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Smeal College of Business



The Execution Challenge – Leveraging Strategic Business Architecture for Effective Mission Execution

September 4, 2024

Presented by Whynde Kuehn for:



The Execution Challenge



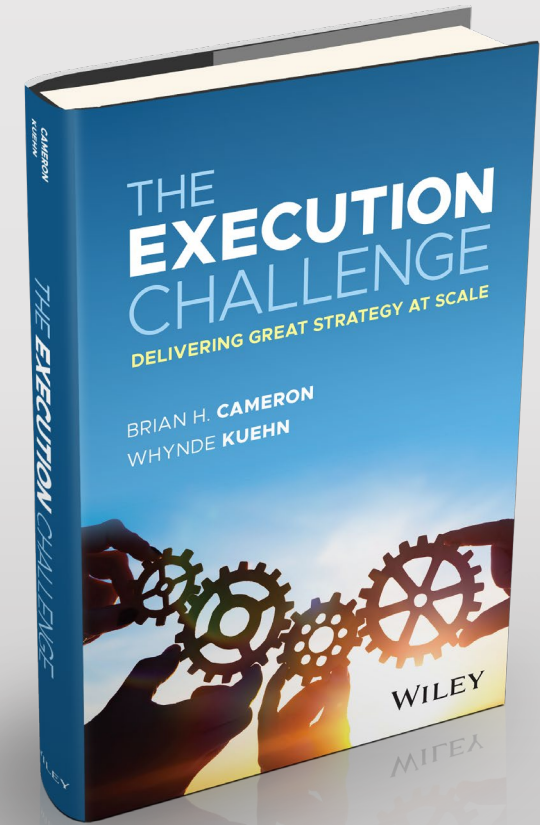
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Discussion Topics

01 Strategy Execution: The Challenge and Opportunity

02 Strategic Business Architecture: Bridge Between Mission and Execution

03 Turning Strategy Into Reality With Strategic Business Architecture

04 Strategic Business Architecture In Action

05 Next Steps

Strategy Execution: The Challenge and Opportunity

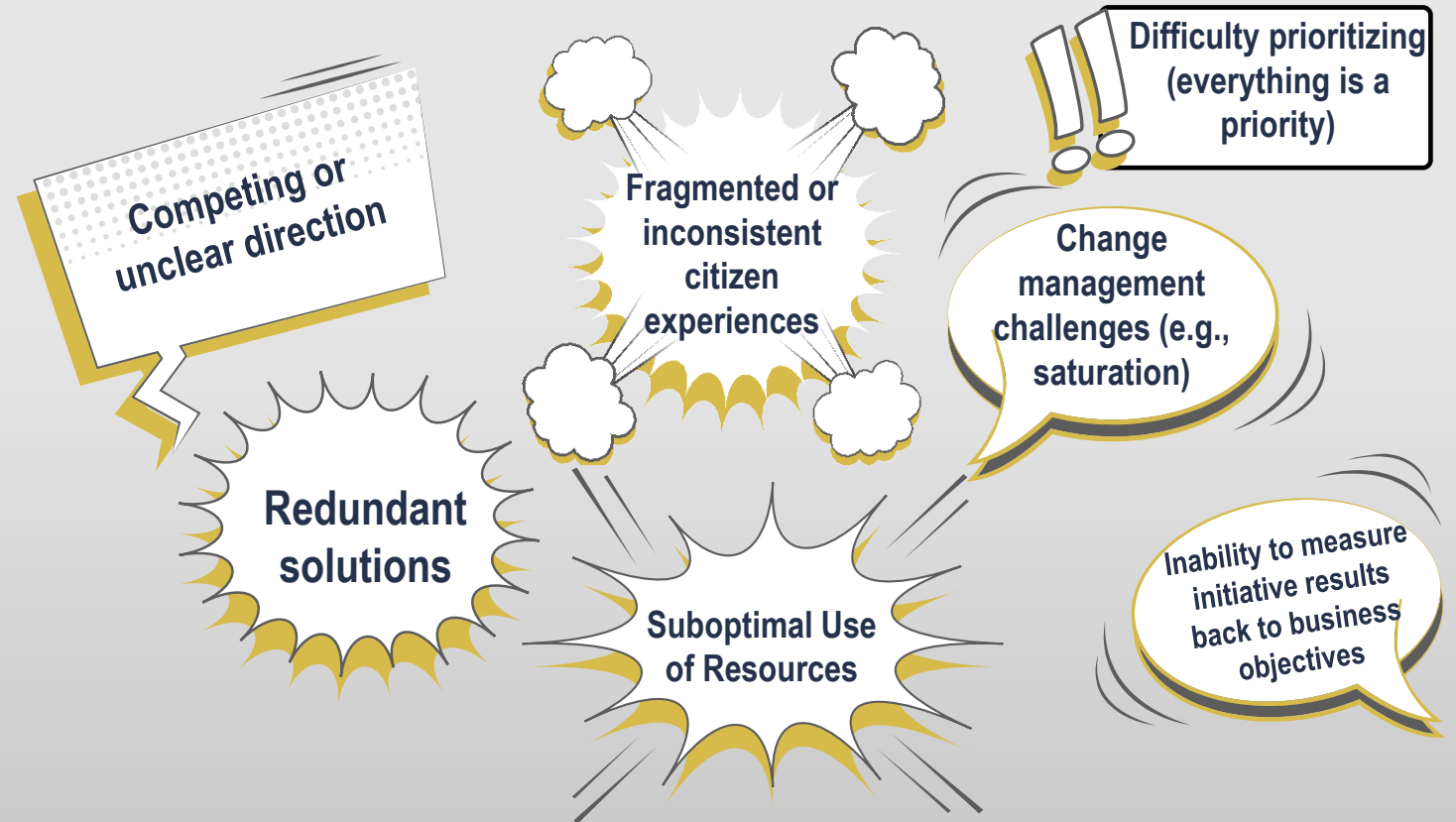
The Execution Challenge – Leveraging Strategic Business Architecture for Effective Mission Execution

Organizations Are Challenged to Execute Strategy Well

In their book *The Balanced Scorecard: Translating Strategy into Action*, authors Robert Kaplan and David Norton note that 90 percent of organizations fail to execute their strategies successfully.

They go on to state that the reason for this failure is often not the strategy itself, but bad execution.

According to Kaplan and Norton, this failure to execute strategy is one of the most significant management challenges facing public and private organizations in the 21st century.*



*Source: Robert S. Kaplan and David P. Norton, *The Balanced Scorecard: Translating Strategy into Action* (Boston: Harvard Business School Press, 1996).

Why Are We So Challenged to Execute Strategy Well?

SOME COMMON REASONS...

1. Bad strategy, non-strategy, no strategy
2. Unclear or insufficient communication
3. Change resistance and culture challenges
4. Poor leadership
5. Insufficient planning
6. Inadequate resources
7. Lack of accountability
8. Poor performance management
9. Failure to adapt
10. Silo behavior and sub-optimization...

