

Aligning Strategy with Execution

The Secret to Success

By Laura Mooney, Senior Director, Corporate & Product Marketing, Metastorm

Strategy and goals set direction, but execution drives results. How can you unify these often disparate paths?

Setting strategic objectives, putting processes in place to achieve them, and realizing the results you desire seems simple—at least in theory. In reality, organizations of all sizes struggle with making this happen. Why?

We could launch into many reasons to address that question, but the heart of the problem lies in three distinct silos within your operations—strategy, analysis and execution—and the gaps that exist across these critical functions.

Gap #1: The strategy silo. Most organizations have a set of people who are focused on strategy. Strategy includes defining the mission of the organization, setting key objectives, taking an inventory of critical assets—systems, people, data, products, customers, suppliers, services, etc.—and outlining plans for growth or consolidation across these assets. The titles vary by organization, but this team often includes executives (such as CIO, COO, CFO, CEO), enterprise architects, strategic planners, program managers and enterprise modelers.

The larger your organization, the more likely you are to be using multiple types of technology to help with these activities—technologies such as spreadsheets, modeling tools, Visio, scorecards and, of course, our much loved Microsoft Word documents and PowerPoint presentations. The combination of the output of these comprises your overall strategic plan—and provides an overall understanding of the organization as it stands now and where you would like it to go in the future.

The strategy silo should ideally align and collaborate with the analysis and execution silos, but most often it does not. However, before you can effectively tackle that challenge, it is important to standardize your strategy efforts as much as possible. Otherwise you end up with mini-silos within your strategic planning efforts and this just adds to the chaos and further hinders results.

Tip #1: Standardize your enterprise modeling technology.

Let's say you achieve a strong, cohesive strategic modeling function. You have a big-picture view, you know the



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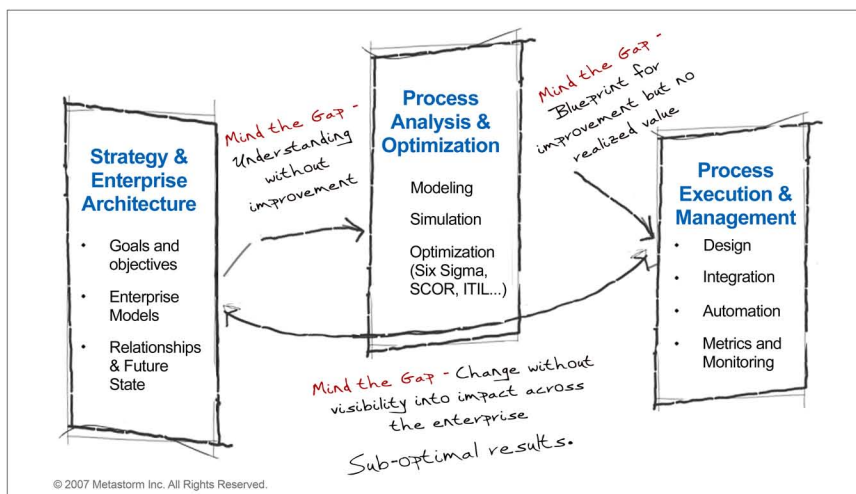
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interrelationships and dependencies of critical assets and you can use your enterprise model to identify the key processes that affect your objectives. Congratulations—you now have complete understanding. Understanding is critical, but understanding without the means to analyze and optimize your use of assets in an effective way—i.e. through effective processes—leaves you with nothing but a bunch of pictures and strategic plans that collect dust on your bookshelves.

You should now clearly see how a gap between the strategy silo and the analysis & optimization silo is a critical roadblock to aligning strategy and execution.

Gap #2: The analysis & optimization silo. An analysis & optimization silo often results from organizational attempts to improve quality and perfect processes. Initiatives such as Six Sigma, Lean, DMAIC, ISO 9000, value chain analysis and TQM trigger the formation of teams focused on process discovery, definition and optimization. Typical roles involved in process analysis and optimization include business analysts, blackbelts, quality executives, IT analysts and experts trained in a specific quality discipline or optimization technique. As is the situation with the strategy silo, the analysis & optimization silo is often comprised of scattered mini-silos throughout the organization. This makes closing the gap between strategy and analysis a complex and difficult challenge.

The analysis & optimization silo is perhaps the most dangerous of the three. If analysis is not linked to strategy, then you



could be wasting valuable time, resources and money focusing on the wrong things. You could be optimizing processes that have very little impact on meeting end goals, and it is likely that you are not leveraging all of your enterprise assets in the most optimal way across processes.

