



CREATING STRATEGIC UNITY AND ALIGNMENT



COMPANY

TI is the world leader in digital signal processing and analog technologies, with 2000 revenues of almost \$12 billion, and over 38,500 employees worldwide in more than 25 countries. Their business includes semiconductor solutions for large markets such as wireless and broadband access and for new emerging markets such as digital cameras, as well as digital audio sensors and controls, and educational and productivity solutions.

BUSINESS CHALLENGE

Significant continuing change in many of their businesses led TI to conclude that its future success depended on becoming ‘one great company’ rather than a collection of individual businesses. Achieving that goal demanded that TI not only create a new vision of the future and a strategy to realize it, but also forge a high degree of unity and alignment throughout the entire worldwide organization.

The chairman of the TI Strategy Leadership Team and the Director of Strategy Process called on EDA to help them devise a way to engage their top 250 executives worldwide in a process that would result in deep understanding and ownership of the new vision and strategy. TI was very concerned that their normal strategy deployment process wouldn’t work. In the past, a small group at the top (their senior management team – SMT) would create the strategy and then turn it over to the PR department to develop a communication plan including speeches, video tapes, town meetings, newsletters, etc. Their concern was that these passive communication methods would not result in the gut level understanding and ownership in the company’s new focus and direction that was required.

EDA’S CUSTOM SOLUTION

First, EDA worked with the SMT to develop a thorough understanding of TI’s business and leadership challenges. We then worked with the TI team to design the “**Creating Our Future**” (COF) workshop. EDA argued that a new process was needed; one that viscerally engaged people, and achieved a high degree of alignment and ownership. The first step was to convince the SMT to consider their new vision and strategy to be a draft so that the top 250 executives could engage in a process of contributing to it in a workshop format. They agreed.

COF was designed to address several important business objectives: produce a common TI view of the future, test and enhance the vision and strategy, understand what it would take to implement the strategy, and improve the strategic skills of their executives. TI conducted ten 5-day long workshops with 25 participants from all over the world in each class in order to facilitate cross-functional/geographic sharing and learning, and to promote global teamwork and collaboration.

A unique element of COF was the integration of the strategy and executive development processes. This was intended to improve participants’ strategic thinking skills by actually working on TI’s strategy, rather than listening to academic lectures on strategy. Building on a belief that “If they build it, they will come,” the first half of the workshop took participants through the same strategic thinking that the SMT went through to create the draft strategy. The participants explored multiple perspectives on their industry: customers participated in the first 1 ½ days to provide their perspective on the industry and what it would take to be the industry leader, participants conducted

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competitive analyses and external experts in diverse fields offered their insights. And of course, the participants and members of TI's Strategy Leadership Team provided an "insiders" perspective.

The second half of COF focused on identifying what they could do to make the strategy even better: Participants worked in small groups to improve the vision and strategy and to identify the implementation of Critical Success Factors (CSFs). In the workshop finale, participants presented their findings and recommendations to SMT members. They also identified key actions they would take to begin implementing the strategy in their business units. After all 10 COF sessions were complete, the "best of the best" recommendations from each class were synthesized into the final version of the vision and strategy that was presented to all 250 together in a leadership conference.

Creating Our Future was seen as multi-year architecture for strategy and executive learning. While the first year's focus was on the TI Vision and Strategic Direction, subsequent years focused on the CSFs identified. For example, the year two COF focused on the number one CSF identified in year one: new business development and innovation.

IMPACT

TI believes that Creating Our Future has paid off in numerous ways. The quality of the strategy clearly improved and they achieved the unity and alignment needed to implement it successfully. COF also built team spirit and excitement about TI's future, expanded participants' understanding of the marketplace, and increased the strategic thinking skills of their executives.

TI moved from mid-industry to top of industry financial performance rankings, plus seeing dramatic stock price and p/e increases. Significantly higher ratings than industry were achieved on 1) percent of employees who understand and have confidence in their business strategy, and 2) number of employees who have confidence in their leadership. 90% of participants state that their strategic thinking & business acumen increased.