

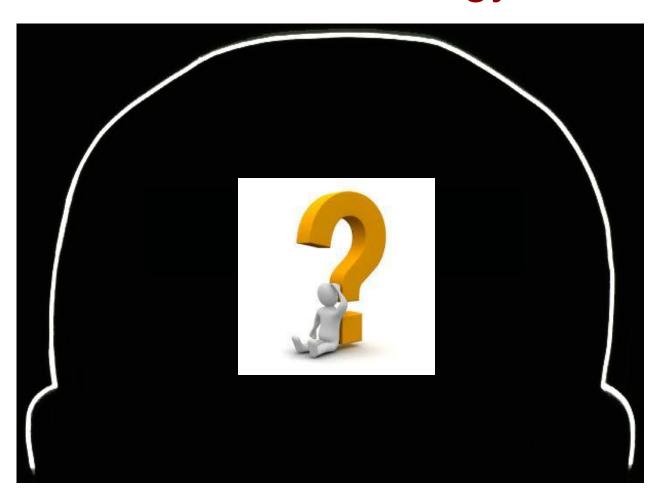
Art & Science of Business Strategy

By Deepak Bharara



LEVERAGING PEOPLE FOR TOMORROW...

What Comes to your mind... when we talk about Strategy ...?



What is Strategy?



Strategy is a high-level plan, designed to achieve specific goals under conditions of uncertainty

Strategy involves making choices to allocate resources, set priorities, and define actions that will lead to the accomplishment of objectives

Business strategy refers to a set of competitive moves and actions that a business uses to attract customers, compete successfully, and achieve organizational objective

A Plan, Method or Series of Actions designed to achieve Specific Goal or Effect

Research Shows

80% of businesses Fail to achieve their strategy goals

-Harvard Business Review



Unlinked Strategy & Execution

61% executives think that firms struggle to bridge the gap between strategy formulation and execution

(IntelliBridge)



Individual Performance Isolated from Business

58% organizations feel their performance management systems are inadequate to monitor strategic business performance

(ClearPoint Strategy)



Lack of Focus & too many Priorities

Prioritizing of initiatives boosts
likelihood of success by 16%, while
having many/no priorities increases
chances of failure by 10%

(IPM)

Research Shows

"People work better when they know what the goal is and why"

-Elon Musk

Research shows that companies using effective Goal Setting and Strategy Execution can achieve:

31%

2.7x

41%

23%

Higher employee performance

performance

Higher company

More likely to outperform competitors

Higher profitability vs competitors

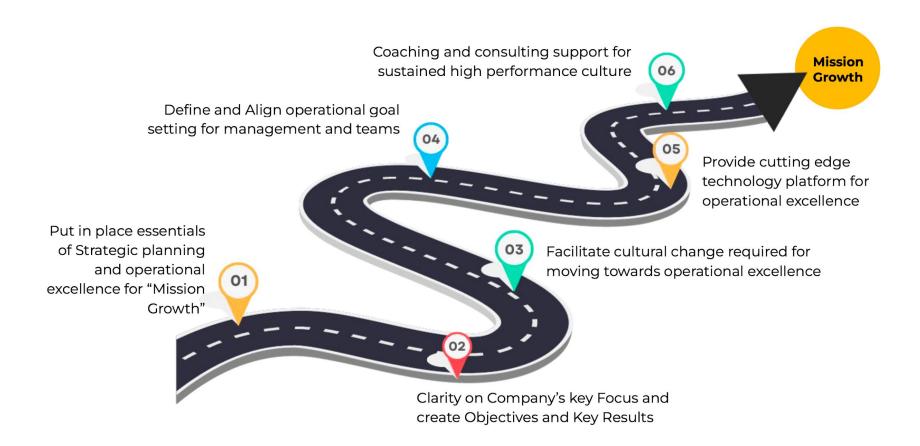
(HBR, 2011)

(Gallup, 2020)

(Deloitte, 2017)

