

Bridging the Strategy-Execution Gap: CMMI as the Engine for Strategic Success

Scenario Study – Andes Copper Corporation

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Learner objectives

- Understand the Strategy-Execution Gap and that it is a pervasive pain point for leadership.
- Recognize the role the CMMI Model, with all its domains, can play in analyzing strategic issues and opportunities.
- Recognize how best practice improvement approaches, supported by solid performance numbers (the CMMI Technical Report compiled 2024), can help address the execution gap (post-appraisal).

Strategic Planning Foundations

- Let's look at well-known strategic planning methods
 - SWOT: Analyzes Strengths, Weaknesses, Opportunities, Threats
 - Balanced Scorecard: Links strategic objectives to measurable KPIs
 - Business Model Canvas: Defines how value is created and delivered
 - Michael Porter's Value Chain Mapping: Identifies value-add and inefficiencies
- Many other examples tools exist, but the above are the well-used and known models.

Why This Webinar?

- Problem: Many organizations succumb to the strategy execution gap - setting strategy is one thing, executing strategy is another.
- **Learner objective: Understand the Strategy-Execution Gap and that it is a pervasive pain point for leadership.**
- Solution step 1: To demonstrate how CMMI provides structured support strategy implementation based on well-known methods such as
 - SWOT Analysis, Balanced Scorecard (BSC), Business Model Canvas (BMC), Value Chain Mapping
- Solution step 2: The process for process (or meta process)
 - Implementing improvements in organizations
 - The human factor

Failure rates 61% Why good strategies fail: Lessons for the C-suite, The Economist, 2013

Failure rates of 48% still reported. Bridges: 20 years Results From Surveying Strategy Implementation, 2020

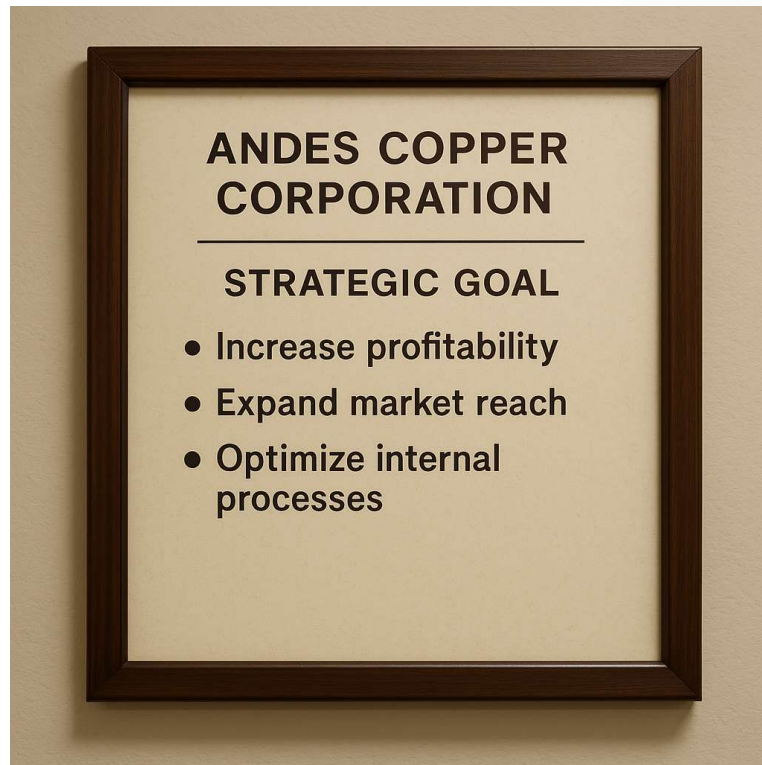
CMMI adoption shows impressive performance results. CMMI Technical Report: Performance Results Reflecting Appraisal Results Data from 2019 to 2023

The Strategy-Execute Gap

Case	CEO	Strategy/Claim	Operational Failure	Outcome
New Coke	Roberto Goizueta	Reformulate Coke to compete with Pepsi	Consumer backlash, poor market research	Reintroduced classic formula
Nokia's iPhone Response	Olli-Pekka Kallasvuo	Stick with Symbian OS, dismiss iPhone	Slow development, internal coordination issues	Market share loss, sold to Microsoft
WeWork's IPO	Adam Neumann	Massive IPO for growth, tech positioning	Financial mismanagement, governance issues	IPO delayed, ousted, bankruptcy
Uber's Expansion	Travis Kalanick	Rapid global expansion in ride-sharing	Legal battles, toxic culture, regulatory pushback	Resigned, valuation hits
Boeing to Mars	Dennis Muilenburg	Beat SpaceX to Mars with SLS	Delays in SLS, Starliner setbacks, operational inefficiencies	Ongoing, behind schedule, SpaceX ahead



