Strategic Implementation

After having chosen appropriate strategies the organisation has to choose to proceed to implement the strategies. It is vital because it is PRACTICAL ONE.

We know that strategy formulation activity is primarily an entrepreneurial activity while implementation is administrative activity.

Implementation of strategy is mainly to REALISE THE INTENT. All the strategies have to be activated through implementation.

Strategic Implementation

- "Strategic implementation is concerned with securing resources ,organising these resources and directing the use of these resources within and outside the organisation".

- Generally Implementation of strategies will be the work of General Manager and he has to create a fit between company's goals and its activities.

Strategic Implementation

- Generally, TWO types of FIT need to be created. They are:
1. Fit between the strategy and functional policies
2. Fit between the strategy and organisational structure , processes and systems.

McKinsey 7 s Framework

INTRODUCTION:-
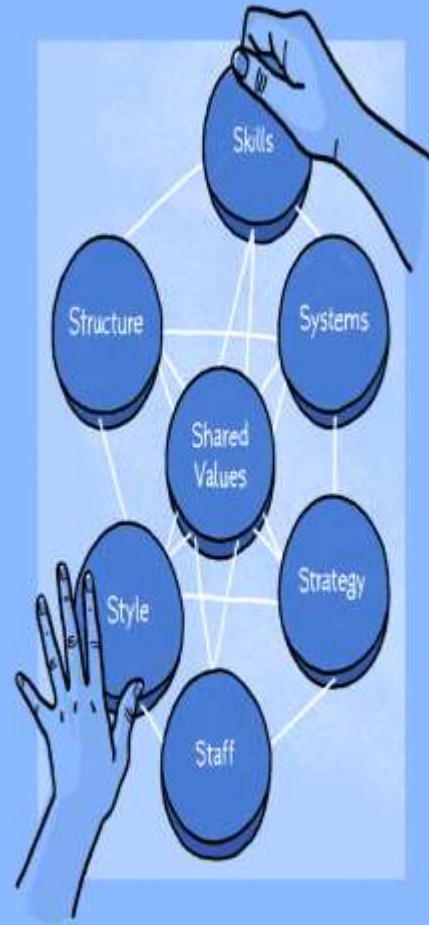
- MC KINSEY is a global management consulting firm & the trusted advisors to the worlds leading businesses, government, and institutions.

- Founded by James o. Mckinsey in 1926.
- The 7 S framework is a management model developed by Robert J. Waterman & Tom Peters (also developed MBWA i.e management by walking around).
- The model is most often used as tool to assess & monitor changes in the internal situation on

