

Chap: Strategy Implementation
& Evaluation.



* Stages of Strategic Management (Strategic Management Model)

Stage 1: Developing Strategic Vision, Mission and Objective, goals

Stage 2: Environmental & Organisational Analysis (External & Internal)

Stage 3: Formulation of Strategy

Stage 4: Implementation of Strategy

Stage 5: Strategic Evaluation & Control.

Stage 1: Developing Strategic Vision, mission goals & objective

↳ It is already cover in Chap - 1

Stage 2: Environmental & Organizational Analysis

+ ↳ Environmental (External) - Cover in Chap - 2
↳ Environmental (Internal) - Cover in Chap - 3
= SWOT

Stage 3: Formulation of Strategy

↳ The next step in strategy Formulation of [Strategy alternative - strategic choice]
Chap - 4

Strategic choice

Stability

Escapement

Retrenchment

Combination

Stage - 4 Implementation of Strategy

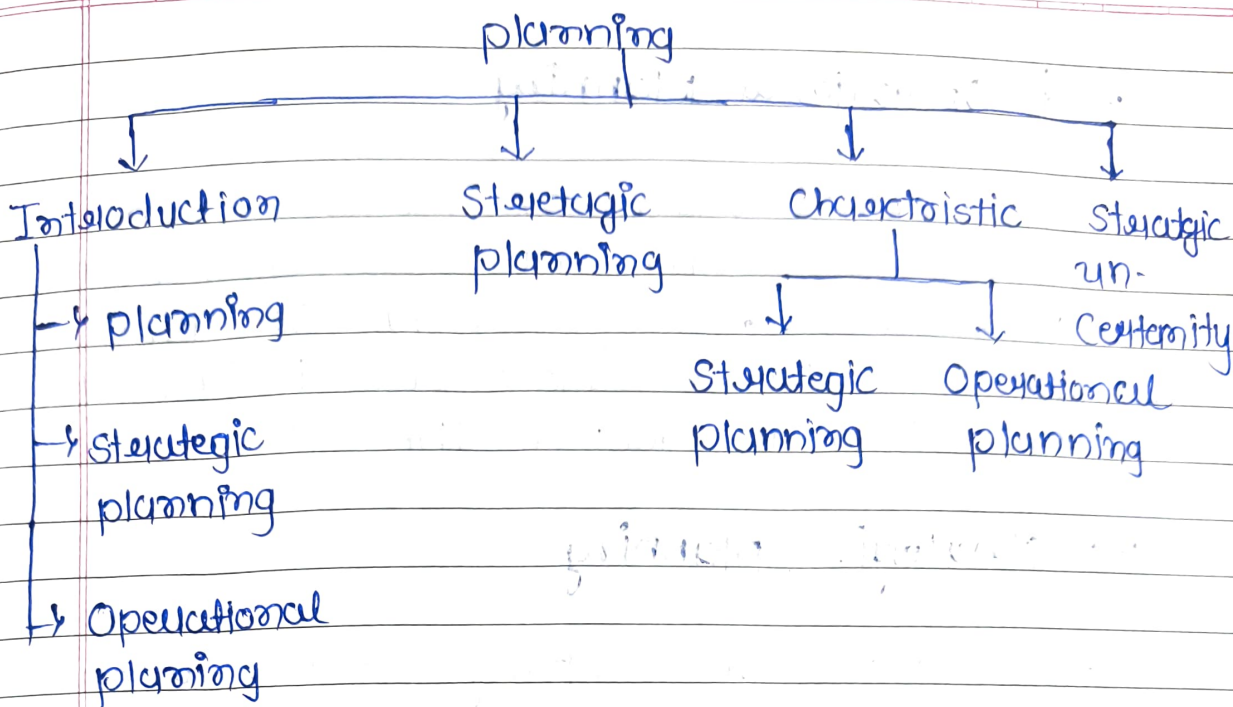
→ It is covered in chap - 5

Stage - 5 Strategic Evaluation & Control

→ The final stage is assessing the impact & making corrective adjustments

→ if everything is going well stick to implemented strategy

→ if not going well change as per requirement [due to poor strategy, poor execution or both]



* Introduction planning

planning may be strategic or Operational

2) * strategic planning

- Senior management development plant for the entire Organisation after evaluating the Organisation's strength & weakness in light of potential possibilities & changes in the outside world.
- They involve gathering and allocating resources in order to achieve Organization's goal.

3) * Operational planning

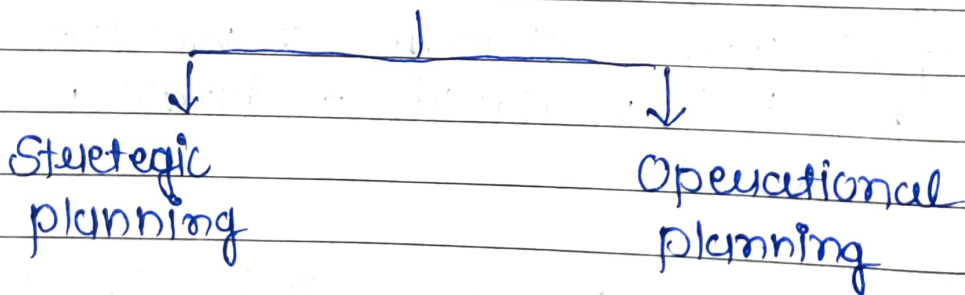
- Operational plans on the other hand are made at the middle & lower level management. They provide specifics on how the resources are to be used effectively to achieve the goals.

↳ Strategic planning

- The success of company depends upon how well the game plan works, because of this the core of the process of strategic planning is the formation of corporate strategy.

MCQ - The formation of corporate strategy is the result of a process known as "strategic planning".

↳ characteristic.



① characteristic of strategic planning

- Objectives
- resources
- Senior management
- Environment

- e. holistic view
- f. long term.

- a) Develop Overall Objective & Strategies
- b) shape the Organisation and its resource
- c) Is a Senior management responsibility
- d) Assess the Impact OF Environment Variable
- e) Take holistic View OF the Organisation
- f) Is concerned with long term Success OF the Organisation

② Characteristic of Operational planning

- a. function manager
- b. deployment of resource
- c. develop tactics
- d. Current Operation
- e. modification

- a) is the responsibility of Functional manager
- b) Deals with Current deployment of resource
- c) Develops tactics rather than strategy
- d) project Current Operation in to the future
- e) make modification to business functions but fundamental change

Intend → Vision → Mission



objective ← goals
 Strategy → tactics

eg. Strategy → अंश अंश करनी है।

tactics → अंश अंश की कार्रवाई।

↳ Strategic Uncertainty

- Strategic Uncertainty refers to unpredictability and unpredictability of future events and circumstances that can impact an organization's strategy & goals.

