

White Paper Excerpt

Digital Strategy Execution Applications

Howwe is the market-leading Digital Strategy Execution
Software Company.

Authors

Ulf Arnetz: CEO, Founder of Howwe

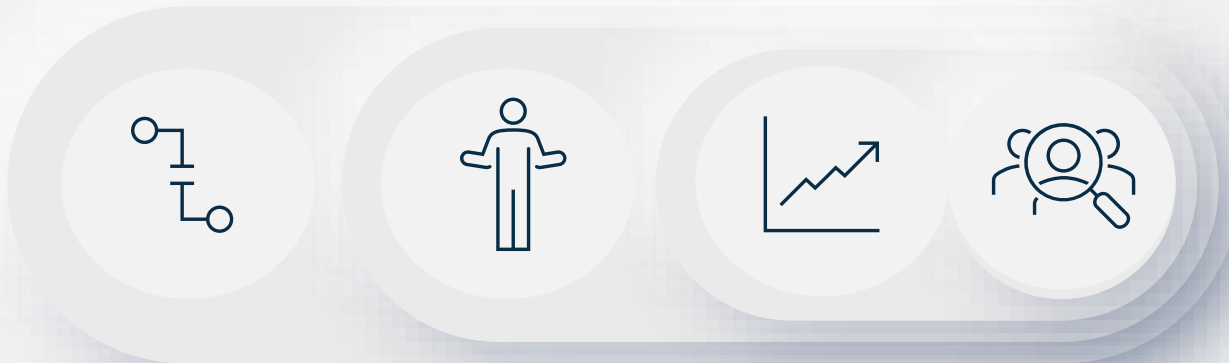
Christopher Lundstrom: EVP North America

Why now?

The CEO's is responsible for the entire company (10x larger than the Head of Sales), **why is the CEO the only executive without a dedicated business-critical application?**^{1,3,5}

Would the Head of Sales be able to manage sales without using a CRM application?

97% of all CEOs³ are still working **analog** with the company's **most important strategic initiatives**.



90% of all strategy execution projects are delayed or never delivered⁶.

Gartner predicts that the Digital Strategy Application market will grow exponentially from 2024 and surpass the CRM 5 years after that.⁷

One of the biggest trends in the next 5 years is that CEO will also go digital³.

Gartner³, McKinsey⁴ and MIT⁵ believe the need for the CEO to use a digital application will increase rapidly based on a generation shift and a fast-increasing internal and external disruption (CV19, war etc.).

The **elongated timeline** from the CEO's decision until employees accelerates needed activities (today several quarters, normally years³).

Employees don't know what to focus on, yet 82% want to contribute⁴.

More, and more frequent number of disruptions¹²³.

Analog Strategy Execution

Every executive (**besides the CEO**) has a dedicated application to steer and measure their business-critical processes according to what they are measured on.



