

# Why Navigating Change Requires a Compass

*“Alignment” is more than a buzzword: for organizations that are really serious about peak performance, it’s a strategic imperative.*

**by Rodger Dean Duncan, Ph.D.**



As the old adage says, "If you don't know where you're going, any path will get you there."

Amazingly, many organizations – even in this age of sophisticated technology and management tools – still try to navigate the waves of change without a guidance system. The results are nearly always disappointing at best, disastrous at worst.

## Strategic Alignment: A Simple Approach to Tough Questions

Smart business people are learning that rapid change can swallow them up. So they're looking for simple answers to the tough questions:

- What's *really* happening in our business
- How can we stay competitive with our current product or service?
- What adjustments do we need to make?
- What new opportunities should we pursue?
- How can we best position ourselves to make good things happen?

One way to get reliable answers to such questions is a process called *Strategic Alignment*.

Strategic Alignment is relatively simple, and it has the advantage of forcing you to take a wide-angle, holistic look at every important part of your business.

The result is a kind of decision making compass that helps you stay on course as you navigate toward the "true north" you've chosen for your business.



## Fighting Fragmentation

In a nutshell, Strategic Alignment is a critical ingredient of all good strategic planning. It is not an event. It is a process. It is not some warm and fuzzy add-on. It is a business-like approach to the real issues of running a business.

A critical challenge facing many organizations is fragmentation: people, systems, structure, strategies, style, skills and other performance ingredients that (despite sincere effort) somehow lack harmony and cohesion. (Sound familiar?)

Fragmentation is an elusive enemy. Unfortunately, there's a temptation to apply a Band-Aid rather than identify and address root causes. This kind of "tampering" often produces a cure that can be worse than the original ailment.

Example: if you walked into an overheated control room of a nuclear power plant and began adjusting dozens of instruments randomly, the results could be catastrophic. So it is with organizations.

It's been said that *every organization is perfectly aligned to get the results it is getting*. A sobering thought. If your organization is perfectly aligned to get the results it is getting, and if you are not satisfied with those results, then Strategic Alignment is not a luxury. It is an imperative.

## Begin With a Paradigm Shift

*Strategic Alignment* is a process that begins with a paradigm shift. The organization is not a machine to be "fixed," it is a living organism with many interrelated elements. The successful leader, then, is less of a mechanic and more of a gardener.

The leader/gardener does not rely on chance, but deliberately and strategically creates an environment in which his business will prosper.

The leader/gardener tends to every one of the interrelated elements.

The leader/gardener cultivates carefully. Because of this "big picture" mentality, he has more control over results than the mechanic ever dreamed about.

Yes, we have a mixed metaphor here — navigating waves of change, mechanic vs. gardener. But you get the idea. To make your business perform best, you need to deal with all the interrelated parts in an integrated way.

The illustration here shows the various components of a typical organization. At the center are the shared principles, often articulated as **Mission, Vision** and **Values**.

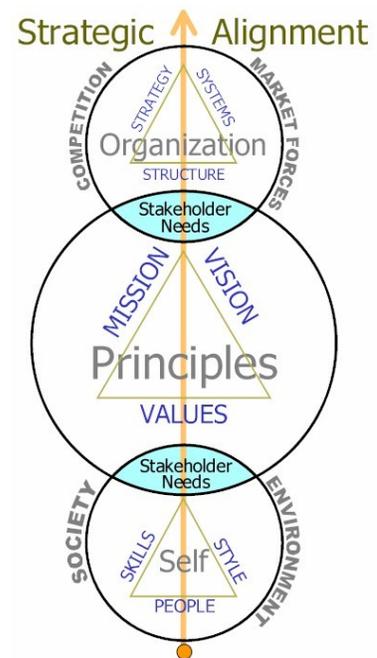
These are at the very core of the model, just as you would find an effective, self-directing person with core beliefs and goals at the center of his life.

This model shows the components that enable an organization to conduct its business – including the so-called "hard elements" of **Strategy, Structure** and **Systems**, along with the so-called "soft elements" of **Style, Skills, People** and **Self**. Competitive forces and social elements are illustrated by **Environment**. The basic idea is to keep all the elements aligned so the organization can be consistently navigated toward its "True North," thereby meeting **Stakeholder Needs**.

## Avoid the Detours

Like all good models, this one is uncomplicated and it focuses attention and energy on the things that really make a difference.

Though the idea is simple, using Strategic Alignment can be fraught with costly detours. To get on the right path and stay there, try the following steps:



## 1. Clarify Your Destination

This step is every bit as critical as clarifying the core principles or "doctrines" that guide an individual in his personal life. Tempting though it may be, this is *not* the place to take short cuts. It is in this step that you do a lot of honest soul-searching to clarify your organization's Mission, Vision and Values.

