

ALIGN THE BUSINESS ; EXECUTE THE STRATEGY

STEPS TO R&D / INFORMATICS ALIGNMENT

By Bob O'Hara

Life sciences informatics groups have expressed frustration in trying to determine how to best help their business counterparts. They have been reactive to information management requests over the last few years without necessarily solving the right problems or getting out in front of the business needs. That leaves informatics groups wondering where the business is going and how to best support it.

At the same time R&D organizations have been challenged to articulate a strategy which is actionable and well communicated. Among R&D managers we find conflicting perspectives on business objectives let alone strategies to achieve them. Consequently their requests to in-

formatics groups tend toward point solutions that may be obsolete before they are adopted. Something is missing!

Alignment of the organization around business objectives and strat-

egies has been missing. Without alignment, there is a lot of wasted effort in the organization. Departments are more likely to optimize their own silos, their internal workflow, and even their own systems, but without necessarily meeting the needs of the larger organization. For service groups like informatics, it is challenging enough to



meet a singular set of needs let alone conflicting needs of each department.

A study done in 1999 was based on a survey in which 169 businesses responded to questions indicating the importance of items influencing the alignment of IS (Information Systems) and business plans. The top 10 results comprise this list of Critical Success Factors for Business-IS Alignment as shown in the table.

In "The Strategy-Focused Organization", Robert Kaplan and David Norton write that "A study of 275 portfolio managers reported that the ability to execute strategy was more important than the quality of the strategy itself." Given the gloomy statistic by Standish that only 16% of IT projects are successful, it's hard to disagree with the above reference.

Critical Success Factors For Business-IS Alignment

1. Top management is committed to the strategic use of IT
2. Information systems (IS) management is knowledgeable about the business
3. Top management has confidence in the IS department
4. The IS department provides efficient and reliable services to the user departments
5. There is frequent communication between user and IS departments
6. The IS staff are able to keep up with advances in IT
7. Business and IS management work together in partnership in prioritizing applications development
8. Business goals and objectives are made known to IS management
9. The IS department is responsive to user needs
10. Top management is knowledgeable about IT

["Critical success factors in the alignment of IS plans with business plans", Thompson S.H. Tei, James S.K. Ang International Journal of Information Management 19 (1999) 173-185]



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In order to align the business then, strategies must be driven from the top, they must be shared and well communicated, and then the execution must be managed with great focus to achieve it. Corporate objectives need to flow down to the business units. Cross-functional, highly participatory, focused, motivated teams must collaborate to develop and to deliver on strategies. In addition to top-level objectives, they must pay attention to details embodied in processes, information, and technologies otherwise misalignment is likely to derail strategy execution.

Strategies must be driven from the top, well communicated, and managed with great focus.

Leveraging the work of Kaplan and Norton in conjunction with our own methodology, ResultWorks recommends the following **steps to align the business and execute the strategy**:

1. **Become Energetic Leaders of Strategy Change.** If senior leadership is not committed to new ways of working together with business counterparts, strategy will not be implemented, and the opportunity to realize new business directions will fail.
2. **Target the Organization.** Depending on whether all of R&D or specific organizations are the focus, make the box big enough. Include touch point organiza-

tions from suppliers to customers of the organization of focus.

3. **Assess Alignment to Current Strategy.** Conduct a thorough SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis to determine what works, what does not, where opportunities exist, and where there is uncertainty. Other strategic inputs – corporate or business unit strategy, needs analysis, process analysis, gap analysis – would all be utilized to identify key candidates for the Strategy Map (a visual depiction of strategic plan).
4. **Create a Strategy Map.** Corporate or top-level perspectives – financial, customer, internal processes, learning & growth – flow down. The strategy map integrates critical strategic objectives identified from the SWOT.
5. **Establish Metrics.** In order to make the strategy effective it needs to be measured. Establish a baseline for each strategy and the threshold for achieving it. This can be built as a scorecard which many organizations have successfully adopted.
6. **Develop a Roadmap.** The roadmap links the strategy with improvement initiatives that will enable the strategy. These initiatives must cascade across organizations (e.g. business and informatics) such that objectives, initiatives, and metrics are linked and aligned. The initiatives will tackle process, technology, and organizational ways to generate results.

7. **Focus the Organization.** Without focus there are just too many distractions in R&D beyond job one of bring new compounds to market. It is just too easy to fall back on the same old way. Circle back to the energetic leaders to manage, monitor, and make adjustments as the strategy execution unfolds.

Along with drug candidates, information is one of the primary products of life sciences research and development. It must be a critical success factor for R&D and informatics leaders to work together in partnership to set priorities that will move the business forward. The steps described here offer ways to define key strategies; an approach for aligning R&D and informatics groups; and methods for executing on the agreed strategies.

The ability to execute strategy was more important than the quality of the strategy itself.

For more ideas on how to drive greater alignment and execute the strategy in your organization, contact ResultWorks. 

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