



**UMIT**

university for health sciences,  
medical informatics and technology



Schliersee, 1/2 - Mar - 2007

# How to build better organisations ?

**Roland Blomer**



The following document was generated in presentation style. The author's oral comments are essential for the correct interpretation of the content.



David Norton ...

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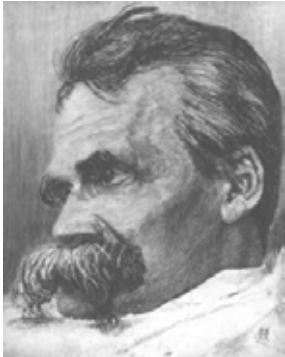
... Making Strategy Management

a Sustainable Competitive Advantage ...

by mastering a  
new management  
competency !



# Friedrich Wilhelm Nietzsche ...



15. Oktober 1844 in Röcken bei Lützen;  
† 25. August 1900 in Weimar

**... den Stil verbessern,**

**heißt den Gedanken verbessern ...**

**... operational excellence,**

**follows a better strategy ...**

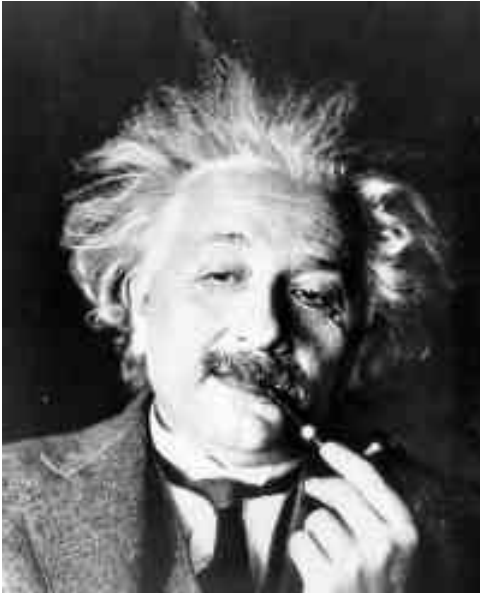
**... implementing a strategy,**

**means managing the change ...**



## Albert Einstein 1879-1955 :

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„We cannot solve problems by using  
the same kind of thinking we used when  
we created them“

The key to success is changing the thinking that means the mental models. The change begins with how you see your job and your environment and how others see theirs.



## What do we know about managers with highest return on equity?

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- Top managers adopt a well-defined and communicated business strategy.
- Top managers close gaps between organisation, technology, process and architectures. Closely aligning each element, within each architecture, greatly enhances company performance.
- Top managers align all the activities from top to bottom within the organisation. If an activity doesn't add value, managers outsource or eliminate it.
- Top managers adopt a specific set (more than 10, less than 30) of key performance measures covering a diverse set of performance categories (e.g. employee satisfaction, customer satisfaction, productivity, growth and innovation, financial results)



# Measurement driven strategic alignment

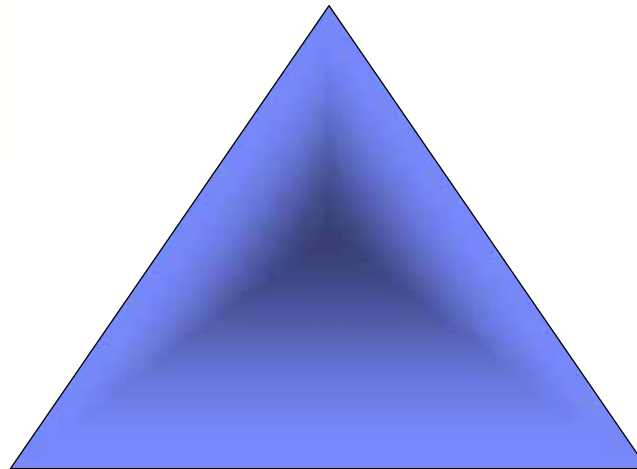
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Organisation &  
People

Trailing performance  
Measures **do not** really  
help to run the business

Look for predictive  
measures that provide  
a better understanding  
of process performance

Technology



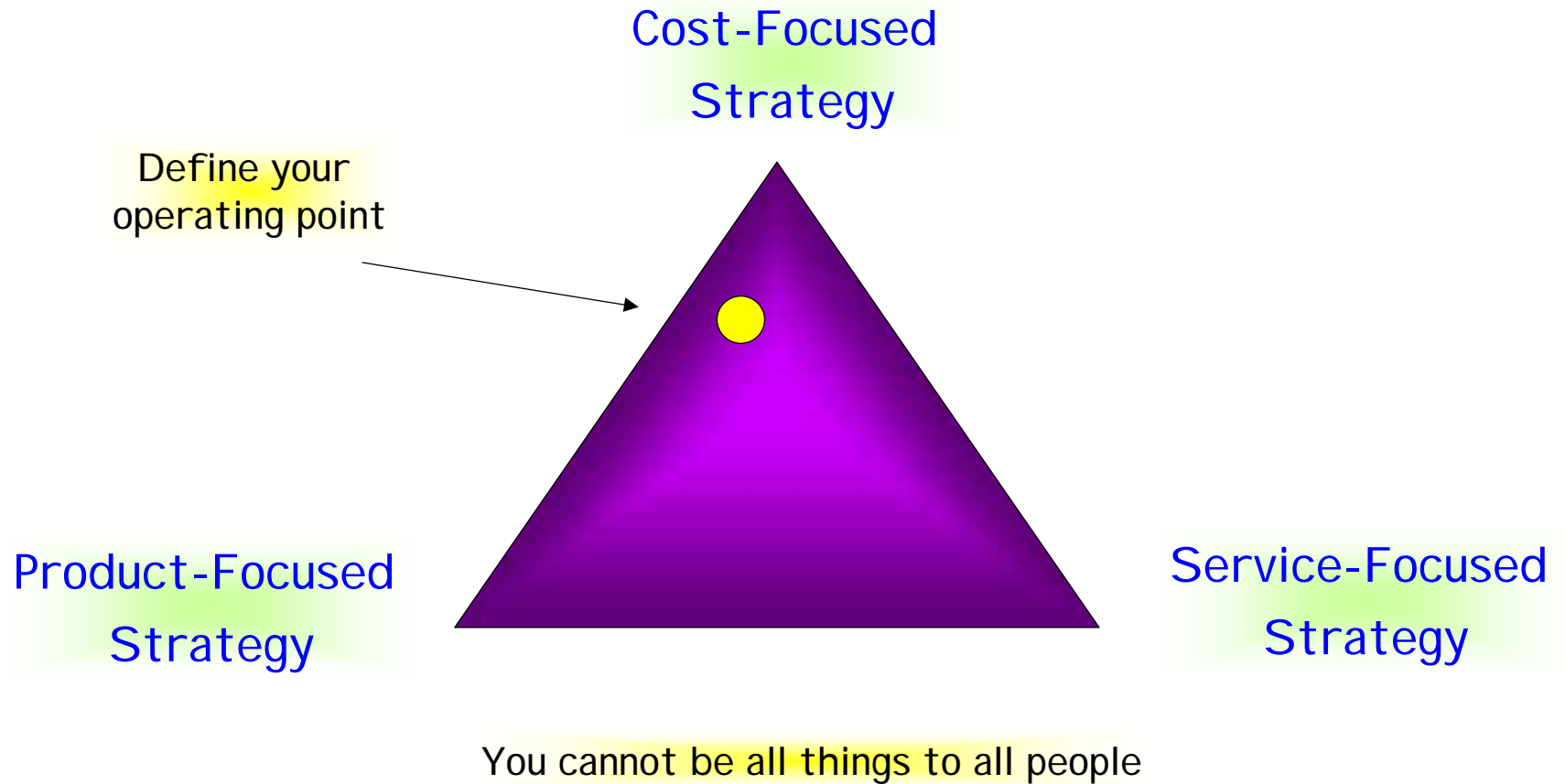
Processes

Alignment management occurs when all activities of a company bear a  
direct relationship to the business strategy  
Close the gaps!