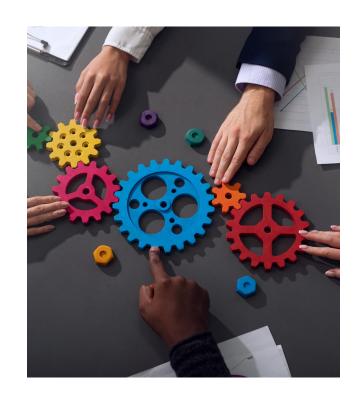
(Gallup, 2023)

Effective Execution Roadmap



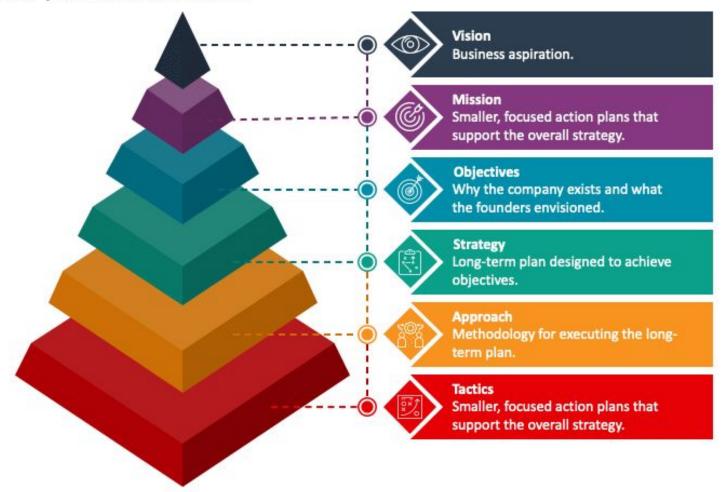
The Key Elements?

- Vision and Mission: Establishing a clear vision of the future and a mission statement that defines the organization's purpose
- Goals and Objectives: Setting specific, measurable, achievable, relevant, and time-bound (SMART) goals
- Analysis: Conducting internal and external analyses to understand strengths, weaknesses, opportunities, and threats (SWOT analysis)
- Decision-Making: Making informed choices on resource allocation, market positioning, and other critical factors



STRATEGIC PLANNING PYRAMID

Enter your sub headline here



Role of Analysis in defining Strategies?



Strategy Analysis improves Decision Processes, but doesn't give answers

Strategy Analysis helps to identify & understand the core issues

Strategy Analysis helps to manage Complexity

Strategy Analysis can enhance flexibility & innovation by supportive learning

Detailed Analysis

Economic Population Technology Weather Discrimina-Government tion laws policy growth growth rate incentives Climate Political Level of Antitrust laws Exchange Age Environmenstability distribution innovation tal policies **Employment** rates Corruption Interest rates Career Automation Climate laws attitudes Foreign trade Inflation rates R&D activity change Consumer Disposable Safety Technological policy Pressures protection Tax policy emphasis from NGO's income change laws Labour law Unemploy-Health Technological Copyright and Trade ment rates consciouspatent laws awareness Health and restrictions ness safety laws Lifestyle attitudes Cultural barriers

Strategic Intent?

- It refers to purpose for what organization strive for. Organization must define" what they want to do", Why they want to do"
- Why they want to do underlines the results & in management terms it is known as Strategic Intent
- Strategic Intent has a hierarchy Vision, Mission, Goals, Objective



Types of Strategies?

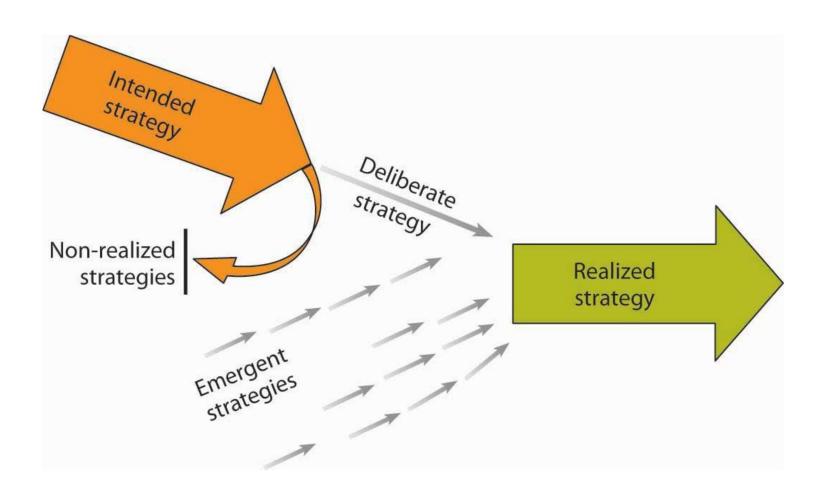


Corporate Strategy: Concerned with the overall direction of the entire organization.

