

ALIGNMENT IN A NETWORK BASED PRODUCTION ENVIRONMENT

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Abstract

This study shows that alignment is closely related to sustained corporate advantage in a networked production environment. Several critical factors are discussed including the influence, drivers, and one-ness that are encountered by a multi-national enterprise with a global supply chain. Customers, regardless of where they were, expect the same level of quality from a company regardless of where it is. This expectation is a survival challenge for many global organizations. At the same time the business environment wants customized solutions with the same quality and timeliness. Financial pressures come into competition with these requirements. This study shows how a multi-unit firm was able to thrive in this environment.

Keywords: organizational flexibility; strategy pathways; one-ness; alignment drivers; alignment influence; production network

Introduction

With the continuously increasing analytics capability embedded in competitive organizations comes the mandate for organizational flexibility and supply chain operational performance. These are competing interests. The organizational flexibility needed to act upon analytics-generated insights quickly and efficiently also antagonizes efforts to achieve alignment. Adaptive transformational cycles in businesses are preordained by environmental conditions, or survival is in jeopardy. Reciprocal task interdependencies increase the effort needed for decision making (Galbraith, 1973; McCann & Ferry, 1979; McCann & Galbraith, 1981; Thompson, 1967). Some say that this is best handled by lateral integrative mechanisms (LIMs) (Galbraith, 1994, 2005; Lawrence & Lorsch, 1967) that have the appropriate alignment towards optimizing profits while minimizing risk. Galbraith (1994) further suggests that multi-unit firms (MUFs) require higher levels of lateral coordination when pursuing related diversification as compared to those that pursue unrelated diversification strategies. This is logical as the latter has fewer opportunities for interdependencies.

At the same time, these organizations are expected to thrive in volatile markets (Srinivasan & Swink, 2018). Flexibility comes with constraints such as; a large acquisition cost, coordination costs may be excessive, they may force miss-alignment, culture, or value shifting to accommodate, and the resource may not be unique to the firm (Barney, 1986; Berger, Hanweck, & Humphrey, 1987; Deller, Chicoine, & Walzer, 1988; Ghemawat, 1988; Hill & Hosskisson, 1994; Prahalad & Hamel, 1990). Out-of-scope strategies drain energy with little return. Mechanisms for alignment must support a focused strategy that include a scope of work in alignment with market trends and which is locally available to exploit. Additionally, the part of the opportunity that is profitable should not be burdened with other aspects that are not. These

opportunities should be monitored through metrics to ensure transparency and facilitate timely decision making. The guidance of an appropriate strategic method, in an optimized scope, leveraging the directional capability of a multidimensional organizational structure (MOS) typically used by MUFs will help to ensure that only the most profitable opportunities are selected for focused attention. Focused actions can become strategic pathways that align otherwise disparate entities.

An agile organizational topology enables adaptive behavior which optimizes effective alignment of the organization with its dynamic environment through the deployment of experience, skills, information, and routines (Santos & Eisenhardt, 2005; Almeida & Grant, 1998, Grant, 1991, 1996; Winter, 1987). Martin (2002) suggests that high-performing cross-business synergy initiatives may include substantial realignment or the redeployment of resources, modularity through the use of a dedicated team, and loose coupling through the use of a few simple coordination mechanisms to handle interdependencies with external entities. Martin (2002) also recommends that the corporate center have a very small part in synergy realization. Instead, they should be more focused on developing the team of business unit managers that are able to promote, and engage in, a suitable multi-business unit decision-making process. The business units would be better served if corporate managers would deploy similar, but relevant, management systems and value-added human resource best practices across business units.

Complex organizations are characterized by multiple objectives, diffuse power and work processes based on specific knowledge. The intent of a MOS organizational framework is to provide objective alignment around growth synergy realization, as it redefines roles and norms. Furthermore, alignment around mega-strategies helps with focus and self-interest management. Critical aspects of a collaborative organization, such as coevolution, patching, resource redeployment, and knowledge flow can be aided by a management information system (MIS) that informs decision making by providing the analytics previously mentioned. Even so, little is known about the success factors for initiating alignment within complex organizations.

Organizational alignment is the result of a negotiation process aimed at reaching a consensus between actors groups in a change context. The alignment is a core concept for change management within complex organizations that have features (multiple objectives and diffuse power) that are the source of potential tensions in environments that are compulsorily flexible (Schmit, d'Hoore, Lejeune, & Vas, 2011).

With this in mind, the author will discuss how a MUF achieves alignment based on a case study. In the next section the methods used during the case study will be revealed. Following this, the findings will be discussed followed by the conclusion and the limitations of the study. It is the aim of the author to aid organizations that are conflicted by the challenges of flexibility and performance by offering up the findings of the organization that was used in this case study.

Quality of the Research

Creswell (2014) describes validity in qualitative research as being the determination of whether the findings are accurate from the standpoint of the author, the participant, and the readers of an

account. In this case, language and meaning are the data. Creswell (2014), in parallel with Lincoln and Guba's (1985) approach, offers qualitative researchers eight possible strategies for checking the accuracy of findings; triangulation, member-checking, rich descriptions, clarification of bias, the use of negative or discrepant information, prolonged time in the field, peer debriefing, and the use of an external auditor. The author selectively used these strategies to ensure data validity with a focus on triangulation, peer debriefing, and member checking.

