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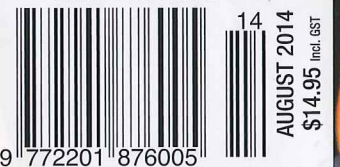
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By Vanessa Gavan

the road to strategic alignment

Short-term thinking, opportunistic moves, and personal gain: the first and surest signs of impending decline.



Reaching strategic goals is not negotiable. It is what business is all about. Yet in a recent study by McKinsey & Company, just 53 per cent of executives characterise their company's strategies as emphasising the creation of relative advantage over competitors; instead, they are matching industry-best practices and delivering operational imperatives—in other words, just playing along.

Combining the ingredients of the 'strategy' recipe requires a very methodical and disciplined approach of analysis, forecasting, and a fair share of courageous risk taking.

Strategic alignment: What is it all about?

Strategic alignment is the process of bringing an entire organisation, including various business divisions, different levels of management, diverse employee groups, and the numerous supporting systems and processes, in line with the organisation's overarching strategic objectives. It is the process of 'onboarding' every individual person and process to ensure that you are striving towards a shared purpose. The importance of this is summarised by Med Jones in that "sustaining high business performance is a product of continuous strategic alignment".

Why so hard to execute?

Let's consider a soccer team. The head coach works with his coaching and advisory crew to devise a game plan which will achieve an overarching objective—winning against all odds. The leadership team, including the captain and the assistant captain, work with the coaching staff to help develop the strategy, communicate the strategy from the field. Although the team is comprised of individuals with vastly different roles, strengths, and responsibilities, they are all united in striving towards a common goal.

Sounds simple, yes? Now let's throw in some competition, equally or even better-skilled-and-prepared players, an array of individual motivators, a selection of skill gaps, personality differences, pressure from media, expectations of the club, differing cultural beliefs, shortfalls in leadership ability, a broken feedback loop, and a miscommunication or two. Now let's see if the team remains on track week in and week out.

The three acts of strategic alignment

At Maximus, we work with our clients to tackle the complex process of strategic alignment in three phases: strategy creation, cultural alignment, and strategy execution. At each stage of the

process, there are a number of common obstacles that, if not overcome, can derail the process in a very big way. However, there are also a number of approaches that can be taken to minimise these obstacles.

Act one: Strategy creation (scripting)

Conjuring up a strategy in a smoke-filled room and then launching it with a bang is the fastest way to lose the battle before it even begins. Strategy creation is a dialogue, and it must be started long before writing up the strategic plan. The dialogue should involve conversation, knowledge sharing, testing of assumptions, and debate—both informally, but more importantly, formally.

One part of the dialogue must focus on analysis and insight by dissecting internal historical performance data, strategic and performance data of competitors, and then factoring in the views of customers, employees, and other important internal stakeholders from different levels in the organisation. The second part of the dialogue involves interpretation and the exploration of strategic options as a result of the analysis phase.

The two parts of dialogue help to synthesise the various elements of the strategy development process. It allows the strategy output to be



A framework for a culture of performance enablement



rigorous and robust, but also meaningful for and accessible to the entire workforce, resulting in building engagement through better understanding. As Peter Drucker said, "People do not resist change—we are the most adaptable creatures on earth. We resist change that we are not part of and that we do not understand."

Strategy must be agile, fluid, and responsive to changing market conditions. Context is king, and, like a soccer team, you must adapt to the game plan of the opposition and the situation within the broader competitive league.

To combat employee disengagement, change resistance, and complaints around the 'constant change in direction', dialogue, explanation, and communication are key. Everyone in the organisation needs to understand the context for change, and, in addition, exactly what it means for them as individuals. Narrative and example can help to provide context, and it may be worth utilising the skills of your marketing and internal communications teams to create an internal campaign that will resonate with your people.

The foundational building blocks for creating a culture of performance enablement starts with 'servant leadership' fundamentals

Act two: Cultural alignment (scene-setting)

Culture is defined as 'the way we do things around here'—inherently, subconsciously, and consciously. Therefore, it would be fair to say that all organisations either have a culture where performance enablement happens and strategy gets implemented as a result thereof, or a culture where it just doesn't happen. The latter makes the organisation poorer because of a lack of ideas, ownership, and testing of assumptions (see image above).

The foundational building blocks for creating a culture of performance enablement starts with 'servant leadership' fundamentals—having a mature orientation where everyone is treated with respect and as adults, being appreciative and supportive in approach, having strong emotional intelligence, and ensuring clarity around roles.

Workplace practices must then actively drive behaviours that deliver on strategic objectives. Dialogue is critical to ensuring all day-to-day operational planning and activity is aligned to corporate

goals and objectives. It is imperative that strategic intent flows right through the organisation, from the office of the executive to the voice at the end of the customer-service helpline.

