

IS STRATEGIC MISALIGNMENT SABOTAGING YOUR COMPANY?

by Glenn Williams



How to spot and correct leadership misalignment

Once upon a time, leaders believed what went on outside the office was separate from the day-to-day leadership of their business. They were wrong. Chaos in your personal life will eventually show up in your ability to lead your organization. The evidence is overwhelming, and believing anything else is a waste of time.

Leaders must be aligned in their personal and professional values. If you're misaligned, it will eventually outwork in your company. When leaders are lost, businesses quickly follow.

"It's one thing to know what you value most in life. It's another to live life as if it's true. What's stopping you from having the life you imagined? I believe a large part of the answer, if not the entirety, is what I term the misalignment phenomenon. It's the disconnect between what you believe and do, what you value and are willing to sacrifice to get it, and between the story you are living out now and the one you envisioned."

- Glenn Williams, *When Leaders Are Lost*

It sounds dramatic, but after years of working with leaders worldwide, I can confidently say that as the leader goes, so goes the company. So, what are the consequences of strategic misalignment?

A tale of two cameras

Kodak is one of modern memory's most infamous examples of strategic misalignment. There are multiple learning moments for us in the catastrophic failure of Kodak's leadership to read the signs of the times or listen to the wisdom and insights of their people. I think that's one of the saddest parts of the cautionary tale of a company built on innovation.

Kodak cornered 70-90% of the incredibly lucrative US film market at its peak. As late as 1997, it was at 70% of market share, plummeting to 7% by 2010. While perfectly positioned to continue their literal world domination in film and photography, the leadership of Kodak dismissed the emergence of digital as a passing fad.

They infamously shut down one of their developers, Steven J. Sasson, the inventor of the world's first digital camera, instructing him "not to tell anyone."

If leaders don't have strong personal values informing their world, they're unlikely to be value-driven at work. In the case of Kodak, I'd venture to say that leadership didn't have a strong value for innovation – but instead – maintaining the status quo. They had aligned themselves so thoroughly with film photography that they could not move with the times – and even become pioneers, ultimately increasing their market share.

Misalignment can do more damage than we realize. Equally – aligning ourselves with the immovable can be catastrophic. Imagine if the Kodak executives had encouraged the development of digital photography, even in secret, they could have introduced Kodak Digital seamlessly.

In my 35 years in leadership and more recently, as I've met with leaders across industry worldwide, one of the significant issues I frequently come across that negatively affects organizations is misalignment across one or more areas. Strategy, implementation, values, brand, and culture are equally important. Ignoring any of them leads to a significant waste of resources and draining of key talent. You can't expect to retain the best and brightest when the explicit or implicit message from the top is misaligned.

Alignment sounds subjective, but the outworking across a business can be objectively measured. Misalignment leads to poor decision-making, bad decisions, poor outcomes, and eventual organizational decline. It hamstring teams caught between strategy and execution.

"Eastman Kodak had four basic principles for the business - mass production at low cost, international distribution, extensive advertising, and a focus on the customer. Eastman saw all four principles as closely interrelated."

- <https://www-personal.umich.edu/~afuah/cases/case9.html>

Even a cursory glance tells us that Kodak lost sight of at least two guiding principles. They didn't focus on the customer, missing the opportunity to mass-produce digital cameras before anyone else.

The bottom line

How leaders define success has a significant bearing on their commitment to alignment and their potential for misalignment. People want to be part of something bigger than themselves. More than ever, aligning values and strategy will make or break your business model.

Is misalignment sabotaging your business? Do you constantly feel a disconnect between what's important to your business and what's happening? It may be as small as not being able to adapt and respond to a new opportunity that best serves your customers. Visit our website for more information on SLIK™, a rapid alignment process designed to close the gap between strategy and execution.