## Strategic change

There are two sorts of oceans: read oceans and blue oceans. Red oceans represent all the indiustries in existence today. This is the known market space. Blue oceans denote all the industries not in existence today. This is the unknown market space. In the red oceans, industry boundaries are defined and accepted, and the competitive rules of the fame are known. Here, companies try to outperform their rivals to grab a greater share of existing demand. As the market space gets crowded, prospects for profits and growth are reduced. Products become commodities, and cutthroat competition turns the res oceans bloody. Blue oceans, in contrast, are defined by untapped market space, demand creation, and opportunity for highly profitable growth. lthrough some blue oceans are created from within red oceans by expandinf existing industry boundaries. In blue oceans, competiton is irrelevant because the rules of the game are waiting to be sert. it will always be important to swim successfully in the read oceans by outcompeting rivals. Red oceans will alway matter and will always be a fact of business life. But with supply exceeding demand industries, competing gor a share of contracting markets, while necessary, will not be sufficient to sustain hish performnce. Unfortunately, blue oceans are uncharted. The domin focus of strategywork over the past thirty years has been on competititon - based read oceans stategies. The result has been a fairly good inderstanding of how to compete skullfully in red waters, from analyzing the underlying economic structure of an existing industry, to choosing a strategic position of low cost or differentiation or focus, to benchmarking the competiton (Kim, 2004).

The blue ocean strategy challenges companies to break out their current market by finding new unknown market space. The purpose of this work is to descreibe the current competitor´s markets as the status quo the participants perceive in their usual strategic approach, to identify then the key success factors and methods od the new theory creating of blue oceans as the alternative and mold the main ussues od this approach into a consulting procuct. identification of issues which could be describe as key success factor fot this new theory. The strengths and weaknesses of the blue ocean strategy approach. Identifying SMEs as a target customer group and the value of the blue ocean approach fot these target customers. A consulting approach for management consulting of SMEs (Siegemund, 2008).

Picture 1 red x blue ocean



 source: Siegemund, 2008

The three key components of a successful blue oceans shift. The first component is adopting a blue ocean perspective, so that you expand your horizons and shoft your understanding of where opportuinity resides - organizations that open up new value-cost frontiers think differently. That is, they think about different things than thouse that are focused only on competing in their current markets. They reaise fundamentally different sets of questions that enaable them to see and understand opportunities and risk in fresh and innovative ways.

The second component, therefore, is having practical tolls for market creation with propes quidance on how to apply them to translate a blue ocean perspective into a commnetcially compelling new offering that creates new market space. If the right perspective is a matter of shifting one´s strategic thinking by asking different questions, market-creating tolls and guidance enable you to ask right questions as the right point in the process and to see the significance of the answers. Taken together, they build peopleś creative competence and provide the structure and parameters within which to organize your thinking so you can conceive and discover what others donť see, and avoid the potential pitfalls that trip up most organizations.

Accorfingly, the third component is having humanistic process, something we have come to call "humans" in the process, which inspires and builds people´s confidence to own and drive the process fot effective execution - most organizations face internal hurdles to change. This might be a cognitive hurdle, beacause people are wedded to status quo. Or a politica hurdle created by deep divisons or structural silos that breed internal tensions and inflighting (Mauborgne, Kim, 2017).

Red and blue ocean strategies - when managers focus all their attention on securing competitive advantage, they can find themselves emroiled in an ongoing struggle to win new or protect ecisting market share. And when markets are only growing slowly, are flat or are shrinking, this struggle to outperform rivals can be cut-throat and bloody, and firms can find themselves swimming in a blodd-stained read ocean. Blue oceans are the unknown market space that offer the possibility of profitable and rapid growth through the creatin of new industries or new markers within wxisting industries. Blue ocean strategic of new industries or new markets within existing industries. Blue ocean strategic thinking id directed towards doscoveting there new market spaces and creating value for customers. It requires managers and look beyond the boundaries conventional red ocean thinking and search for new products or services that will be attractive to a mass of customers. To achieve this step, those leading change need to think outside the taken for granted boundaries and challenge the assumptions that dominate their red ocean thinking (Hayes, 2014).

