



7 Key Strategy Views to Improve Strategy Execution

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A [survey](#) conducted by The Open Group in cooperation with BiZZdesign and other partners found that the biggest difficulty in the process of strategic alignment (for over half of the 500+ respondents) is bridging the gap between strategy development and implementation.

Over the last few years, we have successively added more and more functionality to support strategy implementation with BiZZdesign Enterprise Studio. More generally, there is a growing interest in strategy and innovation tools, as exhibited by a recent strategy and innovation roadmapping [publication](#) by Gartner. However, whereas Gartner considers tools that focus specifically on the strategy domain, we think that a more integrated approach, relating strategy and innovation to the rest of the organizational architecture and design, is more fruitful.

The following is an overview of the techniques our platform supports, as well as how they can help you in defining and executing your organization's strategy.

Business Model Canvas

We have been supporting the well-known Business Model Canvas in Enterprise Studio for several years now. Its implementation is fully based on the concepts of the ArchiMate modeling standard from The Open Group (although Figure 1 does not use the ArchiMate notation, so as to keep things consumable for a business audience).

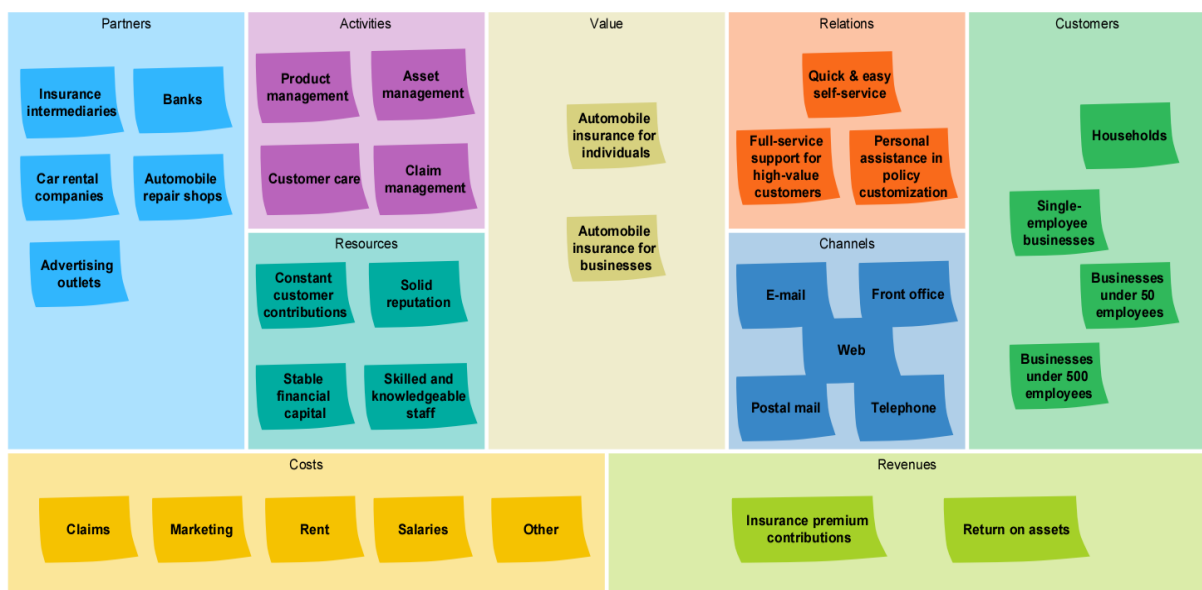


Figure 1: Business Model Canvas for an insurance company

The motivation for doing this was the growing interest in connecting the strategic and operational sides of the business, which the survey clearly illustrates, but also our own philosophy and vision – that is, if you want your organization to execute on its strategy successfully you need to tie in all the different areas and get a holistic view of change. Only then can you be sure to make decisions that make sense in the real world and benefit from stakeholders' support.



The Business Model Canvas allows you to connect the elements of your business model directly to the enterprise architecture needed to realize that business model.

