# Enhancing visualisation to communicate and execute strategy

## Strategy-to-Process Maps

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### Abstract

**Purpose** – Developing an organisational, business, or corporate strategy is an important process which sets the direction and the scope for the business, over a period of time. While any organisation can create their own strategy, not all strategies are well executed and lead to business success. What is required is a process that provides a holistic understanding of an organisational strategy, and clear links between the elements of the strategy and the organisational processes that will be central to its execution. The paper aims to discuss these issues.

**Design/methodology/approach** – This paper describes three case studies of medium-sized organisations that were the research context in which the methodology for developing and representing Strategy-to-Process Maps was developed and iteratively refined.

**Findings** – Each of these three case organisations had identified a need to better understand their strategic objectives by a stronger visual representation of the components of their strategy, as well as a need to identify how their daily operational tasks contributed to, or distracted from, the achievement of their strategic goals. These cases assisted in the creation of a method of both facilitating better understanding of strategy through visualisation, and better execution through linking strategy to process. This methodology resulted in the employees of these organisations gaining a much stronger understanding of the strategic directions of the organisation and improved the three elements of effective strategy execution: visibility; leverage and responsiveness.

**Originality/value** – Strategy-to-Process Maps provide a new way in which organisations can communicate without reliance on any specific strategy development methodology; and can execute their strategy more effectively by linking it closely with organisational processes.

**Keywords** Strategy execution, Business process, Strategy Maps

**Paper type** Research paper

### 1. Introduction

Developing an organisational, business, or corporate strategy is an important process which sets the direction and the scope for the business over a period of time. In developing a strategy, an organisation can configure its resources to meet the needs of their market and to fulfil stakeholder expectations.

While any organisation can create their own strategy, not all strategies are well executed and lead to business success. One of the main reasons listed by the literature for failure of strategic plans to meet their objectives relates to the organisation's personnel's lack of understanding of the content, the relationships, and the importance of the elements of an organisational strategy.

What is required is a process that provides a more holistic understanding of an organisational strategy, and a clearer link between the elements of the strategy and the organisational processes that will be central to its execution. In this way staff can directly understand the relationship between their operational activity (process) and the organisational strategy.

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This paper will describe the development of a method of both facilitating better understanding of strategy through visualisation, and better execution through linking strategy to process. The creation and visualisation of Strategy-to-Process Maps will be explored in the following sections, with examples of how these were developed in three medium-sized organisations that had experienced difficulties in successfully executing their strategies in the past. In doing so, this paper will show how a simple method of visualising strategy, independent of strategy development tool (such as the Balanced Scorecard), can enhance the understanding and the communication of that strategy and its links to process to those who need to operationalise it.

## 2. Understanding and executing strategy

### *2.1 Issue 1: understanding existing strategy*

Organisations today develop complex strategic plans, which then require regular updates in the face of a constantly changing business environment. There are many publications which cite the need to improve an organisation's approach to communicating and understanding their strategic plans for the whole organisation (Mitchell *et al.*, 1999; Evans *et al.*, 2001; Kaplan and Norton, 2001; Mabin *et al.*, 2001; Sisco, 2002).

One of the most important elements of developing organisational strategies is the communication of those strategies and associated actions throughout the organisation. According to Scholey (2005) strategy execution suffers because the leaders who craft the strategy do a poor job at communicating the strategy to the "doers" of the organisation to help make it real and tangible at their level. When attempting to implement their business strategies, executives generally give employees only limited descriptions of what they should do and why those tasks are important (Kaplan and Norton, 2000). This difficulty in describing and communicating strategy has been ascribed to the abstract and complex nature of business strategy (Scholey, 2005). The key to executing strategy is to have people in the organisation understand it. As the complexity of the business environment increases, good communication and shared understanding among managers is vital (Platts and Hua, 2004). As a result, complex strategic plans need support for how they are communicated to staff. If managers can describe strategy in a more disciplined way, it is likely that they will increase the success of its implementation (Kaplan and Norton, 2000).

Given that "a good diagram can convey instantly and memorably, a relationship that would otherwise require a laborious and easily forgotten explanation" (Platts and Hua, 2004, p. 667) the importance of visual representation to support decision making has been emphasized by many researchers (Tufte, 1990; Eden and Ackerman, 2001). They argue that visualisation transforms raw data into pictures that people can understand quickly as they are an accessible form of knowledge representation. It has further been suggested that managers perform better when their problem-solving processes are adapted to the problem representation (Vessey, 1991), therefore visualisation as a "visual" vehicle of thought to assist managers in making decisions (McKim, 1972).

Strategy Mapping, advocated by Kaplan and Norton (1996), is an approach to visualising and communicating organisational strategy that can help organisations overcome the difficulties of communicating the strategy and its complexity by enabling the depiction of the organisational strategy in a picture format, or a "Strategy Map" (Scholey, 2005). These maps provide a visual representation of a company's critical objectives and the crucial relationships among them that drive organisational performance (Kaplan and Norton, 2000).

Conceptually, Strategy Mapping was born from the "technology road mapping" approach originally developed by Motorola in the 1970s to support improved alignment between technology and product development. A key feature of this process was the synthesis of the main elements of the strategic plan into a simple high-level visual representation (Blackwell *et al.*, 2008). The most frequently cited benefit of the road mapping approach is that of communication, enabled primarily by the visual roadmap formats used.