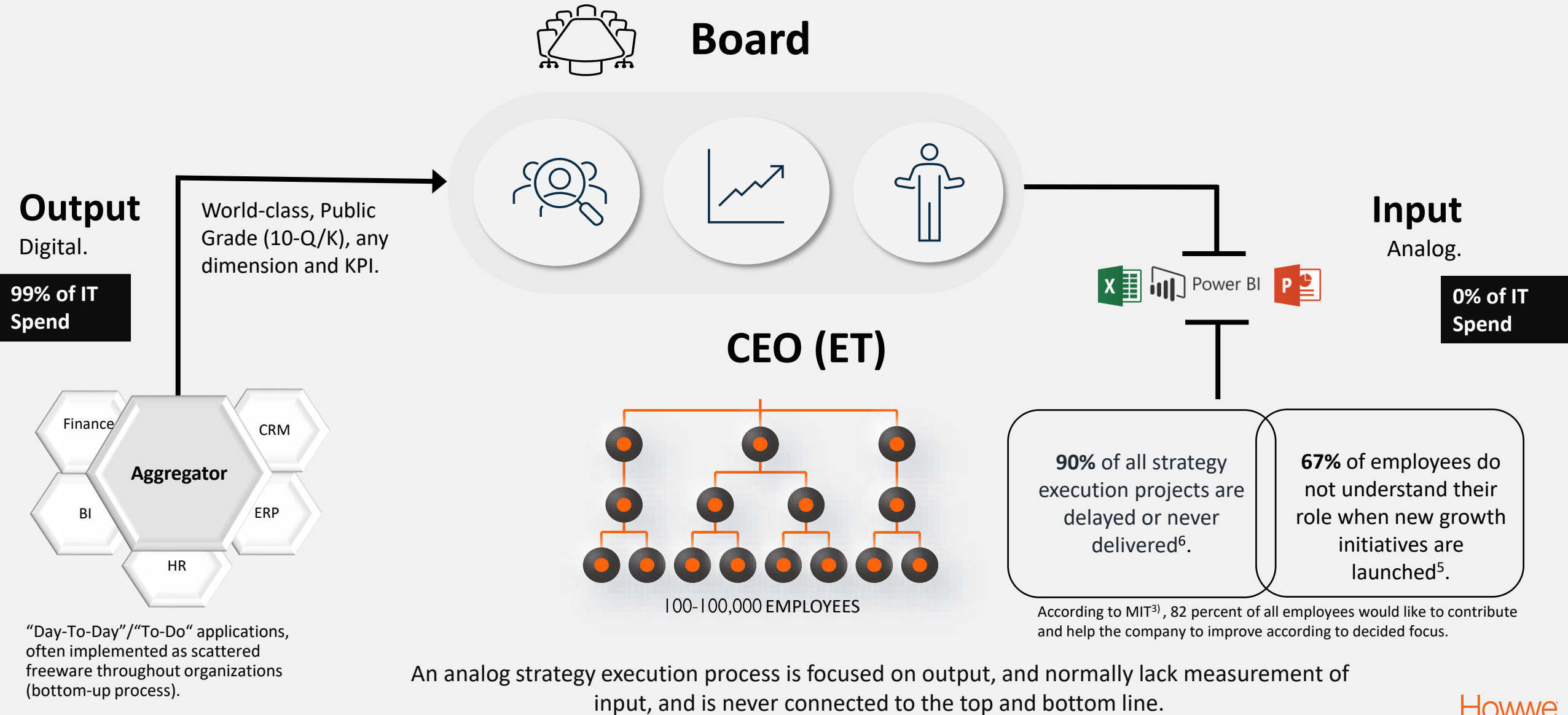
The Strategy and the Business Plan

- The Strategy and the Business Plan with the most important strategic initiatives (planned by the board/CEO/ET) are still executed by the CEO **without a dedicated application**.
- These initiatives are the most important and are **supposed to generate the most revenue, profit and shareholder value** -- this is what the CEO is measured on.
- These initiatives are also often cross-functional -- and the CEO is responsible for the entire organization's focus and execution.

