



Creating Strategic Alignment

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Worldwide Engagement/Delivery and Senior Consultant

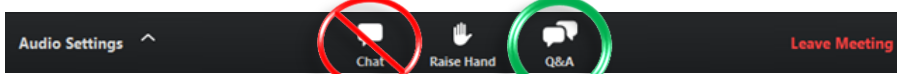
December 2020

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A few notes...

- Recording
 - We are recording this webinar and will email you the link to view the replay within 48 hours.
- Handout of the Webinar
 - We will provide a PDF copy of this webinar when we email the link for the replay.
- Questions during the webinar
 - Please use the Q&A box that is located on the bottom menu and type your question in the pop-up box. **Do not use the Chat box for questions.**
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Joe DeCarlo**Strategy Management Group & Balanced Scorecard Institute**

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- 47 years experience in business structuring, strategy formulation and implementation, change management, and the design and execution of innovative operational business models and solutions in the private, public, government and nonprofit sectors through first-line and executive level management positions
- Business Experiences:
 - Senior Vice President of Administration and instructor at the **Milwaukee School of Engineering – University**
 - Manager and Systems Engineer in marketing, hardware, software, product development, management, consulting, education, AI/expert systems and publishing with the **IBM Corporation**, Milwaukee, WI and San Jose, CA
 - Member of inaugural executive-in-residence team for technology start-ups at the **Plug and Play Technology Incubator** in Sunnyvale, CA
 - Currently - Officer/consultant/instructor with the **Strategy Management Group and Balanced Scorecard Institute** on 72 client consulting, internal training and advisor engagements to date
- Bachelor - Industrial Management; MBA – Technology Management; Doctoral candidate

Do Any of These Scenarios Sound Familiar?

- An organization-wide strategy exists BUT – That strategy has not been effectively cascaded to the lines of business, departments, and individuals (... **supports “silo” culture**)
- Employees don’t understand where they fit into the organization strategy – They overhear executives talk about the organization strategy, but there is no direct communication about how individuals should align with it (...**further anchors in “silo” culture**)
- Too many disparate project initiatives – There is ambiguity about if and where these initiatives fit on a strategic level for the organization strategy and department operations (...**more support for “silo” culture**)
- Strategy communications are ineffective or nonexistent – Following the development of the initial organization-wide strategy, rumors abound that it might be expanding or fading away entirely. The question becomes: “Is the strategy real? If so, how am I as an individual contributor or my team supposed to execute on it?” (... **“silo” culture dug in**)

- Why alignment is required?
- When to align the strategy?
- How to conduct the alignment?
- How to measure the success of the strategy alignment?
- What benefits will be derived from alignment?

Alignment, sometimes called cascading, is defined as:

- Translating enterprise-level or organization-wide strategy down into department, business and support unit strategies. From department, business and support unit strategies, team and individual objectives are developed.
- Alignment translates the high-level strategy objectives, depending on your organization's overall strategy development process, into lower-level objectives.
- Team and individual objectives link day-to-day work with the department objectives and into the corporate vision

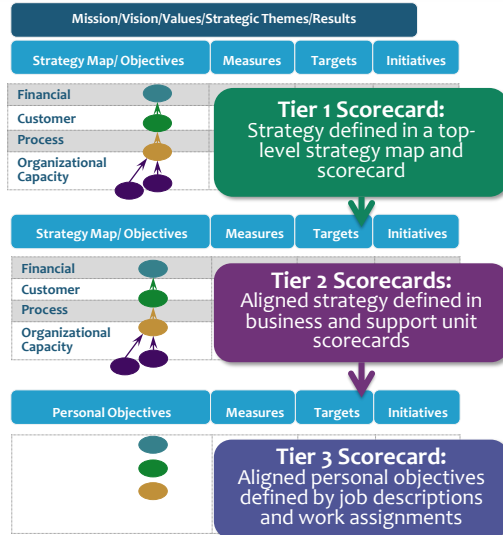
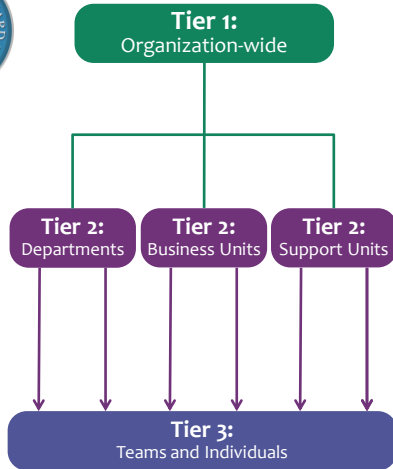
Visual Definition



