Top 5 Secrets to Build Strategy Alignment

Welcome

Joe DeCarlo
BSMP, KPIP, PMMP, PMM, EF MBA
Vice President, Worldwide Engagement and Delivery and Senior Consultant
Balanced Scorecard Institute, a Strategy Management Group Company

- 45 years experience in business structuring, strategy formulation/implementation, change management, design/execution of innovative operational business models and performance management systems solutions in the private, public, government and nonprofit sectors through first-line and executive level management positions
- Business experiences:
  - Senior Vice President of Administration and instructor positions at the Milwaukee School of Engineering – University
  - Manager and Systems Engineer in marketing, hardware, software, product development/management, consulting, education, AI/expert systems and publishing with the IBM Corporation, Milwaukee, WI and San Jose, CA
  - Member of inaugural executive-in-residence team for technology start-ups at the Plug and Play Technology incubator in Sunnyvale, CA
- Bachelor in Industrial Management, MBA – Technology Management and Doctoral candidate
Welcome

Juliette Bastian  
BSMP, KPI-P  
Business Development Director & Senior Consultant  
Balanced Scorecard Institute, a Strategy Management Group Company

- 30 years of Management Consulting – Government, Private Sector & Non-Profit Organizations Certified Balanced Scorecard Professional, Elected Public Official Certification
- The first African-American Clerk of the Board in the state of California, unanimous Board of Supervisor appointment
- Business Experiences
  - San Bernardino County – Social Services, Auditor/Controller, Medical Center, Administrative Office
  - Clerk of the Board, San Bernardino County
  - Community Action Partnership of San Bernardino County
- Bachelor in Business Administration/Accounting from CSUSB

Do Any of These Sound Familiar?

- An organization-wide strategy exists BUT – That strategy has not been effectively cascaded to the lines of business, departments, and individuals
- Employees don't understand where they fit into the organization strategy – They overhear executives talk about the organization strategy, but there is no direct communication about how individuals should align with it
- Too many disparate project initiatives – There is ambiguity about if and where these initiatives fit on a strategic level for the organization strategy and department operations
- Strategy communications are ineffective or nonexistent – Following the development of the initial organization-wide strategy, rumors abound that it might be expanding fade away entirely. The question becomes: “Is the strategy real? If so, how am I as an individual contributor or my team supposed to execute on it?”
Learning Topics - The Secrets!!!

- Why alignment should be required?
- When to align the strategy?
- How to conduct the alignment?
- How to measure the success of the strategy alignment?
- What benefits will be derived from alignment?

Text Book Definition

Alignment, sometimes called cascading, means:

- Translating enterprise-level or organization-wide strategy down into business and support unit strategies meaning the organizational level strategy is translated into business unit or support unit strategies and later to team and individual goals
- Alignment translates the high-level strategy objectives or goals, depending on your organizations overall strategy development process, into lower-level objectives or goals
- Alignment is the key to organization alignment around the enterprise-level or organization-wide strategy
- Team and individual goals link day-to-day work with the department objectives or goals and into the corporate vision
Why Alignment is Required?

- Degree to which the organization's people and resources are focused on the strategy
- Opposite of alignment is “chaos”
- Alignment measures:
  - People at all levels are motivated by a common vision and strategy
  - People understand that supporting the strategy is their job
  - People are self-motivated, not merely by compliance to rules
Why Alignment is Required?

Development of Strategic Thinking and Planning:
- How well the organization is maintaining its focus on its strategic vision, plans and initiatives
- People, systems, and communication activities are in place to maintain the momentum of desired change
- A sense of urgency in the staff and workforce
- Reward and recognition systems that support efforts to motivate employees to do the right things
- Presence of “champions” to keep the workforce informed about the strategic priorities and levels of performance that are desired
- Degree to which strategic management has been institutionalized, so that “strategy is everyone’s job”

Strategic thinking, planning, and management creates a double-loop process that not only integrates the management of both strategy and tactics but also provides comprehensive feedback on strategy implementation processes (2)


When to Align the Strategy?

- Cultural attitudes
- Insufficient or poorly managed resources
- Insufficient agility
- External developments
- Strategy not understood/poorly communicated
- Poor co-ordination across organization
- Poor flow of information
- Lack of accountability
- Lack of necessary delivery capabilities
- Lack of developer-implementer linkage
- Failure to win over hearts and minds
- Weaknesses in the strategy itself
- Lack of monitoring
- Lack of CEO/Senior leadership support


How to Conduct the Alignment?

Translating Enterprise-level or Organization-wide Strategy Down into Business and Support Units

1. Document Business/Support Unit Processes
2. Validate Business/Support Unit Mission or Purpose Statement
3. Document Business/Support Unit Stakeholders and Customers Needs
4. Document Business/Support Unit Customer Value Proposition
5. Document Business/Support Unit Enablers and Challenges
6. Determine which Enterprise-level or Organization-wide Objectives/Goals the Business/Support Unit STRONGLY Support
7. Develop the Specific Strategic Objectives or Goals for the Business/Support Unit
8. Develop Business/Support Unit Key Performance Indicators for each Strategic Objective or Goal
9. Develop the Business/Support Unit Department Strategic Initiatives
How to Conduct the Alignment?

Translating Business/Support Unit Strategy Down into Individual Scorecards

Develop Individual Scorecards:
1. Individual Accomplishment Objectives/Goals
2. Individual Development Objectives/Goals
3. Team Performance (if member of team)
4. Individual Scoring
5. Performance Appraisal (Quantitative and Qualitative)

Developing the Individual Scorecard includes the following:
1. Determine Critical Job Functions
2. Develop Individual Objectives/Goals
3. Develop Individual Developmental Goals
4. Determine Team Performance (if member of Team)
5. Behavior Development

How to Conduct the Alignment?