The road mapping approach is conceptually flexible and as such visualisation methods have been adapted to suit many different goals, supporting innovation, strategy and policy development, and deployment (Blackwell *et al.*, 2008). Strategy-focused roadmaps, or Strategy Maps, are an abstract visual representation that are unusually diverse in diagrammatic style, but, all of which can be used to organise and communicate information related to plans for the future.

Given that "a strategy should be describable in one page in terms of its basic building blocks [...] if you can't describe your strategy in 20 minutes, you haven't got a plan" (Bossidy in Veth, 2006, p. 32), Strategy Maps are developed to help organisations view and communicate their strategies in a cohesive, integrated, and systematic way (Kaplan and Norton, 2000). This facilitates better top-down communication, which tends to enhance employee's understanding and awareness of strategy and allows for better execution and measurement of strategy Scholey (2005).

According to Kaplan and Norton (1996), a Strategy Map enables an organisation to describe and illustrate, in clear and general language, its objectives, initiatives, and targets; the measures used to assess its performance; and the linkages that are the foundation for strategic direction. As a single-page visual representation of the strategy, it answers the questions "What are a business's strategic objectives?" and "How do they integrate and combine to create future value for shareholders, customers and employees?" (Veth, 2006).

### *2.2 Issue 2: facilitating strategy execution*

The later stages of strategy formulation consist of translating business objectives into action plans. The generation of a range of feasible actions is a difficult task because many decision variables need to be taken into account. The requirement is to enable managers to visualise the cause-effect relationships of these variables, to share opinions from individual managers, and display them openly to facilitate discussion (Platts and Hua, 2004).

It has often been noted that a common difficulty in designing and implementing strategy results from a difficulty in decomposing goals for lower levels of the organisation (Bourne and Neely, 2003), especially when strategy is not clearly linked to department, team, and individual goals. In order to clearly represent, and facilitate strategy execution, we can again turn the concept of Strategy Maps. Strategy Maps show the cause-and-effect links by which specific improvements create desired outcomes (Kaplan and Norton, 2000). By using cause-and-effect diagrams, a strategy can be depicted in such a way that it is clear not just to those formulating the strategy, but to the majority of employees charged with executing the strategy. Plausible links within the "map" enable it to be easily understood by people not involved in the plan's development (Scholey, 2005; Kaplan and Norton, 1996, 2001).

The development of a Strategy Map concept was advocated most notably by Kaplan and Norton (1996). Strategy Maps include a rather diverse range of diagrammatic representations, all of which can be used to organise and communicate information related to plans for the future (Blackwell *et al.*, 2008), In addition to simply

visualising strategy, Kaplan and Norton (1996) further suggest that Strategy Maps should clearly show the relationships among a company's financial, customer, internal processes, and learning and growth perspectives – specifically those elements associated with their Balanced Scorecard assessment of an organisation's strategic position.

As a result of this recommendation, and Kaplan and Norton being the principal advocates of such Strategy Maps to visualise strategy, the vast majority of people using them also choose to align their strategic development approach to the Balanced Scorecard method. For example, Ishino and Kijima (2005) uses Strategy Maps for describing a strategy with respect to the four perspectives of the BSC and for the construction of a logical strategic plan (see Figure 1), Scholey (2005) uses BSC Strategy Maps to describe and communicate the organisational strategy of JLM Transport (see Figure 2), and Kaplan and Norton (2001) mapped the strategy of Mobile North American Marketing and Refining, based on the Balanced Scorecard approach (see Figure 3).

Each of these diagrams represents a visualisation of a BSC-influenced strategy, however, different they appear. In the absence of established and consensual best practice, it has been recognised that those creating Strategy Maps have collectively generated a large body of diagrams that are highly heterogeneous in form, while being highly homogeneous in function (Blackwell *et al.*, 2008).

While the development and use of Balanced Scorecard Strategy Maps are popular and they provide a visual representation of a strategy in order to facilitate its communication, two limitations with these versions of maps still exist.

First, these BSC Strategy Maps rely on the initial strategy being developed using the Balanced Scorecard method. The existing Strategy Maps, as advocated by Kaplan and Norton, Veth, Scholey and others are underpinned by the Balanced Scorecard approach to strategy development. This remains a difficulty in facilitating strategy

