SAP Thought Leadership
Strategy Management

THE ALIGNMENT-FOCUSED ORGANIZATION

BRIDGING THE GAP BETWEEN STRATEGY AND EXECUTION

To manage enterprise performance more effectively, organizations need to move from defining and managing projects to first defining overall corporate strategy and then aligning key initiatives and risks in accomplishing each goal.

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EXECUTIVE SUMMARY
BUILDING STRATEGIC ALIGNMENT ACROSS THE BUSINESS

Most companies have a well-defined strategy that is intended to align the actions of all individuals, teams, and business units to achieve corporate goals. But when it comes time to execute, they can run into trouble – especially during times of significant business change. The reasons for this gap vary by organization but typically include:

- Insufficient executive sponsorship for the strategies and associated initiatives, or an organizational culture that doesn't embrace measurement – leading to insufficient performance monitoring and measurement systems
- Failure to communicate strategy in a way that employees understand – so they don't see how the strategy affects them, exactly what actions must be taken when, and how their actions impact others
- No interaction between budgeting and strategy formulation processes
- Incorrect assumptions of level of risk present in chosen strategy, resulting in missed opportunity or risk-related losses
- Unclear identification of who is accountable for ensuring execution of initiatives, projects, and tasks
- No formal mechanism for tactics to influence strategic direction or sharing of best practices
- Lack of alignment between individual and company goals without linkage of incentive systems to strategy, leading to inapt consequences and rewards for employee choices

To close the gap between strategy, risk, and execution, companies need to build strategic alignment across all aspects of the business. This paper discusses how businesses can implement these best practices using strategy management software – one of the cornerstones of effective performance management – to systematize these practices across a department or the entire enterprise consistently. In short, the paper shows how to foster an alignment-focused organization. It will also explore the value of deploying strategy management software as part of a larger corporate performance management solution that encompasses business planning and consolidation, profitability and cost management, spend analytics, and governance, risk, and compliance.

UNDERSTANDING THE GAP BETWEEN STRATEGY AND EXECUTION

OVERDEPENDENCE ON FINANCIAL METRICS

Succeeding in today's competitive business environment requires constant innovation and execution of new strategies. For example, to drive growth, companies may modify business models, design new product and service offerings, acquire new lines of business, or cultivate new channel strategies. All the while, they are usually maintaining an awareness of the level of aggregated risk this strategy entails. To increase efficiency, companies may focus on optimizing their supply chain, automating processes, or outsourcing business processes.

However, most organizations – even those with streamlined operations and compelling strategies adjusted for risk – struggle to follow through on their strategic objectives. The challenge is both profound and widespread, impacting businesses at both the corporate and line-of-business level. Various studies have found that very few strategies, even those effectively formulated, are effectively executed. In nearly every case, these studies show, failures are not for lack of a well-defined strategy but due to the absence of a well-orchestrated implementation plan bridging the gap to execution.

Implementation plans should encompass the five best practices of strategic alignment:
- Define strategy and align initiatives, metrics, risks, people, and tasks with corporate goals
- Clearly communicate strategies and plans
- Use incentives to drive employee behaviors needed to meet objectives
- Collaborate and monitor progress regularly to identify problems
- Measure performance using key performance indicators (KPIs) so that issues can be resolved early

These best practices are interdependent and, when implemented together, enable companies to successfully bridge the gap between strategy and execution.

Communicating Strategy Across the Business

It's not uncommon for companies to jump ahead to monitoring progress (to identify problems) and measuring performance (to resolve issues early) – and forgo the investment required, for example, to communicate strategy across the business. They may invest in dashboard and scorecard projects that help executives assess changes in

"Pathways," which map and link successive waves of goals and initiatives, can play a vital role by helping employees at all levels visualize the interrelationship of their own activities with the broader vision.

financial numbers, only to find out that these tools – when used alone – are not adequate to drive consistent, focused execution by employees.

In most cases, a change in financial figures represents only one aspect of an organization's current state. Assessments of value, growth, and change must also consider intangible assets such as intellectual property, employee satisfaction, and the quality of internal processes (such as the development process for a software company). All of these factors can be potent forces driving the performance of many organizations. Traditional financial measures can tell executives whether or not their company is meeting or exceeding target revenue, profit, and cost-cutting goals; but these metrics can't help executives proactively drive the strategic alignment needed to meet performance objectives. In other words, financials have limited predictive power to gauge future success.

For example, declining employee morale, declining customer satisfaction, and diminishing product quality – all leading indicators of success or failure – won't show up. Financial metrics provide only an abstract view of organizational performance.

Further, they are beyond the grasp of the majority of employees, who can't use them for guidance in making day-to-day decisions, determining priorities, and allocating resources. Relying solely on financial data to direct execution enterprise-wide means that the day-to-day decisions that truly drive corporate performance are made without the critical context of strategic objectives.