Why Alignment is Required?

- Strategic alignment...
- Degree to which the organization's people and resources are focused on the strategy
- Opposite of alignment is "chaos" ... "silos"
- Alignment measures:
 - People at all levels are motivated by a common vision and strategy
 - People understand that supporting the strategy is their job
 - People are self-motivated, not merely by compliance to rules





- Cultural attitudes
- **Insufficient or poorly managed resources**
- Insufficient agility
- External developments
- **Strategy not understood/poorly communicated**
- Poor co-ordination across organization
- Poor flow of information
- **Lack of accountability**
- Lack of necessary delivery capabilities
- **Lack of developer-implementer linkage**
- Failure to win over hearts and minds
- Weaknesses in the strategy itself
- **Lack of monitoring**
- **Lack of CEO/Senior leadership support**

Translating Enterprise-level or Organization-wide Strategy Down into Business and Support Units

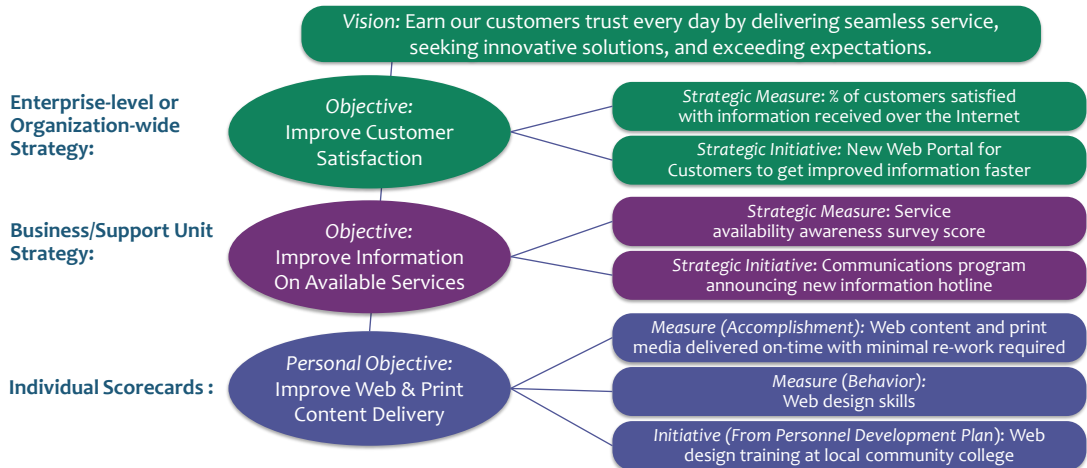
1. Document Business/Support Unit Processes
2. Validate Business/Support Unit Mission or Purpose Statement
3. Document Business/Support Unit Stakeholders and Customers Needs
4. Document Business/Support Unit Customer Value Proposition
5. Document Business/Support Unit Enablers and Challenges
6. Determine which Enterprise-level or Organization-wide **Objectives** the Business/Support Unit **STRONGLY** Support
7. Develop the Specific Strategic Objectives for the Business/Support Unit
8. Develop Business/Support Unit Key Performance Indicators for each Strategic Objective
9. Develop the Business/Support Unit Department Strategic Initiatives (Projects)

Translating Business/Support Unit Strategy Down into Individual Scorecards

Develop Individual Scorecards includes the following:

1. Determine Critical Job Functions
2. Individual Accomplishment Objectives
3. Individual Development Objectives
4. Individual Behavior Objectives
5. Team Performance (if member of team)
6. Individual Scoring
7. Performance Appraisal (Quantitative and Qualitative)

How to Conduct the Alignment?



