Strategy Mapping and Business Architecture

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At the Business Architecture Innovation Summit in Reston, VA this past March, a major challenge voiced by attendees was the difficulty they were experiencing in tying business strategy to business architecture. Because business strategy drives change, and business architecture enables change to become actionable, it follows that these two concepts should be closely aligned. But how does such alignment occur? The answer lies in ensuring that strategy mapping is adopted as an essential business architecture discipline that serves as the basis for integrating business goals, objectives and related action items into a comprehensive, business-driven perspective.

A well-articulated business strategy is an important element in fully leveraging business architecture. Once goals, objectives and related action items are established, management can assess the overall impact they have on core capabilities, value streams, business units and information. This impact analysis enables planning teams to further articulate and refine the actions to be taken. For example, if I know that a given set of objectives impacts two value streams, six capabilities, four business units and three information concepts, I can narrow my action item and initiative focus to these focal points.

The process begins, however, with strategy mapping. The importance of strategy mapping as a business architecture discipline is demonstrated by the fact that strategy mapping is the first blueprinting section found within "A Guide to the Business Architecture Body of knowledge".[i] Strategy maps vary but are essentially a graphical depiction of goals, objectives and related courses of action, often aligned against an organizational backdrop. Strategy mapping has existed in one form or another for some time. Sample strategy mapping approaches are shown below.

- Strength/Weakness/Opportunity/Threat (SWOT) analysis
- Five Forces Model (Michael Porter)[ii]
- Norton Kaplan Strategy Map[iii]
- Hoshin Kanri[iv]
- Business Motivation Model (BMM)[v]

SWOT analysis and the Five Forces Model both enable strategy formulation by highlighting focal points that executives should incorporate into strategic planning efforts. SWOT, for example, surfaces internal and external perspectives that should be capitalized upon or otherwise addressed. The Five Forces Model focuses threats through a finer lens of competition, buyers and suppliers.

The Norton Kaplan Strategy Map, on the other hand, "provides the discipline to ensure that the formulated strategy has specific objectives for shareholders and customers, an explicit customer value proposition, the critical internal processes for creating and delivering the value proposition, and aligned human resources, information technology, and organization culture."[vi] In other works, this Strategy Map offers a more complete, in context perspective on business strategy.

The two final strategy mapping categories in the previous list provide additional perspectives. For

example, the Business Motivation Model (BMM) provides a mapping between the "ends" to be achieved (i.e., goals and objectives) and strategies and tactics (i.e., the "means") needed to achieve those ends. Hoshin Kanri provides similar cross-mapping concepts include tying mission, goals and objectives with action items and key performance indicators (KPIs).

Regardless of the strategy mapping approach selected, turning strategies into actionable results requires identifying the business impacts on core business architecture perspectives. Consider, for example, the goal to "provide more customer and transactional transparency throughout the product sales cycle." Business architects would determine that this strategy targets the "Acquire Product" value stream and "Account File Management", "Customer Management" and "Account Routing" capabilities.

Further analysis determines that these capabilities are used by multiple business units and rely on redundant, fragmented application systems, manual processes and desktop systems. The underlying implementation fragmentation and redundancy behind this value stream and capabilities are deemed to be the cause of poor transparency. The link between goals and objectives; capabilities, value streams and business units; and processes and technologies that implement them provide concise impact analysis needed to craft a business-driven solution roadmap and initiative funding that is aligned to business strategy and implementation realities.

Strategy is an important concept for most organizations and turning strategy into actionable results is the clear test for any such strategy. When coupled with other aspects of business architecture, including value, capability, organization and information mapping, strategy mapping drives clarity of purpose, funding and deployment roadmaps that have been missing for many organizations.

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[i] "A Guide to the Business Architecture Body of Knowledge" (BIZBOK™), www.businessarchitectureguild.org

[ii] "The Five Competitive Forces That Shape Strategy", Harvard Business Review, Jan. 2008

[iii] R. S. Kaplan and D. P. Norton, *Strategy Maps: Converting Intangible Assets into Tangible Outcomes* (Boston: Harvard Business School Press, 2004)

[iv] http://www.hoshinkanripro.com

[v] Business Motivation Model (BMM), www.omg.org/spec/BMM

[vi] Mapping Your Corporate Strategy, Harvard Business Review Working Knowledge Interview with Robert Kaplan