...AND KEY ROOT CAUSES

- ✓ We have not been taught how to do strategy execution
- ✓ Strategy execution is often not treated as a formal or cohesive function or process
- ✓ Strategy is often translated in organizational silos
- ✓ Our business knowledgebase has not been comprehensive



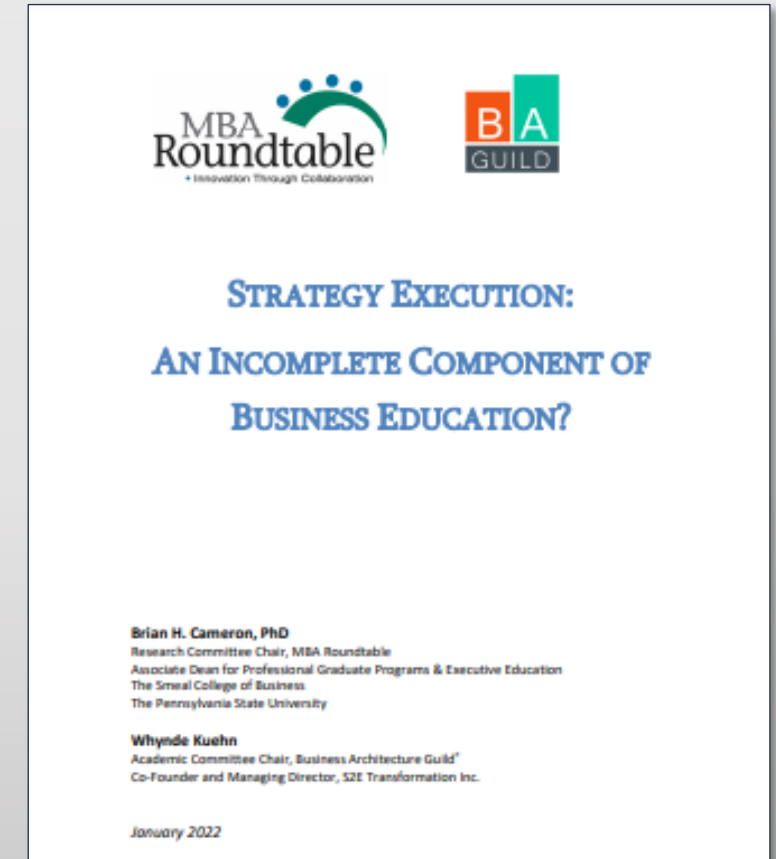
“Fragmented organizational structures, processes, and accountabilities are one of the leading causes of ineffective strategy execution, so strategy execution must be underpinned by a cohesive approach to succeed.”

—Brian H. Cameron and Whynde Kuehn in The Execution Challenge



Strategy Execution in Graduate Management Education

- ✓ Only Part of the Problem is Covered
- ✓ Strategy Execution Courses Don't Go Deep Enough
- ✓ Business Architecture Offers a Needed Compliment

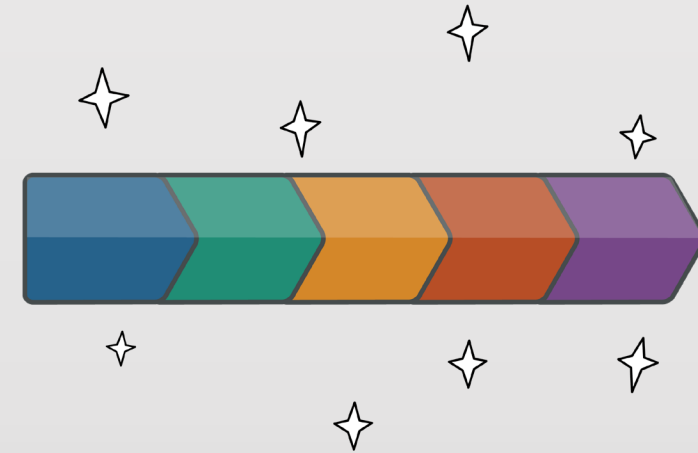


Source: <https://gbcroundtable.org/2021strategyexecutionsurvey>

Strategy Execution is a Crucial Function

Successful strategy execution is the ability to define clear strategic intent and then translate it into organized effort across people, process, and technology with transparency, accountability, and intentional change management.

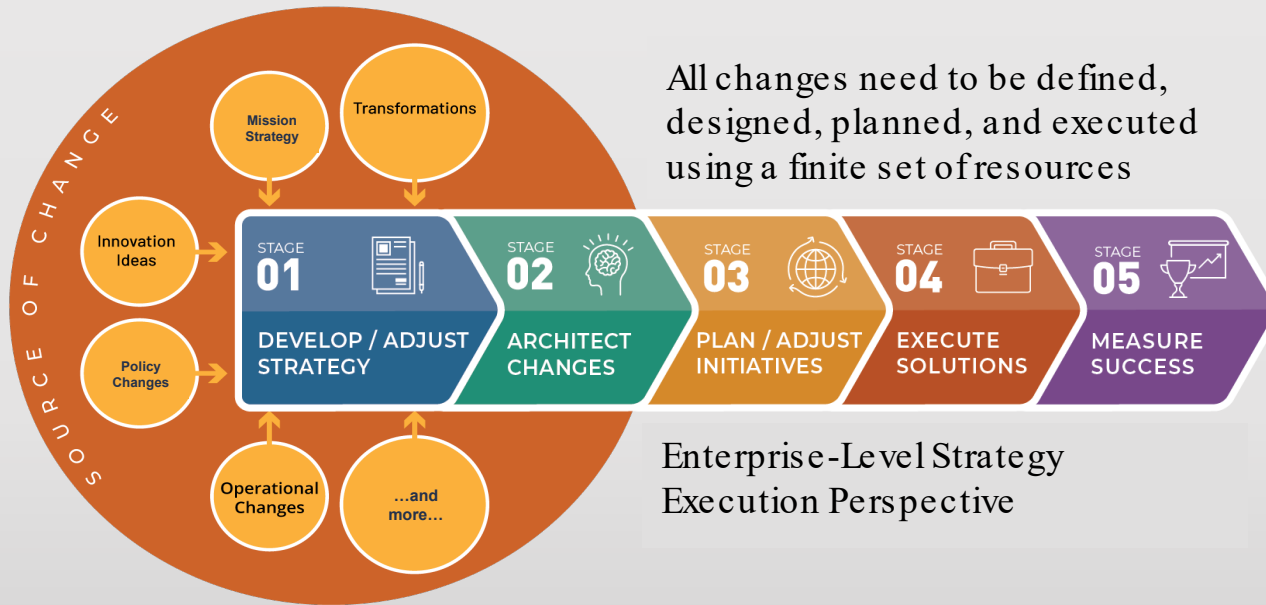
The key is for organizations to build a cohesive, interdisciplinary, end-to-end capability for strategy execution.



Key Enablers:

- ✓ Comprehensive Approach
- ✓ Centralized Accountability for Strategy Execution Outcomes
- ✓ Clearly Defined Strategy
- ✓ Shared Business Building Blocks
- ✓ Ongoing Line of Sight Between Strategy and Execution

Strategy Execution Ensures Successful Delivery of the Mission



Strategic business architecture-powered strategy execution enables:

- ✓ Successful delivery of the mission
- ✓ Integrated citizen services and experiences
- ✓ Optimized use of resources
- ✓ Effective use of innovation for business value
- ✓ Organizational agility for continual change

Strategic Business Architecture: Bridge Between Mission and Execution

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The Bridge Between Mission and Execution



Successful strategy execution requires many different business functions and disciplines working together hand-in-hand.

