



Wow! AGILE

Whitepaper – Target Steering Model



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1. Executive Summary

Most organisations do not struggle to set direction. They struggle to keep the organisation aligned once execution begins.

Strategies are agreed. Priorities are set. Objectives are communicated.

Then execution starts.

New opportunities emerge. Customer needs change. Dependencies appear. Budgets and constraints shift. Different parts of the organisation make decisions based on the information and responsibilities they have.

Most of those decisions make sense on their own.

Together, however, they can gradually move the organisation away from the direction everyone agreed to.

The challenge is not to prevent change. Organisations need to adapt. The challenge is to ensure that decisions made throughout the organisation continue to support the same strategic intent as circumstances change.

Target Steering creates that alignment.

It translates strategic direction into clear objectives, measurable outcomes and decision criteria that can be understood and used across the organisation. This gives leaders a way to communicate not only where the organisation is going, but what success looks like – while giving people closer to the work the freedom to decide how best to get there.

As the **Alignment** capability within the **Operating System for Execution (OSE)**, Target Steering connects strategic direction with the decisions, investments and delivery that follow.

Done well, it enables an organisation to adapt without losing direction – and to decentralise decisions without losing alignment.

2. Why Alignment Breaks Down During Execution

Alignment often looks strongest when direction is agreed.

Priorities are clear. Objectives are understood. Plans are created and people know what they are expected to achieve.

But alignment is not something that can be established once and then assumed to remain in place.

This is true for an entire organisation, but equally true for a business area, department, domain or group of teams.



As execution begins, direction is translated into priorities, initiatives and everyday decisions. Different teams and individuals interpret what those priorities mean for their work.

This is where alignment can begin to weaken.

New information becomes available. Customer needs change. Dependencies emerge. Some work takes longer than expected. New requests compete for attention. Different teams face different constraints and make decisions based on the information available to them.

People respond to these changes – as they should.

The problem arises when those decisions are made without a shared understanding of the outcomes the group is trying to achieve.

One team may optimise its own priorities. Another may respond to an urgent stakeholder request. A third may continue delivering against a plan that was agreed months earlier.

Each decision can be perfectly reasonable in isolation while, together, they gradually move the group away from what it set out to achieve.

The same pattern can occur at every level of an organisation.

This is **strategic drift**.

Preventing it does not require more central control or more detailed plans. It requires a shared system of direction that allows people to understand:

- what outcomes matter most;
- how success will be measured;
- which principles should guide decisions;
- how their objectives contribute to wider objectives; and
- when changing circumstances require priorities to be reconsidered.

When these connections are clear, decisions can be made closer to where the knowledge exists without sacrificing alignment.

That is the role of **Target Steering**.

3. Target Steering – The Alignment Capability in OSE

Target Steering creates a shared understanding of **where we are going, what we are trying to achieve and how we will know whether we are making progress**.

It connects strategic direction with measurable outcomes at the levels where decisions are made and work is carried out.

This does not mean breaking a corporate strategy into smaller and smaller instructions.

Instead, each part of the organisation translates the direction and outcomes relevant to it into objectives that make sense in its own context. Those objectives provide direction for the next



level, while leaving people close to the work with the freedom to determine how best to achieve them.

In this way, Target Steering creates a connected system of objectives and measures across the organisation – or across the part of the organisation where it is being applied.

Within the **Operating System for Execution (OSE)**, Target Steering provides the **Alignment** capability.

It sits between **Vision & Strategy**, which establishes direction, and the structures and decision mechanisms that turn that direction into action.