- It can be driven by factors such as

- 1 changes in market
- 2 change in technology
- 3 change in competition
- 4 change in law & regulation
- 5 change in other external factors

Q How to minimize impact of uncertainty

FD की Monetary और BC

F - Flexibility

D - Diversification

M - Monitoring & Scenario planning

B - Building Resilience

C - Collaboration & Partnership

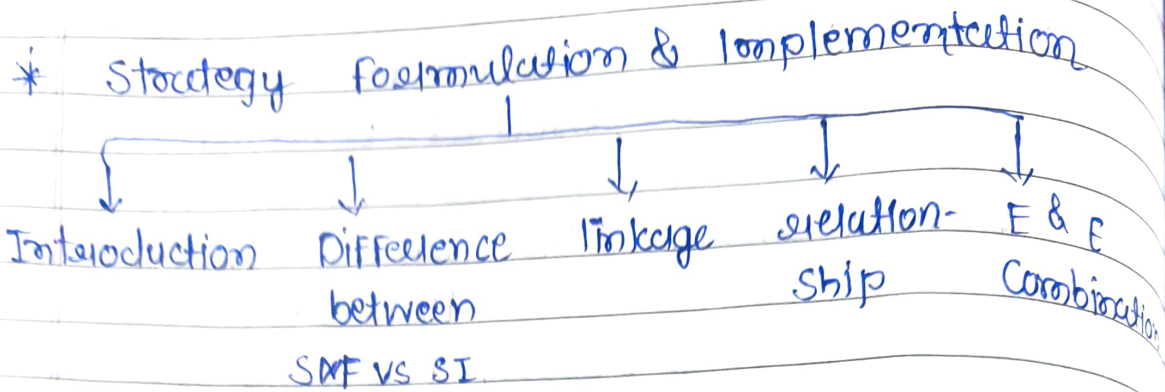
⇒ Flexibility - Organization can build flexibility into their strategies to quickly adapt to change in the environment

⇒ Diversification - Diversify the Organization's product portfolio, market & Customer base on reduce the impact of strategy uncertainty

⇒ monitoring & Scenario planning : Organizations can regularly monitor key indicators of change & conduct scenario planning to understand how different future scenarios might impact their strategy

⇒ Building Resilience : Organization can invest in building internal resilience, such as strengthening their operational processing, increasing their financial flexibility & improving their risk management capability

⇒ Collaboration & partnership : Collaborating with other organizations, suppliers, customers and partners can help organizations pool resources, share risk & gain access to new markets & technologies



∴ Introduction

1. ∴ Strategy Formulation

The strategic alternative may be designated as stability strategy, growth/expansion strategy & retrenchment strategy. A company may also follow a combination these alternative called combination strategy.

2. ∴ Implementation of strategy

Implementation & execution are an operation oriented, activity aimed at shaping the performance of core business activities in a strategy-supportive manner.

- It is most demanding & time consuming part of the strategy management process.

∴ Principal aspect of strategy-execution process (JKSC Pg 71)

Include following aspects.

- Developing budget
- Staffing the organization
- Motivating people
- Creating a company culture & work climate
- Executing
- Ensuring

- using best known product
- Installing Information

Q. Difference between Strategy Formulation & Strategy Implementation

Strategy Formulation	Strategy Implementation
Focus on Strategy Formulation focus on effectiveness	Strategy Implementation focus on efficiency
Process : Strategy Formulation is preliminary an intellectual process	Strategy Implementation is preliminary an Operational process.
Required Strategy Formulation requires Conceptual, Integrating & analytical skills.	Strategy Implementation requires Special skill in motivating & leadership skill
Co-ordination Strategy Formulation requires Co-ordination among the executives at the top level	It requires Co-ordination among the executive at the middle & lower level.
Design - making Strategy Formulation is primarily an entrepreneurial activity, based on strategic decision making	Strategy Implementation is mainly on administrative task based on strategic as well as Operational design making.

Linkage

There are two types of linkages exist between two phases of S.M.

1. Forward
2. Backward

1. Forward linkage

- It deals with the impact of strategy formulation and implementation of strategy
- when new strategy are formulated organization may need to change their existing organization structure and leadership style

2. Backward linkage

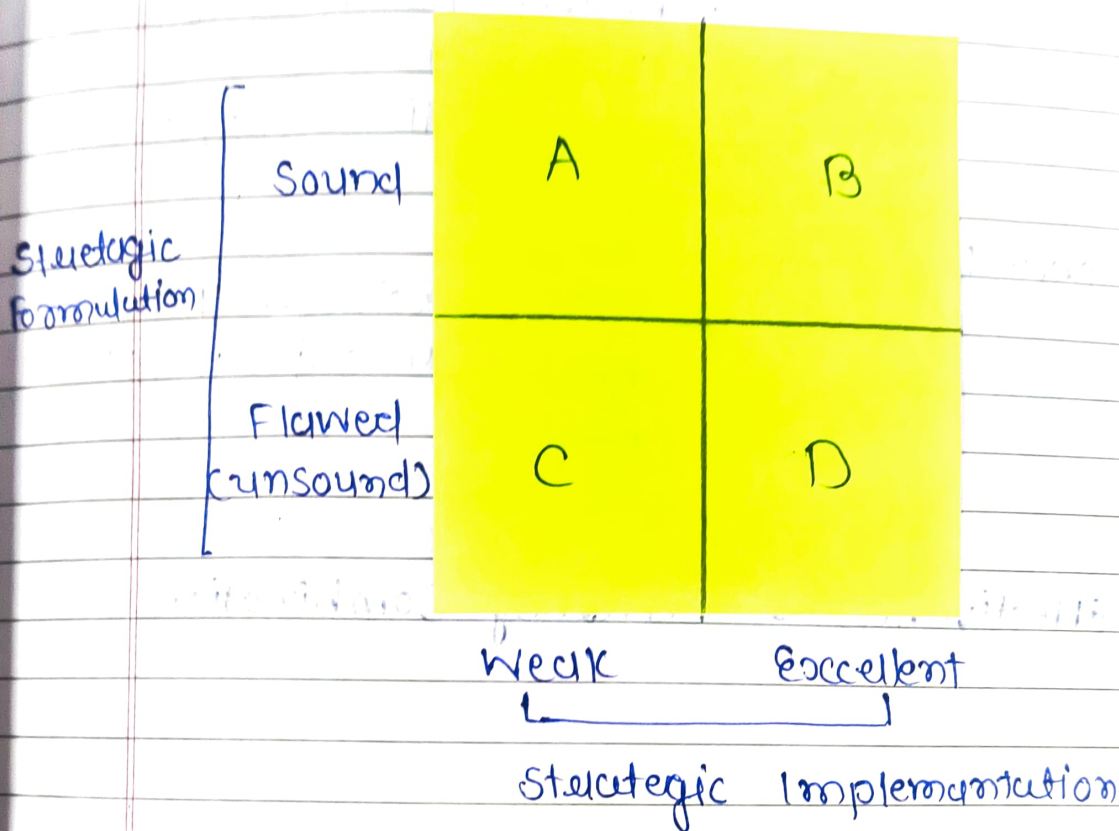
- In case of backward linkage strategy implementation impact backward linkage
- Organization tends to adopt those strategy which can be implemented with the help of the present structure of resources combined with some additional efforts.

