Strategic Corporate Alignment: A Methodological Approach

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Abstract: This paper aims to present a methodological approach to align the strategic plans among Institutions in the area of Higher Education. It adopts an eight-phase research framework. It is a qualitative study which adopts a deductive and exploratory research strategy through the analysis of some institution’s strategic plans and other relevant documents to propose a methodological approach for the alignment. Its contribution shall enable Higher Education Institutions (HEIs) to improve synergy which is essential for achieving efficiency, efficacy and long-term sustainability in the light of the recent challenges facing their environment, considering that the strategy execution and its implementation has been considered much more difficult and complicated to overcome. Particular it shall contribute to alignment among other HEIs which have been subject to mergers and acquisitions processes, in the recent years.

Keywords: strategic management; organizational strategy (models); organizational effectiveness; strategic planning; organizational performance

Introduction

Several authors highlight the concern about the formulation and implementation of the strategic plans. In this paper, we analyzed the comparative models cited in the literature that could contribute to the understanding of the vision of the strategic alignment, as well as elements and processes for its implementation (Prieto et al., 2009). Among the currents was adopted the influence of systemic thinking, of the Bertalanffy studies, in the 1950s (Tonet et al., 2006). The procedural alignment of strategic inter-organizational plans corresponds to the knowledge that goes beyond the internal limits of the company and is shared with other organizations. It is anchored beyond the boundaries of organizational borders and aims at networking, developing dynamic competencies, and seeking viable strategic configurations. In this sense, the sharing of information between the Maintainer and its Retainers was adopted, structuring a relationship of a dynamic nature, adding value to the various organizational practices and conditions necessary to reach the common objectives, and the subsidization shall improve synergy which is essential for achieving efficiency, efficacy and long-term sustainability.

Considering that, according to the literature review and the practice itself, strategy execution and its implementation are more difficult and complicated to overcome and, as far as we know, the studies are restricted to comparing pre-existent concepts and theories. We believe that this hybrid methodological approach shall contribute to the alignment among other HEIs around the world, and to the ones subject to mergers and acquisitions processes.

The remainder of this paper is organized as follows: Section one provides a literature review on strategic alignment; section two presents the materials and methods; section three describes the results; section four presents the proposed
methodological approach; main conclusions and recommendations for future work are presented in sections five and six, respectively.

1. Literature review

Planning techniques have evolved and undergone improvements over time. In the case of strategic planning, they went through Budget Planning, Long-Term Planning, Strategic Planning, Strategic Management and Strategic Management (Estrada et al., 2007).

Among the most important causes in the use of Strategic Planning is its connection with strategic management in that it applied much more strategic change than its formulation, contributing more effectively to the management of the administrators in obtaining its results (Alday, 2000; Hussey, 1998; Kaufman et al., 2003).

Some authors talk critically about the long-term planning methodology that emerged in the 1950s, under United States influence, such as (Bower, 1996): “Long-term plans have rendered profit projections (for ten years or more) without much use”; and (Ansoff, et al., 1990): “which in fact was a huge amount of paper and a limited amount of strategic thinking. Such plans do not allow us to foresee future environmental reality”.

Moreover, others (Lobato et al., 2003) also complement that the Strategic Management is the new phase of planning.

It will be the new paradigm and should present the following characteristics: strategic vision, alignment with the company’s mission, adaptation to the globalization trend, mastery of information technology and understanding of changes as an opportunity factor (Lobato et al., 2003).

With the support of technologies in the formulation and analysis of scenarios, new elements were added to its implementation as the epistemological aspects that constitute the Systemic Thought (Gomes et al., 2014), in addition to the integrated management of information (Turban et al., 2009), and the creation of a balanced organizational configuration that reconciles with the strategic vision (Antonello et al., 2011; Kaufman et al., 2003) regarding efficiency, effectiveness, and organizational learning.

There is a consensus in the literature that more have been devoted to the elaboration of the strategy than to its implementation (Prieto et al., 2009).

Scholars have reported that the implementation can be considered relatively more difficult than the strategy elaboration (Estrada et al., 2007) given their challenges. These challenges are even more significant when plans have some link, whether due to internal or external alignment. Also, there are two different kinds of alignment: internal and external.

