Utilization of the SOT Hierarchical Framework For Successful Strategic Implementation Management

*Both significant research into, and practical application of, strategy and strategic management and how these relate particularly in the field of business, delineates three fundamental levels of decision-making and action that define an organization's structural business model: corporate strategy, operational control, and tactical work. This paper extends a conceptual approach of SOT: **S**trategy, **O**perations, **T**actics framework, which the author has previously researched, formulated, and published and develops the concept further within a practical structure for multi-operational business alignment. Multiple variations of the SOT framework have been used in such diverse areas as military operations, systems engineering, and operations management. The paper pursues a practical business implementation and direct application within a multi-operational strategic business unit structure. We establish and clearly define a methodology and policy for strategic alignment starting from the fundamental SOT Model and then constructing a set of integrated practical management tools and processes that can be effectively utilized by a multitude of organizations in their strategic alignment efforts. The framework and subsequent management model that we establish is then shown to be successfully prototyped and implemented within the regional US headquarters of a larger international organization with global manufacturing headquarters in Nagoya, Japan. An internally-developed analytical project management system tool quantifying international project success is presented to demonstrate the improvement effectiveness of the overall business model of the organization upon initiating the SOT alignment framework, through 2022. Project system performance data is documented and evaluated.*

Keywords: *strategic alignment, SOT Framework, operations, strategic planning & control*

Introduction & Objectives

This article sets out to provide a practical "real-world" framework in practice that was developed within the greater global organization of a well-known international heavy industry manufacturing company. This framework deals specifically with strategic alignment - that corporate activity that for many organizations remains elusive in nature and a primary source of inefficiency and suboptimal utilization of corporate resources.

Alignment in an organization is an integral part of effective strategy execution / implementation. And, as is well documented, strategy execution is where many organizations fail. One may have developed the best strategy possible for their organization within their particular industry sector, taking into account external and internal environments, strategic fit, and strategic advantage, but if this strategy

1 cannot be executed, for whatever reason, it becomes meaningless and of no
2 practical value to the organization; change management is ineffective, growth may
3 not occur, there may be personnel motivation and leadership issues, as well as
4 overall operational inefficiencies.

5 A significant number of organizations really do not understand if a lack of
6 alignment is the symptom or the cause of strategic failure. This article proposes that
7 it is both, misalignment acts like a perpetual drain on an organization's resources.
8 Our research and application over the past several years establishes an integrative
9 framework model with practical application to a variety of organizations in diverse
10 industries. We provide an intuitive straight-forward approach with utility that has
11 been confirmed.
12
13

Strategic Alignment
14
15

Defining Strategic Alignment
16
17

18 Various strategic alignment models have been offered in the literature over the
19 past couple of decades; and for a good review of this one can refer to Pantelides and
20 Lomiashvili 2017. Here, for our purposes we shall define strategic alignment as the
21 process by which an institution's strategy is executed by both a direct, structured,
22 and systemized methodology, as well as by a more indirect, organizational cultural
23 approach, so that resources are utilized towards an optimal combination of people,
24 product, process, and strategic goals can be realized in the most efficient and
25 effective manner. For this to be truly realized it is necessary for virtually every
26 member of the organization to first understand the strategy and second, to
27 understand how their particular work contributes to that strategy ultimately
28 resulting in reaching the strategic goals. Thus clear, concise, and effective
29 communication and rationalization becomes a major component of alignment and
30 execution. Furthermore, our definition of strategy itself has its foundation on
31 decisions; strategy basically being defined as – *making decision to shape one's*
32 *future*. From this fundamental definition where we equate strategy and decision-
33 making, we carry the concept further to include alignment. With alignment,
34 management needs to constantly make tactical and operational decisions - course
35 corrections, adjustments, and internal business calibrations, so that a streamlined
36 approach to execution is as much assured as possible with all aspects of the
37 organization.

38 We further expand and define our concept of strategic alignment within the
39 construct of Longitudinal (L1) and Lateral (L2) alignment. This refers to aligning
40 hierarchical stratified levels of the organization (L1), usually defined in terms of
41 organizational positions and responsibilities whether tactical, operational and/or
42 strategic in nature; as well as aligning components within each of these layers in a
43 cross-entity approach (L2); for example, aligning shop-floor manufacturing units at
44 the tactical level itself, or aligning production control units at the operational level
45 itself. This concept ultimately establishes a corporate "*mesh*" network of structure,

