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STRATEGIC IMPLEMENTATION AS A PART OF STRATEGIC MANAGEMENT

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ABSTRACT:

The issue of strategic implementation as it relates to strategic management is the focus of this essay. Developing a business plan now requires stating the company's vision and objective. In order to sustain competitiveness and drive future growth, the organization must employ strategic management, strategy formation, and strategy implementation. The key to a company's future success is implementing its specified plan in an effective way. Decisions about how to modify and implement the approach will determine how effective it is evaluated. The collection of choices and activities leading to the creation and execution of strategies intended to meet an organization's goals. To assist an organization in achieving its aims and objectives, strategic management entails creating and executing plans. Developing a strategy, allocating resources and organizing organizational structure, spearheading change projects, and managing procedures and assets are some examples of this process. Creating and carrying out plans to assist an organization in achieving its goals and objectives is known as strategic management. Developing a strategy, allocating resources and organizing organizational structure, spearheading change projects, and managing procedures and assets are some examples of this process.

KEYWORDS:

STRATEGIC, DECISION, ORGANIZATION

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1. INTRODUCTION

In the competitive and dynamic business world of today, strategic management has become essential. There are three discrete processes that make up strategic management, and these processes are interrelated and mutually influential. Planning strategically, implementing strategically, and controlling strategically are these procedures. According to research conducted in businesses, strategic implementation is both the most crucial and underappreciated component.

The successful implementation of a strategy is contingent upon the efforts of managers, employees, the organization, and the company's culture being transformed. This is a component of strategic management. Bringing the strategy to life as a component of the company's regular decision-making process is the primary goal of implementation. To remove inadequacies in the strategy's execution, it is essential to dentify relevant indicators that describe the company's operations and a measuring system. The concept of strategic implementation was initially presented at a scientific meeting at the University of Pittsburgh in 1978.

Determining strategy as a fundamental component of the company's strategic management is crucial in relation to strategic execution. According to Cisko and Klieštik (2009), the strategy is translated into functional politics, which dictate how resources should be distributed and how the company's objectives should be carried out.

While company strategy emerged in the 1960s with the publication of Alfred Chandler's 1962 work, which highlighted how managers in American companies were connecting with long-term goals, allocating resources, and building a structure to support and enable their implementation, strategy was previously thought of as the science of planning and defining directions of military actions.

The idea of strategy has grown in importance over time and been articulated by a number of writers. According to Quinn (1980), a strategy is a model or plan that unifies the company's goals with its rules and practices into a logical whole. Glueck (1980), on the other hand, views strategy as a unified, all-encompassing, and integrated plan intended to guarantee the accomplishment of the fundamental goals of the business.

One of the most important components of a firm nowadays is its strategy, which is defined in a variety of international and domestic publications on strategic management. According to Sadler (2003), strategy is a multifaceted process that identifies the actions that must be followed in order to accomplish organizational goals and gives preference to medium- and long-term objectives above operational fixes. Grunig & Kuhn (2006) define the suggested approach as a managerial command or declaration that supports decision-making and offers the option for appeal.

2. STRATEGIC IMPLEMENTATION

In the past, strategic planning was seen to be an efficient means of carrying out the plan. As demonstrated in Figure 1, strategic planning is a step in the strategy preparation process. It also helps with implementation by developing the strategy into a comprehensive strategic plan, which is a component of the strategy's execution. The process of creating strategic plans at lower hierarchical levels is coordinated by strategic planning as well. (Papula and Papulová, 2009)

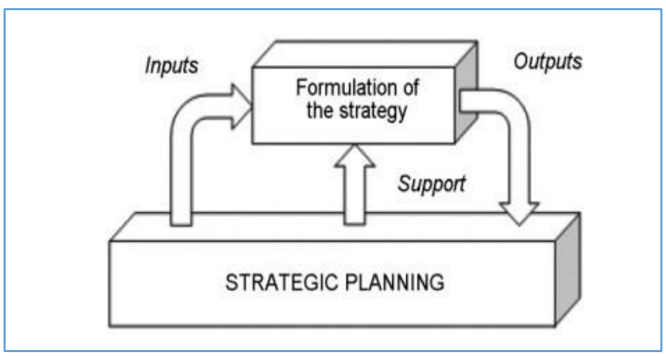

FIG: 1 RELATIONSHIP BETWEEN STRATEGIC PLANNING AND FORMULATION OF THE STRATEGY.

Throughout the years, new opportunities and insights have emerged to facilitate effective implementation; therefore, strategic planning is no longer the only option available for strategy implementation. In her article, Gavurová (2010) outlines fundamental ideas that may facilitate the successful execution of the business's strategy:

- Communicating the strategy to all levels of the organization: since employees are resistant to organizational changes that come with strategy implementation, it is important to communicate strategic goals, their accomplishment, and how they affect employees' day-to-day activities efficiently.
- Engaging staff members in the strategy's execution enables the business to get rid of employees' aversion to change by giving them the initiative to identify efficient ways to achieve strategic goals.
- The distribution of duties for strategic projects: the achievement of strategic objectives is greatly impacted by the definition of duties and the financial contribution of personnel. The organizational structure should be modified to align with the company's operations in relation to employee outputs and control systems.
- Implementing effective controls: Control is required during the strategy's implementation process, and the issue lies in the methodology and content of control.

It's important to pay attention to both the strategy's relevance and how it's being affected by changes in the company's internal and external environments.

A company's strategic management system can reap various benefits through various means. Their efficacy is contingent upon the precision and suitability of the approach for the business, highlighting its particulars. Two other methodologies that are studied in this article are the Model 7S and the Balanced Scorecard.

