

Business strategy

[Business](#)



Cath Kidston: Case Study By Cath Kidston: Case Study Review and evaluation ensure the effectiveness of strategy implementation. In order to ensure that the implemented strategy is working efficiently, it is important for the Cath Kidston Ltd to review and evaluate the strategy outcomes closely. This is the ultimate phase for the organisation to analyse the effectiveness of the strategy implemented and to make proper changes to the strategy if necessary. As internal and external factors are changing constantly, all strategies need to be updated and modified timely so as to achieve the outcomes intended (Bhandari, 2013, p. 318). In the strategy review and evaluation phase, the company's project managers determine whether the chosen strategy is meeting its objectives. In the process, the managers should give particular emphasis to the internal and external factors based on which the strategy was developed.

The process of strategy evaluation generally consists of four steps including setting benchmark of performance, performance measurement, assessing variance, and taking corrective actions (' Strategy Evaluation Process..'). In order to clearly review and evaluate the current performance of the chosen strategy, Cath Kidston Ltd should periodically measure and assess the outcomes identified. It would be a better strategy for the managers to compare the actual outcomes against industry benchmarks, and corporate, operational, and individual targets. A close assessment of outcomes in the light of industry benchmarks would assist the company to determine whether or not the strategy performs up to the industry standards (Aswathappa, 2010, p. 346). If appropriate tools are available for measuring the performance and the standards were set in the right manner, then it is really easy for the company to evaluate the strategy implemented. However,

<https://assignbuster.com/business-strategy-essay-samples-2/>

sometimes it is a cumbersome task to measure managers' contributions and divisional performance as there is no single defined tactic to do this. For measuring the outcomes and evaluating the performance of the strategy, it is advisable for the Cath Kidston Ltd to prepare financial statements such as balance sheet and profit and loss account for interim periods.

While comparing with actual outcomes with industry benchmarks and other standards, the variance observed must be thoroughly evaluated. Managers must check whether the variance between actual and standard performance lies within the degree of tolerance limits set during the strategy formation. A positive deviation indicates that the strategy performs better than planned. At the same time, a negative deviation reflects a shortfall in performance and the situation in turn would pose great threats to the long-term success of the strategy (Trehan M & Trehan, n. d. p. 31). At this juncture, it is the responsibility of the strategists to discover what went wrong and what needs to be done to improve the situation (Ibid). Taking corrective action is the final step of strategy review and evaluation. Once a negative deviation in performance is identified, it is inevitable to take an appropriate corrective action to ensure that the strategy would not end up in a failure in the long-term (Karami, 2012, p. 58). If the actual performance has been consistently weak, then the managers must conduct a detailed analysis to identify the factors leading to such a poor performance. If it is observed that the organization's potentials do not justify the performance requirements set, then the company should lower the standards correspondingly. In some rare cases, corrective actions may not be enough to improve the performance and under those circumstances the organisation may be forced to reformulate and re-implement the strategy.

For Cath Kidston Ltd, it would be easy to measure the actual outcomes and to compare them against industry benchmarks on the basis of revenues and net profits. Furthermore, the organisation may gather customer feedbacks to identify how their shopping experience changed after the implementation of the chosen strategy. Finally, the company may also depend on third-party agencies to conduct market surveys and thereby to obtain customers' opinions and suggestions.

References

Strategy Evaluation Process and its Significance. Management Study Guide.

[online] available at: <http://www.managementstudyguide.com/strategy-evaluation.htm>

Bhandari (2013) Strategic management: A Conceptual Framework. Tata McGraw-Hill Education

Aswathappa K (2010) International Business. Tata McGraw-Hill Education.

Karami A (2012) Strategy Formulation in Entrepreneurial Firms. Ashgate Publishing, Ltd.

Trehan M & Trehan R (n. d.) Government and business. FK Publications.