Fictitious Andes Copper Mining



- Strategic goal
 - Increase profitability
 - Expand market reach
 - Optimize internal processes
- Challenges
 - High operating costs
 - Water scarcity
 - Aging infrastructure
 - Political and regulatory risk

SWOT and CMMI

Andes Copper Mining

■ STRENGTHS

- High-Grade Ore Reserves: Rich deposits mean lower extraction costs per unit of copper.
 - CMMI Alignment: TS - Technical Solution (Efficient extraction design), PI - Product Integration (Optimized material flow).
- Experienced Workforce: Skilled miners, metallurgists, and engineers.
 - CMMI Alignment: WE - Workforce Empowerment (Skills management), OT - Organizational Training (Ongoing development).

■ WEAKNESSES

- High Operating Costs: Energy, water, and reagents are expensive in the region.
 - CMMI Alignment: MPM - Managing Performance and Measurement (Cost analysis), PCM - Process Management (Cost optimization).



■ OPPORTUNITIES

- Growing Copper Demand: Electric vehicles and renewable energy drive increased demand.
 - CMMI Alignment: STSM - Strategic Service Management (Market analysis), PLAN - Planning (Production scaling), MC – Monitor & Control (Oversight of production scaling).

■ THREATS

- Price Volatility: Copper prices fluctuate significantly.
 - CMMI Alignment: RSK - Risk and Opportunity Management (Financial risk management), MPM - Managing Performance and Measurement (Financial forecasting).

Speak to your
CMMI Appraisal
Team Lead

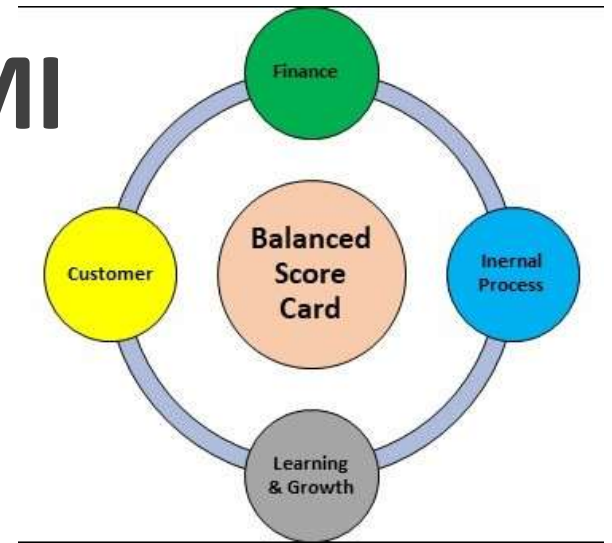
Balanced Scorecard and CMMI

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■ FINANCIAL

- Cost Management - MPM (Managing Performance and Measurement)
- Production Scaling - PLAN (Planning), MC (Monitor and Control), RSK (Risk and Opportunity Management)
- CMMI helps in cost analysis (MPM), financial forecasting, and production planning and monitoring to optimize financial performance.

Speak to your
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■ INTERNAL PROCESSES

- Operational Efficiency – PCM (Process Management)
- Safety and Environmental Protection – ESAF (Enabling Safety), PQA (Process Quality Assurance)
- Resource Utilization – WE (Workforce Empowerment), PLAN (Planning), MC (Monitoring Control), OT (Organizational Training)
- CMMI optimizes operations (PCM), ensures safety (ESAF) and environmental compliance (PQA), and supports efficient resource (WE) use through process management and infrastructure (II).

