Strategic control

Business

CONTROL Control is a systematic effort to set performance standards with planning objectives, to design information feedback systems, to compare actual performance with the predetermined standards, to determine whether there are any deviations and to measure their significance, and to take any action required to assure that all corporate resources are being used in the most effective and efficient way possible in achieving corporate objectives. Control is taking conscious measures that synchronize outcomes as closely as possible with plans. STRATEGIC CONTROL

Strategic control is concerned with tracking the strategy as it is being implemented, detecting any problems areas or potential problem areas, and making any necessary adjustments. It consists of monitoring and evaluating the strategy management process as a whole to ensure that it is operating properly. It focuses on the activities involved in environmental analysis, organizational direction, strategy formulation, strategy implementation, and strategy control itself-checking that all steps of the strategy management process are appropriate, compatible and functioning properly.

Control is taking conscious measures that synchronize outcomes as closely as possible with plans. TYPES OF CONTROL The three respective type of control based on timing are preventive, detective, corrective, and steering controls. 1. Premise Control: It focus on the regulation of inputs (human, material, and financial resources that flow into the organization) to ensure that they meet the standards necessary for the transformation process. Premise controls are desirable because they allow management to prevent problems rather than having to cure them later. It is also the cheapest control in cost.

Unfortunately, it requires timely and accurate information that is often difficult to develop. Premise controls are sometime referred to as feedforward control, or steering control. In some textbook, steering control are defined as a control designed to detect deviation from standard or goal to allow correction to be made before a particular sequence of actions is completed. 2. Special Alert Control: It is a control that takes place while an activity is in progress. It involves the regulation of ongoing activities that are part of transformation process to ensure that they conform to organizational standards.

It is designed to ensure that employee work activities produce the correct results. Since concurrent control involves regulating ongoing tasks, it requires thorough understanding of the specific tasks involved and their relationship to the desired and product. Concurrent control sometimes is called screening or yes-no control, because it often involves checkpoints at which determinations are made about whether to continue progress, take corrective action, or stop work altogether on products or services. This control relies on performance standards, rules, and regulations for guiding employee tasks and behaviors.

The purpose is to ensure that work activities produce the desired results.

As an example, many manufacturing operations include devices that measure whether the items being produced meet quality standards. Employees monitor the measurements; if they see that standards are not being met in some area, they make correction themselves or escalate it. 3. Implementation control is designed to assess wheather the overall strategy should be changed in light of unfolding events and results associated with incremental steps and actions that implement the overall strategy.

It continusly questions the basics direction of strategy. Two basic tryp of implementation control are: monitorint strategic thrust and milestone reviews.

* Monitoring strategic thrusts: two approaches are useful in enacting implementation controls focused on monitoring strategic thrusts: (a) one way is to agree early in the planning process on which thrusts are critical factors in the success of the strategy or of that thrust; (b) the second approach is to use stop/go assessments linked to a series of meaningful thresholds such as time, cost, research and development, success, etc, associated with particular thrusts. Milestone reviews are significant points in the development of a programme, such as points where large commitments of resources must be made. A milestone review usually involves a full-scale re-assessment of the strategy and the advisability of continuing or refocusing the direction of the company. 4. Strategic surveillance: It is designed to monitor a broad range of events inside and outside the company that are likely to threaten the course of the firm's strategy.

The basic idea behind strategic surveillance is, it is general monitoring of multiple information sources should be encouraged, with the specific intent being the opportunity to uncover important yet unanticipated information.

Strategic surveillance appears to be similar in some way to " environmental scanning". The rationale however is different. Environmental scanning usually is seen as part of the chronological planning cycle devoted to generate information for the new plan. Strategic surveillance is designed to safeguard the established strategy on a continuous basis.