All these teams form a cohesive ecosystem spanning from strategic to tactical and operational – linked together through strategic business architecture.

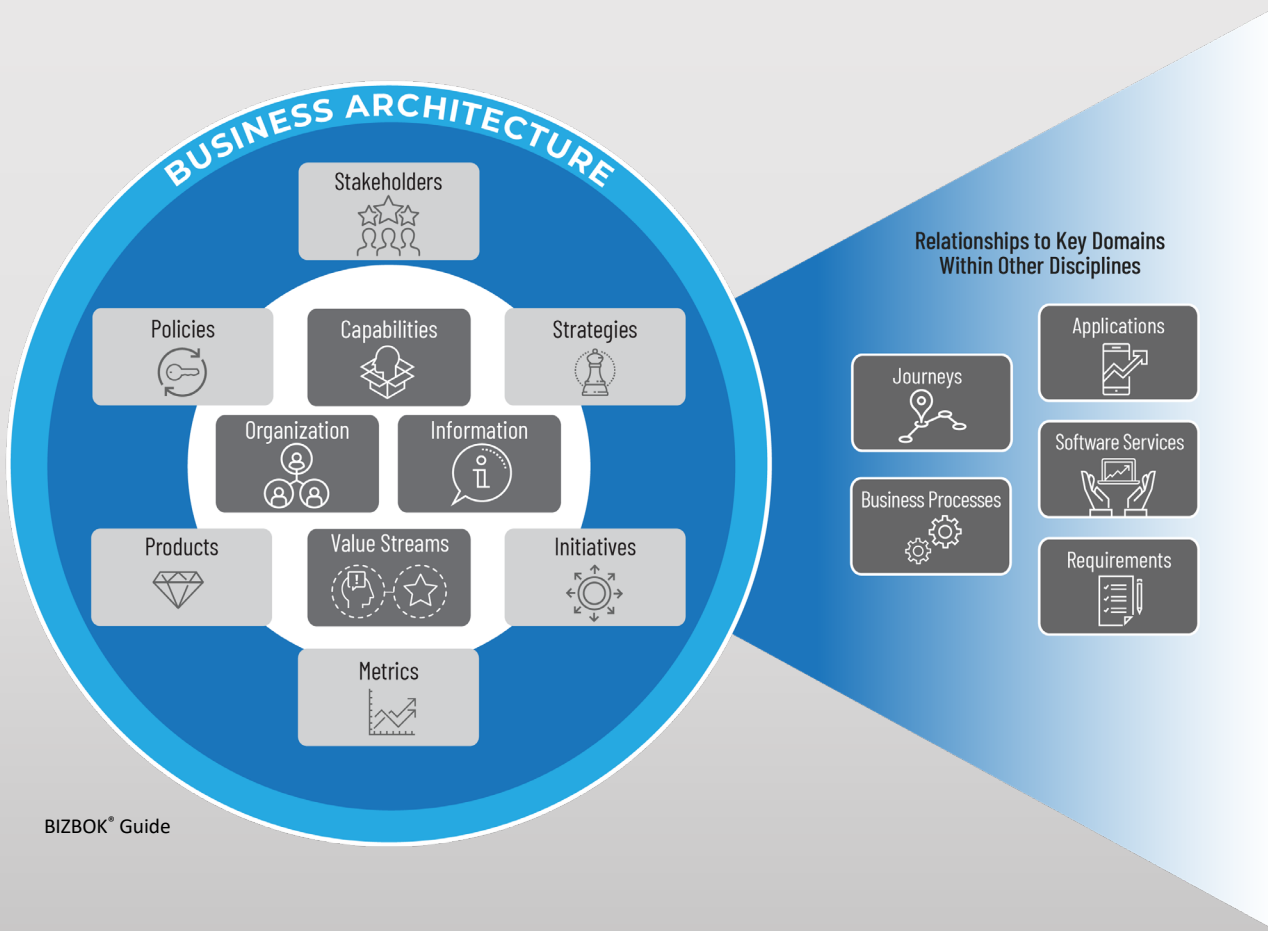
Strategic business architecture is the bridge discipline that creates the enterprise perspectives, understanding, and connections needed for successful strategy development and execution.



— Brian H. Cameron and Whynde Kuehn in *The Execution Challenge*

Business Architecture is a Business Blueprint for Change

A business architecture is a holistic view of an organization and its business ecosystem.



Business architecture is ...

- ✓ A shared mental model, unified across organizational structures and products
- ✓ Business-focused and business-owned
- ✓ High-level in detail
- ✓ Reusable
- ✓ The scaffolding that connects everything in the business and technology environments

Official Definition (FEAPO): "Business architecture represents holistic, multidimensional business views of: capabilities, end-to-end value delivery, information, and organizational structure; and the relationships among these business views and strategies, products, policies, initiatives, and stakeholders."

Summary of Business Architecture Evolution

- ✓ The components of the business architecture have expanded and formalized.

The Business Architecture Core Metamodel (BIZBOK® Guide) is a formal standard through the Object Management Group (OMG).

See: <https://www.omg.org/spec/BACM>

- ✓ Business architecture is high-level, enterprise-wide, and business-owned.

- ✓ Business architecture is a strategic business discipline.

- ✓ Business architecture is for everyone.

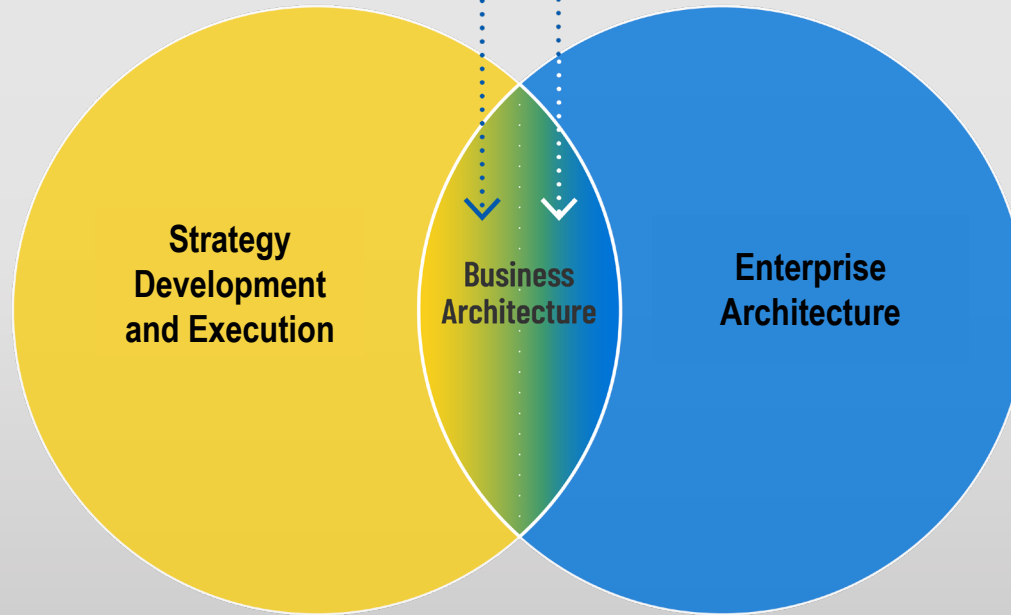
Business Architecture Bridges Worlds

Strategic Business Architecture informs and translates strategy and aligns it with execution. It provides business direction and priority for enterprise architecture.

