

This Review contains....

Framework for Strategy Implementation

**The Implementation Task:
Creating 'Fits'**

Implementation Plan

**Function
al fit**

**Administr
a-tive fits**

**Reasons
for
Misfits**

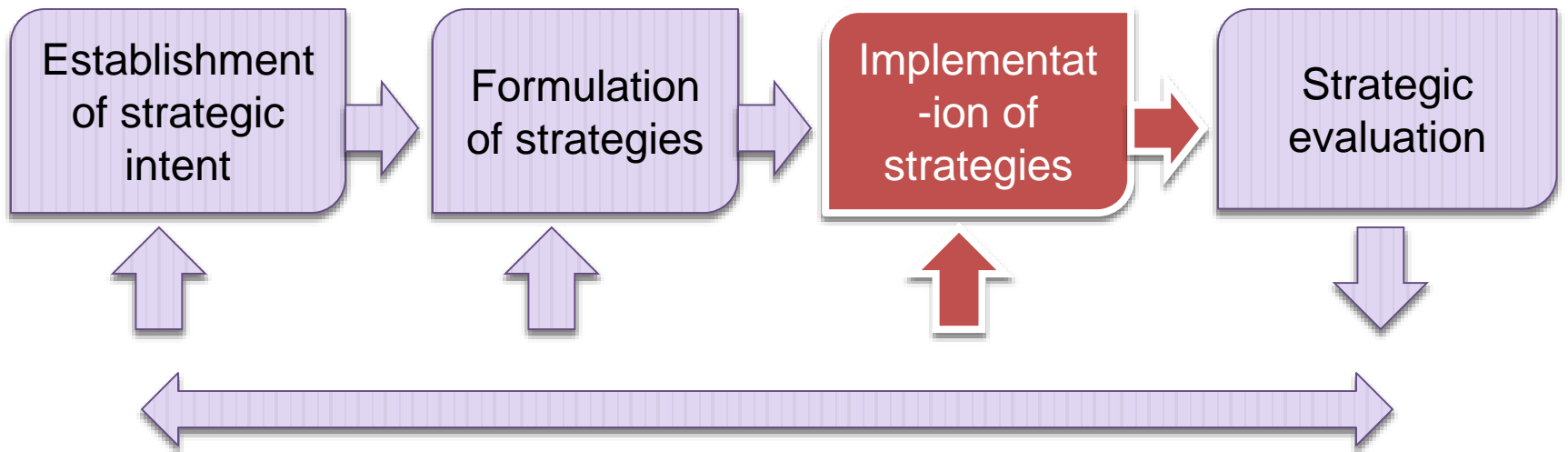
**Implementin
g Skills**

Framework for Strategy Implementation

Assumptions:

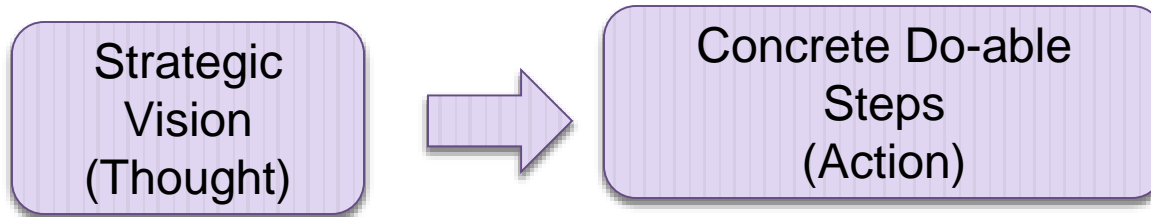
- Strategy already defined
- Strategy not subject to sudden change
- Strategy Development separate from Implementation





**Strategic
control**

Strategy Implementation



- Define Key Implementation Tasks
- Review Alternative Approaches
- Identify Key Skills

Nature of Strategy Implementation

- Action Oriented
- Comprehensive in scope
- Demanding varied skills
- Wide-ranging involvement
- Integrated process