Table 1 Read ocean versus blue ocean strategy

The imperatives for red ocean and blue ocean strategies are starkly different.

|  |  |
| --- | --- |
| RED OCEAN STRATEGY | BLUE OCEAN STRATEGY |
| Compete in existing market space | Create uncontested market space |
| Beat the competition | Make the competition irrelevant |
| Exploit existing demand | Create and capture new demand |
| Make the value/cost trade-off | Break the value/cost trade-off |
| Align the whole systém of a company´s activities with its strategic choice of differentiation or low cost | Align the whole system of a company´s activities in pursuit of differentiation and low cost |

source: Mauborgne, Kim, 2017

A change management strategy is a plan for how to make something different. In business, a change management strategy describes specific ways in which an organization will address such things as changes in the supply chain, inventory requirements, scheduling or project scope. The goal of establishing a formal strategy is to ensure that any negative effects of change will be minimized. To effectively institute a change management strategy, stakeholders must create a plan for how to recognize when a change is need, how to approve changes, how to implement changes and how to monitor changes to ensure they have brought about the desired effect (Letavec, Rollins, Altwies, 2008).

The change of strategy are limited, focused and holistic Limited change programs are aimed at addressing a specific problem, such as team building, communication improvement, management development, operational improvement and so on. Focused change programmes are ones that identify a few key aspects, such as time, quality, customer value, and then use these, by design, as levers for changing the organiation system – wide. Holistic change programmes are aimed by design to simultaneously adress all (or most) aspects of the organization (Coghlan, Rashford, de Figueiredo, 2015).

Change in not a process, not is it ever a task, operation, performance or activity...the mythical view of change as taking time to occur can give us part of the traditional picture in which change, however revolutionary and even dizzyingly swift, is seen as actually happening gradually, step by logical step, rather than occurring by means of an all-or-none leap. The four categories in fig. 1 represent an immense divergence across theoretical, empirical and epistemological issues. As with any four-cell box, we should be carful to guard against assuming that the whole world of organizational change can easily fing a home in one of the cells. We should also note that none of the cells is a discrete entity, comprising a finite number of specific theories. Change is far more comples than that. Yet the characterization is a useful guide for organizing thinking about approaches to change and it also forms the broad route map for reading this book. On the vertical dimension, change can either by planned or can emerge in organizations. Obviously, thouse models of change which assume that change can be planned in advance will differ radically from thouse which assume change emerges as a rsult of the interplay of multiple variables. On the horizontal dimension, change can also be described primarily as a process or primarily as a strategy of implementation. The problems with this approach to organizational change are many. First, it ignores the political and economic context in which most individuals and organizations operate. The assumption is that managers alone can make the difference between achieving and not achieving change. Second, its logical outcome is to reinforce the subordination of non-managerial straff to the wishes of management - except that in this case the wishes are termed visions of change. The language of planned change has a seductive capacity all its own. Fundamentally, planned change models are steeped in the reinforcement of managerial control. A strategy of change provides a critical appraisal of current ideas about organizational culture, total quality management, flexibility, and excellence, drawing upon case material from a wide range of different organizational settings. This practical, issue-centred approach contrasts with the functionally oriented way in which management is often taught in the classroom and reflects instead the real needs of managers who have to work and communicate on a cross-functional basis. Dealing in an integrated way with the full spectrum of strategic change issues (Wilson, 1999).

The contribution by Don Sull examines how the strategy process of the modern corporation needs to change in today´s world. Don argues that the traditional approach to strategy is rather linear, passing through the stages of first formulating a strategy, then implementing it, and finally protecting the competitive advantage. This linear approach hinders managers from incorporating new information into action. This chapter sets out an alternative view of strategy as an interative process known as the strategy loop, which helps managers act on new information that arises in the course of executing a strategy. Managers can put this approach into practice through formal and informal discussions, which are the key mechanism to coordinate activity within large, complex oeganizations. Uncertain markets make these discussions more necessary and, at the same time, more difficult. Despite the diversity of these discussions, they all follow the same fundamental logic and pass through for distinct steps of the strategy loop: discussions to make sense, make choices, make it happen , and make revisions. Managers who master the four types of discussions can notice new information and incorporate it into their strategy execution. Than the may make a change of strategy (Galavan, Murray, Markides, 2008).

Picture 2 Types of strategic change



source: Galavan, Murray, Markides, 2008

What if organisations didn’t fear change? What if the mastery of organisational change was actively pursued – viewed as a source of real competitive advantage? The above questions, and others, were asked to a group of executives from Fortune Global 500 companies as part of research for the book Choosing Change1. The executives uniformly reported that learning how to perform organisational change efforts faster, better, and with fewer resources than competitors would be a source of real competitive advantage. The purpose of this article is to explore how organisations create competitive advantage by pursuing a strategy focused on change mastery. A first step in performing change better is thinking about it differently. The idea of aligning all parts of an organisation with a particular business strategy is not new. Organisations have risen in prominence based on their abilities to align themselves with strategies such as least cost, customer service, innovation, speed, etc. In each case, the organisations’ structures, processes, systems and perhaps even their cultures were aligned to continuously support and reinforce the strategy (McFarland, Goldsworthy, 2013).