Ecosystem Model

The Business Model Canvas focuses on your own organization and its links to the outside world via its customers and partners but does not address its wider environment. In Enterprise Studio, you can also model the position of your organization in its ecosystem, showing the relationships with and between other parties in more detail.

Figure 2 shows a simple example of an insurance company, with the customers and intermediaries involved, the flows of information and money and, of course, the delivery of the insurance product. This is a very straightforward example.

More involved ecosystem models can also include competitors, regulators and other parties that influence your organization. This can even include others in the ecosystem, like family and friends who influence the buying decisions of your customers, social networks that play a role, and so on.

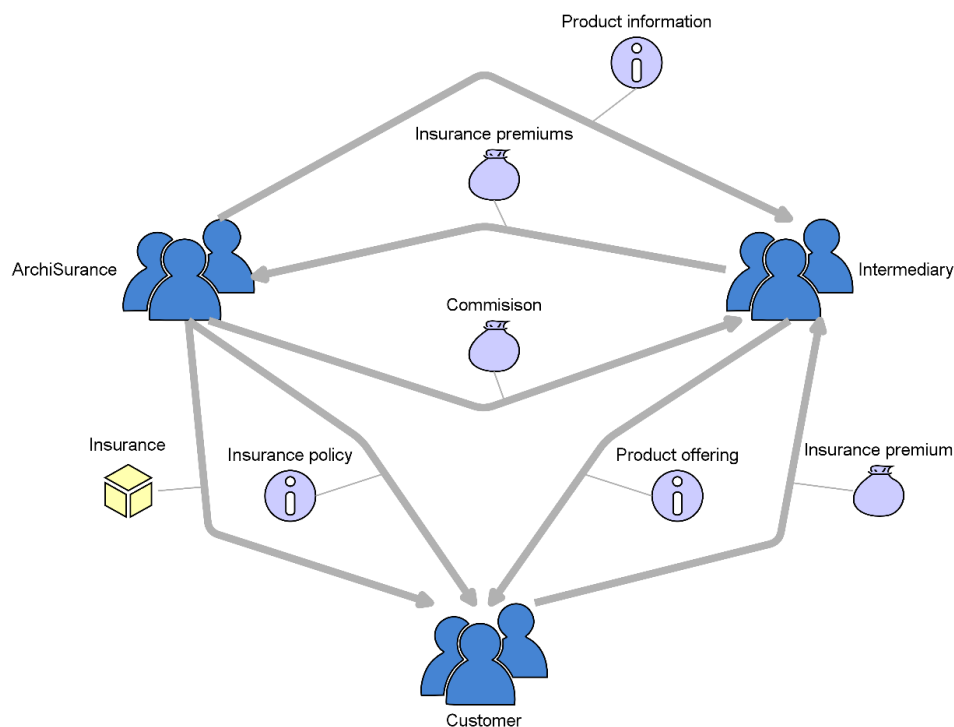


Figure 2: Ecosystem view for an insurance company

Scorecards

To evaluate strategic choices, you can create the familiar Balanced Scorecard, which you can use to define goals for improvement in the four perspectives that this scorecard addresses, as seen in Figure 3: Financial, Customer, Internal Process, as well as Learning & Growth. These are modeled using ArchiMate, in particular with its Goal concept, which in turn can be related to measures (KPIs), target values, actual outcomes, and change initiatives needed to improve these results.

