

Cascading strategy: *Obtaining the benefits of enterprise wide strategic alignment*

When strategy is discussed, it is usually in the context of a corporate strategy, a business unit strategy, or that of some other clearly defined entity. Very rarely is strategy considered in the context of an enterprise wide solution. The inevitable result therefore is that strategy:

- *Is rarely "aligned" with Corporate, Division, or any other part of the Group Strategy,*
- *Will usually remain in presentation format – in the GM's top drawer, and*
- *Is poorly implemented; responsibility is rarely assigned effectively and almost never 'monitored'.*

In addressing the problem, HC+P practitioners apply a strategic alignment process that effectively 'cascades' the strategy – from corporate level to independent business unit – and down to individuals, if appropriate. The process forms part of our fully integrated **Strategic Management Framework**, a structure that delivers the following results:

Typical output from traditional 'Planning Process'	Output from Integrated Strategic Management Framework
• Silo based view of 'my patch'	• Fully aligned strategy Corporate → Division → SBU →
• Planning document nestled in top drawer	• Visible, communicable strategy execution 'Dash Boards'
• Good ideas scratched across 'butchers paper'	• Strategy with clear 'Pathway to Implementation'
• Strategy based on notional 'issues'	• Identification and understanding of 'gaps' in strategy
• Foundation for next years 'planning cycle'	• Foundation for the future

Benefits from an enterprise wide, cascaded and fully integrated strategy are delivered through:

- **Redesigned process:** Use of strategy alignment mechanism (Strategic Architecture) that links strategy - organisation wide (enabled through the associated **Pathway to Implementation**).
- **Visibility:** through the **Strategic Architecture**, strategy is depicted in a single page. This provides greater visibility and understanding and leads to greater acceptance and commitment.
- **Gap Analysis:** Because of the structure of the Strategic Architecture any potential 'gaps' in strategy are immediately recognised and resolved.
- **Method of Automation:** automation delivers visual communications through some form of 'dashboard' monitoring mechanism. When used appropriately, automation can provide a significant 'step up' to the effectiveness of a strategic management program.

Case Study: In a recent project, HC+P assisted our client (a recently appointed Division General Manager of a Corporation in the Fast Moving Consumer Goods industry) with the development of an 'umbrella strategy' for the Division and associated Business Units. The solution was required because our client was experiencing difficulty in expressing Division strategy and sorting through the confusion that arose from the several 'layers' of strategy, at corporate level and beyond (e.g. independent Business Unit level). Through our facilitated program, our client was able to establish a road map, linking corporate strategy with the Division strategy – and down to independent Business Units. The result? A clear structure of strategy was 'crystallised' in our clients mind, along with more articulate (and structured) strategic plan. The plan included specific goals and objectives, targets and associated KPI's and a method of execution - the Pathway to Implementation. In addition, a clear strategic direction for each Business Unit was established, as well as a method of monitoring and reporting results.

Getting Started: HC+P use the construct of a Strategic Architecture to link strategy formulation with implementation. Through this construct, we are able to define strategy, assist with its articulation, identify gaps and subsequent development of a '**Pathway to Implementation**'.

Can we help? We will be delighted to talk: hcandp@hcandp.com; (03) 9863 8980; www.hcandp.com.