Strategic Alignment in 3 Easy Steps

Aligning With The Organization Landscape Assures Long Term Survival Of The Organization

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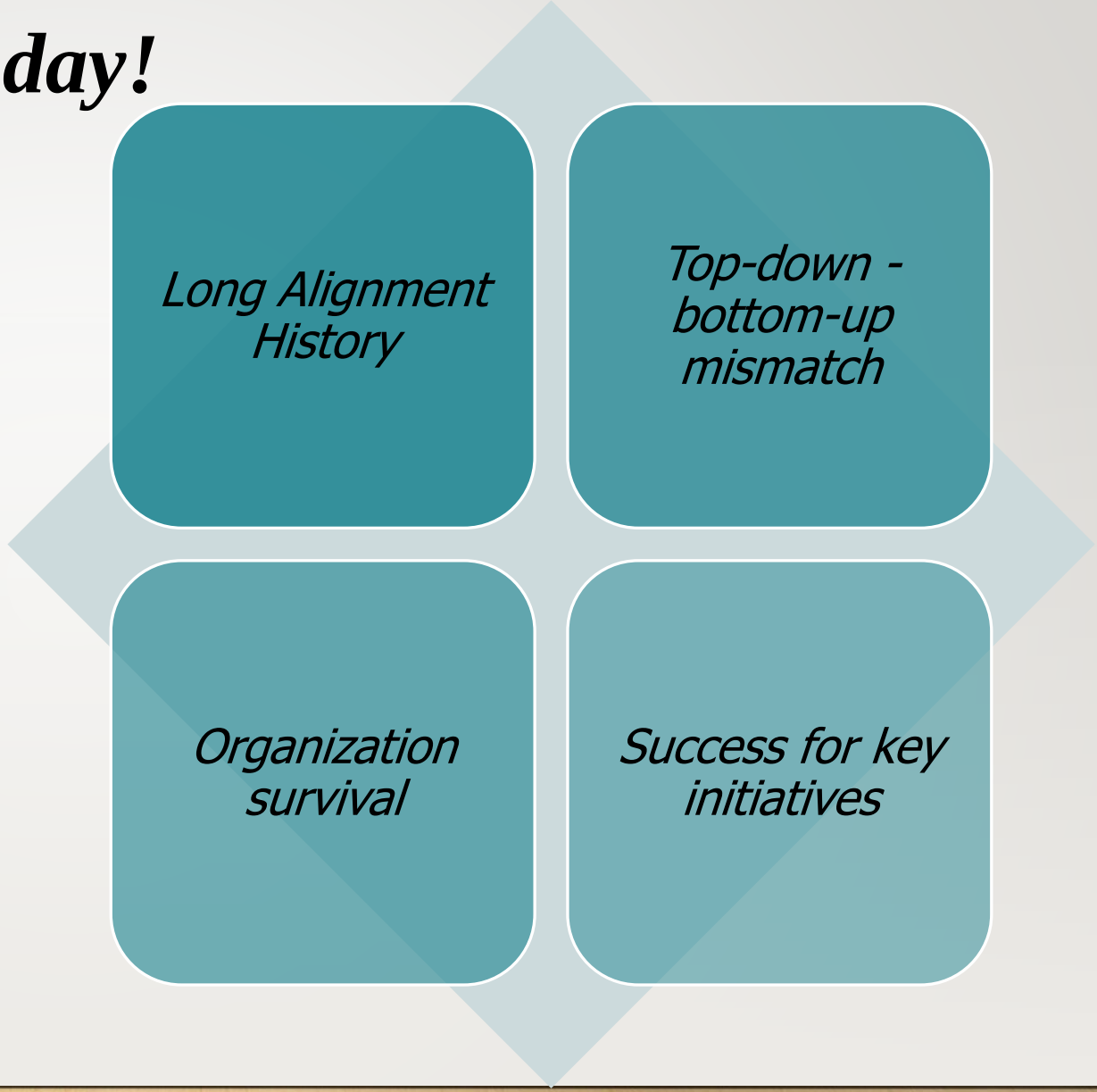
Agenda

- The alignment need today
- A bit of background on alignment and analysis
- Step 1 – the landscape perspective
- Step 2 – the strategic perspective
- Step 3 – Linking the two perspectives
- Identifying the value proposition

Four reasons for alignment today!

Remain adaptable

Remain Relevant



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A bit of background about alignment need…

A ‘unified theory’ of business alignment

The perspectives of an organization…

- Landscape – the external environment
- Strategic – The direction setting of the organization
- Tactical – the structure of the organization
- Operational – the execution of the organization

Business alignment and strategic alignment

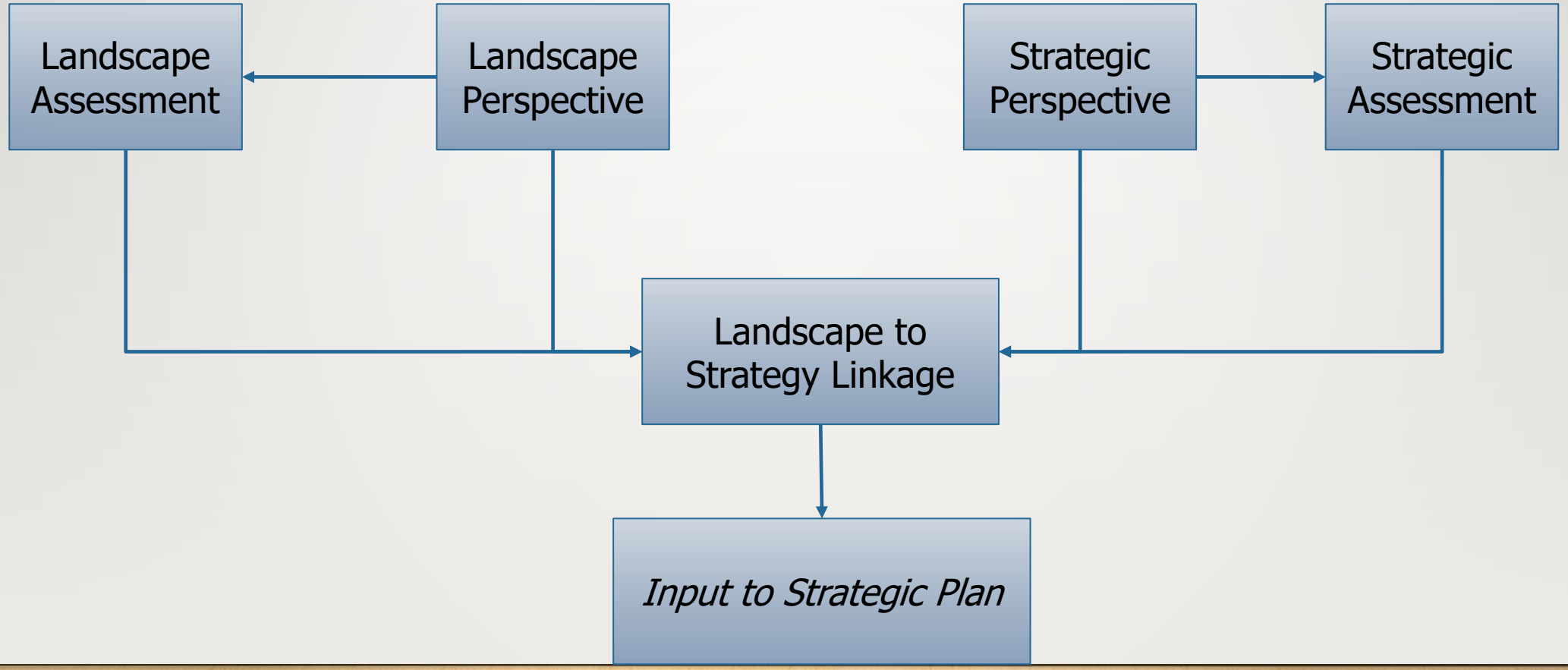
Business alignment connects the *landscape to operations*

