

## Strategic Implementation

The process of allocating and controlling resources to support chosen strategies.



Discussion - page 644 – IT at Volkswagen



## Today – Business Plans

- ▶ Evaluate the importance of business plans and corporate planning to strategic implementation

### *Business Plan*

*a written document that describes a business, its market, financial forecasts, and its objectives and the strategies it will use to achieve them.*



## Importance of Business Plans

- Obtain finance for start-ups or expanding businesses
- Improve success chances through detailed planning
- Financial forecasts used as SMART targets to judge success
- **Often used to achieve short term goals**



## Corporate Plans

*A methodical plan, usually for existing businesses, containing details of the organisation's central objectives and the strategies to be followed to achieve them.*

- Tend to be more long-term and applicable for the entire business (profit growth, market share target)
- Have detailed strategies derived from strategic analysis and choice investigations (SWOT/Ansoff etc.)



## Evaluating Planning

<p>Helps manage resources Improves chances success Helps <u>coordinate depts</u> through objective setting/MBO. Helps maintain control Investment - tracks/structures. Government/public scrutiny</p>	<p>Needs to be adjusted for PEST. Over-plan - inflexibility Time/cost concerning <i>hard in large orgs.</i> Needs communicating appropriately Accuracy - <del>not</del> monitored.</p>
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## Corporate Culture

*The values, attitudes and beliefs of the people working in an organisation that control the way they interact with each other and with external stakeholder groups.*

“the way we do things around here”

*“culture is such a powerful force in any organisation that A-Level students should take every opportunity to make reference to it as a factor that might explain behaviour or strategy”*



## The Main Types of Culture

1. Power
2. Role
3. Task
4. Person
5. Entrepreneurial

Use pages 648-9 to write definitions, backed up with examples based on activity 37.2 (page 649)



## Important points

- ▶ There is no ‘right’ or ‘wrong’ culture – it will depend on the objectives, market, values and expectations of the organisation
- ▶ Culture may be different between departments in an organisation



## Changing culture

What circumstances will bring about a change in organisational culture?

Read 'President Supermarkets' on page 652



## Barriers and Approaches

Time – process could take years before all staff are fully 'converted'

Challenging deeply engrained attitudes and processes

Disruptive change to personnel, job roles, communication and procedures

- Focus on the positives
- Obtain full commitment and leading by example
- Renew mission statement, objectives and communicate
- Communication and explanation
- Bottom-up participation
- Training
- Update reward system to reflect new culture



## Culture and Implementation

- ▶ Culture can 'make' or 'break' a new strategic choice or change
  - Which culture would be best for effective implementation?
- ▶ 'Strong' culture (very widespread sharing of common beliefs and practices, near-full acceptance) will adapt and commit to change more quickly and effectively.



## Change Management

*Planning, implementing, controlling and reviewing the movement of an organisation from its current state to a new one*

Several steps involved

1. Understand what change means
2. Recognise the major causes of change
3. Understand the stages of the change process
4. Lead change, not just manage it
5. Allocate project champions
6. Form project groups/teams

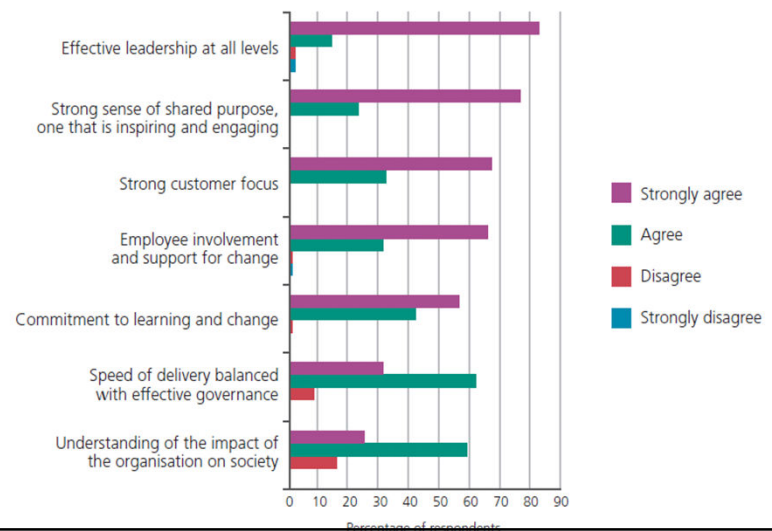


### Promoting Change

- ▶ Firms need people to at least accept change if it cannot be celebrated or embraced
- ▶ Needs to be 'sold'
- ▶ What are the implications if done well/badly?



Figure: The capabilities organisations need to rapidly respond to change



### Why do people resist change?

o Scared - (redundancy)  
 - more/harder work  
 - failing

o No-one likes change  
 Maslow - security need

o Lack of trust



### Evaluating change

- ▶ It is inevitable, and can provide opportunities and results for stakeholders – not always negative
- ▶ Can be a threat, but needs to be accepted
- ▶ Businesses need to
  - Accept change
  - Embrace it and make the most of it
  - Consider the effects on the workforce and take action to reduce resistance – honesty, communication, leadership and support