Using Strategy Management Software to Systematize Alignment

Technology tools such as strategy management software can play a lead role in helping companies implement alignment-building best practices by doing the following:
- Driving consistent communications across the business
- Supporting core processes with automation and workflows
- Fostering collaboration within and across departments
- Focusing on the initiatives that have the most impact
- Providing insight into assets and resources
- Giving employees at all levels the information needed to take actions that further corporate strategies
- Making it easy for executives and managers to monitor progress toward goals, identify and head off problems, and measure outcomes based on up-to-date data

INITIATIVES, METRICS, RISKS, PEOPLE, AND TASKS
ALIGNED WITH CORPORATE GOALS

Typically, employees spend most of their time and effort dedicated to projects. Individual projects serve to organize people and resources toward accomplishing activities required to reach a specific objective by a particular date. In other words, projects provide the "how" and goals provide the "what."

The problem is that in most organizations, there is no explicit link from individual project or initiative to a broader company goal; nor is there clear accountability or an audit trail. Most organizations have developed goals and objectives, sometimes formalized into a strategic plan, and in some cases have even factored in identified risks. Too often, however, only a select few individuals truly understand those goals and their impact on daily activities. Managers and employees are assigned to a project with no real appreciation of the project's importance in the greater scheme of things. Consequently, they tend to prioritize projects with the most political capital or those that are furthest behind schedule.

To manage corporate performance more effectively, organizations need to move from defining and managing projects to first defining overall corporate strategy and then aligning key initiatives and risks in accomplishing each goal. For example, the goal might be to increase revenue by 5%, while the initiatives involve increasing sales by 10% and opening five new stores. Strategy definition must involve stakeholders across the organization, be interactive, get updated frequently, take into account risk factors, and tie explicitly to organizational operations – down to which people are responsible for performing which tasks. Otherwise, strategy documents are viewed as static, impenetrable documents that no one is honestly committed to executing. And finally, employees at all levels need better insight into the strategic relevance of various projects to make informed choices about which projects should take precedence over others.

> Initiative visuals should show the high-level milestones critical to their success, and interdependencies between these milestones and associated tasks, as well as an indication of progress.

Many organizations try to use Microsoft Project, Excel, or even PowerPoint to define strategy and translate initiatives into projects and tasks with associated metrics. But these desktop tools were not purpose-built for defining strategy and tracking this to execution; they simply can't support collaboration among stakeholders who need to participate in ongoing discussions, work together on documents, and gain insight for swift action. Instead, users need to understand interdependencies between different teams and projects and their impacts on overall goals – not to mention understanding which initiatives will have most impact on corporate strategy.

Strategy management software can transform written plans developed by executives into living documents that can be used with employees to define, discuss, share, and update goals. These documents can also include rich contextual visualizations that drive greater understanding of strategic objectives across your organization.

Managing Initiatives

Strategy management software can also enable effective initiative management. It can help increase coordination of resources and enable decision makers to prioritize based on importance, not just urgency. Most importantly, effective strategy management software makes it easy to explicitly link the process of managing initiatives to managing goals and metrics – for a complete view of performance relative to strategy execution.

Ideally, initiative visuals should show the high-level milestones critical to their success, and interdependencies between these milestones and associated tasks, as well as an indication of progress. This insight facilitates

