



STRATEGY EXECUTION: AN INCOMPLETE COMPONENT OF BUSINESS EDUCATION?

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STRATEGY ALIGNMENT – THE ELUSIVE HOLY GRAIL

In their book “The Balanced Scorecard: Translating Strategy into Action”ⁱ, authors Robert Kaplan and David Norton note that 90 percent of organizations fail to execute their strategies successfully. They go on to state that the reason for this failure is often not the strategy itself, but bad execution. According to Norton and Kaplan, this failure to execute is one of the most significant management challenges facing public and private organizations in the 21st century.

In their 2000 book, “The Strategy-Focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment”ⁱⁱ, Robert Kaplan and David Norton reported that a mere 7 percent of employees today fully understand their company's business strategies and what's expected of them in order to help achieve company goals. Furthermore, in most industries, strategy is not static and is tweaked as conditions on the ground change – no plan survives contact with the enemy.

How can we hope to successfully execute something that is changing and that a very low percentage of people fully understand? This question is at the heart of the problem – organizations today, for the most part, are no better at executing their business strategies than they were twenty years ago.

We’ve seen decades of research and teaching in the area of strategy execution yet little improvement in our ability to execute business strategy.

The MBA Roundtable and Business Architecture Guild® have partnered to better understand how the topic of strategy execution is approached in graduate business education today and suggest possible reasons why strategy execution remains elusive in many organizations.

OVERVIEW OF THE STUDY AND FINDINGS

The MBA Roundtable and Business Architecture Guild® developed a short survey designed to better understand how strategy execution is taught in business graduate programs. This survey was sent to administrative leads of graduate programs from a broad cross section of colleges and universities, and seventy-eight responses were received.

The main focus of the survey was to learn (a) if strategy execution was taught as a required component of business graduate programs and, if so, (b) how strategy execution was taught in these programs and the associated topics covered.

The main part of the survey asked “Do any of your professional master’s programs and/or MBA programs offer a course on strategy execution?” For those that answered Yes, the survey then asked “Is the course required or an elective in your professional master’s and MBA programs?” The survey then asked the respondent to upload an outline of the topics covered and/or a copy of the course syllabus. A total of thirty-eight syllabi were submitted. This paper focuses on the findings from the submitted syllabi.

The thirty-eight syllabi came from a variety of colleges and universities. Most of the schools in this group were U.S.-based institutions (36) with two from Canada with a fairly even mix of public and private schools (22 public, 16 private). There was also a fairly even mix of large universities and small and mid-sized schools (17 large universities, 21 small/mid-sized schools). Even though all submitted syllabi claimed to be strategy execution courses, only four had strategy execution/implementation in the title of the course.

The remainder of this article discusses the findings from those schools that reported to offer a required strategy execution course in their professional master's and/or MBA programs and were willing to share an outline of the course or a course syllabus.

Strategic Management Courses

The vast majority (33) of the course syllabi were strategic management related courses. These courses generally focused on topics such as understanding business strategy, components of business strategy, corporate governance, strategic leadership, mergers and acquisition strategies, competitive analysis, organizational analysis, environmental analysis, strategy development, innovation, change management, conflict management, team dynamics, ethics, and other related topics.

Only ten of these courses, however, listed strategy execution/implementation as a module in the syllabus. Eight of these courses devoted one week (2-3 class hours) to the topic and one of the courses devoted two weeks to the topic and one course devoted three weeks to strategy execution/implementation. These courses typically focused on topics such as organizational culture and structure, change management, team dynamics, rewards and incentives, power and influence, and effective communications during this one-to-two-week period.

All courses heavily utilized a variety of case studies (32) with six also utilizing simulation. Of the courses that utilized simulations, all but one used the CAPSIM simulation. In this simulation, each team of students runs a simulated company and make strategic decisions to attempt to out-compete the other teams over a simulated multi-year period.

Besides traditional strategic management course titles, a variety of other course titles were submitted that include Strategic Leadership (3), Business Policy/Policy & Strategy (3), Corporate/Business Strategy (3), Integrated Business Capstone (1), International Business Strategy (1), and Strategy in the Music Industry (1). These courses were generally strategic management related courses with more emphasis in certain areas and most utilized a strategic management textbook.

Strategy Execution/Implementation Courses

Four of the submitted courses had Strategy Execution/Implementation in the title of the course.

These courses focused heavily on the human and organizational elements of strategy implementation – managing people, resistance to change, building effective teams, navigating/understanding politics, types of power, change management strategies, importance of communication, organizational structure, information and decision processes, rewards, people, and leading change without formal authority.

