

White Paper Compact



Supply Chain Management

How key is the alignment of strategy and execution?

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Author:



Nicole Ivens
ivens@miebach.com

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How key is the alignment of strategy and execution?

In today's dynamic world, exposed to so much change, and in a digital age, where all kinds of information are at hand, statistics and indicators abound. Is it possible to align the company around a common goal? How can we translate a plan into practice in a flexible and agile way? Is it possible to adjust a company's strategy in times of such uncertainty? What role does supply chain alignment play and what exactly does it consist of? In this publication, we will try to answer these and other questions.

As obvious as the „strategy/execution“ relationship may seem, its synchrony is not easy to achieve and it is really worth investing in it, as it can play a decisive role for your company. If we understand „alignment“ as the disposition of groups or forces in relation to each other, „strategy“ as the art of devising or employing plans or stratagems towards a goal, and „execution“ as the act or mode of performance, does it not seem obvious to conclude that, for the long-term sustainability and success of a company, supply chain alignment is crucial?

It seems a very obvious fact, but reality shows us that the business environment may not be so clear. According to the Project Management Institute (PMI – Pulse of the Profession 2018) , only 41% of companies with an established project management department report that it is highly aligned with the organization's strategy. On the other hand, A study conducted by the American Management Association and the Human Resource Institute revealed that out of 1,500 interviewed managers, only 45 considered that their companies were successfully executing strategies. In Bossidy and Charan's book „The Discipline of Doing Things“, it is mentioned that 70% of strategic failures are due to poor leadership execution.

In Miebach Consulting's experience, some of the most complicated aspects of a company's strategy execution are:

- Lack of clarity in defining and communicating its strategy, its vision, and its mission.
- Lack of accountability in the broadest sense of the word (beyond being responsible for something specific or for one's own actions, this term also implies being accountable before, during and after the task entrusted).
- Lack of defined systems for measuring success factors and monitoring them over time.

The leadership style of the management team: How do I bring my leadership style to bear on the common goal? Does it add to or subtract from the goal?

- Individual goals for each department versus a holistic view of the company.
- Accompaniment of a specialized „Change Management“ team.

For some companies, the strategy is theoretical, but others identify the challenge and are willing to work to put the strategy into action in order to achieve a transversal alignment at company level.

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MAIN WAYS TO EDUCATE AND CREATE ALIGNMENT



- 1 Review of the degree of understanding of the company's vision and mission
- 2 Multi-functional or multi-disciplinary learning
- 3 Generation of alignment (formalization of processes, rules, responsibilities, alerts, etc.) along the supply chain and/or value chain
- 4 Empowerment of people and teams (RACI, talents, gaps, training, etc.)
- 5 Managing the gap between strategy and implementation (At the strategic, tactical, and operational levels)
- 6 Alignment of organizational capacity with strategy, as well as with the long-term
- 7 Generation of communication and feedback platforms and channels

STRATEGY IN ACTION

How do we prepare for an increasingly dynamic, innovative, and digital world, with access to large volumes of information and with increasingly demanding consumers, in which we will necessarily have to be constantly reinventing ourselves?

An integral view of the value chain, formalizing processes, defining multi-functional communication platforms, and establishing clear rules of the game, with aligned indicators, is an important starting point. But it is just that, a first step, so we cannot leave it here.

Depending on the maturity profile of each company the path varies, allowing it to transform according to its vision and organizational culture.

Applicable methodologies exist to define and implement different types of strategies along the value chain, helping to identify challenges as well as establishing a work plan.

These strategies, which help to transform a vision into reality, include the following aspects:

- S&OP
- Value chain management
- Risk Management
- Change Management
- Digital Transformation
- Sustainability
- Cross-cutting KPIs and impact on ROI
- Integration strategies, collaboration with suppliers and customers

Miebach Consulting has been successfully transforming value chains globally for almost 50 years. Contact us if you want to discuss how to align your value chain.