

**SECTION – B : STRATEGIC MANAGEMENT
QUESTIONS**

1. State with reasons which of the following statements are correct/incorrect:
 - (a) Managers must list and analyse all environmental influences for proper strategic understanding.
 - (b) Business function free of external forces influencing it.
 - (c) Liquidation is the last resort option for a business organisation.
 - (d) Porter's five forces model considers new entrants as a significant source of competition.
 - (e) Strategic actions are always in reaction to the changes in environment.
 - (f) A core competence is a unique strength of an organization which may not be shared by others.
 - (g) Human resource management aids in strategic management.
 - (h) Reengineering involves slow and gradual improvement in the existing work processes that occur over a period of time.
2. Write short notes on:
 - (a) Retrenchment strategy.
 - (b) Marketing.
 - (c) Strategic vision
 - (d) Augmented marketing.
 - (e) Industry
 - (f) SWOT analysis
 - (g) Business process reengineering
 - (h) Value chain
3. Distinguish between:
 - (a) Strategy formulation and Strategy implementation.
 - (b) Forward and backward integration.
4. Briefly answer any two of the following:
 - (a) Define T.Q.M.
 - (b) What is Kieretsus?
 - (c) What do you understand by ethnic mix?
 - (d) What do you understand by the term benchmarking?

5. Explain the need for a business organization to scan the environment on a continuous basis. Discuss the contemporary developments in the business environment.
6. What are acquisitions? Discuss with example of two companies?
7. Discuss General Electric Model of analysing business portfolio
8. What is marketing Mix? A company launches a new brand of ice creams. It keeps prices much below the prices of similar ice creams that are already in the market. Choose the pricing strategy that is probably being used by the company.
9. What is a Corporate Strategy? How organisations can deal with strategic uncertainty?
10. What do you understand by strategic leadership? Discuss the two approaches to strategic leadership?
11. Discuss major steps in implementing supply chain management systems in an business organization.
12. What are functional strategies? Why are they needed?
13. Briefly describe the generic strategic alternatives given by Glueck and Jauch.
14. Civil Aviation Brain Technologies Ltd (CABT) is a software development company supporting requirement of aviation sector. The company was established more than a decade ago by Rohit Kapoor having experience of working in Silicon Valley. His entrepreneurial desires brought him back to India to promote this company. Started then with a paltry capital of Rs. 3 lakhs, the company, at present, enjoys a valuation of more than 18 crores. Almost everybody acknowledged the competency of CABT in developing customised software for the sector.

The high growth of the company was mainly on account of the heavy inflows of the capital in the sector from various rich business houses that have diversified into aviation.

However, CABT saw stagnation in last three years. The order position was dwindling. The margins were also reducing. Last one year was particularly bad for the CABT and its annual sales reduced by 15 % for the first time since its inception.

Most of the business houses that had entered in the aviation sector, had little prior experience in the industry. However, their desire to diversify and seeing opportunity in the newly opened sector prompted them to invest heavily into the sector.

However, things did not turn out to be as expected. The tough competition between several players, reduction in the fare by railways and high prices of aviation fuel created problems for the industry. The sector was not able to generate reasonable profits thus resulting difficulty in maintaining operations. They were in need for hard to come by capital. Lately, the sector is witnessing some consolidation with companies planning for mergers or even contemplating closures.

The general global recession also resulted in the reduction of travel expenditure of corporates resulting in decrease in the order position of CABT.

- (a) Discuss the nature of diversification by the business houses entering into aviation sector.
- (b) Discuss the importance of remaining in the area of expertise for the business houses.
- (c) What went wrong in the aviation sector?
- (d) Is it appropriate for CABT to remain in the software development for aviation sector alone?
- (e) What are the options available for Rohit Kapoor?