1 communication, cooperation, and rationalization in meeting strategy and ultimately
2 strategic goals so that the entire corporate entity benefits by having all its members
3 aligned.
4
5 *The Alignment Construct*
6
7   Based on our L1 and L2 alignment structure we move to define what this
8 specifically means for the organization and how it can be applied in a meaningful
9 way. With L1 we focus on the permeation of the company's mission (M) and vision
10 (V) and its associated strategic goals (G1, G2, G3…) down to all levels of the
11 organization, this is a similar definition presented by Hough and Liebig (Hough &
12 Liebig, 2013). First and foremost, all members of the company need to understand
13 the strategic direction the organization has chosen to take and how from this,
14 certain goals and objectives have been established. As we continue longitudinally
15 down the hierarchy the organization establishes key strategies (S1, S2, S3…) to
16 reach those goals, and furthermore, specific tactical and operational steps (T1, T2,
17 T3,…) are established that work towards each of these strategies in turn. Two
18 additional elements are significant to this construct – metrics (M), which measure
19 tactical progress, and deliverables (D) which identify specifically what tactical and
20 operational deliverable clearly define the direct attainment of the strategic goals,
21 i.e., what those strategic goals are set to deliver for the organization in terms of
22 internal value.
23   L2 refers to the specific lateral harmonization of goals, strategies, steps,
24 metrics, and deliverables within each functional *layer* of the organizational
25 hierarchy. This can be seen as being among a multitude of business units (SBUs) or
26 even departments with a single operational SBU; the concept is the same. So, while
27 L1 measures alignment *depth*, L2 measures alignment *breadth* within the
28 organization. This is an important part of the construct because so-called breadth
29 relates in a practical sense to how well individual components of the organization
30 work together to achieve a sort of smoothness, efficiency, supporting-type nature so
31 that each organizational layer can function smoothly and harmoniously with the
32 other towards achieving the strategy. In a sense L2 is also a factor measure of how
33 high (or low) organizational silos are within the organization. This concept is
34 shown in Figure 1.
35
36
37

1
2
Figure 1. *Alignment Construct*
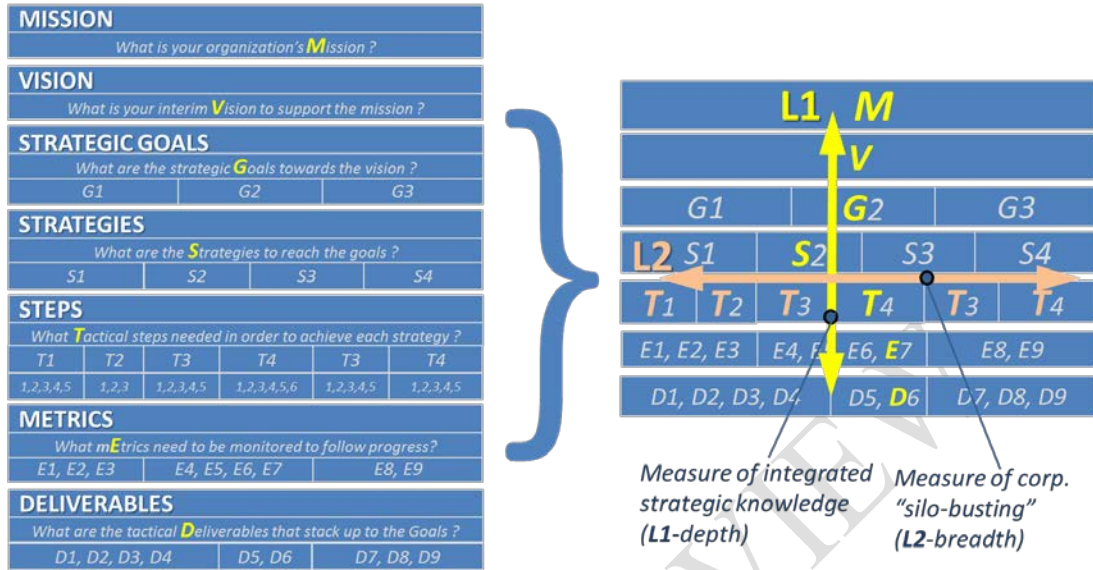
3
4
Source: Pantelides, 2018. Revised 2023

6

Alignment Challenges in Business

8

9   The challenges that organizations face in terms of aligning their resources to
10 serve a chosen unified strategic direction are well known. Significant research has
11 been done on "making strategy work" despite the normal pressures and forces
12 exerted on a company by multiple segments of stakeholders and even multiple
13 factions within each segment, from employees to entire departments. Beer and
14 Voelpel identified specific "killers" of strategic alignment and implementation
15 most of which are subtle and, one can argue, manifest themselves in many
16 organizations to some level or another (Beer & Voelpel, 2005). Some of these
17 include the fact that many organizations lack business discipline which brings about
18 conflicting priorities; lack of cohesion within the top/exec management team
19 themselves; an ineffective leadership style whether it's too direct top-down or too
20 laissez-faire, or even a total lack of leadership skills altogether; and finally
21 ineffective communication (Chen & I-Jen, 2018), (Johnson, et.al, 2015), (Joshi,
22 et.al, 2003). The communication factor is especially of concern because it
23 negatively affects the other issues mentioned and directly hinders effective
24 remedies in many of the other areas as well.
25   According to Bains and Gwyn a major concern/problem that results from these
26 so-called alignment "killers" is that each employee's personal reality in terms of
27 their work within the organization varies instead of being aligned with the corporate
28 direction (Bains & Gwyn, 2005). If this occurs you have misalignment and when
29 you have misalignment, this occurs; it is essentially a vicious cycle when the
30 employee or stakeholders either has the wrong idea about where the organization
31 strategically is going or wishes to go; or, they see no relation between what they are
32 doing for the organization and how this affects its strategic ambitions. Sometimes

they may even agree with the objective to be reached, but disagree with the way to go forward in achieving the objective. This is a significant challenge – to communicate and have your stakeholders understand what is the direction, how they individually (and as a team) contribute to the corporate strategy whether it is at the staff or factory floor level, the mid-management level or anywhere in between along the organizational hierarchy, even at the executive leadership team level; and why a particular methodology in achieving the organization's strategic goals moving forward may be the "best" approach.

