

Strategic Alignment Part 3

By Drive, Inc.

PROCESS TO CREATE ALIGNMENT

Last month, we discussed the definition of Strategic Alignment and the importance of aligning key process indicators among the team. This may seem like a daunting task at first, but creating alignment within any enterprise is possible if applying the right process. We will detail a process through which we can create, align, and deploy our strategy. Our focus early in the strategic process is to identify gaps in our business that need to be addressed in the coming year. While there are many processes that can be used to uncover gaps in the business, we will focus on the following processes:

SWOT Analysis

Voice of the Customer

Market-In

SWOT ANALYSIS

Strengths-Weaknesses-Opportunity-Threats (SWOT) Analysis is a process by which the team considers many internal and external aspects of the business. Strengths and weaknesses are internal to the company; opportunities and threats are external to the company. Below are examples of each from actual SWOT brainstorming sessions:

Strengths (internal) – what do we do well?

- Results from brilliant processes rather than hero effort
- Culturally embedded vs. personality dependent
- Possesses organizational advantages
- What we do better than all competitors
- Unique or low cost resources
- Embodies strength in the market
- Unique selling propositions (USP's)

Weaknesses (internal) – where do we need to improve inside of the business?

- High Cost Structure
- Lack of Technology / Innovation



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- Poor results from poorly developed people
- Poor results from broken processes
- Good results from broken processes through hero efforts and workarounds
- Things we should avoid
- Seen as weaknesses in the market
- Factors that lose us sales

Opportunities (external) – where can we grow?

- Developing Disruptive Technologies
- Where we could employ market-in
- New markets in which to expand
- Existing markets in which to penetrate
- Hidden bank accounts
- Changes in government policy related to your industry
- Changes in social patterns, population profiles, lifestyle changes, etc.

Threats (external) – where are we vulnerable?

- Market / Economy / Commodity volatility
- Supplier Stability (Quality, Deliver, and/or Cost)
- Shifting Consumer Sentiment
- Disruptive Technology from Competitor or Newcomer
- Economic issues
- Regulatory issues
- Social issues

When conducting a SWOT analysis, the team should brainstorm all of the possible items that apply to the SWOT, consolidate them as much as possible, and clarify the consolidated list for later use in a gap analysis. Alternatives to a SWOT include an exercise on “killing the company.” The team brainstorms what it would take to destroy their own company within a year and then create countermeasures to those items.

VOICE OF THE CUSTOMER

Voice of the Customer (VoC) is the process of intentionally soliciting the “voice” of one’s customers. These customers may be internal, external, or end customers. The goal is to not assume we are doing a good job for the



customer; we must be intentional about ensuring we are doing a good job for the customer. Below are some simple questions to be asked when face-to-face with customers:

- What are we doing that we should CONTINUE doing?
- What should we STOP doing?
- What should we START doing?

MARKET-IN

Market-In is an additional VoC approach where one observes our customer using our product/output. This approach is very different from focus groups. Focus groups only capture customers' wants and needs based on their perceptions given their current situation. Watching the customer use our product/output allows us to discover latent wants and needs. With this knowledge, we can then provide products and/or services that have customers saying, "They have thought of everything."

Does your team conduct a SWOT analysis as part of the strategic planning process? Is the voice of the customer and market-in data represented in the strategic plan? If you answered no to either of these questions, we can help! For a no-obligation introduction meeting, please contact Paul Eakle at paul.eakle@driveinc.com or 865-323-3491. Stay tuned for next month's newsletter series where we will discuss the deployment of the strategic plan.