SUGGESTED ANSWERS/HINTS

1. (a) **Incorrect:** The environment encapsulates many different influences. The difficulty is in making sense of this diversity in a way which can contribute to strategic decision-making. Listing all conceivable environmental influences may be possible, but it may not be of much use.
- (b) **Incorrect:** Businesses function within their relevant environment and have to negotiate their way through it. The extent to which the business thrives depends on the manner in which it interacts with its environment. A business which continually remains passive to the relevant changes in the environment is destined to gradually decline.
- (c) **Correct:** Liquidation as a form of retrenchment strategy is considered as the most extreme and unattractive. It involves closing down a firm and selling its assets. It is considered as the last resort because it leads to serious consequences such as loss of employment for workers and other employees, termination of opportunities a firm could pursue, and the stigma of failure. The company management, government, banks and financial institutions, trade unions, suppliers, creditors, and other agencies are extremely reluctant to take a decision, or ask, for liquidation.
- (d) **Correct:** Porter's five forces model considers new entrants as major source of competition. The new capacity and product range that the new entrants bring in throw up new competitive pressure. The bigger the new entrant, the more severe the competitive effect. New entrants also place a limit on prices and affect the profitability of existing players.
- (e) **Incorrect:** Strategic actions are typically a blend of (1) proactive actions on the part of managers to improve the company's market position and financial performance and (2) as needed reactions to unanticipated developments and fresh market conditions and developments.

- (f) **Correct:** A core competence is a unique strength of an organization which may not be shared by others. If business is organized on the basis of core competence, it is likely to generate competitive advantage. A core competence provides potential access to a wide variety of markets. Core competencies should be such that it is difficult for competitors to imitate them.
 - (g) **Correct:** The human resource management helps the organization to effectively deal with the external environmental challenges. The function has been accepted as a partner in the formulation of organization's strategies and in the implementation of such strategies through human resource planning, employment, training, appraisal and rewarding of personnel.
 - (h) **Incorrect:** Reengineering does not involve slow and gradual improvement in the existing work processes. It is a revolutionary approach towards radical and total redesigning of the business processes.
- 2.
- (a) Retrenchment or retreat becomes necessary or expedient for coping with particularly hostile and adverse situations in the environment. A business organization can redefine its business by divesting a major product line or market. Retreat is not always a bad proposition to save the enterprise's vital interests, to minimise the adverse effects, or even to regroup and recoup the resources.
 - (b) Ordinary marketing is an activity performed by business organizations. In the present day for business, it is considered to be the activities related to identifying the needs of customers and taking such actions to satisfy them in return of some consideration. The term marketing constitutes different processes, functions, exchanges and activities that create perceived value by satisfying needs of individuals.
 - (c) A strategic vision delineates organisation's aspirations for the business, providing a panoramic view of the position where the organisation is going. A strategic vision points an organization in a particular direction, charts a strategic path for it to follow in preparing for the future, and moulds organizational identity. A Strategic vision is a road map of a company's future – providing specifics about technology and customer focus, the geographic and product markets to be pursued, the capabilities it plans to develop, and the kind of company that management is trying to create.
 - (d) Augmented marketing refers to deliberate and accelerated efforts to get better marketing returns through additional means. It includes provision of additional customer services and benefits built around the core and actual products that relate to introduction of hi-tech services like movies on demand, on-line computer repair services, secretarial services, etc. Such innovative offerings provide a set of benefits that promise to elevate customer service to unprecedented levels.
 - (e) Industry is a consortium of firms whose products or services have homogenous attributes or are close substitutes such that they compete for the same buyer. For example, all paper manufacturers constitute the paper industry.

- (f) SWOT analysis is a tool used by organizations for evolving strategic options for the future. The term SWOT refers to the analysis of strength, weaknesses, opportunities and threats facing a company. Strengths and weaknesses are identified in the internal environment, whereas opportunities and threats are located in the external environment.

Strength: Strength is an inherent capability of the organization which it can use to gain strategic advantage over its competitor.

Weakness: A weakness is an inherent limitation or constraint of the organisation which creates strategic disadvantage to it.

Opportunity: An opportunity is a favourable condition in the external environment which enables it to strengthen its position.