The process of strategic alignment is defined as the practical exercise of a set of structured activities with the purpose of accomplishing the elaboration and implementation of the strategy, through consensus or agreement of opinions for the consolidation of the organizational vision (Prieto et al., 2009). It has assumed a lot of different terms, as the implementation of the strategy, cohesion and corporate coherence.

Internal alignment ensures that the activities required to implement the strategy are ordered in a logical and integrated manner (Fischmann et al., 1991; Prieto et al., 2009).

External alignment refers to the adjustment of the integration of capabilities, resources (Prieto et al., 2009), and strategies of the environmental variables of the organization or its stakeholders (Barney, 1991; Porter, 1991).

Scholars (Prieto et al., 2009) compared four different models for alignment which were based in the content and comparative analysis deployed into four components: “a vision of alignment, a model for implementation, elements of the model, and managerial procedures for implementation,” but did not propose a solution for the gaps found among them.
In this way, the organizational adjustment diagnosis aims at identifying barriers to alignment, which should be followed by the elaboration of a plan in which it is also possible to identify theoretical and practical gaps to be developed, as well as to seek complementarity between the models (Porter, 1991).

In this context, literature seeks first to define what is becoming alignment and, later, to create synergy, so that not only the elaboration is successful, but the plans efficiently achieve the objectives outlined.

The present strategic alignment proposal addresses a dynamic that seeks to adjust the organization externally, about its environment of action (stakeholders), through the strategy (external alignment) and internally seeking a cohesive whole between the strategy, resources, and their processes.

The present strategic alignment proposal addresses a dynamic that seeks to adjust the organization to its environment of action and the dynamics of inter-organizational networks internally seeking a cohesive whole between strategy, resources, and its processes.

The implementation of interorganizational strategic plans can be taken as an appropriate strategy, since they can improve the network configuration of the organizations involved, as (Faggion et al., 2002) describe strategic intelligence (how organizations use information from the external environment for the strategic enterprise), the generation of knowledge (how internal and external information is aggregated to the existing experiences and skills in the organization to promote innovation activities) and interorganizational networks (a set of organizations that use the network configuration to collectively achieve specific objectives organizational).

2. Materials and methods

This paper is a qualitative study which will be carried out based on the research framework illustrated in Figure 1. It adopts a deductive and an exploratory research strategy through the analysis of the some institution’s strategic plans and other related documents.

The objective is, based on the gap identified by the literature review, to develop a preliminary methodological approach and, also, a set of charts which will contribute to the process of alignment with a proposal of a hybrid model. Thus, the literature review and the documentary analysis were the techniques prioritized.

The selection of the institutions was constituted by a non-probabilistic and intentional sample, as it represented the institutions (maintainer and two retainers) that had an interest in the alignment of their strategic plans.

The proposed charts for the alignment process will be presented in section four.
3. Results

An analysis of the three institutions was realized, based on the following documents (Figure 2):

![Figure 2. Documents analyzed for the studied institutions](image)

Because of this preliminary evaluation, it was diagnosed that, despite the fact that the studied institutions belong themselves to the same maintainer group, their strategic orientations were not aligned, which could impact in their results and affect their long-term sustainability. This results reinforced what was expected, and the alignment proposal was recommended to promote synergy and a better use of shared resources.

Thus, the methodological approach conducted based on two steps:

1) First, the so-called diagnosis, where a comparative evaluation was carried out among the strategic plans of the three institutions. Therefore, the existing links between the strategic guidelines and their objectives were analyzed, to identify their needs for alignment;

2) Second, the alignment itself, where, after the identification of convergences and gaps, the three institutions could develop projects, plans or actions in synergy with their common interests.

4. Methodological approach

4.1 The diagnosis

According to the first step of the methodological approach, the description and comparative analysis of the following elements (Figure 3) were carried out, comparatively, for the three institutions.

![Figure 3. Elements analyzed from Strategic Plan](image)

In the FIRST STAGE, the evaluation consisted of a comparative analysis of the mission (Table 2), vision (Table 4), and institutional values (Table 6), based on the (re)reading of what had already been defined in the strategic plans, to perceive the existence of alignment between these elements.

For the analysis of the mission (Table 3), it was sought to identify the main points of alignment between the maintainer’s mission and that of its retainers, reaching the most relevant items.

