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- Has uploaded over 3000+ educational videos for CA Foundation and CA Inter students
- Known for his dynamic, conceptual and “fun-and-learn” teaching style
- Guided thousands of students across India to success in CA exams
- Strong academic background with B.Com (BMCC, Pune) and ACA qualification
- Widely appreciated for his clarity, energy, and practical approach to law subjects
- Through Shikshadwar, offers comprehensive classes, books, tests, and mentorship to CA students

CA DARSHAN JAIN

CA , CS , LLB , DISA , DIRM , B.COM

CO FOUNDER

- Chartered Accountant by profession & educator by passion
- Teaching Financial Accounting , Financial Management & Strategic Management to CA Students For 12 Years.
- Practicing Chartered Accountant For Past 13 years in The Field of Audit , Direct & Indirect Taxes & Management Consultancy
- Elected as Convenor of The Jalna CA CPE Chapter of WIRC of ICAI For 2 consecutive years 20-21 & 21-22.
- He Has Successfully Completed & Qualified Following Certificate Course Conducted By ICAI

1. Forensic Accounting & Fraud Detection
2.Concurrent Audit of Banks
3. Goods & Service Tax (GST)
4. Public Finance & Accounting
5. Drafting & Pleading Before Authorities
6. Wealth management & Financial Planning
7. Artificial Intelligence

@CA_DARSHAN_JAIN

CA TUSHAR TAPARIA

CA , LLB

- A multi-faceted professional with a Chartered Accountancy qualification and a Bachelor’s degree in Law.
- Brings 7+ years of teaching experience across CA and CS professional courses.
- Specializes in:
- Taxation at CA Intermediate and CS Executive levels
- Economics at CA Foundation level
- Known for simplifying complex concepts with crystal-clear explanations and practical insights.
- Expert in delivering Fasttrack batches with proven accelerated learning techniques.
- Frequently invited as a visiting faculty for Taxation at reputed coaching institutes.
- Loved by students for his interactive teaching style, real-life examples, and exam-oriented approach.

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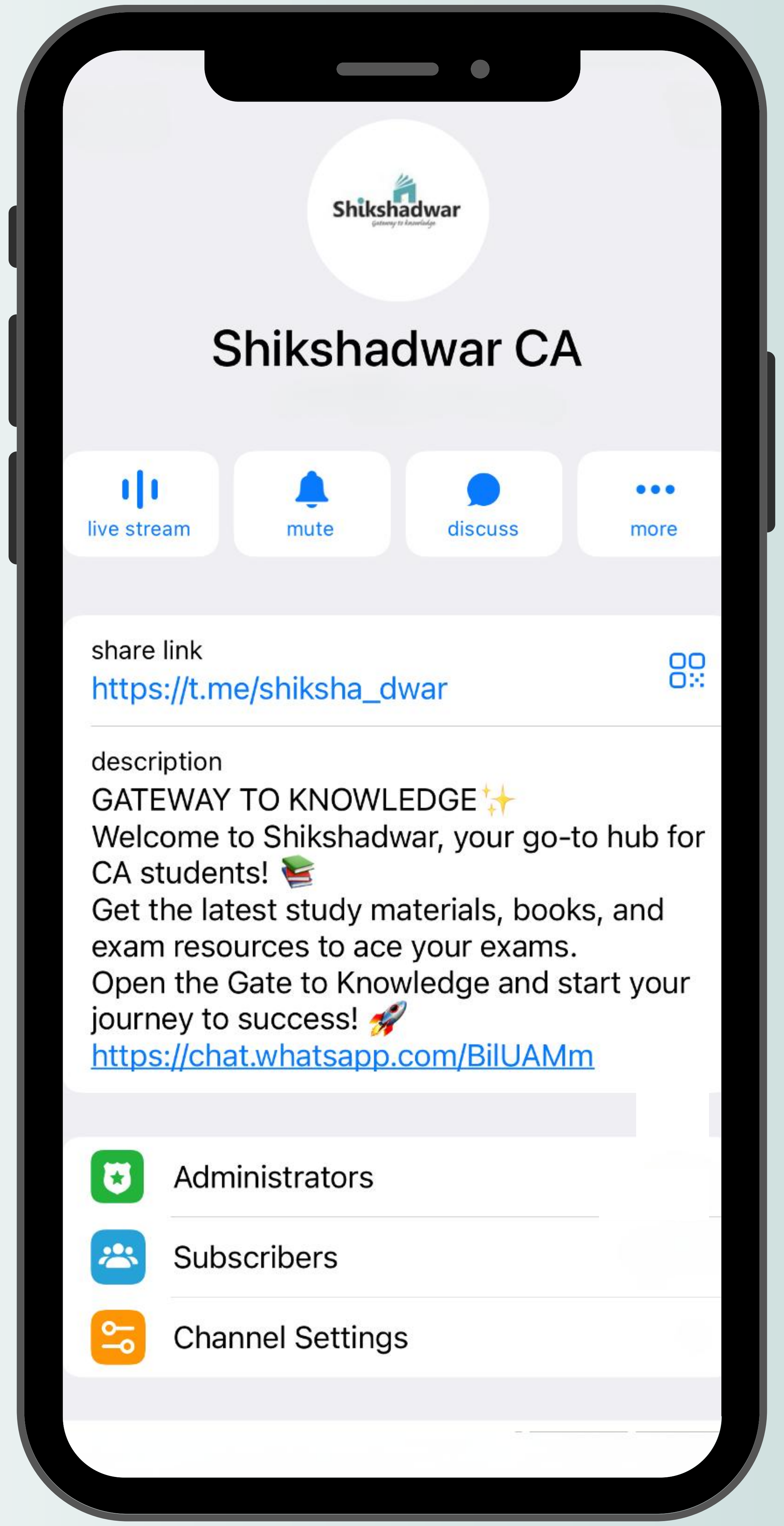

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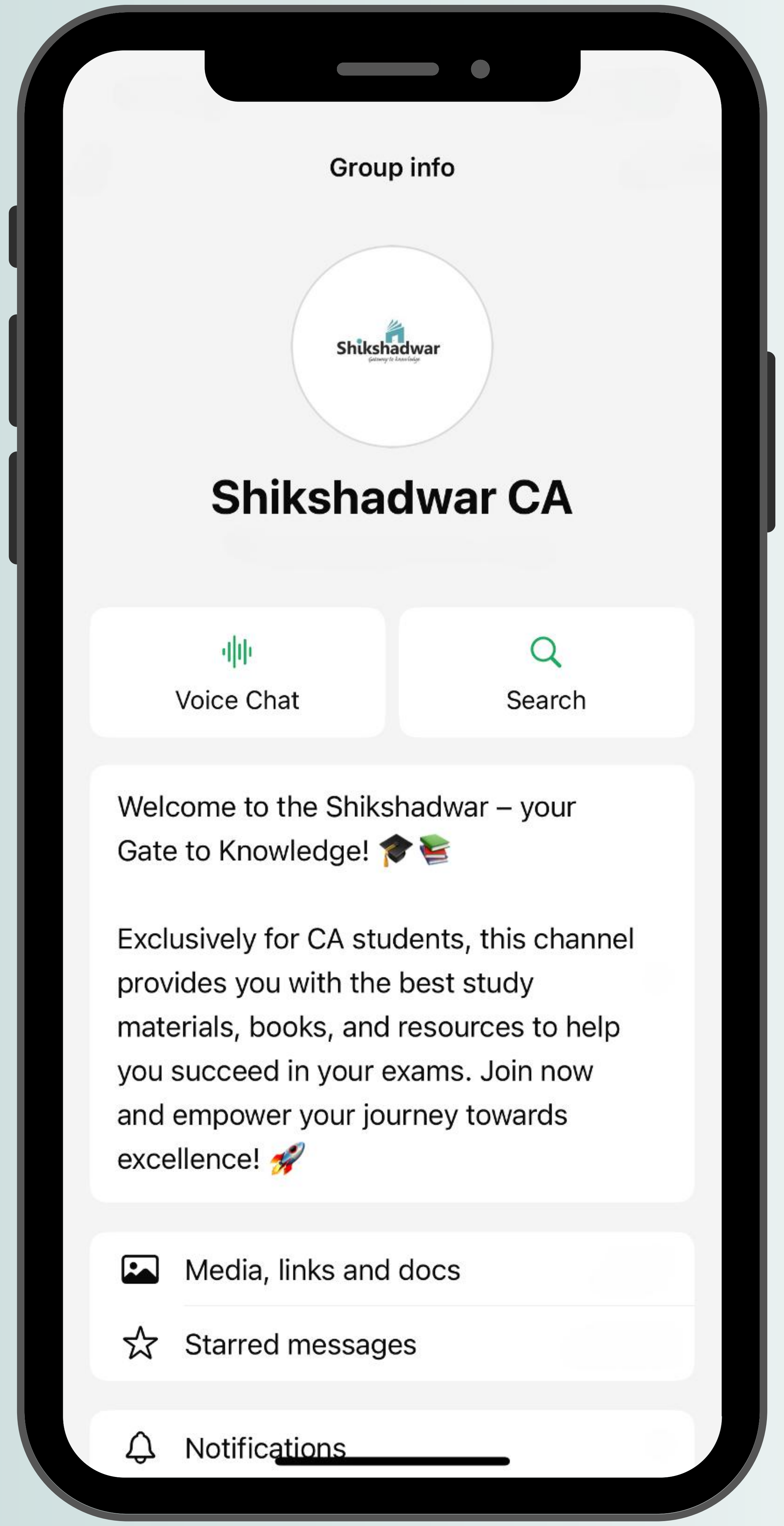

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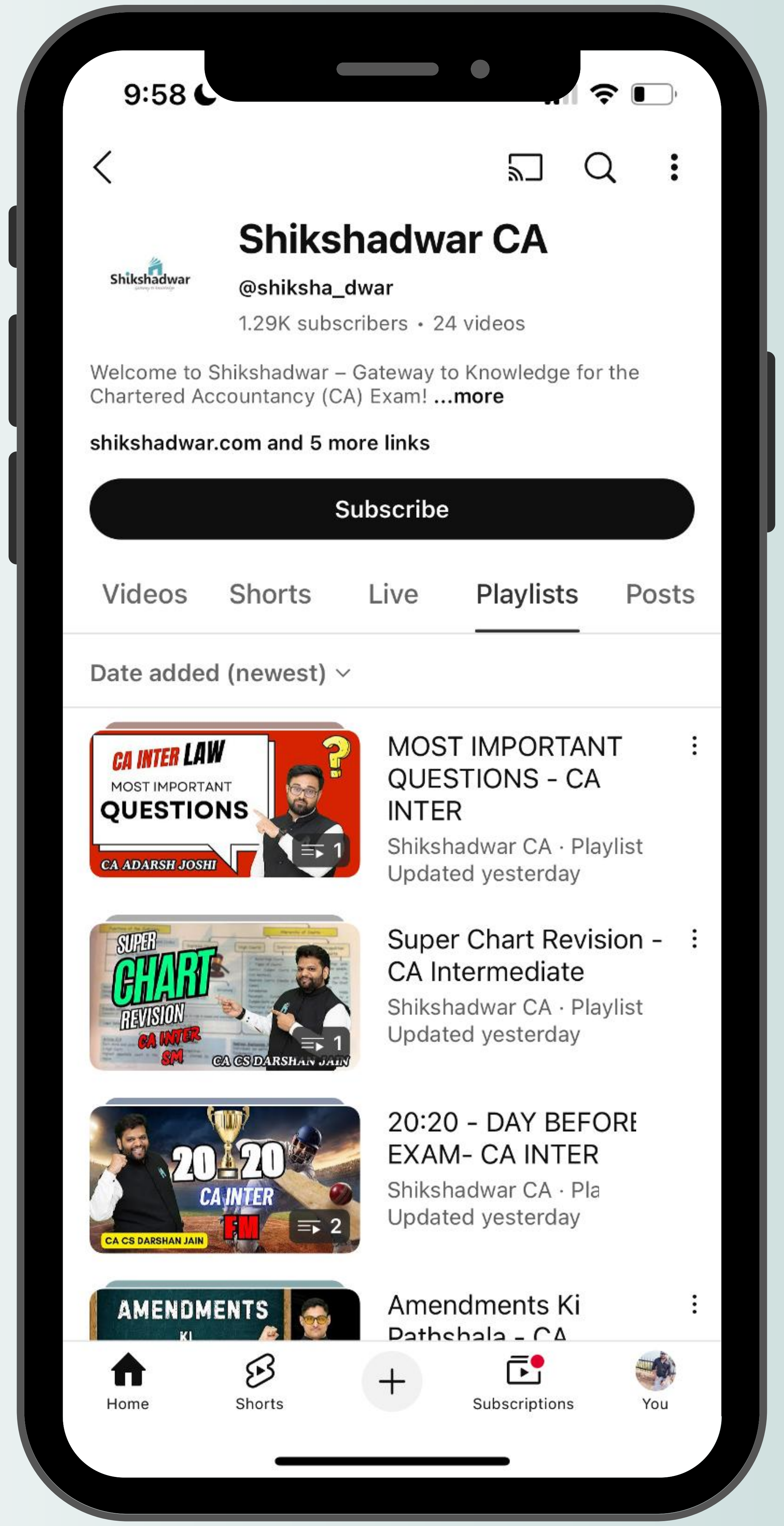

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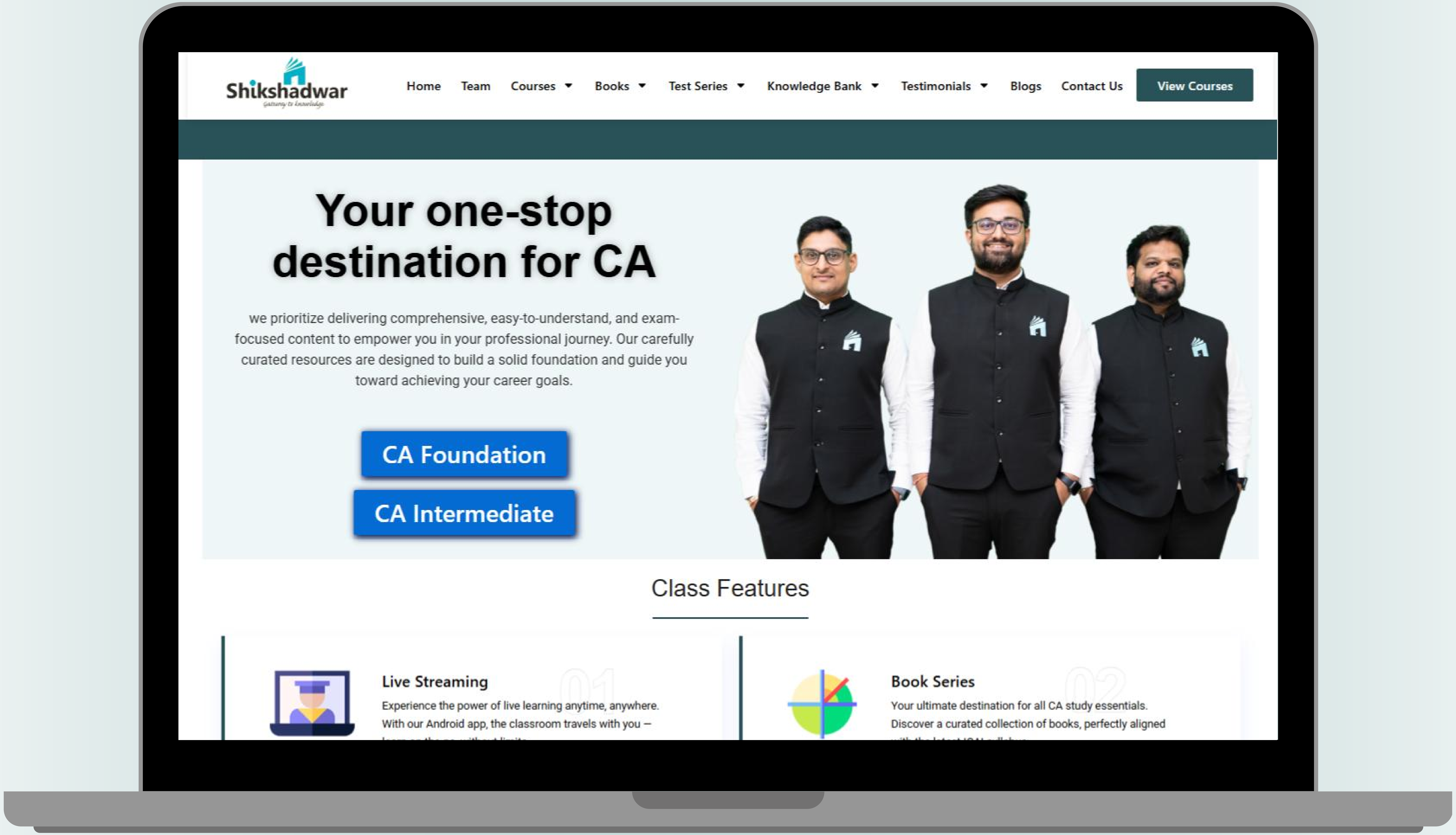

