Building a strategy focused organisation through systematic planning, executing and controlling of strategic initiatives’ implementation, based on the methodology and architecture of Kaplan & Norton’s work “Mastering the Management System”

**Summary:**

A systematic approach to, and solution for, designing, implementing and executing a company’s strategy; quantitatively and qualitatively measuring the successfulness of the implementation and execution; by ensuring not only consistency among all constituting elements of each strategy, but also coherency among different strategies.

**Key questions that each business strategy should answer¹:**

1. Which customers or markets will we target?
2. What is the value proposition that distinguishes us?
3. What key processes give us competitive advantage?
4. What are the human capital capabilities required to excel at these key processes?
5. What are the technology enablers of the strategy?
6. What are the organizational enablers required for the strategy?

**Value proposition – SESS vs. similar products:**

The process of strategic planning and controlling, supported by SESS, produces strategies and strategic decisions that are inter-consistent and coherent.

The value chain of managing an organisation [see Figure 1] starts by formulating a strategy (1), based on a previously conducted strategic analysis, which is later translated (2) into a defined set of strategic themes, goals, and initiatives that will enable management to develop an action plan (3) for implementation / execution.

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Using information attained during the implementation process (4), a company’s top management reviews and evaluates (5) not only the execution of the strategy, but also the effectiveness - how closely was the strategy fulfilling the organisational mission and vision. Based on those reviews, management can adapt, modify, delete & re-write, or simply continue with the existing strategy (6).

The solution and concept behind SESS dissects each strategy into constituting elements [see Figure 2] based on the above-listed strategic questions. InfoDom analyzes each strategy and strategic initiative through a system of interdependent factors (broken down in the following diagram); which not only facilitates each step in the management value chain (picture above), but also enables top management to compare and cross-reference each strategy and/or strategic initiative.

Figure 2: Mapping of strategic elements to key strategic questions

**Necessity for Strategic Planning and Controlling and Challenges in Designing, Implementing and Measuring Such Systems:**

- **a. Dynamic business environment requires an acceleration of the strategic decision-making process**
  Fast-pace competition, especially from international players, removes the luxury of having the time to “sit and think” about the future of your company. Decisions need to be made quickly, without affecting the quality of those decisions. Shareholders and equity owners have a short memory!

- **b. Strategic decision-making process influenced by a mix of interdependent factors**
  Specialized, 1-factor analytic reports have no more value. Market forecasts are useless without capacity planning and/or competitive positioning. Management needs to analyze the “big picture”, and needs to do it fast!

- **c. Knowledge distribution and sharing as a prerequisite for delegating decision-making activities**
  Delegating authority to subordinates without equipping them with the tools to handle that authority is like giving your
12-year old child drive your Mercedes to vacation! Middle and lower management need to understand the strategy (and each constituting segment) and make daily decisions in-line with top management recommendations. At the same time, knowledge capacity building must not interfere with day-to-day operations and existing projects.

d. **Maintaining strategic business decision’s consistency and coherency**

Often strategy implementation requires simultaneously conducting conflicting measures (e.g. cost cutting and building brand image).

e. **Overcoming middle management resistance by increasing transparency and clarity of strategic initiatives**

Acquiring middle management buy-in is not only a critical success factor, but is also one quite difficult to attain. The goal of top management is to explain what each middle manager needs to complete, with what purpose, and how is that going to affect the entire company. This is often more easily said than done, so using a systematic approach to strategy delegation is a Must!

f. **Measuring effects of strategic initiatives (qualitative and quantitative)**

What is the bottom line effect of each action plan, each strategic initiative? How successfully (or unsuccessfully) has the company implemented each recommended measure? Just a couple of questions that top management need to answer not only to shareholders, but also to employees, clients, suppliers, and other stakeholders.

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**SESS in brief:**

- **g. Key benefits, business effects and features:**
  1. Systematic management solution that supports strategic planning, corporate performance monitoring and controlling
  2. Provides coherency of a corporation’s overall strategy by reconciling diverse strategic initiatives
  3. Shortens the time from designing a strategy to fulfilling of its goals.
  4. Facilitates the post-merger integration process by enabling acquiring companies to more easily incorporate newly acquired targets into the existing strategy management infrastructure.
  5. Improves the controlling process of subsidiaries and/or daughter companies, from the aspect of managing a holding company or a conglomerate (both vertical and horizontal), assuring alignment of business units, departments and team strategies by improving links between industry-specific and sector-specific strategies with the overall holding strategy; and improving the process of cascading a strategy deep into the organisational scheme.
  6. Utilization of generic, industry specific and customized Key Performance Indicators catalogue
  7. Solution based on proven strategic management concepts (strategic maps, themes and initiatives, elaborated by Balance Scorecard perspectives)
  8. Strategy development based on key components: mission, vision, strategic goals, value proposition matrix (products / services by market segments), critical business processes, technologies and organisational aspects, motivation and employee satisfaction, etc.
  9. Implementation of ready-to-use strategic management value chains and/or design of industry specific and customized, user-friendly strategic management value chains
  10. Import of best-practice methodologies for building a strategy-focused organisations
  11. Quantifiable measurement of strategy execution
  12. Acceleration of strategic analyses activities - systematic approach to approving strategic initiatives - digitalization of the entire, end-to-end strategic planning and controlling process (from business and competitive intelligence, via planning, implementation, measurement and controlling, to evaluation and re-design)
  13. Strategy discovery: formulating an implicit strategy from the Company’s past strategic decisions
  14. Analysis and evaluation of each Management Board proposal, decision, measure, while verifying the cause-and-effect relationship between each Board’s decision and Company’s strategy.

- **h. Target users:** Large corporations, medium & multi-divisional enterprises, international companies

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**Strategy execution relies on the organizational capacity for an integrated, holistic approach to process management, knowledge & innovation management, and portfolio / project management. Such approach reduces the time effort that middle management spends on reporting and monitoring activities. InfoDom’s SRMA solution is platform for implementing such an approach in complex organisations.**