McKinsey 7 s Framework

McKinsey 7S Model

- Model developed by business Robert H. Waterman, Jr. and Tom Peters in 1980
- It consist of 7 factors which determines the way in which corporation operates
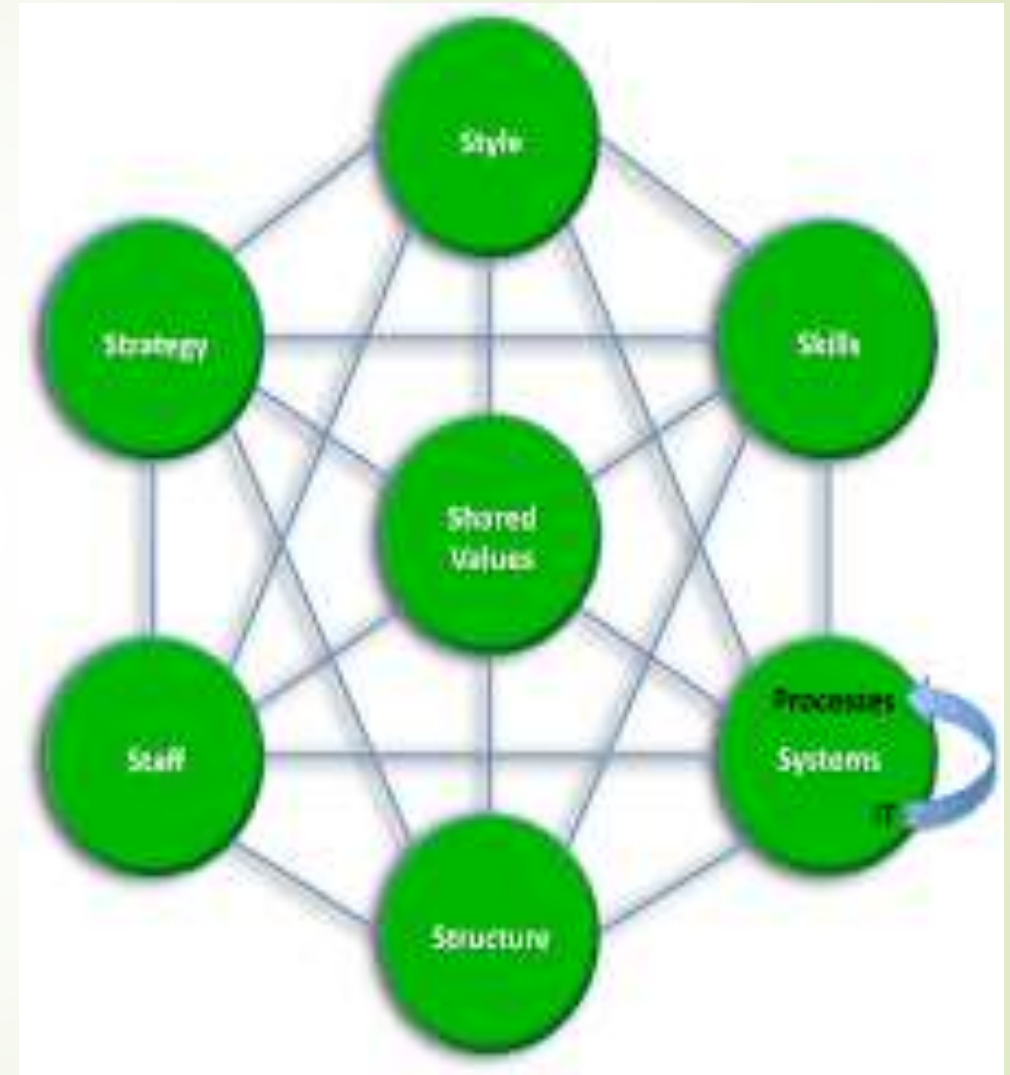- Larger or small, these all strategies are interdependent, on each other
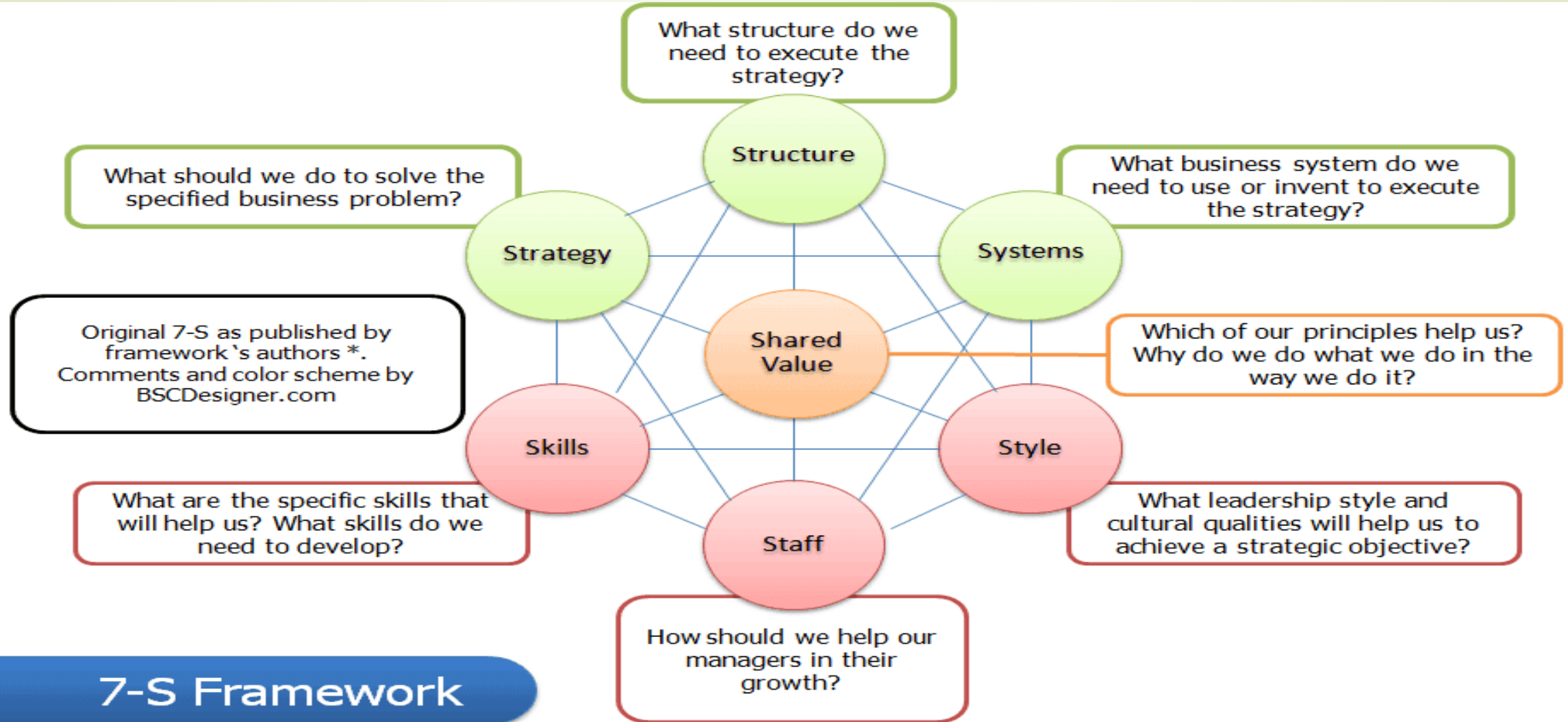
McKinsey 7 s Framework