Make Change Strategic - making change strategic is the central idea underpinning the notion of a change-focused organisation because strategy addresses the organisation as a system. By formally making change a part of strategy, the organisation is declaring that the ability to perform change more effectively than its competitors is viewed as a source of competitive advantage – and will be pursued. In the CFO change is no longer merely important: it is strategic. Making change strategic has several advantages:

• It makes the priority of change clear to everyone. By making change a formal part of strategy, top management is making the priority of organisational change clear to everyone. This makes it easier for the workforce to understand and support organisational change efforts – particularly when the CEO and senior leadership team are out front.

• It builds clarity and consensus among the leadership team. A common understanding of “what change means to us and how we conduct it here” is very important in uniting leadership – and the whole organisation – behind the strategy. When leaders have developed this consensus, any confusion and/or disagreements about future change effort are more easily resolved. The organisation stays constantly focused on improving its capabilities to perform change.

• It reduces fear of change and builds engagement. Making change a part of strategy signals an important shift in the organisation’s stance regarding change. The organisation signals that it is moving from being reactive to proactive. The organisation is no longer passively waiting for and dreading, the next market shift. It is developing new capabilities to help predict market shifts and even to proactively shape them. As importantly, it is involving members of the workforce in developing these new capabilities. The organisation is no longer merely reacting to change. It is meeting change head on.

• It improves performance on change efforts. Participating in a change effort is no longer just ‘one more thing to do’. It is the opportunity to work side-by-side with top leaders on something important to the organisation (Morgan, 2007).

New chief executives often feel compelled to reorganize their companies. In fact, almost half launch some kind of reorganization during their first two years on the job. Even that brisk pace seems to be accelerating, with Hewlett-Packard, Nokia and Caterpillar recently announcing organizational overhauls. The spike in ambitious plans to reorganize doubtless reflects the economic cycle. Companies are only now clawing their way back to health, and full recovery seems to demand strong medicine. Changing an organization's structure can look like an effective way of shaking up the whole operation and thus unlocking better performance. But corporate reorganizations are risky investments of time, energy and resources, and many do little to improve the business. Chrysler restructured its organization three times in the three years prior to its bankruptcy and eventual combination with Fiat. None of those reorgs had much effect. A recent Bain & Company study of 57 major reorganizations found that less than one third produced any meaningful improvement in performance. Some actually destroyed value (Forbes, 2010).

When a corporation decides to reorganize, it can do so in a relatively straightforward way or a more complex change in traffic or service. Reorganization may also occur during bankruptcy. An enterprise can combine two or more departments that save money or make operations more efficient. A more complex change may include re-orientation of the company's mission, drastic change in the marketing plan, or even offsetting employees with poor performance. The benefit of reorganization can be cost savings for businesses, streamlining their management, opening up communication lines and the ability to work towards long-term sustainability (Bhandari, Weiss, 1996).

If a strategy is to succeed, innovation must be based on a careful and purposeful analysis of the options. When innovation becomes successful, the innovator must act even more intensely, develop the product and come up with new ideas. Innovation is based on strategic prosperity. For this strategy, it is imperative that the business reverts to its current development in time. Discontinuity is seen as an instrument that ensures a certain longevity of the enterprise. Detachment from business life from one life cycle to another. Up to now, the company's development is interrupted by a major change decision. In a prosperity strategy, an enterprise is restructured before it reaches its peak. There are many factors of prosperity strategy: creation of strategy, driving rules, organizational structure, remuneration, strong management, authority and responsibility (Lussier,2017).

# Strategic change

Strategic change can be defined as "a process of bringing about relatively enduring alternation in the precent state of strategies to compete with the rivals and their differentiated and integrated functions in totality or partially so as to attain greater adaptability and viability in the context of the current and emerging environmental developments." Changes can also be distinguished based on the degree to which they are innovative or simply different from what was previously done in the organization.

## Implement strategic change

Strategic managers play organizational politics to overcome obstacles to change, resolve conficts and bring about strategic change. To play politics, managers must have power. It is also calles authority. Without authority there is no responsibility. There is relationship between authority, responsibility and implementation od strategies (Sekhar, G.V.S, 2010).

# Change Implementation and initiative

A change initiative is not complete without proper implementation and the proces of implementig change in itself is a challenge that follows every change endeavour.

Management concepts and practices such as strategic lanning, change management, business proces, re-engineering, total quality management, architecture development, that aim towards improving the organisational performance, stuggle when it comes to successful implementation.

