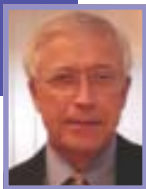


Getting Your Professional Services Business on a Level Playing Field

Leadership Alignment: A Critical Success Factor—Part I

By Mike Sanderson



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Building and enabling a collaborative, customer-focused services business starts at the top. In environments lacking leadership alignment, we often see conflict, suboptimized performance, and talent degradation driven by parochial interests, problems with ownership (of, for example, the customer, resources, skills, and budgets), and a lack of clear processes, roles, and responsibilities.

“I never could figure out why we had such uneven support for our services initiative. We had done solid customer research, we knew what our customers wanted and needed, and we had gained real headway by completing several deals very profitably, plus had more signed up. Yet, in an environment where growth had slowed in the traditional product markets, we were never on a level playing field and couldn’t get any internal traction.”

*Senior Services Executive
Large Product Company*

Is this a case of “no respect” due to inadequate offerings or a reflection on an executive who is considered weak? Or is this a case of corporate politics, broken processes or systems, or poor fit with the stated product strategy? Any one of these factors can crater new initiatives, and in most cases, it’s not about any one factor, but rather the alignment of several factors.

Business Alignment

“Strategic business alignment represents the capability of an organization to coordinate the activities of all of its components for the purpose of achieving its strategic objectives. It is grounded in a shared vision and common understanding—as well as ownership by all stakeholders—of what the organization wants to achieve and why.” (The Conference Board, 2003).

Business alignment is sometimes referred to as coherence or congruence, and there are many models depicting the elements (components and

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activities) that must be coordinated or integrated to achieve alignment. The key elements—e.g., customers, strategy, people, culture, structure (organization), processes—vary in each model, but the essence is the same, and the key activities in running a successful business must be viewed holistically and coordinated purposefully. While this may be obvious and easily defined, it is very difficult to achieve. Why?

Traditional product-based companies, with a “product” make-sell-deliver heritage, typically have a culture firmly rooted in hierarchical command and control, which makes cross-functional alignment (a requirement for professional services units) difficult in today’s complex, competitive, fast-moving environment. Second, though not less important, is the issue of leadership. Corporate strategic alignment cannot be accomplished without committed and aligned leadership at all levels of the business.

Business Culture and Alignment

Business culture is system of shared beliefs, values, customs, and behaviors that the members of a company use to relate with their customers and with one another and that are transmitted from generation to generation through learning.

Corporate culture often is defined

as “the way we do things around here.” The way in which you do things has an enormous influence on alignment, on strategy execution, on overall organizational effectiveness, and on performance. Culture is one of the four primary management practices cited in *What (Really) Works: The 4+2 Formula for Sustained Business Success* (Joyce, Nohria, Roberson, Harper Business). The enabling, performance-based culture that the authors describe in the book is based on inspiring your workforce to do their best, rewarding achievement, creating a positive work environment, and establishing and abiding by clear values.

If your real (vs. aspirational) values or your rewards structures support individualistic, siloed, hierarchical, or inward-focused behaviors when (for example) your services business needs collaborative, dynamic resource sharing, shared leadership, and outwardly focused behaviors, then life can be difficult, and results may be lacking. Your culture can enable, or it can restrain; it can make alignment possible, or it can make it virtually impossible. It can help you to achieve your strategic goals, or it can make a mess out of a perfectly reasonable, on-target strategy. The key is to fully understand the culture you have vs. the culture you need in order to execute your strategy and then purposefully change what needs to be changed. Because your current culture was developed over many years, changing that culture requires completely committed and aligned executive leadership.

Leadership and Alignment

“If you cry, ‘Forward!’ you must with-

out fail make plain in what direction to go.”

Anton Chekhov

Leadership at the top of the business sets the mission or purpose; builds a vision; adopts guiding principles; decides the business design; devises and promulgates strategy; assigns process ownership; sets structure, operational parameters, and measurements; and influences the corporate culture—all elements of strategic alignment. In the old command-and-control environment, top leadership could decide, dictate, and expect the hierarchy to carry out its wishes.

Today’s competitive environment—particularly in a services business or in a combined product and services business—requires flexibility, rapid response, decision making close to the customer, and rapid allocation and deployment of resources. It requires multilevel involvement with the creation of vision and strategy, and further, it requires clear, consistent communication of purpose throughout all levels of the business—where we are going, how we will get there, and what we must do collectively and individually.

Moving Forward

The benefits of gaining sustained alignment in your business are enormous, both to the bottom line and to the overall effectiveness of your organization. In order to move forward, you’ll need to assess where you are today and then, if necessary, put a plan in place for improving your alignment posture.

Stay tuned to the next issue of *Sbusiness*, where Part 2 of this article will address how to assess your current environment and cover a pathway to alignment, which will include a methodology for getting there. ▼