

# Achieving Corporate Strategy: The Path to Profit

From Concept to Benefit, getting from Great Ideas to  
Achievement of Strategy

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### The Business Need



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Constant change, corporate politics, functional silos and many other factors affect progress toward business objectives.

A sound business plan and clearly defined goals are essential, but the key to successful execution is clear understanding of how to accomplish those goals.

This paper looks at process relationships and information flow across the business from strategic planning to achievement of the strategy, from great ideas to benefits realization. To ensure the business efficiently and effectively achieves its strategy, the organization must optimize the outcomes from their processes across the entire lifecycle.

While organizations put emphasis on improvement of individual processes, improvement across processes and systems is often neglected. This big picture transformation is more difficult to tackle. Over time, standalone systems, functional stovepipes and constant change cause issues around data, communication, processes, systems and performance. A business does not want the strategy/execution disconnect shown above. While this task of analyzing and improving the full lifecycle is difficult, the results are very valuable to the organization.

### The Business Issues

Virtually every organization has information fragmented in multiple repositories and enterprise applications. Many obstacles keep organizations from meeting their basic needs for efficient operations, strategic alignment and profitability. Common business issues include:

- Process Issues:

#### The Lifecycle Answers:

- Strategic Planning – How can the organization succeed?
- Portfolio Management – What should we be doing to achieve our strategy? How should we spend our budget to ensure highest ROI?
- Project Management – How do we best achieve these things we should be doing?
- Organizational Change Management – Are the people ready for the change?
- Operations – Are we efficiently putting the plans into place for ongoing operations?



- Inefficient
- Duplication of effort and disconnected processes
- No standardization, documentation or understanding of process
- Poor metrics and poor performance
- Data Issues:
  - Insufficient or bad data
  - Difficulty in obtaining data
  - No authoritative source of data, duplicate entry
- Technical Issues:
  - Insufficient applications and infrastructure to support best practice processes
  - Disparate applications and systems

### The Holistic view of the full lifecycle

Figure 1 shows the relationship of Strategic Planning, Portfolio Management, Project Management and Operations. All of these processes contribute to achievement of strategy, thus are critical to business success.



Figure 1: The Strategic Realization Lifecycle



Figure 1 clearly shows that weaknesses in Strategic Planning, Portfolio Management, Project Management or Operations will result in problems in the other areas as there are information feeds and dependencies between these functions. In addition, the processes in each of these major areas must be efficient and must provide quality information to the other areas. The table below provides the typical issues for each of the processes.

Portfolio Management, Resource Management, Project Management, Change Management are shown in blue because these functions should make up the best practice PMO for the organization. Project management and change management work together to ensure projects are efficiently and successfully completed, while resource management and portfolio management work together to ensure that the portfolio of projects is optimized.

| Function/ Process                       | Typical Process Issues   |
|---|--|
| <b>Strategic Planning</b>               | <ul style="list-style-type: none"> <li>• Objectives not clear, not understood by the organization</li> <li>• Organization is unable to interpret the strategy into what needs to be done</li> </ul>  |
| <b>Portfolio Management</b>             | <ul style="list-style-type: none"> <li>• Not using objective criteria for investment selection</li> <li>• Selection criteria not clearly related to strategic tie and benefits realization</li> <li>• Not sizing the portfolio correctly to match resource capacity to demand</li> </ul> |
| <b>Project Management</b>               | <ul style="list-style-type: none"> <li>• Overlapping projects, redundant projects</li> <li>• Projects not aligned with strategy and not meeting customer needs. Projects working at cross purposes</li> <li>• Resource conflicts, poor project performance</li> </ul>                    |
| <b>Organizational Change Management</b> | <ul style="list-style-type: none"> <li>• People are resistant to the changes</li> <li>• No sponsor for the change</li> <li>• Poor training and reinforcement for the change</li> <li>• People going back to old systems and processes after transition to operations</li> </ul>          |
| <b>Operations</b>                       | <ul style="list-style-type: none"> <li>• Transition process not sufficient for smooth rollout</li> <li>• Rush to get to production can result in problems after rollout</li> </ul>   |

Table 1: Process Issues

The strategic goals are meaningless to the organization unless they are clear, understood by all and interpreted into the activities required to achieve the goals. This means that executives should not throw high-level strategic goals out to the organization with the directive to make it happen. Instead, they should have a clear idea of the major activities designed to meet the strategic objectives to ensure the organization is headed in the right direction. Leaders in strategic planning and portfolio management can work together to clearly connect the strategy with the required tactical activity.