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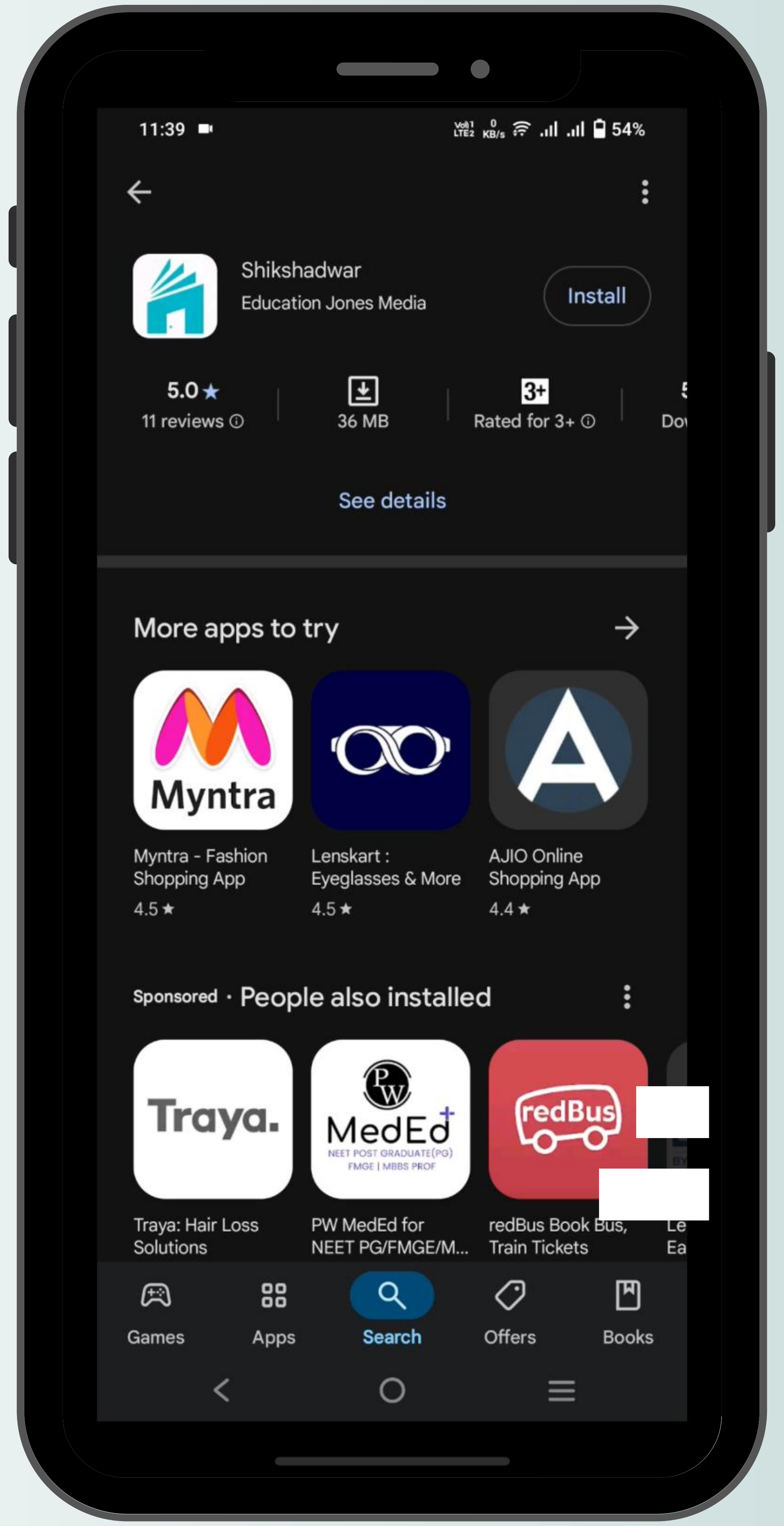

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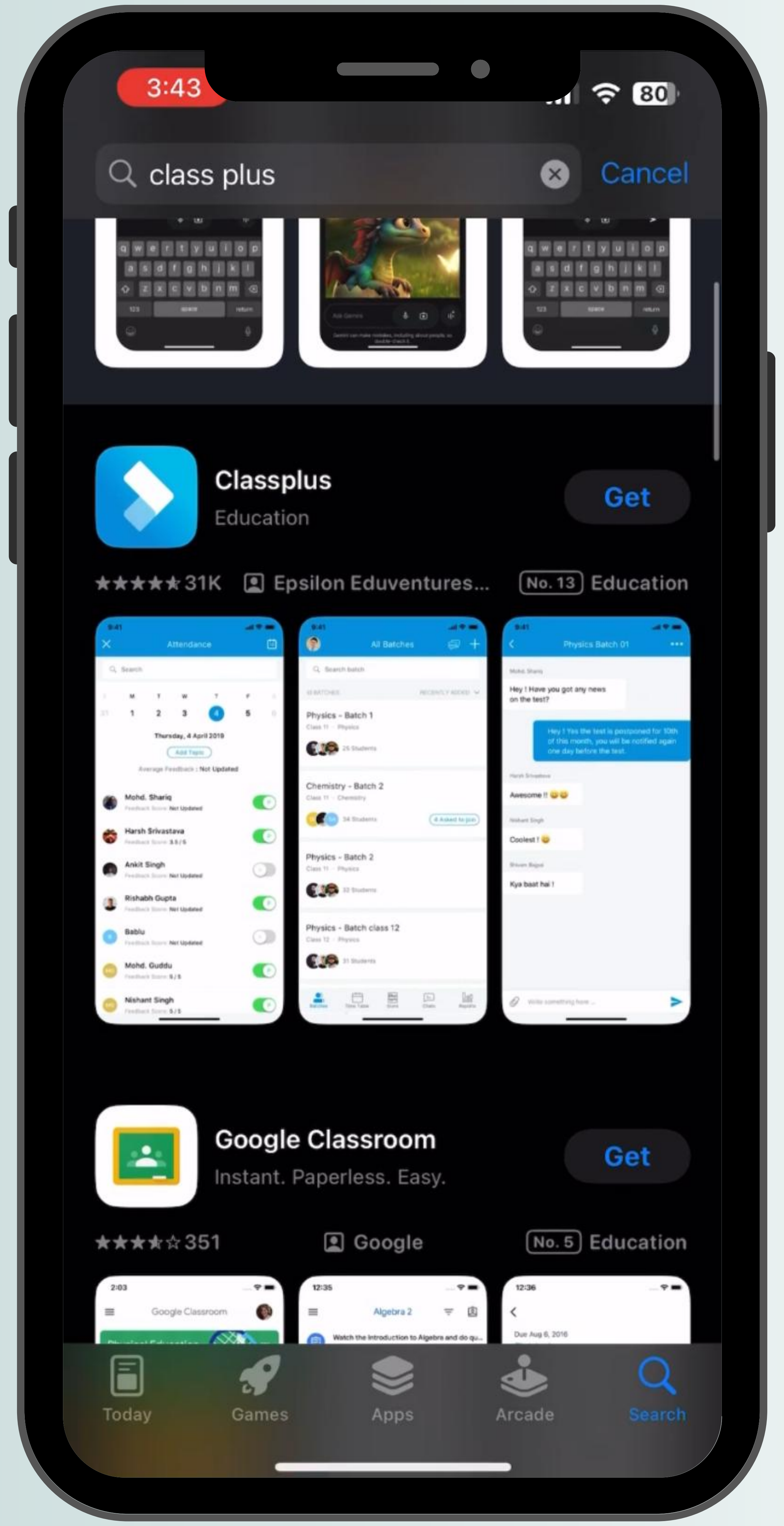

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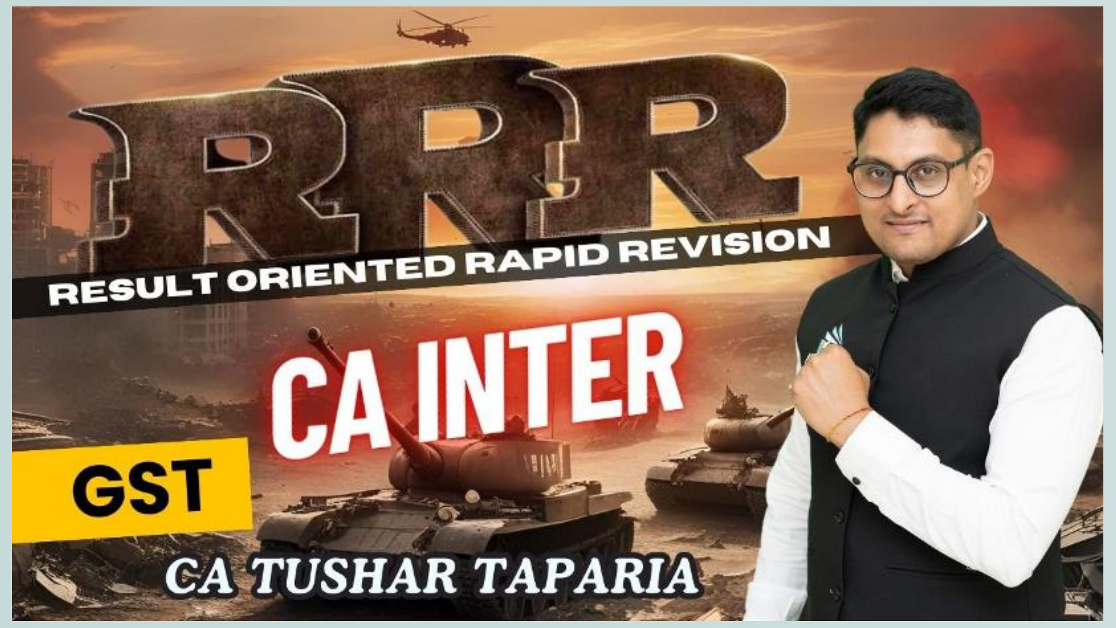
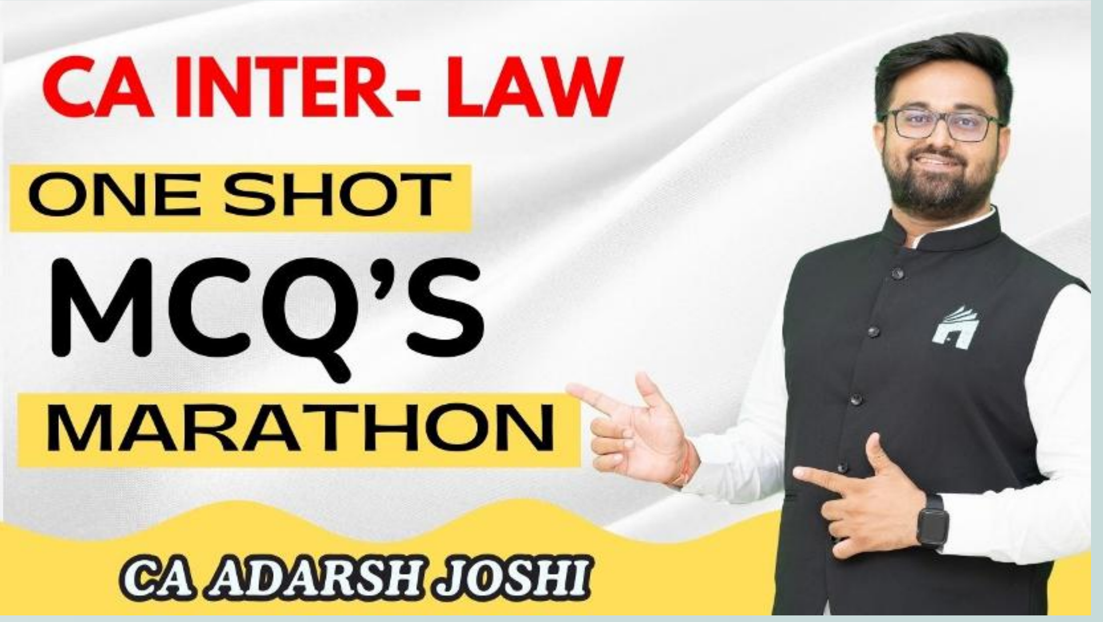
CA INTERMEDIATE MAY 25

Marathons Live Streams

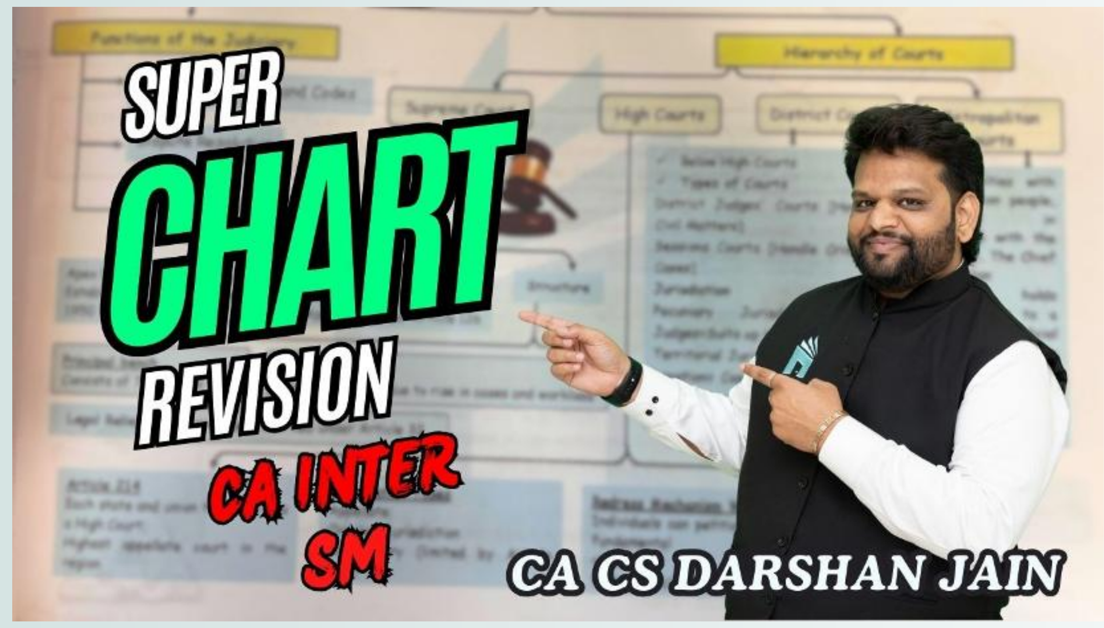


RRR - Result Oriented Rapid Revision

Most Imp Questions



One Shot MCQ's Marathon



Super Chart Revision

Amendments Ki Pathshala

20 -20 Series

CA INTERMEDIATE MAY 25

Marathons Schedule With Links

DATE	TIME	EDUCATOR	SUBJECT	TOPICS	YOUTUBE LINK
17/4/2025	8.00 AM	CA ADARSH JOSHI	LAW	RRR	WATCH NOW
18/4/2025	12.00 NOON	CA TUSHAR TAPARIA	GST	RRR	WATCH NOW
19/4/2025	8.00 AM	CA CS DARSHAN JAIN	FM	RRR	WATCH NOW
20/4/2025	8.00 AM	CA ADARSH JOSHI	LAW	ONE SHOT MCQ MARATHON	WATCH NOW
21/4/2025	2.00 PM	CA TUSHAR TAPARIA	GST	GST AMENDMENTS & ITS IMPORTANT QUESTIONS	WATCH NOW
23/4/2025	8.00 AM	CA CS DARSHAN JAIN	FM	ONE SHOT MCQ MARATHON	WATCH NOW

DATE	TIME	EDUCATOR	SUBJECT	TOPICS	YOUTUBE LINK
24/4/2025	2.00 PM	CA TUSHAR TAPARIA	DT	DT AMENDMENTS & ITS IMPORTANT QUESTIONS	WATCH NOW
27/4/2025	8.00 AM	CA CS DARSHAN JAIN	SM	ONE SHOT MCQ MARATHON	WATCH NOW
4/5/2025	8.00 AM	CA ADARSH JOSHI	LAW	MOST IMPORTANT QUESTIONS	WATCH NOW
6/5/2025	3.00 PM	CA TUSHAR TAPARIA	TAXATION	20-20	WATCH NOW
12/5/2025	8.00 AM	CA CS DARSHAN JAIN	FM	20-20	WATCH NOW
13/5/2025	8.00 AM	CA CS DARSHAN JAIN	SM	SUPER CHART REVISION	WATCH NOW

STRATEGY IMPLEMENTATION & EVALUATION

WEIGHTAGE ANALYSIS

SR.NO	NAME OF TOPIC	May 18	Nov 18	May 19	Nov 19	Nov 20	Jan 21	Jul 21	Dec 21	May 22	Nov 22	May 23	Nov 23	May 24
1	INTRODUCTION TO SM	9	9	10	5	5	5	5	5		10	5	10	10
2	STRATEGIC ANALYSIS – EXTERNAL ENVIRONMENT	7	5	5	10	5		10	5	5		5	10	10
3	STRATEGIC ANALYSIS – INTERNALENVIRONMENT	14	7	5	3	5	15	5	10	5	10	5		10
4	STRATEGIC CHOICES	7	6	5	10	5	5	5	10	10	5	5	10	10
5	STRATEGY IMPLEMENTATION & EVALUATION	15	19	11	5	10	20		15	15	10	25		10
6	MCQ'S	-	-	15	15	15	15	15	15	15	15	15	15	15
	TOTAL	52	46	51	48	45	60	40	60	50	50	60	45	65

BIRDS EYE VIEW

- INTRODUCTION
- STRATEGIC MANAGEMENT PROCESS
- STRATEGY FORMULATION
- STRATEGY IMPLEMENTATION
- RELATIONSHIP BETWEEN STRATEGY FORMULATION & STRATEGY IMPLEMENTATION
- DIFFERENCE BETWEEN STRATEGY FORMULATION & STRATEGY IMPLEMENTATION
- LINKAGES IN STRATEGY IMPLEMENTATION
- ISSUES IN STRATEGY IMPLEMENTATION
- STRATEGIC CHANGE
- CHANGE THROUGH DIGITAL TRANSFORMATION
- CHANGE MANAGEMENT STRATEGIES FOR DIGITAL TRANSFORMATION
- ISSUES TO BE CONSIDERED TO MANAGE CHANGE DURING DIGITAL TRANSFORMATION
- MCKINSEY'S 7S MODEL