Threat: An unfavourable condition in the external environment which causes a risk for, or damage to the organisation's position.

- (g) Business process reengineering refers to the analysis and redesign of workflows both within and between the organisation and the external entities. Its objective is to improve performance in terms of time, cost, quality, and responsiveness to customers. It implies giving up old practices and adopting the improved ones. It is an effective tool of realising new strategies.

Improving business processes is paramount for businesses to stay competitive in today's marketplace. New technologies are rapidly bringing new capabilities to businesses, thereby raising the strategical options and the need to improve business processes dramatically. Even the competition has become harder. In today's market place, major changes are required to just stay even. It has become a matter of survival for most companies.

- (h) Value chains facilitates procurement of whole range of inputs that are required to produce a product or service so that the process can be performed in an integrated and optimum manner. Vendors, transporters, and buyers are the components of the value chain and share the benefits of such chains.

Value chain recognises organisations as more than a random collection of machines, money and people. These resources are of no value unless deployed into activities and organised into routines and systems which ensure that products or services are produced which are valued by the final consumer/user.

3. (a) Distinction between strategy formulation and strategy implementation: Although inextricably linked, strategy implementation is fundamentally different from strategy formulation in the following ways:
- (i) Strategy formulation is positioning forces before the action. Strategy implementation is managing forces during the action.
 - (ii) Strategy formulation focuses on effectiveness whereas strategy implementation focuses on efficiency.

- (iii) Strategy formulation is primarily an intellectual process whereas implementation of strategy is primarily an operational process.
 - (iv) Strategy formulation requires good intuitive and analytical skills while strategy implementation requires special motivation and leadership skills.
 - (v) Strategy formulation requires coordination among a few individuals while strategy implementation requires organization wide coordination.
- (b) Forward and backward integration forms part of vertically integrated diversification. In vertically integrated diversification, firms opt to engage in businesses that are vertically related to the existing business of the firm. The firm remains vertically within the same process. While diversifying firms opt to engage in businesses that are linked forward or backward in the chain and enters specific product/process steps with the intention of making them into new businesses for the firm.

Backward integration is a step towards, creation of effective supply by entering business of input providers. Strategy employed to expand profits and gain greater control over production of a product whereby a company will purchase or build a business that will increase its own supply capability or lessen its cost of production. While forward integration is moving forward in the value chain and entering business lines that use existing products.

4. (a) Total Quality Management: TQM or Total Quality Management is a people-focused management system that aims at continual increase in customer satisfaction at continually lower real cost. There is a sustained management commitment to quality and everyone in the organisation and the supply chain is responsible for preventing rather than detecting defects.

TQM is a total system approach (not a separate area or program) and an integral part of high-level strategy. It works horizontally across functions and departments, involves all employees, top to bottom, and extends backward and forward to include the supply chain and the customer chain. TQM stresses learning and adaptation to continual change as keys to organizational success.

- (b) *Kieretsus* is a loosely-coupled group of companies, usually in related industries. It is a Japanese term which is used for large cooperative networks of businesses. *Kieretsus* members are peers and may own significant amounts of each other's stock and have many board members in common.
- (c) Ethnic mix reflects the changes in the ethnic make-up of a population and has implications both for a company's potential customers and for the workforce. Issues that should be addressed include:
- ◆ What do changes in the ethnic mix of the population imply for product and service design and delivery?
 - ◆ Will new products and services be demanded or can existing ones be modified?

- ◆ Managers prepared to manage a more culturally diverse workforce?

How can the company position itself to take advantage of increased workforce heterogeneity?