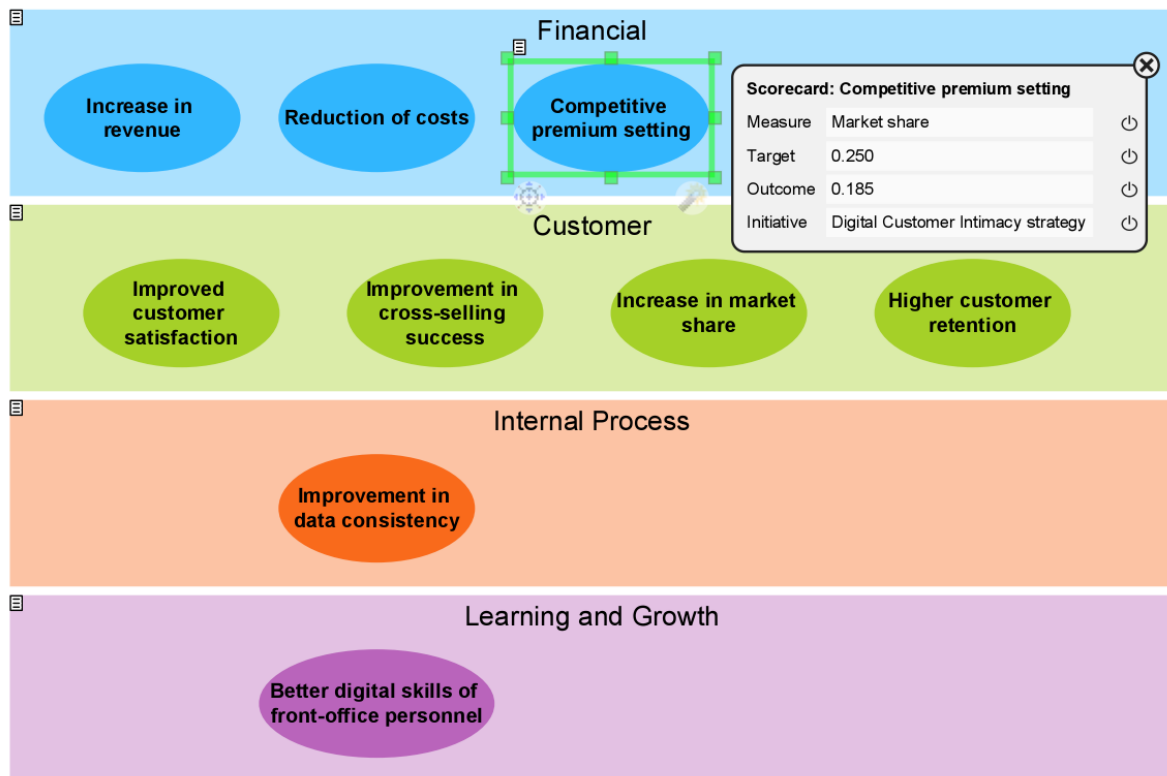


Figure 3: Balanced Scorecard

Similar kinds of analyses for your organization include SWOT, PESTEL (Political, Economic, Sociocultural, Technological, Environmental, Legal) and Porter's Five Forces analyses. All of these have a similar 'scorecard' presentation style. We offer several different layouts of scorecards to plot such elements in Enterprise Studio.

A blank example is shown below in Figure 4 for a SWOT analysis, in which you can also plot specific strategies to act on combinations of internal strengths or weaknesses, as well as external opportunities or threats. All the elements in these analyses are expressed using ArchiMate's Assessment concepts, which in turn can be linked to the various aspects of your business model and enterprise architecture.

This provides you with traceability from strategic decisions to the implementation of this strategy. Conversely, you can use this to assess the influence of bottom-up, emergent improvements on the higher-level goals of the organization. This facilitates speedy decision making on local innovations, especially if you visualize their impact using, for example, heatmaps.