McKinsey's 7 S Framework

What structure do we need to execute the strategy?

Structure

What should we do to solve the specified business problem?

Strategy

What business system do we need to use or invent to execute the strategy?

Systems

Original 7-S as published by framework's authors *. Comments and color scheme by BSCDesigner.com

Shared Value

Which of our principles help us? Why do we do what we do in the way we do it?

Skills

Style

What are the specific skills that will help us? What skills do we need to develop?

What leadership style and cultural qualities will help us to achieve a strategic objective?

Staff

How should we help our managers in their growth?

7-S Framework

* Original 7-S framework was introduced by Robert H. Waterman, JR., Thomas J. Peters, and Julien R. Phillips. in "Structure is not organization", Business Horizons (1980, June). Comments and color scheme by BSC Designer.com

Legend: Hard Ss   Soft Ss

Contd.

- This model has identified 7factors.(STRATEGY, STRUCTURE, ,SYSTEM and SHARED VALUES).

- The components of McKinsey's 7-S framework are as follows:

- STRATEGY: This means achieving organisational Purpose.

- STRUCTURE: This means basic framework to designate responsibilities and functions.

- SYSTEMS: This refers to management tools for planning , decision making communication and control.

Contd.

- STAFF: This refers to Human Resources of the organisation.

- Skills: This refers to organisational and individual capabilities

- Style: This connotes how managers lead and motivate.

- Shared Values: value, objectives and goals which organisation pursues.

Contd.

Front the above it is evident that scope of managerial activities associated with strategic implementation is virtually co-extensive with entire management process.

This is also obvious that entire management process is geared according to the needs of the strategy.

McKinsey 7 s Framework

In this framework, STRATEGY is starting point and shared values is the ending point for the purpose of analysis.

Here all the factors are interrelated.

This means that no single factor should be considered in isolation.

McKinsey 7 s Framework

➡ The goal of the model was to show how 7 elements of the company: Structure, Strategy, Skills, Staff, Style, Systems, and Shared values, can be aligned together to achieve effectiveness in a company.

➡ The key point of the model is that all the seven areas are interconnected and a change in one area requires change in the rest of a firm for it to function effectively.
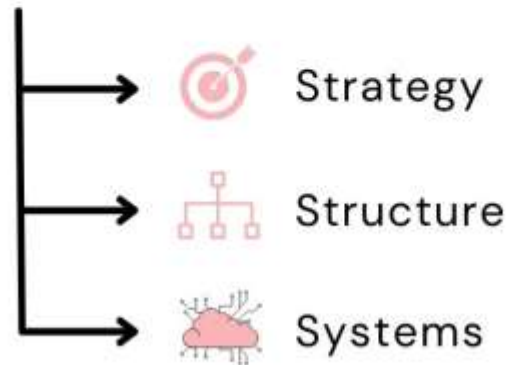
McKinsey 7 s Framework

➡ The McKinsey 7-S Framework then categorizes these seven elements into two categories: hard elements and soft elements.

➡ **Hard 'S' elements** are easily identifiable and influenced by leadership and management. They include *Strategy*, *Structure*, and *Systems*.

➡ **Soft 'S' elements** are those that are intangible and culture-driven. They include *Shared Values*, *Style*, *Staff*, and *Skills*.