Strategic alignment is a subset

The 3 Easy Steps of Strategic Alignment

1. ***Landscape Analysis***
2. ***Strategic Analysis***
3. ***Landscape/Strategy Relationship Analysis***

What is involved with the 3 steps?



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Easy First Step: Start with the landscape

1. Profile the landscape
2. Analyze the profile
3. Determine a point of focus

How do you do this?

Landscape profiling consists of…

You will learn a lot doing this

- Identifying what you need to know
- Identify where you get it from
- Organize the material you found
- Ask: Do I have the right stuff?

The Landscape profile uses PESTLE-MB categories

Political	*Economic*	*Social*	Legal
Technological	*Environmental*	*Market*	*Business Concerns*

Make lists of category members

Here are two category list examples…

This must be specific to your scope of business!

PESTLE Markets
Africa Northern
Africa Southern
America Central
America North
America South
Asia Pacific
China
European Union East
European Union West
Middle East

PESTLE Technology
Communications Systems
Electric Motor Technology
Hand Held Devices
Heat Application Technology
Information Technology
Internet of Things
Knowledge Management Technology
Manufacturing Tracking
Material Move Systems
Metal Fabrication Methods
Microwave Communications Systems
Motor Control SP Controllers
Networking
Neural Network Software
Paint Technology and Methods
Plastic Casing Methods
Plating Technology
Robotic Process Automation

Identify the things of interest for each category

Example: 'Metadata' for technology category…

Item Name	Likelihood - 01	Impact 5 Enu…	Importance 5 Enums	Risk 5 Enums	Priority 5 Enu…	Benefit 1 to 10	Cost
ommunications Systems	4.00	High impact	Moderately important	Moderate risk	Low priority	6.00	$65.00
lectric Motor Technology	4.00	High impact	Extremely important	Moderate risk	High priority	6.00	$80.00
and Held Devices	5.00	Medium impact	Extremely important	Low risk	Medium priority	5.00	$55.00
eat Application Technology	3.00	No impact	Slightly important	Moderate risk	High priority	7.00	$75.00
formation Technology	4.00	Medium impact	Moderately important	Major risk	Medium priority	5.00	$125.00
ternet of Things	3.00	High impact	Slightly important	Low risk	Low priority	2.00	$35.00
nowledge Management Technology	2.00	High impact	Not at all important	Insignificant risk	Not a priority	1.00	$20.00
lanufacturing Tracking	4.00	Medium impact	Moderately important	Moderate risk	Medium priority	8.00	$75.00
laterial Move Systems	2.00	Medium impact	Extremely important	Severe risk	High priority	7.00	$80.00
letal Fabrication Methods	2.00	Low impact	Slightly important	Moderate risk	Medium priority	3.00	$65.00
licrowave Communications Systems	1.00	No impact	Not at all important	Low risk	Low priority	2.00	$25.00
lotor Control SP Controllers	2.00	Medium impact	Moderately important	Moderate risk	Essential priority	6.00	$65.00
etworking	3.00	High impact	Slightly important	Low risk	Medium priority	3.00	$35.00
eural Network Software	4.00	Critical impact	Slightly important	Low risk	Low priority	2.00	$15.00

Determine what PESTLE-MB category members are important

Use ranking algorithm based on the things of interest

PESTLE Technology		
1	Electric Motor Technology	1.00
1	Hand Held Devices	1.00
1	Robotic Process Automation	1.00
1	Material Move Systems	1.00
2	Motor Control SP Controllers	2.00
2	Warehousing Systems	2.00
2	Plating Technology	2.00
2	Manufacturing Tracking	2.00
2	Paint Technology and Methods	2.00
2	Security Technology	2.00
2	Communications Systems	2.00
2	Agile Software for Mobile Devices	2.00
2	Information Technology	2.00
3	Toxic Material Technology	3.00
3	Sales Support Laptops and IPads	3.00
3	Plastic Casing Methods	3.00
3	Web Support Technologies	3.00
3	Networking	3.00
3	Metal Fabrication Methods	3.00
3	Internet of Things	3.00
3	Heat Application Technology	3.00
3	Chemical Solvent Technology	3.00
3	Neural Network Software	3.00
4	Knowledge Management Technology	4.00
4	Microwave Communications Systems	4.00