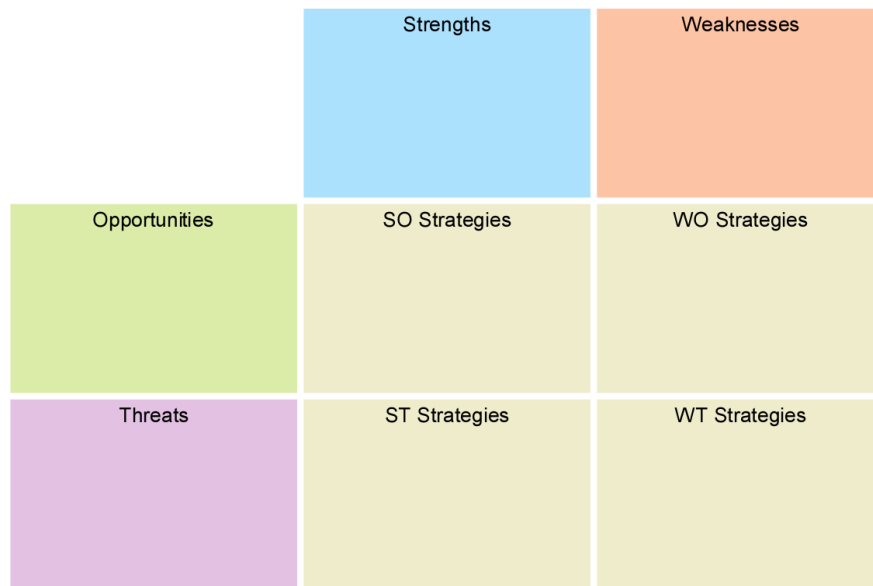


Figure 4: SWOT analysis framework

Heatmaps

You can augment your analyses by linking KPIs to each of the elements. You can define your own metrics for this based on cost, revenue, risk, customer satisfaction scores or other relevant parameters. These can also be visualized graphically. The example in Figure 5 shows a heatmap where the colors of the elements of a PESTEL analysis are based on their expected impact on the organization (high = red, medium = yellow, low = green). This works in a similar fashion for the other types of analysis.

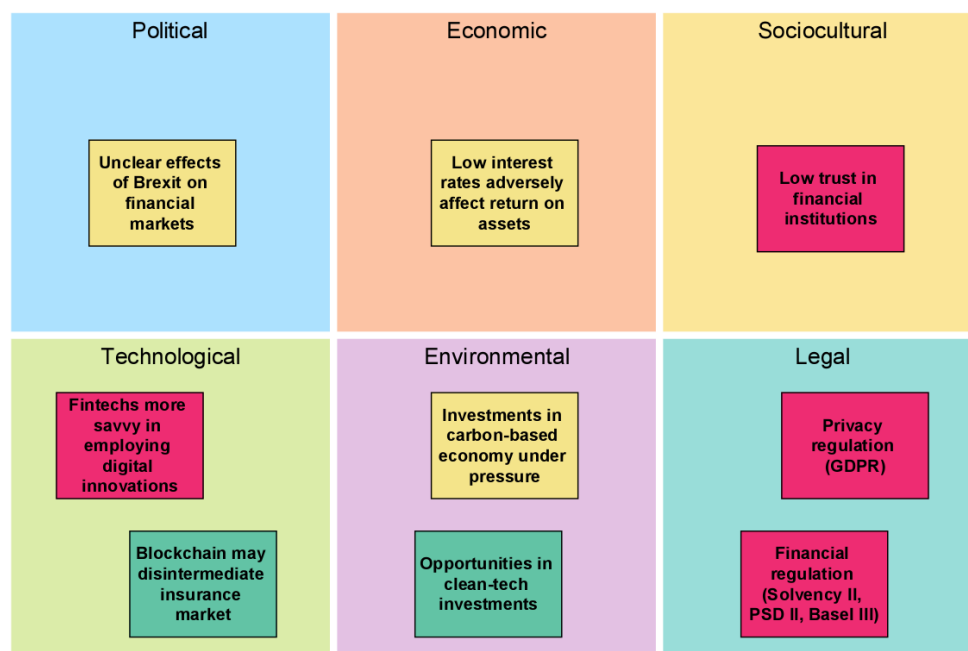


Figure 5: PESTEL analysis, with colors showing expected impact



Scenario Analysis

To assess the robustness of your business models against future uncertainties, the analyses mentioned before can be combined with a business model stress-testing approach. For instance, you can base these scenarios on the dimensions of a PESTEL analysis, where you look at political, economic, sociocultural, technological, environmental and legal trends, developments and uncertainties.

Classical scenario analysis then picks the two themes with the highest uncertainty and potential impact, which gives you four quadrants, but you can do this for any number of dimensions. If your business model holds up under each of these possible outcomes, it is robust, but if it breaks down when one of these possible future scenarios materializes, you may run substantial risks.