Business/Competitive Strategy: Focuses on how a business competes within a particular industry or market

Functional Strategy: Addresses specific functional areas like marketing, operations, or human resource

Realized Strategy



Levels of Strategy?

- Corporate Level: Involves decisions regarding the overall scope and direction of the entire organization
- Business Unit Level: Focuses on how a specific business unit or division within the organization will compete
- Functional Level: Concerned with specific functions or departments within the organization



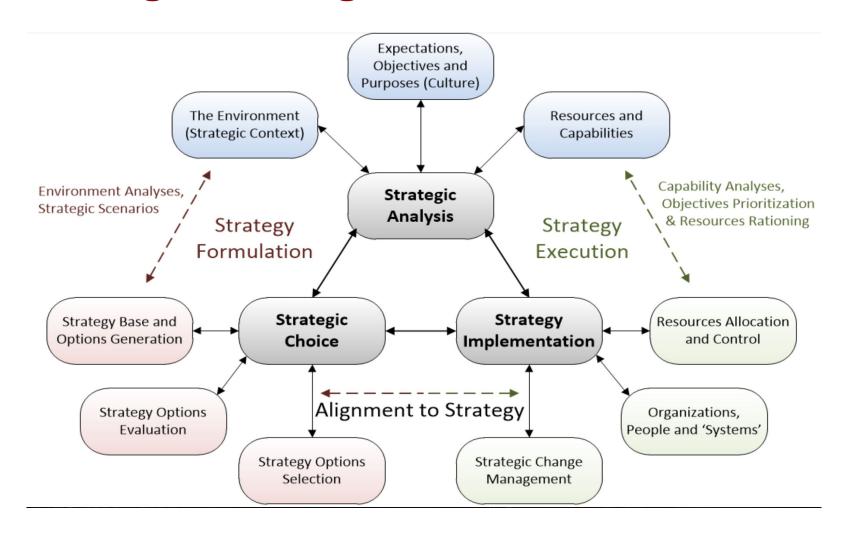
Strategy Formulation & Execution



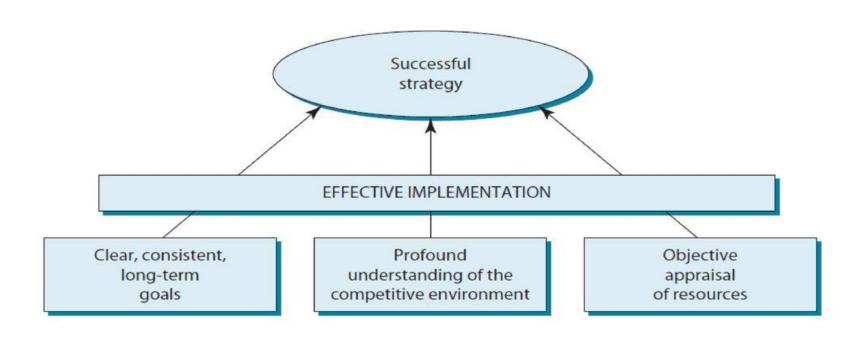
Formulation: Developing the strategy, considering internal and external factors

Execution: Implementing the strategy and adapting as needed to achieve the desired outcomes