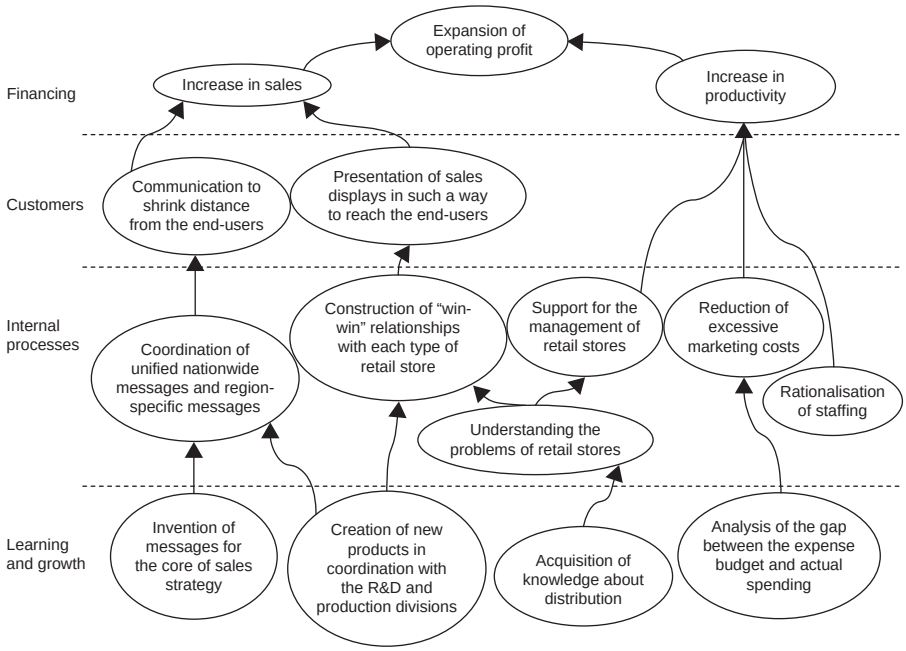


**Figure 1.**
Ishino's and Kijima (2005) representation of a Strategy Map (developed via a BSC process)

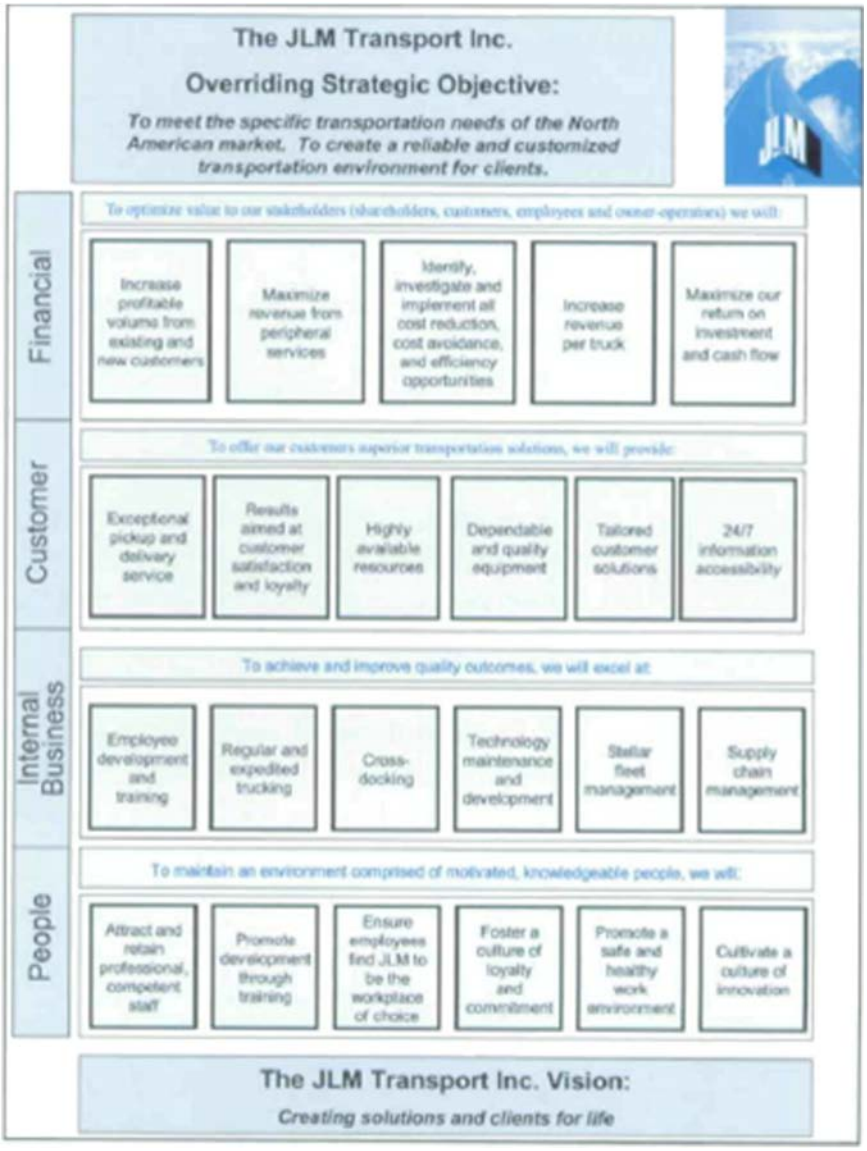


**Figure 2.**
Scholey's (2005) representation of a Strategy Map (developed via a BSC process)

more widely, as this strategy tool is used primarily by large organisations (a study in 2011 indicated that among BSC users, only 22 per cent were from small- and medium-sized enterprise (SME) while 78 per cent were from large organisations) (Tapinos *et al.*, 2011). Furthermore, some studies have indicated that the BSC is not suitable for all organisations; it is more relevant when there are greater levels of complexity in the decision making, due to the large volume of information and feedback collected on organisational operations and performance (Tapinos *et al.*, 2011). This therefore limits the appropriateness of the BSC-influenced Strategy Mapping method as a tool to

