
aligning the organization with strategy, vision and values

by Senn Delaney



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The most successful business organizations intentionally focus and align the efforts and energy of all employees on defined end results.

There was a time when organizations could succeed even though they were unaligned and semi-dysfunctional. Those times are rapidly disappearing. The firms that succeed in their industries are those that can:

1. Connect people to a positive vision of the future;
2. Focus them on the strategic imperatives that define success; and
3. Define the needed behaviors to succeed via the values and culture of the organization.

The way these three elements work together can be seen symbolically in figure 1.

Vision and strategic imperatives are the desired outcomes people are focusing their efforts on. They act as a beacon or target that help prioritize everyone's activities.

Values and related guiding and leadership behaviors define how people will work together to make things happen. They define the leadership principles and "the way we do things around here," otherwise known as the "culture".

Take any of these elements out of the picture and results are diminished. Without a vision, people are not as inspired or motivated in what they do. This might be seen today as the difference between being a genetic engineer and unlocking the human genome. Unless the critical elements to ensure business success (the strategic imperatives) are defined, people will not know where or how to focus their time. Without a defined and living value set, energy will be burned up by turf issues, blaming and lack of trust.

While all these elements are important, our experience suggests that values and culture are most critical and yet most often neglected. Behaviors are not just enablers of the strategy, but often a prerequisite for any successful change initiative. The most obvious way to see this is in strategy formulation. Without some degree of openness, trust, teamwork and other healthy, high-performance values, people can't come together to formulate, much less agree upon, the strategic priorities.

Once the key strategic imperatives are defined, the changes in behavior and in the culture needed for successful implementation become more evident. In fact, when new strategies are devised, they often require cultural traits that don't currently exist. If, for example, the new direction requires speed and innovation, and these qualities are absent in the historical habits of the organization, the strategy will fail without a re-definition of values and cultural intervention.

Many new strategies require a level of cross-organizational collaboration that doesn't exist in the organization. Examples include:

- A need to present one face and seamless service to customers when the organization is made up of separate product lines or services;

- A need for functional centers of excellence to serve and be accepted by business units;
- A need to streamline processes such as supply chain management, or use of SAP-type systems across the organization.

If the existing culture and resultant behaviors are territorial and turf-based, the strategies will fall short of their potential. It follows that some process is needed to align the culture with the strategies. The typical lack of alignment and the predictable way that the culture "lags" strategy is shown in Figure 2.

Defining Vision, Strategic Imperatives and Values

Utilizing the Vision, Strategy, Values Model requires some understanding of the meaning and role of each component.

Vision

Ideally, vision is to an organization what purpose is to an individual. It is an aspirational state — something people are striving toward. Ideally, it strikes an emotional, versus an intellectual, cord.

When doing the research for one of our books, *21st Century Leadership*, we talked to dozens of CEOs about what their stated



figure 1



figure 2

vision was and how well it worked for them. We found a limited number of universal themes, which tend to inspire people. Two broad categories were revealed:

1. Being the best, a top performer, winning, being admired;
2. Making a difference, contributing, serving customer or clients, etc.

Visions that touch on these themes are best embraced by people because everyone wants to feel they are contributing, doing something worthwhile or something that is recognized and creates a feeling of pride.

Vision is not meant to provide clear direction alone. It needs to be coupled with defined strategies to do that.

Strategy

Because of the unprecedented rate of change we are experiencing, some of the older notions of strategy have changed. For example, the notion of a fixed, long-term strategic plan no longer fits for most. In many industries, things are just moving too fast to have long-range plans. There is more opportunism in planning than ever before. We have one client that has stated that their prime strategy is to have an agile, fast-moving, high-performance culture because that will allow them to take advantage of any changes they face and any opportunities that come along.

For the purpose of this discussion, we will simply use the word strategy as defined as “the limited number of high-value things that are critical to the success and the future of the enterprise.” Some strategies that fall into the more traditional notion of “grand” organizational strategy are:

- Growth through acquisition — this can be to dominate an industry or gain scale;
- A new e-commerce strategy for a retailer or financial services firm;
- Diversification to deal with a maturing market or declining industry;
- Being first to market with the most technologically advanced products.

While these strategies may be critical to the future, they may not be the things that ensure success of the existing core business. In addition, oftentimes they are not the activities the majority of the employees are engaged in.

An example can be seen in a retail client of ours. A critical new strategy for the future is e-commerce; however, this is being set up in a separate group and only a handful of employees are working on it. Tens of thousands of other employees are running the current brick and mortar core business. The Internet strategy does not give them direction to run their current core business.

For Vision, Values and Strategy to align the total organization, more basic strategic imperatives need to be identified. In

the case of the retailer, increases in same-store sales would be one such imperative for success of the core business. A utility generating and distributing electricity and facing open access might focus on reliable power that is cost-competitive. Focusing all employees on a limited number of such issues is important for organizational alignment. One client calls them “The Big 5,” another “The Bold Goals” and others “The Strategic Imperatives.”

Expanding on the list for the retailer, the strategic imperatives that the entire organization could relate to and work on might include:

- Same store sales increases of X%;
- Gross margin of Y%;
- In-stock position in all stores (i.e., don’t run out of basic merchandise);
- Success of their Customer First services strategy.