The same exercise can be done for

General Business Model Canvas Template



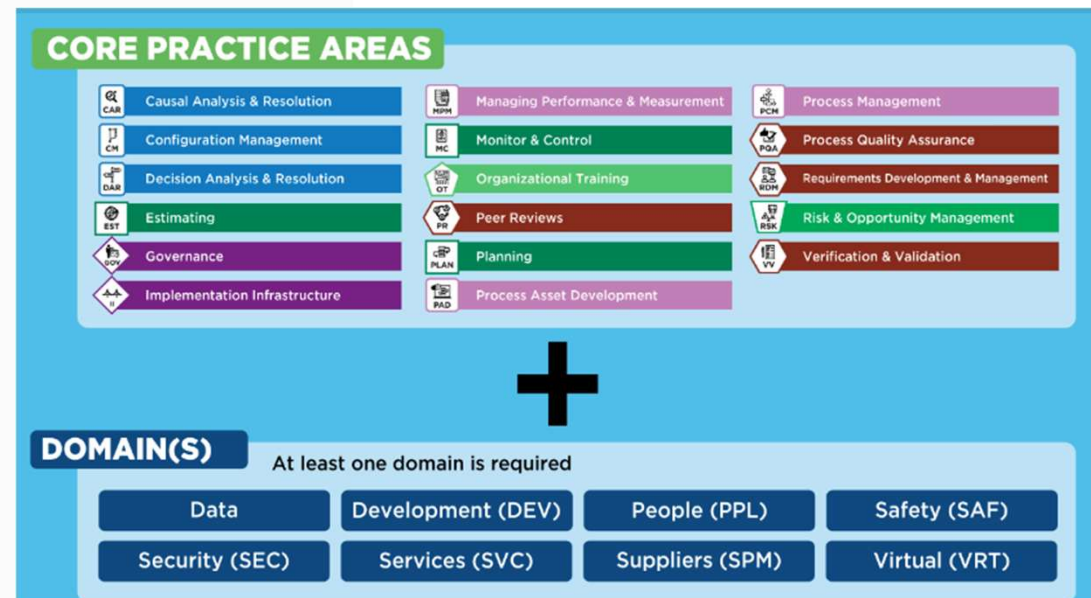
THE VALUE CHAIN



Harvard Business School Online

Where CMMI Comes In?

- Learner objective: Recognize the role the CMMI Model, with all its domains, can play in analysing strategic issues and opportunities.
- CMMI is a comprehensive model
 - As demonstrated, CMMI Practice Areas and best practices maps to many well known strategic planning framework outcomes
 - From here prioritize and scope your assessment. Use CMMI to identify your strengths and weaknesses.
 - Execute your strategy through well-known improvement processes.
 - Refine strategy through a continuous improvement journey

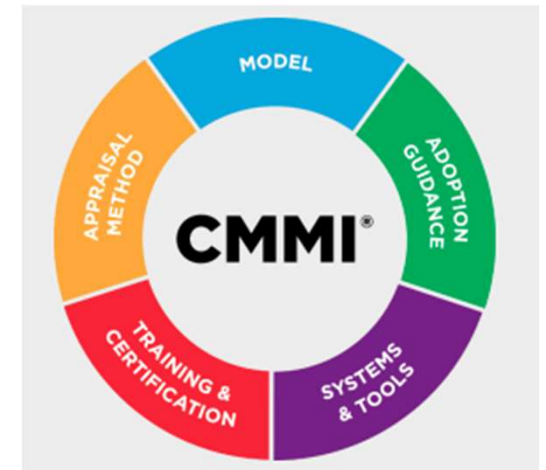


Recap

- Strategic planning can be done with very well-known models
- The CMMI model covers many domains (and is not just for software development).
- CMMI is a comprehensive model with best practices that maps to all well-known strategic analysis tool outcomes
- Your Appraisal Team Lead, CMMI Instructors and, CMMI Practitioners can help you map CMMI practices to your strategic planning key outcomes
- Follow your strategic analysis with an appraisal to find your improvement opportunities
- Use well-known and well-proven process implementation methods to deploy your strategy

The focus

Benchmark (maturity levels) (add definition)	USD Department of Defence, India, China	CMMI Dev focus
Evaluation – Improvement focus (add definition). Covering the strategic cap focus.	Strategy Execution Gap , MDDAP (Medical Device Discovery Appraisal)	Full CMMI Model Focus

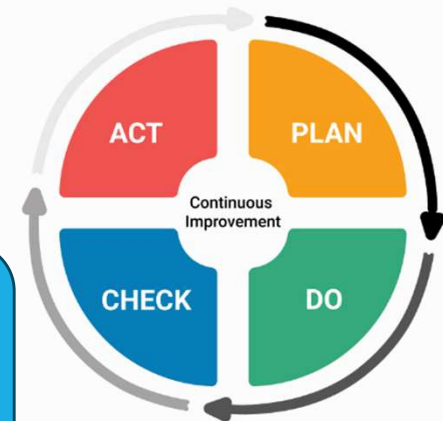


Focus is evaluation appraisals using parts of the full model and all its domains

Execute strategy - The process for process (or Meta process)

