Introduction

“Companies typically realize only about 60% of their strategies’ potential value.”
(Mankins & Steele, 2005).

As a Business Process Management (BPM) professional, how do you select the right approach to bridge the gap between strategy and execution? How do you avoid performance shortfalls? What factors need to be considered? Is there a way of predicting success?

For BPM Professionals there are a bewildering range of approaches available for operationalizing strategies within organizations. The issue becomes one of not just identifying the right approach but also understanding the context in which it will be used and being confident that success will follow (Reeves, Love, & Tillmanns, 2012).

This Article will seek to understand how the strategic frameworks suggested by literature and industry professionals apply in real world organizations and disclose the relevant critical success factors applicable in today’s companies.

Methodology / Approach

Literature Review

It was necessary to identify and define a strict scope and domain to conduct research. The case studies reviewed were limited to those published within the last 10 years to capture the most recent and relevant evidence available. For background theories in business process management, literature was limited to publications written after 2000.

To ensure a high level of validity and credibility of the source material, all Articles included were required to be peer reviewed or sourced from authors with extensive published work. Several Articles from respected consulting firms were included only after validation of the information with peer reviewed works.

The scope of this Article was specifically limited to case studies within the service industries. The reason being, service is the dominant economic sector within the Australian economy and is considered to represent the bulk of clients and employers of BPM professionals (Harmon & Wolf, 2014; Trading economics, 2014). Where
available, case studies of governmental services were also included to allow for a comparison between private and public sector organisations.

**Limitations**
The limited time available for this Article precluded extensive review of management theory literature, which may have provided further insight into the execution of corporate strategy. Manufacturing, mining, energy and primary industries such as agri-forestry were not considered.

**Domain Scope**
The following search domains were used to locate:

- QUT Library e-collection
- Google Scholar
- BP-Trends archives
- Consultation with industry experts
- Business leaders
- Currency of source material
- Direct industry expertise

These sources were selected because for the following reasons:

- Validity of information
- Online access
- Currency of source material
- Direct industry expertise

**Keywords**
The following key search terms were utilized for collating literature material for this Article:

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Table 1 Keywords Utilized for Literature Search

**Case Studies**
From the available literature, case studies chosen for this Article are a representative selection which will provide insight into current industry practices.

**Core Findings**
**BPM at the Centre of an Organisation**

Organizations are traditionally designed and managed in a functional sense with the organization chart being the primary artifact of reference (Tregear, 2013). Whether it may be a hierarchal, functional, and divisional or matrix system, the focus is on managing defined entities within the chart. However entities by themselves cannot deliver external value. Value is collectively created by the collaboration between these functional entities (Raynor, 2007).
Hence the idea of looking “outside in” has been used as the basis for bridging the gap between corporate strategies and process strategies. From this, it can be identified that the precursors of corporate strategies are derived from external stakeholders, or customers (Selden & MacMillan, 2006). For instance business drivers such as efficiency, effectiveness and agility are examples of internal goals driven by the need to deliver value to customers.

How does an organization deliver value, or execute corporate strategies? What are the core drivers of value? It is the processes within an organization (Figure 1). For that reason, the business process architecture needs to be examined to identify what business processes are crucial to achieve strategic objectives. And so the value of BPM becomes vital in closing the gap between current and desired performance (Vaduva, 2013).

Organizations across a wide range of market areas, in particular the highly competitive service sector are realizing that core process are valuable assets. As a result they have embarked on projects based on utilizing BPM to fuel the delivery of corporate strategies (Vaduva, 2013). This Article will examine theoretical frameworks underpinning the management of strategies.

Roger Tregear, consulting director of Leonardo Consulting Australia and Bassam AlKharashi, chief executive director of ES consulting, Saudi Arabia maintained that closing the gap between strategy and execution was related to the collaboration of best practice between three offices of management, strategy, processes and project (2012) (Figure 3). All three offices are interrelated and work harmoniously to execute an organization’s strategy.

**Strategic Management and BPM**

A mutual correlation between the aforementioned literature and identified framework is that of strategic alignment and management. Strategic management involves the setting and running of corporate strategy. Michael Raynor defines Corporate Strategy as “how an organization creates and captures value in a specific product market” (2007, p.1).

Corporate strategy can be thought of as the guiding goals of an organization. What they want to achieve by when and for whom (Bowman & Helfat, 2001). As a BPM professional it is important to understand the goals of the organization and what
they are seeking to achieve, whether you are working internally as an employee or externally as a consultant. Understanding your customer’s wants and needs is important for the success of the organization (Reeves, Love, & Tillmanns, 2012; Bowman & Helfat, 2001).

