

Reference Guide: Cable Goal Alignment Strategy

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Executive Summary

Getting started on a transformation project that includes Business Intelligence (BI) features can be a daunting task. Successful achievement of the strategic requirements of the executive suites of the business require processes for driving that message down through the levels of management all the way to the individual workers who apply specific tactics. Then measurements of the efficacy of those tactics need to be calculated, aggregated, and communicated back up the management chain.

In order to align the goals from the executive strategies with those specific tactics of the individual contributors, a methodology should be created and adopted that increases the probability of success. This document outlines one such methodology.

1. The Goal Alignment Strategy Process Flow

At a high level, the goal alignment strategy is relatively easy to communicate. An executive strategy is stated, various levels of management are involved, and individual contributors actually carry out the tactical elements of the strategy.

This flow is demonstrated below:

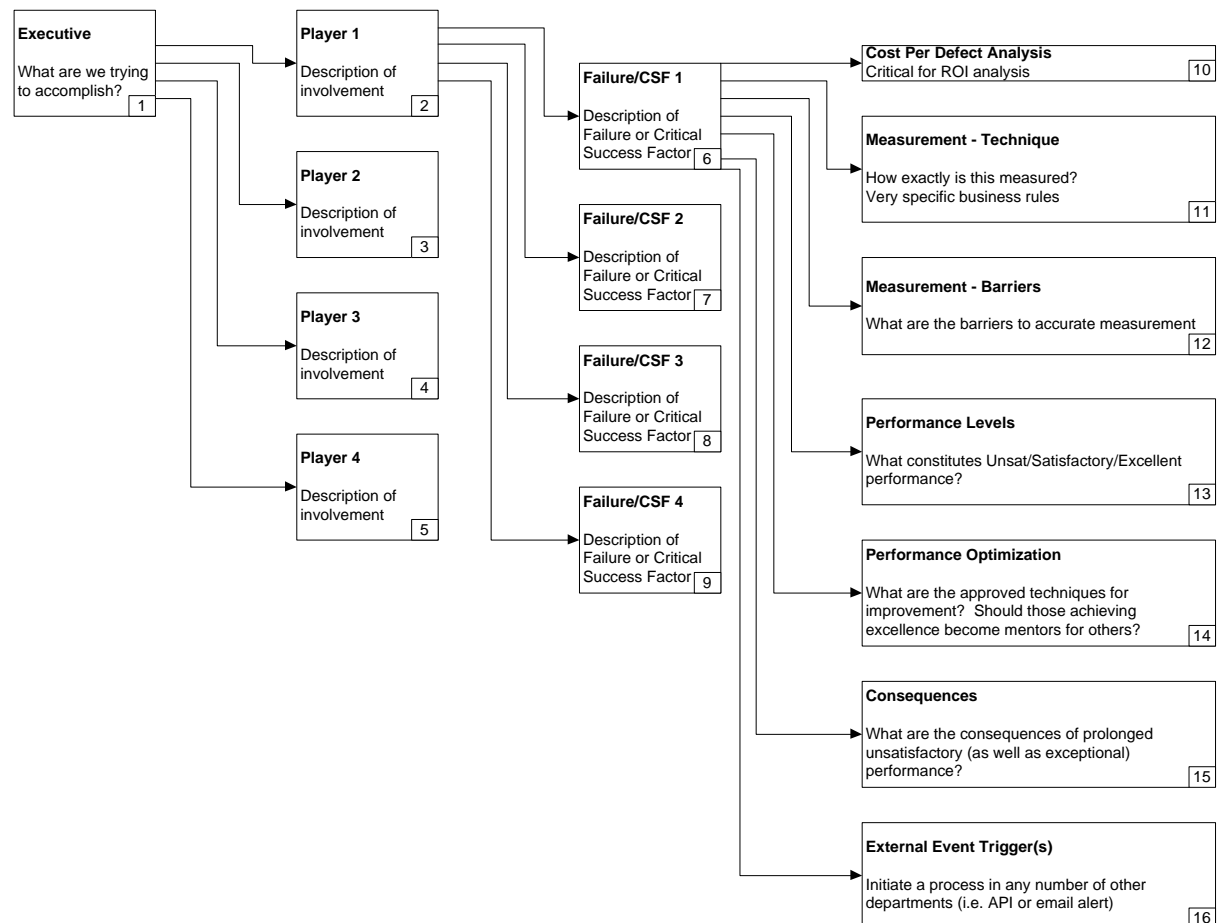


Figure 1 : The Goal Alignment Strategy Process Flow

This flow has 4 major components:

- The Executive Strategy (cell 1)
- The Players who execute the tactics (cells 2-5)
- The Measurements (cells 6-9)
- The Techniques (cells 10-17)

Clearly this is a simplified view of the process, and is intended to connect the very high level strategy with the individuals responsible for carrying out the tactical elements of execution.

2. The Executive Strategy

One example of an executive strategy is to 'Optimize the Customer Experience'. Certainly this is critical in today's super-competitive environment. But this strategy must be decomposed into specific and very granular tactical elements in order to become actionable.

Executives may not need to know the detailed specifics of each and every tactical execution point, but they certainly need to know that their organization has a plan for executing their strategies. Executives also want to know that the plan is scalable, extensible, and strategy agnostic so that it can be reused, developed, and extremely effective.

