

The Gartner Execution Model and IT Strategic Planning

FOUNDATIONAL Refreshed: 13 April 2015 | Published: 22 November 2013

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The Gartner Execution Model is an enterprise program management workflow and tool that synergizes the strategic planning efforts of diverse internal organizations. CIOs can use this tool to identify interdependencies and potential collisions across organizational units before they become a problem.

Gartner foundational research is reviewed periodically for accuracy. This document was last reviewed on 13 April 2015.

Key Challenges

- Management experts agree that approximately 90% of enterprises fail to execute their strategy; because IT is the common denominator across most initiatives, the CIO is frequently held accountable.
- Enterprises without effective governance and strategic planning often fail to translate strategic intent into actionable, measurable goals.
- CIOs still struggle to understand enterprise-level strategy and correlate the IT strategic plan to enterprise initiatives.
- Functional and operating parts of an enterprise must generally interpret for themselves their roles in executing against enterprise strategy, and no two interpretations are alike, creating conflicts and collisions that derail execution.
- The traditional IT strategic plan does a reasonable job of communicating IT's interpretation of enterprise strategy — its assumptions, intentions and interdependencies. However, CIOs are rarely exposed to equivalent plans from the rest of the business.
- In an enterprise with immature governance or where IT faces credibility issues, even the best IT strategic plan will tend to fall on deaf ears.

Recommendations

CIOs should:

- Institute IT strategic planning best practices.
- Socialize and, wherever possible, use GEM to compare and integrate the IT strategic plan with the rest of the enterprise.
- Resolve interdependencies and monitor strategy execution.

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Introduction

Enterprises that understand causal relationships — those that measure and link the internal activities and external events that precede financial outcomes — execute better and financially outperform those that don't. According to a Wharton research study, such companies earn a 2.95% higher return on assets and a 5.14% higher return on equity. Furthermore, virtually every strategy guru working today confirms that approximately 90% of enterprises actually fail to execute on their strategy.¹

Unfortunately, many enterprises see this failure to execute as an IT problem, rather than an enterprise program management problem. CIOs then respond by trying to get better at IT strategic planning, but find that response is inadequate because IT doesn't live in isolation. IT is part of a broader, symbiotic ecosystem that influences the IT plan in myriad ways.

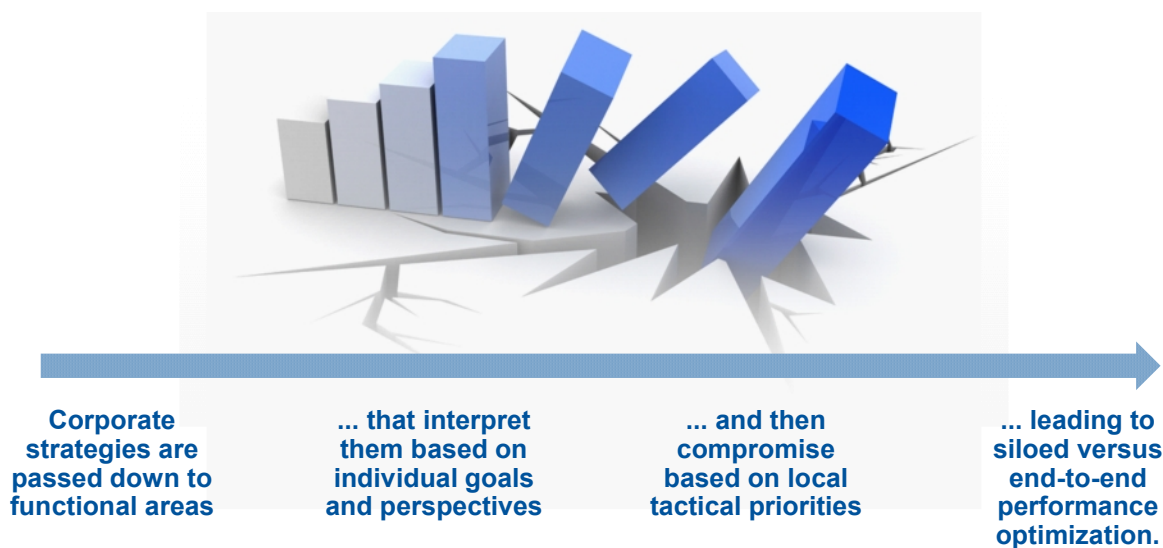
Imagine you are a forester in a rainforest that is teeming with life — life that is threatened by severe environmental pressures. The one common denominator in that rainforest is its dense carpet of

