

Designing Work Organization

Session 5-6

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Strategy?

Specific pattern of decisions and actions that managers take to use **core competence** to achieve a **competitive advantage** and outperform competition.

Core Competency



Something that
distinguishes you from
another

Sources?

1. Specialized Resources

Functional

Organizational

2. Co-ordination ability – Ability to co-ordinate functional and organizational resources via control systems

Control systems? ↗

SOPs

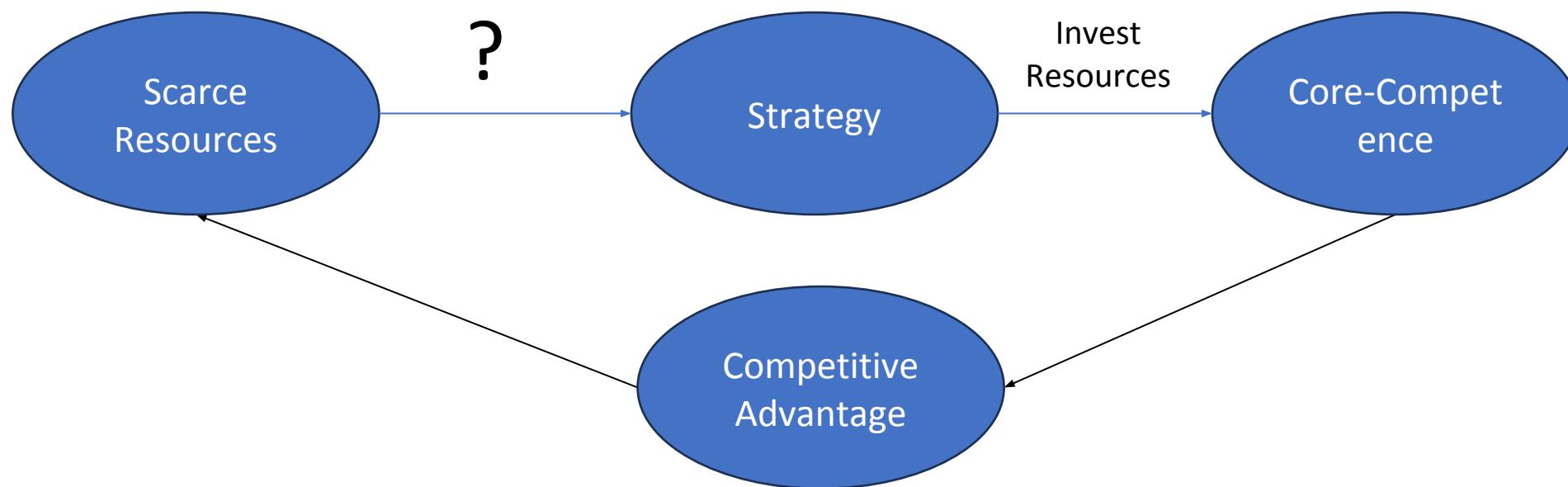
Cultural Norms

Integrating Mechanisms

Competitive Advantage?

Set Itself apart, create a space for itself, create an edge over the others

Value Creation Cycle



Strategy Levels

Functional ☐ Business ☐ Corporate ☐ Global Expansion

Functional Strategy

2 Goals --- 1. Lower
Cost
2. Differentiation

| Sales | Manufacturing | R&D |
|-------|----------------|-----------------|
| | Mechanistic | 4 |
| | 1. Tall | 1 |
| | 2. Centralized | 2, |
| | 3. SOP | 3 |
| | | Organic |
| | | 1. Flat |
| | | 2. De-Centraliz |
| | | ed |
| | | 3. Mutual |
| | | Adjustment |

Business Level Strategy

Functional level strategy + environment ↗ Value Creation

Goals – 1. Select a domain to compete

2. Position company to use the resources in environment

How?

Differentiation

Low Cost

Matrix

Simple Structure

Decentralized

Centralized DM

High Differentiation

Low differentiation

High Integration

Low Integration

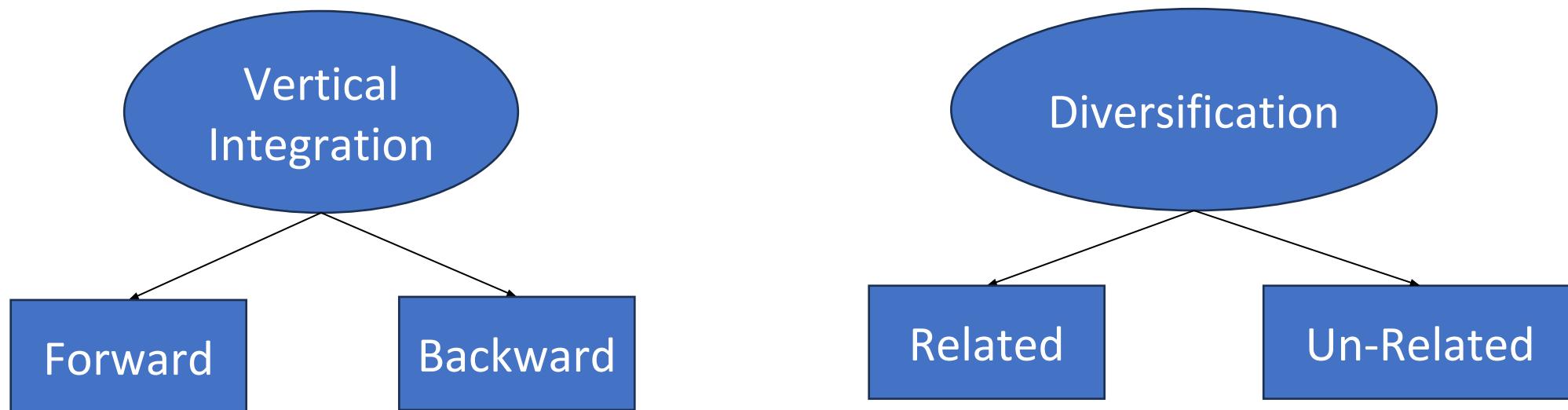
Focus Strategy



https://www.youtube.com/watch?app=desktop&v=iuYlGRnC7J8&ab_channel=HarvardBusinessReview