- (d) Benchmarking helps in improving performance by learning from best practices and the processes by which they are achieved. In simple words, benchmarking is an approach of setting goals and measuring productivity based on best industry practices. It developed out of need to have information against which performances can be measured.
5. Refer to Chapter 1. Environmental analysis helps strategists to develop an early warning system to prevent threats or to develop strategies which can turn a threat to the firm's advantage. Because of the difficulty in assessing the future and its dynamism, all future events can not be anticipated. However, some future events can be and are anticipated. The extent to which a few or more events are anticipated through the process of the analysis and diagnosis, will reflect in the quality of managerial decisions. The managers can also concentrate on a few major events, instead of dealing with all the environmental influences. In general, environmental analysis has three basic goals as follows:
1. The analysis should provide an understanding of current and potential changes taking place in the environment.
 2. Environmental analysis should provide inputs for strategic decision making.
 3. Environment analysis should facilitate and foster strategic thinking in organizations- typically a rich source of ideas and understanding of the context within which a firm operates.

A lot of changes are occurring within India and across the globe affecting the business. Students should list out different elements of macro environment and discuss the contemporary developments in each of the area. They may develop their answers to cover different elements of environment.

For example in the economic environment, students may briefly list out the impact of the global recession on the Indian Business. They may list different factors such as difficulty in financing through primary market, inflation, low demand in certain sectors such as real estate etc. As far as social environment is concerned a new culture is evolving in the country on account of increased global interaction and impact of mass media. There is also increase in awareness. The developments in the legal environment including introduction of new direct tax code, limited liability partnership, GST, etc. have their own bearing on the business.

6. Refer to Chapter 2. Acquisition of or merger with an existing concern is an instant means of achieving the expansion. It is an attractive and tempting proposition in the sense that it circumvents the time, risks and skills involved in screening internal growth opportunities, seizing them and building up the necessary resource base required to materialise growth. Organizations consider merger and acquisition proposals in a systematic manner, so that the marriage will be mutually beneficial, a happy and lasting affair.

Apart from the urge to grow, acquisitions and mergers are resorted to for purposes of achieving a measure of synergy between the parent and the acquired enterprises. Synergy may result from such bases as physical facilities, technical and managerial skills, distribution channels, general administration, research and development and so on. Only positive synergistic effects are relevant in this connection which denote that the positive effects of the merged resources are greater than the some of the effects of the individual resources before merger or acquisition.

Students may give two examples from the industry. Some of the recent / popular instances of acquisition are listed below:

- ◆ Tata's acquisition of Anglo Dutch steelmaker Corus
- ◆ Tata's acquisition of British Jaguar Land Rover
- ◆ Mittal Steel's takeover of Arcelor
- ◆ HPCL's acquisition of Kenya Petroleum Refinery Ltd.
- ◆ Hindalco's acquisition Canada based Novelis.

7. Refer to chapter 3. Portfolio analysis is a tool by which management identifies and evaluates the various businesses that make up the company. In portfolio analyses top management views its product lines and business units as a series of investments from which it expects returns. The General Electric Model uses two factors in a matrix / grid situation as shown below:

		Business Position		
		High	Medium	Low
Market Attractiveness	High	Invest	Invest	Protect
	Medium	Invest	Protect	Harvest
	Low	Protect	Harvest	Divest

8. Refer to Chapter 5. Marketing mix forms an important part of overall competitive marketing strategy. The marketing mix is the set of controllable marketing variables that the firm blends to produce the response it wants in the target market. The marketing mix consists of everything that the firm can do to influence the demand for its product. These variables are often referred to as the "4 Ps." The 4 Ps stand for product, price, place and promotion. An effective marketing program blends all of the marketing mix elements into a coordinated program designed to achieve the company's marketing objectives by delivering value to consumers.

A company trying to keep the prices of new brand of ice creams too low is trying to penetrate the market. In penetration prices are initially kept at relatively low levels. This is done to attract customers. It is expected that the price sensitive customers will switch

to the new brand because of the lower price. The strategy helps in increasing market share or sales volume.