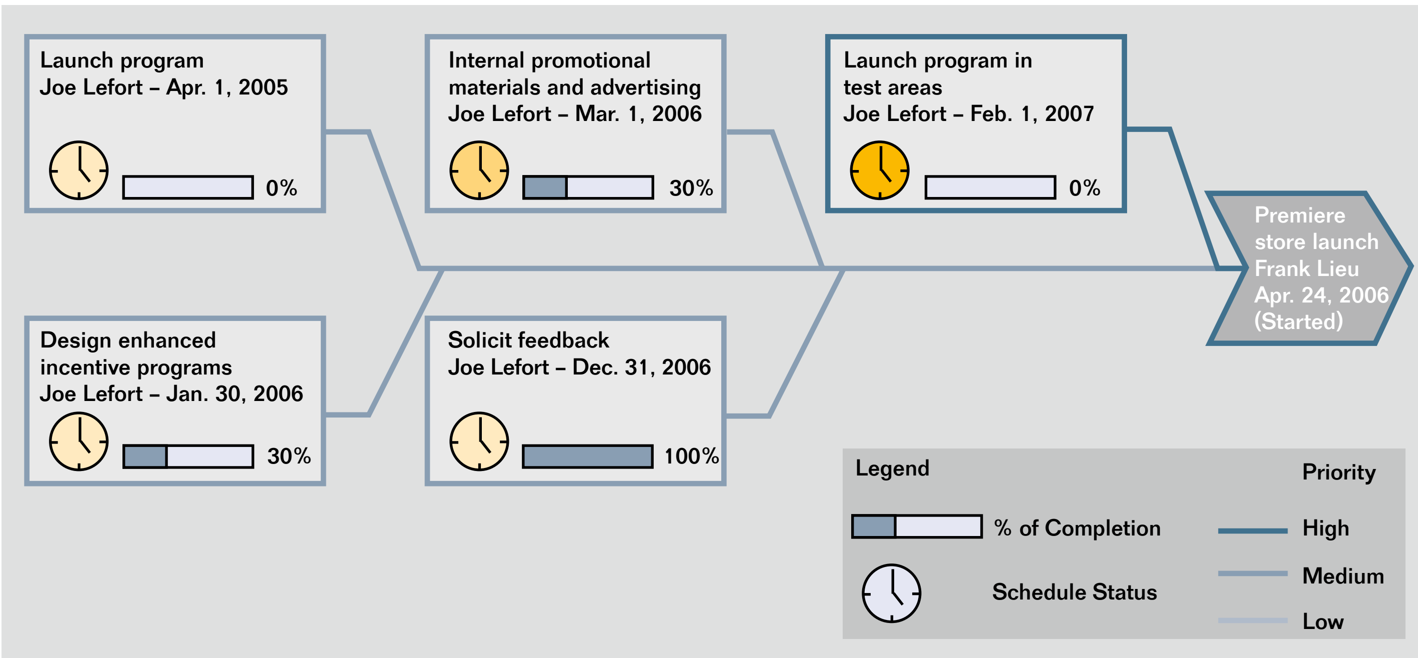

Figure 1: Fish-Bone Diagram That Visualizes the Interrelationship Between Initiatives and Strategic Goals

collaboration, helps identify bottlenecks, and enables proactive corrective action. For example, a marketing manager launching a new clothing line for a fashion retailer could use the company's instituted product-launch process as a foundation for building the launch initiative, tailoring it to the parameters of the launch at hand.

As illustrated in Figure 1, software that visualizes the interrelationship between initiatives and strategic goals helps organizations quickly identify what might be broken when problems occur. The software should support analyses to help decision makers determine a resolution. For example, if the fashion retailer finds that sales for the new clothing line are disappointing, managers can perform a simple analysis on the various milestones for each of the initiatives that can shed light on the root cause of success or failure. The marketing manager may find that low sales are caused by insufficient research prior to selection of the new line, ill-timed promotions, or insufficient sales force training. Understanding these issues helps the company create scalable, replicable processes that provide a strong foundation for future execution.

CLEARLY COMMUNICATING STRATEGIES AND INITIATIVES

STRONG VISUALIZATION TECHNIQUES – A POWERFUL TOOL

Alignment-focused organizations also make sure that all stakeholders – employees, partners, customers, and the financial community – clearly understand the organization's key long-, medium-, and short-term goals. Spelling out these goals visually as part of stakeholder communications and mapping their interdependencies can go a long way toward helping individuals understand how the organization plans to achieve its vision. Even more important, this approach can help them see how their own sphere of influence and activities contribute. For example, the visual shows executives the two-year plan while helping others better grasp the immediate plan (see Figure 2). Strong visualization techniques can also be used for strategic planning by different groups, to help gain executive support and buy-in from various stakeholders and monitor progress.

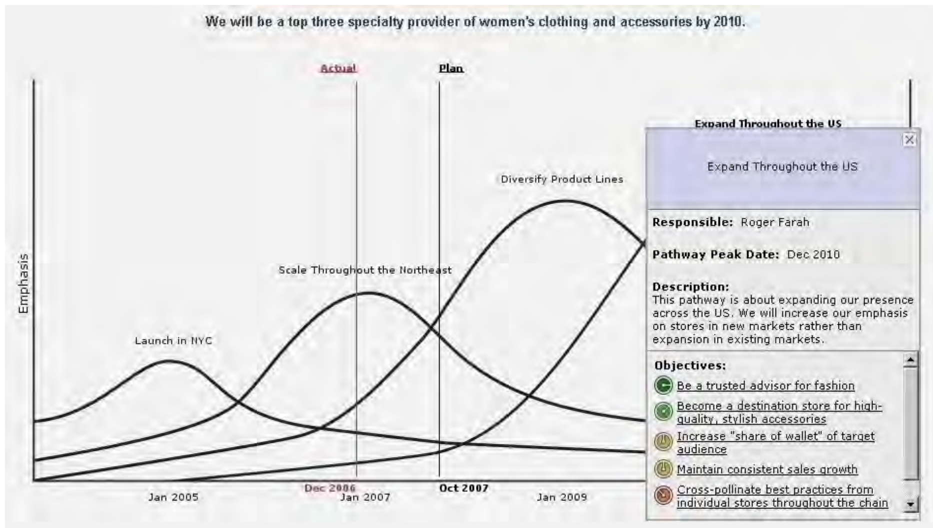

Figure 2: "Pathways" Linking Successive Waves of Goals and Initiatives

Using "Pathways"

Most organizations have a grandiose long-term goal statement, or strategic vision, that declares what the company is trying to accomplish – but few employees have any idea what's required to actually achieve it. Management needs to take these goal statements to more granular levels of detail and show people the interdependencies.

