

AUDIT REPORT

Strategic Planning Endeavors



Audit Services

FY2025

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Date: November 6, 2024
From: Rao Wandawasi, Director, Audit Services
To: Pat Davis – President and CEO
Re: **STRATEGIC PLANNING ENDEAVORS**

I. Introduction

In accordance with the Audit Plan presented to the Audit Committee, Audit Services conducted an audit of BCLC's Strategic Planning Endeavors in connection with the organization's new corporate strategy (effective as of April 1, 2024). Pertinent BCLC Management and Audit Services determined the scope of this engagement jointly in a collaborative manner.

The audit report is presented for information and discussion. For the issues identified in the report, an "agreed upon action plan" has been developed in collaboration with management. These action plans are tracked by Audit Services for timely implementation. Any delays or non-execution of the action plan is compiled and presented to the Audit Committee.

II. Objective and Scope

The objective of this audit was to review BCLC's strategic planning process and overall governance including the design and execution capabilities of the plan along with the framework and methodologies. In this regard, areas subject to Audit Services review included, but was not limited to, the following:

1. Understanding strategic planning process: familiarization with framework, processes, and overall control environment.
2. Assess risk management practices: consideration of all pertinent risks (internal, competitors, technology, regulations, and ecosystem) during development and execution of plan.
3. Evaluate strategy execution governance: review the setup and the potential effectiveness of the governance processes to execute and monitor BCLC's new corporate strategy.
4. Assess capital adequacies: review funding and capital strategies and their alignment to the organizational strategy and their execution timeline.
5. Assess change management practices: review how BCLC's change management practice is setup to support the strategic priorities of the organization.
6. Review strategy integration within departmental goals: analyze how well understood, embedded, and aligned is the strategic plan and the governance processes in relation to the divisional plans.
7. Review team collaboration: understand the roles and responsibilities of the business teams and management and confirm if clear accountabilities for strategic goals are established and communicated.
8. Assess strategy metrics and progress tracking: analyze how progress success/completion will be measured, tracked and reported.

III. Executive Summary

BCLC has initiated an ambitious five-year corporate strategic plan aimed at driving growth, innovation, and competitive advantage. However, there is an opportunity to further improve the plan implementation and the periodic plan review process. Key points are highlighted below:

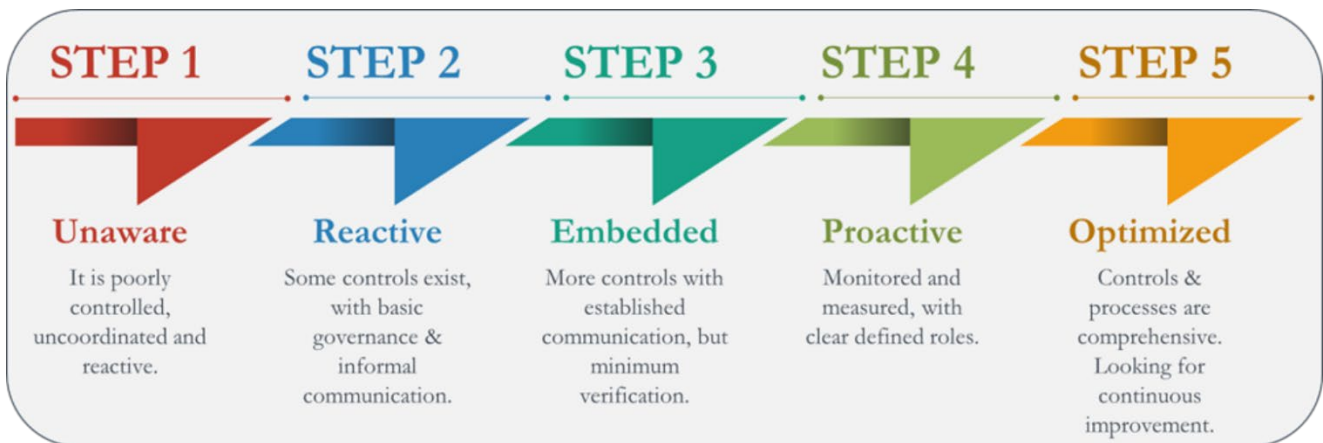
1. Focus as Opposed to Distraction: There are numerous non-core/non-strategic activities utilizing limited organizational resources. At times to avoid difficult decisions and discussions, accommodations are made which deviate the focus away from the organizational strategic direction.
2. Foster Clarity: For divisionally led projects, the teams/departments are unable to see how their work contributes to organizations strategic plan. This leads to lack of motivation and sense of disconnect.
3. Prioritization: There is no formal process for determining corporate priorities, especially when there are project delays resulting in multiple initiatives running in parallel. This results in focus on relatively less critical initiatives.
4. Plan Attainability: Given BCLC's standing as a proactive leader in the gambling industry a comprehensive plan has been rolled out. However, the general perception among employees is the plan is ambitious for a five-year period.
5. On-Going Scenario Planning and Environment Scanning: The strategic plan for the most part is built on a "single static view" of the future, which is derived from the extrapolation of past. In the current business environment this may not be the reality. During periodic plan validation exercise, scenario planning can aid in plotting a course through uncertain future and help the organization link what is known today with what can happen tomorrow. Similarly, detailed environmental scanning should also occur during periodic plan evaluation and resulting details presented and discussed at Board/Executive level. It is naïve to think major global events will not affect our industry, organization or impact our ability to deliver on the strategic plan.
6. Complete Buy-In at Senior Leadership Team (SLT) Level: Sections of SLT hold diverse views on the strategic plan creating a lack of unified collaboration. Diverse views specific to the plan at the leadership level can impede collaboration across departments and divisions. Further, they can result in mixed messages within and across teams. To successfully implement the plan, it is important the leadership agree on key objectives and completely buy-in into the underlying plan philosophy.

