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



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?



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

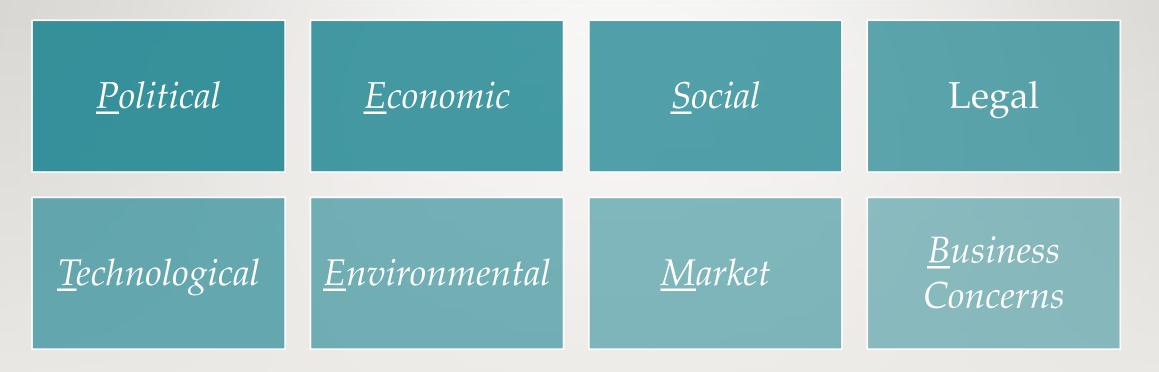
Identifying what you need to know

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



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
	T I	T	T	T	T T	T T	T
ommunications Systems	4.00	High impact	Moderately important	Moderate risk	Low priority	6.00	\$65.00
ectric 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	
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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
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PESTLE Technology	
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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
11	Metal Fabrication Methods	4.57
12	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

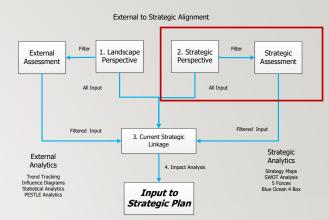
Strategic Alignment Overview Current Situation

Easy Second Step: Same approach as landscape for strategies

Business Strategies
T
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			
The second secon			
Acquire Customers			
Build products			
Maintain Products			
Manage Information			
Manage Supply Chain			
Select Suppliers			
Sell Products			
Service Customers			
Ship to Customers			
Supply Parts			

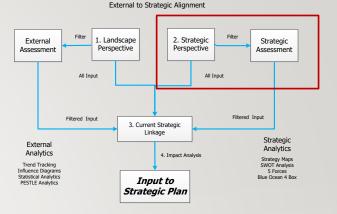
Gather Strategic Material



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

Strategic Alignment Overview Current Situation

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
T	T	T	T	T	.
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	Neither difficult or easy	Slightly effective	Low impact	Neither important or	Low risk
Sales				Unimportant	
Enter new retail market	Difficult	Extremely effective	Medium impact	Slightly important	Major risk
Improve Business	Neither difficult or easy	Slightly effective	High impact	Slightly important	Moderate risk
Performance					
Improve Product	Easy	Moderately effective	Critical impact	Extremely important	Severe risk
Technnologies					
Improve Supplier	Very Easy	Moderately effective	Medium impact	Moderately important	Moderate risk
Relationships					
Lean Manufacturing	Very difficult	Extremely effective	High impact	Slightly important	Major risk
Methods					

Next up: Do strategy rankings...

Ranking with
Risk,
Importance
and Impact

T	T	- T
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

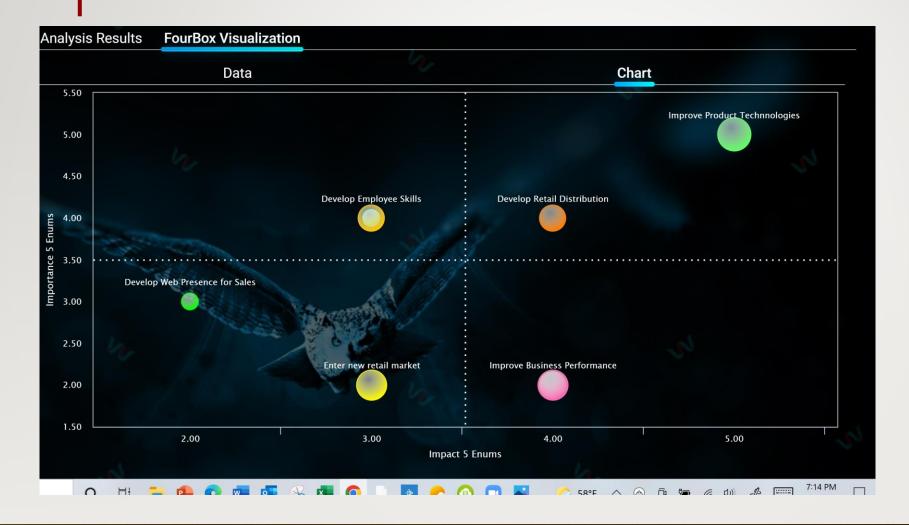
Three Attributes

Position	Item Name	Rank
T	T	T
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

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

Five Attributes

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

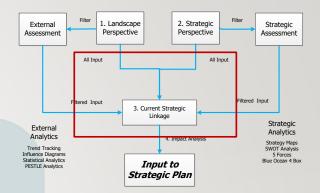


Strategy Assessment:

Importance, Impact and Risk (bubble)

Easy Third Step – Where do we go from here?

