**Aligning Plans with MRM Business Models**

An organization’s business model is a perfect complement to its strategic, tactical and operational plans and should be used throughout the planning process.

* A business model is a *body of knowledge* describing the business of the organization, designed to help manage the great complexity of its operation. A business model creates a common language for the organization’s many stakeholders, so that they can express and align their different perspectives and positions.
* Like any model, a business model can be manipulated to illustrate ‘as is’ and ‘could be’ forms of the business to understand in detail the implications of new policies, strategies and other forms of change. So the organization’s business model forms a comprehensive and consistent *planning framework* to identify the key elements of the business at all levels. The framework helps stakeholders to articulate and agree on pressures, effects and priorities, and then generate and evaluate alternatives for change and potential impacts.
* A business model is also an important *system of record* that is updated as required to reflect the current business as the organization progresses through change and transformation. It serves as the integration point for detailed design and planning of the multiple concurrent initiatives launched by a typical strategic plan.

A business model prepared by a municipality in accordance with the concepts and principles of the MRM can provide support for strategic planning by playing all three roles: as a body of knowledge, a planning framework and a system of record. But if the model is to be effective, there are several important implications.

**Implications**

1. The strategic plan co-exists with the business model and ‘drives’ the business model, but the two will require ongoing harmonization.   
     
   This means it should be possible to compare the strategic plan with the ‘as is’ version of the business model to determine gaps, and compare any ‘to be’ versions of the business model with the plan to verify that the gaps are being addressed. Accomplishing these tasks delivers some of the business model’s value by ensuring the organization’s strategy (represented by the plan) and blueprint for change (represented by the multiple versions of the business model) are aligned.
2. Strategic plans and business models use different language for a reason.  
     
   Among other things, strategic plans are communication vehicles written to influence stakeholders, with appropriate language and even symbolism. So the task of comparing the plan with the business model requires analysis to map the elements of the plan against the elements of the business model. But since the MRM is a formal specification, any of its elements used for planning should be as well. For example: visions, missions, goals, etc. when incorporated into the business model should be formally specified information requirements, and not simply labels for text fields.
3. A strategic plan will focus on changes to the status quo, whereas a business model depicts a steady state.   
     
   For example, one historic goal of a policing program has always been the reduction of crime, measured by properly calibrated changes to the crime rate. This becomes part of the definition of the policing program and appears in the business model as an outcome and metric. The actual crime rate might be manipulated, up to a point, by manipulating the level of resources available to the program without making any other changes (i.e. no visible changes to the business model). In contrast to this, a strategic goal to eliminate crime would be transformational in most circumstances, requiring new services and programs.   
     
   This creates a bit of a dilemma for strategic planners and business modelers. Are steady state outcomes (e.g. crime reduction) the same as strategic goals or not, and should they appear in the strategic plan? Should transformational goals (e.g. eliminate crime) appear in the business model as outcomes or not? The answer to the latter is yes, but there are several possibilities for the former:
   1. Put both in the strategic plan to present a complete picture but differentiate them in some way, or put transformational goals only into the strategic plan to focus on and emphasize strategic change.
   2. Create a future-state version of the business model with the new crime elimination program contributing to the existing crime reduction outcome (i.e. attempting to set it to zero).
4. A municipal strategic plan proposes to bring about changes to achieve results in two realms: in the corporate entity called the municipal government, and in the society governed by the municipality called the community.   
     
   In the public realm, the municipality’s plan may propose changes to the ‘operation’ of society to bring about *lower* crime rates *than before*, *higher* levels of economic activity *than before*, etc. The means of doing that are new or changed public programs and services. In the corporate realm, the plan will propose changes to the operation of the government organization so as to deliver the portfolio of programs and services more effectively and efficiently, and the means are new or changed enabling, internal or support programs and services. The changes in both cases should be recorded in a future-state version of the business model because it spans both realms by linking organizations, resources, processes, services, programs, target groups, needs, outputs and outcomes to trace causes, effects, responsibilities and more.