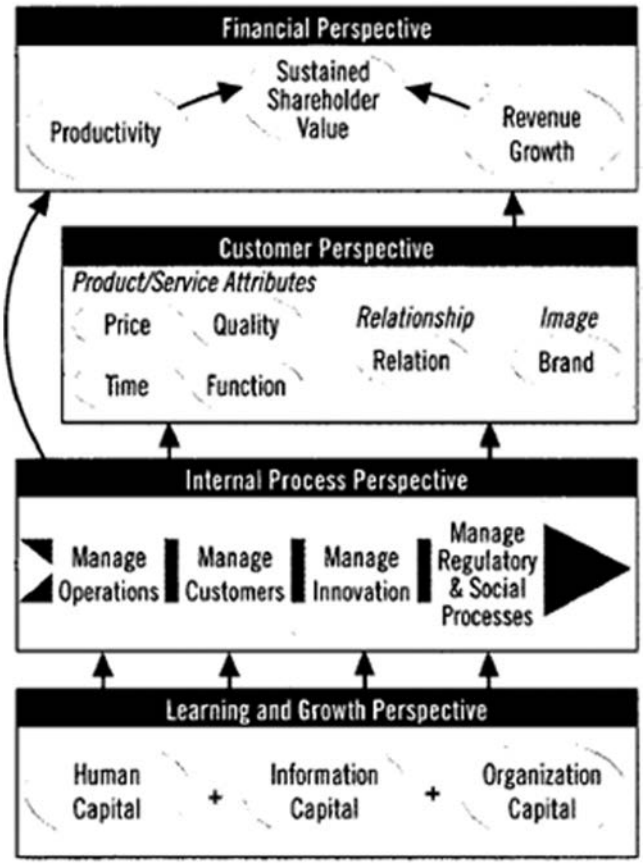


**Figure 3.**
Kaplan and Norton's (2001) representation of a Strategy Map (developed via a BSC process)

communicate and facilitate the execution of strategy to a broad and heterogeneously sized audience.

What is still required is a method of developing Strategy Maps that supports many types of strategy development methods, and so can be used by organisations that choose to develop their strategy according to methods other than the Balanced Scorecard.

Second, these Balanced Scorecard maps fail to provide a clear link between the elements of strategy and the processes that will be required to facilitate their execution. The three Strategy Maps shown above are, therefore, tactical at best in their support of the execution of the strategy. A method of communicating the connection between Strategy Maps and the operational activities of the business is still a vital element of strategy execution. We believe that linking processes to the Strategy Map is one solution to supporting strategy execution on a single page document. Organisations still need tools for communicating both their strategy and the processes and systems that will help them implement and execute that strategy.

What follows is a description of an alternative process to developing Strategy Maps that support many types of strategy development method (Huxley, 2003; Huxley and Stewart, 2004), yet provides organisations with a cause-and-effect one-page representation of their organisation's strategy and processes, thus promoting clear communication of

that strategy throughout the organisation thus clearly supporting operational execution. Figure 4 indicates that these newly developed "Strategy-to-Process Maps" provide an opportunity for communicating a strategy without the reliance on any particular strategy development method, while also extending the use of maps to guide an organisation's execution of their strategy.

## 3. A methodology for the development of Strategy-to-Process Maps

The following section of the paper describes the process which is used to develop Strategy-to-Process Maps. The description takes the reader through a time-based set of steps (as shown in Figure 5) with an explanation of why each of these steps is used.

### *3.1 Step 1: analysis of existing organisational strategy*

Our experience has shown that it is necessary to review the existing strategy of the organisation in whatever forms they take. In some circumstances they are purely in the mind of the CEO (a situation typical of small business (Carland *et al.*, 1989; Andersen *et al.*, 2001) and in some businesses they have been developed to meet an organisational policy and are not used as a planning document (Huxley, 2012).

Reviewing an organisation's existing strategy ensures that some form of strategy exists, and that all the stakeholders who can substantially influence the acceptance of the final Strategy-to-Process Map agree that the strategic plan is viable. Without this agreement the results of the visualisation will be questionable based on disagreement with the original strategic plan.

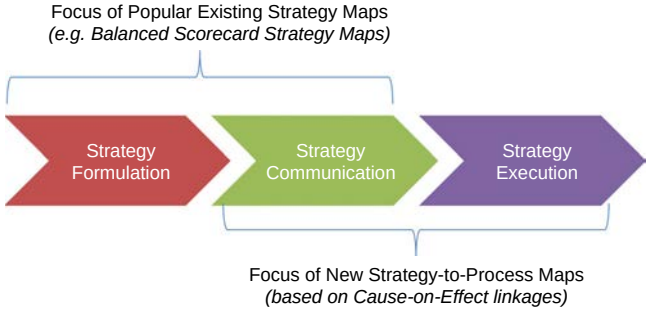


**Figure 4.**
The difference between popular Strategy Maps (focusing on developing and communicating strategy) and the newly developed Strategy-to-Process Maps (focusing on communicating and executing strategy)

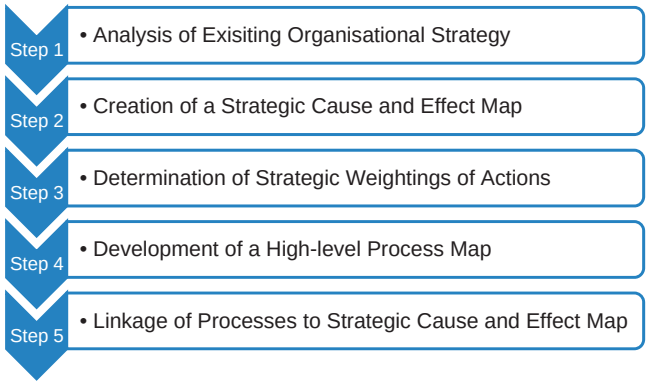


**Figure 5.**
Steps in developing Strategy-to-Process Maps

*3.2 Step 2: creation of a strategic cause and effect map*

*3.2.1 Identification of the cause and effect relationships.* Cause and effect maps are used to examine the root causes of problems by continually asking "why?" until the real cause is revealed (Antony *et al.*, 2005, 2008). To determine the cause and effect relationships that relate to an organisation's strategy, an organisation's goals are probed with the question "how?". That is, we start with the stated goals of the business and ask how the business hopes to achieve these goals. In doing so, strategies emerge for the fulfilment of the goals. Further questioning of these strategies with "how?" result in specific objectives (or similar) being identified. The end result of this process is a hierarchy of linked goals, strategies and objectives (see Figure 6 for an example).