"Pathways," which map and link successive waves of goals and initiatives, can play a vital role by helping employees at all levels visualize the interrelationship of their own activities with the broader vision. And when budgets and resources are cut, these pathways help managers focus their remaining resources on what's most important to achieving a larger strategic objective.

In essence, they make choices and their consequences more visible for better-informed, more-decisive action. For example, imagine that an apparel retailer has the lofty ambition of becoming one of the top three brands for women's clothing and accessories in the United States by 2010. The company isn't going to get there overnight; but with a road map, employees can see how they need to work together to get there.

As illustrated in Figure 2, executives of the fashion retailer define their first pathway as **creating a high-end, stylish brand recognized in New York** – the most important market. Once successful in New York, they expect to leverage the experience and apply it in other markets. This leads to the second pathway – **a gradual expansion across the East Coast,** which represents a large percentage of the target market. Executives will then shift focus to the third pathway, which involves **nationwide expansion and taking advantage of potential operational efficiencies.**

These pathways are fundamental to how the company will establish its operations. For example, consider the following ripple effects in decision making:

- Rather than seek low-cost merchandising, the company will focus on building relationships with premium clothing brands, which will support the objective of becoming a high-end retailer.
- Because the target segment prioritizes clothing selection over price, the company needs to be able to replenish inventory quickly. So instead of cost driving inventory management, availability becomes the central consideration.
- To meet the high expectations of its discriminating customers, the company will put a premium on hiring adequate numbers of professionally trained salespeople – with a pricing strategy to match.
- Since the first goal focuses on establishing the brand in New York, the company will limit initial advertising and PR efforts to local media only, while at the same time taking into account the second pathway. Choosing communications firms with a broader East Coast presence will help support these objectives.

Besides helping executives make forward-thinking decisions, pathways can help focus resources properly. For example, the first order at hand is to establish and build a high-end brand, which requires building relationships and achieving momentum within the target market. Achieving operational efficiencies, while important going forward, takes a back seat for now.

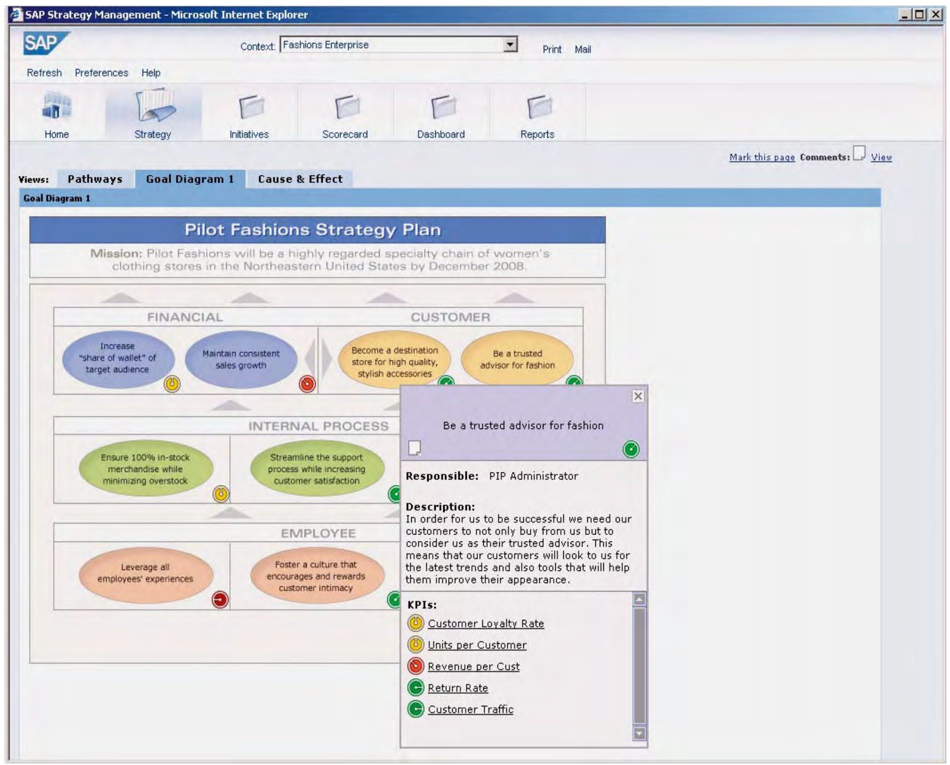

Figure 3: Goal Diagrams That Convey the Organization's Intentions

Using Goal Diagrams

Goal diagrams are an efficient way to outline and communicate goals. They tell a story about how the various short- and medium-term objectives will work together to accomplish the long-term goal. The fashion retailer can use goal diagrams to map out a strategy for achieving the first objective, as illustrated in Figure 3. At the same time, the strategy should encompass plans for impacting tangible assets (such as financial targets) and intangible assets (such as improving quality of service or increasing customer satisfaction). This involves developing initiatives for different "perspectives," such as those of customers, employees, and partners. For example, initiatives relating to the customer perspective might be, "Create perception as high-end, stylish brand," "Build relationships with premium clothing brands," and "Obtain store property on 5th Avenue." Initiatives associated with the employee perspective may include "Train employees to meet and greet customers in store" and "Provide employee incentive to reinforce 'meet and greet' behavior."