The next step follows the process of establishing clear targets and communicating the expectations around those targets. The strategy must be an inextricable part of the approach to performance management, and measuring performance and managing consequences of performance and non-performance is critical to the success of strategic alignment.

Act three: Strategy execution (show time!)

Strategic planning and direction setting is the easier part—the hard part is implementing the strategy. The roadblocks are many and varied, and present in all sorts of guises.

The first obstacle appears right in the engine room where the strategy gets designed by the 'playmakers'. It is called 'the shallow pool of shared meaning' and comes in the guise of 'we are all aligned'. The alignment may be



perceived and not actual. Remember the last time you found yourself at the supermarket in the middle of a conversation that either did not hold your interest or didn't resonate with you personally. What did you do in that situation? Continue to smile and nod your agreement, before immediately returning to thinking, feeling, and acting exactly as before?

An example here may be that the overarching intent may make conceptual sense to all involved, but not everybody believes that it is the right direction to take (particularly for themselves or their team), or the right time to pursue it. Misalignment happens when all the views are not voiced, acknowledged, and debated when discussing the direction. Once again, dialogue is key. Survey, discuss, converse, question, prod, and probe. The reality of the playmaker grouping is that to achieve an overarching strategic intent, it may well mean that there will be winners and losers as resources, time, and money get divided, depending on priorities and appetite.

The second obstacle appears when the strategic initiatives are not prioritised. This may lead to confusion on multiple levels, such as what needs to be done first and how to balance day-to-day activity with strategic actions that require additional effort.

Assigning a weighting to responsibilities can help crystallise expectations. This must be coupled with clear parameters surrounding due dates. Simple project-planning documents or even project-management software can help support divisions, teams, and individuals to stay on track. A new strategy may also call for role revisions, or, in instances where a particularly different direction is to be taken, a job analysis initiative may be required.

The third obstacle in the execution phases appears when there is no translation of the strategy into strategic initiatives that are specific

to the differing levels in the organisation, which can be regional, divisional, or functional levels, depending on the structure. Robert Kaplan and David Norton claim that, on average, 95 per cent of a company's employees are "unaware of, or do not understand" the organisation's current strategy.

Here it must be determined what needs to be done at each level in order to achieve organisational objectives. This should be followed by individual performance contracting—the process of identifying clear goals and metrics for success. Employees will be empowered to make their own decisions if they are confident that their actions are aligned to the broader organisational strategy.

To support the embedding process, utilise a multi-tiered communication approach with specific tactics for each unique group of employees. Regular focus groups can help ensure a 'push-pull' approach to communication, and the identification of non-management 'strategy advocates' or 'enablers' (individuals who have social standing and influence at their particular organisational level) can fast-track engagement with the strategy. In short, put time into people, not just planning.

The fourth obstacle appears when there is no tracking of progress against targets. In the fast-paced environment we live and work in today, measurement is imperative, and the more accurate the better. Real-time leading and lagging information with implications of the data gives decision-makers the ability to navigate their destinies better and quicker.

Ensure your systems and processes are aligned to support and underpin strategic objectives. Ask yourself: Are you capturing the necessary information you need to track progress against targets? Are you currently capturing additional information that serves no purpose? What systems and processes are redundant to your strategic imperatives? Replacing

Misalignment happens when all the views are not voiced, acknowledged, and debated when discussing the direction. Once again, dialogue is key.

and streamlining rather than adding or expanding process can help drive engagement and support adoption.

The fifth obstacle appears when no feedback is given on performance data in any direction—upward, laterally, or downward. The faster the feedback, the faster any adjustments can be made to stay on course. The old adage of 'How long does it take to undertake a journey of a thousand miles?' with the correct answer of 'One step at a time' rings true here. Every step along the journey determines the ultimate destination. Constant reminders of where you are headed and how you are tracking, communicated through a variety of mediums from a variety of sources, are critical to success.

Communication around progress needs to be weaved into daily dialogue and not just driven from the offices of the C-suite. Managers must be provided with regular, relevant, and digestible information, and be expected to update their teams on the status through daily dialogue.

Strategic alignment: Start now!

It's time to be courageous. Identify what needs to be done and how you can make it happen. What do you really require for successful strategic alignment? Is it more robust dialogue, a different approach to performance management, or a framework for performance enablement? What obstacles are in your way, and how can you overcome them?

Remember that strategic alignment is an ongoing process, not a quick-fix, one-off initiative. It is a journey that requires dedication, action, commitment and relentlessness—but the rewards to be reaped are remarkable. Strategic alignment is the key to business success. •

About Vanessa Gavan

Vanessa Gavan is the founder and Managing Director of Maximus International, an innovative and insightful business performance consultancy, offering unique solutions to maximise people and organisational potential. For more information, visit maximus.com.au.