

# CHAPTER 8

## STRATEGY IMPLEMENTATION & CONTROL

### INTER-RELATIONSHIP BETWEEN STRATEGY FORMULATION & IMPLEMENTATION

Combination		Observation
Strategy Formulat <sup>n</sup>	Strategy Implement <sup>n</sup>	
Sound	Weak	This may arise due to- <ul style="list-style-type: none"> <li>• Lack of experience, resources</li> <li>• Missing leadership.</li> </ul>
Sound	Excellent	Ideal situation i.e. good strategy implemented successfully.
Flawed	Weak	To ensure survival & growth seek Business model re-design & implementation re-adjustment
Flawed	Excellent	Firm should re-design strategy before implementation

Strategy  
Implementation

Strategy Formulation	Sound	A	B
	Flawed	C	D
		Weak	Excellent

## DIFFERENCE BETWEEN STRATEGY FORMULATION & IMPLEMENTATION

Basis	Strategy Formulation	Strategy Implementation
Nature	Positioning before the action	Managing forces during the action
Focus	Effectiveness	Efficiency
Process	Intellectual Process	Operational Process
Skills Reqd	Intuitive & Analytical Skills	Motivational & Leadership skills
Coordination	few Individuals	Many Individuals

## ISSUES IN STRATEGY IMPLEMENTATION

- Project implementation
- Procedural implementation
- Resource allocation
- Structural implementation
- functional implementation
- Behavioural implementation

## EFFICIENCY & EFFECTIVENESS

Difference

Efficiency	Effectiveness
To be efficient means "to do things right"	To be effective means "to do the right things"
Short-run in nature	Long run in nature
Operational in nature	Strategic in nature
Strategy implementation viewpoint	Strategy formulation viewpoint

## Relationship

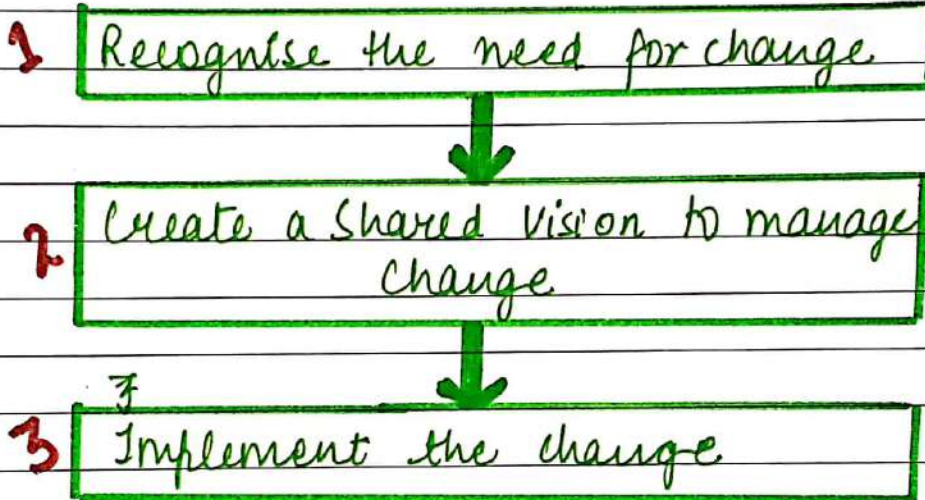
	Effective	Ineffective
Efficient	Succeed & Thrive 1	Die Slowly 2
Inefficient	Survive 3	Die Quickly 4

- If an organisation is placed in Cell 1, then it is well placed & will flourish because it is achieving what it aspires with a good Input/ Output Ratio.
- An organisation in Cell 2 & 4 will be ruined, unless it can establish some strategic direction.
- Cell 2 is a worst place than Cell 3 because, in later, the strategic direction is present to ensure effectiveness even if too much input is used in generating output.
- To be effective is to survive whereas to be efficient is neither necessary nor sufficient for survival.

## STRATEGIC CHANGE

Changing the Existing Strategy by Bringing the new Strategy due to change in Environment.

