Anton Consulting, Inc.

the human side of data

A No-nonsense Framework for Organizational Alignment

Customer Experience Management • Organizational Alignment • Business Intelligence & Measurement • Data Management & Quality

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.Why is it that some companies are so successful at organizational alignment when others fail?"

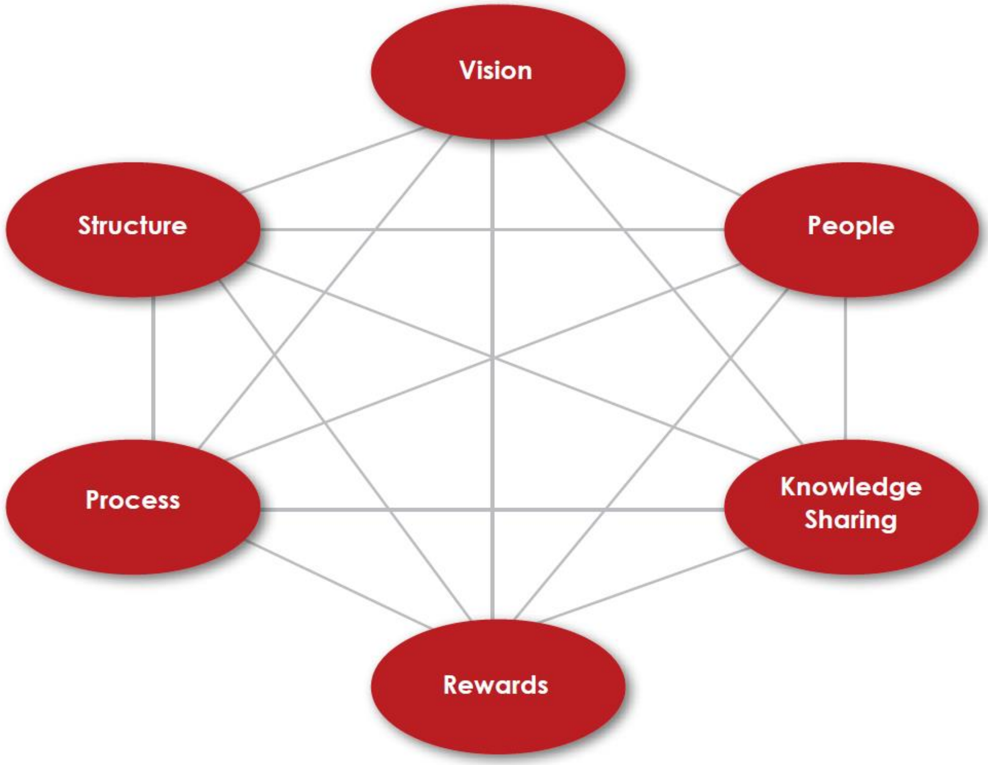
Despite the declarations of the previous decade which urged companies that "change is constant," and that they must "change or perish," what I have seen from first hand experience as a consultant in this field is that rapid and constant change simply tears an organization apart. It keeps a company from achieving strategic momentum and causes employees who were not inherently resistant to change in the first place to become so.

So, what is it about organizations that have such a hard time getting aligned behind their strategic goals and as a result wind up losing the very employees they want to keep? And why is it that some companies are so successful at it when others fail?
Some of the most pervasive misconceptions about change management are that you somehow have to wipe out everything that's not working properly, and start new – or if you're shifting the strategic direction of your company, you simply must hire a great deal of new expertise from the outside to get you where you are going. In fact, most companies that have been successful at managing change do just the opposite. Rather than seek what they need from outside or totally reinvent how they do their work, they take a much more no-nonsense approach to getting their organizations aligned. Put simply, they work with what they've got. This is not to say that these companies never turn to new people or new ways to create the change they need, but rather than search for the magic bullet they work hard to create their own and bring in expertise as needed.

