PRODUCT LEADERSHIP

Product differentiation

Operational competence

Customer responsive

OPERATIONAL EXCELLENCE

CUSTOMER INTIMACY

Source: Treacy & Wiersema, "The Discipline of Market Leaders"

PRODUCT LEADERSHIP
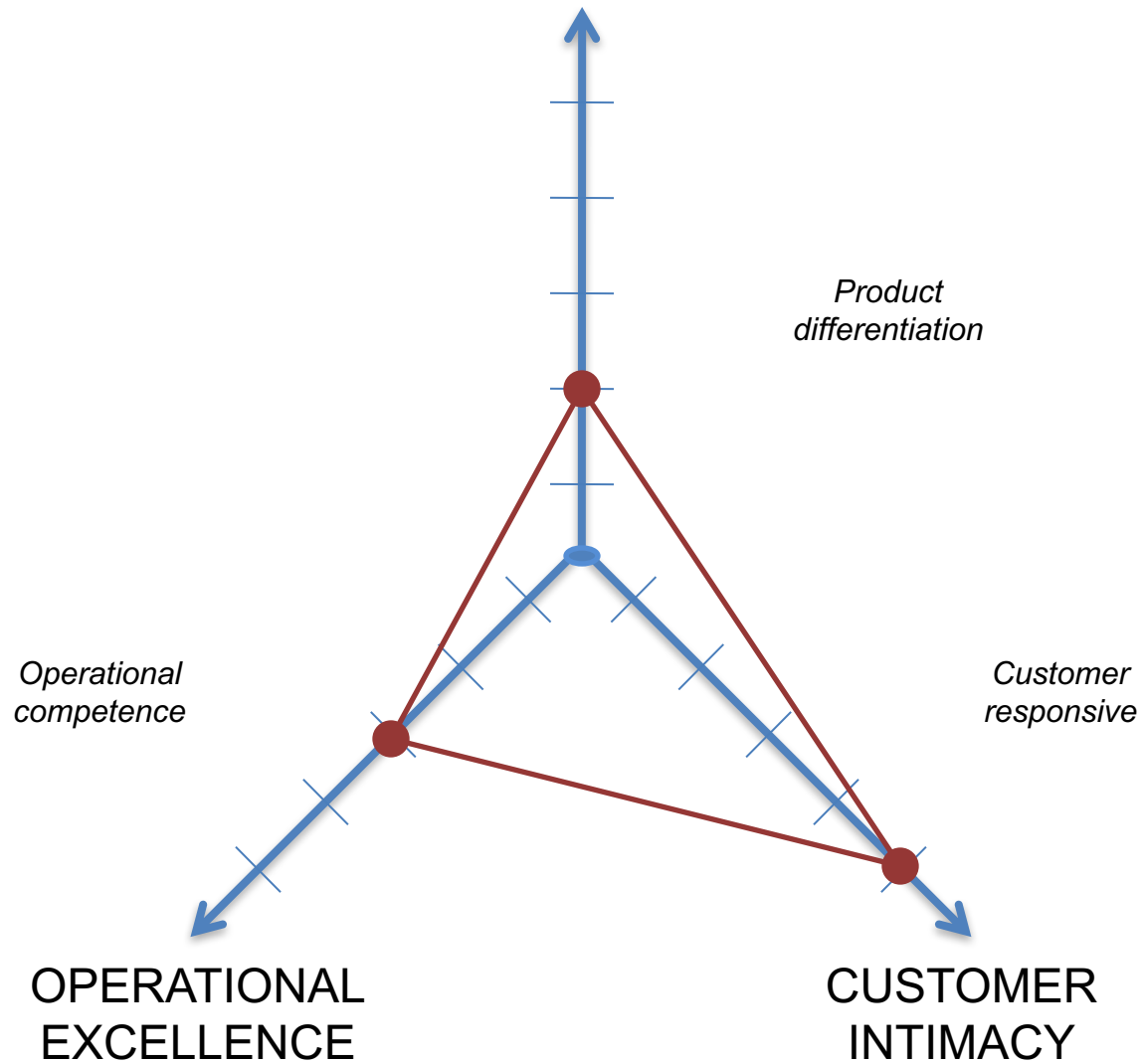
Product differentiation

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Organization Planning and Alignment Fundamentals

This booklet was put together at the request of managers who have become familiar with the Organization Planning and Alignment Fundamentals' concepts. Our intent is to help familiarize you with some of the basic concepts before you can embark on an alignment process with your group.

A meaningful and useful understanding of these ideas is most likely to occur through discussion and persistent effort with your colleagues as you seek to sharpen your group's focus to positively affect your effectiveness and productivity. We hope this booklet will aid you in getting ready for that process.

This booklet contains only part "A." Part "B," a more extensive workbook, is nearly finished. As we work to finish "B," we would be very interested to hear if part "A" (what we have so far) was helpful and what might make it more so.

Please contact us at sean@catalystonline.com or 800-775-7237 vm.205

# Fundamentals of Organizational Alignment

Why is it Important?

Successful organizations are clear and decisive about the planning and action-taking dimensions of their business. It is becoming increasingly apparent that companies who have the most focused notion of where they want to go and how to get there are the ones who hold the edge in the marketplace. The importance of aligning plans and actions within organizations cannot be overemphasized.

There is usually not a shortage of hardworking, committed, and motivated individuals in organizations. A greater challenge is faced in how successful we are as organizations in focusing this talented energy in a clear and aligned direction. We need to be certain about where we want to go if we expect to use our resources most successfully.

The Planning and Alignment Process guides us in creating a coherent story about our organization's Purpose and Values (which are unchanging) and about our Vision of where we are headed (which changes over time). This story, when understood by all members of our organization, causes us to work in greater alignment with one another. When practically laid out, the Visions aspect of the story will function like a magnet pulling all of the structures of the organization in a concerted effort toward a desired goal. The Vision of where we want to be in a determined period of time provides work targets that are clear, agreed upon, and challenging.
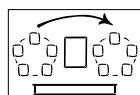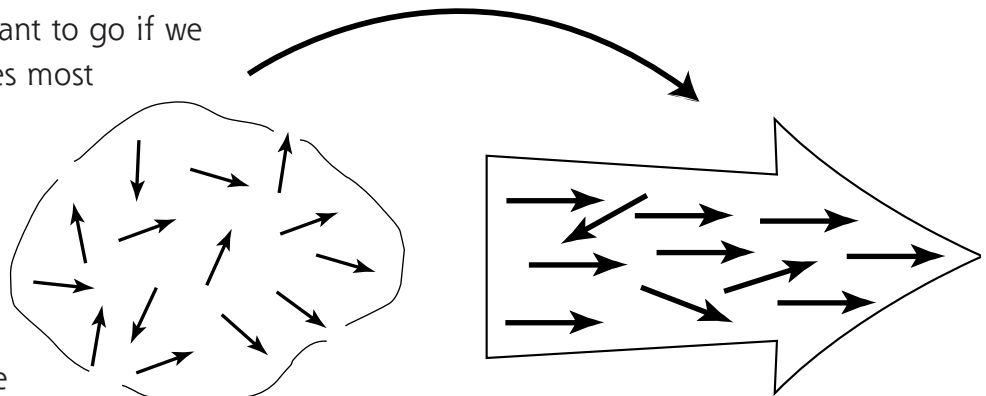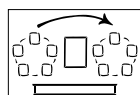
It is our intention in this workbook to provide a clear and useful tool that will help users in the Planning and Alignment process. The approach used in this workbook combines some of the best thinking in Strategic Planning of the past 30 years. Many talented authors and practitioners have contributed to this field. We have focused our efforts on practical and useable concepts that are described in simple and understandable language. It is our strong bias that effective tools must not only address every organization's strong need to plan, but also to address the best actions (i.e., strategies and tactics) that are needed to realize the Visionary Goals of our future.

Effective Planning and Alignment work can have a very positive and energizing effect on an organization. It helps us to truly leverage the resources that we have in the most productive ways possible. It helps make individuals and teams feel more potent in their contributions to the organization's strategic direction.

This workbook invites you and your team to fully engage in our organized approach to Planning and Alignment. We will systematically take you through the five fundamental areas of strategically aligning your team.

It does not necessarily take a great deal of time to conceptually understand the planning template. However, to effectively implement this process with your team and to employ its most basic tenants in your approach to work does take a commitment. This commitment from your work group, however, will pay great dividends as we keep agreements with one another.

Key Benefits of the Planning and Alignment Process

- Bringing out the best in individuals' efforts to meet extraordinary challenges.

- Creating a common language and approach to organize and systematically accomplish common goals.

- Building a team approach to work that maximizes the utilization of community energy and resources.

- Creating an environment of interdependence where all members of the community share the responsibility for initiating and implementing the commonly-held plan.

- Providing inspiration and motivation to be our best in realizing our agreed-upon goals.