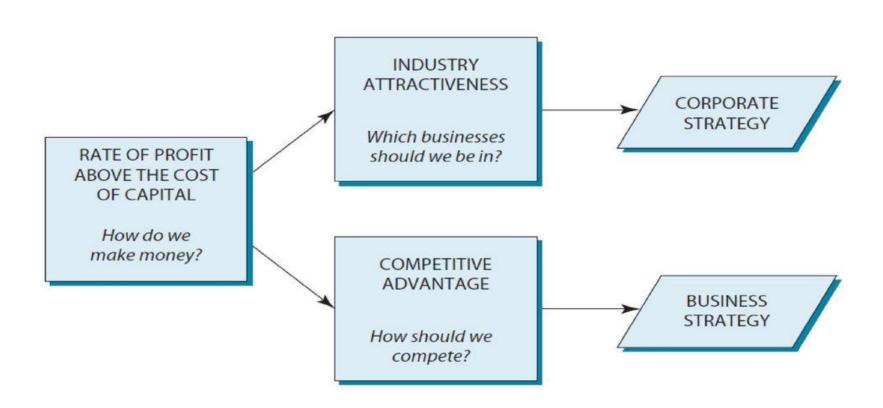
Strategic Management Content Model



What makes Successful Strategy



Sources of Superior Profitability



Strategy- Competitive Advantage

Cost Leadership: Striving to be the lowest-cost producer in the industry

Differentiation: Seeking to be unique in the industry in ways that are valued by the customer

Low cost Product uniqueness Cost Leadership Strategy Focus Strategy Focus Strategy Focus Strategy Cost Leadership Strategy Cost Leadership Strategy Focus Strategy Cost Leadership Strategy Cost Leadership Strategy Focus Strategy (differentiation)

Strategy- Adaptability & Flexibility



Recognizing that strategies may need to evolve due to changes in the external environment, market dynamics, or internal capabilities

Such as impact of domestic & global markets, competition, and geopolitical factors on strategy

Identifying and mitigating risks associated with the chosen strategy

Consider the role of technology and innovation in shaping and implementing strategies.

In Summary ...



Strategy is a dynamic and iterative process that involves careful planning, execution, and adaptation to achieve long-term goals in a competitive and ever-changing environment.

It is a crucial aspect of organizational success and requires continuous assessment and adjustment

Industry, Competitors, Market Analysis?

Industry Analysis

- Market Size & Growth
- Regularity Environment
- Technology Trends
- Supply Chain Analysis
- Customer Trends/Sentiments/Mood/Behaviors

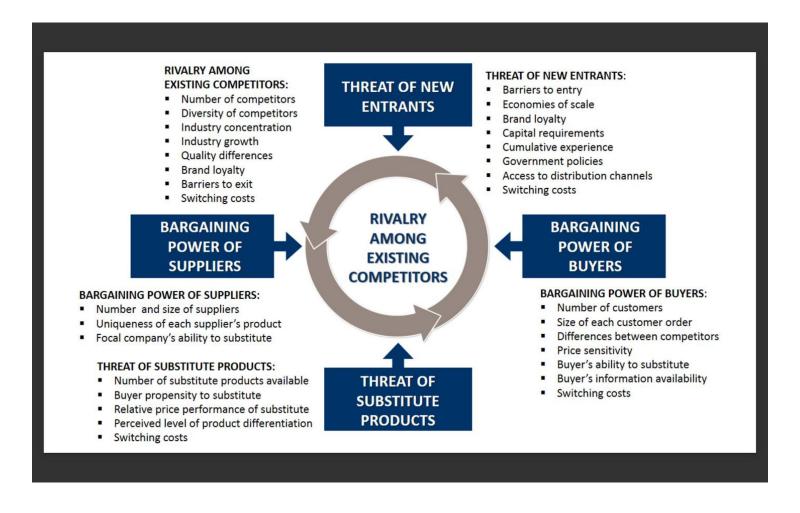
Competitor Analysis

- Identification
- Competitor SW
- Market Share
- Strategies
- Differentiation

Market Analysis

- Emerging Trends
- Customer Preferences
- Technology Advances
- Global Market Trends
- Scenario Planning
- Sustainability

Analyze 5 Competitive Forces



Strategy- Planning Process?

Strategy planning process is a systematic approach that organizations use to define their direction, make decisions on allocating resources, and set priorities to achieve their goals

While specific methodologies may vary, a typical strategy planning process involves several key stages

- Mission & Vision
- Internal & External Analysis (SWOT) Strength, Weakness, Opportunities & Threats
- PESTEL Analysis Political, Economic. Sociocultural, Technological Environmental & Legal
- Goal Setting SMART Objectives
- Resource & Capability Assessment
- Strategic Options Alternatives
- Strategic Decision Making
- Action Plans
- Performance Measurement Matrix
- Feedback, Adaptions & Adjustments
- Review & Continuous Learning



In Summary ...



