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Creating Strategic Alignment through Executive Development

by Jim Bolt

Strategic alignment is essential to the achievement of peak performance of any team, function, business unit, or company. How can you use executive development to significantly increase strategic alignment?

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Let's begin with two strong and perhaps alarming statements. First, no team, function, business unit, or company can achieve peak performance without a high degree of strategic alignment. Second, many companies do not have strategic alignment.

Years ago, during the typical routine needs assessments that I perform at the beginning of every new project, I first discovered the lack of strategic alignment to be a common thread among the organizations with which I worked.

As part of initiating the creation of a new executive development strategy and/or program, I would ask (and still do) a cross-section of executives to describe a few simple things about their organizations, such as, what are the marketplace

challenges? What are the organization's strengths and weaknesses? What is the company vision? What are the key strategies for achieving the vision? And, what executive/leadership capabilities are most needed to achieve the vision and execute the strategies?

Quite to my surprise, the responses to my question about vision were frequently: "There isn't one;" "There probably is one, but I don't know what it is;" "It's just platitudes;" "We have a good vision, but we don't have a strategy to implement it;" or "We have goals, like cut costs, but not a vision." And frequently there were many different versions of the vision running throughout the company, worse yet within members of the same executive team.

Reporting these findings back to the CEOs is never a fun job. Having worked hard to create and implement the company vision and strategies, they are always surprised and frustrated to learn that they are not known, understood, clear, compelling, or bought into. One perplexed CEO told me that it wasn't possible; that he had just spent three months traveling all over the country visiting every major business location and speaking about the vision and strategy to more than 4000 people! It's at times like this when it's important to remind these powerful executives not to shoot the messenger. And, of course, to explain that this troubling information is indeed accurate -- it came from their executives, not me!

The reason there is a lack of unity and alignment is that all too often, a company's vision and strategy are concocted by a small group at the top -- typically the CEO and his or her top 8-10 executives. They then turn it over to the PR department to "communicate" to the rest of the organization. The result of this traditional, mostly one-way, passive communication campaign is an organization of employees who, at best, might be able to repeat catch phrases. They've read the memos, heard the speeches, and watched the videos -- maybe even attended a town meeting with a senior executive -- but do not have deep, visceral understanding, ownership or commitment to the vision and strategies.

That's the bad news. Now for the good news. It is possible to achieve strategic alignment through well-crafted executive and leadership development programs. The key is to use development experiences to actively engage people in the vision and strategies. Companies that have used this approach have achieved great success, including a couple I will briefly discuss here -- digital communications market leader Texas Instruments (TI) and the world's leading wealth manager, UBS.

TI's CEO and top management team had created a new vision and strategy and was getting ready to "deploy" it in its typical fashion (a traditional communications campaign). George Consolver, Director of the TI Strategy Process, became concerned that this deployment process might not work and convinced the management to try something new.

They stamped the document as a "draft" and created an executive development workshop for the next 250 executives (in groups of 25 mixed from all over TI) to engage them in the same strategic analysis that the senior execs went through, then gave them the "draft" and invited them to make improvements. The result was a higher-quality strategy and deeper understanding, ownership, and commitment. It also led to improved strategic thinking, faster and better execution, and significantly

better business performance.

UBS launched its Leadership Institute in 2002 based on the belief that the best way to achieve strategic alignment was to define a clear vision and set of values, and then develop exceptional leadership talent who communicate and embody them. Since then, the UBS Leadership Institute has helped drive UBS toward a common corporate identity and an integrated leadership team that is closely aligned with the strategic agenda of the firm.

So what could you do if you wanted to increase strategic alignment in your organization? The first step: assess the degree of strategic alignment that currently exists. This is surprisingly straight-forward. Strategic alignment can only be present under the following conditions:

- Clear, compelling vision, values, and strategies exist
- They are understood and committed to throughout the organization
- They are translated into aligned business, function, team, and individual goals and actions
- People are equipped with the capabilities needed to achieve the vision, live the values, and successfully execute the strategies
- Key systems and process are aligned (e.g.- rewards and recognition)

Next, if you find that the above conditions are not apparent, you can confidently conclude that your company is not aligned strategically and you have some work to do. Your next steps should be to:

1. Identify the critical gaps between the current and desired states of strategic alignment
2. Create an action plan to close those gaps
3. Consider developing an executive/leadership development strategy and program to engage people in the vision and strategy process in a way that builds deep understanding and ownership, plus builds the capabilities needed to achieve the vision and execute the strategies
4. Create and launch a communication strategy to support alignment as well.



Achieving strategic alignment is a major undertaking for any organization, but it is worth the effort. When there is unity and alignment, the energy of the entire enterprise is focused on those priorities that result in the realization of the vision and the successful execution of the business strategy. When an organization is truly aligned, not only business goals and financial performance rankings, but also team spirit, collaboration, decentralization, empowerment, and individual fulfillment are guaranteed to improve.

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