One Attribute

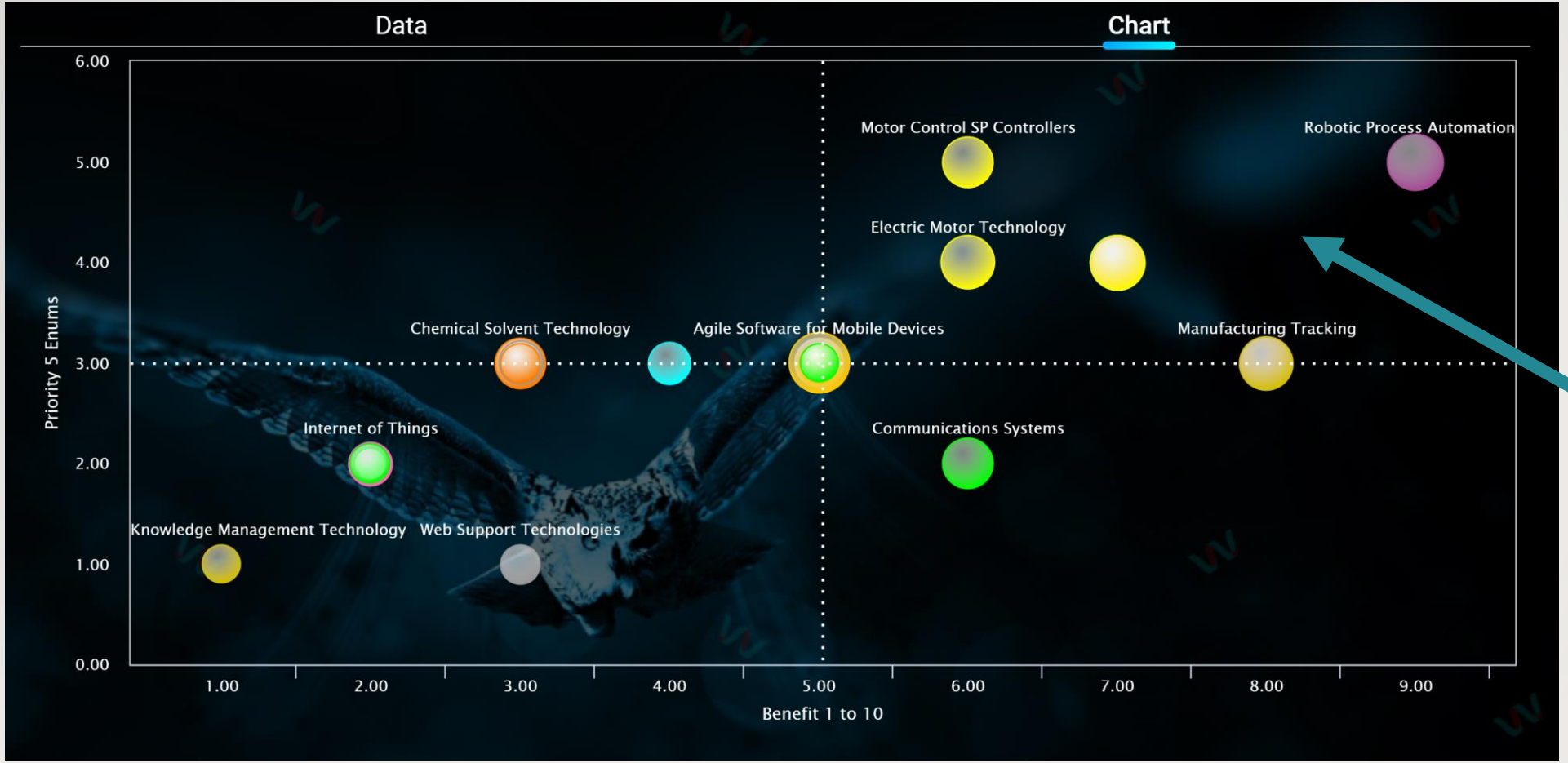
PESTLE Technology		
1	Robotic Process Automation	1.00
2	Agile Software for Mobile Devices	1.33
3	Electric Motor Technology	1.67
3	Hand Held Devices	1.67
4	Communications Systems	2.00
4	Neural Network Software	2.00
5	Security Technology	2.33
5	Information Technology	2.33
5	Manufacturing Tracking	2.33
5	Plating Technology	2.33
6	Material Move Systems	2.67
6	Warehousing Systems	2.67
6	Internet of Things	2.67
6	Networking	2.67
6	Web Support Technologies	2.67
7	Motor Control SP Controllers	3.00
8	Paint Technology and Methods	3.33
8	Sales Support Laptops and IPads	3.33
8	Toxic Material Technology	3.33
8	Knowledge Management Technology	3.33
9	Metal Fabrication Methods	3.67
9	Heat Application Technology	3.67
9	Chemical Solvent Technology	3.67
9	Plastic Casing Methods	3.67
1(	Microwave Communications Systems	4.67

Three Attributes

PESTLE Technology		
1	Agile Software for Mobile Devices	2.43
2	Neural Network Software	3.00
2	Robotic Process Automation	3.00
3	Security Technology	3.14
3	Hand Held Devices	3.14
4	Paint Technology and Methods	3.43
4	Electric Motor Technology	3.43
4	Plating Technology	3.43
4	Manufacturing Tracking	3.43
4	Toxic Material Technology	3.43
5	Communications Systems	3.57
5	Motor Control SP Controllers	3.57
5	Networking	3.57
5	Web Support Technologies	3.57
6	Sales Support Laptops and IPads	3.71
7	Internet of Things	3.86
7	Knowledge Management Technology	3.86
7	Plastic Casing Methods	3.86
8	Heat Application Technology	4.00
8	Material Move Systems	4.00
9	Warehousing Systems	4.14
1(	Chemical Solvent Technology	4.29
1'	Microwave Communications Systems	4.43
1:	Metal Fabrication Methods	4.57
1:	Information Technology	4.57

All Seven Attributes

Where in the landscape do you focus your attention?

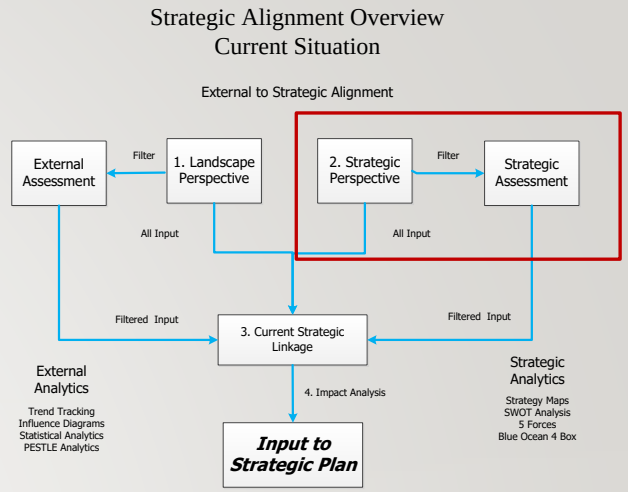


Landscape Assessment:

Priority, Benefit and Cost (bubble)

Focus on upper right quadrant

Easy Second Step: Same approach as landscape for strategies



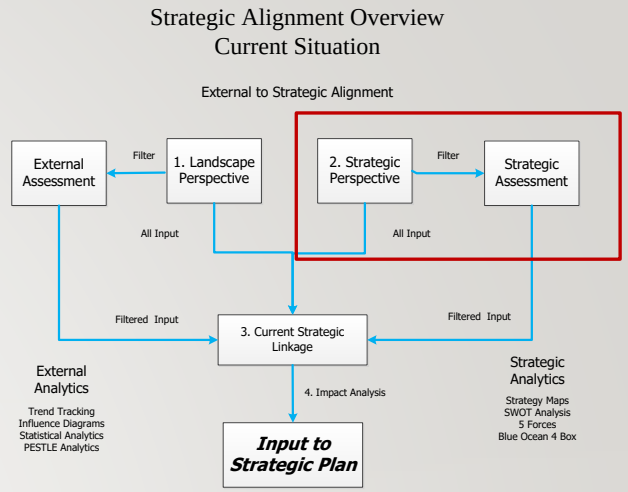
Business Strategies
Develop Employee Skills
Develop Retail Distribution
Develop Web Presence for Sales
Enter new retail market
Improve Business Performance
Improve Product Technnologies
Improve Supplier Relationships
Lean Manufacturing Methods