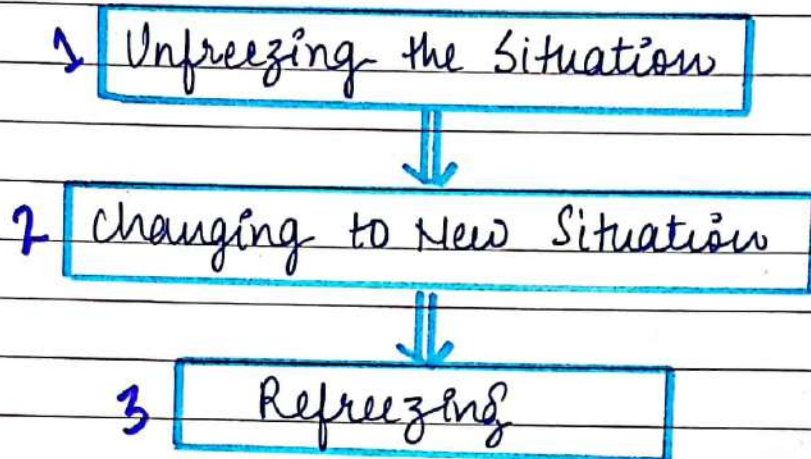
Steps to initiate strategic change



Step 1	It needs environmental scanning which involves SWOT analysis & then determine where lacuna (weakness) lie & find scope for change.
Step 2	Objectives & Vision of both individuals & Org. should coincide (match) & Strategy implementers should ensure the change is not artificial.
Step 3	Action stage. The changed process must be regularly monitored & reviewed to analyse the effects of change.

## KURT LEWIN CHANGE PROCESS

To make the "change" lasting,  
Kurt Lewin proposed 3 phases of the change process-



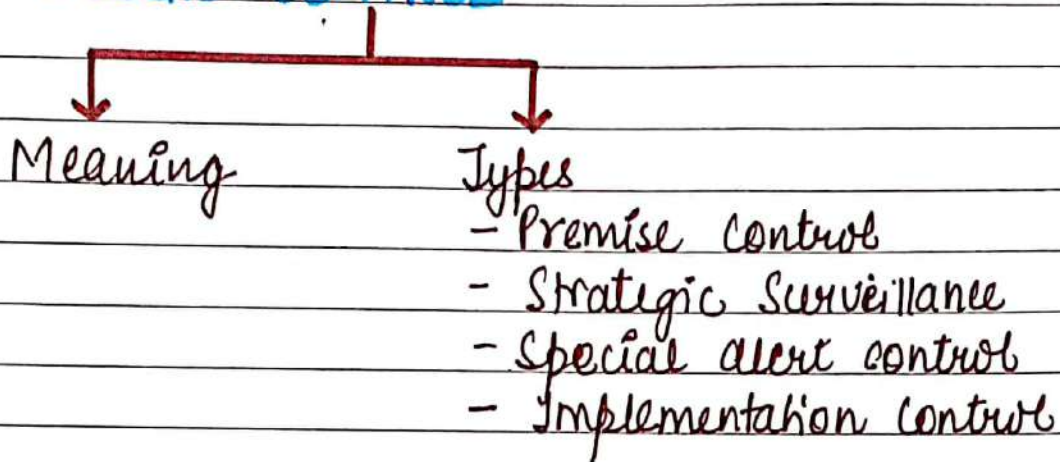
Step 1	<ul style="list-style-type: none"> <li>• Lewin proposes that change should not come as a surprise to the org members</li> <li>• Therefore make the individuals aware of the necessity for change &amp; prepares for such change by making announcements, holding meetings etc</li> </ul>
Step 2	<ul style="list-style-type: none"> <li>• Execute the intended change.</li> <li>• Three methods for reassigning patterns of behaviour are             <ul style="list-style-type: none"> <li>- Compliance,</li> <li>- behaviour identification</li> <li>- Internalization</li> </ul> </li> </ul>

Step 3

- Refreezing occurs when the new becomes a normal way of life.
- In order to maintain it permanent, it must be continuously re-inforced so that the new acquired behaviour does not diminish.

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## STRATEGIC CONTROL



### Meaning

- It is the process of evaluating strategy as it is formulated & implemented.
- It is directed towards identifying problems & changes in the premises & making necessary adjustments.