In our scenario analysis view, you can plot the elements of your business model as expressed in the Business Model Canvas we featured before. These elements can then be analyzed along the themes and scenarios that you think may influence them and you can choose two extremes for each theme to assess.

Using this model, you can see how the different elements of your business model would hold up against these opposite possible futures in terms of their effects on cost, risk and other relevant business variables. In Figure 6 we show the impact of the use of cognitive systems for customer interaction. The two extremes of this theme are shown: human interaction prevails vs. conversational agents become dominant.

The impact on cost and risk for the various business model elements is then assessed. At the top of the figure, you can see how these values are also aggregated across the entire business model. Of course, we cannot predict the future, but such a scenario analysis helps you reduce the risk associated with implementing a new business model.

		Cognitive systems	
		Human helpdesk prevailing	Conversational agents prevailing
Business Model Canvas	Cost is higher in this scenario, and defending the current market share may be difficult	Lower cost due to automation, but there are substantial uncertainties	
	Cost Risk	Cost Risk	
Partners	Advice by intermediaries remains as important as it is now	Automated advice on insurance products leads to disruptive disintermediation	
	Cost Risk	Cost Risk	
Activities	Same old, same old	Advisory activities are automated, requiring more straight-through processing	
	Cost Risk	Cost Risk	
Value	Current value proposition not affected	Lower price may lead to more attractive value proposition	
	Cost Risk	Cost Risk	
Relations	Customer relationship can be made more personal	Lower level of perceived customer intimacy	
	Cost Risk	Cost Risk	
Customers	Digitally savvy millennials may defect to more 'modern' competitors	Some customer segments may not want or be able to use conversation agent.	
	Cost Risk	Cost Risk	
Resources	Same resources needed	Reduction in front-office resources	
	Cost Risk	Cost Risk	
Channels	Low impact on existing channels	Major impact on channels that rely on human interaction	
	Cost Risk	Cost Risk	
Costs	Human interaction is substantially more expensive	Automation of this interaction may lead to substantial cost savings	
	Cost Risk	Cost Risk	
Revenues	Loss of some customers possible due to price-sensitivity	Lower price may lead to increase in market share	
	Cost Risk	Cost Risk	



Figure 6: Business model scenario analysis

If you find out that some parts of it will easily break down in certain scenarios – for example, because they are too costly to implement or do comply with government regulation – you may decide that this business model is too hazardous.

Portfolio Dashboards

An important part of your business model and strategy is, of course, your set of value propositions. You can use Enterprise Studio’s portfolio management functionality to manage your product or service portfolio, creating a growth-share matrix (a.k.a. BCG matrix) like the example shown in Figure 7.

