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Digital Business Strategy and Plans Primer for 2023

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Initiatives: Digital Business Strategy and Plans

Organizations still rank growth as their top priority, but recognize the reshaped global trends amid geopolitical turbulence and economic uncertainty. Given this new context, enterprise architecture leaders must help shape digital business strategy to balance resiliency with growth demands.

Scope

This initiative covers enterprise architecture (EA) practices that help organizations drive targeted business outcomes by shaping digital strategies that realize and optimize business capabilities.

Topics in this initiative include:

- **Evaluate Disruptive Threats and Opportunities:** Assess trends and build scenario models to inform future business strategy.
- **Align Digital Strategy to Business Outcomes:** Facilitate business-outcome-driven strategic planning by business leaders.
- **Enable Capability-Based Investment Planning:** Guide investment decisions with business capability models and mapping.
- **Create Consumable Business Architecture (BA) Guidance:** Offer new business architecture tactics to inform business decisions.
- **Facilitate Business and Operating Model Change:** Use architecture modeling to support transformative digital business changes.

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Analysis

Figure 1: Digital Business Strategy and Plans Overview

Digital Business Strategy and Plans



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Countless disruptions are reshaping our world, upending the way we live and work. CEOs recognize these disruptions present endless opportunities and equal numbers of threats. The 2022 Gartner CEO and Senior Business Executive Survey reveals growth is still top of mind for the next two years, but there is also evidence of disruptions, volatility and shortages impacting businesses. ¹ We refer to this combination of imperatives — driving business growth while ensuring organizational resilience — as resilient growth.

Organizations need the ability to adapt and respond to disruption at speed. However, formulating responses that balance resilience and growth can be difficult.

First, key decision makers are often distributed across the organization and many of them are disengaged from the strategic planning process. The 2022 Gartner Strategy Business Partner Planning Perspectives Survey shows that only 20% of business partners are highly engaged in strategic planning. Engagement matters. Organizations with highly engaged business partners are 3.4 times more likely to adapt plans fast enough to respond to disruption. ²

Second, many organizations are too risk-averse. Leaning toward resilience too heavily can lead to growth stalls, which significantly erode organizational value. ³ Sixty-four percent of nonexecutive boards of directors surveyed in the 2023 Gartner Board of Directors Survey on Business Strategy in an Uncertain World recognize this, and plan to increase organizational risk appetite in 2023 and 2024. ⁴ Experimenting with new ways of working is one way boards plan to take more calculated risks. A clear sign of this is business technologists being granted funds to make sizable digital investments and increasing their role in innovation efforts. ⁵

The majority (89%) of nonexecutive board directors agree that we live in a “postdigital” world, where “digital” is no longer seen as a separate strategy, but rather an implicit part of all business growth strategies. ⁴ EA is well-positioned to help shape the strategy, balancing the right set of growth and resilience investments and seeking to do both where possible. In 2023, chief enterprise architects (CEAs) must influence and guide distributed business partners in planning efforts and enable democratized business technologists to achieve business and operating model innovation.

Topics

In 2023, CEAs must help formulate digital strategy and translate it into roadmaps that empower the democratized organization to find innovative means to balance growth and resilience. This requires them to evolve their remit, capabilities and relevant skill sets in three areas:

- Helping corporate strategy teams and other planning partners evaluate and recommend responses to trends that will cause disruption to an organization’s industry, economic sector or geographical location.

- Supporting business leaders and product managers in undertaking business architecture activities that enable informed investment decisions, resulting in achievement of business outcomes that help realize a desired future state.
- Enabling business technologists, along with fusion and product teams, to innovate and scale feasible innovations to position business and operating models for success amid disruption.

Our research in this area addresses the following topics:

Evaluate Disruptive Threats and Opportunities

Volatility, uncertainty, complexity and ambiguity will continue to define this decade, and likely beyond. Organizations must focus resources to assess and help develop business responses to a tapestry of trends that consider technological, political, economic, social, trust and legal concerns. Responses should be supported by business-driven innovation pilots and programs that create rightsized resilience and enable opportunistic growth.

Questions Your Peers Are Asking

- How can I help enterprise leaders identify and monitor trends that will impact our organization?
- How can I evaluate and recommend responses to enterprise leaders concerning potential disruptions to our organization?
- How can I work across my organization to extend analysis of threats and opportunities beyond a technology lens?