These are some of the reasons why we engage in the Planning and Alignment Process with the aim of creating greater alignment within work units and across the organization. Without a clear and agreed-upon target to shoot for, it is unreasonable to expect that a collection of individuals with their own agendas, interests, and priorities will all be headed in the same direction, at the same time. A Planning and Alignment Process provides us with a mechanism for setting a common course. Once that course is set and understood, magical things can happen.
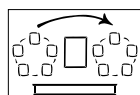
A Closer Look At Alignment

For a moment let us take a closer look at the term "alignment." When we use the term alignment, we are defining it to mean a state of agreement or cooperation among people or groups with a common direction or viewpoint. It isn't the lack of energy or enthusiasm that most organizations suffer from; we find that most people have a strong desire to achieve and contribute meaningfully to the organization's success. The true challenge, as the graphic below demonstrates, is to get all our efforts clearly moving in the same determined direction. A mutually agreed-upon alignment of our Roles, Values, Visionary Goals, and Actions is essential for us to successfully direct our efforts towards the company's strategic business direction.

Highly energetic, yet unaligned organizations
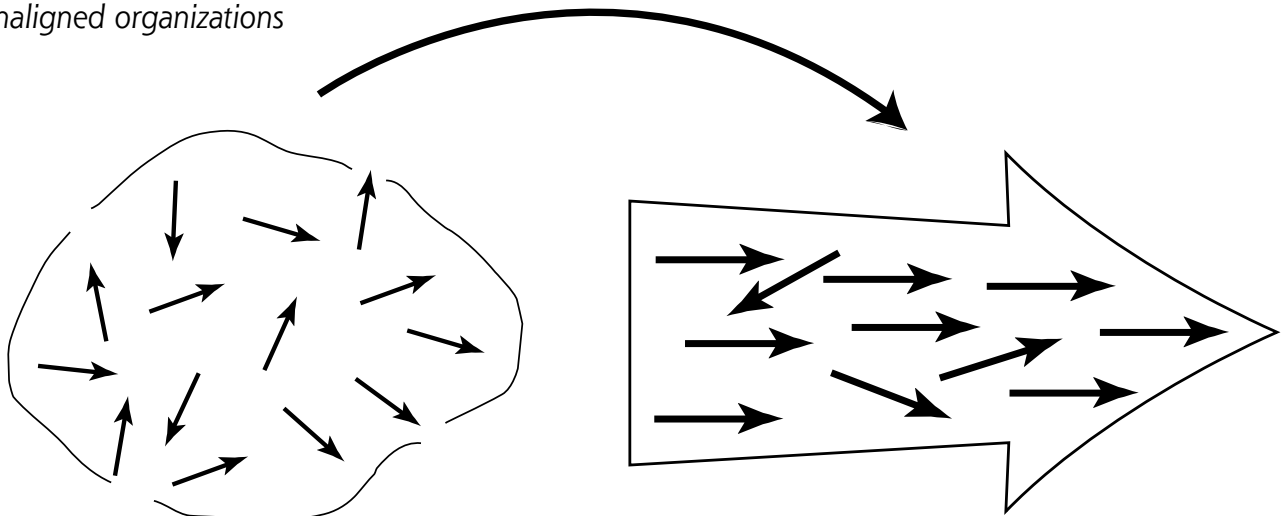
Highly energetic, and aligned organizations

Graphic adapted from "Metanoic Organizations: Experiments in Organizational Innovation" by Charles F. Kiefer and Peter M. Senge
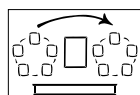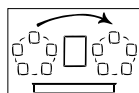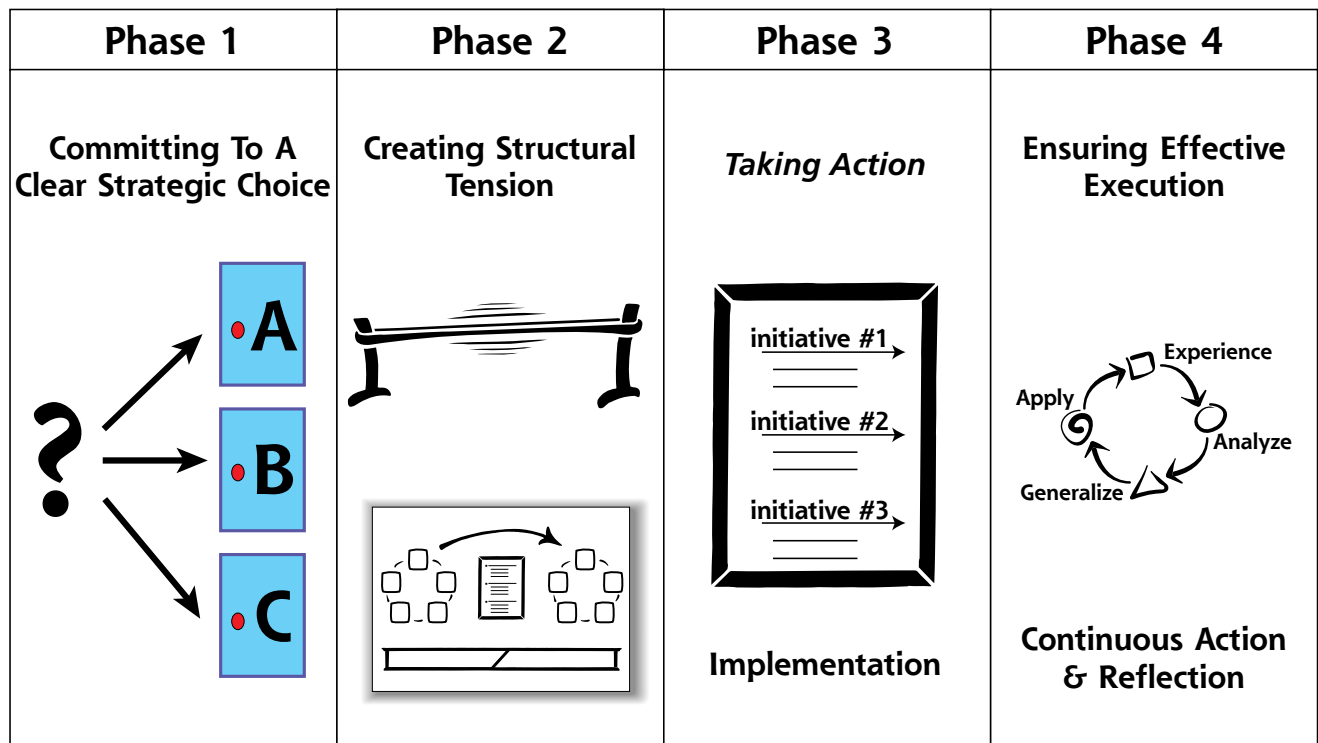
The Four Phase Model

Staying highly aligned as an organization is an ongoing, never-ending process. Groups who are committed to creating and maintaining a strong sense of alignment will find themselves in one phase or another, but always working at this continuous, iterative process, and if they are smart about it, always seeking to answer the questions that present themselves in each phase.

The diagram below depicts an easy way to think of these classic phases that all organizations must address. You are likely to recognize these as phases you have experienced throughout your history of working in organizations.

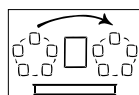## STEPS TO CREATING AND MAINTAINING A WELL-ALIGNED ORGANIZATION

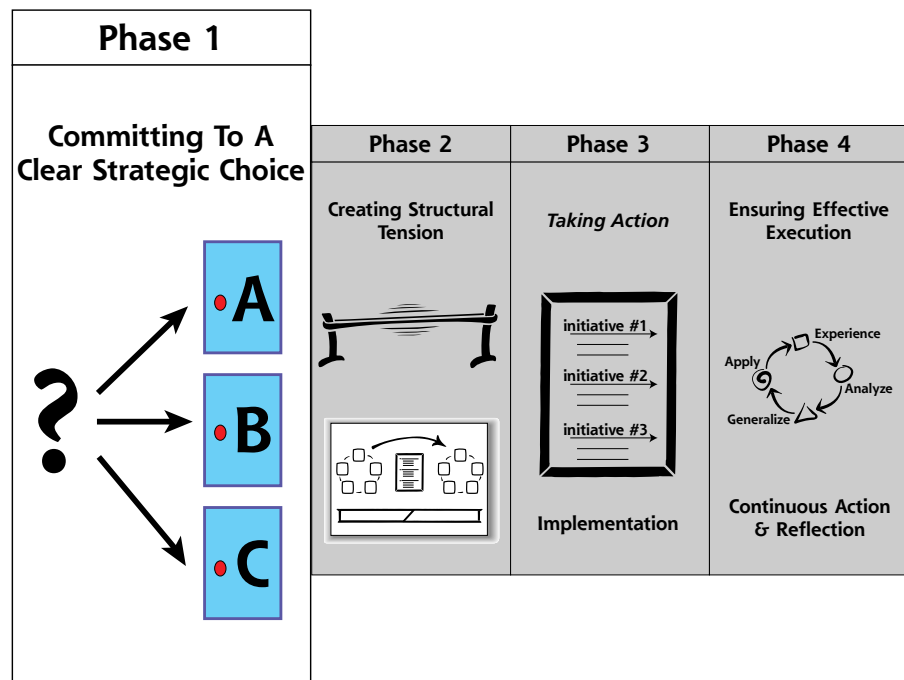| Phase 1	Phase 2	Phase 3	Phase 4
Committing To A Clear Strategic Choice	**Creating Structural Tension**	*Taking Action*	**Ensuring Effective Execution**
? → •A **→ •B** **→ •C**		initiative #1 initiative #2 initiative #3	Experience Apply — Analyze Generalize
		Implementation	**Continuous Action & Reflection**

The Four Classic Phases Explained

Phase 1: Committing To A Strategic Choice

Purpose

- Sharpening our explicit commitment to a well defined set of strategic choices

- Establishing an understanding of the conditions required for those choices to be viable.

