

STRATEGIC IMPLEMENTATION AND CONTROL

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STRATEGY IMPLEMENTATION

PROCESS BY WHICH THE STRATEGY CHOSEN IS PUT TO ACTION TO ACHIEVE THE DESIRED RESULT

ACCORDING TO STEINER, STRATEGY IMPLEMENTATION
“THE IMPLEMENTATION OF POLICIES AND STRATEGIES IS CONCERNED WITH THE DESIGN AND MANAGEMENT OF SYSTEMS TO ACHIEVE THE BEST INTEGRATION OF PEOPLE STRUCTURES, PROCESSES, AND SOURCES IN REACHING ORGANISATIONAL PURPOSE”

ISSUES IN STRATEGY IMPLEMENTATION

UNSKILLED STRATEGISTS

UNEXPERIENCED STRATEGISTS

RATIONAL DECISIONS

LEADERSHIP STYLES

AVAILABILITY OF FUND

STEPS IN STRATEGY IMPLEMENTATION

PROJECT IMPLEMENTATION

- Project as a one shot, time limited, goal oriented, major undertaking requiring the commitment of varied skills and resources.

PROCEDURAL IMPLEMENTATION

- Without procedure no implementation can be effective. Strategists should study the procedural aspects before implementation.

RESOURCE ALLOCATION

- Physical, financial and human resources can be allocated to each units in the organisation.
- While distributing fund, the strategist should see that money allocated for capital goods, labour, raw materials and other expenses based on their needs.

STEPS IN STRATEGY IMPLEMENTATION

STRUCTURAL IMPLEMENTATION

- A company should be appropriately organized in terms of staffing and activities to achieve objectives.
- Structure follows strategy, i.e., change in corporate strategy lead to changes in organisational structure

FUNCTIONAL IMPLEMENTATION

- The strategies applied in functional areas
- Provide short term plans to achieve the annual plan
- Development of policies and plans in different areas of functions

STEPS IN STRATEGY IMPLEMENTATION

BEHAVIOURAL IMPLEMENTATION

- It includes leadership, corporate culture, values and ethics, corporate governance and organisational politics.
- Developing appropriate leadership
- Corporate culture refers to the values and patterns of belief and behavior that are accepted and practiced by the members of company.
- An ethical corporate has a positive impact on company's long term strategic success. Company must have strong values and high ethical standards.
- Corporate governance is a system by which companies are managed in code.
- Strategic implementation is governed by organisational politics.

LIMITATIONS OF STRATEGIC IMPLEMENTATION

Different perspectives of strategists lead to poor implementation

Strategists may be unwilling to adopt changes in the strategy

Strategists may not come forward and put in cold storage

Mainly concerned with current operations

Foul in strategic choice

APPROACHES TO STRATEGY IMPLEMENTATION

COMMANDER APPROACH

- Top down approach
- Strategy developed by top management and subordinates execute it.

ORGANISATIONAL CHANGE APPROACH

- Strategist should take into account the change occurred in the organisation.
- He must focus attention on new priorities and techniques

COLLABORATIVE APPROACH

- Strategy development considers as a collective task of considering views of all managers

CULTURAL APPROACH

- Organisational mission and vision should be communicated with the employees

CRESCIVE APPROACH

- Bottom Up approach: subordinates are empowered to develop and implement strategies their own.

MOBILISING AND ALLOCATING RESOURCES

Mobilizing simple means procurement of resources

- By the way of buying
- Getting on rent or lease

Allocation simply means allocating resources to various departments.

- It can be allocated according to various units and sub units
- It can be llocated to the unit which gain maximum contribution

BUDGETING

BUDGETING IS A MEANS THROUGH WHICH RESOURCES ARE ALLOCATED TO VARIOUS ORGANISATIONS AND UNITS

CAPITAL
BUDGETING

PERFORMANCE
BUDGETING

ZERO – BASE
BUDGETING

STRATEGIC
BUDGETING

TYPES OF BUDGETING

CAPITAL BUDGETING

Plan to deploy financial resources for the purpose of maximising the long term profit ability of the organisation

By using ARR, NPV

Helps to select best alternative from various proposals

PERFORMANCE BUDGETING

It includes cost input output or result budgeting and emphasis on non financial measurement.

Evaluating past performance and for planning future

TYPES OF BUDGETING

ZERO – BASE BUDG ETING

- Requires each manager to justify his entire budget in detail from scratch
- Helps to allocate resources
- It saves time
- **Steps**
 - Identify the activities that is accountable to them
 - Analysing each decision unit before making a decision
 - evaluate and rank the unuits
 - Allocation of resources to each of these units based on ranking

TYPES OF BUDGETING

STRATEGIC BUDGETING

- Tool to allocate resources to various strategic business units on the basis of its performance and key activities they required to perform
- Preparation of position paper is needed
 - Position papers are prepared to get a background on strategic budget
 - Identify the organisational constraints
 - Identify the environmental constraints
 - Find its past performance
 - Set the targets to be fulfilled in the future