What is alignment?

CONCEPTS - METHODS - TOOLS

Association for Strategic Planning
2013 Annual Conference
Emerging Themes in Strategy: Best Practice to Next Practice
Atlanta - April 22-24

W. Henry Yaeger
Managing Principal
henryy@bannergroupllc.com
linkedin.com/in/whyaeger

Banner Group LLC
bannergroupllc.com
linkedin.com/company/banner-group
What is alignment?

**Definition:**

1. the act of aligning or state of being aligned; especially: the proper positioning or state of adjustment of parts (as of a mechanical or electronic device) in relation to each other
2. a forming in line
   b: the line thus formed
3. the ground plan (as of a railroad or highway) in distinction from the profile
4. an arrangement of groups or forces in relation to one another <new alignments within the political party>

In the Business Press

Merger: strategic alignment

Finance: alignment of earnings

Supply Chain: cross-functional alignment
What is **alignment**? | W. Henry Yaeger | Banner Group LLC

**INTRODUCTION** - CONCEPTS - METHODS - EXAMPLES - TOOLS - CONCLUSIONS

- Alignment is about people.
- Any time more than one person is involved, you are likely to have multiple perspectives.
- How do you know if you are aligned?

Real alignment is not one way communication.
What is alignment?

My definition:
Alignment is a measure of the degree to which individuals in a group share similar thinking about a situation

- Predicts success in collaboration
- Exist along a continuum (i.e., not “Agree” or ”Disagree”)
- Can be precisely measured
- Can be influenced
- Changes over time
Alignment is about people ... and what's in their heads.

When you align people to the most important ideas, the rest sorts itself out.
Alignment directly impacts the effectiveness of any group collaboration

- Decision-making ability
- Coordination speed
- Sustainability of outcomes
Goals for this session

- Understanding of "Alignment"
- Concepts
- Methods
- Tools
- Practical knowledge you can apply today
What is **alignment**?  |  W. Henry Yaeger  |  Banner Group LLC

INTRODUCTION - **CONCEPTS** - METHODS - EXAMPLES - TOOLS - CONCLUSIONS

**Perception:**
Creating and Using Thoughts

"Ladder of Inference"
(Chris Argyris)

- Actions
- Beliefs
- Conclusions
- Assumptions
- Interpreted Reality
- Selected Reality
- Reality & Facts

**Associative Memory**

- Prior Experiences
- Something New
- Pattern I Recognize
- Conclusion (Belief)

**Perception** is always

- Unique to the individual
- A "process" with progressive steps
- Reliant on prior knowledge

We have known about the importance of individual subjectivity in understanding information and creating beliefs for a long time.
Let's Play Some Games!

How much is "big"?
[Anchoring]

Which to choose?
[Implicit Coordination]

What did he say?
[Associative Memory]
Cognitive Errors: Mistakes In Thoughts

**Selection Errors**
*Not using available information in representative proportions*

**Attribution Errors**
*Incorrect inference using limited information*

**Projection Errors**
*Assuming others share your beliefs, interests or approaches*

We sometimes recognize these errors in others, but are less likely to question our own judgements.
Mental Models represent complex belief systems and can be shared across a group of people.
Remember Our Definition

Alignment is a measure of the degree to which individuals in a group share similar thinking about a situation.
Causes for Misalignment: "The 3Ds"

Data
Low quality, not widely available or conflicting information

Dictionary
Variations in use or meaning of vocabulary or undefined terminology

Drivers
Differences in incentives or impact from change (least common)

Often the reasons for differences of perspective can be uncovered
Alignment can be increased by systematically addressing differences in beliefs
Mitigating Misalignment: What Would Change Alignment

**Data**
Low quality, not widely available or conflicting information

**Dictionary**
Variations in use or meaning of vocabulary or undefined terminology

**Drivers**
Differences in incentives or impact from change

**Confirm or Clarify**

**Create or Choose**

**Manage Risks & Incentives**
Drive Explicit Beliefs

1. Identify important beliefs
2. Validate or compare beliefs
3. Close gaps in perspective
4. Maintain explicit beliefs

Start by bringing your own beliefs to the group, or alternatively get everyone to follow the process together.
Clarify Roles

Who's the expert?
Who's the boss?
Who's most impacted?
Who's got time?
Who's going to execute?

