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Business School
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Appendix A: ASSIGNMENT COVER SHEET

REGENT
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Programme	**MASTERS OF BUSINESS ADMINISTRATIONS**
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Date: 17/05/2019

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Marks per question (Q)

Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	TOTAL

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Question 1

1.1 Identification of the grand strategies that Woolworth pursed

Pearce, Robbins, and Robinson (1987:126) define a grand strategy as "a comprehensive general plan of major actions through which a firm intends to achieve its long-term objectives" and contend that this is supported by a "coordinated and sustained strategic management efforts".

The grand strategies which the Woolworth is perusing internal growth strategies. Because it is focusing on a form of growth strategy where firms grow from within and using its own resources or acquire them from outside to increase their size, scale of operations, resources (financial and non-financial) and market penetration. On the case study the following growth strategies a visible which are namely internal growth: concentrated growth, market development and external growth diversification (concentrate), integration (horizontal and vertical):

Concentrated growth with this strategy, an organisation seeks to increase its market share through concentrated or focused marketing efforts. This type of strategy aims to remain within the the organisation's current range of products or services while attempting to attract customers from directly competing products. the purpose is of this strategy is to attract possible non-users of the product and service in the market, to increase the usage rate of the product for existing customers and perhaps to attract customer from the competitors. The aim is to meet the needs and expectation of the organisation's customers better than the competitor the case study mentioned that David jones has revisited its merchandising strategy , adopting a 16-box grid which really says these are these segments of customers we've got-classic, conservative, young, edgy and this is the pricing architecture we adopt and what brands should work in those segments and which of the brands we have don't work. We now have a much better mix of product that resonates with customers (Lazenby 2014:180).

Market development This strategy is about expanding the organization's offering of existing products and services in non-traditional locations for example, using creative formats ton reach new customers, in others words this strategy explores new market with the aim of meeting needs with current products. Therefore, this strategy has to do with new customers and existing services. Market development allows organizations to implement a type of concentrated growth through the identification of new users for existing products and services and new demographically, psychologically and geographically defined market segments. This strategy will be effective when the organization has access to reliable and affordable distribution channels in the new era it wishes to enter. The case study indicated that the Woolworth private label will need to brand equity over time, the David jones customers (predominantly females, spanning three generations, well-travelled, well-educated and aware of brands and fashion) is accustomed to high-low purchasing –pairing pricier designer labels with basic but tailored wardrobe staples – for which Studio. W has become renowned (Lazenby 2014:181).

Concentric diversification strategy that involves the acquisition of businesses that are related to the acquiring firm in terms of technology, markets, or products. Diversification is the strategy of operating a business in a new industry that is relate to the organization's existing businesses through the activities of the value chain. This is a visible strategy option when the industry is in a slow growth stage and where objective is to increase the sales in a particular market. The related diversification creates more value than unrelated diversification, because synergy is better achieved. This visible when Woolworths buyout David Jones to alter itself because of its draw of a fast-growing, market-share-gaining food business (Lazenby 2014:186).

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Horizontal integration strategy based on growth through the acquisition of similar firms operating at the same stage of the production-marketing chain. This strategy takes place when organization want to gain ownership or increase control over the competitor's value chain and its activities at the same stage of the production-marketing chain. It is achieved through mergers, acquisitions and takeovers. The acquisition of the competitor makes economic sense and the achievement of economies of scale could lead to cost efficiency and a competitive advantage. The case study indicated that Woolworth has started applying its technical expertise to other areas. Getting more information about David jones customers and their spending habits will help the group to predict how shoppers will behave. This informs space allocation and cataloguing (Lazenby 2014:186).

Vertical Integration The strategy increases an organization's competitive and operating scope within the same industry or market through expanding the organization's value chain activates backwards into supply and forward towards its end users. Backward Vertical is the desire to increase the dependability of the supply or quality of the raw materials used as production inputs. Forward vertical is the desire to gain greater control of the distribution, marketing, selling, service of products or services. This integration it involves organization at a different stage of production or distribution channels. The case study Woolworth realized that day of going to the northern hemisphere, seeing what you like, coping it delivering it to the southern hemisphere are gone. Developed markets are intensely competitive and saturated. And the affords two crucial factors that space between a retailer and its rivals: buying power, speed to market (Lazenby 2014:187).

Good

It was a diversion for D.J. It was a strategic move to create a southern hemisphere retailer.

Discuss the comp. advantg Woolworth generated in buying out D.J.
→ Access to property portfolio
→ To grow private labels in D.J.
→ Quicker de-gearing etc

4.2 Sources of competitive advantage the Woolworth utilized

Petersen (2010:34) urges that a competitive advantage is an advantage gained over competitors by offering customers greater value, either through lower prices or by providing additional benefits and service that justify similar, or possibly higher, prices. Exists when the firm is able to deliver the same benefits as competitors but at a lower cost (cost advantage), or deliver benefits that exceed those of competing products (differentiation advantage).