### Types of Strategic Controls

#### Premise Control (Premise = Assumption)

- Premise Control is a tool of systematic & continuous monitoring of the environment to verify the accuracy of premises (assumptions) on the basis of which strategy is built.
- It includes monitoring
  - Environmental factors
  - Industry factors

#### Strategic Surveillance

- It includes general monitoring of various sources of information to know about unanticipated.



## Information

- It includes
  - Casual browsing
  - Reading Newspapers, business Magazines

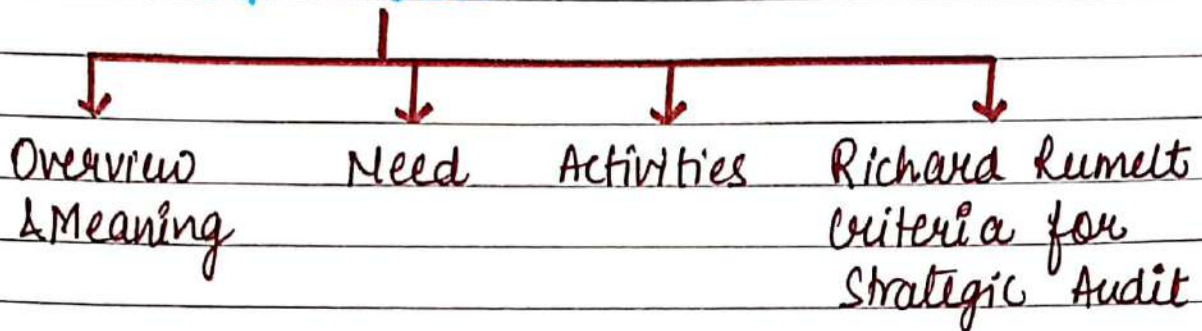
## Special Atext Control

- Unexpected events may give rise to reconsider the strategy
- To cope up with such events, the organisation form Crisis mgt team
- These Events includes
  - Natural Calamities
  - terrorist attacks.

## Implementation Control

- It includes assessing the needs for changes in the overall strategy in light of unfolding events
- It continuously monitors the basic direction of the strategy [strategy जैसे ही implement हो रही है, जैसे होना चाहिए था नहीं]
- It includes
  - Monitoring strategic Thrusts (क्या चाहिए strategy से)
  - Milestone Reviews (क्या किया strategy implement से)

# STRATEGY AUDIT



## Overview & Meaning

- The audit of mgt performance with regard to its strategies helps an org to identify problem areas & correct the strategic approaches.
- A strategy audit is an examination & evaluation of areas affected by the operation of a strategic mgt process within an org.

## Need

Strategy Audit is Needed under following conditions

- When the performance indicators reflect that a strategy is not working properly or is not producing desired outcomes.
- When goals/objectives are not accomplished
- When major change takes place in External Environment
- When top mgt plans to introduce new strategies so that the strategy can be worked with the changes in Environment.

[MC: NEED]

## Activities

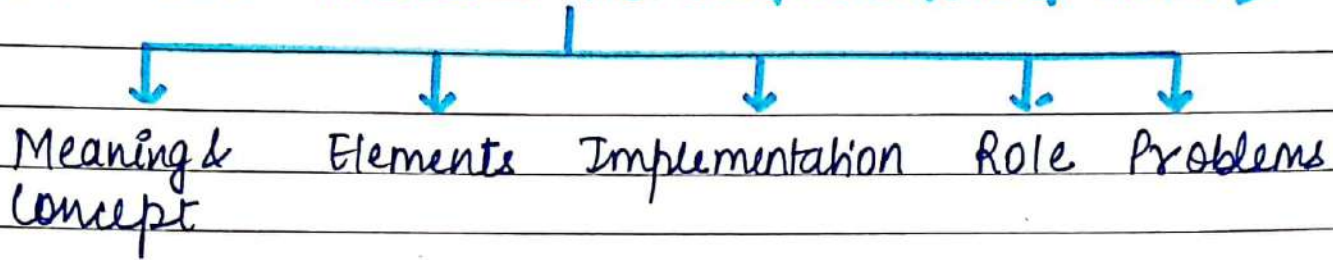
Strategy Audit includes 3 basic activities

- Examining the underlying bases of a strategy
- Comparing expected results with actual
- Taking corrective actions