By conducting a thorough analysis of the industry, competitors, and market trends, businesses can formulate informed and effective strategies to navigate the dynamic business environment

Regular updates to these analyses are crucial for staying responsive to changes in the market

You must continuously analyse internal and external environments, be open to disruptions, and be agile in adapting their strategies to navigate an ever-changing business landscape

Strategic formulation is an ongoing process that requires vigilance, adaptability, and a proactive approach to change

Resource & Capability Assessment...

Resource and capability assessment is a crucial aspect of strategic management It involves evaluating an organization's internal strengths and weaknesses to identify its core competencies and areas that need improvement

Here are some key steps and resources to help you conduct a thorough assessment

- Identify Key Resources
- Work on Core Competencies Analysis
- SWOT Analysis
- Value Chain Analysis
- Benchmarking
- Financial Analysis
- Internal Documentation-Internal Reports /MIS/PMS Matrix/T&D Records
- Employees/Customer Feedback
- Experts View



Resource & Capability Assessment...

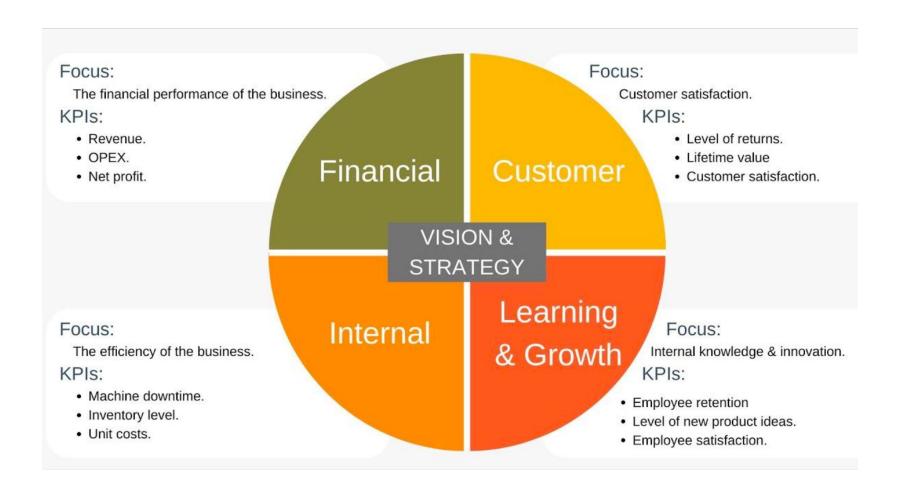
Tools & Framework

- Balance Scorecard/Goal Sheet/KRA/High Five
- Performance Review Reports
- Projects Performance Reports
- Feedback Reports
- Training & Development Records
- PDD Professional Development Dialogue Records



Resource and capability assessment is an ongoing process. Regularly revisit and update your analysis to adapt to changes in the internal and external business environment

Balance Score Card



Organization Structure & Culture?

Organizational structure and culture are two critical elements that shape the way an organization operates, its dynamics, and its overall success. Let's delve into each concept

Organization Structure:

Organizational structure refers to how an organization arranges its employees, tasks, and resources to achieve its goals

It defines the hierarchy, reporting relationships

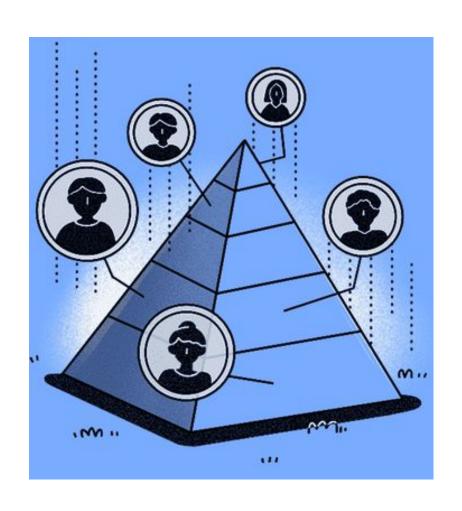
Organization Culture:

Organizational culture represents the shared values, beliefs, and practices that shape the behaviour of individuals within an organization

It influences how employees interact, make decisions, and approach their work

Organization Structure - Types?

