



Aligning the Stars

A powerful process for strategic alignment

PROCESS OVERVIEW

WHITE PAPER SERIES

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“I thought we had that part covered?...”

The team leader clears her throat and says, “So (pregnant pause) what happened here? I thought we had everything covered. How can we be so far off the mark?”

We’ve all been there...
a quiet conference room. No eye contact.
Shoe studying. Nail gazing.
Phone fiddling.

The gaps between strategy and execution are very real and at the heart of why so many growth plans fail. Communication, alignment, staff attrition, “agendas,” and a hundred other factors contribute to breaches between strategic leadership and the ultimate actions of the tacticians who execute the plans.

A common challenge among organizations is how to identify these myriad gaps, define directives that fill them, and align leaders on making them happen...all while remaining aligned with the core purpose of the organization (aka brand vision). Addressing this challenge requires a business process that spans a 360-degree view of the organization and its environment on every front, including external forces such as suppliers, distributors and customers. This process can be the catalyst that brings the business model to life.



An ideal solution might be found in a well-defined, repeatable process that strives to make the lives of all the organization’s stakeholders better at once. By aligning common goals of all the organization’s stakeholders and corporate goals, core skills, talent, and assets, the process would guide operations to satisfy the ‘ultimate equation:’ **Customer Expectations = Customer Experience.** That means aligning employees, leaders, partners/distribution channels, operations, and others with customer goals in a holistic business process. Oh yeah, and it has to be simple.

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You might as well try to align the stars! But in a way, that's exactly what you need to do. Align your people, processes, and business objectives around a customer-centric vision that shines like the sun. Some call it a strategic alignment.

The Absolute Necessity of Strategic Alignment

If vision, leadership, processes, and business objectives aren't strategically aligned, tragic consequences can result, such as in the case of **Kodak**. As the inventor of digital photography in 1975, Kodak was in the perfect position to own the digital photography market. When Steve Sasson, the Kodak employee who invented the technology, told his leadership about the breakthrough, the response to this filmless photography amounted to something like, "...that's cute, but don't tell anyone."

How could they have been so blind? Hindsight aside, the answer lies in the lack of leadership's alignment with the Kodak brand vision: Instead of basing strategic decisions and innovation on their customers' goals of capturing memories, Kodak leadership focused on the nuts and bolts of film and chemicals. That's what they knew best, and upon which they had built an iconic business. And that led to a fatal error resulting from building a business around familiar technology (the easy road) instead of what that technology does for stakeholders (continuous open innovation). The logic here is simple: The organization spends money. Customers pay the bills. Customers sometimes know what they want, but don't always know what they need to get it. It's the organization's job to bridge that gap by anticipating needs.

It's hard to believe but Kodak's ad agencies seemed to have understood the brand far better than its own leaders ("Kodak moments"). If Kodak's leadership had only aligned their brand vision and corporate strategy with the broader perspective of what customers wanted — instead of technology familiar and convenient for the company — Kodak would have recognized "filmless" digital photography instantly as a winning innovation. Today Kodak is worth only \$140 million and teeters on bankruptcy.¹ In retrospect, customer-driven alignment may well have saved Kodak from its dismal fate and instead made it shine as a leading force in today's digital imaging marketplace. That's how important strategic alignment can be.

Utilizing a process such as the Strategic Summit as a decision support tool may have helped Kodak avoid this grave error. You can't build the future by focusing on the past.

On the flip side, **Tesla Motors** is enjoying a stellar ascent propelled by the world's first commercially viable all-electric car. As recently as 2008, the company was nearly bankrupt and scrambling for working capital to pay the electric bill. Today the \$80,000 Tesla S model is out-selling more cars than luxury competitors Mercedes S Class, BMW 7 Series and Audi A8.ⁱⁱ

How? Tesla Chairman Elon Musk's personal vision of solving "important problems that would most affect the future of humanity," has grounded the Tesla organization in a culture riveted to what customers need, even if customers don't yet know they want it. When recently complimented on being labeled a disruptive force, Musk replied, "We don't care about being disruptive. We just want to make a car that's sustainable for the good of everyone."

