



FIGURE 1.1: The strategic management process

STRATEGIC IMPLEMENTATION.

Strategy implementation is the process that turns strategic plans into a series of action tasks, and ensures that these tasks are executed in such a way that the objectives of the strategic plan are achieved.

	<u>Strategic Planning</u>	<u>Strategic Implementation</u>
Involvement	Top Management Level	All Management Entire Work Force.
Skills	Analytical and Intuitive Skills	Strong Motivation Leadership Skills
Driven Activity	Market Driver Activity	Operations-driven Activity.

The first step in designing your presentation is to identify the objective of the presentation. Here the objective is to convince the CEO's top management team that strategy implementation is an important component of the strategic management process.

The next step is to think of the key points that you need to address in order to convince the audience of the importance of strategy implementation.

Once you have done this, you may find it helpful to include notes on each of these key points, to ensure that you say, and remember to say, everything that you want to convey.

Remember to include an introduction and conclusion in your presentation. Experts on presentations emphasise that your opening comments and closing comments are very important to firstly create a good impression and secondly to make the audience remember your presentation and reflect on it.

1.5 Challenges of strategy implementation

Firstly, organisations place too much emphasis on strategic planning and not implementing these plans into action.

Strategy implementation involves change and change implies risks. If an organisation cannot accommodate change and if it is averse to risk, strategy implementation becomes very difficult.

The volatile business environment in which organisations in the 21st century find themselves. Changes from outside the organisation may require organisations to adapt the chosen strategy or strategies before their implementation is complete.

The rules of management have also changed.

1.6 Barriers to successful strategy implementation

Vision Barrier

Only 5% of the workforce understand the vision and strategy.

- 1 The Executives of an organisation are not clear themselves on what the organisation's vision and strategy means.
- 2 Some executives may have risen in the organisation from functional areas and do not have experience of strategic management.
- 3 They may not be able to convey the vision and strategy of the organisation to their division clearly.
Failure to communicate the vision and strategy may confuse the work force.
- 4 If lower levels of management and the work force do not know or understand the organisation's vision and strategy, they will be unable to understand their role in the execution of the organisation's strategy and employees are seldom committed to achieving a strategic plan if they do not understand it.

Management Barrier

85% of top management teams spend less than an hour on strategy.

- 1 Too often executives are focused on solving short-term problems and not enough time is spent on strategic management.
- 2 Some executives, as they are promoted from functional areas, remain involved in functional issues, instead of focusing on strategic issues as they rise in the organisation.

Resource Barrier

60% of organisations do not link their resource allocation plans or budgets to the chosen strategy or strategies.

People Barrier

Only 25% of managers have rewards linked to strategy.

Reasons for loss of the potential value of a strategic plan:

- inadequate resources
- poorly communicated strategy
- implementation actions that are not clearly defined
- unclear accountability for implementation actions and initiatives
- the existence of organisational silos and a culture resistant to change
- inadequate performance targets
- inadequate rewards
- poor leadership

1.7 Strategy implementation and corporate governance

Good corporate governance and corporate citizenship are equally important in strategic planning and strategy implementation.

The King II Report emphasises that it is the responsibility of the board of directors to ensure that management implements the chosen strategy or strategies and also monitors that implementation.

If an organisation fails to stick to the principles of good corporate governance and corporate citizenship in its execution of its chosen strategy or strategies, it will not be able to implement those strategies successfully.

Strategy implementation should take issues such as social responsibility, environmental responsibility, stakeholder engagement and sustainability into consideration at all times.

1.8 Change – a fundamental implementation issue

The ability to manage change is fundamental to an effective organisation, with managers and all employees being supportive of rather than resistant or hostile to the proposed change. Sometimes management itself must be changed to implement new strategies and to take the organisation to the next level.

It is important that strategy is clearly communicated.

Key features of change management:

- 1 Dissatisfaction with the present strategy.
- 2 The vision of a better alternative or desired future state.
- 3 A strategy for implementing the change.
- 4 Resistance to some of the new proposals of the strategy at some stage.

Strategic Change

Strategic change includes all the efforts and actions that are taking place to move an organisation from its present state toward the desired future state to increase its competitive position and profitability.

Requirements for strategic change

- 1 *A perceived need* for change that originates with either a strategic leader or other managers who are aware of the possibilities.
- 2 *The necessary resources* (competencies as well as physical resources) to implement the change.
- 3 *Commitment* from managers and employees to support the change.

There are four different types of strategic change.

- 1 *Adaption*
The current organisation setting can facilitate the incremental change that must happen in order to achieve the desired goals. It is only necessary to adapt to this new situation.
- 2 *Reconstruction*
The current organisational setting can handle a change that involves a sudden alteration in the market conditions. It may be that only the reconstruction of processes and policies is required to implement the new strategy.
- 3 *Evolution*
This strategy involves fundamental changes in the way the organisation has to deal with the situation, but it can happen over time. However, if the lack of urgency may cause strategic drift. The ideal situation is that the organisation must become a learning organisation to manage this change.
- 4 *Revolution.*
The strategy involves fundamental changes as a result of sudden and fast-changing conditions. There may be a threat of a hostile takeover, in which case the organisation will have to implement a new strategy very fast.

Some of the strategic issues associated with change are:

- Time
 - Scope
 - Diversity
 - Capacity
 - Readiness
 - Capability
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