Assignment 2 – Define the Strategic Intent

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| Characterise your chosen organisation in your own words and set the stage for it.  1. Conduct an environmental analysis to gain a better market overview  2. Identify opportunities for the future to differentiate your organisation from the competition  3. Define the vision and mission statements for your organisation  4. Define strategic goals aligned with the vision/ mission  5. Use design thinking methods to identify ideas to accomplish your strategic goals  Use management methods of your choice. Define suitable viewpoints of the ArchiMate language to communicate your findings. Create ArchiMate views on your findings. |

The stage that the enterprise considered in this case study is set on a small ski resort in the Alps which has less than 50 km of slopes. Its ski area has always been well visited, but in the last few years there has been a steady decline in the number of customers, which has led to some financial losses.

Having established a comparison to the competitors, it cannot be denied that many ski resorts in the region are bigger and more modern. Winter sports technologies have changed over the years and numerous ski resorts have improved their offers by expanding their facilities with modern lift systems, fun parks, various types of slopes etc. The considered mountain resort is, however, currently not capable to keep up with these new developments in the field of skiing, which is probably the main reason for the decreasing number of visitors.

To turn the business around, the ski resort needs to rethink its current vision and mission and to define an appropriate strategy. In the following section, an environmental analysis is done, in order to identify the possible tangible approaches to improve the business situation.

# Environmental Analysis

First, we need to understand and analyze the external influences on the ski resort. In order to do so, it is required to use the PESTLE Analysis. PESTLE Analysis is a tool for assessing the external factors that influence and shape a company significantly. There are six different categories: Political, Environmental (also called Ecological), Social, Technological, Legal and Economic [1]. In the first step, factors that influence the company are collected. Afterwards, the implications of each of those factors for the company are evaluated. The findings of the analysis will be modelled in ArchiMate.

Figure 1 shows a possible Viewpoint of the PESTLE Analysis in Archimate. The factors that influence the company are represented by drivers. Drivers are specialized in accordance to the typical PESTLE factor types: political, environmental etc. The driver shown in Figure 1 is a political driver, which is indicated via specialization <<Political>>. The driver´s implication for the business is represented by assessments. Assessments can be specialized as well. In the course of this case study, the assessments can be either a “Threat”, meaning a potentially negative impact on the business or – as shown – an “Opportunity”, meaning a potentially positive impact on the business. The illustrated elements are linked with an association relationship, represented by a straight line.

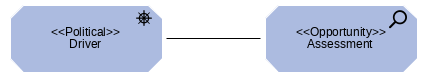


Figure 1 - Viewpoint of PESTLE Analysis

The above viewpoint is used to document the findings on the conducted PESTLE analysis in the subsequent sections.

Figure 2 shows political influence on the ski resort. A problem for all resorts in Austria is the (fictive) abolishment of mandatory ski courses in schools and its removal from primary school curriculars. Therefore, fewer skiing courses are taught in schools’ curriculum and there are fewer school groups in the ski resort. Nowadays, it is noticeable that less children learning skiing results in less passionate adult skiers because of the lack of emotional bonding to the sport. Customers that lack the bond to skiing rarely have the need to practice skiing and are more cost elastic.