Endogenous validity refers to the validity of established causal relationships (Yin, 1994; Lamnek, 1995) or internal logic of the research (Punch, 1998). This was achieved by establishing a clear thematic focus that guided the case selection, abstracting and comparing, conducting peer reviews of causal relationships, and by having an open and comprehensive explanation building. A thematic focus was evident in a clear definition of an overarching research theme (cross-unit synergies), a narrowing research focus (unit operative synergies), and a specific research question (the sustainable realization of growth synergies as evidence of performance) along with a compatible case selection in which the constructs of interest could be discovered. Continuous abstracting and comparing (Strauss & Corbin, 1990, 1996) occurred as the author continuously compared data sets to build higher order constructs, preliminary results to emerging data to confirm or refine results, and observed causal patterns within the existing literature. This improved the validity of causal relations (Yin, 1994). Peer reviews of causal relationships were discussed with research colleagues for the purpose of capturing and testing additional perspectives based on experience in the field. Additionally, it enabled the validation of internal consistency and theoretical relevance of the author's arguments. The final technique for internal validity was through open and comprehensible building of explanations and causal relationships. The results were documented in such a way that the reader could reconstruct the causal relationship (Mayring, 1996). Openly, the author indicated initial ideas, deducted assumptions, and challenged potential inconsistencies.

Exogenous validity refers to the generalizability of research results critical for robust theory development (Sutton & Straw, 1995; Weick, 1995) and depends on the research approach (Yin, 1994). Single case study empirical findings are difficult to generalize. Yin (1994) emphasizes that case studies do not allow for statistical generalization. More specifically, it is difficult to make inferences about a population based on empirical data collected in a sample. While issues of generalizability from case studies are severe (Denzin, 1989; Yin, 1994), single-case studies are recognized to be substantial from an evolutionary perspective (Stake, 1995). Single case studies can also provide new ideas and new thinking paradigms. They can help modify existing theories by exposing gaps and helping to fill them. There are several facts about this study that support the author's conclusions that the findings and propositions will be at least somewhat generalizable. Several of the constructs can be confirmed as being present in existing literature, indicating general theoretical relevance of the research (Eisenhardt, 1989). The findings were confirmed through consultation with participants, who are operationally capable with varied experience in the industry, suggesting the potential transferability of the claims. Finally, the findings were somewhat generalizable due to the continuous comparison of similarities and differences within case items across different levels of analysis.

Reliability refers to the possibility that researchers can replicate the research activity and produce the same findings (Eisenhardt, 1989; Yin, 1994). A challenge for this replication is the attribute of qualitative research, in that it is bound to the context in which it is conducted (Lamnek, 1995), including time. Reliability in qualitative studies is best served by presenting sufficient information so that the reader can draw his/her own conclusions (Yin, 1994). The author attempted to ensure reliability through the explicit disclosure of the research design, including a detailed description of the research process, case selection criteria, interview guide, and methods for collecting and analyzing empirical data.

Data and Analysis

The purpose of this qualitative phenomenological research study, using Moustakas, (1994) modified van Kaam method, was to explore the real-time experiences of stakeholders, or co-researchers, as they lived and influenced events occurring around them. Awareness is a transient experience (Freeman, 2000) that may involve exerting influence, letting go, and redirecting energy and attention (Depraz, Varela, & Vermersch, 2003). It also involves being present physically and mentally in daily life. Stakeholders have to anticipate events, make sense of existing environments, and exert influence over future trends. Weick (1995) suggests that sense-making is a retrospective cognitive process that explains unanticipated events. He also suggests that events in a socially-created world both support and constrain action. Weick, Sutcliffe, and Obstfeld (2005) later suggest that individuals form both assumptions and conscious anticipations of future events. By examining sense-making and the development of mental models through actual lived, shared experiences, this study captures the subjective processes that have been largely ignored in the context of the connection between alignment and successfully achieving desired outcomes in a multi-unit firm. Using the experience of stakeholders, the author presents a conceptualization of how individual participants in this study made sense of their lived experience. This was an ongoing process for participants as they refined their understanding of lived experiences and established new equilibriums.

The research included individual textual descriptions as well as composite descriptions concisely oriented and illustrated in a theme map structure. Moustakas (1994) suggested that the integration of textual and structural descriptions into a composite description, such as a relational table, is a path for understanding the essence of an experience. The composite description is an intuitive and reflective integrative description of the meanings and essences of a phenomenon, of which the entire group of individuals is making sense. The participants create meaning through their awareness of the environment, reflection on their experiences, consultation with others, focused response to an enquiry, and iterative refinement to these enquiries.

Coding

Data collection was facilitated by an interview protocol with specific questions oriented in a sequenced schema. Participants were solicited as volunteers from a pool of leaders based on a willingness to share information about the transformation of the sub-division. Each volunteer co-

researcher participated in the changes personally. Following each question, the participants' response was determined to be linked to the question asked and was determined to be meaningful prior to continuing. An answer could trigger a clarifying question, or a question formed to solicit a more fulsome answer, if needed. The additional information modified the answer and once again was determined to be fulsome or not. The data was given a reference number (ex. RV313) and added then to the data sheet and coded. The first two letters referred to the person and the numbers referred to the entry from the person. Sub-code themes were also determined and grouped by code and sub-code. The data was surveyed by the author, who, due to personal experience, was able to apply an "analysis for good" (ANOG). Slight modifications were made as needed to reduce the noise in the data and ensure completeness and clarity. This was accomplished by consolidating like data points and simplifying others by stripping out noise and redundancy in the answers. The data was then re-sorted and generalized through categorizing. A pivot-table was used to extract themes in the wording. The raw data was then posted in a table. In some cases most of the themes were unique in which case a table was not used. From this data, dependencies, relationship, and the sequence of events were determined and organized into a theme relationship map. In some cases the data collected appeared as though the participant was confused about the question. In these cases the author followed up with the participant and then added the newly acquired information to the raw data previously collected.