External to Strategic Alignment



Link the perspectives...

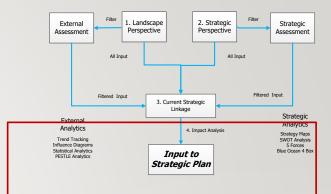
- Link landscape categories
- Link strategy categories
- Link the two perspectives
- Filter the linkages for insight

How do we do this?

Strategic Alignment Overview Current Situation

External to Strategic Alignment

Connecting the two perspectives ...



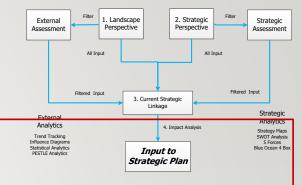
The purpose of which is to:

Identify strategic impact

Drive a strategic plan

Strategic Alignment Overview Current Situation

External to Strategic Alignment



How do we do this?

Identify Horizontal connections

i .

Landscape Relat]										
	Political	Economic S	Social	Technology	Legislative	Environmenta	al Markets	Business Issues	S			
Political	*	Strategy Relat	ionhip Plannin	g								
Economic			Strategies	Initiatives	Objectives	Decisions	Core Process	es Key Document	s Major Systems	lajor Databases		
Social	*	Strategies		*			*	*	*	*		
Technology		Initiatives			*							
Legislative	*	Objectives		Landso	ape to Strategy	Linkage Relatio	nhip Planning					
Environmental		Decisions				egies Initiat		ves Decisions	Core Processes	Key Document	s Major Systems	Major Databases
Markets		Core Processe	S	Politica	l l	*		•				*
Business Issues	*	Key Document	S	Econor	nic		*	*	• •			
	_	Major Systems	5	Social		*					*	*
		Major Databas	es	Techno	ology		* *		*	*	*	*
				Legisla	tive	*		*		*	*	*
				Enviror	nmental							
				Market	S		*		*	*		*
				Busine	ss Issues	*	* *		*		*	*

Identify Vertical connections

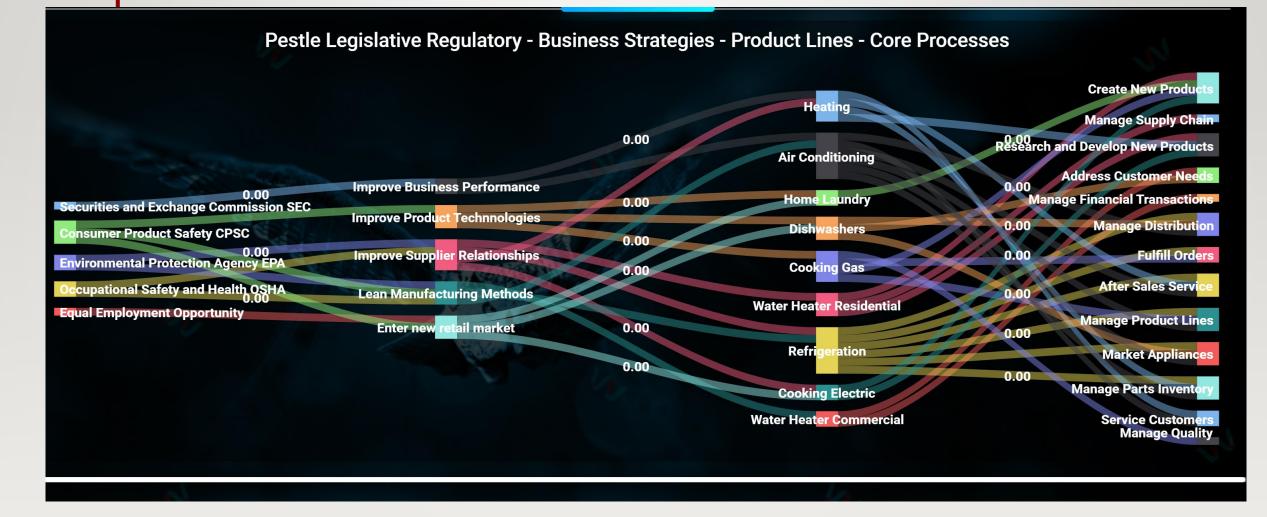
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Another way of looking at impacts – Path to point

Pestle Legislative Regulatory - Business Strategies - Product Lines - Core Processes