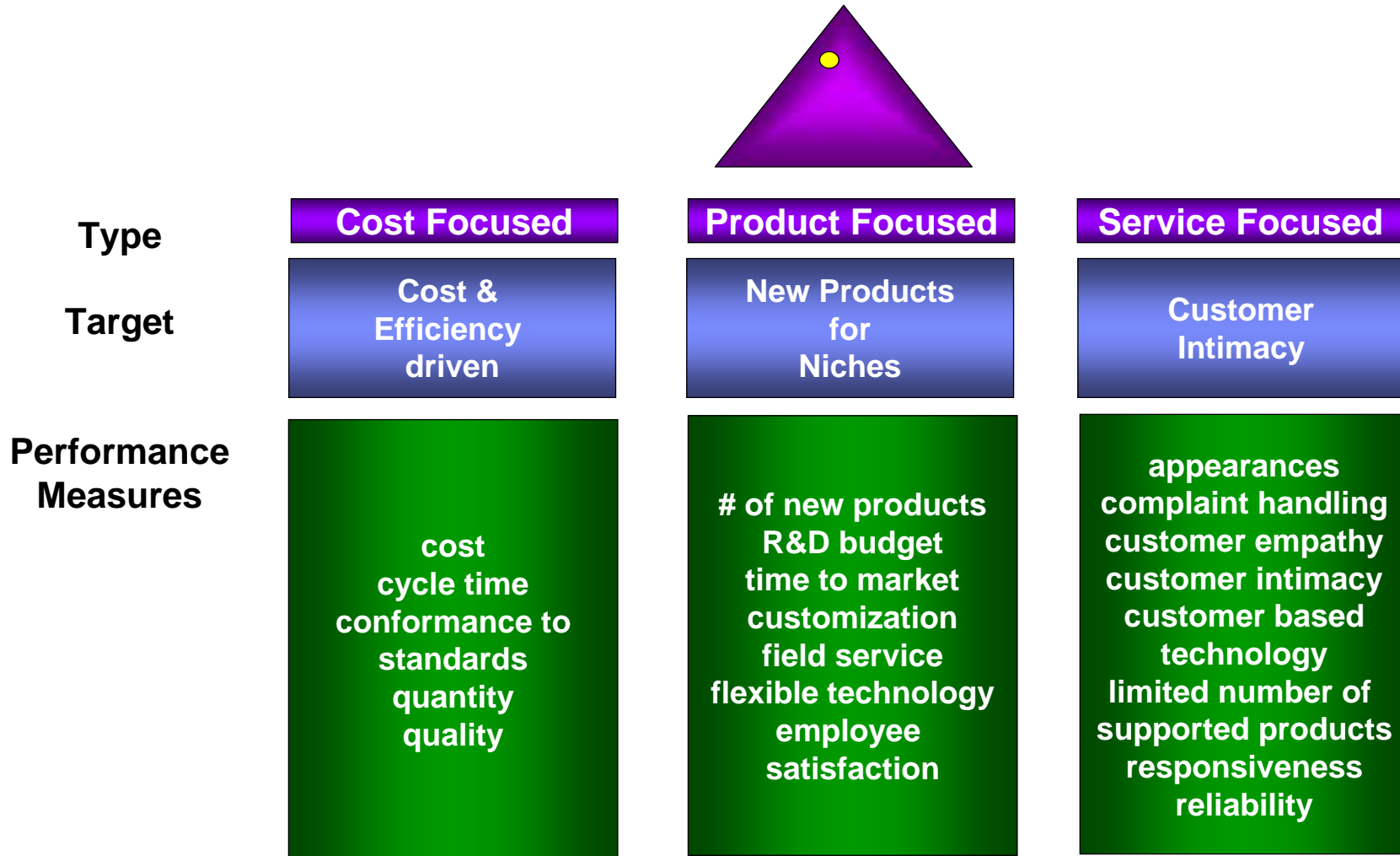
# Strategic Focus

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# Key Performance Measures of Focused Strategies







# Key Success Factors

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- Trustworthy communication
- Availability of resources
- Availability of technology
- Proper use of employees' skills
- Respectful treatment of employees
- Successful teamwork
- Shared knowledge of strategic goals
- Leadership skills
- Shared commitment to company's values



# Individual Performance measures

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- Align all activity with the business plan or strategy
- Measure employee performance against a balanced scorecard
- Provide a common framework for assessing many incumbants occupying the same job
- Increase the dialogue surrounding individual contributions to the business while reducing the overall amount of time spent in performance assessment

Hold your direct reports accountable for building and using focused strategies, scorecards, process measures, and individual performance profiles



# What is Strategy?

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Where does the concept STRATEGY come from ?

... (almost) always from the Greek ...

**στρατηγέω :**  
stratägeoo

I am commander in chief

I lead, I control

I achieve something

I execute something

**I do something in the smart way**

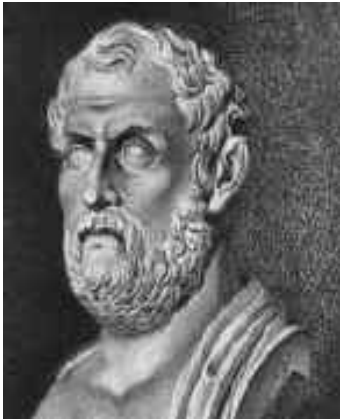


# Historical References

Thukydides, 460 – 400 BC

Friedrich II. "der Große", 1712 - 1786

Carl Phillip Gottfried von Clausewitz (1780-1831)



The  
Peloponnesian  
War

Continuous effort to control the actions  
Attack only one enemy at a time  
Concentrate your power on the important points  
Avoid long duration wars

The War

**... The war is the father of everything ... Heraklit, 500 BC**

... Παντα ρει ... is also by Heraklit



# Strategy is the Answer to the Questions

- Where are we ?
- Where want we to go ?
- How do we reach this goal ?
- How and when do we measure the succes ?
- What is the strategy update cycle like?





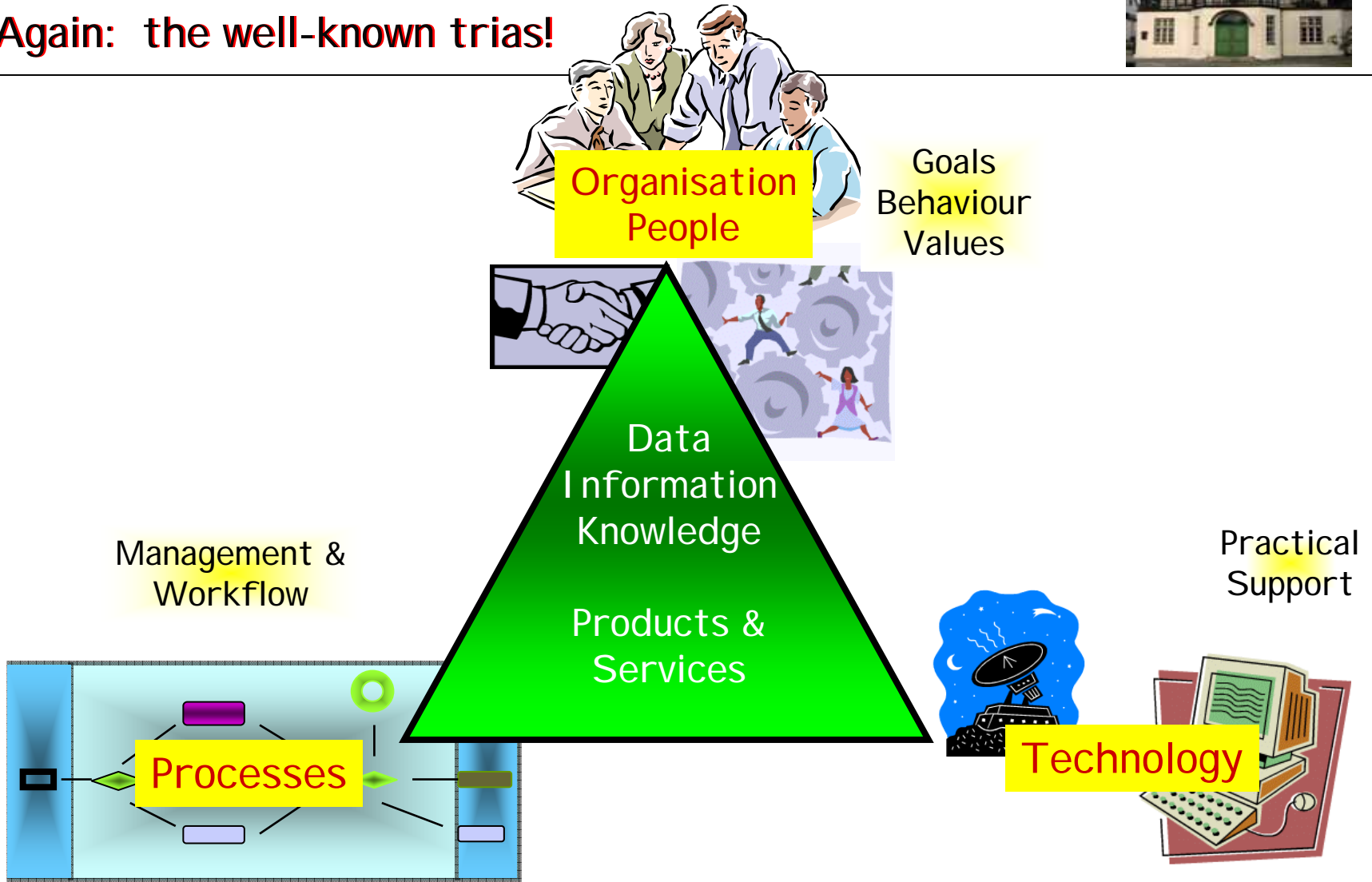
## What is a Business Process?