For goal diagrams to be effective, it is important that the words accurately convey the organization's intention in a way that is relevant and meaningful to organizational stakeholders. One can imagine how organizations that don't communicate their long- and short-term vision might become misaligned over time. For example, if the fashion retailer approaches its third pathway with a plan that fails to reflect "operational efficiencies" as a key focus, brand building might continue to take precedence over consolidating operations across various stores to reduce costs. At this stage of its growth, the company's failure to build operational efficiencies would be detrimental to its bottom line and long-term health, precluding national expansion.

Strategy management software can automate the process of creating pathways and goal diagrams and centralizing them so that historical and up-to-date versions are accessible to all. In addition, the software can facilitate communication by:

- Automatically distributing updates to employees impacted by changes in goals and initiatives for which they are responsible
- Enabling employees at all levels to collaborate on the development of goals (for example, using the software for threaded discussions to ask questions and review responses)
- Allowing users to import familiar custom diagrams that are already in use and include them in plans and reports (see Figure 4)

Note too that strategy management software can be linked to other performance management applications, such as:

- Profitability and cost management software – for example, to better understand the base-level business drivers, essential for defining the right strategies
- Planning software – so that plans and associated budgets are in alignment with overall corporate strategy
- Risk management software – for example, to analyze the risks associated with various strategies, goals, and initiatives and make risk-adjusted choices

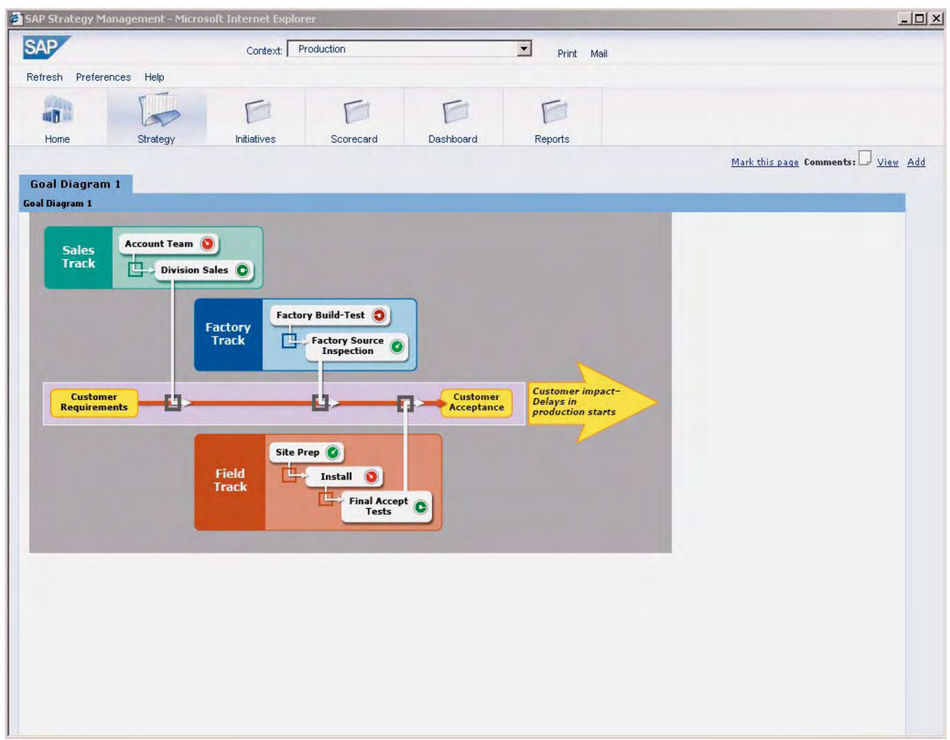

Figure 4: Familiar Custom Diagrams That Can Aid Adoption

USING INCENTIVES TO DRIVE EMPLOYEE BEHAVIOR

LINKING PERSONAL GOALS TO ORGANIZATIONAL STRATEGY

The importance of designing proper incentives is generally recognized, but companies often fail to get all employees personally invested in driving the success of the business. As a result, they end up with an army of employees operating with disparate agendas doing little to advance organizational objectives. The root causes are twofold:

- Employee incentive systems – and thereby, their personal goals – are not linked to organizational strategy.
- Executives and line-of-business managers lack a systematic way of communicating long-term goals and linking them to the individual projects, tasks, and milestones.

Many companies have some type of incentive plan – such as a "management by objectives" (MBO) system – that rewards employees who meet a set of specific, predefined milestones and creates consequences for those who don't. But in many cases, those milestones are at odds with – or disconnected from – corporate strategic initiatives.