- Given those choices, becoming clear on which strategic choices we are choosing not to make.

In this phase the members of an organization are attempting to commit to some fairly high-level strategic choice, without going into a lot of detail about how they hope to be successful with that choice. Only after the choice has been made can they begin the task of getting all of the human energy aligned around that choice.

| **Phase 1**			
Committing To A Clear Strategic Choice	**Phase 2**	**Phase 3**	**Phase 4**
	Creating Structural Tension	*Taking Action*	Ensuring Effective Execution

Some examples of fundamental strategic choices:

The European sales organization of a company that manufactures a broad range of computing software and hardware may have created these strategic choices to pick from.

A Each sales person will be responsible to be an expert in and sell only a few products out of the company's vast product line. Furthermore, they should try to sell those few products in any market they can in their designated geographic region, i.e., to health care, the automotive industry, education, high technology, oil and gas industry, etc. (Often this is called selling across horizontal markets.)
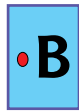
B Each sales person will be required to be fairly knowledgeable about all of the company's products, but become an expert in and sell to only one market, for instance oil and gas. (Often referred to as selling in vertical markets.)

C Each salesperson will be required to be an expert in basically all of the product line and be required to sell to all of the various industries in their geographic area. If they need help with some other area of the product line, they should draw on the expertise of the R.O.V.s (roving product specialists) who travel across geographic regions.

The point here is that until that fundamental, high-level strategic choice has been made—in this case probably at the vice president level—it will be next to impossible for a European regional sales organization to create a comprehensive Planning and Alignment strategy that describes where they want to be as an organization in the next sixteen months to two years and how they intend to get there.
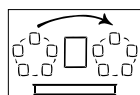
Phase 2: Creating Structural Tension

Purpose

- Crafting a clear, compelling story about what set of conditions we are trying to move from, and what set of conditions we are trying to move to, in a given period of time.

- Working to balance all aspects of the story, including the future goals, the stated core values etc. until it stands as a coherent whole.

- To create a productive sense of discomfort given the contrast between the conditions that exist today and the desired future conditions.

Once a strategic choice has been committed to and communicated, a group is ready to deal with the questions of Phase 2. In Phase 2, a group attempts to balance their agreements regarding what will stay relatively steady and unchanging (i.e., their role in the organization and the values/operating agreements they will seek to live in accordance with) and the information that describes the progress the organization hopes to make in a prescribed amount of time. That progress is summed up in a collection of Visionary/Strategic Goals.
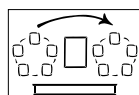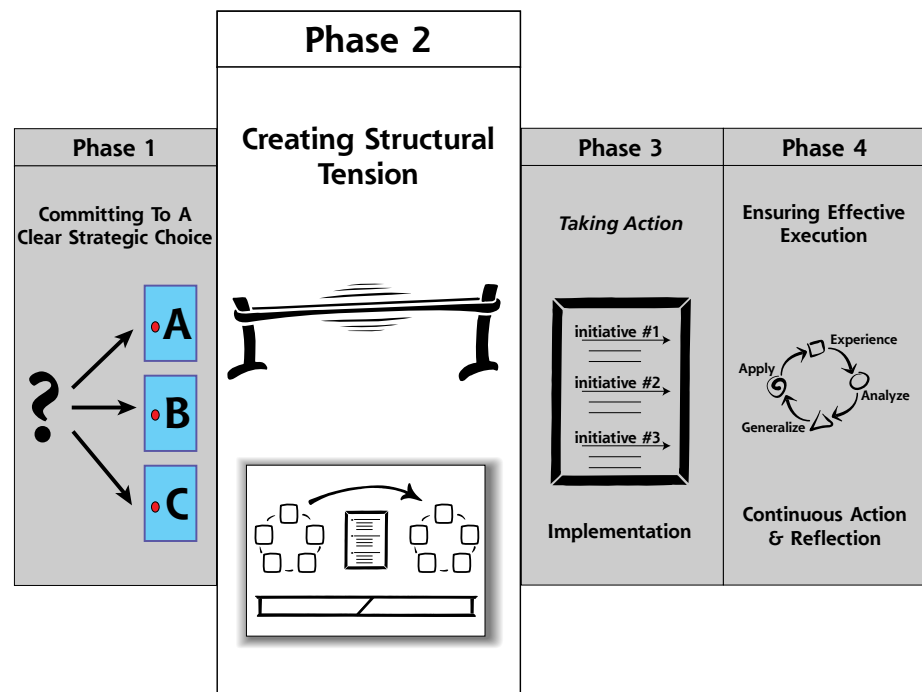
A key challenge in creating alignment is to successfully create a productive sense of collective discomfort caused by the difference between the honest assessment of where an organization is today (Current Reality) and where it hopes to be in the future (Visionary Goals). If done skillfully, this discomfort or tension becomes the driver of individual and group behavior as everyone seeks ways of reducing the difference between the two.

The last aspect of stage two is the agreement on what few actions will produce the most leverage towards achieving the goals. As people become excited about trying to close the gap between Current Reality and the Visionary Goals, they tend to generate more actions than can possibly be funded by human energy. The trick is to select a few well-thought-out initiatives that will produce multiple results.

Once a group has gone through the process of arranging their strategic thinking in this way, they are ready to begin exploring the questions in Phase 3.
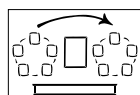
Phase 3: Taking Action

Purpose

- Ensure that the initiatives selected in Phase 2 are the highest leverage possible.

- Add the necessary detail to those initiatives so that everyone knows who is driving each one, how it will move forward, when they can expect incremental results, etc.

- Determine the extent to which the group can adequately fund this collection of initiatives with human energy, financial resources etc.

By choosing and implementing initiatives and activities we bring the process alive. People finally get to do something: incremental milestones are set, people sign up to participate in various projects, and timelines are created and committed to. Due to the quality work done in Phase 2, all this "action" is more likely to lead in an intelligent direction. The critical thing is to make sure that there is frequent checking-in as to whether or not the activities are really helping to shift conditions in the direction of the Visionary Goals.
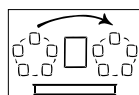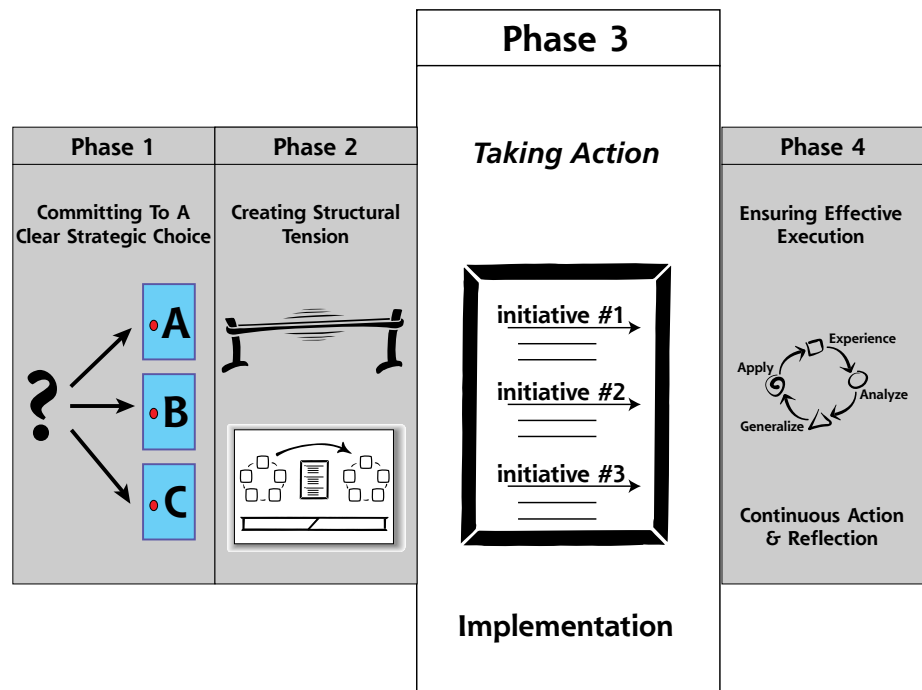
Phase 4: Ensuring Effective Execution

Purpose

- Continuously monitoring progress towards the vision, as well as success at living in accordance with the stated Purpose and Values.

- Engaging in a continuous process of reviewing all the conditions needed to maintain progress towards the vision and those needed to all but guarantee people will live in accordance with the stated values.

You are in Phase 4 when you can honestly say that as a group you are choosing to spend the appropriate amount of time checking the status of each of the first three phases and have adopted that activity as an on-going practice. It means you are spending sufficient time in this strategic mode, always testing and adequately adjusting the alignment in the organization. By adequate, we mean simply "enough." Every organization will need to decide what is enough for them.

Imagine a group of musicians who have to periodically stop to tune the strings on their instruments and to check the level of synchronization they are achieving in their performances. Without adequate time spent tuning instruments and checking on synchronization, all the individual talent in the world will only make for a mediocre performance. On the other hand, too much time spent continuously tuning and discussing goes past the point of utility; at some point you do have to get out there and play. Balance is everything. Through conversation and experience, each group will discover what is the right balance for them.