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**A Business Process is a set of related tasks that together deliver something of value to a customer**



# Again: the well-known trias!



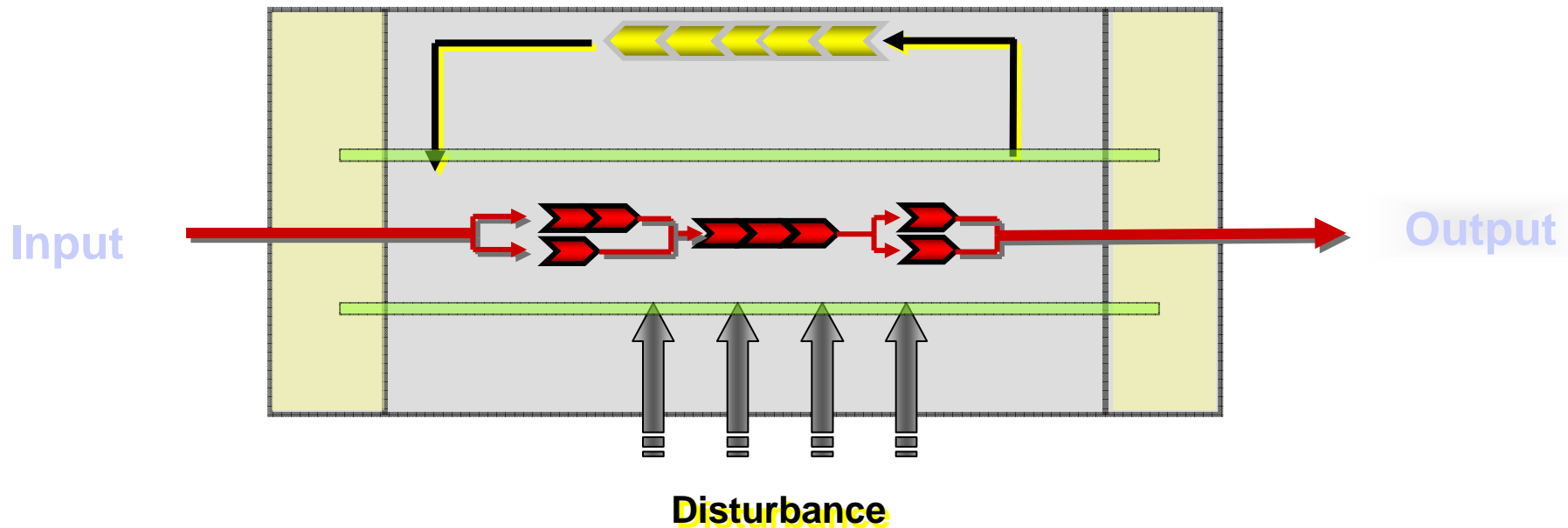


# Anatomy of Operative Processes

Targets are set externally

**Monitoring & Control**  
**Actual vs. Target**

The controlling mechanism compensates disturbances

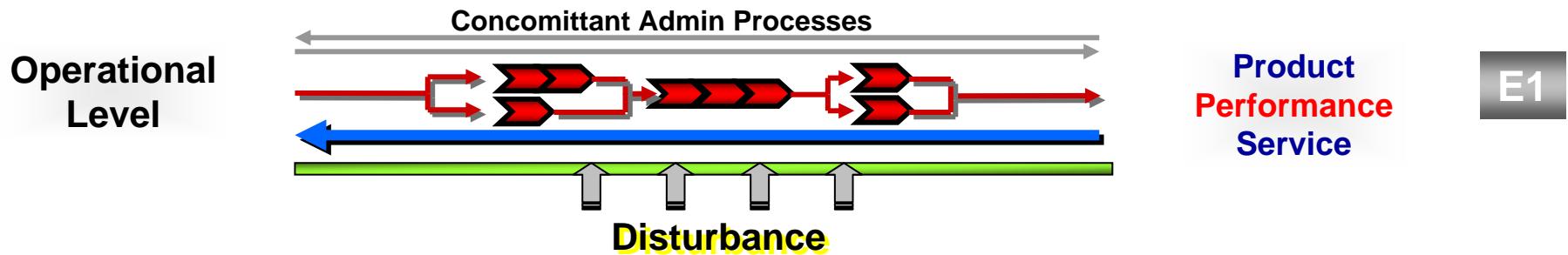


Controlling, not Steering!