- while formulated a new strategy, management should keep in mind past strategic action that is how good or bad implementation has been done historically

- both strategic formulation & strategic implementation are related with each other

#1 Relationship between Strategic Formulation & Implementation (Imp for MCG)

- A Company will be successful only when the strategy formulation is sound and implementation is excellent



- matrix represent various combination of strategic formulation & implementation

Square A : SF ↑ SI ↓

Square + - This can be due to various factors such as - lack of experience, lack of resources, missing leadership

Square - B - SF \uparrow SI \uparrow

- this is a Ideal Situation
- where a Company in Square A, its Aim at moving here

Square - C - SF \downarrow SI \downarrow

- this worst Situation
- if Company want to Success
- business Model redesign

+

Implementation readjustment

Square - D - SF \downarrow SI \uparrow

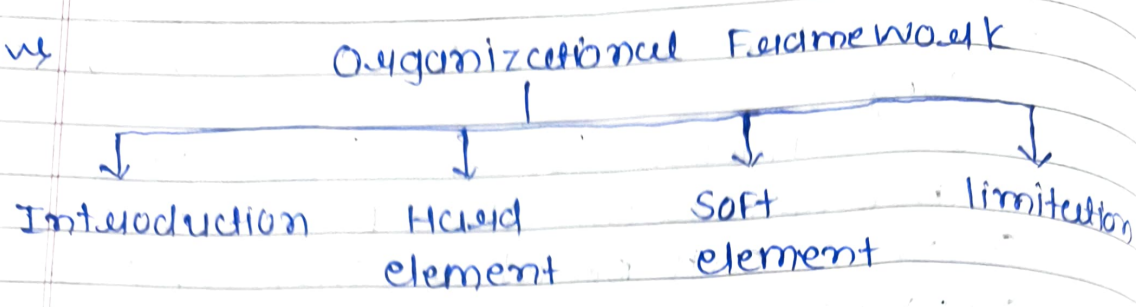
- They have to redesign their Strategy before readjustment/Implementation

\rightarrow Effectiveness & Efficiency Combination

Operational Management	Effective	Survive	Die slowly
	Inefficient	Survive	Die quickly
		Effective	Ineffective

← Strategic formulation

- To be Effective is to do is to do right thing
- To be efficient is to do the things right
- An Organisation that Find itself in Cell-1 is well placed & thrives, since it is achieving what it aspires to achieve with an efficient output / input ratio
- In Contrast an Organisation in Cell 2 & 4 is doomed unless it can establish some Strategic direction
- The particular point to note is that cell 2 is present to ensure worst place to be than Cell-3 since, in the later, the Strategic direction is present to ensure effectiveness even if too much input is being used to generate Outputs.
- To be effective is to survive whereas to be efficient is not in itself either necessary for survival.



↳ Introduction

- The McKinsey 7's model refers to a tool that analyzes a company's organizational design.
- The goal of the model is to depict how effectiveness can be achieved in an organization through the interaction of hard & soft elements.

↳ Hard elements. - (1) Strategy

- The direction of the organization, a blue print to build on a core competency and achieve competitive advantage to drive margin & lead the industry.

(2) Structure

- depending on the availability of resources and the degree of centralisation or decentralization that the management desire, it chose from the available alternative of organizational structures.

③ System

- The development of duty tasks, operations and terms to execute the goals and objective in the most efficient and effective manner.

↳ Soft element

① Shared Value

- The Core Value which get reflected within the Organizational Culture and influence the code of ethics of the management

② Style

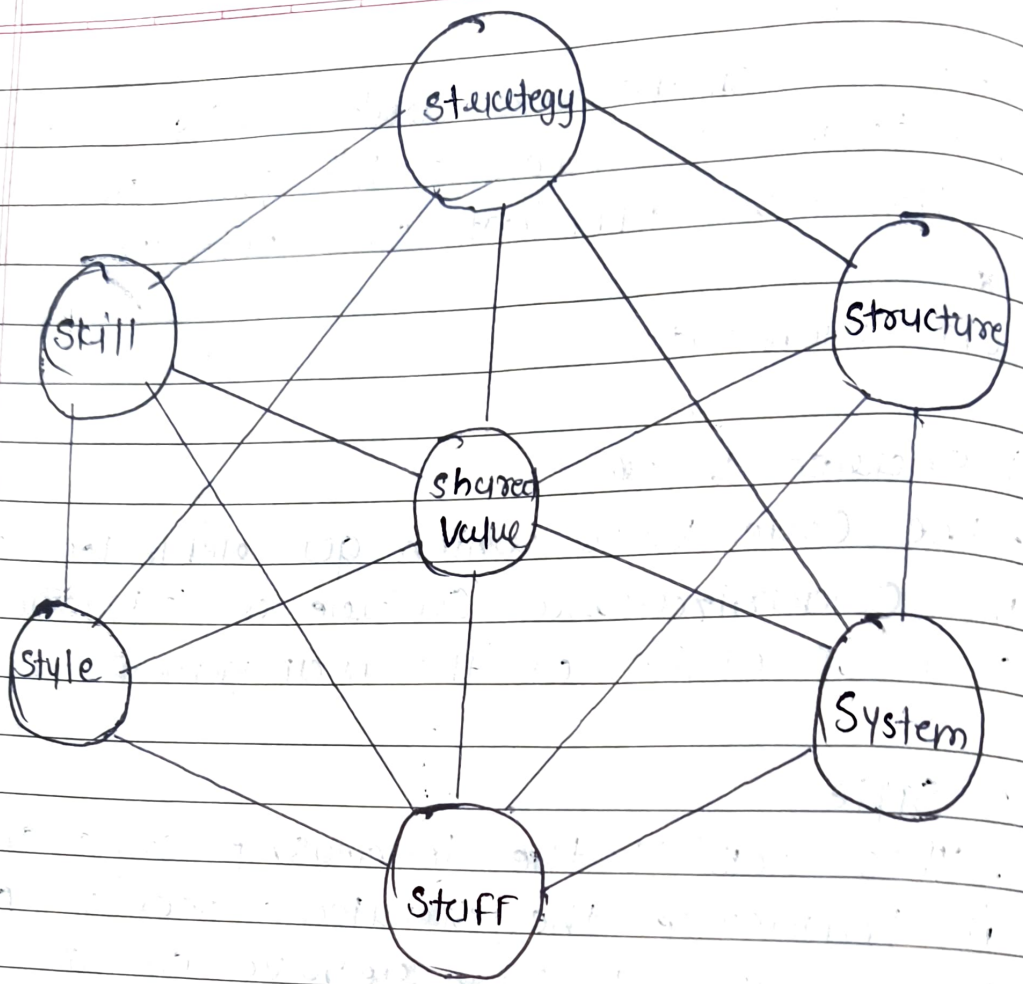
- This depicts the leadership style and how it influence the strategic decision of the Organization. It also evolve around people motivation & Organization delivery of goals

