

**Strategic Management for Competitive Advantage**  
**Professor Sanjib Chowdhury**  
**Vinod Gupta School of Management**  
**Indian Institute of Technology, Kharagpur**  
**Lecture - 29**  
**Strategy Implementation Issues**

(Refer Slide Time: 0:31)



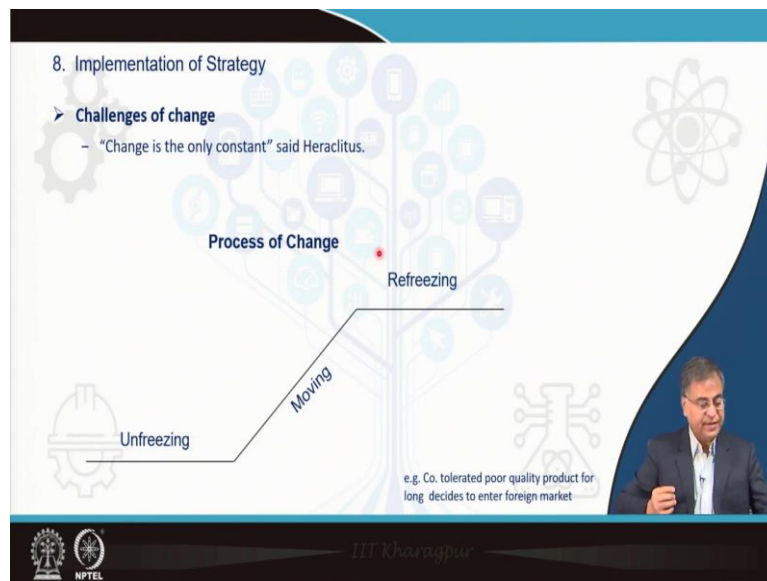
The slide features a blue and white design with the NPTEL logo at the top. The text reads: NPTEL ONLINE CERTIFICATION COURSES, Strategic Management for Competitive Advantage, Prof. Sanjib Chowdhury, Vinod Gupta School of Management, IIT KHARAGPUR, Module 08: Implementation of Strategy, Lecture 29 : Strategy Implementation Issues.



The slide features a blue and white design with the IIT Kharagpur logo at the top. The text reads: CONCEPTS COVERED, Strategy Implementation Issues, Challenges of Change, Communication of Strategy, Pre-implementation Evaluation of Strategy, Organization structure (Module 9), Leadership (Module 10), Functional strategies.

Welcome to the course strategic management for competitive advantage. Today, we will be continuing with the implementation of the strategy. And we will be talking about strategy implementation issues. The concepts that will be covered today are Challenges of Change then, Communication of strategy and Pre-implementation Evaluation of strategy.

(Refer Slide Time: 1:00)



Challenges of change, what it is? You must know that change is the only constant that was said by Heraclitus. Who was Heraclitus? He was a Greek philosopher in around 565 BC, and in fact, Plato and others were very hugely influenced by him. So, he observed that change is happening every moment, and that is the only constant in the world. So, in the business world also, we can see the external environment, the internal environment is always under change. So, you have that organizational change perspective to look into in that spirit as the changes are always happening, we must understand what the basic process of change is.

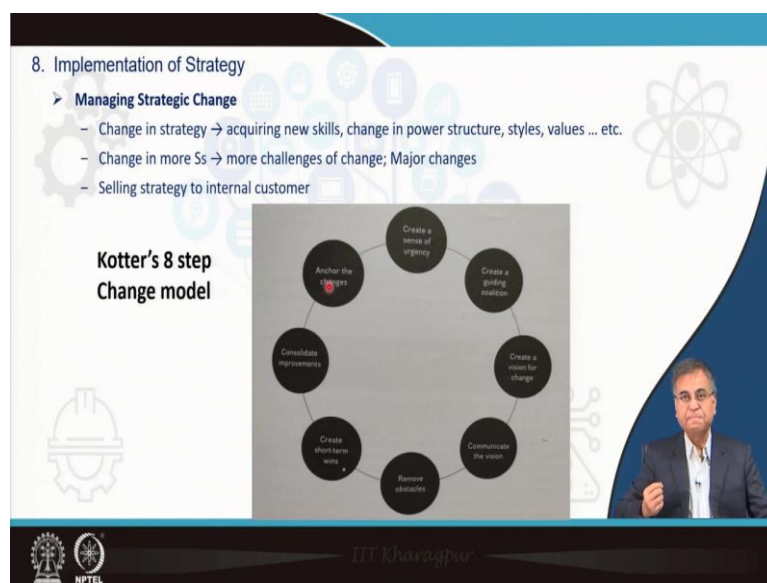
So, these will help us to understand and initiate organizational change. Basically, these organizational changes and any other changes also follow any process of change, there are 3 stages, one is called unfreezing, moving and refreezing. In other words, it is unlearning, learning and relearning that are the things we are changing all the time, what are this unfreezing means? The stages of this change have 3 stages. So, unfreezing stage is you have to release the forces underlying the status quo. Freezing means like the present equilibrium, so, it is deep-rooted, it is very difficult to change a system because it is in an equilibrium state. The more it is in equilibrium more it is deep-rooted; more will be the efforts required to unfreeze it or to start moving. Moving is transforming from the old state to a new state of development.