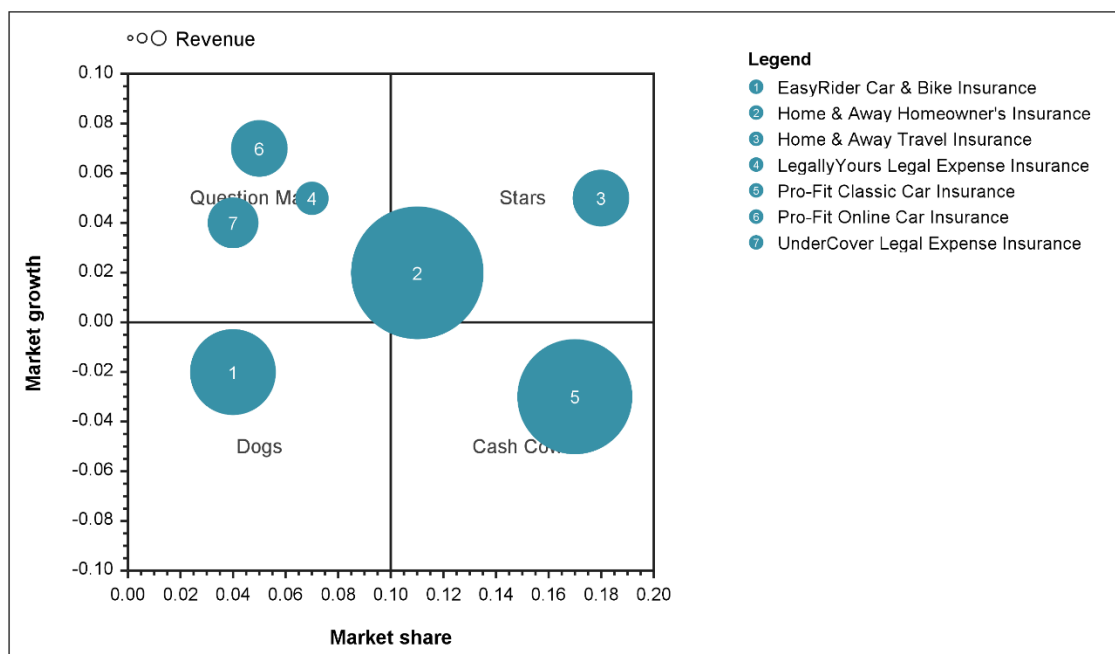


Figure 7: Growth-share matrix

You see the revenue, market share and market growth of a number of insurance products, and their classification as ‘stars,’ ‘dogs,’ ‘cash cows’ and ‘question marks.’ This helps you identify opportunities for strategic investments, important products that need to be reinforced to protect their market share, low-performing products that could perhaps be phased out and so on. You could also combine this with scenario analyses to evaluate the impact of different future scenarios on your product portfolio.

Journey Maps

Because all of this is based on an integrated set of models, you can easily navigate from a strategic analysis to the corresponding business models, and drill down into their business processes and resources. For example, you can look for potential synergies to improve operational efficiency,



address the impact of new regulatory demands on your business operations, find new sources of revenue, analyze operational risks or address the quality of your customer experience.

Customer Journey Maps

Customer Journey Maps represent an increasingly popular technique to find ways to enhance the customer experience in order to drive market share growth. They focus on the touchpoints that characterize the customers' interaction with the services of the organization and help you optimize this experience. ArchiMate concepts can easily be used in customer journey maps.

The backbone of a customer journey map is of course the business process, with the stages therein modeled as sub-processes. The touchpoints with the customer are modeled as business services plus business interfaces, to model both the behavior of the organization and the channels it uses in the customer contact. Different customer journey maps for the same process could be specified for various personas, who are typically modeled as business roles.

Information from customer surveys and other measurements of the customer experience (e.g. data from the website or call center, net promoter score) is added to the steps in the process, using ArchiMate's profile mechanism to specify relevant attributes. Alternatively, you can define Metric as a specialization of the Driver concept, in the way described in Section 15.2.5 of the ArchiMate 3.0 standard.

Different metrics for different aspects of the customer journey can be associated with the steps in the journey. This information has to be evaluated, which can be modeled with the Assessment concept, and appropriate improvements to the customer experience may be specified as Requirements. There is no fixed, standardized vocabulary in customer journey maps. Figure 8 shows a number of common terms and their mapping onto appropriate ArchiMate concepts.

Customer Journey Map	ArchiMate
Persona	Business Role
Customer Journey, Process, Scenario	Business Process
Stage	Business Process
Touchpoint	Business Service
Channel	Business Interface
Experience, Feeling	Metric (specialization of Driver), or profile attribute
Evaluation	Assessment
Opportunity, Improvement	Requirement

Figure 8: Table with Customer Journey map and ArchiMate terms mapping

Customer journey maps are typically depicted using a graph that shows the touchpoints in the process on the horizontal axis and the quality of the experience from the customers' point of view (e.g. in terms of meeting or exceeding their expectations) on the vertical axis. Around this, other



kinds of information can be shown in various ways, for example using swim lanes to depict the channels used and smiley faces to show how your customers feel about certain touchpoints, as shown in Figure 9.