Two of the four courses heavily referenced the McKinsey 7-S framework for organizational alignment, as shown in Figure 1. Other similar models, such as the Star Model™, were also referenced in some of the courses.

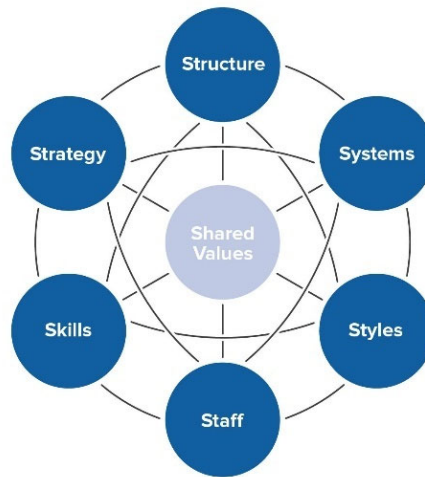


Figure 1: McKinsey 7-S Framework

All courses in this group heavily utilized case studies and one utilized the CAPSIM simulation. These courses were almost entirely case study based.

Other Courses Submitted

One course focused on the practice of leveraging business architecture as a facilitator of strategy execution. The main focus of this course was the use of a process that utilizes different business blueprints and modeling techniques to inform business strategy development and link business strategy with tactical execution in the form of projects and project portfolios and the on-going management and alignment of those project portfolios with changes in the business strategy. The process of leveraging business architecture keeps the project portfolios in alignment with changes in business strategy and business priorities.

A few smaller case studies were utilized in this course to illustrate concepts but the majority of the emphasis was the application of the business architecture process and associated modeling techniques to real-world strategy execution issues within the students' organizations. This was done using a series of team and individual projects that were design to build upon one another as the course progressed. The audience included working professionals taking this course as part of an online master's program.

SUMMARY

According to Michael Porter and other recognized experts, strategy execution is a major issue for all types of organizations today. Also, it appears that there have not been significant improvements in the ability of organizations to successfully execute strategy. This analysis suggests several possible contributing factors to this problem:

Only Part of the Problem is Covered

Most of the courses in this analysis covered strategic management and leadership topics and only focused one or two weeks to strategy execution/implementation and focused on topics such as organizational culture and structure, change management, team dynamics, rewards and incentives, power and influence, and effective communications. These topics were often discussed in the context of case studies.

While these topics are important contributors to strategy execution, they do not explain the details of HOW to perform strategy execution comprehensively and how to link the execution layer (projects) with business strategy and ongoing changes to business strategy. Without this linkage, the execution (project) layer falls out of alignment with strategy.

Strategy Execution Courses Don't Go Deep Enough

As stated previously, the courses with strategy execution/implementation in their titles focused heavily on the human and organizational elements of strategy implementation – managing people, resistance to change, building effective teams, navigating/understanding politics, types of power, change management strategies, importance of communication, organizational structure, information and decision processes, rewards, people, and leading change without formal authority. These topics were taught by the use of case studies that focus on one or more of these areas.

While these topics are important for successful strategy execution, they are far from the comprehensive set of skills, knowledge, and processes needed for successful strategy execution. None of these courses discuss HOW to link the execution layer (projects) with business strategy and manage ongoing changes to business strategy. None of the cases used focus on this critical aspect of strategy execution.

The case teaching method is effective at a higher, conceptual level and tends to address the WHAT and WHY well but often does not provide many details on the HOW which is often context/organization specific. In addition, cases rarely give the students the opportunity to model and explore their own organization and problems and get hands-on experience with the details of the HOW component of strategy execution.

Business Architecture Offers a Needed Complement

This analysis suggests that an incomplete strategy execution picture is presented in many business curriculums today. This incomplete picture could be a contributing factor to the persistent problem of strategy execution seen in many organizations currently. The discipline of business architecture offers a potential complement to traditionally taught strategy execution related topics. In order to further

evaluate the potential of business architecture as an enabler in strategy execution education, it is necessary to understand the foundational elements of business architecture.

Overview of Business Architecture

Business architecture is an evolving discipline that has its roots in enterprise architecture and IT strategic planning. The discipline has evolved substantially and become more formalized over the last decade. Business architecture has moved from its roots in enterprise architecture to now being practiced as a more strategic discipline, reporting to a business function in many organizations. The Business Architecture Guild® recognizes ten domains of business architecture that represent the business ecosystem as shown in Figure 2.

