IKEA India: 9S Case Study Jottings & Final Answers

**For**: Kreativstorm evaluation task

**Prepared by**: Rofiat Muhammad Lunchgrips | **Date**: 22-10-2025

# Case facts bank (quick reference)

## ****Sales and Product-Market Fit****

* Footfall ↓ **34%** vs launch quarter.
* Large-format items **–60% to –70%** vs forecast.
* Small items **>45%** of purchases (plan 30–35%).
* Online conversion **<1.5%** pilots; long delivery windows, unclear assembly.
* Interviews: mismatch between **apartment sizes** and **EU dimensions**.

## ****Talent and Organisation****

* Middle-management turnover **24.7%** (18 months).
* Dual reporting (local ↔ global); unclear escalation; HQ KPIs not localised.
* Role duplication (store planning vs global merchandising); overlapping KPIs.

## ****Sourcing and Supply Chain****

* India FDI: **30% local sourcing** → restructure **25%** vendor base.
* QA rejects **8.2%** (global **1.4%**).
* **60 SKUs** pulled at launch; systems fragmented until **2021**; store projects slipped **>12 months**.

## ****Communication and Leadership****

* Only **39%** understood the ops decision chain; 32% felt local input was taken seriously; **41%** overwhelmed by reporting.
* Global comms on EU cadence; inflexible “One IKEA Way.”

## ****Culture and Capability****

* Values felt **abstract**; legacy-global vs local tension; delayed training.
* “India Market Labs" paused after six months.

## ****Public Performance****

* NPS **74 → 59** (Q1’19 to Q3’21); “slow burn” label; execs cite coordination challenges.

# Step 1: List the 9S dimensions

*auto-check*

1. Strategy
2. Structure
3. Systems
4. Style
5. Staff
6. Skills
7. Shared Values
8. Sustainability
9. Speed

Other possible options include Scalability, Stakeholders, Strategic Performance, Strategic Positioning, or Scale.

Speed is sometimes known as scale; this depends on the Deloitte version

# Step 2: Misalignments by “S”

*2–3 sentences each*

## 3.1 Strategy

The strategic plan of IKEA India to replicate its global multi-city deployment failed to consider the market accommodation requirements in India. Large-format stores and furniture of European size were the main focus; thus, the 60-70% underperformance in these segments reveals a lack of localisation. The company's long-term expansion plans were reasonable, whereas the short-term plan did not align with the needs of consumers and its operational capabilities.

## 3.2 Structure

The two reporting systems, whereby the local heads are reporting to the leadership of India and also to the global functions, led to confusing authority and accountability. Promotions and pricing KPIs overlapped, which led to slow and inconsistent reactions to market changes, as it was unclear who was in charge of revenue decisions. Such a disintegrated framework deteriorated the agility of the city and slowed its growth.

## 3.3 Systems

Until 2021, IKEA India worked on piecemeal inventory and planning systems, and its fulfillment centers were not connected to the global platforms. This resulted in poor supply chain visibility and inaccurate planning, which caused SKU shortages, quality rejection at 8.2% and over 12 months of project delay. These were loopholes in the system, which compromised the performance of stores as well as customer experience.

## 3.4 Style

The communication between the headquarters and the global audiences was HQ based, where the updates were made on European timelines and lacked local reporting. Weak empowerment was observed through the understanding of operational decision chains, since only 39% of the employees believed that their input was taken into consideration. The “One IKEA Way” strategy, though globally uniform, was seen in India as strict and top-down in the fast-changing environment.

## 3.5 Staff

The turnover of middle management was 24.7% within less than two years due to the lack of procedures for escalation and pressure of KPI. Store managers complained that the amount of reporting was overwhelming, and they did not have good channels for following up. This instability undermined local implementation, continuity, and trust in functional teams.

## 3.6 Skills

The local teams did not have localised merchandising and vendor QA capability; this resulted in 8.2% rejection rates, whereas IKEA was averaging 1.4% globally. The transfer of operational knowledge was hindered by the delay in training since the materials were not translated. The lack of skills in e-commerce optimization also brought the online conversion to less than 1.5 per cent, which restricted the expansion of the omnichannel.

## 3.7 Shared Values

The global values of IKEA, that is, togetherness, simplicity, and lead by example, were perceived as abstract and non-contextual in the hierarchical Indian business culture. The stress existing between international recruits and domestic managers created non-formal silos and negated teamwork. The lack of this cultural connection watered down focus and team spirit.

