How Strategic is Strategy?

The case for the operating model
Govern them by moral force, keep order among them by ritual and they will keep their self-respect and come to you of their own accord.

Confucius (551-479 BC)
The Framework

Business Strategy

Group Wide Technology Architecture

Business Processes

Information

Applications

Infrastructure

Baseline

Future

IT Resources Deployed

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Environment

Process

Product

Vision

Winners with Fuels and Chemicals
• We are world class
• We grow all stakeholders
• We are the best in hydrocarbon conversion

Strategic Goals
Winning Index (DOV)
Culture assessment score of 70% by 2008
Unit Cost improvement of 0.5% p.a. (FY07) and 1.3% p.a. (FY08 to FY15)
Volume growth of 1.25%/a
Full moral and legal environmental compliance

Strategy
Long Term Reliability, Stability and Growth

Strategic Focus Areas
• World Class People
• Operations Excellence
• Growth through Technology
• Environmental Conscientiousness

Values
• Customer focus
• Winning with people
• Excellence in all we do
• Continuous improvement
• Integrity

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Why some companies make the leap... and others don't

GOOD TO GREAT
JIM COLLINS
CO-AUTHOR OF BUILT TO LAST

Case Study
Enterprise Architecture Strategies
So...How to get the money?

Enterprise Architecture Strategy

Determines

Performs

Receives

Delivers

Support Strategy of Your Client!
Synfuels IM Strategy: Value Delivery Through Partnering For Stability

**IM strategic focus areas:**

- **Support business process execution**: Ensure commonality, uniformity, integrity, relevance and focus of information used by all employees and contractors while fulfilling their role in execution of the business process.
- **Standards and compliance**: Facilitate communication to the business of and compliance with internal and external processes, standards, governance, policies, procedures and legislation.
- **Information analysis**: Facilitate analysis of information at the resolution and timeframe (historic, current and future) required.

**Information you need on your screen; ALWAYS! Making business sense of IT**

**IM functional strategies for Synfuels:**

**Information Technology**
- Technology Matters Less
- Equalize technology renewal over the technology life cycle
- Lower Synfuels TCO through achieving economies of scale
- No bleeding edge technology
- Integration of IT and IIT
- Link Technology to Technical Architecture

**Business Process and Information Strategy**
- Unified Architecture Management
- Reduce Workflow Complexity
- Perform for Competitive Advantage
- Logical Partitioning of Business Design
- Integrate Business Processes with Strategy
## Critical Success Factors

### Maturity Assessment

<table>
<thead>
<tr>
<th>Business Process</th>
<th>High Support for CSF</th>
<th>High Criticality</th>
<th>Focus on Low Maturity</th>
<th>Fix The Gap!</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manage IT Assets</td>
<td>1 1 0</td>
<td>0 1 0</td>
<td>0 1 0</td>
<td>9 70</td>
</tr>
<tr>
<td>Manage IT</td>
<td>1 0 0</td>
<td>0 0 0</td>
<td>0 0 0</td>
<td>0.43</td>
</tr>
<tr>
<td>Manage Demand</td>
<td>0 1 0</td>
<td>0 0 0</td>
<td>0 0 0</td>
<td>0.36</td>
</tr>
<tr>
<td>Manage Service Delivery</td>
<td>1 0 0</td>
<td>0 0 0</td>
<td>0 0 0</td>
<td>0.23</td>
</tr>
<tr>
<td>Manage Service Support</td>
<td>1 0 0</td>
<td>0 0 0</td>
<td>0 0 0</td>
<td>0.12</td>
</tr>
</tbody>
</table>
Synfuels Enterprise Strategy
2005/2006

Vision
Winners with Fuels and Chemicals
• We are world class
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Strategy
Long Term Reliability, Stability and Growth

Strategic Focus Areas
• World Class People
• Operations Excellence
  • Growth
  • Environmental Conscientiousness

Strategic Goals
Employee Engagement score of 70% by 2008
Unit Cost improvement: 4.5% by 2008 (base business) and 9.7% by 2012 (total business)
Volume growth of 20% by 2016
Full moral and legal environmental compliance

Values
• Excellence in all we do
• Continuous improvement

A JOURNEY FROM GOOD TO GREAT
Vision Achievement and Organisational Alignment

Stages of the process

Introduction

1. WoW
2. Our Reason for being
3. Giving stakeholders best value
   - End results
   - Features
   - Measures
4. Facing brutal facts
5. Our definition of success
6. Taking accountability
From Good…

IM Principles for Business Process, Information, Application and Information & Communication Technology Domains

- Tightly Integrate Business Processes with Strategy
- Business requirements define IT solutions
- Design to support business change - Reduce integration complexity
- Reuse before buying before building
- Technology Matters Less - Focus on “IT in Business”
- Enterprise-wide interoperable standards
- Business is accountable for the timeliness, accuracy and integrity (value) of all information – “GIGO”
- Information is a Sasol corporate asset and should be managed according to sound management principles

…to Great

IM strategic focus areas:

**Information @ Work ™**

I’m satisfied that everybody knows where to find the information they need to do their work successfully.

**Client Intimacy**

I find lasting fulfillment in the long term IM-Business relationship.