Regardless of whether a company is trying to radically improve its customer relationship management efforts or simply create a better way of measuring one component of performance, the answer to better organizational alignment seems to lie in how often a company induces change and how sweeping that change is across its organizational components. Companies that are effective at getting the organization aligned behind its goals do two things:

1. They tend to focus on moderate, intermittent changes that alternate between a period of disruption and a period of stability.

2. They look long and hard at their existing assets to understand how they can be redeployed or combined differently to meet the new goals.



1. Moderate, Intermittent Changes.

When a company decides to undertake a disruptive effort, it needs to think through whether or not its employees are already suffering from initiative overload. Also, executives must honestly ask themselves if the focus is on key changes that will really move the company closer to its goal. Since there is usually a state of disorder between when the change is initiated and when it is completed, employees are in a state of flux and are doing things that require more effort and energy than usual. Launching another big effort before the previous one gets adopted creates exponential chaos and disorder. In fact, it is not the outcome of change that is not desired by employees, it is the disruption and uncertainty that require energy to push through – too many of these initiatives without a period of stability in between will have your best employees like Mark heading for the door.

2. Redeploying Existing Organizational Assets.

Most companies that are successful at executing against their strategic goals not only focus on moderate, intermittent changes, they refrain from disrupting too many organizational assets at the same time. They explicitly seek to recombine or redeploy – rather than replace or eliminate – their organizational assets.

In order to understand the value of redeployment, a company must fully understand the different assets it can leverage as needed. The diagram below depicts the critical organizational assets that can be tapped for redeployment.

VISION. A compelling vision or outcome that is well-articulated, shared by senior leaders, and effectively communicated down through the organization is truly the most valuable asset from which all organizational alignment begins. A company vision must be "believable" in that employees perceive it as feasible and worthy of people's time and effort, without seeming overwhelming. Companies with a well understood vision that is internalized by staff employees as well as managerial employees, have senior leaders who recognize that from their vantage point they cannot always see where the communication gaps are in the organization, so, they manage this explicitly. In organizations where senior leadership is not aligned around the same vision, this is felt throughout the organization and a company may find its key groups working at different purposes.

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PEOPLE. People are probably the most readily adaptable asset a company can have, yet companies often do not take the time to understand how existing resources can be redeployed to achieve desired outcomes. One reason for this is that organizations typically focus too heavily on whether or not an employee has the right "hard" skills to do the job, and not enough on how to leverage an employee's "soft" skills such as demeanor, aptitude, and values.

Take for example two large entertainment companies. During the internet boom each company created independent online divisions that were branded separately from their parent divisions. Like many companies during that period, the intention was to incubate the online business, then spin it off for millions of dollars. When the tech market tanked in 2000, one of these entertainment companies decided to cut their losses entirely. They fired everyone but a bare bones team of six people, lost ten million dollars and got out of the game almost entirely. This company remains gun shy about investing in online efforts even today. Their website is content-shallow and they do not use the online channel for commerce purposes or to build one-to-one customer relationships.

On the other hand, their competitor quickly shifted their business model from building websites for external entertainment clients, to building websites for other divisions within their own conglomerate. They re-branded the group under the parent name and worked hard to redeploy their employees. They took the most entrepreneurial and visionary leaders from the online group and put them in their strategic planning group to focus on emerging markets. In short order these individuals found international licensing opportunities for their animated properties in countries like Japan where wireless technology was more advanced and popular American culture was in demand. Even today, they remain the undisputed wireless licensing leaders in these international markets.
The remaining employees were redeployed as "online consultants" who became billable advisors to their sister divisions. Today, this entertainment conglomerate has over 2 million registered online users and sells more movie-related consumer products online than any of their competitors.

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KNOWLEDGE SHARING. Sometimes instead of paying for a new IT system to manage the firm's knowledge assets, it pays to leverage the social networks through which knowledge already flows. One large petroleum company based in the UK decided that it was not worth it to spend millions of dollars to create a huge knowledge database which would require disrupting processes, people, and structure all at once. Instead, they created a peer-to-peer action review, where they pulled people together from around the world on a quarterly basis to share solutions to critical strategic issues. By facilitating the expansion of social networks of key employees, they were able to achieve high quality knowledge sharing without the disruption that a huge technology effort would have required.