③ Staff

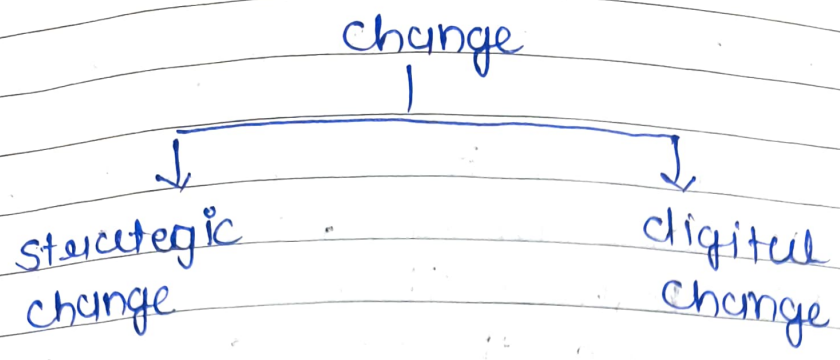
- The talent pool of the Organisation.

④ Skill

- The Core Competencies or the key skill of the employees play a vital role in defining the Organizational success



w/



1) Strategic change

- a) w/ what are steps to change
- b) w/ Model / Stages in Strategic change

- 1) a) what are the steps to change. (steps involve in change)
 - i) need for change
 - ii) shared vision
 - iii) Institutionalize the change

- The changes in environment forces often require business to make modification in their existing strategies and bring out new strategies

i) Recognize the need for change

- This basically means going for environmental scanning involving appraisal of both internal & external capability may be through SWOT analysis.

- Then, determining where the lacuna (gap) lies and scope for change exists.

ii) shared vision to manage change

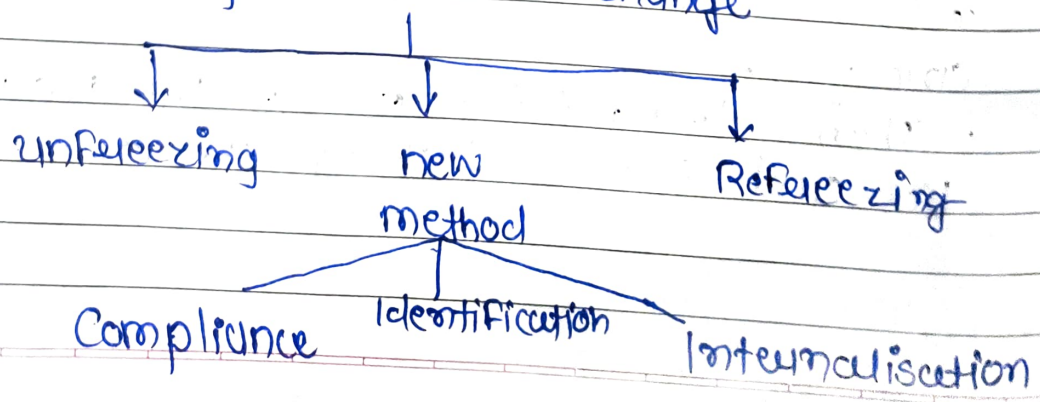
- Objective of both individual & organization should co-incide (match), There should be no conflict between them
- This is possible through shared vision, Senior managers need to constantly and consistently communicate the vision to all.
- They have to convince all those concerned that the change is not superficial (not serious)

iii) Institutionalize the change.

- This is action stage which require implementation of change strategy.
- change process must be regularly monitor & review. the analysis the after effect of the change
- any deviation / discrepancy should be brought to notice of person concerned & necessary actions are to be taken

Kurt Lewin's model of change

b) model / stages in stuart change



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- To make the change lasting, Kurt Lewin proposed 3 phases of the change process for moving an Organization from present to future

1) Unfreezing the Situation

- Lewin proposes that the changes should not come as a surprise to the members of the Organization. Sudden & unannounced change would be socially destructive & morale lowering.
- Unfreezing is the process of breaking down the old attitude & behaviours, customs & traditions so that they start with a clean slate.
- This can be achieved by making announcement, holding meetings & promoting the new idea throughout the Organization.

2) Changing to the new Situation

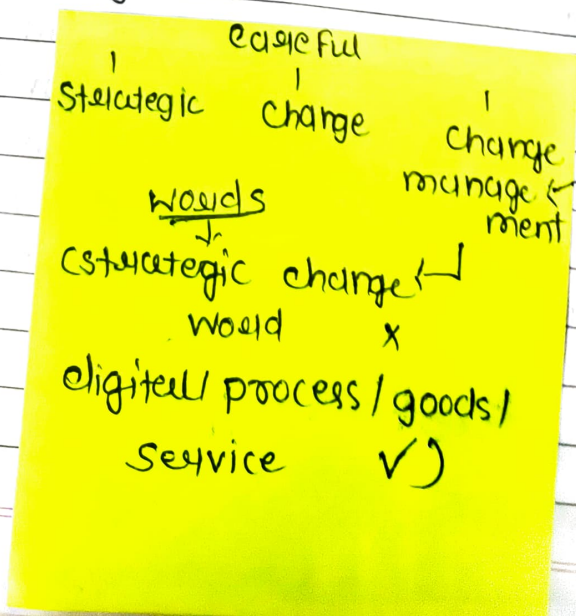
- H.C. Kellman has proposed 3 methods for reassigning new patterns of behaviour. These are Compliance, Identification & Internalization.
- Compliance: It is achieved by strictly enforcing the reward and punishment strategy for good and bad behaviour. Fear of punishment or actual punishment or actual reward seems to change behaviour for the better.

- Identification: It occurs when members see psychologically impressed upon to identify themselves with some given role models whose behaviour they would like to adopt & try to become like them

- Internalization: It involve some internal change of individual's thought process in order to adjust to the changes introduced. They have given freedom to learn & adopt new behaviour in order to succeed in the new set of circumstance.