Risks with Analog Strategy Execution

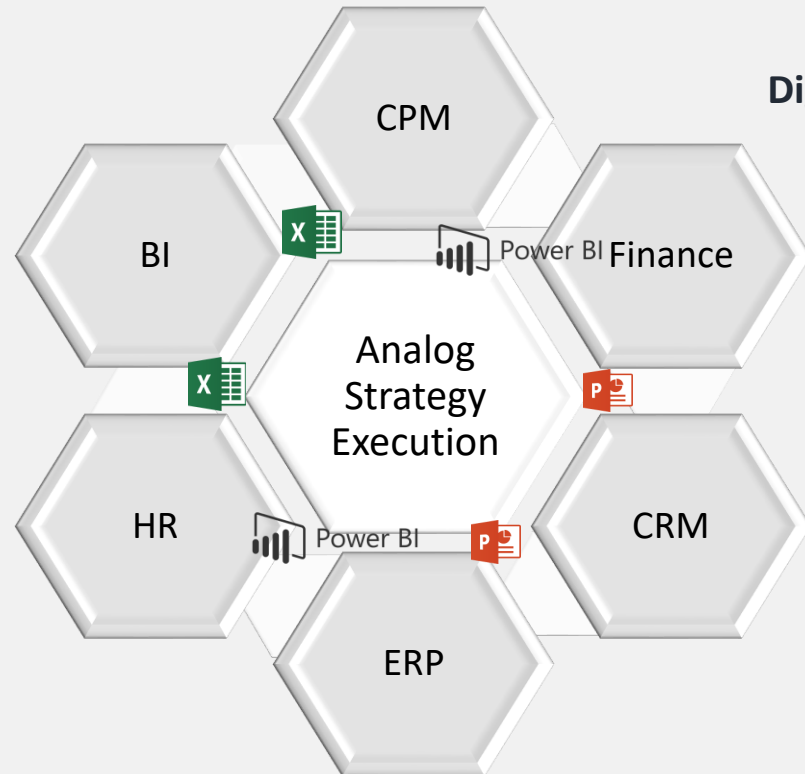
- Loss of strategic revenue growth.
- Slow / unresponsive; in the case of disruption, it takes quarters, sometimes years for the organization to adjust (missing market opportunities, not responding to competitive threats).
- Lack of reach; the CEO can't reach to all layers of the organization to manage and drive the strategic initiatives that she/he and the board are measured on.
- Poor visibility; the CEO is not able to present to the board if initiatives are on time, and not able to connect the activities and the initiatives to top and bottom line.
- Inability to accelerate; if initiatives are behind the decided timeline (**Output**), the CEO don't have a way to accelerate and follow-up in the organization (**Input**).

Output vs. Input.

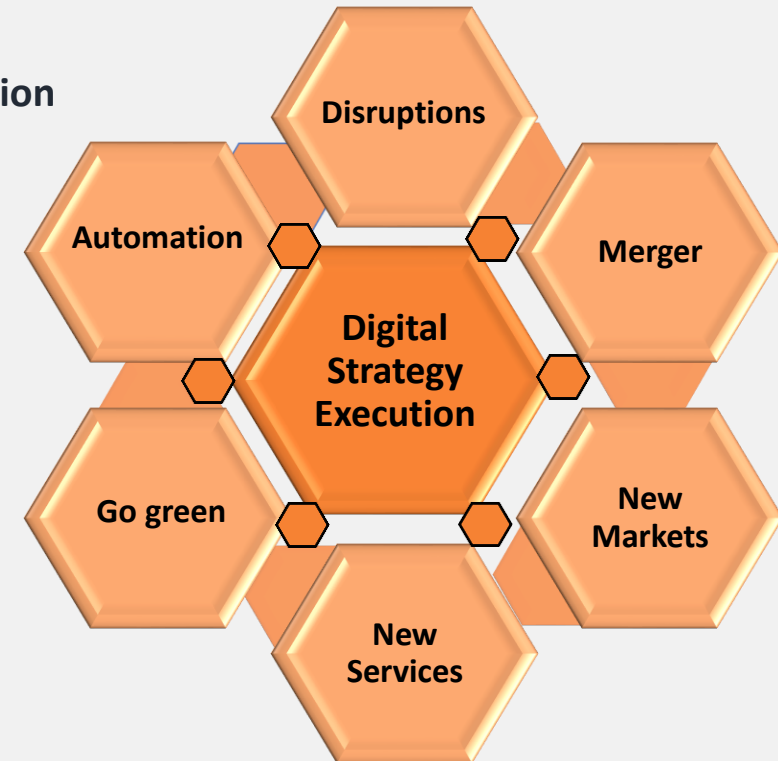
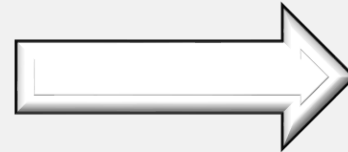


Digital Strategy Execution (DSE) Application

Execution of the most important strategic initiatives that the board, the CEO and the executive team have decided on.



