

Synergy Approach to Strategic Analysis

Synergy describes the benefits a business experiences by strategically organizing itself to maximize cooperation and innovation. In simple terms, a synergistic organization achieves more as a group than its parts could in isolation. Increasing synergy requires a careful analysis of your organization's current strategies to identify better ways of doing business.

****Complementary Skills;** Analyze the different departments of your organization to identify the key skills of each section. Find a way to connect the departments so that the skills and insights of each complement and support the others. For example, say you have a sales department that excels at creating new accounts and a research team devoted to designing new product lines. A synergistic connection between these two departments might consist of a joint team that combines the disparate skills in a complementary way. You could task the group with identifying product innovations that can overcome specific sticking points, such as product usability, that salespeople currently encounter while negotiating with clients.

****Increase Communication:**

Identifying and eliminating communication blockages also can increase synergy by developing coordination. For example, ask department heads to meet regularly to discuss current activities. The proceedings might spur conversations that lead to innovative ideas for cooperation

****Efficient Performance:**

Eliminating structural redundancy also can increase synergy by identifying ways to streamline operations, allowing each department to focus on being maximally efficient within its own role. For instance, forcing several departments to deal with customers in addition to their production responsibilities is less efficient than creating a single, dedicated department for handling customer service. With the creation of the new customer service department, the other departments can hand off difficult client issues to the experts.

****Sharing Best Practices:**

Another way to increase synergy is to allow employees to share successful strategies, according to the book "Strategic Management: Awareness and Change," by John Thompson and Frank Martin. For example, if the manager of your sales department discovers that an incentive program motivates her staff well, that same approach might work well in other departments.

***"Alliances:**

You also can create synergistic alliances with other businesses that have resources or strategies that sync well with yours. A chocolate maker, for example, might supply its products at a steeply discounted rate to a local bakery, which in turn will promote the chocolate supplier to its patrons. Both businesses benefit from the synergistic connection in ways that neither could alone.