CHAPTER-IX
PROPOSED MODELS FOR MANAGING CHANGE

9.1 INTRODUCTION

The analysis and findings of the study provides valuable insights into basic facets of organizational change in the company. A number of important issues have emerged during the analysis that has affected company’s management of change considerably during the period under study. Based on the above, an attempt has been made in this chapter to address to the same and suggest ways and means to resolve them most effectively. The suggestions are discussed in this chapter in the following format.

1) Need for a new paradigm in managing change
2) Essential pre-requisites for managing organizational transformation
3) Stages in managing change
4) Strategic process that could help it manage change most effectively, and
5) Towards a new rationale in managing change in a competitive market

9.2 MANAGING CHANGE: NEED FOR A NEW PARADIGM:

It is evident from the analysis that as competition in the steel industry intensifies, there is an urgent need for the company to rethink its future afresh for effective management of manage change in today’s competitive market. Within the organization, strategy-making must break away from its past and grapple with the unknown, demanding radical changes in both content and process of formulating a winning strategy for tomorrow. It must set its own agenda, not allowing them to be set by others. It must invent products that revolutionize people’s lives through innovative technologies that could help the company to attain its strategic intentions. It must redraw industry borders and define new markets and operate
efficiently. In short, the company, to manage change effectively, the company needs to take a quantum leap from known to the unknown (chapter 8, section 8.5).

Introspective improvements in the company's operations would therefore, be necessary, but they would no longer be sufficient for winning. The older objectives of strategizing so as to increase production have to be replaced by harnessing emerging opportunities and order has to be created out of chaos. Developing a unique migration path to the future would be critical, but not impossible (chapter 8, section 8.5). The pivotal role to be played here would be by people; managers who consider work more important than managing and create an environment where enthusiasm is replaced by inertia; where dedication eclipses indifference; and where leaders consider action more important than planning. To manage change effectively, knowledge and intelligence would be the critical factors. The company would have to stay ahead of the change curve, constantly defining their industries, creating new markets, blazing new trails, reinventing competitive rules, and challenging the status quo.

The company needs an obsession to address to the above (chapter 8, section 8.5.4). If the future is unknown, the company could thrive in it if it is capable of changing its structure, processes, workflow, and information systems at will and quite frequently (chapter 8, section 8.5.6). It should also be prepared to respond to the needs of the times very fast. It should be a flexible organization, so that it could reconfigure itself constantly. For that, hierarchies should be replaced by networks, where work and data flow at all directions, making it conscious and alive, intelligent, and the product of human imagination, not a machine bureaucracy. Overcoming traditional organizational obstacles that impede a speedy adoption and implementation of strategies would be paramount.

The only way to create such an organization is a swift dissociation from the past. Incremental improvements might help but what is needed is a radical shift from the present to a desired
state and it needs courage to take bold decisions. There is an urgent need to appreciate that there is no pit stop on the race to future; nowhere to rest up and reinvent. In fact, the process of business transformation in the company must become a race itself. The company would never get back to the race if it were slow in its moves. It would have to achieve the radical metamorphosis while the race is in progress. This calls for a total reorientation of the company in terms of the people, process, systems, structure and culture. If it were able to challenge the present and explore the newer inroads to the future, it would manage change; otherwise it would be overtaken by change (chapter 8, section 8.5.3).

9.3 MANAGING INTRA-ORGANIZATIONAL FACTORS:

As indicated in the analysis, effective management of change would require reinforcement of organizational strength of the company in order to enable it to manage environmental threats effectively. To manage change in the company, it is essential to first maximize the effectiveness of the nine intra-organizational factors that have proved to be critical in the present study. These factors - leadership, supervision, people, strategy, systems and structure, cultural synergy, sensitivity, speed and superior values provide the basic framework which would prove vital for sustaining company’s competitive edge in the market place. These factors not only emerge as essential for managing the core functions in the company but also have proved to be the most important determinant factors for the success or failure of any change management process in the organization. The inter-relationship of these factors and their cumulative effect would have a significant effect on the company’s competitive edge.

The mutual affinity of these factors and their relative impact on the change management of the company is illustrated below with the help of a model – termed as the Crystal Model. The model would seek to clarify the relative importance of each of these factors and their impact on the change management process of the company.
These nine intra-organizational factors are described below.