3. MODEL 7S

During their time at McKinsey & Company in the early 1980s, Peterson & Waterman created a comprehensive approach to strategy implementation. For the strategy to be implemented successfully in the organization, the model is predicated on seven internal corporate factors that need to line up.

The Model 7S" can be used in a wide variety of situations where an alignment perspective is useful (mindtools.com):

- Improve the performance of a company.
- Examine the likely effects of future changes within a company.
- Align departments and processes during a merger or acquisition.
- Determine how best to implement a proposed strategy.

Based on the figure 2 we can see that Model 7S" consists from „hard and soft" factors. Hard elements are easier to define and management can directly influence them. The three hard elements of the model are (Mallya, 2007):

- Strategy – express how the company achieves its vision and how responds to opportunities and threats from environment, means awareness of the strategy, its explanation to external subjects not only to internal,
- Structure – the way how the company is

structured, inferiority and superiority relations, organizational structure supports the implementation of the strategy,

- Systems – formal and informal everyday activities and procedures carried out by employees, it is about systems of planning, control and information that support the implementation of the strategy.

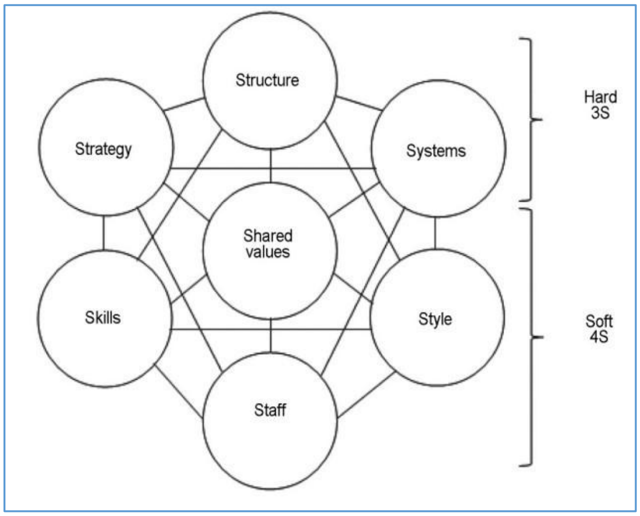

FIG: 2 MODEL 7S" BY MCKINSEY COMPANY. SOURCE: MALLYA, T. (2007)

Every organization can use the "7S" model, and if something isn't working there, it's likely because there is a conflict between some of the model's aspects. Following the identification of these differences and their reconciliation, the organization moves on to the stated goals and principles. Based on firm experiences, these components help the strategy be implemented and contribute to the organization's long-term success.

4. BALANCED SCORECARD

Balanced Scorecard, a Strategic Management System, was created by Kaplan & Norton in 1992 and debuted in the Harvard Business Review publication. The first book on this topic, Balanced Scorecard: Translating Strategy Into Action (Kaplan & Norton, 1996), was released in 1996.

The company's mission and strategy are translated into a complete set of performance indicators by the Balanced Scorecard, which offers a framework for evaluating the management system and strategy of the business. In order to optimize the value creation process, it is a multifaceted system that is used to create and implement management and organizational strategies at all organizational levels of the business. A management strategy called the balanced scorecard is employed by businesses to ensure that resources are spent effectively for shareholders. Businesses using BSC can better develop and execute their strategic missions throughout the entire organization and its workforce (Kaplan & Norton, 2000).

The Balanced Scorecard should be used for multiple reasons, even though the company's strategy can be implemented using a variety of techniques and approaches. These factors include, among others, a focus on the company's people resources, an orientation towards the future, and a learning organization (Gavurová, 2010).

Horvath & Partner's (2002) indicate the main reasons for the implementation of BSC in company:

- Necessity to enforce the strategy,
- Criticism of the classical system of indicators,
- The need for transparency of reporting,
- The need to simplify the planning process.

Balanced Scorecard maintains traditional financial indicators of past performance that are complemented by new indicators of future performance. Goals and indicators of Balanced Scorecard are based on the vision and strategy of the company and follow the performance of the company from four perspectives (Marinič, 2008):

- Customer perspective,
- Internal perspective,
- Learning and growth perspective,
- Financial perspective.

The company's goals are expanded by the Balanced Scorecard beyond standard financial metrics. The company's management may assess how the business units add value for both present and potential clients as well as how to enhance the caliber of the organization's processes, practices, and human capital to boost future results. While BSC uses a financial lens to capture short-term performance, it also highlights the value drivers that contribute to improved long-term financial performance. It is the company's management system and the system used to carry out the strategy (Kaplan & Norton, 2001).

Through the use of our Balanced Scorecard views, the organization is able to strike a balance between its short- and long-term goals, its desired results and the factors that influence them, and its hard and subjective indicators. Even with so many indicators employed, a well-assembled BSC only includes relevant data since every indicator works towards realizing an integrated plan.

5. CONCLUSION

Achieving prosperity and competitiveness requires strategic implementation, which is a component of the company's strategic management. The strategy outlines the core principles that will guide the organization in achieving its goals. It's difficult to define a good strategy. The process of putting the strategic objectives into the business plan and formulating the strategy and associated goals are both challenging. The company's competitiveness and prosperity are also dependent on its ability to implement flexible strategic management. Businesses without strategic management cannot remain competitive over the long run, and strategic development is futile without a suitable plan. Two approaches to strategy implementation are examined in this article. Model 7S is the first way, and the second is Balanced Scorecard.

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