Execution-Level Business Architecture translates strategic business architecture into further detail for initiative shaping and solution development. It provides more granular business perspectives as needed for technological understanding and decision making.



*Business Focus
and Context*



*Technology
Relevance and
Learning*

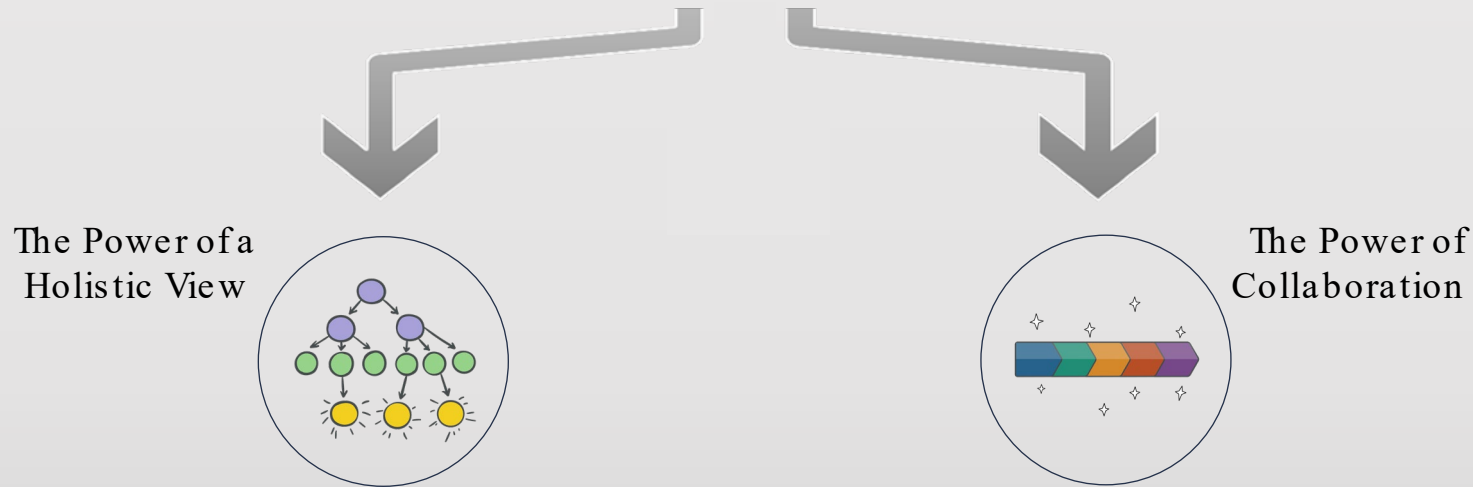
Provides a shared business
language and mental model.

Business Architecture Knowledgebase and Views

Diagram Copyright © Brian H. Cameron and Whynde Kuehn

Architecture Enables Mission Execution and Agility

STRATEGIC BUSINESS ARCHITECTURE



INTENTIONAL DESIGN

Agility through streamlined design

- Macro level canvases for design/redesign oriented around reusable business components
- Structure for business ownership and transformation

Where Are We?

Where Are We Going?

TRANSLATING CHANGE

Agility through the ability to change

- Knowledgebase to inform, translate, and align strategy
- Inform investment decisions

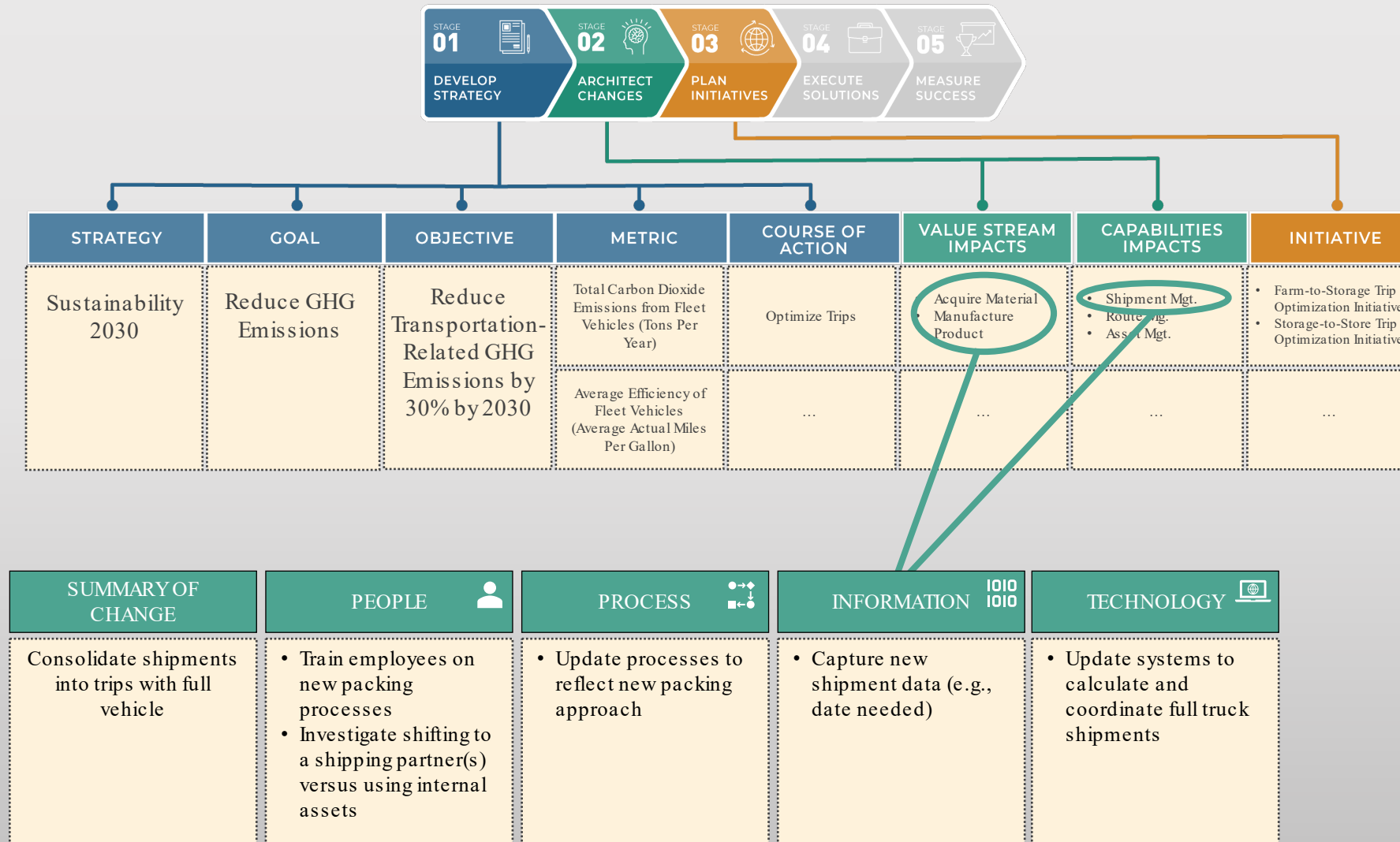
How Will We Get There Together?