The intent of a hierarchical strategic plan structure is to show the reader "how" to achieve the goals of the business. One important benefit of developing a "how" cause and effect set of relationships from a holistic viewpoint is to identify the goals which are not linked or poorly linked to specific strategies and objectives. It becomes easy to identify goals which need further review in order to determine the strategies and objectives required to deliver them.

In fully analysing the relationships between the elements of a strategy and ensuring that each element is integrated with the whole strategy, competitors may find it more difficult to emulate an organisation's strategy. As Porter states "when a company's activities fit together as a self-reinforcing system, any competitor wishing to imitate a strategy must replicate the whole system rather than copy one or two discrete product features or ways of performing particular activities" (Porter, 2001, p. 11).

*3.3 Single page representation of strategy*

In representing strategy, organisations typically use a text-based, multi-page style of representation in which departmental or divisional separations are represented and individual strategies allocated (Kaplan and Norton, 1992, 1996, 2000, 2001). Given the complexity of the information contained within strategic plans, such text-based, and heavily segmented representations do not provide an holistic view of the cause and effect relationships across the entire strategy. Instead the result is a view of individual activities that does not consider the interrelationships of organisational strategy.

While organisational strategy can be very complex, the representation of such complexity needs to remain as simple as possible in order for it to have meaning and be useful to those looking to engage with it. Kaplan and Norton (Kaplan and Norton, 1992, 1996, 2000, 2001) and others suggest a single page diagram is the most effective and useful way of representing a strategy, rather than a multi-page explanation of the strategic plan.

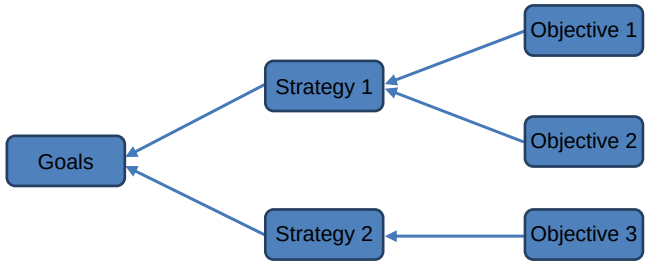


**Figure 6.**
Hierarchy of goals, strategies, and objectives developed from a cause and effect questioning process

By keeping the diagram as a single whole the reader is able to view the entire strategic plan on many levels simultaneously. They can rapidly move from high-level goals to low-level objectives following a single stream of cause and effect without the need to turn pages, scroll down a page, or in some cases look to a different document. By including the entire plan in the single diagram a reader has the opportunity to examine not only their own area of responsibility or interest but those which impact upon their area and those which they impact upon (Tufte, 1990, 2002; Huxley, 2003).

Such a holistic representation allows a reader to assess the completeness of the relationships and then identify gaps and solutions if required. Completeness and gap analysis in this context are based on the reader's ability to identify issues arising from reading a strategy and seeing linked to this strategy one or more activities which do not satisfy the achievement of the strategy. Without the ability to view the strategic plan as a whole these gaps may not be visible or obvious.

### *3.4 Colour coding of strategic elements*

The style of visual representation of information is core to the ability of a reader to understand. Tufte (2002) suggests that a visual display of information contains a number of layers and among the most powerful devices for reducing noise and enriching the content of displays is the technique of layering and separation, visually stratifying various aspects of the data through colour. He further suggests that the use of colour to differentiate concepts draws the eye to groups or types of information and thus facilitates understanding of linkages between levels of information being presented.

It has been stated that "of all the forms of non-verbal communication, colour is the most instantaneous method of conveying messages and meanings" (Eiseman, 2000, p. 1) and that "color is a powerful and magical presentation tool. It shapes what an audience sees, feels and remembers, and provides presenters with an auxiliary voice to communicate ideas and convey meaning" (Wallace 2001, p. 1).

Therefore, as a mechanism to facilitate the readers understanding of a one-page cause-and effect-oriented Strategy Map, we recommend the use of colour to designate the differences between goals, strategies, and objectives, using a single coloured text for each strategy element as shown in Figure 7.

### *3.5 Step 3: assign weightings of impact/influence to the cause and effect relationships*

The core elements of a strategy (goals, strategies, and objectives) will most likely be represented on any form of Strategy Map. We further suggest the inclusion of weightings to represent the relative impact or influence of a strategic component on its parent element (as shown in Figure 8). For example, a higher weighting may indicate that one particular objective has more impact on the achievement of its parent strategy than others, and thus should be considered more important and an organisational priority.

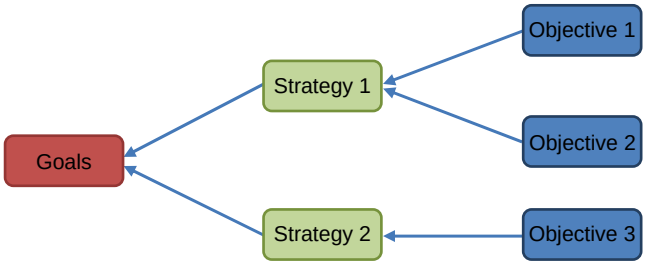


**Figure 7.**
Colour-coding to distinguish the strategic elements and facilitate understanding

Such a weighting allocation therefore better enables the effective communication of priorities to the operational areas of the business.