The raw data was collected from each participant for each data domain and sub-domain in the sequence in which it is presented in this chapter to promote a progression of thought. The data is separated into exogenous and endogenous domains as well with selected focus in both areas. In some cases, like roles, the participants offered information on themselves while commenting on data provided by their peers. Patterns that emerge in the data are presented as textural responses (what happened), structural responses (how did it happen), or composite descriptions (what the group experienced). Data responses that occurred most frequently within the theme category were given more significance and were typically mentioned first. Data was interpreted into theme patterns. These were broken into themes and then concisely into propositions, or findings of the study. Data items that referred to individuals, functions, line of business, locations, systems, or company names were obfuscated, eliminated, or given a pseudonym. The propositions, or findings, were formed and listed numerically. Within each proposition, a two-word summary was formed along with a statement that sums up the finding. For example, a central theme, norm strategy, or trigger may have emerged from the data as a result of coding. This data could then be categorized or filtered through the constructs being discussed that may include the strategic frame, horizontal strategies, or a narrowed scope as examples. This was the beginning of the theme map, or the outermost layer. The layers could then be elaborated on by breaking the outermost layer into sub-layers until it was reasonable to stop. This theme map was created to better describe the themes in the data and to show relationships and sequences between unique data items. With the methods understood, now on to the specific themes from the study as described by the findings.

Findings

In this section the findings from the study are listed and discussed. This includes findings with regard to alignment in an environment that mandates flexibility. Many organizations face similar challenges, but may react in a different way. Even so, these findings may be useful when adapted to local situations. The author starts with a discussion about the results for multi-unit alignment and then describes alignment themes that emerged from the data. This is followed by a discussion of the influence of alignment, the drivers for alignment and the case environment that mandated alignment for survival. Finally, there is a discussion regarding the data that emerged regarding and alignment, or ‘one-ness, initiative.

Alignment across Units. The data that emerged from the study suggests that a location (vertical) leader must make sure that their location is in alignment with other facilities and to the division strategic plan as a whole.

[Vertical leaders] partner with WW [product] leaders to develop strategic plans for specific product lines or services; with timeframes and measurements of improvement. The strategic plans should support the business goals of local facilities and be developed in coordination of each group and in alignment with the strategies/operations of the broader Global team. (RV9)

The raw data produced 10 themes through 17 rich data descriptions as displayed in Table 1 below. The theme map is displayed subsequently in Figure 1. In order for a location leader to participate in the network of facilities, there has to be standardization. This is a platform enabling work shifting based on collaboration and continuous improvement. This refers to the ability to know what is expected within various products and services, as well as having compatible infrastructure to perform the work so that it can be moved to the optimal location. Standardization makes it possible for location leaders to unify processes and exploit centralization. To assure the best performance, best practices need to be the standard across all facilities involved. To achieve alignment, the vision and mission of the facility needs to be compatible with the goals of the organization. The compatibility extends to workflows, as well as to exploit synergistic capacity. A barrier to entry, however, is conformance to security standards. In this study, there were three location configurations: storefront, semi-storefront, and off-load. Each of these configurations is optimized within the overall organization to achieve optimal profitability. This profitability is facilitated by a method for cost and revenue allocation to which all locations subscribe. This allows for performance metrics to be compatible and exploitable for analysis. Furthermore, support functions need to be engaged and helpful or goal achievement is compromised.

Table1
Alignment Themes

Alignment	Count
Off-load methods	4
Align with other facilities	3
Align workflows	2

Cost allocations	2
Capacity sharing	1
Comply with security	1
Conform to standards	1
Goal alignment	1
Strategy alignment	1
Unified metrics	1
Total	17

The alignment theme map in Figure 1 indicates the logical sequence and the dependencies of the themes that emerged from the data. It suggests that in order for alignment to begin, there needs to be consensus on the vision, mission, and goals of the organization. These goals include an understanding of the existence of synergies, the ability to centralize or pool resources for capacity management, the enablement that comes from standardization, and the ability and willingness to share. A level of transparency in measurements and conversation allow for the discovery of synergistic opportunity. A location that does not have the capability to perform a task, may benefit by exploiting another location’s capability, either way there is consensus around an action logic that is predictable and acceptable to all. This capability solves capacity issues that occur when order quantity exceeds local capacity or when capacity demand is low.

In some cases, alignment allows for centralization of resources. This increases reliability as focus is increased on continuous work, but can be fragmented with intermittent work. Centralization also promotes standardization through capacity consolidation; however, capacity sharing is also enabled by standardization. Capacity sharing across facilities is enabled by a method to determine revenue and cost sharing, a unified approach to measurement that can be used for ratio analysis, common policies and methods based on best practices, and common workflows that are similarly secure. Gaining consensus in these areas is not easy; however, it is more difficult to attain if there is a lack of alignment around a common vision.

