

## Chapter 18

# Coherence management dashboard for ACET

**Abstract** In this Chapter we discuss an elaborated theory about how to make explicit enterprise coherence. An important trigger to develop this new theory was that too many projects failed. This concerned even projects developed under architecture. Also our practical experiences showed that existing architecture methods too often did not result into the promised contributions to the creation of successful project results. The theory is a part of the research programme GEA. After an inventory of triggers and a translation of these triggers into a set of requirements this innovation programme took for developing this theory the following hypothesis as a starting point: “*a positive correlation exists in organisations between the level of coherence and the level of performance*”. Based on these triggers, requirements and hypothesis the GEA innovation programme developed a theory by which the enterprise coherence can be made explicit and the enterprise coherence can be governed. In this chapter this way of governing will be explained.

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### 18.1 Introduction

This Chapter is primarily based on results from the project developing the *general enterprise architecting* (GEA) method (Wagter 2009), in particular the Enterprise coherence framework parts as discussed in more detail in Wagter et al. (2013a, 2012a). The development of the GEA method was based on several case studies (see for example Wagter et al. 2012b, 2013b, 2012c) with the client organisations participating in the programme, using a combination of design science (Hevner et al. 2004) as the overall rhythm and case study research (Yin 2009) to leverage the

findings from the case studies. In its current form (Wagter, 2009), the GEA method comprises of three core ingredients (Wagter, 2009).

The GEA method comprises three core ingredients (Wagter, 2009). Next to the , allowing organisations to assess their ability to govern coherence during enterprise transformation, it involves an enterprise coherence framework and a (situational) enterprise coherence governance approach. The latter includes the identification of specific deliverables / results to be produced, the processes needed to produce these deliverables / results, as well as an articulation of the responsibilities and competences of the people involved. The enterprise coherence framework, which will be summarised below (and discussed in more detail in Chapter 18, enables enterprises to set up their own management dashboard in terms of the enterprise coherence can be governed / improved during enterprise transformations.

The enterprise coherence framework part of GEA specifically aims to meet the challenges as identified in Chapter 10, and is therefore the focus of this Chapter. It, enables enterprises to set up their own *management dashboard* in terms of which enterprise coherence can be governed / improved during enterprise transformations. This, enterprise specific, dashboard enables senior management to govern the coherence between key aspects of an enterprise during a transformations.

In line with approaches such as Dialogue Mapping (Conklin, 2005), SEAM (Wegmann, 2003), and the Soft-Systems Methodology (Checkland, 1981), the enterprise coherence framework method (Wagter, 2009) suggests to take the different stakeholder groups as a starting point, i.e. better accommodating the actual interests of different groups of stakeholders, while creating room for the needed strategic dialogue and negotiations. GEA goes beyond these existing approaches by defining an organisation specific *management dashboard* for ACET, in terms of what GEA calls an *enterprise coherence dashboard* (Wagter et al., 2011, 2012d).

This section, which is based on (Wagter et al., 2013a, 2012a), is structured as follows. The central element in defining an enterprise specific *management dashboard* for enterprise transformations, is the enterprise coherence framework, which will be introduced in Section 18.2.

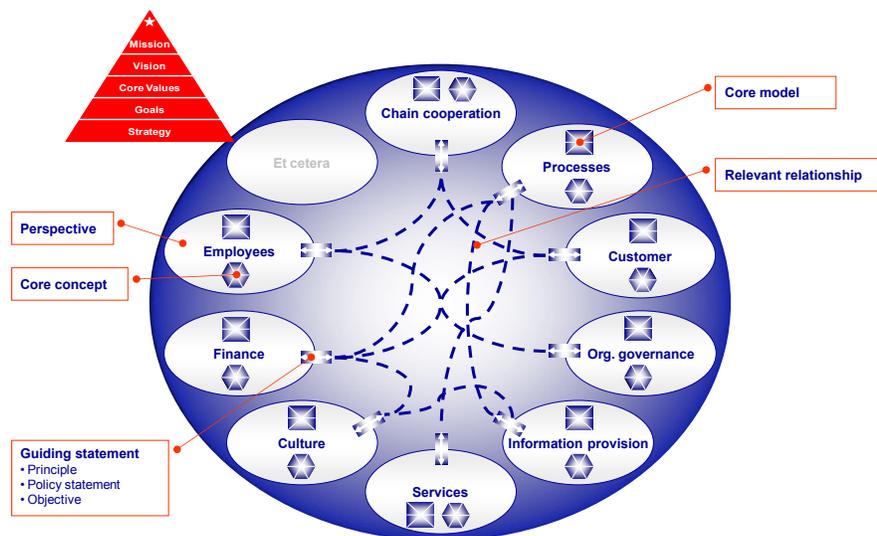
## 18.2 The enterprise coherence framework

The enterprise coherence framework (Wagter et al., 2012a) defines a series of coherence elements and coherence relationships, which together define the playing field for an enterprise's coherence. For a more comprehensive description of the enterprise coherence framework we refer to our earlier work as reported in (Wagter et al., 2012a).