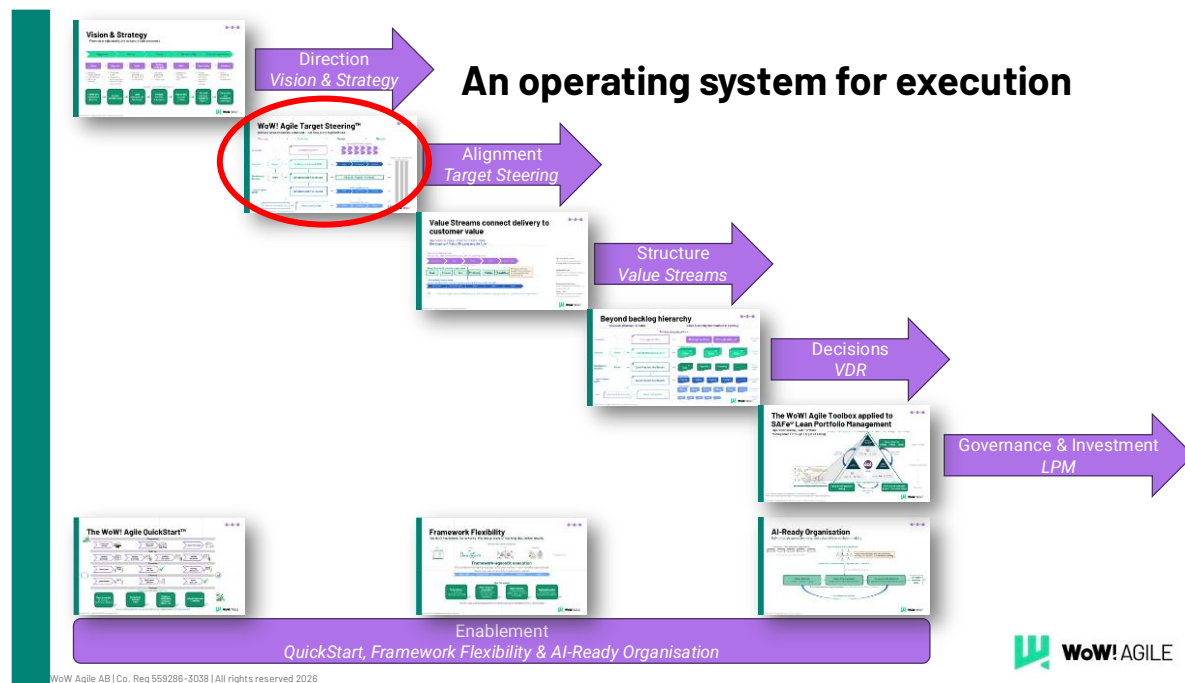
Target Steering therefore provides a common reference point for the capabilities that follow:

- **Value Streams** organise around how value is created.
- **Value-driven Requirements & Delivery (VDR)** uses the agreed direction and outcomes to support value-based decisions about what should be done.
- **Lean Portfolio Management (LPM)** uses them to guide investment, prioritisation and governance.

Target Steering does not replace these capabilities. It gives them a shared direction against which decisions can be made.

The result is not tighter control.

It is **greater freedom to make decisions without losing alignment**.





4. How Target Steering Works

Target Steering works by connecting direction and outcomes across the levels where decisions are made.

At each level, people need enough clarity to understand **what they are trying to achieve and why it matters**, while retaining the freedom to determine how best to achieve it.

The starting point is the direction and objectives relevant to the part of the organisation where Target Steering is being applied.

Direction and objectives provide the context for the level below. Each level then defines the outcomes it needs to achieve within that context, together with the measures that show whether it is making progress. Each level answers a simple question:

What do we need to achieve here to contribute to the outcomes above us?

Target Steering can therefore be applied at different levels of an organisation – or within a single part of it. A group consisting of several teams can use exactly the same principles between the group's objectives and those of its teams.

What matters is the connection.

Objectives at one level should provide direction for the level below without prescribing the solution. Measures show whether the intended outcomes are being achieved, while agreed principles and priorities provide guidance when choices need to be made.

This creates alignment in both directions.

Direction flows towards execution, giving people the context they need to make decisions. Evidence and learning flow back, showing whether the organisation is making progress and whether objectives, priorities or assumptions need to change.