Hrebiniak contends that the fundamental core issues mentioned above give rise to an environment itself not conducive to effective execution and the strategic execution process itself has inherent factors which push against efficiency and effectiveness. Strategy alignment and execution requires much more people than simple planning; the entire process almost surely involves organizational change, an area where many organizations simply do not have the professional managerial skills and expertise, even though they may think they do, (Hrebiniak, 2013).

Change involves hard systems as well as soft culture skills. Alignment and effective strategy execution take time and during such extended time frames, there is not only planned change but unplanned changes both within the corporate environment as well as the external market. Adjustments must be made, further complicating the process and leading stakeholders to question anything they may feel is out of their control. These are times where organizational silos unfortunately get reinforced and heightened. Alignment, among other things, also needs to deal with shortening these silos if not eliminating them all together. Thus, an alignment model needs to be able to guide decisions; develop effective organizational structures that support objectives, foster information sharing, coordination, and accountability; establish feedback and control mechanisms, and effectively rely on organizational power structure both formal and informal (Rothaermel, 2017).

The Sot Framework

Strategic Ideas and Objectives

The SOT Framework is shown in Figure 2. This is a fundamental construct developed for the case-study organization in 2015 and first published by the author in 2017 (Pantelides and Lomiashvili 2017). The conceptual model establishes the foundation for the work moving forward. The model describes strategic initiatives evolving into operational plans which utilize tactical daily tasks which produce incremental (daily) results supporting successful operational performance, which in turn supports the accomplishment of strategic goals and thus successfully achieving strategy. This is shown as a constant feedback process with a core element being communication clarity and performance accountability.

1 **Figure 2.** *The SOT Framework*
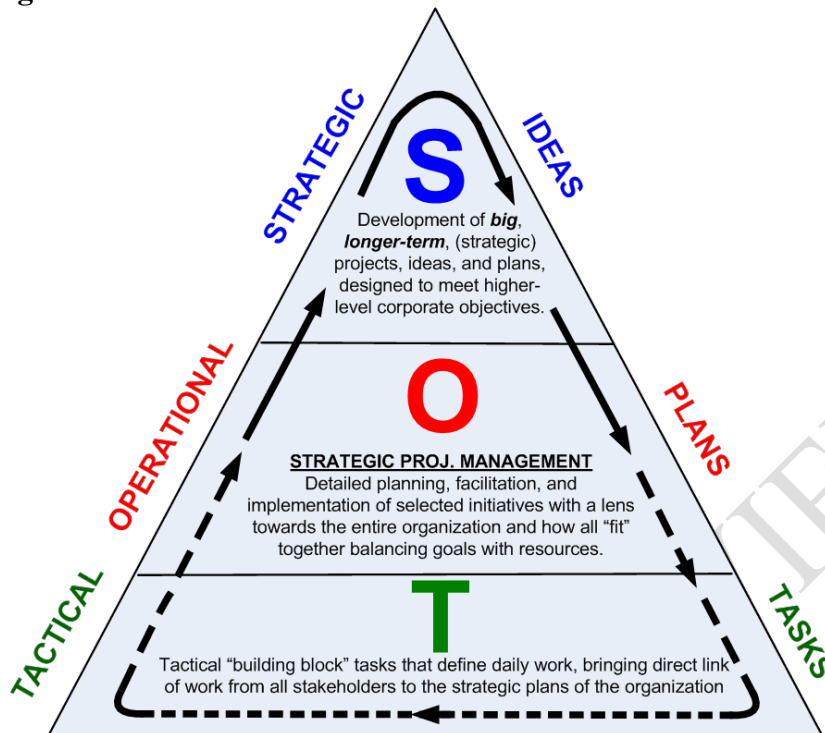
2
3
4 Source: Pantelides, 2015
5

6   A primary factor in considering strategic objectives is how these are integrated
7 into the purpose of the organization. Is the organization striving for sales growth,
8 market acquisition or, is it striving for profitability? Is the organization's strategic
9 concept something different altogether? These are questions that need to be
10 analyzed thoroughly and developed from conceptual ideas of growth and
11 expansion, into the structural development of strategic objectives. In addition, one
12 of the primary factors to consider at this stage is measurability. When the work
13 begins on the execution of strategy, managers must know if what they are
14 accomplishing has tangible value and ultimately is leading the organization towards
15 its established objectives. This creates a strong bond in the sense of worth and
16 achievement within a critical component of the organization – middle management.
17   According to Hrebiniak, a key aspect of corporate measurability and
18 accountability is the fact that good strategic objectives are never "all or nothing" or
19 "black or white." Instead, they must refer to a degree of accomplishment along
20 some continuum of performance (Hrebiniak, 2013). This in turn needs to be
21 integrated into an appropriate reward system with effective feedback and learning
22 mechanisms that strive to ensure that the organization is continuously learning,
23 adapting, and improving itself as an entity made up of motivated employees who
24 are, in effect, continuously creating, according to some, the only sustainable
25 competitive advantage any organization possesses – the speed and ability to learn.
26

A final consideration with regards to strategic ideas turned into objectives that need to be executed is how well these fit into the organizational corporate culture and what level of professionality does the organization have in terms of its change management systems and processes. How well an organization handles change management directly links with the so-called corporate momentum of strategic execution; it can proceed smoothly and effectively or it can falter, or it may be somewhere in between.

