

BUSINESS ARCHITECTURE MEETS STRATEGIC PLANNING

9/16/2014 Austin, TX

AGENDA



- Purpose and scope of workgroup
- Introduction of panel members
- Overview of BIZBOK™ content
- Presentation and discussion of key issues
- Next steps

WORKGROUP INFORMATION



The Guild Editorial Board has chartered a workgroup titled “Business Architecture meets Strategic Planning”

The purpose of the workgroup is to create a new version of section 2.1 of the BIZBOK™ and potentially alter the content of other parts of the BIZBOK™ to extend the information about how the business architecture blueprint integrates with strategic planning and materially aids the strategic planning process.

We believe that the discussion of strategic planning frameworks in section 2.1 is sufficient for the present time, and do not intend to add new strategic planning frameworks or make additional recommendations about choice of a strategic planning framework.

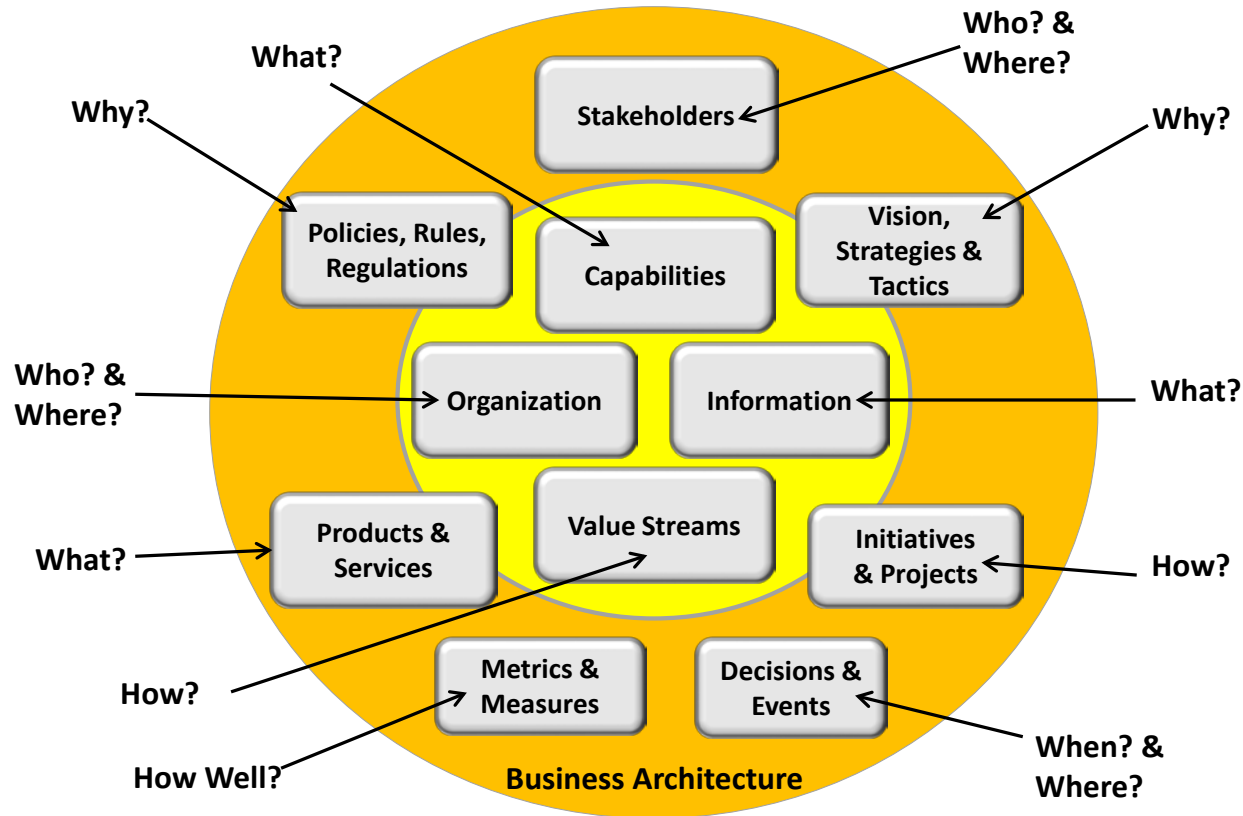
Members who wish to contribute to this effort should apply for membership in the group on the membership site.