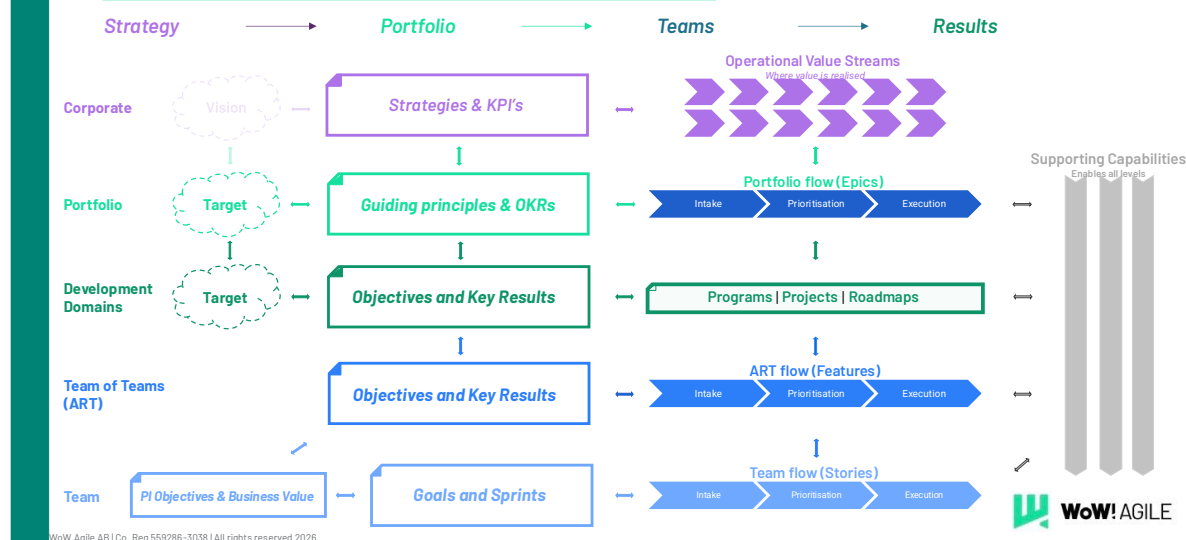
Target Steering is therefore not a one-time planning exercise.

It is a continuous steering mechanism that helps the organisation remain aligned while it learns and adapts.



WoW! Agile Target Steering™

Defines what should be achieved — not how work is prioritised



5. Objectives, Key Results and Measures

Target Steering depends on being clear about the difference between **what we want to achieve and what we choose to do**.

This sounds simple, but the distinction is easily lost.

Plans, projects and initiatives describe activity. They tell us what we intend to do.

Objectives describe the change we want that activity to create.

Objectives

An Objective describes a **desired future state**.

It should make clear what needs to be different when the objective has been achieved, without prescribing the solution.

For example:

Improve our customers' experience when they need support

describes a desired change.

Implement a new customer service platform

describes a possible solution.

Keeping these separate matters. If the solution becomes the objective, success can easily become *delivering what we planned* rather than *achieving the outcome we intended*.



A good Objective provides direction while leaving room to explore different ways of achieving it.

Key Results

Key Results provide measurable evidence that an Objective is being achieved.

They answer the question:

How will we know that we are making progress towards the future state we want?

A single Objective will normally require several Key Results to describe success from different perspectives.

For the customer support example, these might include improvements in customer satisfaction, resolution time or the proportion of enquiries resolved at first contact.

The exact measures depend on the context. What matters is that they measure the **effect we want to create**, rather than simply whether an activity has been completed.

Leading and lagging indicators

Not all useful measures tell us the same thing.

Lagging indicators show whether the desired result has been achieved. They are important, but often become visible only after enough time has passed.

Leading indicators provide earlier evidence that we are moving in the right direction. They allow people to learn and adjust before the final outcome is known.

Using both helps Target Steering become a steering mechanism rather than simply a way of reporting results.

Together, Objectives, Key Results and supporting measures create a shared definition of success.

They establish **what should be achieved and how progress will be recognised – without prescribing how the work must be done**.

That distinction creates the space for teams to explore solutions, learn from evidence and adapt their approach while remaining aligned with the intended outcome.

6. From Direction to Decisions

Clear objectives are valuable only if they influence the decisions people make.

This is where Target Steering connects direction with execution.

Within OSE, **Vision & Strategy** establishes the direction. The **Vision & Strategy workshop** provides a practical way to translate that direction into Goals, Guiding Principles, Objectives and Key Results that can be used by the organisation.