By making the definition of these elements explicit in a specific enterprise, a coherence management dashboard results in terms of which one can gain insight in the "state of coherence" while also being able to assess the impact of potential / ongoing transformations. This then enables a deliberate governance of enterprise coherence during, or even driving, transformations.

In general terms, the enterprise coherence framework consists of a set of so called *coherence elements* and *coherence relationships* between them. The overall level of cohesion within an actual enterprise is really determined by the explicitness of the coherence elements, and quality / consistency of the coherence relationships, in this enterprise. This also allows enterprises to govern their cohesion, in particular by guarding the coherence relationships. While this may sound abstract, the discussion of the coherence elements and their relationships as provided in the remainder of this Chapter.

The enterprise coherence framework distinguishes three areas of coherence: coherence at the level of organisational purpose, coherence at the design level of the organisation and coherence between these levels. [Figure 18.1](#) provides a summary of the enterprise coherence framework. The different elements of the enterprise coherence framework will be elaborated below.



**Fig. 18.1** GEA coherence elements

### 18.2.1 Coherence at the strategic level

At the level of organisational purpose, we essentially adapt the “*Strategic Development Process Model*” as proposed by [Kaplan et al. \(2008\)](#), the “*Strategy For-*

mulation” approach by Thenmozhi (2009) and the notion of endless pursuit of a company’s mission from “*Building Your Company’s Vision*” by Collins and Porras (1996). Based on these theories we distinguish five key coherence elements: *Mission, Vision, Core Values, Goals* and *Strategy*:

**Mission** – the mission is a brief, typically one sentence, statement that defines the fundamental purpose of the organisation (Kaplan et al., 2008) that is “*enduringly pursued but never fulfilled*” (Collins and Porras, 1996). It should include what the organisation provides to its clients and inform executives and employees about the overall goal they have come together to pursue (Kaplan et al., 2008).

**Vision** – the vision is a concise statement that operationalises the mission in terms of the mid to long-term goals of the organisation. The vision should be external and market oriented and should express – preferably in aspirational terms – how the organisation wants to be perceived by the world (Kaplan et al., 2008). Senge (1990) indicates that in a vision there must be a creative tension between the present and the enticing imagination of the future and has to show enough ambition, which can be translated into goals and strategies.

**Core values** – the core values of an organisation prescribe its desired behaviour, character and culture (Kaplan et al., 2008). We consider core values as guiding statements at the highest level of sense giving in an organisation. Together with the mission, the core values are therefore regarded as most invariant.

**Goals** – the vision operationalised in terms of concrete goals. These goals acts as success factors in judging the feasibility of strategies. The goals, as success factors, define the desired outcome (short term goals) from successful strategy execution (Kaplan et al., 2008).

**Strategy** – a strategy of an organisation forms a comprehensive master plan stating how the organisation will pursue its mission. It should also maximise the competitive advantages and minimise competitive disadvantages (Thenmozhi, 2009).

These coherence elements lead to the organisational purpose triangle as depicted in Figure 18.2.

The coherence at this level can be derived, and made explicit, by the organisation’s definitions of the coherence elements and establishing / assessing the consistency and quality of the relationships between the elements:

- The strategies should arguably lead to the achievement of the set goals, while not violating the core values.
- The goals should be in line with the vision of the organisation, and ultimately its mission, while being consistent with its core values.
- The core values should at least be consistent with the organisation’s mission.

To indeed be able to establish / assess the consistency and quality of these coherence relationships, it is of great importance that an organisation’s definitions of the elements are indeed available, and are explicit enough. They do constitute the fundamental drivers that shape the enterprise coherence at the design level of the organisation. In practice, the elements at the organisational purpose level are often



**Fig. 18.2** The organisational purpose triangle

documented in rather broad and informal terms, also increasing the risk of a low level of enterprise coherence at the design level.

To bring these coherence elements at the strategic elements to life, a few examples are provided in [Table 18.1](#)

### ***18.2.2 Coherence at the design level***

At the design level, the organisation's strategy is translated into the blue-prints of the operational organisation, involving a.o. its business processes, financial flows, logistic flows, human resources, information systems, housing, machines, IT, etc. To achieve enterprise coherence, the coherence at the design level needs to be governed as well. Decision-makers need indicators and controls to indeed govern the coherence at this level.