Operational Plans and Tactical Tasks

Once conceptual ideas for the organization are formed into strategic objectives; these then must be integrated and defined in terms of execution, into the entire organizational structure in the form of operational plans. This is accomplished through a thorough analysis of strategic linkages. These linkages are both the direct and indirect relationships that the strategic objectives have with one another in how they impact the organization. A relatively simple example would be say the desire and objective in strengthening product offerings to the market by augmenting R&D and product innovation. There must be a recognition that the organizational R&D function does not stand alone and that the organization must also consider how it will develop its sales and marketing functions especially in light with new environmental/societal conditions that impact the macro environment as well as the more defined industry segment. Thus, for example one approach that will be discussed in later sections of this paper is how organizational structure was changed in the case study example company such that strategic marketing merged under unified leadership as product development and R&D. And this leads us to how such decisions are made in strategic alignment. We propose that tools and methodologies of professional project management play a key role.

Project management essentially is a process of effectively and efficiently planning, organizing, and aligning resources to a particular goal that needs to be achieved. In this respect and at this particular level of alignment within our SOT Framework, project management becomes essential in establishing a core mid-organizational level structure on how strategic objectives will be operationalized into corporate-level projects that will define the work of SBUs, sections, departments, and\or work-groups. As professional change management leadership is critical at the higher level; so is professional project management critical here at this mid-organizational level. What a professional project management approach (PM) has to offer is a structured and consistent process in operationalizing work towards strategic goals. This is done in a fairly straightforward methodology of defining the operational objectives linked to the strategic objectives, the required resources, teams and leadership, and the operational plans. The plans themselves filter down to tactical steps often referred to as the WBS: Work Breakdown Structure or tasks. It is of primary importance that these links both up and down. This means that there must be a rationalization that together the tasks will accomplish the specific operational objective they relate to and at the same time

1 these same tasks will maintain momentum and flow of the systems and processes
2 of the organization in its normal daily work.
3   A fairly straightforward example here is an operational objective of increasing
4 production throughput while decreasing product quality defects. This may
5 indirectly relate to an overall strategy of market expansion (among other things) at
6 the top level; at mid-level it directly relates to improved process efficiencies in
7 various lateral functions from assembly to quality to other processes; and at the
8 foundation level it relates to specific expansion to key production areas in terms of
9 shift production volumes and employee targets. This rationalization has several
10 benefits such as identifying key areas to work on thru the PM approach along the
11 lines of both L1(up) & L2, as well as defining tactical work L1 (down) all the way
12 to each individual employee and helping define how each individual employee
13 contributes to the overall strategy or the organization, something that we placed
14 great importance on in assuring that alignment is effective.
15
16
17 **Defining & Proposing Projects**
18
19 *Validation: Impact to Strategic Objectives*
20
21   The key with operational projects is that they must ensure a positive
22 contribution towards the achievement of the strategic objectives. They need to
23 provide clarity and focus and a direct integration of the short/medium term goals
24 with the long-term objectives. This needs to be done in a systematic (PM) approach
25 of continuous organizational incremental checks and balances towards forward
26 progress. In validation the following factors need to be considered: specificity,
27 measurability, attainability, relevance, and timeliness. Often this approach is
28 referred to as the "smart" approach (Gallupe & Baker, 2017).
29   Will the operational project directly impact the strategic objective? This is the
30 starting point and must be considered in terms of specificity and relevance. How are
31 the objectives of the operational project linked to the strategic objects; are they one
32 and the same or subcomponents? Care needs to be taken to not have operational
33 projects maintain the same objectives as the overall strategy. This sounds
34 counterintuitive but in effect it is a process of vertical alignment (L1). If operational
35 and strategic objectives are 1-to-1 then the alignment process has not achieved any
36 sort of depth within the organization thus L1 is lacking. In addition, this can also
37 affect lateral L2 breadth in a negative way limiting proactive engagement across
38 areas of the organization. So, specificity refers to how specifically related are the
39 levels' objectives to each other without having them be the same. The organization
40 may establish a sort of spectrum tool to gage this in a quantitative manner.
41 Additionally, one needs to assess how progress needs to be measured and this must
42 be agreed upon by essentially the entire organization. An example here can be the
43 following. An organization may establish a project to increase On-Time-Delivery
44 OTD to its customers so that this subcomponent project target contributes directly
45 to an improvement in customer satisfaction which further contributes to business

growth. However, if the members of the organization, whether in manufacturing, sales, design, and engineering groups, and even customer service, do not agree *how* OTD is measured, then there is no alignment. Is OTD measured from customer requested shipment date or corporate promised shipment date? And, while measurability needs to be agreed upon within the metrics structure, it is mentioned here because it is important in correctly validating a project to the strategic objectives.

Attainability is a straight-forward assessment; however, many organizations do falter here based on a fundamental aspect of strategic thinking. Strategy is about decision-making and many organizations do not realize that making a decision to pursue a certain direction basically means making a decision not to pursue a certain other alternate direction. In essence many companies wish to "do it all" unfortunately this fundamental failure in decision-making the vast majority of times leads to failure in strategic alignment and execution. This thinking needs to be aligned with resources. Falsely thinking a project is "attainable" within the scope of strategic objectives when an appropriate level of resources is not adequately provided leads organizations to a wrong PM path where attainability becomes a fallacy (Coltman, et.al, 2015).