Value Streams
Acquire Customers
Build products
Maintain Products
Manage Information
Manage Supply Chain
Select Suppliers
Sell Products
Service Customers
Ship to Customers
Supply Parts

Capabilities
Application Delivery
Customer Relationships
Customer Service
Financial
Manufacturing
Personnel
Product Acquisition
Product Design
Product Engineering
Vendor Relationships

Gather Strategic Material

Identify the metadata for strategies



Appropriate metadata for strategies

Item Name	Difficulty 5 Enums	Effectiveness 5 Enums	Impact 5 Enums	Importance 5 Enums	Risk 5 Enums
Develop Employee Skills	Easy	Extremely effective	Medium impact	Moderately important	Low risk
Develop Retail Distribution	Difficult	Moderately effective	High impact	Moderately important	Moderate risk
Develop Web Presence for Sales	Neither difficult or easy	Slightly effective	Low impact	Neither important or Unimportant	Low risk
Enter new retail market	Difficult	Extremely effective	Medium impact	Slightly important	Major risk
Improve Business Performance	Neither difficult or easy	Slightly effective	High impact	Slightly important	Moderate risk
Improve Product Technnologies	Easy	Moderately effective	Critical impact	Extremely important	Severe risk
Improve Supplier Relationships	Very Easy	Moderately effective	Medium impact	Moderately important	Moderate risk
Lean Manufacturing Methods	Very difficult	Extremely effective	High impact	Slightly important	Major risk

Next up: Do strategy rankings…

Ranking with Risk, Importance and Impact

1	Enter new retail market	1.67
2	Lean Manufacturing Methods	2.00
3	Improve Business Performance	2.33
3	Develop Web Presence for Sales	2.33
4	Improve Supplier Relationships	2.67
5	Improve Product Technnologies	3.00
5	Develop Retail Distribution	3.00
5	Develop Employee Skills	3.00

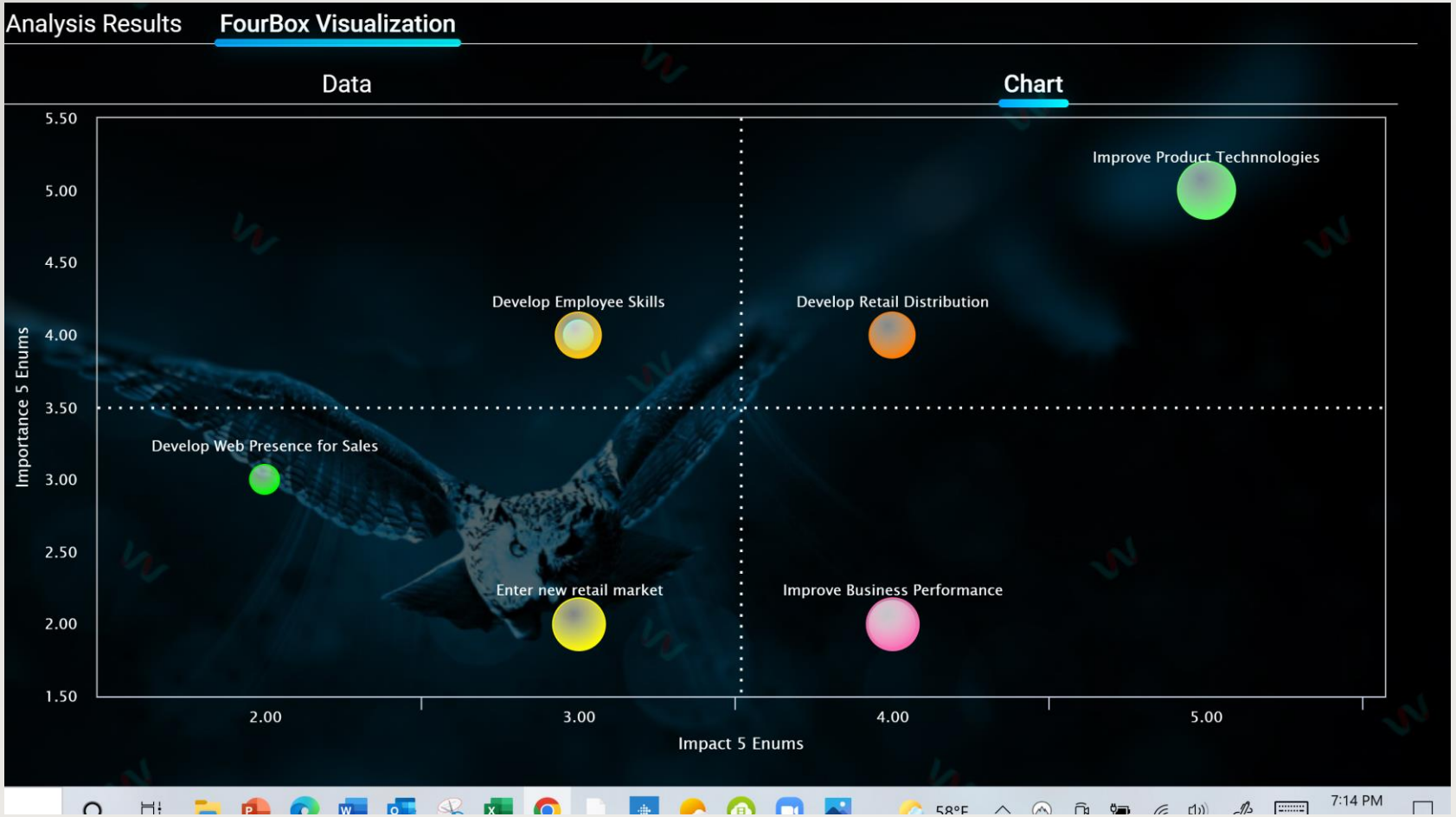
Three Attributes

Ranking with Risk, Importance, Difficulty, Effectiveness, and Impact

Position	Item Name	Rank
1	Develop Web Presence for Sales	1.60
2	Improve Business Performance	2.00
2	Improve Supplier Relationships	2.00
3	Develop Employee Skills	2.20
4	Enter new retail market	2.60
5	Develop Retail Distribution	2.80
6	Lean Manufacturing Methods	3.00
7	Improve Product Technnologies	3.20

Five Attributes

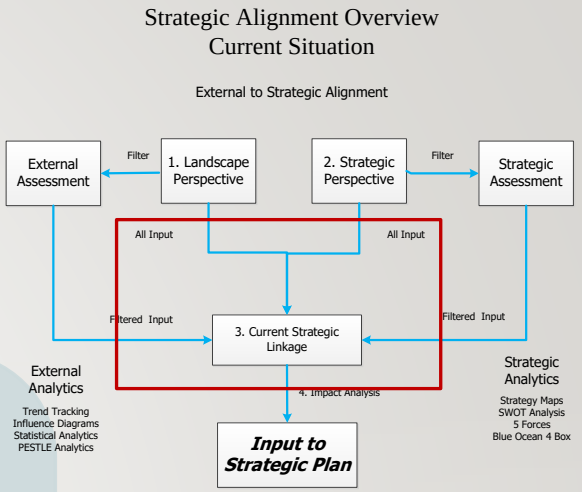
A strategy 4 – box example, what do you see?



