

Book Review

Strategic Management: Analysis- Implementation- Control

A Nag

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Strategic management is thought as a core subject in the management programs across the globe. The basic content and focus of the module are the same: to teach the basic principles, theories, techniques, models for analyses, and application and benefits of strategic management.

Most of the books on strategic management available in India are written by foreign authors. Therefore these books contain examples and case studies in the foreign context. Some of these books are available in India as “Indian Adaptation” with little change in the content and presentation.

The book entitled “Strategic Management: Analysis, Implementation, Control” by A. Nag is written in the context of Indian business environment with global orientation and is comprehensive and contemporary in the context. To give comprehensive coverage to the subject of strategic management, the book is structured in seven parts.

The part I deals with the understanding of the strategic management process. For in-depth explanation of the content the author has started the first chapter with the evolution of the concept 'strategy' and how it differs from the "business policy". The author has also explained the benefits of strategic management to the organization by successful planning and implementation of strategy, followed by the approaches to strategic management process, with the understanding of strategy making hierarchy in an organization, along with the participants involved in the strategy management model, explained in the second chapter. The third chapter deals with the contemporary concept of corporate governance along with interrelationship and interdependence between corporate governance and strategy through a chain of "reporting system" in organizations, which does not only show the linkage between ultimate beneficiaries of corporate governance and managers who drive the strategic management process but also the distance between the two, which may lead to conflicts between corporate governance and strategic actions. The chapter also includes the importance of strategic audit as a powerful tool for monitoring the strategic management process of a company and striking a balance between corporate strategy and corporate governance.

Part II starts with the chapter four which explains the three basic inputs needed not only to define the business of a company but also to formulate the corporate strategy, i.e. the corporate mission and objectives; its internal competence; and external environment. Chapter five focuses on internal competences and resources of organizations, which explain the power of resource strength. This chapter also suggests that various competences and resources of organization should be integrated into a value creating activities to make it cost competitiveness in terms of cost effective and cost efficient; this is followed by the need and tools for scanning of external environment, which compose the various factors or forces that together constitute market environment, explained in the chapter six.

Part III deals with the strategy analysis of various corporate strategies alternatives which is a core of the book. This part provides tools and techniques for comprehensive analysis of various strategic options available to the companies. For in-depth explanation of this part the strategies are classified into three categories: stability strategies, strategies for managing change and expansion strategies, which is explained in separate chapters, i.e chapter seven, eight and nine

respectively. This parts has also focused on two contemporary concepts, i.e. corporate restructuring and corporate parenting.

The crucial part of the strategic management, i.e. competitive analysis, selection and activation of strategy for success is covered in the part IV. This part consist of two chapters: Chapter ten focuses on industry and competitive analysis explained in three subparts: industry analysis, competitor analysis and analysis of competitive advantage. The focus is also given on hyper-competition. Chapter eleven guides the factors to be considered while selecting the best strategic option or a combination of some of the strategic options explained in the part III of the book, based on the particular company situation and competitive environment. This is explained by the process of strategic choice, tools and models used for evaluation of alternative strategies and subjective and objective factors to be considered while selecting the strategy. The chapter also explains the benchmarking as a best practice for selection of strategy, focuses on “relativity” factor. This chapter ends with the stage of activation of strategy in the strategy management process, which exists between formulation and implementation of strategy, which asks for preparation of strategic plan, which is more contextual in nature.

Part V elucidates analysis of implementation of strategy, which is operational in nature and asks for allocating and managing the resources and coordination among the activities involved in. The chapter twelve supports that successful implementation of a strategy depends on three sets of organizational factors; the structure of the organization, various functional areas, and operational and behavioural (people) aspects. And therefore, efficient implementation of a strategy depends on efficient structural implementation, functional implementation and behavioural implementation. The real implementation of strategy takes places though major functional areas of business. In each of these areas, the operational implementation is equally important. This has been covered in chapter thirteen along with the analysis of issues involved in implementation. The chapter concludes that functional and operational implementation of complementary to each other. Chapter fourteen explains the role of behavioural factors in strategy implementation. The chapter explains the strategic role of leadership, importance of corporate culture that governs, to the large extent, corporate ethics and values in an organization. The chapter concludes with the crucial role of a leader is relating a culture to a strategy, creating strategy-supportive culture and building a sound organizational culture.

Part VI deals with the evaluation of corporate strategy, which is covered in chapter fifteen. The chapter explains the importance of strategy evaluation and control as a final stage of strategy management process, along with the participants involved in the process. The chapter also covers analysis of pre-implementation and post-implementation evaluation and control criteria, critical success factors and qualitative and quantitative evaluation criteria for evaluation of corporate strategy. The chapter ends with the adoption of modern approaches for evaluation and control, i.e. balanced scorecard and six sigma approaches for organizational evaluation and improvement.

The book concludes with the last part VII, which deals with the case studies in the context of the subject, which describes a particular business situation of a company with reference to the environment. This part consists of three sections. Section I deals with the guide to case study analysis; Section II covers long cases in context of subject and section III covers short cases in strategic management. Twenty long cases, then short cases are framed in the way that they have covered all the topics included in the book. In addition, each chapter contains opening caselets in the beginning and depicting the real life application of chapter theme. The cases are based on Indian as well as global context.

The distinctive features of this book is, the focus is also given on corporate governance and related issues as a part of contemporary business environment. The contents are explained in the Indian context with global orientation. The illustrative cases given in the book have also provided the better understanding of textual matters covered.

Taken as a whole, the book is an excellent source of knowledge for management students, teachers, researchers, management consultants and practitioners, trainers and corporate people to gain in-depth knowledge on the subject of strategic management. The comprehensive explanation of concepts and with concrete and real life illustrations, case studies, facts, figures and application of tools and techniques for analysis also adds value to the content of the book.