

**STRATEGIC ALIGNMENT**

**SUPPORTING ORGANISATIONS  
IN A NETWORKED ECONOMY**



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## Strategic Alignment

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*This document is provided as an overview of some of the processes used by Jarche Consulting for strategic planning and business development projects*

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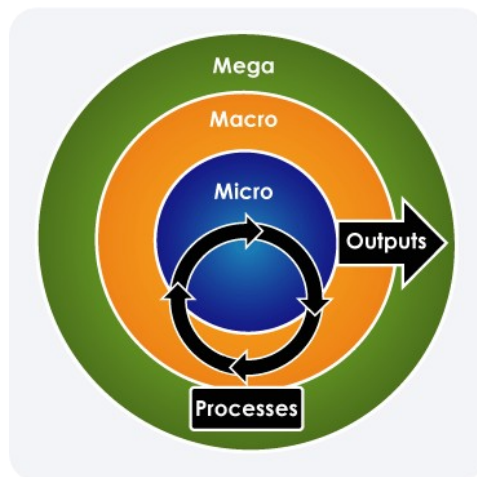
No organization works in isolation of its markets, communities, workers or regulations. All of these factors must be considered when planning strategic direction.

The first step in examining organizational performance is to look at the how the organization is aligned between its environment and its workers.

- The **Mega**<sup>1</sup> level addresses the connection between the organisation and community & society.

The **Macro** level looks at how the organization itself functions and the **Micro** level addresses the needs of teams, groups, individuals. For instance, the Mega focus looks at long-term core values. Proper alignment of these values can help to avoid problems such as those experienced by Enron, Arthur Anderson or WorldCom.

- The **Macro** focus looks at the optimal structure and aligns the mission with these values.
- The **Micro** focus ensures that workers have a job worth doing, the right tools to do it, and are rewarded for doing it well.



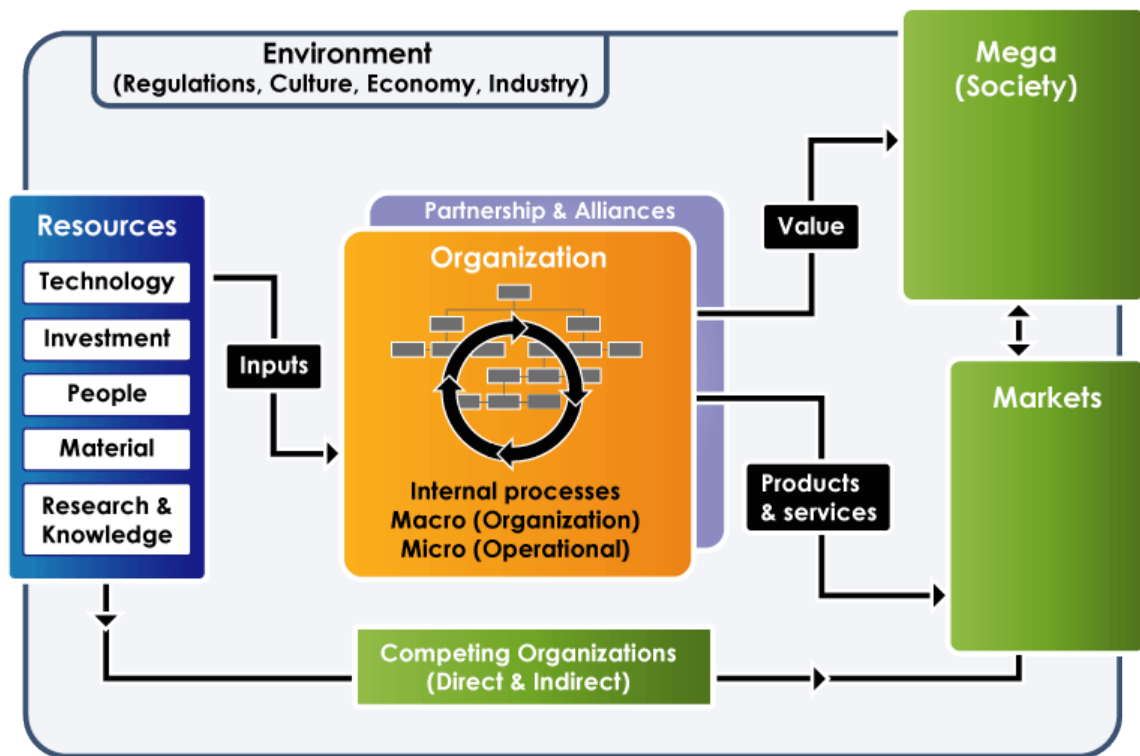
While looking at the alignment of these three, interrelated levels, we will also examine the internal company processes and the outputs that are created.