(Re)acknowledging roles helps drive acceptance of the most relevant opinions

Discussing roles at the beginning can save time later
Separate 'Means' from 'Ends'

Identify What's "Given"

- constraints or decisions that have already been made
- Goals (e.g., growth target)
- Resources (e.g., budget)
- Deadlines

Prioritize Order of Decisions

- Strategy
- Resourcing
- Tactics

place issues in a strategic hierarchy and start at the top
The Ingredients for Driving Alignment

A group collaboration goal (people with a purpose)

Methods | Facilitator | Tools

Analogous to Project Management:
- Best Practices
- Manager (Facilitator)
- Clear End Goal
Each alignment process is unique:
Adapt the tools to fit the case

1. Global Consumer Products Supply Chain Rationalization
   - 12 mos. of highly confidential "Op committee" and facilitated sessions with 12 cross-functional leaders (mfg, HR, legal, PR etc)

2. Global Consumer Products "Employee Value Proposition"
   - 100+ employees (execs to entry-level analyst) using online surveys and working sessions

3. Church Vestry (Council) Strategic Growth Plan
   - Interviews, surveys/ analytics (SchellingPoint*) and a facilitated retreat for 30 including vestry, clergy, and staff

4. Museum Board Strategic Plan Alignment
   - 45 people including board, staff and volunteers; Interviews, adaptive surveys, online and in-person facilitated sessions

5. Global Infrastructure Player Market Strategy Alignment
   - Online collaboration tools and targeted facilitation for 17 participants in 5 countries from the local, division and global level

* Church alignment process now offered by North Star Strategies (http://www.north-star-strategies.com/Compass.html)

© Banner Group LLC. All rights reserved.
www.bannergroupllc.com
What is alignment? | W. Henry Yaeger | Banner Group LLC

INTRODUCTION - CONCEPTS - METHODS - EXAMPLES - TOOLS - CONCLUSIONS

Software can help, ranging from simple survey tools (e.g. SurveyMonkey or Google docs) to sophisticated "Alignment Optimization" platforms (i.e. SchellingPoint).

But as with Project Management, you have to pick the right tools for the job and you can do a lot with pen and paper.
Three "Low Tech" worksheets you can use today

- **3 P's Framework** -- for "pre-launch" clarity
- **R.A.P.I.D. Roles** -- for clarifying roles *
- **3 A's Framework** -- for aligning your group

Please take one copy of each handout.

For an electronic copy (or feedback on how you used these tools), please email me: henryy@banner groupllc.com

* Source: HBR 01/2006, "Who Has the D?: How Clear Decision Roles Enhance Organizational Performance" by Paul Rogers and Marcia Blenko
© Banner Group LLC. All rights reserved.
About Henry Yaeger

Henry Yaeger is the Managing Principal of Banner Group LLC, a strategic advisory firm he founded in 2012. He works with executive teams and boards to accelerate results through better alignment of priorities and actions.

Previously Henry led the six-person Corporate Strategy group at The Hershey Company, a $6 billion global confectionary company. His broad finance and strategy experience includes roles at Unilever with responsibility for planning, forecasting and controls of $1.5 billion in marketing expenses and at a startup enterprise software company where he helped secure $25 million in venture capital funding. Henry lived for several years in Prague, Czech Republic, where he worked at a boutique investment bank engaged in mergers and acquisitions and government privatizations.

Henry received a Bachelor’s Degree from Georgetown University and holds an MBA in Strategy and Finance from the Yale School of Management. He was born in Peru and speaks Spanish fluently.

Henry is based in Lancaster, Pennsylvannia, and has recently worked with clients in Europe, Latin America and throughout the US. He serves on the boards of two non-profit organizations.

About Banner Group LLC

We are experienced professionals using proven methods to elevate strategic thinking by supplementing internal capabilities.

- **Alignment Process** -- Accelerate results using a proven methodology combining online collaboration and targeted facilitation.
- **Initiative Management** -- Capture value faster with impactful objectives, effective teams and essential governance for critical projects.
- **Executive Review** -- Maintain disciplined focus on the right issues at the right level of detail for effective decision-making.
- **Decision Support** -- Confidently make critical decisions with support including problem framing, strategy formulation and scenario modeling.

W. Henry Yaeger
Managing Principal
henryy@bannergroupllc.com
linkedin.com/in/whyaege

Banner Group LLC
bannergroupllc.com
linkedin.com/company/company/banner-group

Available as a speaker, advisor and board member.