

Business Alignment

USES

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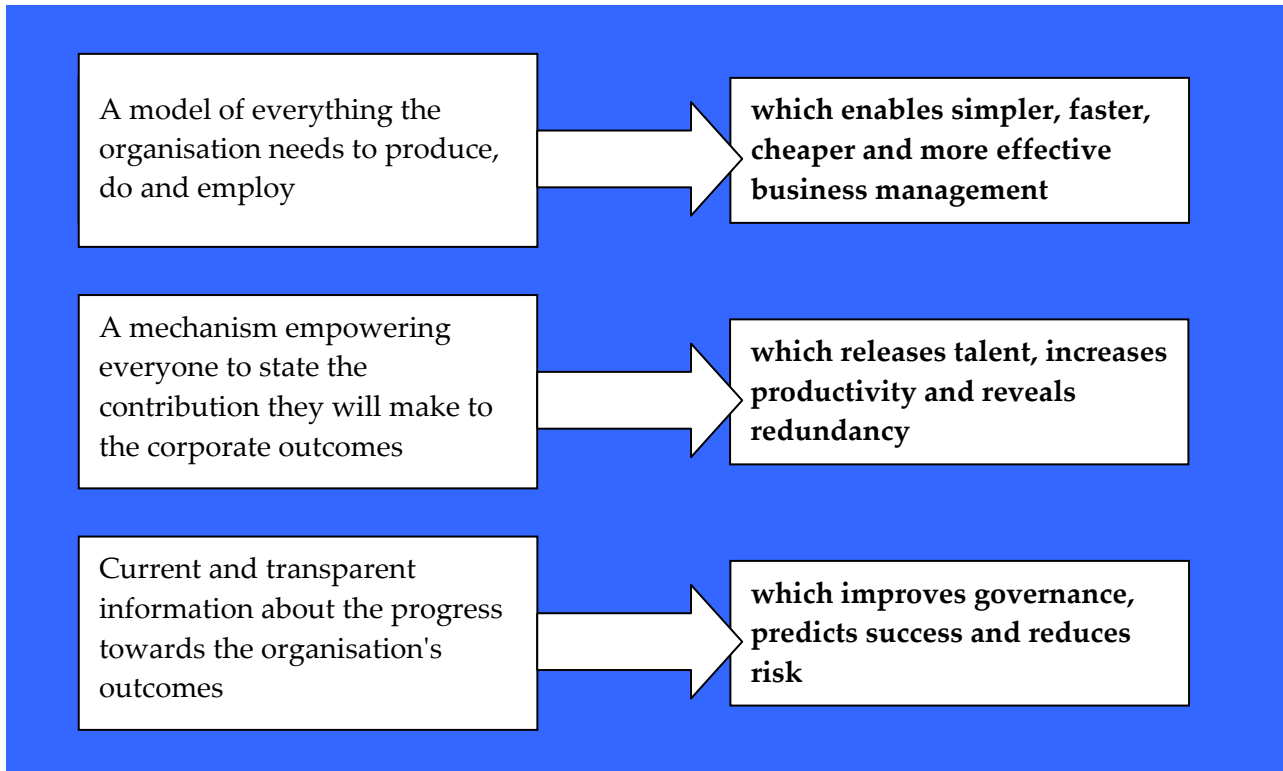
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Business Alignment produces....



Business Alignment and the Business Management System add value through the following uses.

A comprehensive business model

A comprehensive model of the causal relationships between everything the organisation needs to produce, do and employ at all levels inside and outside the organisation

Uses

Business Alignment and the Business Management System enable organisations to:

1. Stimulate radical thinking about what needs to be produced, done and employed in future
2. Set the future direction of the organisation
3. Validate, integrate and improve the strategy
4. Communicate the strategy more widely and effectively
5. Ensure that the strategy is complete, consistent and correct
6. Determine the required outcomes
7. Prioritise the required outcomes
8. Exclude what the organisation has decided not to accomplish
9. Objectively evaluate current objectives and initiatives
10. Know which order to deliver outcomes in
11. Link and align strategy and operations
12. Make relationships which would otherwise not be made because of their complexity
13. Avoid rework and waste
14. Define what to measure
15. Relate existing mandatory key performance indicators to outcomes
16. Validate and review the existing KPIs, explain their purpose and relevance, and increase commitment to them
17. Say what people need to learn and excel at to deliver the strategy
18. Balance long term capability-building with short term delivery
19. Turn attention from problems to causes
20. Identify root causes of outcomes rather than problems
21. Increase the probability of implementing the strategy
22. Anticipate threats
23. Mitigate the risk of failure
24. Heal the divisions created by organisational structure

25. Improve co-ordination and co-operation between business groups
26. Reduce turf battles
27. Increase the effectiveness of joint ventures and partnerships
28. Integrate and replace corporate governance, risk management, business planning, job specification, job evaluation, budgeting, procurement, resource allocation, programme management, performance appraisal, performance management, remuneration, information technology management, knowledge management, internal communication, auditing and corporate reporting
29. Simplify management
30. Integrate front and back offices
31. Make management simpler, faster, more flexible, cheaper and more effective
32. Reduce the effort and cost of management
33. Lighten the management workload
34. Gain greater control over the organisation
35. Combine central control with local devolution
36. Manage methodically rather than randomly
37. Clarify and communicate the strategic outcomes required, the top-level activities needed to deliver these outcomes, and the sorts of resources required to carry out these activities
38. Identify core processes
39. Re-engineer processes
40. Make processes and ways of working joined up and efficient
41. Stop processes and initiatives which don't lead to the outcomes required in future
42. Prioritise work - if an activity directly delivers an outcome on the strategy map, it's top priority
43. Establish future best practice
44. Locate best practice and knowledge at the point of use
45. Systematically derive the minimal activities and resources required to deliver the outcomes
46. Align information technology with the business
47. Immediately reallocate the resources associated with redundant activity
48. Zero-base budgets
49. Create rolling budgets
50. Specify and justify what needs to be procured
51. Rapidly and flexibly change direction, best practice and resourcing
52. Improve customer service