9. Refer to chapter 4. We can describe corporate strategy as the objective-strategy design of the firm. To arrive at such an objective-strategy design is the basic burden of corporate strategy formulation. Strategic uncertainty, uncertainty that has strategic implications, is a key construct in strategy formulation. A typical external analysis will emerge with dozens of strategic uncertainties. To be manageable, they need to be grouped into logical clusters or themes. It is then useful to assess the importance of each cluster in order to set priorities with respect to Information gathering and analysis.
10. Strategic leadership is the ability of influencing others to voluntarily make decisions that enhance prospects for the organisation's long-term success while maintaining short-term financial stability. It includes determining the firm's strategic direction, aligning the firm's strategy with its culture, modelling and communicating high ethical standards, and initiating changes in the firm's strategy, when necessary. Strategic leadership sets the firm's direction by developing and communicating a vision of future and inspire organization members to move in that direction. Unlike strategic leadership, managerial leadership is generally concerned with the short-term, day-to-day activities.

Two basic approaches to leadership can be transformational leadership style and transactional leadership style.

Transformational leadership style use charisma and enthusiasm to inspire people to exert them for the good of the organization. Transformational leadership style may be appropriate in turbulent environments, in industries at the very start or end of their life-cycles, in poorly performing organizations when there is a need to inspire a company to embrace major changes. Transformational leaders offer excitement, vision, intellectual stimulation and personal satisfaction. They inspire involvement in a mission, giving followers a 'dream' or 'vision' of a higher calling so as to elicit more dramatic changes in organizational performance. Such a leadership motivates followers to do more than originally affected to do by stretching their abilities and increasing their self-confidence, and also promote innovation throughout the organization.

Whereas, transactional leadership style focus more on designing systems and controlling the organization's activities and are more likely to be associated with improving the current situation. Transactional leaders try to build on the existing culture and enhance current practices. Transactional leadership style uses the authority of its office to exchange rewards, such as pay and status. They prefer a more formalized approach to motivation, setting clear goals with explicit rewards or penalties for achievement or non-achievement.

Transactional leadership style may be appropriate in settled environment, in growing or mature industries, and in organizations that are performing well. The style is better suited in persuading people to work efficiently and run operations smoothly.

11. Refer to chapter 5. Successful implementing supply management systems requires a change from managing individual functions to integrating activities into key supply chain

processes. It involves collaborative work between buyers and suppliers, joint product development, common systems and shared information. A key requirement for successfully implementing supply chain will be network of information sharing and management. The partners need to link together to share information through electronic data interchange and take decisions in timely manner.

Implementing and successfully running supply chain management system will involve:

1. Product development
 2. Procurement
 3. Manufacturing
 4. Physical distribution
 5. Outsourcing
 6. Customer services
 7. Performance measurement
- 12.** Refer to chapter 5. Strategists are required to provide direction to functional managers regarding the plans and policies to be adopted. In fact, the effectiveness of strategic management depends critically on the manner in which strategies are implemented. Functional area strategy such as marketing, financial, production and human resource are based on the functional capabilities of an organisation. For each functional area, first the major sub areas are identified and then follows a discussion of each of these sub functional areas regarding the content of functional strategies, important factors, and their importance in the process of strategy implementation.

Major strategies need to be translated to lower levels to give holistic strategic direction to an organization. The reasons why functional strategies are needed can be enumerated as follows:

- ◆ The development of functional strategies is aimed at making the strategies-formulated at the top management level-practically feasible at the functional level.
- ◆ Functional strategies assist in flow of strategic decisions to the different parts of an organization.
- ◆ They act as basis for controlling activities in the different functional areas of business.
- ◆ The time spent by functional managers in decision-making is reduced as plans lay down clearly what is to be done and policies provide the discretionary framework within which decisions need to be taken.
- ◆ Functional strategies help in bringing harmony and coordination as they remain part of major strategies.
- ◆ Similar situations occurring in different functional areas are handled in a consistent manner by the functional managers.

13. Refer to Chapter 2. According to William F Glueck and Lawrence R Jauch there are four generic ways in which strategic alternatives can be considered. These are stability, expansion, retrenchment and combination strategies.