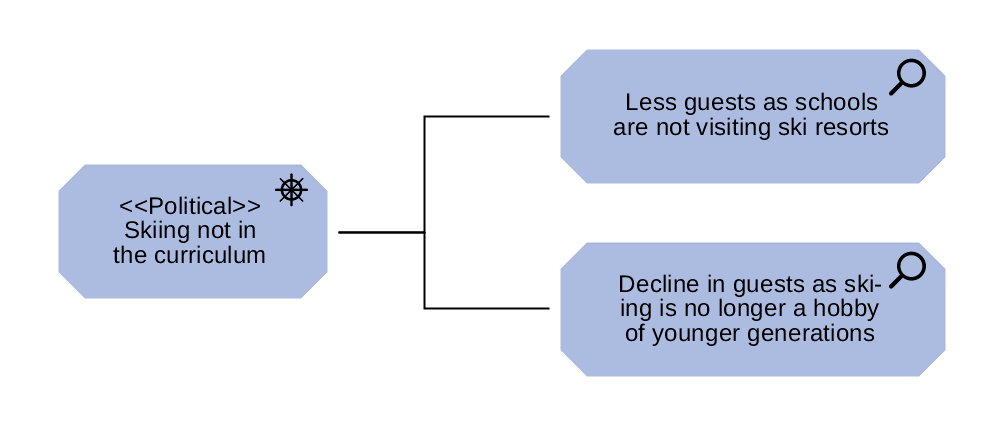


Figure 2 - Political influences

Figure 3 shows environmental influences on the resort. Global warming leads to less snowfall, which leads to an increase in costs of snowmaking. Another consequence is a decrease in the number of potential visitors, since with the lack of snow, they have no interest in skiing.

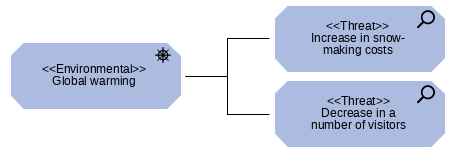


Figure 3 - Environmental influences

Figure 4 shows social influences on the resort. There is an increase in alternatives to winter holidays. Long distance journeys are becoming more affordable and lead to a significant decline in the number of guests visiting ski resorts.

The increasing competition also rises customers’ expectations, which is an opportunity, if the resort can meet the demands of the customers better than other offerings.

Another trend worth mentioning is a boom factor around sustainability. More and more consumers want to know that their winter sports activities are not in conflict with an ecological and sustainable way of life.

