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E-Content BCH-601 : Business Policy

Lecture 21

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- **Performance Analysis** - Performance analysis includes discovering and analyzing the gap between the planned or desired performance. A critical evaluation of the organizations past performance, present condition and the desired future conditions must be done by the organization. This critical evaluation identifies the degree of gap that persists between the actual reality and the long-term aspirations of the organization. An attempt is made by the organization to estimate its probable future condition if the current trends persist.

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- **Choice of Strategy** - This is the ultimate step in Strategy Formulation. The best course of action is actually chosen after considering organizational goals, organizational strengths, potential and limitations as well as the external opportunities.

Strategy Implementation - Meaning and Steps in Implementing a Strategy

- **Strategy implementation is the translation of chosen strategy into organizational action so as to achieve strategic goals and objectives.** Strategy implementation is also defined as the manner in which an organization should develop, utilize, and amalgamate organizational structure, control systems, and culture to follow strategies that lead to competitive advantage and a better performance. Organizational structure allocates special value developing tasks and roles to the employees and states how these tasks and roles can be correlated so as maximize efficiency, quality, and customer satisfaction-the pillars of competitive advantage. But, organizational structure is not sufficient in itself to motivate the employees.
- An organizational control system is also required. This control system equips managers with motivational incentives for employees as well as feedback on employees and organizational performance. Organizational culture refers to the specialized collection of values, attitudes, norms and beliefs shared by organizational members and groups.



	Developing an organization having potential of carrying out strategy successfully.
	Disbursement of abundant resources to strategy-essential activities.
	Creating strategy-encouraging policies.
	Employing best policies and programs for constant improvement.
	Linking reward structure to accomplishment of results.
	Making use of strategic leadership.