Vision: Earn our customers trust every day by delivering seamless service, seeking innovative solutions, and exceeding expectations.

Objective: Improve Customer Satisfaction

Strategic Measure: % of customers satisfied with information received over the Internet

Strategic Initiative: New Web Portal for Customers to get improved information faster

Objective: Improve Information On Available Services

Strategic Measure: Service availability awareness survey score

Strategic Initiative: Communications program announcing new information hotline

Personal Objective: Improve Web & Print Content Delivery

Measure (Accomplishment): Web content and print media delivered on-time with minimal re-work required

Measure (Behavior): Web design skills

Initiative (From Personnel Development Plan): Web design training at local community college

Enterprise-level or Organization-wide Strategy:

Business/Support Unit Strategy:

Individual Scorecards:
How to Measure the Success of the Strategy Alignment?

- Better developer-implenter co-operation
- Better alignment between HR policy and strategy
- Better communication among stakeholders
- Better co-ordination of efforts
- More attention to hearts and minds/culture
- Improved strategy development
- More detailed planning
- Monitoring and reporting on risks and value
- More active senior-level involvement
- More resources
- Enhanced understanding of competitors
- Enhanced understanding of customers


What Benefits will be Derived from Alignment?

**Designing for Delivery**

- Those involved in strategy development are also actively involved in oversight of implementation
- Those responsible for strategy development and those responsible for strategy implementation collaborate effectively
- Strategy development involves careful consideration of our organization’s ability to implement the final strategy
- Those responsible for strategy development are aware of the challenges of implementation

What Benefits will be Derived from Alignment?

**Interaction and Information**
- Across senior levels of the organization
- From more senior levels to less senior ones
- From less senior levels to more senior

**Leaders Act Fast with Discipline**
- Prompt and effective reallocation of funding among strategy implementation initiatives, when needed
- Prompt and efficient reallocation of personnel among strategy implementation initiatives, when needed
- Rapid adjustment to strategy when implementation reveals new risks/opportunities


---

**What Benefits will be Derived from Alignment?**

**Strategic Management Maturity**

**Maturity Levels**
- Level 5: Continuous Improvement
- Level 4: Managed and Focused
- Level 3: Structure and Proactive
- Level 2: Reactive
- Level 1: Ad hoc and Static

**Dimensions:**
- Leadership
- Culture & Values
- Strategic Thinking & Planning
- Alignment
- Performance Measurement
- Performance Management
- Process Improvement
- Sustainability

What Benefits will be Derived from Alignment?

Strategic Management Maturity

Strategic Management Maturity Model Results (SMMM) - 2013 to 2017

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>2.40</td>
<td>3.18</td>
<td>2.83</td>
<td>2.90</td>
<td>4.13</td>
</tr>
<tr>
<td>Culture &amp; Values</td>
<td>2.40</td>
<td>3.18</td>
<td>3.18</td>
<td>3.38</td>
<td>3.75</td>
</tr>
<tr>
<td>Strategic Thinking &amp; Planning</td>
<td>3.90</td>
<td>3.80</td>
<td>3.80</td>
<td>3.80</td>
<td>3.80</td>
</tr>
<tr>
<td>Alignment</td>
<td>2.80</td>
<td>3.20</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Performance Measurement</td>
<td>2.80</td>
<td>3.20</td>
<td>4.00</td>
<td>4.00</td>
<td>4.00</td>
</tr>
<tr>
<td>Process Improvement</td>
<td>2.40</td>
<td>3.40</td>
<td>3.90</td>
<td>4.19</td>
<td>4.42</td>
</tr>
<tr>
<td>Sustainability</td>
<td>3.80</td>
<td>3.80</td>
<td>3.80</td>
<td>3.80</td>
<td>3.80</td>
</tr>
<tr>
<td>Average Score</td>
<td>3.51</td>
<td>3.28</td>
<td>3.69</td>
<td>3.69</td>
<td>3.67</td>
</tr>
</tbody>
</table>

Leadership
Culture & Values
Strategic Thinking & Planning
Process Improvement
Sustainability
Average Score

Go to this link: www.strategymanage.com/strategic-management-maturity-model/

- Press: Begin the Assessment
- Enter registration information
- Press: Begin the Assessment
- Complete the assessment (typically 5-10 minutes to complete)
- Your results will be emailed to you
How Else Can the Strategy Management Group Help You?

- Consulting & Facilitation
- Balanced Scorecard and KPI Certification
- Strategic Planning & Management Systems Implementation
- Community of Practice and Best Practices
- Executive and BSC Team Overview Training
- Strategic Project Management and Process Improvement

ASP Conference

REGISTRATION IS NOW OPEN FOR THE 2019 ASP ANNUAL CONFERENCE!

STRATEGY AND YOUR BUSINESS ECOSYSTEM
MAY 15 - 17, 2019

www.strategyassociation.org/page/2019Conference
CREATING VALUE THROUGH STRATEGIC INNOVATION

Conference: 29 – 30 April 2019
Workshops: 28th April & 1st & 2nd May
The Address Hotel, Dubai Marina, Dubai, UAE

Thank You!

For further information Contact:
Joe DeCarlo: jdecarlo@balancedscorecard.org
Juliette Bastian: jbastian@balancedscorecard.org

www.balancedscorecard.org