

Getting Your Company In Alignment

Many companies fail to meet stated goals — or fail entirely — because communications and procedures unintentionally do not support their mission. Here's how smart companies can streamline their efforts — intentionally aligning them directly behind the CEO's directives.

Most companies aim for a shared set of goals and objectives throughout the entire organization. They communicate their vision statement everywhere, in the annual report, in the newsletter, at every major meeting. CEOs logically expect that boardroom decisions will be carried out faithfully by management and staff. In reality, however, the stated mission is often directly at odds with the activities of the front line sales force — the people who interact directly with the customer.

I call this problem “misalignment.” It happens when policies don't line up with the stated corporate missions. In this article, I'll show you some serious consequences of misalignment, and outline ways that your firm can avoid these pitfalls by becoming a “Total Alignment Company.”

How Mixed Directives Can Lead to Misalignment — and Failure

Sprague Electric Company once consisted of a single sales force with two divisions, each with competing missions. The goals of the semiconductor division were shared by the CEO: to develop new technologies and cutting-edge applications of high-margin niche-market devices. The capacitor

division, on the other hand, sought to maintain market share with a highly price-sensitive product in a mature market. I went on a sales call to a major electronics manufacturer with one of Sprague's senior sales representatives. He was a top producer with a great deal of product knowledge, and kept up to date on both product lines. Yet I noticed that he was selling very few semiconductors, despite the company directives. I asked him why. “Steve,” he said, “I make an excellent living selling capacitors. The product doesn't take a lot of time to sell and seldom changes. Why should I take time away from my bread and butter just because the company wants to sell more semiconductors, especially when my sales add to Sprague's profit margin?” It made sense to me. But in fact, this talented employee was unintentionally directing the company away from the mission set by the CEO.



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And he was rewarded for it with large commissions. Not surprisingly, most of the sales force had the same priorities.

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actions. It wasn't simply because the sales representatives had different plans. Company management had failed to motivate the sales department to concentrate on the entire product mix.

Sprague continued to pour significant resources inequitably into the semiconductor division. As a

result, the two divisions were pitted against each other. Sprague attempted to increase semiconductor sales with countless training programs on sales techniques and product knowledge. But the training was doomed to fail simply because the salespeople could make a better living selling capacitors. The misalignment was devastating to Sprague, causing chaos in the field, missed delivery dates, and frustration among senior managers. Eventually, Sprague Electric Company was sold.

How Companies Encourage "Unintentional Directors"

So there you have it. In the case of Sprague, employees were guided not by the company's stated mission, but by logical conclusions drawn from

their own experience with customers, their understanding of how company profits were generated, and their own natural interests in making a living.

In other situations, employees may be motivated by the pressures generated by the most recent crisis, or by multiple directives from multiple supervisors. In setting daily work priorities, does the staff refer to the company mission statement? Of course not! They respond to the loudest, firmest, friendliest, highest-ranking or best-looking boss — and what's most important to him or her. Forced to make these decisions, the frontline staff indirectly takes responsibility for what gets done that day — in effect, establishing a new set of corporate priorities through their disparate daily actions. Like the Sprague sales representative, these staffers become what I call "Unintentional Directors."

Becoming a Total Alignment Company

The Total Alignment Company has no Unintentional Directors. Instead, the company mission is coherent and clearly stated, with strategies, policies, processes and reward systems all aligned toward achieving common goals — goals that will benefit the company *and* the people who work there.

The Total Alignment Process comes down to five essentials.

1 Clear Goals. The CEO and senior management must develop a clear, realistic and meaningful set of goals. These goals must go beyond platitudes; it must make sense to employees.

2 Concrete Plan. Management must create a plan that outlines concrete strategies and tactics for achieving these goals, and make sure that the plan is implemented throughout the company.

3 Communication Strategy. Management must create a strategy for communicating and reminding the staff of the proper focus, the overall mission, how to achieve the company goals, and what's in it for them — on an ongoing, regular basis.

4 Employee Involvement. Management must ensure that every employee understands how he or she brings value to the company. Employees must be made aware how their actions will move the company forward. This heightens the level of understanding and commitment of each employee at every level.

5 Feedback Mechanism. Management must establish mechanisms for monitoring results, making timely strategic adjustments to respond to an ever-changing marketplace, and to ensure that any new plans promote the company mission.

Sustaining a Total Alignment Company

A vibrant system continually cycles through these five steps. The mechanism for monitoring results should encompass a communications path that makes it possible to adjust and respond quickly to change. When new directions and strategies are introduced, the same five steps must be followed in a way that is meaningful and motivating to all staff members.

The Total Alignment Process may look like a top-down mandate, but nothing is further from the truth. It is a total company effort to achieve a common goal. The CEO and senior management take responsibility to set the tone and develop ways to articulate and carry-out the agreed-upon plan throughout the company. All departments, divisions, and individual employees then share the

responsibility to align themselves with the company vision.

The Benefits of Total Alignment

The benefits of Total Alignment are many, including increased sales, lower costs, higher profits, lower turnover, satisfied employees and better customer service. Maybe most important of all, a Total Alignment Company is directed intentionally by everyone in the organization, as everyday decisions and actions are intrinsically aligned and driven by the same mission.



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For more information about the Waterhouse Group or the Total Alignment Process, please contact Steve Waterhouse.

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