Your know you are in Phase 4 when you can honestly say that in your organization, you have achieved the appropriate balance.
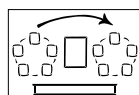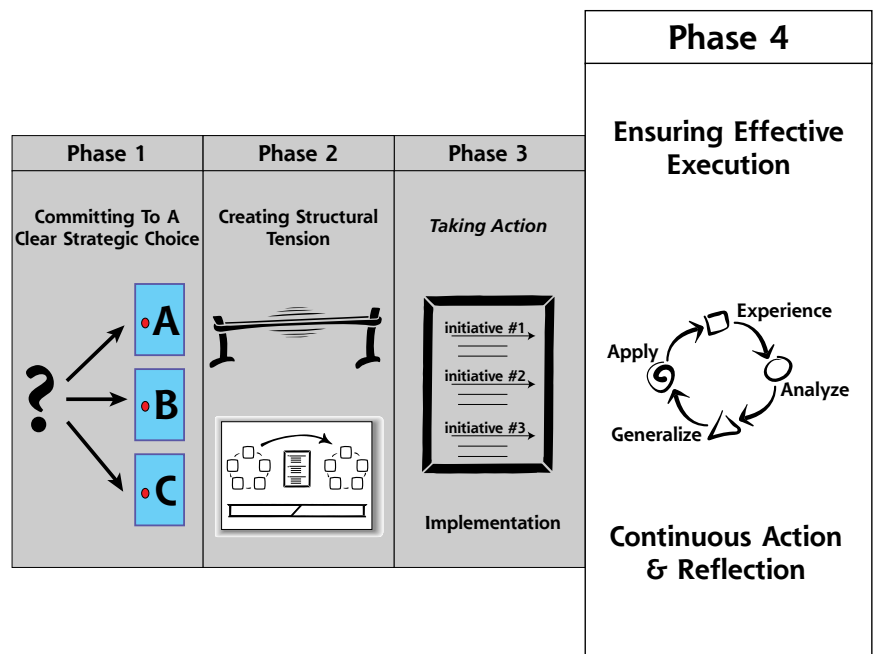
The following section provides a closer look at Phases 2 through 4. Each of these phases poses specific questions to your group in order to guide your work in that particular phase.

As was mentioned earlier, your group may not address these phases in linear order but instead move back and forth between the phases as seems appropriate. It will be up to your group's judgement when to give attention to any particular phase.
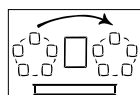
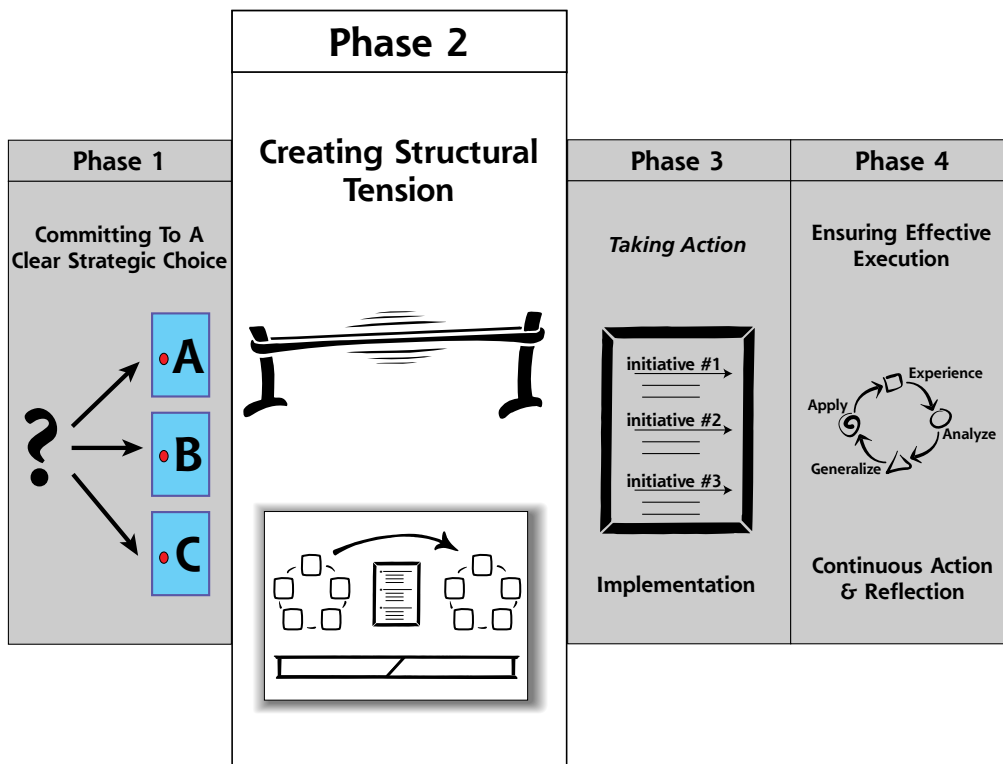The purpose of this constant movement is to check to make sure that your plans and activities still make sense, are relevant to your current situation, and are leading to your group making the most effective use of its time as it moves towards a desired future.

On the next pages you will find more detailed explanations of Phases 2 through 4 that are intended to better prepare you to help answer the questions posed in each phase.
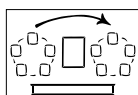
A Closer Look at Phase 2:
Creating Structural Tension

STEPS TO CREATING AND MAINTAINING A WELL-ALIGNED ORGANIZATION

| Phase 1	Phase 2	Phase 3	Phase 4
Committing To A Clear Strategic Choice	Creating Structural Tension	Taking Action	Ensuring Effective Execution
A / B / C		initiative #1 / initiative #2 / initiative #3	Apply — Experience — Analyze — Generalize
		Implementation	Continuous Action & Reflection

Rule of Three

Phase 2 involves three important concepts that you should be aware of:
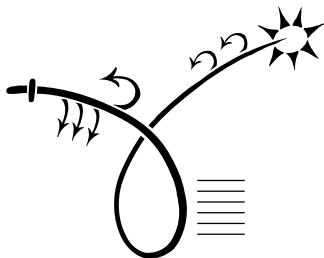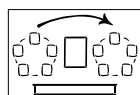
1. Structural Tension or the "Rubber Band Concept"
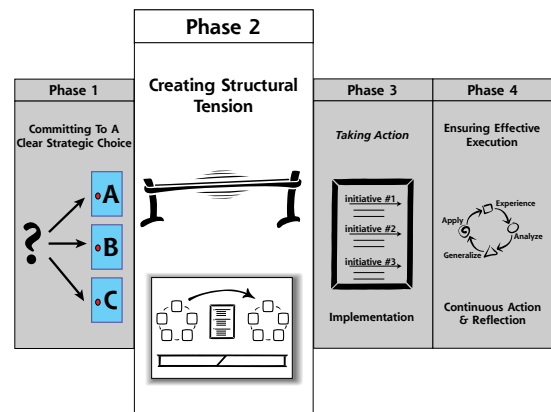
2. Planning & Alignment Process
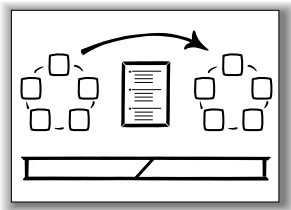
3. Change Loop, "The Human Experience"

As with other concepts we have described, you are likely to recognize these three as things you have personally experienced while working with others.

Structural Tension or the "Rubber Band Concept"

Structural Tension or the "Rubber Band Concept" was first described by Robert Fritz in his book *The Path of Least Resistance.* Fritz's goal was to communicate the power of what he calls "structural tension" when it comes to aligning human energy in the direction of a desired future.