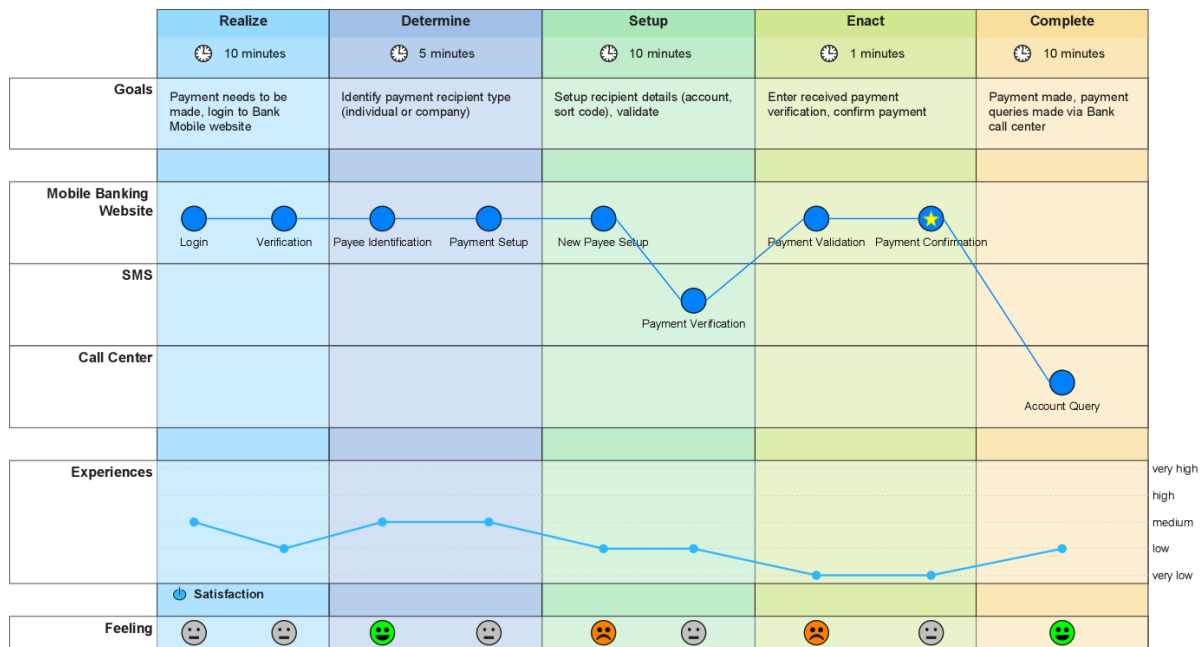


Figure 9: Customer Journey Map

Business Outcome Journey Maps

This type of visualization is a very useful tool for business architects. It shows in a single overview a number of key business aspects that management can easily understand, without the need to go into the underlying complexity of the architecture. By combining useful techniques such as capability maps, journey maps, and value stream/capability cross-mapping, it helps you focus on the salient aspects of value creation in the enterprise.

You can also combine it with various analyses such as capability heatmapping, further enriching this overview. Below in Figure 10, we see a simple capability heatmap showing the cost level of capabilities. At the bottom of the figure, we also see a metric with the perceived value (from the stakeholder’s perspective) across the stages of the journey.

This way, you can create a very rich and informative picture of the value creation in your enterprise. For example, this analysis shows that the capability “Distribution channel management” has a high cost, but its perceived value is also high, so it provides value for money. “Sales execution”, another costly capability, is deemed of low value. This may require management attention to lower the cost and/or improve the value this capability delivers.



Such a business outcome journey does not need to be limited by the boundaries of your own enterprise. You might incorporate external partners as well, if they are participants in your value streams.