Cost Leadership: A position where an organization seeks to be the lowest cost provider to a broad spectrum of customers. If a firm can achieve the industry's lowest costs and still charge average prices, it can outperform the competition. The case study indicated that the Woolworth as larger retailer is able to negotiate prices with suppliers, it is also able get more favourable terms, volume, discount and rebates, which translate into lower cost of goods. This enables the choice of taking those benefits to the bank and earing more money or lowering prices and still maintaining margins while passing that benefits to customers to drive more volume.

5.5

Differentiation: A position where an organization seeks to distinguish itself from the competition by offering unique products or services that deliver superior value to a broad spectrum of customers. If a firm can differentiate itself, then it should be able to charge higher prices and earn higher returns to outperform the competition. As mentioned in the case study Woolworth breathe life into its four foods halls, with the opportunities to set up W cafes and gourmet standalone store. Also by introducing the W Rewards and its loyalty, Woolworth was able to track its sales thought this two structures.

Focus: A position where an organization targets specific groups of customers or industry segments (narrow scope). Works best when a group of buyers have specific (individualistic) requirements and when the competition is not serving the segment's needs. A. Cost Focus: A position of defining a narrow buyer segment and providing the targeted customers with a desired product or service at a lower cost relative to the competition. B. Differentiation Focus: A position of defining a narrow buyer segment and providing the targeted customers with a unique product or service that delivers superior value relative to the competition. It has been indicated on the case study that Woolworth has revisited its merchandising strategy, adopting a 16-box grid which really says these are the segments of customers we we've got-classic, conservative, young, edgy and so on, and this is the pricing architecture we adopt and what brand should work in those segments and which of the brans we have don't work. We now have a better mix of products that resonates with customers. The case study also indicated that apart from retail 101 basic like downsizing stores and opening smaller, more profitable one, correction layout and getting the product right, Woolworth has started applying its technical expertise to other areas. Getting more information about the David Jones customers and their spending habits will help the group predict hoe shoppers will behave. This informs space allocation and cataloguing (Porter 1985:13).

→ Lucrative property portfolio

→ Moving into food retail

1.3 The nature of the key decisions made by Woolworth when entering department store big league

The nature of the key decisions made by Woolworth when entering department store big league was a good strategy formulation. Jones and George (2018:246) indicated that is begins with managers systematically analysing the factor or forces inside an organisation and outside in the global environment that affects the organisations ability to meet its goals now and in the future. It includes defining the corporate mission, specifying achievable objectives, developing strategies and setting policy guidelines. This is a tool used for strategic planning and strategic management in organizations. It can be used effectively to build organizational strategy and competitive strategy.

Strengths: it is the resource or a capability that the organisation has, which is an advantage relative to what competitors have. Strength at organizational level involves properties and abilities by which an organization gains an advantage over other organizations and competitor organizations that are revealed as a result of the analysis of its internal environment. (Lazenby 2018:111). The Woolworth strength was in well-developed strategy, good marketing skill and good material management system as the mentioned in the case study that the only way Woolworth could compete was by taking into other market and capitalizing on low-cost fast-fashion design capacity. Also the revisit to merchandising strategy and adoption of 16-Box grid and making sure that staff are indoctrinated in brands (George 2018:247)

Weaknesses: refers to the lack or deficiency of a resource that represents a relative disadvantage to an organisation in comparison to what competitors have. These aspects negatively affect the organizational performance and weakens the organization among its competitors and the organization is not able to respond to a possible problem or opportunity, and cannot adapt to changes. As mentioned in the case study Woolworth weakness was growth without the direction, loss of corporate direction and corporate control, this is noted when the return on the investment has come down dramatically after the appointment of Moir. The failure to integrate or cater for young and time-served working customers (Lazenby 2018:112).

Opportunities: Means a situation or condition in the external environment. Opportunity is an advantage and the driving force for an activity to take place. Opportunities are those that would yield positive results for the organization determined as a result of the analysis of its environment. Woolworth opportunity was to expand core business, exploit new market segments, extend or differentiation advantage. The Woolworth conducted a study on customers and their spending habits, to predict how shoppers behave, this informed them

→ Exp of Ian Moir → Surge in shares by 30%

→ Buying of DJ Lucrative

→ Focused on alternative earnings scheme

(hedging against weakening rand)

space allocation and cataloguing. Also the introduction of W Rewards and loyalty card (George 2018:247).

Threats: means a situation or condition in the external environment. It refers to a disadvantageous situation. Threats is the element that makes it difficult or impossible to reach the organizational goals. The Woolworth threats are changes in demographics, in economy, in industry rivalry and in domestic competition. The Woolworth threats as mentioned in the case study involves the fear of long-term customer's purchasing power in SA, given its problem of poor education and high growing unemployment. Also the fear because SA is becoming more mature and more competitive and because of economic and political issues face locally. Also the completion by Educon pose a big threat on Woolworth (Lazenby 2018:112).