By contrasting a vivid description of a compelling, highly desirable future (the right hand stake) with a stark assessment of Current Reality (left hand stake) you create a physics reaction akin to stretching a giant rubber band between two stakes, thereby setting up the "tension." The theory is that the tension wants to be relieved and, more importantly, the people involved will do just about anything to relieve it. Unless the group is willing to give up on the compelling goals, it has no choice but to take action in an effort to move the current conditions more in line with the Visionary Goals.
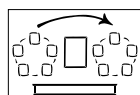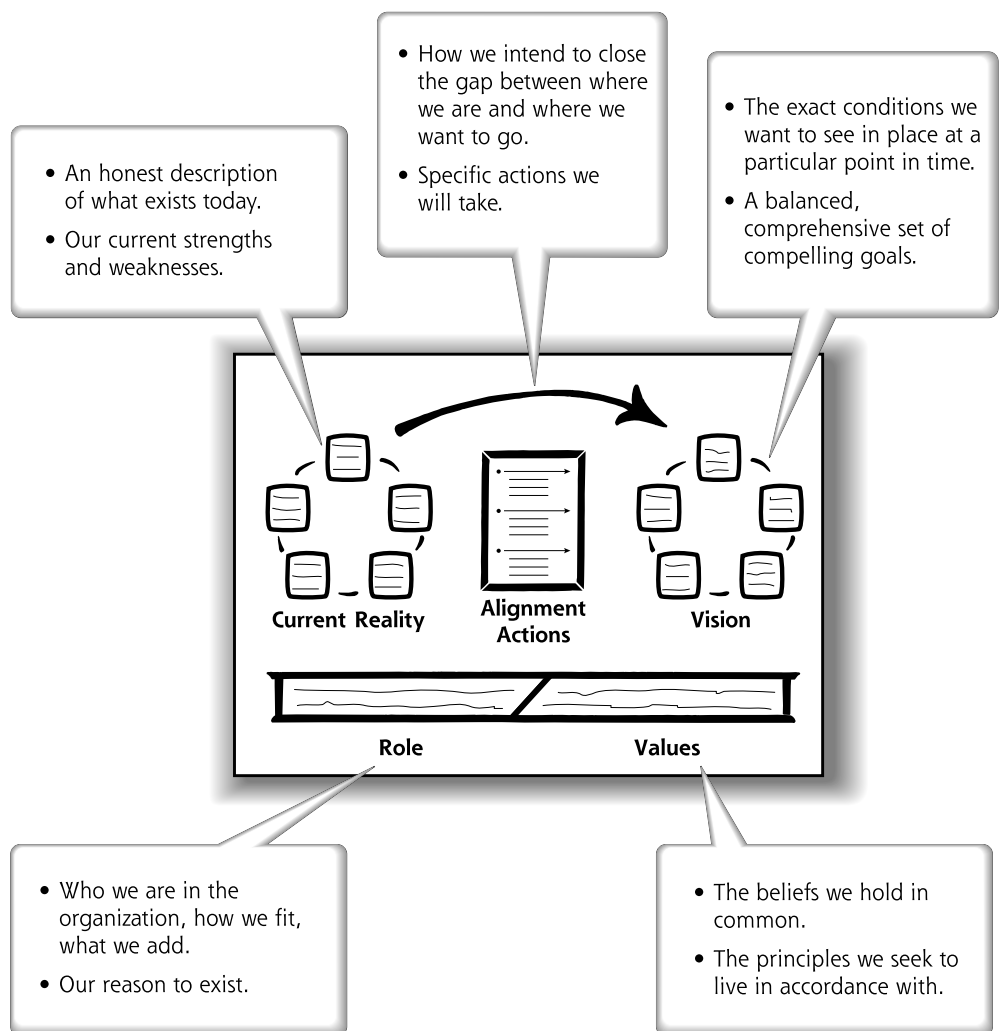
Current Reality

Vision
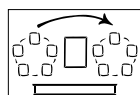
Planning & Alignment Process

The thinking tool displayed in the this graphic is meant to provide you with an easy-to-use, logical approach to creating this tension in your organization. Fritz would say that no matter what strategic planning process you may be using, if over time, the process is not generating that tension, you are probably wasting your time.

The second concept focuses on five key questions that challenge group members to examine the completeness of their strategic thinking. Through conversation, agreement is reached on the precise set of conditions the group hopes to achieve.

If a group does a quality job at arranging their thinking in this way, structural tension should occur. The tension test lets a group know if their conversations about their Vision Strategy are meaningful or not.

- How we intend to close the gap between where we are and where we want to go.
- Specific actions we will take.

- An honest description of what exists today.
- Our current strengths and weaknesses.

- The exact conditions we want to see in place at a particular point in time.
- A balanced, comprehensive set of compelling goals.

Current Reality **Alignment Actions** **Vision**

Role **Values**

- Who we are in the organization, how we fit, what we add.
- Our reason to exist.

- The beliefs we hold in common.
- The principles we seek to live in accordance with.

The Change Loop

The third graphic, called the Change Loop, attempts to illustrate the human experience related to this process of arranging strategic thinking and creating tension. Notice that in all three graphics there is a desired Future State on the far right and Current Reality on the far left. The change loop shows what tends to happen with people as they attempt the journey from left to right.

In the early phase (shortly after the new Vision becomes clear) people are often quite excited about the potential of achieving the conditions described in the Vision. Perhaps they even attended the meetings where the conditions were first created and arranged in a coherent whole. However, as they begin to move away from doing things the way they have always done them, they tend to notice the increasing distance from what was once a known (albeit suboptimal) way of operating, versus becoming excited about the new conditions as they loom into view.

What exactly is this? What is the desired end result?

What will this looping back behavior look like?

What is over?

What will be the sense of loss, the real cost of this change?

What are the fears, concerns, and perceived potential disasters that may cause looping back?
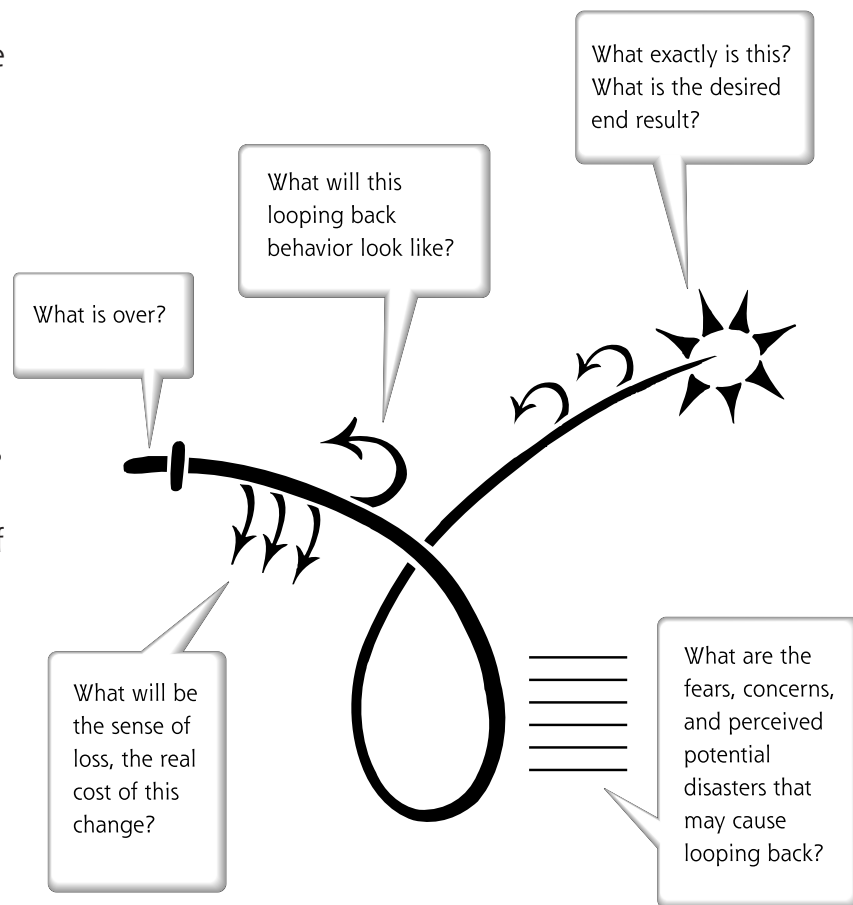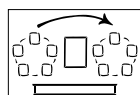
This experience is not unlike an attempt to swim across a large body of water to a far shore. After swimming for a period of time, the far shore still looks far away, and upon looking back at the shore you just left, it too is getting farther away. Feelings of vulnerability arise which inspires a reasonable question: "Should I continue toward what seemed like a good idea at the time, or should I consider returning to the closer, original shore before I get past the point of no return?"

Once a group has made significant progress in working the questions in the Alignment template, they begin to experience this phenomenon. Not everyone feels it to the same degree, but most will experience mild to severe reservations about continuing on towards the Vision sometime after the journey begins.

In organizational situations the reservations usually stem from a host of fears, concerns, and imagined potential disasters that may occur if they persist with the various initiatives. Fears can include:

- Customers won't tolerate the disruption to service while we are struggling through this change.

- We may not be able to find the needed innovations to make the change work, so we will find ourselves having to revert to the old way of doing things and will have lost a lot of time.

- I may lose my base of power in the new way of doing things.

- I am not sure where I fit in the new organization and I don't know if I will be able to develop the skills required to be successful.

Not long after people start working towards the Vision, many will begin exhibiting various forms of "looping back" behavior. This is evidenced by constant questioning as to the likelihood of success, concerns about whether or not people will make the necessary changes in order to make the new Vision happen, etc. A group needs to find a way to discuss the concerns that are causing people to loop back, without breaking the forward momentum.

In the latter stages, most members of the organization will be on the upward swing, not yet enjoying the conditions described in the Vision, but working creatively to try to make those conditions come true.

The journey through the loop can take a significant amount of time. However, attention to various individuals' experiences can lead to important conversations that can help those who are most concerned to move past their fears and become a part of the creative force needed to move the organization forward.
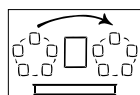
Rule of Three Summary

It is important to be aware that these three things are going on at almost the same time and, more importantly, to know when to shift one's attention from one to the other. It is common for a group to focus on completing the template with information on the Vision, Currently Reality, Alignment Actions, etc., while remaining oblivious to the fact that many in the group are experiencing the emotional reactions described in the "change loop." In that case, the process is likely to be much more successful if the group briefly shifts their conversations to people's concerns and what they might need to get past those concerns.

Similarly, a group can become absorbed in filling out the Alignment template while never checking to see if, in fact, it is creating the "tension" as described earlier. A plan that creates no tension is unlikely to drive the needed creativity and innovation to take the group through the challenging times ahead.