moist and decaying plant matter. However, the organic carpet's ability to sustain the rainforest's ecosystem is dependent on the ecosystem itself — the health of the plants, animals and insects that call it home. For this reason, if you were designing an intervention program to preserve the rainforest, you wouldn't focus only on the soil, you would attempt to understand the relationships and interdependencies that existed within the entire ecosystem and develop a holistic, integrated strategy, up to and including the external discontinuities created by humans.

Creating an IT strategic plan that is disconnected from the rest of the enterprise's intentions is like trying to save an unhealthy rainforest by focusing only on the soil. It won't work. An effective, executable IT strategic plan must be integrated with the business.

Many CIOs feel their IT strategic plans are integrated with the business, when in fact, they aren't. This is because there is a difference between having a plan that is vertically aligned to the high-level strategic goals of the enterprise and having a plan that is horizontally intertwined with the other parts of the enterprise also required to execute (see Figure 1). This lack of horizontal integration is the chief reason approximately 90% of enterprise strategic initiatives fail.

Figure 1. Cascaded Plans Are Not Integrated Plans



Source: Gartner (November 2013)

Much has been written about developing effective IT strategic plans (see "IT Strategy Template") that are derived from measurable business goals, and CIOs spend many cycles attempting to expose the assumptions, intentions, and business implications underlying their plans and proposals. Unfortunately, this is all too often a one-way dialogue, with the CIO pushing information up and out, but getting little insight in return:

- How often does the IT strategic plan attract the deep attention of business leaders and actually gain traction?

- How often does the IT strategic plan actually get funded?
- To what degree do business leaders support and comply with the IT plan's architectural implications?
- How often do other operating parts of the enterprise expose their own comparable, detailed strategic plans to the leadership team for consideration and comparison?

Governance models that do not require reciprocal exposure of cascaded strategic plans from all parts of the enterprise are simply ineffective. Without this reciprocity, the IT plan (and any other plans that exist) will stand in isolation — a lack of integration that will inevitably derail execution.

CIOs need to go a step further in their strategic planning efforts to compensate for this problem, which is where the Gartner Execution Model (GEM) comes in.