Digitalized in one single application



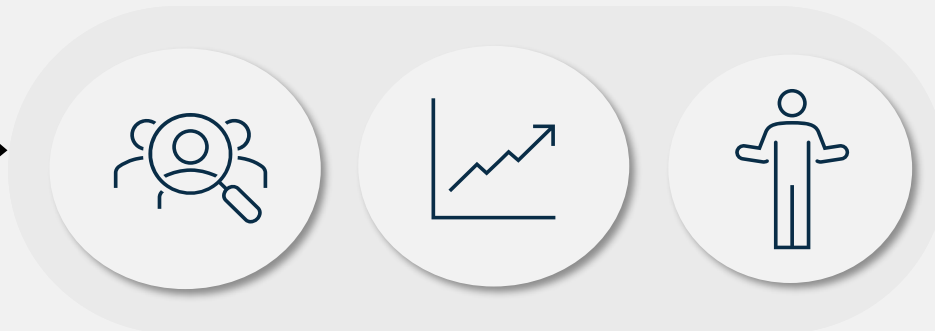
A Digital Strategy Execution Application helps the CEO (and all managers and employees) to improve needed initiatives tomorrow, today. The users don't only report numbers or activities, but get proactive role-based Insights, alerts, feedback and "how". The application connects the CEO/Executive Team digitally with all employees and the organization feels more involved and motivated.

Output, and Input combined.



Board

A Digital Strategy Execution Application is the fastest enterprise application to deploy. An ERP system takes about 2-3 years and a CRM, or a CPM, system takes 9-12 months. A Digital Strategy Execution Application **takes only 9-12 weeks to deploy.**



Input

Digital.

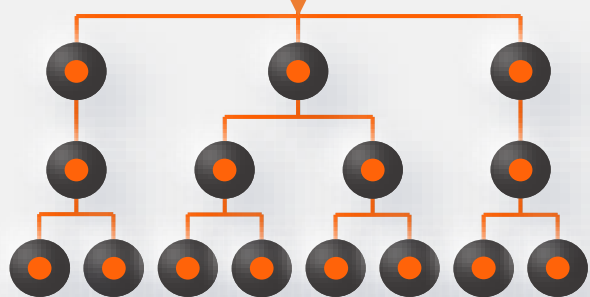
World class Digital Strategy Execution Application.

0.1% of IT Spend



CEO

Improved and accelerated revenue, profit, and behavior change.



100-100,000 EMPLOYEES

95% of all strategy execution projects are on time or ahead of schedule⁴.

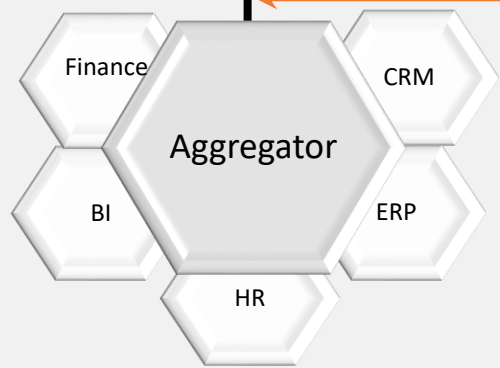
In less than 2 weeks the CEO can reach all layers of the organization to manage and drive the strategic initiatives that she/he and the board are measured on.

Output

Digital.

World-class, Public Grade (10-Q/K), any dimension and KPI.

99% of IT Spend



"Day-To-Day"/"To-Do" applications, often implemented as scattered freeware throughout organizations (bottom-up process).

True Top-down / Bottom-up Process.

When all managers and all employees are focusing on the right key activities the organization is accelerating the initiatives and executing the strategy. In an application that makes it measurable and connected to the top and bottom line.

Operational and Strategic.