Louw and Venter (2013:163) indicated that the SWOT analysis is an extremely useful tool for understanding and reviewing the company's position prior to making decisions about future company direction or the implementation of a new business idea. A SWOT analysis can be completed by an individual within the organization (provided they can take an overview of the current situation) but is often best completed in a team or group. The discussion itself is informative, and the quality of the output is better if perceptions are gathered from a number of people. The PEST analysis is a tool to evaluate external factors. It is often helpful to complete a PEST analysis prior to a SWOT analysis, although it may be more useful to complete a PEST analysis as part of, or after, a SWOT analysis. A SWOT analysis measures a business unit; a PEST analysis measures trends and changes in the market. Organisation need information and competitive intelligence about these microenvironment factors and resultant forces for the purpose of strategy formulation. A brief overview of these factors and forces, their potential impact on industries and organisation and the interrelationship between these forces follows

Political environment

The political environment includes the parameters within which organization and interest groups compete for attention, resources and a voice in overseeing the body of laws and regulations that guide the interactions between organization and the environment.

Economic environment

The health of a nation's economy affects individual organization's and industries because economic factors affect the nature and directions of the economy in which an organization operates.

Socio-cultural environment

The sociocultural environment is concerned with a society attitudes and cultural values. Small and large profit-making and not –for-profit organizations in all industries are challenged by the opportunities and threats arising from changes in social cultural and demographic variable. These variables shape the way people live, work, produce and consume.

Technological environment

Technological changes affect many aspects of the society. These effects occur primarily through new products, processes and materials and to avoid obsolescence and promote innovation an organization must be aware of technological changes that might influence its industry.

Based on the microenvironment the wool conducted an equity analysis at 36one management, question what the long–term picture for customer purchasing power is in SA, given its problems of poor education and high, growing u. including to diversify geographic because they see SA as becoming more and more competitive and because of the economic and political issues we face locally. this analysis by Woolworths covers all five different dimensions of the microenvironment segments. The trends of in these segments can be positive (opportunities) or a negative (treats) impact on an organization (Lazenby 2014:118).

1.4 **strategies employed by Woolworth in context of the risks to the strategic direction taken.**

Lazenby (2018:1) claimed that managers should guard against the unintended negative consequences of strategic management. If strategic management is executed in the wrong way, the damages could be far-reaching and create a negative attitude among employees towards future strategic management processes. Managing strategic risks effectively can do more than just protect value by avoiding potential downsides; it can actually help create value by taking advantage of uncertainty and volatility to maximize gains and improve competitive positioning. So strategic risk is not just the negative impact of risk but also the sub optimization of gain. Traditional approaches for managing risk tend to focus on monitoring leading financial indicators as well as the evolving regulatory environment.

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Key employees through the organization must be involved in all the phase of the strategic management, especially during planning. Woolworth didn't involve key employees from the beginning. The case study indicated that Woolworth try to bring services back to its stores by hiring full-time work and career professional as it will allow it to attract specialty retailer.

The risk of going to the northern hemisphere, and coping and delivering to the southern hemisphere. Many time strategies employed by others elsewhere may not work when implemented elsewhere. Culture differences, economy and environment may hinder the success of the strategy. Woolworth adopted a good idea for deciding to copy and creating what work for SA keep in mind to the customer purchasing power, poor education, and high or growing unemployment with the country.

Buying out of David Jones, there is no guarantee no income or customer loyalty merger and acquisition. Employees are the core strength of an organisation and if there is no integration among them, the firm is destined to fall apart. One should check or study the compatibility of the two firms before the merger. The firm may lose many employees during a merger. Inability to assess the value of its employees leads to companies firing the wrong people. There are many legal laws and regulations that firms required to comply with during mergers and acquisitions, therefor failure to do so can lead to legal actions by governing bodies. The risk of overpaying employees, Woolworth overpaid their chief architect of country Road's turnaround named Ian Moir which led the return on investment to come down dramatically. Some overpaid employees will become complacent as a result. They won't seek alternative opportunities for advancement within your company, and they won't pursue more challenging work that would stretch and improve their skills. Also the firm may become out of operation due to overspending (Lazenby 2018:85).

Property portfolio

Mkt Dev – Venture into new mkts

Prod Dev – modification of the existing products

Innovation – creating new products

New ways of getting products to market

Designing new process

1.5 **characteristic of strategic leadership based on Ian Moir**

Lazenby (2018:399) claimed that strategic leadership is the ability to anticipate what is necessary by articulating a strategic vison for change in the organisation, as well as how to empowering and motivating employees to create and implement the strategic change as necessary. The essence of strategic leadership needs to inspire commitment from all employees to apply the implementation task effectively and to embrace change.

Characteristics of strategic leadership:

The ability to create and communicate a vision: Strong leaders must have a clear and compelling vision of where the organisation should go I n the future. When Moir says "the days of going to the northern hemisphere, seeing what you like, coping it, delivering it to the southern hemisphere are gone". This statement sounds like the leader who is strategic thinker and a leader with the skills of looking both forwards and backwards while knowing where their organisation is now, so that wise risks can be taken by the direction-givers to achieve their organisation's purpose, or political will, while avoiding having to repeat the mistakes of the past.

The ability to instil commitment: strategic leaders must demonstrate commitment to the vision of the organisation through their action and words. According to the case study the since Moir appointed a chief architecture of country Road's turnaround. Woolworth's shares have surge by more than 30%, making Woolworth the biggest amongst SA's retailers.

