STRATEGIC MANAGEMENT
Lesson 8:
Implementing strategies Part 1

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Chapter Description

- **Expected Outcomes**
  - Demonstrate the ability to explain the differences between strategy implementation and strategy formulation.
  - Demonstrate the ability to differentiate different types of organizational structure.

- **References**
  - David, F.R. (2013). Strategic Management: Concept & Cases, 14th Edition. Prentice Hall

Strategy Implementation

- Affects a company at all functional & divisional areas of a business.

- Many companies spend too much time, money and effort to formulate strategies, but not at the implementation process.

Successful STRATEGY FORMULATION ≠ Successful STRATEGY IMPLEMENTATION

Strategy Formulation VS Strategy Implementation

#1

STRATEGY FORMULATION: Exhibiting forces before the action

STRATEGY IMPLEMENTATION: Exhibiting forces during the action

#2

STRATEGY FORMULATION: Focuses on effectiveness

STRATEGY IMPLEMENTATION: Focuses on efficiency

Strategy Formulation VS Strategy Implementation

#3

STRATEGY FORMULATION: An intellectual process

STRATEGY IMPLEMENTATION: An operational process

#4

STRATEGY FORMULATION: Needs good intuitive & analytical skills

STRATEGY IMPLEMENTATION: Needs motivation & leadership skills

Strategy Formulation VS Strategy Implementation

#5

STRATEGY FORMULATION: Needs coordination among a few individuals

STRATEGY IMPLEMENTATION: Needs coordination among many individuals

# Annual Objectives & Policies

Annual Objectives

- Measurable, clear, consistent, communicated with appropriate time frame, include rewards & recognition.

Policies

- Specific procedures, guidelines or practices implemented to guide and support employees towards achieving goals.

Resources Allocation

Financial resources

Human resources

Physical resources

Technological resources
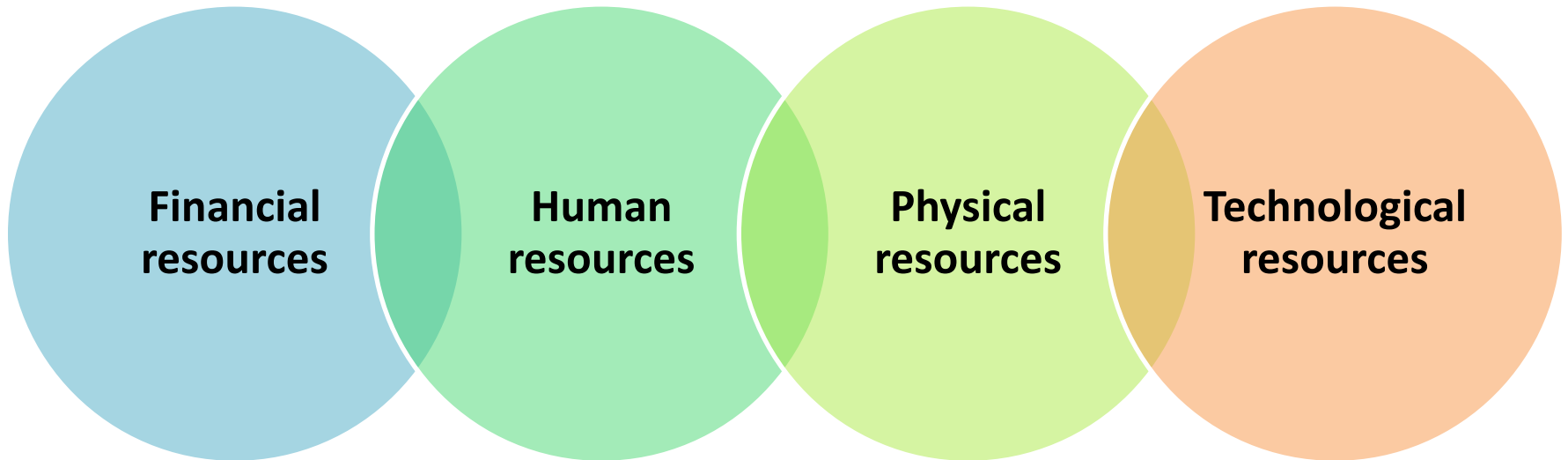
Structure TO Strategy

Organizational Structure

Functional	Divisional	Strategic business unit (SBU)	Matrix

by product / service

by geographic area

by customer

by process