With the brutal statistics pointint to the fact that about one-half to two thirds of all organisational change initiatives fail; one of the critical questions that we face is whether we can really implement major organisational change.

An extensive literature review of organiational change research often leads to the conclusion that there exists a divide between the strategic intent (that is, managerial aspects) of the change process and its implementation (Sharma, 2006).

Jones & Recardo (2013) says that implementing phase consists of nine taskt that evolve the design of the change solution for deployment in the implementation stage. Most change initiatives impact the technology, organization, and process architecture creating capability gaps. The design and delivery od knowledge transfer activities, such as training, will enable stakeholders to be better able to roll out these modifications.

# Implementation plan

The implementation plan is a document that describes all the key information needed to implmenet the approved change. The size of the document will depend on the scope and complexity of the change request. All change request must have a detailed action plan and any associated checklist for the implementer to follow. If the checklist does not exist, then every effort should be made to create one. This is in addition to the documentation needed to clarify what is being requested for implementation (Sharma, 2006).

# The strategic writings

The strategic writings revolve around the themes of understanding what are the antecedents of the change, so as to ensure the right equilibrium between the organisation´s strategies, structure and processes in the environment in which they operate at a specific span of the time understanding the transformation processes, leadership issues and the action perspective of change and the ways an organisation may overcome or remove the blocks to successful change implementation (Sharma, 2006).

# The mission of Change Management

# The mission of Change Management is to facilitate for orderly scheduling of the changes and tracking of these changes from submission to implementation. This will create sucessful implementation of change by preventing any unsuccessful changes and minimize or eliminate any negative impact of unauthorized changes on te services proveded to both the internal or external customers (Figliomeni, 2011).

Factors such as resistance to change, slow learning and fast forgetting must be taken into consideration and dealt with so as to ensure a successful change implementation (Sharma, 2006).

# Implementation phase

Change management process is a simple but powerful sequence of four phases - planning, development, implementation and management - that can be applied to any kind of change project.

Each phase is broken into two steps and within each step are a number of tasks.

Implementation phase tasks:

* Orientation and training
	+ conduct orientation and training according to the orientation and training plan
* Roll-out
	+ rool out the project

**Orientatin and training**

All planning and development work will be wasted if the people involved in putting those plans into action don´t know what to do, or aren´t convinced it´s necessary. Orientation and training must be provided so that anyone affected by the change is prepared to recognize and accept it.

**Roll-out**

After all that preparation comes roll-out the moment when you begin conducting your personal or business practises the new way, based on the workflows, programs, policies, guidelines and/or procedures that you´ve created. The timing and location of roll-out is critical to the success of your change project.

Roll-out is the second step in the implementation phase. Once everyone affected by the change project has been oriented and trained, the new order of policies, guidelines, procedures, programs and materials can be put into practice (Lister, 2005).

Managing Implementation and Change include the “Should” process, recommendations, and an implementation strategy.

During Phase managing Implementation and Change you need:

* Determine implementation team structure—identify cross-functional team members and leaders.
* Prepare detailed implementation plans—installation of a “Should” process can require new measures, organization structures, policies and procedures, information systems, and job descriptions.
* Begin development cycle:
	+ Develop whatever is necessary for the change.
	+ Prepare the organization for change.
	+ Pilot the changes.
	+ Evaluate the results of the pilot.
	+ Incorporate the results back into the development cycle.
	+ Cutover to the new process—involves signaling the start of use of the “Should” and taking conscious steps to undo the “Is.” Old systems are dismantled.
* Institutionalize changes

The output of Phase managing implementation and change is an up and running, redesigned proces (Rummlerbrache.com, 2018)

# Distinct approaches in managing the implementation phase

While reviewing the areas of organisational change and development, Buchanan and Huczynski (1997) regognised the existence of the distinct approaches in managing the implementation phase of the change process - change implementation as project; the parcticipative approach to implmentating change; and the contingency approach to change implementation (Sharma, 2006).

# Techniques for Implementing Change in an Organization

As an organization grows and evolves, it will experience change. Implementing change can be a challenge if improper techniques are used. Developing efficient ways to introduce and implement change can ease the stress your staff feels when change is introduced, and it can also help your vendors, customers and business partners adjust to any changes in the way you do business.

## Ownership

When your employees are on board with organizational change, they can then make the internal transition smoother and help clients and vendors adjust as well. A technique that can get employees personally involved in change is to encourage them to look at the business as though they were running it. Virgin International CEO Richard Branson, writing on the Entrepreneur website, says that having employees think like entrepreneurs by letting each employee know how their impact on implementing change can improve profitability makes change a personal responsibility.