Current Reality   Alignment Actions   Vision
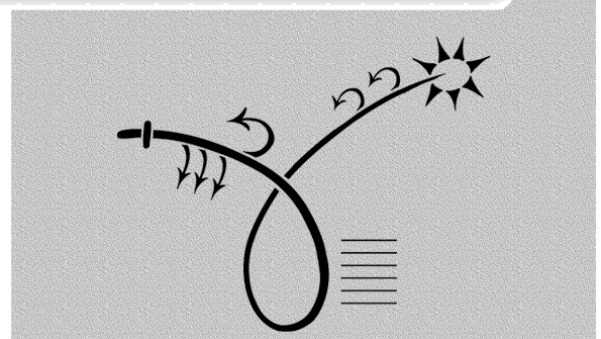
Role   Values

A group will need to stay constantly aware of what is happening at both a task and a process level if they are to create a truly useful plan with a committed group of people behind it.
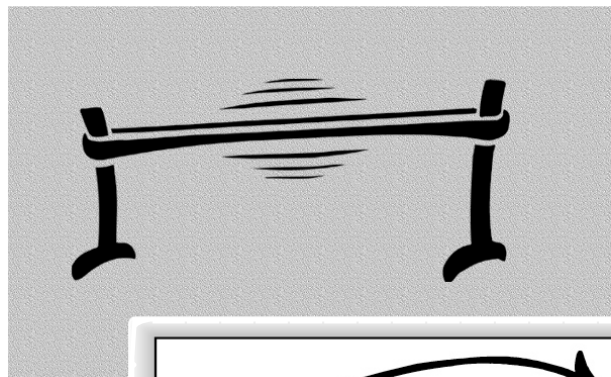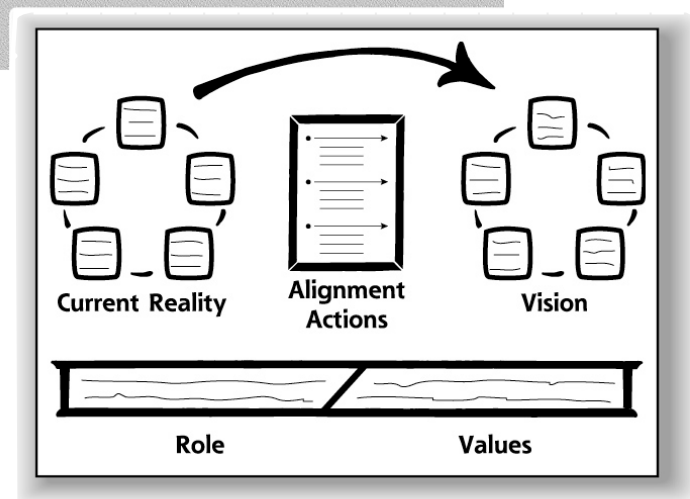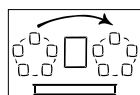
A Closer Look At Phase 3:
Taking Action

STEPS TO CREATING AND MAINTAINING A WELL-ALIGNED ORGANIZATION

Phase 3

Taking Action

Phase 1	Phase 2		Phase 4
Committing To A Clear Strategic Choice	**Creating Structural Tension**		**Ensuring Effective Execution**

? → A
? → B
? → C

initiative #1
initiative #2
initiative #3

Experience
Apply
Analyze
Generalize

Continuous Action & Reflection

Implementation
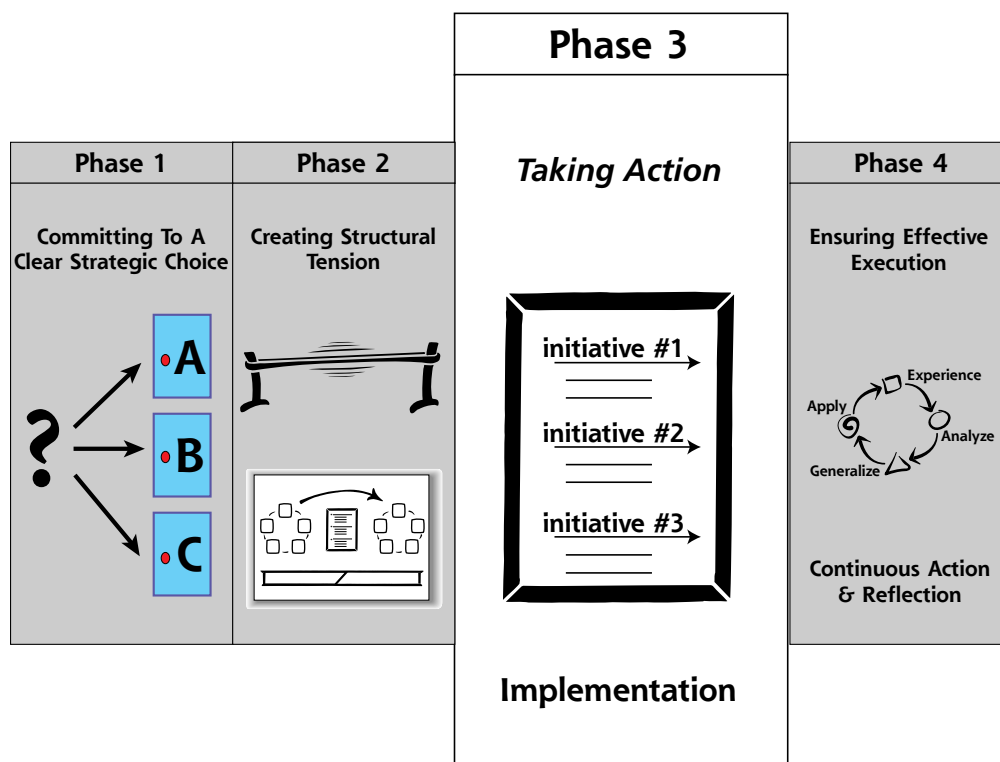
As we mentioned earlier on page 10 Phase 3 is all about taking action. This expanded view of Phase 3 will cover:

1. How a group determines whether they have chosen truly intelligent initiatives, i.e. ones that will ensure substantial movement towards the vision.

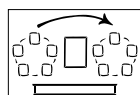2. What information needs to be kept constantly visible in order to keep effective track of the initiatives, over time.

Choosing the "right" initiatives:

If you recall the work from Phase 2, it was all about creating a powerful and compelling story. That story had five main components shown in the graphic below:
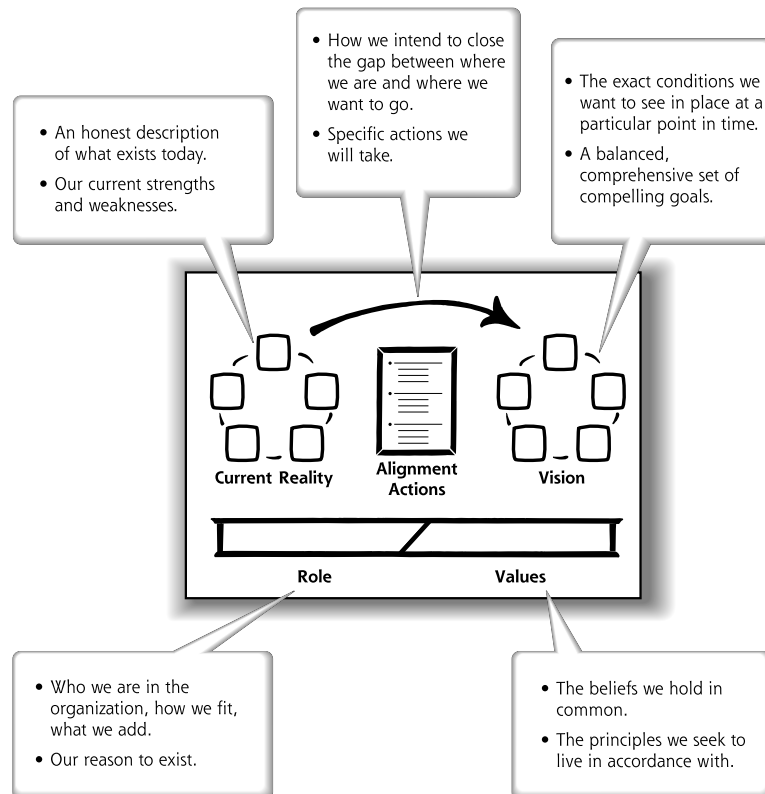
One critical piece of the story is the "Alignment Actions." An alignment action is simply an initiative that satisfies three requirements:

- It must be in keeping with the purpose/role.

- It must allow people to act in such a way that they need not violate any of the core values.

- If successfully executed, it should provide a substantial amount of gain in terms of progress made towards the vision.

Sounds simple enough, but the truth is those conditions are often difficult to meet when trying to determine what few actions to take.

Most groups can come up with a long "to-do list" of activities that will facilitate progress towards the vision.
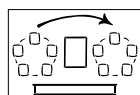
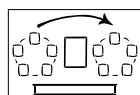Here is a sample list generated by a group who is keenly interested in being known as having the highest quality customer relationships in their industry:

- Rework the compensation system to encourage organization members to exhibit more team behaviors.

- Establish a practice of inviting customers into the factory, on a monthly basis, to become more familiar with our manufacturing processes.

- Change the key metrics in the monthly reports to include customer satisfaction numbers.

- Establish a review committee with engineering, marketing, sales and finance representation to ensure coordinated activity across these functions.

- Benchmark our competitors to establish a point at which we can claim that we are the "best" at Customer Relationships.

- Hold monthly forums, hosted by company executives, on the subject of building and maintaining good customer relationships.

- Create an entirely new marketing campaign, affecting our tradeshows, collateral material, website etc, aimed at changing our image towards that of a Customer Focused organization.