3. The Players

The individuals responsible for carrying out the execution of the plan are portrayed in cells 2-5 in the Goal Alignment Strategy work flow example. There could be any number of players for a given Strategic Initiative, each of which will have some number of measurements (cells 6-9) associated with them.

For a Strategic Initiative like 'Optimize Customer Experience', there will be many players responsible for individual contributions. For example:

- Marketing contributes to Customer Experience (CE) by creating and delivering compelling messages that convert potential consumers into customers.
- Call Center Representatives contribute to CE by answering the phone quickly, being polite, resolving issues on the first try, etc.
- Technicians contribute to CE by being on time, polite, knowledgeable, fast, etc.
- Plant and Network workers contribute to CE by ensuring that services are highly available.
- And of course many other players contribute in various ways.

The point is that each of these players needs to understand the specific ways that they should be contributing.

4. The Measurements

Players know exactly how they should be contributing to the strategic initiative when they have been given clear direction, tightly coupled with accurate and timely measurement, and fully supported with training.

'Inspect what you expect' is a time-tested management philosophy; measuring very specific and actionable components forces a detailed look at components that contribute to the overall strategy.

Any individual player may have one to many measurements that impact their scorecard, and can therefore be aggregated into an overall performance score.

5. The Techniques

Cells 10-16 in the Goal Alignment Strategy flow identify the most critical elements related to each measurement. These 8 concepts should be applied to each of the measurements for each of the players.

5.1. Cost per Defect

The cost per defect in cell 10 helps managers identify the most financially beneficial measurement to prioritize. Cost per defect multiplied by the number of opportunities generates an overall value of solution. This is a critical component of an effective ROI analysis.

5.2. Measurement Technique

Understanding the very specific business rules of any given measurement is required before the business intelligence partners can create the metric. And these rules must be well understood by the players before they can be expected to achieve positive results. These measurement techniques are identified in cell 11.

5.3. Measurement Barriers

It is common for a desirable measurement to have some barriers to accurate measurement. Actively discussing possible barriers (cell 12) allows for identification of these barriers and prioritization of solution of those problems.

5.4. Performance Levels

Creating and enforcing accountability requires establishment of desired performance levels. What are the performance minimums required to satisfy the executive strategy? Is the goal to continuously drive performance upward, or are upper and lower control boundaries more applicable?

5.5. Performance Optimization

A critical component of successful Goal Alignment Strategies is having a plan for specific techniques to help individuals improve performance (cell 14). Without a corporate view on improving performance on each and every measurement, remediation becomes hit or miss, with the potential that individuals will not attempt to improve. Another negative outcome of missing optimization techniques is that individuals invent their own techniques that either do not work and

therefore waste time, or actually negatively impact performance locally in their own area or on a greater scale.

5.6. Consequences

If performance consistently exceeds expectations, what kind of positive consequences (cell 15) can be held out as motivators? On the negative side, what happens to individuals who consistently perform below expectations, and also do not respond to optimization attempts?

5.7. External Event Triggers

Successful performance management from a BI system usually generates a great deal of interest, and a desire to propagate the information to other systems. This can be as simple as an email to notify interested and responsible parties of a breach of SLA, or exporting of performance data to compliance systems. These triggers are identified in cell 16.

6. Summary

There are many challenges of bridging the considerable gap between an executive strategy (that tends to be relatively broad in nature) and the many tactical elements (very detailed in nature) that are needed to satisfy that strategy. Driving success calls for repeatable structures and processes that align the goals of executives with the goals of the individual contributors.

7. Glossary of Terms

| | |
|-----|--|
| KPI | Key Performance Indicator |
| BI | Business Intelligence |
| CE | Customer Experience |
| SLA | Service Level Agreement, or expected performance level |

8. Administrative Appendix

This Appendix provides additional background material about the TM Forum and this document. In general, sections may be included or omitted as desired, however a Document History must always be included.

8.1. About this document

This is a TM Forum Guidebook. The guidebook format is used when:

- The document lays out a 'core' part of TM Forum's approach to automating business processes. Such guidebooks would include the Telecom Operations Map and the Technology Integration Map, but not the detailed specifications that are developed in support of the approach.
- Information about TM Forum policy, or goals or programs is provided, such as the Strategic Plan or Operating Plan.
- Information about the marketplace is provided, as in the report on the size of the OSS market.

8.2. Document History

8.2.1. Version History

<This section records the changes between this and the previous document version as it is edited by the team concerned. Note: this is an incremental number which does not have to match the release number>

| Version Number | Date Modified | Modified by: | Description of changes |
|----------------|---------------|-------------------------------------|--|
| 0.1 | 30/09/2011 | Paul Ousterhout – BATMANN Analytics | draft |
| 0.2 | 25/10/2011 | Alicja Kawecki | Minor cosmetic and formatting corrections prior to web posting and Member Evaluation |
| 0.3 | 11/05/2012 | Alicja Kawecki | Updated to reflect TM Forum Approved status |

8.2.2. Release History

<This section records the changes between this and the previous Official document release>

| Release Number | Date Modified | Modified by: | Description of changes |
|------------------------|---------------|--------------|--|
| <<Release Number >> | DD/MMM/YY | <<name>> | Description e.g. first issue of document |
| | | | |

8.3. Company Contact Details

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