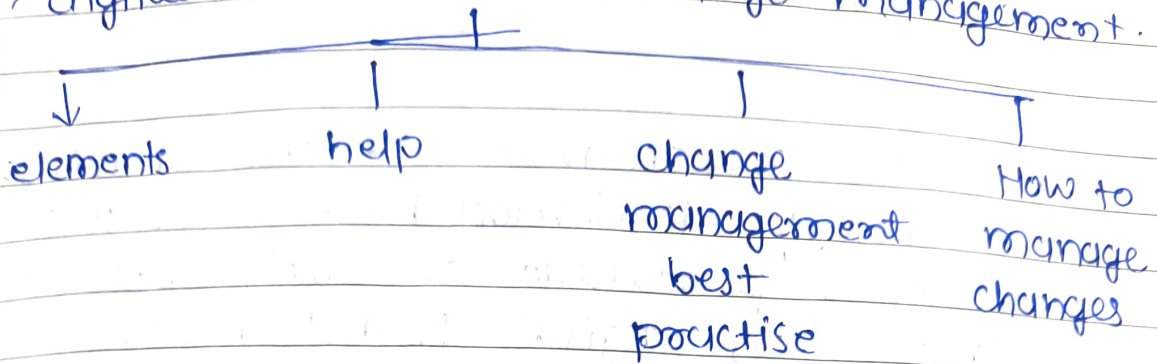
C) Refreezing

- It occurs when the new behaviour becomes a normal way of life.
- In order for the new behaviour to become permanent, it must be continuously reinforced so that new acquired behaviour does not diminish or extinguish.



digital transformation

→ digital transformation / change management.



→ 1. digital transformation & its elements

meaning of digital transformation :

- it is a process of organization change that enable an organization's to use technology to create new value for customer's, employee, other stake holder.

→ meaning of change management

- It is a process of planning, implementing & monitoring change in an organization. It reducing risk and disruption.

→ elements

- goals & objective
- Current state
- roadmap for change
- implementing & managing change

→ Helps

- Role of change management in digital transformation

A properly implemented change management strategy can help an organization.

→ Digital transformation: - use of digital technology to develop fresh & entirely new Company procedure of goods, service is known as digital transformation

Q4

It is a process of organization change that enable to ^{cm} change organization to use to create new technology value for customers, employees, other stake holder.

→ help. [5P]

- parameters & goals
- procedure & tools
- plan
- parties
- progress

→ 1. parameters & goals.

- Specify parameters & goals of digital transformation

→ 2. procedure & tools

- Determine which procedure & tool needs to modify

3. plan

- make a plan to implement improvement

4. parties

- involve staff members & parties involved in the transformation process

5. progress

- Track progress & ^{make} ^{any} required course correction

5. more technique

5 best practice for managing change in small-medium business:

(JKSC pg. 141 & 142)

1. Begin at top
2. Ensure that the change is both necessary & desired.
3. Reduce disruption
4. Encourage Communication.
5. Recognise that change is normal not the exceptions.

Q. How possible to reduce work place disruption [GRIFFIN]

- a. getting the word out early & preparing for some interruption.
- b. Giving staff member the knowledge & tools they need to adjust to change
- c. Empowering change agents to provide context and clarity for changes such as a project managers or team leader

d. Ensuring that IT department is informed of change in technology or infrastructure and is prepared to support them

e. Creating an environment that encourage transformation or change.

Q. How to manage change during digital transformation?

A 1. aim & objective

2. always communicate

3. resistance

4. gradually

5. training

1. Specify the digital transformation's aim & objectives:

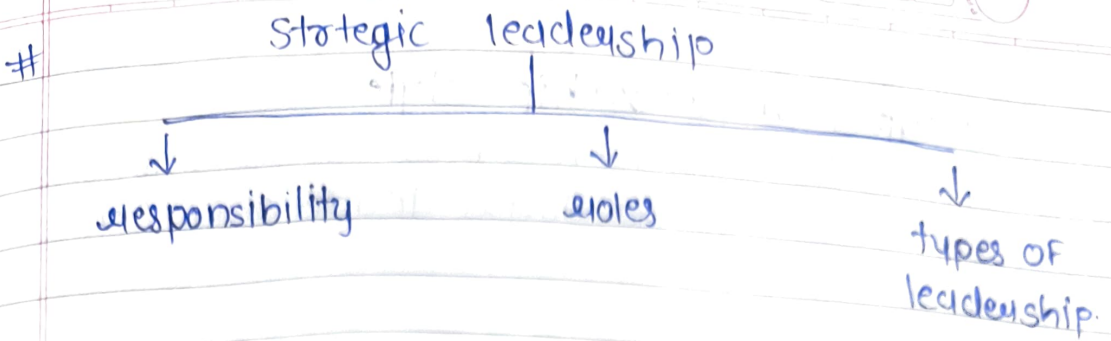
[- what is the intend customer? what are the precise objective that must be accomplished?]

2. always communicate

3. Be ready for resistance.

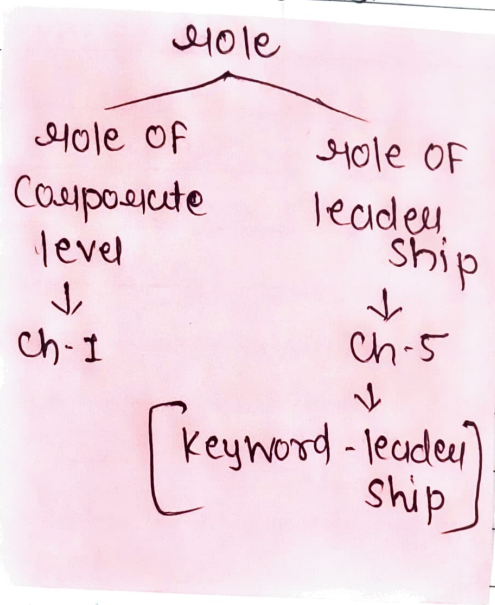
4. Implement change gradually

5. Offer assistance & training



↳ managers have 5 leadership roles to play in pushing for good strategy execution.

1. Staying on top of what is happening
2. esprit de Corps
3. responsive to changing condition.
4. Ethical leadership
5. pushing corrective actions.



- ↳ A strategic leader has several responsibility including following.
- strategic decision
 - Policy
 - communication
 - human Capital
 - Change
 - Culture
 - high performance

Download: Here assumption.



Types of leadership style

1. Transformational leadership style
2. Transactional leadership style

Control

Process of Control & elements

Types of Control

- operational
- organizational
- management
- Control
- strategic
- control

Types of Strategic Control

- Premise Control
- Strategic Surveillance
- special alert
- Control
- Implementation Control

monitoring strategic thrust

milestone review

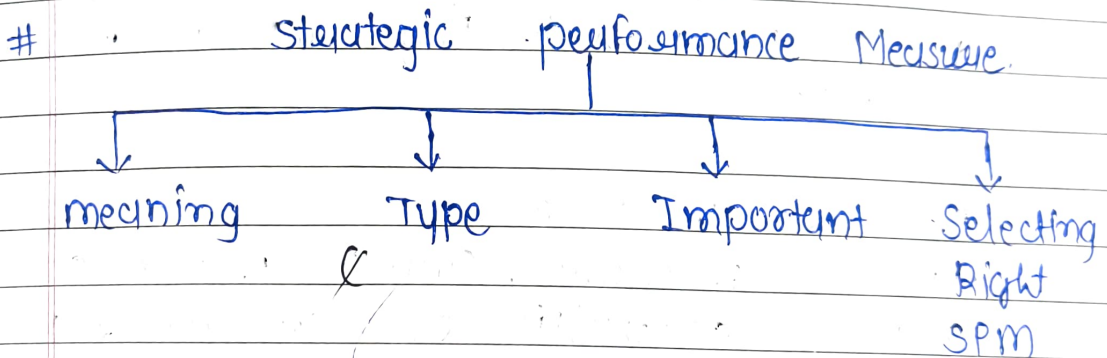
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The process of control has following elements.