Able to make tough decisions: Sometimes these decisions are risky, buy they must have firm beliefs in what is in the best interest of the organisation. The acquisition of DJ was a risky move because, the move has no guarantee on the returns investment though the many are inclined to believe that Woolworth target of adding A$130m to earnings before interest in the five years is overly conservative.

Willingness to delegates and empower: High performance strategic leaders are skill in empowering. Trying to service back to its stores by hiring full-times workers and career professionals will allow it to attack specialty retailers. Making sure that employees are indoctrinated in the brands, this can aid in the employee empowerment within the firm. as it was mentioned in the case study that Woolworth and David jones trying to bring service back to its stores by hiring full-time workers and career professionals will allow it to attack specialty retailers." We have to make sure our people are indoctrinated in the brands and how to sell the them."

Emphasizing ethical practices: Effective strategic leaders in the century will base their decision on honesty, trust and integrity. Strategic leaders who display these quality will be inspirational leaders to their employees and will develop an organizational culture in which ethical practices are the behavioral norm rather than exception. Woolworth recognized that David Jones private labels tended to be less fashionable or low risk of a slightly inferior quality to Woolworth. Though SA has a higher Vat and duty rate, apparel prices in Australia are still higher due to rental and staff cost. Country Road is 30% cheaper in SA. This means that Woolworth emphasized ethical pricing of it customer because their prices compliments the quality.

Competing through business system, not through businesses: Creating value for the customer does not happen by means of single business entity but rather by meant of the system as a whole. Woolworths as a retailer through its leaders can better negotiate prices with suppliers. It is able to get more favorable terms, volumes, discounts and rebates, which translate into lower cost of goods. This gives it the choice of taking those benefits to the bank and earning more money, or lowering prices and still maintaining margins while passing that benefits to customers to drive more volume.

Exploiting and maintaining core competencies: The resources and capabilities that ensure a competitive advantage over the rivals of the organization are known as core competencies. The ability to develop and take advantage of core competencies will have a significant impact on the organization's culture. The reintroduction of merchandising strategy, adopting a 16-box grid which says these are the segments of customers we've got-classic, conservative, young and this is the pricing architecture we adopt and what brands should work in those segments and which of the brands we have that don't work and that having a better mix of products that resonated with customers. The ability to diversify geographically and the downsizing of store and opening smaller, more profitable ones correcting layout and getting product right.

Sustaining an effective organizational culture: Strategic leaders who are capable of learning how to shape the organizational culture in a competitively relevant way will become valued source of competitive advantage. The lunching of loyalty programme through W Rewards and Loyalty cards was a game changer.

Being well informed: Develop a network of formal and informal sources who keep them well informed about what is going on. Using informal and unconventional ways to gather information is wise because formal channels can be captured by special interests or by gatekeepers who may misrepresent the true state of affairs. Woolworth and its Leaders started to applying its technical expertise to other areas. Getting more information about the David Jones customers and their spending habits will help the group predict how shoppers behave. This informs space allocation and cataloguing.

Emotional intelligence: a bundle of psychological attributes – self-awareness, self-regulation, motivation, empathy and social skills. The ability to perceive, control and evaluate one's and others feelings and emotions. The ability to that people are indoctrinated in the brand and how to sell them.

Pragmatism –doing: The ability to make things happen and bring positive results. These implies that organization resources are managed efficiently and effectively. The ability to select or choosing the south African way of doing thing things rather than coping things to the northern hemisphere and diversifying geographically. His ability to increase the shares by more than 30% the biggest among SA retailers- with a 54% rise since the deal was announced on April 9 (Thompson and martin 2005:405).

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Good

Fair - use of power judiciously

QUESTION 2

Way in which managers can create readiness for change and strategies for managing resistance to change

Martins and Geldenhuys (2016:16) believed that change management is the leadership and direction of the process of organisational transformation, especially with regards to human aspects and overcoming resistance to change. Change management involve the defining and adopting corporate strategies, structures, procedures, and technologies to deal with changes in external condition and the business environment. Change contains promises and opportunities for those prepare to accept, but also contain a treat for those not prepared to do so. It is an organizational process aimed at empowering employees to accept and embrace changes in their current environment. Haberberg and Rieple (2008:690) indicated that every day the organisation is slightly different from the way it was the day before. It has find a new customer, an employee has left, a new product has developed or a process or a ritual has been tweaked slightly. The reason for this is that the process of organising involves a constant interaction between the people in organisation and the routines in which they participate.

According to Riddell and Roisland (2017:14) defines readiness at an organisational level as follows: 'Organisational readiness for change refers to organisational members 'change commitment and self-efficacy to implement organisational change'. In addition, readiness can be explained as the cognitive antecedent to the behaviours of either resistance to or support for a change event. Many change events end with resistance or failure because an effective unfreezing process is not in place before implementing the change process. Readiness for change refers to organizational members shared resolve to implement a change, change commitment and shared belief in their collective capability to do so change efficacy. Organizational readiness for change varies as a function of how much organizational member's value the change and how favourably they appraise three key determinants of implementation capability: task demands, resource availability, and situational factors. When organizational readiness for change is high, organizational members are more likely to initiate change, exert greater effort, exhibit greater persistence, and display more cooperative behaviour. The result is more effective implementation.