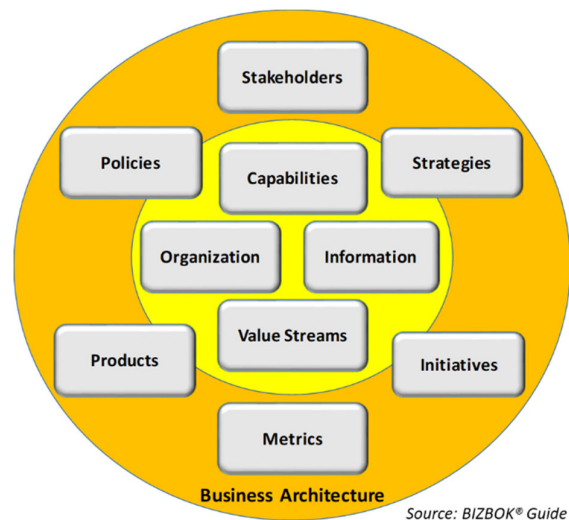


Figure 2: Business Architecture Domains

At a very high level, the process of leveraging business architecture to align strategy and execution includes:

- Understanding your organization's business model and operating model.
- Understanding your organization's actionable business strategy and target outcomes.
- Understanding the market trends impacting your business and the business strategy.
- Identifying how the organization delivers value and the business capabilities that are required to support the business as well as the impact on people, processes, information, and technology.
- Creating deliverables that can be used to drive business case analysis, investment selection and prioritization, shape initiatives, etc.

Business architecture aims to consolidate and maintain a conceptual, multidimensional view of an organization in order to better define what the organization does and what it needs to do to meet its goals and facilitate strategy execution through effective project-level execution that is aligned with business strategy and changes in strategy. Value streams and capabilities form the foundation of a

business architecture. As shown in Figure 3, capabilities are central for connecting and informing other business architecture components and are the bridge that connects project level execution with strategy (and changes in strategy). Strategic portfolio management is critical to effective strategy execution and provides the governance needed to effectively manage project portfolios as well as other asset portfolios such as capability and process portfolios.