- **ORGANISATION STRUCTURE**

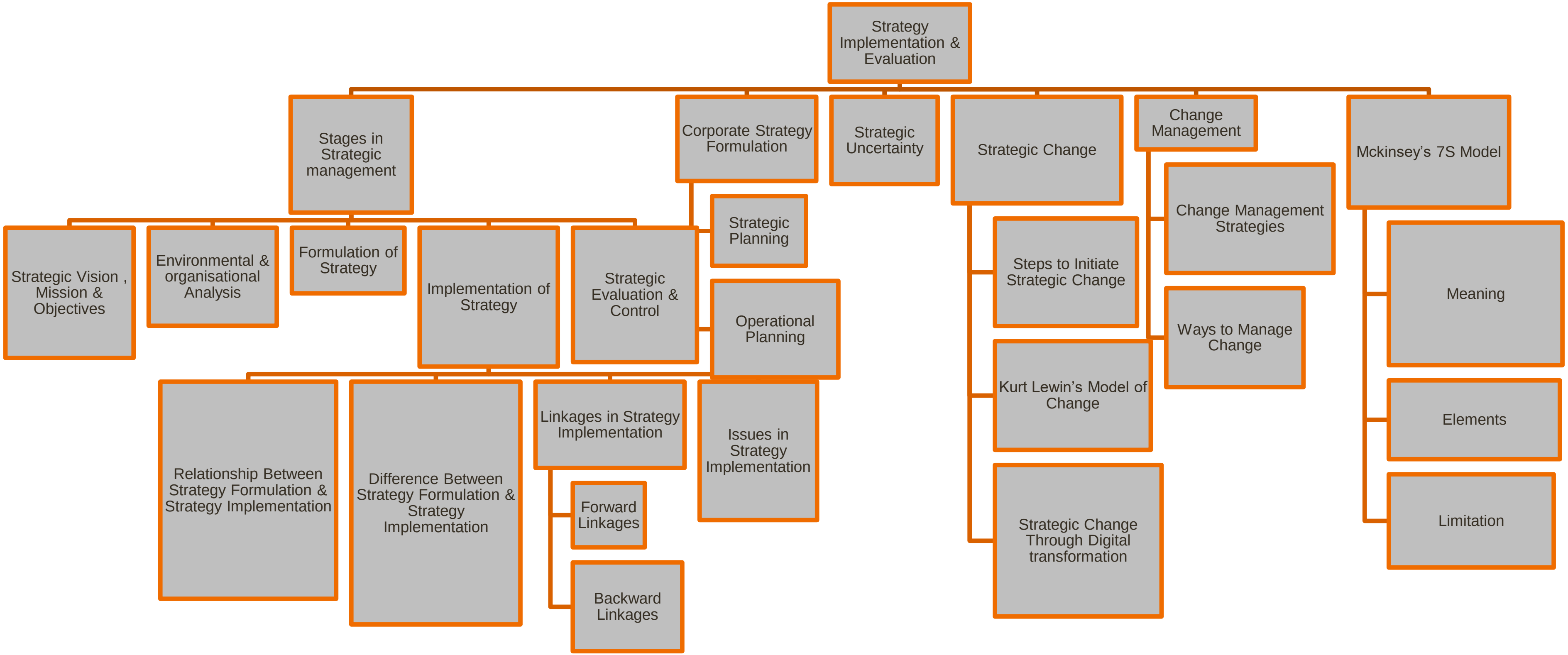
- **TYPES OF ORGANISATION STRUCTURE**
  - **SIMPLE STRUCTURE**
  - **FUNCTIONAL STRUCTURE**
  - **DIVISIONAL STRUCTURE**
  - **MULTIDIVISIONAL STRUCTURE**
  - **STRATEGIC BUSINESS UNIT STRUCTURE**
  - **MATRIX STRUCTURE**
  - **NETWORK STRUCTURE**
  - **HOURGLASS STRUCTURE**

- **ORGANISATION CULTURE**

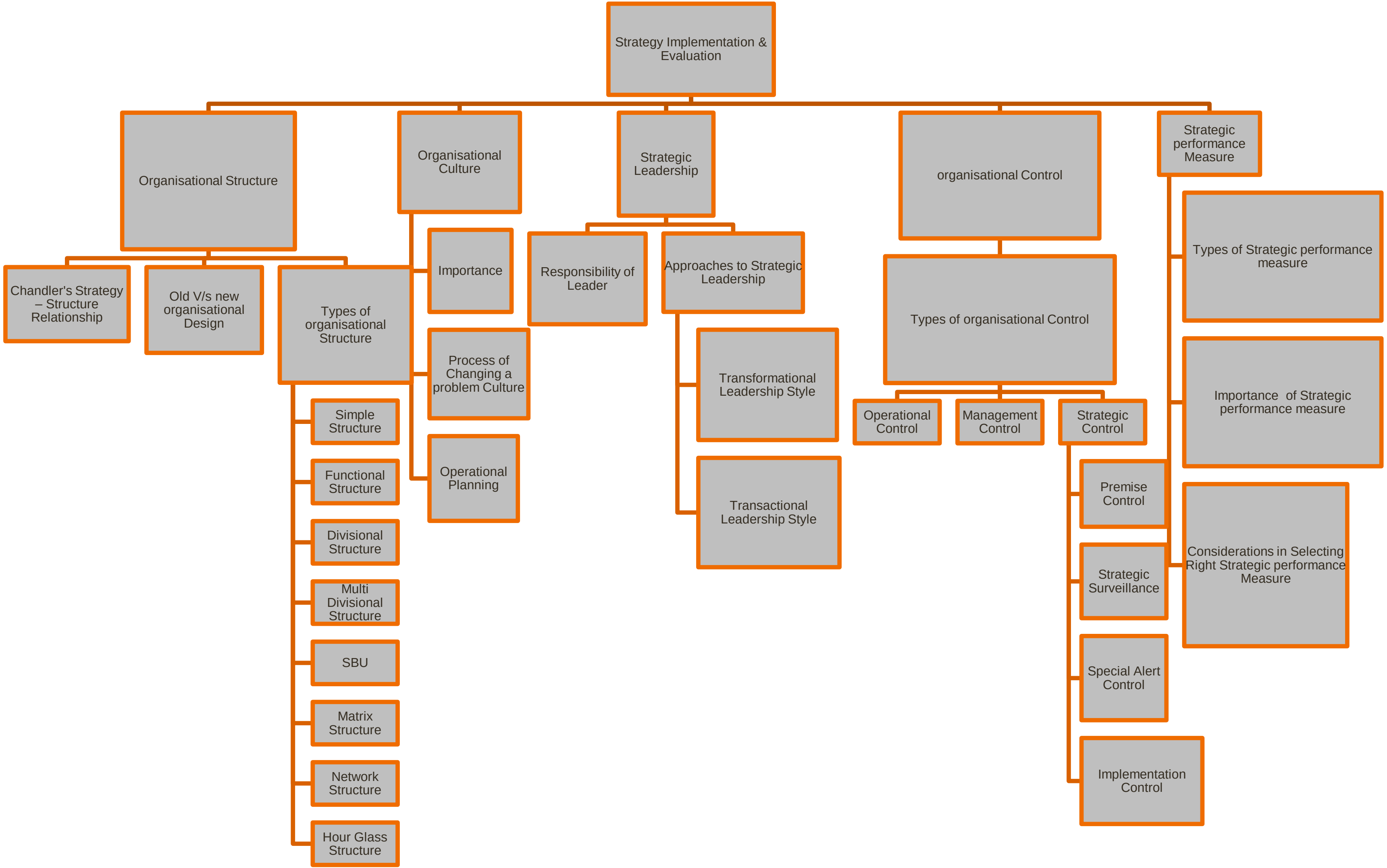
- **STRATEGIC LEADERSHIP**
  - **TRANSFORMATIONAL**
  - **TRANSACTIONAL**

- **STRATEGIC CONTROL**

- **STRATEGIC PERFORMANCE MEASURES**



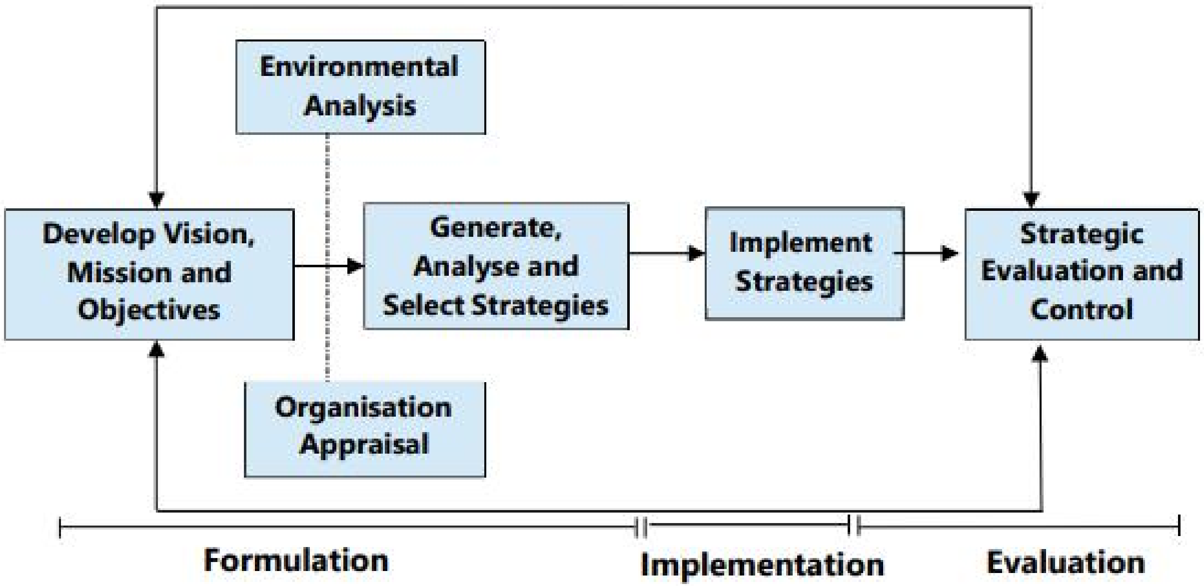
Strategy Implementation & Evaluation
Stages in Strategic management
Strategic Vision , Mission & Objectives
Environmental & organisational Analysis
Formulation of Strategy
Implementation of Strategy
Strategic Evaluation & Control
Relationship Between Strategy Formulation & Strategy Implementation
Difference Between Strategy Formulation & Strategy Implementation
Linkages in Strategy Implementation
Forward Linkages
Backward Linkages
Issues in Strategy Implementation
Corporate Strategy Formulation
Strategic Planning
Operational Planning
Strategic Uncertainty
Strategic Change
Steps to Initiate Strategic Change
Kurt Lewin's Model of Change
Strategic Change Through Digital transformation
Change Management
Change Management Strategies
Ways to Manage Change
Mckinsey's 7S Model
Meaning
Elements
Limitation


Strategy Implementation & Evaluation
Organisational Structure
Chandler's Strategy – Structure Relationship
Old V/s new organisational Design
Types of organisational Structure
Simple Structure
Functional Structure
Divisional Structure
Multi Divisional Structure
SBU
Matrix Structure
Network Structure
Hour Glass Structure
Organisational Culture
Importance
Process of Changing a problem Culture
Operational Planning
Strategic Leadership
Responsibility of Leader
Approaches to Strategic Leadership
Transformational Leadership Style
Transactional Leadership Style
organisational Control
Types of organisational Control
Operational Control
Management Control
Strategic Control
Premise Control
Strategic Surveillance
Special Alert Control
Implementation Control
Strategic performance Measure
Types of Strategic performance measure
Importance of Strategic performance measure
Considerations in Selecting Right Strategic performance Measure

INTRODUCTION

- **Strategy implementation** and **evaluation** are critical phases of the process of strategic management in an organization.
- Implementation involves putting the plans and initiatives developed as part of the **strategy into action**, while evaluation refers to the **process of measuring and assessing the effectiveness of these actions**.
- In this chapter, we will explore various implementation and evaluation methods that organizations can use to assess the success of their strategy implementation and identify areas for improvement.
- This chapter will provide a comprehensive overview of the implementation and evaluation process and equip readers with the knowledge and skills needed to effectively execute and assess their organization's strategies

STRATEGIC MANAGEMENT PROCESS



- The strategic management process is dynamic and continuous.
- A change in any one of the major components in the model can necessitate a change in any or all of the other components.
- Therefore, strategy formulation, implementation, and evaluation activities should be performed on a continual basis, not just at the end of the year or semi-annually.
- The strategic management process never really ends.
- In practice, strategists do not go through the process in lockstep fashion rather Many organisations conduct formal meetings semi-annually to discuss and update the firm's vision/mission, opportunities/threats, strengths/weaknesses, strategies, objectives, policies, and performance.

STAGES IN STRATEGIC MANAGEMENT

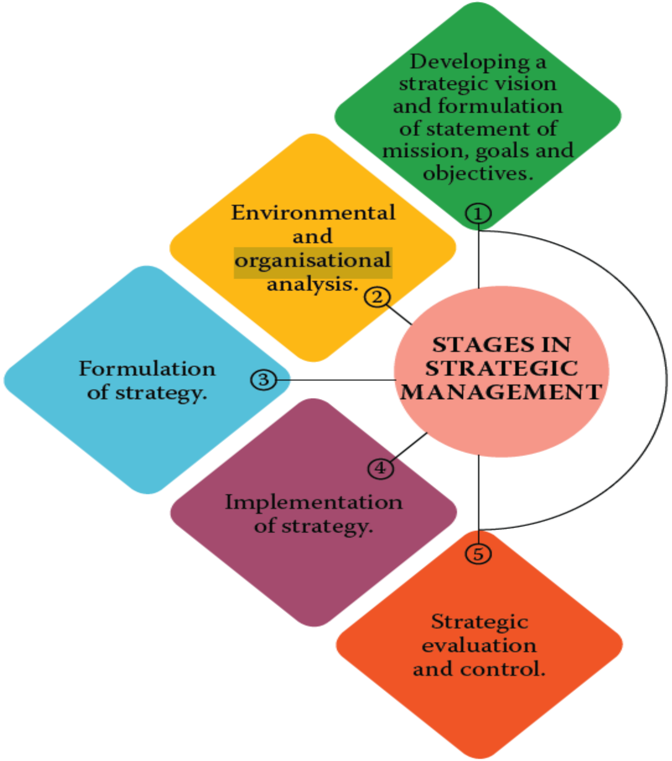
1. **Developing a strategic vision and formulation of statement of mission, goals and objectives.**

2. **Environmental and organisational analysis.**

3. **Formulation of strategy.**

4. **Implementation of strategy.**

5. **Strategic evaluation and control**



STAGE 1 – STRATEGIC VISION , MISSION & OBJECTIVES

- A **Strategic Vision** implies the blueprint of the company’s future position. It describes where the organisation wants to land. It depicts the organisation’s aspirations and provides a glimpse of what the organisation would like to become in future

- A **Mission Statement** is typically focused on its present business scope – “who we are and what we do” . Mission Statement broadly describes an organisations present capabilities , customer , focus , activities & business makeup.

- **Objectives** are time-based measurable targets, which help in the accomplishment of goals.The managerial purpose of setting objectives is to convert the strategic vision into specific performance targets - basically the results and outcomes the management wants to achieve - and then use these objectives as yardsticks for tracking the company’s progress and performance.

STAGE 2 – ENVIRONMENTAL & ORGANISATIONS ANALYSIS

- This stage is the diagnostic phase of strategic analysis. It entails two types of analysis:
  1. Environmental scanning
  2. Organisational analysis
- External Environment Analysis includes analysis of Micro & macro Environment , PESTLE Analysis , Competitive Forces , Competitive landscape etc
- Organisational analysis involved a review of financial resources, technological resources, productive capacity, marketing and distribution effectiveness, research and development, human resource skills and so on. This would reveal organisational strengths and weaknesses which could be matched with the threats and opportunities in the external environment.

STAGE 3 – FORMULATION OF STRATEGY

- The first step in strategy formulation is developing strategic alternatives in the light of organisation strengths and weaknesses, and opportunities and threats in theenvironment.
- The second step is the deep analysis of various strategic alternatives for the purpose of choosing the most appropriate alternative which will serve asthe strategy of the firm.
- A company may be confronted with several alternatives such as:

  a) Should the company continue in the same business carrying on the same volume of activities?

  b) If it should continue in the same business, should it grow by expanding the existing units or by establishing new units or by acquiring other units in the industry?

  c) If it should diversify, should it diversify into related areas or unrelated areas?

  d) Should it get out of an existing business fully or partially?

- The above strategic alternatives may be designated as stability strategy, growth/expansion strategy and retrenchment strategy. A company may also follow a combination of these alternatives called combination strategy.