Strategy Assessment:

Importance, Impact and Risk (bubble)

Easy Third Step – Where do we go from here?

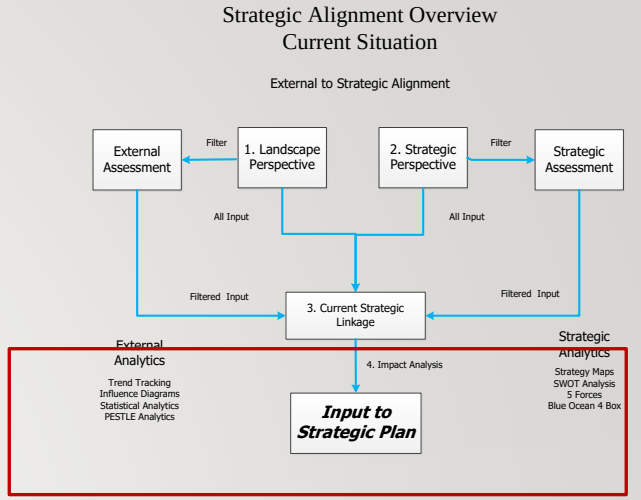


Link the perspectives…

- Link landscape categories
- Link strategy categories
- Link the two perspectives
- Filter the linkages for insight

How do we do this?

Connecting the two perspectives …



The purpose of which is to:

- **Identify strategic impact**
- **Drive a strategic plan**

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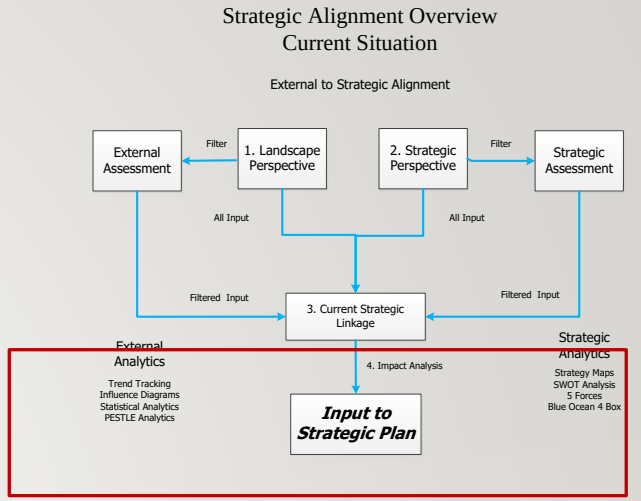
How do we do this?



Identify Horizontal connections

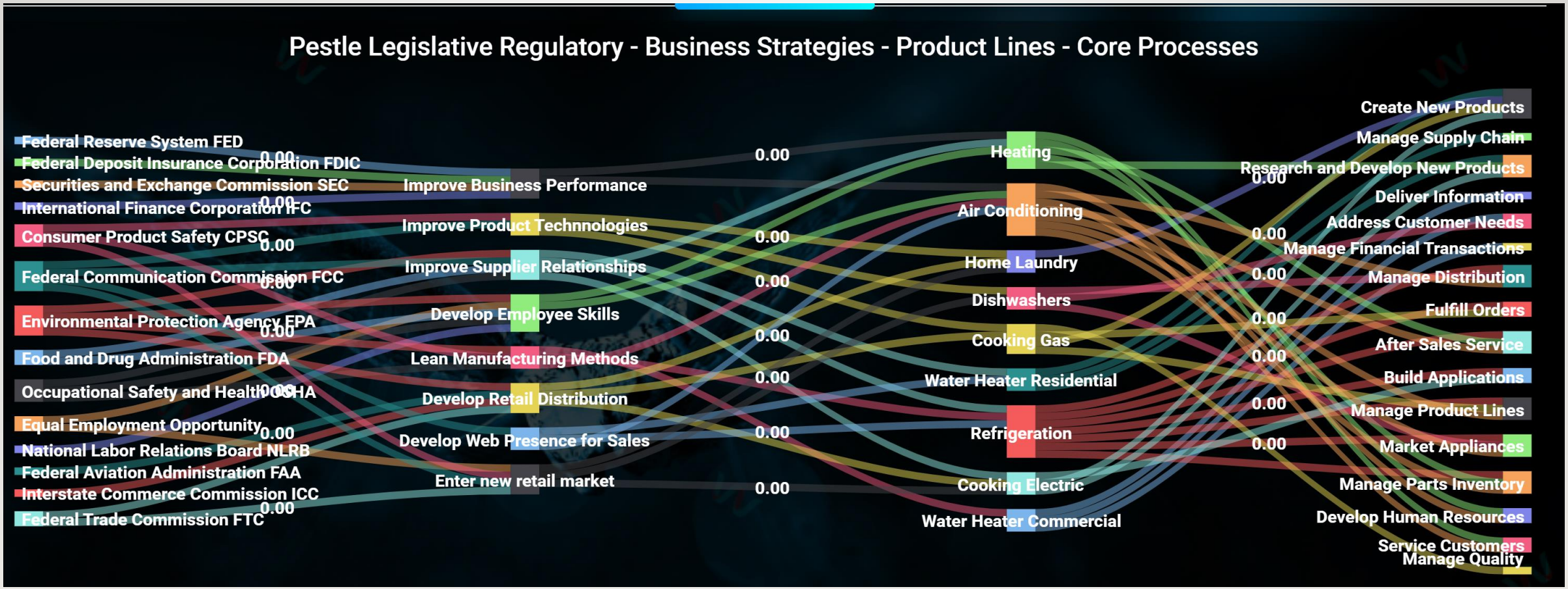
Landscape Relationhip Planning	Political	Economic	Social	Technology	Legislative	Environmental	Markets	Business Issues
Political	✸							
Economic								
Social	✸							
Technology								
Legislative	✸							
Environmental								
Markets								
Business Issues	✸							

Strategy Relationhip Planning	Strategies	Initiatives	Objectives	Decisions	Core Processes	Key Documents	Major Systems	Major Databases
Strategies		✸			✸	✸	✸	✸
Initiatives			✸					
Objectives								
Decisions								
Core Processes								
Key Documents								
Major Systems								
Major Databases								