“[Vertical leaders] work closely with facility leaders worldwide, to establish effective load balancing and off-load methods to eliminate capacity constraints in local offices.” (RV15)

“[I will] contribute and support the technology roadmaps and provide input on strategies with trending market developments.” (RV254)

“[I will] cultivate a manufacturing/supply-chain paradigm to ensure consistent service levels and product offerings for [line of business] services in all worldwide regions.” (RV258)

“[I will] work with other location leaders to drive unification, standardization, centralization, and operational efficiencies across WW locations.” (RV265)

While consensus enables action logic, goals and a defined mission and vision can be further explained as per the breakdown in Figure 1. A vision will provide direction and a mission will provide strategic pathways for planning and execution. Goals are achieved when participants

share resources and knowledge, when standardization enables capacity sharing, when resources are available through centralization, and when synergies can be exploited. Sharing is further broken down in three sub groupings. In this case, work could be shared with offshore units. The capacity was available or scalable and measurements of performance were the same. Standardization of methods, policies, standards, practices, workflows and security enabled the sharing of capacity across facilities. Cost allocation methods were agreed to so that P&L's were not hurt when sharing occurred.

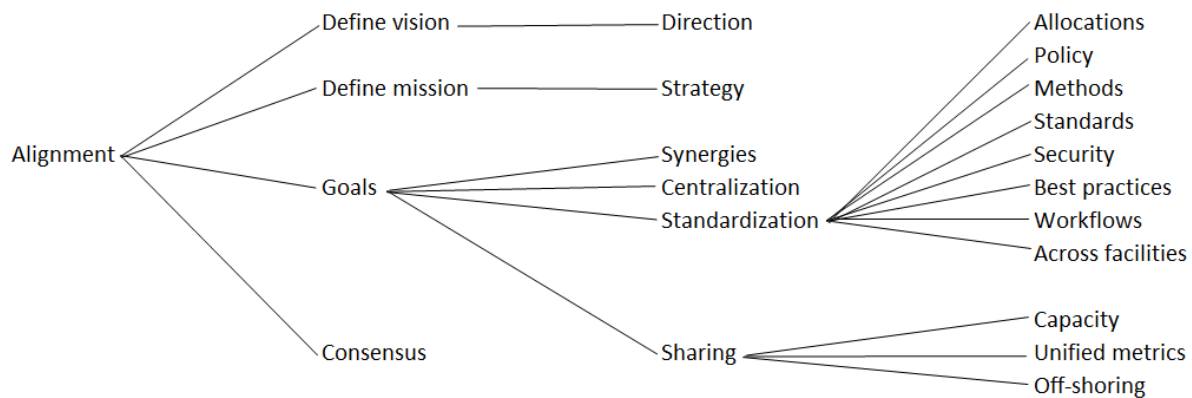


Figure 1. Alignment theme map. This figure maps alignment as a theme category into descriptive sub-groupings.

In summary, the data suggests that alignment is relevant to the success of a multidimensional organization. The achievement of goals is not likely without consensus around a defined vision and mission. Themes that emerged from the data indicated that the ability to share in a network-based production environment is enabled by adopted norms. The norms include financial, technical, security, measurement, and workflow design norms. While having these norms is important, self-interest needs to be considered with an accurate financial allocation to P&Ls. With this consideration, correct behaviors are encouraged. Furthermore, these norms are not applicable to growth synergy unless they are deployed across all locations and are business favourable best practices.

Proposition 1 (network unity): Capacity is more easily shared when there is consensus on how the production network should function.

Proposition 2 (geographic diversity): Alignment enhances profitability through the exploitation of geographically diverse but synergistic workflows based on best practice.

Proposition 3 (mission-vision): Measurable goals must to be directionally aligned with the firm's mission and vision.

Alignment as an Influence. Alignment is significantly influence by a MOS, both internal and external to the division. The ability of a business to influence is dependent on the internal alignment of the organization. Two focus areas were studied. One was the alignment of the MOS around the 1MC initiative. Media Enterprises (the pseudonym for the parent company of Media Corp) launched vertical ‘end-to-end’ product offering to clients leveraging bundling to acquire market share. The strategy was also used to attract new clients who would benefit from a one-stop-shop instead of incurring the additional cost of managing multiple vendors. Corporate did not realize that Media Enterprises had silo challenges that needed to be overcome before clients could have the ‘single vendor’ experience. Clients commented on this in surveys.

“The different departments within Media Corp should work together seamlessly from our viewpoint to complete our work. They still work as standalone silos. I think that is a great improvement that would help both our teams.” (CS56)

To remedy this and to enable the ‘end-to-end’ initiative, the 1MC initiative was launched. This helped corporate pursue the goal of profitable growth and to increase the penetration of unrealized market share from existing customers. It was also the compelling reason for new customers to submit orders as reflected in a client survey comment.

“[Client] has a need for an end-to-end asset/format management system. Media Corp needs to get better at integrating [functions] servicing across [the supply chain] and showing those time and cost advantages.” (CS33)

Market coverage and differentiation was to be achieved by providing industry-specific, cross-business solutions that leveraged Media Enterprises portfolio of offerings. The client focus centered on creating value for clients and solving their problems by lowering their costs from a simplified chain of custody and by reducing order dwell time by eliminating unnecessary transfers.