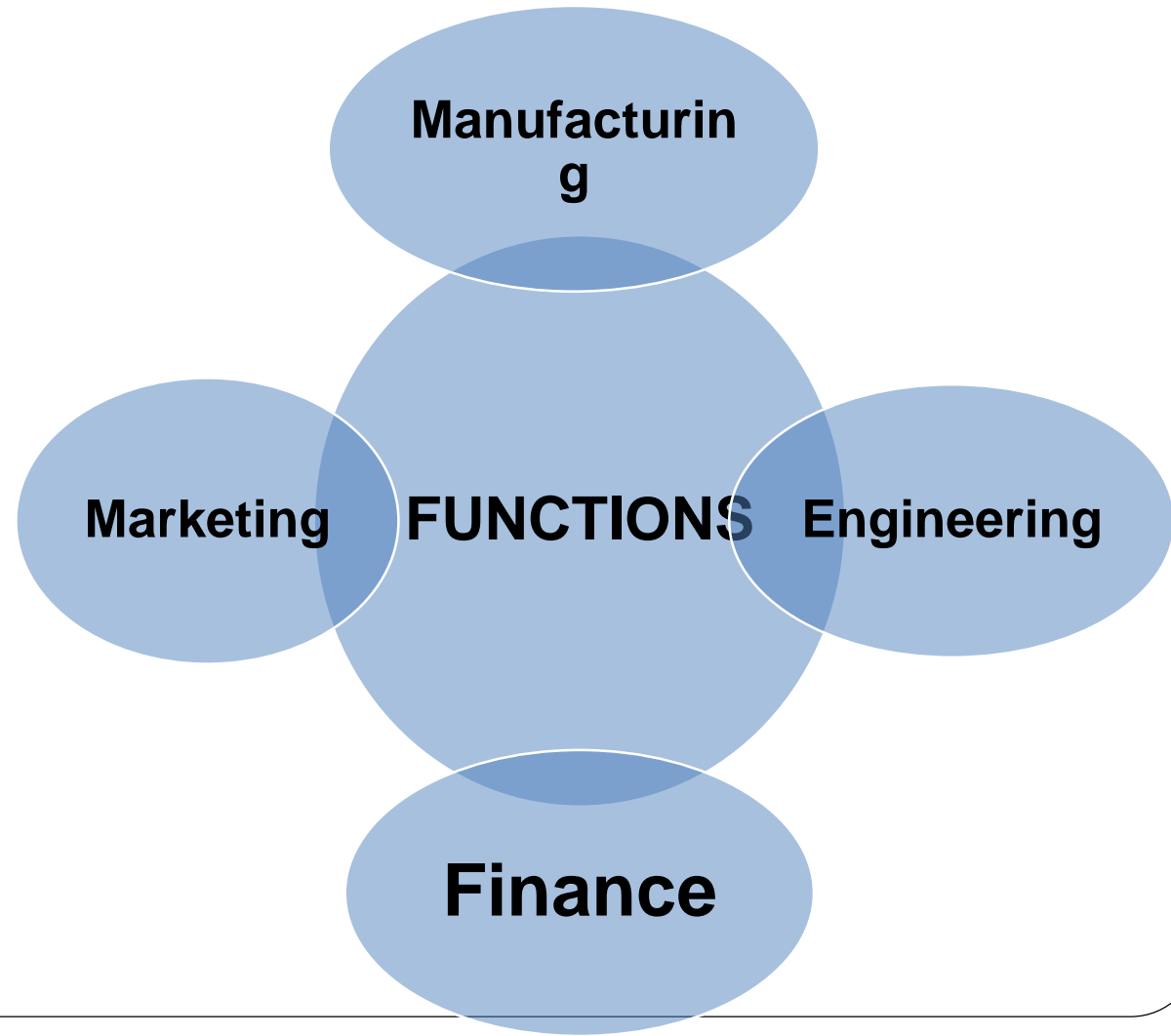
The Implementation Task: Creating 'Fits'

- Strategy embodied in ALL Organizational Activities
- 2 Types:
 - ✓ **Functional Fit:**
Strategy \leftrightarrow Functional Policy
 - ✓ **Administrative Fit:**
Strategy \leftrightarrow Organizational Structure/Process / System

FUNCTIONAL FIT

Strategic fit express the degree to which an organization is matching its resources and capabilities with the opportunities in the external environment.

