

Subject: Business Economics

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

Paper No: 602

Paper Title: Business Strategy & Ethics

Unit No.: 4 (Four)

Title: Strategy Implementation & Control

Lecture No: 1 (One)

Title: Operationalizing the Strategy

Glossary

Specific: For the best results, an objective needs to be clear and specific. Instead of saying “to improve non-conforming product,” a specific Quality Objective would be “to reduce non-conformances on the third widget line,” if the third widget production line is showing data as the most troublesome area for non-conforming product.

Measurable: If an objective can’t be measured, how will you know if it has been obtained? In order to make quality objective effective, employees can measure the defects being made, and therefore make plans to reduce the number of defects, but a vague measure of “quality” is more passing and very hard to plan improvements for.

Agreed: For an objective to be agreed it first needs to be created and approved by top level management. Once management agrees on the objective it needs to be communicated to each level of the organization that will be required to implement the plans to achieve the objective, and the people at these levels of the organization need to agree that the plan is achievable. Without this buy-in they may not fully work towards the goal and the plan may be doomed to failure.

Realistic: Being realistic with an objective will make selling it within the organization easier. If manager tell employees that they want to reduce defects from 50% to 2%, they will not be able to see how this is possible, especially if the plans around the object do not support the improvement. It is better to set realistic goals and over achieve than it is to set unrealistic goals and always fall short of the expectation.

Time-Based: To be truly effective, an objective needs to have a time associated with it. A plan needs to have dates in order to be properly tracked. Again, having the time associated will allow manager to monitor how close he expects to be in achieving his goals.

Production / Operations Strategies

Production/operations management (POM) is the core function in the business firm. Somehow, someplace, the goods and services that a company sells must be obtained. Basically, this involves a process of converting labor, materials, etc., into the particular combination of qualities that a selected group of customers wants.