When strategy management applications are integrated with compensation management software, companies can quickly and easily determine MBO-driven incentive compensation – by far the most significant driver of employee behavior and motivation.

Strategy management software can ensure that individual goals are tied to overall corporate goals. For example, by requiring specific linkages to current initiatives, organizations can ensure that they are tied to corporate strategy. Ideally, it should be possible to create linkages to any level of detail, including which employees are responsible for which tasks and milestones. When strategy management applications are integrated with compensation management software, companies can quickly and easily determine MBO-driven incentive compensation – by far the most significant driver of employee behavior and motivation.

COLLABORATING AND MONITORING PROGRESS

FACILITATING COMMUNICATIONS AND SUPPLYING ACCURATE DATA

The next step is to put mechanisms in place to facilitate collaboration throughout execution (both at departmental and employee levels) and to monitor progress on a regular basis. In many cases, successful execution of an initiative requires that different departments work together. For example, product development, marketing, sales, and service should collaborate to create and roll out a new product that is intended to increase revenue by a certain percentage. Systematically monitoring progress makes it possible to alert stakeholders to issues and problems, thereby enabling swift action, and to call attention to bright spots and successes.

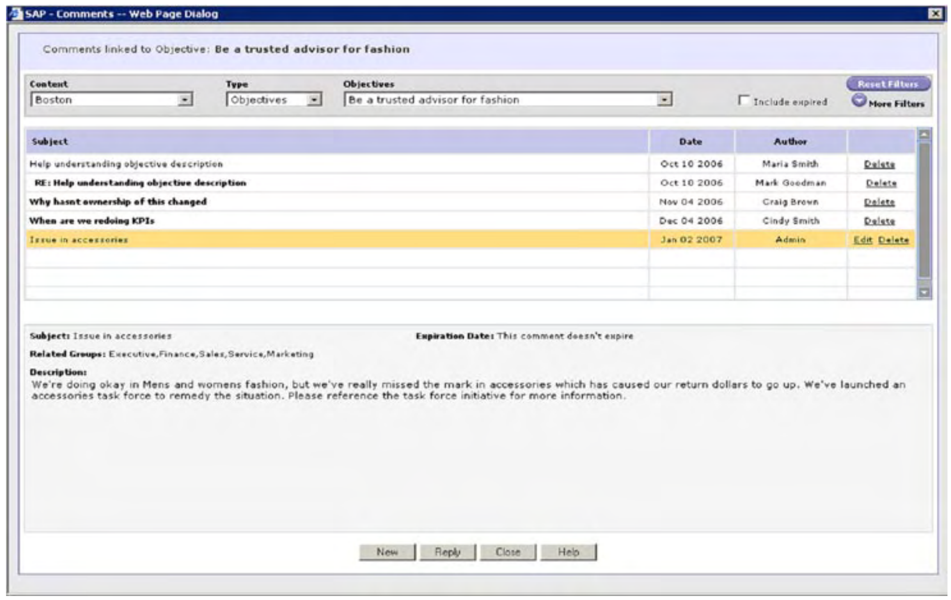

Figure 5: An Online Discussion Thread That Facilitates Employee Communications

Collaborating Throughout Execution

Successful collaboration on interdependent projects and tasks requires that everyone involved has visibility into progress at all times. Every individual should be able to communicate regarding status, events, and best practices. And all participants should be confident in the accuracy of data shared in operational reviews, which enables them to put these reviews to good use. Strategy management software can play an essential role by:

- **Providing visibility into progress**
  When strategy management software is available to employees at all levels, they can report on progress down to the task level in real time – data that rolls up to enable reporting at project, initiative, and strategic levels. Users can identify and address roadblocks quickly and be inspired by the progress to stay focused on the task.
- **Supporting discussion threads**
  Ideally, strategy management software can support online discussion threads and other collaborative communications that enable employees at all levels to understand what's working and what's not, share best practices and lessons learned, and more. Figure 5 shows an example of an online discussion thread.
- **Optimizing operational reviews**
  Reports on performance are part of every organization's operations – from weekly status meetings to quarterly or annual reviews. Regular, frequent operational reviews keep everyone informed, especially when reports make sense and are based on reliable data. Strategy management software can automate the preparation of reports for these reviews and provide access to live data.

Monitoring Progress

But effective collaboration depends on effective progress monitoring mechanisms. To implement progress monitoring, organizations first need to translate their strategy into quantifiable measures – including "soft" strategic objectives. For example, "improving employee satisfaction," a seemingly intangible objective, could be quantified by quarterly employee surveys that measure employee satisfaction. Do the results meet targets defined by management? Other soft objectives, such as "establish customer intimacy" or "generate high-quality leads" can be quantified using similar techniques, thereby providing an objective view of performance and enabling appropriate action.

The next step is to associate each objective with KPIs, which should pass the following tests:

- Are they outcome-oriented (meaning tied to an objective)?
- Are they target based with at least one defined time-sensitive target value?
- Can they be rated with explicit thresholds that illustrate grade-level differences – or gaps – between the actual value and the target?