- Adoption & Execution of Functional Policies consistent with Strategic Objectives
- Broad & Detailed policies aligned to Organizational Strategy



CASE-Functional Fits

Core Strength – Unique Order as per Customer Specifications

New Strategy to make products before orders & Reduce Delivery Cycle

Results: Costly Rework, Customer Complaints, Missed Targets, Costly Penalties

Bonus Sales = Order Size



Allusions to “King Customer”

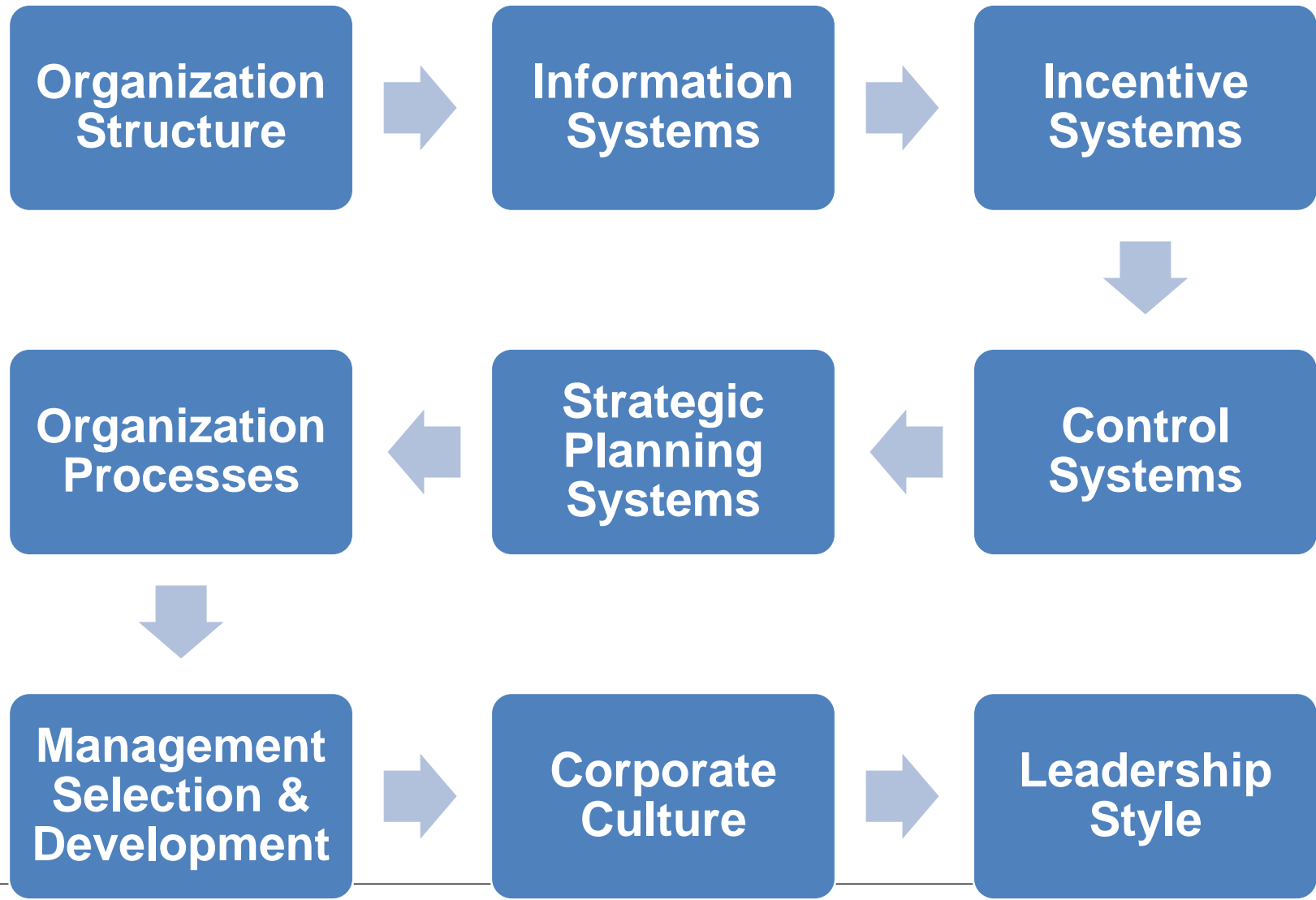


Loss in Sales



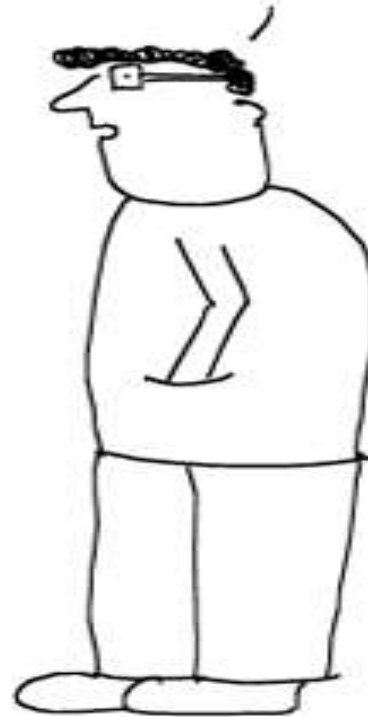
Administrative Fits

Major Systems to be aligned with Strategy



I can only work as a Project Lead coz. I am good at strategy & not so good at execution.

Hmm... nice strategy.