The design level complements the level of purpose, by zooming in on more design oriented concepts. A distinction between coherence at the level of organisational purpose, and coherence at the level of design, is consistent with the “*Structure follows strategy*” principle from [Chandler \(1969\)](#). The coherence elements at the design level are:

**Perspective** – an angle from which one wishes to govern / steer / influence enterprise transformations. The set of perspectives used in a specific enterprise depend very much on its formal and informal power structures; both internally and externally. Typical examples include culture, customer, products / services, business processes, information provision, finance, value chain, corporate governance, etc.

**Core concept** – a concept, within a perspective, that plays a key role in governing the organisation from that perspective. Examples of core concepts within the perspective Finance are, for instance, ‘Financing’ and ‘Budgeting’.

Cohesive elements	Statements
Mission	<ul style="list-style-type: none"> <li>• To make people happy (Walt Disney).</li> <li>• To experience the joy of advancing and applying technology for the benefit of the public (Sony).</li> <li>• To bring inspiration and innovation to every athlete in the world (Nike).</li> <li>• To help leading corporations and governments be more successful (McKinsey).</li> </ul>
Vision	<p>Walt Disney:</p> <ul style="list-style-type: none"> <li>• Creativity + Innovation = Profits.</li> <li>• One of the world's leading producers and providers of entertainment and information.</li> </ul> <p>Sony:</p> <ul style="list-style-type: none"> <li>• We anticipate in the changing relationship between content, technology and the consumer by our four pillars: e-Entertainment, Digital Cinema, High-er Definition and PlayStation.</li> </ul> <p>Nike:</p> <ul style="list-style-type: none"> <li>• Sustainable Business and Innovation is an integral part of how we can use the power of our brand, the energy and passion of our people, and the scale of our business to create meaningful change.</li> <li>• The opportunity is greater than ever for sustainability principles and practices to deliver business returns and become a driver of growth, to build deeper consumer and community connections and to create positive social and environmental impact in the world.</li> </ul>
Core values	<ul style="list-style-type: none"> <li>• Creativity, dreams, imagination, consistency, detail, preservation of the magic (Walt Disney).</li> <li>• Being a pioneer, authentic, doing the impossible, individual ability and creativity (Sony).</li> </ul>
Goals	<ul style="list-style-type: none"> <li>• To build a radically new kind of amusement park, known as Disneyland (in 1950s, Walt Disney).</li> <li>• Become the company most known for changing the worldwide poor-quality image of Japanese products (1950s, Sony).</li> </ul>
Strategy	<ul style="list-style-type: none"> <li>• Continued diversification consistent with Walt Disney's early actions.</li> <li>• The company's increased focus on Sustainable Business and Innovation (SB&amp;I) will be more seamlessly integrated across Nike's business strategies.</li> <li>• Nike utilises innovation to produce top quality athletic footwear and apparel.</li> </ul>

**Table 18.1** Examples of coherence elements on the level of purpose of an organisation

**Guiding statement** – an internally agreed and published statement, which directs desirable behaviour. They only have to express a desire and / or give direction. Guiding statements may therefore cover policy statements, (normative) principles (Greefhorst et al., 2013) and objectives.

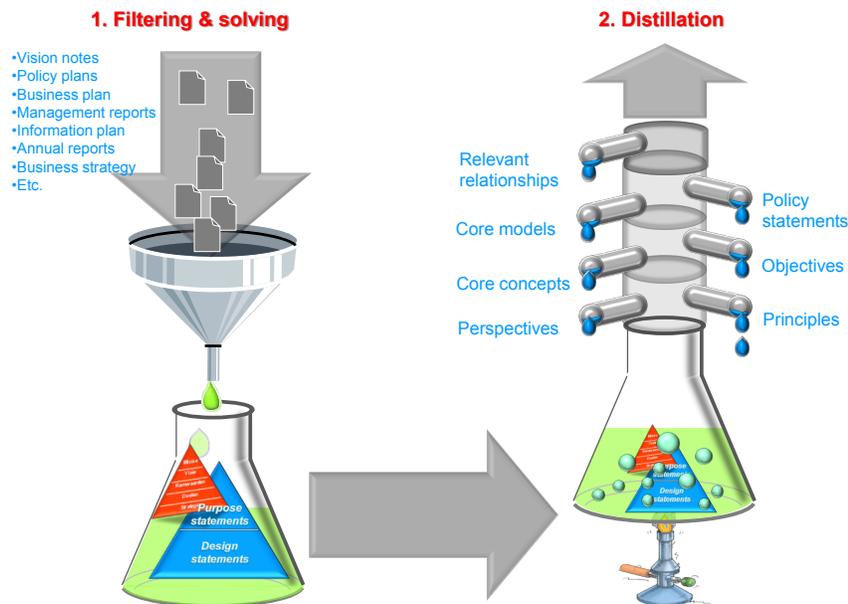
**Core model** – a high level view of a perspective, based on, and in line with, the guiding statements of the corresponding perspective.