Finally, timeliness needs to be considered from a very important and practical point of view – the competitive environment the organization finds itself in. Is the industry, in which the organization's strategic objectives and desires are factoring into, rapidly evolving? Is the market turbulent; going thru constant disruptive innovation, like say certain high-tech markets in recent years? Are there disequilibrium forces applying pressures on the organization to move in a certain direction and move fast? This is where the company needs to honestly reconcile, again, its resources with the time pressures to achieve its operational projects so that they effectively contribute to / validate the strategic objectives.

Qualification: Resources, Deliverables, Risks and Rewards

Once an operational project has been validated to the strategic objectives it must also be qualified in aligning with the other factors of the organization. Thus, validation relates primarily with L1 depth, qualification is more integrated with breadth L2 and factors that cross operational lines.

Resources, although already mentioned, have another aspect to them in regards to strategic alignment. The limited nature of resources does not only mean an L1 depth (quantity) approach between operational projects and strategy with respect to attainability; they also relate to L2 breadth in terms of an organization's approach to resource allocation. This refers to allocating resources whether financial, manpower, time (priorities), or otherwise, not only to operational projects that are created to carry thru with strategic plans and objectives, but other corporate needs as well, some of which are transactional day-to-day systems and processes required simply in keeping the company functioning. This aspect of qualification is of importance because it also aligns once again with how all employees view their role (and importance) in contributing to the strategic direction of the organization.

Resource allocation is a direct tangible measure by many employees on how much the organization actually values *them*. This needs to be considered from both an operational project qualification point of view as well as the bigger employee morale and motivation factor of strategic alignment and contribution.

Deliverables must be balanced directly with risks and reward considerations. The organization needs to define and rationalize what will be the short-term operational project deliverables with the longer-term strategic goals and objectives; will these be complimentary or possibly contradictory? In some situations, short-term contradictory deliverables/results transform into long-term strategically complimentary contributors. For example, establishing a Knowledge Management System in the short-term, one can argue, provides limited benefits in terms of deliverables. However, once such a system is in place and explicit, but most importantly, tacit knowledge is created, structured, and utilized, the organization not only creates efficiencies and potentially optimal growth (a possible strategic objective for example), but the organization, actually and for all intents and purposes, is establishing its unique competitive advantage in terms of learning and internal development - something of critical importance in sustainable growth. So, both short-term and long-term deliverables must be considered in the qualification process.

A final point to be made is the risk of strategic drift. It is of significant importance for the organization to make sure its operational projects and by extension its tactical work is truly aligned with the strategic direction it defines. Work needs to be proactively done at this stage of our model because the Operational Plans level O, makes up the important middle core structure. If organizations get this wrong, they will have a difficult time with alignment and will most likely expend significant time and energy, not to mention financial resources, trying to realign after wondering why their efforts are not providing results. When this happens, and it happens often, usually different factions of the organization come to different conclusions on "what went wrong" this in itself contributes to further misalignment and morale deterioration.
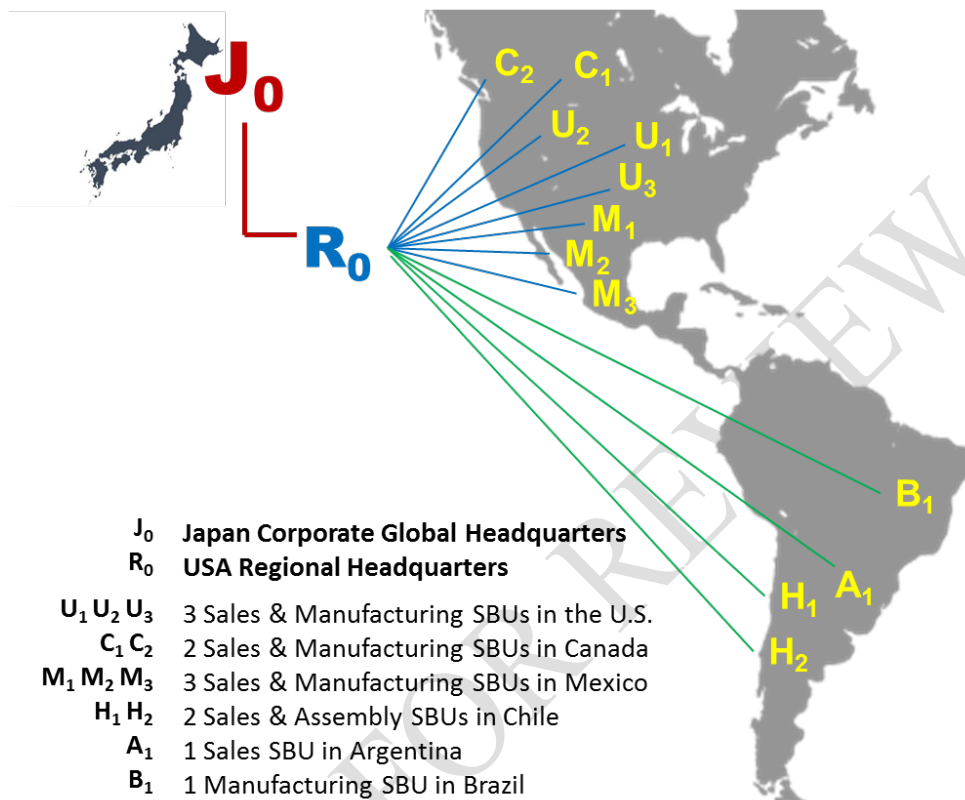