1. **Stewardship**: The first of these factors is the stewardship. Looking into the current scenario and the present position of the company, it is suggested that the leadership in the company should be in grip with the vital issues, show visible commitment to the organizational purpose and lead the company towards attainment of these goals. It must utilize every opportunity to communicate the value systems of the company. It must spend time in planning for development of capability of human resources in the organization. It must encourage people to perform well and eliminate policies, systems and practices, which are inconsistent with the core values and create new ones, which facilitate change.
2. Supervision: The next factor essential for effective change management in the company is an able supervision that should have the responsibility to translate strategies into actions, sustain the high morale of teams and continuously retune the path that would be necessary to lead the company towards the set targets. Data illustrates that company’s performance related is to a great extent to the standard of its managerial effectiveness. That the competence level of supervision was not in tune with the requirements of the times was proved by the performance of the company. In order to ensure fullest satisfaction of the customers, instill motivation amongst employees, and repose confidence in the minds of shareholders, it is necessary to have a very high standard of supervision across the company which could result in a competitive performance. Such a supervision of company’s affairs is possible through a high quality of management that is focused towards its job, is committed and dedicated and has obsession to do the best for the company. An effective supervision would require a superior culture, value systems, and organizational sensitivity.

3. Self: Employees of the company have emerged as the third significant factor for managing change in the company. In the present study, people proved to be one of the most important factors in managing change and it is established that people would be the triggers to facilitate the process of change. For successful organizational transformation in the company, people should be able to recognize their present self, identify their priorities and rededicate their energies towards accomplishment of the organizational goals. There should understand of the urgency to change, align to the set corporate goals, and perform their best for organizational growth. A positive predisposition should replace inertia and indifference; accountability should guide all facets of work; and there should be an urge to work and win under all circumstances. A sense of ownership should pervade and people must appreciate the fact that their future depends upon the growth and sustenance of the company.
4. Strategies: The fourth essential pre-requisite for effective management of change is the presence of a sound set of strategies. These strategies should be market oriented and focussed at company's survival and growth. The company, in order to survive and grow needs penetrative strategies. These strategies - *Survival Strategy and Growth Strategy*, are needed urgently for the sustenance of the company. While the company should implement the survival strategy immediately to ensure its survival, it must also work on the growth strategy simultaneously to take care of its total transformation for a sustainable competitive advantage. These strategies have been detailed later in this chapter.

5. Systems and Structure: The next fundamental constituent factor for effective management of change in the company is the systems and structure of the company. Effective systems are needed in all functions for ensuring desired results through effective implementation of rules, regulation and procedures leading to rewarding results. Systems effectiveness should encompass market forecasting, customer contact, order processing, communication with customers, product/service delivery mechanism, Quality Control and all other facets that contribute towards offering competitive products and services to the market. The systems with respect to employees' performance should be reviewed. It should include demonstrating and demanding compliance of tasks assigned, transfer policy, and performance based promotion system. The systems must focus on enhancing profitability, producing what sells, monitoring expenses vs. sales/production, exploring newer markets and introducing procedure for manufacturing products that lead to consistent profitability. Simple buying procedures, reduction in lead-time, avoiding delays in complying orders and inventory reduction needs immediate attention. Systems should ensure continuous monitoring of performance with regard to potential, check process violation, respond to new priorities with respect to changing customer requirements, and rationalize existing contract system for handling stockyards and packing in the plants. A recognition system and incentive system must be established for what
could be marketed and not what is produced, and for building systems and capabilities so that competitive proposals in identified diversification areas are evolved, quick clearances obtained and implemented as envisaged in goals. Quality, delivery, innovation and teamwork must be built into the system of reward and recognition as important factors and should guide managerial behaviour. Moreover, existing systems like Participative Forums, Internal Customer Satisfaction process etc must be revitalized appropriate new systems be evolved to ensure involvement in participative decision making. It is necessary that systems should be reviewed and rationalized, modified or created as continuously to strengthen the implementation of strategies.