Improvement Opportunities Recognized by Other Crown Corporations

- Define the outcome of success
- Incorporate foundational elements – metrics and governance
- Include senior leadership when developing strategy
- Have mechanisms to prioritize initiatives
- Have organization's goals cascade to business unit plans
- Complete annual detail review of strategy
- Have clear and documented accountability
- Regular reporting on results
- Connect strategy and day-to-day operations
- Formalize post-mortem review process
- Utilize the power of internal communication

7. Change Management: There has been a great volume of change within the organization so far, with a lot more to come. For such a level of transition, it is ideal to utilize Change Management experts appropriately both for the benefit of the organization and the employees who are impacted.
8. Consolidated Metrics Reporting: Involvement of operational leaders is vital for developing strategic metrics that align with corporate strategy as they possess insights into operational capabilities and challenges. A consolidated tool for tracking progress of the corporate strategy provides transparency and accountability across the organization enabling timely adjustments and informed decision-making.
9. Service Provider's Alignment to BCLC's Strategic Plan: The strategic plan is visionary and ambitious plan with long-term view of what is good not only for the organization but also for the society/community, players and the Province. But with external challenges in the corporate environment, it is possible that a number of Service Providers may be more focused on short-term benefits and returns.

Based on the engagement performed, Audit Services has evaluated the current maturity at a **2.5 – Reactive /Embedded Level**, based on a five-point maturity scale. At this current level, there is an opportunity for growth, by focusing on refining metric selection, enhancing data quality, and involving more stakeholders actively in the process.



Conclusion:

The successful implementation of BCLC's new corporate strategic plan is vital for the organization's future growth and competitiveness. The advisory engagement has revealed areas of improvement to ensure effective execution.

This will require a concerted effort from all levels of the organization, from senior leadership to operational teams. It is imperative that BCLC views these challenges not as obstacles, but as opportunities for organizational growth and maturity. With focused effort and commitment to improvements, BCLC can successfully transform its new strategic plan into tangible results in the years to come.

IV. Background

BCLC's strategic plan represents a component of an ongoing strategic refresh and the roadmap for the next five years. This refresh was aimed to reassess and refine BCLC's direction to ensure alignment with evolving market dynamics and internal goals. The process was carried out through a series of workshops with the executive team and Board of Directors to chart the future course of BCLC. The corporate strategy consists of four components which are as follows:

1. Purpose and Vision: Social purpose defines the reason for BCLC's existence and vision is what BCLC aspires to as an organization.
2. Strategic Goals: Anchor BCLC enterprise strategy and help drive focus and clarity on the prioritization of efforts.
3. Enterprise Priorities: Nine enterprise priorities clearly define BCLC choices and priorities.
4. Channel Specific Priorities: Provide guidance on BCLC focus areas within each of BCLC channels.

Audit Services met with the Board and CEO and determined that a comprehensive review of the new corporate strategic plan was necessary. This decision stemmed from a shared understanding of the importance of thoroughly evaluating the organization's capacity to implement the plan effectively and efficiently. The Board, CEO and Audit Services recognized that the new strategic plan, while ambitious and forward-looking, required initial scrutiny to ensure that the organization is not only well equipped to achieve but also:

- a. Well supported by executive management,
- b. Has SLT thought alignment and backing for effort to deliver,
- c. Availability of tools and technology,
- d. Workforce capacity and capability, and
- e. Appropriate fund allocation and utilization.