So, you are in this old state of development, you move to the new state of development that is called moving. Then refreezing is you consolidate that new state of development and try to make it permanent consolidation and make it permanent so that you can go for the new state of development or the changes. So, now, the unfreezing requests what the release of dormant

forces is, what is those release of dormant forces, that is within the vested interests, you will find are involved in that in any organization. Suppose, take the example of a company, the company had tolerated poor quality products for a long that they did not mind, the market was a monopolistic monopoly market, so they did not feel the urge to change the product qualities.

Now, suppose the competitors come, or the company wants to take part in the foreign market then what happens first thing is required is to improve the quality then the company which has a poor quality for long they have continued to that to happen for long. So, it will be the unfreezing will be very difficult, the unfreezing state will require much effort, and the company may find it very difficult, and that is the unfreezing. So, this is the process of changes we keep in mind, then we will see how we can apply it to the organizational changes with the implementation of the new strategy that will be required.

(Refer Slide Time: 6:10)



Now, how do we manage these strategic changes? So, change in strategy, if a new strategy is implemented, the change in strategy requires what? It may require acquiring new skills by the people then it may go for a change in power structure usually will find a big strategic change and all also changes the power structure in the organization. It may require a change in styles, it may require a change in shared values, norms and so on. So, these are the changes in those McKinsey's 7s. So, you can see the change in more number of S if the changes are more than it will require the challenges of change will also be more will be requiring more effort. So, there will be a major change or minor change, major changes are, what are major changes?

Major changes usually require more changes in Ss. Major changes also cut deep into the value systems of the organization and also affect the majority of the people a greater number of a large number of people, those are the major changes and the for that more of the Ss have to be aligned, you have to look at it. And also another important thing you have to sell your strategy to your internal customers is their internal customers, your employees, have to that implement those strategies they have to participate in it they have to be engaged in it.

So, you have to be selling things more to have the buy-in of your employees. This is Kotter's 8-step change model. Who was Kotter's? Kotter was the Harvard Business School professor who had studied several organizational changes and various types of organizations, various types of changes and over four decades, after these four decades-long experiences, he suggested these 8-step change models, what are these? This model talks about these 8 stages. What are these, he says create a sense of urgency in the organization. What is sense of urgency mean about the need for a change need for strategy, you have to impress your internal customers or not only internal customers to your stakeholders so that everybody feels so and tries to take participation.

So, these will help the organization to go for the new state of change. This is the need for a sense of urgency, next is creating a guiding coalition, what does it mean? Guiding coalition by the people from different departments or different groups, those who are very knowledgeable people, they are skilful people who know their job well and those who are having good interpersonal relationships with others. So, create a team of people from a multidisciplinary multi-growth team, and they will spearhead the changes, they can give them the power, give them the responsibility to do so, that is creating a guiding coalition then create a vision for change, what is this vision for change?

These people should know, what is the organization's vision, is and the changes they show are going to make, and they should have the complete picture from scratch to the final. So that they can convince others also, so this is creating a vision for change and then communicating the vision. So, these people should communicate this vision to their respective departments or group employees, and not necessarily it should not be in a formal meeting. You should be in you meet them informally or whenever you talk to them about the vision. So, they can understand, they can realize this is the communication of the vision, and then remove obstacles or roadblocks.