## Richard Rumelt's Criteria for Strategic Audit

Consistency	<p>A strategy should not present the inconsistent goals. 3 guidelines to know org problems are due to this.</p> <ul style="list-style-type: none"> <li>- Managerial problems despite of changes in personnel</li> <li>- Success of one department results in failure of other</li> <li>- If problems are brought up at top level mgt.</li> </ul>
Consonance	<p>It refers to balance between Internal &amp; External organisational Environment A strategy must be responsive to the changes occurring in External Envrt.</p>
Feasibility	<p>It refers to the possibility of strategy Whether the strategy can be attempted within the physical, human, financial Resources</p>
Advantage	<p>Whether the strategy is providing competitive advantage or not</p>

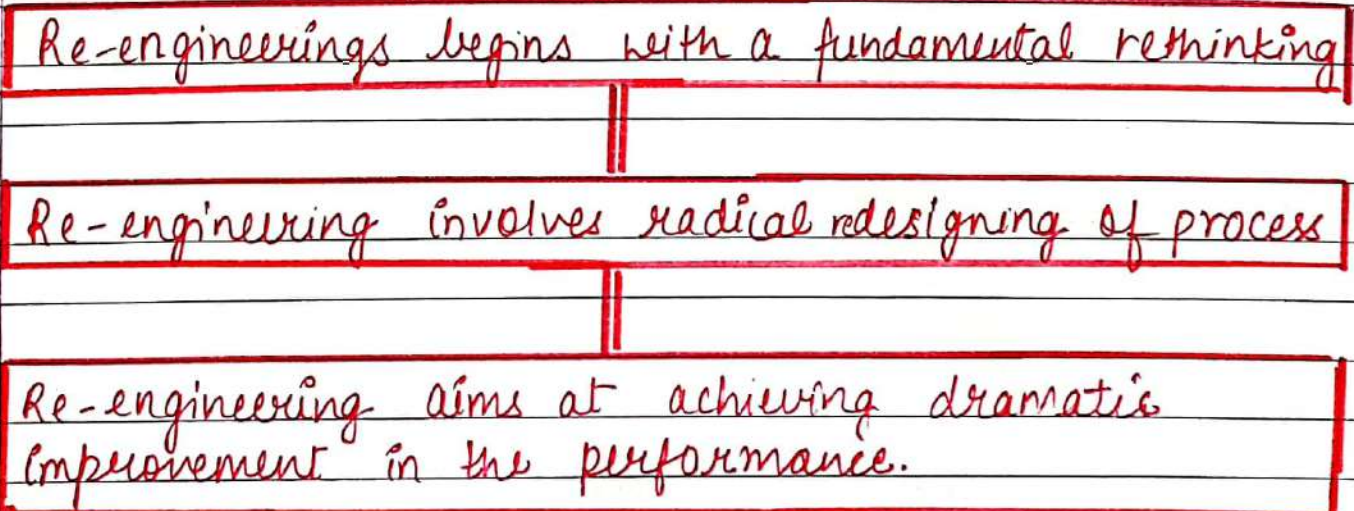
# BUSINESS PROCESS RE-ENGINEERING (BPR)