Readiness for change and actions undertaken in the implementation of change serve as key constructs for the success of a change effort. Change readiness, can be explained by step of unfreezing, and it is based on organisational members' attitudes, beliefs, and intentions about the change and the degree to which changes are needed and the organisations' ability to implement those changes successfully. The notice of readiness for change can be defined as the extent to which employees hold positive views about the need for organizational change, as well as the extent to which employees believe such changes are likely to have positive implications for themselves and the wider organization. The Trans-Theoretical Model describes a five stage process of behaviour change. This model is helpful because recognizing the stage a participant is in allows you to gain insight into the likelihood of success of a potential participant in the program, and determine whether they should begin the lifestyle intervention or delay entry until they have a stronger commitment.

The stages of change process include the following:

Pre-contemplation: Participants in the pre-contemplation stage do not have any intention of changing their behaviour within the near future. They may be unaware that they need to make a behaviour change. Do not see that they are part of problem/solution, feel situation is hopeless, No intention of changing.

Contemplation: If a participant is in the contemplation stage, they will have just begun to think about making a change within the near future. Changing is on their mind, but they are not ready to take action yet.

Preparation: A participant in this stage is planning on making a change soon, Contracting and troubleshooting, need final reassurances, Dry Run Role Plays and Make final adjustments

Action: Participants in this stage have changed their behaviour. Tips for maintaining a commitment to the behaviour are important for participants in this stage. Person or family tries to change or stop problem, Person or family tries to change environment, overlooks possible relapses and if relapse or change fails recycles back to one of three earlier stages

Maintenance: In the maintenance stage, participants have sustained a behaviour change. Participants will need to continue to take steps to prevent from relapsing back into old behaviours. They Consolidate gains Relapse, prevention troubleshooting, Potential to recycle is initially high Communicate that relapse is normal Goal: Spread moments of relapse further apart.

Termination: Participants in this stage need Anticipatory guidance, letting go of "old self", and backup plan.

Change will become dysfunctional if resistance is not properly handled. Without full or at least adequate acceptance of everyone concerned successful implementation of the change does not occur. There are several useful strategies or ways for overcoming resistance to change and they are given below (Smith and Morgan 1996:313).

Education and commitment: Employees are 'educate" to commit them to change. This is a difficult process, however, since the management must be credible in its own commitment to change before employees will commit to change before will themselves to it. Education contains training and communication. Every employee needs to be educated about the nature of the change, its rationale, its benefits, and the way of implementing it. Relevant knowledge, skills and positive attitude can be imparted to everyone who is supposed to understand and support the change. Workshops, meetings, sending employees to participate in outside programmes and self-study manuals are some methods which can be used for the purpose of education about the change (Smith and Morgan 1996:313).

Involvement and Participation: A strategy of involvement and participation may be adopted particularly when insufficient information has been given to justify the change exists. Employees should be involved in the process of change to reduce any possible resistance and to obtain inputs that may be of the process of change. When people who are affected by organizational change are allowed to involve in the design and implementation of the change, resistance to change can be avoided or at least minimised. It is well established that people who participate in making a decision tend to be more committed to the outcomes of the decision than those who are not involved. Owing to participation, employees have an opportunity to understand and clarify the change, and contribute ideas and comments. People may not enjoy change really. But if they participate in it, it is more likely that change becomes a positive experience to them (Smith and Morgan 1996:313).

Facilitation and Support: Employees who experience difficulties in adapting to the change are given support in conjunction with facilitation. The process is time-consuming, however, and may still fail. Organisation can provide technical, facilitative and emotional supports to employees who have adjustment problem to the proposed change. Technical support is an attempt to remove barriers relating to a technical change, and it can include providing the appropriate tools and materials, giving technical advice, imparting technical training etc. Facilitative support is removing structural blocks and it includes creating an environment for establishing clear goals, defining and redefining jobs, appropriate delegation of authority etc. Emotional support is psychological assistance and it can include empathic listening, helps to manage stress and developing new relationships. Though this strategy is time consuming and expensive it is effective as it involves top management (Smith and Morgan 1996:313).

Negotiation and Agreement: Compromises are necessary where there are strong groups within the organisation able to oppose change, particularly if the change will be to their detriment. Compromise can avert mass action but can be very cost-intensive if the other groups in the organisation realise that management is prepared to negotiate until agreement is reached. When a certain individual or group who will exert power is against the change, negotiation is a good strategy. Through negotiation it is possible to reach an acceptable agreement between the party that is at the disadvantage due to the change and the party that wants to do the change.

Manipulation and Co-optation: If all strategies or methods fail or the organisation has only limited resource, management can try to manipulate employees to institute change. However, this must be done extremely carefully. If the employees discover that they are being manipulated, management may end up with more problems than they had to begin with (Smith and Morgan 1996:313). Martins and Geldenhuys (2016:123) believed that is a convert influence attempt to distort and twist facts to make them appear more attractive. Undesirable information may be withheld and false rumours may be created to get employees to accept change.