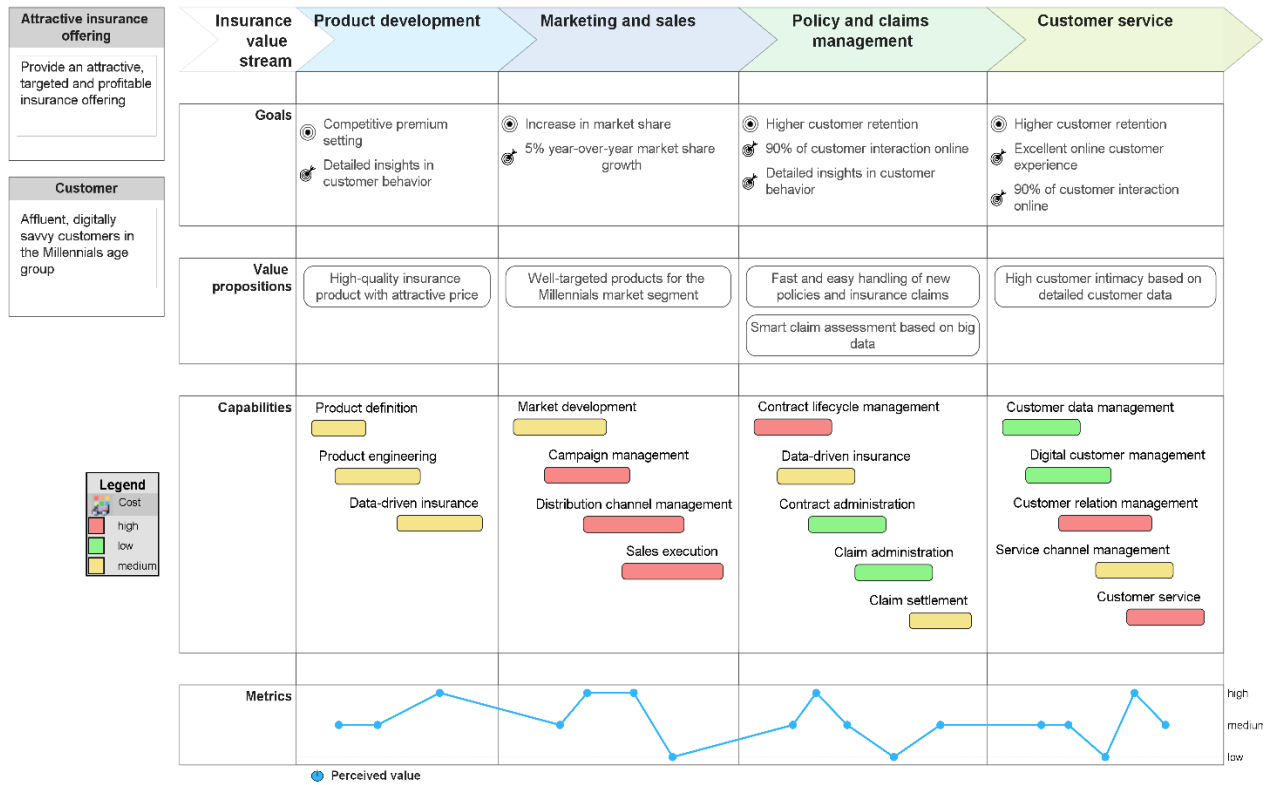


Figure 10: Capability heatmap showing the cost level of capabilities

Both these types of journey map can, of course, be linked to the assessments and goals mentioned above, and to the overall business model as expressed in the Business Model Canvas. This way, you have a full overview of the business model(s) and operating model(s) of your enterprise.

Towards implementation

To help you decide which initiatives need to be funded and prioritized to act on the strategic direction you have set, you can relate all of the previously mentioned strategy descriptions to your portfolios of change programs and projects. The implementation of these initiatives in terms of new value streams, capability improvements, organizational changes, new or improved business processes and IT systems can of course be planned in more detail using our roadmap and lifecycle functionality.

If you have questions about what I've discussed here, please [book a demonstration](#) and we can showcase this functionality live to you!



About BiZZdesign

BiZZdesign is a leading enterprise transformation software vendor based in the Netherlands. Founded in 2000 as the commercial spin-off of an R&D institute, today the company enjoys a global presence and is recognized by industry analysts as a market leader. BiZZdesign's flagship product, Enterprise Studio, is deployed in blue chip companies and government organizations across all continents, where it plays a key role in enabling meaningful business change.

For more information, please visit www.BiZZdesign.com.