Target Steering makes these elements part of the ongoing steering system.

Goals express the longer-term ambitions the organisation is pursuing.

Guiding Principles provide boundaries and direction for decisions, particularly when several choices could lead towards the same goal.

Objectives and Key Results make the desired outcomes more specific and measurable at the levels where decisions need to be made.

Together, they provide the context for deciding what should happen next.

But Target Steering deliberately stops short of deciding which solution or piece of work should be delivered.

That is where **Value-driven Requirements & Delivery (VDR)** comes in.

VDR uses the direction and outcomes established through Target Steering to evaluate needs, compare alternatives and decide which work is most likely to create the intended value.

The relationship is simple:

Vision & Strategy establishes where we want to go.

Target Steering keeps the organisation aligned around what needs to be achieved.

VDR helps determine what we should do to achieve it.

This connection is important because it prevents prioritisation from becoming a separate exercise based on urgency, stakeholder influence or isolated business cases.

Instead, initiatives and requirements can be evaluated against the outcomes the organisation has already agreed matter most.

The same context supports portfolio and investment decisions, delivery planning and everyday choices closer to the work.

This also enables greater decentralisation.

When people understand the direction, the outcomes that matter and the principles that should guide their choices, fewer decisions need to travel upwards for approval.

People closer to the work can decide **how** to achieve the intended outcome while remaining aligned on **what** needs to be achieved and **why**.

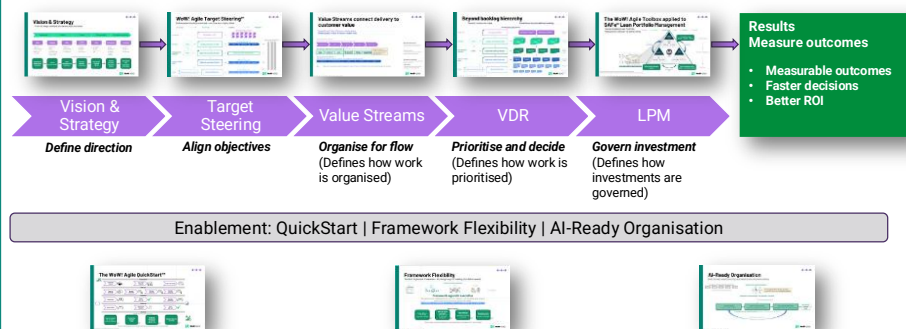
Target Steering therefore does more than communicate objectives.

It creates the context in which better decisions can be made throughout execution.



OSE Flow

Execution works as a connected flow – from strategy to measurable results



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7. Alignment Across Organisational Structures

From shared direction to development

A development organisation should not need a separate business direction in order to understand what to prioritise. It needs to understand how the organisation's shared direction translates into the outcomes it is expected to help achieve.

Leaders responsible for development may be directly involved in shaping that direction. They contribute knowledge about technology, architecture, capabilities, constraints and opportunities when strategies, Goals, Guiding Principles, Objectives and Key Results are established.

Once agreed, however, these become part of the **shared steering context for the organisation**.

The question is then no longer how direction is transferred from one organisation to another.

The question is:

How does shared direction become decisions about what should be developed?

This is where Target Steering connects with **Value-driven Requirements & Delivery (VDR)**.

Target Steering establishes the outcomes that matter and the context within which decisions should be made. Needs can then emerge from anywhere in the organisation – from customers, operations, technology, regulation, strategy or the people doing the work.

VDR provides the decision structure for evaluating those needs and translating them into appropriately prioritised development work.