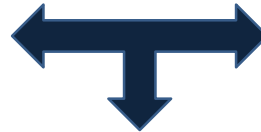
Implementation Plan

Two or Three of the most critical issues must be identified & addressed



Develop plans for each

Address key human & organizational issues



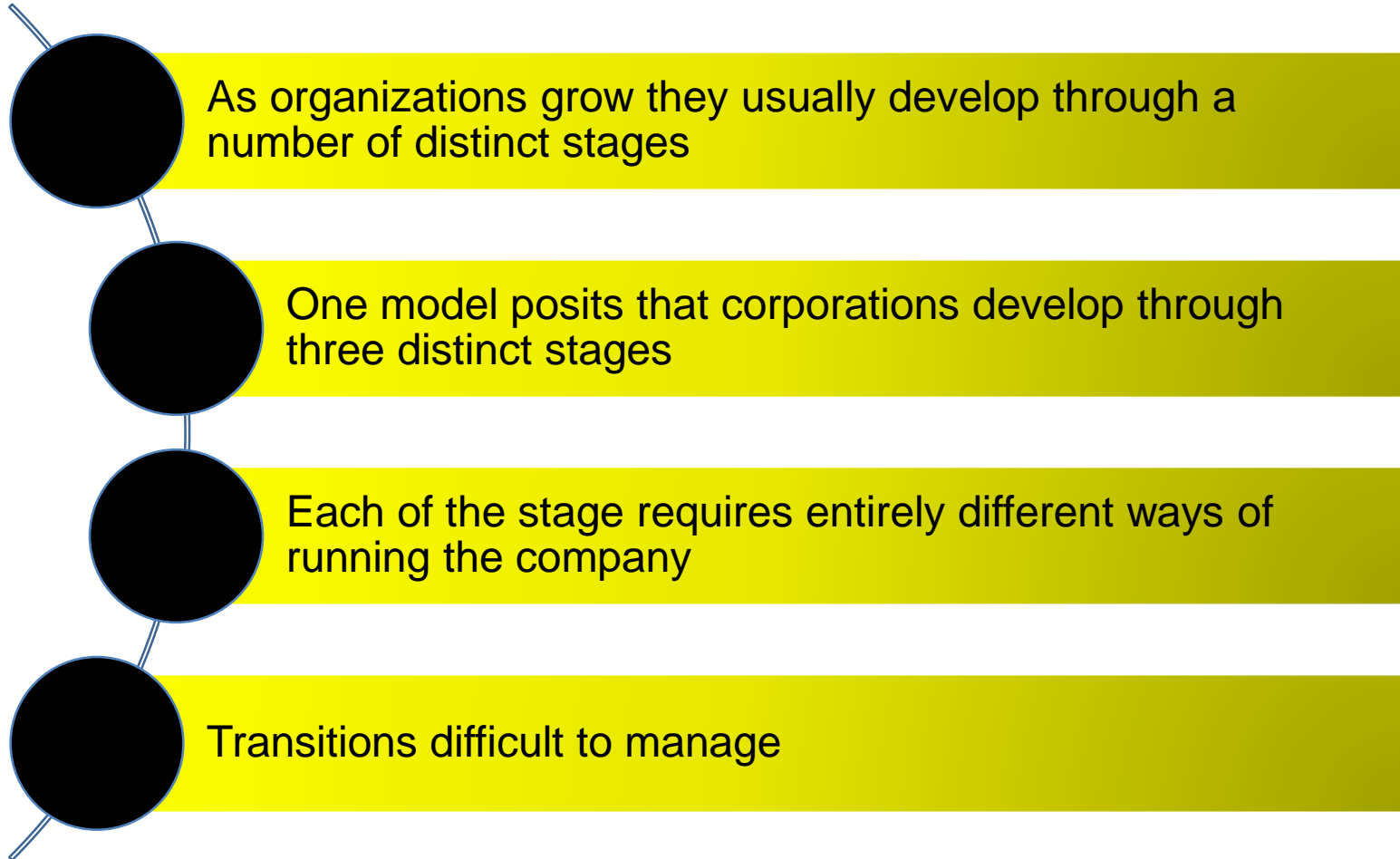
Include a set of alternative actions

Present sequence of actions to be taken

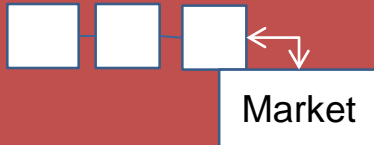
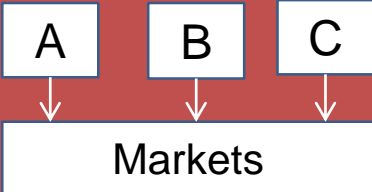


Determine how manager should take actions and assure that they are taken

Implementation Situations



Three Stages of Organizational Development

Company Characteristics	Stage 1	Stage 2	Stage 3
1. Product line	Single Product or Single Line	Single Product Line or business	Multiple Product Lines
2. Distribution	One channel or set of channels	One set of channels	Multiple channels
3. Organization Structure	Little or no formal structure	Specialization based on structure	Specialization based on product-market relationships
4. Product/Service	- Na -	Integrated pattern of transactions 	Not Integrated 
5. R&D	Not institutionalized	Increasingly institutionalized search for product or process improvements	Institutionalized search for new products as well as for improvements

Three Stages of Organizational Development

Company Characteristics	Stage 1	Stage 2	Stage 3
6. Performance measurement	By personal contact & subjective criteria	Increasingly impersonal using technical and/or cost criteria	Increasingly impersonal using market criteria
7. Rewards	Unsystematic	Increasingly systematic with emphasis on stability and service	Increasingly systematic with variability related to performance
8. Control System	Personal control	Personal control of strategic decisions	Delegation of product market decisions, with indirect control based on analysis of results
9. Strategic Choices	Needs of owner vs. needs of firm	<ul style="list-style-type: none"> • Degree of integration • Market share objective 	<ul style="list-style-type: none"> • Entry and exit from industries • Allocation of resources by