There are many ways to examine an organization and its environment. The system model shown on the next page is one such lens.

<sup>1</sup> The terms Mega, Macro & Micro are from Kaufman, et al in *Strategic Planning for Success: Aligning People, Performance, and Payoffs* (2003)

## Strategic Alignment

### Analysis & System Model (Mega & Macro)



This diagram describes the main components of a dynamic performance system. It shows the relationships between an organization, its resources and what it creates; all within the context of the various systems that affect it.

Specifically, this system model shows the Environmental Influences; Societal & Community needs; Markets; Resources and competing organizations, all as they relate to the organization.

## Strategic Alignment

There are several important components in analysing an organisation and preparing strategic guidance.

### Know the Business

Understand the business.  
What are the objectives?  
What are the challenges?  
What is valued?

### Define the Opportunity / Gap

Document the difference between optimal and actual.  
*What should happen?*  
*What does happen?*  
*How do you know?*  
*Who wants it solved?*

Clarify the Costs

Identify the price of the challenge / problem.  
*What is lost if nothing is done?*  
*What is gained if we fix it?*

### Cause Analysis

Causes, Enablers and Obstacles  
*Question the assumptions and potential solutions.*  
*What is causing the problem?*  
*What will prevent a solution?*  
*What will make a solution easier?*

Focus on Key Sources

Find and focus on the people who are close to the problem and have perspective on the issues. We do not try and reach everyone – especially in an initial performance analysis.