McKinsey 7 s Framework

McKinsey 7 s Framework

Benefits of Implementing 7S

- Floor space utilization is improved.
- Satisfaction & morale of employees improves.
- Workflow becomes well organized
- Time for searching tools, materials & documents is reduced.
- Improved employee morale & motivation.
- Higher equipment availability.
- Machine breakdowns are decreased, and it also becomes easier to diagnose and repair
- Along with the productivity of the organization

www.LeanTransformation.com

Enhancement of Organizational Effectiveness

Aligns Organizational Departments and Processes

Implementation of Strategies

Analyzes Impact of Future Organizational Change

Comprehensive Framework

Links Academic Research with Management Practice

Advantages of 7s Model

Applications of 7S framework

Applications of 7S framework

- Firstly, the management needs to find out the problem area, which requires the application of this model.

- The next step is to make sure that the organizational design is optimal. Also, through research and benchmarking, the level of alignment of the seven elements with this corporate design is ascertained.

Contd..

- After analyzing the degree of alignment among the seven elements, the management has to outline the areas which demand change or needs to be reorganized; along with the kind of modification required.

- Next comes the successful implementation of the planned change with the help of experienced personnel, for acquiring effective outcomes.

- we already know that these elements improvise from time to time, thus, they should be regularly assessed, to maintain the organizational efficiency.

Contd..

➤ The conclusion of the analysis sometimes does not have a proper factual backing.

➤ There are possibilities that the management may overlook some of the minute facts while framing or implementing the strategies.

➤ When it comes to the accomplishment of strategies, the analyst fails to explain such application clearly.

➤ It is a stagnant framework, especially in the short-term, since its result cannot be analyzed so soon.

➤ It is difficult to evaluate the degree of suitability of this model in a business organization.

➤ This framework emphasizes on the analysis of the organization's internal factors, neglecting the external factors which substantially affect the business operations.

Examples of 7S frame work implementation

McKinsey 7S Model Example – Apple

Strategy	Product differentiation through innovative design and user experience.
Structure	Operates a flat and decentralized organization structure that focuses on cross-functional collaboration.
Systems	Business maintains a strong focus on quality control and customer satisfaction.
Shared values	Simplicity, creativity, and perfectionism.
Skills	Employs a highly skilled workforce that maintains an understanding of technology and design.
Staff	Strong emphasis on quality hiring and retaining top talent.
Style	A visionary leader who focuses on innovation.

McKinsey 7S Model Example - McDonald's

Strategy	A global fast-food chain with a standardized menu and efficient operations.
Structure	Centralized organization that focuses on efficiency and consistency.
Systems	A strong focus on quality control and operational efficiency.
Shared values	Service, quality, cleanliness, and value.
Skills	A highly trained workforce in customer service and efficiency.
Staff	A strong emphasis on hiring and retaining motivated and efficient employees.
Style	Hands-on management with continuous improvement.

McKinsey 7S Model Example – IKEA

Strategy — Offers affordable and stylish furniture that is easy to assemble.

Structure — A flat and decentralized organization that focuses on employee empowerment.

Systems — Strong focus on cost control and efficient operations.

Shared values — Affordability, simplicity, and sustainability.

Skills — A team of highly trained workforce in customer service and assembly.

Staff — A strong emphasis on hiring and retaining motivated and skilled employees.

Style — Collaborative leadership that encourages employee engagement.

McKinsey 7S Model Example – Tesla

Strategy
Provide disruptive electric vehicle and renewable energy.

Structure
Flat, decentralized organization with a focus on innovation and speed.

Systems
Strong focus on quality control and customer satisfaction.

Shared values
Innovation, sustainability, and excellence.

Skills
Highly skilled workforce with a deep understanding of technology and engineering.

Staff
Emphasis on hiring and retaining top talent.

Style
Visionary leadership and a focus on disruption.

McKinsey 7S Model Example – Pepsi

Strategy	Become a global beverage company with a wide range of products.
Structure	A centralized organization that focuses on global branding and marketing.
Systems	A strong focus on product quality and customer satisfaction.
Shared values	Optimism, refreshment, and fun.
Skills	A team of highly skilled workforce in marketing and sales.
Staff	Strong emphasis on hiring and retaining motivated and creative employees.
Style	Brand-driven leadership that aims to enhance global expansion.

Mc Kinsey 7 s Framework

Thus based on the above, we can classify the various functions relevant for strategy implementation can be categorized as follows:

1. Institutionalization of strategy ,action plans and allocation of organisation resources – Activating strategy.

2. Design of organisation structure and development of organisational systems –Structural Implementation

3. Developing leadership styles, building organisational climate and infusing values , ethical and social consideration –Behavioural implementation.

The above categorization can take place in any sequence , simultaneously and continuous basis.