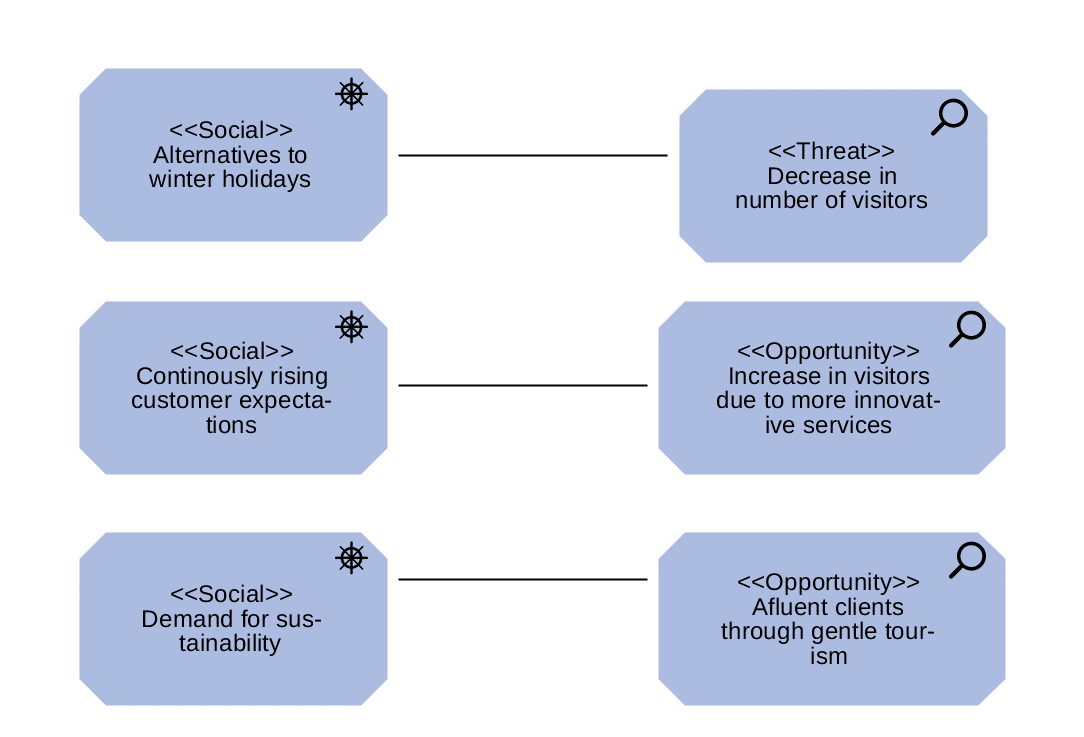


Figure 4- Social influences

Figure 5 shows technological influences on the resort. Digital transformation refers to the changes in economy and society due to the use of digital technologies. This area covers factors arising from the development of technology. There are two types of technological change: developments in the IT and developments in technologies that are specific for an industry or a market, such as enhancements to manufacturing technology, and the skiing industry in a narrower sense [2].

With the focus on developments in the IT of the tourism sector, Figure 5 considers a few of many technological advances that may affect the ski resort. The driver “mobile technology” has undoubtably become the main character in the new ways of a holiday experience. In fact, according to TripAdvisor, “45% of users use their smartphone for everything having to do with their vacations”. Internet of things is another important technology factor for almost every industry. It includes integrating sensors connected to the Internet within the items like ski lifts, but also the guest skiers or ski wear. Big data as a third driver contributes to a better analysis and a better understanding of the customers’ needs. Of course, one could think of many more drivers: augmented reality and virtual assistants are only some of the examples.

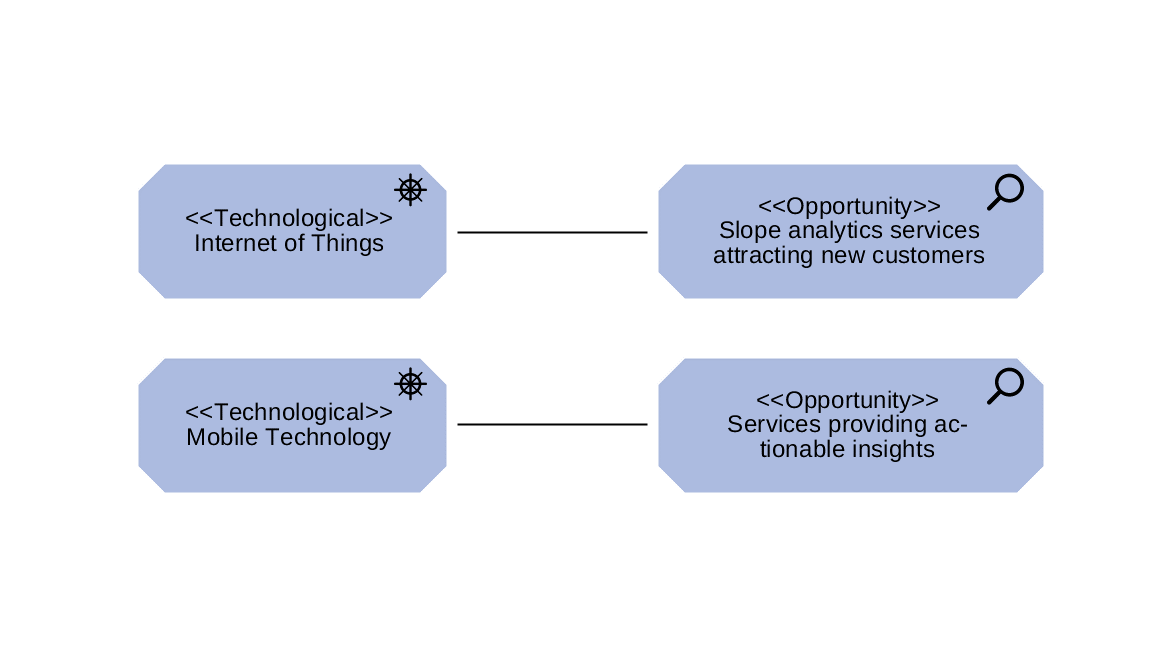


Figure 5 - Technological influences

Figure 6 shows legal influences on the resort. The General Data Protection Regulation (GDPR) - a regulation in EU law on data protection and privacy for all individual citizens of the European Union - imposes security measures on businesses processing customer data. Binding rules governing the legal and ethical conduct of employees vis-à-vis clients can become a strategic advantage over competitors who might struggle in fulfilling these mandatory requirements, and thus weaken their marketing initiatives (e.g. by unlawful mass mailings).