Now, these may all be great ideas, (or not); the point is, when asked whether or not they can realistically fund all of those activities in terms of human energy, monetary resources etc., a group will usually reply, "No."

The challenge for any group is to select a small set of *single initiatives* that will produce *multiple results.* There are many effective techniques for doing this; no matter what technique you use, you will want to continuously ask these questions:
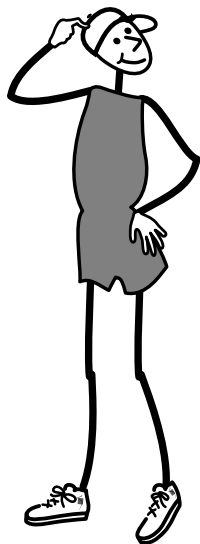
- Of all of our ideas for initiatives, which will have the greatest amount of impact for the least amount of effort?

- Which of these potential initiatives do we have the highest confidence in regarding our ability to succeed?

- If we could only fund two or three initiatives, which would make the most sense to invest in and how do we discipline ourselves to not try to do the others at the same time?

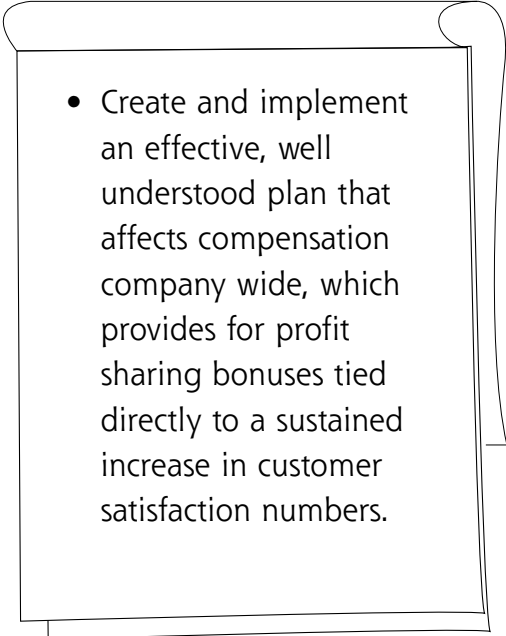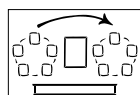All of these questions are, of course, designed to get a group to focus on addressing a few actions exceptionally well, versus several actions in a mediocre way. For example, scan the original list above and imagine the group reviewing the list using the afore-mentioned criteria. They might hone their choice to one initiative such as the following:

You'll notice this resulting initiative wasn't even on the original list, but instead is an innovative combination of many of those ideas. Naturally, to succeed with this initiative, many sub-tasks will need to be launched and managed effectively. But the group believes that if that single initiative is a success, they will experience substantial movement towards the vision as an overall organization.

- Create and implement an effective, well understood plan that affects compensation company wide, which provides for profit sharing bonuses tied directly to a sustained increase in customer satisfaction numbers.

In our more expanded Leader's guide, we offer many options for converging on a few key initiatives after having begun from a much larger list. The key point is that groups will often over-commit when assessing what activities they can realistically fund over the long haul. An important part of this process is the discipline of selecting a very few initiatives, at the most two to four, that will each provide significant movement towards the desired visionary goals.

Keeping the Initiatives Visible

One of the greatest threats to any initiative is the lack of consistent, broad-based understanding of where it stands at any given time. This lack of understanding can lead to confusion, neglect, and even animosity about the initiative over time.

A useful approach is to set up the initiative like a project and, at a minimum, to the keep following five items current in the organization's consciousness.

1. The overarching goal of the initiative; i.e., a simple statement of what the initiative is about. Example:

> Initiative # 1
> Create and implement an effective, well understood plan that affects compensation company wide, which provides for profit sharing bonuses tied directly to a sustained increase in customer satisfaction numbers.
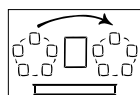
2. A list of the key people who are responsible for the success of the initiative. Example:

> Key Drivers
> *Project lead:* Susan James
> *Team members:* Roger Johnson, Jill Sikes, Debra Shanahan, and Shamil Vitar

3. A description of what the initiative is intended to do; specifically, how much of the vision might be positively affected if this initiative is successful. Example:

Visionary goals affected
- Our customer's trust in our ability to consistently deliver top quality products contributes to a high percentage of repeat business

- The effective interaction between engineering, sales and marketing is a source of confidence in our customer's mind regarding our ability to deliver.

    - Employees across the organization are clear on how their roles contribute to customer satisfaction and profitability.

    - Our organization design and rewards system are powerful factors in attracting and retaining some of the best talent in our industry.

4. Like any good project, this information includes a clear description of the stepping stones going forward. Example:

Key Milestones

Date: 2/21/2000   Submit, for executive approval, simplified criteria for measuring customer satisfaction.

Date: 3/1/2000   Test finalized criteria on employee focus groups.

Date: 3/15/2000   Commit to a date for deployment of new compensation and bonus plan for all full time employees.

Date: 4/26/2000   Finalize plan for educating all employees on the change in bonus policy.

Date:5/25/99   Begin company wide clinics for all employees to learn about the new plan.
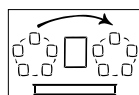
5. Each initiative should have a simple explanation of the financial implications of the initiative.

All of this information is often displayed by way of internal web sites specifically designed to hold this type of information. On a web site you can simply list the information in the form of links. You can also include any other relevant information you think might be useful. Example:

Initiative # 1

Create and implement an effective, well understood plan that affects compensation company wide, which provides for profit sharing bonuses tied directly to a sustained increase in customer satisfaction numbers.

Team members

Visionary goals affected

Key Milestones

Budget

Key Issues being addressed

Interdependencies with other functional groups

Summary

Phase 3 is the straight forward process of taking action. It is often the phase that people feel most comfortable in since it feels like they are actually doing something. Our experience tells us if it is set up poorly however, groups can spend vast amounts of time working on ill-defined activities and ironically lose momentum just when they should be experiencing great progress.

In this phase, the two key items to pay attention to are:

1. Honing the potential actions down to a very few that, if successfully executed, will have a tremendous impact on the vision.

2. Keep the relevant aspects of each of those initiatives, i.e. the goal, the people responsible the key milestones etc., highly present in the organization's consciousness.
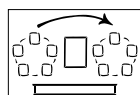
A Closer Look at Phase 4:
Ensuring Effective Execution

STEPS TO CREATING AND MAINTAINING A WELL-ALIGNED ORGANIZATION
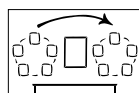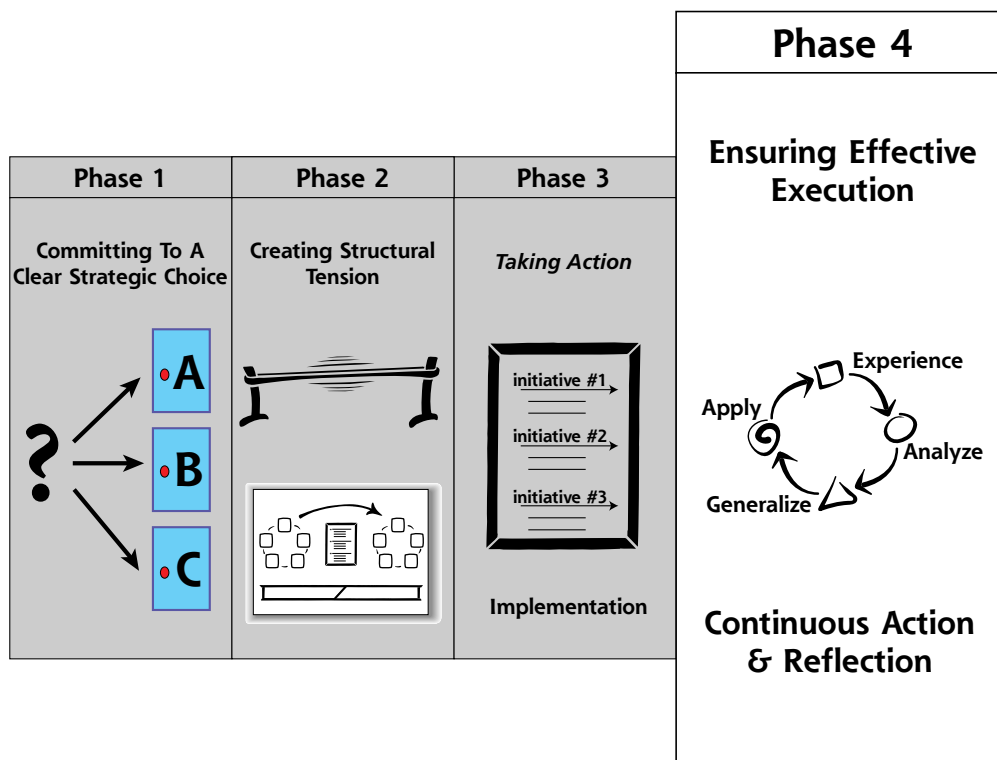
As we mentioned in the earlier overview, Phase 4 involves myriad activities that serve to keep the process alive. The most important of these activities involves frequently checking in to see how things are going. This "checking-in" can take many forms including conference calls, in-person meetings, virtual asynchronous web meetings, etc., even creative use of e-mail and voicemail.