The integration of strategy management and risk management functions allows for the impact of potential risks to be factored into performance. For example, a related key risk indicator may indicate that employee turnover was on the increase. This would be another way to determine that the objectives "establish customer intimacy" and "generate high-quality leads" may not be achieved.

Both leading and lagging indicators of performance can be incorporated in measurements. Consider the value of monitoring leading indicators to the fashion retailer. Since a key differentiator is the relationship employees build with individual customers, the company invests heavily in training salespeople to provide outstanding, personalized customer service. Thus, minimizing employee turnover is critical. By tracking employee morale and satisfaction through regular surveys, the company can head off potential morale issues – the leading indicator – before they negatively affect revenues – the lagging indicator.

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Figure 6: The Fashion Retailer's Scorecard, Providing a Cohesive View of Key Objectives

Enabling Real-Time Reporting and Live Operational Reviews

For monitoring progress toward objectives, scorecards and dashboards offer useful visual representations. Performance management solutions deployed across the enterprise should support scorecard and dashboard functionality and pull from a single, centralized source of reliable operational and other data. This data consistency helps ensure that all executives and line-of-business managers trust the reported results.

Scorecards

Cascading scorecards provide a cohesive view of key objectives across functional and business units. They integrate operational and financial information, resource allocation data, and more to present a true account of overall progress toward overall goals. Intuitive alert systems using familiar traffic-light icons help employees quickly understand the current performance status, without requiring that they interpret the numbers. For casual users who don't have the time to drill deep into performance, scorecards are an effective means for gauging ongoing performance.

The fashion retailer might deploy scorecards at the corporate level for its sales, marketing, and customer service organizations, as well as for different stores. Tracking both leading and lagging indicators as well as key risk indicators, these scorecards give managers and employees a high-level, balanced overview of risk-adjusted performance against key objectives (see Figure 6). Even if lagging indicators like revenue suggest that the company is doing well today, leading indicators show that problems may lie ahead.

Figure 7: The Fashion Retailer's Dashboard, Displaying a Summary of Multiple Key Metrics

Dashboards

A dashboard is a visual display of the most important information needed to achieve one or more objectives. Data is consolidated and arranged on a single screen so the information can be monitored at a glance. Dashboards, which visually communicate progress on multiple key metrics, are typically more quantitative and, when interactive, allow managers to drill down on multiple metrics across different dimensions of performance. Executives can use dashboards designed specifically to gauge the progress of a team or a project.

In the example shown in Figure 7, the company uses role-based dashboards for the chief operating officer and VPs of sales, marketing, and customer service to make it easy for them to monitor what's most important to them. In addition, department-specific dashboards display data for use by sales, marketing, service, and inventory management teams.

Live Operational Reviews

Strategy management software can support preparation for any type of operational review by centralizing data, certifying its accuracy, and making it available for instant publication. Ideally, companies also need to be able to "go live" with their report to compare the most current data with that presented in the review (see Figure 8). When all reports are based on a single, trusted data source, participants can focus on problem solving rather than concerns about data inaccuracy.

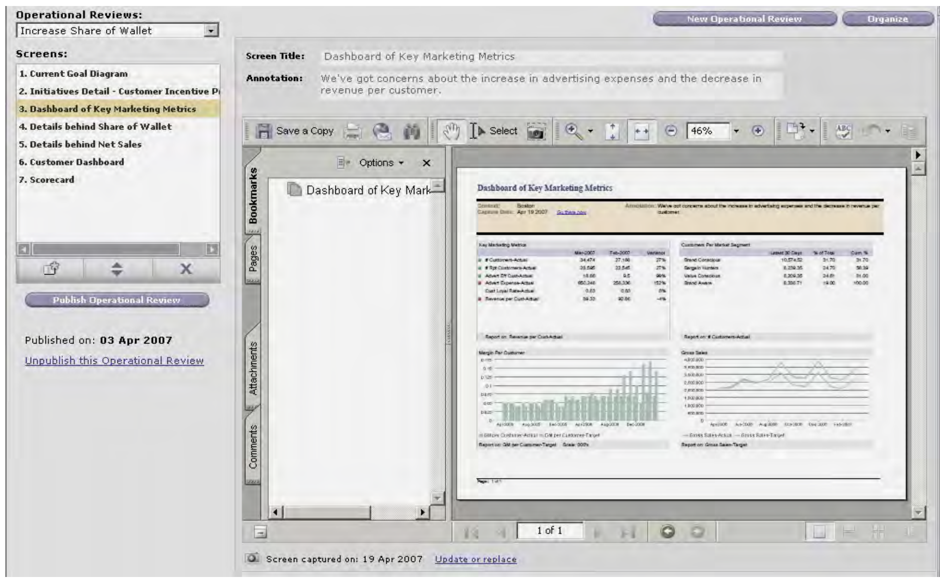

Figure 8: Example of Support for Live Operational Reviews

MEASURING PERFORMANCE

THE NEED FOR FLEXIBLE DATA-CAPTURE METHODS AND ANALYTICS

Stakeholders can use scorecards, dashboards, and operational reviews to identify problems – but to determine the best corrective actions, they need to drill down and conduct root cause analysis. Figure 9 shows examples of root cause analysis, including weighting of metrics according to their strategic priority. The most effective software can also automatically detect and communicate "below horizon" objectives, allowing companies to manage exceptions and head off problems. For example, a company may appear to be performing according to plan but in reality is in danger of failing. Sales targets for three product lines might be reported on individually as "green," or on target; but if all three products are sold as a bundle, the software can detect a problem and report this sales target as "red."