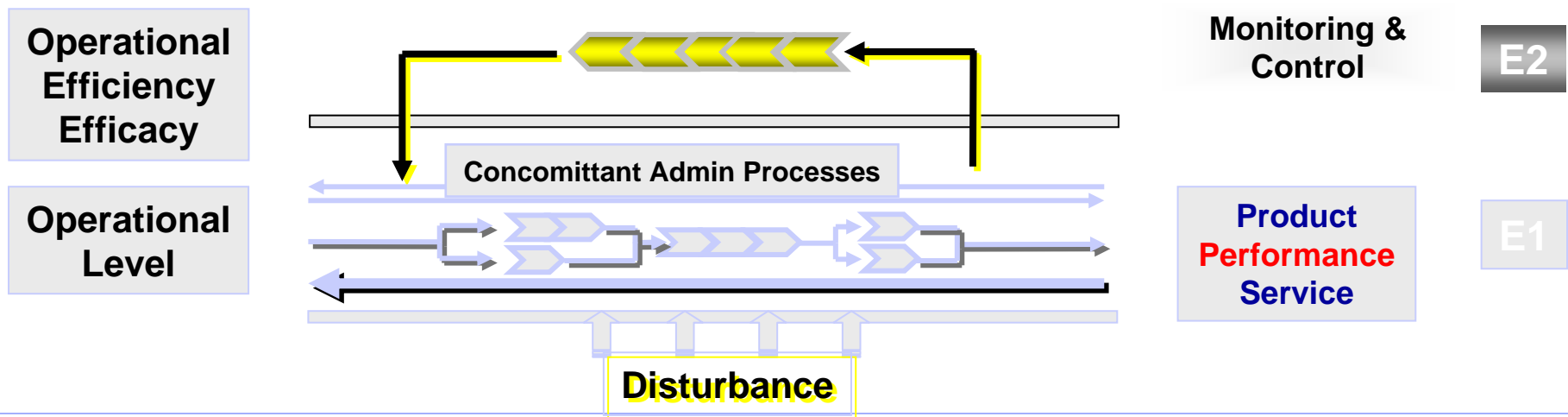


# The Generic Architecture of Business Processes



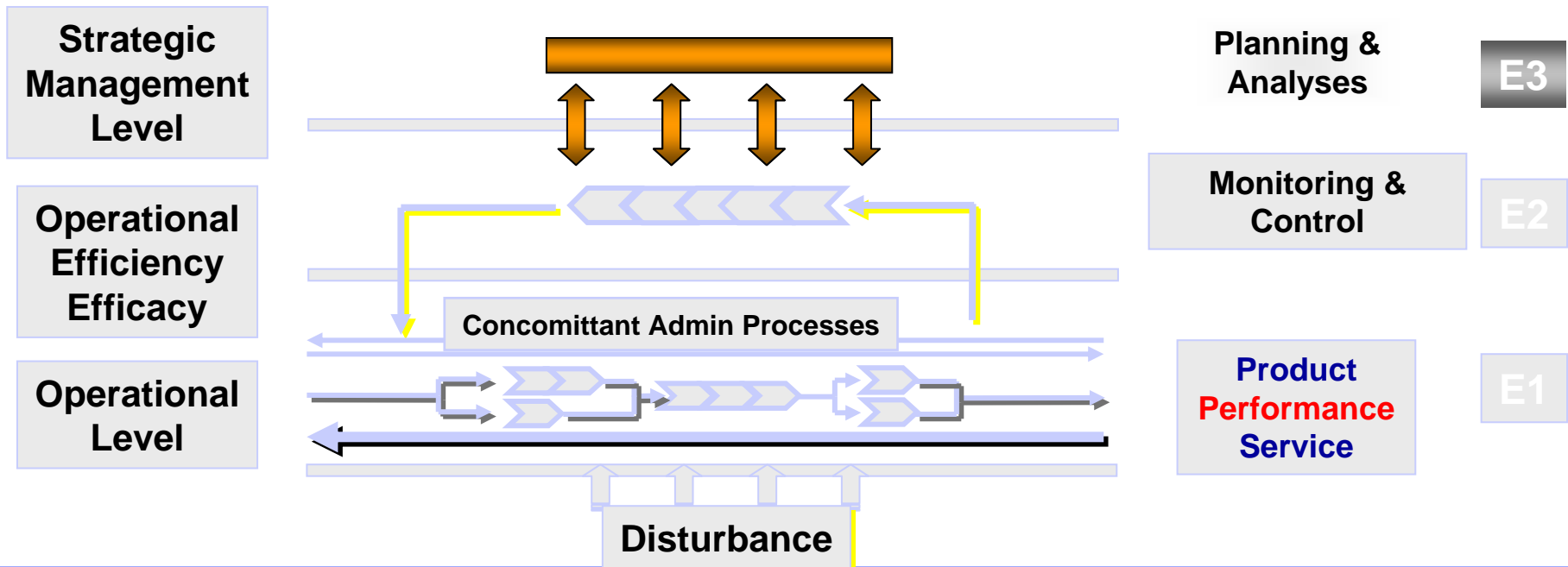


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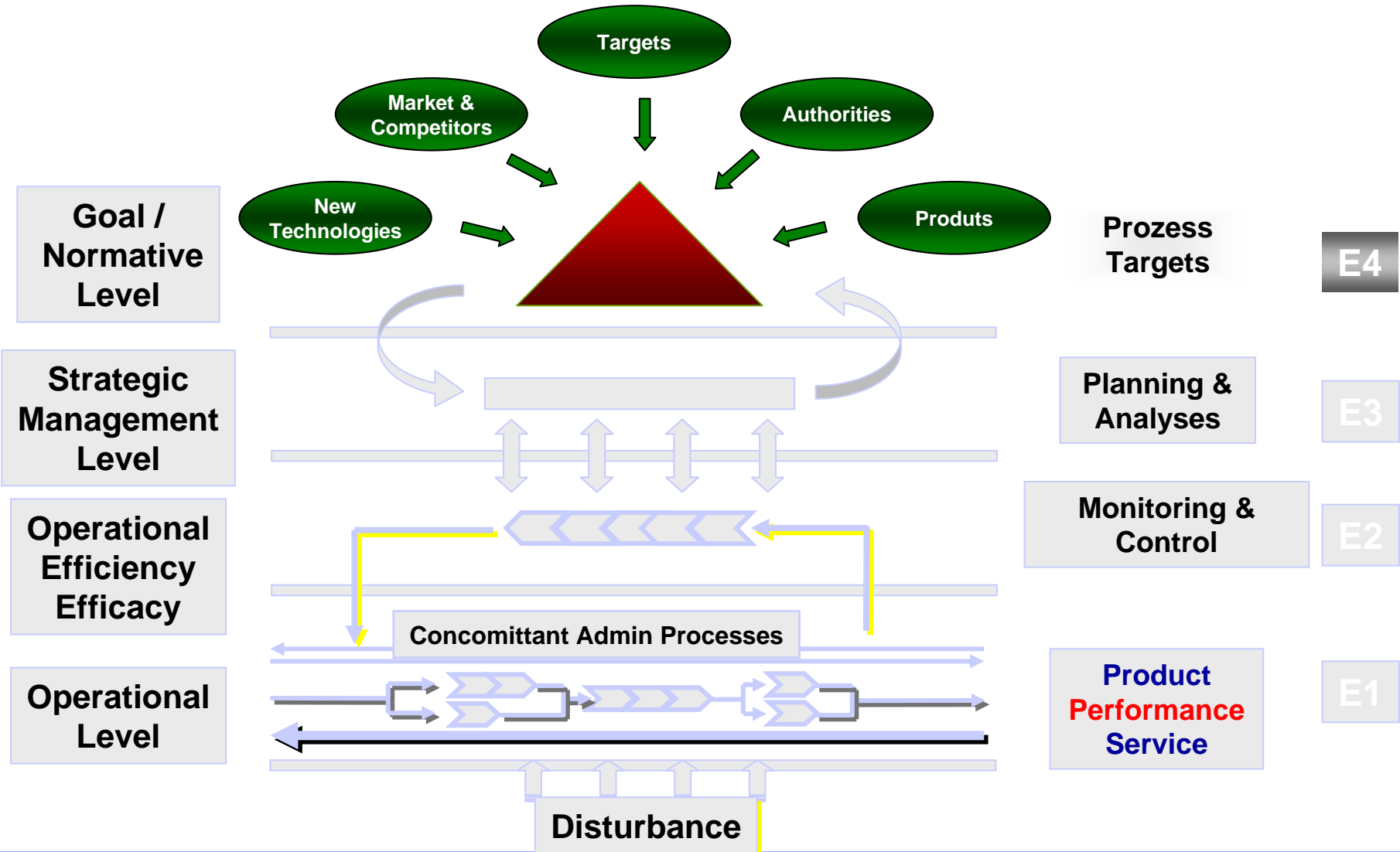


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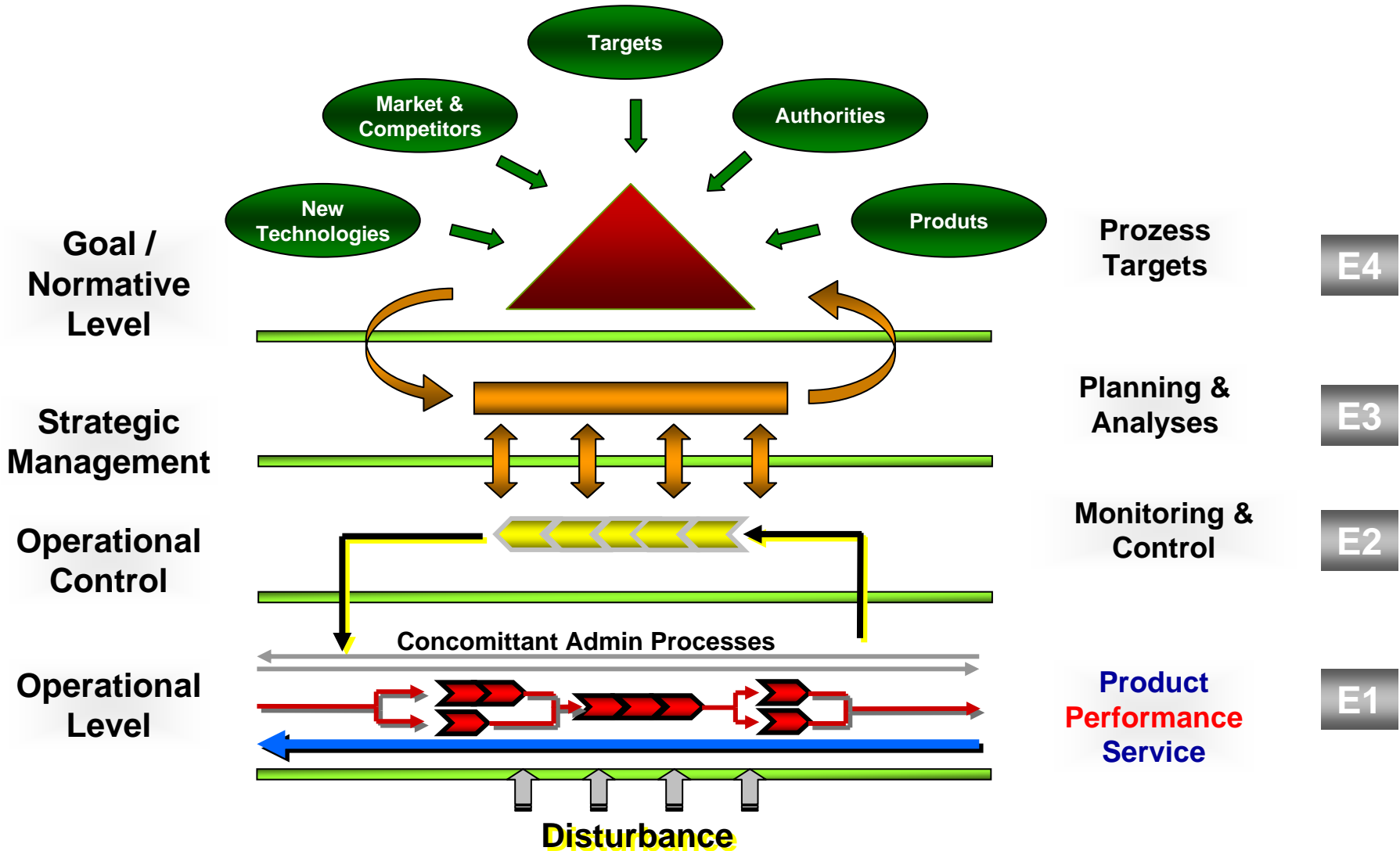


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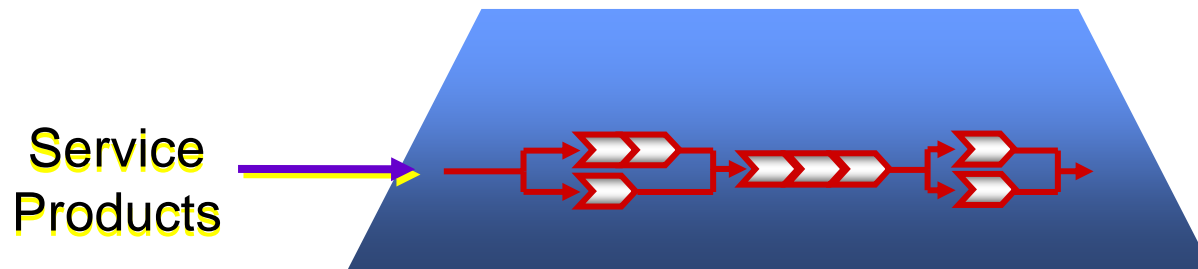
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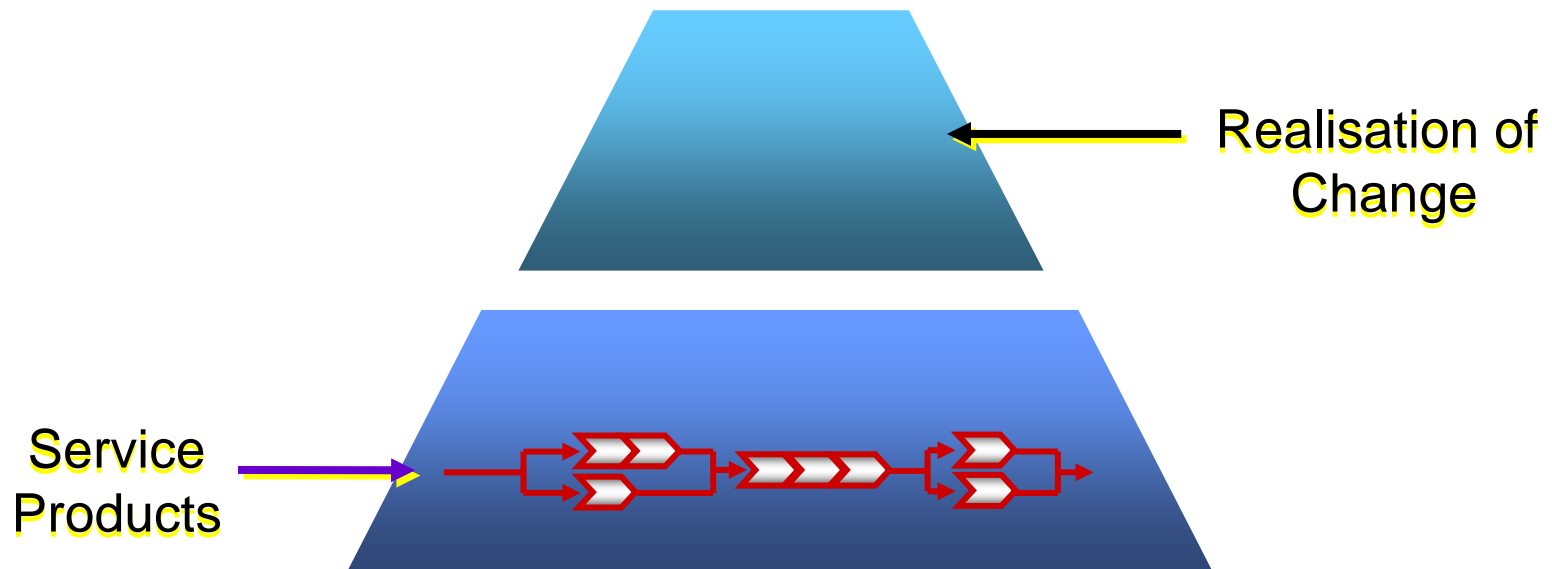
# The IT Operative Process Architecture (1)