How Do We Realign When Things Change?

Turning Strategy Into Reality With Strategic Business Architecture

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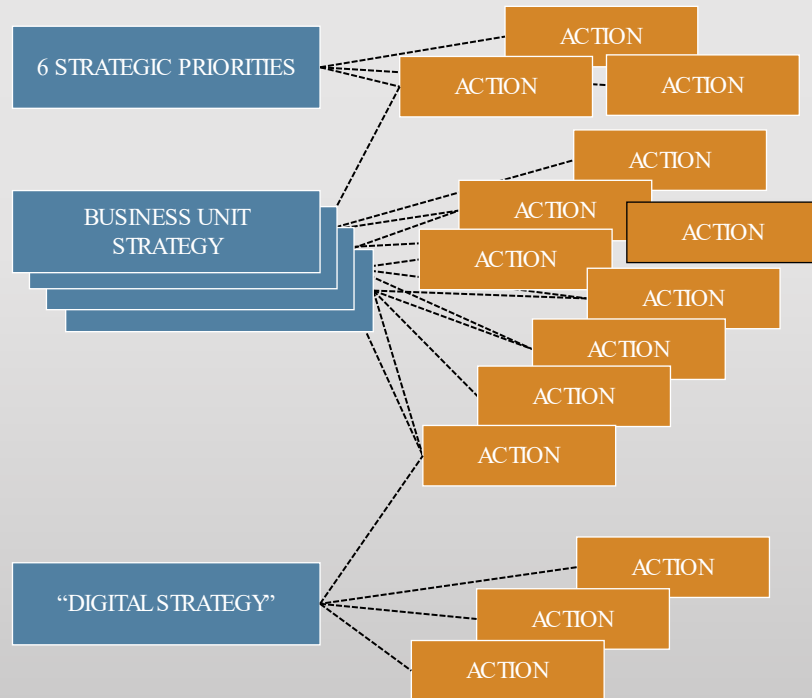
Translating Clear Intent Into Organized Effort



Capabilities Coordinate Change

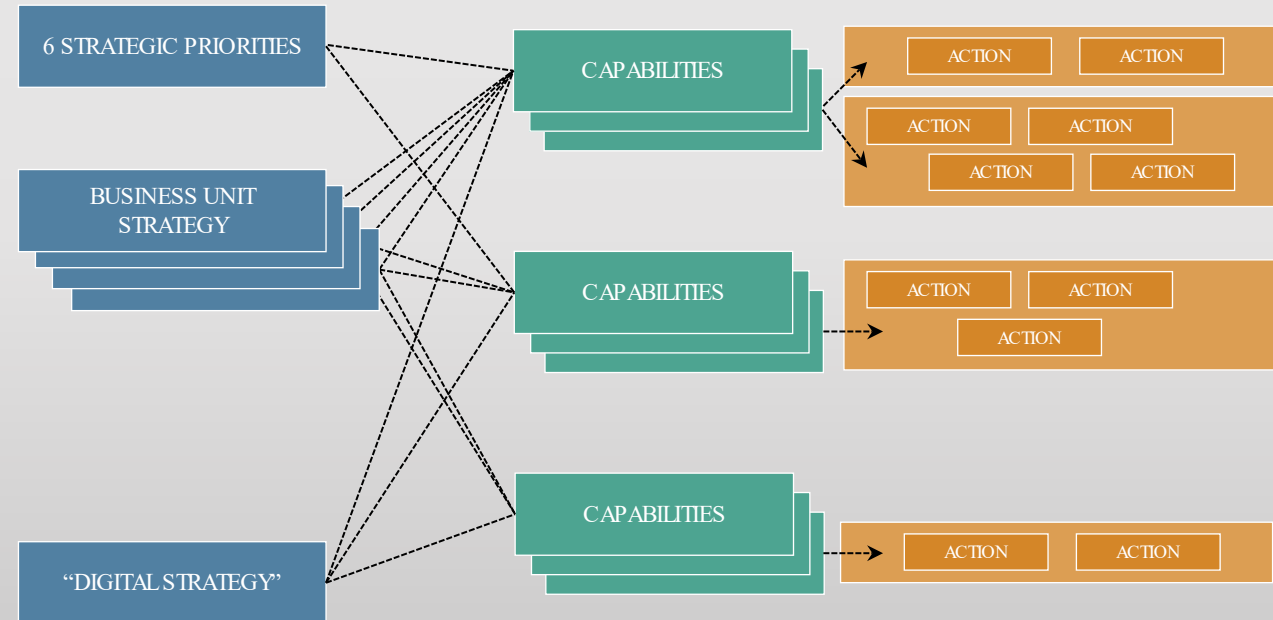
WITHOUT CAPABILITIES

Strategies translate directly to actions.



WITH CAPABILITIES

Strategies are translated through capabilities into a coordinated, prioritized, and sequenced set of actions.



Strategy Execution Partnership (Key Disciplines)



Diagram Copyright © Brian H. Cameron and Whynde Kuehn

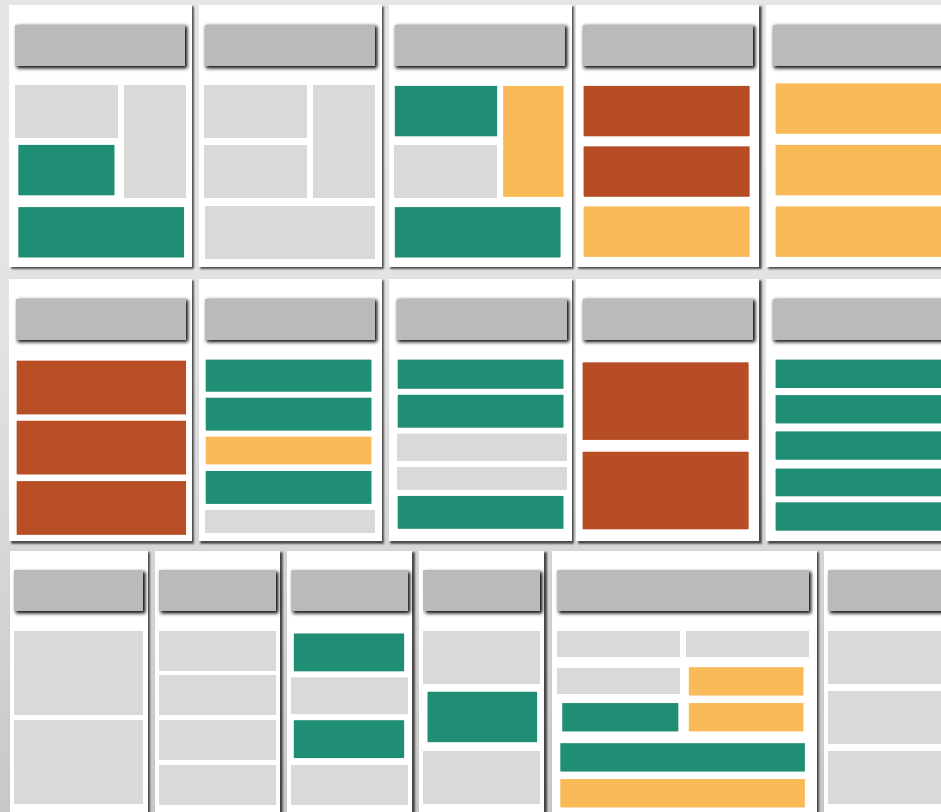
Strategic Business Architecture In Action