System Architecture/Case Study Organization

Executive Level

Some of the fundamental concepts described in this paper have been applied to the regional headquarters of a multi-SBU international organization as an interesting case study on effectiveness. The organization in question, with its global headquarters in Japan, had previously utilized a fairly loose, and ad-hoc approach to strategic planning and alignment. Most decisions were made at headquarters (Japan) and the regional headquarters in the United States (Virginia) was left to carry out these within its sub-SBUs located throughout the Western Hemisphere. In 2014 it was decided to structure a more formalized system so that strategic planning and alignment ownership rested more on the regional headquarters and planning

and alignment systems were created and integrated within the organization. The corporate *global headquarters* **J0**, *regional headquarters* **R0**, and sub-SBU structure is shown in Figure 3 below.

Figure 3. *International Corp/Multi-SBU Model*

J_0 **Japan Corporate Global Headquarters**
R_0 **USA Regional Headquarters**

$U_1 U_2 U_3$ 3 Sales & Manufacturing SBUs in the U.S.
$C_1 C_2$ 2 Sales & Manufacturing SBUs in Canada
$M_1 M_2 M_3$ 3 Sales & Manufacturing SBUs in Mexico
$H_1 H_2$ 2 Sales & Assembly SBUs in Chile
A_1 1 Sales SBU in Argentina
B_1 1 Manufacturing SBU in Brazil

Source: Pantelides, 2018

The initial factor for consideration was how a new strategic planning & control team be structured and how it would fit within the executive leadership? It was decided that a major consideration would be that of business unit expansion and development (strategic growth) vs. support & control. The consideration here was a well-balanced approach to innovation, creativity, emergent thinking vs. rational analytic management. The team that was established had two structures, supporting these two mandates. Product and service strategic expansion was balanced with technical and data support of the effort. This began at R0 and eventually was integrated throughout the entire sub SBU locations throughout North and South America. In addition, the leadership of the team established strong personal and professional ties with the leadership of all the SBUs within the structure so as to facilitate communications and streamline systems.

A key aspect of this was also the establishment of a strategic project manager, with mid-level SBU-wide authority, that worked together with all departmental managers in a continuous effort to align lateral breadth departmental projects (L2) along the strategic longitudinal depth paths (L1). The particular SOT model was formalized and internally promoted to all the facilities of the corporate structure.

Efforts were made to base fundamental strategic projects within the model and rationalize these as direct contributors to strategy. Clear corporate strategic, individual SBU operational, and individual departmental tactical responsibilities were outlined and communicated along the lines of the model and incorporated within the HR Function of the organization. This was done so that resources (people's time) could be optimized. However, the primary objective of doing such an integration and alignment of work was to demonstrate how every individual in the organization contributes to the strategic direction, not only going back to the Regional headquarters R0 but the corporate global headquarters in Japan J0 itself.

Operational Level

A significant process that was required for alignment was establishing which projects would be undertaken at any given year. This was important because of its link to the formalized budgeting process (controlled by Corp. headquarters in Japan) and the associated request for capital expenditures (CAPEX) for significant projects. A system was developed that balanced 3 primary factors in consider projects and CAPEX: strict alignment with strategic objectives; consideration of expenses and initiatives under the current competitive environment; and precise budget control (not restriction). Risk analysis was also incorporated within the process. Finally specific projects, once budgeted, were aligned with specific departmental managers responsible for them and under the matrix guidance of the strategic project manager. Direct impact on strategic initiatives was explicitly shown, rationalized, and communicated within the organization. One of the tools used is shown in Figure 4. This is the organization's strategic project priority template and mapping.

Figure 4. *Strategic Project Priority Mapping*
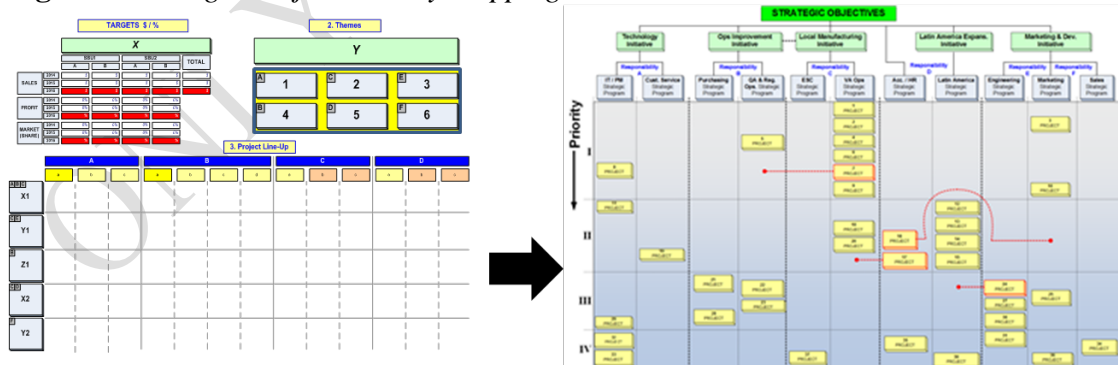
Source: Pantelides, 2018. Revised 2023

3MS System Architecture

Metrics were established once the tactical foundation level of the work was finalized for the strategic planning period; this usually was 3-5 years and normally defined by the headquarters in Japan. The metric selections drove measurements

1 upward (as is shown in the standard SOT framework) and integrated all work
2 together with the strategic project milestones. A set of templet tools were utilized
3 with the specific aim of this integration with target milestones to be reached. These
4 are shown in Figure 5 to what was referred at the organization as the **3Ms**:
5 **Mi**lestone & **M**etrics **M**apping.