Continuous changes in the structure of the company are also needed. The basic thrust on structure would be on building a desired responsiveness to competitive conditions by more closely tying the company's activities to external forces. A strong organization structure should help strengthen capabilities of the organization, remove bottlenecks for improved performance and promote synergistic effect in competence sharing for optimum performance. It must ensure faster communication between the company and its customers, efficient distribution system, and effective inter unit coordination. It should facilitate the process of satisfying customers. Restructuring should be to generate liquidity for the company, reducing debts, having judicious investments etc. and about getting smaller and better.

6. Synergy: A sound cultural synergy is the sixth essential pre-requisite for change management in the company. Such a synergy must have two essential elements. Firstly, the management must deeply, honestly and sincerely value the basic constituencies that support the business-customers, suppliers, vendors etc. And secondly, the initiative and leadership should be truly valued and encouraged at every level in the organization. A combination of these two characteristics would give the company and incredible capacity to move ahead of competition. It would also help in adapting to the rapidly changing environment and to
outperform stronger competitors. Other characteristics include sharing of a high sense of urgency on a continuous basis, a tendency towards teamwork, a willingness to delegate many of the management functions to the lower levels, a true belief in the internal simplicity, a minimum level of hierarchy and empowerment. Accordingly, the company should enhance its sensitivity in dealing with the customers (external and internal), achieving targets on time and have a result oriented disposition, display commitment to goals. Creativity should substitute unplanned use of resources, a culture of consistency should prevail and managers should be able to lead the change process from the front.

7. Sensitivity: This is another important pre-requisite for managing change in the company under study. The organization, in order to succeed should have sensitivity to its environment-external as well as internal, to manage change. The need for change must be appreciated and immediate actions should be initiated to activate the change process across the organization. These initiatives would be successful if priorities are fixed, strategic focus is clear, and there is a will to beat competition through a sensitive leadership. People within the organization should feel the necessity for change, combat the adverse environmental forces and win over the intensifying competition. People should be able to appreciate the impending threat of competition and necessitate change. Effective monitoring and control systems and supervision would also make the desired difference and create sensitivity that would lead to positive results for the organization.

8. Speed: The eighth factor necessary for change management in the company is Speed. A fast pace of activities within the company could be a competitive advantage for the company and it could be made possible through a positive attitude of employees, and strong monitoring and control systems. Pace in all activities would lead to prompt supplies to the customers, eliminate delays in payments to the suppliers and satisfy employees through fast decision making.
9. **Superior Values:** The ninth essential factor for effective management of change in the company is the presence of a sound set of beliefs that should help in meeting the targets, providing best service to the customers, ensuring consistent profitability, show a sound commitment to the company, and enforce strict discipline. While these values would be more specific as against the existing values of the company, they would help bring about a business orientation in the company. People within the organization must have an obsession to serve the customers, cooperate and help fellow colleagues, offer the best to the organization and exhibit their responsibilities in words and deeds. This could happen only if they identify themselves as integral part of the company. This strong sense of identification with the company and the corresponding dedication to its objectives is what it needs from all its employees today.

9.4 **STAGES IN MANAGING CHANGE:**

Management of change in the company would be a systematic approach. The seven stages found necessary in managing change in the company are enumerated below:

![Fig 9.2 Stages in Managing Change](image)
These seven stages have been described as under.

- As is evident the activity should commence with identification of issues that is affecting change in the organization. This is the indicative, which would provide a definite understanding of the problems and suggest the criticality of issues to resolve. Situation assessment through a careful analysis of the Crystal Model would be of much help in this stage.

- The second stage would emerge from the preceding stage. It is this stage when the main areas of concern would come to the forefront for further analysis. This is an important stage for it is here when the path for taking corrective actions would be ascertained and actions taken. It is this stage which would spell out strategies and determine the extent of competitiveness.

- The third stage would follow the second stage in that from the former would emanate the expected requirements of the company to enhance its competence to match with the business environment. This stage would also help address issues more sharply and finding out basic reasons for the same.

- The fourth stage is the stage wherein the critical factors responsible for affecting the change process would be finally fixed. In this stage, the company would have a clear view of its competitive position, the intensity of the forces of the business environment and decide what course of action it should adopt in order to manage change in the organization.