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Case Study: Improving Portfolio Investments

Align business direction, capabilities, and initiatives for cross-enterprise portfolio investment insights.

ORGANIZATIONAL STRATEGY



Strategies heat mapped to capabilities

ORGANIZATIONAL INVESTMENT



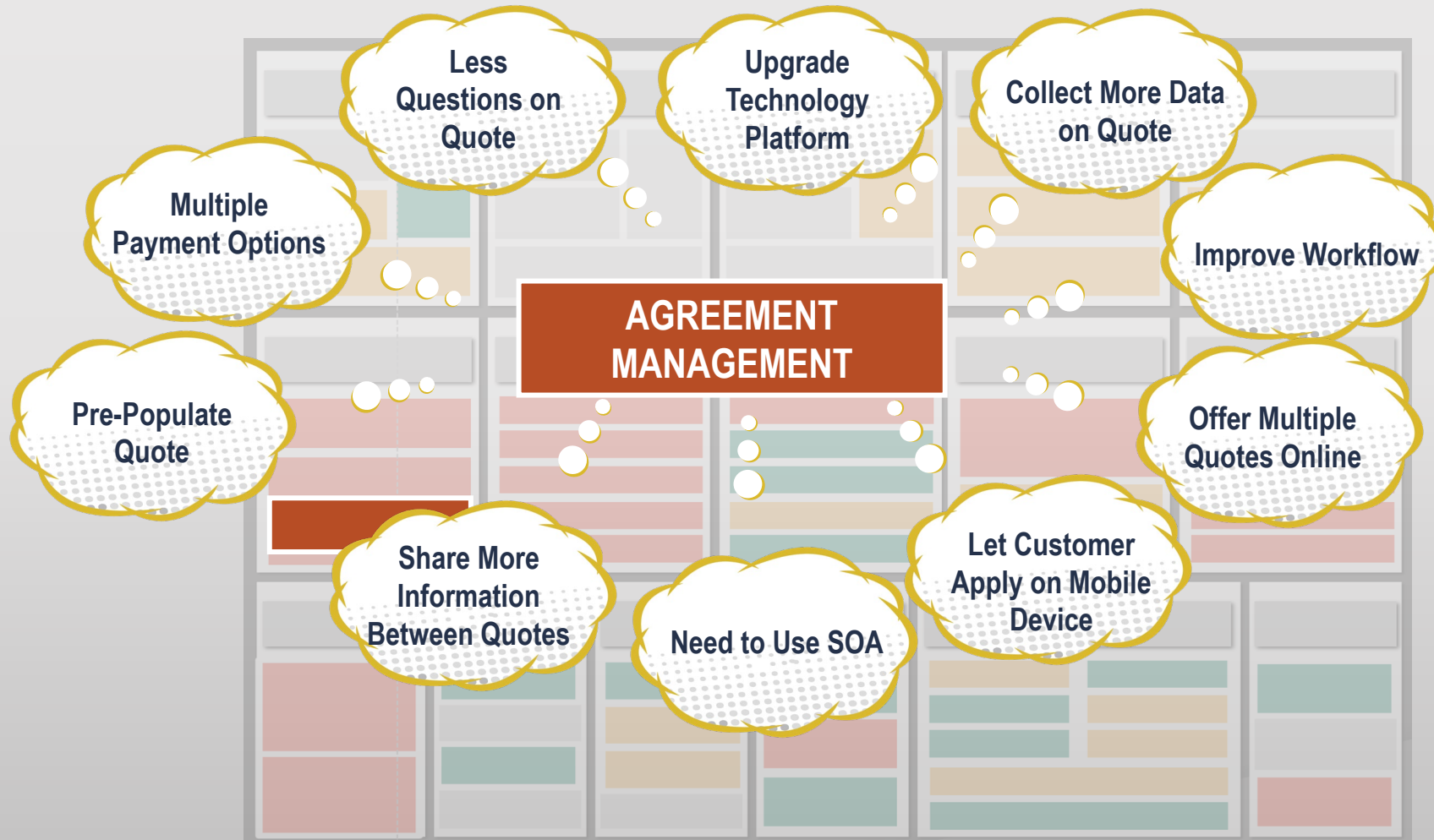
Planned capability investments aggregated across business cases



Investment is not well aligned to the strategies of the organization.

Case Study: Improving Portfolio Investments

Align business direction, capabilities, and initiatives for cross-enterprise portfolio investment insights.

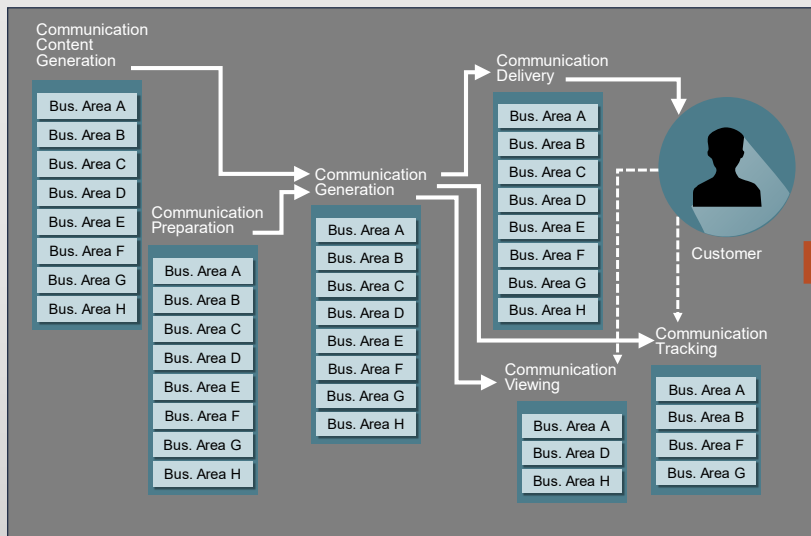


Planned investment has some conflicting and redundant initiatives.