So, when you are going for a new strategy, you will find there are many opposing people who will try to resist. So, take those people to engage with those people and make them understand your point of view, make them understand the vision overall visions of the organization, of the vision of the strategy, those are the way you remove obstacles or the roadblocks and roadblocks is not only the people, but roadblocks may happen also by unnecessary hierarchies or inefficiencies in the process, you try to remove those inefficiencies, try to remove the unnecessary hierarchies.

So, those are clearing the roadblocks, then creating short-term wins, which means these are you introduce some quick wins, quick wins are very powerful, like the consultants. They always go for these quick wins, and all this suggests what these quick wins are. You prepare a short-term goal and how to achieve that short-term goal and these short-term goals are achievable. So, that it succeeds and if you succeed, success is the best motivation, success gives that motivates many people. So, if you have quick short-term goals and you succeed, then it will draw the attention of many others, and they will also try to participate in such quick wins. So, they will be engaged, and also you reward these people, those who are spearheading these quick wins, short-term goals.

So, recognize them and reward them, then he will see many people will be spontaneously participating they will be engaged with you. So, this is the create short-term quick wins. Then next comes the consolidate your improvements, what is this consolidation of improvement means? You make the momentum going on that momentum you should not stop suppose you have got a short-term goal success and all. You do not stop there, do not suffer from complacency. Your goal is long-term because strategic goals are mostly long-term. So, you should not be complacent. So, keep your long-term goal and keep the momentum going on it may require giving some recognition or rewards to the team members, but you also may require inducting a new team and raising a new team because it is long-term.

So that way consolidates and keeps the momentum going on, then the last step is the anchor the changes mean making the changes permanent, they make the changes so that, that way you what how do you do that? You recognize the people or the reward the people give them some promotions, then you will see it acts like a motivator for many people, and many people will participate. So, the anchor that changes should be incorporated into the culture of the organization so that you are weaving these changes within the culture of the organization that

is the anchor the changes. These are Kotter's 8-step change model that helps in organizational changes and implements the new strategy.

(Refer Slide Time: 16:28)

8. Implementation of Strategy

- **Managing Conflict**
  - Having conflict good or bad for the organization?
- **Resolving conflict**
  - Separate, Create, Appoint
  - Rotate, reduce interdependence
  - Emphasize org. goals, Ignore
  - Bargain, Practice integrative problem solving

The slide features a background with a stylized tree of icons and a blue curved border on the right. A small inset video of a man in a suit is visible in the bottom right corner. Logos for IIT Kharagpur and NPTEL are at the bottom.

Then managing conflict as you saw at organizations, all of you are aware of having so, when a new strategy comes and all there may be a lot many conflicts. So, the basic questions come to the having conflict in an organization's good or bad? Yes, you may have many opinions, but I can guess them. So, in fact, conflict to some extent is not a bad thing, if there is no conflict in the organizations that may signal apathy, apathy and people are not involved in the organizational activities. So, and also having conflict means energising different groups, different groups are energized to fight each other and all brands, which helps managers to identify the deficiencies. If you find that in the organization different groups are fighting with each other and different groups can point out the deficiencies of the other group that way it helps managers to identify it better and to improve the organization as a whole, it is like friction.

If you have no friction, we know we cannot work for working we need some friction then only we can work, but if the friction is too heavy, it may happen that you cannot work say uphill. So, when you are going for it, you cannot work then. So, it should be this friction in the organization should be in manageable conditions, manageable level. So, that there is you can move with and if there is no conflict means the organization is in a vegetative state all are yes sir. So, that signals apathy for the people. So, a certain degree of conflict is always good and is desirable for the organization. Next, how do you as a manager, how do you resolve

conflict? The conflict should not go beyond a certain level, conflict should not be such that it undermines the causes of the organization.

So that it is not detrimental to the organization's objectives, it should not be there if a conflict should be for the improvement of the organization in the positive sense, positive critiquing is better not the negative critiquing. So, resolving conflict depends on the manager's experience. So, most of you may be familiar with how to resolve conflict, and that also depends on the context, depends on the situation, depends on the task you are handling, depends on the people you are handling all those complex issues. But I will tell you broadly, what are the general factors that you will find for resolving a conflict?

So, these may be useful say separate first you do when there is a conflict, separate the warring groups they should be separated, and then create a procedure of appeal just like grievance handling and all that has a way as a procedure in an organization. Similarly, you create a procedure of appeal in the organization. Next, you should appoint an integrator, this integrator can look into the matters and can resolve the conflict, these indicators should be acceptable to most people. So, he should be impartial, he should have high of integrity, and it is perceived by most of the people in the organization that he is for the benefit of the organization.