STAGE 4 –IMPLEMENTATION OF STRATEGY

- Implementation and execution are an operations-oriented activity aimed at shaping the performance of core business activities in a strategy-supportive manner. It is the most demanding and time-consuming part of the strategy- management process. To convert strategic plans into actions and results, a manager must be able to direct organisational change, motivate people, build and strengthen company competencies and competitive capabilities, create a strategy- supportive work climate, and meet or beat performance targets.
- A Good strategy execution involves creating strong "fits" between strategy and organisational capabilities, between strategy and the reward structure, between strategy and internal operating systems, and between strategy and the organisation's work climate and culture.
- In most situations, strategy-execution process includes the following principal aspects:
  - Developing budgets that steer ample resources into those activities critical to strategic success.
  - Staffing the organisation with the needed skills and expertise, consciously building and strengthening strategy-supportive competencies and competitive capabilities and organising the work effort.
  - Ensuring that policies and operating procedures facilitate rather than impede effective execution.
  - Using the best-known practices to perform core business activities and pushing for continuous improvement.

- Installing information and operating systems that enable company personnel to better carry out their strategic roles day in and day out.
- Motivating people to pursue the target objectives energetically.
- Creating a company culture and work climate conducive to successful strategy implementation and execution.
- Exerting the internal leadership needed to drive implementation forward and keep improving strategy execution. When the organisation encounters stumbling blocks or weaknesses, management has to see that they are addressed and rectified quickly.

STAGE 5 – STRATEGIC EVALUATION & CONTROL

- The final stage of strategic management process is evaluating the company's progress, assessing the impact of new external developments, and making corrective adjustments which is the trigger point for deciding whether to continue or change the company's vision, objectives, strategy, and/or strategy-executionmethods.
- If The company's direction and strategy seem well matched to industry and competitive conditions and performance targets are being met, company executives may decide to stay the course ,Simply fine-tuning the strategic plan and continuing with ongoing efforts to improve strategy execution are sufficient.
- If a company encounters disruptive changes in its external environment, questions need to be raised about the appropriateness of its direction and strategy. If a company experiences a downturn in its market position or shortfalls in performance, then company managers are obligated to ferret out whether the causes relate to poor strategy, poor execution, or both and then to take timely corrective action.
- A company's direction, objectives, and strategy have to be revisited anytime external or internal conditions warrant. It is to be expected that a company will modify its strategic vision, direction, objectives, and strategy over time.

- Proficient strategy execution is always the product of much organisational learning. It is achieved unevenly that is coming quickly in some areas and proving nettlesome and problematic in others.

- Periodically assessing what aspects of strategy execution are working well and what needs improving is normal and desirable. Successful strategy execution entails vigilantly searching for ways or continuously improve and then making corrective adjustments whenever and wherever it is useful to do so.

CORPORATE STRATEGY FORMULATION

- The game plan that really directs the company towards success is called “corporate strategy”.
- Planning may be operational or strategic.
- Senior management develops strategic plans for the entire organisation after evaluating the organization's strengths and weaknesses in light of potential possibilities and dangers in the outside world. They involve gathering and allocating resources in order to achieve organisational goals.
- But operational plans on the other hand are made at the middle and lower-level management. They provide specifics on how the resources are to be used effectively to achieve the goals.

Corporate Strategy

Strategic planning

Operational planning

<u>Characteristics of Strategic planning</u>

Shapes the organisation and its resources.

Assesses the impact of environmental variables.

Takes a holistic view of the organisation.

Develops overall objectives and strategies.

Is concerned with the long-term success of the organisation.

Is a senior management responsibility.

<u>Characteristics of Operational planning</u>

Deals with current deployment of resources.

Develops tactics rather than strategy.

Projects current operations into the future.

Makes modifications to the business functions but not fundamental changes.

Is the responsibility of functional managers.

STRATEGIC PLANNING

- The game plan that really directs the company towards success is called "corporate strategy". The formation of corporate strategy is the result of a process known as strategic planning.

- Strategic planning is the process of determining the objectives of the firm, resources required to attain these objectives and formulation of policies to govern the acquisition, use and disposition of resources.

- Strategic planning involves a fact of interactive and overlapping decisions leading to the development of an effective strategy for the firm.

- Strategic planning determines where an organisation is going over the next year or more and the ways for going there.

- The process is organisation-wide or focused on a major function such as a division or other major function.

STRATEGIC UNCERTAINITY

- Strategic uncertainty refers to the unpredictability of future events and circumstances that can impact an organization's strategy and goals.
- It can be driven by factors such as changes in the market, technology, competition, regulation, and other external factors.
- Dealing with strategic uncertainty can be challenging and organizations need to have the flexibility, resilience, and agility to quickly respond to changes in the environment and minimize its impact.

WAYS TO DEAL WITH STRATEGIC UNCERTAINITY

- **Flexibility:** Organizations can build flexibility into their strategies to quickly adapt to changes in the environment.

- **Diversification:** Diversifying the organization's product portfolio, markets, and customer base can reduce the impact of strategic uncertainty.

- **Monitoring and Scenario Planning:** Organizations can regularly monitor key indicators of change and conduct scenario planning to understand how different future scenarios might impact their strategies.

- **Building Resilience:** Organizations can invest in building internal resilience, such as strengthening their operational processes, increasing their financial flexibility, and improving their risk management capabilities.

- **Collaboration and Partnerships:** Collaborating with other organizations, suppliers, customers, and partners can help organizations pool resources, share risk, and gain access to new markets and technologies.

IMPACT OF STRATEGIC UNCERTAINITY

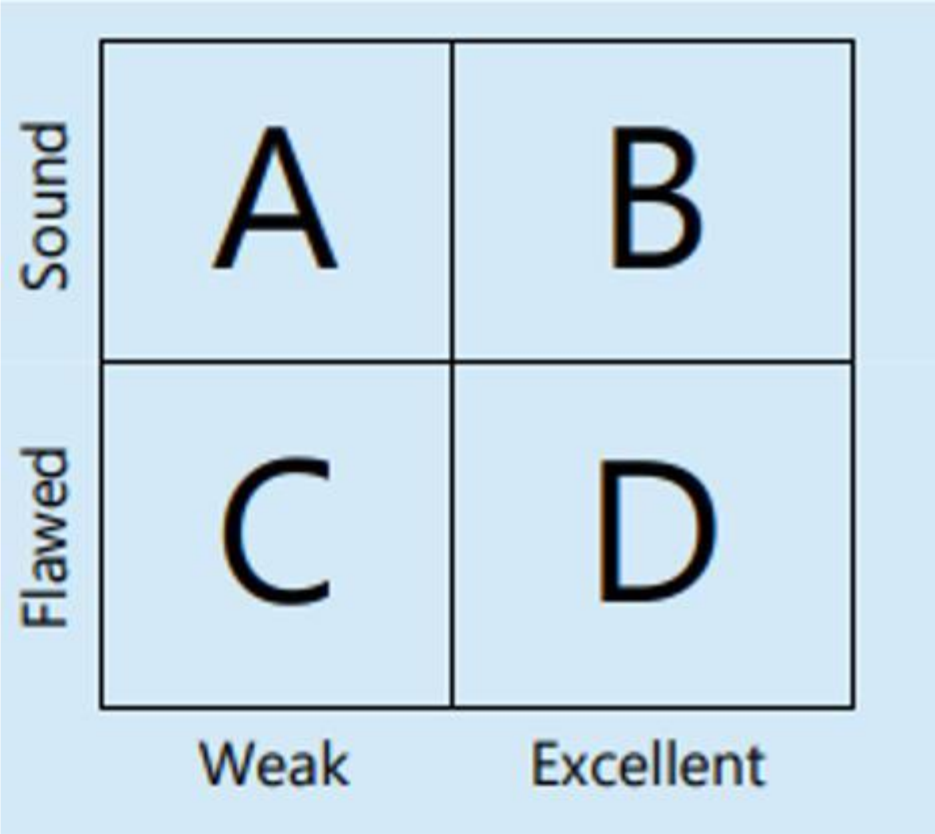
- Each element of strategic uncertainty involves potential trends or events that could have an impact on present, proposed, and even potential businesses.
- For Example , a trend toward natural foods may present opportunities for juices for a firm producing aerated drinks on the basis of a strategic uncertainty.
- The impact of a strategic uncertainty will depend on the importance of the impacted SBU to a firm.
- Some SBUs are more important than others. The importance of established SBUs may be indicated by their associated sales, profits,or costs.

STRATEGY IMPLEMENTATION

- Strategy implementation concerns the managerial exercise of putting a freshly chosen strategy into action.
- It deals with the managerial exercise of supervising the ongoing pursuit of strategy, making it work, improving the competence with which it is executed and showing measurable progress in achieving the targeted results.
- Strategic implementation is concerned with translating a strategic decision into action, which presupposes that the decision itself (i.e., the strategic choice) was made with some thought being given to feasibility and acceptability.

RELATIONSHIP BETWEEN STRATEGY FORMULATION & STRATEGY IMPLEMENTATION

- Many managers fail to distinguish between strategy formulation and strategy implementation. Yet, it is crucial to realize the difference between the two because they both require very different skills.
- A company will be successful only when the strategy formulation is sound and implementation is excellent.
- Often people, blame the strategy model for the failure of a company while the main flaw might lie in failed implementation.
- Thus, organizational success is a function of good strategy and proper implementation.



The above-mentioned figure depicts the distinction between sound/flawed strategy formulation and excellent/ weak strategy implementation.

Square A is the situation where a company apparently has formulated a very competitive strategy but is showing difficulties in implementing it successfully. This can be due to various factors, such as the lack of experience (e.g. for startups), the lack of resources, missing leadership and so on. In such a situation the companywill aim at moving from square A to square B, given they realize their implementation difficulties.

Square B is the ideal situation where a company has succeeded in designing a sound and competitive strategy and has been successfulin implementing it.

Square D is the situation where the strategy formulation is flawed, but the company is showing excellent implementation skills. When a company finds itself in square D the first thing, they have to do is to redesign their strategy before readjustingtheir implementation/execution skills.

Square C is denotes for companies that haven't succeeded in coming up with a sound strategy formulation and in addition are bad at implementing their flawed strategic model. Their path to success also goes through business model redesign and implementation/execution readjustment.

- It needs to be emphasized that 'strategy' is not synonymous with 'long-term plan' but rather consists of an enterprise's attempts to reach some preferred future state by adapting its competitive position as circumstances change. While a series of strategic moves may be planned, competitors' actions will mean that the actual moves will have to be modified to take account of those actions.
- In contrast to this view of strategy there is another approach to management practice, which has been followed in many organizations. The focus has been on **efficiency** (i.e., the relationship between inputs and outputs, usually with a short time horizon) rather than on **effectiveness** (which is concerned with the attainment of organisationalgoals - including that of desired competitive position).
- To be Efficient Means "to do the Things Right" & To be Effective Means "to do the right things"
- While efficiency is essentially introspective, effectiveness highlights the links between the organization and its environment. The responsibility for efficiency lies with operational managers, with top management having the primary responsibility for the strategic orientation ofthe organization.

Strategic Formulation

Operational Management	Effective	Ineffective
Efficient	1 Thrive	2 Die Slowly
Inefficient	3 Survive	4 Die Quickly

- An organization that finds itself in cell 1 is well placed and thrives, since it is achieving what it aspires to achieve with an efficient output/input ratio.
- In contrast, an organization in cell 2 or 4 is doomed, unless it can establish some strategic direction.
- The particular point to note is that cell 2 is a worse place to be than is cell 3 since, in the latter, the strategic direction is present to ensure effectiveness even if rather too much input is being used to generate outputs.

- Even the most technically perfect strategic plan will serve little purpose if it is not implemented effectively.
- Many organizations tend to spend an inordinate amount of time, money, and effort on developing the strategic plan, treating the means and circumstances under which it will be implemented as afterthoughts. Change comes through implementation and evaluation, not through the plan.
- A technically imperfect plan that is implemented well will achieve more than the perfect plan that never gets off the paper on which it is typed.
- Successful strategy formulation does not guarantee successful strategy implementation. It is always more difficult to do something (strategy implementation) than to say you are going to do it (strategy formulation).

DIFFERENCE BETWEEN STRATEGY FORMULATION & STRATEGY IMPLEMENTATION

STRATEGY FORMULATION	STRATEGY IMPLEMENTATION
Strategy Formulation includes planning and decision-making involved in developing organization's strategic goals and plans.	Strategy Implementation involves all those means related to executing the strategic plans.
In short, Strategy Formulation is placing the Forces before the action.	In short, Strategy Implementation is managing forces during the action.
An Entrepreneurial Activity based on strategic decision-making.	An Administrative Task based on strategic and operational decisions.
Emphasizes on effectiveness.	Emphasizes on efficiency.
Primarily an intellectual and rational process.	Primarily an operational process.
Requires co-ordination among few individuals at the top level.	Requires co-ordination among many individuals at the middle and lower levels.
Requires a great deal of initiative, logical skills, conceptual intuitive and analytical skills.	Requires specific motivational and leadership traits.
Strategic Formulation precedes Strategy Implementation	Strategy Implementation follows Strategy Formulation.

LINKAGES IN STRATEGY IMPLEMENTATION

Forward Linkages

- The different elements in strategy formulation starting with objective setting through environmental and organizational appraisal, strategic alternatives and choice to the strategic plan determine the course that an organization adopts for itself.
- With the formulation of new strategies, or reformulation of existing strategies, many changes have to be affected within the organization. For instance, the organizational structure has to undergo a change in the light of the requirements of the modified or new strategy.
- The style of leadership has to be adapted to the needs of the modified or new strategies. In this way, the formulation of strategies hasforward linkages with their implementation.
- Thus , Forward Linkages refers to Strategy Formulation has an Influence on Strategy Implementation.

Backward Linkages

- Just as implementation is determined by the formulation of strategies, the formulation process is also affected by factors related with implementation.
- While dealing with strategic choice, remember that past strategic actions also determine the choice of strategy.
- Organizations tend to adopt those strategies which can be implemented with the help of the present structure of resources combined with some additional efforts. Such incremental changes, over a period of time, take the organization from where it is to where it wishes to be.
- Thus , Backward Linkages refers to Strategy Formulation is influenced by Strategy Implementation.

ISSUES IN STRATEGY IMPLEMENTATION

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

STRATEGIC CHANGE

The Changes in the environmental forces often require businesses to make modifications in their existing strategies and bring out new strategies. However, Strategic Change is a complex process, and it involves a Corporate Strategy focussed on new markets, products, services and new ways of doing business.

STEPS TO INITIATE STRATEGIC CHANGE

1. **Recognise the need for change**
   - Identify the areas where change is required, in view of changing environmental scenario.
   - Evaluate both internal and external Capabilities through SWOT Analysis.
   - Prepare a checklist of areas where scope for changes exists

2. **Shared Vision to manage change**
   - Take steps to avoid conflicts between Individual and Organizational Objectives.
   - Create a "Shared Vision" and communicate it to all Organizational members.
   - Obtain the willing support and cooperation of Organizational Members to implement the new strategic initiatives and associated changes.

3. **Institutionalise the change**
   - Establish a scheme of Rewards and Incentives for adhering to the changed ways/ initiatives.
   - Monitor and review the after-effects of change implementation.
   - Communicate deviations to the concerned persons, so that corrective actions can be taken.

KURT LEWIN'S MODEL OF CHANGE

1. **Unfreezing the situation:**

   a) Change Process should not come as a surprise to the members of the organization. Sudden and unannounced change would be socially destructive and morale lowering. So, the Firm's Management must pave the way for the change by first "unfreezing the situation", so that members would be willing and ready to accept the change.

   b) Unfreezing makes the individuals and/or Firms, aware of the necessity for change and prepares them for the change.

   c) Unfreezing is the process of breaking down the old attitudes and behaviours, customs and traditions so that organizational members start with a clean slate. This can be achieved by making announcements, holding meetings and promoting the ideas throughout the organization.

2. **Changing to new situation**

   Once the Unfreezing Process has been completed, and the members of the organization recognize the need for change and have been fully prepared to accept such change, their behaviour patterns needs to be redefined. H.C. Kellman has proposed three methods for reassigning new patterns of behaviour. They are –

a) **Compliance:** Compliance is achieved by strictly enforcing the reward and punishment strategy for good or bad behaviour. Fear of punishment, actual punishment or actual reward seems to change behaviour for the better.

b) **Identification:** Identification occurs when members are psychologically impressed upon to identify themselves with some given role models, whose behaviour they would like to adopt and try to become like them.

c) **Internalization:** Internalization involves some intellectual changing of some individual's thought processes in order to adjust to a new environment. They have given freedom to learn and adopt new behaviour in order to succeed in the new set of circumstances.

3. Re-freezing:

a) Refreezing occurs when the new behaviour becomes a normal way of life. The new behaviour must replace the former behaviour completely for successful and permanent change to take place.

b) In order for the new behaviour to become permanent, it must be continuously reinforced so that this new acquired behaviour does not diminish or extinguish.

STRATEGIC CHANGE THROUGH DIGITAL TRANSFORMATION

- The use of digital technologies to develop fresh, improved, or entirely new company procedures, goods, or services is known as "Digital Transformation." It's a fundamental adjustment that can be challenging to identify and even more challenging to implement.

- Change Management enters into the picture here. Organizations can plan, prepare for, and carry out changes to their operations, including Digital Transformations, with the aid of the discipline of Change Management. When implemented correctly, Change Management may assist firms in overcoming the obstacles posed by the digital transition and reaping the full rewards of their Investment.

- Change Management in the digital transition consists of four essential elements:
  a) Defining the goals and objectives of the transformation.
  b) Assessing the current state of the organization and identifying gaps.
  c) Creating a roadmap for change that outlines the steps needed to reach the desired state.
  d) Implementing and managing the change at every level of the organization

CHANGE MANAGEMENT

Meaning

1. It is a process or set of tools and best practices used to manage changes in an organization.
2. It assists in making changes in a safe and regulated manner, reducing the possibility of detrimental effects on the company.
3. Any sort of organisation, including enterprises, organisations, governmental bodies, and even families, can utilise Change Management to manage changes.