Giving clear direction: Martins and Geldenhuys (2016:357) believed Authority may be used to set s direction and impose the necessary means to implement the change. The drawback is that it may lead to coercion when the organisation is experiencing a crisis.

Implicit and explicit coercion: Coercion is used when time is short and there is no other alternative. It is a rapid process and will disregard the issue of resistance to change, but will anger employees. Unfortunately, it is the method most often used by management because managers do not understand the nature of management, and the do not realise that the involvement of people can make the change succeed or fail (Smith and Morgan 1996:313).

Use of Punishments: People who reject the change and engage in sabotage it should be punished. Punishments include oral warning, written warning, fining, transferring, demoting and the like. This strategy involves explicit and implicit coercion which forces people to accept change under threat of undesirable consequences (punishments). Punishing employees for behaving in the way that is not intended may be an effective way of making change (which needs to be done within a short time) happen. Though quick and effective in the short run, it might rouse the anger of people and provoke them to resort to mean behaviour in the long run (Smith and Morgan 1996:313).

Use of Rewards: People who accept the change and support it should be rewarded. Rewards include praise, recognition, feedback, promotion and even monetary incentives. Rewarding employees for behaving in the way that is intended is an effective way of facilitating change. This is especially critical when an organization is in the transition period of introducing the change. An example is praising an employee who learns successfully to use new equipment. Another example is to give feedback to an employee that will provide an assurance to uncertainty and help to shape the desired behaviour. It is possible that rewarding those who support change shapes the attitudes and behaviour of those who resist (Martins and Geldenhuys 2016:358)

The Four Phases of Change

there are four phase of change which are denial, resistance, exploration and commitment. And these phase helps individuals involved to look at their own responses to change and offers some tips to help leaders or managers work with their own groups to move through the four phase transition.

Denial is the first phase of change begins when people hear about the change. This may take the form of rumour or rumblings before the actual announcement, or it may be a sudden and unexpected announcement of a change initiative. Denial begins with the awareness that change is on the horizon but usually entails acting as if it isn't. Denial is a defence against change that takes the form of ignoring or not responding to information that demands a change.

Observed behaviour of People in Denial:

- Are waiting, not taking any initiative, and appear unconcerned (withdrawal)
- Dwelling on the past
- Only do routine work (business usual)
- Lot of activity but not much gets done
- Blame outside forces/others for difficulties
- Question the data or method used to make a decision

Checklist

- It with be over soon
- Apathy
- numbness

Management strategy

Confront the individuals with information and let them know that the change will happen. Explain what to expect and suggest actions they can take to adjust to the change. Give them time to the impact and then conduct a regular planning sessions.

Resistance begins when people wake up from Denial and experience how upset they really are. The change now becomes deeply disruptive and personally upsetting, overtaking the defences of Denial. Resistance is the experience of being between the comfortable and the unfamiliar while anticipating the future. Resistance can also occur after what seemed like acceptance of the change, at a point when individuals feel discouraged or disillusioned.

Observed behaviour of People in Resistance:

- Show anger at the organization
- Complain say, "It's unfair", and Ask, "Why me?", "What about me?"
- Believe the task is impossible
- Feel overwhelmed and depressed
- Blame
- Anxiety
- Drastic productivity drops "what's the different, this firm doesn't care anymore."
- Say, "This will never work — they don't know what they are doing"

Checklist

- Cannot sleep at night
- Anger and fights
- Withdrawal from the team
- Gave my all and look what it got me

Management strategy

Listen, acknowledge feeling and respond with empathy and support.

Exploration is a phase full of energy that needs direction and focus. People in Exploration begin to focus away from themselves and back out on the external environment. They become aware of opportunities to master the change.

Observed behaviour of People in exploration:

- Are energetic
- Seek new ways of doing and thinking
- Seek to learn and discover possibilities
- Want to solve problems
- Create a vision of what the future can be
- Take risks and try new things
- Generate lots of ideas
- Work together and seek help from each other
- Have trouble staying focused.

Checklist

- Over preparation
- Frustrations
- Too many new ideas
- Have too much to do
- Cannot focus

Management strategy

Focus on the priorities and provide any needed training. Follow up on projects underway. Set short term goals. Conduct brainstorming, visioning and planning sessions.

Commitment phase is reached when people make a choice to accept the change. They adopt the new way after a process of learning and testing and have become capable of working effectively within the new situation. Ideally, people who reach Commitment are both motivated and capable of achieving success after a change. They have regained productivity and feel a sense of mastery, relief, accomplishment, and growth through the change. People who have moved through all four phases of change are stronger and better able to face the next change.

Observed behaviour of People in commitment:

- Feel confident and in control
- Feel comfortable with the change and Feel accountable for results
- Employees work together as a team
- Co-operation and better focus
- Are up to speed on the technical side of the change
- Have worked to achieve success
- Know what they are doing

Checklist

- Team work
- Satisfaction
- Clear focus and plan

16

Management strategy

Set long term goals. Concentrate on the team building. Create a mission statement. Validate and reward those responding to the change. Look ahead (Scott and Jaffe 2015:16-23).