## 3.8 Sustainability

The incentive towards 30% sourcing locally at IKEA India revealed underdeveloped supplier environments and lax quality control. Having more than 60 SKUs off-market and rework being in high numbers, it turned into a familiar problem in terms of the long-term sustainability of suppliers. The firm did not have strategies to create vendor resiliency and sustained performance.

## 3.9 Speed / Scalability

Mumbai and Bengaluru key stores were at least 12 months behind schedule, and decisions were delayed due to duplication of roles and cross-border approval chains. These lags did not allow IKEA to harness the early-market momentum and respond to promotions fast. The pace at which integration was slow was a major setback to scalability.

# Step 3: What the two Marzo additions reveal

*100–200 words*

*Actual Word Count - 187*

Sustainability and Speed Marzo additions expose weaknesses in operations and adaptive strengths, which the traditional 7S model would have possibly missed. Sustainability reveals how IKEA India is struggling to have a stable and quality assurance supply base locally, with the 30% sourcing regulation in India. The withdrawal of more than 60 SKUs and an increase in QA rejection to 8.2% indicate that inflexibility of suppliers and ineffective long-term vendor relationships weakened reliability. This is not just a structural or systems inefficiency manifestation, but it is a failure to instill resilience in the operating model.

On the same note, the Speed dimension reveals the expense of slow decision-making and responsiveness to the market. The store launches were slipping behind schedule by more than 12 months due to the use of dual reporting lines, global approval chains, and fragmented systems, which hampered the momentum of growth. The traditional 7S model would fail to capture these time delays accumulating in structure, systems, and culture to make alignment an inertia. Combined, these two elements, Sustainability and Speed, reveal the temporal, dynamic demands and voids that traditional alignment systems do not serve.

# Step 4: Influence Flow in IKEA India

1*00–200 words*

*Actual Word Count: 179*

The wrong placement in the organizational structure of IKEA India created a wave that resonated throughout almost all aspects of the organization. The two-reporting system (the local teams reporting to the Indian and global heads) was slowing the decision-making process, and the accountability was not defined. The result of this lag was that inventory, procurement, and project management systems were still disjointed, causing frequent stockouts, 8.2% QA rejection of products, and product launch misses. The growing number of operational failures led to a decline in customer satisfaction as NPS decreased to 59, indicating a loss of faith in the reliability of the brand.

These underperformance gaps added to the frustration of the staff, increasing turnover by 24.7% and siloing global and local team operations. This broken culture, in its turn, eroded common beliefs about teamwork and straightforwardness, slowing down feedback channels to the leadership even more. Finally, structural ambiguity was not only paralysing the operations, but it readied a domino effect where execution of strategy, reliability of systems, and engagement of people were all eroded at the same time.

# Step 5: One Specific Action per “S”

*1–2 sentences each*

## Strategy:

Reduce the India market policy to include narrow and focused product lines and region-based service packs. The indicators that success will be achieved should be growth in sales of small-home SKUs to more than 50% of the total mix, and an improvement of 10 points in NPS in one year.

## Structure:

Have one India General Manager who has full P&L responsibility and decision-making in marketing, supply, and operations, so as to do away with the dual reporting. This must minimise the decision turnaround times by a minimum of 40% and enhance accountability.

## Systems:

Implement all India fulfillment and inventory systems into the global ERP of IKEA to have real-time visibility and single planning. The growth can be measured by stockout decreases (less than 2%) and on-time project delivery (more than 90%).

## Style:

Introduce a new leadership cadence of Local First with weekly stand-ups and India-periodic reporting to eliminate EU-based communication. The score of the leadership responsiveness by employees in the survey should increase by 15% within six months.

## Staff:

Introduce a store manager retention and empowerment program, including transparency of KPI and career mapping. It is aimed at reducing middle-management turnover by 24.7% to less than 12% by the following review period.

## Skills:

Establish a Localization Capability Academy to educate personnel and suppliers in merchandising, quality assurance criteria, and optimisation of e-commerce. The effectiveness could be assessed by the reduction of QA rejects, which were 8.2% to less than 3%.

## Shared Values:

Develop a new company charter of One IKEA India culture in cross-functional workshops that integrates global values and local appeal. Keep track of conformity through internal engagement surveys and the score of the culture index.

## Sustainability

Establish long-term relationships with local suppliers that are vetted and establish a Vendor Development Program to develop capacity and guarantee quality standards. Achieve at least 80% compliance of the IKEA sustainability and QA standards by vendors.

## Speed/Scalability

Create a cross-functional Fast Response Pod to hasten the decision-making process with respect to product launches, prices, and promotions. The goal is to lower the average approval to execution lead time to less than four weeks.