- The above four stages lead to a crucial phase, which consists of two vital stages wherein the strategic intent of the company is to be decided. As is clear through analysis of the data, the company under study needs to survive first and then grow. As such, the survival strategy would be decided here followed by a growth strategy. Both these strategies should address to the foregoing issues and prepare the company to manage change effectively.
• The last stage is that of organizational sustenance which would be the cumulative effect of all the preceding stages. This is defined in other terms as the ‘the mission’ which the company strives to achieve. This stage would identify gaps between the goals and achievements and identify relevant issues for corrective actions in company’s efforts to manage change.

These seven stages are considered crucial in initiating the process of change in the company. They are also useful to the extent of identifying anomalies and take remedial measures immediately for affecting change management in the company.

9.5 THE STRATEGIC MANAGEMENT PROCESS:

Once the stages in managing change are ascertained, the next logical step would be to manage the strategic process in the company. This is a critical phase where the cumulative impact of the nine essential factors are synthesized and translated into action for achievement of results. This strategic process would take care of all eventualities and modulate the critical elements affecting the change process and is explained below through a set of sequential initiatives that could be undertaken by the company for managing change. The process would comprise of the totality of management decisions that would determine the purpose and direction of the company, fundamental goals, activities, and policies in order to attain corporate objectives. The strategies adopted would determine the internal character of the organization, its relation with the outside world, range of its products, market and its intentions for the future. This strategic management process would consist of the following steps:

• Stakeholders’ interest
• Organizational purpose
• Business environment scanning
• Organization assessment
• Vision/ goals
• Survival strategy
• Growth strategy
At the Core level
- at the functional level
- at the tactical level

All these steps would be needed sequentially to ensure the needed transformation in the company. These elements are mutually complementary, interactive and integrated and their efficacy would rest upon the company's ability to synthesize them optimally. The sequence of activities and the flow of impact of these activities have been found to have a profound repercussion on the effectiveness of the management of change in the given context. A model termed as the Hourglass Model is suggested here to explain the aforesaid activities in this strategic management process.

Fig 9.3-Strategic Management Process: The Hour-Glass Model
The inter-relationship of the various factors in the strategic change management process is
enumerated below.

- **Stakeholders' Interests**: The stakeholders have varied expectations from the company.
  Customers expect a high quality of material, a competitive price, efficient service and a high
degree of commitment on the company’s part. Suppliers expect the company to be more
competitive, have effective systems and procedures, sensitivity and pace in decision making,
and a more professional approach in reinforcing long term relationship with them.
Shareholders expect the company to generate more profitability, increase earning per share and
ensure a sound financial health for the company. The employees as important stakeholders
expect the company to have a conducive work culture, objective decision-making, simplified
systems, and able leadership at all levels of the company. They also expect a conducive
climate, attractive remuneration, opportunities for growth and a secure future. The company
must harmonize its resources, have a shared vision and necessary competitive capabilities to
address to the expectations of its stakeholders. In order to achieve this, it must have a clear
strategic focus, oriented towards productivity, and win the prevailing market competition. It
must continuously reconfigure its leadership, culture, systems, structure and values and
enhance its sustainable competitive capabilities to fulfill the expectations of all its stakeholders
in the best possible manner.

- **Organizational Purpose**: The expectations of the stakeholders must lead to organizational
  purpose. It should provide a direction to the company and define a foundation on which the
  company should design a prosperous future. In today’s context the purpose of the company
grows out of the expectations of its stakeholders. The company must work incessantly to
ensure consistent financial growth in terms of value maximization which enumerates the value
of the benefits it produces less the cost of undertaking it. It should aim at maximizing value of
activities performed within the company and lead to better return on investments, generous
cash flow and better share price. This requires a sound strategic vision and a capability to foresee events occurring in the business environment and react appropriately to sustain a continuous competitive advantage.

- **Business Environment Scanning:** A carefully planned growth strategy could be formulated only if the company is able to scan the business environment, anticipate the dynamic interplay of forces and respond to it fast. The changed business environment in the early 1990's has changed the relative strength of the company to a great extent. It is time to realize that continuous business environment scanning is a specialized function to be performed by a group of experts who would keep an overview on the wide range of economic and political events having repercussion on the company’s survival and success, and determine the forces that have a direct bearing on the performance capability of the company. The political turbulence, the inflation rate, interest rates, credit measures, recessionary trends of the market and the supply-demand trends would create conditions which the company has to take into consideration before formulating any effective corporate strategy.

