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HOW CAN YOU ENSURE SUCCESSFUL BUSINESS TRANSFORMATION?

THE IMPORTANCE OF BRIDGING THE STRATEGY TO DELIVERY GAP

By Suzanne Costella

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ABOUT THE AUTHOR

SUZANNE COSTELLA

Suzanne is an independent business strategy, architecture and transformation consultant, and Associate of Laudale.

Suzanne has 20 years experience leading strategy, architecture and business transformation, working with executive teams at a wide variety of organisations.

THE IMPORTANCE OF BRIDGING THE STRATEGY TO DELIVERY GAP

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Many businesses invest huge resources in defining a 'brilliant' strategy or kicking-off major delivery programmes, but then find they don't achieve the results they anticipated or hit the timescales they had targeted.

Effective Business Transformation is hard…no question, but I will suggest Business Architecture as a really neat way for your business to get maximum value from your transformation, increasing and expediting your revenue and cost goals.

I understand that jargon like 'architecture', 'roadmaps' or 'change journeys' may instantly turn-off some people – you need to find the right language which works for your business.

BRIDGING THE STRATEGY TO DELIVERY GAP

What I think is really important is that you have an effective method to translate strategy into clear, implementable designs and plans, which all aspects of the organisation are aligned to.

Many businesses struggle to bridge this gap, leading to common challenges:

- The strategy seems clear to the Board, but isn't understood throughout the business
- The organisation culture and people are not aligned
- The change and IT community don't have capability or resources to translate the strategy into plans or align existing programmes
- Change programmes are off-track and not delivering the benefits promised or succeeding in changing activity on the ground

If any of this sounds familiar, it would be worth checking what shape your Business Architecture is in, or even worse whether you have one at all.

"If you jump from a strategy paper into kicking off a programme and writing requirements, you are likely to face some of these challenges, which have serious commercial impacts for organisations every day"

HOW CAN YOU ENSURE SUCCESSFUL BUSINESS TRANSFORMATION?

INVESTING IN BUSINESS ARCHITECTURE

I generally find most businesses have an understanding of Enterprise Architecture, which is often focused on the IT estate. If an organisation doesn't have a clear blueprint for how to transform its people, processes, capabilities and operation, it is unlikely it will achieve success with its IT.

So why don't businesses invest enough in Business Architecture, or see it as something academic or with limited value? I've outlined some of the main challenges I have encountered below, looking at what the business may say and what they may experience as a result.

We already have a clear strategy
Strategy work has delivered the vision or a goal (maybe the 'what' rather than the how') but the business is not set up or capable of delivering these growth/cost/profit targets in it's current state.

Our transformation plans are already underway, we can't waste time
There are often major weaknesses in the requirements, architecture, designs, benefits and programmes. It is difficult to align and govern complex portfolios without clear blueprints. Like building a house with great tradespeople and a project manager, but no architect - timescales and delivery of benefits are bound to suffer. In commercial terms this means overspend on programmes and resources used on activities not critical for the strategy.

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INVESTING IN BUSINESS ARCHITECTURE

In an agile/digital world is this outmoded? will it slow us down?
In an effort to quickly move into delivery and implementation, a lack of planning, coordination and governance across all change, can waste time and resources rather than expedite progress. The more change you have concurrently underway or the more agile your approach, the more critical a blueprint is.

Our operating model and organisation design are not something we need to review
The scale and market in which a business operates may have changed significantly and mean the internal organisation is no longer fit for purpose. The organisation and structure of a business often grow organically rather than be planned strategically.

We already measure customer experience and colleague engagement - this will tell us how we're doing
Measuring but not managing is very common. if a business takes no action to align its transformation to affect change to key measures and link local business improvement, it is unlikely the key stakeholders will see effective results. Customer and colleague experience are critical and should not be seen as a discrete function in a single area of the business such as marketing or HR.

INVESTING IN BUSINESS ARCHITECTURE

I'm not suggesting there is a single guarantee of success for transformation, but I am passionate about the tangible value that sound Business Architecture can deliver for your business, whatever its objectives:

Growth (new products, channels or markets)
Cost / efficiency
M&A / integration / divestment
IT transformation

It provides a key link in the chain, connecting strategy to delivery and implementation.

So, what are the key components that I think you need to develop?

"It is a combination of skilled people, processes and tools"

INVESTING IN BUSINESS ARCHITECTURE

The key questions I suggest you ask yourself are:

Can you define your Business Model clearly?
This will outline what your business does to make money (a 'demand' view)

Who are your customers (existing and new)? How do you reach them?
What are the propositions (products and services) you offer?
What is your Operating Model?
This has many dimensions and includes the capabilities you need to deliver to the market (a 'supply' view) – people, processes, premises, supply chains etc. It links very closely with the IT architecture

What is the gap between your current and target models?
This informs the change you need to deliver to achieve your strategy and will require analysis of both the business and operating models e.g. are you targeting new products or channels, are you trying to reduce cost, integrate or divest areas of the business?

Have you defined an overall transformation plan or roadmap?
This defines a clear sequence for the change and enables a business to understand the interim operating model at key milestones on the journey. This will be key to engaging your staff and stakeholders

Have you designed the change portfolio with steps 1-4 in mind?
This is the optimum configuration or programmes and projects. It requires clear governance of all requirements and designs back to the target models, to ensure all change is coordinated and delivering against the strategy, with optimum allocation of resources.

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INVESTING IN BUSINESS ARCHITECTURE

Many businesses will miss out the first 3 or 4 steps of this approach, moving from a strategy or business case straight into defining or mobilising a programme or change portfolio.

I would very strongly advocate that you invest talent and activity to define your target state and how you will achieve this, in detail, before you kick-off change. You need to ensure you are building the capabilities to effectively deliver your strategy, as your current business may not be able to deliver the results you want.

Understanding the value Business Architecture can deliver, comes from being confident that you understand how each area of your organisation needs to change and that you can optimise all of the resources to deliver this. If you don't have an approach to do this already, or are facing some of the challenges outlined earlier – it would be worth looking at Business Architecture in more detail & how it can help your business.

So if you do invest in capable people and deliver a strong set of architecture outputs, what value can you expect to achieve? Your efforts should not be seen as an academic exercise, but an efficient approach to deliver tangible improvements and accelerate business performance.

KEY BENEFITS: ALL WITHIN YOUR REACH

- Provides a more strategic (less tactical) approach to planning investment or targeting cost savings which will unlock value in a sustainable way; improve **efficiency and revenue** goals in addition to **culture and engagement** benefits. Business Architecture takes a holistic approach to design the change required, rather than repeatedly targeting the same areas

- A clear summary of how all change fits together and what it will deliver. This helps **buy-in from numerous stakeholder groups** – busy executives who get overloaded with information from multiple programmes, colleagues who want to understand what it means for them and the change / IT community to help manage and govern dependencies

- Assurance that scarce resources (people, operational, financial & change) are prioritised in the areas to achieve greatest results. Planning and delivering business transformation with greatest efficiency. This can **reduce operating and investment costs** and ensure more 'bang for your buck' – **expediting and increasing benefits**

"If you can successfully bridge the gap between your strategic goals and the business transformation you implement, then you can unlock all of these benefits"

THANKS FOR READING

A BIT ABOUT US

Laudale is an executive search, interim management and consulting firm.

We specialise in Business Technology, working with private and public sector clients to build high-performing digital, IT and programme leadership teams.

We're the only firm of our kind to cater specifically to businesses in the North of England, sourcing talent through UK-wide and global networks.

TALK TO US

We're ready to make a connection...

hello@laudale.com
0161 457 1185
www.laudale.com