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Digitising the Strategy

How using ArchiMate can help understand a Strategy


Introduction

How many times have you seen corporate strategies in the form of an Intranet statement, an eMail from the CEO or even a PowerPoint presentation. Some are great but most do not have the clarity that is needed to really covert into action.

By capturing the strategy into a structured notation, it is possible to understand it better and to then create linkages to the elements of change required to satisfy the strategy.

This discussion tries to explore the challenges when we digitise the strategy. To be clear, this is not about how you make a strategy digitally enabled. Just how to capture it in a more precise way.

"The core of strategy work is always the same: discovering the critical factors in a situation and designing a way of coordinating and focusing actions to deal with those factors."

- Richard Rumelt
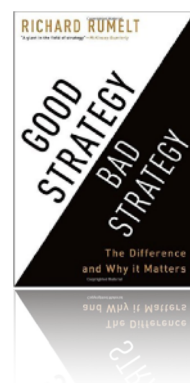
What's wrong with Strategies?

Some are good, some are bad. This is a topic that is excellently covered by Richard Rumelt and I'm definitely not going to try to cover what makes a good strategy here. However, we do need to design coordinating and focussed actions:

"95% of employees in most organisations do not understand their organisation's strategy."

- Robert S. Kaplan: Harvard Business Review, Balanced Scorecard.

So even if a Strategy is a good one, it means nothing if it not portrayed appropriately or not executed properly by achievable actions.

What is Digitising the Strategy?

An Enterprise Architect can help by using a notation like ArchiMate 3.0 to capture the intent of the strategy [Ref 2]. However what usually happens is the conversion from the typical narrative statements we find into structured objects, cracks are revealed and inconsistencies appear that ought to be challenged.

It's all about the language when the terminology often overlaps: Goal, Tactic, Intent, Vision, Outcome, Objective. And is "a Strategy" the collection of all these things?

Developing the Strategy

Digitising Up Front

Rather than wait for a strategy to be published it would be better to have earlier involved and to use such a structured notation up front in the creation of a strategy. This would help to build in the clarity from the start and give easier to handle challenges (before a strategy gets disseminated). Once captured, it can still be represented in any in-house style of narrative, such as a Balanced Scorecard, so long as it is consistent.

Digitising the strategy can avoid the "loss of strategy cohesion" and "loss of strategy fidelity" as it passes down from CEO, to execs and to their employees. [Ref 4 - Jeff Scott]

Chicken and Egg Strategy

Which comes first? The Strategy or the Architectural change analysis? Of course a strategy shouldn't just appear out of thin air; it needs to be formed, based on known ecosystems, research and industry trends. What have we got? What's wrong with what we've got? What are our strong and weak capabilities? What is everyone else doing?

If we tried to capture this high level (business and IT) architectural thinking early on when creating the Profitability example above, we may have discovered the other stakeholder needs and perhaps had to make some hard decisions early on.

ArchiMate [Ref 3] doesn't give us the exact answers we may be seeking but we have something we can start to express a strategy, or at least the story behind a strategy, like this:

The use of the concepts and relationships is still open to interpretation, but once you have settled on a set of consistent rules (or meta model) to map to the narrative elements, you have a great start. Here's a typical goal stack structure:
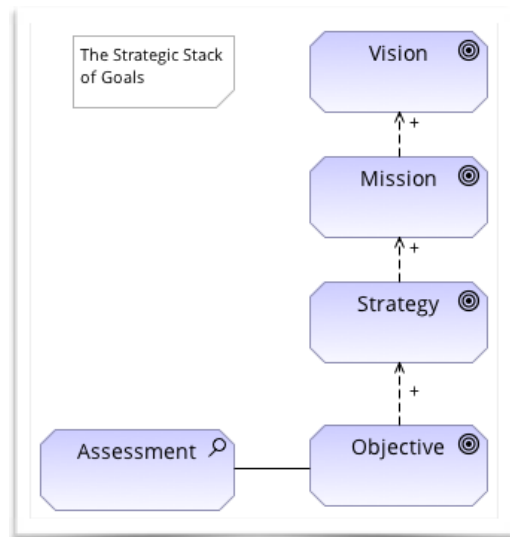
However, we're not done. ArchiMate 3.0 has introduced some other welcome additions for strategy: Capability, Resource [Ref 2 and 3] and Course of Action [Ref 3].