The workgroup expects to periodically publish its findings and issues for feedback from the Guild membership.

PANEL INTRODUCTIONS

BRIEF REVIEW OF CURRENT CONTENT

BUSINESS ARCHITECTURE ECOSYSTEM



Comprehensive, transparent view of the business ecosystem

Source: A Guide to the Business Architecture Body of Knowledge™ (BIZBOK®) Version 4.0

OUTLINE OF BIZBOK™ STRATEGY MAPPING



Business Strategy Mapping

- Defining business strategy mapping
- Benefits of strategy mapping
 - Supports organizational alignment
 - Mapping framework improves communication and fidelity of objectives
 - Aids rapid adaptation to innovation
 - Enables rationalization of initiatives
 - Supports capability centered investment
 - Provides framework for monitoring progress toward strategy objectives

OUTLINE OF BIZBOK™ STRATEGY MAPPING



- Principles of strategy mapping
 - Strategies relate to stakeholders (communities of interest)
 - Strategies allow coordinated response to the external environment
 - *SWOT, regulation, pricing power, barriers to entry*
 - Strategies are evaluated using value analysis to define value delivered to specified stakeholders
 - Strategies build on existing organizational capabilities
 - Strategies are realized through initiatives that target measurable outcomes
 - Strategies are only as good as the ability to measure progress toward the strategy objectives
 - Strategies are not static (they are dynamic)
 - Strategies are developed using a variety of analytic perspectives (frameworks)

OUTLINE OF BIZBOK™ STRATEGY MAPPING



- Strategy mapping frameworks overview
 - The planning approach starts with differentiated market strategies
 - Ansoff Product/Market grid
 - *Focus: Current/new products and services, current/new markets*
 - *Metric: Market penetration, market development, product service development, diversification*
 - SWOT analysis
 - Five forces model – Potential entrants, suppliers, buyers, substitutes, industry competitors
 - Planning approach summary
 - The Design Approach – focus on the motivational aspects of the organization rather than the product/market or competitive forces aspects

OUTLINE OF BIZBOK™ STRATEGY MAPPING



- Approaches to Business Strategy Mapping
 - Objective mapping
 - *Hypothetical action and outcome/objective chain/tree decomposes high level objectives*
 - *Action and outcome conflict analysis and resolution*
 - *P-TRIX, Theory of Constraints,*
 - *Preconditions and postconditions for strategy actions*
 - *Qualitative and quantitative comparison of alternatives*
 - *Analytic Hierarchy Method, Analytic Network Process*
 - Linking objective maps and capability and value maps
 - *Strategy actions carried out by capabilities; are capabilities prepared to carry out these actions and produce the outcomes that meet the objectives*
 - *The “As-Is” capability map may be substantially different from the “To Be” capability map*
 - *Strategy objectives impact value to stakeholders in the value maps*
 - Linking the strategy map to the environment
 - *Strategy objectives are characterized by perspective models such as SWOT and five forces (e.g. this objective creates a high barrier to entry, that objective enters a market where there are few competitors)*
 - *Scenario planning provides a dynamic (gaming) view of objective maps – initiative, competitive response, response to competitive response*

OUTLINE OF BIZBOK™ STRATEGY MAPPING



- *Kaplan and Norton Strategy Maps and Strategy Initiative Measurement*
 - *Most strategic failures result from poor execution, not bad strategy*
 - *Strategy is expressed in Strategy Maps; these are decomposed to create detailed strategies for different parts of the organization.*
 - *Strategy execution is measured by Balanced Scorecards associated with each detailed strategy; the scorecards are then rolled up following the decomposition pattern backward.*
- *A Strategy Map is a composition of objectives divided into four perspectives;*
 - *Perspectives: Financial, Customer, Internal, learning and Growth*
 - *The perspectives are ordered by a general assumption of causality:*
 - *Financial objectives depend on meeting customer objectives, which depend on innovative and efficient internal processes, which depend on technical capital, organizational capital and human capital.*

