

# Brief assessment of the eight components of implementing strategy term paper exam...

[Business](#), [Company](#)



## **Introduction**

Strategy implementation is a crucial aspect of strategic management. No matter how good the strategies are, poor implementation makes the strategies useless. Implementation involves achieving the objectives as set out in the strategic plan. For the implementation to be successful, the strategic plan must be robust. The plan must be realistic and firmly grounded in the fundamental economics of the organization and its markets. This paper looks at how well Starbucks Coffee Company has implemented its current strategic plan.

A careful assessment on the eight components of implementing strategy has been done and the findings reveal that the company has excelled in implementing its strategic plan.

## **Allocating Resources**

Despite the scarcity of resources, the company has managed to allocate resources (both financial and other resources) to support the execution of the strategy. The resource allocation fits the strategy. The company's rapid expansion strategy and the need to be a provider of high-end coffee brand with exotic, rich coffee blends requires adequate resource allocation. This has excellently been achieved. Also, the resource allocation changes with the strategies. In some cases, the company shifts resources by downsizing some areas, eliminating the activities that are no longer needed, upsizing some areas, and funding the new strategically significant activities.

## **Establishing Strategy-supportive Policies**

The company has managed to establish strategy-supportive policies and procedures. This helps in providing top-down guidance on how certain things need to be done successfully. The actions and behaviors of the company personnel are aligned with the requirements for strategy execution, and their efforts are channeled along a strategy supportive path. The policies and procedures promote creation of a work environment that facilitates successful implementation of the strategy. This also helps in enforcing consistency in how critical activities are performed.

## **Instituting Best Practices for Continuous Improvement**

The company has instituted best practices. It searches, identifies, examines, and adopts the best practices. Continuous improvement is promoted by such tools as the Six Sigma quality control, total quality management, and business process reengineering.

## **Installing Support Systems to Carry out Strategic Roles**

Starbucks has managed to install support systems to carry out strategic roles. The support systems relate to all the value chain activities and include all the computer based information systems such as the Management Information System (MIS), Decision Support System (DSS), Transaction Processing System (TPS), Database Management System (DBMS), and E-commerce and e-business systems, among others. This has effectively created the competitive advantage.

## **Tying Rewards to Achievement of Key Strategic Targets**

In order to achieve some key strategic targets, the company has linked the rewards to the performance outcomes of the employees. The company believes that reward is the most powerful tool that can win the commitment of the employees towards successful strategy implementation. Those who successfully achieve the objectives are generously rewarded while those who don't are denied the rewards. The incentive compensation is tied to the relevant outcomes.

## **Shaping Corporate Culture to Fit Strategy**

The company has built and shaped the corporate culture to support the strategy. Starbucks' core values, beliefs, ethical standards, and business principles are the perfect recipe for strategy implementation. This has greatly enhanced long-term strategic success. It also controls and enables the employees behave in the right way. Shaping the culture to fit the strategy has greatly improved the performance. The company's culture promotes behaviors and attitudes that are well suited to strategy implementation. The culture also provides a means of controlling, coordinating, and motivating employees.

## **Exercising Strategic Leadership**

The company also exercises strategic leadership. Its leadership strategy is based the Sun Tzu strategic principles of character-based leadership. The company believes that one should act on the correct course without waiting for orders. The employees are empowered and adequately controlled. The behavior and actions of the employees are controlled within acceptable

bounds. The company employs both managerial and peer-based control approaches. Boundaries are established on what should not be done. This gives the employees the freedom to act within limits.

## **Building a Capable Organization**

Starbucks has managed to build a capable organization. It has the competencies and capabilities that are needed for proficient strategy implementation. This, it achieves through appropriate staffing, matching the company's structure to the strategies, and building the competitive capabilities and the core competencies. The company has well educated employees with the capability and passion to do their job. The end result is employee loyalty and excellent customer service.

## **Who develops these programs?**

As illustrated, the implementation of the strategic plan has been very effective. The company is able to meet its financial projections as spelt out in the strategic plan. Besides, the results of the strategic plan are integrated with the company's daily routines as the company tries to reflect all the changes initiated by the strategic plan into areas such as reward schemes and budgeting. The programs are developed by the senior management team.

## **Who is in charge of these programs?**

The company's daily operations are guided by the goals set out in the strategic plan, which drive the human practices, marketing and sales efforts,

and research and development. The success of these programs depends on those who are in charge - all the employees.

## **Conclusion**

The company continues to maximize its market penetration as it offers high quality products to the customers. Its unique capabilities enhance the use of resources, service delivery, profitability, and growth. The returns on investment and the market share have significantly increased as the company expands both domestically and globally. All these are a result of successful implementation of the current strategic plan.

## **Reference**

Starbucks Corporation (2011). About Us. Retrieved October 10, 2012 from <http://www.starbucks.com/about-us>

The Sun Tzu Strategic Principles.