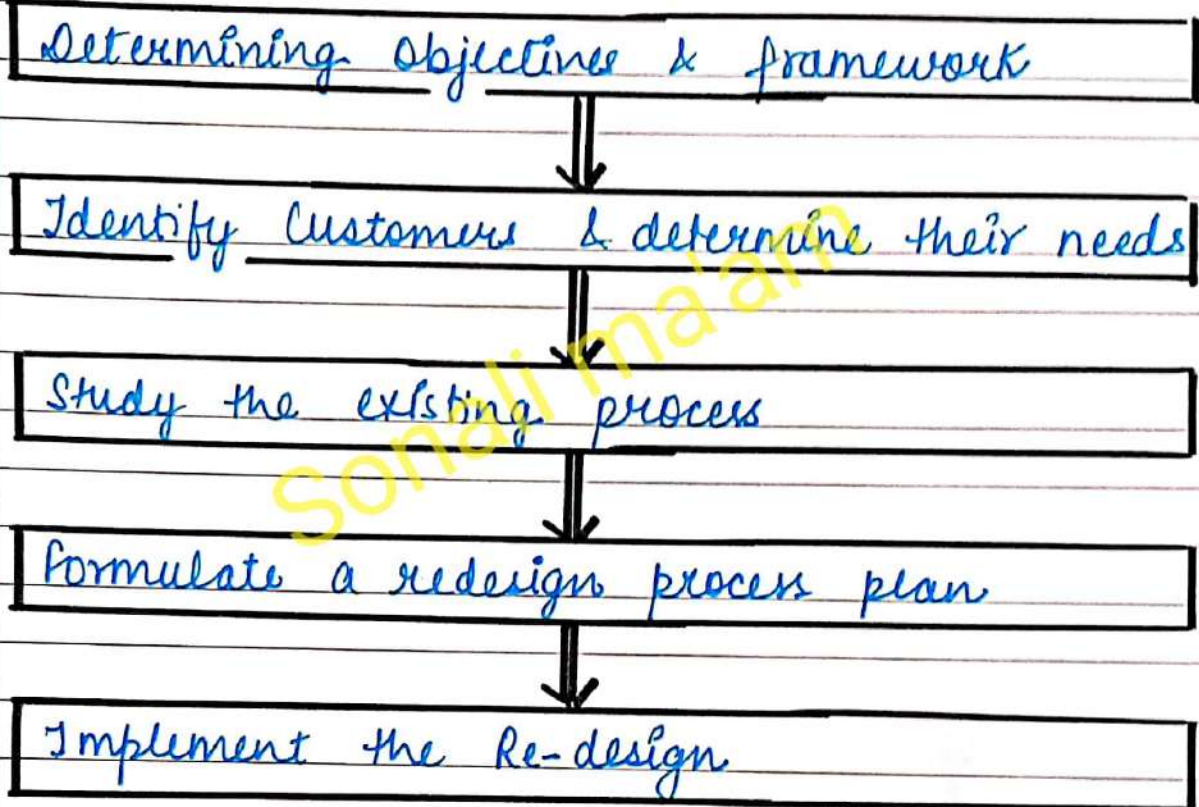
## Meaning & Concept

- BPR refers to the analysis & re-design of processes both within & between business firms.
- It is a total deconstruction & re-thinking of a business process.
- The concept includes
  - Operational excellence
  - Process orientation
  - No old ideas
  - Dramatic improvement
  - Competitive advantage

## Elements



## Implementing BPR in Organisation



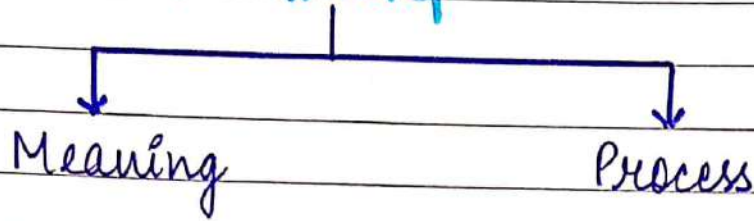
### Role of IT in BPR

- Operational Speed (Drastic reduction in time)
- Global Village
- Restructuring of Organisation
- Business Values - Efficiency, effectiveness & innovation.

### Problems in BPR

- Out-dated process
- Time & Cost
- Inefficiency

# BENCHMARKING



## Meaning

- Benchmark may be defined as a standard against which things may be compared.
- It is the process of identifying & learning from the best industry practices.

# Areas in which the Benchmarking process can be helpful

- Product Development
- Plant Utilization Levels
- HR Mgt
- Assessment of total Mfg Cost.

## Process

### Identifying the need of Benchmarking

This step will define the objectives of benchmarking process. Org identify opportunities for improvements



Clearly understanding existing decisions processes

The step will involve compiling information & data on performance

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Identify best processes.

Within the selected framework best processes are identified (or best practices)

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Comparison of own process & best process.

It includes the comparison of performance of the org with performance of other organisation. Any deviation between the two is analysed to make improvements

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Prepare a report & implement necessary steps

Such reports contains the action plans for implementation to reduce/close the performance gap.

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Evaluation

Evaluate the results of benchmarking process in the terms of improvements. (objectives & achievement)