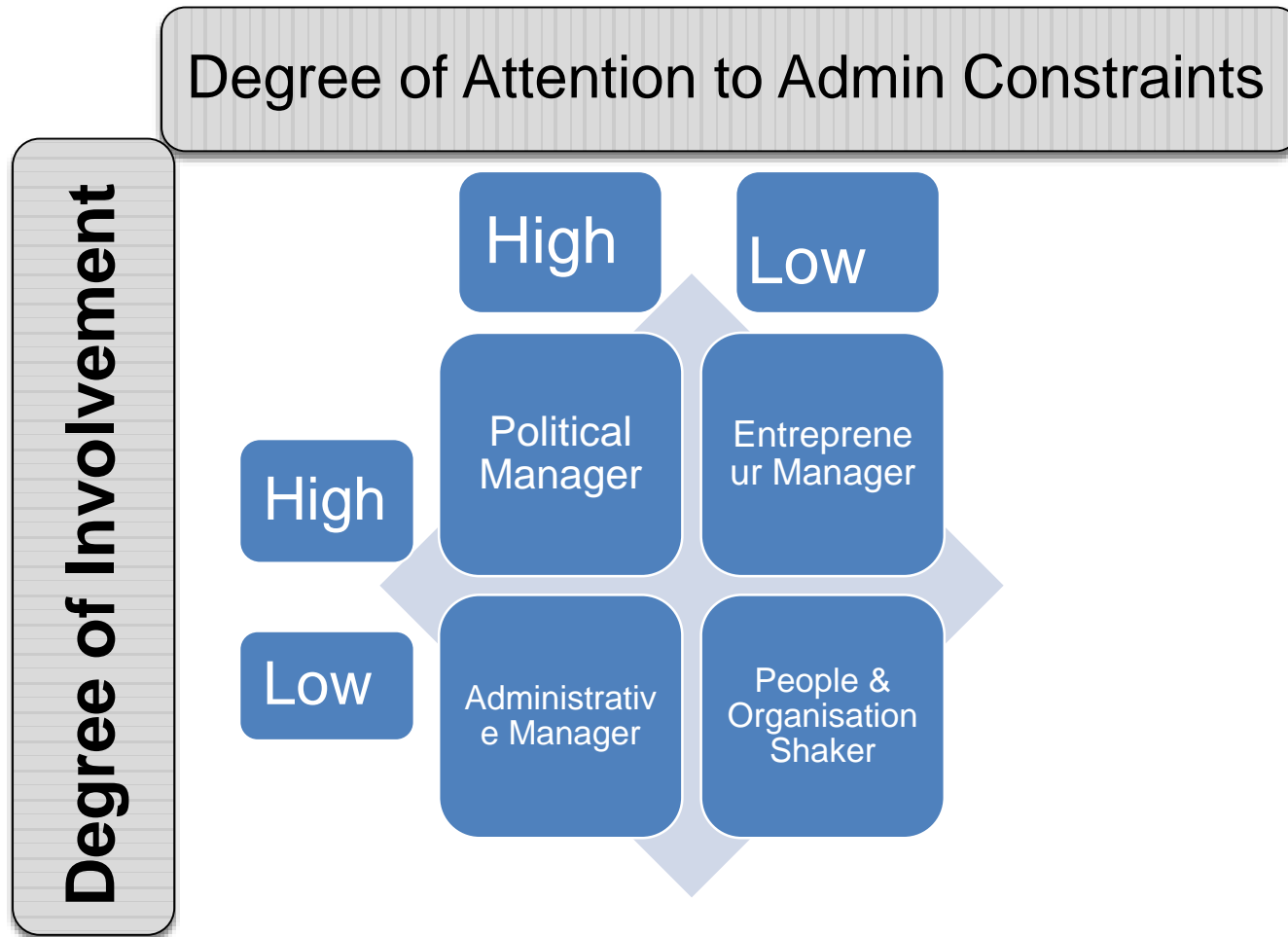
Implementation Situations

- Transitions present recurring implementation problems in strategic situations.
- Each situation presents some unique problems which requires different skills.
- All situations however require achievement of fits.

IMPLEMENTATION CHOICES

- Two Broad choices available for Strategic Implementation are Classified as:
 - Degree of Involvement
 - Attention to Administrative Constraints

Modes of Implementation



Political Manager

**Deeply involved in implementation process.
Also aware of administrative constraints**

Entrepreneurial Manager

**Deeply involved in implementation process.
Little awareness towards administrative constraints.**

Administrative Manager

**Little involvement in implementation process.
More concern towards the administrative implications.**

Organisation Shaker Manager

**Little concern over implementation and administrative constraints.
Just manages and adjusts people or system**

Reasons for Misfits

- Misfits evolves due to rapid change of environment and strategy.
- Some misfits are permitted deliberately but consciously.(time and energy)
- When a need to keep the options open is their, misfits are many times useful and a necessity.

Implementing Skills

Analytical

- Technical Component
- Organizational Component
- Interpersonal Component

Google™

\$ 12.5 Billion



MOTOROLA MOBILITY

Administrative Skill

- Communication
- Timing
- Identify individuals who will be affected by strategy

P&G



Leadership Skill

- Commitment to purpose
- Business Standards, Ethical Standards
- Trust of subordinates



Application to case study



Identify the strategy

Spell out all
Administrative
& Functional
Fits

Identify those
fits which are
crucial

Develop
implementation
plan

Guide to analysis of cases