Corporate Level Strategy

Search for a new domain



Corporate Strategy + Structure

**Related
Diversification**

Matrix Structure for
higher Co-ordination

**Un-Related
Diversification**

Conglomerate
Structure

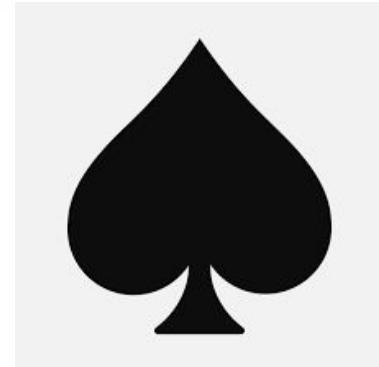


United Technologies

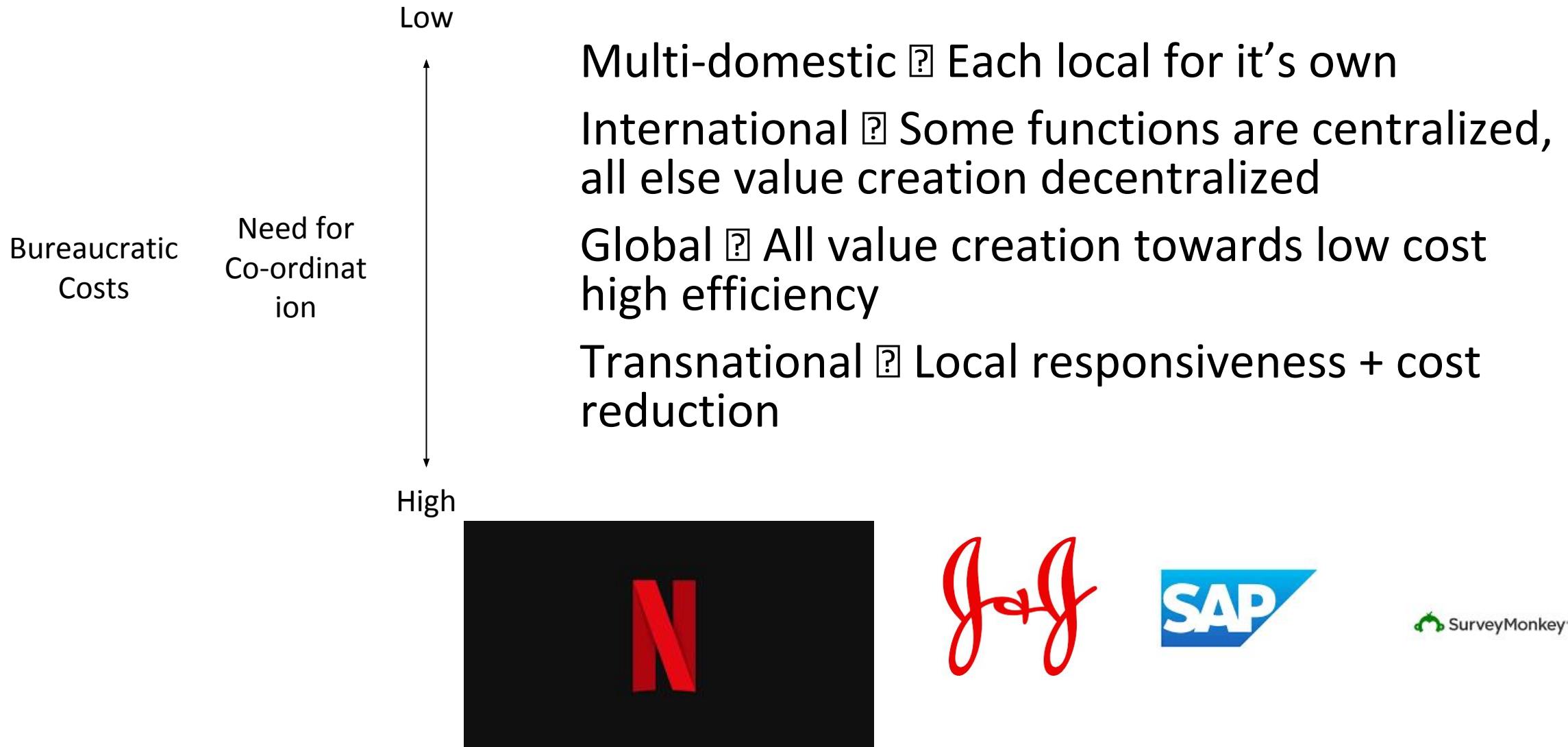


George
David

Yuzuru
Ito



Global Level Strategy





Global
Efficiency

Local
Responsiveness