## Map it Out

If you leave too much to the staff's imagination when it comes to change, that can create misinformation and make change management difficult. In the Kotter 8-Step Change Model, it is recommended that employees be given the details of what the change is and how it will affect the company. Trying to make drastic changes without informing employees of the nature of the changes can create confusion. Tell employees exactly what is going on and create understanding from the beginning.

## Go in Stages

Change should be implemented in stages. Create the sense of urgency that gathers support for change. Then develop a solution that should be rolled out on a trial basis. Do not go live with the change immediately. Have a small group of employees try the change first to work out any errors and make any changes. Then slowly integrate the change into your organization. This gives employees a chance to become familiar with the changes being made and adjust to them gradually.

## Get Everyone Involved

For change to take hold, the entire management and executive teams need to get involved and create enthusiasm among the staff. Even if a manager or executive is not directly involved in the change, her support for the new plan can help the staff feel more at ease. When the management team shows unified support for an initiative, it is easier for employees to accept (Root, 2018).

# Barriers & Challenges to Change Implementation

Change affects every business at some point. They may range from minor staff restructuring to merging or acquiring another company. While the changes may be necessary for the future of the company, you are likely to face certain barriers and challenges. Anticipating these roadblocks helps you avoid them before they become major issues in the change implementation.

**Planning**

Without step-by-step planning, change in an organization is likely to fall apart or cause more problems than benefits. You need to understand exactly what changes will take place and how those changes will occur. For example, if you're transitioning to a new content management system, you'll need to know if the new system is compatible with the old system, how you will transition the old information to the new system and if there will be limited access during the transition. You also need to assign roles to individuals who are responsible for the change so all duties are covered. The time line for the change is also a key component. You need to plan for downtime or difficulties in completing regular work tasks while the change occurs.

## Lack of Consensus

If you fail to get everyone on board with the corporate changes, you are likely to face barriers during the process. The decision to implement changes should come from the top level of the organization. All management level staff needs to be on board and able to deal with the changes or you may face dissension within the staff. You may not have everyone on board right from the beginning. Showing managers how the changes will affect the company and the steps for implementing the changes helps get them on board if they initially have reservations.

## Communication

Failing to communicate with all employees invites rumors and fear into the workplace, particularly if you're facing major changes, such as downsizing or a merger. Employees want to know what's going on, whether it is positive or negative news. The feeling of uncertainty when management doesn't communicate disrupts work and makes employees feel as if they aren't a part of the decision. Keep employees updated regularly about the plans and progress toward the change implementation. Involve all employees as much as possible through meetings or brainstorming sessions to help during the planning phase.

## Employee Resistance

In some cases, employees resist change. They become comfortable with the way the business is run. They know the expectations and their role within the company. When a major change disrupts their familiarity, some employees become upset. They don't want to relearn their jobs or change the way they do things. Supporting your employees and providing training for any new responsibilities can help ease the transition (Frost, 2018).

# Tools for implementing changes

## PDCA

## The plan-do-check-act (PDCA cycle) is a simple four step framework for change. Following this cycle ensures that you plan your implementation in an appropriate manner; implement the planned process in the correct fashion; check the result od the change after implementation, and act to make changes to improve in identified areas of deficit (Stable, 1999).

##

## Resource: Stable, 1999

## Force fiels analysis

This change management tool provides an initial view of change problems that need to be tackled. It highlights the driver for change and change inhibitors. Originally developed by a social psychologist, the idea behind Force Field Analysis is that for change to be successful, the driving forces need to be strengthened or the resisting forces weakened.

The strongest inhibitor to change is resistance from members of the organization.

For new change to be accepted by members of the organization, you need to focus on the benefits of the new change. You should also include discussions that is aimed in understanding and dealing with staff who are resistant to change.

## Culture mapping

## Another useful change management tool is culture mapping. As a matter of fact, every organization has its own ways of doing things. This means that every organization has its own way of establishing values, concepts, norms and practices. Some typical paradigms that most organizations have include: respect for authority where decisions made by senior management are unquestioned or the reward system is based on good performance or seniority. If you are responsible for implementing change in the organization, you must be fully aware of the organizational culture so that your implement practices are appropriate. At times, the norm, and “this is how we have always done it” mentality is so deeply embedded in the organizational culture that it is the biggest hurdle to change. Before you start working on organizational change management, you will need to first change the existing paradigms and that can only be possible if you understand this change implementing tool (Walkme team, 2017).

 **Implementation of strategic change, barriers and their overcoming**

**Strategic change**

Exploring strategic change engages with the dynamic and complex process of change management from the analysis of context to the formulation and implementation of effective strategies and solutions (Balogun, Hailey, 2008).

