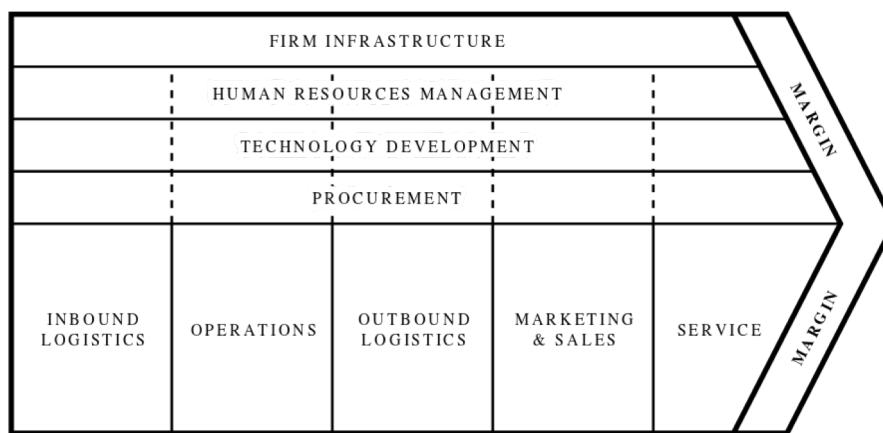


**“Implementation is the process of translating a strategy into action.”**

- Anne Cohen

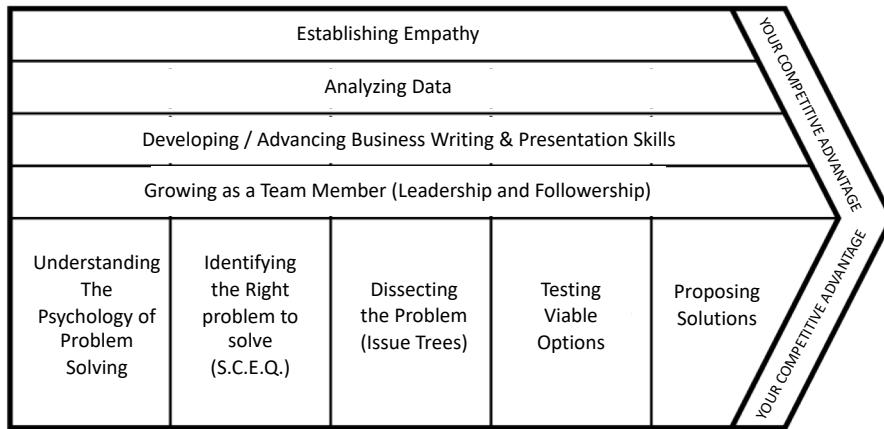
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## The Internal Value Chain



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## The ASM Value Chain



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## Implementation

- 57% of companies did not successfully implement their strategies. (The Economist)
- 3% of respondents described their companies as successful at implementing their strategies. (American Management Association & Human Resources Institute).

**It's not easy...**

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## Why can't firms implement?

- Problems with the original strategy (that you all would have caught!)
- Strategy conflicts with power structure
- Strategy and goals are too vague
- Cultural problems
- Insufficient incentives
- Internal resistance to change
- Poor information sharing and communication about implementation
- Lack of buy-in
- Ineffective organizational structure
- Lack of upper-management support
- Insufficient financial support

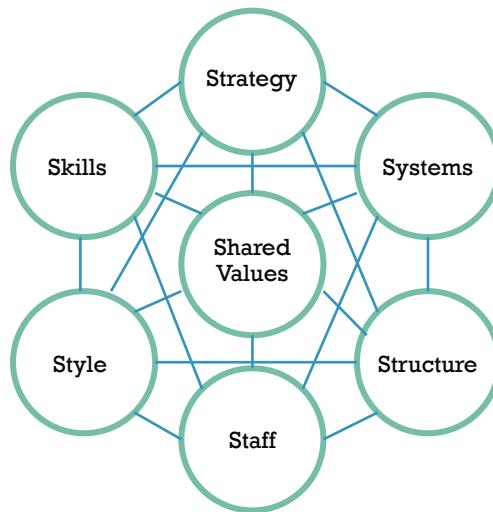
Many, many other reasons...

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## Tessei Case

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## The Seven S Framework for Implementation



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## *What should Tessei Do?*

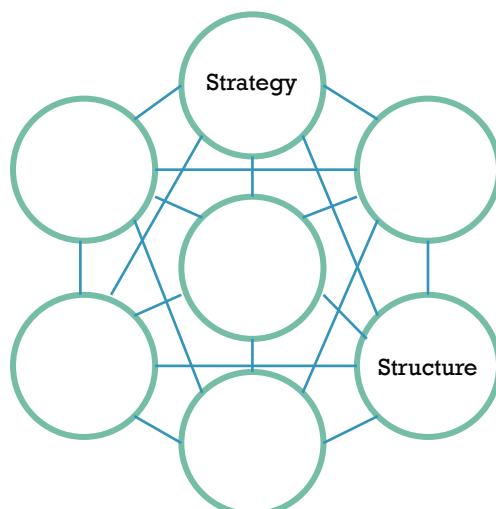
Team	Component of the 7S Framework
Team 1	Strategy
Team 2	Structure
Team 3	Staff
Team 4	Skills
Team 5	Systems
Team 6	Style
Team 7	Shared Values
Team 8	Shared Values

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*Finally... What should Tessei do (in a different 7S component) to complement your recommendation?*

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### The Seven S Framework for Implementation



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## Exercise

Now, team up with another group, combine your legos to build 3 houses...