Audit Services proposed a detailed review to assess BCLC's readiness to execute the new strategy. The review encompassed an examination of various critical factors, including the alignment of internal processes with strategic goals, the adequacy of financial and human resources, and the robustness of the BCLC infrastructure.

Through the detailed review Audit Services identified areas for improvement. Audit Services focused on providing actionable insights that will help fortify BCLC's foundation for successful strategy execution. This proactive approach is designed to enhance BCLC's resilience and adaptability, ensuring that the strategic objectives can be met efficiently and effectively.

V. Details of Key Issues

1. GOVERNANCE REQUIREMENTS FOR SUCCESSFUL PLAN EXECUTION

Governance of corporate strategy execution as outlined in Harvard Business (figure below) is important for BCLC's success as it ensures alignment with strategic goals, clarifies accountability, manages risks, enables effective monitoring and control. These elements collectively enhance BCLC's ability to implement its new strategy effectively, navigate challenges, and achieve sustainable growth and competitive advantage.



OBSERVATION:

A. Decisive Corporate Culture

- a. Focus as Opposed to Distraction – There are numerous non-core activities using limited organizational resources. At times to avoid difficult decisions and discussions, accommodations are made which deviate the focus away from the organizational strategic direction.

This approach in the short run may indicate cooperation and flexibility, but in the long-term leads to inefficiencies and diluted focus.

We are here to build something for the long-term. Everything else is a distraction.

- b. Organizational Urgency – The organization has a multi-year plan. To accomplish the plan, numerous initiatives/projects have been identified and acted upon. The overall general perception is there is a lack of urgency in prioritizing, sequencing and executing these initiatives.

The message regarding the importance of timely implementation/completion of the corporate projects and the resulting impact on the success of the strategic plan appears to be lost in the noise of the day-to-day operations and immediate short-term deadlines and priorities.

B. Fostering Clarity

- a. Clarity on Divisional Led Projects – Effort needs to be put to address the following challenges of divisional led projects:
 - i. Roles and responsibilities are not clearly defined.

- ii. Contributions and expectations are unclear especially in comparison to other corporate and strategic initiatives resulting in lack of ownership and accountability.

The above result in department/teams’ inability to see how their work contributes to strategic plan accomplishment. This leads to lack of motivation and a sense of disconnection.

- b. Roles of the Strategic Working Group (Corporate Strategy Delivery Program) – There is a need to provide transparency and clarity on the role of the Working Group.

- i. Members of the Working Group are unsure how their work intersects with the different initiatives championed by the divisions.
- ii. Employees across different division who do not understand the Working Group’s efforts and contribution may perceive them to be a distraction, resulting in resistance to change and buy-in from these employees.

C. Prioritize and Message Expected Outcomes

- a. Prioritization – There is no formal process for determining corporate priorities, especially when there are project delays resulting in multiple initiatives running in parallel. This causes the following:


- i. Focus on relatively less critical initiatives thereby causing misallocation of resources.
- ii. Inefficiencies as efforts are dispersed across numerous projects without clear understanding of their relative importance.
- iii. Lack of focus on higher priority initiatives, which could result in reduced success probability or slow down of progress and consequentially its impact on overall strategic plan.

Do not be afraid to give up on the “good” to go for the “great”.

PRIORITIZATION

Prioritization is an important aspect of strategic planning. By choosing to focus on 3 to 5 strategic priority areas, your organization will execute a few initiatives well, rather than multiple initiatives poorly.

WITHOUT PRIORITIZATION




**11.1%
Resource
Allocation**

- Limited resources that will be split between initiatives
- Less resources available for each area
- Switching cost as moving between areas uses energy and resources

WITH PRIORITIZATION

- Fewer Priorities – more resources available for each area
- Less switching cost
- Each area may benefit from more attention and energy overall



**25.0%
Resource
Allocation**

Prioritization helps the organization focus and accomplish the most important parts of the strategic plan.

- b. Expected Outcomes – There is a good understanding of different initiatives and their resulting expected outcomes at SLT level and to an extent at the managerial level. However, at the staff level, the level of understanding does not appear to consistently and broadly exist.

This is a concern, which becomes a bigger problem if the first line staff working and executing these initiatives are unclear on the outcomes. For example, what is 100% verified play going to achieve for BCLC. The consequences of lack of clear understanding are:

- i. Skewed efforts where teams focus on delivering output without understanding their efforts effect on broader objective.
- ii. If the success criteria is not clearly articulated, it is difficult to hold teams/individuals responsible for their contribution to the initiative.