REWARDS. Of course, tangible rewards such as compensation and bonuses are a good way to get a desired shift in behavior from employees, but more often than not...companies overlook how much good, old-fashioned recognition works. As one executive from a large investment company put it, "Contrary to popular belief, I don't think people resist change We hire smart people and know that smart folks actually want to be part of building a better organization, even if it means things have to change." This same executive said that he always goes out of his way to acknowledge the good efforts of an employee in front of other people. Furthermore, he tries to acknowledge positive change as a group effort, "If you reward individuals too often it can make them less willing to share information. It creates a tendency to hoard what they know in order to set themselves apart – and that's the last thing we need around here." So, before launching a new compensation plan, which tends to cause anxiety and stress for many employees, companies should consider whether "soft" rewards such as recognition in front of peers, will get them where they want to go.

PROCESS. Much of business process re-engineering has traditionally focused on documenting the right way to do something. However, one of the dangers is that it is easy for a process to become repetitive as the focus is always on "know-what", rather than "know-why." Consider taxicab drivers in the UK. Unlike cab drivers in the US, they go through rigorous training to get their taxi licenses. They are taught not just "know-what" which one might define as the shortest route on a map for getting someone from point A to point B, but they also develop "know-why" which might mean that when it rains it is better to take the longer route that doesn't have the sewage backups that create traffic delays. "Know-why" breeds innovation and adaptability which is exactly what companies need when they face shifts in strategic direction. Some process re-engineering projects run the risk of throwing out the "know-why" along with the old processes. Successful companies with strategic momentum have a healthy respect for traditional processes and innovative ones at the same time.

STRUCTURE. Identifying key influencers may be equally as effective in getting an organization properly aligned to its strategy as a major restructuring. Key influencers are employees who may not have formal authority or an official title, but they do have the ability to greatly influence their peers. Yet, time and again, when change is at hand, senior executives often keep these same employees "in the dark" because they are not part of the official hierarchy of the firm. Given the amount of productivity that goes by the wayside while employees hold their breath for the new org chart to be released, companies may want to consider the more practical approach of giving key influencers access to vital information and decision-making rationale before undergoing a major restructuring.

The table on the next page re-caps the hard and soft characteristics of the organizational assets reviewed above.

Redeploying assets and pursuing change in a moderate, well-paced way allows companies to continue operations with more stability and less stopping and starting that usually goes along with throwing out the old and inventing the new. This is not to say that a company should never disrupt any organizational assets – but it does point out the need to make conscious choices about just how many assets should be altered at the same time and whether or not those alignments need to be hard or soft in nature. By working with what they've got companies can shift strategic direction and develop strategic momentum at the same time – and keep employees like Mark from heading out the door.

Organizational Assets	Hard Characteristics	Soft Characteristics
Vision	• Mission Statement • Documented strategic goals	• Internalized by employees • Shared by leadership • Believed to be feasible and worth people's time and effort
People	• Roles • Responsibilities • Skills	• Demeanor • Aptitude • Values
Knowledge Sharing	• Training • Knowledge database	• Social networks– individuals to whom others turn for information • Multi-functional working groups
Rewards	• Salaries • Bonuses • Performance review ratings	• Face-to-face recognition of individual and group efforts in front of peers
Process	• The way work is "supposed" to happen • "Know-what" – results in repetition of tasks	• How work "really gets done" • "Know-why" – results in adaptability and innovation
Structure	• Organizational chart • Formal reporting relationships	• Key influences – individuals who may not have formal authority, but exert significant peer influence • Informal peer relationships

Anton Consulting is a boutique consultancy dedicated to improving the customer experience management capabilities of select, blue-chip clients. Best-in-class talent is tapped through a bench of consultants who are mature, experienced, and in the top tier of their specialties. Projects are designed to transform how companies manage their customer relationships by improving customer strategy, organizational readiness, technology, and data quality. All engagements are based on thought capital and proven methodologies that are customized for the unique needs of clients.

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