Models and Methods

Change Management Models and Methods come in a wide variety, but they all have key things in common. These include creating a clear vision for the change, involving stakeholders in the process, coming up with a plan for putting the change into action, and keeping an eye on the results. Although Change Management is frequently viewed as a difficult and complicated process, it is vital for ensuring that Digital Transformation projects are successful.

Role in Digital Transformation

1. Digital Transformation is a process of organizational change that enables an organization to use technology to create new value for customers, employees, and other stakeholders.
2. A good Change Management strategy is necessary for a successful Digital Transformation. Change Management is the process of planning, implementing, and monitoring changes in an organization.
3. It provides organizations in achieving their objectives while reducing risks and disruptions. For any organisation undergoing a digital transition, Change Management is crucial.

Benefits

A properly implemented Change Management strategy can help an organization to:

1. Specify the parameters and goals of the Digital Transformation.
2. Determine which procedures and tools need to be modified.
3. Make a plan for implementing the improvements.
4. Involve staff members and parties involved in the transformation process
5. Track progress and make required course corrections

Importance

A crucial component of any digital transition is Change Management. Why it gains more importance in the current times is because organizations can improve their chances of success by approaching change in a proactive and organized manner

CHANGE MANAGEMENT STRATEGIES FOR DIGITAL TRANSFORMATION

1. **Begin at the top**
   - A focused, invested, united leadership that is on the same page about the company's future is reflected in change that begins at the top.
   - The culture that will motivate the rest of the organisation to accept change can only be generated and promoted in this way.
2. **Ensure that the change is both necessary and desired**
   - The fact that decision-makers are unaware of how to properly handle a digital transformation and the effects it will have on their firm , It is Must to ensure that change is both necessary and desired.
   - If a corporation doesn't have a sound strategy in place, introducing too much too fast can frequently become a major issue down the road.
3. **Reduce disruption**
   - Employee perceptions of what is required or desirable change can differ by department, rank, or performance history.
   - It's crucial to lessen how changes affect staff.
   - The introduction of new tactics or technologies intended to improve management and corporate operations causes employee concern about change.
   - It is possible to reduce workplace disruption by:

a. Getting the word out early and preparing for some interruption.

b. Giving staff members the knowledge and tools, they need to adjust tochange.

c. Creating an environment that encourages transformation or change.

d. Empowering change agents to provide context and clarity for changes, such as project managers or team leaders.

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

4. Encourage communication

- Create channels so that workers may contact you with queries or complaints.
- Encourage departmental collaboration to propagate ideas and innovations as new procedures take root.
- Communication promotes efficiency and has the power to influence culture, just like your vision.
- The people who will be affected the most by these changes are reassured that they are not in danger through effective communication, which keeps everyone on the same page.

5. Recognize that change is the norm, not the exception

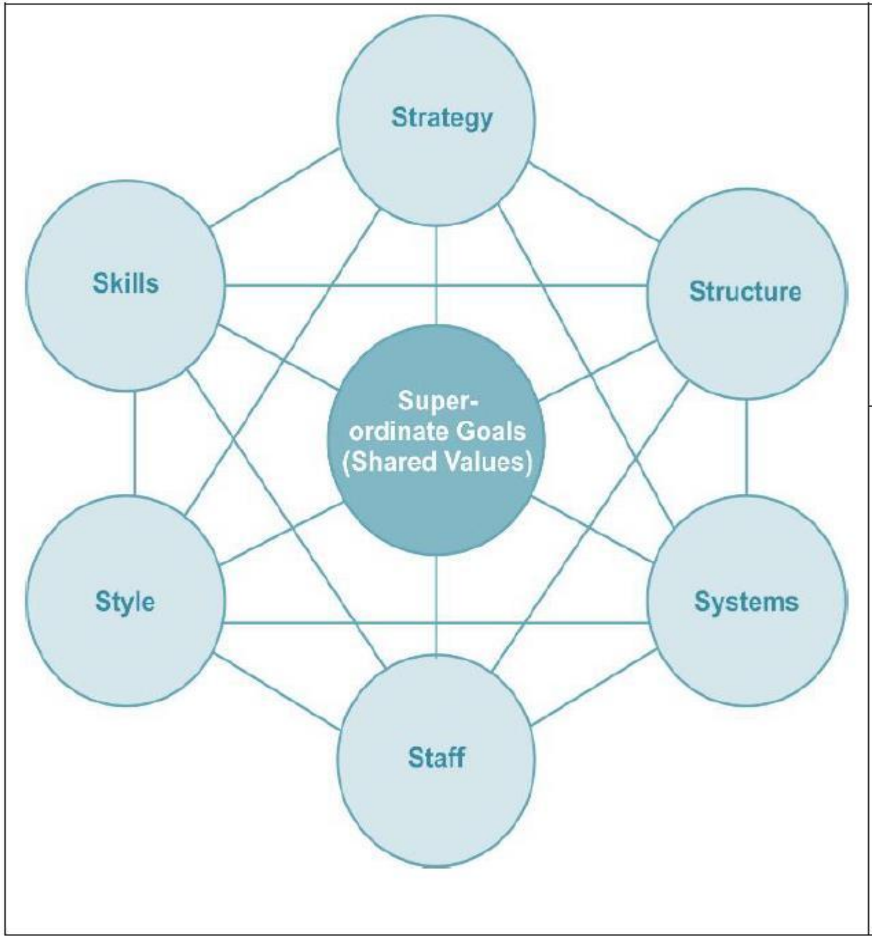
- Change readiness may be defined as “the ability to continuously initiate and respond to changein ways that create advantage, minimize risk, and sustain performance.”
- In order to keep up with the customers, businesses must also adapt their operations. They must prepare for change in advance and expect them. It may run into difficulties because change is not a project but rather an ongoing process.

WAYS TO MANAGE CHANGE DURING DIGITAL TRANSFORMATION

1. **Specify the digital transformation's aims and objectives:** What is the intended outcome? What are the precise objectives that must be accomplished? It will be easier to make sure that everyone is on the same page and pursuing the same aims if everyone has a clear grasp of the goals.
2. **Always, always, always communicate:** It might be challenging for people to accept change and adjust to it. Ensure that you routinely and honestly discuss the objectives of the digital transformation and how they will affect stakeholders, including employees, clients, and other parties.
3. **Be ready for resistance:** Even when a change is for the better, it can be challenging for people to embrace it. Have a strategy in place for dealing with any resistance that may arise.
4. **Implement changes gradually:** Changes should ideally be implemented gradually rather than all at once. In order to avoid overwhelming individuals with too much change at once, this will give people time to become used to the new way of doing things.
5. **Offer assistance and training:** Workers will need guidance in the new procedures, software applications, etc.

MCKINSEY'S 7S MODEL

- The McKinsey 7S 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 interactions of hard and soft elements.
- The McKinsey 7s Model focuses on how the "Soft Ss" and "Hard Ss" elements are interrelated, suggesting that modifying one aspect might have a ripple effect on the other elements in order to maintain an effective balance.
- The Hard elements are directly controlled by the management.
- The Soft elements are difficult to define as they are more governed by the culture. But these soft elements are equally important in determining an organization's success as well as growth in the industry



HARD ELEMENTS IN AN ORGANISATION AS PER MCKINSEY'S 7S MODEL

- **Strategy:** the direction of the organization, a blueprint to build on a core competency and achieve competitive advantage to drive margins and lead the industry
- **Structure:** depending on the availability of resources and the degree of centralisation or decentralization that the management desires, it choses from the available alternatives of organizational structures.
- **Systems:** the development of daily tasks, operations and teams to execute the goals and objectives in the most efficient and effective manner.

Hard elements are:

Strategy: What steps does the company intend to take to address current and futures challenges?

Structure: How is work divided, how do different departments work and collaborate?

Systems: Which formal and informal processes is the company's structure based on?

SOFT ELEMENTS IN AN ORGANISATION AS PER MCKINSEY'S 7S MODEL

- **Shared Values:** The core values which get reflected within the organizational culture or influence the code of ethics of the management.
- **Staff:** The talent pool of the organisation.
- **Skills:** The core competencies or the key skills of the employees play a vital role in defining the organizational success.
- **Style:** This depicts the leadership style and how it influences the strategic decisions of the organisation. It also revolves around people motivation and organizational delivery of goals.

Soft elements are:

Shared Values: What is the idea the organization subscribes to? Is this idea communicated credibly to others?

Staff: This elements refers to employees development and relevant processes, performances and feedback programs etc.

Skill: What is the company's base of skills and competencies?

Style: This depicts the leadership style and how it influences the strategic decisions of the organization.

LIMITATIONS OF MCKINSEY'S 7S MODEL

- It ignores the importance of the external environment and depicts only the most crucial elements within the organization.

- The model does not clearly explain the concept of organizational effectivness or performance.

- The model is considered to be more static and less flexible for decision making.

- It is generally criticized for missing out the reals gaps in conceptualization and execution of strategy.

ORGANISATIONAL STRUCTURE

- In order to implement strategies organisations need an organizational structure.

- Organizational structure is the company's formal configuration of its intended roles, procedures, governance mechanisms, authority, and decision-making processes.

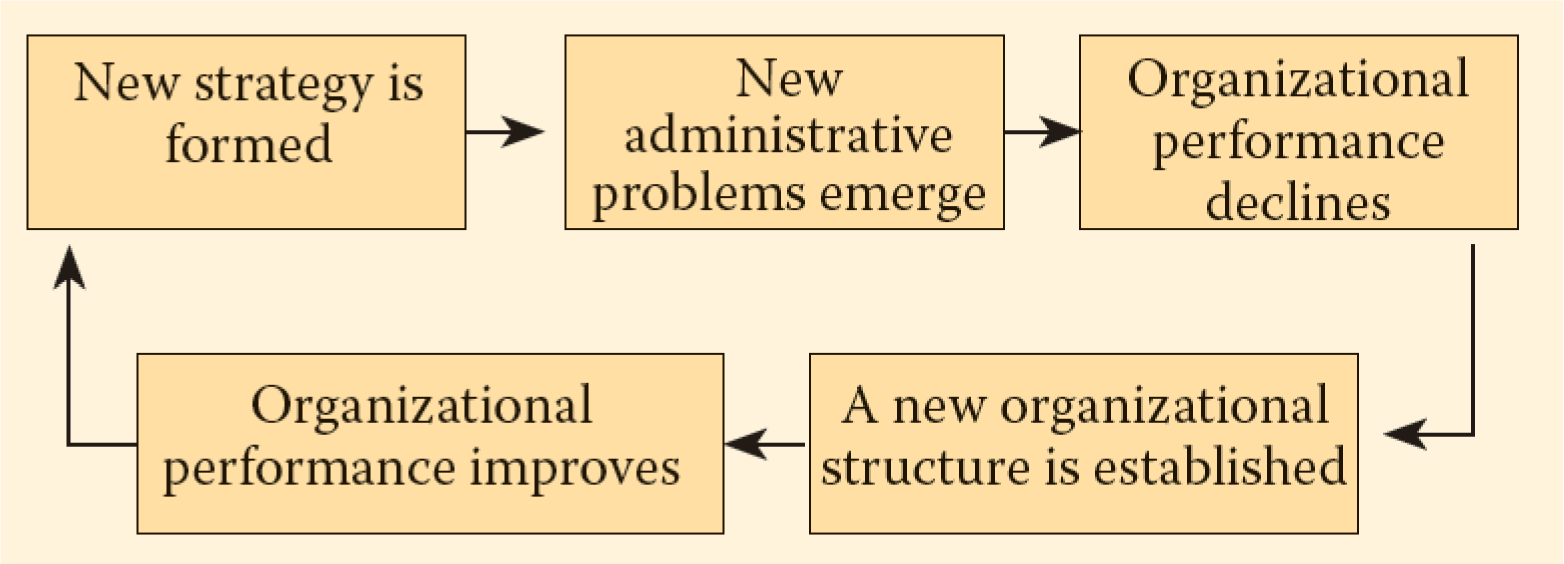
- Organizational structure, influenced by factors such as an organization's age and size, acts as a framework which reflects managers' determination of what a company does and how tasks are completed, given the chosen strategy.

- Changes in corporate strategy often require changes in the way an organization is structured for two major reasons.
  - First, structure largely dictates how operational objectives and policies will be established to achieve the strategic objectives.
  - The second major reason why changes in strategy often require changes in structure is that structure dictates how resources will be allocated to achieve strategic objectives.

- The most important issue is that the company's structure must be congruent with or fit with the company's strategy.

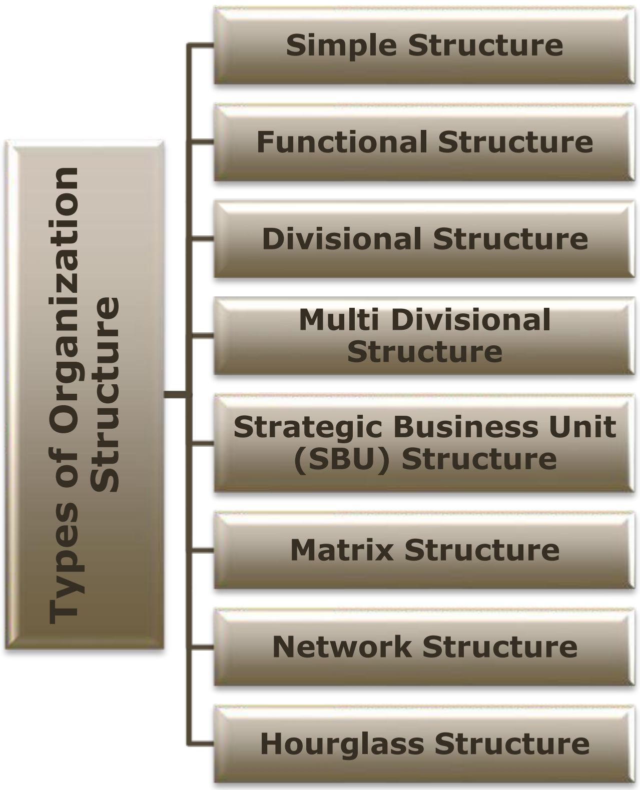
CHANDLER'S STRATEGY –STRUCTURE RELATIONSHIP

- According to Chandler, changes in strategy lead to changes in organizational structure.
- Structure should be designed or redesigned to facilitate the strategic pursuit of a firm and, therefore, structure should follow strategy.
- Chandler found a particular structure sequence to be often repeated as organizations grow and change strategy over time. There is no one optimal organizational design or structure for a given strategy.
- What is appropriate for one organization may not be appropriate for a similar firm, although successful firms in a given industry do tend to organize themselves in a similar way.
- **For example**
  - consumer goods companies tend to emulate the divisional structure-by-product form of organization.
  - Small firms tend to be functionally structured (centralized).
  - Medium-size firms tend to be divisionally structured (decentralized).
  - Large firms tend to use an SBU (strategic business unit) or matrix structure.
- As organizations grow, their structures generally change from simple to complex as a result of linking together of several basic strategies.


New strategy is formed
New administrative problems emerge
Organizational performance declines
A new organizational structure is established
Organizational performance improves

Old Organizational Design	New Organizational Design
One large corporation	Mini-business units & cooperative relationships
Vertical communication	Horizontal communication
Centralised top-down decision making	Decentralised participative decision making
Vertical integration	Outsourcing & virtual organizations
Work/quality teams	Autonomous work teams
Functional work teams	Cross-functional work teams
Minimal training	Extensive training
Specialised job design focused on individual	Value-chain team-focused job design

TYPES OF ORGANISATIONAL STRUCTURE



SIMPLE STRUCTURE

A Simple Structure is an organisational form in which the Owner-Manager makes all major decisions directly and monitors all activities, while the Company's staff merely serve as executors of decisions taken by the Owner-Manager.

Features of Simple Structure

1. Little specialization of tasks.
2. Few rules and little formalization.
3. Unsophisticated information systems.
4. Direct involvement of Owner-Manager in all phases of day-to-day operations.
5. Frequent and direct communication.

