

Subject: Business Economics

Course: B.A., 6th Semester, Undergraduate.

Paper No: 602

Paper Title: Business Strategy & Ethics

Unit No.: 4 (Four)

Title: Strategy Implementation and Control

Lecture No: 3 (Three)

Title: Strategic Control & Evaluation

FAQs

Q1. Explain Premise Control in Strategic Control

Every strategy is based on certain planning premises or predictions. Premise control is designed to check methodically and constantly whether the premises on which a strategy is grounded on are still valid. If you discover that an important premise is no longer valid, the strategy may have to be changed. The sooner you recognize and reject an invalid premise, the better. This is because the strategy can be adjusted to reflect the reality.

Planning premises/assumptions are established early on in the strategic planning process and act as a basis for formulating strategies.

Q2. Discuss important two factors of premise control.

“Premise control has been designed to check systematically and continuously whether or not the premises set during the planning and implementation processes are still valid.

It involves the checking of environmental conditions. Premises are primarily concerned with two types of factors:

- **(a) Environmental factors** (for example, inflation, technology, interest rates, regulation, and demographic/social changes).
- **(b) Industry factors** (for example, competitors, suppliers, substitutes, and barriers to entry).

All premises may not require the same amount of control.

Q3. Describe special alert control in strategic Control

A special alert control is the rigorous and rapid reassessment of an organization's strategy because of the occurrence of an immediate, unforeseen event. An example of such event is the acquisition of your competitor by an outsider. Such an event will trigger an immediate and intense reassessment of the firm's strategy. Form crisis teams to handle your company's initial response to the unforeseen events.

Q4. Implementation Control in Strategic Control

Implementing a strategy takes place as a series of steps, activities, investments and acts that occur over a lengthy period. As a manager, you'll mobilize resources, carry out special projects and employ or reassign staff.

Implementation control is the type of strategic control that must be carried out as events unfold.

Q5. What is monitoring strategic thrusts (new or key strategic programs).

Two approaches are useful in enacting implementation controls focused on monitoring strategic thrusts:

- (1) One way is to agree early in the planning process on which thrusts are critical factors in the success of the strategy or of that thrust;
- (2) The second approach is to use stop/go assessments linked to a series of meaningful thresholds (time, costs, research and development, success, etc.) associated with particular thrusts

Q6. Explain Operational control system:

Operating Control

Operational control systems are designed to ensure that day-to-day actions are consistent with established plans and objectives. It focuses on events in a recent period. Operational control systems are derived from the requirements of the management control system.

Corrective action is taken where performance does not meet standards. This action may involve training, motivation, leadership, discipline, or termination.

Q7. What is Milestone Reviews?

Milestones are significant points in the development of a program, such as points where large commitments of resources must be made. A milestone review usually involves a full-scale reassessment of the strategy and the advisability of continuing or refocusing the direction of the company. In order to control the current strategy, must be provided in strategic plans.

Q8. How to set the standards?

- Before setting standards an executive must study the characteristics of the work.
- Executives must consider ordinarily flexible and generally acceptable levels of good performance in terms of work characteristics
- As nature of work differs with every operation (unit), the characteristics are different and so are the standards.
- Standards are set, thus, depending on the characteristics of the task.

Q9. Explain six steps common to both PERT and CPM.

1. Develop the relationships among the activities. Decide which activities must precede and follow others.
2. Draw the network connecting all of the activities.
3. Assign time and/or cost estimates to each activity.
4. Compute the longest time path through the network; this is called the critical path.
5. Use the network to help plan, schedule, monitor, and control the project.
6. Use the network to help plan, schedule, monitor, and control the project.

Q10. What are the requirements for performance in the company?**Requirements of performance**

- Set in precise quantitative terms.
- Flexible enough to modify whenever required.
- Clear and understandable to all.
- Workable and acceptable.
- Take care of all critical points that cover the entire organization

Revise periodically and keep up to date.