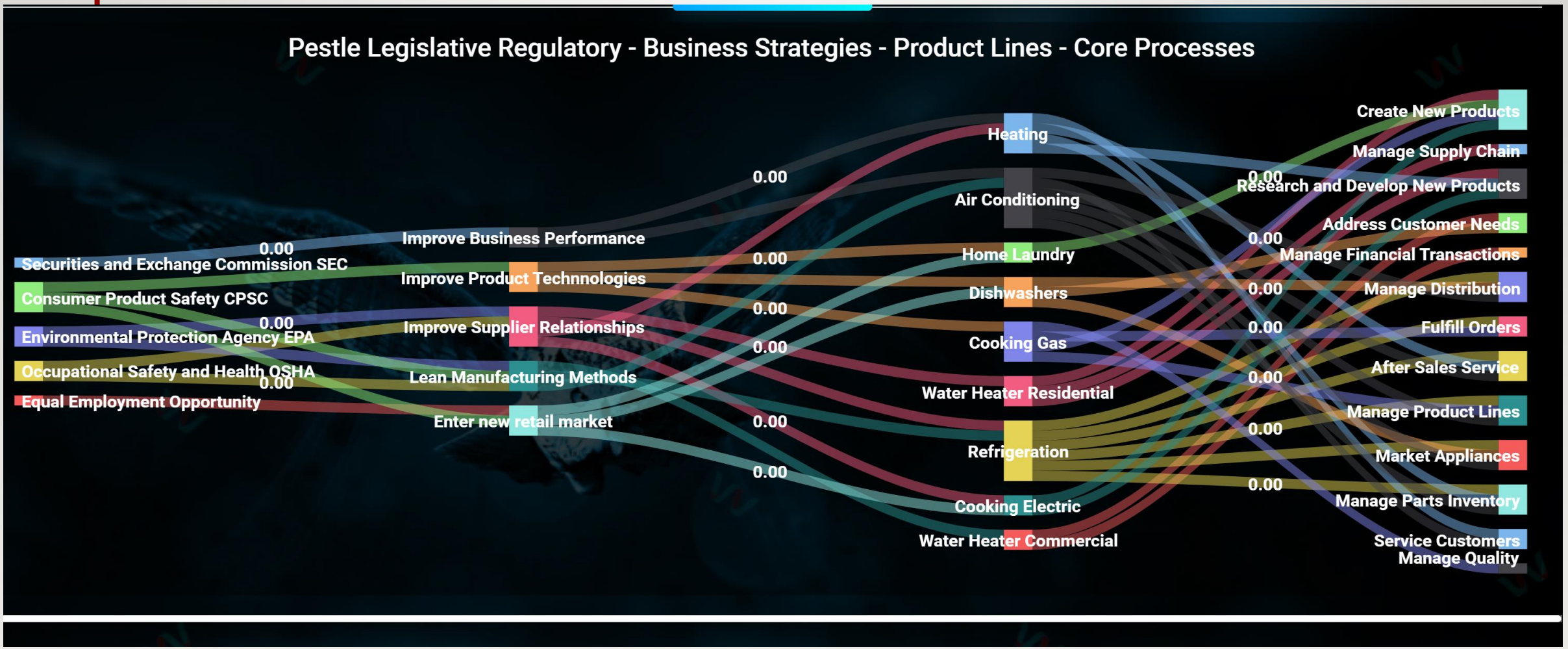
Landscape to Strategy Linkage Relationhip Planning	Strategies	Initiatives	Objectives	Decisions	Core Processes	Key Documents	Major Systems	Major Databases
Political	✸			✸				✸
Economic		✸		✸	✸			
Social	✸						✸	✸
Technology		✸	✸		✸	✸	✸	✸
Legislative	✸			✸		✸	✸	✸
Environmental								
Markets	✸	✸		✸	✸	✸		✸
Business Issues	✸	✸	✸		✸		✸	✸

Identify Vertical connections

Another way of looking at impacts – Path to point



Filtering out regulatory bodies not involved with us



What do we know so far?

- The landscape things that are significant
- The strategies that are impacted by landscape change
- By carrying the analysis further:
  - The products and processes impacted by landscape change

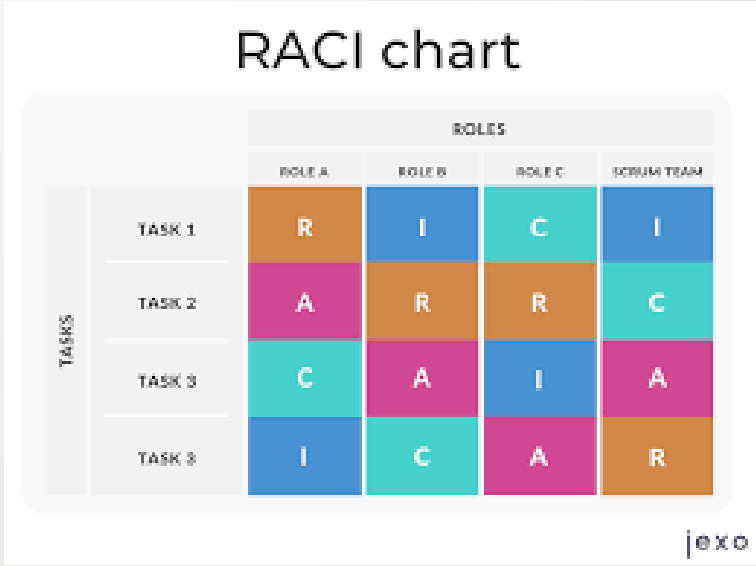
Knowing this, how can we formulate a strategic plan?