Tesla Motors stock more than tripled in value between April and August 2013. Time will tell the full story, but it looks as if Musk's vision is so powerful that it's changing the world around us all. The customer is at the heart of Musk's vision, and that's a good point upon which to pivot all business strategies

THE STRATEGIC ALIGNMENT PROCESS



The Strategic Summit

The Strategic Summit helps align the big picture. It is a people- and process-driven framework that ports output right into strategic planning. At its core is a gathering of the organization's leaders immersed in a highly focused and defined process that promotes strategic alignment among people, processes, and business objectives. Without strategic alignment, each functional area of the organization tends to devote imbalanced focus on its independent goals that may have little or nothing to do with the objectives of the organization, or its vision. This weakens the business and its brand, usually resulting in inefficiencies and poor financial performance.

STRATEGIC ALIGNMENT



The Strategic Summit connects and aligns key business goals, brand, and operational components with market execution.

The Strategic Summit should be focused on the corporate brand perspective, unless the purpose is launching a product brand. Products can be used as examples of supporting the corporate brand, but try not to let the direction shift to a product-oriented discussion if the intent is to align the corporate or division brand. Park any new product or innovation ideas that might surface during the session in a “parking lot” (a list off to the side for separate focus at another time), so the Summit doesn’t veer off track.

Strategic Alignment: The catalyst for sustainable growth

In order to engage the full power of the Strategic Summit, we need to understand its place in the organization. The Strategic Summit connects and aligns key business goals, brand, and operational components with market execution. It also offers a way to map complete and meaningful input into your S.W.O.T Analysis.

Because the Summit is so comprehensive in its holistic approach, it can help you identify and deliver outputs and epiphanies on many levels, such as:

- More meaningful and actionable business objectives
- Structured input for S.W.O.T Analysis
- Refreshed strategic focus and initiatives
- Business, brand, competitive, and marketing positioning
- Brand alignment
- Promotional and market execution
- New product, service, or value-added innovation
- Brand portfolio strategies
- Distribution strategies
- Partnerships
- Organizational development and training
- Acquisition and divestiture
- Execution for:
 - Brand operationalization
 - Messaging
 - Operations expansion/consolidation/efficiencies/quality
 - Internal and external communications
 - Marketing promotions

Your list may extend even further into areas as unique as your business.

Strategic Summit promotes Strategic Alignment

The Strategic Summit helps define strategy and aligns people, process, and business objectives. It takes a highly defined, holistic approach to breaking the business down into its strategic elements, first taking an inventory of assets and information. Then it helps your team turn this information into knowledge, and finally action – all in one continuum. This process bridges the gaps between the most fundamental business strategies and execution in key functional areas. The end result is a focused organization and brand – inside and out – that can sustain headwinds and ride higher on the winds of opportunity.

Brand’s Role in Strategic Alignment

The role of brand is to amplify the power of the vision and business strategy, and provide the foundation for a focused face to the customer. Viewed from another perspective, business strategies provide a means to keep the business healthy in ways that align with the vision and corporate objectives. These business strategies are management’s game plan for strengthening business performance to capitalize on business opportunities. This mutually supportive paradigm is the key to a successful and sustainable corporate brand.

FIVE STRATEGIC SUMMIT DIMENSIONS

ASSET INVENTORY	MARKET DRIVERS	CUSTOMERS	OUR BRAND	COMPETITORS
People & Partnerships	Regulatory	Who are they?	Who are we?	Who are they?
Process	Technological	Wants/Pain Points	Wants/Pain Points	What they say
IP/Technology	Economic	Needs	Needs	What is true
Plant/Equipment	Social/ Environmental	Our Solutions/ Innovation	Solutions/ Innovation	Our Opportunity
Brand/Marketing	Competitive			
Financial Strength	Geopolitical			
Accreditations				
Competitive Advantage				
Capacity				
Other				

Dimensions of the Strategic Summit: Above are the five dimensions of the Strategic Summit. The Summit team should be comprised of leaders from key functional areas of your business.

S	W	O	T	STRATEGIC SUMMIT
ASSET INVENTORY				
X	X	X		People & Partnerships
X	X	X		Process
X	X	X		IP/Technology
X	X	X		Plant/Equipment
X	X	X		Brand/Marketing
X	X	X		Financial strength
X	X	X		Accreditations
X	X	X		Competitive advantage
X	X	X		Capacity
X	X	X		Other
MARKET DRIVERS				
		X	X	Regulatory
		X	X	Technological
		X	X	Economic
		X	X	Social/Environmental
		X	X	Competitive
		X	X	Geopolitical
CUSTOMERS				
		X	X	Who are they?
		X		Wants/Pain Points
		X		Needs
		X		Our Solutions/Innovation
OUR BRAND				
X	X			Who are we?
	X	X		Wants/Pain Points
	X	X		Needs
X	X			Solutions/Innovation
COMPETITORS				
		X	X	Who are they?
		X	X	What they say
		X	X	What is true
		X		Our Opportunity

Bridging the Strategic Summit with S.W.O.T.