The Objectives need to be executed via an agreed Course of Action, which in turn will be realised by a level of Capability and their assigned Resources.
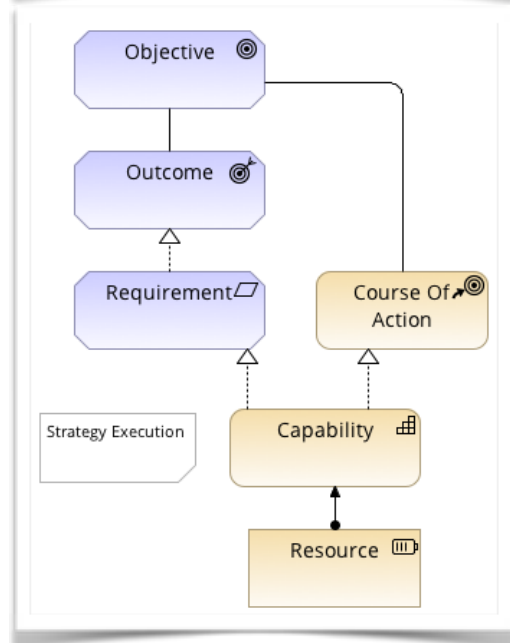
Digitising the Narrative

When looking at a document, presentation or internet site, it is really hard to know what phrases and words should be represented by these ArchiMate concepts. This isn't science, but by at least trying, it will ensure challenges questions will be posed.

Implementing a Strategy

If we have a clear picture of "the strategy", we can then help to work out, with the Senior Stakeholders, what needs to be done and how to do it - i.e. a strategy and actions.

Business Architecture is defined as being able to translate strategic intent into focussed effective actions. We can do this in ArchiMate by thinking about the Capabilities that are needed to support a set of strategic elements [Ref 1], then coming up with Work Packages to address any shortfall in the Capabilities. At this level a Capability is a very high level collection of Business, Application and Technology elements that are grouped together. We don't have to be too specific or detailed initially.