For the analysis of vision (Table 5), it was assumed that there was, in each unit, specific characteristics inherent to its activity for the period (in this case, up to 2020). Thus, for the maintainer, it was identified, initially; three “pillars” that sustain his vision and that support the vision of his retainers, as demonstrated below:
Any market is a social phenomenon where at least two individuals, completely free in their (market) decisions, exchange goods, services, ideas (e.g. patents), emotions (market of political or sports emotions), etc. I suggest considering it from a social capital (see e.g. Arrow, 1999; Putnam, 2000, Robinson and Ritchie, 2010) perspective by providing a new methodology for the study of both its financial and social network or topological aspects.

Figure 4 Pillars of the Maintainer’s Vision

To analyze the vision of the three units, from the two central commitments assumed by the maintainer, some correspondence was identified in its retainers.

For the institutional values (Table 7), the analysis was based on the definition assigned in the maintainer strategic plan. Additionally, these values were related to the retainer’s values, to find the qualitative correspondence, implicit or explicit, in their strategic plans. It was also sought to identify the direct and indirect correlation between them, from the highlights given to each of the maintainer’s values. The values were also correlated with the semantic aspect (Table 8).

In the SECOND STAGE, the analysis of the Strategic Guidelines (Table 9 and Table 10), Objectives (Table 11), Goals, Indicators and Projects and Action Plans of the three institutional plans was foreseen. Initially, the analysis of the Strategic Guidelines and Objectives of the maintainer and its retainer was conducted, and alignment was carried out, concomitant with the analysis of the projects and the action plans of those involved. Subsequently, the respective goals and indicators were evaluated.

It is understood that Strategic Guidelines and Objectives are essential for the success and relevance of the alignment process and they were the starting point for this phase of comparison among them.

Since, in the implementation of the respective strategic plans, the guidelines are elements discussed hitherto, individually, but with ramifications in their retainers, their alignment would promote or increase synergy and success factors in an interdependent and interacting way.

In addition to the evaluation of the guidelines, we (re)evaluated the three institutions regiments and their statutes, to inform about the purpose, nature, structure, objectives and of the internal devices and standards in force of law.

To analyze the objectives, within each guideline, it was sought to indicate, in the objectives that directly established a relationship with the maintainer, promoting the alignment between them. It is important to note that, in this analysis, the maintainer objectives were considered as a starting point. From them, it was sought to identify similar objectives in the retainers. However, it was observed that this correlation did not always exist univocally, resulting in gaps that could be complemented to promote the desired synergy.

It is also important to point out that the same work was adopted for the analysis of the strategic objectives. Based on the comparative analysis of the objectives of the maintainer and its retainers, it evaluated the alignment among them concerning a reflection guided by the projects already defined by the maintainer.

Gaps were identified between the objectives of the maintainer and those of the retainers. To promote alignment at the objective’s level, notes were made for all the retainers. A legend (Table 1) was also developed to indicate the
correspondence among the objectives, as stated below:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>L1</td>
<td>Direct correspondence of the objectives or correspondence identified by the reading and understanding of the projects predefined in the maintainer plan.</td>
</tr>
<tr>
<td>L2</td>
<td>Needs to include a “complementary objective”.</td>
</tr>
<tr>
<td>L3</td>
<td>No matching.</td>
</tr>
<tr>
<td>L4</td>
<td>Needs clarification for a better understanding of the equivalence of the objective.</td>
</tr>
</tbody>
</table>

Projects, Plans, and Actions already prepared by the institutions were used, throughout the development of the work, as a subsidy for the analysis of the content of the objectives. It was identified that there was a very distinct scenario in the institutions regarding their elaboration. In summary, each one had a set of Projects, Plans, and Actions that were proper by their nature. It was understood that it would be necessary to observe the affinity and coherence of the scope of the project, plan, or action to be elaborated and implemented.

The relevance of the joint development of projects, plans, or actions to reach the aligned strategic objectives and consequent optimization of the resources allocated for this purpose, based on the maintainer orientation, regarding the prioritization and implementation, was reiterated and reinforced for achieving their shared purposes.

To analyze the Indicators and Goals, the concept used as a reference, in the preparation of their plans (Fischmann et al., 1991) was, firstly, validated.

Based on the validation of the concepts, it was evaluated the possibilities of alignment of the indicators and goals already defined in their strategic plans.