Figure 9: Flexible Analysis Options to Identify Root Causes

Strategy management software that supports these types of analyses should address the needs of both casual and power users. Casual users need a simple interface to review published reports and analyses to understand problems more fully and identify issues. Power users need to slice and dice performance information and drill down to much greater levels of detail – activities traditionally done with spreadsheets. And both need to be able to manually input anecdotal information, data from surveys, ideas from colleagues' heads, and other data points that can shed light on changing KPIs, KRIs, and other problems, for example.

The software also needs to support flexible data capture and analysis, which requires more than just a business intelligence component and a spreadsheet. Business intelligence products are useful for automating data capture and getting it into a data warehouse, but not for adding anecdotal information. And using spreadsheets to perform the frequent complex analyses and reporting required for effective strategy management is simply not scalable or efficient enough to be sustainable. Strategy management solutions need to expand what should be included in the repository of performance-related information and provide built-in analytics for both casual and power users.

For example, a strategy management application for the fashion retailer supports flexible data-capture methods and provides built-in analytics. Leveraging these functions, executives can look at advertising costs versus brand recognition data to understand the effectiveness of campaigns across different markets. Ranking reports help decision makers measure revenues across different stores and identify the top and bottom performers. And further analyses can provide insight into how they can impact future performance by managing certain leading indicators. For instance, if customer satisfaction is particularly low in a certain region, executives can look at leading indicators such as employee training, product availability, and promotional activity. Or risk indicators such as employee turnover, supply shortages, or product quality can provide additional insight. Once the culprit is identified, the company can take proactive steps to turn customer satisfaction around.

STRATEGY MANAGEMENT SOFTWARE

PART OF A COMPLETE ENTERPRISE PERFORMANCE MANAGEMENT SOLUTION

The example of the fashion retailer illustrates how strategy management software supports the five best practices of strategic alignment in the following ways:

- **Adjust for risk:** The company was able to define strategic goals taking risk into account, link them to initiatives, and then manage initiatives and coordinate resources based on their relative importance.
- **Communicate priorities:** The company built alignment by communicating what needs to be accomplished and how to accomplish it – not just as a top-down exercise but by engaging employees at all levels. The software also improved communication by making it easy to create pathways and goal diagrams and incorporate custom diagrams.

- **Drive accountability:** Tools were in place for linking individual employee objectives and MBOs to overall goals, enabling the company to design financial and other incentives – and consequences – to motivate people in the right direction.
- **Collaborate and manage:** Built-in scorecards and dashboards helped different groups of users within the organization work together more effectively and monitor progress toward goals.
- **Analyze:** Built-in analytical functions, in the form of both published reports and detailed drill-downs, enabled proactive problem identification and prompt resolution of issues.

And when strategy management software is deployed as part of a comprehensive performance management solution, organizations can realize even greater benefits. For example, SAP offers the SAP® BusinessObjects™ Strategy Management application, which supports and enables all of the best practices discussed in this paper. SAP BusinessObjects Strategy Management can be deployed in conjunction with other SAP BusinessObjects enterprise performance management (EPM) solutions; with SAP BusinessObjects governance, risk, and compliance solutions; with SAP BusinessObjects business intelligence solutions; or with SAP BusinessObjects information management solutions.

This approach enables companies to gain greater control over strategy execution and overall business performance. For example:

- With the BusinessObjects Profitability and Cost Management application, companies can identify key profitability and cost drivers, determine the most profitable growth and revenue initiatives, and adjust strategies accordingly.
- With the SAP BusinessObjects Planning and Consolidation application, organizations can align operational plans with strategic goals. Organizations can use predictive analytics to assess what's happened in the past and adjust plans accordingly to improve future performance and manage risk.
- With the SAP BusinessObjects Risk Management application, executives can take into consideration the real business risks associated with new strategies before they are even approved for funding and execution.
- With the SAP BusinessObjects Spend Performance Management application, procurement departments can realize measurable cost savings and align sourcing strategies with organizational goals. Organizations can analyze spending across multiple business dimensions and identify the potential for strategic supplier relationships and improved performance.

These are just some of the ways that SAP BusinessObjects Strategy Management can help companies close the gap between strategy and execution. For more information about SAP BusinessObjects Strategy Management, please visit www.sap.com/sapbusinessobjects/strategy_management.

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