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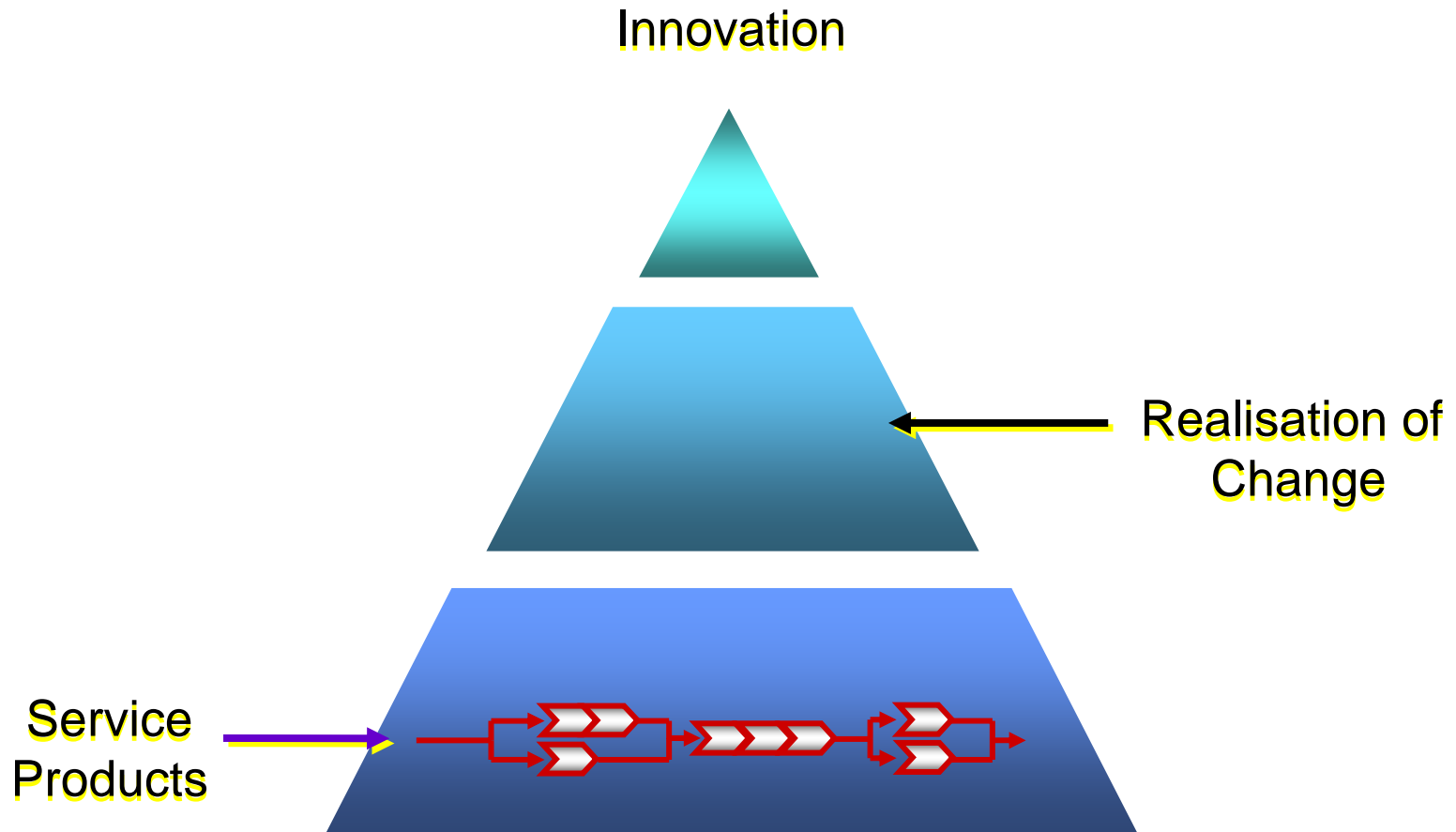


# The IT Operative Process Architecture (2)





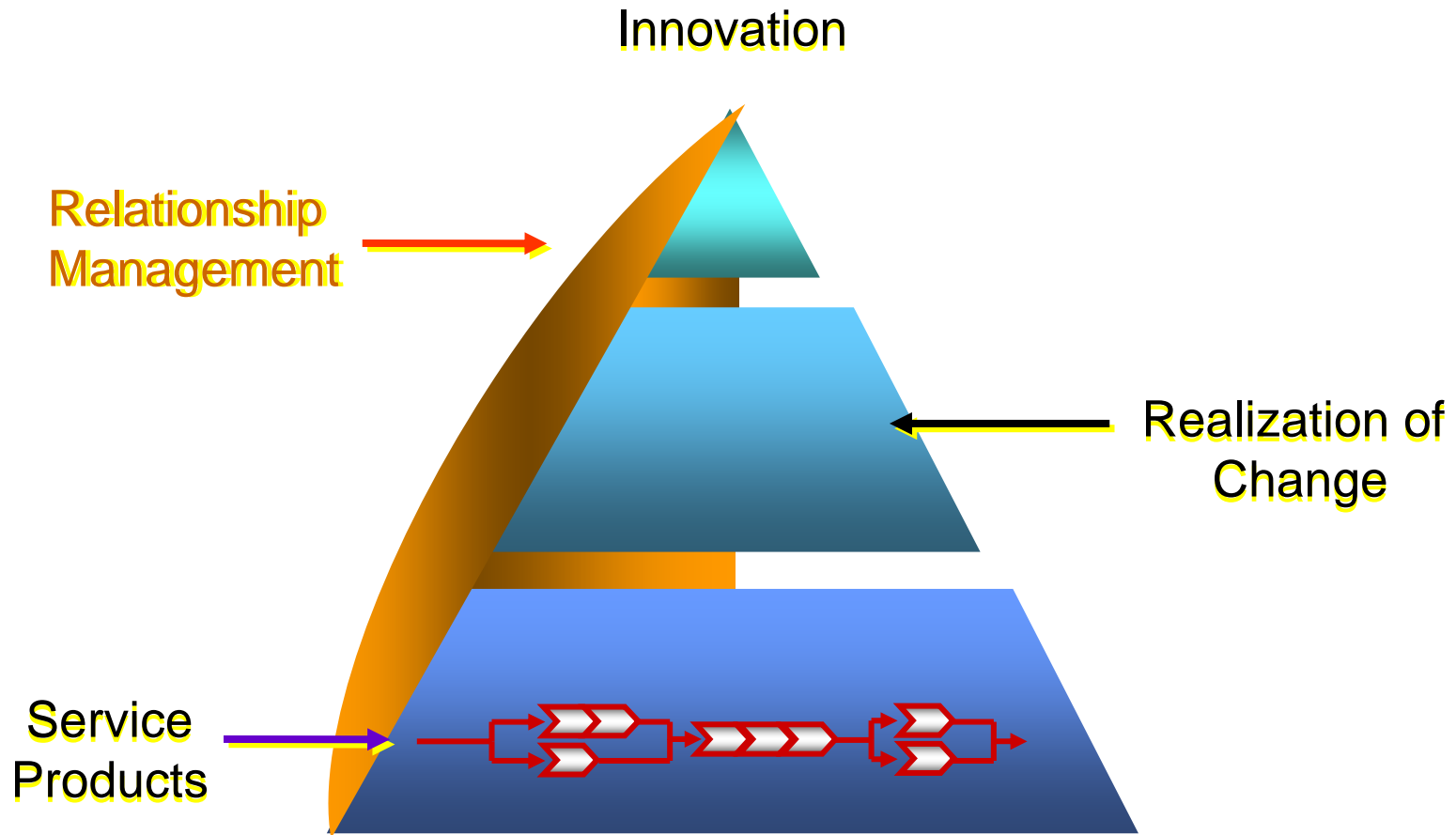
# The IT Operative Process Architecture (3)