OUTLINE OF BIZBOK™ STRATEGY MAPPING



- Formalizing the mapping of strategy within the business ecosystem
 - Business Motivation Meta-model
 - *Has objectives and actions, but stratified into levels (Vision/Mission, Goal/Strategy, Objective/Tactic)*
 - *Incorporates stakeholders (influencers)*
 - *Substitute value stream, capability, information for process, organization and business rule. Existing tools using BMM may not allow this substitution.*
 - Business Strategy to business ecosystem impact analysis
 - *Value streams and capabilities that are impacted by strategy actions and outcomes.*
 - *There is a meta-model diagram here to aid understanding*
 - Strategy deployment – Hoshin-Kanri
 - *Adds framework parameters (strategic timeframe, periodic goalpoints, stretch objectives)*
 - *Method links strategy decomposition and organizational alignment for coherent and deep penetration in the organization*
 - *Monitoring and measurement activities that roll-up to high level strategy goals*
 - *Periodic review of strategy decomposition and progress coupled with course correction*

PRESENTATION AND DISCUSSION OF KEY ISSUES

MAKING STRATEGIC PLANNING DECISIONS



Suppose that the value map, capability map, and information map are integrated with a strategy map framework (such as Kaplan and Norton Strategy Maps).

How can this information be used in strategic planning to identify strategy alternatives and strategy constraints?

How can these constraints be reflected in a incremental strategic journey?

How can decision tools (e.g. Analytic Hierarchy Process/Network, QFD, Pairwise-Comparison, etc.) be used to provide insight into decisions?

DISPLAYING THE IMPACT OF A STRATEGY



Strategy impacts the execution of capabilities in the capability map. A strategy may alter, add or drop capabilities in an enterprise's capability map.

Can heat maps be used to show the impact of a strategy on a capability in a capability map? Are there other ways to display impact?

What measure should be used to determine impact? What values would signify “red” as opposed to “green”?

How could impact be related to the timeframe?

DISPLAYING THE IMPACT OF A STRATEGY



The objective of a strategy is to enhance some values received by stakeholders from some value streams. A strategy may also add, alter or delete value streams and/or stages from an enterprise's value map.

How should the impact of a strategy on the value map be presented?

What measures of value are relevant in the presentation of impact?

Are some stakeholders more important than others? How would this be presented?

CREATING INITIATIVES



The strategy map defines the objectives and alternative strategy paths to achieve the objectives. Initiatives are resourced plans to achieve particular objectives.

What role do the business architecture blueprint maps play in the definition of initiatives that aim to achieve the objectives and are consistent with the strategy?

How does the business architecture help structure a series of initiatives such that each initiative results in progress toward the high level strategy objectives and delivers intermediate business value?

KEY MAPS IN STRATEGIC PLANNING



What are the key business architecture maps needed to execute strategic planning and why are they needed?

Can competing approaches be supported within a single more general framework?

STRATEGY PENETRATION



Once a high level strategy is defined for an enterprise, it must be elaborated in a consistent way throughout the involved parts of the enterprise. Hoshin-Kanri and Kaplan and Norton Alignment provide methods for such elaboration.

How can the business architecture blueprint help in the execution of these methods?

How does the business architecture blueprint help in the definition of measures of progress and measures of the attainment of objectives that need to be defined during this elaboration method?

How is the relationship between the business model and the operational model manifested during elaboration?

STRATEGY GOVERNANCE



A strategy provides guidance which can be elaborated to provide detailed guidance appropriate to various levels within an organization. The final step is ensuring that actions that are aligned with the strategy.

What elements of a strategy are appropriate for use in a governance process?

What kinds of artifacts are needed to support such a process?

NEXT STEPS