

Functional and Operational Implementation

Functional Strategies

Functional Implementation

- Marketing Plans and Policies
- Financial Plans and Policies
- Operations Mgt Plans and Policies
- HRM Plans and Policies
- Information mgt. plans and policies

Operational Implementation

In four areas of Operational effectiveness

- ✓ **Productivity**
- ✓ **Process**
- ✓ **People**
- ✓ **Pace**

Functional Strategies

- Restricted plan designed to meet objectives in a specific functional area
- Allocation of resources among different operations within that functional area
- Coordination among different functional areas for optimal contribution and achievement of business and corporate level objectives

- A very important task of strategy implementation is to align or fit the activities and capabilities of an organization with its strategies.

FIT

Vertical fit

- Congruence and coordination among strategies at different levels

Necessary to define functional strategies in terms of the capability of the functional strategies to contribute to the strategic advantage of the organization from which it is derived.

Horizontal fit

- Congruence and coordination among strategies at same level

*There has to be **integration** of the operational activities undertaken to provide a product or service to a customer. This can only take place in the course of operational implementation*

Need for functional Plans and Policies

- To implement strategic decisions by all parts of an organization
- To control activities in different functional areas of business
- To reduce time taken by functional managers in decision making
- To handle similar situations in different functional areas in consistent manner
- To coordinate different functions

Integration of functional plans and policies

FIVE considerations :

- Need for internal consistency
- Relevance for development of organized capability
- Making trade off decisions
- Determination of intensity of linkages
- Timing of implementation of plans and policies

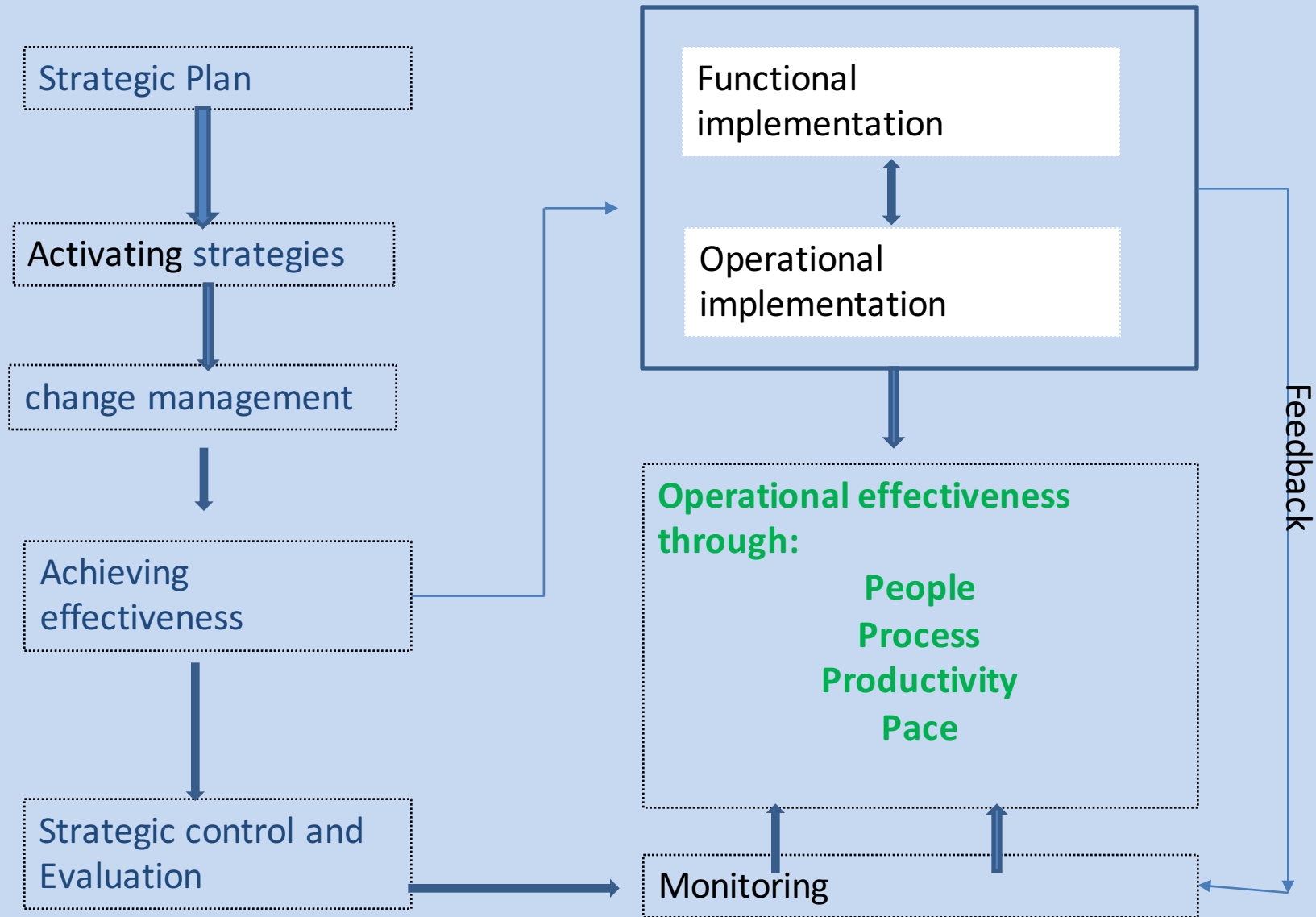
Mechanisms to integrate functional plans and policies

- Information systems : Horizontal information linkage aimed at cross functional coordination
- Direct contact : Liaison role
- Task forces
- Full time integrator
- Teams

Operational Implementation

- Approach adopted by an organisation to achieve operational effectiveness
- This is the stage at which most tangible work gets done

Key role of operational implementation in achieving operational effectiveness



Productivity : Practices, techniques and methods

- JIT
- Cycle time reduction
- Group technology
- Mass customization
- Concurrent Engineering and processing
- Optimized Production technology
- Flexible manufacturing system
- Cellular manufacturing
- Total productive maintenance
- Lean manufacturing

Processes

- TQM
- VC Analysis
- BPR
- ERP
- Benchmarking
- SCM
- Outsourcing
- Offshoring

People

People factor as contributor to effectiveness indicated by many terms:

- ✓ Job enrichment
- ✓ Empowerment
- ✓ Team building
- ✓ Multiskilling
- ✓ Knowledge worker
- ✓ Human capital
- ✓ Intellectual capital
- ✓ Organizational learning
- ✓ Knowledge management
- Strategic recruitment and selection
- Performance Management
- Training and Development
- Performance appraisal and retention mgt.
- Separation management

In addition to within, companies also do surveys and feed back studies, relationship marketing, loyalty mgt, better information to investors , socially responsive behavior , reputation and ethical conduct

Pace

- Time study
- Network analysis and activity charts
- Time based management
- Time management
- IT
- Networked organization /virtual organization