Drivers. The key drivers for the initiative were stagnating growth, price erosion, market dynamics, changing customer needs, and severe pressure on capital expenditures. Media Enterprises’ profits were well below budget after the first half of the year. The end-of-year forecast suggested that the profitability miss was going to be significant. The growth landscape was challenging, as competitors were desperate for revenue at almost any price. In other cases, companies were stretching vertically and they offered these services as loss leaders. Further pressure came from client-based strategic sourcing. Clients were not willing to give Media Enterprises increased market share and their new product release volume was abnormally small in a fragmented market. Some of the existing markets were already saturated with product due to aggressive product launches causing supply to exceed demand. New products were being released; however, commodity pricing was achieved very early in the product life-cycle, hurting profits that should have offset research and development expenditures. This discouraged R&D investments. The situation was exacerbated by a lack of sales coordination that was to be resolved by a CRM; however, cross-business client poaching and sales channel cannibalization

were enabled by the transparency provide by the CRM. This was further augmented by tension around the financial performance.

Development. While profitability dwindled, clients looked to Media Enterprises for R&D and ERP development services, as other competitors could not financially afford to provide these services. Additionally, clients expected a significant amount of ‘one-ness’ in the company, as evidenced by standardized workflows and systems globally. A counterforce was the proliferation of new services and products which contributed to overall complexity. The demand for service, advice, and optimized pricing was relentless. The company was destroying, rather than adding, corporate value; however, the increasing demand from customers indicated increasing growth synergy potential that could result in a reduction in the conglomerate discount. And so, corporate leaders decided to increase the focus on growth synergies through the IMC alignment initiative, realizing that the cross-selling initiative was insufficiently impactful. Media Corp initiated the IMC initiative to help align the organization around ‘one-ness. This ‘one-ness’ enabled clients to more easily engage the company. The various aspects of IMC are discussed below. These descriptions includes ways that Media Corp was not ‘one’ and what they did to become ‘one’. The second focus area in this section was the ability of Media Corp to scale. These opportunities for scaling were discovered, enacted, and the results are discussed.

In summary, alignment is necessary in a market that is consolidating and expecting vendors to solve client supply chain issues. An MOS cannot promote an external perception of ‘one-ness’ when internally it does not significantly exist. Clients know the complexity that comes from a fragmented MUF as they typically have many touch-points that provide this feedback to them. On the other hand, simplification and the ease of doing business with Media Corp would indicate that ‘one-ness’ has proliferated within Media Enterprises. The competitive advantage is lost if a MUF does not respond to this market demand, especially as clients themselves are pursuing a more unified posture within their business units. Even so, profitability can be compromised while achieving unity through self-cannibalization. This can be minimized through new product and system development. The following propositions summarize the key findings of this section:

Proposition 4 (internally one): The effort to achieve revenue realization from a client that requires ‘one-ness’ is significantly more difficult if internal business do not embrace the alignment vision.

Proposition 5 (problem solving): A fragmented MUF cannot easily solve client issues that relate to ‘one-ness’ as they do not understand the root causes of the problems or where they occur.

Proposition 6 (disruptive change): A MUF may introduce disruptive change to align it with market dynamics; however, product development must progress at a suitable rate to replace negative profitability impacts.

One-ness. The IMC initiative introduced and embedded a culture of 'one-ness. Over the duration of the study, the IMC team drove the designed strategic concept that resulted in the continuous realization of growth synergies. This new perspective was shared with clients, enhancing the ability of Media Corp to sell their supply chain. The organizational design blueprint had become significantly successful in the facilitation of assessing the situation, defining a path forward, and executing a roadmap to achieve desired outcomes. After the alignment to the new structure, sales growth increased significantly even as regional growth was stagnating. Profitable corporate growth also increased through cross-business sales, integrations, and capacity utilization improvements. In addition, favorable customer comments were received in large quantities, suggesting that client utility was being created for Media Corp clients that differentiated it from its competitors. In fact, client satisfaction rates soared to above 90% based on customer surveys. The end-to-end supply chain was a distinct competitive advantage on which the profitability of the company was dependent. Aspects of the IMC initiative war are particularly influential in creating profitability. It was important, for example, that organizations, such as Media Corp, that seek 'one-ness' recalibrate their perspective on organizational design to enable or sustain profitable growth in an evolving market that embraces, or already has embraced, the benefits of 'one-ness'. Endogenously, an end-to-end value chain must be aligned in purpose and destiny in order to realize synergistic growth that enhances profitability. In fact, the majority of interviewed managers confirmed that the initiative was meeting its objective: the successful realignment of the firm for the continuous realization of growth synergies.

The IMC initiative was initiated in order to align the firm around opportunities for the continuous realization of growth synergies. The structure of MediaCorp is a global value chain consisting of a few dozen locations, several on each continent. Regional companies have a degree of autonomy around their local markets, however some clients are multi-regional and collaboration between units is needed to serve them globally. An issue in one location impacts the global relationship. Furthermore, global clients have initiated 'one' initiatives and expected the same from Media Corp. Vendors and industry organizations have done this as well. Media Corp is in a position where they are surrounded by entities that have already moved in this direction.