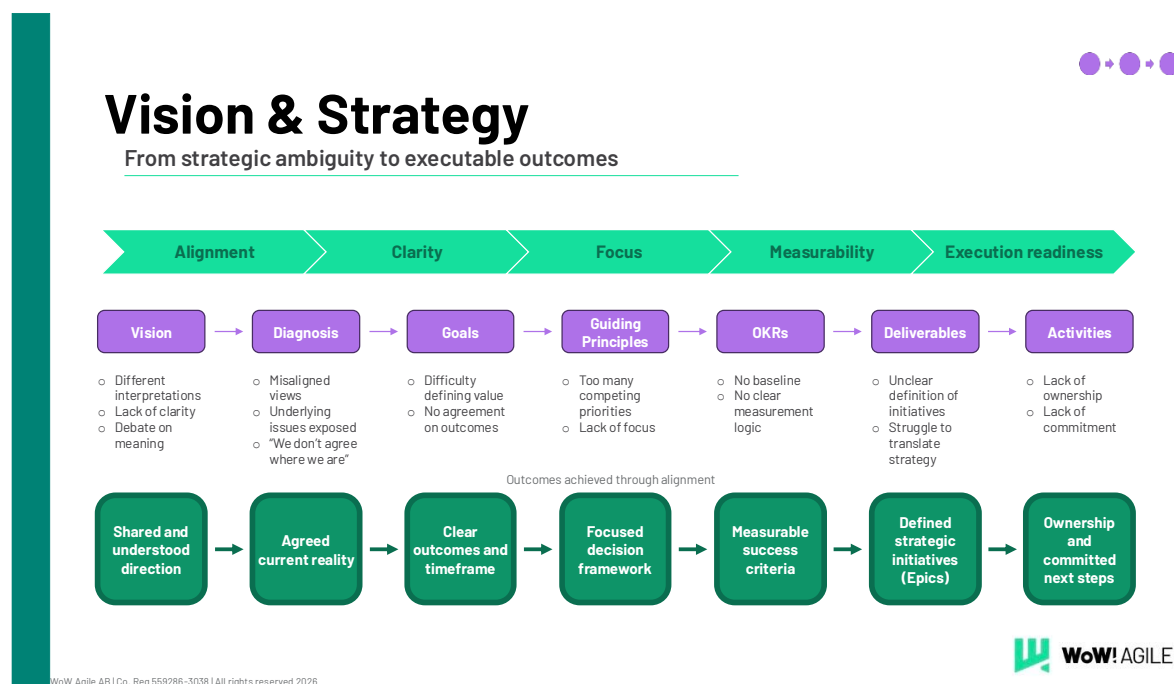
This means that development is neither directed through a stream of requests from the line organisation nor left to establish its own independent agenda.

Instead, **one shared direction informs many sources of need, which are evaluated through a common decision structure before becoming development work.**

That allows a virtual or permanent development organisation to remain responsive to needs throughout the organisation while staying aligned with the outcomes the organisation is trying to achieve.

The starting point is not a handover from one organisational structure to another. It is a shared direction for the organisation as a whole.

Within OSE, the Vision & Strategy process creates that common context by aligning leaders around the current reality, desired outcomes, guiding principles and measurable objectives. Target Steering then carries that context into the parts of the organisation responsible for turning direction into action.



8. What Good Target Steering Enables

Target Steering is valuable when it changes how an organisation makes decisions – not when it simply produces better objectives.

When direction, outcomes and decision principles are understood across the organisation, people have a common reference point for deciding what matters and what should happen next.

This enables several important shifts.



Clearer priorities

People can understand not only what is important, but why. Competing initiatives and requests can be considered against shared outcomes rather than primarily through urgency, influence or local priorities.

Faster, more decentralised decisions

When people understand the outcomes they are expected to achieve and the principles that should guide them, more decisions can be made where the relevant knowledge exists. Fewer decisions need to travel upwards simply because the context for making them is unclear.

Greater transparency

Objectives and measures make assumptions and priorities visible. When different parts of the organisation interpret direction differently, those differences can be identified and addressed rather than remaining hidden until they affect delivery.

Stronger connection between strategy and investment

Investment and development decisions can be evaluated against the outcomes the organisation is trying to achieve. This creates a clearer basis for deciding where limited capacity and funding should be applied.

Better use of organisational capacity

Not everything that could create value can or should be done. Shared direction makes it easier to focus capacity on the work that contributes most to the desired outcomes – and to stop or defer work that does not.

Less strategic drift

Circumstances will change during execution. Target Steering provides a stable context within which the organisation can adapt its decisions without losing sight of what it is trying to achieve.