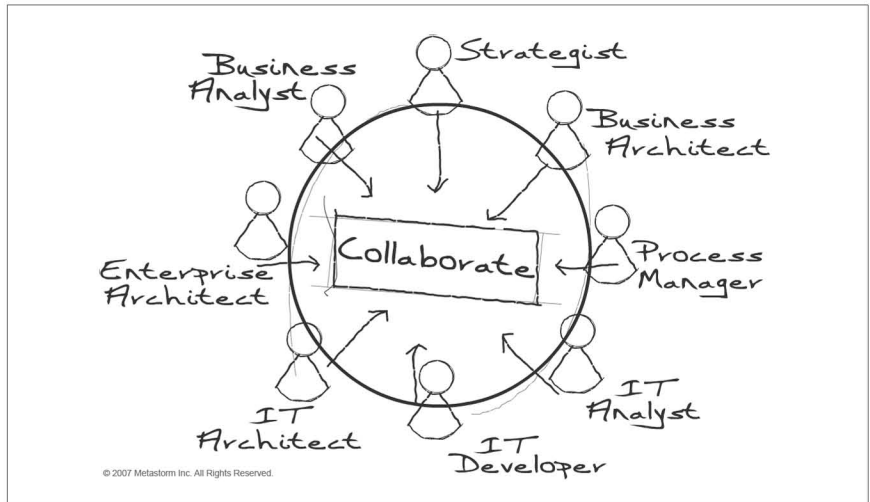
Equally dangerous is the gap between analysis and execution. You can optimize processes to perfection, but if you have no way to efficiently deploy them and gain insight into how these processes truly perform in practice then you risk failure. Many companies have flirted with bankruptcy at the same time they are winning quality improvement awards. Why? Because they are either focusing on the wrong things—a victim of the gap between the strategy and analysis silos—or they are optimizing processes with no way to actually deliver and benefit from the improvements—a victim of the gap between analysis and execution. Or perhaps both gaps exist.

The first step in addressing the gaps that surround this silo is putting the right business process analysis and optimization technology in place and to standardize it across the organization. As with enterprise models, process models that are defined in the same toolset (a real process modeling tool, not Visio) can be shared and combined to ensure interoperability and to better optimize dependent processes.

Tip #2: Select the right business process analysis tool and standardize on it.

Choosing the right technology also provides you with a path for process execution, a must-have to avoid getting lost in the gap between the analysis & optimization and the execution silos.

Gap #3: The execution silo. A few years ago, the execution silo would have solely consisted of people doing their jobs amidst a ton of paper, bureaucracy and inefficiency with no visibility and no control over what happened outside of the scope of their particular job function. This may still be the case for many organizations or individual departments, but thanks to the rapid adoption of business process management (BPM) technology and methodologies, many departments are turning their execution silo into a well-oiled machine of efficiency and productivity. These organizations have discovered how to lower costs, eliminate paper, streamline work and capture a complete audit trail of activities and data. If you have not deployed a BPM tool yet, you cannot and will not be successful if you cannot execute efficiently and do not have consistency and control over your operations. BPM is no longer optional.



Tip #3: Select the right business process management suite.

Process managers, IT analysts, business analysts, department heads and IT developers are using BPM software tools to automate and deploy process after process after process and seeing substantial financial return as well as a wealth of soft benefits. This is good; however, the majority of business process management projects fail to close the loop. They fail to really leverage the data they are capturing for strategic analysis and they fail to circle back to simulate and deploy better scenarios for continuous process improvement. Instead, they get caught up in the automation cycle at the expense of linking back to strategic objectives—hence the existence of the execution silo.

No matter how efficiently you are running everyday processes, if you do not have visibility into the impact of your actions, how your processes affect the enterprise as a whole, or how they are contributing to strategic objectives, then you are delivering suboptimal results.

The Secret to Success—Close the Gaps

The focus of this article is helping you figure out how to align strategy, analysis and execution. The secret to success is simple—close the gaps. Eliminate the silos by closing the gaps that exist between them.

You can adopt all of the best practices and deploy all of the best people in the world within each discipline, but if you do not close the gaps across these three silos your results as an organization will always be suboptimal. That is why we focus on technology. Selecting the right technology for each area and standardizing on it delivers visibility, interoperability, productivity, and agility. The right technology can also

serve as a bridge for collaboration—and collaboration is critical.

Collaboration both within and across silos is necessary to close the gaps, but this is often a challenge due to disconnects between business users and IT and a lack of a common and shared understanding of objectives, needs and results. Technology that appeals to both business users and IT can act as a bridge for communication.

Tip #4: Collaborate, collaborate, collaborate.

In an ideal world the technologies you select for strategy, analysis and execution should interoperate well, share data and services without the need for complex integration, and facilitate collaboration across the enterprise.

Summing Up

Isolated efforts related to defining enterprise strategy and architecture, analyzing and optimizing business processes and executing on day-to-day operations will fall short of success if the three areas do not align. Closing the gaps between strategy, analysis and execution is feasible, but technology and collaboration are critical factors.

You can accelerate success by choosing a single technology platform that addresses all three critical disciplines and is designed to meet the needs of both business and IT stakeholders. ■

As an integrated product portfolio, Metastorm Enterprise™ allows organizations to maximize business results by unifying strategy, analysis and execution. Metastorm brings together these critical disciplines on a single software platform to enable an understanding of enterprise architecture and strategy, accurate impact and opportunity assessment, effective process execution and accelerated value realization for organizations worldwide. For more information on powering strategic advantage with Metastorm Enterprise, visit www.metastorm.com.