**Relevant relationship** – a description of the connection between two guiding statements of different perspectives.

The presence of a well-documented enterprise mission, vision, core values, goals and strategy are preconditions to be able to determine the content of the coherence elements on the design level of the organisation and they are the essential resources for this determination. See [Figure 18.1](#)

With the coherence elements at the design level in place, we now have an integrated framework of coherence elements that shape an organisation on both the level of purpose and the design level. In [Chapter 4](#) we actually already provided an example of how the coherence management dashboard can be used as a steering mechanism in order to formulate answers to major business issues and how this way of working strengthens the enterprise coherence. In doing so, the dashboard allows an organisation to involve the right stakeholders (see [Chapter 10](#)).

In [Figure 18.3](#) a visualisation is provided on how occurrences of the coherence elements on the design level of an organisation are derived from the level of purpose. The meta-phor shows the transition from an unstructured set of control information on the level of purpose into a structured coherent set of content, differentiated into the coherence elements on the design level.



**Fig. 18.3** Metaphor for the derivation of coherence elements on the design level

### 18.2.3 Coherence between the levels

Besides horizontal coherence on one level of contemplation, we also distinguish vertical coherence between two adjacent levels of coherence. To realise the strategic fit, as proposed in the “*Strategic Alignment Model*” of Henderson and Venkatraman (1993), we correlate the cohesive elements defined on the purpose level with the cohesive elements defined on the design level. This has been illustrated in Figure 18.4.

Intensity of coupling		Core factors on design level						
		Perspectives	Core concepts	Guiding statements		Core models	Relevant relationships	
Strong	++							
Weak	+							
Core factors on the level of meaning	Mission	++		++				++
	Vision	++	+	++		++		++
	Core values	+	+	++				++
	Goals	+	+		++			++
	Strategy	++	++	++	++	++		++

Fig. 18.4 Correlation between the cohesive elements on two interrelated levels of coherence

The fundamental, transcendent, nature of the mission of a company gives a high level understanding of the core activities to excel in, and the desired behaviour. Therefore the enterprise’s mission harbours information on relevant perspectives and principles. The guiding statements should therefore also be motivated in terms of the mission. As soon as guiding statements are allocated to different perspectives, enterprise coherence is made explicit by coupling them by means of relevant relationships.

In its vision, an organisation elaborates on its envisioned position in the future. Vision statements indicate new candidate perspectives and / or new core concepts. They may also underpin and / or confirm the role of the already identified perspectives and core concepts. Furthermore the envisioned position of the organisation in the future is translated into principles and policy statements. Core values diffuse to the design level by way of principles. These values may also indicate major or minor focus areas to govern, respectively the perspectives and core concepts. Objectives on the design level, defined as a more concrete formulation of an organisation’s goal, are derived from the goals on the purpose level. Also goals may indicate major or minor focus areas to govern. Finally the strategy, seen as the strategic execution

path to achieve the enterprise's goals, supplies the content to major focus areas, the perspectives, minor focus areas, core concepts, and directional information, guiding statements.

### 18.3 Coherence management dashboard

The enterprise coherence framework enables enterprises to set up their own dashboard to manage enterprise transformation, which then enables senior management to govern the coherence between key aspects of an enterprise during transformations. In [Section 4.4](#) we already saw an example of such a management dashboard.

By making the definition of the coherence elements explicit in a specific enterprise, a (coherence) management dashboard results in terms of which one can gain insight in the “state of coherence”, while also being able to assess the impact of potential / ongoing transformations. This then enables a deliberate governance of enterprise coherence during / driving transformations.

As mentioned before, the set of perspectives used by a specific enterprise on its coherence management dashboard is highly organisation specific. This set is not likely to correspond to the cells of well known design frameworks such as Zachman [Zachman \(1987\)](#) or TOGAF's content framework [The Open Group \(2009\)](#). Such frameworks, however, can indeed play an important role in the development of the core models within the different perspectives. Based on their respective underlying “design philosophy”, these more design / engineering oriented frameworks provide a way (1) to ensure completeness and consistency from an engineering point of view, (2) to enforce / invite a specific line of reasoning on the design / construction of the enterprise and (3) to classify / structure the different core models.

### 18.4 Discussion

The development of the enterprise coherence framework involved, together with the rest of the GEA method, several case studies (see for example [Wagter et al. 2012b, 2013b, 2012c](#)) with the client organisations participating in the research.