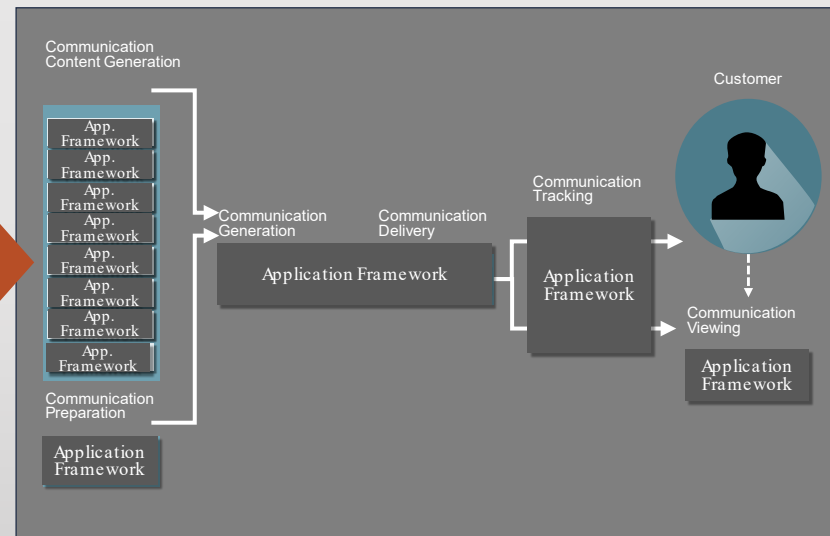
Case Study: Enabling Business Transformation

Define what the business looks like today, tomorrow, and how it will get there for change initiatives.

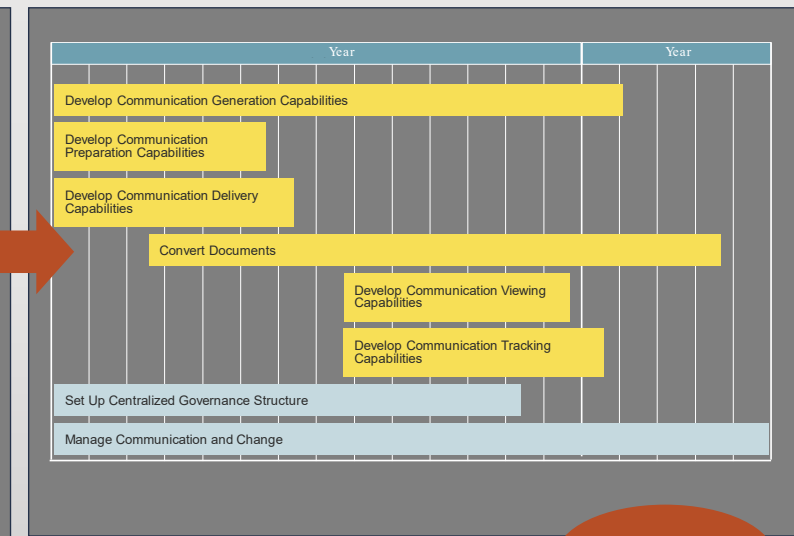
Product-Centric Current State
Business Architecture



Customer-Centric Target State
Business Architecture



Strategic Roadmap (Capability-Based)



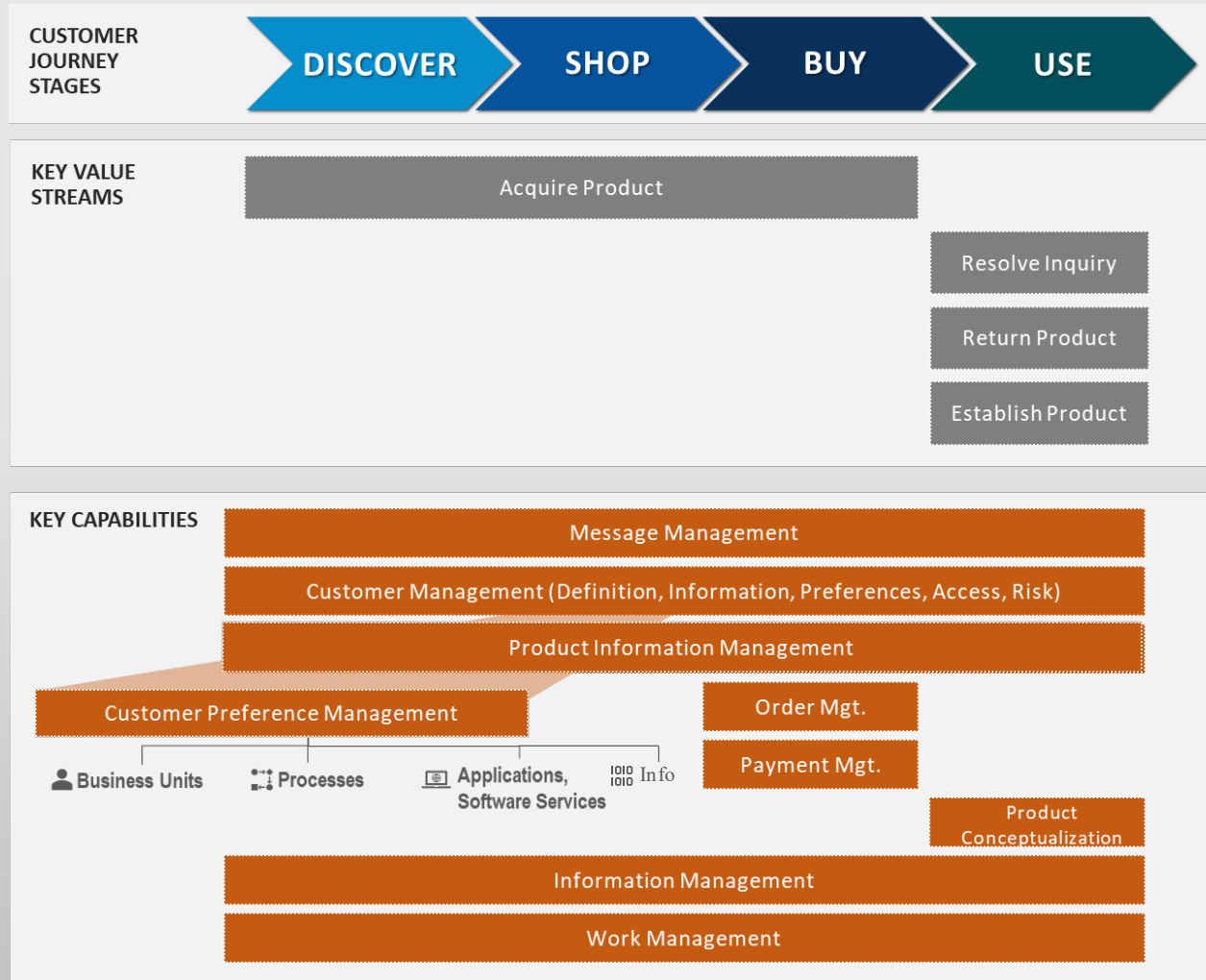
Sanitized

Redundant capabilities become shared capabilities (people, process, technology enablement) that can be leveraged across value streams and experiences.