- ◆ Stability strategies
- ◆ Expansion Strategy
- ◆ Retrenchment Strategy
- ◆ Combination Strategies

14. This case is for your practice. Remember, there is no rigid solution to a case problem. You can arrive at your own solutions. The opinions differ and your approach will also be different. However, you must offer supporting evidence for your views and judgments.

In part (a), students may write about unrelated conglomerate diversification being undertaken by business houses. In part (b) discuss the concept of core competency and its importance. In part (c) some of the problems that have been listed in the case may be explained. In part (d) discuss the risks involved in catering only to a limited customer. Lastly, in part (e), discuss in general the options Rohit has in your own opinion.

For answering the questions, you should draw inferences from theoretical concepts of strategic management and integrate them. You should not rely upon unsupported opinions and over generalizations and clearly demonstrate that your interpretations are reasonable, logical and objective. You may also take cues from what you have learnt from newspapers and other business magazines.

Pre-examination Notes - Strategic Control

Control is one of the important functions of management, though it is often regarded as the core of the management process. It is a function intended to ensure and make possible the performance of planned activities and to achieve the pre-determined goals and results. Control is intended to regulate and check, *i.e.*, to structure and condition the behaviour of events and people, to place restraints and curbs on undesirable tendencies, to make people conform to certain norms and standards, to measure progress to keep the system on track. It is also to ensure that what is planned is translated into results, to keep a watch on proper use of resources, on safeguarding of assets and so on.

The control function involves monitoring the activity and measuring results against pre-established standards, analysing and correcting deviations as necessary and maintaining/adapting the system. The task of control is intended to enable the organisation to continuously learn from its experience and to improve its capability to cope with the demands of organisational growth and development.

Control is process within the broader management process. Within any control system, the following elements are identifiable:

- (a) Objectives and characteristics of the system which could be operationalized into measurable and controllable standards.
- (b) A mechanism for monitoring and measuring the characteristics of the system.

- (c) A mechanism (i) for comparing the actual results with reference to the standards (ii) for detecting deviations from standards and (iii) for learning new insights on standards themselves.
- (d) A mechanism for feeding back corrective and adaptive information and instruction to the system, for effecting the desired changes to set right the system to keep it on course.

Primarily there are three types of organizational control, viz., operational control, management control and strategic control

Operational control

The thrust of operational control is on individual tasks or transactions as against total or more aggregative management functions. For example, procuring specific items for inventory is a matter of operational control, in contrast to inventory management as a whole. One of the tests that can be applied to identify operational control areas is that there should be a clear-cut and somewhat measurable relationship between inputs and outputs which could be predetermined or estimated with least uncertainty.

Many of the control systems in organisations are operational and mechanistic in nature. A set of standards, plans and instructions are formulated. The control activity consists of regulating the processes within certain 'tolerances', irrespective of the effects of external conditions on the formulated standards, plans and instructions. Some of the examples of operational controls can be stock control (maintaining stocks between set limits), production control (manufacturing to set programmes), quality control (keeping product quality between agreed limits), cost control (maintaining expenditure as per standards), budgetary control (keeping performance to budget).

Management Control

When compared with operational, management control is more inclusive and more aggregative, in the sense of embracing the integrated activities of a complete department, division or even entire organisation, instead of mere narrowly circumscribed activities of sub-units.

The basic purpose of management control is the achievement of enterprise goals – short range and long range – in a most effective and efficient manner. The term is defined by Robert Anthony as 'the process by which managers assure the resources are obtained and used effectively and efficiently in the accomplishment of the organisation's objectives. Controls are necessary to influence the behaviour of events and ensure that they conform to plans.

Strategic Control

"Strategic control focuses on the dual questions of whether: (1) the strategy is being implemented as planned; and (2) the results produced by the strategy are those intended."

– Schendel and Hofer:

Strategies once formulated are not immediately implemented. There is time gap between the stages of strategy formulation and their implementation. Strategies are often affected on account of changes in internal and external environments of organisations. There is need for warning systems to track a strategy as it is being implemented. Strategic control is the process of evaluating strategy as it is formulated and implemented. It is directed towards identifying problems and changes in premises and making necessary adjustments.