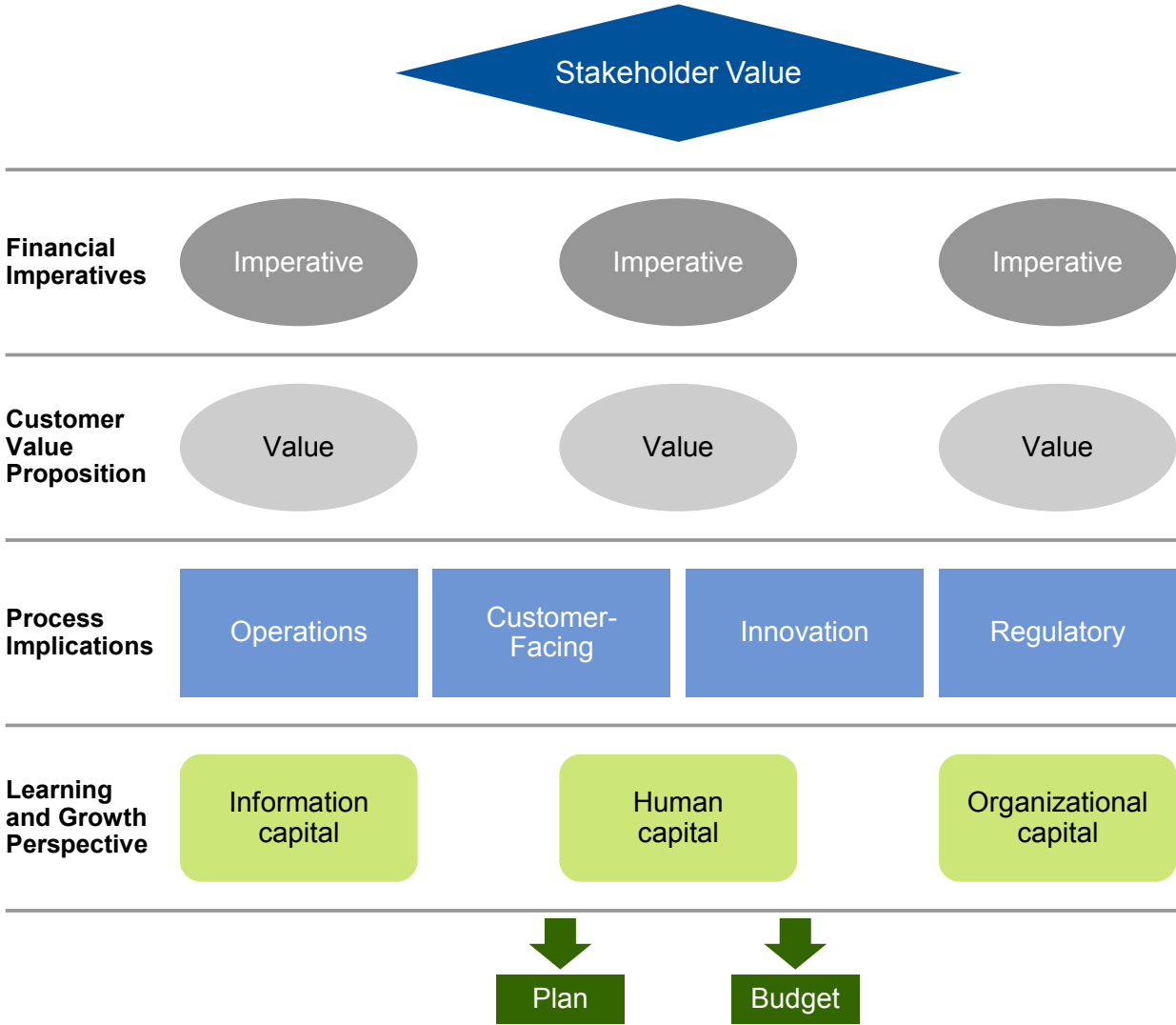
Analysis

Institute IT Strategic Planning Best Practices

The best practices for developing an IT strategic plan are well-documented (see the Gartner Recommended Reading section). The issues involved in strategy today are less about individual planning activities and resulting plans themselves than they are about enterprise program management and integrated execution. Thus, IT strategic planning best practices still hold and should be pursued.

Most important, the IT strategic planning process should *always* start with an articulation of the enterprise's strategic goals and initiatives. The IT plan itself should be explicitly derived from those goals and initiatives and, in turn, should inform and help refine the enterprise strategy and strategic initiatives. That has not changed and will not change. Gartner's strategy map, shown in Figure 2, illustrates how to decompose enterprise initiatives into their constituent parts.

Figure 2. Gartner's Strategy Map



Adapted from Kaplan, R. and Norton, D., "The Strategy-Focused Organization and Strategy Maps"

Source: Gartner (November 2013)

Gartner also has several excellent templates, such as those reflected in "IT Strategy: A CIO Success Kit" and, more recently, "Toolkit: How to Create a One-Page IT Strategy," to expose the implications of an enterprise strategy on IT and vice versa.

If the enterprise strategy is obscure and/or is not articulated in measurable terms, the Gartner Business Value Model (see "The Gartner Business Value Model: A Framework for Measuring Business Performance") provides CIOs with an invaluable tool for surfacing and confirming the business-focused performance measures that ensure the whole enterprise is pulling in the same direction.