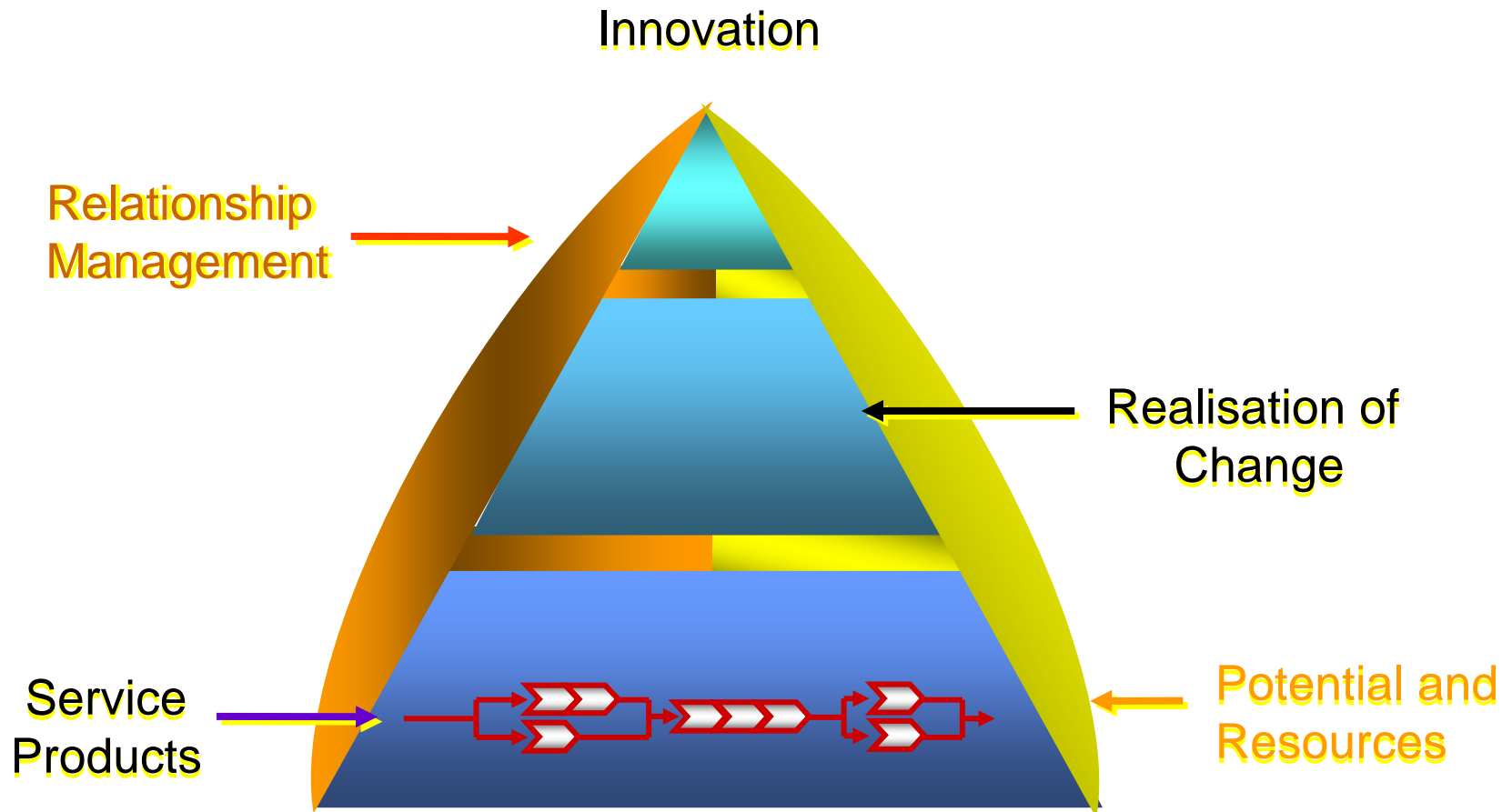


# The IT Operative Process Architecture (4)



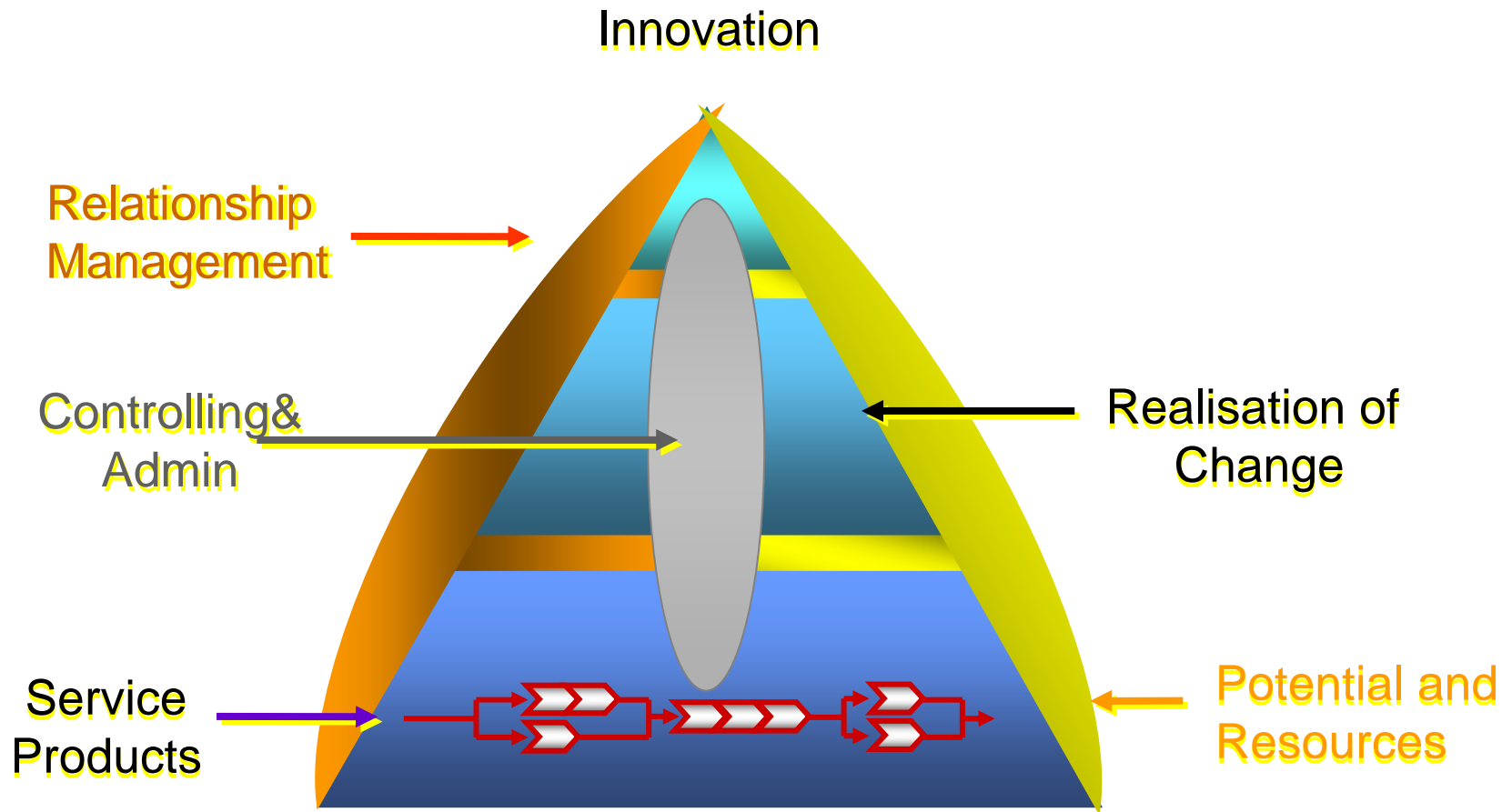


# The IT Operative Process Architecture (5)



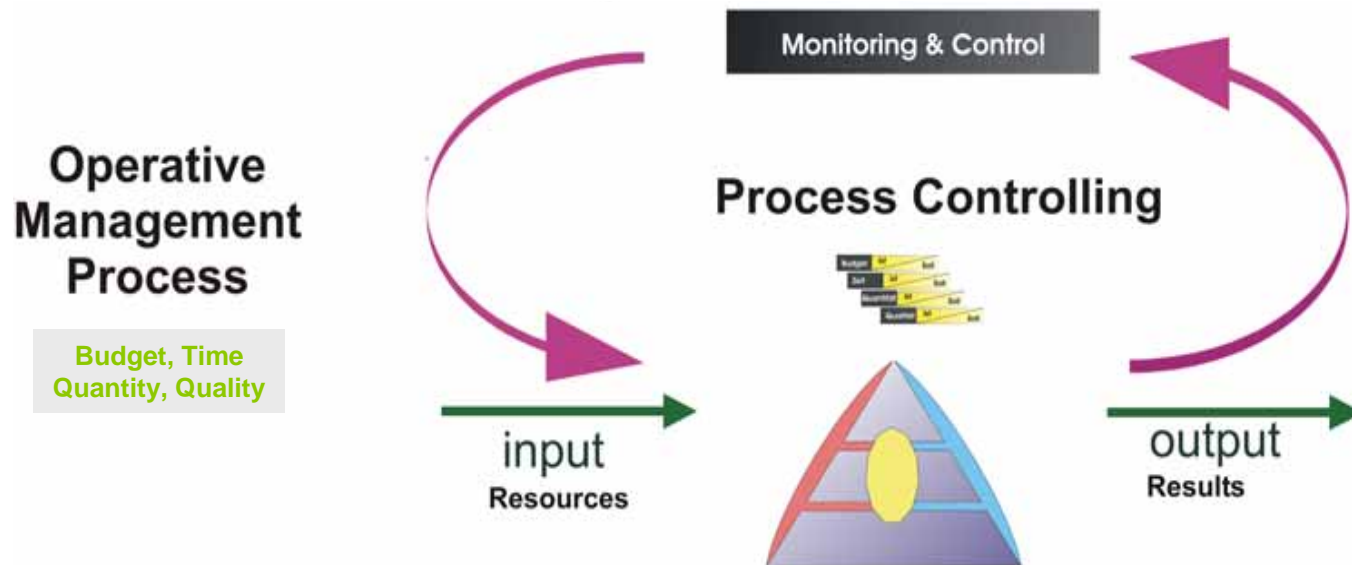


# The IT Operative Process Architecture (7)



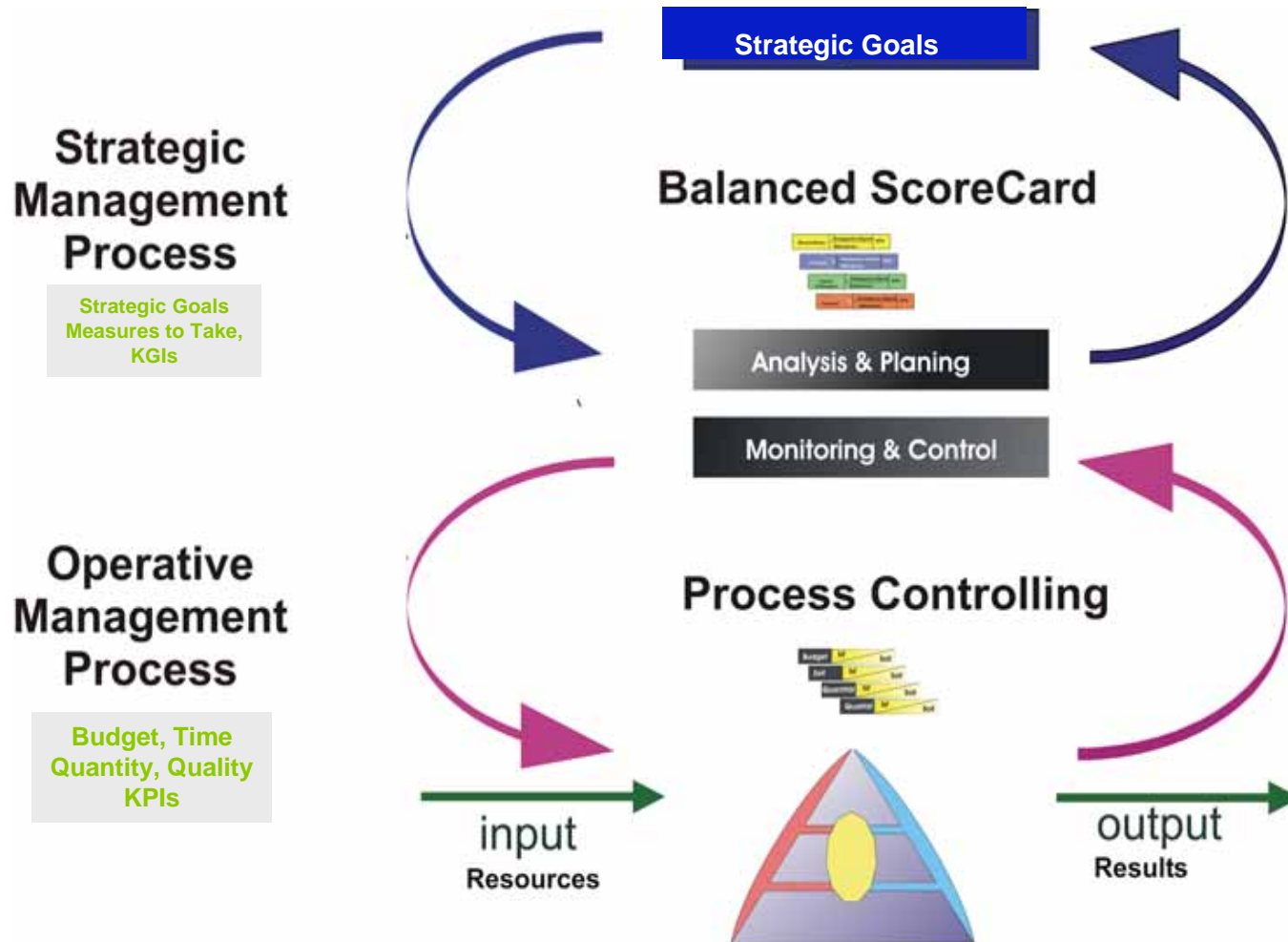


# The Operative & Tactical IT Management Process



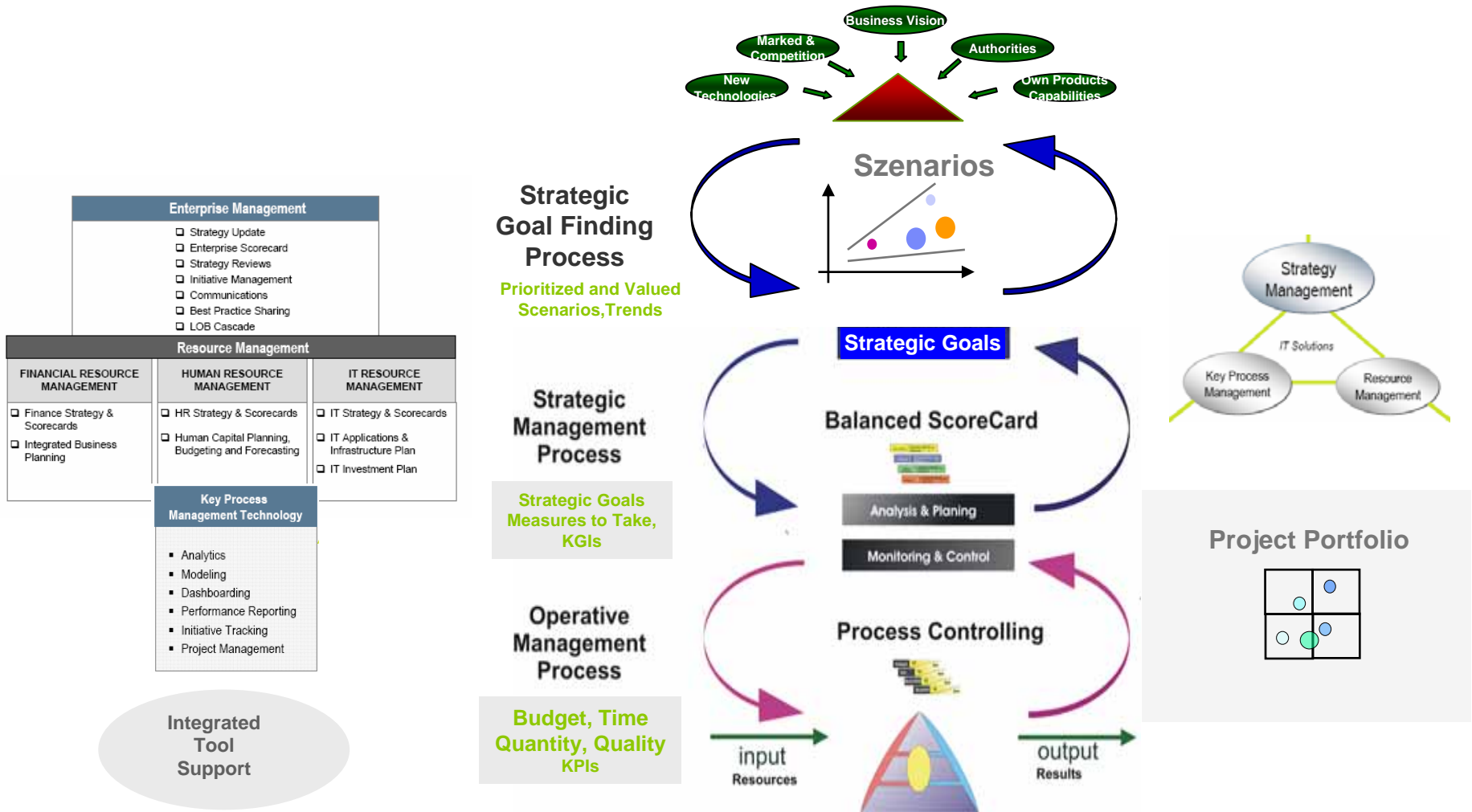


# The Strategic IT Management Process





# The Complete IT Management Process





## The 4 Standard Aspects of the Balanced ScoreCard (BSC)

<b>Finances</b>	Strategic Goals	KPIs
	Initiatives	

<b>Partner</b>	Strategic Goals	KPIs
	Initiatives	

<b>Internal Processes</b>	Strategic Goals	KPIs
	Initiatives	

<b>Employees Potential</b>	Strategic Goals	KPIs
	Initiatives	





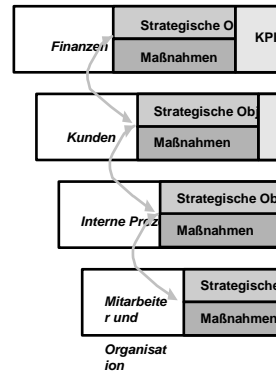
# The Balanced ScoreCard (BSC) is key ...