Look at annual reports or company brochures nowadays, and you know that Mission, Vision and Values statements are definitely in vogue. Trouble is, many companies seem to regard them as public relations platitudes rather than as the strategic and operational guidance tools they can and should be. Lack of clarity – and commitment – around core principles is one of the most common root causes of poor performance.

### A good Mission Statement does three things:

1. *Defines* by providing an enduring statement of purpose,
2. *Sets boundaries* by identifying the scope of operations in terms of product(s) and market(s), and
3. *Clarifies* the core priorities.

An effective mission statement is often no longer than a dozen words, it's clear and concise, it's specific, and it contributes to the "psychological ownership" and pride of the organization's people.

### A good Vision Statement, by definition, looks to the future:

1. It provides a *concise word picture* of what the organization hopes to "look like" at some future time
2. It articulates what the organization aspires to *be*, and
3. It describes an *ideal to be pursued*.

Good vision statements tend to be *evocative* rather than precise. In their simplicity and evocativeness, they can have a more profound influence on real behavior than binders full of strategic plans and detailed documentation.

They can be likened to an *organizational dream*. They stretch the imagination and motivate people to rethink what is possible.

### A good Values Statement provides a guidepost that:

1. *Directs* the thoughts and actions of people,
2. *Defines* the organization's character,
3. *Describes* what the organization stands for (and will *not* stand for), and
4. *Highlights* behaviors critical for success.

Remember – Mission, Vision and Values are serious business. It's a dangerous mistake to shortchange the importance of drafting these carefully and *involving* people throughout the organization (even if it's only a focus group or two). And be prepared to "walk the talk." Nothing erodes morale faster than seeing behaviors that are tolerated (or even rewarded) when they violate professed values.

## 2. Get Your Bearings

Take a detailed look at each "ingredient" in the Strategic Alignment model. This is much, much more than a cursory analysis. Do it right or don't do it at all.

### Use a Holistic Approach

Avoid the trap of conducting a traditional "employee attitude survey." Remember that "attitudes," as well as behaviors, are driven by underlying *assumptions*. A culture assessment survey can be a very effective tool for getting your bearings, and it needs to be specially tailored to your organization's unique mix of issues. And it should give you a reliable measure of the cultural *assumptions* at play in your work place.

Two critical things to remember about surveys: First, ask the *right* questions. Second, avoid asking the *wrong* questions.

If you ask the wrong questions you'll still get plenty of data. But the fancy charts, graphs and tables will lead you to chase the wrong issues. To be effective in your strategic alignment work, you must deal with root causes, not just superficial symptoms. That's where expertise in culture assessment is so critical. Poor surveying is not just ineffective. It can actually do serious harm.

A common side effect of a culture assessment survey is *denial* – as in "Sure, that kind of stuff goes on around here. But it doesn't apply to me and *my* group!" To avoid the detour of denial, don't stop with assessing the culture as a whole.

Also take a close look at the performance of key individuals by using a 360- degree or multi-rater instrument (again, tailored to your organization's unique mix of issues) ... and profile the effectiveness of key groups like service departments and project teams. With all the bases covered, you get richer data and you enable people to focus on necessary change rather than on denial. The idea is to address and solve problems, not assign blame.

## 3. Course Correct

Bear in mind that the whole idea behind Strategic Alignment is that it channels your energy to focus on *all* the critical components of your business and to consider their interrelated effects on each other.

**Strategic alignment is about *leadership*  
because it's a valuable tool for empowering  
people to make vision happen.  
And it's about *management*  
because it focuses laser beam energy  
on planning, organizing, controlling  
and problem solving.**

This distinction between leadership and management is neither arbitrary nor semantic. Both are necessary to the vitality of your organization. And Strategic Alignment provides a useful compass as you navigate the seas of a competitive business world.

## What Strategic Alignment “Looks” Like

People often ask us what strategic alignment “looks” like in actual practice. Perhaps the best illustration is a continuum of the behaviors commonly observed in organizations. The behaviors in the far left column are often found in organizations with little or no real strategic alignment. The behaviors in the far right column are good examples of what you would see when strategic alignment is present.