D. Plan Attainable

Based on BCLC’s existing set-up, its standing as one of the proactive leaders in the gambling industry, the corporate environment and the technological/digital ecosystem, a well thought out and comprehensive strategic plan has been developed and rolled-out.

However, the general perception of the strategic plan (holistically including all divisional led projects) among employees is that it is ambitious for a five-year timeframe.

Certain aspects the organization needs to be mindful of for the successful execution of the plan are:

- i. Precise execution and a robust support system.
- ii. Well-defined process to ensure there is no fragmented effort.
- iii. Set smaller milestones for the overall plan to enable easier tracking and celebrate small wins.
- iv. Open communication channels to enable quick addressing of any issues or challenges.
- v. Regular monitoring of progress and ability to make any necessary adjustments.

IMPACT:

All aspects highlighted in this issue if not investigated and addressed timely will have a negative impact on the organization’s ability to deliver/achieve its strategic plan. Concise and concentrated effort needs to be directed towards ensuring the concerns and gaps listed are mitigated.

AGREED UPON ACTION PLANS:

The strategic planning team in coordination with other relevant stakeholders/teams, for example Corporate Communication, Enterprise Portfolio, Change Management, Corporate Strategy Working Group and the Executive leadership, will analyse the aspects presented in this issue and develop a process to address/mitigate them.

RESPONSIBLE PERSON:

Director, Strategic Planning

COMPLETION DATE
MARCH 31, 2026



2. ON-GOING SCENARIO PLANNING AND ENVIRONMENT SCANNING – PART OF PERIODIC STRATEGIC PLAN EVALUATION

Strategic plans are developed with a view on the long-term goals and success of the organization. It remains the north star for decision making, resource management and fund allocation. Further, internally it aids collaboration and coordination, and external to the organization it highlights to stakeholders the intended business path.

OBSERVATION:

A. On-Going Scenario Planning

Extensive scenario planning occurred with detailed discussions between Board and Executives when the plan was developed. However, if scenario planning does not continue to occur periodically, through the life of the plan, it may result in a plan built at a point in time with a “single static view”. This is not ideal in today’s environment.

**Future, by definition, is uncertain.
Rather than ignoring – embrace it.**

Given where BCLC is in its strategic plan development, roll-out and execution life cycle, the plan needs to be evaluated periodically to validate the relevance, reasonableness and reconfirm if this is still the preferred path forward for the organization. This exercise provides an opportunity to make any changes as required to the plan, based on ecosystem drivers.

Scenario planning is a great tool for the organization to use during the exercise of periodic strategic plan evaluation.

Scenario planning helps to plot a course through an uncertain future. It is a structured framework for evaluating links between what is known today and what can happen tomorrow. Examples of reasons why scenario planning should be employed by BCLC for periodic strategic plan evaluation exercise are:

- a. Scenario planning allows agility, flexibility and responsiveness. It allows the organization to respond to different situations.
- b. Provides a robust decision-making model for strategic planning and counters issues like uncertainty, volatility and unpredictability.
- c. Allows an alternate view of the future to test the strategic plan or a plan decision.
- d. Scenario planning answers the following three questions:
 - i. What could happen.
 - ii. What would be the impact.
 - iii. What are the implications for the organization.
- e. Finally, it aids achievement of the RAISE philosophy by providing competitive strategy and ongoing sustainable edge.

RAISE: Resilience + Adaptive + Innovative = Sustainable Enterprise

Note – Key message on scenario planning was gathered from CPA Canada.

B. Environmental Scanning

During the life of the strategic plan, at least on an annual basis, a thorough environmental scanning exercise should be undertaken for the following reasons:

- a. Impact external events could have on the organization's strategic plan and the execution capability.
- b. Is there a need to tweak or modify the plan based on the external events.
- c. After the above two steps, even if no change is required to the plan, the information gathered is still extremely important for the organization to be aware of for future scenarios.

Few examples of key external environment events that could and will impact BCLC are:

- a. Service Provider ownership changes.
- b. Outlook on economy, unemployment, inflation and disposal income.
- c. AI and its impact on the organization.
- d. Nature and type of workforce required for the future.
- e. Technology and digital trends and the pace of change.
- f. Regulatory changes.
- g. Two major global conflicts and the resulting potential impact on supply chain.
- h. One in eight people are on the move (global population migration). The resulting impact on gambling industry (players and workforce).

It will be naïve to think the above events will not affect our industry/organization and as a consequence, our current and future plan.

IMPACT:

If an organization ignores or does not use the stated tools/techniques, it will certainly have an effect on the strategic plan, the plan's relevance based on environmental changes, and finally the ability of the organization to successfully execute the plan.