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How to Measure the Success of the Strategy Alignment?

- Better developer - implementer co-operation
- Better alignment between HR policy and strategy
- Better communication among stakeholders
- Better co-ordination of efforts across organization at all levels (**“silos” gone?**)
- More attention to hearts and minds/culture
- Improved strategy development
- More detailed planning
- Monitoring and reporting on risks and value
- More active senior-level involvement
- More resources
- Enhanced understanding of competitors
- Enhanced understanding of customers

Adapted from: Ricardo Viana Vargas, (2017). Closing the Gap: Designing and Delivering a Strategy that Works. Brightline Initiative.

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What Benefits will be Derived from Alignment?

Designing for Delivery

- Those involved in strategy development are also actively involved in oversight of implementation
- **Those responsible for strategy development and those responsible for strategy implementation collaborate effectively**
- Strategy development involves careful consideration of our organization's ability to implement the final strategy
- Those responsible for strategy development are aware of the challenges of implementation

Adapted from: Ricardo Viana Vargas, (2017). Closing the Gap: Designing and Delivering a Strategy that Works. Brightline Initiative.

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What Benefits will be Derived from Alignment?

Interaction and Information

- Across senior levels of the organization
- From more senior levels to less senior ones
- From less senior levels to more senior

Leaders Act Fast with Discipline

- Prompt and effective **reallocation of funding** among strategy implementation initiatives, when needed
- Prompt and efficient **reallocation of personnel** among strategy implementation initiatives, when needed
- Rapid adjustment to strategy when implementation reveals **new risks/opportunities**

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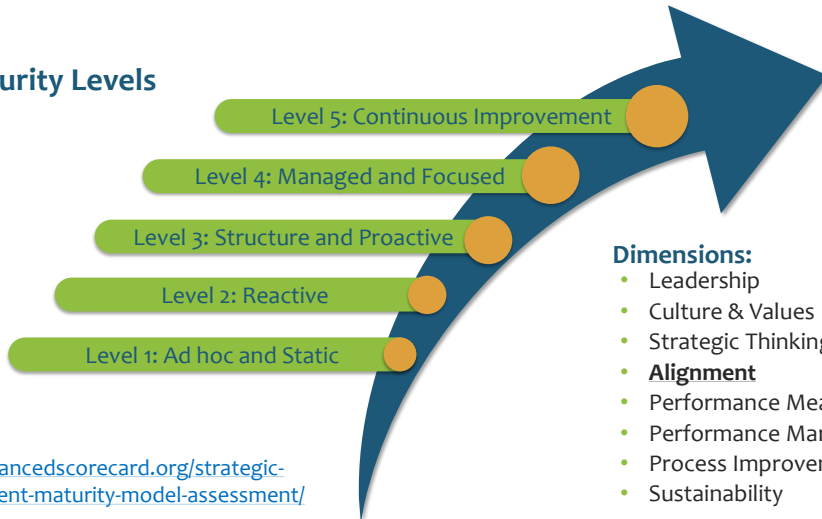
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What Benefits will be Derived from Alignment?