Orange represents strategic growth initiatives

Blue represents existing business and day-to-day operations (more, better, of the same business and activities).

The CEO, ET and Board set the Strategy

Strategic Initiatives (result of the strategy)

Something that needs to improve/happen faster!

- Automation
- Mergers
- Sustainability
- New market launch
- Digitalization
- Go green

SHAREHOLDERS / PUBLIC MARKETS

BOARD

One of several Goals:
Increase Profit from \$250M to \$320M by (latest) 12.31.2025

CEO

ET

MANGERS

TEAM LEADERS

EMPLOYEES

Revenue & Profit on plan (\$)

Strategic. The most important (often cross functional) strategic initiatives generate exponentially more value to the company than the day-to-day operation (Blue).

To achieve the strategic initiatives all managers and all employees need to focus on new key activities (orange circles in the Blue Area), this normally includes role-based behavior change.

The Activities (operational or strategic) accelerates the Initiatives and thereby the financial improvements will happen on time or faster.

A Digital Strategy Execution Application enables companies to work integrated operationally-strategically prioritizing the key activities connected to the top and bottom line.

FOCUS & CORRECT KEY ACTIVITIES

Initiatives

ALIGNMENT

SHORTENED TIMELINE = \$

Activities

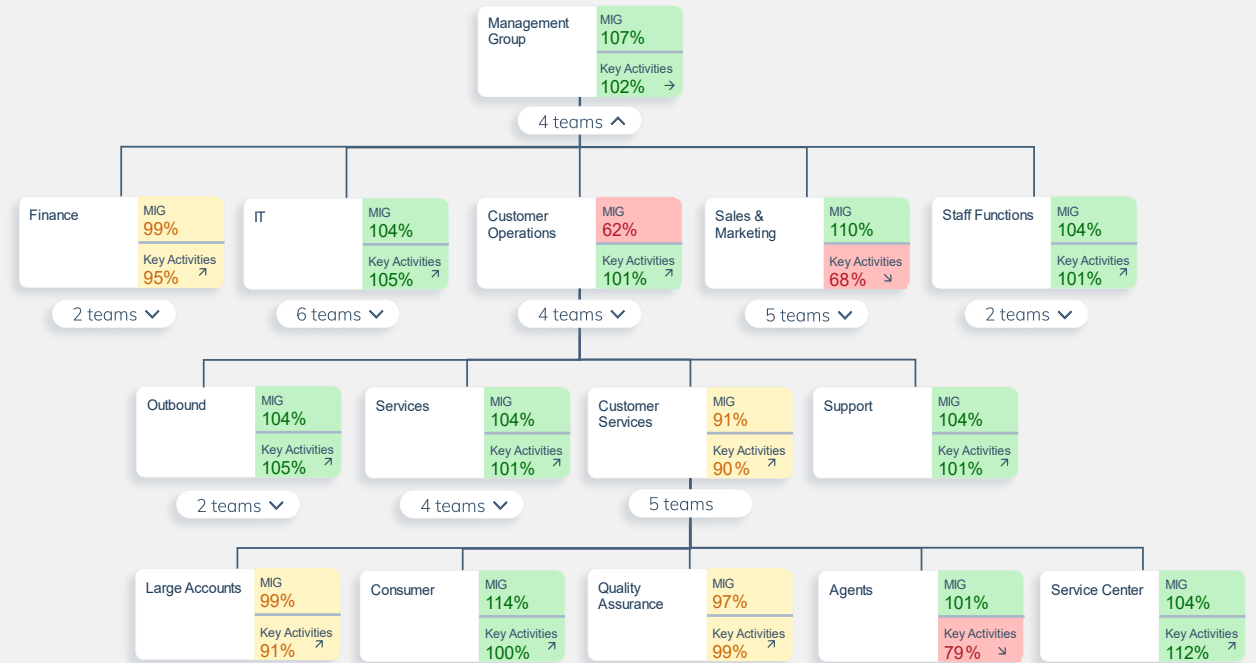
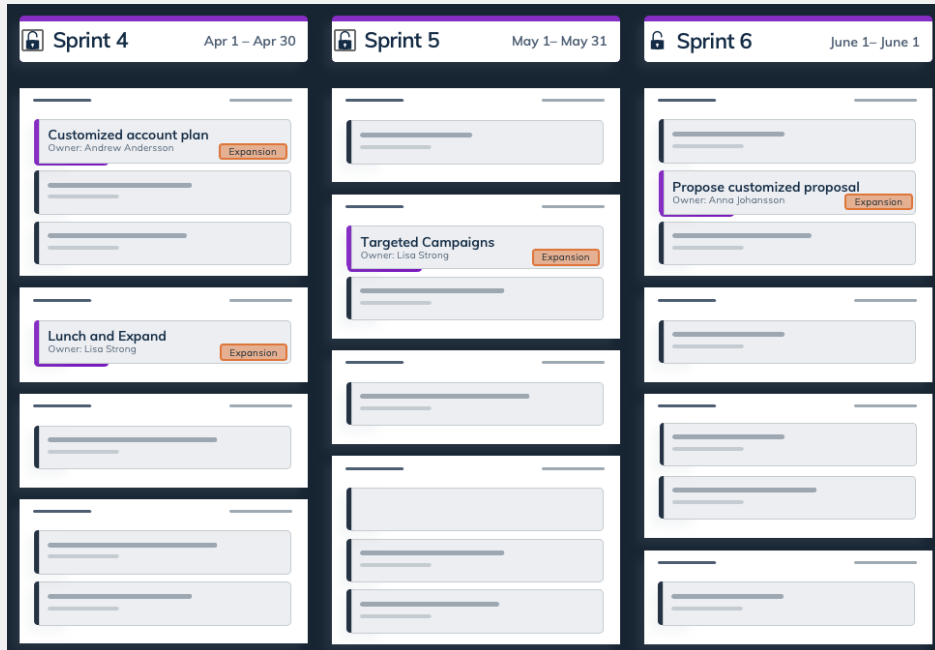
EXISTING BUSINESS