AGREED UPON ACTION PLANS:

- A. A more comprehensive scenario planning exercise will be incorporated into the periodic strategic plan evaluation process. Based on the results of this exercise, modifications to the plan, if necessary, will be considered accordingly.
- B. Environmental scan currently occurs periodically, but the scale and the level of due diligence will be increased to ensure the entire process is comprehensive and robust.

RESPONSIBLE PERSON:

Director, Strategic Planning

COMPLETION DATE
MARCH 31, 2026



3. ASPECTS TO CONSIDER FOR THE SUCCESSFUL IMPLEMENTATION OF STRATEGIC PLAN

For the success of the strategic plan there are several fundamental principles/frameworks that need to exist and operate within an organization. Simultaneously there are a few additional aspects which also go a long way in supporting and helping an organization to succeed in strategic plan delivery. These are listed below, along with the challenges that exist within BCLC.

OBSERVATION:

A. Complete Buy-In into the Plan at the SLT Level

Sections of the SLT hold diverse views on the new strategic plan, creating a lack of unified collaboration. Diverse views specific to the plan at the leadership level can:

- Imped collaboration across departments and divisions.
- Result in mixed messages within and across teams.
- Delay plan execution due to varying interpretations, divisional plan nonalignment, and the ensuing inconsistent execution.

To successfully implement the plan, it is important that the leadership agree on key objectives and completely buy-in to the underlying plan philosophy.

One of the widely accepted approaches to gain buy-in and increase collaboration is highlighted in the adjacent image.

Building a visionary company requires 1% vision and 99% alignment.

B. Miscellaneous Aspects to Consider and Address

- Limited Budget Accountability – Leadership is not fully held accountable for overspend on initiatives. Over a period, this can potentially create an environment where the initial business case and the corresponding budget approval may become only an academic exercise.
- Balancing Strategy vs. Core Operations – In different sections of the organization employees struggle without adequate clarity of the areas to focus and prioritize. Strategic initiatives as opposed to day-to-day operations.

Effectively Utilizing Managed Services

- ✓ Focus on core strategy
- ✓ Increased efficiencies
- ✓ Access to skills/resources
- ✓ Flexibility to meet changing business conditions
- ✓ Access to innovation

- Onboarding Managed Services – BCLC has an opportunity to improve its process for onboarding managed services. Without a robust and efficient onboarding process, the integration of managed services becomes inconsistent, leading to delays and redundancies. By holding the managed service provider accountable and constructing clear expectations, BCLC can utilize the value of managed services for executing on the strategic plan.



IMPACT:

The various aspects highlighted have different levels of impact on the success of the strategic plan. Ignoring or delaying addressing these will put the organization at a disadvantage from the viewpoint of successful executing on the strategic plan. Additionally, they will cause friction between divisions or departments within divisions, if left unaddressed.

AGREED UPON ACTION PLANS:

Structure and framework exist for the different aspects highlighted in this issue. However, it is evident that there is a delta between desired behaviour/action and actual behaviour/action.

Through different channels and avenues, the Executive Committee will ensure the issues highlighted are spoken to in detail within different divisions and collectively as an organization. The intent being to address the issues appropriately and timely.

RESPONSIBLE PERSON:

Director, Strategic Planning

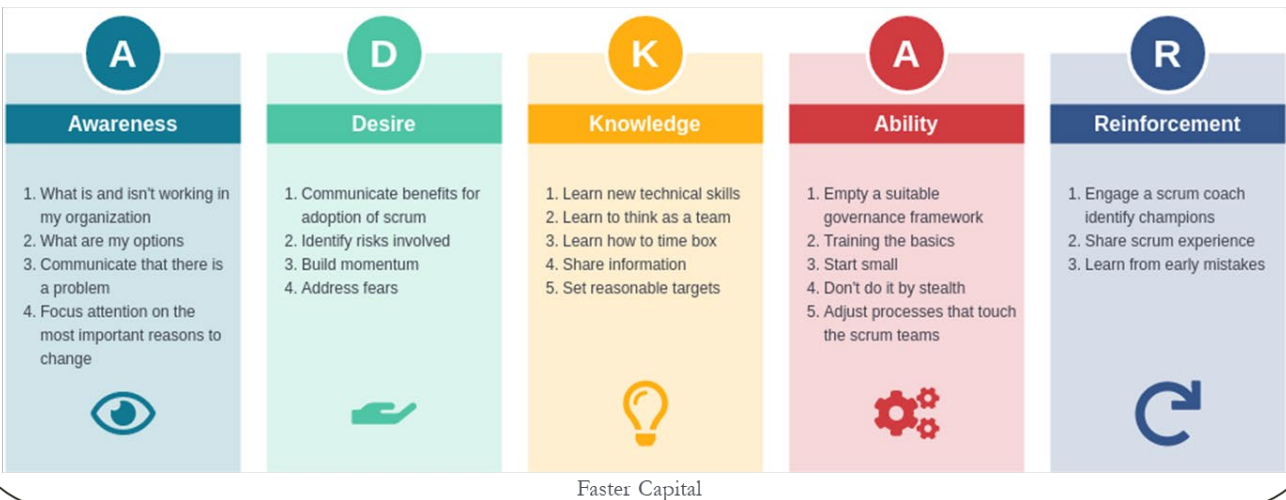
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4. CHANGE MANAGEMENT OPPORTUNITIES

