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103. Instruments of implementing the enterprises' strategy

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Introduction : In a dynamic and uncertain environment the importance of developing a strategy is proven. Representatives schools strategic thought describe different approaches

to strategy development: as a process of thinking; as a process of formal planning; as a process of selecting the position of the company; as a process of predicting the future; as the development process; as a process of negotiation, etc.

If the choice of strategy is more determined by environmental conditions, the implementation of the strategy depends on the business environment, quality of management, efficiency of business processes, corporate culture, motivation system, etc. Therefore, the question of how to effectively implement a strategy to achieve planned goals is quite relevant.

Resources and methods : A typical feature of the leaders of Ukrainian enterprises is that they were used to solve issues and problems at the time they arise, as business rules had the ability to change daily. Thus, they do not have enough experience with strategic plans and tools.

I. Ansoff analyzed and identified the main causes of failure in strategic planning: strategic planning is not an integrated system; so there is no mechanism for implementing and monitoring strategies; there is a constant conflict of interests between the strategic and daily operations, setting priorities; computer information system for management fails to provide the necessary strategic information to managers; managers have no skills of strategic planning, which reduces the effectiveness of planning.

Michael Menkins and Richard Steele identified the following reasons for ineffective implementation of strategy:

- companies do not compare current performance with long-term plans
- results rarely meet projections for several years
- complexity of perception of the strategy
- "bottlenecks" are often not visible to the leaders
- the gap between strategy and results encourages a culture of "relaxation"

R. Kaplan and D. Norton identified four specific barriers to effective implementation of the strategy: vision and strategy are not achievable, the strategy is not associated with individual goals of the units, the strategy is not associated with the distribution of resources, feedback - tactical, but not strategic.

Results : Practice widely uses such basic management tools of implementation of strategy as a system of plans, budgeting, and management by objectives and the balanced scorecard. The system of plans of the organization is a peculiar form of materialization of planned activities. Developing the necessary plans for the company is necessary because they reflect a strategic decision and resource allocation. Plans system of the modern enterprise includes four groups of related plans: basic strategic plan, tactical plans, operational plans, programs and projects.

Another common tool is the strategy of budgeting that allows you to efficiently allocate resources in line with strategic plan to link quantitatively expressed strategic goals with operational plans etc. The second management tool that facilitates the coordination of the planning and controlling in the field of human resources management is a method of managing by purposes. This method involves determining of goals by the managers and employees for each department, project and employee that are used to monitor the planned results performance. The third tool of the strategy is the balanced system of indexes (Balanced Scorecard), developed by D. Norton and R. Kaplan. Objectives and indicators of the system are formed depending on the strategy of each company and evaluate the work in four aspects (perspectives): finance, customers and the environment, internal business processes, training and growth. Based on the strategic decision for each target an indicator (indicators) that characterize the degree of achievement of objectives was formed.

Prerequisite for the successful implementation of the strategy is a combination of strategy, planning and production activities in a comprehensive integrated management system.

Conclusions : All tools of the strategy implementation can be used in practice. All of them have both advantages and disadvantages. But the greatest effect that the budgeting, management by objectives, the balanced scorecard bring is in the case of not a sole but united use. The main obstacles to the successful implementation of the strategy is that enterprise workers are unaware of its existence, unaware of the purpose and objectives of plans to achieve the company does not have an idea of what should be their actions to achieve the objectives of the enterprise.

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