

September 2009

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*Topic of the Month*

## Putting strategy into processes

*Few will dispute the notion that IT follows business follows strategy. This is pure business admin 101. But when we recently put the question of how processes reflect and support strategy to a roundtable meeting and at some expert communities, the answers were surprising.*

More than 70% of those responding said that there were no formal or informal connections between business strategy and business processes at their company. They also added that they regarded this linkage as necessary, with some respondents saying that lack of strategy and business alignment had added to current business difficulties.

A second group of respondents firmly denied the need for linking business strategy to processes, arguing that departmental strategies served as the linking pin.

The third, even smaller group mentioned using or at least experimenting with tools and methods in isolated instances. Examples given ranged from Balanced Scorecard to establishing process managers whose responsibilities transcended departmental boundaries.

While these answers came not totally unexpected, we asked selected people from group 1 what reasons they could give for the apparent disconnect. Voiced by many, the answer was: We don't know how.

Even if this wasn't in any way a statistically representative survey, the implications of the responses and discussions about them paint a grim picture: What value (if any) do process and process reengineering projects, investments in process support systems have from a management perspective, if it is accepted wisdom that processes are and will remain disconnected from strategy?

To turn this question upside down: What enormous potential could we unleash, if we were only able to find ways to adapt and align processes (through a process strategy) to the business strategy?!

We firmly believe that only those companies willing to regain control over their processes (their value creation) will be the ones able to quickly adapt to new market developments. They will through

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permanent control over their processes be able to quickly identify, invoke and manage the changes that business strategy requires in order to be successful.

The challenge is not a financial one, it's not about adding or replacing IT layers and systems. It is an intellectual challenge, a question of creating the right mindset and developing and applying methods that guide process design not by 'because we can' but by 'because we should'.

If business agility is what companies need to survive - and be successful - it requires more than just a new strategy: The ability to constantly re-invent themselves is based on the ability of processes managers to understand strategy and to change and develop processes accordingly. The issues this raises about roles and responsibilities, content and implementation of process strategies, identification of change points and modularization of processes to name a few will be subject of future comments here.

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