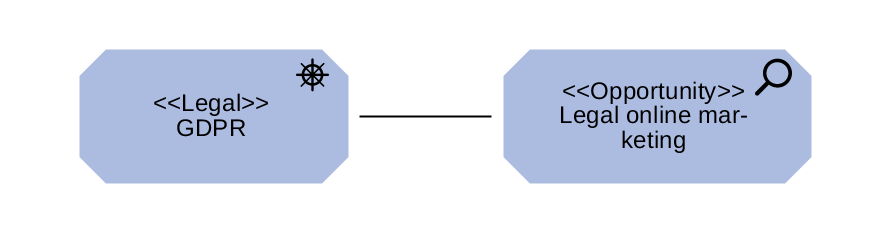


Figure 6 - Legal influences

Figure 7 shows economical influences on the resort. The increasing competition within the ski resort business poses a threat to the small resort. The market for ski resorts is also reaching maturity, which increases the competition as well.

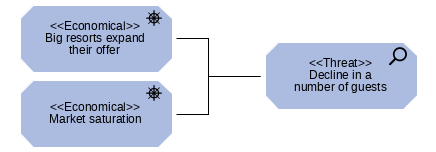


Figure 7- Economical influences

Conclusion:

PESTLE analysis has enabled us to gain an overview of a current state of the company´s environment. Now we can identify the future strategies which will help us deal with the external influences on the company. The assessments will be reused in the following SWOT Analysis to develop a strategy.

# SWOT

Besides the external factors that influence the ski resort, a company needs to analyze its own strengths and weaknesses. To this end, a SWOT analysis is performed.

SWOT stands for Strengths, Weaknesses, Opportunities and Threats and is an instrument for strategic planning [3]. It determines the position and the strategy development of a businesses. The implementation of SWOT analysis thereby enables capturing and categorizing positive aspects of an enterprise’s position that should be used, as well as considering and neutralizing the negative ones. The external influences (opportunities and threats) are extended by the internal influences on a business, which can be positive (strength) or negative (weakness).

Figure 8 shows a possible Viewpoint of documenting the findings of a SWOT Analysis. Results of the analysis, with respect to a certain driver, are represented by an assessment. Assessments are specialized in strengths, weaknesses, opportunities or threats. Grouping and assessment are linked with an aggregation relationship.

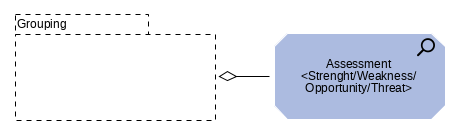


Figure 8 - Viewpoint of SWOT

Figure 9 shows strengths that have been identified internally. The ski resort offers families and children a good environment to relax and enjoy their holiday. It includes skiing courses made specially for children as well as other children activities. The resort is family friendly and safe for children, which is a good foundation to build on. There is a possibility of adjusting the resort to the needs of families that are visiting by improving the restaurants offers and surroundings. The whole infrastructure in the valley and on the hill with hotels, museums, etc. offers an extensive holiday experience besides skiing (e.g. Nordic walking, cross-country skiing, hiking, sauna and spa). What is more, customers can get to the resort via a highway. It is located near Salzburg and is also reachable within a three-hour-car-ride from Vienna. Both cities have an airport, which makes the resort accessible for tourists around the world. There is also a small train station.

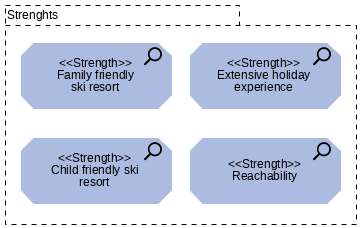


Figure 9- Strengths

Figure 10 represents the internally recognizable weaknesses. Compared to the competition, the resort only has a few smaller slopes and ski lifts, which is a perfect environment for beginners and children, but not challenging for advanced skiers. Due to the small scope of the resort, the budget is rather low and the costs are increasing due to a higher usage of snow pistols and other factors. Big investments are not affordable for the resort.

