

up with the direction of the business, *this calls into question the very strategy of the business.*

In any of the above areas, differences in perspective between management and customer highlight important *gaps* between strategy and execution. Management's understanding of these *gaps* is essential to the next phase of the Creating Alignment process – the Management Team Interaction.

During this session, senior leaders work to both clarify and quantify the value provided to customers by their products and services. With *gap* analysis in hand, management either affirms or redefines the direction for their business. In the process they stake out a point of difference vs. the competition. This unique difference, *valued by customers*, serves as the foundation for a targeted and effective business strategy.

In preparing for the Management Team Interaction, we recommend the following:

- **Be clear about the meeting objective.** Example: "The goal of this session is to define the future VISION and profit expectations for our business, the supporting CORE INITIATIVES, and the necessary TACTICAL PLAN to ensure success!"
- **Link business vision to business tactics.** *Operationally* define what must be accomplished in executing the plan. Be specific about key action steps and resource requirements for number of people, dollar investment and timing.
- **Insist on accountability.** This will promote measurement, quickly surfacing issues that will inevitably arise in executing the strategy.

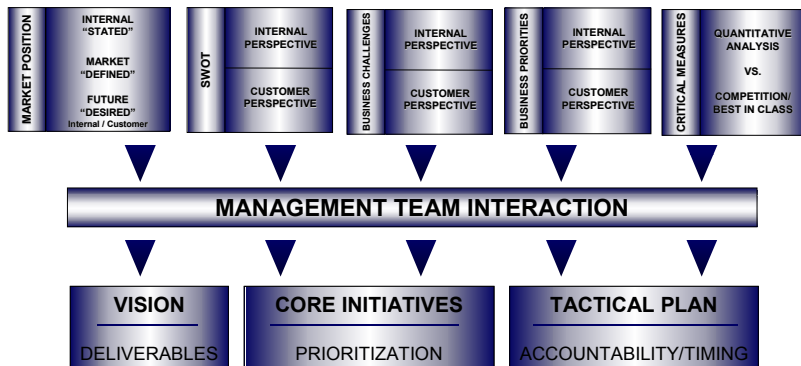
Creating Alignment. Gather and compare "hard" data from both customers and key employees. This will increase organizational learning and build consensus. *Use* this learning in action planning and prepare to unleash the creative energy of *your* employees as you embark down the path to increased customer focus and outstanding business performance!

About the authors . . .
Mary Anne Hudson and Andrew Ortyrn are founding principals of Precision Catalyst, a management consultancy focused on helping organizations *establish the critical links between their people, customers, and business profitability.*

Creating Alignment

A Path to Business Performance and Profitability!

By Mary Anne Hudson, hudson@precisioncatalyst.com and Andrew Ortyrn, ortyn@precisioncatalyst.com



In working with senior executives to increase organizational performance, we often begin by asking the following questions:

- Can your leaders articulate *clearly* and *precisely* the needs of your customers?
- Are your leaders capable of translating customer requirements into specific and *actionable* business strategy?
- Do your leaders manage their people to exceed both *internal* and *external* customer expectations?
- Do your leaders know *what to measure* to ensure ongoing improvement?
- Are your leaders *accountable* for actions that make a difference to your customers and result in tangible improvements to your business?

If the answers to these questions are unclear, our experience shows that senior managers are *unable* to effectively capitalize on the critical links between their employees and the customers they serve.

This article explores how to create these connections, increasing the prospects for extraordinary business performance.

If business success is linked to aligning the organization to clear and specific customer needs, achieving this alignment *begins* with compiling a succinct review of how the organiza-

tion views itself *compared* to the same view held by *paying* (and sometimes *non-paying*) customers.

In the Creating Alignment process shown in the figure above, we suggest five areas for gathering actionable information on a *comparative* basis.

1. **Market Position.** What does the business *stand for* in the eyes of customers?
2. **SWOT Analysis.** What are the organization's Strengths, Weaknesses, Opportunities, and Threats?
3. **Business Challenges.** What are the *perceived* "unsolvable" business dilemmas?
4. **Business Priorities.** What are the recommended business *actions* for the *near term* (i.e. 3-6 months)?
5. **Critical Measures.** A "mining" of company data, both financial and non-financial, across markets, customers, and products

Again – the value in gathering this information comes in the comparison. If there is a disconnect between management and customers relative to what the business *stands for* in the minds of customers — Market Position — this calls into question the *implementation* of the business strategy. If the critical measures and or financial review does not link