Media Corp's managers unanimously adopted the MOS, stressing the benefit of a scalable design that optimizes decentralized collaboration providing dimensional guidance over all dimensions. For example, the product dimension spans all locations and provides guidance for the unification of best practices, tools, and knowledge management. This dimension has a P&L for each LOB so the performance of products and services across locations is understood and appropriately influenced. The strategy of Media Corp is to outperform competitors, exceed financial performance targets, and grow the company into addressable markets. Together with corporate guidance, dimension leaders strive to grow Media Corp's market presence through superior strategic positioning and operational excellence. Location leaders strive to position their businesses in attractive markets with sustainable growth, high earnings potential, and with low volatility. Operational excellence is achieved through innovation, a global network for production, world-class performance, and a leading technical capability. Horizontal leaders leverage and develop cross-business synergies with product lines. Continuous alignment allows

for the realization of efficient synergy, product performance, and knowledge sharing. Diagonal support leaders enable operational efficiencies through systems and infrastructure. Growth requires that systems be modified to meet new client needs. Increased throughput requires infrastructure capability. Infrastructure continuously evolves as equipment achieves end-of-life and as new workflows are built. Diagonal client leaders have relationships with clients that may span multiple facilities or be just in one location. The responsibility of these leaders is to exploit the ‘wallets’ of clients in the most profitable scenario possible. All of the dimensions in a MOS are linked, requiring a high degree of collaboration for success.

Media Corp has an established and continuously evolving portfolio of products and services. Megatrends affect choices by clients and end users; however, it is necessary that Media Corp be proactive in development decisions so as to leverage as much of the product life-cycle as possible. Furthermore, megatrends effect strategic decision making so as to optimize profitability potential in all business units. Operational excellence enhances the value of products and services and supports higher pricing than competitors. To a client the product quality is important; however, the arrival of that product, as intended, to the right destination, through the correct method, in the right quantity, on time, and with an accurate invoice on time are also aspects of the overall product. A delivery may also be associated with the experience that the client had while ordering the deliverable. This impression of service is a part of the product and influences the client to order again from Media Corp. ‘People excellence’ focuses on human resource talent in use. The current and evolutionary level of talent guides recruiting, personal improvement plans, succession planning, and membership in the talent pool. Corporate excellence relates to best-in-class governance through direction and support.

The IMC initiative was initiated to focus on ‘horizontalization’ of excellence across locations, but also included the overall scalability of the MOS. It was not desirable to scale until the correct foundation was in place. The deployment of the MOS at Media Corp was an ideal choice because excellence in performance and entrepreneurship was already strongly established in the culture and continued to evolve. This was an opportunity for Media Enterprises to exploit a scalable organizational design augmented by LIMs for the purpose of rapidly achieving growth synergies. It was also an opportunity for Media Enterprises to exploit further the ‘one-ness’ that had already been achieved in Media Corp. This initiative aims to promote profitable growth through a variety of sales strategies designed to increase market share, market coverage, and market differentiation. Products and services are designed to solve client problems with regard to their profitability.

This strategic initiative was driven by a number of critical aspects of the business. Growth stagnation had settled in and the company’s expansion opportunities needed to be exploited. The market was shifting and it was important that Media Enterprises was not left behind. Media Corp and Media Enterprises operate within a market that has intense competition. Product commoditization occurred at a rampant pace, reducing life-cycle earning potential and the ROI on R&D investments. Competitors had strong growth aspirations and were willing to compromise price in order to get some of the addressable market. Additionally, some of the markets that Media Corp operated in had become saturated and the life-cycle of some of the legacy, money-making products had peaked.

Media Corp’s clients became annoyed by the lack of coordination in sales and operational efforts. Not only were sales efforts uncoordinated, but clients were able to get one location of Media Corp to give them better pricing than another location. Internal price wars damaged rate structures and profitability potential. The Media Corp sales effort was restructured to include three aspects; (a) winning new customers, (b) harvesting as much as possible from existing customers across all product lines, and (c) managing service excellence. The objective of the first initiative was to penetrate existing customer silos and win new customers with respect to each line of business. The objective of the second was to expand revenue opportunities with clients with whom Media Corp already had a relationship. In some cases a client silo had not been penetrated; however, the relationships with adjacent silos could be exploited to get into the new ‘spend’. Cross-selling initiatives were enabled by a CRM that was deployed to record prospects in the sales funnel and lead sharing. Existing customers were experiencing rapid changes in a dynamic market. Furthermore, clients were being restructured internally, the complexity of products was increasing dramatically, the security landscape was becoming significantly more intense, and disruptive technologies related to products and workflows were challenging existing paradigms. Clients had a hunger to learn about these changes. It was necessary that Media Corp help its clients deal with their revenue challenges through products and services. They demanded solutions and advice, and these needed to be given by one voice without conflicting information. Media Corp could leverage this strategic concept and the opportunity to increase its value to clients and to shareholders.

Media Corp leveraged LIMs to promote its IMC initiative. A strategic leadership team made up of leaders from the horizontal dimension of the MOS was given the task. As ‘horizontalization’ was a quick win, it made sense to start with this team. This team had executive sponsorship and support. Each of the leaders had extensive experience in the industry and was well connected. Similarly, the executive sponsor was also well connected and had purview over a significant domain of support and operational areas such that the IMC initiative could be realized. It was believed that when Media Corp experienced a ‘one-ness’ internally that this could be seen and leveraged externally through sales initiatives. It was also believed that if ‘one-ness’ was not achieved internally that end-to-end sales initiatives would be very difficult to implement, as these initiatives demanded a ‘one-ness’ in execution in order to be profitable and sellable. The initiative began with the collection of 61 ways that Media Enterprises was not experiencing ‘one-ness’. These are listed in Table 2 below. A poll was used to collect this data, a root cause was determined, and a remedy for the lack of ‘one-ness’ was listed.