Strategic Management Maturity

Maturity Levels



Dimensions:

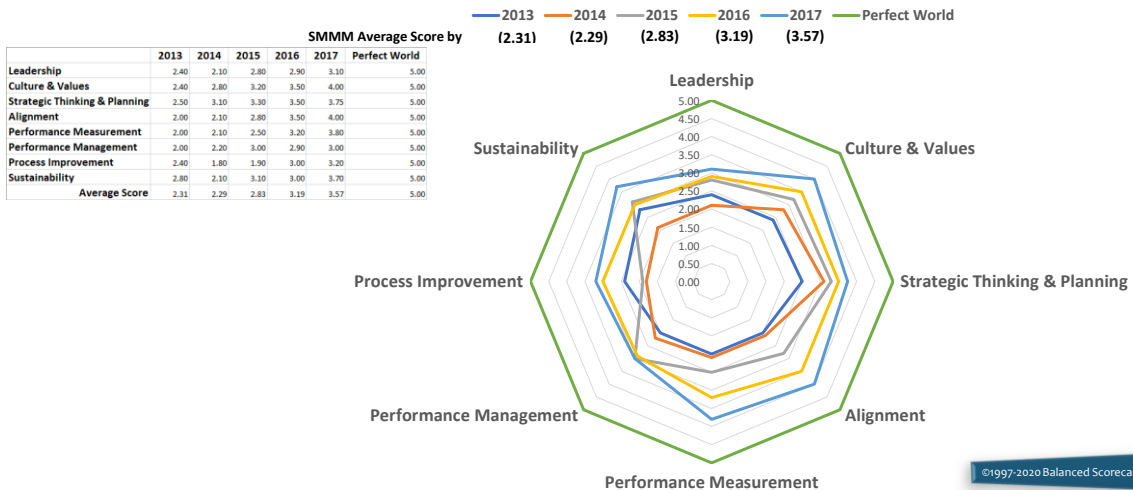
- Leadership
- Culture & Values
- Strategic Thinking & Planning
- **Alignment**
- Performance Measurement
- Performance Management
- Process Improvement
- Sustainability

<https://balancedscorecard.org/strategic-management-maturity-model-assessment/>

What Benefits will be Derived from Alignment?

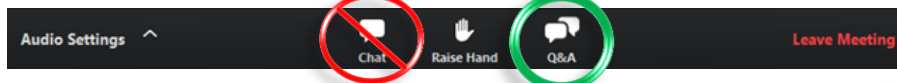
Strategic Management Maturity

Strategic Management Maturity Model Results (SMMM) - 2013 to 2017



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- Strategic Management Maturity Model™ Assessment
 - <https://balancedscorecard.org/strategic-management-maturity-model-assessment/>
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Thank You !

Questions or further information contact:

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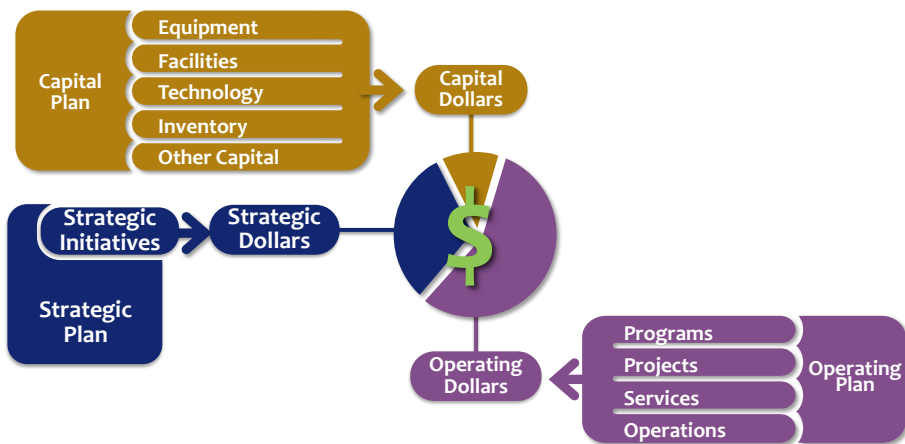
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Pre-submitted Questions



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How strategy aligned with resources?



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How do you link/align the HR Strategy to the broader corporate strategy using the balanced scorecard?