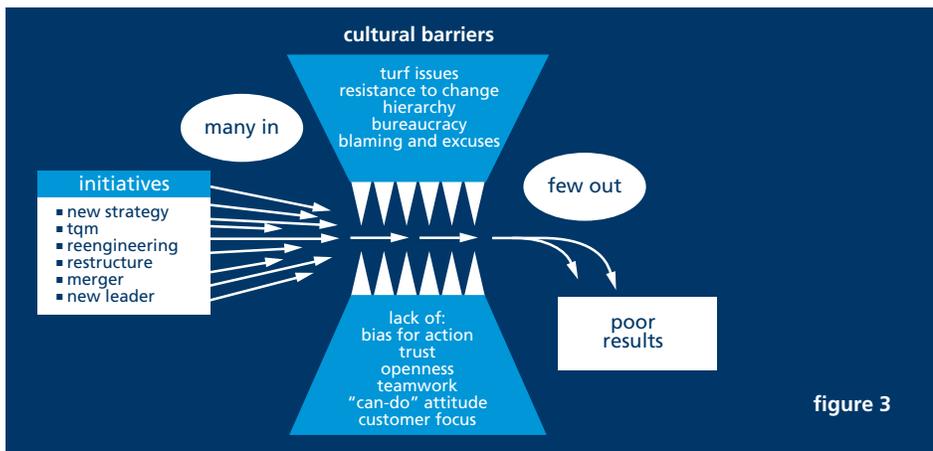
We believe each organization needs to create its own list of strategic imperatives as a part of the Vision, Values, Strategy alignment model.

Values, Behaviors and Culture

Once the Strategy and Strategic Imperatives have been identified, the question is, “Will the culture support them?” All too often, the answer is “no!” In our latest book, *Winning Team—Winning Cultures*, chapter one demonstrates that most strategies fall short of potential because of the “Jaws of Culture”—the cultural barriers that hinder results. This can be seen graphically in Figure 3.

In order to avoid these performance barriers, organizations need to determine the leadership and organizational behaviors required for success. A culture-shaping process is called for to create a “Launching Pad” for strategies (versus Jaws of Culture that exist). (See Figure 4.)

Most organizations have done some work along the way on values, credo or organizational principles. Unfortunately, they



usually “hang on the walls and don’t live in the halls.”

While a good set of values is a prerequisite to forming a healthy culture (you can’t create what you can’t define), value statements are only part of what it takes to ensure that right behaviors live in the organization. There are several classic and predictable reasons existing values are not enough. One of the problems can be the values themselves. All too often, the list is incomplete and not totally appropriate. Strategic or market needs may have changed and the values haven’t. There may be a greater need for speed and innovation and it is not emphasized. The organization may have a history of entitlement and personal accountability is missing.

An even more common shortfall is the failure to more explicitly define the behaviors which explain a given value. We recommend a process in which a set of “guiding behaviors” is used to fully communicate expectations for each value. Teamwork is a common value, and yet different people can interpret it in different ways. If one of the desired meanings is “to make decisions in the best interest of the overall organization, versus self-interest,” that should be stated as a specific guiding behavior. When a complete and appropriate set of values and guiding behaviors is created, the definitional aspect of culture shaping is largely covered.

There is a journey between defining something and making it a reality. The most common failures in this realm include:

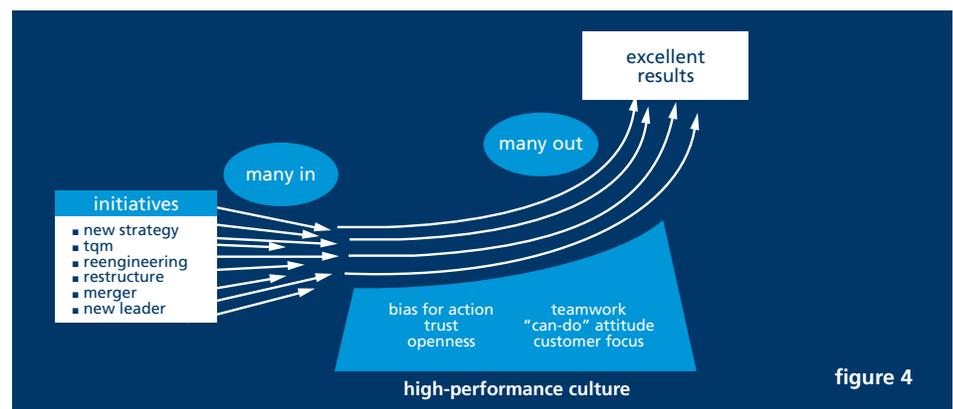
- The top team does not own the values (viscerally). Some committee created them and the leaders said “sounds fine”;
- The values are not seen as lived and modeled by the top team. This may be a blanket observation, or it may be that one or two very powerful people are not seen to “buy in” — in either case it weakens implementation;
- An informational process rather than a transformational process was used to take the values and behaviors to the organization. While communications are important, people need to experience the values and have deeper insights about their behaviors in order to change them;
- The guiding behaviors have not been clearly built into all of the HR rein-

forcement systems to “put teeth” into them; i.e., selection, orientation, performance management, 360 degree feedback, compensation, etc.

If all of these bases are covered and the values are tied to the strategies in the minds of most all employees, truly exceptional performance is possible.

It is more important than ever before in history to align and focus all of the people and groups within an organization. The tools to do that exist, but often aren’t used in-concert. One analogy is riding a bike in a race: The front wheel assembly is critical because it steers the bike toward the desired destination — the finish line. This is like the vision and strategy of a firm: They provide direction and purpose, and define where you are going. The back wheel and drive mechanisms are equally important. Without them, and someone peddling them, you have no power or speed to get to the finish line — even if you know where it is. The culture and behaviors of people provide the power to get to the destination. Without accountability, trust, and bias for action and other high-performance behaviors, the race is lost.

Organizations are likely to have meetings and/or some kind of process to define their strategic imperatives. If not, they should. Fewer organizations have formalized processes to shape the culture and ensure that the behavioral norms in the organization are productive ones. Only by doing both can success be best ensured in these complex times. ■



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