So, you appoint and integrate with such quality who are can be can resolve the conflicts of the warring groups then, you rotate the members. If a vested interest in an organization is entrenched, when a person is holding the same chair, same position or the same job doing it doing an all then the vested interest is entrenched. So, if you rotate the members in different departments, different groups or different job activities as per the requirement of the organizations, then it will be reduced to a great extent. Then reduce interdependence among the different groups, and that will also reduce the issues of conflict. Then, you emphasize the organization goals, which means every group in every department thinks they are departmental or the group goals are very dear to them, and they have that silo thinking they are channelized with that they are targeting their objectives.

But, in the process, they forget what the overall picture is. The overall picture is the corporate objectives, what are the corporate company's objectives company's targets? If you emphasize that to each group, then they will be knowing that all the groups are working to achieve the overall corporate objectives of the organization, this will help to reduce the conflict among various groups, then another one is the Ignore conflict what it is? It is like a small, small

conflict, sometimes if you just ignore it, sometimes that conflict may one day it is a very hot conflict, and all you have to do it and all that sort of thing. You will see that most of the conflict means the majority of the conflict that dies down on its own after one week or after few days, after few days it naturally dies down.

So, this small, small conflict you just ignore as experienced managers know when to ignore and all you gain this thing with your experience. So, small, small conflict, let it die down on its own, and you ignore those. Then, another thing is your bargain, you bargain when a conflict comes by among different groups and all. You bargain with the groups and to have more productivity more output, and you bargain for you are in a position to get that conflict to resolve conflict, you emphasize the improvement of the organization in terms of productivity, in terms of resource utilization, in terms of profitability, and whatever it may be.

So, you bargain with these for organizational improvement. Second, you should practice integrative problem solving, you take the different group's different things together and try to solve the problems that will reduce the conflict and also that will improve the acceptability of that strategy or of the outcome of the integrative problems it will be acceptable to many people, a large number of people. So, these are some of the techniques resolving to resolve the conflict the managers may use, and these are not exhaustive these are there are many other techniques as a practising manager will be knowing it better in his situation.

(Refer Slide Time: 26:02)

8. Implementation of Strategy

- Communication of Strategy
  - What to communicate?
  - Whom to communicate?

The slide background features a large, stylized tree diagram with various icons (gears, lightbulbs, documents, etc.) as leaves. In the bottom right corner, there is a small video inset showing a man in a suit. The bottom of the slide has a dark blue footer with the IIT Kharagpur logo and the text 'IIT Kharagpur' and 'NPTEL'.

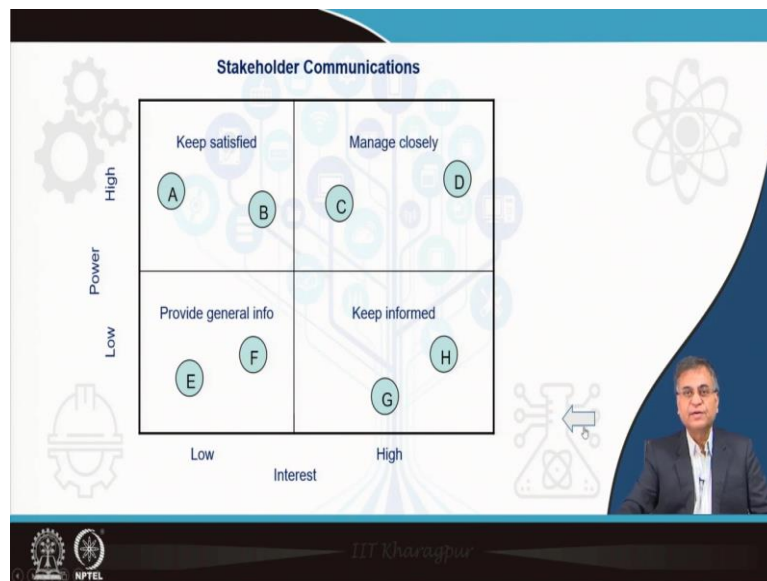
Another important thing is the communication of strategy like strategy as I told you earlier it has to be sold, it has to be the buyouts will be there among the employees because they are

implementing those strategies. So, you have to communicate the strategy, you do not think that they will be knowing unless you communicate, they are not clear, people will start, their own conjecture their own thinking and all they will be that may be a distorted form. So, you have to as a good strategist, you have to communicate strategies, how do you communicate and what do you communicate? The first thing is, what to communicate? You have to know whom to communicate with. These are the 2 important things. So, what is this like, what to communicate? Because strategy whole things you do not communicate and what are the things you should communicate? You should communicate the overall things, not the very intricate or intensive things, overall, like the missions of the strategy, objectives of the strategy like the resource allocations for the strategy.