Example Strategy
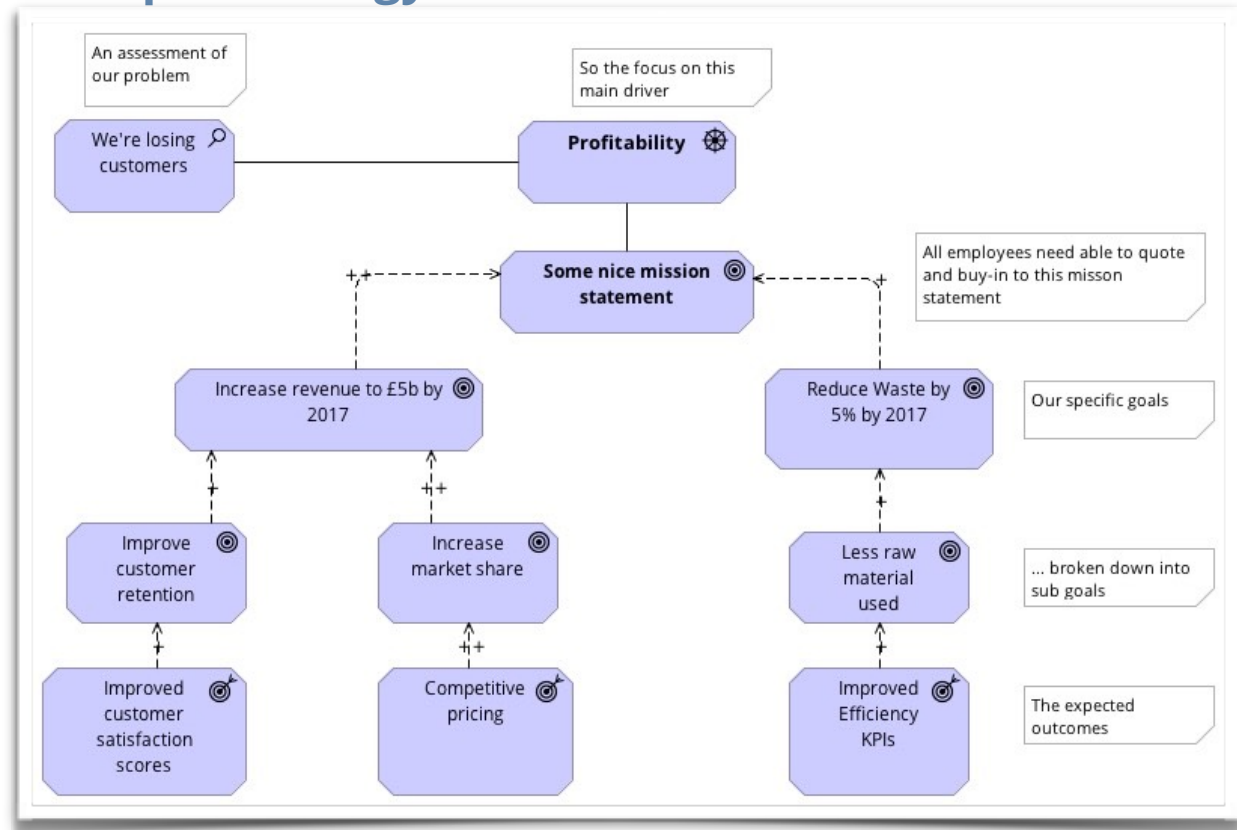
We can see a clear statement of what our driver is - 'Profitability'. Then we have a series of layered goals (Mission / Vision / Goals). We can have some nice mission statement so long as that encompasses all that is below. Finally, the outcomes as the results we expect to have at at the end.
Of course profitability may be only one key stakeholder's driver; others may need their drivers blending in, but without making things less clear.

Real world example

I decided to check out a global company's published strategy to see how it could be mapped. Brother. Please note - there are no confidentiality issues here, I have no affiliation, nor is there any strategic thinking on my part; just a digitisation of a part of its strategy.

Firstly a translation of their mid-term business strategy[1].
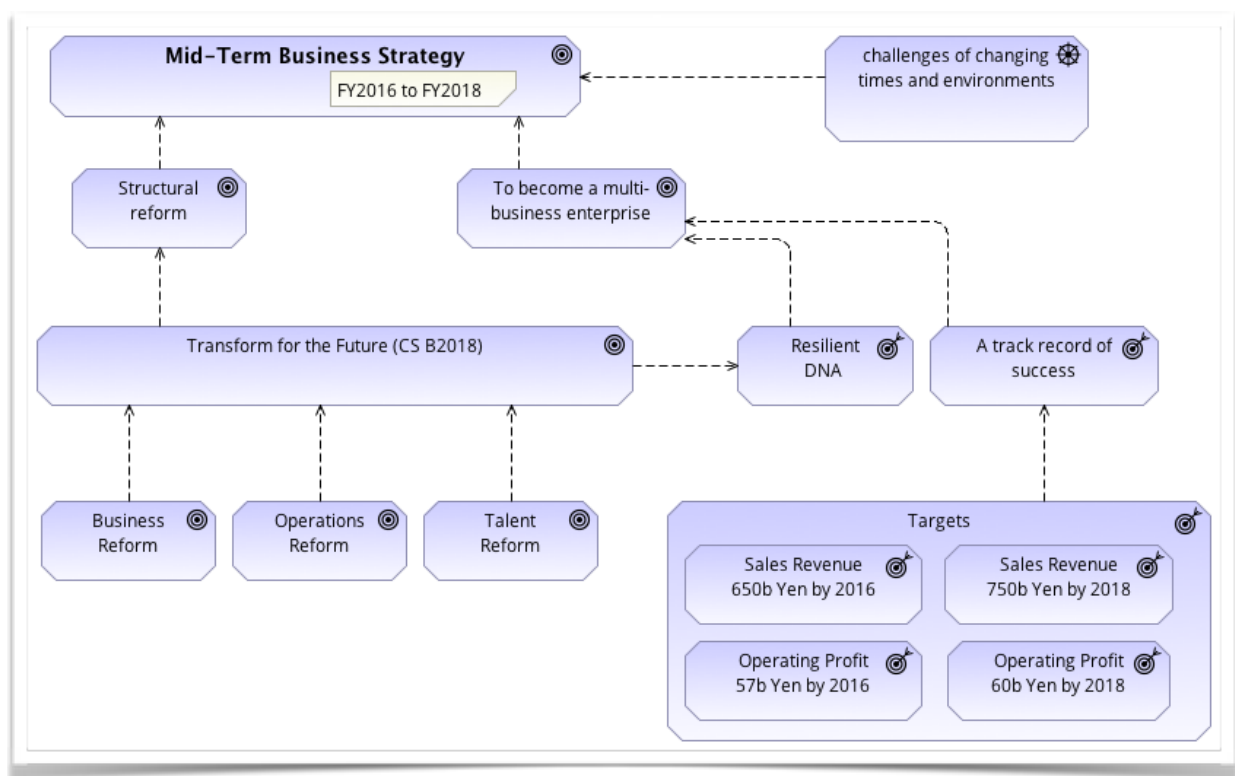
This identifies a structure and a breakdown of their specific targets. In terms of how they intend to execute the strategy we can begin to show the Course of Actions from their targets of 'Resilient DNA' and 'A track record of success', below.

