

A strategic transition

[Business, Management](#)



This Case Study discusses the transition of Frito Lay Inc in the period 1987 to 1992. The transition process started in 1987 when the company decided to actually change its way of doing work and operations. The company wanted to implement a new business strategy that they called micromarketing strategy. The purpose of this strategy was to actually decentralize information to the sales and task teams by using information technology so that they can get the right information at the right time in order to make decisions regarding their assignments.

However, when the new idea was floated and the management started to implement, the organization and operations came to a complete halt because of the fact that there was no compatibility with the previous operations, management systems, information technology and there was no way the company could change their entire resource of paperwork into digital information abruptly. Therefore, the company needed to restructure its entire business process, management systems and information technology architecture in order to align the new micro marketing strategy with the operations of the company.

Now in order to do complete this implementation phase, there were a number of questions that were to be answered in order to see whether the new project would turn out to provide the required result or not. This essay will focus the reader's attention to all those questions and identify detailed implementation and evaluation strategies that the company brought into consideration while implementing its strategy. Similarities between the new IT strategies and the business strategies:

The first question which holds great significance regarding the transition of the management process of the company relates to the similarities between the new IT strategies and the business strategies that were used in order to make the transition. Now before we discuss these strategies, it is important for us to know and realize that when a company employs two strategies it should first check whether they have any overlapping interests in the company and if yes, are they aligned towards the same vertex of the triangle or are they headed towards different directions.

The reason is that if these overlapping strategies are directed to different directions, then the company must have to redesign either one of them so that both the strategies are aligned towards the same goal. Thus, in this case, we see that goals of the business strategy and the IT strategy of the company both targeted towards the same goal.

When we look at the business micromarketing strategy, we see that the company wanted to decentralize the decision making power towards the sales and tasks team so that they could respond much quicker rather than waiting for orders and decisions from the upper management who would need to first gather a set of information on which they would analyze, make alternatives and then take decisions. As a result of this old management hierarchy, the company had to incur huge losses in terms of stale products, late deliveries, and early deliveries in case of new promotions and many other issues regarding warehouse and distributor inventory problems.

However, at the same time, the company did not want the control of the senior management to slip away entirely to the hands of these divisions and teams, thus they wanted to connect the two sides of the organization so that

all the information that the external team receives is communicated to the internal team as it is realized and then when the external takes decisions, they take decision under the direct surveillance of the internal top management team who monitor their decisions and are aware of the real time issues, prospect, and opportunities in the market (HarvardBusiness Review, 1997).