Rather than a technical and quantitative analysis leading to the required weightings, a more simplistic, if somewhat subjective, process can be used to determine weightings. Our research has successfully employed the anchoring and adjustment style heuristics approach (Davidson and Griffin, 2000) for this activity as any conflicts of thought about relative weightings have been resolved through group discussions with the major organisational players involved in the strategy development process.

*3.6 Step 4: identify business processes and link to strategy*

Process management research has resulted in a greater understanding of the integration and interaction of processes across the business (Garvin, 1998; Melnyk, 2000; Huxley and Stewart, 2004). The more recent research in business process management promotes a view of the business from the process perspective over that of the functional or traditional perspectives (Becker *et al.*, 2000; Brown and Ross, 2003). Modern managers are enthusiastic about processes because they offer the possibility of reducing fragmentation and compartmentalisation of work and improving the capacity for lateral co-ordination and communication (Garvin, 1998).

The cause and effect map as described and developed in steps 1-3 above focuses just on the elements traditionally associated with strategy development – goals, strategies, and objectives. In addition, however, we see a strong link between the objectives that an organisation would like to achieve, and the everyday activities, or processes that operate in that organisation. It has long been known that processes in an organisation should be developed to support or facilitate the execution of an organisation's strategies and objectives (Kaplic and Bernus, 2001; Sedera *et al.*, 2001; van der Aalst, 2003; De Bruin and Rosemann, 2005), however, no Strategy Maps that we are aware of represent this important linkage visually.

Our method recommends analysing the linkages between core business processes and the strategic objectives of an organisation, and representing these relationships, via a weighting system, visually on the strategic map. The following sections describe this process in detail.

*3.6.1 Identify the major processes*. In order to link processes to the objectives of the Strategy Map the core processes of an organisation must be known. A simple mechanism for identifying core processes may be the development of a core process reference model of the organisation (an example of such a model is shown in Figure 9).

Such a process model is a subjective, or better, inter-subjective, and socially negotiated model of the enterprise in terms of groupings of its activities (Marshall *et al.*, 2005).

*3.6.2 Assign weightings of impact/influence to the cause and effect relationships*. Once a model of the processes of the organisation has been verified and clear definitions

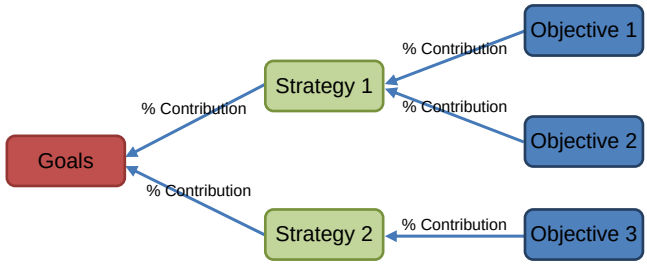


**Figure 8.**
Assigned weightings of each strategic element to its parent element

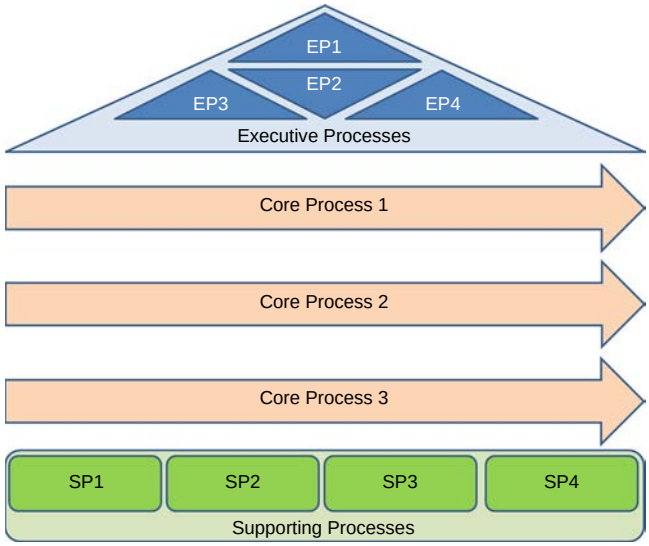


**Figure 9.**
A process "house" model, indicating executive, core, and supporting processes

have been agreed on, we recommend an analysis of the impact of each process on each of the strategic objectives previously added to the cause and effect map.

The result of such an analysis should allow the linking of all important organisational processes to those strategies that rely upon them (as shown in Figure 10). Further, once linked, each relationship between process and objective can be assessed and given a relative weighting of importance or impact so that those processes of providing vital support for the execution of the strategic objectives can now be more clearly seen. This approach allows the reader now to identify a clear linkage between the goals of the business, as determined by the business strategy, and the operational processes currently employed in the business.

This view also provides an opportunity to analyse whether the organisation currently has the processes required to fulfil the organisational strategy, whether non-contributing processes can be eliminated as they do not contribute to the strategy or the current non-strategic necessities, and whether new processes need to be developed to facilitate new strategically oriented activities.