Strategic planning, process, budgeting, then forecasting, then your growth strategy, your retrenchment strategy there has to be communicated so that everybody is on the same page. Otherwise, they will have their own conjecture, own things and all and will have distorted views. So, these are the things you communicate, you never communicate your say your trademarks or your secret things, all those things are not to be communicated. So, whom to communicate? You communicate to different stakeholders, and these stakeholders' requirements are different, internal employees may be one, shareholders requirement of the communication needs are different, suppliers will require their requirements of communications are different, then your top management's communications will be something else, then it appears in different groups will be involved in different capacities or varying capacities.

So whom to communicate and what to communicate are important, how do you find out what to communicate and how do you find out whom to communicate, how you will know that? For that, you have to do a stakeholder analysis, what is stakeholder analysis? I will just show it how to do a stakeholder analysis.

(Refer Slide Time: 29:27)



This is a stakeholder's communications analysis. This is nothing but a 2 by-2 matrix, one x-axis is the interest or the influence of the stakeholders, and the y-axis is the power, power or influence that the stakeholder holds. So, suppose here this quadrant is what? The interest of the stakeholders is very high, and the power of the stakeholders is also high. So, you identify who are these people, who are these stakeholders and accordingly what to communicate to them and what to communicate at what frequency to communicate and all those things you have to find out? So, who are these people? They are with high interest in the strategy, high interest in the strategic project or initiatives and they will have high power who are these people? These people are generally high interest, and high power is your project or team those groups which are involved with that project, those groups which are implementing that project, those groups people, project teams, they fall here.

And, there may be supposed a project is say increasing of your productions of the organizations. Here, what you find there may be some other groups, engineering groups or maybe the logistics groups are closely involved in that project. So, they also have to be managed closely. So, you appropriate you design the appropriate communication what is required and inform them, then this quadrant here, the interest of these is low, but power is high like they can stop put hurdles in your strategy or they can further facilitate your strategy. So, who are these people, these stakeholders are generally the top management say directors and all, if you have to keep them in good humour, you have to give them a good relationship.

So, they can your sponsor, project sponsor, the strategy sponsor, they can if you face any obstacle, they can facilitate, can aid the implementation of your project your sponsor. So,

keep them satisfied with appropriate communication if you give them too much, too much information they may get irritated because they do not have that much time they are looking after broad areas brought many things and they may be looking after the number of strategies on which your strategy is one of the strategies.

So, you the frequency of information and that they may be required only the topical things when your strategy will start giving what the milestones will start delivering that they may be interested in, not the details of the strategy what it requires. So, if you keep satisfying them, then this is the quadrant interest is high, but the power is very low, they cannot give a day who are these people? These people may be anyone. So, depending on the type of strategy, type of project you are handling, depending on that, it may be your peers, the other departments, managers, managers of the other groups and all, say it may be finance group, maybe HR group, maybe IT group, maybe Risk Management Group.

So, you keep them informed also customers may be fall here that depending on that type of strategies and all. And here, it is the low interest and low power these are the people who have very low interest and low power to say, who are these people? These people may be the general like say Legal Group, maybe the personal PR group, all these they fall here and there, these keep informed is that high interest but low power, another may be the trade union, collectives and all they may fall here depending on the type of organization.

(Refer Slide Time: 35:04)

8. Implementation of Strategy

- **Communication of Strategy**
  - What to communicate?
  - Whom to communicate?
- **Change Management**
  - Create awareness, Sensitize, Engage, Participate
- **Pre-implementation evaluation of Strategy**
  - Through checkpoints