Portfolio management will determine the optimized portfolio of investments based on analysis, valuation and prioritization of the business needs. To prioritize investments, a scoring model is developed based on the organization’s definition of value. The model will provide strategic alignment and will represent the benefit provided by the investment.

When funding decisions are complete, approved projects move to the project management process in the lifecycle. Project Management is complex and key to achievement of the business needs. Therefore, best practice processes are key to achievement of the corporate plans.

| Process                                 | Keys to Success   |
|---|---|
| <b>Portfolio Management</b>             | <ul style="list-style-type: none"> <li>Flexible scoring model that defines investment value for the organization</li> <li>Portfolio balanced for short and long term</li> <li>Project performance information for decision making</li> <li>Clear strategic goals</li> </ul>   |
| <b>Project Management</b>               | <ul style="list-style-type: none"> <li>Active Sponsors</li> <li>Best Practices</li> <li>Clear scope and objectives</li> <li>Flexibility to streamline process to fit the size, risk level and criticality of the project</li> <li>Thorough Risk Management plan</li> <li>Support from Executive Level</li> </ul>  |
| <b>Organizational Change Management</b> | <ul style="list-style-type: none"> <li>Active Sponsors</li> <li>Communication</li> <li>Support from Executive Level</li> <li>Organizational Change Management competency across the organization</li> <li>Dedicated Change Management resources assigned at beginning of large change projects</li> <li>Communication of business drivers for the change</li> </ul> |

Table 2: Best Practices

## Performance Management

Performance Management is an element in each of the processes as metrics and analysis are required to ensure each area is achieving its goals and to ensure benefits realization from the system as a whole. For decision makers, portfolio management will provide benefits realization metrics including financial benefits. Portfolio management measures progress toward corporate goals based on the metrics for each goal and reports this information to strategic planning/executives. For each project, metrics will be established to ensure the project team is meeting the project goals. Project Performance is measured and analyzed to develop corrective actions and ensure risks are managed. This Performance information is reviewed in Project and Program reviews to ensure Project Management performance is optimized. Performance information is fed from the Project Management system to the Portfolio



Management system (and/ or the Program Management system) to allow decision making for the portfolio and programs. In Portfolio reviews, project performance is taken into consideration and failing projects may be stopped.

### The Corporate Culture that achieves the Strategy

Corporate culture has a huge impact on the success of any change. With the constantly changing market, the organization must be agile to evolve strategy as needed. The high performing organization has specific characteristics:

- Rigorous Organizational Change Management
- Robust Risk Management
- Best Practice Processes
- Focus on People, Process, and Outcomes
- Sponsorship
- Continuous improvement
- Good communication between all levels and functions of the organization

It is important that the leaders understand the value of each element shown in figure 1. They must understand the benefit to be achieved from best practice processes, specifically in the areas of Project Management, Portfolio Management, Organizational Change Management (OCM) and Resource Management. The business needs to have competency in Organizational Change Management across the organization. Change leaders, managers, supervisors and leaders of the organization must understand and be competent in their roles in OCM to ensure successful change.

Understanding of the value of Talent Management is on the rise as the business community sees the benefit resulting from hiring talented and skilled people and ensuring their workforce receives training and education to continuously improve and build more skill and knowledge. This goes hand in hand with the need for knowledge management in the organization, building centers of excellence across the business. Businesses can benefit from strong investment in their people, processes and outcomes to maximize performance. The high performing, agile organization is continuously improving the functional areas shown in Figure 1 to ensure the business is keeping up with the pace of change in the market place and staying ahead of competition.

### Building the Holistic Lifecycle Solution: the Roadmap to a Better Future

How do you build the holistic lifecycle process to optimize sharing information across processes, eliminate duplication of tasks, and improve each process while optimizing across all processes? First, ensure high-level sponsorship with a clear understanding of the value of this effort from the top down. As this solution provides both strategic and tactical benefit and provides significant financial benefit, this holistic approach should be an easy “sell” to the leaders of the organization. However, the new lifecycle design may require breaking down barriers between functions and may bring major changes



in governance and decision-making. Good Change Management planning can help ensure success of the new solution.

By mapping the current processes, systems and data flow, you will reveal gaps, duplications and problem areas. Analysis of this current situation will determine required improvements to establish the optimized lifecycle. Keep in mind that the goal is to improve individual processes as well as tying the processes together and developing good information flow and process coordination across the lifecycle.

This improved lifecycle will provide benefits of strategic achievement, a portfolio of investments with the highest ROI and improved efficiency across the organization. The transformation effort is not easy to achieve but well worth the effort.