UPSTATE MEDICAL UNIVERSITY OUR UPSTATE (TIER 1) STRATEGIC PLAN OVERVIEW **OUR UPSTATE ONE UNIVERSITY EXPERIENCE** Tier 1 v.05.2019

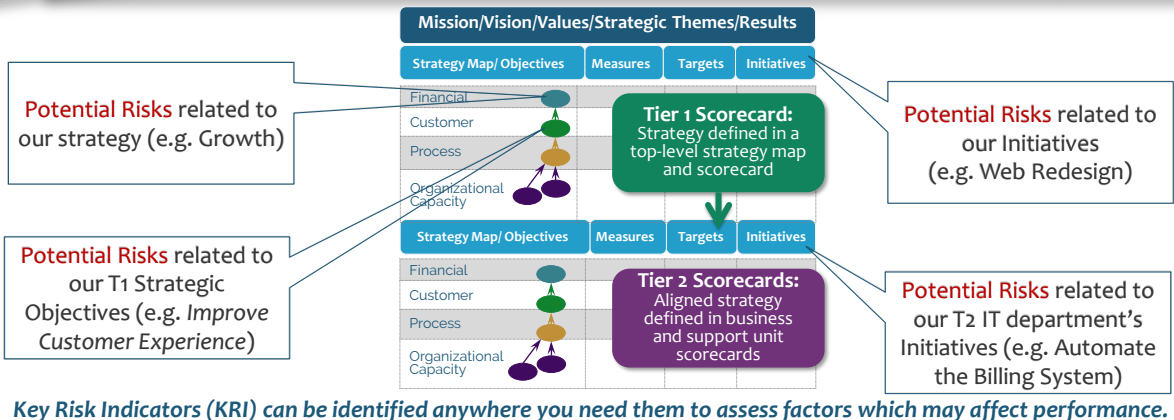
VISION	United in expertise, compassion and hope in the creation of a healthier world for all.				
MISSION	To improve the health of communities we serve through education, biomedical research, and patient care				
VALUES	We drive innovation and discovery	We respect people	We serve our community	We value integrity	We embrace diversity and inclusion
STRATEGIES AND RESULTS	INTEGRATION Upstate will be one university, connected by mission and aligned leadership, integrated through a culture of inclusion, transparency and trust.	INNOVATIVE LEARNING AND DISCOVERY Upstate will be the destination of choice for patients and innovative employees, educators, learners and researchers.	COMMUNITY IMPACT Upstate will be a collaborative and trusted partner in service to our communities.	EXECUTION AND GROWTH Upstate will be an excellent university growing through aligned decision making, efficient, effective operations, quality services, and a dedicated and diverse workforce.	