- Functional Structure
- Divisional Structure
- Matrix Structure
- Network Structure
- Flat Structure



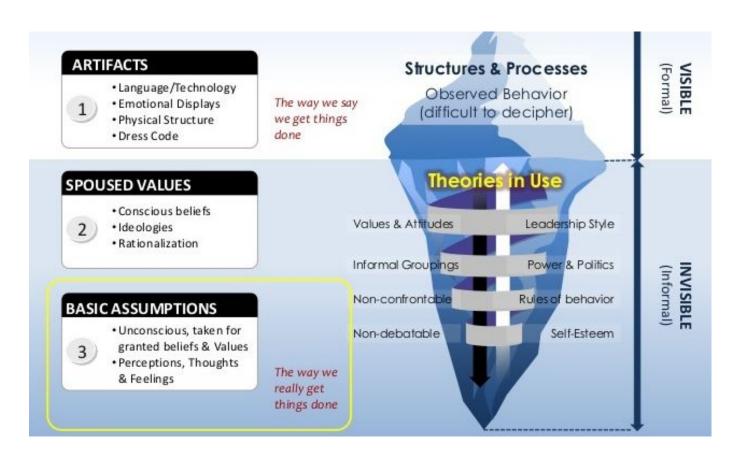
OS - Influencing Factors?



- Size & Scale of the Organization
- Nature of Business
- Technology Driven
- Strategy Driven

OS Culture - Components ?

- Values
- Beliefs
- Norms
- Symbols
- Artifacts



4 Types of Organization Culture?

Clan Culture

- Emphasizes collaboration and teamwork.
- Like a family; supportive and nurturing

Adhocracy Culture:

- Encourages innovation and risk-taking.
- Dynamic and entrepreneurial

Market Culture:

- Driven by competition and achievement.
- Focuses on results and performance

Hierarchy Culture:

- Employees Stability & Control
- Formalised Structure & Processes



Relationship between Org Structure & Culture ?



- Mutual Influence
- Alignment with Goals
- Adaptability

In Summary

The organizational structure provides the framework for how work is divided and coordinated, while organizational culture defines the shared values and behaviors that shape the work environment.

Both are essential for the overall success and sustainability of an organization

Leadership Alignment & Performance

Strategic leadership alignment and performance management are critical aspects of organizational success

Strategic leadership alignment involves ensuring that leaders throughout an organization are aligned with its overall strategic direction

This alignment is essential for achieving organizational goals and maintaining a cohesive and focused approach

Key elements include:

- Vision & Mission Alignment
- Effective Communication
- Decision Making
- Coaching & Mentoring
- Continuous Evaluation

Leadership Alignment & Performance

Performance management involves the process of setting expectations, assessing progress, providing feedback, and aligning individual and team performance with organizational goals

Key components include:

- Goal Setting
- Regular Feedback
- Performance Appraisal
- Individual Development Plan
- Recognition & Awards
- Alignment with Defined Strategy

In Summary

Effective strategic leadership alignment and performance management contribute to a cohesive, motivated workforce that is focused on achieving the organization's strategic objectives.

Regular reviews and adjustments are necessary to adapt to changing circumstances and ensure ongoing alignment and success

Evaluating Effectiveness of Strategy

Evaluating the effectiveness of a strategy is a critical aspect of strategic management.