Competitive Advantages Of Simple Structure

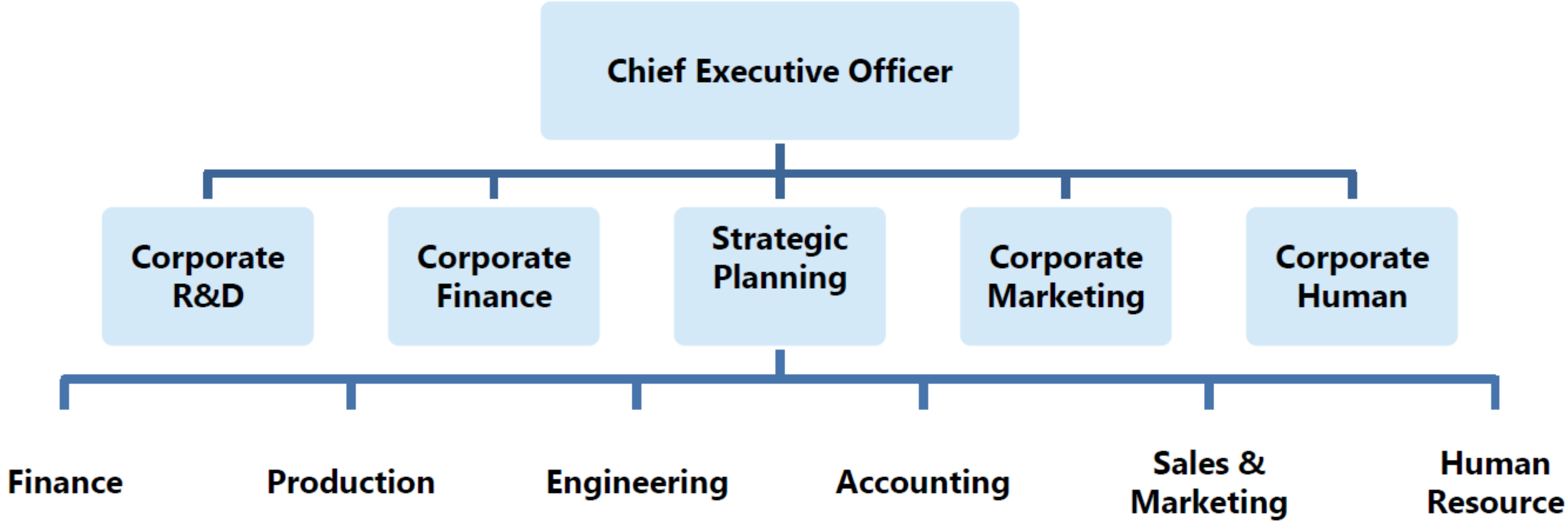
1. Appropriate for Companies that follow a single-business strategy and offer a line of products in a single geographic market.
2. Appropriate for Companies adopting focussed cost-leadership or focussed differentiation strategies.
3. A broad-based openness to innovation.
4. Greater structural flexibility,
5. An ability to respond to environmental changes, more quickly.

Demerits of Simple Structure

1. Not suitable when the Firm grows larger/ bigger.
2. Cannot manage complicated information processing requirements.
3. More pressure on Owner-Managers (due to lack of skills or experience or time).

FUNCTIONAL STRUCTURE

- A widely used structure in business organisations is functional type because of its simplicity and low cost.
- The functional structure consists of a chief executive officer or a managing director and supported by corporate staff with functional line managers in dominant functions such as production, financial accounting, marketing, R&D, engineering, and human resources.



Competitive Advantages:

1. Promotes specialization of labour,
2. Encourages efficiency,
3. Allows quick decision-making.
4. Expert can manage each department since all jobs are specialized activities and require specialists.
5. Better supervision, since an individual manager becomes familiar with related tasks and activities.
6. Better co-ordination due to specialization and efficiency among the various departments.

Disadvantages:

1. Forces accountability to the top,
2. Minimizes career development opportunities,
3. Low employee morale,
4. Creates Line-Staff Conflicts,
5. Poor Delegation of Authority,
6. Inadequate planning for products and markets.
7. Differences in functional specialization and orientation create problems in communications and co-ordination.
8. Specialists may develop narrow perspective, losing sight of the Company's strategic vision and mission.

DIVISIONAL STRUCTURE

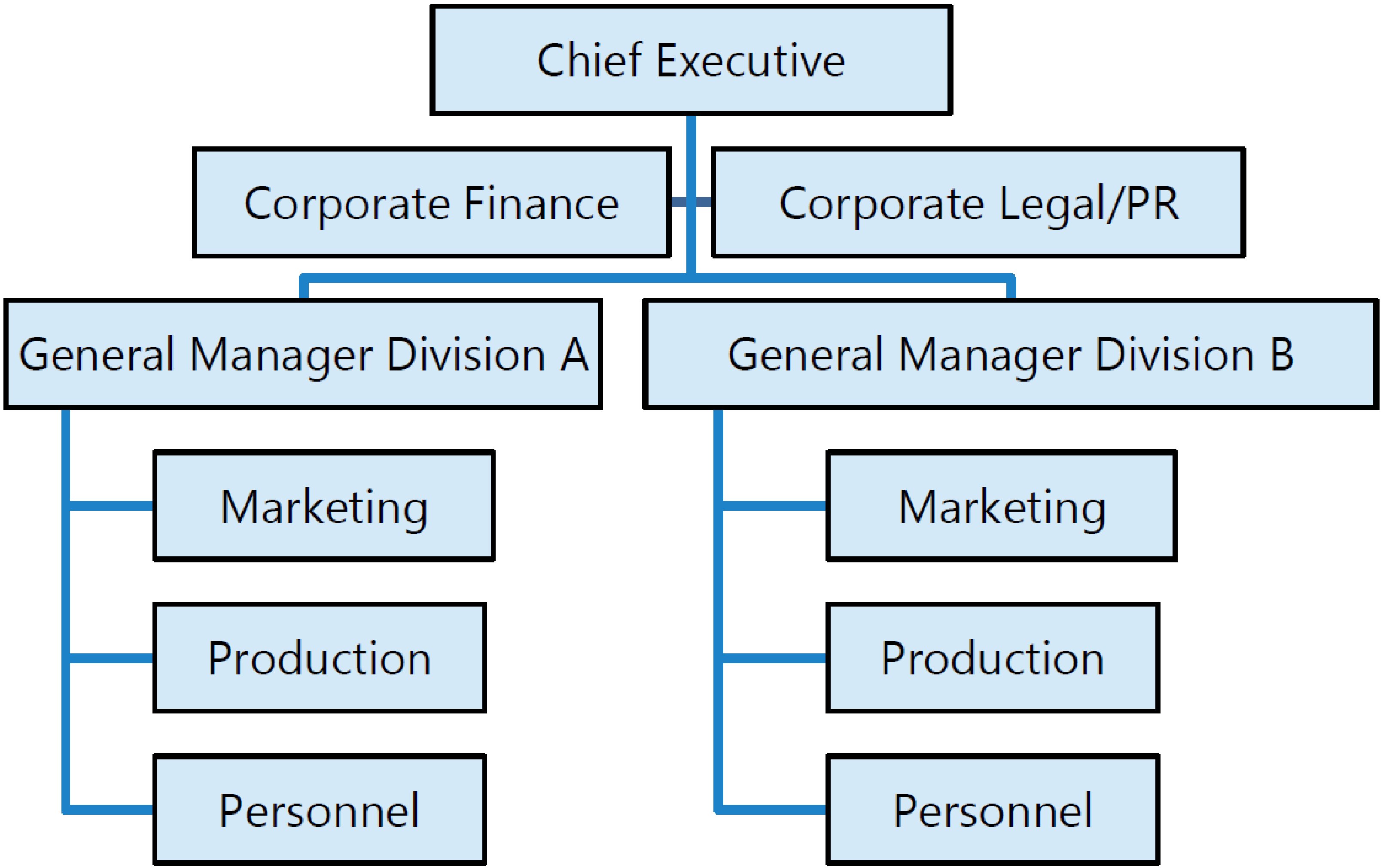
This involves creation of separate Departments (or Divisions) by –

a) **Geographic Area** - to promote local participation in decision-making and improved co-ordination in a region, e.g. Indian Railways are organized into Divisions, e.g. Southern Railway, South Central Railway, Northern Railway, etc.

b) **Product or Service** to emphasize on specific products and services which differ substantially, e.g. many Companies are organized on Product Divisions.

c) **Customer**- to cater to the needs of defined customer groups, creating Divisions based on Customer Categories.

d) **Process** - similar to a functional structure, but Divisions are also responsible for Revenue Generation, i.e. creating Divisions based on activity/process.


Chief Executive
Corporate Finance
Corporate Legal/PR
General Manager Division A
General Manager Division B
Marketing
Production
Personnel
Marketing
Production
Personnel

Merits of Divisional Structure

1. **Promotes accountability** since Division Managers can be held responsible for sales and profit levels.
2. **Employee Morale** is comparatively higher in a Divisional Structure than in a centralized structure.
3. **Career Development** opportunities for Managers, since it permits people to develop total expertise in a certain product / area/process, etc.
4. Allows better **control** of local situations.
5. Leads to a **competitive climate** within the Firm, and
6. Allows **new businesses and products** to be added easily.

Demerits of Divisional Structure

1. Each Division requires **Functional Specialists** or Experts in that product / area / market.
2. **Duplication** of staff services, facilities, and personnel, since certain activities are performed centrally and in each divisions.
3. Requires an elaborate, headquarters - driven **control system,** which may be costly.
4. Certain regions, products, or customers may receive special treatment and develop **inconsistent** traits / practices when compared to the Company's overall policy.

MULTI DIVISIONAL/ M-FORM STRUCTURE

1. The multi-divisional (M-Form) structure is composed of operating divisions where each division represents a separate business, to which the Top Management delegates responsibility for day to-day operations and business unit strategy to Division Managers.

2. **Divisions**

   a) Each Division will represent a distinct business, and have its own functional hierarchy.

   b) Division Managers would be given responsibility for managing day-to-day operations in that division.

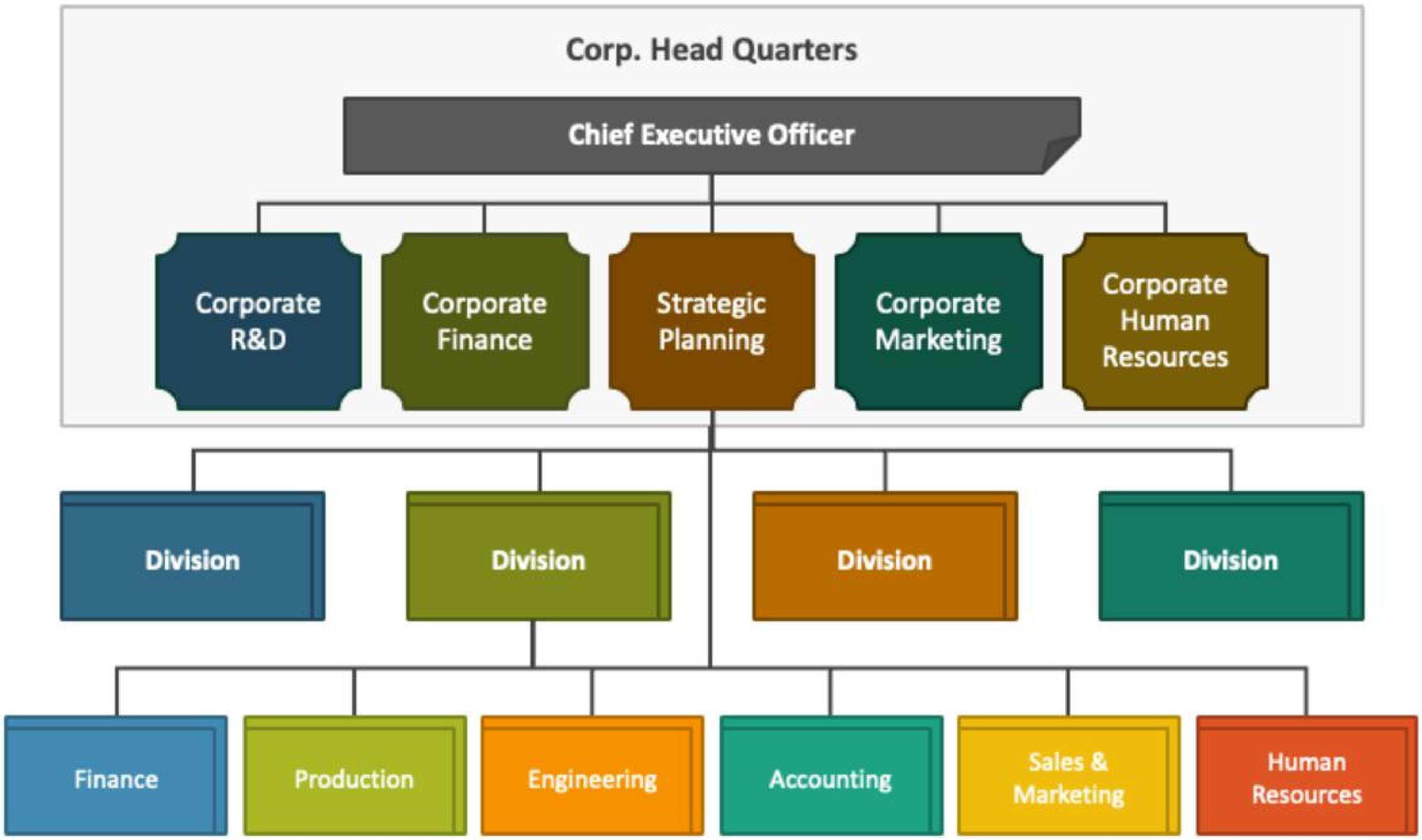
   c) In a divisional structure, functional activities are performed both centrally and in each separate division.

3. **Top Management Role**

   a) Top Management (i.e. Corporate Office) is responsible for formulating and implementing overall corporate strategy, and manages the semi-autonomous divisions through strategic & financial controls.

   b) Strategic Control refers to the operational understanding by the Top Management, of the strategies being implemented at various divisions.

   c) Financial Control enables Top Management to manage the cash flows of divisions through Cash Budgets, Profitability Statements, etc.


Corp. Head Quarters
Chief Executive Officer
Corporate R&D
Corporate Finance
Strategic Planning
Corporate Marketing
Corporate Human Resources
Division
Division
Division
Division
Finance
Production
Engineering
Accounting
Sales & Marketing
Human Resources

STRATEGIC BUSINESS UNIT

A SBU is a single business or collection of related businesses, which –

1. Offers scope for independent planning, and which might feasibly stand alone from the rest of the Firms.
2. Has its own set of Competitors.
3. Has a Manager, who has responsibility for strategic planning and implementation, and who has control over the resources and profit-influencing factors.

FEATURES OF STRATEGIC BUSINESS UNIT

1. **Planning:** An SBU can be taken up for strategic planning distinct from the rest of the businesses. Products/businesses within an SBU receive same strategic planning treatment and priorities.

2. **Regrouping:** The assortment of businesses/portfolios handled by a Company are analysed, segregated and regrouped into a few, well-defined, distinct, scientifically demarcated business units, assembled together as a distinct SBU.

3. **Identity:** In the basic factors, viz. Mission, Objectives, Competition and Strategy - each SBU will be distinct from another. Each SBU is thus, a separate business.

4. **Unrelated:** If unrelated products/ businesses could be assigned to any other SBU applying the criterion of functional relation, they are assigned accordingly, otherwise they are made into separate SBUS.

5. **Competition:** Each SBU will have its own distinct set of competitors and its own distinct strategy to deal with rivals.

6. **Manager:** Each SBU will have a Head/ Incharge (CEO), who will be responsible for strategic planning and profit performance.

ADVANTAGES OF STRATEGIC BUSINESS UNIT

1. **Scientific:** It is a scientific method of grouping the businesses of a multi-business Firm.

2. **Improvement:** It is an improvement over the territorial grouping of businesses and strategic planning based on territorial units.

3. **Clarity:** Grouping the businesses into SBUS help the Firm in strategic planning, by removing the vagueness and confusion in grouping.

4. **Resource Allocation:** It facilitates the right setting for correct strategic planning and facilitates correct relative priorities and resources to the various businesses.

RELATION BETWEEN ALL SBU'S OF A FIRM

In spite of maintaining its own identity, there may be relatedness between SBUS. Such relatedness may arise due to the following factors –

1. **Technology/ Products:** SBUS might be based on similar technologies or all provide similar sorts of products or services.

2. **Customers:** SBUS might be serving similar or different markets. Even if technology or products differ, it may be that the customers are similar.

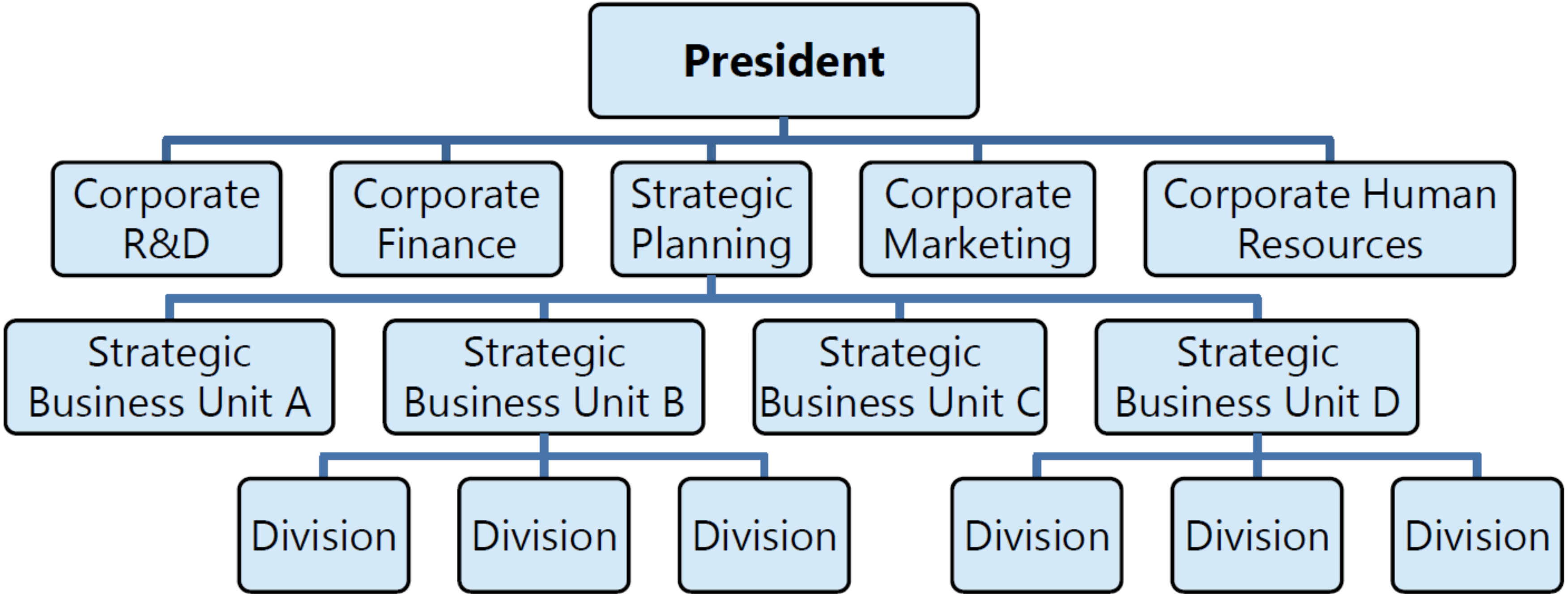
3. **Competencies:** The core competencies of SBUS may be similar, leading to overall competitive advantage, e.g. superior R&D team in each SBU, innovative marketing methods in all SBUS etc. The competitive advantage of different SBUS that are built, have similarities.