6

7 **Figure 5.** *Milestone and Metric Mapping*
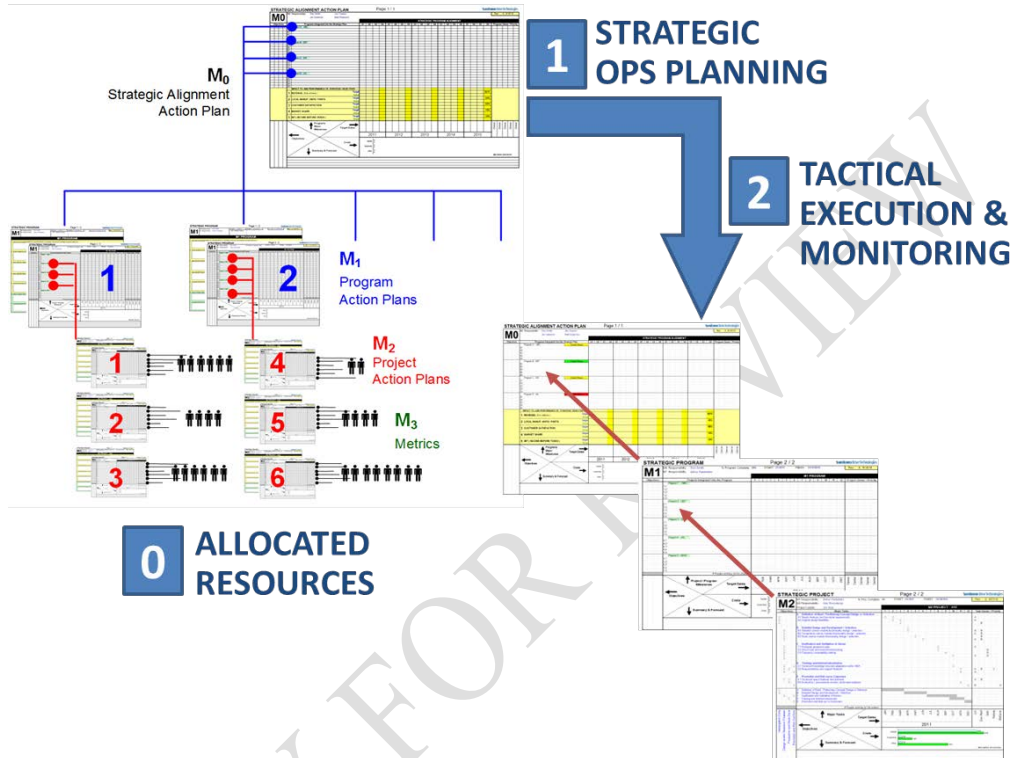
8
9 Source: Pantelides, 2018. Revised 2023

10

11 *Validation of Performance*

12

13 Once the system was established, we utilized the created structure and
14 resources to analyze actual project and overall business process performance from
15 2017-2022. It should be noted here that the system established was integrated with
16 a previous structural modification of our organization that focused on primarily the
17 lower, *tactical level*. Further details of this approach, referred to as **3PT**, can be
18 obtained from a previous paper published by the author (Pantelides and
19 Lomiashvili 2017). With the exception of approximately 4 business quarters during
20 the COVID19 pandemic in which data was either not fully available or not able to
21 be completely verified, the system described in this paper coupled with previous
22 improvements described by Pantelides and Lomiashvili, operated for approximately
23 5 years with significant performance improvements over that period.
24 Business analysis and data was obtained utilizing a specifically-designed
25 software package that measured key variables across the entire operational facility
26 network shown in Figure 3 above. These key performance variables (indicators)

1 included both internal company environmental factors as well as external market
2 and industry-based factors and both qualitative and quantitative measures. It is
3 worthy to note that because of the COVID19 pandemic it was the external
4 industry/market factors that were most difficult to obtain. These related to
5 customers(**C**), competitors(**P**), and industry regulator(**R**) measures.

6   A simulation of the software indicating an overall improvement of 71% on a
7 particular business factor (in this case delivery) is shown in Figure 6 below. This
8 analysis run on various business models of the organization across all strategic
9 business units indicated a significant overall improvement across the board after
10 alignment efforts.
11