What has worked in the past is the RACI approach…

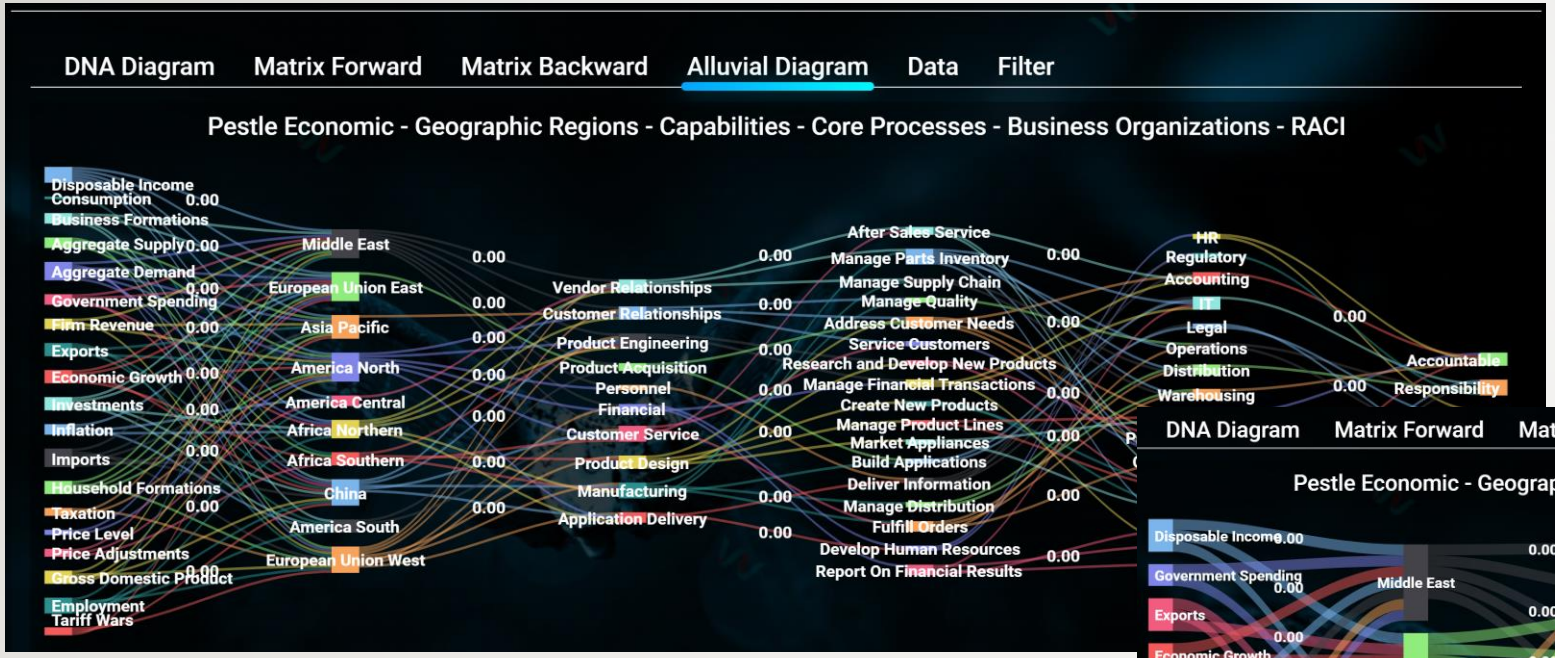
The RACI approach

- *R*esponsible
- *A*ccountable
- *C*onsult
- *I*nform

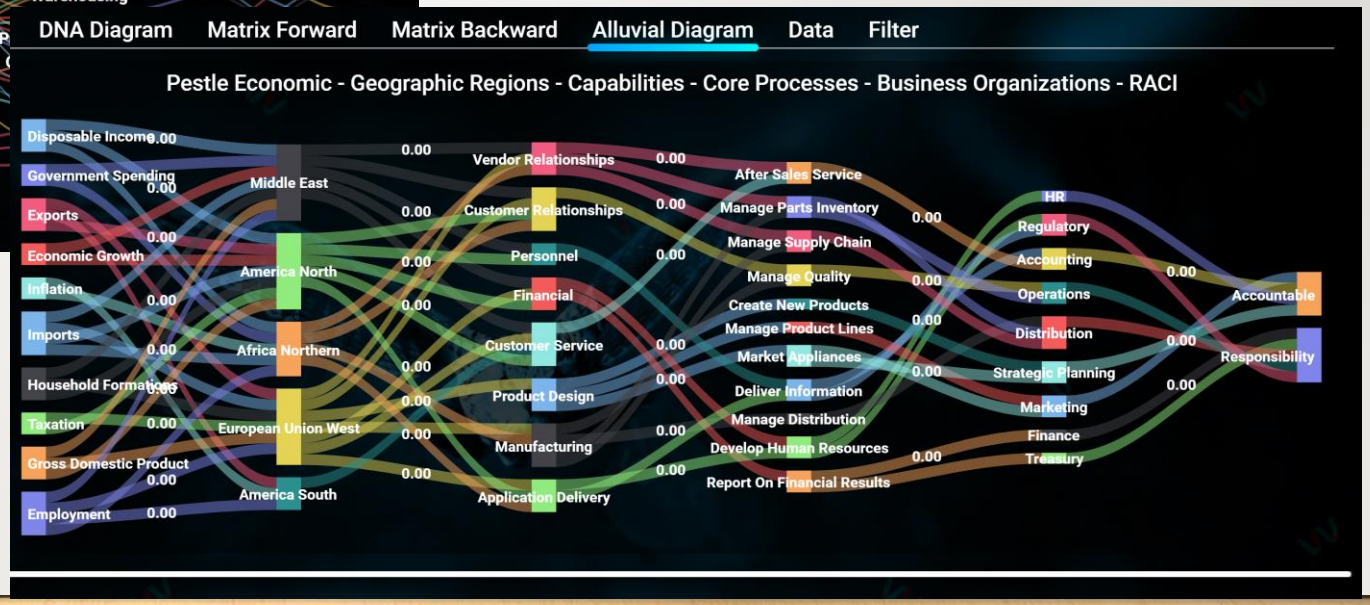
RACI is a common method of linking roles to tasks, however we can leverage the idea for our use today