The diagram on the left shows how Strategic Summit information can be mapped directly into a S.W.O.T. Analysis. The information categories from the Strategic Summit (now vertically listed in the right column) plug directly into S.W.O.T. categories.

The four left columns correspond to each of the S.W.O.T. categories: Strengths, Weaknesses, Opportunities, and Threats. The X's show where information from each of the Strategic Summit dimensions can be potentially mapped into a S.W.O.T. Analysis category.

Though this grid provides general guidance for mapping elements, you still have to make some decisions. Positive attributes are normally mapped to Strengths or Opportunities, while negative attributes are mapped to Weaknesses or Threats. The X's provide options depending on the nature of these attributes.

By definition of the classic S.W.O.T. Analysis, internal control is attributed to Strengths and Weaknesses, and external control to Opportunities and Threats. However, you will notice that some internal assets can create opportunities (line items with three X's in the row). The result is that sometimes the same Strategic Summit line item can make sense in two different S.W.O.T. categories. Just be clear on why.

Each of the line items in the right column will often expand to more sub-items under it, which provide more detail. Transfer the data from all these line items into a traditional S.W.O.T. Analysis grid or S.W.O.T. Bridge format (see next page). This will populate your S.W.O.T. Analysis with a comprehensive, balanced set of information that is strategically relevant and poised for execution.

CLASSIC S.W.O.T. ANALYSIS		S.W.O.T. BRIDGE	
STRENGTHS • One • Two • Three	WEAKNESSES • One • Two • Three	STRENGTHS • One • Two • Three	WEAKNESSES • One • Two • Three
OPPORTUNITIES • One • Two • Three	THREATS • One • Two • Three	OPPORTUNITIES • One • Two • Three	STRATEGIES
		THREATS • One • Two • Three	STRATEGIES

From S.W.O.T. to Execution

The S.W.O.T. Bridge format makes it easier to devise strategies that align execution with all upstream information. For example, at the intersection of Strengths and Opportunities in the S.W.O.T. Bridge, you can devise strategies that leverage your organizations' strengths to capitalize on market opportunities. In the same way, you can devise strategies to preempt potential harm by focusing on the intersection of your listed Threats and Weaknesses. Use this same process for all four intersections to provide a strong bridge between strategy and execution.

Once complete, these strategies can drop right into your planning documents and drive execution with precise alignment, instead of watered down interpretations, as so often occurs when the process isn't as rigorous.

The Power of Strategic Alignment in Your Organization

If you've made it this far, you're serious about aligning your organization around a focused strategic direction. There are a lot of moving parts in every organization and the Strategic Summit is a way to boil it all down to a single, seamless process. It allows you to be sure you've covered every dimension and considered every internal and external factor in your strategic decision-making process. And because you've teamed with a cross-functional group of leaders, you'll have balanced footing and buy-in from every corner of the organization. But most of all, the customer-driven nature of the Strategic Summit assures that the outcome is brand-driven. This means customer perspective and experiences are driving every decision, operation, objective, belief and behavior in your organization. And that means healthy customer loyalty and a healthy brand you can grow.

How You can Implement these “Next Practices”

The Strategic Summit Process may require the objectivity and perspective of an external partner to provide the most benefit. GroPartners Consulting has conducted the Strategic Summit with dozens of organizations, resulting in refined execution of the process and highly valued outcomes.

For more detailed information on how the Strategic Summit and S.W.O.T. Bridge can help bridge strategy and execution for better business results in your organization, contact GroPartners Consulting. 847-845-6970 or contact@gropartnersconsulting.com

Best of Luck,
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¹ How Kodak Failed,” <http://www.forbes.com/sites/chunkamui/2012/01/18/how-kodak-failed/3/>
² <http://money.cnn.com/2013/05/13/autos/tesla-sales-bmw-mercedes-audi/index.html>