Some of the basic concepts of systems thinking are at work here. One of those concepts, i.e. that all high functioning systems rely heavily on accurate feedback loops, is particularly apropos. For instance, sophisticated room thermostats are quite elegant from a system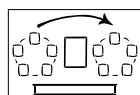s thinking stand-point. The thermostat is basically always asking, "How are we doing according to the plan?" The plan, of course, is the desired room temperature. The thermostat is constantly trying to evaluate whether or not it should kick on the air-conditioning to cool things down, the heat to warm things up, or to just let it the whole thing ride for awhile. Effective "systems thinker" that it is, it is constantly checking the information it is getting from the room, (i.e. the actual temperature), against the plan, (i.e. the desired pre-set temperature) and determining what action, if any, needs to be taken. It is consistently successful because it is "paying attention" at a very high level.
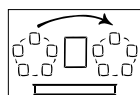
When a group is in Phase 4, they are also paying attention at a high level. Like the thermostat, they are constantly pre-occupied with addressing a few simple, but very important questions, for instance:

- Are the initiatives we are engaged in leading us towards the visionary goals at a satisfactory pace? Are any adjustments to those initiatives necessary?

- Are the visionary goals we produced still relevant, compelling, challenging etc.?

- Are we making sure that the initiatives are complementary to one another versus working against each other?

- Are the strategic choices we have made still clearly understood by all relevant stakeholders?

These are the types of questions a group will be asking itself, very frequently, by whatever means are effective, in order to stay highly aligned and highly productive.

Part of the checking-in in this phase is designed to keep a group on track with it's plan. Another part of the checking in is intended to lead to continuous improvements in the organization as a whole. For example, there are some standard aspects of all organizations that are worth looking at frequently in Phase 4. Improvements to these standard aspects have numerous benefits including higher individual satisfaction, improved retention of key members, increased chances of getting to the desired results specified in the vision, etc..

Examples of these typical aspects are:

- **Systems and process** (Communications infrastructure, ways of moving information, certain polices etc.)

- **Formal and informal reward systems** (Recognition norms, compensation plans, bonus policies advancement and promotion polices etc.)

- **Hiring and orientation norms** (Who we hire and why, practices used to move candidates into the organization and how we orient them.)

- **Modeling by the top team** (The day to day behaviors of the top, highly visible leadership entity.)

- **Decision making process** (Cultural phenomenon of how decisions actually get made.)

- **Communication practices** (What is communicated to whom for what reasons, within what timelines etc.)

- **Etc.**

The above are examples of characteristics common to all organizations. The key to working with these characteristics in Phase 4 is to ask the following types of questions:

- Currently, are each of these optimally designed and functioning to assist the organization in reaching our goals?

- Currently, is each of these optimally designed to all but guarantee that people will act in accordance with our stated values?

By asking just these two questions, the group will find endless ways to improve many aspects of the organization. For example:

If the group was to ask these two questions just about the decision making process, they might discover that one, there are far too many people in the decision chain to enable rapid progress towards the goals. This is likely to generate a discussion about the original thinking that led to having all of those people involved in certain decisions, and some testing on whether or not there are opportunities for streamlining the process.

Second, they may discover that one of their core values, say, "Exceptional Customer Service," is being jeopardized by a poorly designed decision making process inside their own organization. This may lead to a discussion on what their decision making process may have to look like if it were to be a *positive force* in helping people to live accordance with the stated core values, in this case, "Exceptional Customer Service."

Summary

Phase 4 is focused on sustaining alignment. The trick is to check in, as a group, frequently enough to cover the topics described above. Phase four should be thought of as a constant discovery process where a group determines as accurately as possible, how they are doing against their plan, and what innovative adjustments to their organization's way of doing things, might increase their chances for success.
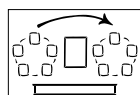
Getting Ready

The fact that you have been given one of these booklets indicates that you are likely headed into this process with at least your own functional group.

Before you get started meeting with your group, we suggest you take a few minutes to review the concepts again, then answer the questions on pages 38 through 40. The first set of questions asks you to assess your own group's current situation using the "Rule of Three" concepts.

Secondly, the questionnaire on pages 41 and 42 is designed to help deepen your understanding of these concepts in <u>all four phases</u> of Steps to Creating and Maintaining Organizational Alignment. It should also help sharpen your opinion on what your group may need to work on in order to become more highly aligned.
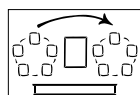
Structural Tension
Notes

**Current
Reality**   **Vision**

To what extent have we as a group established effective structural tension? Is it too loose, too tight, or just right?

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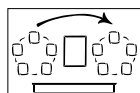
Planning and Alignment Map
Notes

- How we intend to close the gap between where we are and where we want to go.
- Specific actions we will take.

- The exact conditions we want to see in place at a particular point in time.
- A balanced, comprehensive set of compelling goals.

- An honest description of what exists today.
- Our current strengths and weaknesses.

Current Reality   **Alignment Actions**   **Vision**

Role   **Values**

- Who we are in the organization, how we fit, what we add.
- Our reason to exist.

- The beliefs we hold in common.
- The principles we seek to live in accordance with.

To what extent is our organization clear on these five items? Current Reality, Vision, Role, Values, and Alignment Actions? What specific areas could use work?

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The Change Loop
Notes

What exactly is this? What is the desired end result?

What will this looping back behavior look like?

What is over?

What will be the sense of loss, the real cost of this change?
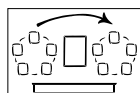
What are the fears, concerns, and perceived potential disasters that may cause looping back?
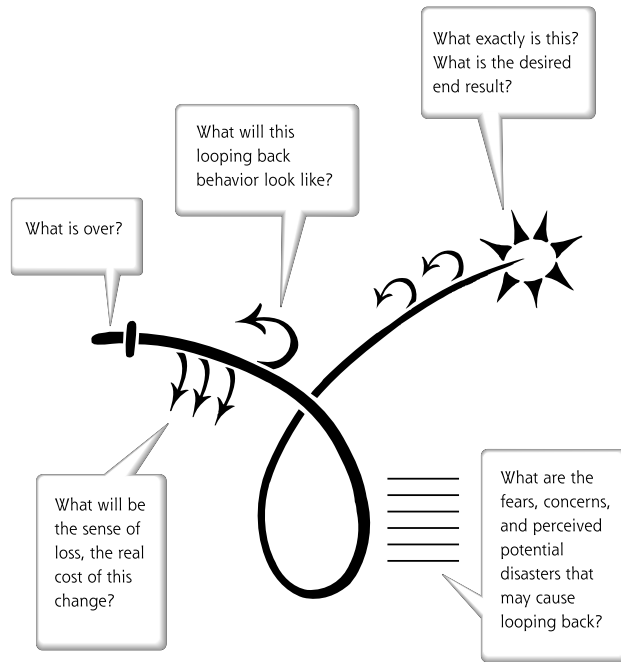
When in the past have we as a group experienced some of these conditions? Are we experiencing any now?

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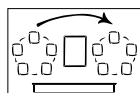
Quickie Alignment Assessment

The following assessment will help you determine what areas of you organization's plans may need work. The higher the ranking on each item, the more likely your organization could be called "highly aligned."

Take a moment to assign a number ranking to each of the following statements.
5 is "Definitely true," 3 is "Somewhat true", 1 is "Definitely not true."

1. As a group we are clear on the strategic choice that
we are basing our plans upon. 1   2   3   4   5

2. We have a clear definition, and group-wide understanding,
of our specific role in the organization, i.e., why it is important
that this function exists and what is unique about it compared
to any other function. 1   2   3   4   5

3. The critical groups that we need to interact with have a clear
understanding of our role in the organization. 1   2   3   4   5

4. We are in agreement as to the few key values or operating
principles that we hope everyone in our group will seek to live
in accordance with. 1   2   3   4   5

5. The Core Values/operating principles we have articulated
strongly influence individual and group decisions and actions
on a day-to-day basis. 1   2   3   4   5

6. We have an agreed-upon, comprehensive set of goals that describes
precisely the conditions we would like to see exist within a specified
amount of time. 1   2   3   4   5

7. Our constant focus on our set of Visionary Goals drives our thinking
as to what initiatives to support and what initiatives, while potentially
useful, are not high leverage and, therefore, should not be funded. 1   2   3   4   5

8. The gap between where we want to be (our Visionary Goals) and
where we are now (Current Reality) is documented, up-to-date, and
informs our thinking about what needs to be done to close the gap. . . .1   2   3   4   5

9. The few key initiatives we have committed to will have a significant
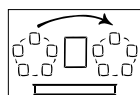impact on our chances of achieving our Visionary Goals 1   2   3   4   5.
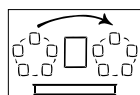
10. The initiatives we have committed to are adequately resourced, progress is accurately tracked, and we are reviewing that progress frequently enough to make timely course corrections. 1   2   3   4   5

As you look back over your answers, make note of those items that you rated less than four or five. These are areas that you believe are in need of further attention. Think about what it is that seems less than adequate in those areas and be prepared to share your opinions when you meet as a functional group.

Notes

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Summary

This booklet is meant to give you a brief overview of the concepts you will be working with during future meetings with your group. We hope this information will help make the first few days of your meetings easier. Part "B" of this booklet, which includes expanded examples and suggested meeting processes, will be available in mid-Winter 1999. Please contact us to order upgraded booklets or to provide us with feedback on how these products could be improved.

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