Table 2
IMC Themes

Attributes of a Lack of One-ness	Count	Root Cause	Remedy
Training capacity availability and uniformity	18	Lack of a centralized University	Media Corp University
No E2E rejection tracker	11	Multiple systems/methods for tracking	Title base rejection tracker
Disparate logistics groups	10	Fragmented logistics resources	Consolidate management of logistics
Warehouse proliferation	10	Multiple warehouses	Warehouse optimization strategy
Lack of capable support for infrastructure	6	Fragmented support for infrastructure	Centralized support for infrastructure

Lack of E2E version control	6	Multiple systems/methods for tracking	Common system (ERP)
Non-collaborative growth synergy strategy	6	Multiple agendas, lack of coordination	Strategy consensus at upper levels
Variable ratio FL/FT per location	6	Variable methodologies	Analysis and recalibration
Varied software development process	6	Disparate processes	Deploy common method/consolidate
Lack of infrastructure management	6	Multiple agendas	Consolidate management of infrastructure
No synergistic consolidations	6	Lack of coordination, strategy	Assess opportunity and exploit
Non-centralized maintenance of equipment	5	Multiple approaches	Hardware inventory system
No collaborative execution	5	Lack of coordination	Lack of trust, reward system
Unconsolidated billing	5	Disparate entities	Consolidate management and optimize
Unconsolidated storage of assets	5	Disparate locations/methods	Assess, consolidate, purge
Unconsolidated ingest of assets	5	Disparate locations/methods	Strategy to route to one point
Unconsolidated shipping & receiving	5	Disparate locations/methods	Strategy to route to one point
Continuous improvement is not executed timely	5	Disparate methods	Adopt a single process
Data architecture standards are varied	5	Multiple agendas	Consolidate management and standard
Financial reporting - late or hard to comprehend	5	Single understandable timely packet	Direct finance to do so
Hardware inventory unavailable	5	Lack single system	Hardware inventory system
Lack of parts centralization	5	Not registered in single system	Hardware inventory system
Lack of resource redeployment process	5	Not registered in single system	Hardware inventory system
Varied or no Quality Management System	5	Disparate systems/agendas	Consolidate into one QMS
Varied or no Security Management System	5	Disparate systems/agendas	Consolidate into one SMS
Lack of skill synergy exploitation	5	Siloed businesses	Assess and consolidate, strategy
Uncoordinated software licensing	5	Not registered in single system	Hardware inventory system
Not standardize best practices	5	Multiple agendas	Singe performance excellence leader
Uncoordinated support contracts	5	Not registered in single system	Hardware inventory system
Disparate workflow management systems	5	Disparate systems, if any	Consolidate on ERP
CRM not uniformly utilized	5	Disparate systems, if any	Consensus on participation by upper management
Lack of billing consolidation/standardization	3	Siloed businesses	Consolidate billing under one team
Sub-optimal P&L grouping	3	Lack of appropriate grouping	Change to optimize profitability
Don't bill the same customer similarly	2	Siloed businesses, multiple forms	Consolidate billing under one team
Disparate business system	2	Disparate legacy systems	Consolidate on ERP
Unfair intercompany rates	2	Disparate methods, if any	Consensus on single method by upper management
High level of intercompany research on issues	2	Lack of coordination	Directive by upper management
Unmerged service lines	2	Lack of coordination, interest	Set strategy and execute
No agnostic escalation point	1	Multiple strategies, if any	Determine and communicate
Lack of business communication	1	Siloed businesses	Set effective communication strategy
Uncoordinated compensation system	1	Disparate legacy systems	Assess and set new system
Cost doesn't follow revenue	1	Multiple methods for mapping	Gap analysis, close gaps, establish norm
No cross-divisional incentives	1	Siloed businesses, P&L protection	Establish incentives, reward system

Lack of employee development	1	Multiple agendas, if any	Effective development strategy
Unfair end-to-end pricing	1	Lack of coordination	Coordination between sales teams
Conflicting initiatives	1	Lack of coordination	Coordinated strategies
Dysfunctional intercompany process	1	Lack of coordination	Consensus on single method by upper management
Inconsistent invoicing choices - line items	1	Lack of common perspective	Singular strategy, execute
Multiple invoices on the same purchase order (PO)	1	Lack of mature system	Singular billing methodology, standardization
No 'self-interest' policy	1	Lack of coordination	Document and communicate revenue recognition policy
Lack of offshore exploitation	1	Lack of coordination	Singular strategy, execute
One business profits at the expense of another	1	Lack of coordination	High level coordination preserving self-interest of BUs
Sub optimized overall bandwidth capacity	1	Lack of coordination	Singular point of coordination
No org structure for same products/services	1	Lack of vision	Establish structure and deploy
Lack of pricing strategy	1	Lack of coordination	Singular strategy, execute
Rate card misalignment	1	Lack of coordination	Singular strategy, execute
Variable recruiting practices	1	Multiple agendas	Singular strategy, execute
Shrinking margins in BUs	1	Lack of coordination	Profitability initiatives, execute, measure
Lack of strategy communication	1	Lack of effort	Deploy effective communication strategy
No unified performance metrics	1	Lack of coordination	Singular reporting through QMS
No unified quality metrics	1	Lack of coordination	Singular reporting through QMS
Sum	230		
Count	61		

The 61 themes that emerged from the data is not an exhaustive list; however, it begins the discussion about where the division is with respect to achieving one-ness and also briefly lays out some steps that can be taken to move in the right direction. As these steps are taken and the gap is closed, they establish a momentum for the evolutionary establishment of a ‘one-ness’ that clients will benefit from as Media Corp becomes a more effective solutions provider.