				Create New Products
Federal Reserve System FED				Manage Supply Chain
Federal Deposit Insurance Corporation FDIC		0.00	Heating	Research and Develop New Products
Securities and Exchange Commission SEC	Improve Business Performance		Air Conditioning	Deliver Information
Consumer Product Safety CPSG.00	Improve Product Technnologies	0.00	All ool antoning	0.00 Address Customer Needs
Consumer Product Safety CP 50.00		0.00	Home Laundry	Manage Financial Transactions
Federal Communication Commission FCC	Improve Supp <mark>lier</mark> Relationships	0.00	Home Laundry	0.00 Manage Distribution
Environmental Protection Agency EPA	Develop Employee Skills	\times	Dishwashers	0.00 Fulfill Orders
0.00	A CONTRACTOR OF THE OWNER OWNER OF THE OWNER OWN	0.00	Cooking Gas	After Sales Service
Food and Drug Administration FDA	Lean Manufa <mark>ctur</mark> ing Methods	0.00		0.00 Build Applications
Occupational Safety and HealthOGHA	Develop Retail Distribution	0.00	Water Heater Residential	
Equal Employment Opportunity _{0.00}				0.00 Manage Product Lines
National Labor Relations Board NLRB	Develop Web Presence for Sales	0.00	Refrigeration	0.00 Market Appliances
Federal Aviation Administration FAA				
Interstate Commerce Commission ICC	Enter new retail market	0.00	Cooking Electric	Manage Parts Inventory
Federal Trade Commission FTC			Water Heater Commercial	Develop Human Resources
				Service Custom <mark>ers</mark> Manage Quality

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

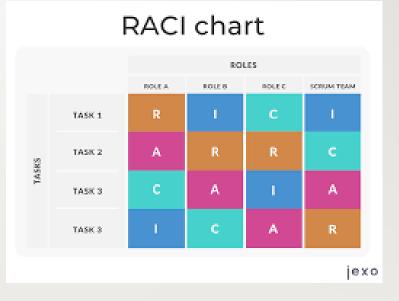
Knowing this, how can we formulate a strategic plan?

What has worked in the past is the RACI approach...

The RACI approach

- Responsible
- Accountable
- Consult
- Inform

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



We can filter more to just focus on organization responsibility

DNA Diagram	Matrix Forward	Matrix Backward	Alluvial Diagram	Data Filter		
Pe	estle Economic - Ge	ographic Regions -	Capabilities - Core	Processes - Busines	ss Organizations - RACI	-11
Disposable Income.00 Government Spending 0.00 Exports 0.00 Economic Growth Inflation 0.00 Imports 0.00 Household Formations Taxation 0.00	Middle East America North Africa Northern European Union West	0.00 Vendor Relation 0.00 Customer Relation 0.00 Personn Financia	onships 0.00 Afri ionships 0.00 Mana el 0.00 Mana el 0.00 Mana creation Creation sign 0.00 Mana sign 0.00 Mana sign 0.00 Mana sign 0.00 Mana sign 0.00 Mana o.00 Mana sign 0.00 Mana	er Sales Service age Parts Inventory 0.00 hage Supply Chain Manage Quality 0.00 ate New Products 0.00 arket Appliances 0.00 liver Information hage Distribution p Human Resources 0.00 On Financial Results	HR Regulatory Accounting Operations 0.0 Distribution 0.0 Strategic Planning 0.0 Marketing Finance Treasury	00 Responsibility
Employment 0.00		Appreador	entery			-51

Filtering for Accountability we get...

DNA Diagram

Matrix Forward Matrix Backward

d Alluvial Diagram Data

Filter

Pestle Economic - Geographic Regions - Capabilities - Core Processes - Business Organizations - RACI

Disposable Incom@.00 Government Spending 0.00	Middle East	0.00	Vendor Relationships	0.00	After Sales Service		HR	
Exports		0.00	Customer Relationships	0.00	Manage P <mark>arts</mark> Inventory	0.00	Regulatory	
0.00 Economic Growth	America North	0.00	Personnel	0.00	Manage Supply Chain Mana <mark>ge Q</mark> uality	0.00	Accounting	
Inflation 0.00		0.00	Financial		Create New Products	0.00	Operations	0.00
Imports 0.00	Africa Northern	0.00	Customer Service	0.00	Manage Product Lines Market Appliances	0.00	Distribution Strategic Planning	Accountable
Household Formations	European Union West	0.00	Product Design	0.00	Deliver Information Manage Distribution		Marketing	
Gross Domestic Product	European Union West	0.00	Manufacturing	0.00	Develop Human Resources	0.00	Finance Treasury	
Employment 0.00	America South	0.00	Application Delivery	0.00	Report On F <mark>inan</mark> cial Results			

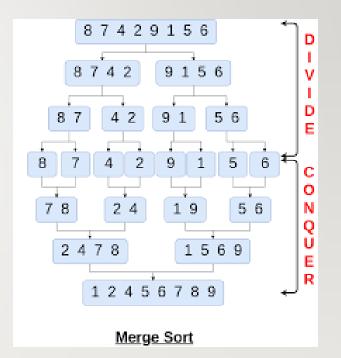
Now that we have walked through how alignment is done, controlling the scope of the 3 easy steps is important!

Approach –

• Divide and conquer – do pieces and link them

• Avoid the 'big bang' mentality of doing everything

• Focus on what is important



Key Takeaway



Managing alignment reduces performance uncertainty and leads to greater SUCCESS







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