STRATEGIC OBJECTIVES AND STRATEGY MAP		PERFORMANCE MEASURES	OUR UPSTATE INITIATIVES
LEARNERS, PATIENTS, COMMUNITY & OTHER STAKEHOLDERS	Increase Reputation for Excellence, Improve Health Outcomes, Reduce Health Disparities, Increase Access	LEARNERS, PATIENTS, COMMUNITY & OTHER STAKEHOLDERS • Clinical "HEARS" "Willingness to Recommend" Hospital • Education: Applications to Available Seats Ratio • Research: Total Sponsored Research Expenditures • Workforce: Retention Rate • Health Outcomes	PRESIDENTIAL ONGOING PRIORITIES • Foster External Relationships & Collaborations • Promote Cancer Integration & Network Development • Support a Comprehensive Ambulatory Care Strategy • Pursue Development of a Heart Institute • Build on Neuroscience Expertise PRIORITIZED STRATEGIC PLANNING INITIATIVES • Integrate the Upstate Health Care System • Develop an Institute for Global Health and Translational Science* • Investigate an Institute for Transformative Education • Redesign the Patient Entry Process • Implement Global Budgeting* • Outline Center and Institute Guidelines, Principles, and Support Strategies • Pursue Leadership Training, Trust & Collaboration • Conduct Information Technology, Facilities & Support Services Assessment & Planning • Institute Tracking of Accomplishments to Achieve Excellence • Monitor Evaluation and Redesign of University Programs & Partnerships • Design a One University Survey • Explore an Institute of Cultural Humility and Social Determinations of Health * Overlap with Presidential priorities
FINANCIAL STEWARDSHIP	Improve Fiscal Responsibility & Transparency, Improve Financial Performance	FINANCIAL STEWARDSHIP • Total Revenue Growth • Overall Profit Margin • Drive Cash on Hand INTERNAL PROCESSES • Document Control Compliance • Violence Education/Prevention Outreach Program (VEPOP) • Update Foundation Donations • Violence Star Rating: Inpatient and Outpatient • Update Publications, Authors and Citations metrics • Research Grants Submitted • One University Survey ORGANIZATIONAL CAPABILITIES (PEOPLE, FACILITIES, TECHNOLOGY) • Diversity: Workforce and Student • IMT Help Desk Tickets, Project Requests and Cybersecurity	
INTERNAL PROCESSES	Improve Efficiency & Accountability, Grow Programs & Community Partnerships, Improve Quality, Enhance Innovation, Increase Integration		
ORGANIZATIONAL CAPABILITIES (PEOPLE, FACILITIES, TECHNOLOGY)	Increase Diversity, Equity, Access, & Inclusion, Improve Culture of Trust, Increase Workforce Satisfaction, Optimize Technology, Facilities & Support Services		

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I would like to see the integration with Risk management



Webinar: Techniques for Strategic Thinking and Planning
January 20-21, 2021 – 3 sessions available so it can fit your schedule

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1. Document Business/Support Unit Processes
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Can you talk about cascading the mission, vision and values down through an organization? Specifically thinking of government is there sometimes an advantage of individual branches developing their own mission and vision that is still strategically aligned with the department. For example, the Justice Department can develop a broad mission and vision, but the court, sheriffs, and corrections branches all deliver on that mission differently. In these cases, is it good practice for those branches to develop their own statements? Thanks

Departments follow the higher organization's:

- Vision
- Values
- Strategic Themes
- Perspectives

How can I use Balanced Scorecard in my company to increase profitability?

Vision:	Be a world-revolutionizing provider of energy products		
Mission:	Efficiently deliver the highest standard of service providing energy products and expertise to our customers		
Strategic Themes:	International Growth	Operational Excellence	Energy Leadership
Strategic Results:	Increase in size and shareholder value through acquisitions, organic growth and asset optimization.	Process and services are executed in a timely, accurate, value-added and cost-effective manner that exceeds stakeholder expectations.	Worldwide recognition for thought leadership and energy services expertise.
Strategic Objectives and Strategy Map		Measures	Targets
Financial		<ul style="list-style-type: none"> • Profit • Operating costs • Revenue in targeted markets 	<ul style="list-style-type: none"> • ↑15% per year • ↓7% per year • ↑5% per year
Customer		<ul style="list-style-type: none"> • Customer experience score • % of customers with CK charter • Awareness and leadership score • References in media 	<ul style="list-style-type: none"> • ↑5% next period • 87% next period • 98% next period • 15 new references
Internal Process		<ul style="list-style-type: none"> • Efficiency index • EBIT from acquisitions • Time to post • % of transactions in CRM • New products/SVCs as % of sales 	<ul style="list-style-type: none"> • ↑15% per year • \$15M this year • 5 business days • 65% next period • 14% this year
Organizational Capacity		<ul style="list-style-type: none"> • % employee development plans in place • % systems automated • Operating cost/FTE • Articles published 	<ul style="list-style-type: none"> • 70% this year • 72% this year • \$3,350/FTE • 125 this year
Core Values:	<ul style="list-style-type: none"> • Integrity • Commitment to Excellence • Customer Focused • Diversity of Knowledge • Honesty • Teamwork/Collaboration • Entrepreneurial • Thirst for Knowledge 		