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[1] http://www.brother.com/en/corporate/csb/index.htm
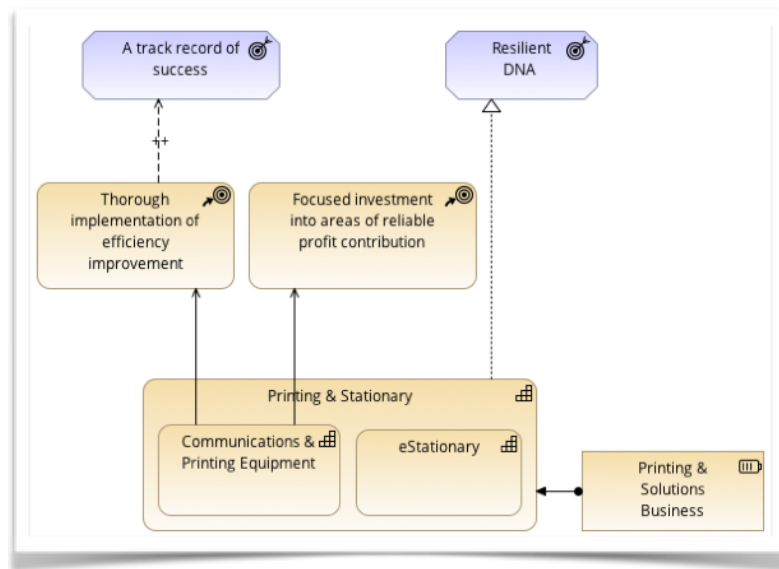
Of course, there could be much more detail to this, such as what the Transforming Reforms really mean and what a Resilient DNA is. Also, Capabilities can be assessed and work packages can be identified to address any change that is needed.

Luckily this was a well structured example to try to digitise, but hopefully it illustrates a communications point.

References

Inspiring thinking and guidance is out there:

1. ArchiMate® 3.0 - Strategy Concepts and Capability-Based Planning (Marc Lankhorst & Adina Aldea)

http://blog.bizzdesign.com/archimate-3-strategy-concepts-and-capability-based-planning

2. Modelling Strategy with ArchiMate (Adina Aldea, Maria-Eugenia Iacob, Jos van Hillegersberg)

http://doc.utwente.nl/100263/1/p1211-aldea.pdf

3. The Open Group - ArchiMate 3.0 Specification.

https://www2.opengroup.org/ogsys/catalog/C162

4. Jeff Scott - The Future of Business Architecture: Changes and Opportunities
https://www.youtube.com/watch?v=9jn_GxDmVPo