Strategic change signifies alternation in organizational strategies. In other words, making relevant changes in objectives, goals and strategies, procedures, etc. is called strategic change. Strategic change can be define as "a process of bringing about relatively enduring alteration in the present state of strategies to compete with rivals and their differentiated and integrated functions in totality or partially so as attain greater adaptability and viability in the context of the current and emerging environmental developments". Changes can also be distinguished based on the degree to whitch they are innovative or simply different from what was previously done in the organisation (Shekhar, 2010).

The organisational strategic change context refers to the broader strategic analysis conducted to determine why the organisation should change and what it should change to. The change contextual features are aspects of the organisation to do with its culture, competences and current situation, which change agents should consider before selecting the change approach. These features can be extracted from the broader organisational strategic context, and can be used by change agents to help determine the appropriateness of any change approach for a particular context (Balogun, Hailey, 2008).

Any definitions of "strategic change" also needs to account for the impact that the changes will have on the entire organization. In so doing, you position it for success, now and into the future. A successfull change in one part of an organization rarely translates into successfull change for the entire organization. Numerous improvement initiatives fail precisely because only a part of the organization is positioned for success as a result of the changes being made (Jacobs, 1997).

Understanding barriers to change management can help any business to create successful strategies for identifying and implementing change. Change is an important aspect of all organizations, and it targets shifting from one state to another for the good of the organization (change.walkme.com, 2018).

**Kind of strategic change**

1. re-engineering - Now a day it is called Business Process Reengineering. It is the fundamental rethiniking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service and speed. The strategist must completely think how the organisation goes about its business. Instead of focusing on company's functions strategic managers make business processes the focus of attention.

2. restructuring - It is the second form of change that strategic managers choose to implement strategic change to improve the firm's performance. There are two basic steps to restructuring. First, an organisation reduces its level of differentiation and integration by eliminating divisions, departments or levels in the hierarchy. Second, an organisation downsizes by reducing the number of its employees to reduce operating cost.

3. innovation - Innovation is the process by whitch organisations use their skills and resources to create new technologies or goods and services so that they can change and better respond to the needs of their customer. Innovation can be done with help of research and development department (Sekhar, 2010).

A change initiative is not complete without proper implementation and the process of implementating change in itself is a challenge that follows every change endeavour (Sharma, 2008).

**Implementation of strategic change**

Management process of strategy implementation has to result in fi lling the gap between strategy formulation and its implementation. A gap between these processes is relating to use of traditional management systems and presence of four specifc barriers in strategies implementation:

- mission and strategy are unrealizable,

- goals of particular cells, teams and employees are not connected with the strategy,

- mechanisms of resource allocation are not connected with the strategy,

- feedback are of operating (tactical), and not strategic character (Markiewitz, 2011).

Implementation of change, as descibed in change management literature is broadly categorised into two approaches - the participative and directive. The participative school of change implementation propoundes the organisational members should be involved and given opportuinities to participate in planning and implementing change. Participation not only leads to better ideas but also reduces resistance to change. Directive school of change implementation holds that as discontinous change needs to be rapidly implemented, participation is not essential as it is often time consuming. Rather, it assumes that downsizing and de-layering are essential for the organisation to survive in the dynamic competitive environment (Sharma, 2008).

Two key aspects of implementation that have to be addressed are whitch interventions to make in a change situation, and in what order to apply them (Balogun, Hailey, 2008).

Judson (1991) put forth a model where change implementation comprises of five phases. These are - analysing and planning the change, communicating the change, gaining acceptance of new behaviors, changing from the status quo to a desired state, and consolidating and institutionalising the new state (Sharma, 2008).

Every implementation can benefit from a set of guiding principles and metries applied throughout the effort . The principles serve as underlying mandates for the conduct of the work. Principles vary depending on the organisation and nature of the work, but often include guidelines such as:

- regularly identify and mitigate barriers to change

- establish proactive, two way communication

- ensure ongoing, adequate resourcing

- seek program resilience

- divide and conquer

- establish scorecards/metries for success

- celebrate results (Austin, Bentkover, Chait, 2016)

**Barriers and their overcoming**

There are many barriers that can hamper an organizationˇs efforts to implement its strategy successfully. Organizations must be able to identify these barriers and to engage in honest discussions with emloyees about these barriers and what the possible causes may be (Cant, Strydom, Jooste, 2007).