BCLC should continue utilizing the ADKAR change management model to align its corporate strategy by first creating Awareness of the strategic goals among all stakeholders. By fostering Desire, an organization encourages employee engagement and commitment to the new strategy. Through Knowledge, Ability, and Reinforcement, an organization ensures that employees are well-equipped, trained, and continuously supported to successfully implement and sustain the strategic initiatives.

Best Practices – ADKAR Change Management Model



OBSERVATION:

There has been a great volume of change within the organization so far, with a lot more soon to come. Few examples are:

- Lottery Transformation roll-out across the province.
- Go-live of the new Retail Sports platform.
- s. 15
- Service Provider ownership change for select casino locations, and the resulting relationship management impacts for BCLC.
- Eminent transfer of set activities from GPEB to Independent Gambling Control Office (IGCO) and the resulting relationship management for BCLC.

For such a level of transition, it is ideal to utilize Change Management experts both for the benefit of the organization and the employees who are impacted. Appropriate utilization of Change Management will enable/facilitate employees embracing the changes rolled out and acting on them as required.

Based on review and discussion with personnel, the following was noted:

- There is a lack of clear understanding on when and how to involve Change Management.
- For the most part Change Management experts are on the sidelines unless there is an issue to resolve.
- Instead of proactively using Change Management throughout the life of the project for easy and smooth transition, they are involved as an after thought at the very end.

As a consequence, the following opportunities and benefits are missed:

- i. Ability to assess the organization's change readiness early.
- ii. Identify potential barriers for change adoption.
- iii. Developing tailored strategy to mitigate change resistance.

Change is difficult for any organization. The volume of change BCLC has gone through and will continue to go through as part of the strategic plan roll-out is tremendous. All tools available to make this transition easy for employees should be utilized to its fullest for the overall benefit and success of the organization.

**Great things are achieved by
changing a series of small things.**

IMPACT:

Non utilization or insufficient utilization of Change Management makes the transition difficult for all involved. When tools are available but are not fully utilized it hinders, reduces or slows down the benefit of the strategic plan anticipated by the organization.

AGREED UPON ACTION PLANS:

Working with Change Management team, look for opportunities to message the importance, need and expectation to utilize Change Management expertise.

Further a quarterly dashboard will be requested to present to the Executive on the different corporate initiatives the Change Management team is involved in, along with any other metrics that will indicate they are working with different teams and departments across divisions as the strategic plan is being actioned.

RESPONSIBLE PERSON:

Director, Strategic Planning

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5. STRATEGIC METRICS AND PROCESS TRACKING