12 **Figure 6.** *NeXiT Software Simulation; Delivery Improvement*
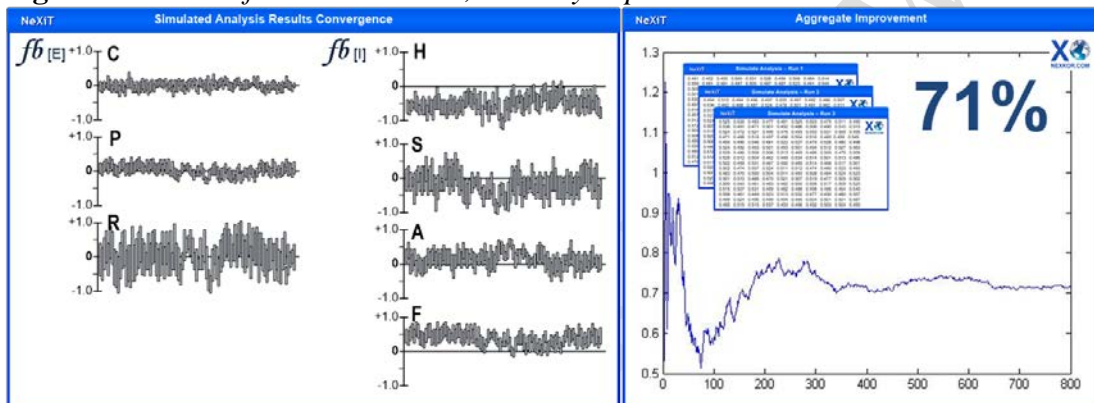
13
14 Source: Pantelides, 2022 (run3.CH20221022.09:35)

15

16

17 **Conclusion**

18

19   Strategic alignment is a critical element in an organization's strategy efforts. In
20 essence it is one of the most important elements organizational leadership strives
21 for in efforts to assure an appropriate strategic direction so as to grow the
22 organization. Alignment is not only, at its basic elements, about budgets and
23 resources. It is also about stakeholder motivation and ensuring appropriate
24 communication and a sense of individual contribution to the greater, longer-term
25 direction of the organization. This paper set out to first outline basic definitions and
26 components of alignment and subsequently to conceptualize a framework where
27 alignment is approached from a well-structured real-world methodology of an
28 actual organization. The system that has been presented here has been fully
29 implemented and operating for approximately 5 years. There was a suspension of
30 operational data from 3rd quarter 2020 through 3rd quarter of 2021, approximately 1
31 year, due to the COVID19 impact on operations especially within the Asian
32 subsidiaries and external environmental factor data. We feel this did not dimmish
33 our results but in some respects helped strengthen the case for alignment,
34 prioritization, a renewed focus on risk assessment and resiliency.
35

The system described in this paper has provided significant improvement in the overall utilization of critical resources in those areas where they provide the optimal positive impact on the organization's strategic goals. Goals and objectives have become clearer and more defined; their link to actual operational work within the organization has become direct, and individuals understand how their contribution "adds-up" to the greater corporate strategy. The organizations mid-term-plan is on the verge of being reached optimally as defined by both global headquarters as well as the regional headquarters as defined in Figure 3; and, surveys, as well as quantitative data obtained from our NeXiT analytical simulation system have shown that SBU intercommunications has improved significantly in middle management understanding the overall direction the organization is taking and how their teams are contributing. There are still some ways to go until further verification and validation will support final conclusions but the system has contributed to sales/growth expansion as planned with sales growing over 20%, IBT growth of approximately 13%, and on-time delivery and customer satisfaction growth reaching 70-90%, thus the systems direct contribution (accounting for other factors) does indeed indicate sustainable internal value creation thru its strategic alignment structure. The leadership has strengthened this program and overall structure and is moving towards formalizing it globally within the greater organization beyond the Americas, reaching into subsidiaries in Southeast Asia and Europe.

References

Bains, Tim, Gwyn Kay, et.al. (2005). Strategic Positioning: An Integrated Decision Process for Manufacturers, International Journal of Ops. & Prod. Management, 25 (2), 180-201

Beer, M., Voelpel, S. (2005). Strategic Management as Organizational Learning: Developing Fit and Alignment Through a Disciplined Process, Long Range Planning, 38 (1), 445-465

Chen, Yue-Yang, I-Jen Wu, et.al. (2018). The Effect of Fit Between Manufacturing Strategy, Strategic Orientation, and Marketing Strategy on Business Performance, International Journal of Management, Economics and Social Science, 7 (4), 301-320

Coltman, Tim, Paul Tallon, et.al. (2015). Strategic Alignment: Twenty-Five Years On, Journal of Information Technology, 30 91-100

Gallupe, Brent, Jeff Baker (2017). Strategic Alignment in SMEs: Strengthening Theoretical Foundations, Communications of the Assoc. for Info. Systems, 40 (20), 420-442

Hough, Johan, Konrad Liebig (2013). An Analysis of Strategic Alignment Tools, Corporate Ownership & Control, 10 (2), 591-603

Hrebiniak, Lawrence G. (2013). Making Strategy Work: Leading Effective Execution and Change, Pearson Education, Inc., Upper Saddle River, New Jersey

Johnson, Gerry, Richard Whittington, et.al. (2015). Fundamentals of Strategy, 3rd Edition, Pearson Education Limited, Edinburgh

1 Joshi, Maheshkumar, Ravi Kathuria, et.al. (2003). Alignment of Strategic Priorities and
2   Performance: An Integration of Operations and Strategic Management Perspective,
3   Journal of Operations Management 21, 353-369
4 Pantelides, A. and Lomiashvili, O. (2017). "A Practical Integrated Model Approach to the
5   Complexity of Strategic Alignment ", Athens: ATINER'S Conference Paper Series,
6   No: MKT2017-2323.
7 Rothaermel, Frank T. (2017). Strategic Management, 3rd Ed., McGraw Hill, New York,
8   NY