Similarly, the technological changes taking place in the environment would continue to have profound consequences across the industry. Upgradation of technology in steel industry, development in the information technology, in communication, and process improvement would continue to have positive bearing on the quality and cost of the product and as such, deserves careful consideration. While updating technology in steel making would be important; it would also be significant to make use of the technology to its optimum benefit. The company would have to master the existing technology and assimilate newer technology to its benefit. A sophisticated technology would not be as helpful unless the company has the ability to use that technology to its best advantage. It is for the company to optimize its technology to it best advantage.
• **Organization Assessment:** Organization assessment for the company is as important as the scanning of the business environment. It is here that the corporate capabilities of the company would be identified and opportunities that could be successfully exploited for company's transformation would be spelled out. This is possible only through a careful assessment of the strengths and weaknesses of the company. This should be much beyond the arithmetic of addition and subtractions and quantifiable numbers like sales, profits, net worth and assets but should also address the behavioural issues existing in the organization. The corporate strengths in this context would refer to the competitive advantages and other distinct competencies, which the company could exert in the market place. Similarly, corporate weaknesses should refer to constraints, which would check the movement in the desired direction, and may also inhibit organization in gaining a distinct competitive advantage.

Some important criteria to evaluate organizational capabilities and weaknesses in marketing would be the company's product portfolio, efficacy of its marketing intelligence, its market share and the product/service mix and expansion potential; life cycle of key products; profit/sales balance in all products would be of help. The customers' profile, its channels of distribution, effective sales organization, thrust marketing areas, a penetrating pricing strategy and product/service image would also be of great benefit. Financially, the company's ability to raise short-term and/or long-term capital/debt/equity, corporate level resources and cost of capital relative to the industry would be needed. Other parameters could include its relation with shareholders, capacity to utilize alternative financial strategies and effective cost control. Similarly, the production, operational, and technical parameters would include the raw material cost, inventory control systems, effective use of sub-contracting, degree of vertical integration, value addition and profit margin, effective operation control procedures and techno-economic parameters. Others parameters might be research and development, innovation and upgradation of technology etc. The personnel parameters would be the effectiveness in management of
personnel, employees’ skills and morale, labour relations and costs compared to industry standards, and efficient and efficient personnel policies. Absenteeism, ability to achieve peak performance and sustain them could also be necessary. Lastly, the organizational and general management parameters would include organization structure, company’s image, communication systems, organizational control system effectiveness and utilization and top management skills, capabilities and interest.

**Shared Vision:** A strategic vision as the guiding force for company’s actions, should articulate the nature of business and its intentions in future. These intentions should reiterate how management collectively believes the environment would unfold, and what the business can and should become in future. This vision of the company should be a natural corollary to the environmental forces prevailing in the industry. A new strategic vision is could elicit the fundamental thrust areas and the long term approach of the company.

Such a vision would enable the company to focus on specifics and help it formulate a strategy that is penetrating, sound and productive. To make such a vision sustainable, it must rest upon the solid foundation of five core organizational values: 1) Delighting the customers, 2) Valuing people as the greatest resource, 3) Achieving consistent profitability, 4) Encouraging entrepreneurial behaviour at all levels, and 5) Fostering a culture of discipline throughout the company.

A winning company could be created only if it is able to delight its customers through best products and services, has an inherent urge to serve them and foster a spirit of discipline, entrepreneurship and total commitment at all levels to achieve what it wants. Such organizational excellence is possible only if the company’s strategies are highly penetrative, products are highly competitive, people are highly committed and customers are highly satisfied. Such a strategy would lead to creation of such products and services that would
provide superior value to the customers at the lowest delivery price, thereby creating more market share, increasing sales realization and generating more profits on a continuous basis for the company.

The strategic vision of the company would be powerful if it is understood and shared by the employees. A shared vision should be grounded in a solid understanding of business that foresees how the forces operating in the environment would change in the future. Strong personal conviction and motivation should inspire the vision. It should create an obsession with winning throughout the organization. By monitoring the focus of attention and measuring the progress against the achievement, and continually searching for newer ways to gain competitive advantage, the actions and aspirations of the organization should be given meaning. Such a shared vision would flourish if individual managers are encouraged to take decisions. They should realize the necessity of anticipating the intricacies of the market environment help in creating a market driven company, which means having an uncanny ability to sense the changing trends of the environment and able to respond to them favorably before its competitors.

