

ArchPoint OGSM Cascade Architecture

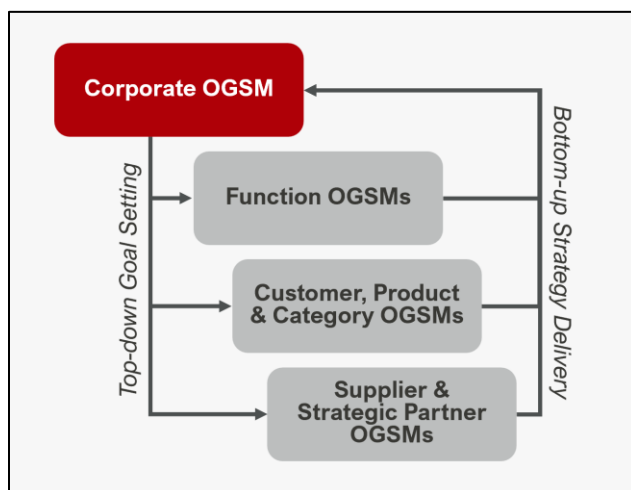
The strength of the OGSM framework lies in its ability to create a unified focus across every level of a company, from top to bottom. The Corporate OGSM is the enterprise strategy set at the highest level. Cascaded OGSMs are aligned plans that help deliver it. Cascaded OGSMs can be created for functions, specific teams, products/services, customers, or suppliers. Importantly, these Cascaded OGSMs are not developed in isolation or independently from the Corporate OGSM. They are “in service” to the Corporate OGSM. They break down the top-level goals and strategy into actionable work relevant to specific groups or areas to simplify execution, communication, and tracking.

Guiding Principle

One enterprise strategic plan (Corporate OGSM) is supported by multiple aligned plans (Cascaded OGSMs) designed to deliver and enable it.

- Corporate OGSM sets the enterprise’s direction.
- Function OGSMs explain how each function will support it.
- Customer, Category, or Product/Service OGSMs explain how key platforms (categories/products/services) or major customers will deliver parts of it.
- Supplier or Strategic Partner OGSMs explain how critical supply relationships will support it.

The purpose of cascading is not to create more, different, or redefine strategies. It is to create alignment, focus, a clear line of sight to priorities, and execution discipline.



Relationship Between Corporate OGSM & Cascaded OGSMs

The Corporate OGSM is the top-level master plan

The Corporate OGSM should answer the biggest enterprise questions:

- What are we trying to achieve as a company over the planning horizon?
- What are the few goals that matter most?
- What are the enterprise strategies required to win?
- What measures will tell us if we are succeeding?

The Corporate OGSM should define:

- Enterprise objective.
- Enterprise goals.
- Major strategic choices.
- Major cross-functional initiatives.

Cascaded OGSMs should support, not compete

Every Cascaded OGSM should answer a narrower question: What does our part of the business need to do to help deliver the Corporate OGSM?

That means each Cascaded OGSM should show:

- How it links to the corporate objective, goals, or strategies.
- What it needs to deliver in support of the plan – initiatives & measures.

A Cascaded OGSM is not:

- A separate objective misaligned to the Corporate OGSM.
- A separate set of priorities unrelated to the Corporate OGSM.
- A place for every team to create its own strategy language.

Matching Planning Efforts to Strategic Impact

To ensure effective planning and execution without unnecessary bureaucracy, the format of a plan and the effort put into it should be considered. Not every area warrants the same level of planning architecture. Rather, the complexity of the plan should be

directly proportional to the strategic importance of the area it covers. Plan format and level of effort to develop the plan can be selected based on the following:

- Need: The organizational requirement or urgency for a structured approach.
- Impact: The size of the financial or organizational contribution.
- Complexity: The degree of cross-functional coordination required.
- Risk: The potential consequence of misalignment or failure.
- Time frame: The expected duration of the plan being addressed.

As the above areas are considered, it becomes clear that not every function, category, product/service, customer, or supplier should have a full OGSM – only those that are strategically important enough to justify one. Some areas only need a lighter planning approach, which will help prevent planning overload.

Comprehensive planning definition (full OGSM)

Comprehensive planning means a high-effort, long-term strategic process reserved for areas of significant impact that require substantial resources or investment. This approach requires deep internal (e.g., talent, processes) and external (e.g., markets, customers) analytics to inform the plan, and a structured architecture to align complex priorities. Typically, a full OGSM is needed for:

- Major corporate functions.
- Major divisions, categories, or products/services.
- Large strategic customers.
- Critical strategic suppliers.

Lighter planning definition

Lighter planning means a streamlined, low-to-medium effort approach designed for shorter time frames, tactical priorities, and those priorities requiring fewer resources. This approach does not require external analytics to inform the plan and uses a simplified architecture to maintain alignment. Typically, lighter planning is sufficient for:

- Smaller customers.
- Standard suppliers.
- Support teams.

**** Note:** Some organizations use a simple AOP budget for the lighter plan.

Approach to Cascaded OGSMs

Function OGSMs

These are the primary Cascaded OGSMs that show how the function supports the Corporate OGSM, identifies its functional priorities, the capabilities it needs to have or develop, and the measures it hopes to achieve.