<b>Finances</b>	<b>Strategic Goal</b>	<b>KPIs</b>
	<b>Actions</b>	

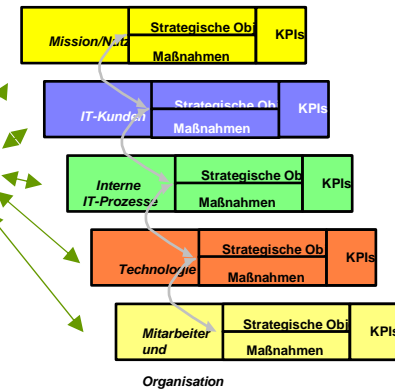
**Business**

**IT**

The Business Scorecard



The IT Scorecard



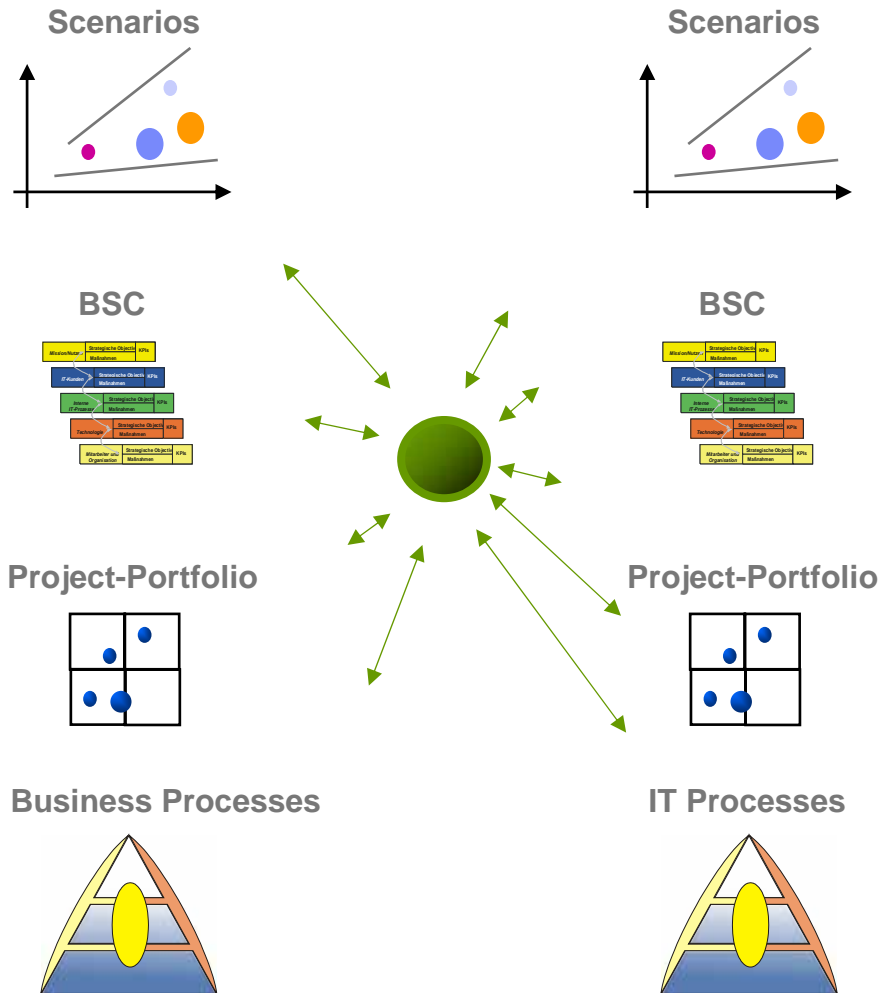




.. ideally, business and IT share the same methodological platform

Business

IT



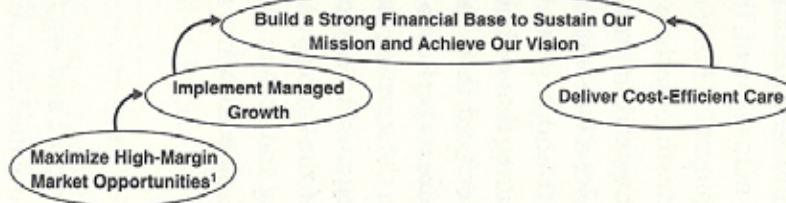


# The Strategic Story

**Vision: SMDC is a Values-Driven, Integrated Organization Which Will Be Recognized for Excellence in Customer Service, Quality Patient Care, Financial Strength, and Support of Community Health**

## Financial Perspective

To financially sustain our mission, what must we focus on?



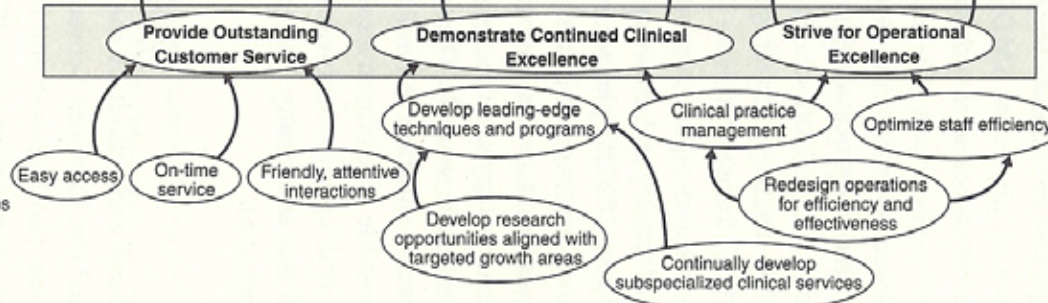
## Customer Perspective

To achieve our vision, how should we appear to our customers?



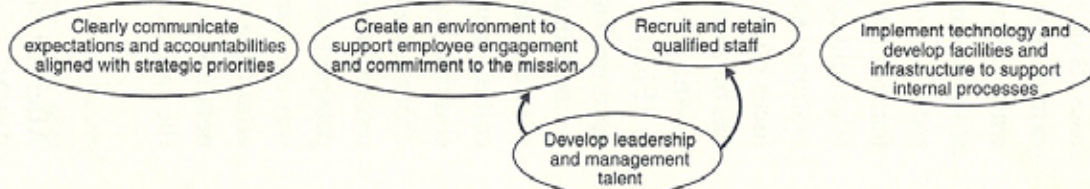
## Internal Perspective

To satisfy our customers, which operational processes must we excel at?



## Learning and Growth Perspective

How will we sustain our ability to change and improve?





# The Complete IT Management Process

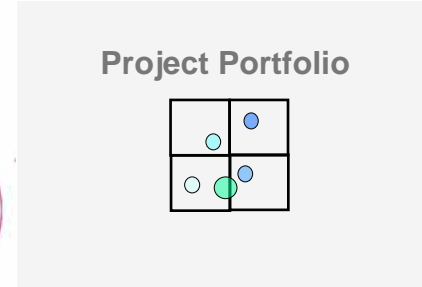
Scenario techniques



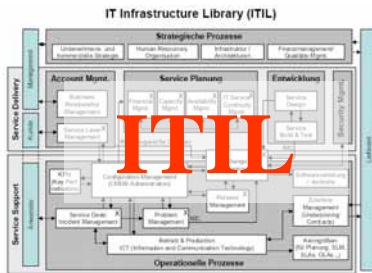
**Strategic Goal Finding Process**  
 Prioritized and Valued Scenarios, Trends

**Strategic Management Process**  
 Strategic Goals Measures to Take, KGIs

**Operative Management Process**  
 Budget, Time Quantity, Quality KPIs



IT GOVERNANCE INSTITUTE  
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## Führen

vs.

## Managen

<ul style="list-style-type: none"> <li>o Unterstütze neue Ideen und Ansätze</li> <li>o Ändere Organisationsstrukturen</li> <li>o Meistere den Wandel</li> </ul>	<ul style="list-style-type: none"> <li>o Erhalte und Pflege Stabilität und Ordnung</li> <li>o Meistere Komplexität</li> </ul>
<ul style="list-style-type: none"> <li>o Forme die Mitarbeiter</li> <li>o Sei richtungsweisend</li> </ul>	<ul style="list-style-type: none"> <li>o Reagiere zielgemäß</li> </ul>
<ul style="list-style-type: none"> <li>o Begrüße neue Optionen</li> <li>o Entwickle Alternativen</li> <li>o Ermuntere zu neuen Ansätzen für alte Probleme</li> <li>o Triff Entscheidungen</li> <li>o Kommuniziere Vision und Strategie</li> </ul>	<ul style="list-style-type: none"> <li>o Halte Alternative und neue Ansätze auf managebaren Level</li> <li>o Konzentriere dich darauf, wie Entscheidungen zustande kommen</li> <li>o Achte darauf, wie Entscheidungen kommuniziert werden</li> </ul>
<ul style="list-style-type: none"> <li>o ermuntere zur Entscheidungsfreudigkeit</li> <li>o stärke Deine Führung durch Sozialisation, gemeinsame Ansichten, Normen und Werte</li> <li>o erzeuge innere Motivation</li> </ul>	<ul style="list-style-type: none"> <li>o führe das Tagesgeschäft</li> <li>o setze auf Motivation von außen</li> <li>o wache über Verantwortung auf allen Ebenen</li> <li>o bewahre das Firmeneigentum</li> </ul>
<ul style="list-style-type: none"> <li>o führe, auch im turbulenten Stil, wenn es für die Zukunft Nutzen bringt</li> <li>o scheue auch Riskien nicht</li> <li>o fördere Kreativität</li> </ul>	<ul style="list-style-type: none"> <li>o verkehre mit den Mitarbeitern im Sinne der Hierarchie und bestehenden Rollen</li> </ul>