

Strategy Deployment methodology Bonekamp Consult B.V.

1. Introduction

The environment, in which businesses and non-profit organisations operate in today, continues to change rapidly. Organisations therefore need to be able to react rapidly to forced external changes that affect their strategy (KSF's / goals) and as such need to make adjustments in their own strategic-implementation process (actions, projects, results).

Regrettably many organisations lack the design principles and management tools **(Strategy Development)** required to keep the processes of strategy development and strategy implementation aligned with the rapidly changing external environment.

The Bonekamp Consult Strategy Deployment, which was originally developed within DSM as a holistic approach for strategic conversion (architecture and implementation) that integrates a number of existing management techniques such as strategy development methodologies; programme management (GEN methodology of Twijnstra Guddé with modifications, see below); balanced scorecards; portfolio management; decision-structuring methodologies; project management (e.g. PRINCE 2, but with additions to arrive to the discipline "Project Management in programmes"); competency based on appraisal systems; etc.

2. Background

In the course of more than 15 years of experimentation with running projects and (multi-project) / programme management methodologies within Gist-brocades and DSM and later confronting these companies with the findings as well as the findings from a number of other profit and non-profit organisations, resulted in the following overall conclusions:

- a) Most companies seem to be driven like a car where there appears to be no real connection between the steering wheel (vision / strategy) and the wheels (running business activities and projects).
- b) The common sense logic that companies achieve real success when all players work together for the same (strategic) goals, seems not to be a common practice.
- c) Most strategic implementation trajectories and reorganizations fail completely or partly as a result of structurally not recognizing the difference between result and effect.

This explains a number of symptoms that can be observed nowadays (e.g. increasing work pressure; projects succeed but goals are in fact not realized; setting priorities is a real problem; it is very difficult to align running business and projects; people often do not have the accountabilities necessary to realize their objectives; etc.).

The Strategy Deployment methodology ensures, in an iterative 10 step plan, an organisation and system design (deployment architecture) that will lead to vertical and horizontal alignment. This is then introduced in steps: install – implement – sustain. The methodology is based on a number of starting points and assumptions as described below.

3. Starting point / assumptions

- With respect to the Strategy: **An organisation has a strategy when:**
 - This is based on a “shared vision”
 - Everyone in the organisation understands the strategy
 - All plans, etc. are based on this strategy
 - The strategy is “implementation-proof”
- Most organisations lack **vertical alignment** and thus:
 - 1) a systematic conversion (**programme management**: goals / effect language) from vision / strategy (KSF’s, etc.) to action (result language) and
 - 2) real professional **communication management**
- In programme management we do not steer (as in the methodology of Twijnstra) on separate management criteria for programme management (tempo; feasibility; flexibility; etc.) but rather on actual organisational PI’s that can also be found on the balanced scorecard. Next to vertical alignment we also work on **horizontal (design) alignment; goals** (in GENS) ⇒ **PI’s** (in balanced scorecards) ⇒ **accountabilities** (in function descriptions) ⇒ **responsibilities** / tasks (in function descriptions) ⇒ **system support** (in a competency based appraisal system; reporting system; communication infrastructure; etc.).
- All Strategy Deployment and strategy implementation trajectories have to be designed and supported (training, coaching, etc.) in the **same language** with the **same set of definitions** and work as a real co-makship between all involved (internal and external) parties (do not introduce different languages / definition sets in the various organisational levels).
- A number of elements are distinguished but not separated:
 - **Running business and projects** (projects do not exist for the result, but for the intended (cumulative) effect in running business!).
 - **“Hard” (profit, turnover, CFROI, etc.) and “soft” (culture, behaviour, customer / employee satisfaction, etc.)**. – again it is necessary that in the design it is made explicit that “soft” is for the intended **effect** on “hard” and thus also....
 - **Process and project** (in this methodology (multi)project / programme management also needs to be process management (creating alignment during the design and the implementation is for the most part creating buy-in).
- Training needs to contribute to the continuity of the organisation (the traditional MD-axis) but also to the (strategic) added value of short term / medium term goals.
- All decisions have to be made in the **decision triangle** (thus decisions inclusive of corresponding rules of the game and consequences).
- Project management is only partly based on knowledge from **“the tool box”** and for the most part based on knowledge of **“the dance”** (how should principals, project managers and project team members interact on the dance floor). In addition to the standard training project management, most organisations therefore require (preferably “vertical” and “on the job”) the training **programme management** (please note, by this we do not mean multi-project management) and **“project management in programmes”**. All principals and contractors, together need to know the importance of for example being able to distinguish **the difference between result and effect**.

4. Scope

As already described above, this is a holistic methodology and includes all the elements of strategy conversion (Deployment architecture / **design**: see **10 steps-plan**) and strategy implementation (**install-implement-sustain**). Furthermore, above described starting points (e.g. w.r.t. the strategy of the organization) will always be validated against "value level" (see step 1 in the 10 steps-plan).

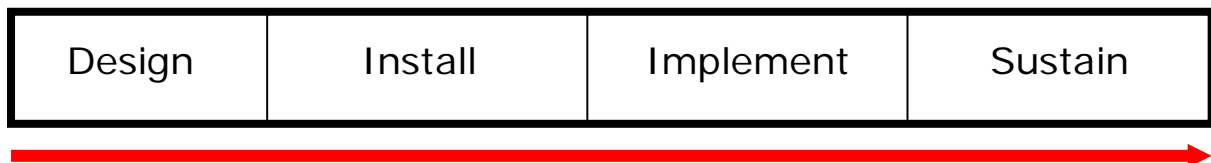
5. Content

Strategy Deployment (the architecture / the design):

The design phase is an iterative process where the following elements (more or less simultaneously) are developed:

- Strategy development of "strategic realignment"
- KSF's / KPI's and main goals; goal – (sub)goal hierarchies / organisational split-level
- Project portfolio (pruning and reconstruction)
- Programme phasing and new decision structure
- Introduction of new rules of the game
- New role division
- Resource management
- Setting up a communication infrastructure
- Professionalization (training programmes)
- Progress monitoring (PI's; result / effect; reporting)

Strategy implementation



Install / implement / sustain:

- Implement improvement projects
- Introduction workshops:
 - Design and implement systems
 - Design and implement work processes
 - Design and implement TBV's / PI's etc.
- Behavioural workshops
- Coaching assignments
- Trainings