



THE STRATEGIC CONTEXT OF BUSINESS ANALYSIS



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Centre

STRATEGY

- Strategy provides a foundation for the organisation to succeed through aligning execution with the context of its internal and external environment. It can be a means of providing an organisation with business advantage and sustainable success.



ADAPTIVE STRATEGY DEVELOPMENT

- Organizational strategy is based on market and stakeholder feedback
- Also called 'lean' strategic development approach.
- Typically found in new startups
- Products are typically deployed cheap and the company aims to learn and improve quickly through feedback.
- **Typically found in non-hierarchical organisations where employee ownership and empowerment are high**



LINEAR STRATEGY DEVELOPMENT

- Typically found in large, successful organisations and government departments.
- environmental conditions are stable and immediate market feedback is not deemed to be particularly valuable.
- **This approach is often associated with organisations that are hierarchical in nature or are risk averse.**
- Often organisations using this approach are seen to have lower employee ownership and empowerment compared with organisations applying an adaptive strategic development approach.



HYBRID STRATEGY DEVELOPMENT

- This is a situation that mixes adaptive and linear strategy development approaches.



THE STRATEGIC CONTEXT

- What is the current state (“as-is”)?
- What is the target state (“to-be”)?
- What is the roadmap?



PESTLE

- Framework used to understand the external environment
- P: POLITICAL
- E: ECONOMIC
- S: SOCIO-CULTURAL
- T: TECHNOLOGY
- L: LEGAL
- E: ENVIRONMENT



VMOST

- Framework used to understand the internal environment
- V: Vision
- M: Mission
- O: Objectives
- S: Strategy
- T: Tactics



PERFORMANCE MEASUREMENT

○ Objectives

- specific outcomes the organisation wants to achieve
- should be Specific, Measurable, Achievable, Relevant and Time-bound (SMART)

○ Critical success factors (CSFs)

- **Qualitative** descriptions of critical factors that must be in place for the organisation to achieve defined objectives
- should align to the 'Vision' and 'Mission' of the organisation

○ Key performance indicators (KPIs)

- **Quantitative** measurements that track the achievement of CSFs.
- Multiple KPIs can be used to measure a single CSF
- KPIs can be used to measure multiple different CSFs

○ Targets

- specific in nature and provide an objective measurement of performance against 'Objectives' or 'KPIs'
- Often the red, amber, green status is used to indicate the current status of defined targets:
 - Red: performance significantly below target
 - Amber: performance slightly below target
 - Green: performance in alignment with or above target



SWOT ANALYSIS

- Summarizes the results of the internal and external environment analysis
- **Strengths**
- **Weaknesses**
- **Opportunities**
- **Threats**

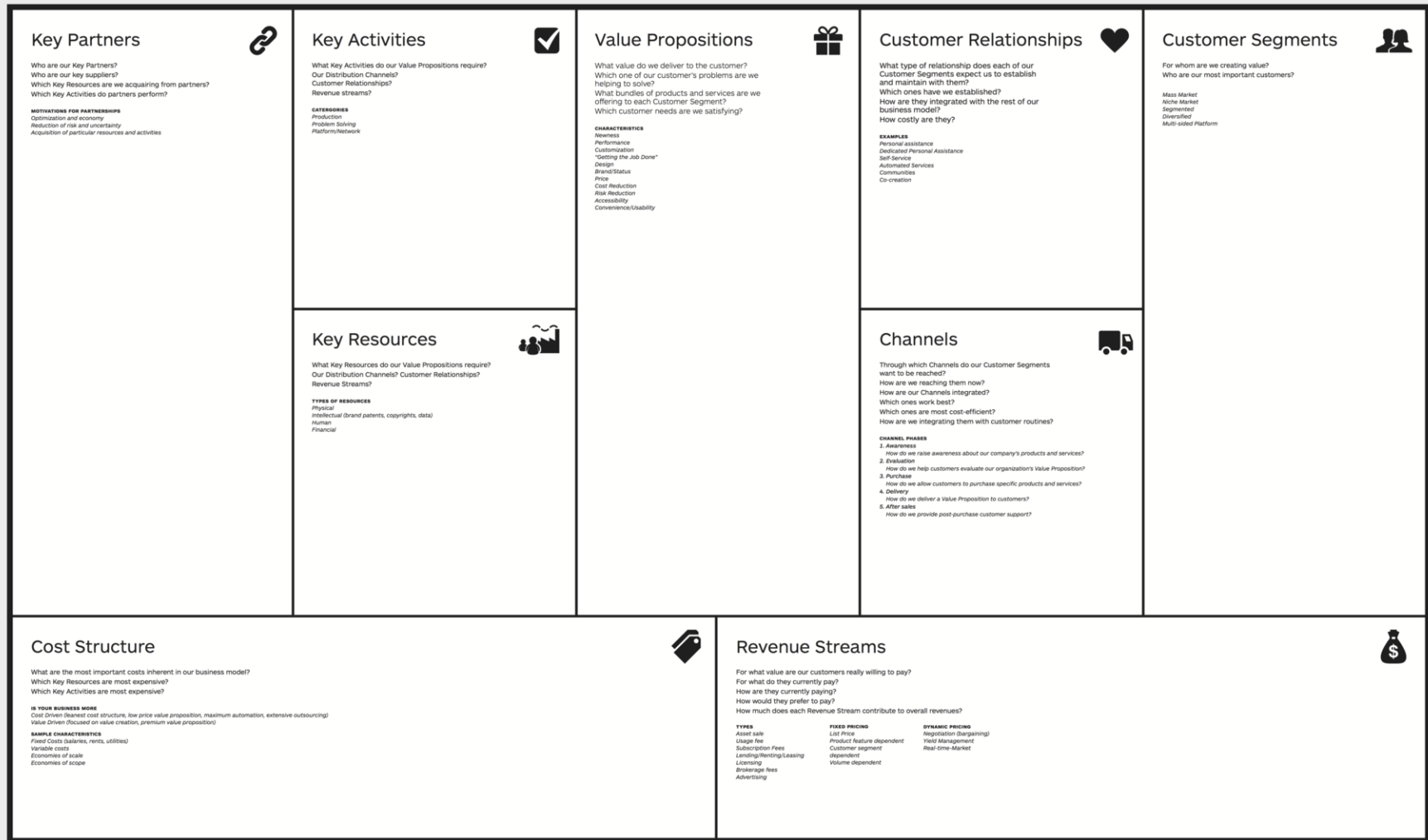
- Internal environment is responsible for the strengths and weaknesses
- The external environment is responsible for the opportunities and threats



The Business Model Canvas

Designed for:

Designed by:



DESIGNED BY: Business Model Foundry AG
The makers of Business Model Generation and Strategyzer

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POPIT

- **People:** The human resources that implement the work necessary for the business to produce and supply their end user (buyer or client). This may also include company culture or how management is structured.
- **Organization:** The foundation, organization, and the chosen models that guide business practices.
- **Process:** An outline of procedures that assist the production of goods or services aligned with business offerings. A process can mean many things, for example, it may include organizational policies that serve as a guideline for making decisions or taking actions that impact the organization in some way.
- **Information:** What change will be made to the capture, storage and analysis of data and information? How secure will the organisation's information and data be?
- **Technology:** The hardware or software resources that aid the needs of an organization and its relevant components.