It was concluded that many of the indicators defined in the maintainer plan were linked to their respective projects and not linked to the strategic objectives, as already expected, making alignment more difficult.

Indicators are vital factors for success in the achievement of objectives and the monitoring the implementation of institutional strategic plans, even though, in the analyzed plans, the existing indicators, and goals were not aligned for the following reasons:

1) Specificity: the indicators and targets that were previously defined met the guidelines and objectives related to their proper institution's activities;

2) Lack of linkage or interconnection: in the preparation of strategic institutional plans, there was no definition of the conditions of alignment that allowed the establishment of the linkage of its guidelines, objectives, goals, and indicators, so that the projects and plans expressed some degree of interconnection or continuity.

Also, it was identified, along with the evaluation, that there were some indicators and targets not yet defined in the Institutional Strategic Plan of each Unit and which should be the object of discussion and proposal by their respective institution before the definition and implementation of new projects, plans or actions.

4.2 The alignment

In line with the alignment process, the revision of the strategic objectives culminated in the proposal to include a single complementary objective, to incorporate all the projects and actions necessary to achieve the strategic objectives of the maintainer and its stakeholders.

With regard with the alignment process of the Institutional Strategic Plans of the three institutions, we reiterate what has already been said, to define the indicators linked to the strategic objectives, when these do not exist. The indicators may meet the monitoring and follow-up needs of the institutional plans, where relevant; while respecting their respective specificities.

It is understood that, once the indicators have been defined by each institution, there will be a need to establish the targets, which will be further deployed for implementation during the set period of the Strategic Plan.

It is understood that the review of the scope of the maintainer projects, plans, and actions, as well as the definition
of new indicators and targets, including the revision of the current ones, will be incumbent, after approval and validation of the process of alignment among strategic plans.

A new timetable will need to be proposed, at the time of the implementation, because of the alignment process. Subsequently, after the diagnosis and alignment activities, the “gaps” made explicit by the limitations among the strategic plans under study; in turn, guided the “effective (re)alignment” among them.

4.3 The proposed methodological approach for strategic alignment

The proposed methodological approach for alignment is identified through the following illustration:

![Proposed methodological approach for strategic alignment](image)

**Figure 5. Proposed methodological approach for the strategic alignment**

4.3.1 The comparative diagnosis

The comparative diagnosis was divided into two stages. The first stage of the Comparative Diagnosis englobed the evaluation of the mission, the vision and the values of the studied institutions. The Tables below illustrate the instruments which were developed to promote their alignment. Considering that the study considers the maintainer and its retainers, it is desired that the alignment occur, to promote synergy considering all aspects.

4.3.2 The mission

Table 2 proposes to describe the mission of the studied institutions.

<table>
<thead>
<tr>
<th>Mission</th>
<th>Instruction: to describe the mission of each institution in the boxes below.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintainer</td>
<td></td>
</tr>
</tbody>
</table>

Table 2. Maintainer’s Mission and that of its Retainers
Complementarily, Table 3 proposes to identify and list the points of convergence among them, the so-called points of alignment.

<table>
<thead>
<tr>
<th>Points of alignment</th>
<th>Maintainer</th>
<th>Retainer 1</th>
<th>Retainer 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.3.3 The vision

Table 4, similarly to what was proposed to the mission, compares the vision of the three studied unities.

<table>
<thead>
<tr>
<th>Vision</th>
<th>Maintainer</th>
<th>Retainer 1</th>
<th>Retainer 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Commitments assumed in the vision: |
| Contributions to maintainer’s vision: |

<table>
<thead>
<tr>
<th>Vision</th>
<th>Maintainer</th>
<th>Retainer 1</th>
<th>Retainer 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.3.4 The values

Table 6 proposes to list the institutional values of each studied unities.

<table>
<thead>
<tr>
<th>Institutional Values</th>
<th>Maintainer</th>
<th>Retainer 1</th>
<th>Retainer 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Value</th>
<th>Maintainer</th>
<th>Retainer 1</th>
<th>Retainer 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A</td>
<td>A</td>
<td>D</td>
</tr>
<tr>
<td></td>
<td>B</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>n</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Table 7 proposes to analyze the institutional values of each studied unit and to verify their implicit or explicit, and direct or indirect correspondence.