SBU STRUCTURE

1. SBU Structure groups similar divisions into Strategic Business Units and delegates authority and responsibility for each unit to a Head Senior Executive, who reports directly to the Top Management/ CEO.

2. A Strategic Business Unit (SBU) structure consists of the following levels of Management –
   a) Top Level - Corporate Headquarters, CEO and various functional heads.
   b) Second Level - SBU Groups, under the control of the SBU Head.
   c) Third Level - Divisions grouped by relatedness within each SBU.

3. Within each SBU, divisions are related to each other. However, SBU Groups (i.e. 2nd level) are unrelated to each other.


President
Corporate R&D
Corporate Finance
Strategic Planning
Corporate Marketing
Corporate Human Resources
Strategic Business Unit A
Strategic Business Unit B
Strategic Business Unit C
Strategic Business Unit D
Division
Division
Division
Division
Division
Division

ADVANTAGES OF SBU STRUCTURE

1. Within each SBU, divisions producing similar products and/or using similar technologies can be organized to achieve synergy.

2. Individual SBUS are treated as profit centres and can react more quickly to environmental changes.

3. Corporate Headquarters can concentrate on strategic planning rather than operational control.

4. SBU facilitates better co-ordination, harmony and orderliness in operations.

5. SBU promotes accountability, in respect of actions of each SBU.

6. This enables the Company to more accurately monitor the performance of individual businesses, simplifying control problems.

7. It facilitates comparisons between divisions, improving the allocation of resources and can be used to stimulate Managers to poorly performing divisions to seek ways to improve performance.

DISADVANTAGES OF SBU STRUCTURE

1. It requires an additional layer of management, which increases salary expenses.

2. The role of the Group Vice President is often ambiguous.

3. The concept is not well understood in many situations, and hence ineffective in many cases.

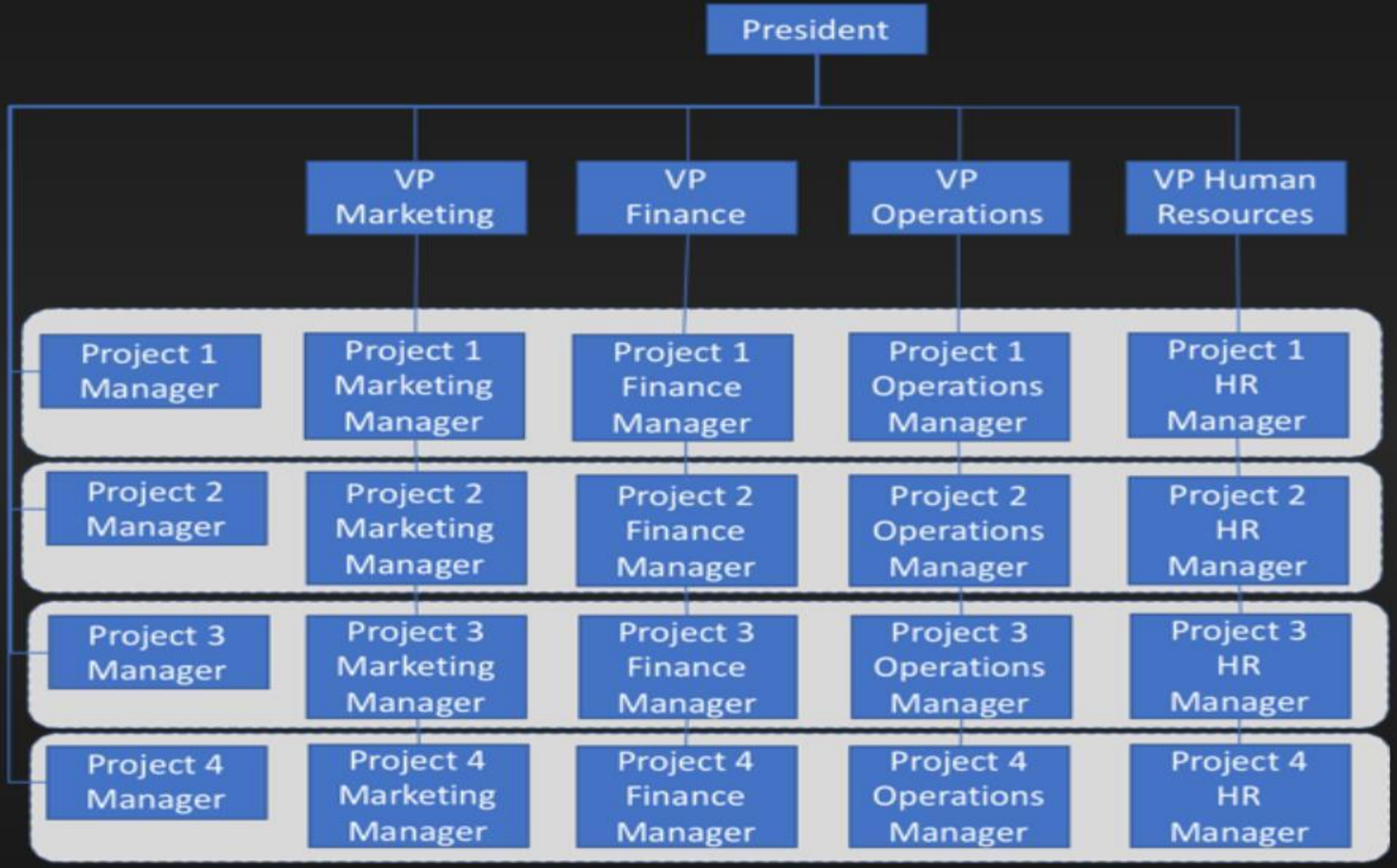
MATRIX STRUCTURE

1. A Matrix Structure is a combination of vertical and horizontal flows of authority and communication (hence the term Matrix).

2. Employees are attached to the 'Home' Department, (i.e. a Functional Department, which has personnel on a relatively permanent basis) report to their respective Functional Managers.

3. These Employees are assigned temporarily to one or more projects or project units, which are temporary. They report to the Project Manager, during the period of their assignment to that project.

4. Thus, Employees have two superiors - (i) Functional Manager (Vertical Flow) and (ii) Project or Product Manager (horizontal flow)


President
VP Marketing
VP Finance
VP Operations
VP Human Resources
Project 1 Manager
Project 1 Marketing Manager
Project 1 Finance Manager
Project 1 Operations Manager
Project 1 HR Manager
Project 2 Manager
Project 2 Marketing Manager
Project 2 Finance Manager
Project 2 Operations Manager
Project 2 HR Manager
Project 3 Manager
Project 3 Marketing Manager
Project 3 Finance Manager
Project 3 Operations Manager
Project 3 HR Manager
Project 4 Manager
Project 4 Marketing Manager
Project 4 Finance Manager
Project 4 Operations Manager
Project 4 HR Manager

EVOLUTION OF MATRIX STRUCTURE AS PROPOSED BY DAVIS & LAWRENCE

1. **Cross-functional task forces**
   - Temporary cross-functional task forces are initially used when a new product line is being introduced.
   - A project manageris in charge as the key horizontal link.

2. **Product/brand management**
   - If the cross-functional task forces become more permanent, the project manager becomes a product or brand manager and a second phase begins.
   - In this arrangement, function is still the primary organizational structure, but product or brand managers act as the integrators of semi permanent products or brands.

3. **Mature matrix**
   - The third and final phase of matrix development involves a true dual-authority structure. Both the functional and product structures are permanent.
   - All employees are connected to both a vertical functional superior and a horizontal product manager.
   - Functional and product managers have equal authority and must work well together to resolve disagreements over resources and priorities.

ADVANTAGES OF MATRIX STRUCTURE

1. Useful for specialised industries like Construction, Healthcare, Research and Defence.
2. Project objectives are clear.
3. Many channels of communication, and employees can see the visible results of their work.
4. Shutting down a project is accomplished relatively easily.

DISADVANTAGES OF MATRIX STRUCTURE

1. Higher Employee Costs, due to more management positions.
2. Complexity due to horizontal and vertical flows of authority and communication.
3. Dual lines of authority, violating the "Unity of Command" principle.
4. Dual reporting channels, leading to chaos and confusion.
5. Sharing of authority, leading to conflicts between Managers.
6. Conflicts in Resource Allocation decisions.

SITUATIONS WHEN MATRIX STRUCTURE CAN USED

Matrix Structure is often found in a Firm or within an SBU when -

1. Ideas need to be cross-integrated across various projects or products,
2. Resources are scarce,
3. Abilities to process information and to make decisions need to be improved.
4. External Environment (technological and market factors) is very complex, changeable and uncertain.

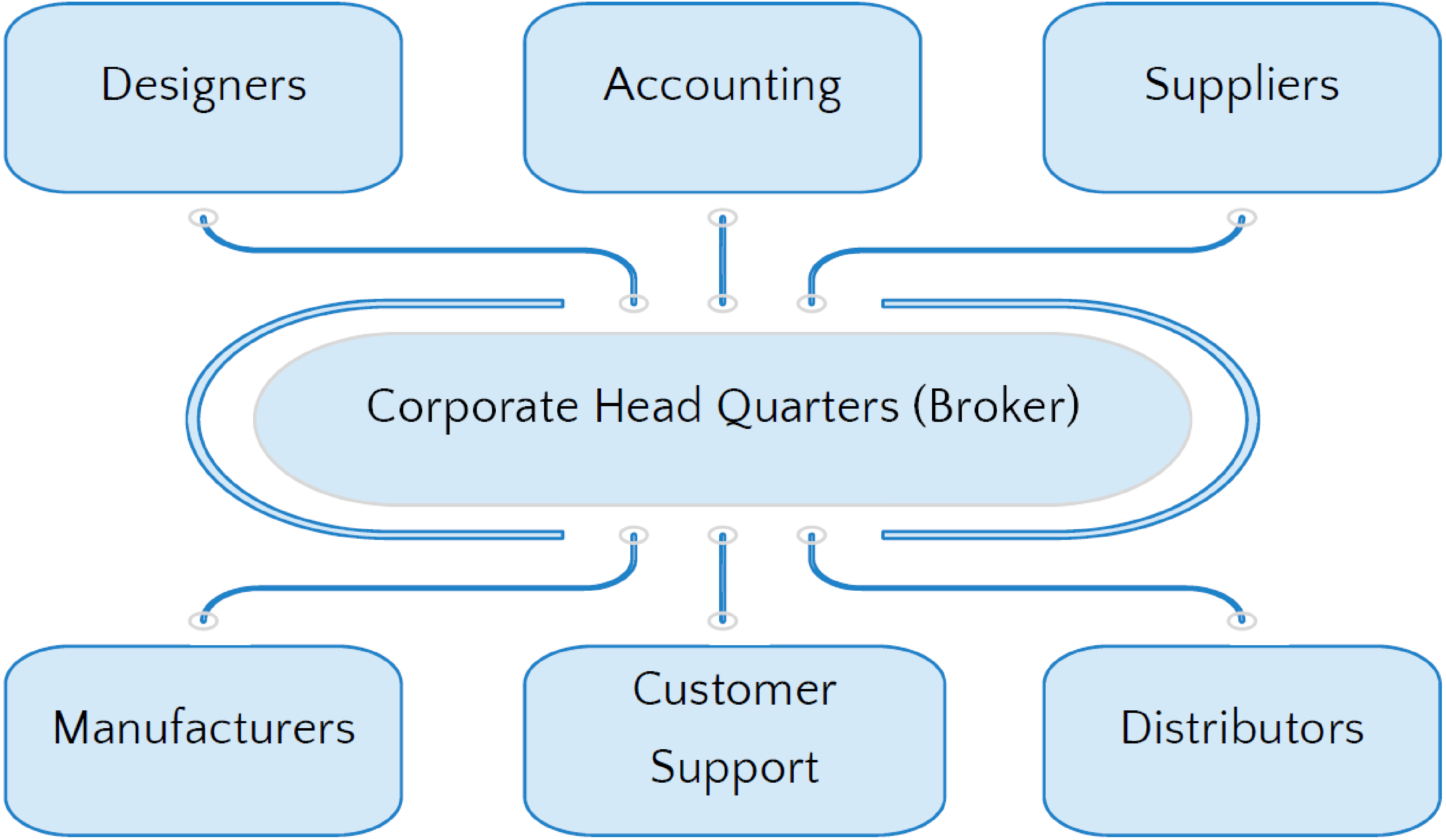
NETWORK STRUCTURE

1. The Network Organization is a series of independent Firms or business units linked together by computers in an information system that designs, produces, and markets a product or service.

2. It is called a "virtual organization", because it is composed of a series of project groups or collaborations linked by constantly changing non-hierarchical, cobweb-like networks.

3. Instead of having salaried employees, the Firm may contract with people for a specific project or length of time. Long-term contracts with Suppliers and Distributors replace services that the Company could provide for itself through vertical integration.

4. Instead of being located in a single building or area, the Firm's business functions are scattered worldwide. The Firm is, in effect, only a shell, with a small Headquarters acting as a "Broker", electronically connected to some fully-owned Divisions, partly-owned Subsidiaries, and other independent Companies.


Designers
Accounting
Suppliers
Corporate Head Quarters (Broker)
Manufacturers
Customer Support
Distributors

ADVANTAGES OF NETWORK STRUCTURE

1. Most useful when the environment of a Firm is unstable and is expected to remain so.
2. Strong need for innovation and quick response.
3. Increased flexibility and adaptability to cope with rapid technological change.
4. Allows a Company to concentrate on its distinctive competencies, while gathering efficiencies from other

DISADVANTAGES OF NETWORK STRUCTURE

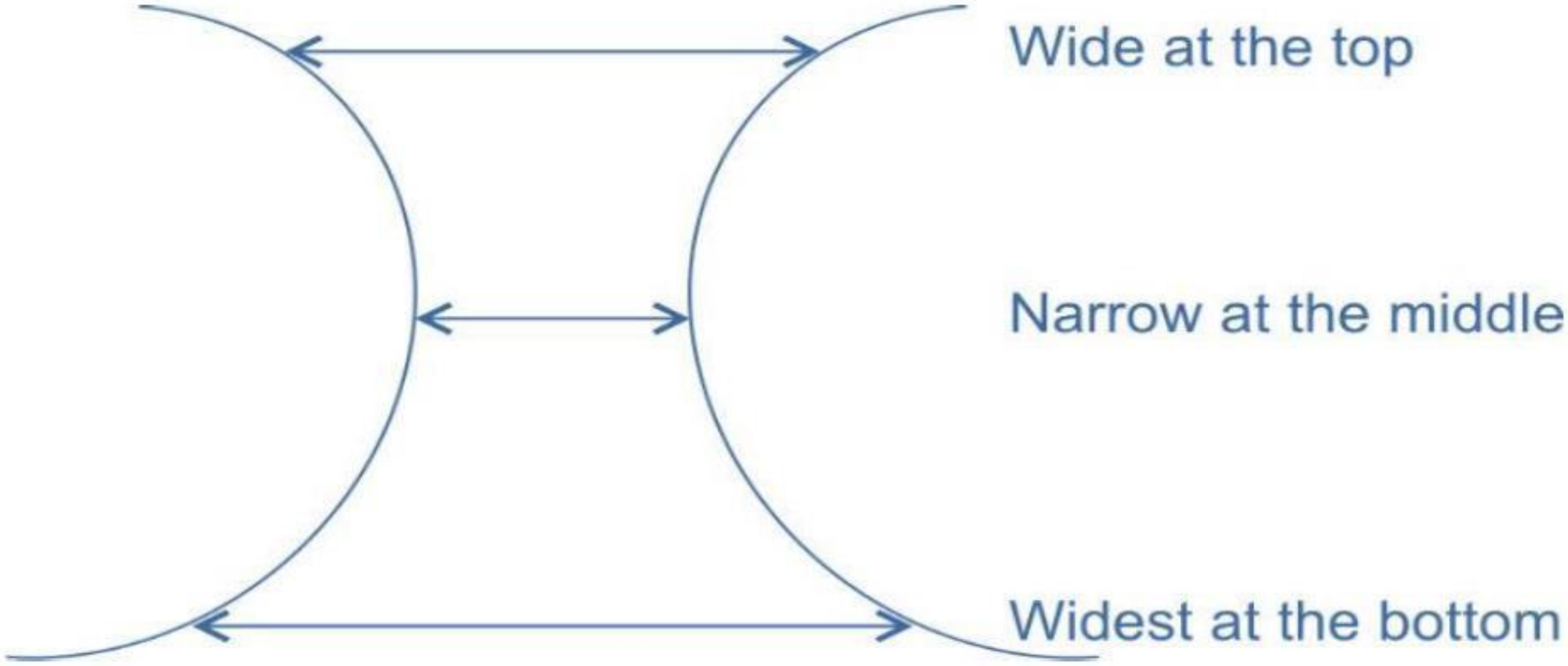
1. Availability of numerous potential partners can be a source of trouble.
2. Contracting out functions to separate Suppliers / Distributors may keep the Firm from discovering any synergies by combining activities.
3. If a Firm over-specialises on only a few functions, it runs the risk of choosing the wrong functions and thus becoming non-competitive.