Companies have silent killers working below surface - mutually reinforcing barriers that block strategy implementation and organizational learning. The silent killers can be overcome, but the first leaders must engage people throughout their organizations in an honest conversation about the barriers and their underlying couses. Companies have long known that, to be competitive, they must develop a good strategy and then appropriately realign structure, systems, leaderships behavior, human resource policies, culture, values and management processes. Between the ideal of strategic aligment and the reality of implementation lie many difficulties. For one thing, senior managers get lulled into believing that a well-conceived strategy communicated into the organization equals implementation. For another, they approach change in a narrow, nonsystematic and programmatic manner that does not address root causes (Beer, Eisenstat, 2009).

Barriers to change exist in all organisations - though they are much more significant in some enterprises than inothers. Of these barriers, some are easily seen (to those who take the time and effort to look!), while others are hidden beneath the surface, much like the part of an iceberg that cannot be easily observed, as portrayed in picture 1 (Austin, Bentkover, Chait, 2016).

Picture 1 - Barriers

Source: (Austin, Bentkover, Chait, 2016)

According to a study by Michael Beer and Russell A. Eisenstat, published in the summer 2000 issue of "Sloan Management Review," the six silent killers of strategy implementation are:

- top-down or complacent upper management - Top-down management occurs when goals, projects, and tasks are determined among your organization’s senior leaders, usually independently of their teams. These goals, projects, and tasks are then communicated to their teams (Geteverwise, 2018).

- unclear strategy and conflicting priorities,

- ineffective senior management team,

- poor vertical communication,

- poor coordination across the enterprise

- inadequate middle-manager and supervisor management skills (Blunt, 2015).

These barriers typically appear together as a syndrome. The dynamic relationship between these barriers is depicted in figure 2 and is based on our in-depth understanding of how organizations worked. They were discussed behind closed doors, but not confronted in a way that enabled the open, public conversation needed to overcome them. The first three barriers at the top of figure 2 are independent and mutually reinforcing. They are key to the quality of direction management provides the rest of the organization. Ineffective top teams lead lower levels to perceive unclear strategies and conflicting priorities. Inefective top teams result when leaders go around the team to micromanage the business or when they do not engage the top in developing agreement about strategic and organizational matters and/or replace those who will not or cannot come to agreement after a fact-based duscussion. Both styles avoid confronting and resolving conflicts in the top team regarding, direction, priorities, and organizational arrangements (Chowdhury, 2003).

Picture 2 - Dynamic relationship between barriers

****

**Prerequisites for successful implementation of strategic change**

1. Engage all levels of your company in the strategy planning process. Information flow from the lowest levels of the company up to the decision makers, brings valuable enterprise information to the decision and planning process. Top management must be fully aware of how the company operates and how change will affect operation.

2. Communicate the need and how decisions were made to fill that need. Employees and all stakeholders must understand why the strategy is being put in place and its goals. Change often causes paranoia among employees. Making them feel they are an important part of the change process and educating them about the details will help to create enthusiasm and cooperation instead of paranoia.

3. Obtain buy-in by all key employees and stakeholders involved in implementing the strategy. No matter how brilliant top management thinks the new plan is, if the production department thinks it is unworkable, they will resist change and the plan will likely fail.

4. Conduct informational sessions or training to achieve a comfort level with new strategic processes and procedures. This is the time to make any necessary changes to the plans as gaps and mistakes appear. Informational sessions often elicit helpful suggestions from staff and line employees.

5. Implement the new strategy with fanfare. It is important that all levels of employees are enthusiastic about the change and feel as though they have been rewarded for their help in bringing it about. There must also be a broad understanding of when the change begins, so create a launch date or schedule that everyone knows and can easily follow. (Smallbusiness, 2018).

References:

(1) W. Chan Kim, 2004. Blue Ocean Strategy: How to Create Uncontested Market Space and Make Competition Irrelevant, Harvard Business Review

(2) C. Siegemund, 2008. Blue Oceans Strategy for small and Mid-size Companies in Germany, Hamburg

(3) R. Mauborgne, Kim W. Ch., 2017. Blue Ocean Shift: Beyond Competing Proven Steps to Inspire Confidence and Seize New Growth, Harvard Business Review

(4) J. Hayes, 2014. The Theory and Practice of Change Management, Palgrave Machilian UK

(5) D. Coghlan, N. S. Rashford and Neiva de Figueiredo Joao, 2015. Organizational Change and Strategy: And Interlevel Dynamics Approach, New York

(6) J. Craig LETAVEC, Steven C. ROLLINS and Diane ALTWIES, 2008. Program management professional (PgMP): a certification study guide with best practices for maximizing business results. Ft. Lauderdale, FL: J. Ross Pub.