<table>
<thead>
<tr>
<th>INSTITUTIONAL VALUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction: to analyze the institutional values of the three Units, and verify their implicit or explicit; direct or indirect; and semantic correspondence.</td>
</tr>
</tbody>
</table>

Table 7. Reflection on the main points of alignment among the Institutional Values of Maintainer and that of its Retainers

Complementarily, to evaluate their semantic correspondence another chart is proposed, as illustrated in Table 1 below, accordingly to the values established by the maintainer, listed in the appropriate column—“Values of the Maintainer”.

<table>
<thead>
<tr>
<th>Table 8. Semantic study of the Institutional Values of the studied institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Values of the Maintainer</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Instruction: to indicate the maintainer values in the appropriate column; complete the others and make the correspondence with the maintainer’s values.</td>
</tr>
<tr>
<td>1</td>
</tr>
</tbody>
</table>

The second stage of the Diagnosis englobed the evaluation of the strategic guidelines, objectives, goals, indicators, projects, plans and actions.

4.3.5 The guidelines

Table 9 proposes a description of the strategic guidelines of the studied units.

<table>
<thead>
<tr>
<th>Table 9. Strategic Guidelines of the Maintainer and that of its Retainers</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRATEGIC GUIDELINES</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Instruction: to list the strategic guidelines of each studied unit.</td>
</tr>
<tr>
<td>Maintainer</td>
</tr>
</tbody>
</table>

Table 10 proposes a comparison of the strategic guidelines of each studied unit.

<table>
<thead>
<tr>
<th>Table 10. Reflection on the main points of alignment between the Strategic Guidelines of the Maintainer and that of its Retainers</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRATEGIC GUIDELINES</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Instruction: Based on the description of the strategic guidelines of the Maintainer, compare the strategic guidelines of each institution.</td>
</tr>
</tbody>
</table>

It is important to state that each studied institution had their own goals, indicators, projects, plans, and actions. Because of the alignment process, they may constitute some strategic guidelines, objectives, goals, indicators, projects, plans and actions in common. Thus, Table 11 illustrates the relation among their strategic guidelines and objectives, if so. Moreover, then, also, points, through the legend mentioned above (Table 1), the points which can be improved or aligned.

<table>
<thead>
<tr>
<th>Table 11. Reflection on the main points of alignment between the Strategic Guidelines, Objectives and Projects of the Maintainer for their Retainers</th>
</tr>
</thead>
<tbody>
<tr>
<td>STRATEGIC GUIDELINES</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>Instruction: to describe each strategic guideline from the maintainer and compare to the retainers’ objectives, using the adopted legend.</td>
</tr>
<tr>
<td>MAINTAINER</td>
</tr>
</tbody>
</table>

The documents like the regiment and statute were also revisited to check the conformity of all the actions of each studied unit with the actions proposed.
4.4 The alignment

The alignment was a result of the previous diagnosis and was composed of three steps:

a) the revision of the previous parts;

b) the identification of the definition of new strategic guidelines, objectives, goals, indicators, projects, plans and actions to be developed in common, if necessary;

c) and the definition of actions to monitor the convergence and gaps, besides the goals and indicators to measure the accomplishment of the implementation of their plans.

As a result, projects, plans, or actions recommended to realignment, intended to create synergy, optimize human, financial and technological resources and enhance efforts towards a sustainable position in a harsh competitive and challenging environment.

5. Conclusions

The results showed that the plans of the institutions had their characteristics and, in part, must be implemented independently.

However, for the fronts where there was a need for joint work, since it is a maintainer and its retainers, it was necessary to create a set of new elements—guidelines, objectives, goals and indicators-entitled aligned strategic plan, that allowed the implementation of themes of interest, providing greater synergy among the institutions.

As a result, thus, also some projects were developed together to put into action the guidelines, objectives, and goals established in common.

We believe that this condition can also occur with companies under mergers and acquisitions process as they will be under the same strategic condition.

Thus, while respecting each of its characteristics of each organization, the elaboration of aligned strategic plans can generate the necessary conditions to reach the joint- objectives, the fulfillment of the corporate mission and to subsidize the best practices of synergy, efficiency, and effectiveness among the organizations.

6. Future research

Further study will be necessary to expand the research, applying the proposed methodological approach to other institutions, including HEIs and its maintainers, or other companies from other sectors.

References