- **Strategies:** Effective strategies must emanate from the strategic vision of the company. A two step strategy is suggested for the desired change in the company. These stages, aimed to ensure first survival and then growth of the company have been termed as *Survival Strategy* and *Growth Strategy*. Both stages are essential to enable the company to overcome the present crisis. While the company should implement the survival strategy immediately to ensure its survival, it must also work on the growth strategy simultaneously to take care of its total transformation for a better future. The survival strategy would provide a foundation upon which a potent growth strategy could be formulated.
Both Survival Strategy and Growth Strategy would provide a statement of direction that would serve only as a central theme guiding and coordinating functional activities. The emphasis would only be on guidance and not on detailed prescription for dealing with all conceivable eventualities and contingencies.

Survival Strategy:

What the company immediately needs today is its survival. Survival would provide it with life, which would help it sustain steadily through time towards growth and development. It would also provide it with a breathing time for working out a potent strategy for its future. While there are a number of factors necessary to ensure the survival of the company, it must warrant the presence of the following four elements immediately in its survival strategy.

- Aggression in selling of whatever is being produced or is there in the stock
- Minimize costs of operation in every sphere of activity on a war footing
- Ensure speed in all its actions
- Inner Discipline

Each of these elements is essential for company’s survival. These elements would provide the basic framework to the organization and help it get a foothold that would be essential for its growth strategy. It would also provide a solution to offset prevailing competition and take proactive action to care of any impending catastrophe happening in the market place. The repercussion of the above would be intensive and extensive and is discussed below:

- Aggressive Selling: The company needs to enhance its aggressiveness in selling. The focus of aggression should be on quality, timely delivery of products and related documents, order booking system, service, commercial terms and changing product requirements. It is suggested that in all aggressive selling activities, effort must be undertaken to enhance the speed of response to the customers’ needs. Market expectations could be fulfilled only if the sales force
is agile, has access to market information, is able to plan its sales carefully, move in the field aggressively and monitors its achievements regularly. It is also necessary that it should be backed by a committed support staff and sales force motivation scheme. A seven-step comprehensive plan of action that would necessitate a thrust in pushing up sales, minimising finished goods inventory and increasing the much-needed cash flow is suggested. These seven steps are – 1) specifying tasks and targets 2) sharpening market intelligence system 3) micro-planning of sales 4) super efficient sales support system 5) strict monitoring of sales 6) sales-force motivation 7) aggressive field movement plan. Each of these steps is elaborated as below.

1) Specifying targets of field marketing executives would ensure results by clearly specifying tasks of selling, collection, managing customers, gathering market intelligence, exploring for newer markets, effective debt management and providing the company with information regarding products, market, and competition. Assignment of clear cut targets is necessary on the six basic areas of responsibilities- product-wise sales, collection, new customer/dealer development, collection of old outstanding dues, sales from key customers, net sales realisation etc. A continuous monitoring of the above is essential and while high performance should be recognised, efforts should be made to enhance the performance of others.

2) Sharpening the Market Intelligence System would help gather relevant information from the market. A centralized specialized agency is suggested, which would analyze this data and forecast for timely use of the field force.

3) Micro planning is the third essential activity that is required before launching an attack on the market. Since the number of competitors is less and stakes are high, it is necessary to formulate a plan very carefully that could counter the force of the opponents. The geographical distribution of the competitors, strength of the infrastructure, area of operation, type of customers handled and their product portfolio must be firmed up during this exercise. A feasibility chart would help in preparing the micro-plan for sales. An effective sales micro plan
should encompass careful selection of specific market segments, effective sales organization of the field sales force, sound distribution system, regular and organized customer/dealer visits, effective debt management, and aggressive field movement. There should be a mechanism to know the pulse of the market, the latent needs of dealers/customers and competitors activities, so that a congenial relationship is established with dealers/customers, and a trust is generated in them. A carefully planned movement plan is also necessary in this context. The field movement must be made with respect to the sales target, problems of the customers, collection due in the field and reinforcing interpersonal relationship with the customers and dealers. The thrust areas are to be identified and output of each sales call should be evaluated vis-à-vis the resources invested in it. It is necessary to follow up the field movement plan in all the territories, as there is an urgent need to sell products and collect outstanding dues from the market. There is also an urgency to create new dealers/customers and expand the customer base so as to ensure a continuous flow of orders for all the steel plants under study.

