Framework.

Strategy		Balance Scorecard								
Perspective	Objectives (What is trying to achieve?)	Measures (How success against objectives is monitored?)	Targets (The level of performance or rate of improvement needed by the strategy)							
			2015 BL	2016	2017	2018	2019	2020	2021	2022
Customer	High Quality Investigative and Detection Services	Crime Solution Efficiency	30%	31.5 %	33%	34.72 %	36.45 %	38.28 %	40.19 %	42.2 %
Process Excellence	More suspects arrested	Percentage Increase in the number of arrested criminals vis-à-vis increase/decrease in crime incidents	60%	60%	60%	60%	60%	60%	60%	60%
Learning & Growth	IT Capital: Technology-enhanced crime recording	Percentage of police units using CIRAS	New	30%	50%	60%	70%	80%	90%	100 %
Resource Management	Quality Scientific Investigation	Percentage of Crime Laboratories in PPOs and NCR District Offices	New	30%	50%	60%	70%	80%	90%	100 %

3. Strategy Execution. There are two principal things a leader can influence when it comes to producing results: your strategy (or plan) and your ability to execute that strategy. (The 4 Disciplines of Execution, p xxcii). In the Balanced Scorecard management improvement concept, *strategy execution is managing the strategic initiatives*, the set of finite-duration projects and programs that are the organization’s day-to-day operational activities that are designed to help the organization achieve its targeted performance. (*The Strategy Premium, p. 103*).

Organizations use three processes to manage their strategic initiatives.

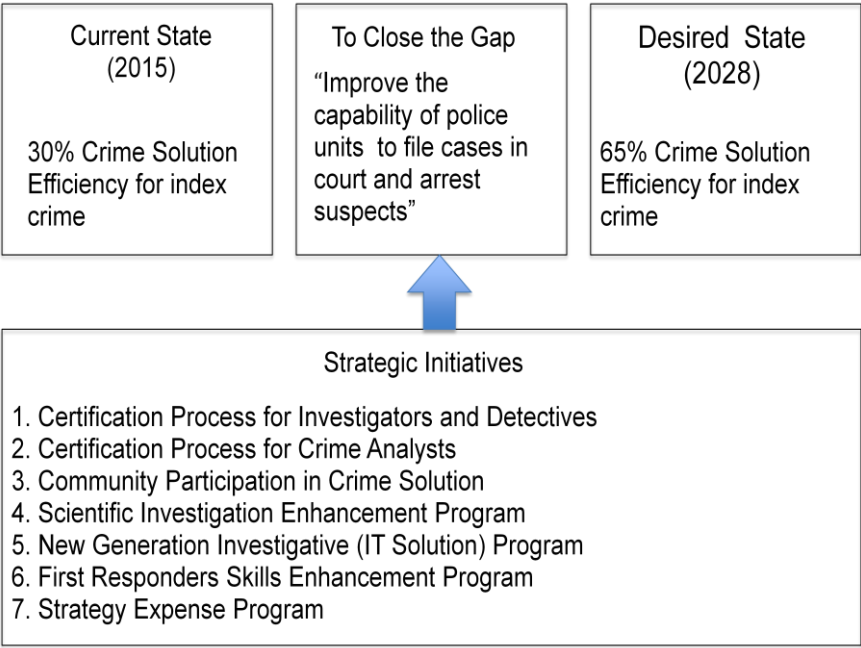
Initiative Management Processes	Objective	Barriers	Enabling Tools
Choose Strategic Initiatives <i>(What action programs does our strategy need?)</i>	To define the portfolio of initiatives needed to close each of the performance gaps	Strategic investments are justified on a stand-alone basis in different parts of the organization	Portfolios of initiatives for each objective
Fund the Strategy <i>(How do we fund our initiatives?)</i>	To provide a source of funding for strategic initiatives that is separated from the operational budget	Cross-business portfolio funding is contrary to hierarchical, departmental structure of the budgeting process	Prioritized initiatives

Initiative Management Processes	Objective	Barriers	Enabling Tools
Establish Accountability <i>(Who will lead the execution of the strategic initiatives?)</i>	To establish accountability for execution of cross-business objectives	Executive team members are generally responsible for managing within functional or business unit silos	Theme Teams