Each Function OGSM should do two things:

1. Translate the Corporate OGSM into functional priorities.
2. Define the capabilities and competencies needed to support execution.

For example, HR supports talent, leadership, culture, and organizational capability, and IT supports systems, data, automation, and digital enablement.

Category and Product OGSMs

Category and Product OGSMs function as market-focused plans that bridge the gap between the Corporate OGSM and consumer realities. They are not independent strategies, rather they translate the Corporate OGSM into specific priorities, measures, and initiatives regarding a particular category or product. They include the 5 Ps:

- Product: What you sell, including features, customer experience, quality, design, packaging, and benefits.
- Price: What the customer pays, including pricing strategy, discounts, and terms.
- Place: Where and how the product is sold or distributed.
- Promotion: How to communicate and market the product to customers.
- Procurement: How raw materials, components, or finished goods are sourced, purchased, and managed across the supply chain to support cost, quality, reliability, and availability.

A Category or Product /Service OGSM should answer:

- How does this product/service/category help deliver the corporate strategy?
- What role does this product/service/category play in growth, margin, mix, innovation, or market position?
- What are the few product/service/category strategies that matter most now and in the future?

- What measures will show whether the product/service/category is winning?
- What initiatives are required to deliver the product/service/category plan?

The connection:



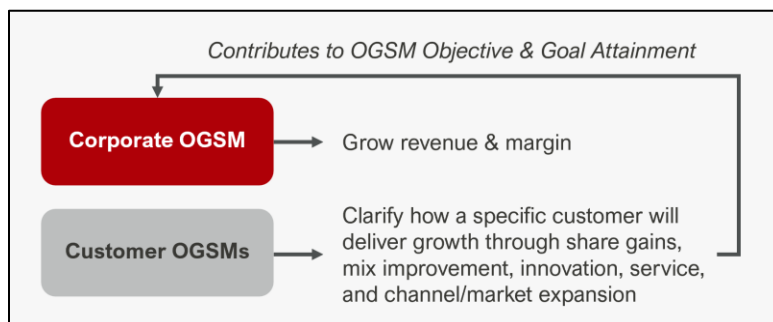
Customer OGSMs

The Customer OGSM should not be a standalone plan with its own unrelated goals. Customer OGSMs should support the delivery of at least one element of the Corporate OGSM.

Customer OGSMs should answer:

- How does this customer contribute to enterprise growth goals?
- What strategies are needed to grow profitably with this customer?
- What cross-functional support is required?
- What measures define success?

The connection:



As a reminder, it is not recommended to use Customer OGSMs for every account, only for those that truly matter strategically.

Supplier and Strategic Partner OGSMs

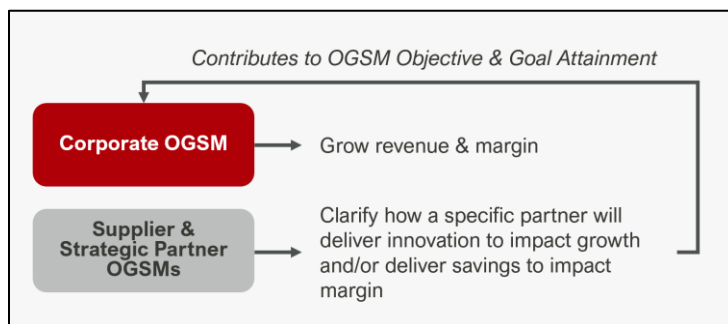
Supplier and Strategic Partner OGSMs can make sense for a small number of relationships, and typically include those that are:

- Critical to supply continuity.
- Meaningful cost impact.
- Support innovation or quality.
- Impact service, risk, or long-term capacity.

Supplier OGSMs should answer:

- What role does the supplier play in supporting the company's strategy?
- What performance, risk, cost, innovation, or service outcomes matter?
- What joint initiatives are needed?
- How will the relationship be governed?

The connection:



Intersection Points

The intersection between Corporate and Cascaded OGSMs should happen in five places.

1. **Shared Objectives & Goals:** Each Cascaded OGSM should support the corporate objectives & goals.
2. **Shared Strategies:** Each Cascaded OGSM should link to and/or support a corporate strategy.
3. **Shared Measures:** Some measures should roll up in support of the corporate measures.

4. **Shared Initiatives:** All the initiatives on the Corporate OGSM will require teams from all different functions to deliver; most initiatives on a Cascaded OGSM should be connected or share some requirement of the Corporate OGSM.
5. **Shared Governance:** The review process between the Corporate OGSM and the Cascaded OGSMs should be an integrated process to support transparency and alignment of projects and work teams.

If cascaded properly, leaders should be able to answer “yes” to the following questions about each Cascaded OGSM:

- Can I trace every strategy back to a Corporate OGSM strategy?
- If we successfully deliver the Cascaded OGSM, will it tangibly move the needle on a Corporate OGSM goal?
- Is the “in service to” relationship clear, meaning could someone outside your team see how this work supports the Corporate OGSMs direction?