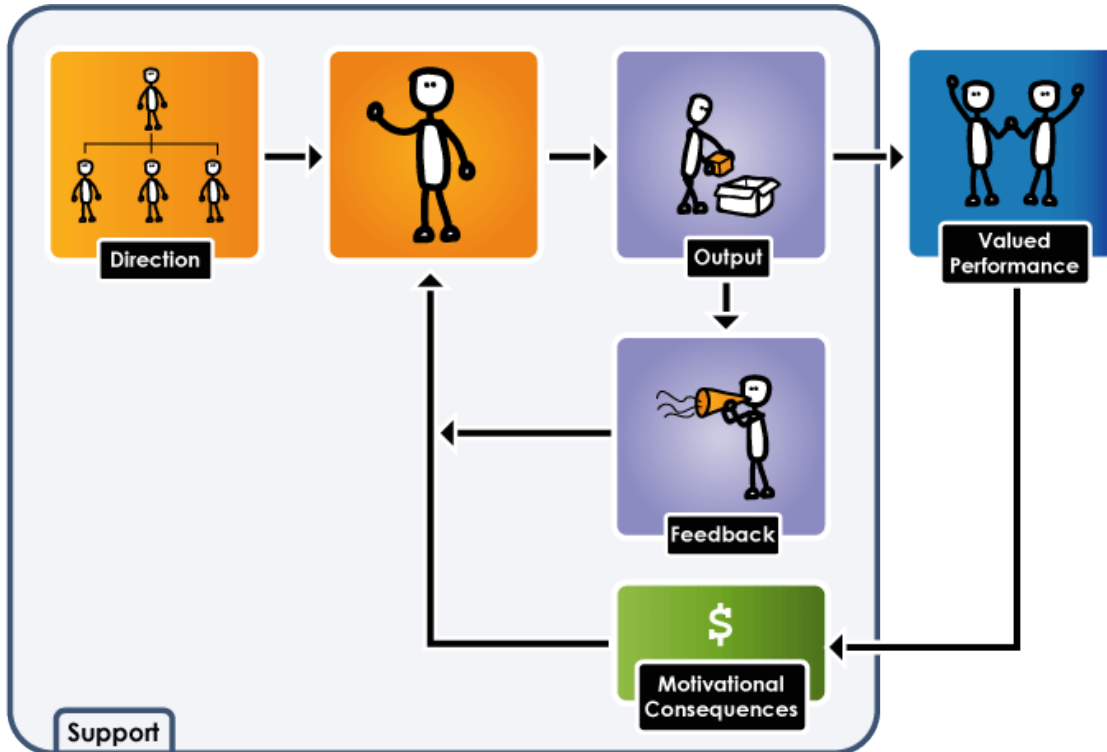
Focus on Facts and Results

Look for data, through observations, records, experiences.  
*What evidence is there?*  
*Is it consistent?*  
*What does it tell us?*  
*Is there more?*

## Strategic Alignment

### Work Performance at the Micro Level

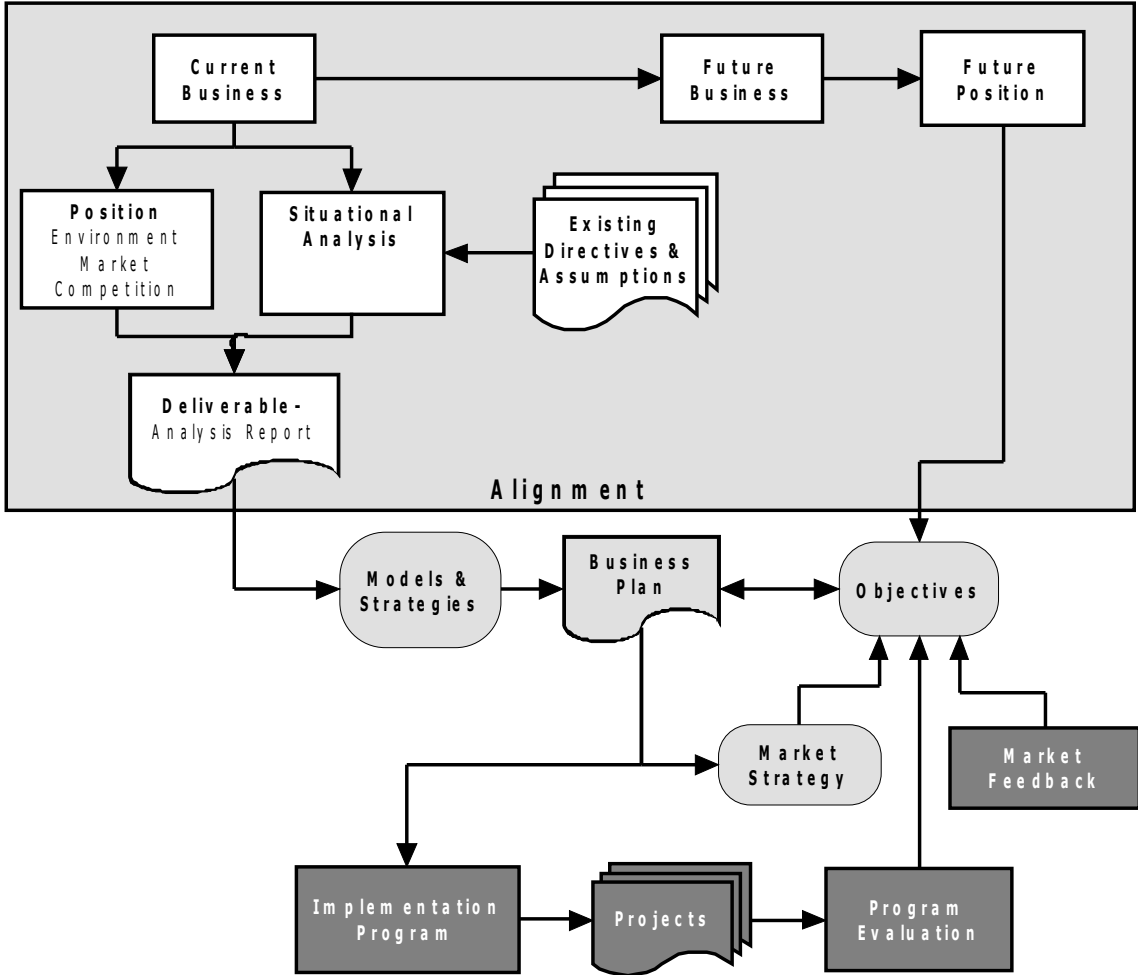
Every worker performs within a **Support** system. This system includes some **Direction** and the worker creates some type of output – usually a product or a service. There is typically some internal **Feedback** on how well the job is done, from a supervisor or co-worker.