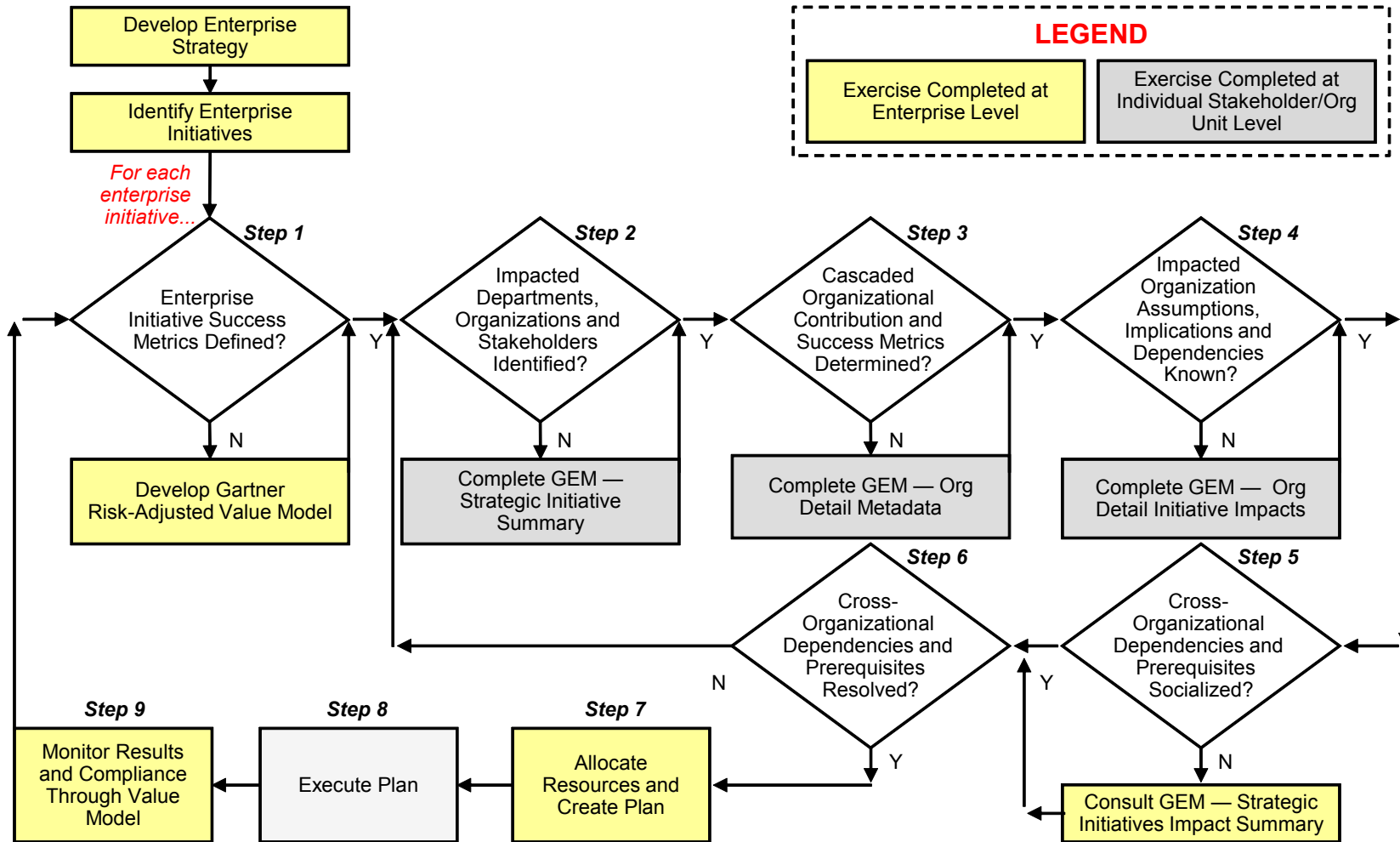
These tools and resulting plans ensure that enterprise goals are crisply articulated and clearly understood, and that the initial planning responses from IT and other operating parts of the enterprise are aligned to those goals. The next step is to horizontally compare those initial planning responses with identifying assumptions, implications, interdependencies and potential conflicts before execution commences.