Good grounds would have been better if you also could discuss some of the model catering to change

QUESTION 3

Rapid technological change and posed effects on formal strategic planning within the organisation.

Smith and Morgan (1996:120) indicated that strategic planning makes it possible to identify the competitive edge of a business. They competitive edge is that attribute which makes the business unique and distinguishes it from other business. To be competitive, entrepreneurs must analyse their competition and develop strategies that will allow them to gain a competitive advantage. Continual change in the external factors and limited means of controlling them cause uncertainty. With formal planning entrepreneurs can anticipate future problems and develop strategies to overcome them. Long-range planning in both high-performing and low – performing businesses ensures cost saving, accurate forecasting, and faster decision-making processes. In High performing business the following additional advantages were a result of long-range planning: better resource allocation, an improvement in competitive position, a more thorough exploration of alternatives and increased sales. Strategic planning is a requirement for sustained competitive advantage on organisations. Competitive advantage is what keeps great organisations ahead of their competitors.

Ungerer, Pretorius and Herholdt (2007:252) indicated that strategic planning is more about initiating gap-closing activities, closing the gap between where we want to be and where we presently are. It is an essential process in preparing to carry out your organization's mission. An effective strategic planning process provides a framework to make decisions on how to allocate organizational resources, address challenges and take advantage of opportunities that arise along the way. As mentioned by Shaqir (2015:73) No firm or industry today is insulated against emerging technological developments and the managers of all organisations needs to study the technology thoroughly. Since technology is such a vital force, the field of technology management has emerged to address the particular ways in which firms should approach the use of technology in business strategies and operations. Technology is inherently difficult to manage because it is constantly changing, often in ways that cannot be predicted. Technology management is the set of policies and practices that leverage technologies to build, maintain, and enhance the competitive advantage of the firm on the basis of proprietary knowledge and know-how

technology is often seen as something that is currently moving forward though a series of spectacular advances or breakthroughs, to give us a stream of ever more ingenious products and services. The Strategic planning establishes a firm purpose and business objective for developing organisational capabilities to continually and effectively manage technological change. The strategic plan can launch the firm's technology development program and its business direction by capitalizing on its competitive advantage. The plan should be established only after internal analysis in determining the organization's strengths and weakness and external analysis in evaluating the general and specific environments for changes. Organizations, both large and small, need to understand that technology is a strategic and competitive asset that must be effectively managed (Smith 2006:46).

Thompson and martin (2010:364) indicated that planning all managers plan. they plan how they might achieve objectives. However, a clear distinction need to be made between the cerebral activity of informal planning and formalized planning systems. A visionary strategic leader aware of strategic opportunities and convinced that they can be capitalized upon, may decide independently where the organisation should go and how the strategies are to be implemented. In all cases planning is part of an ongoing continues activity which addresses where the organisation as a whole, or individual parts of it, should be going. At one level a plan may simply describe the activates and tasks that must be carried out the next day or next week in order to meet specific targets.

6.5

The value of strategic planning

When managers and organisation plan they are seeking to:

- Be clearer about the business(es) that the organisation is in and should be in
- Increase awareness about strengths and weaknesses
- Be able to recognise and capitalise on opportunities and to defend against threats
- Be more effective in the allocation and use of resources

Irrespective of the quality or format of the actual plans, engaging in the planning process can be valuable. It helps individual manager to establish priorities and address problems, it can bring managers together so that they can share their problems and perspectives. Ideally, the result will be improved communication, co-ordinary and commitment.

What are the components in environment which impacts the strategic planning in an org scenario? How can these change elements be dealt with

Tesla Diff focus ← Uniqueness of its product Early adopters on the high end

QUESTION 4

4.1 Generic strategy that tesla is pursuing and its merits

The Tesla is pursuing a broad differentiation strategy because they are trying to gain a competitive advantage by focusing all energies of the organization's department or functions on distinguishing an organization's product from the products of the competitors on dimension such as product design, quality, or after-sale service (Jones and George 2018:250).

Bordes (2009:9) urges that differentiation strategies are attractive whenever buyers' needs and preferences are too diverse to be fully satisfied by a standardized product or by sellers with identical capabilities. Differentiation strategies are based on providing buyers with something that is different or unique, that makes the company's product or service distinct from that of its rivals. The key assumption behind a differentiation strategy is that customers are willing to pay a higher price for a product that is distinct (or at least perceived as such) in some important way.

Superior value is created because the product is of higher quality, is technically superior in some way, comes with superior service, or has a special appeal in some perceived way. In effect differentiation builds competitive advantage by making customers more loyal-and less price-sensitive-to a given firm's product. Additionally, consumers are less likely to search for other alternative products once they are satisfied. Differentiation may be achieved in a number of ways. The product may incorporate a more innovative design, may be produced using advanced materials or quality processes, or may be sold and serviced in some special way. Often, customers will pay a higher price if the product or service offers a distinctive or special value or "feel" to it.