(7) W. McFarland and S. Goldsworthy, 2013. Choosing Change, New York: McGraw Hill

(8) G. Morgan, 2007. Images of the organization: Executive Edition. 3rd. Ed., Thousand Oaks: Sage

(9) J. Bhandari, L. A. Weiss, 1996. Corporate Bankruptcy: Economic and legal perspective, Cambridge University Press

(10) Forbes.com, 2010. The Key To Successful Corporate Reorganization (website). Retrieved from https://www.forbes.com/2010/07/30/corporate-reorganization-abb-ford-leadership-managing-bain.html#7e0da77e6812

(11) R. Lussier, 2017. Management fundamentals: concepts, applications, and sklil development, Thousand Oaks: Calif.:SAGE

(12) D. C. Wilson, 1999. A Strategy of Change: Concepts and Controversies in the Management of Change, London: Thomson Learning

(13) R. Galavan, J. Murray and Markides C., 2008. Strategy, Innovation and Chamge: Challenges for Management, Oxford University Press Inc., New York

# Fagliomeni, C. (2011). Change Management Process for Information Technology. Xlibris Corporation

# Frost, S. (2018). Barriers & Challenges to Change Implementation. www.smallbusiness.chron.com [online]. Přístup dne 27. 2. 2018, z http://smallbusiness.chron.com/barriers-challenges-change-implementation-30842.html

# Lister, E. J. (2005). Successful Change Management. Lister Management Inc.

# Jones, D. J. & Recardo, R. J. (2013). Leading and Implementing Business Change Management:Making Change Stick in the Contemporary Organization: Making Change Stick in the Contemporary Organization. Routledge

* Root III, G. N. (2018). Techniques for Implementing Change in an Organization. www.smallbusiness.chron.com [online]. Přístup dne 27. 2. 2018, z http://smallbusiness.chron.com/barriers-challenges-change-implementation-30842.html

## Rummlerbrache.com. (2018). Phase 3: Implementation & Change Management. [www.rummlerbrache.com](http://www.rummlerbrache.com) [online]. Přístup dne 27. 2. 2018, z https://www.rummlerbrache.com/implementation-and-change-management

# Sekhar, G. V. S. (2010). Business Policy and Strategic Management. New Delhi: I.K. International Publishing House Pvt. Ltd.

* Sharma, R. (2006). Change Management. Tata McGraw-Hill Education
* Stable, R. L. (1999). Tools and processes for implementing organisational change „How to“ Guide. Queensland health

# Walkme team. (2017). 5 Change Management Tools and Techniques to Master Now. [online] Přístup dne 27. 2. 2018, z <https://change.walkme.com/5-change-management-tools-and-techniques-to-master-now/>

Austin, J., Bentkover, J., Chait. L. (2016). *Leading Strategic Change in an Era Of Healthcare Transformation.* Switzerland: Springer International Publishing AG Switzerland

Balogun, J., Hailey, V., H. (2008). *Exploring Strategic Change. Third Edition.* Essex. England: Pearson Education Limited

Beer, M., Eisenstat, Russell A. (2009). *The Silent Killers of Strategy Implementation and Learning.* Massachusetts Institute of Technology, Sloan School of Management.

Blunt, K. (2015). *Unstuck. How Businesses Get Stuck and How Your*'*s Can Get Unstuck.* Tulsa: Yorkshire Publishing, LLC

Cant, MC., Strydom, JW., Jooste, CJ., PJ du Plessis. (2007). *Marketing Management.* Cape Town, South Africa: Juta & Co

Change. (2018). *Barriers to change management.* Dostupné z: https://change.walkme.com/5-barriers-to-change-management-and-how-to-easily-overcome-them/

Geteverwise. (2018). *Top-bottom management.* Dostupné z: https://www.geteverwise.com/leadership/top-bottom-management-best-business/

Chowdhury, S. (2003). *Organization 21C: Someday All Organizations Will Lead This Way.* New Jersey: Pearson Education, Inc.

Jacobs, W., R. (1997). *Real Time Strategic Change. How to Involve an Entire Organization in Fast and Far-Reaching Change.* San Francisco: Berrett-Koehler Publishers

Markiewitz, P. (2011). *Change management in the strategy implementation process.* Kraków: Cracow University of Economics

Satya Shekhar, G., V. (2010). *Business Policy and Strategic Management.* New Deplhi: I. K. International Publishing House Ptv. Ltd.

Small business. (2018). *Overcoming potential challanges strategy implementation.* Dostupné z: http://smallbusiness.chron.com/overcoming-potential-challenges-strategy-implementation-10037.html

Sharma, R., R. (2008). *Change Management. Concepts and Applications.* New Deplhi: Tata McGraw-Hill Publishing Company Limited