Type of Strategic Control: There are four types of strategic control as follows:

- ◆ **Premise control:** A strategy is formed on the basis of certain assumptions or premises about the complex and turbulent organizational environment. Over a period of time these premises may not remain valid. Premise control is a tool for systematic and continuous monitoring of the environment to verify the validity and accuracy of the premises on which the strategy has been built. It primarily involves monitoring two types of factors:
 - (i) Environmental factors such as economic (inflation, liquidity, interest rates), technology, social and regulatory.
 - (ii) Industry factors such as competitors, suppliers, substitutes.

It is neither feasible nor desirable to control all types of premises in the same manner. Different premises may require different amount of control. Thus, managers are required to select those premises that are likely to change and would severely impact the functioning of the organization and its strategy.

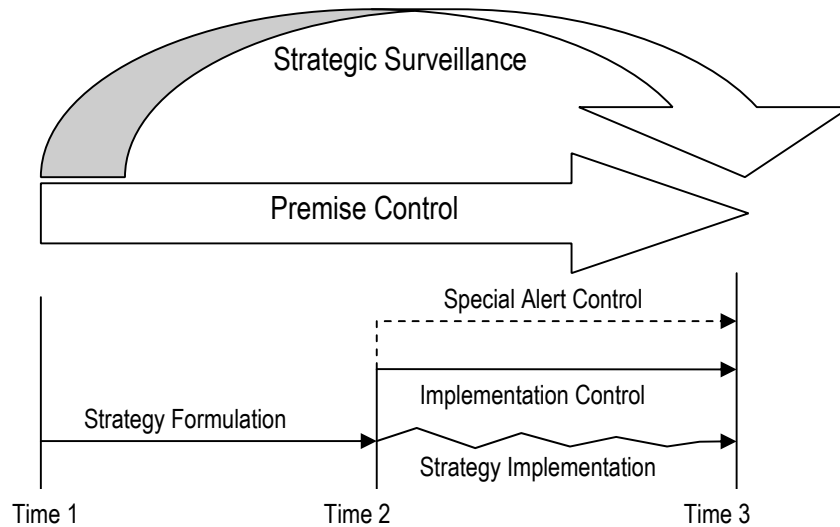
- ◆ **Strategic surveillance:** Contrary to the premise control, the strategic surveillance is unfocussed. It involves general monitoring of various sources of information to uncover unanticipated information having a bearing on the organizational strategy. It involves casual environmental browsing. Reading financial and other newspapers, business magazines, meetings, conferences, discussions at clubs or parties and so on can help in strategic surveillance.

Strategic surveillance may be loose form of strategic control, but is capable of uncovering information relevant to the strategy.

- ◆ **Special alert control:** At times unexpected events may force organizations to reconsider their strategy. Sudden changes in government, natural calamities, terrorist attacks, unexpected merger/acquisition by competitors, industrial disasters and other such events may trigger an immediate and intense review of strategy. Organizations to cope up with these eventualities, form crisis management teams to handle the situation.
- ◆ **Implementation control:** Managers implement strategy by converting major plans into concrete, sequential actions that form incremental steps. Implementation control is directed towards assessing the need for changes in the overall strategy in light of unfolding events and results associated with incremental steps and actions.

Strategic implementation control is not a replacement to operational control. Strategic implementation control, unlike operational controls continuously monitors the basic direction of the strategy. The two basis form of implementation control are:

- (i) Monitoring strategic thrusts: Monitoring strategic thrusts help managers to determine whether the overall strategy is progressing as desired or whether there is need for readjustments.
- (ii) Milestone Reviews. All key activities necessary to implement strategy are segregated in terms of time, events or major resource allocation. It normally involves a complete reassessment of the strategy. It also assesses the need to continue or refocus the direction of an organization.



These four strategic controls steer the organisation and its different sub-systems to the right track. They help the organisation to negotiate through the turbulent and complex environment.