- **Learner objective:** Recognize how best practice improvement approaches based on CMMI, supported by solid performance numbers (the CMMI Technical Report compiled 2024), can help address the execution gap (post-appraisal).
- **Perform appraisal(s) and prioritize:** Guided by strategic planning and appraisal outcomes
- **Process definition**
 - Define the Process and Clearly Define the Problem
 - Gather Comprehensive Data on the Current Process Flow:
 - Analyze Data and Identify Root Causes
 - Develop Enhanced Process with SME Collaboration
- **Process deployment**
 - Plan and Execute Controlled Deployment
- **Process performance**
 - Practice and Refine the New Process
 - Measure Results and Analyze Effectiveness
- **Process learning and improvement**
 - Evaluate, Adjust, and Standardize
 - Foster Continuous Improvement

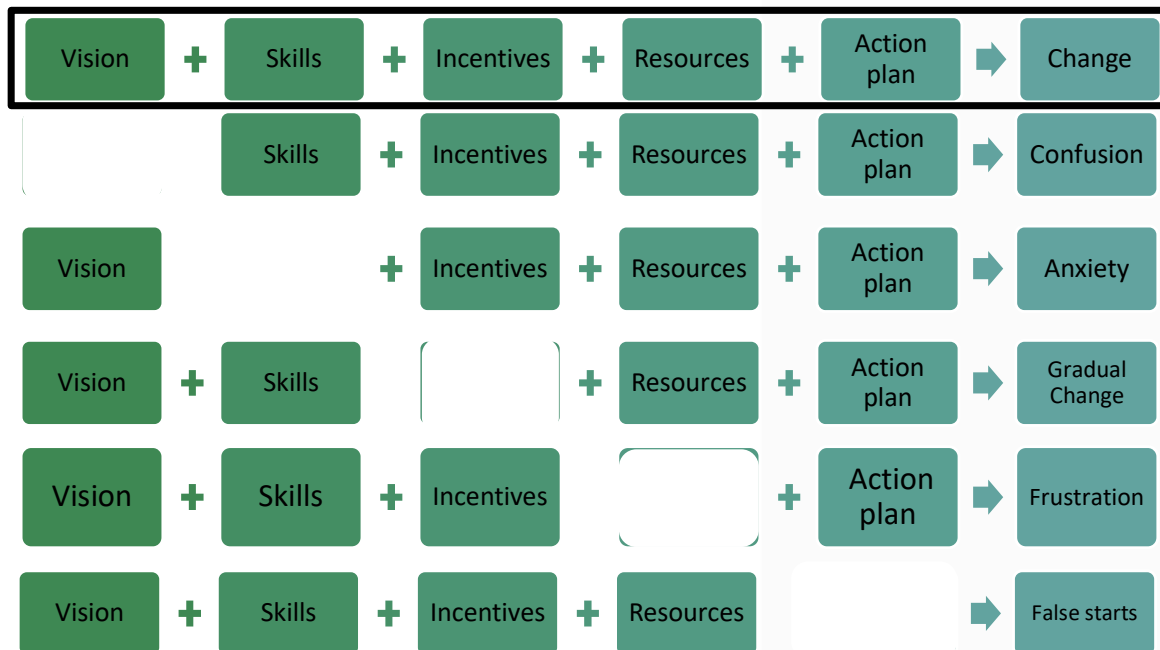
Start from strategy



Many examples of how do this

Six Sigma DMAIC is one example

The importance of people in change management



Kotter's 8 step change model



What's next

Execute your strategy by using CMMI

- Contact Us Today and Reach out for guidance on your strategy-execution challenges:
 - Pieter van Zyl: Pieter.vanzyl@demix.org
 - Melanie Spies: Melanie.spies@demix.org
 - Bianca Nell: Bianca.nell@demix.org
- Visit Our Resources:
 - www.demix.org | www.demixium.com
 - Access case studies, tools, and further insights to support your strategy-execution journey.
- Request Your Free Initial Consultation:
 - Book a complimentary call with our experts to discuss your organizational goals and explore tailored solutions using CMMI.