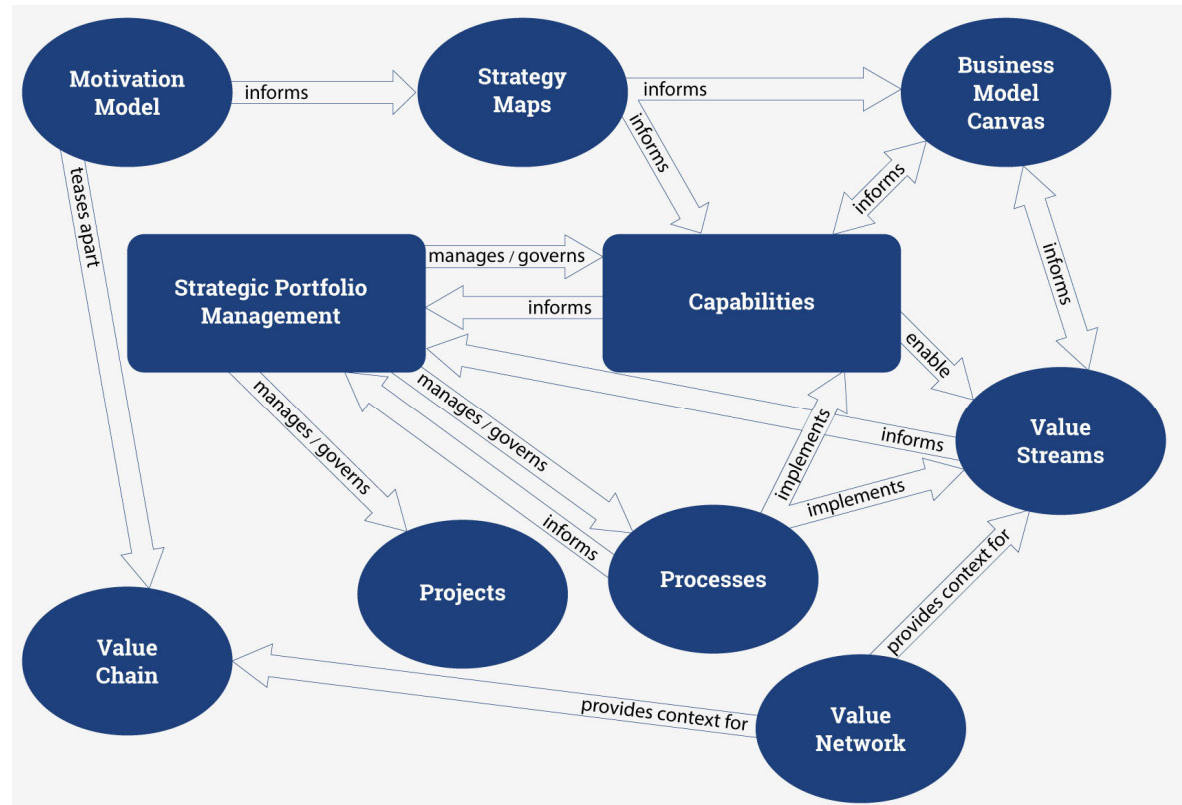


Figure 3: Key Business Architecture Components and Their Interrelationshipsⁱⁱⁱ

Business Architecture is an established practice in many leading organizations today. Successful strategy execution requires collaboration and integration across closely related disciplines/teams from strategic planning to portfolio management to business analysis. Business architecture and business architects not only play a unique role to help inform, articulate, and translate strategy, but also to help bring these teams together around a common understanding of that future-state vision with clear coordination points. Leading organizations leverage business architecture not only to articulate and detail their business strategy, but also to translate it into guidance that drives business and IT execution toward the future-state vision.

As Figure 4 suggests, if the business architecture practice is positioned correctly in the organization and staffed appropriately, it could become a critical input into the formulation of effective corporate strategy that is actionable and executable.

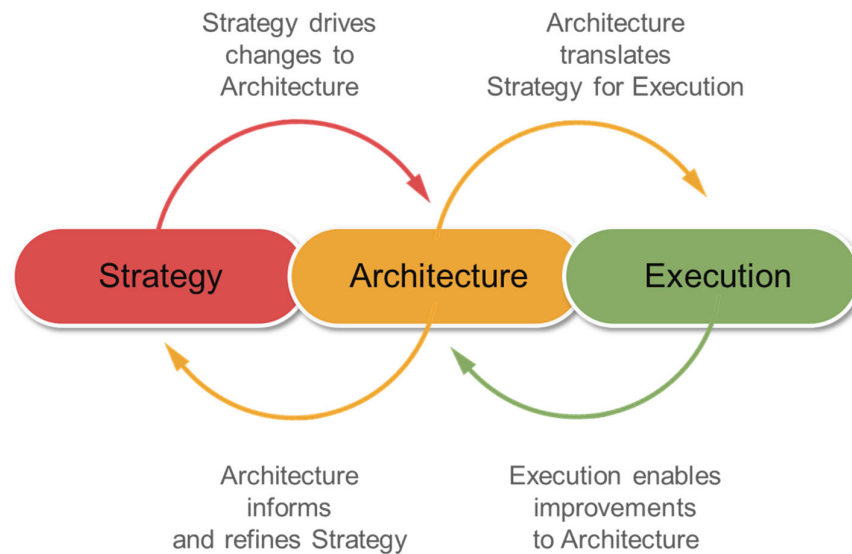


Figure 4: Business Architecture's Role in Strategy Formulation and Execution^{iv}

Business Architecture can be the linchpin to bridge business strategy with project-level execution. This is the bridge that is missing or not functioning well in many organizations today and is the critical component to successfully aligning initiatives with business direction.

NEXT STEPS

The findings of this study suggest that (a) strategy execution is often taught in a cursory manner in graduate business curriculums and when a strategy execution/implementation related course is offered, it is often taught at a high-level with a focus on the human and organizational elements of strategy implementation, and (b) the discipline of business architecture offers a needed complement to strategy execution/implementation education and addresses a hole in graduate business curriculums.

The MBA Roundtable and Business Architecture Guild® plan to develop future white papers and webinars that further explore the possibilities that business architecture brings to graduate business education and best practices for teaching and integrating business architecture into graduate business courses and curriculums.

About the MBA Roundtable

The MBA Roundtable is a global association of business schools whose mission is to advance graduate management education through curricular and co-curricular innovation. For more information, please visit: <https://www.mbaroundtable.org/>.

About the Business Architecture Guild®

The Business Architecture Guild® is a global not-for-profit association whose mission is to promote best practices and expand the knowledgebase of the business architecture discipline. For more information, please visit: <https://www.businessarchitectureguild.org/>.

ⁱ Robert S. Kaplan and David P. Norton, [*The Balanced Scorecard: Translating Strategy into Action*](#) (Boston: Harvard Business School Press, 1996).

ⁱⁱ Robert S. Kaplan and D. P. Norton, [*The Strategy-Focused Organization: How Balanced Scorecard Companies Thrive in the New Business Environment*](#) (Boston, MA: Harvard Business School Press, 2000).

ⁱⁱⁱ Diagram by Brian H. Cameron and Whynde Kuehn, December 2021.

^{iv} Diagram by Whynde Kuehn at: <https://www.stagrp.com/architecture/business-architecture/faq/> (sourced from “Business Architecture: A Key Enabler for Sustainability Strategy Development and Implementation,” Whynde Kuehn (Melaragno), February 2010).