53. Enhance stakeholder value by achieving corporate goals faster
54. Evaluate potential acquisitions, mergers and joint ventures
55. Extract the forecast value from acquisitions, mergers and joint ventures

An empowering mechanism

A mechanism empowering everyone to state the contribution they will make to the corporate outcomes, and how they will do so, thereby creating the business model

Uses

Business Alignment and the Business Management System enable organisations to:

56. Engage all stakeholders
57. Allow people to see what the future holds and say what they can contribute to its realisation
58. Give people an opportunity to use their full capability to the benefit of the organisation and themselves
59. Persuade people to declare their accountability and responsibility for the delivery of their outcomes
60. Combines meritocracy with democracy
61. Help people start their journey from the present to the future
62. Align everyone and everything around the corporate goals
63. Focus everyone on strategy implementation
64. Align business and support units around the delivery of the strategy
65. Move the organisation on from where it is
66. Challenge and justify partners' and support units' outcomes
67. Replace potentially litigious Service Level Agreements
68. Empower people to challenge and change current deliverables, ways of working and resource allocations
69. Create an inclusive culture where the diversity of employees' talents and capabilities is fully harnessed
70. Tell people who they need to work with to succeed
71. Motivate people to produce even while jobs are being cut
72. Determine status objectively
73. Distribute rewards fairly, objectively and transparently
74. Reward the delivery of outcomes rather than the management of resources
75. Replace corporate bonuses by outcome bonuses
76. Combine business and individual performance management
77. Remove the need for formal performance appraisals
78. Move from being activity-based to results-oriented

79. Organise around results rather than skills
80. Replace skill silos
81. Create value-adding, self-governing, self-managing teams
82. Bring about voluntary compliance
83. Remove the need to command and control, and for micro-management
84. Enable leaders to lead, staff to feel more fulfilled, and customers to be better served
85. Ensure that management is world-class
86. Increase employee productivity
87. Reduce costs by at least 20%

Transparent information

Immediate, current, comprehensive, integrated and transparent information about the progress towards and treatment of the risks to the organisation's strategic outcomes

Uses

Business Alignment and the Business Management System enable organisations to:

88. Increase confidence in the organisation
89. Provide the chairman, chief executive, non-executive directors and analysts with the information they need to do their jobs
90. Increase transparency and accountability
91. Enable effective governance
92. Extend governance beyond the boardroom
93. Encourage ethical behaviour
94. Know at all times whether the corporate outcomes are likely to be achieved
95. Provide visibility of progress towards outcomes
96. Increase the predictability of outcome delivery
97. Get early warning of failure to achieve intended outcomes
98. Focus on those risks which are likeliest to prevent the delivery of outcomes
99. Prevent problems
100. Integrate isolated risk registers
101. Reduce risk
102. Know at all times which corporate outcomes have been achieved
103. Enhance intuition with information
104. Make decisions based on evidence rather than hearsay
105. Keep the organisation's strategy under rigorous review
106. Monitor the implementation of the strategy
107. Ensure that the organisation's strategy creates value
108. Promote the values of the organisation
109. Be proactive more than reactive
110. Encourage good individual performance
111. Continuously reveal duplication
112. Motivate delivery

113. Generate internal competition to deliver
114. Give outcome producers time to avoid failure
115. Motivate those who are falling behind to catch up
116. Control self-management
117. Copy best practice
118. Reduce information overload
119. Simplify and reduce the Board's agenda
120. Reduce the need for meetings and paper reports
121. Reduce the time spent on administration and in meetings
122. Produce the first interactive corporate report
123. Create paperless governance
124. Save trees of paper
125. Out-perform rivals
126. Implement the strategy

Applications of Business Alignment

Business Alignment has been applied to the following organisations.

Private sector

Actuarial Profession, Alliance & Leicester, Anglian Water, Association of Chartered Certified Accountants, Bank of Scotland, Barclays de Zoete Wedd, Boots, British Gas, British Nuclear Fuels, Cedar, Diageo, J P Morgan, Jarvis, John Lewis Partnership, Kleinwort Benson, Martin Retail Group, Plus Pack, Rank Xerox, Sedgwick, Skandia Life, V.Ships, W S Schlafhorst, Yorkshire Water

Public sector

Birmingham City Council, Bradford Metropolitan District Council, British Council, Cabinet Office, Department for Education & Skills, Huntingdonshire District Council, Identity & Passport Service, Inland Revenue, King's College Hospital, Northamptonshire County Council, Office for National Statistics, Royal Borough of Kensington & Chelsea, Salford City Council, Solihull Metropolitan Borough Council, South Yorkshire Police, Southwark Council

Perendie

Established in January 2002, Perendie is a social enterprise using Business Alignment and the Business Management System to make working lives more fulfilling and productive, benefiting all stakeholders, implementing strategy, reducing costs and improving services.

Peter Bebb is the director of Perendie, and author of Business Alignment and the Business Management System. He has worked as a director, management consultant and project manager in the financial, manufacturing, oil, retail, shipping, utility and public sectors in Europe, the Middle East and the USA at Board and senior management levels.