- standards set that Objective of Business
- measures
- Compare
- deviation
- Corrective actions

Types of Control

1. Operational Control
2. Management Control
3. Strategic Control.

(From JKSC).



→ meaning

- SPM are key indicators that organization uses to track the effectiveness of strategy & make inform decision about resource allocation

- The measures provide a snapshot of organization's performance, enabling leaders to assess whether their strategies are aligned with their goals and objective and to make necessary adjustment to improve their

Performance

→ Types of SPM (TJM CEFF)

1. Financial Measures

- Financial Measures such as revenue growth, return on investment & profit margin, provide an understanding of the Organization's Financial performance and its ability to generate profit.

2. Customer Satisfaction Measure

- Customer measure, such as Customer Satisfaction, customer retention and Customer loyalty, provide insight into Organization's ability to meet Customer needs to & provide high-quality product & service.

3. Market Measure

- Market measure, such as market share, Customer acquisition and Customer referrals provide information about the Organization's competitiveness in the market place & its ability to attract & retain Customer

4. Employee Measure

- Employee measure, such as Employee Satisfaction, turnover rate & Employee engagement, provide insight into the Organization's ability to attract & retain talented employees and create a positive work environment

5. Innovation market

- Innovation measure, such as research & development spending, patent application and new product launches, provide insight into the organization's ability to innovate and create new product & service that meet customer need.

6. Environmental measure

- Environmental measure, such as energy consumption, waste reduction and carbon emission, provide insight into the organization's impact on the environment and its efforts to operate in sustainable manner

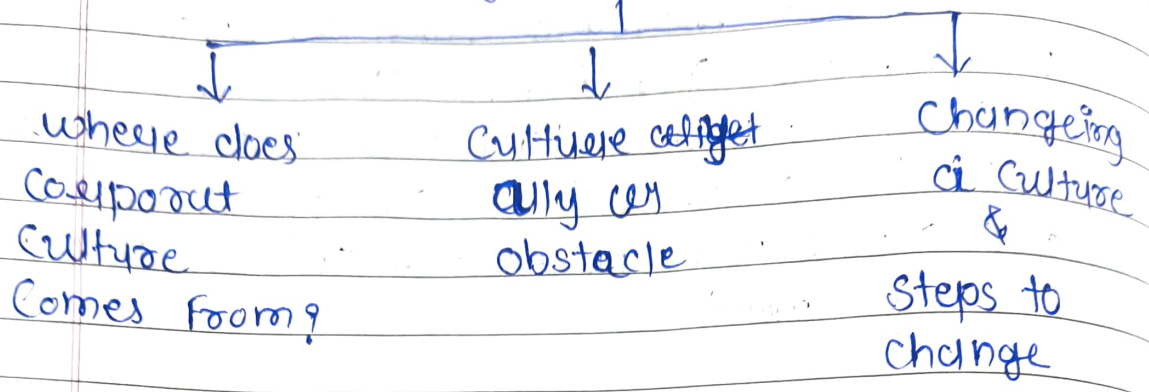
Important of SPM

1. goal alignment.
2. resource ~~alignment~~ allocation
3. Continuous Improvement
4. External Accountability

Selecting the right SPM

- What Factor should consider [D³R]
- R - Relevance
- D - Data Availability
- D - Data Quality
- D - Data time lines

Organization Culture



1. Where does Corporate Culture Comes From?

→ Corporate Culture refers to company's Value, beliefs, business principal, traditions, ways of Operating & Internal Work Environment.

- Every Organization has a unique Organization culture. It has its own philosophy & principals, its own history, values, rituals, its own way of approaching problems & making decision, its own working climate.

- a company culture manifesting in its
 - Values & business principal that management practises.
 - ethical standards, official policy
 - stakeholder's relationship
 - Traditions the Organization maintains
 - Supervisory practises
 - Employee's attitude & behaviour.

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- A significant part of a Company's Culture emerge from the story that get told over and over again to illustrate to new comers, the importance of certain values & belief & ways of operating.

2. Culture ally or obstacle?

- An organization culture can either become an important contributor or an obstacle for successful strategy execution.
- When Culture & Strategy are compatible, then Culture become valuable ally in strategy execution.
- When Culture is conflict with certain aspect of new strategy then Culture may become a block that may impede that may be successful strategy execution.

3. Changing a culture.

- Strategy supporting culture helps the mood, temperament & motivates the work force for effective strategy execution.
- Where Company's culture is out of sync with what is needed for strategy success, the culture has to be changed.

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- Changing a problem culture is very difficult because of deeply held values & habits. It takes time to replace an unhealthy culture, i.e. to ~~replace~~ ~~change~~ culture with strategy.

Q. \Rightarrow steps to change a company's problem culture

1. diagnose which part of culture which is strategy supportive or which is not.

2. talk about the aspects that have to be changed

3. changing includes - revising policies & procedure

4. changing incentive compensation [reward to the desired cultural behaviour]