Conclusions

The purpose of this qualitative phenomenological research study was to explore opportunities for performance enhancement using a single case study of a multi-unit firm by examining how a complex organizational design could realize alignment in a dynamic market. During the study six propositions were listed as theory building elements for alignment in an MNE. Alignment is critical for timing in dealing with business issues. For example, recent studies have begun to suggest that products and services are experiencing shorter life-cycles (D’Aveni, Dagnino, & Smith, 2010). For the purpose of this study the phenomenon or object of the analysis was the precipitating event that led to permanent cross-business collaboration within the MNE. The unit of analysis on which the phenomenon was studied is the strategy and the organizational design that leads to sustainable desired outcomes. Sustainable outcomes are achievable across multiple product life-cycles if performance within the sequence of life-cycles is optimized through organizational alignment.

Contributions to Theory

The primary contribution of this article is new empirical insights about the effects of alignment on growth realization in an MNE with a networked production environment. These results are, therefore, relevant to the achievement of sustained profitability and competitive advantage by focusing a multi-unit firm on business unit capability through alignment. Six propositions were extracted from the participants instigated by a precipitated event that contribute to theory on execution leadership in an MNE with a global supply chain. The result is outcomes that are influenced by alignment. Misalignments are also described in detail and are useful for understanding the achievement of sustained corporate advantage.

Limitations and Future Research

The author attempted to develop generalizable theoretical findings based on the empirical results of a case study. Even so, this study encountered several limitations concerning theory and empirical study. The limitations were as follows:

1. There are some weaknesses regarding the generalizability of the findings. The single case study approach was based on approximately twenty in-depth interviews. Given that the phenomenon under investigation is novel and complex, this methodological choice seems reasonable. The research method mandates that in-depth observation is required for collecting and analyzing the resultant holistic data (Eisenhardt, 1989; Miles & Huberman, 1994; Siggelkow 2007; Yin, 1994). The choice of a phenomenological case study using a qualitative approach is affirmed; however, the generalizability of results is not exact due to the context of the case. The context is defined as a moderately dynamic environment, a large size organization with a multi-national organizational structure, and a business with a relatively low degree of relatedness within a vertically integrated value chain. Other firm-specific factors, such as company history, may influence the exactness of the generalizations. The author understands that comparative case studies within similar contexts would help better ground evolving theories.
2. A single case study approach does not make it possible to determine the significance and weighting of drivers for the realization of sustainable growth. Drivers may occur in unique situations relevant to the single case study; however, they may not be relevant in general. Consequently, their general relevance may not be understood. This includes the relative importance of strategic actions and organizational design factors.
3. The research was limited by subjective interpretations of the data. This led to various theoretical constructs from qualitative information provided by participants. Subjective biases are reduced through the review of the coding process (Yin, 1994), using key informants for validating results (Mayring, 1996), and by following data analysis (Strauss & Corbin, 1990, 1996). Even so, this research still has associated risk due to potential subjective and invalid interpretations of quotations.
4. Several meaningful metrics, from pre-existing company data, were used to assess the extent to which growth was successfully realized. Metrics such as average changes in interview ratings,

job descriptions, and qualitative assessments validating performance, and financial results over a time span of ten months were among the pre-existing data that was used. While this is a short period for the assessment of sustained growth synergies, the author feels that this is adequate given the speed of the change driven by the transition from an M-form design to a multi-dimensional design. Additionally, this data was augmented and validated by interview data that was collected over approximately sixty days and which related to the experiences of the stakeholders who went through the transition. In the event that a longer period of time would have been used for the investigation, other important success factors may have emerged. Unfortunately, a longer-term observation period was beyond the time scope allotted to this study and this additional data would likely have produced little additional value.

5. While this research design is holistic and multi-faceted, there were some limitations with regard to theory building. The nature of phenomena under investigation is complex as it includes strategic focused action, organizational design, and corporate management. As a result, the development of a complete and fulsome theory is constrained (Miles & Huberman, 1994). Given that reality based phenomena tends to be complicated, it follows that this study can only offer a mid-range theory of continuous growth realization through alignment while developing thought-provoking and new perspectives that may inspire creative theorizing in the future.

6. Finally, the selection of variables may be incomplete. While the analysis is focused on MNE factors of growth realization, like alignment, other factors like leadership efficacy, human resource inspiration, and the embedding of human networks were generally neglected. These factors at the initiative level and personal level may impact successful cross-business unit collaboration (Martin, 2002; Martin & Eisenhardt, 2010) and, consequently, on the sustainable realization of growth synergies. As a result, the author suggests that further research is required for developing a more holistic theory on realizing sustainable growth synergies through alignment.

The author anticipates that these propositions will stimulate further research as organizational performance is significantly complex and situational. These observations are meant to stimulate further thinking. By studying the distinctive features of alignment, the author hopes that interest has been sparked on researching aspects of performance that have not been covered.

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