3.1. Choose Strategic Initiatives. Strategic initiatives are the finite-duration discretionary projects and programs outside the organization’s day-to-day operational activities that are designed to help the organization achieve its targeted performance. *(The Execution Premium, p.103)* A Palladium Hall of Fame police organization has this to say about strategic initiatives:

Strategic initiatives are activities that are intended to help close the performance gap between the current state and the target state. They are the projects, or programs, that, once initiated, will bring the organization to the future desired end state. Initiatives are not business as usual. In order to reach targets that are set for a particular strategic objective, the organization must take actions that are outside of its core business functions. For example, if the objective is to “impact crime through effective practices,” an initiative could be to: “offer more training about professional policing practices” to members. This initiative goes beyond ordinary daily practices and will help to achieve the desired goal. It is important to note that an initiative is not measured; only the objective is measured, since it is the objective that the organization is striving to achieve.

Value Gap Analysis Framework



3.2. Fund the Strategy. Funding the strategy means providing funds for each strategic initiatives. Norton and Kaplan called the budget for strategic initiatives as “Strategy Expense” (STRATEX). Using the definition of strategic initiatives as the finite-duration discretionary projects and programs outside the organization’s day-to-day operational activities that are designed to help the organization achieve its targeted performance, it is logical to say that funds for DIDM Strategy must be provided by the PNP on top of its MOOE.

3.3. Establish Accountability for Strategic Initiatives. The final step in the strategy continuum is to assign responsibility and accountability for execution of the strategy. Business companies typically assign one or two members of the executive team to be the owners of each strategic theme, giving the theme owners the “night jobs” of overseeing execution of the assigned strategic themes in addition to their day jobs as heads of business or functional units.

3.4. Aligning organizational units and employees. After the Directorate develops its strategy and value proposition, each division and functional units develops their long-range plan and Balanced Scorecard to be consistent with the Directorate’s Scorecard. (*Alignment, p.13*) In addition to aligning organization units with the Directorate’s Scorecard, the system must align personnel with the strategy. Unless all personnel understand the strategy and are motivated to achieve it, successful execution of the strategy is highly unlikely.

(The Execution Premium)

Alignment Process	Objective	Barriers	Enabling Tools
Align Functional Units (CIDG, ACG, WCPC) “How do we align functional units to create synergies?”	Cascade and embed Directorate’s strategy into functional units strategies.	Functional units strategies typically are developed and approved independently, without the guidance of a Directorate perspective; lack of integration among functional units	Cascading of Directorate Strategy Maps to functional units Vertical and horizontal alignment
Align Divisions “How to we align Divisions to functional units and the Directorate Strategies?”	Ensure that each Division has a strategy that enhances the performance of the Directorate and functional units	Divisions believe that they are part of the Directorate Scorecard as owners of initiatives	Divisions Strategy Maps and Scorecards
Align Personnel “How do we motivate personnel to help us execute the strategy?”	All personnel understand the strategy and are motivated to help successfully execute the strategy.	Most personnel are not aware of or do not understand the strategy. Their objectives and incentives focus on tactical performance, not strategic objectives.	Formal strategy communication program Personnel objectives with clear line of sight to strategic objectives Incentive and Reward Program Competency Development Program

4. Defining Personal and Team Objectives

FOR STRATEGY TO BECOME TRULY MEANINGFUL to employees, personal goals and objectives must be aligned with the organizational objectives. Setting objectives for individuals, of course, is not new. Management by objectives (MBO) has been around for decades. But MBO is distinctly different from the strategic alignment achievement with the Balance Scorecard. First, the objectives in an MBO system are established within the structure of the individual's organizational unit, reinforcing narrow, functional thinking. Second, the objectives are established relative to departmental goals, which, without a Balanced Scorecard strategic management system, are short-term, tactical, and financial. In effect, MBO reflects the traditional approach to job definition, whereby people are asked to do their existing jobs better.

The Balanced Scorecard, in contrast, provides individuals with a broad understanding of company and business unit strategy. It explicates where they fit in their organizations' strategy maps and how they can contribute to strategy objectives. Individual objectives established within the framework of the Balanced Scorecard should be cross-functional, longer-term, and strategic (*The Strategy Focused Organization*, p. 233).