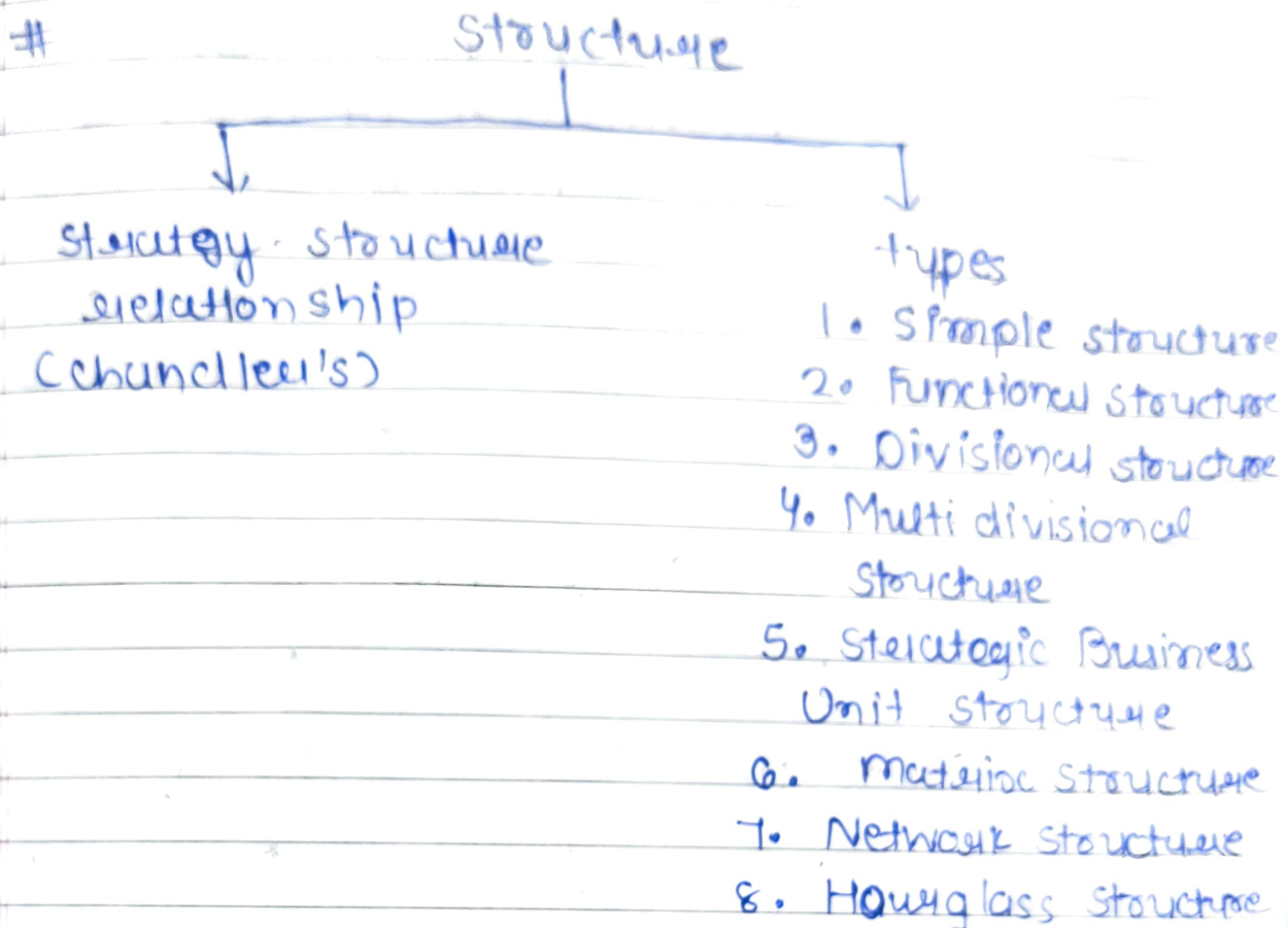
5. praising people who display new cultural change

6. recruiting new managers who can serve as a role model (for desired cultural behaviour)

7. replacing who are associated with old culture.

8. Communicate benefit of culture change

9. Implant the culture^{the} building Values



1. Simple structure

I - Involvement of Owner / managers
= Direct

F - Formalisation = little

R = Rules = Few

S = Specialisation of task = little

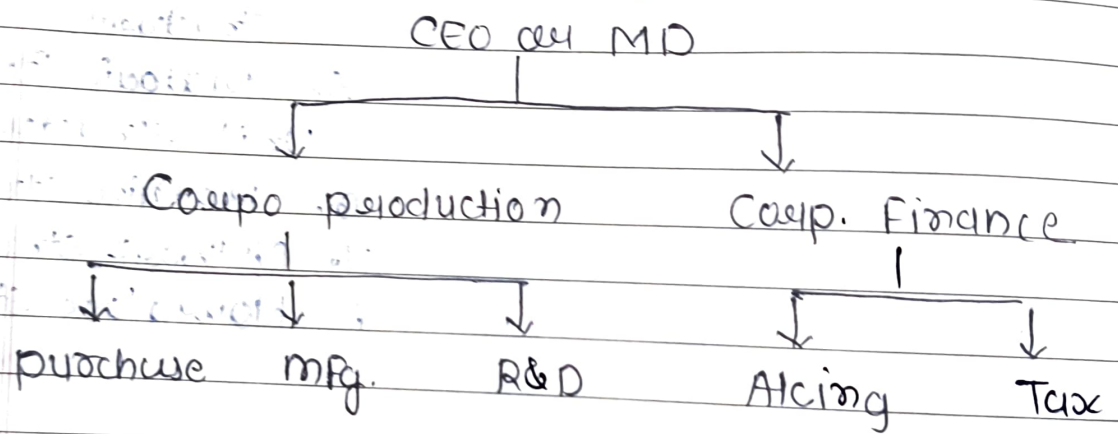
2. Functional structure

MCQ - A widely used structure in Business Organization

Ans. Functional

- A widely used structure is this one because of its simplicity & low cost and also specialization of activities & allows rapid decision making

- Limitation - But limitation is ^{there} that can be deficiencies in functional specialization that may impede coordination

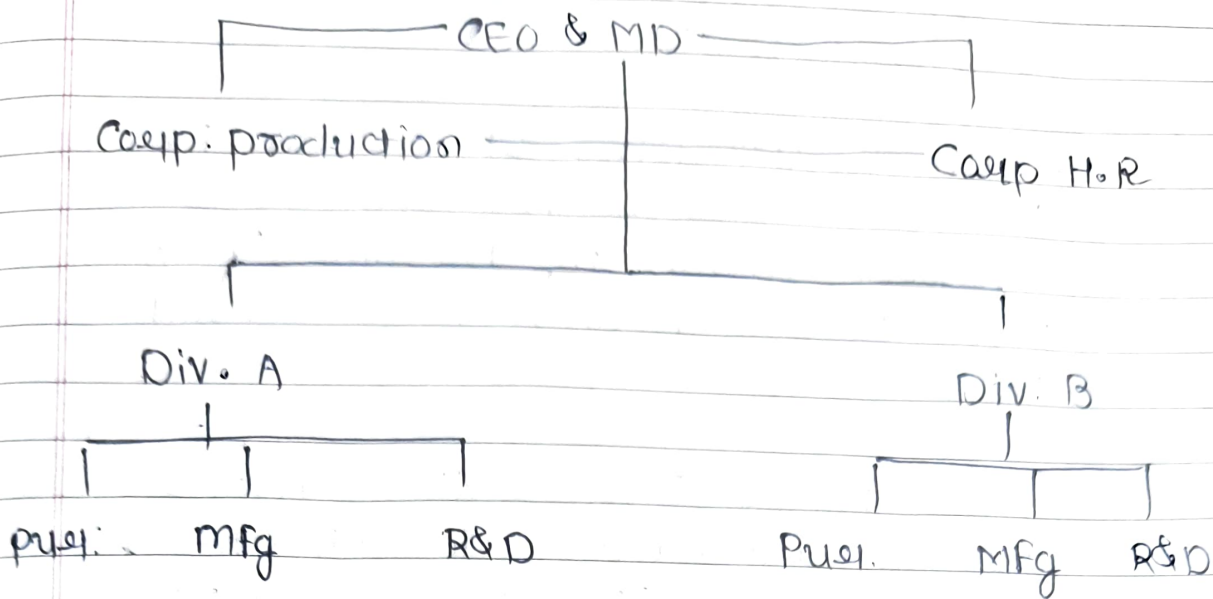


3. Divisional structure

- It is that organizational structure which is build on division basis

- It can be organized in one of the 4 ways:

1. by geographical Area
2. by Customer
3. by product & services
4. by Processes



Advantage of divisional structure
 shortcut: Calm & Easy

- C - Clear Career development activity
Opportunity for managers
- C - lead to Competitive climate
with in Organization
- A - Accountability is clear
- L - allow local control of local situation
- m - Employee moral is generally higher
in a divisional structure
- easy - allow new business & product in be
added easily

4. Multi-divisional structure.

- Organisational structure is same as Divisional structure only key difference is here divisional head responsible for day to day Operations & business Unit Strategy.