The result is not an organisation where everyone follows the same plan.

It is an organisation where people can **respond to change, make decisions and take responsibility while continuing to move in the same direction.**

9. Target Steering in Practice

Target Steering is not intended to be implemented once and then followed as a fixed model.

Its value lies in the principles it establishes – and whether those principles continue to influence how the organisation is steered as structures, priorities and ways of working evolve.



A useful example comes from an organisation that underwent a transformation lasting approximately seven years.

During that time, many of the structures and practices introduced during the transformation evolved. The development organisation remained largely structured around the model established during the transformation, while many of the detailed ways of working changed as the organisation learned what worked in its own context.

Target Steering was one of the important principles that remained.

It was no longer followed exactly as originally introduced. Nor should it have been.

What remained was the underlying management logic: clear direction, connected objectives, measurable outcomes and enough context for decisions to be made closer to where the relevant knowledge exists.

That is an important characteristic of Target Steering.

The objective is not compliance with a model. It is to establish a **steering capability that the organisation can make its own**.

The exact structure will differ between organisations. The number of levels may change. Terminology may evolve. Objectives may be reviewed at different cadences and different mechanisms may be used to connect them.

The principles remain:

- establish clear direction;
- translate direction into meaningful outcomes;
- make success measurable;
- connect objectives where decisions need to be aligned;
- use evidence to understand whether progress is being made; and
- adapt when evidence shows that assumptions, priorities or approaches need to change.

Measurement is particularly important.

Without evidence, an organisation cannot distinguish confidently between progress and activity. It becomes dependent on opinion, perception and retrospective explanations.

"If you don't measure, you'll have to guess – because you are practically blindfolded."

Mats Jegebo

Target Steering provides the visibility needed to steer while execution is happening – not merely to explain afterwards what happened.

Relationship with established frameworks

WoW! Agile is a **Scaled Agile Bronze Transformation Partner**, and much of our work takes place in organisations using SAFe®. We have therefore deliberately designed Target Steering to work with SAFe rather than create a competing steering structure.



The same principle applies more broadly. Target Steering is framework-independent and can work with different development approaches. SAFe is particularly relevant because it already provides several mechanisms for connecting strategy, portfolios and delivery.

Target Steering and SAFe

SAFe, for example, provides mechanisms for connecting strategy and execution through Strategic Themes, Objectives and Key Results, Lean Portfolio Management, Value Streams and PI Objectives.

Target Steering addresses the same fundamental need for alignment and can be applied alongside these mechanisms to create a consistent steering context across the organisational structures where it is used.

It starts with the direction and desired outcomes of the organisation as a whole and connects them across the organisational structures where decisions are made – whether those structures use SAFe, another development approach or no formal framework at all.

In a SAFe environment, Target Steering can therefore be used alongside existing SAFe mechanisms to help maintain a common steering context across portfolios, development domains, ARTs and teams.

The intention is not to replace SAFe mechanisms.

It is to ensure that the development organisation remains connected to the same direction, outcomes and decision context as the rest of the enterprise.



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10. Summary

Strategy creates direction. Target Steering preserves alignment.

Execution will always introduce change. New information emerges, priorities compete and decisions need to be made throughout the organisation.

The answer is not more detailed planning or more centralised control. It is to give people enough shared context to make good decisions as circumstances change.

Target Steering creates that context through:

- **shared outcomes** that make clear what the organisation is trying to achieve;
- **clear decision criteria** that guide choices when several options are possible;
- **aligned priorities** that connect decisions and investments to the outcomes that matter;
- **decentralised decisions** that allow people closer to the work to act without losing alignment; and
- **measurable progress** that provides evidence of whether the organisation is moving in the right direction.

Target Steering is one capability within the **Operating System for Execution (OSE)**.

Vision & Strategy establishes direction. Target Steering keeps the organisation aligned around the outcomes that matter. The other OSE capabilities provide the structures, decision mechanisms and governance needed to turn that direction into measurable results.

Together, they create an operating system in which an organisation can **adapt without losing direction – and decentralise decisions without losing alignment.**