	<b>Little evidence of Strategic Alignment</b>			<b>Evidence of Strategic Alignment</b>
<b>Vision</b>	"Where there is no vision, the people perish." (Proverbs 29:18)	Top management has worked on a vision statement, but there is negligible involvement and/or buy-in by the rank and file.	The vision is generally accepted by middle management people who use it as a guide in developing specific action plans.	A clear vision provides purpose and direction that are understood, accepted and used by people at all levels. Vision is supported by accepted values.
<b>Purpose &amp; Direction</b>	Confusion about purpose. Disagreements about which customers or clients should have priority, which services or technologies are most important to provide, where the greatest threats are found.	There is some general agreement on purpose and direction. Plans, programs and systems are beginning to be developed, but they are fragmented.	A written plan is developed, undergirded by a universally accepted strategy. General integration of plans, programs and systems.	There is widespread agreement on the most important issues and improvement needed. The norm is to seek continuous alignment by surfacing differences for resolution. Direction is constantly clear.
<b>Strategy &amp; Vision</b>	There is talk of vision, but it is not done in the context of any strategic effort to develop and implement plans or systems that "make it happen."	Effort is made to develop plans and systems undergirded by strategic thinking, but they are fragmented and lack a unifying purpose.	Some strategy-inspired programs and systems are in place, but they are still not integrated to an extent that fosters peak performance.	The organization is very effective at translating "vision" into plans and systems that help people do real work. Managers identify and deal strategically with problems and effectively remove barriers.

	Little evidence of Strategic Alignment			Evidence of Strategic Alignment
<b>Common Strategic Language</b>	The organization resembles the Tower of Babel, a "confusion of tongues."	There is some attempt to describe organizational purpose and direction, but it's mostly an uneven use of jargon and buzzwords.	A few key performance issues are given focus, and a common nomenclature begins to emerge.	People at all levels use a common strategic language. Efforts to unify the work force through a common mission are characterized by simplicity and specificity, testing for understanding, and appropriate repetition.
<b>Authenticity</b>	People do not feel free to say what they think, especially in the presence of management. Hyperactive rumor mill, with people constantly trying to find out through the grapevine what is in store for them or the organization.	Authentic, open communication is evident only in "pockets." People carefully pick and choose "safe" opportunities to express their opinions. Turf protection is a key criterion. Some headway in breaking down barriers.	Communication is open between and among people within most work units, although lateral communication is still somewhat constrained between and among work units.	Open, authentic communication between and among people at all levels. It's characterized by active listening and sincere encouragement of input. People behave as though effective communication is a key part of their jobs. Quality of communication emphasized over quantity.
<b>Planning Involvement</b>	Planning communication is restricted by a semi-permeable membrane. Ideas flow downward only. Only a handful of people participate in the establishment of new policies. New policies and procedures are "announced from the mountain top."	Some senior managers consult with their reports and others. Some success with employee meetings, brown bag briefings, etc. Still some evidence of a one-size-fits-all communication mentality.	Most planning involves input from people at all levels in the organization.	All planning processes accommodate a bottom-up as well as a top-down flow of ideas. Information is appropriately available to all through a systematic release of information, tailored to the special needs of the recipients.

	<b>Little evidence of Strategic Alignment</b>			<b>Evidence of Strategic Alignment</b>
<b>Turf</b>	<p>The pervading assumption is that "other" work units cannot and should not be trusted. The norm is for people to invest more energy into turf protection than into cooperating with "other" internal groups for the benefit of all.</p>	<p>Some people are willing to risk trust, but at the first sign of (apparent) duplicity, they revert to their win-lose, insular behavior and turf protection.</p>	<p>Win-win behavior is evident in and between many work units. High profile "models" are evident.</p>	<p>The pervading assumption is that "other" work units not only can and should be trusted, but that in the absence of trust and cooperation the organization will fail. Turf protection behavior is virtually absent. When it does raise its ugly head, it is quickly dispelled by the more pervasive values of trust and collaboration.</p>
<b>Pride</b>	<p>Decline in pride. Some people working only for paycheck without real sense of commitment, belonging. "Institutional sadness" is evident.</p>	<p>Some people express pride in the organization, but this is diluted by a kind of "institutional sadness" and frustration.</p>	<p>Pockets of excitement and pride are evident, usually for one's own work unit, not for the organization as a whole.</p>	<p>Excitement permeates. Learning and growth are the norm. People are willing to accept lateral moves to increase their value and contribution to the organization. People value their work relationships.</p>
<b>Trust</b>	<p>Departments and work units typically fail to share information. Relationships are characterized by withdrawing, holding back hidden agendas, turf protection.</p>	<p>Some work units begin to explore the outer boundaries of teamwork and trust with other work units, but the "native tongue" is still distrust. Withholding of information and turf protection remain evident.</p>	<p>Relationships between departments and management units are characterized by good listening and consensus, with occasional collaboration.</p>	<p>Relationships between and among departments and management units are characterized by "joint venturing" and partnering.</p>

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<b>Linkage</b>	Day-to-day activity is only loosely tied to goals and objectives.	Top management has sketched out some general goals and objectives, but they are not widely known.	A number of strategy-based goals and objectives have been articulated. Some are measurable.	Goals and objectives are specific, clear and understandable. Results measured at every level. Strategies, tactics clearly linked to vision.

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