2020 2021 2022 2023 2024 2025 2026 2027

Example of a Digital Strategy Execution Application

Making the business plan measurable clear and actionable on all levels of the organization

Digital Strategy Execution captures all strategic initiatives in one SINGLE APPLICATION.



Above shows how the CEO and Executive Team and entire organization have done an Acceleration Map with all Goals and Activities needed for the next quarter or year. All executives don't only know their goals, but also focus, "Why", "What" and "How" including cross-functional needs. Why try to solve this with Excel or several other applications - that has not worked for the last 30 years

Why a Digital Strategy Execution Application?

Built from CEO and Business Perspective

- Used by the CEO, all executives, managers and employees in the entire organization.
- The CEO presents the Dashboard at Board Meetings (used through out the organization).
- No/limited preparations for Board/ET meetings -- common view of initiatives throughout.

Accelerated Financial Results

- Vertical, Horizontal and Cross-functional Acceleration of set financial goals. Accelerates revenue, profit and shareholder value.
- 95% of all strategy executions are on, or ahead of, time⁴
- ROI is 8-25x within just 12 months (measurable results within 3 months).

Shortened Timeline

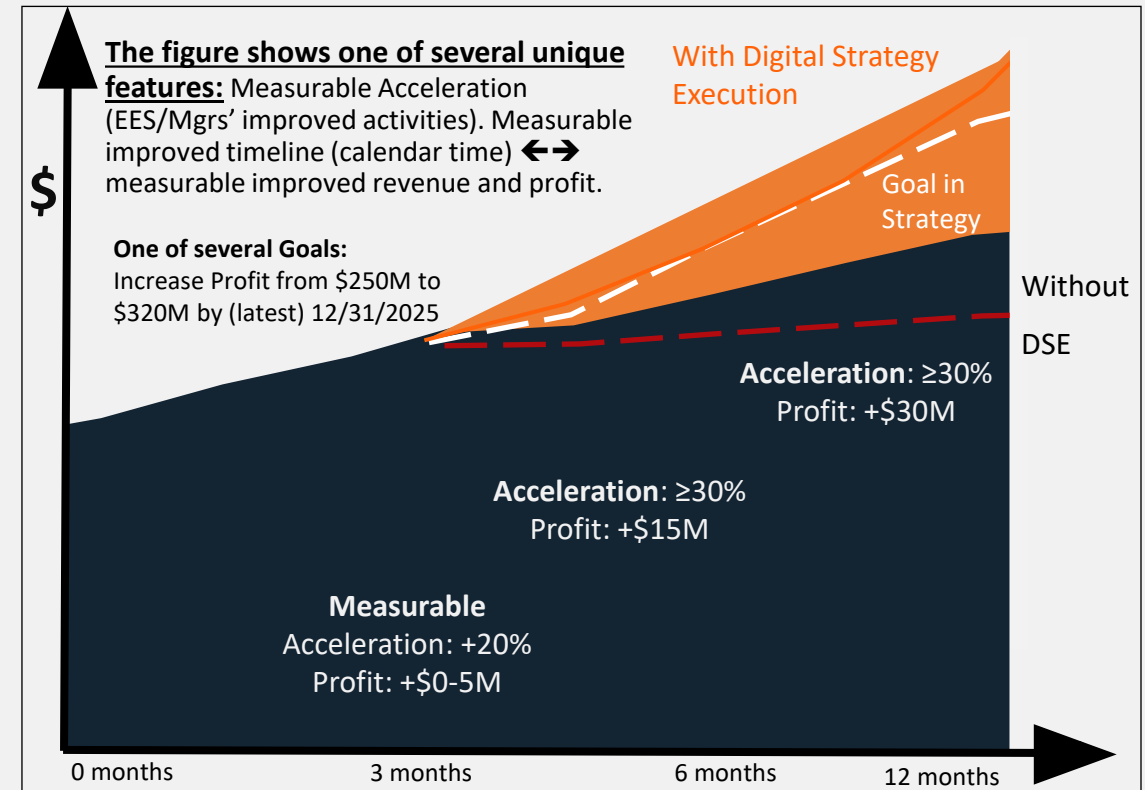
- Significantly shortens the timeline from the CEO's decision to the alignment of all managers and employees. **< 2 weeks to realign in response to disruptions.**
- Shortens the timeline for **role-based behavioral change** by ensuring that needed key activities are prioritized and consistently executed.

Measurable Progress and Results

- All key activates versus plan are measurable and **connected to Top and Bottom line** -- actionable and measurable per level and role.

Alignment & Focus

- True **Top-down / Bottom-up** process.
- Fast and automated onboarding (w/o technical set-up). Committed goals per month/quarter broken down to weekly commitments and goals.
- Role-based **"What's in it for me"**, automated Intelligence on role level and AI (in development).