Competitive advantage results once a sufficient number of buyers become strongly attached to the differentiated attributes. Successful differentiation allows a firm to: Core Concept The essence of a broad differentiation strategy is to be unique in ways that are valuable to a wide range of customers: Command a premium price for its product, increase unit sales (because additional buyers are won over by the differentiating features), and gain buyer loyalty to its brand (because some buyers are strongly attracted to the differentiating features and bond with the company and its products). Differentiation enhances profitability whenever the extra price the product commands outweighs the added costs of achieving the differentiation. Company differentiation strategies fail when buyers don't value the brand's uniqueness and when a company's approach to differentiation is easily copied or matched by its rivals.

Tesla started with a differentiation focus & then moved onto a Broad Differentiation

Telsa strategy of building a sustainable competitive advantage via differentiation involves pursuing one of four basic routes to delivering superior value to buyers:

One route is to incorporate product attributes and user features that lower the buyer's overall costs of using the company product. In the modern world many people are becoming more and more couscous about the environment they was cars that emits less carb or cars that are more friendly with the environment. Then case study showed that Tesla second instalment moved from traditional car market, with a plan to reconfigure cites, energy system and impact on the environment, becoming the first American car entrant in almost a century.

A second route is to incorporate features that raise product performance. This can be accomplished with attributes that provide buyers greater reliability, ease of use, convenience, or durability. The case study showed that Tesla innovations was to redesign the car in a way that fundamental meshed software and hardware. And Tesla is doubling down on autonomous vehicle, which something that threatens to change the entire business model of the auto industry.

A third route to a differentiation-based competitive advantage is to incorporate features that enhance buyer satisfaction in noneconomic or intangible ways. The case study has shown that Telsa is doubling down on clean energy and plans to use its means to convert household to sola power the fourth route is to deliver value to customers by differentiating on the basis of competencies and competitive capabilities that rivals don't have or can't afford to match. The importance of cultivating competencies and capabilities that add power to a company's resource strengths and competitiveness comes into play here. Core and/or distinctive competencies not only enhance a company's ability to compete successfully in the marketplace but can also be unique in delivering value to buyers. The case study also shown that Tesla also planned an autonomous bus and goods transportation.

5.5

Advantages of Differentiation: According to Bordes (2009:13) a big advantage behind the differentiation strategy is that it allows firms to insulate themselves partially from competitive rivalry in the industry. When firms produce highly sought-after, distinctive products, they do not have to engage in destructive price wars with their competitors. A major advantage behind differentiation is that customers of differentiated products are less sensitive to prices. In practical this attitude means that firms may be able to pass along price increases to their customers. Another advantage is that strategies based on high quality may, up to a point, actually increase the potential market share that a firm can gain. Finally, differentiation processes substantial loyalty barriers that firms contemplating entry must overcome. Highly distinctive or unique products make it difficult for new entrants to compete with the reputation and skills that existing firms already possess.

→ Move beyond traditional car mkt
→ Had a disruptive innovation
→ Car meshed hardware & software
→ Cars as a means to convert households to solar power

4.2 Difference between Tesla's masters plan and Tesla from traditional car manufacture

Tesla's masters plan differs from Tesla traditional car manufacture in a sense that it focuses on a well-defined target market, with a business offering that matches. The Tesla muster plan it more involved in making their products and services different from and more attractive than those of their competitors. While on the other hand Tesla traditional car manufacture plan is stagnant and not moving with the times, in terms of the product offering and designs. The Tesla master plan reflects its vison (the future direction of the business), mission (understanding the business being pursed and creating value customers) and values (the principles, beliefs, and standards of behaviour the business stands for) to its customers.

Unlike the Tesla traditional car manufacture, the Tesla master plan learned to analyse their competitive environment, define their position, develop competitive and corporate advantages, and understand threats to sustaining advantage in the face of challenging competitive threats. This means that the Tesla master plan differs with the traditional car manufacture in terms of differentiating their strategy by incorporation the certain differential factors:

4

Valuable: The Tesla master plan is aimed at a plan to reconfigure cities, energy system and impact on the environment. Meaning that this master plan will emit less carbon compared to the traditional cars and they are environmentally friendly than traditional cars.

Distinctive: The Tesla master plan aimed to produce unique vehicle that are autonomous or offered in a distinctive way that threatens the need for car ownership. They are selling the cars that they own and control. Unlike the traditional cars where one is allowed buy the car and own their vehicles. This may be beneficial to customers who do not want to worry about the car maintenance responsibility.

9.5

Superior: The Tesla master plan innovation was to redesign the car in a way that fundamentally meshed software and hardware. While on the other hand Tesla traditional carmaker had for decades tacked on software to their existing product lines.

Preemptive: The Tesla master plan combined the two business of selling cars and house solar panels. Tesla produced clean energy and plans to use its cars a means to convert households to solar power. These autonomous cars threaten to change the inter business model of the auto industry. Because cars were designed from a clean slate and their architecture how cars was put together was fundamentally new.

Affordable and Profitable: Tesla final master plan was to introduce the mass-market vehicle costing around $ 30 000 that quickly racked up years' worth of pre-orders and along the way there has been lots of discussion as to whether Tesla was a disruptor (Kotler and Armstrong 2012:525).

→ Marrying off the selling of vehicles with installations of solar panels on homes

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