Outside of the company or organisation, the product or service is seen as **Valued Performance** by external customers. In an optimal system, the external clients level of satisfaction is fed back into the company, through **Motivational Consequences**, to the worker. One type of consequence could be a performance bonus.

# Strategic Alignment

## Implementation



This flowchart shows the guiding process used by Jarche Consulting for strategic planning initiatives. The **Alignment Phase** concentrates on the alignment of the current business operations with the future model so that there is a clear “Future Position” and a solid analysis from which to create the **Business Plan**.

## Strategic Alignment

A suggested framework for the **Business Plan** is shown below. This diverges from traditional business plans, but is based on years of experience of venture capitalists and is just as applicable for non-profit organisations as it is for private companies.

<i>Section</i>	<i>Description</i>
Problem	Description of the pain that this initiative is alleviating
Solution	Explain what will be sold and/or the value proposition
Business or Operational Model	Explain how revenue is generated; how this will be financed; channels and gross margins.
Essence	Describe the technology, or special solution of the product or service.
Marketing & Sales	Explain how this initiative will reach customers/clients.
Competition	Complete view of competitive landscape
Management Team	Key members, advisors, and/or investors.
Financial Projections	Five year forecast including number of customers
Current Status & Accomplishments to date	Current status of company, near future prospects and how money will be used

## Factors to Consider

While developing this framework, the following lessons, also learned from experience, are taken into consideration:

- Don't copy a successful business, because you will have to create a new brand for an existing product/service.
- Don't overestimate your market.
- Don't be too far or too behind the market.
- Don't bite off too much.
- Don't offer a solution in search of a problem.
- Listen to the right advisers
- Don't blow the budget.
- Beware of group think.
- Don't buy the MBA hype.

### About Jarche Consulting

Harold Jarche is an independent consultant located in Sackville, New Brunswick. His business is focused on improving organisational performance, and he specializes in technology-based collaboration systems for the workplace. Over the past twenty years Harold has worked in a variety of areas, performing functions such as Chief Learning Officer of an e-learning technology company; Project Manager of a university-based applied research centre; Training Development Officer; Hospital Administrator; and Infantry Officer.

Jarche Consulting will work with the client to develop the most appropriate approach as required for the situation. Harold Jarche, company Principal, adheres to a code of practice for all clients:

1. Base recommendations and actions on an objective needs assessment conducted in partnership with the client.
2. Define and achieve useful results that can be aligned with both the client organisation's mission, objectives, and positive contributions to society.
3. Focus on results and consequences of the results. Measure performance based on results, not on procedures performed for the client.
4. Set clear expectations about the process to be followed and about the expected outcomes.
5. Serve the client organisation with integrity, competence, and objectivity.
6. Respect and contribute to the legitimate and ethical objectives of the client organisation.
7. Prevent problems from occurring rather than solve problems that could have been predicted and avoided.

For more information, see: [www.jarche.com/consulting](http://www.jarche.com/consulting)

#### ***Areas of Expertise:***

- Strategic & Business Planning
- Work Performance Analysis
- Programme Evaluation
- Open source business models
- Non-profit organisations

#### ***Qualifications:***

- B.A. (Royal Military College of Canada)
- M.Ed. (University of New Brunswick)
- Certified Performance Technologist (ISPI)