Role-based Behavior Change

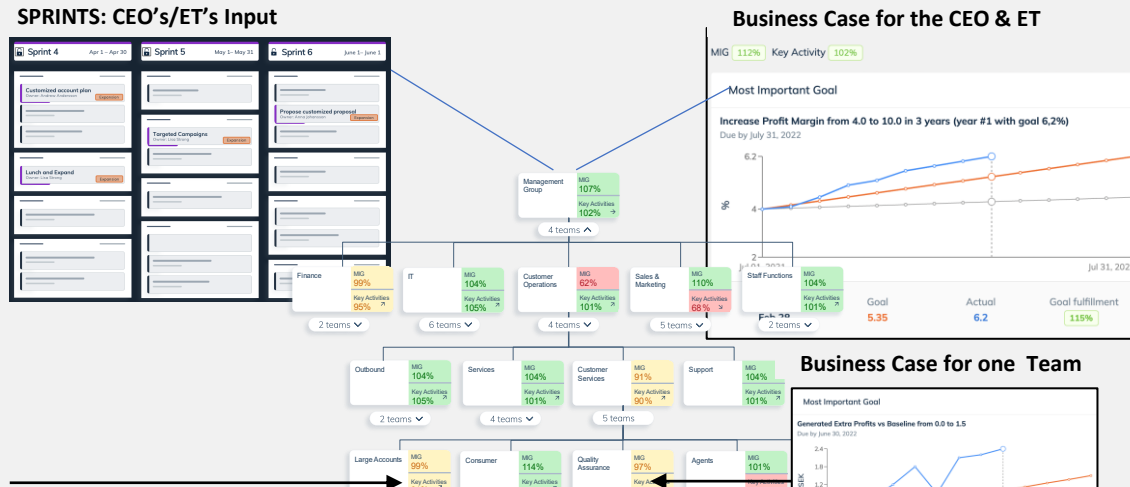
- Increased Employee Satisfaction and Net Promoter Score. Employees quickly understand how they can contribute to the company's most important goals --> faster role-based behavior change.
- More than 90 % of companies that acquire a DSE Application **keep it for a long time (+5- years).**

Make Tomorrow measurable, Today.

Digital Strategy Execution Applications measures activities, initiatives connected to the top and bottom line.

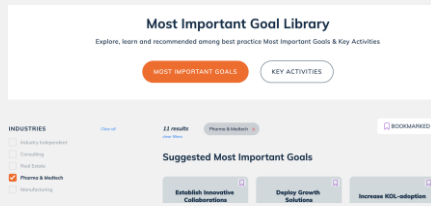
In typical Workflow, Power-BI, OKR, and Excel based applications, it looks like all initiatives and processes are on plan, until just before deadline.

The figure shows Sprints. The CEO/ET enter the Most Important Initiatives. DSA Applications are focused business-critical initiatives connected to the top and bottom line.



The CEO and executive team has before year-end, or before the summer vacation defined the Most Important goals **From \$X to \$Y Before Date Z** (typical OKR).

Blue is "Actual" from the financial application or OneStream
 Orange is one of several Most Important Goal
 Gray is "historic" or "trend" (last year or last quarter)



The figure shows Role-based Library with suggested Goals and Activities based in a DSA with 160,000 consulting hours, 10,000+ customers teams and Role-based AI.

Digital Applications makes Strategy Execution measurable connected to the Top and Bottom line (\$).



Key Activities (Best Practices per role) for one Team



The figure shows that not only the CEO has a pre-made business case (normally money), but all different teams and employees. To report activities every week is **too trivial**.

The figure shows how a DSA includes **measurable** acceleration of **Initiatives** connected to **measurable Activities** (which impacts the Initiatives progress and acceleration) connected to **measurable** increased revenue and profit (**Top and Bottom line**)

Example: 3,100 managers and employees in several regions or countries and **245 teams**

- Each team have the gray line (How they did before they started to use a DSA, or last quarter or last year). To the right are decided Activities (**Input / Lead & Measure**) and to the left is Most Important Goal, normally \$ (**Output per team**)
 - Lead / measure: The team commits its Activities (for a time period), which are measurable a) per day/week, b) compared with historic and c) compared with **real progress** (how the **Initiatives** accelerates versus the pre-made timeline).
- If each team (or normally ≈ 80%) is accelerating the Activities (input) according to the pre-made timeline, it aggregates up to the pre-made ROI, Top and Bottom line (\$), and 245 teams are working like this week after week - the financial goals will appear on time (per day/week).

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Ulf Arnetz: CEO, Founder of Howwe

Christopher Lundstrom: EVP North America

christopher.lundstrom@howwe.io

+1 (646) 203-7357

Howwe USA Inc. | 135 W. 50th St., New York, NY 10020

Howwe