

Alignment - A key factor for Business Strategy success

In the current fast paced and ever-changing business environment, companies large or small are relying on their individual business units to have to their own success measures. Gone are the days, when an overall company strategy would drive all the business units. In the current world, each business unit determines their strategy for growth, places importance on the operating structure and implements in alignment to the core vision and values of the company.

The question as a business leader, we can ask ourselves is that, once I have determined the strategy, laid out the operating structure, is there a chance of failure? The answer is Yes, most businesses who have failed after providing a strategy and putting an operating procedure in place have failed because of lack of Alignment. In the next sections, we will cover the following

1. What is Alignment & How do I bring Alignment in my business unit?
2. How do I ensure that Alignment is not limited to leadership?
3. How do I measure the outcome of Alignment?

What is Alignment & bringing Alignment into your business unit

Alignment, simply put is ingraining your business strategy and operating structure into every employee of your business unit. It is easier said than achieved, because when a business leader talks about strategy, most employees performing the day-to-day grind, feel that these high-level talks don't apply to them, as they are efficiently doing their work. If all employees in your business unit are not talking and walking the strategy that you have envisioned, then more chances are that this strategy will fail. Hence, it is important you bring alignment of your strategy & operating structure into every employee of your business unit. This involves 3 simple steps

Simplify your strategy & reiterate: It is very important for your strategy is clearly understandable and have a measurable goal. These goals help your employees understand the status quo and also the ambition. Once you have defined your strategy & its goal, it is important, that you reiterate your strategy at regular intervals. Reiterating your business strategy gives a message to your employees that you are committed to the strategy and it not just a plan which is written and then forgotten.

Walk the Talk - Act in accordance to your strategy: The operating procedure will come into play here, where you as the leader will demonstrate to follow the operating procedure in your day-to-day activities. One of the most common strategy across many business units of various organizations in the past decade has been to cut costs, so let us take an example of a business unit, who has strategized to cut the stationary costs in the current fiscal year. After that, if the business leader continues to print a quarterly newsletter without making it a e-letter, sends a message to the employees that the business leader does not walk the talk. Hence it is very important that once you have devised your strategy, you as a business leader and all other leaders reporting to you start acting in accordance to the strategy. Note that employees look at their leaders as a role model to emulate and if the leader is not acting in

accordance to the strategy, then the employees too would follow suit. So, define an operating procedure to achieve your strategy and rigorously follow it.

Rewards & Bonuses: Most often in our business, we tend to reward performances in individual projects or innovation. But, what we often forget is the torch-bearers of our strategy and ones who act in accordance to the operating procedure laid out. It is very important, that we reward such employees, who demonstrate strong compliance to the operating procedure and bring a significant uptick to achieve your strategic goals. Again, these rewards should not be limited to the leaders, but must be percolated to the most low-level employee. Coming back to our earlier example of reducing the stationery expense, we need to identify those teams and employees within those teams, that earlier had high stationery expense, who then with innovative or alternative ways have reduced the expense by the highest margins. This approach of rewarding the torch-bearers of who comply by the operating procedure to achieve the strategic goal will bring a significant adoption.

Ensuring Alignment is not limited to leadership

Once a business leader along with the core team defines a strategy and operating procedure, they assume that their main task is to bring an alignment of the leadership to this new strategy. Here is where, most business leaders fail to understand, that alignment should not be limited to leadership, it should be ingrained into every employee and his daily behavior. Following are the simple steps to achieve it

Localize your strategy & operating procedure: Once you have determined overall strategy and operating procedure for your business unit, it is very important to localize it to individual teams. Work with the leaders of those individual teams, to localize your strategic goals & derive the team goals. Going by the example of cutting costs on stationery, the most appropriate step for business leader is to work with leaders of individual teams, identify what their stationery expenses are, what are the initial areas on which stationery costs can be cut & overall how much cost cutting is expected from the team. Ensure to leave space for the team leaders to work with their teams to come up with innovative ways of bringing down stationery cost. This approach of localizing your strategy will bring the required behavioral change in the team and also bring their active involvement.

Set Team Wise budgets for Rewards: Most often a team leaders' success is an outcome of some innovative or hardworking team member. It is very important, as a business leader, you set aside some budget to reward the team members of individual teams, when they achieve the defined goal in alignment to the localized strategy. The key here is to reward each of the teams, based on their individual goals, thus bringing inclusivity and also bringing a sense of uniformity in all teams to achieve their goal.

Measuring the outcome of Alignment

There are typically two ways to measure it, either by numbers or by behavior. The numbers approach of measuring the alignment is to look at the achievement of strategic goals by individual teams and compare it with the numbers designated during the localization. This number based measurement of alignment outcome, will result in giving the rewards. The behavior approach of measuring the alignment is a bit tricky one, here the business leader and all the team leaders need to look at

- If there is a change in behavior of each team member, in keeping their actions in accordance to the strategy
- If the team dynamics have improved and collectively if the team is driving to achieve the strategic goals
- If the team members are getting inspired, by the teams who are receiving rewards for achieving the strategic goals
- If the team members are walking the talk, which is in alignment with the strategic goals

The behavioral change is the most critical for the success of any business strategy. Once every team member in your business unit is behaving in accordance to achieving the strategic goal, you can be rest assured, that success would be the outcome.

Conclusion

Every business leader, who is planning to succeed in achieving the strategic goals, should bring alignment across every team member of the business unit. Alignment is the key to motivating team members and making sure that the entire business unit is working towards a common goal.

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