In summary, the methodology described above provides a relatively simple process to visually represent an organisational strategy by way of a map that links the

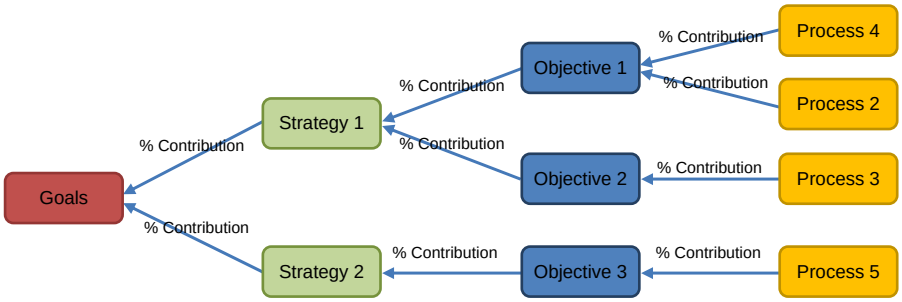


**Figure 10.**
Linking assigned weighing of organisational processes to each strategic objective

traditional elements of goals, strategies, and objectives, but augments this map with a further representation of the relative contribution of each objective to the fulfilment of its parent strategy component. Further, this methodology then identifies those processes currently in the organisation that will be most important in facilitating the organisational objectives and activities and identifies opportunities for process review.

## 4. Case examples of the application of the Strategy-to-Process Mapping method

The authors were engaged in a research project focusing on the strategy development processes in SMEs. In undertaking this research it became evident that a common problem for the organisations in the project related to the ways in which they visualised their organisational strategies, and the extent to which they were understood and could be operationalised by others in their organisations.

The following is an overview of three organisations that were the context in which the methodology for developing and representing Strategy-to-Process Maps was developed and refined.

### *4.1 Case 1: ITSERV*

ITSERV is one of the top ten IT services companies in Australia with over 700 employees and an annual turnover in excess of $AUD150 million. ITSERV have operated for more than 30 years in their industry and have a nearly equal mix of public and private clients throughout Australia. Their major service offerings are:

- integrated infrastructure management (connectivity, hosting, managed networks and desktop, server and storage management services);
- e-business solutions (e-Commerce, e-Integration, consulting, and call centre/helpdesk services); and
- application outsourcing (payroll, disbursement, cheque reconciliation, SAP R/3, database administration).

The authors were invited to participate in the redevelopment process of ITSERV's organisational strategy, and thus were provided with an opportunity to identify inhibitors to the effective use of their existing strategy.

ITSERV's existing strategy was designed to be a two-year strategic plan and would be reviewed annually. When the case study was conducted, the format of the existing plan was a text-based document in which the "brief version" was 15 pages long. The plan was initially developed by, and for the use of, the senior management team. The strategy document was made available to all other staff as a link on the company intranet, as well as a document attachment e-mailed to all staff.

ITSERV's executive management felt their existing process of strategy development and visualisation was too long and inhibited staff from engaging in, or in some cases even understanding the existing strategy. Most staff did not read the text document and if they did read it, it was strategic in perspective so of little use to operational staff, unable to link their activities to the business strategies.

*4.1.1 Outcomes for ITSERV.* At the completion of the Strategy-to-Process Mapping methodology ITSERV had developed one map that was subsequently communicated throughout the organisation to all lower level executives with operational responsibility. Feedback from these lower-level executives indicated that they felt they fully understood the organisational strategy after only approximately 15-20 minutes of reviewing the map.

They stated that they also now understood how their own areas of operational responsibility contributed to the execution of the strategy as the processes that supported these strategies were more readily visible given the use of colour-coding and weightings to show relative importance of processes to strategy:

> Our intention at the outset was to identify and prioritise our strategic planning objectives by understanding the criticality of the underlying business processes that contribute to their achievement. By following the process we were able to establish a core set of objectives and underlying processes that will give us the best return for our effort (Managing Director, ITSERV).

An interesting outcome of this process was that lower-level executives of the organisation became very engaged in the process of discussing and revising the relative weightings of processes to strategic elements. They believed that now they understood where the organisation was trying to go, they could make better calls as to the most relevant processes required given their more in-depth knowledge of the day to day operations of the organisational divisions.

*4.2 Case example 2: FINSERV*

FINSERV is a long-established regional company that provides financial products and trustee services in Australia. It currently has over $1.2 billion in funds under management on behalf of personal, business, and wholesale investors, as well as approximately $750 million of trust assets under management.

The authors were initially approached by FINSERV to assist the company in developing an IS/IT strategy. FINSERV's wish was to "bring basic infrastructure up to scratch", getting the small team of IT professionals "out of the trenches" and assisting the company to "develop a more strategic focus" to their IT operations. Information systems staff within FINSERV had expressed a wish "to adopt a best practice approach to our IT strategy" development process, and requested that the researchers assist with this project.

As an initial step in facilitating the development of an IT strategy for FINSERV, the research team commenced a review of FINSERV's existing organisational strategy. It was at this stage that it became apparent that there was little understanding throughout the different levels of the organisation of the strategic direction determined by FINSERV's top management team (TMT).

At the time of this case study, FINSERV had an existing organisational strategy which was developed with the aid of an external consultant. In a one-day session, the consultant had facilitated five members of the TMT of FINSERV to identify areas of growth and opportunity facing the organisation for the next three-year period.

This analysis resulted in the agreement of the TMT on one board-level goal, and a number of strategic opportunities. Each objective was then individually analysed to identify specific actions which could facilitate the fulfilment of each objective. The output of this strategic analysis process was a "Profit and Growth" plan for FINSERV, which was represented by an 18 page text-based document identifying the activities required to be undertaken by each functional area of FINSERV (e.g. marketing, financial planning, and distribution channels).