**IM Standards & Controls**

I am delighted that I have capacity to focus on value adding activities because IM standards and controls simplify my life.

**Performance Culture**

I passionately deliver excellence in IM’s team performance.

**Business Acumen**

I intimately know how to make a difference to the IM bottom line.

Information services you need; ALWAYS!

Making business sense of Information and Communication Technology
From Good… …to Great

Value Delivery Through Partnering For Stability and Growth

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“I’m delighted that everybody in business knows where to find the information they need to do their work successfully.”
- Business Process Maturity Assessment (Training)
- Number of SAP, IPS and Desktop incidents

“I have proudly enabled delivery of the essential information to my clients.”
- User focused SLA performance

“I feel relaxed that in one context each question has only one answer.”
- Information Architecture/Policy defined and implemented (Where to find What)

“I am ecstatic that IM controls are appropriately applied, delivering absolute integrity (GIGO) of the data – no questions asked.”
- IM SOX Audits
- IM Internal Audits

“I am happy that information is available for easy use by my clients where and when required.”
- Customer Satisfaction Survey
- System Performance (stability, MTBF, response) Measurements (SLA)

“I always know how I contribute to a standard, service-based, information offering.”
- Product-based, service catalogue established, reviewed and updated
Colleagues

After our well deserved holidays and time that we could spend with our loved ones 2007 lies ahead of us full of exiting challenges…

….On 01 January 2007 Sasol Secunda Shared Services became an independent business within the Sasol Group of companies and an affiliate of Sasol Group Services (Pty) Ltd. This in itself poses a number of exciting challenges and has the following implications:

Sasol Secunda Shared Services will now function independently as a business…

Kind regards

Marius Brand
Strategic Conversation

Process Characteristics
- Outside: Rigid discipline and structured engagement
- Inside: Free flow, creative discussion
- Presence and involvement of clients
- Small groups, interacting in disciplined way
- Synthesis important
- Limited, focused outputs
- No strategy book, natural
- Vision rather than plans, no next steps

Process Sequence
- Environment: trends
- Now: client experience and expectations
- Future: actions
From Good…  …to Great

Value Delivery Through Partnering For Stability and Growth

**IM strategic focus areas:**

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<th>IM Standards &amp; Controls</th>
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Information services you need; ALWAYS!

Making business sense of Information and Communication Technology

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From transacting… …to interacting

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IM strategic focus areas:
Information services you need; ALWAYS!

Making business sense of Information and Communication Technology

Value Delivery Through Partnering For Stability and Growth

I passionately deliver excellence in IM's team performance
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I find lasting fulfillment in the long term IM-Business relationship.

I'M satisfied that everybody knows where to find the information they need to do their work successfully.

Our strategy is…

Customer 'Feel Good' With Benefit at Point of Use

to achieve…

by focusing on the 5 strategic areas of…

Our People

We build a team of excellence, growth and prosperity

Performance Culture

Solutions for Work

Business Acumen

Standards, Processes & Controls

Everything I do focuses on the customer experience

Our users testify that work is simple and easy

I intimately know how to make a difference to my customer bottom line

IM processes, standards and controls simplify life

and Information & Communication Technology Domains

Business Acumen

Performance

Culture

Solutions

for Work

Standards,
Processes &
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Information

@ Work ™

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Value Delivery Through Supplier Partnering For Business Stability And Growth

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IM processes, standards and controls simplify life
From Transacting to Interacting

From transacting...

From getting the screams...

...to giving and receiving the laughs.

...to interacting.
Table Discussion

What initiatives in our team support ‘Customer Feel Good’?
Strategising – a systemic approach

risk and freedom ← confidence → structure and security

Foundation
- Shared understanding of what IM is about
- What is the purpose – reason for being of IM?

Direction
- Shared perspective on what IM needs to achieve to realise the purpose
- High level approaches/strategies

Task
- Agreement on “how” to implement the strategy
- Structure to implement the direction and execute
- Rules, procedures and systems

Behaviour
- Result from the structure that is put in place

Business Results
- Result/outcome of behaviour

2004
- Bureaucracy

2005
- Co-ordination

2006
- Holistic integration

Diagram courtesy of Dr. Mias de Klerk
Operating Models

Coordination
- Operationally unique BUs
- Transactions impact other BUs
- Autonomous business management
- BU control own processes
- IT services decided by consensus
- IT application decided by BU
- Shared customer/product/supplier data

Diversification
- Operationally unique BUs
- Independent transactions
- Autonomous business management
- BU control own processes
- BU makes IT decisions
- Limited data shared

Unification
- Globally integrated business
- BUs with similar/overlapping operations
- Centralized business management
- Central process standardization
- Centrally managed IT
- All data controlled centrally

Coordination
- Operationally unique BUs
- Transactions impact other BUs
- Autonomous business management
- BU control own processes
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- IT application decided by BU
- Shared customer/product/supplier data

Business Process Integration

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Credits

- Enterprise Architecture Strategy Process
  *META / Gartner*

- Vision Alignment and Organisational Achievement
  *The Pacific Institute*

- Strategic Conversation
  *Dr. Mias de Klerk*

- From Good to Great
  *Jim Collins*

- Enterprise Architecture as Strategy
  *Jeanne W. Ross, Peter Weill, David C. Robertson*
Thank You