Reeves, Love & Tillmanns (2012) also found that the process used to set the strategy is just as important as the strategy itself. If the strategic style or process of setting the strategy is aligned to the business environment, success is much more likely (Reeves, Love, & Tillmanns, 2012).

Corporate strategy may be broken into two parts to make it easier to understand and to facilitate alignment with the process strategies (Figure 3). Traditionally BPM in its various guises has focused on the first element through process modeling, process flows, enterprise architectures and various other analysis techniques such as lean and six sigma.

The second element of corporate strategy is not discussed much within the BPM literature but is also vital to successful alignment between process strategies and corporate strategies (Rosemann & Vom Brocke, 2010). Often uncertainty and risk are conflated with much of the work around the management of uncertainty being handled through risk management frameworks completely separated from any BPM programs (Doebeli, Fisher, Gapp, & Sanzogni, 2011). This can create confusion and misalignment between key stakeholders if governance structures and communication lines are not effectively maintained (Antoniadis, Edum-Futwe, & Thorpe, 2011; Doebeli, Fisher, Gapp, & Sanzogni, 2011).

The Indonesian government may represent one of the more complex organizations utilising BPM techniques but they also stand as an exemplary case in terms of ensuring that the social structures and inter-relationships are understood to provide clarity of purpose and continuity in strategic alignment (Nurmandi, 2012).

Literature suggests there are four major components to strategic management, environmental scanning, strategy formulation, strategy implementation and strategy evaluation and control (Van Der Merwe, 2002) (Figure 4). The set of managerial decisions which determine the long-term success of an organization requires the successive execution of each element.

From an industry perspective, Tregear and AlKharashi (2012) has
compartmentalized these elements into a strategic management office consisting of a strategy process architect, integrator and custodian. Collaboration between the three ensures the clarification of corporate strategy which in turn determines the execution of aligned processes (Figure 5).

While BPM requires organizations to reduce their reliance on traditional territorial and functional structures in a shift to process-centric thinking, the BPM professional must also be flexible and adapt to the organizational, cultural and market context in which they are operating to ensure strategic alignment (Doebeli, Fisher, Gapp, & Sanzogni, 2011).

This is particularly true when dealing with organizations with a low BPM maturity (Rosemann & Vom Brocke, 2010; Rosemann & De Bruin, Towards a business process management maturity model, 2005).
Business Process Management Alignment

Business processes outline the methods the organization uses to produce value from start to end. BPM can be used to effectively define the value chain of the company and assemble all the processes in the best possible manner (Dumas et al, 2013). The core components BPM activities are summarized in Figure 6.

Less than 10% of companies have implemented business process management and most companies deploy BPM as a set of tools and instead of a proper management practice (Carter, 2009). This ad-hoc implementation can lead to mis-alignment as well as different approaches being adopted throughout an organization.

One method for effectively ensuring that strategic alignment is maintained is to employ experts who are responsible solely for the management and maintenance of this alignment as suggested by Tregear & AlKharashi (2012). This would be similar to the approach currently used with safety management, human resource management or quality management.

As with safety or quality or BPM, the strategic management office does not own the strategies and is not accountable for ensuring that the business outcomes are actualized by the business units. Instead they are accountable for facilitating and ensuring that all business units are aligned and working towards the common goal (Tregear & AlKharashi, 2012).

This provides the business with a distinct and identified group accountable for ensuring a strong link between the people within the organization who provide value to the customer and to the strategy. This vertical alignment (Figure 7) can be measured and tracked using standard Key Performance Indicator (KPI) models but they must be well defined.

To implement corporate strategies, business process management is progressively becoming more important because of the following:

- BPM helps in gaining a competitive advantage: to best understand competitive advantage, it is important to have a systematic way of examining the various activities which a company undertakes and the way in which they interact with each other (Schooff, 2011). BPM provides this capability.
Customers are becoming impatient: they expect instant information and instant gratification. This situation required companies to become more adaptive and agile in their approach. Companies are exploring tools and approaches to ways to shift from a static to dynamic functionality (Lehmann, 2010).

Business operations have changed and become more complicated: cloud computing, social and mobile media being introduced have created a need for business process management. For example, the energy industry has made a shift from a hierarchical model to a more decentralized model which is locally produced, consumed and is sustainable as well (Sinclair, 2010).

Because of fierce competition, agriculture has also evolved from being a single link in the industrial food product and distribution chain to an organic resource. Also, the relation between the operations processes and IT has become more complicated in infrastructure companies. Such changes require strong guidance via corporate strategies and proper business process management to be successful in operation (Stuart, 2008).

While BPM is a powerful management approach, alignment between the business processes and strategy must be maintained. It is imperative to have clear ownership in order to implement effective business processes in an organization (Zing, 2010).

Continued in Part 2.

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