Recommended Content

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- The Gartner Trendspotting Framework: Driving Operations, Innovation and Strategy
- 3 EA Tactics for Responding to Digital Opportunities and Threats
- Maverick* Predicts 2022: The Future According to Gartner's Unconventional Thinking
- Case Study: How EA Enhances Digital Business Competitiveness (Johnson Matthey)
- Hype Cycle for Enterprise Architecture, 2022

Planned Research

- Predicts 2024: Enterprise Architecture
- Tapestry of trends report by Gartner Futures Lab
- Series of technology impact maps
- Guide to scenario planning
- Hype Cycle for Enterprise Architecture, 2023

Align Digital Strategy to Business Outcomes

Organizations that proactively coordinate stakeholders to adapt and prioritize plans are better at responding to disruption. However, many struggle to drive engagement among critical stakeholders. The main challenge cited by these stakeholders is that the strategic planning process is not relevant to their work. EA as a discipline is well-positioned in a postdigital world to help align strategy to business outcomes, ensuring relevance of planning work to critical stakeholders. This ensures EA work is business-aligned and that the EA group is viewed as a trusted advisor.

Questions Your Peers Are Asking

- How can I help business unit leaders and heads of functions formulate the right business strategy to achieve desired business outcomes?
- How can I advise business unit leaders and heads of functions in determining the future-state vision and architecture for the enterprise?
- How can I help IT leaders ensure strategic actions and corresponding portfolios are aligned to targeted business outcomes?

Recommended Content

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- How to Design Strategic Portfolios Using Business Architecture
- How Enterprise Architects Use OKRs to Deliver Business Outcomes
- Tool: Business Architecture Activities and Deliverables Close the Strategy-to-Execution Gap
- Presentation: New Ways for EA to Support Business Growth Strategy

- Design and Build the New Digital Foundations

Planned Research

- A plan for EA as an internal management consultancy
- A guide pertaining to future-state architecture
- EA's role in the three planning horizons
- A guide for how to better align digital investments

Enable Capability-Based Investment Planning

EA groups should help shape smarter selection of enterprise investments across a growing number of complex portfolios of products, services and capabilities. They must also guide investment decisions with portfolio- and capability-based planning, based on the foundations of business capability models that link key capabilities back to strategic goals. Working collaboratively, leaders responsible for planning can ensure roadmaps of capability-based investments reflect enterprise priorities while balancing resourcing constraints and change impacts.

Questions Your Peers Are Asking

- How can I guide investment planning and prioritization to effectively translate strategy into execution?
- What do good business capability models and maps look like, and how do I build them for my enterprise?
- How can I guide business and IT product owners in making sound digital investment decisions?

Recommended Content

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- 8 Best Practices for Creating High-Impact Business Capability Models
- Case Study: Interconnected Business Capability Mapping(Medtronic)
- Quick Answer: An Executive View of the Innovation Portfolio

- Total Experience Transformation Starts With Business Architecture — Presentation Materials
- Role of Business Architecture in Digital Business Benchmark Data

Planned Research

- A guide on roadmapping
- EA activities for capability-based planning
- Series on business capability models
- How business capabilities and technical capabilities connect
- EA's role in prioritization of initiatives

Create Consumable Business Architecture (BA) Guidance

The volume and velocity of architecturally significant decisions has exploded as organizations continue to adopt distributed operating models and empower autonomous teams and business technologists. Organizations must offer consumable and minimally viable business architecture tactics and deliverables to inform these decisions. Tactics and deliverables can range from journey mapping to value stream mapping or development of idea canvases.

Questions Your Peers Are Asking

- How can business architecture inform strategy, planning and execution decisions?
- What other business architecture tactics can be used to better engage business stakeholders (e.g., value streams, journey maps, canvases)?

Recommended Content

🔑 Some recommended content may not be available as part of your current Gartner subscription.

- Design a Better Digital Business With the Business Architecture Landscape
- EA Unlocks Composability
- 5 Ways to Upgrade Your Business Architecture Practices
- Coordinating Product Line Decisions (CeruleanMoon*)

- Case Study: Business Architecture for Bridging Enterprise Data Silos (TC Energy)

Planned Research

- Guide to modular components of business capabilities
- Series on common use cases for business capabilities
- Emerging business architecture practices
- Democratized business architecture
- Guide to minimally viable architecture

Facilitate Business and Operating Model Change

Growth and resilience-based initiatives both introduce — and necessitate the proper management of — change. Businesses must allocate resources to architecture modeling techniques that support transformative changes across the business architecture landscape. Organizations are considering rising transformative changes, including how to derive greater value from ecosystem partnerships and how to best position themselves against growing environmental, social and governance (ESG) concerns. These changes can impact business, operating, financial and economic models.

Questions Your Peers Are Asking

- How can I help design and facilitate transformative changes to our business and operating models?
- How can I facilitate the design of, or changes to, business and operating models to drive business transformation and optimization?

Recommended Content

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- Architecting for Business Ecosystems and Business-Led Innovation — Presentation Materials
- Quick Answer: How Can Enterprise Architecture Support Product Management?
- Quick Answer: What Are the Top 3 Mistakes Business Architects Should Avoid in Digital Transformation?