On completion of this strategic planning process, the profit and growth plan was e-mailed to all staff in the organisation by the secretary. In investigating the communication of the organisational strategy in FINSERV, it became apparent that this process of dissemination was not sufficient to effectively communicate the new strategy to all members of the organisation. Specifically many personnel in FINSERV

reported that they did not even recall the existence of an e-mail or of an organisational strategy. For those who did recall receiving the e-mail, they reported that the 18 page text-based document was too complex and they were unable to see how it related to their daily work. Given the functional divide of the plan, staff were unable to see how their job related to other functional areas of the organisation. As a consequence, the profit and growth plan was seen as unimportant to the actual operation of the organisation, and middle and operational-level managers continued to make their operational decisions in an ad hoc fashion, which was not consistent with the TMT's strategic vision. An example of this ad hoc decision making was the account by the marketing manager (a level B executive) of his drive to establish electronic systems and processes with clients which was in direct conflict with the current strategic thinking of the TMT.

The Strategy-to-Process Mapping methodology was undertaken in consultation with FINSERV's CEO, Company Secretary and General Managers (TMT).

*4.2.1 Outcomes for FINSERV.* At the completion of the development of a Strategy-to-Process Map created by the authors and members of FINSERV's TMT, FINSERV's mid-level managers reported that they had a much clearer understanding of the strategy and the priorities of the strategy across the business and not just their department. They had discussed, at times quite vigorously, the intentions and priorities in order to revise weightings to the cause and effect.

Our observations and interviews revealed a clearer understanding of the business generally with regards to how different processes influenced and were influenced by activities in the different departments. The mapping was providing a structure for the exploration of processes and their integration into the strategic thinking of the executive management team. There was a realisation of the direct impact and influence of their activities on other business areas outside of their responsibility with this realisation leading to an understanding that there was a greater need to coordinate and communicate between responsibility areas rather than the traditional fixed line areas of responsibility. Middle managers admitted that the understanding of the strategic plan and its relationship to core processes enabled better decision making at the operational end of the business.

The power of an effectively communicated strategy became further apparent when the mid-level executive management identified the need to improve the existing strategic plan by removing the "irrelevant elements" (what they called fillers) and introducing priorities. These managers were able to identify that much of the existing strategic plan had been built on information that was tacit to the CEO only. Specifically, in the previous version of the strategic plan, the CEO had emphasised a number of governance activities which must be achieved and had optimistically presumed that management would continue to pursue these goals even though they were not in the current strategic plan. The linkage of processes to the plan raised this problem and subsequently ensured that the governance processes were added to the strategy and considered an ongoing priority to the operational managers.

*4.3 Case example 3: RESERV*

RESERV is a wholly owned subsidiary of the international company RESERV AB, and is a niche player in the IT consulting industry in Australia. RESERV specialises in technology consulting, which is focused on the improvement and maintenance of a specific enterprise system (ES) and the supporting hardware. RESERV provides a

"Remote Services" product to clients running ES products to monitor and manage the operating system and hardware. The remote service product has clients who are application service Providers as well as companies supporting their ES application in-house. Examples of services provided are hardware sizing (servers and networking equipment), technical auditing and the implementation of applications.

This case was conducted with two participants: the Managing Director Australasia and the Senior IT Consultant and Remote Services Manager.

In this organisation there was essentially a management team of two as there was a heavy focus on achieving operational tasks. RESERV were interested in identifying those areas of their Remote Services business, which they needed to improve in order to continue their present market growth. The Remote Services manager was interested to find out if there was an area of her responsibilities that she should be focusing on more than another. Both participants were also interested in the cause and effect process as a means of revising their present approach to achieving business goals.

*4.3.1 Outcomes for RESERV.* On completion of the development of the Strategy-to-Process Map in RESERV, this map was again shared with mid-level managers and employees of the organisational divisions. The Remote Service Manager reported a greater understanding of the intentions of the Managing Director and was now able to more clearly communicate this to both clients and importantly to her staff. Interestingly, the Managing Director commented that while the results of the method were not as he had initially expected in terms of his initial understanding of the importance of particular areas of the business to achieving his strategic goals, the process had "reinforced that we must ensure that we get off our backsides and get to the client, face to face!".

## 5. Conclusions

Each of these three case organisations had identified a need to better understand their strategic objectives by a stronger visual representation of the components of their strategy, as well as a need to identify how their daily operational tasks contributed to, or distracted from, the achievement of their strategic goals.

This paper has provided a description of a methodology to develop a visual map that links elements of an organisation's strategy to the organisational processes that facilitate and underpin the execution of the strategy. This methodology has been successfully employed in three medium-large-sized organisations across different industries and has resulted in the employees of these organisations gaining a much stronger understanding of the strategic directions of the organisation.

Developing Strategy-to-Process Maps following the method described in this paper improves the three elements of effective strategy execution: visibility; leverage and responsiveness (Veth, 2006). Specifically:

- visibility: the objectives on the map define the highest level of outcomes and drivers that management needs to monitor and review;
- leverage: the objectives on the map point directly at the processes, sub processes, and activities that are the priorities for achieving effective change in performance; and
- responsiveness: the ongoing dialogue generated around the results and assumptions on the cause and effect relationships among objectives enables fact-based learning and evolution of the strategy.

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