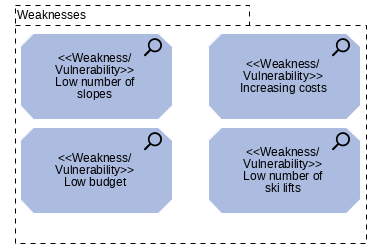


Figure 10 - Weaknesses

The opportunities and threats were explained in the PESTLE analysis in the previous chapter “Environmental Analysis”.

# VISION AND MISSION

The results of the SWOT analysis are being evaluated and compressed into a vision and mission statement. These key parts of the strategy are important for defining and specifying an organization’s purpose of existence of both present and future dimensions. More precisely, the mission statement is dedicated to defining the reasons why the organization exists and the ways in which it is supposed to serve its stakeholders. A vision statement, in contrast, considers the organization’s purpose and aspirations in future context.

Figure 11 represents the ArchiMate Viewpoint that allows for depicting of the vision and mission statements. Vision statement (represented by a goal element) is being realized by the mission statement, which is represented by an element of type “Course of action”.

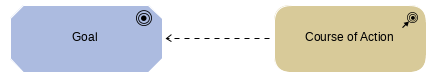


Figure 11 - Viewpoint of Vision and Mission

The vision of this ski resort is to be an innovative, exciting and a family-friendly ski resort in the Alps, all of which is based on the already existing strengths. The reason behind the Vision/Mission statement of family-friendliness is not to have large investment costs. The possibility for renewing or building new slopes, as well as the chance of increasing the ski resort in size is quite low. Since it is impossible to attract tourists this way, family-friendliness should be in focus.

This compliments the mission of establishing a connection where innovation meets familiarity. It is about generating a place where customers enjoy winter sports, discover something new and at the same time have a feeling of familiarity.

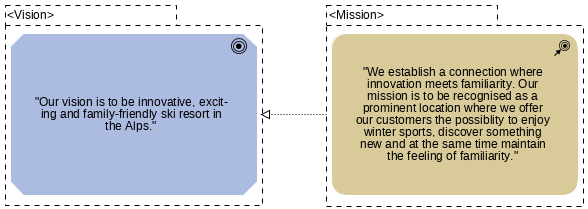


Figure 12 - Vision and Mission statements

Based on the vision and mission statement the management of the ski resort sets out a couple of strategic goals as follows.

# STRATEGIC GOALS

The question now is how to actually realize the vision of innovative and family friendly ski resort. A number of measurable goals needs to be defined. In order to better understand connections between these goals, the ski resort uses the concept of strategy maps from the Balanced Scorecard method.

Balance scorecard is a strategy performance management and planning method that can be used to keep track of the goal achievement. The characteristics that define a balanced scorecard are: its focus on the strategic agenda of the organization, the selection of a small number of data items to monitor and a mix of financial and non-financial data items. It provides four perspectives of performance and addresses these using objectives, mission, initiatives, targets and measures to express the strategic direction. This strategic planning tool is used to establish and consider connections between the essential improvement needs seen from every perspective and to understand their interdependencies. For a detailed discussion on the balanced scorecard method see [4].

Figure 13 shows the Viewpoint of the Balance Scorecard modelled with ArchiMate. Grouping represents the perspective in use.

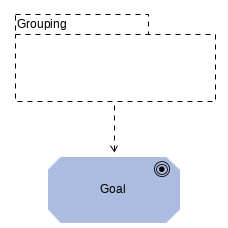


Figure 13 - Viewpoint of the Balanced Scorecard

The above-mentioned considerations lead to the point where the corporate goals need to be established – these need to be achieved for a successful realization of the strategy. Following criteria need to be taken into consideration when setting and maintaining (nurturing) goals.