- Use Value Streams to Design Service and Operating Models and Enable Application Composability
- EA's Role in Supporting Fusion Teams

Planned Research

- How to determine the capabilities needed for ESG
- A guide to EA's role in ESG
- How full-cycle design changes the operating model
- A guide to identifying the organization's next business model
- EA's role in managing transformation

Suggested First Steps

- Evolve Enterprise Architecture Into an Internal Management Consultancy
- IT Score for Enterprise Architecture and Technology Innovation
- Enterprise Architecture Activity Guidebook
- Leadership Vision for 2023: Enterprise Architecture
- Predicts 2023: Enterprise Architecture Charts New Path for Postdigital Era

Essential Reading

- 13 Best Enterprise Architecture Practices to Ensure Program Success
- Design a Better Digital Business With the Business Architecture Landscape
- Architecting for Business Ecosystems and Business-Led Innovation — Presentation Materials
- Tool: Total Experience Scoping Guide
- The Gartner Trendspotting Framework: Driving Operations, Innovation and Strategy

Tools and Toolkits

- Toolkit: Enterprise Architecture in a Box 2.0
- Tool: Business Architecture Activities and Deliverables Close the Strategy-to-Execution Gap
- Toolkit: Workshop for Constructing an Initial Business Capability Model
- Toolkit: Enterprise Architecture Value and the I&T Operating Model Optimizing Patterns
- Ignition Guide to Scanning and Evaluating Emerging Technologies
- Ignition Guide to Building a Customer Experience Journey Map
- Ignition Guide to Creating a Business Capability Model
- Ignition Guide to Conducting Scenario Planning
- Ignition Guide to Strategic Planning for IT

Evidence

¹ **2022 Gartner CEO and Senior Business Executive Survey:** This survey was conducted to examine CEO and senior business executive views on current business issues, as well as some areas of technology agenda impact. The survey was conducted from July 2021 through December 2021, with questions about the period from 2021 through 2023. One-quarter of the survey sample was collected in July and August 2021, and three-quarters was collected in October through December 2021. In total, 410 actively employed CEOs, and other senior executive business leaders qualified and participated. The research was collected via 382 online surveys and 28 telephone interviews. The sample mix by role was CEOs (n = 253); CFOs (n = 88); COOs or other C-level executives (n = 19); and chairs, presidents or board directors (n = 50). The sample mix by location was North America (n = 176), Europe (n = 97), Asia/Pacific (n = 86), Latin America (n = 40), the Middle East (n = 4) and South Africa (n = 7). The sample mix by size was \$50 million to less than \$250 million (n = 58), \$250 million to less than \$1 billion (n = 81), \$1 billion to less than \$10 billion (n = 212) and \$10 billion or more (n = 59). Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

² **2022 Gartner Strategy Business Partner Planning Perspectives Survey:** This survey was conducted online in March 2022 among 96 business/function leaders. The survey was developed collaboratively by a team of Gartner analysts and was reviewed, tested and administered by our quantitative analytics and data science team.

³ **Overcoming Stall Points.**

⁴ **2023 Gartner Board Of Directors Survey on Business Strategy in an Uncertain World:** This survey was conducted to understand the new approaches adopted by nonexecutive boards of directors (BoDs) to drive growth in a rapidly changing business environment. The survey also sought to understand the BoDs' focus on investments in digital acceleration; sustainability; and diversity, equity and inclusion. The survey was conducted online from June through July 2022 among 281 respondents from North America, Latin America, Europe and Asia/Pacific. Respondents came from all industries, except governments, nonprofits, charities and NGOs, and from organizations with \$50 million or more in annual revenue. Respondents were required to be a board director or a member of a corporate board of directors. If respondents served on multiple boards, they answered for the largest company, defined by its annual revenue, for which they are a board member. Disclaimer: The results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.

⁵ **2022 Gartner Distributed Technology Innovation Management Survey:** This study was conducted to address how best to manage technology innovation and the different activities involved in a distributed innovation management. The research was conducted via online sampling during March 2022 among 100 respondents from across all industries and company sizes within the United States, United Kingdom, Canada, and Australia. Respondents were screened to be director level or above, with responsibilities related to leading efforts to exploring, developing, and/or managing efforts to implement or scale innovative technology products and services. Disclaimer: Results of this study do not represent global findings or the market as a whole but reflect sentiment of the respondents and companies surveyed.

Related Priorities

Initiative Name	Description
Digital Business Change Initiatives	This initiative covers enterprise architecture (EA) practices and deliverables that guide the implementation of digital business change through digital platforms and foundations.
Enterprise Architecture Function	This initiative covers how to start or renew the enterprise architecture (EA) function by crafting an EA value proposition, strategy and operating model that supports both growth and resilience.

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