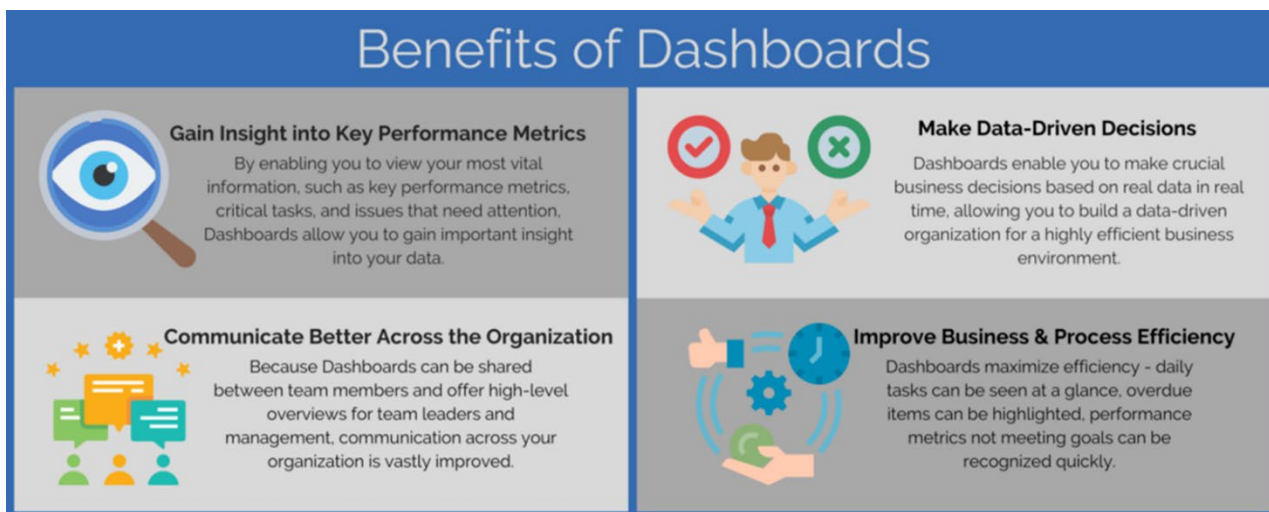
Involvement of operational leaders is vital for developing strategic metrics that align with corporate strategy, as they possess insights into operational capabilities and challenges. A consolidated tool for tracking progress of the corporate strategy provides transparency and accountability across the organization, enabling timely adjustments and informed decision-making. This integrated approach enhances strategic execution by ensuring that performance metrics are meaningful, actionable, and reflective of BCLC's strategic direction.

OBSERVATION:

A. Consolidated Reporting and Refining Metrics

BCLC currently has an opportunity to create a consolidated reporting system for effectively tracking the progress of corporate initiatives. The absence of centralized reporting may hamper the ability to monitor and measure the status of various projects, making it challenging to assess overall performance and identify areas needing attention. Without a unified platform for tracking progress, updates are often divided across different departments, leading to inconsistencies and gaps in data.

Additionally, implementing dashboards / progress updates would provide a clear, real-time view of the progress of BCLC initiatives, enhancing transparency, accountability, and enabling more strategic decision-making to drive the BCLC's objectives forward. Please see the table below for additional benefits of implementing dashboards.



One of the key characteristics to consider when developing a dashboard is **MARC**.

- **Measurable** – Metrics can be quantified over time to assess performance.
- **Actionable** – Metrics drive informed decision making and bolster improvement.
- **Relevance** – Metrics align with organizational goals and objectives.
- **Clarity** – Metrics are clearly defined and easily understood.

Finally, the metrics, KPIs, dashboard help the organization report to the Board with certainty on the progress of the strategic plan.

B. Operational Leaders Involvement in KPI Development

As the organization is developing the metrics for the corporate strategic plan, it is important to consider the perspectives of key operational leaders. If not, the following issues may arise:

- a. Metrics may not fully reflect the realities of day-to-day operations.
- b. The framework may not align with the practical aspects of implementation.
- c. Operational leaders possess valuable insights regarding challenges and opportunities within their domains and can provide crucial input on what metrics are realistic, relevant, and connect with BCLC's broader goals.

IMPACT:

- A. The absence of a consolidated reporting tool for tracking the progress of a corporate strategic plan can hinder BCLC effectiveness and decision-making. Without centralized and real-time insights into key metrics and milestones, leaders struggle to gauge overall performance, identify bottlenecks, and allocate resources strategically.
- B. Excluding operational leaders during metric development risks creating unrealistic or misaligned KPIs, undermining effective strategic planning. Metrics serve as a compass, tracking progress and highlighting areas needing improvement. A lack of clear metrics increases the risk of deviating from the strategic plan.

AGREED UPON ACTION PLANS:

- A. BCLC will develop and implement a centralized reporting dashboard that provides real-time visibility into project progress and includes KPIs and milestones. Reporting format and timelines will be standardized for consistent format. The dashboard will be accessible by all relevant stakeholders.
- B. BCLC will revisit current KPIs with operational leaders to assess alignment with day-to-day operations and adjust or refine metrics based on feedback.

RESPONSIBLE PERSON:

Director, Strategic Planning

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VI. Other Opportunities

The other opportunities section is provided for management’s consideration. These are not gaps or issues within the current process in this area of operation. Audit Services will not be following up with management to determine if the aspects highlighted in the other opportunities section have been implemented. It is left to managements discretion.

1. OTHER ASPECTS FOR LEADERSHIP CONSIDERATION

For a successful execution of the organizational strategic plan and transformational changes within the organization, there are a few elements that leadership should monitor and manage.