Socialize, Compare and Integrate the IT Strategic Plan

Once the initial IT plan has been developed, it must be socialized with business leaders. That activity must be done in a way that encourages bidirectional communication and an equivalent level of sharing.

The Gartner Execution Model is a tool that explores individual strategic plans in a way that exposes horizontal dependencies and potential impacts across the enterprise (see "Execute on your Strategy; Deliver Results: The Gartner Execution Model" and "Toolkit: The Gartner Execution Model"). Figure 3 illustrates the GEM workflow.

Figure 3. GEM Workflow



Source: Gartner (November 2013)

In Steps 1 through 3, the GEM workflow follows well-established strategic planning practices, resulting in execution accountabilities that are cascaded throughout the enterprise. It assumes there is an enterprise strategic plan and that, like IT, each impacted part of the enterprise has created a cascaded strategic plan for its individualized contributions.

Beginning with Step 4, each impacted organization completes a worksheet in the GEM tool. The outputs of the IT strategic plan would be one of the organizational planning inputs into the GEM tool, exposing IT's assumptions, implications and interdependencies in a manner that is both more detailed and more collaborative than is typical for the average IT strategic plan (which is more concerned with what will get done than how it will get done).

Optimally, every organization that is participating in a strategic initiative completes a similar "organizational detail — initiative impacts" worksheet. The worksheet requires participating organizations to articulate how their plans might impact the enterprise, their own departments or other departments across a series of key dimensions — among them, finance, workforce, process, structure, technology, information, risk and culture.

The GEM tool then automatically combines and organizes this departmental information into aggregated views that allow enterprise leaders to assess the organizational (e.g., IT, sales and manufacturing) and dimensional (e.g., finance, workforce and processes) impacts and interdependencies of one, some or all of its strategic initiatives across the enterprise.

Resolve Interdependencies and Monitor Strategy Execution

As a program management tool, GEM exposes potential collisions, creating the opportunity to forestall them and improving strategic execution.

GEM Steps 2 through 6 are iterated until potential collisions are resolved or at least accepted with full awareness of their risks. Findings may result in refinements or adjustments to the strategic plan itself to account for these hidden interdependencies and/or potential collisions.

Beginning with Step 7, progress against strategic goals is measured and monitored.

Occasionally, when presented with the GEM workflow, CIOs and business leaders respond that it will take too long. This is equivalent to suggesting that project planning and management is a waste of time. Program management tools such as GEM apply the same logic and discipline to programs that project management does to individual projects.

We have only to look to the past decade of project performance to see what a difference planning, monitoring and management disciplines have made to project success. The same holds true for programs.

Program management and related tools such as GEM are not replacements for best practices for IT strategic planning — they are complementary. They are vehicles for expressing IT strategy in terms of impacts to the rest of the business because they go a level deeper, in a manner that encourages the rest of the business to expose their own intentions. Such reciprocation is crucial to effective execution.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"Your Strategy on One Page"

"Toolkit: How to Create a One-Page IT Strategy"

"IT Strategy Template"

"It Strategy: A CIO Success Kit"

"Creating Strategy Maps: Toolkit"

"Execute on Your Strategy; Deliver Results: The Gartner Execution Model"

"Toolkit: The Gartner Execution Model"

Evidence

¹ Kaplan and Norton estimate that fewer than 20% of enterprises successfully execute against strategy. The Emerald Group found that only 10% to 30% did so, and other management experts place the estimate of successful execution at 10% to 15%.

More on This Topic

This is part of an in-depth collection of research. See the collection:

- How to Execute Against Business Strategy

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