



# Operational Alignment

## It is up to the dealer principal, senior managers

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Organizational alignment is one of those hazy, imprecise issues that is easily (and often) tabled for later discussion. Still, it is an essential, if elusive, component of a successful business environment. By way of definition, alignment is the congruence — the intentional congruence — between goals, functions and activities.

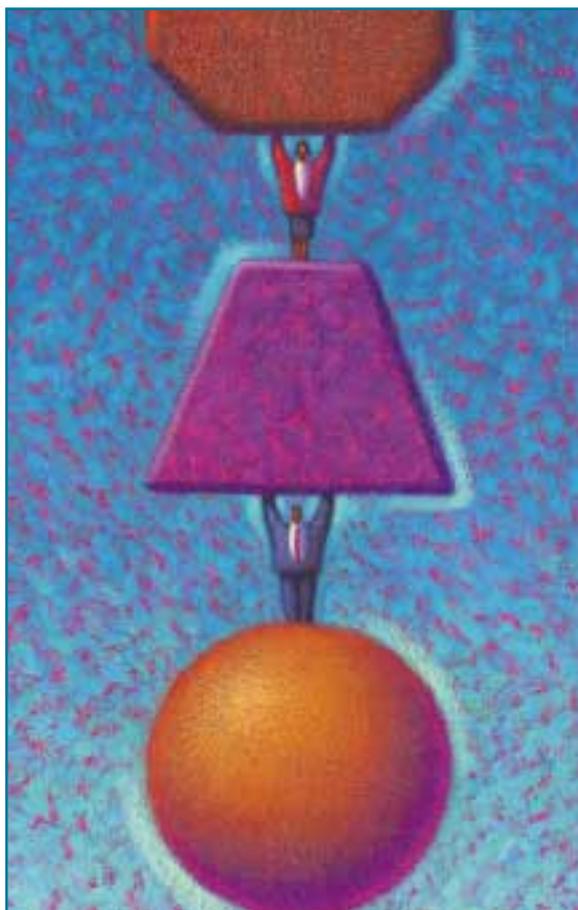
The dealer and the senior management team play a major role in creating alignment between strategic intent and operational reality. When that alignment is strong, values are congruent, and people understand the purpose and values of the dealership. Everyone works in concerted, synchronized motion to make the vision a reality. This level of congruence translates into increased revenues, higher levels of customer satisfaction (and retention) and higher levels of employee satisfaction.

So, what roles do the dealer and the senior management team play in creating organizational alignment? There are three pivotal activities:

- (1) Providing infrastructure support.
- (2) Creating intentional congruence.
- (3) Linking performance measurement to strategic goals.

Beginning with the first activity, the primary leadership function is providing adequate infrastructure support. Systems like training, leadership development, succession planning, rewards, recruitment and retention, performance measurement, recognition, and career development must be present. Equally important, these systems must be planned, purposeful activities that intentionally support and reinforce the strategic intent of the organization.

The work of creating alignment goes beyond these functional activities. Leaders are responsible for helping the organization define the critical success factors that make the strategy real. Often organizations have competing or conflicting success factors. For instance, the dealership may pay lip service to teams while its true emphasis is on individual sales. This creates a sort of organizational schizo-



phrenia that confuses the rank and file. The dealer plays an important role in clarifying the success factors and in making them meaningful to everyone in the organization.

Moving to the second activity, alignment dictates that business processes and functions are congruent with organizational propaganda. When the public relations messages are inconsistent with what colleagues and customers experience in regular interactions, we have successfully created a culture of hypocrisy. However, when we create consistency between our messages and methods, we position the company to become an “employer of choice.” It becomes the place where people want to invest their time and talent. The company then develops greater shareholder value and greater customer value because it has created greater employee value.

All three of these critical constituencies benefit from building congruity.

The third activity (and I would argue the most important) that creates alignment is linking performance measurement to strategic goals. Measurement enables the organization to consistently communicate its strategy in operational terms that everyone can understand. Using well-planned performance measurement methodologies enables the leadership team to teach new expectations throughout the organization. When the entire performance management methodology, not just the forms, is revised to reflect the critical success factors that undergird strategic intent, everyone begins to take notice and revise their modus operandi. Performance management enables people to understand how and why their actions create results, both positive and negative, in the dealership.

Once that awareness is heightened, managers can begin leveraging each employee's efforts. This requires that all of the operational systems be redefined with common, consistent purposes, processes and formats so that there is internal continuity.

These three activities are not enough. Leaders have to develop a well-rounded suite of competencies. This includes the ability to read a balance sheet to understand the key economic indicators that spell success or failure for the dealership.

That means paying attention to the metrics that matter in the different business units. Leaders are called on to provide the unified direction that business units need to make alignment tangible throughout the dealership. This requires intimate familiarity with the day-to-day issues faced by those units.

Each of the activities outlined herein will help you begin building alignment within the dealership. Instead of attempting all three

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activities at once, use them one at a time to begin slowly, deliberately creating congruence in the dealership. This systematic approach will help you build both competence and confidence. Remember, creating internal congruity is a long, arduous process. Expect to encounter resistance and even a little rancor from the employees who benefit from organizational disconnects. Be sure to track and publicize your successes so that the benefits become clear throughout the dealership. Your ultimate goal is to align strategic intent

with operational reality. There will be great payoffs for employees and customers. ■

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