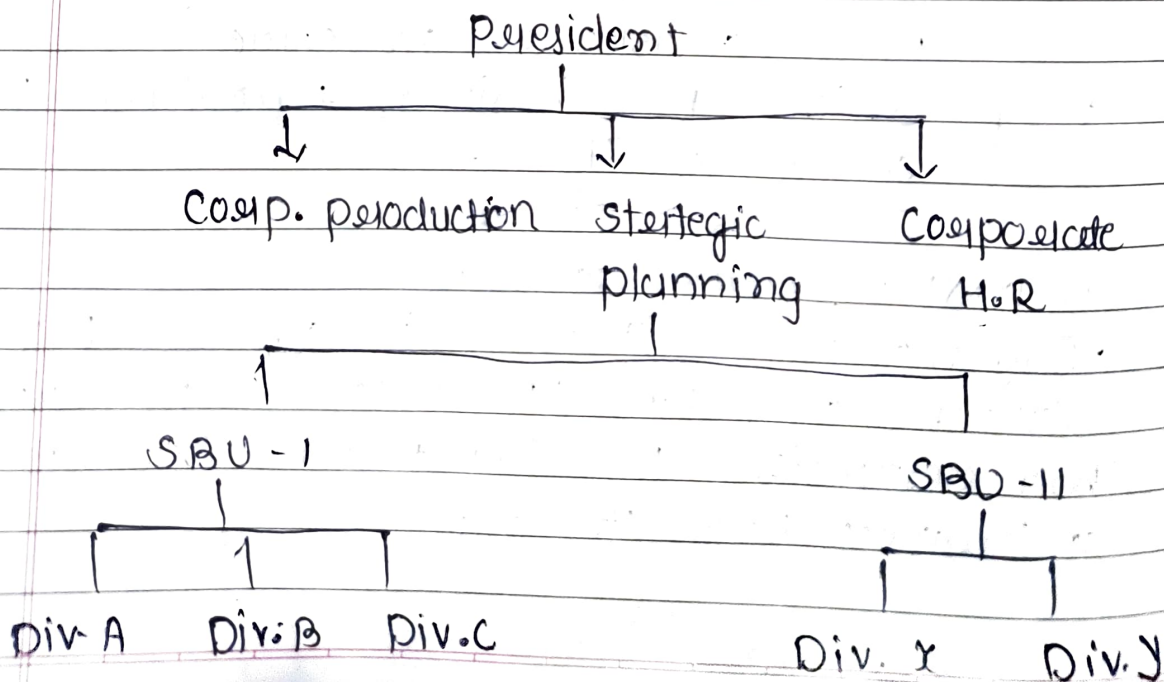
5. SBU structure.

- SBU is grouping of related business that is where a multiple business Enterprise group. its ^{Unit} multiple business in to a few business in a Scientific way.

- This means that, with in each SBU divisions are related to each other, & has also that SBU groups are unrelated to each-others with in each SBU, Division producing similar products & Using technology can be Organise to achieve Strategy.

- SBU structure consist of 3 levels.

- TOP level (Corporate Head quarters)
- Second level (SBU groups)
- Third level (Division under the SBU)



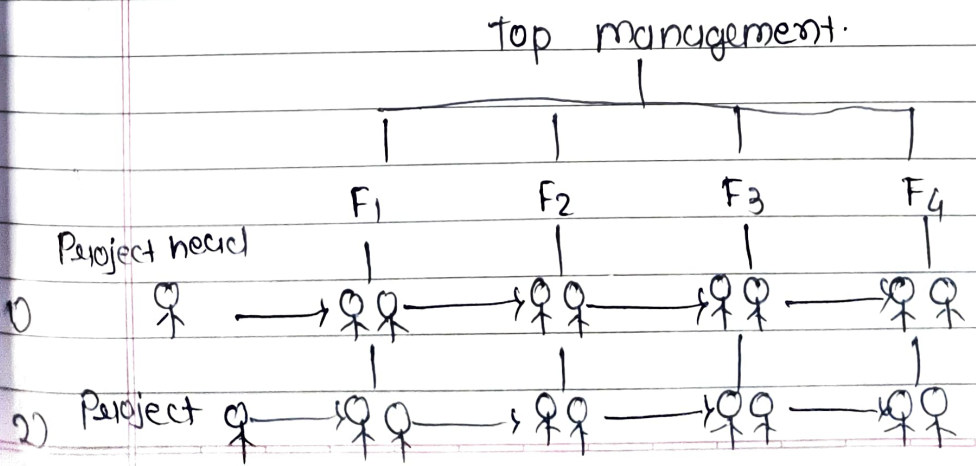
- Benefit

- helps in strategic planning
- gain Competitive Advantage
- Common Customer base
- might build of similar technology
- Coordination Establish
- Facilitates strategic management & Control.
- Fin accountibility
- allow strategic planning.
- task of Strategy review
- Help allocate Corporate resources.

6. matrix structure.

- In matrix structure both functional & product forces are combine Simultaneously that is each employee will have two Supervisors / Superiors, One will be functional manager & other will be project manager.

- A matrix structure is most complex of all designs because it depends upon both Vertical & horizontal Flow of Authority



→ Important feature

- dual line of authority, reporting channels

- dual sources of reward & punishment

- need for effective communication system due to above

- also experience high amounts of overlap due to multiple managerial position.

- require proper planning, training & clear understanding of roles & responsibility

- For development of matrix structure Davis & Lawrence have proposed 3 different phases.

- 1) Cross functional task force

- 2) product / brand management

- 3) mature matrix

To Network structure.

- It is a termed as non structured due to allumination of in house business functions. majority of activities are out-source by the Companies
- Ad This structure is useful when Business works in unstable or uncertain environment. under such condition there is usual strong need for innovation and quick response is possible
- Instead of ^{hiring} highly skilled employees company may contact with people for specific project.
- The availability of numerous & potential partners can be source of trouble

N → Non structured (No - hierarchy)

E → Elimination of in house function (out source)

T → Types of Virtual Organization

W → works when environment is unstable

O → Overcome the potential partners

R → responses quick

K → Koi skilled Employee nahi

8. Houglass structure.
(JKSC Pg. 158)