They need to be:

* “Specific”, which means that they should be formulated clearly and unambiguously.
* “Measurable”, the ski resort needs to be able to the measure their achievement in accordance to certain criteria.
* “Attainable”, in other words, they should be achievable and realistic.
* “Relevant”, they should have a clear purpose and aim which correspond with particular points of the business strategy.
* “Time-based”, which means they should be reached within defined periods of time.

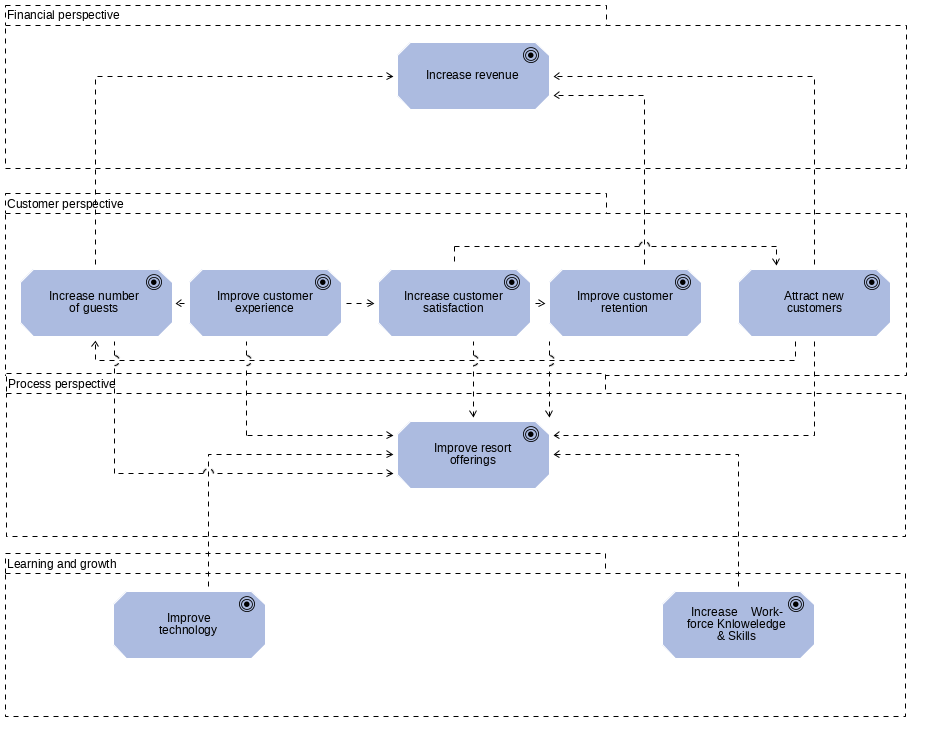
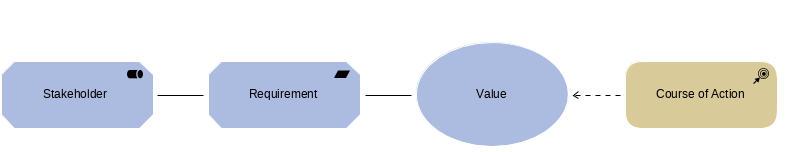


Figure 14 - Balanced scorecard

# Generating innovative ideas

The relevant question for the ski resort is how to actually fulfill these goals. It is decided to support the idea generation phase methodically and to put special emphasis on the customer empathy. To this end, the POV MadLib [5] method is going to be used. It aims at guiding designers through the process of distilling ideas.

POV MadLib is a brainstorming method which allows for seeing a company or a product from the viewpoint of different customers. It enlightens different types of customers and helps with finding the right target group. Once the customer group is found, MadLib enables focusing on the needs and insights of these users and proposes a suitable solution. MadLib differentiates between four categories: User, Need, Insight, Solution. A User is a possible customer profile with an assumed specific need. To get the insight of this need, the company needs to ask why the user has this need. A solution means a suggestion of a possible product or service which would satisfy the needs of the user. After establishing the POV MadLib, the company chooses those customer groups whose needs it can fulfil in the most appropriate manner.