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## Exercise

Join with one another group. Now, work together to build me as many houses as you can...



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## What did we learn?

- Organizational structure deals with how tasks in an organization are divided, resources are deployed, and departments are coordinated
- Consists of:
  - Formal and informal lines of control and communication
  - The information that flows through these lines

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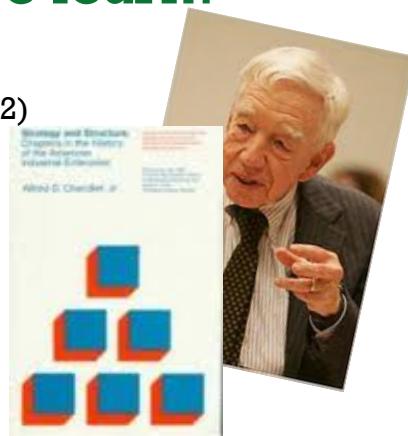
## What did we learn?

Alfred Chandler

Strategy and Structure (1962)

Examined:

- Du Pont
- Standard Oil
- General Motors
- Sears



Key point:

Structure and Strategy are linked

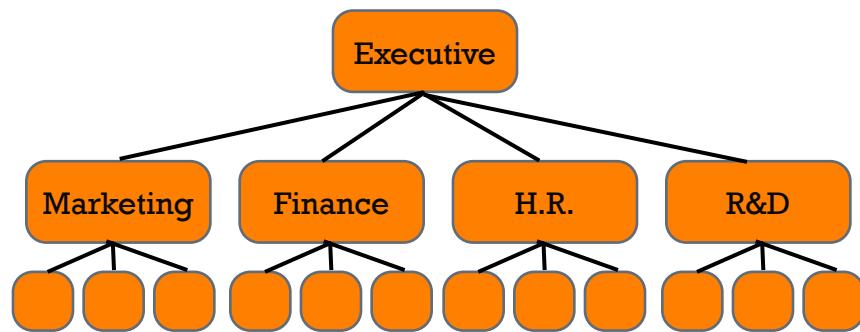
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## Organizational Structures

- Traditional Hierarchical Organization
- M-form Hierarchical Organization
- Matrix Organization
- Network Organization

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What structure works best for your company?



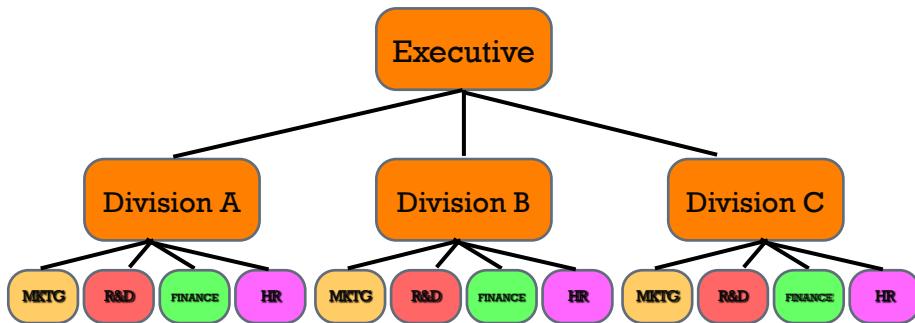
Traditional Hierarchy

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## The M-Form



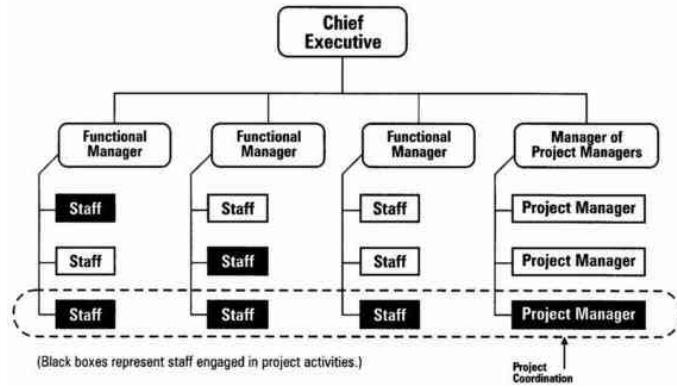
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"YOU GUYS ARE DOING THE WORK OF TWO MEN!"

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# The Matrix Organization



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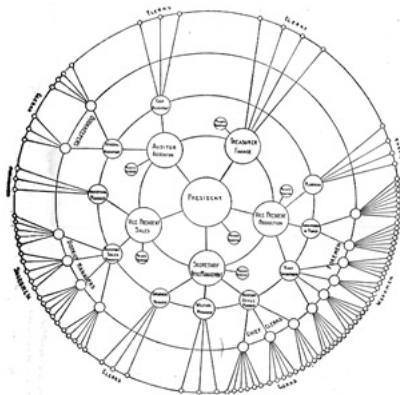
## Pros and Cons of the Matrix Structure

Pros	Cons
Individuals chosen according to project needs.	Potential conflicts of loyalty.
Project managers are responsible for completing the project (on time and on budget).	Projects can be difficult to monitor
Well-functioning teams are able to view problems in a different way by using specialists have been brought together in a new environment.	

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## The Network Form

- Prominent in the last decade
  - Small, semi-autonomous groups that come together for a specific task
  - Porous boundaries
  - Partnerships can blur internal and external roles
  - Authority is based more on expertise than role  
  - Pro: Fluid, adaptable
  - Con: Can lead to confusion and conflict, stressful



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# Organizational Structures

## Traditional Hierarchical Organization



## M-form Hierarchical Organization



## Matrix Organization



## Network Organization



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