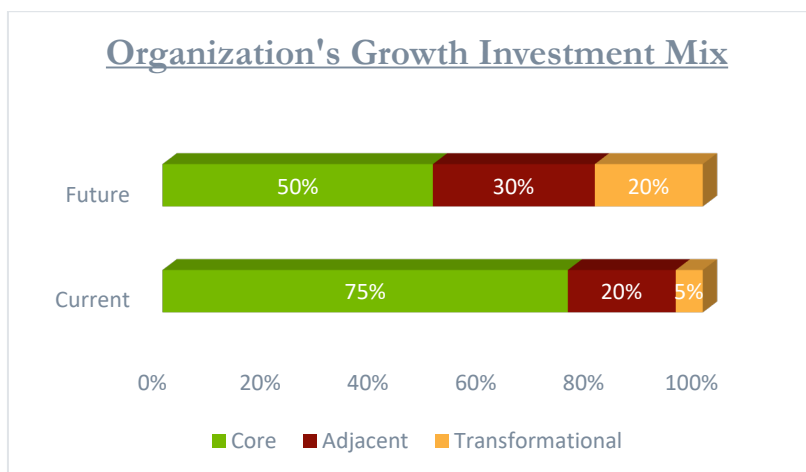
OBSERVATION:

A. Organizational Growth Investment Mix

Broadly there are three fundamental types of work undertaken/performed by organizations. They are:

- Core:** Focus on existing products/services for existing customers.
- Adjacent:** Expand into “new to the organization” markets and/or products/services.
- Transformational:** Develop “new to the world” products/services and/or business models.

Based on a global survey conducted by Deloitte the current state before strategic plan execution and ideal future state mix of work type to ensure successful execution of strategic plan are highlighted in the graph below:



BCLC leadership should consider the Organizational Growth Investment Mix as a yardstick and tailor it to the work environment of the organization.

B. Level of Service Provider Alignment Towards Strategic Plan of BCLC

The strategic plan is visionary and ambitious with a long-term view of what is good not only for the organization but also for the society/community, players and the Province. But with external

challenges in the corporate environment, it is possible that a number of Service Providers may be more focused on short-term benefits and returns.

For a successful execution of the strategic plan, BCLC leadership should work to ensure there is alignment between the organization and the Service Providers. Any differences or challenges should be addressed appropriately and timely.

C. Other Aspects for Leaderships Consideration

- a. Managing the Resulted Change: There is a gap in knowledge from the current state to desired future benefits state between the planning team (top leadership) and the implementation team. This can create difficulties during the implementation phase of the strategy.
- b. Long Lead Time Between Planning and Implementation: Typically, there is long wait time between the planning phase of the strategy and the implementation phase. This can result in the resources being exhausted. Robust preparation is required for moving from the planning phase to the implementation phase to ensure efficient transition and successful implementation.

**Without strategy, execution is aimless.
Without execution, strategy is useless.**

Note: The concepts highlighted in this section are based on a whitepaper by Deloitte on - Focusing on Implementing for a Successful Strategy.

IMPACT:

All aspects big and small need to be in place for an organization to succeed in delivering its strategic plan. Any gaps or shortcomings in the areas highlighted will negatively impact the organization's ability to deliver and successfully implement the strategic plan.

Appendix I

KEY TERMS

- | | |
|---------------|------------------------------------|
| KPI | - Key Performance Indicators |
| Working Group | - Corporate Strategy Working Group |
| SLT | - Senior Leadership Team |

Appendix II

CORPORATE STRATEGY – IMPORTANCE AND STEPS FOR SUCCESSFUL EXECUTION

A corporate strategic plan is a critical tool for guiding BCLC toward its long-term objectives. It provides a comprehensive roadmap that defines the organization’s vision, mission, and goals, thereby ensuring that all actions and initiatives are aligned with the plan. Setting clear priorities and establishing a coherent framework for successful strategic execution will allow BCLC to navigate complex and rapidly changing business environments.

Moreover, a strategic plan facilitates better communication and understanding across all levels of BCLC. It ensures that employees at all tiers are aware of BCLC’s direction and their role in achieving its objectives, fostering a sense of purpose and engagement. This clarity can improve operational efficiency as teams work towards common goals, reducing redundancy and enhancing coordination.

Externally, a strategic plan is valuable in communicating BCLC’s future direction to stakeholders, players, and vendors. It demonstrates a

commitment to deliberate and informed growth, which can enhance trust and credibility. This transparency is particularly important for fostering long-term relationships.

In essence, a corporate strategic plan is not merely a document but a dynamic guide that drives organizational coherence, operational efficiency, and stakeholder confidence, all of which are essential for long-term success.



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