Strategic Implementation

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I have worked in company X for some time and there had been much to learn especially in strategy formulation and implementation areas. One particular aspect of interest was strategy implementation in that organization. A good strategy cannot bring positive results if strategy implementation is not effective. The company did not study the environment properly and missed some critical factors affecting its strategy (Baroto, Arvand, & Ahmed, 2014). The company presented itself as a quality provider of goods to its customers and at the same time, it tries to compete with other companies on the basis of price. Company is not clear in its strategic approach of high quality or low price. I also learnt that the strategic management process is an ongoing practice in which company learns over a period of time. Strategy formulation leads to its implementation so it should be correct enough to be implemented. As mentioned earlier, the company where I worked should have taken a clear stance whether It wants to deliver quality or it wants to compete on price. In the ever-changing environment and in grocery markets, things change very fast and companies should control the implementation progress. McKinsey presented 7S model for the strategy implementation (Palmer, 2005) and the same has been discussed here.

 In the past, company has been able to implement its cost leadership strategy largely due to the economies of scale and strong bargaining power that it possesses while dealing with suppliers to experience low costs of purchasing. There have been some external issues which have affected the reputation of company adversely. These events in the form of scandals affected the sale of company as well. Certain steps have been announced by the new CEO to tackle these problems including reduction of capital expenditures. There is a long structure which is implemented by the company in the form of many layers and hierarchical levels. The new CEO cut out many layers if hierarchy to simplify organizational structure. There is a campaign of simplifying the systems of company to make sure that strategy implementation is done easily. The performance evaluation system has only a few number of key criteria so that overall process is greatly simplified. The company has around 40000 staff members and there is a tendency of cutting down various hierarchical levels so that strategy implementation can be done more easily. The company considers finance, customers, operations, and employee performance as its major areas (YingXie & Allen, 2013). The company provides full knowledge to all its employees regarding what is required from them to implement the strategy successfully. In this regard, various training programs are also offered to the employees to enhance their skill level and work according to standards of the company. A problem faced by company is that there is a close connection between all the elements presented by McKinsey. All these factors are internal in nature and there is least contribution from the external environment in this model. The company also failed to judge the external environment effectively and particularly the competitors who were genuinely low cost companies. The new CEO has tried to cut costs in various ways which has allowed the company to implement cost reduction and cost leadership strategy. The next step in this process will be to evaluate how effectively this strategy has been implemented. It is important that this organization changes its stance with a change in external environment. This is particularly important in businesses which have low or no differentiation as compared to their competitors or in other words, provide standardized products. Although external factors should be considered at the time of strategy formulation but changes taking place in it have to be incorporated as and when required.

# **References**

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