IIT Kharagpur  
NPTEL

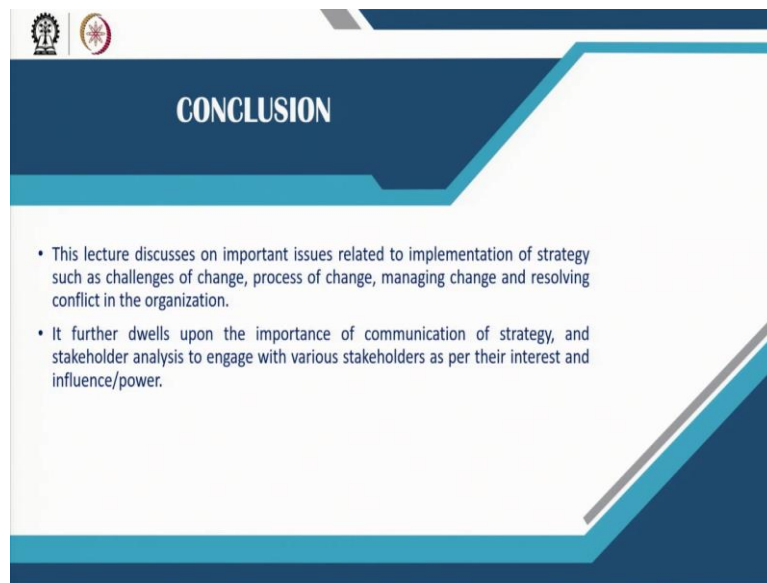
So, having developed such a stakeholder analysis will help you to communicate your strategy what to communicate and when to communicate? That will give you the advantage of selling

your strategy for it will help you to implement your strategy without many obstacles. So, this is the communication strategy. Then also it is followed by change management and change management as you know, it is a big subject it is a subject by itself you know that. So, we will not go that deep into this change management, I will just emphasize that there are four stages for that change management bringing about change management. One first phase is the create awareness among the people create among the employees, and among the different stakeholders, awareness creating like town hall meetings, posters, and emails, all these there are many methods of creating awareness.

Then, Sensitize, sensitize your key employees, sensitize the group, sensitize the people. So that they are aware of your strategies then, the next step is that engage, engage the people. So, that and the engagement itself is a phase it takes time, and there are many ways to engage that change management people, they draw that engagement means programs and all. How to engage? There are many techniques and many programs you have to draw, then they participate when they are engaged, and the next step is to participations. So, this way you can involve people in your implementation of strategy, but these phases, these phases are not only one time, this is going on repetition after this, suppose this is one year program, after that you do not stop again repeat it, repeat it.

So, it is not a one-shot program, it continuously keeps the people aware sensitized, engaged and participating. So, this is in a nutshell the change management will not go further on this. Then another way is the pre-implementation evaluation of strategy, what is it? It is like, before you implement your strategy, you make out your many checkpoints are there, and you have to check all those whether those will be your strategy will be successful or not, you have a checklist, you go through that checklist, and you see where do you stand, you try to partially implement and you see how it is responding, these are the pre-implementation evaluation through various checkpoints and all, these are the ways you can do it.

(Refer Slide Time: 38:46)



The slide features a dark blue header with the word 'CONCLUSION' in white. Below the header, there are two bullet points in a light blue font. The slide has a decorative design with diagonal lines in dark blue and light blue on the right side.

- This lecture discusses on important issues related to implementation of strategy such as challenges of change, process of change, managing change and resolving conflict in the organization.
- It further dwells upon the importance of communication of strategy, and stakeholder analysis to engage with various stakeholders as per their interest and influence/power.

So, to summarize today's lecture, we can say that we have discussed important issues related to the implementation of strategy, such as challenges of change, the process of change, managing change and resolving conflict in the organizations we have done, we have discussed. It further dwells upon the importance of communication of strategy and stakeholder analysis to engage with various stakeholders as per their interests and influence they will. So, we have done those stakeholders analysis.

(Refer Slide Time: 39:36)



The slide features a dark blue header with the word 'REFERENCES' in white. Below the header, there are three numbered references in a light blue font. The slide has a decorative design with diagonal lines in dark blue and light blue on the right side.

1. Exploring Strategy – Text and Cases, Gerry Johnson, Richard Whittington, Kevan Scholes, Duncan Angwin, and Patrick Regner, Pearson, 10th edition.
2. Strategic Management – Planning for Domestic and Global Competition, John Pearce, R.Robinson and Amita Mital, McGraw-Hill Education, 14<sup>th</sup> edition.
3. Strategic Management – Text and Cases, Dess, McNamara and Eisener McGraw-Hill Education, 8<sup>th</sup> edition.

So, the references you can go through these are some of the books you can go through and further enrich yourself on this. Thank you very much for attending.