A path to point example using Responsibility and Accountability



After extensive filtering we get



Initial path to point appears complicated

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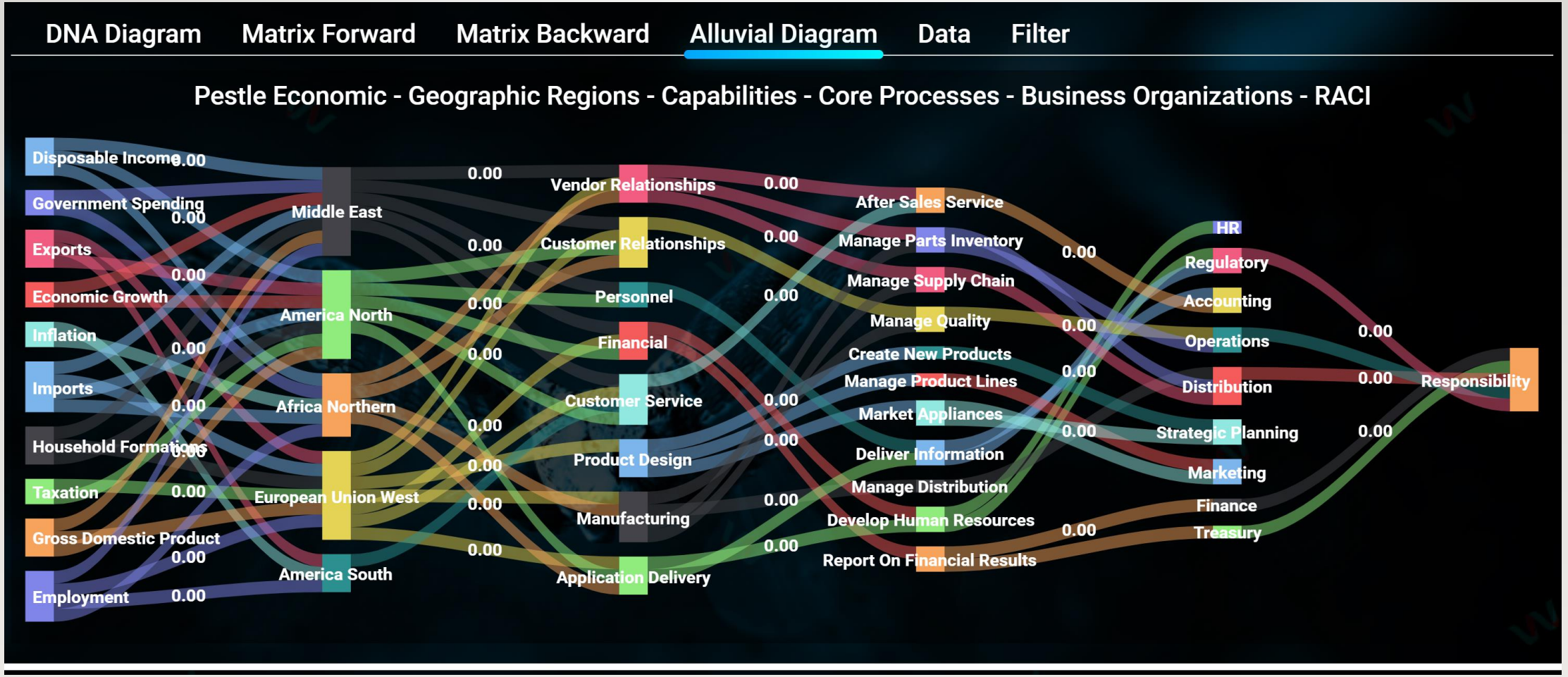
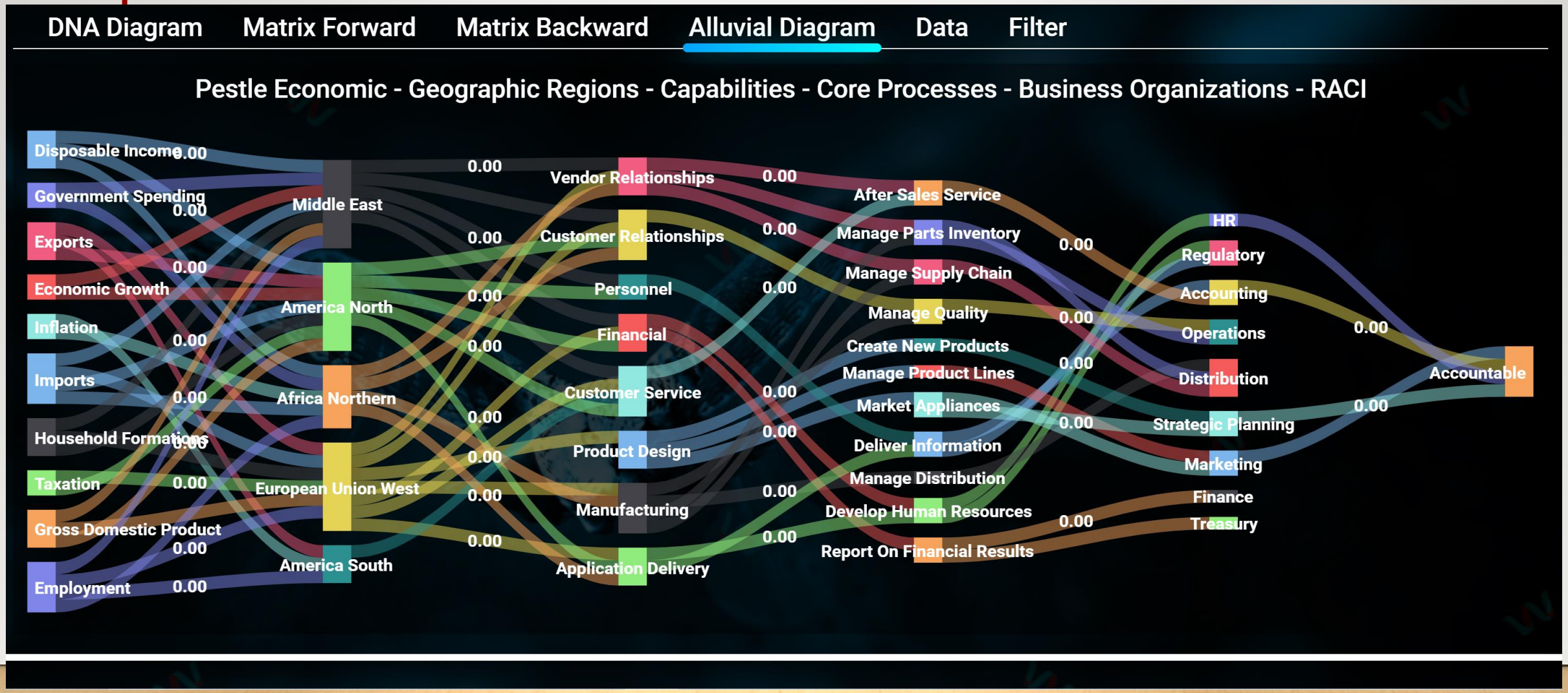
We can filter more to just focus on organization responsibility

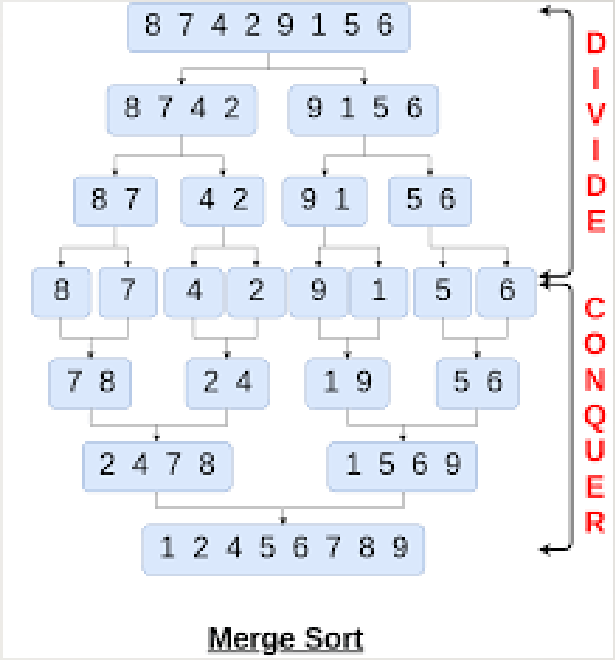


Filtering for Accountability we get…



Now that we have walked through how alignment is done, controlling the scope of the 3 easy steps is important!

- Approach –
  - *Divide and conquer – do pieces and link them*
  - *Avoid the 'big bang' mentality of doing everything*
  - *Focus on what is important*



Merge Sort

Key Takeaway

Managing alignment reduces performance uncertainty and leads to greater success

Questions and comments?

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