**Recommendations:**

1. Vision
   1. OMG BMM: *A Vision describes the future state of the enterprise, without regard to how it is to be achieved. A Vision is the ultimate, possibly unattainable, state the enterprise would like to achieve. A Vision is often compound, rather than focused toward one particular aspect of the business problem. A Goal, in contrast, should generally be attainable and should be more specifically oriented to a single aspect of the business problem.*
   2. MRM mapping: the Vision statement appearing in the plan could articulate at least one Strategic Outcome for each top-level Program appearing in the future state business model. An alternative would be to articulate at least one Strategic Outcome in each Program Field where the municipality has a mandate. A Strategic Outcome expressed in a Vision statement would imply (establish) a top-level Program in the future state model, whether formal or informal. The Strategic Outcome should conform to the definition of any Outcome: a desired trend in the level of a Target Group Need caused by government Services.
2. Mission
   1. OMG BMM: *A Mission indicates the ongoing operational activity of the enterprise. The Mission describes what the business is or will be doing on a day-to-day basis. A Mission makes a Vision operative; that is, it indicates the ongoing activity that makes the Vision a reality. A Mission is planned by means of Strategies. The Mission statement should be focused on day-to-day operations, generic enough to cover all Strategies, and broad enough to cover the complete area of operations. A Mission statement should consist of the following three items only and should be formed using brief statements of them.*
      1. *An action part (for example, “provide”)*
      2. *A product or service part (for example, “pizzas”)*
      3. *A market or customer part (for example, “customers city-wide”)*
   2. MRM Mapping: the Mission statement appearing in the plan could describe the municipality’s business by identifying its top-level Programs, either formal or informal or both, appearing in the future state business model. However, if the Vision statement were crafted as suggested here, Programs would be defined in that by their Strategic Outcomes and a better alternative could be to describe each Service Output Type where the municipality offers (or intends to offer) one or more Services. This approach would equate to defining the future state top-level functions of the municipality. These approaches would create very substantial mission statements compared to typical versions, so another possibility is a stereotype or ‘metamission’ such as “provide services to address the needs of the members of the community, as mandated by the community”.
3. Goals
   1. OMG BMM: *A Goal is a statement about a state or condition of the enterprise to be brought about or sustained through appropriate Means. A Goal amplifies a Vision; that is, it indicates what must be satisfied on a continuing basis to effectively attain the Vision. A Goal should be narrow - focused enough that it can be quantified by Objectives. A Vision, in contrast, is too broad or grand for it to be specifically measured directly by Objectives. However, determining whether a statement is a Vision or a Goal is often impossible without in-depth knowledge of the context and intent of the business planners.*
   2. MRM Mapping: the goals appearing in the plan could be defined as all the Outcomes leading to the Strategic Outcomes defined by the Vision. This would amount to all the Intermediate and Direct Outcomes in the Program Logic Models of every municipal Program defined in the future state business model. One alternative would be to make the goals equal only to the Intermediate Outcomes alone because each Program defines its own Direct Outcomes. A third alternative would be to make the goals equal to only those Outcomes that are derived from transformational goals as opposed to steady-state.
4. Objectives
   1. OMG BMM: *An Objective is a statement of an attainable, time-targeted, and measurable target that the enterprise seeks to meet in order to achieve its Goals.*
   2. MRM Mapping: no mapping to the MRM unless and until ‘Project’ is accepted and developed as a concept in the MRM business model. If this happens, Project instances will likely express Objectives in the business model.
5. Strategy
   1. *A Strategy is one component of the plan for the Mission. A Strategy represents the essential Course of Action to achieve Ends (Goals in particular). A Strategy usually channels efforts towards those Goals. A Strategy is more than simply a resource, skill, or competency that the enterprise can call upon; rather, a Strategy is accepted by the enterprise as the right approach to achieve its Goals, given the environmental constraints and risks.*
   2. MRM Mapping: there are several possibilities:
      1. No mapping – the strategy can be articulated in the plan, but that becomes the explanation for the particular differences between one version of the business model and another – the design of the latter realizes, embodies or gives effect to the strategy. The strategy is therefore outside any one version of the business model. This is probably the best interpretation of the OMG concept. Some strategies or aspects of a strategy could find their way into the business model because they are loosely-articulated and actually contain other components such as goals, tactics, etc. etc. - so they should not be set aside without examination.
      2. MRM-specific and unique mapping: the business model needs a label for the idea of a particular program or service ‘configuration’ and ‘strategy’ has been used for this. The examples can be as concrete as the water treatment program having a ‘wet weather’ and ‘dry weather’ strategy, or the roads program having a ‘winter’ vs. ‘summer’ strategy. Sometimes it’s more subtle: emergency measures programs have multiple ‘strategies’ or service configurations depending on the nature and severity of a disaster. In any case, this is not what is intended by OMG.
6. Tactic
   1. OMG BMM: *A Tactic is a Course of Action that represents part of the detailing of Strategies. A Tactic implements Strategies. For example, the Tactic “Call first-time customers personally” implements the Strategy “Increase repeat business.” Tactics generally channel efforts towards Objectives. For example, the Tactic “Ship products for free” channels efforts towards the Objective “Within six months, 10% increase in product sales.”*
   2. MRM Mapping: no direct mapping for the same reasons given no mapping of strategies, and with the same caveats.

To Come:

Directives (business policies, rules, regulations)

Influencers (organizations, etc.)