HOURGLASS STRUCTURE

1. Hourglass Organization Structure consists of three layers with a constricted Middle Layer.

2. Information Technology links the top and bottom levels in the organization taking away many tasks that are performed by the Middle Level Managers.

3. Traditional Middle Level Managers are often Specialists. But the Managers in the Hourglass Structure are generalists and perform wide variety of tasks. They would be handling cross- functional issues in marketing, finance or production.


Wide at the top
Narrow at the middle
Widest at the bottom

MERITS OF HOURGLASS STRUCTURE

1. Reduced Costs.
2. Better Responsiveness in decisions, since decision making authority is shifted close to the source of information so that it is faster.

DEMERITS OF HOURGLASS STRUCTURE

1. Promotion opportunities for the lower levels diminish significantly, due to reduced size of middle management.
2. Continuity at same level may bring monotony and lack of interest and it becomes difficult to keep the motivation levels high.

ORGANISATIONAL CULTURE

1. Corporate Culture refers to a Company's values, beliefs, business philosophy and principles, traditions, work climate, ways of operating and approaching problems, & internal work environment.

2. The Firm's own ingrained beliefs and behaviour, thought patterns, business practices, and personality, lead to its corporate culture.

3. Corporate Culture originates from the complex combination of sociological forces operating within the Company. It is reflected in -
   a) values and business principles that management preaches and practices,
   b) ethical standards and official policies,
   c) dealings with employees, unions, stockholders, vendors, and the communities in which the Firm operates,
   d) traditions the organization maintains,
   e) supervisory practices,
   f) employees' attitudes and behaviour,
   g) legends people repeat about happenings in the Firm,
   h) peer pressures, organization's politics, "chemistry" and the "vibrations" that permeate the work environment.

CORPORATE CULTURE – STRENGTH OR WEAKNESS

1. Whether Culture is an ally or obstacle to strategy execution / implementation, depends on the compatibility between the Company's strategy and its culture. If there is compatibility between strategy and culture, then the culture becomes a valuable ally in Strategy Implementation.

2. When the culture is in conflict with the aspect of the Company's direction, performance targets or strategy, the culture becomes a stumbling block that impedes successful strategy implementation and execution. A sizable and prolonged strategy-culture conflict weakens and may even defeat managAerial efforts to make the strategy work.

3. A Strategy-Culture Conflict requires - (a) revamping strategy to produce cultural fit, and also (b) revamping the mismatched cultural features to produce strategy fit.

IMPORTANCE OF CORPORATE CULTURE

1. **Motivation:** A culture grounded in values, practices, and behavioral norms helps energize people throughout the Company, to do their jobs in a strategy-supportive manner, adding significantly to the power and effectiveness of strategy execution.

2. **Creativity:** A culture with creativity, embracing change, and challenging the status quo is conducive to successful execution of a product innovation and technological leadership strategy.

3. **Customer Service:** A culture built around business principles like motivating employees for their work, and enabling employees to take part in decision-making promotes strategy of superior customer service.

4. **Influence:** Proper alignment of Culture and Strategy channelises employees' behaviour and influences them to work in a strategy-supportive fashion.

5. **Operations:** Strategy-supportive cultures shape the mood, temperament, and motivation of the workforce, positively affecting organizational energy, work habits and operating practices, and the degree to which organizational units co-operate.

Thus, a ‘good fit' between Culture and Strategy makes employees stimulated to take on the challenge of realizing the Company's vision, do their jobs competently and with enthusiasm, and collaborate with others, to effectively implement the strategy.

PROCESS OF CHANGING A PROBLEM CULTURE

Concerted management action is required over a period of time to replace an unhealthy culture with a healthy culture or to root out certain unwanted cultural obstacles and instill ones that are more strategy-supportive.

1. Diagnose which facets of the present culture are strategy supportive and which are not.

2. Talk openly and forthrightly to all concerned about those aspects of the culture that have to be changed.

3. Follow-up with visible, aggressive actions to modify the culture-actions that everyone will understand are intended to establish a new culture more in tune with the strategy.

4. Revising policies and procedures in ways that will help drive cultural change.

5. Alter incentive compensation to reward the desired cultural behaviour,

6. Visibly praise and recognize people who display the new cultural traits,

7. Recruit and hire new managers and employees who have the desired cultural values and can serve as role models for the desired cultural behaviour, replacing key executives who are strongly associated with the old culture,

8. Communicate to employees the basis for cultural change and its benefits to all concerned.

9. Enlist the support of First Line Supervisors and Employee Opinion Leaders, convincing them of the merits of practicing and enforcing cultural norms at the lowest levels in the organization.

STRATEGIC LEADERSHIP

- Strategic leadership sets the firms direction by developing and communicating vision of future, formulate strategies in the light of internal and external environment, brings about changes required to implement strategies and inspirethe staff to contribute to strategy execution.

- A manager as a strategic leader has to play many leadership roles to play: visionary, chief entrepreneur and strategist, chief administrator, culture builder, resource acquirer and allocator, capabilities builder, process integrator, crisis manager, spokesperson, negotiator, motivator, arbitrator, policy maker, policy enforcer, and head cheerleader.

- A strategic leader is a change agent to initiates strategic changes in the organisations and ensure that the changes successfully implemented.

- Managers have five leadership roles to play in pushing for good strategy execution:

  1. Staying on top of what is happening, closely monitoring progress, solving out issues, and learning what obstacles lie in the path of good execution.
  2. Promoting a culture of *esprit de corps* that mobilizes and energizes organizational members to execute strategy in a competent fashion and perform at a high level.
  3. Keeping the organization responsive to changing conditions, alert for new opportunities, bubbling with innovative ideas, and ahead of rivals in developing competitively valuable competencies and capabilities.
  4. Exercising ethical leadership and insisting that the company conduct its affairs like a model corporate citizen.
  5. Pushing corrective actions to improve strategy execution and overall strategic performance.

LEADERSHIP ROLE IN STRATEGY IMPLEMNENTATION

❖ The strategic leaders must be able to use the strategic management process effectively by guiding the company in ways that result in the formation of strategic intent and strategic mission, facilitating the development and implementation of appropriate strategic plans and providing guidance to the employees for achieving strategic goals.

❖ Strategic leadership entails the ability to anticipate, envision, maintain flexibility, and empower others to create strategic change as necessitated by external environment. In other words, strategic leadership represents a complex form of leadership in companies.

❖ A manager with strategic leadership skills exhibits the ability to guide the company through the new competitive landscape by influencing the behaviour, thoughts, and feelings of co-workers, managing through others and successfully processing or making sense of complex, ambiguous information by successfully dealing with change and uncertainty.

RESPONSIBILITY OF STRATEGIC LEADER

- Making strategic decisions.
- Formulating policies and action plans to implement strategic decision.
- Ensuring effective communication in the organisation.
- Managing human capital (perhaps the most critical of the strategic leader's skills).
- Managing change in the organisation.
- Creating and sustaining strong corporate culture.
- Sustaining high performance over time.

BASIC APPROACHES TO STRATEGIC LEADERSHIP

Transformational leadership style

1. Transformational leadership style uses charisma and enthusiasm to inspire people to exert them for the good of the organization.

2. Transformational leadership style may be appropriate in turbulent environments, in industries at the very start or end of their life-cycles, in poorly performing organizations when there is a need to inspire a company to embrace major changes.

3. Transformational leaders offer excitement, vision, intellectual stimulation and personal satisfaction. They inspire involvement in a mission, giving followers a ‘dream’ or ‘vision’ of a higher calling so as to elicit more dramatic changes in organizational performance.

4. Transformational leadership motivates followers to do more than originally affected to do by stretching their abilities and increasing their self-confidence, and also promote innovation throughout the organization.

Transactional leadership style

1. **Transactional leadership style** focuses more on designing systems and controlling the organization’s activities and are more likely to be associated with improving the current situation.

2. Transactional leaders try to build on the existing culture and enhance current practices.

3. Transactional leadership style uses the authority of its office to exchange rewards.

4. They prefer a more formalized approach to motivation, setting clear goals with explicit rewards or penalties for achievement or non-achievement.

5. Transactional leadership style may be appropriate in static environment, in mature industries, and in organizations that are performing well.

6. The style is better suited in persuading people to work efficiently and run operations smoothly.

STRATEGIC CONTROL

- Controlling is one of the important functions of management and is often regarded as the core of the management process.
- It is a function intended to ensure and make possible the performance of planned activities and to achieve the pre-determined goals and results.
- Control is intended to regulate and check the behaviour of events and people, to place restraints and curbs on undesirable tendencies, to make people conform to certain norms and standards, to measure progress to keep the system on track.
- It is also to ensure that what is planned is translated into results, to keep a watch on proper use of resources, on safeguarding of assets and so on.
- The controlling function involves monitoring the activity and measuring results against pre-established standards, analysing and correcting deviations as necessary and maintaining/adapting the system. It is intended to enable the organisation to continuously learn from its experience and to improve its capability to cope with the demands of organisational growth and development.
- The process of control has the following elements:

  a) Objectives of the business system which could be operationalized into measurable and controllable standards.

  b) A mechanism for monitoring and measuring the performance of the system.

  c) A mechanism (i) for comparing the actual results with reference to the standards (ii) for detecting deviations from standards and (iii) for learning new insights on standards

  d) A mechanism for feeding back corrective and adaptive information and instructions to the system, for effecting the desired changes to set right the system to keep it on course.

TYPES OF ORGANISATIONAL STRATEGIC CONTROL

Operational Control

- The thrust of operational control is on individual tasks or transactions as against total or more aggregative management functions.
- **For example**, *procuring specific items for inventory is a matter of operational control, in contrast to inventory management as a whole.*
- One of the tests that can be applied to identify operational control areas is that there should be a clear-cut and somewhat measurable relationship between inputs and outputs which could be predetermined or estimated with least uncertainty.
- Many of the control systems in organisations are operational and mechanistic in nature.
- The control activity consists of regulating the processes within certain 'tolerances', irrespective of the effects of external conditions on the formulated standards, plans and instructions.
- Some of the examples of operational controls can be stock control (maintaining stocks between set limits), production control (manufacturing to set programmes), quality control (keeping product quality between agreed limits), cost control (maintaining expenditure as per standards), budgetary control (keeping performance to budget).

Management Control

- When compared with operational control, management control is more inclusive and more aggregative, in the sense of embracing the integrated activities of a complete department, division or even entire organisation, instead or mere narrowly circumscribed activities of sub-units.
- The basic purpose of management control is the achievement of enterprise goals both short range and long range in a most effective and efficient manner.
- The term management control is defined by Robert Anthony as ‘the process by which managers assure the resources are obtained and used effectively and efficiently in the accomplishment of the organisation’s objectives.
- Controls are necessary to influence the behaviour of events and ensure that they conform to plans.

Strategic Control

- According to Schendel and Hofer “Strategic control focuses on the dual questions of whether: (1) the strategy is being implemented as planned; and (2) the results produced by the strategy are those intended.”
- There is often a time gap between the stages of strategy formulation and its implementation. A strategy might be affected on account of changes in internal and external environments of organisation.
- There is a need for warning systems to track a strategy as it is being implemented.
- Strategic control is the process of evaluating strategy as it is formulated and implemented. It is directed towards identifying problems and changes in premises and making necessary adjustments.

TYPES OF STRATEGIC CONTROL

1. **Premise control**

- A strategy is formed on the basis of certain assumptions or premises about the complex and turbulent organizational environment. Over a period of time these premises may not remain valid.
- Premise control is a tool for systematic and continuous monitoring of the environment to verify the validity and accuracy of the premises on which the strategy has been built.
- It primarily involves monitoring two types of factors:

  I. Environmental factors such as economic (inflation, liquidity, interest rates), technology, social and legal-regulatory.

  II. Industry factors such as competitors, suppliers, substitutes.

- It is neither feasible nor desirable to control all types of premises in the same manner. Different premises may require different amount of control. Thus, managers are required to select those premises that are likely to change and would severely impact the functioning of the organization and its strategy.

2. **Strategic surveillance**

- Contrary to the premise control, the strategic surveillance is unfocussed.
- It involves general monitoring of various sources of information to uncover unanticipated information having a bearing on the organizational strategy.
- It involves casual environmental browsing. Reading financial and other newspapers, business magazines, attending meetings, conferences, discussions and so on can help in strategic surveillance.
- Strategic surveillance may be loose form of strategic control but is capable of uncovering information relevant to the strategy.

3. Special alert control

- At times, unexpected events may force organizations to reconsider their strategy. Sudden changes in government, natural calamities, terrorist attacks, unexpected merger/acquisition by competitors, industrial disasters and other such events may trigger an immediate and intense review of strategy.
- To cope up with such eventualities, the organisations form crisis management teams to handle the situation.

4. Implementation control

- Managers implement strategy by converting major plans into concrete, sequential actions that form incremental steps.
- Implementation control is directed towards assessing the need for changes in the overall strategy in light of unfolding events and results associated with incremental steps and actions.
- Strategic implementation control is not a replacement to operational control. Unlike operational control, it continuously monitors the basic direction of the strategy.
- The two basic forms of implementation control are:

  (i) **Monitoring strategic thrusts**: Monitoring strategic thrusts helps managers to determine whether the overall strategy is progressing as desired or whether there is need for readjustments.

  (ii) **Milestone Reviews**: All key activities necessary to implement strategy are segregated in terms of time, events or major resource allocation. It normally involves a complete reassessment of the strategy. It also assesses the need to continue or refocus the direction of an organization.

STRATEGIC PERFORMANCE MEASURES

- A company's performance depends heavily on execution of strategy. Companies that continuously outperform their competitors are those who execute well. Executives in a variety of businesses should explore about utilizing strategic performance measurement (SPM).
- SPM is a method that increases executives' understanding of an organization's strategic goals and offers a continuous system for tracking progress towards these objectives using clear-cut performance measurements.
- SPM helps to eliminate silos by establishing a common language among all divisions of the organisation so they may communicate openly and productively.
- Strategic performance measures are key indicators that organizations use to track the effectiveness of their strategies and make informed decisions about resource allocation. The measures provide a snapshot of the organization's performance, enabling leaders to assess whether their strategies are aligned with their goals and objectives and to make necessary adjustments to improve their performance.
- Key performance measures and indicators must be created, selected, combined into reports and acted upon so that strategy implementation can have tangible outcomes.
- Firstly, there needs to be a clear cause and effect relationship between the indicators and strategic outcomes. Secondly, KPIs need to be carefully chosen because they will influence the behaviour of people within the organisation. However, managers should be aware of paralysis by over analysis.
- Effective strategic performance measures should be relevant, meaningful, and easy to understand and should be regularly reviewed and updated to ensure their continued alignment with the organization's goals and objectives.

TYPES OF STRATEGIC PERFORMANCE MEASURES

- **Financial Measures**: Financial measures, such as revenue growth, return on investment (ROI), and profit margins, provide an understanding of the organization's financial performance and its ability to generate profit.
- **Customer Satisfaction Measures**: Customer measures, such as customer satisfaction, customer retention, and customer loyalty, provide insight into the organization's ability to meet customer needs and provide high-quality products and services.
- **Market Measures**: Market measures, such as market share, customer acquisition, and customer referrals, provide information about the organization's competitiveness in the marketplace and its ability to attract and retain customers.
- **Employee Measures**: Employee measures, such as employee satisfaction, turnover rate, and employee engagement, provide insight into the organization's ability to attract and retain talented employees and create a positive work environment.
- **Innovation Measures:** Innovation measures, such as research and development (R&D) spending, patent applications, and new product launches, provide insight into the organization's ability to innovate and create new products and services that meet customer needs.
- **Environmental Measures:** Environmental measures, such as energy consumption, waste reduction, and carbon emissions, provide insight into the organization's impact on the environment and its efforts to operate in a sustainable manner

IMPORTANCE OF STRATEGIC PERFORMANCE MEASURES

- **Goal Alignment:** Strategic performance measures help organizations align their strategies with their goals and objectives, ensuring that they are on track to achieve their desired outcomes.

- **Resource Allocation:** Strategic performance measures provide organizations with the information they need to make informed decisions about resource allocation, enabling them to prioritize their efforts and allocate resources to the areas that will have the greatest impact on their performance.

- **Continuous Improvement:** Strategic performance measures provide organizations with a framework for continuous improvement, enabling them to track their progress and make adjustments to improve their performance over time.

- **External Accountability:** Strategic performance measures help organizations demonstrate accountability to stakeholders, including shareholders, customers, and regulatory bodies, by providing a clear and transparent picture of their performance.

CONSIDERATIONS IN SELECTING RIGHT STRATEGIC PERFORMANCE MEASURES

- **Relevance:** The measure should be relevant to the organization's goals and objectives and provide information that is actionable and meaningful.

- **Data Availability:** The measure should be based on data that is readily available and can be collected and analyzed in a timely manner.

- **Data Quality:** The measure should be based on high-quality data that is accurate and reliable.

- **Data Timeliness:** The measure should be based on data that is current and up-to-date, enabling organizations to make informed decisions in a timely manner.