IMPLEMENTING STRATEGY

SECRETS OF AUSTRALIAN STRATEGY EXECUTION

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Learning Experience

1) Pre training: 360° assessment - designed to help individuals collect meaningful feedback from their co-workers

2) Post training: Assessment- Books

3) No Facebook  2) No selfie  3) No spoon feeding  4) Different Thinking approach  - Prefer casual learning
The First XI
2nd Edition
Winning Organisations in Australia

A Must Read for Managers on the Move
Quintet The Australian Way Magazine

Hubbard, Samuel, Cocks, Heap

Difficult Conversations
How to Discuss What Matters Most

The Classic International Bestseller

Douglas Stone, Bruce Patton and Sheila Heen

Of the Harvard Negotiation Project
Strategic management concepts

- Art & Science of Formulating, Implementing and Evaluating Cross-Functional decisions enabling an organization to achieve its objectives

**Strategy Formulation**
- Developing mission
- SWOT analysis
- Establish long term objectives
- Generate alternative strategies
- Blue Ocean Strategy (value curve; Raise, Eliminate, Create, Reduce)

**Strategy Implementation**
- Establish Annual Objectives
- Devise Policies
- Motivate Employees
- Allocate Scarce resources for execution

**Strategy Evaluation**
- External and Internal factors
- Current Strategies
- Measuring performance
- Corrective Actions

60% of organizations don’t link strategy to budgeting

75% of organizations don’t link employee incentives to strategy

86% of business owners and managers spend less than one hour per month discussing strategy

95% of a typical workforce doesn’t understand their organization’s strategy.

William Bridges, President, Fontes Associates
STRATEGY FORMULATION

STRATEGY IMPLEMENTATION

1) Establish annual objectives
2) Devise policies
3) Allocate resources
4) Alter/structure/reengineering existing organizational structure
5) Revise reward and incentive plans
6) Minimize resistance to change
7) Match managers with strategies
8) Develop a supportive culture
9) Adapt production/operations processes
10) Develop an effective HR function
11) Downsize as needed
12) Link performance and reward to strategies
IMPLEMENTING STRATEGIES KEY ACTIONS

- COORDINATES BY STRATEGIST
- SMART TOOLS:
  Specific
  Measurable
  Assignable
  Realistic
  Time-related
- JUSTIFYING ACTIVITIES TO STAKEHOLDERS
- ORGANISATIONAL, DIVISIONAL & DEPARTMENTAL PRIORITIES
IMPLEMENTING STRATEGIES KEY ACTIONS

DEVISE POLICIES

POLICIES =
- SPECIFIC GUIDELINES
- METHODS
- PROCEDURES
- RULES
- FORMS
- ADMINISTRATIVE PRACTICES

Why?
- DELEGATION OF DECISION MAKING
- CIRCULATE AND APPLY TO ALL DIVISIONS/DEPARTMENTS
IMPLEMENTING STRATEGIES KEY ACTIONS

- OFTEN BASED ON POLITICAL/STAKEHOLDERS PRIORITIES
- APPROVED BY ANNUAL OBJECTIVES
- 4 TYPES OF RESOURCES
  i) financial
  ii) Physical
  iii) Human resources
  iv) technological
IMPLEMENTING STRATEGIES KEY ACTIONS

MANAGING CONFLICTS

1) COMMUNICATES

2) AVOIDANCE

3) DEFUSION - NEITHER CLEAR WINNER NOR LOOSER

4) CONFRONTATION - WORK THROUGH DIFFERENCES

- MISUNDERSTANDING BETWEEN LINE MANAGERS
MATCHING STRUCTURE WITH STRATEGY

- CENTRALISED/ DECENTRALISED
- INEFFECTIVE STRUCTURE
i) Too many levels of management
ii) Too many meetings
iii) Too many unachieved objectives

Type of org structure:
Functional (Centralised)/Divisional (Decentralised)

IMPLEMENTING STRATEGIES KEY ACTIONS
IMPLEMENTING STRATEGIES KEY ACTIONS

MANAGING RESISTANCE TO CHANGE

INCONVENIENCE, UNCERTAINTY

- STRATEGIES:
  (I) FORCE CHANGE STRATEGIES
  (II) EDUCATIVE CHANGE STRATEGY
  (III) RATIONAL/SELF INTEREST CHANGE STRATEGY (MOST DESIRABLE)

  - Dialogue
  - Response / feedback

  - Allows opinions
  - Motivation/incentives

  - Change style Indicator Test
CHALLENGES

- Time
- Political Interference
- Limited resources
- Global economic situation
TIPS FOR MANAGERS

Ways and Means for Altering and Organisation's Culture

• Recruitment
• Training
• Transfer
• Promotion
• Restructuring
• Role modelling
• Mentoring
• Revising vision and/mission
• Altering reward system- Altering organizational policies/procedures
Tips for managers

1) Interest based issues - Negotiation
2) Loss of attachments - Team building
3) Loss of Meaning - information based communications campaign
4) Loss of future - career planning opportunities
5) Loss of competence - training, acquire new skills
Thank you
Strategy formulation tools

**Red Ocean Strategy** vs **Blue Ocean Strategy**

**Red Ocean Strategy**
- Compete in *existing* market space.
- Beat the competition.
- Exploit existing demand.
- Make the value-cost trade-off.
- Align the whole system of a firm's activities with its strategic choice of differentiation or low cost.

**Blue Ocean Strategy**
- Create uncontested market space.
- Make the competition irrelevant.
- Create and capture new demand.
- Break the value-cost trade-off.
- Align the whole system of a firm's activities in pursuit of differentiation and low cost.

**New Value Curve**

**Raise**
Which factors should be raised *well above* the industry's standard?

**Eliminate**
Which factors that the industry has long competed on should be eliminated?

**Create**
Which factors should be created that the industry has never offered?

**Reduce**
Which factors should be reduced *well below* the industry's standard?