*User = Stakeholder; Need = Requirement, Insight = Value; Solution = Course of Action*

Figure 15 ArchiMate viewpoint for POV MadLib

Figure 16 shows an example of an POV MadLib statement modelled using the elements of the ArchiMate motivation layer.

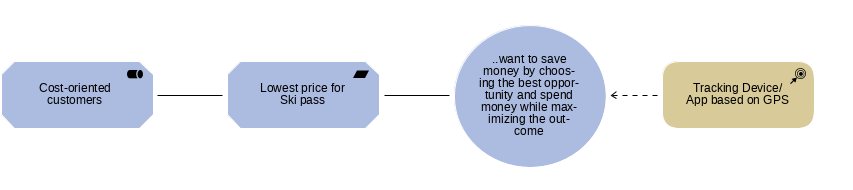


Figure 16 Example of an actionable problem statement in POV MadLib strucuture

|  |  |  |  |
| --- | --- | --- | --- |
| **User** | **Need** | **Insight** | **Solution** |
| Parents | Location of their children | Want to know whether their kids are alright | Tracking Service |
| Groups | Stay in contact with each other | Better condition as a group for additional activities during/after the skiing session | Tracking Service |
| Careful, risk averse skiers | Possibility to be localized on the track | Feeling safer, the ambulance is able to find them after an accident | Tracking Service |
| Time-driven skiers | Want to know about the utilization of the ski-lifts | Want to enjoy skiing and not to waste their time in queues at the ski-lift | An app could provide a feature to share real-time information about the utilization of the ski-lifts |
| Ambitious skiers | Want recognition/confirmation of their absolved ski-tours | Want to feel proud of their performance/achievements and possibly share them | An app could provide achievements for completed tasks like "All ski lifts used" or "Managed to ski 50/100 km a day", so a user can save their progress |
| Tour skiers | Areas suitable for ski touring, information about the usability of the regular slopes | Want to go on ski tours without being disturbed by normal skiers or without causing trouble by using crowed areas | Ski-resort app could provide information about the best routes in its area |
| Party people | Need the possibility to find the best party location | Want to be close to the hotspots and avoid long distances between their resort and the parties | App with information about parties and a shuttle service between the destinations |
| Tourists in the summer season | Actual hiking maps of the ski resort | Find an optimal route for their activities, want to know the locations of active mountain huts in the area | Ski-resort app adapted for summer tourists, which would provide crucial information about hiking tracks and mountain huts, maybe even a weather service |
| […] | […] | […] | […] |

Table 1 – POV MadLib statements[[1]](#footnote-1)

In the next step, the management board of the ski resort discusses all the collected ideas. It is clear, that the management will assign a priority to the ideas that give an optimal contribution to the derived goals. After discussing all the above ideas, the management decides to **go with the tracking app, as this service supports the vision and mission best**. Requiring a minimum investment, a great leap towards family friendliness can be achieved. Parents will be able to track their children throughout the ski resort. A service that will greatly contribute to children’s safety in the resort. However, it remains unclear for the management how the app is supposed to work. Thus, they ask for a refinement of the idea and for recommendations concerning implementation and next steps.

# Bibliography

[1] R. Perera, *The PESTLE analysis*. Nerdynaut, 2017.

[2] S. Alanzi, „PESTEL analysis“, *Project Management Blog*, 14-Okt-2019. .

[3] D. W. Pickton und S. Wright, „What’s swot in strategic analysis?“, *Strateg. Change*, Bd. 7, Nr. 2, S. 101–109, 1998.

[4] R. S. Kaplan und D. P. Norton, „Having trouble with your strategy? Then map it“, *Focus. Your Organ. Strateg. Balanc. Scorec.*, Bd. 49, 2000.

[5] K12 Lab, „POV Madlibs“, 14-Okt-2019. .

[6] A. Planas Cabani, „Innovating ski resorts’ business model through a human centered approach“, 2014.

1. Some of the ideas in the table have been inspired by [6]. [↑](#footnote-ref-1)