The evaluation process helps organizations determine whether defined strategies are achieving the desired results and if adjustments are necessary

Here's a general framework for evaluating the effectiveness of a strategy

- Define Clear Objectives
- Define the KPI's (Key Performance Indicators)
- Data Collection & Analysis
- Benchmarking
- Stakeholder Feedback on Financial Performance
- Adaptability/Agility/Resilience
- Review & Communication

In Summary

By systematically assessing these aspects, organizations can gain a comprehensive understanding of the effectiveness of their strategies and make **informed decisions** about adjustments or refinements as needed

Learning from Success & Failure Story of Strategies

Learning from success and failure stories is a valuable and essential aspect of personal and professional development

Both success and failure provide valuable lessons that can shape individuals and organizations, fostering growth, resilience, and continuous improvement

Here's a breakdown of the importance of learning from success and failure stories:

From Success Stories:

- Identify the best practices
- Identify the Motivators & Inspirers
- Reinforce the Positive Behaviour
- Build Confidence

Learning from Success & Failure Story

From Failure Stories:

- Identify the Weakness, Mistakes & areas for Improvements
- Encourage Adaptability
- Promote Innovation
- Develop a Growth Mindset
- Enhance a Decision-making Skills

Overall Impotence:

- Continuous Improvements
- Risk Mitigation
- Culture Impact on Embracing Change

Learning from Success Story from India

- Oyo
- Swiggy
- Flipkart
- Zomato
- Mama earth
- Patanjali
- Paytm
- Make my Trip
- Anand Mahendran Group
- Nykaa

- Zivame
- Ola Cabs
- D Mart
- Lens kart t
- Reliance
- Adani
- GMR
- Airtel
- Dabar

Learning from Failure Story from India

- Kingfisher Airlines
- Vanilla Coke
- Chevrolet
- Tata Nano
- Bloomberg Television Channel
- Doodhwala
- Volkswagen Beetle
- Taxi for Sure
- Kodak
- Onida
- Nokia

- Hindustan Motors
- Baidya Nath
- Hamdard
- Meesho Super Stores
- Walmart
- Ikea

In Summary

Learning from success and failure stories is integral to personal and professional development

It provides a holistic view of the journey toward success, offering valuable insights that contribute to growth, resilience, and the ability to navigate challenges effectively

Adapting Change

Change Management (CM) refers to any approach to transitioning individuals, teams, and organizations using methods intended to re-direct the use of resources, business process, budget allocations, or other modes of operation that significantly reshape a company or organization



Change Management....

Principal of Change

- Change is a process that can be enabled, not managed
- The change process must be linked to business and Performance Goals
- Building Capacity to change is a strategic imperative
- Building capacity for change is an evolutionary process
- Effective change process requires a systematic view of the organization
- The change process involves both organization & personal transitions
- Resistance to change is predictable reaction to an emotional process and depends on a person's perception of a change situation.
- A handful of change enablement best practices account for the success of most change processes.
- Change strategies are situational

Change Management....

Rate of Change

When the rate of change outside exceeds the rate of change inside the end is in sight" - Jack Walch

Forces for Change:

- Knowledge Economy
- Virtual organizations
- Merger & Acquisitions
- Electronic Commerce
- Digital Convergence
- Privatization



Rate of Success in Change efforts....

- Very Successful 9%
- Moderately successful 4%
- Not very Successful 27%
- Too Soon to tell 27%
- Unsure 33%

There are two sides of change

- Technical Side of Change
- Human Side of Change

Change management checklist

- Define the project vision and key outcomes.
- Use vision and goals to determine the messaging strategy.
- 🕜 Create a communications plan.
- Identify and engage stakeholders.
- 🕢 Identify and engage change champions.
- Create a thorough plan for testing.
- Use training for instruction—and for marketing the new system.

Five activities contributing to effective change management....

- Motivational Change
- Creating vision for change
- Developing political support
- Managing the transition for change
- Sustain Momentum

The above will lead to **Effective Change Management**

Barrier to Change....

- 1. Resistance to change
- 2. Limitation of Existing Systems
- 3. Lack of Executive Commitment
- 4. Lack of Executive Champion
- 5. Unrealistic Expectation
- 6. Lack of Cross Functional Team
- 7. Inadequate Team & user skills
- 8. Technology user not involved
- 9. Project Change too narrow



Overcoming Resistance to Change...

Education & Communication	Negotiation
Participation & Involvement	Active Engagement through Catalysts
Facilitation & support	Coercion

Four Phases of transition

- 1. Denial
- 2. Resistance
- 3. Exploration
- 4. Commitment





Let us get going



Ordinary people can deliver extraordinary performance

LET US EMBRACE THE FUTURE





The Journey must Continues..... to transform People, Communities & Organization