Case Study: Enabling Business Transformation

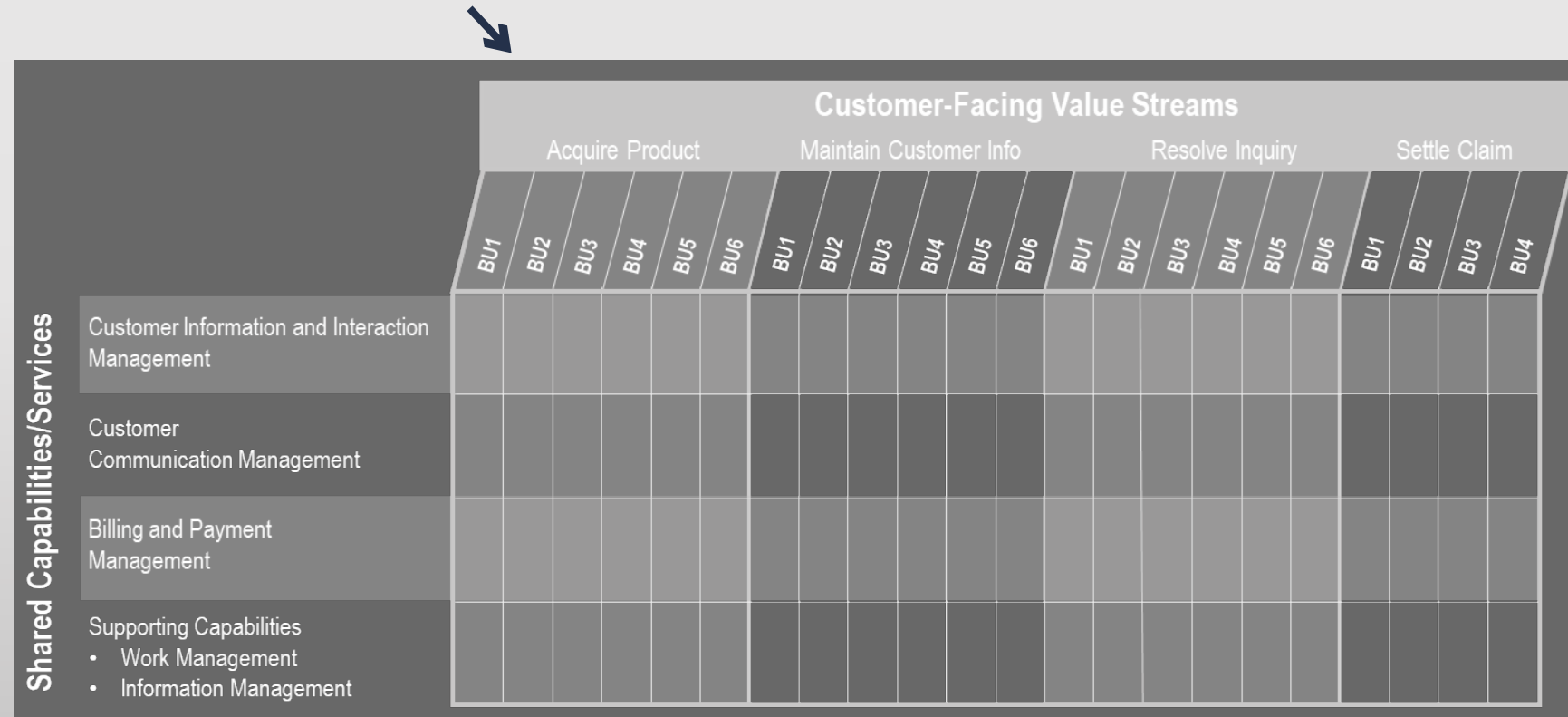
Value streams and capabilities translate and harmonize the experience and orchestrate automation.



Case Study: Enabling Business Transformation

Together, value streams and capabilities provide a framework for business ownership and investment, initiative scoping and definition, and modular and agile organizational design (composable enterprise*).

Value stream efforts are responsible to create unified value streams across all products, business units, and channels



“As business needs change, organizations must be able to deliver innovation quickly and adapt applications dynamically – reassembling capabilities from inside and outside the enterprise. To do this, organizations must understand and implement the composable enterprise.”

* Gartner (Future of Applications: Delivering the Composable Enterprise)

Shared capability efforts are responsible to deliver capabilities (people, process, information, technology) that meet the needs of all value streams.

Next Steps

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So What? Architecture Has Renewed Strategic Relevance.

- ✓ Increased relevance to help address a recognized business gap that leverages technology strategically and operationally
- ✓ Improved strategic positioning to get to the right people and the right tables upfront where we can affect the most change
- ✓ Increased organizational readiness by shifting the mindset and building understanding for architectural thinking
- ✓ Enhanced architecture value by renewing the focus on business outcome-driven enterprise architecture



← Business Architecture...

← Enterprise Architecture...

Create demand and get architecture into the right places to deliver the most impact to our agencies and society.

This is a Journey of Change

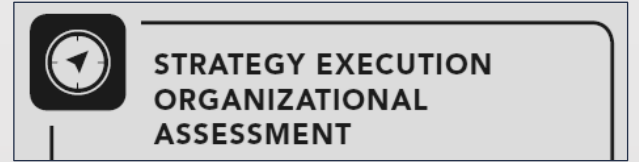
This is a human journey that is entirely about change and introducing new ways of thinking and working.

The way to the top is one person, one step, and one win at a time.



Now What? Take Practical Steps to Move Into Action.

- ✓ Assess your organization's current approach to mission execution and the outcomes
- ✓ Start conversations, create an intolerance for status quo, and build a case for change:
 - For cohesive, end-to-end mission execution
 - For intentional, modular business design that is effective, agile, and scalable
- ✓ Establish a strategic business architecture baseline and mature the practice over time
 - Revisit your knowledgebase, competencies, and approach through the strategic business architecture lens
- ✓ Start making forward progress – one person, one step, and one win at a time
 - Choose a place(s) to start such as investment decision-making or a strategy translation
- ✓ Build strong partnership: business architecture, enterprise architecture, and other teams
- ✓ Be an advocate for change: your voice, action, and leadership matter



Thank You! Let's Continue the Conversation.



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Fall Executive Program Schedule

Visit: <https://psep.smeal.psu.edu/short-course-schedule>

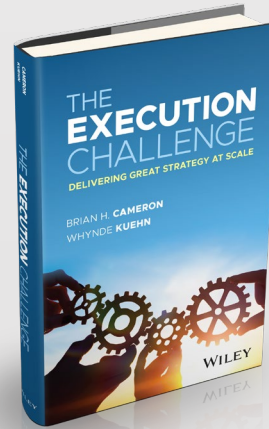
Architecting Strategy Execution 2-Part Series:

Part 1 - Bridging Strategy & Action

Part 2 - Applying the Tools & Techniques



Scan for more info and
program schedule:



Visit: theexecutionchallenge.com

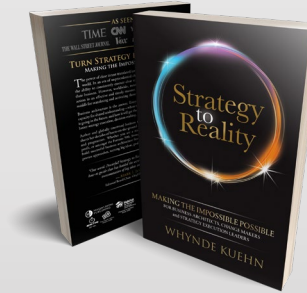


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