4) Super efficient sales support services are also essential in effective strategic moves. This includes a highly efficient front line staff in all the branch sales offices (the receptionist, finance personnel, typists, peons etc.), an empathetic force of market oriented administration, finance and personnel executives. There is also a need for a highly proactive application-engineering group, which should take care of the dealers' and customers' problems immediately and resolve them quickly.

5) Aggressive selling is possible only if the sales activities are monitored strictly. In the company under study, a regular monitoring of all sales activities must be done religiously and actions must be taken immediately in cases of deviation. The personnel responsible for excellent results must be recognized and non-performers must be dealt with for corrective actions. Accountability, thus, should be the hallmark of aggressive selling.
6) **Sales force motivation** is a vital area to ensure aggressive sales in all the territories. This includes giving monetary as well as non-monetary motivation. Monetary motivation includes giving target-oriented sales incentives on highly competitive/slow moving products. A spirit of healthy competition must be inculcated between the sales forces operating in different areas for gaining momentum for sales in the company. A significant source of motivation for the sales force relates to the prevalence of objective target setting, rational sales policies, attractive sales promotion schemes, high product quality, competitive price and highly efficient support services.

- **Drastic Cost Control:** Minimizing costs of operation in every sphere of activity on a war footing is another significant step that the company must take to ensure its survival. When market is sluggish, sales are low, availability of products is high and consumption trend is stagnant, every single rupee saved by the company sustains its strength to bear the onslaughts of the market. This reduction in the cost not only refers to the production cost, but also reduction of cost in any activity that does not add value to the product. A careful understanding about managing activities at minimum cost is necessary. Cost control should primarily be focused on production and marketing activities to ensure maximum benefits. While the production activities should include cautious energy management, effective monitoring of techno-economic parameters and efficient handling of raw material, marketing focus should be on controlling all its variable expenditure. Making branch sales offices as profit centres and apportioning a certain percentage of sales for branch expenditure would help much in reducing variable marketing costs. Strict discipline would help much in such efforts. Thus, elimination of wasteful practices, timely project implementation, effective management of annual maintenance contracts (AMCs), improved productivity, process improvement and efficient supply chain management is suggested for the purpose.
Managing Change through Faster Pace: In adverse market speed would be the key factor for achieving competitive advantage for the company. Speed here refers to faster product introduction, faster delivery of orders, faster redressal of grievances and speed in any service that the customers might require. Whatever demand is there in the market it needs to be met before it goes to the competition. Pace would eventually determine the positioning of the company and its products in the market vis-a-vis its competitors. This would require agility on the part of every employee, total commitment to the task, efficiency and strict monitoring to ensure discipline.

A Time/Task Matrix is accordingly suggested. This matrix would ensure accomplishment of tasks within a specified time and with quality. The underlying principle of the Time/Task Matrix is first to identify critical tasks for every department, indicate them in the matrix, stipulate a specific time for their accomplishment and allocate pre-determined points for the time taken for the task completion. The causes of delays should be scrutinized and if found genuine, should be accounted for on merits and while the customer department should be given the points for the same, the supplier department found guilty should be penalized. Such a system would ensure a desired pace of work, accountability, task orientation, responsibility and team spirit towards organizational productivity and sustenance. It would also help in ensuring a high quality of products and service being offered to the customers and give the company a competitive edge in the marketplace. This matrix could be introduced initially in all critical departments of the company followed by other departments. Periodic review of performance of each department as per the matrix would ensure a steady adherence to the underlying philosophy of the matrix and would be of immense benefit to the company. Leadership will have to play a vital role in ensuring the success of this matrix.

The format of the Time/Task Matrix is given below:
Table 9.1 Time/Task Matrix

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<th>Time Activity</th>
<th>Period-I</th>
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- **Self-motivation:** Self-motivation has emerged as the most important element in any survival strategy. That people should be highly disciplined, dedicated and result oriented is a necessary pre-requisite for the success of the company. In times of crisis, when markets are turbulent, competition is very high, demand is sluggish and survival is at stake, only a disciplined workforce could surmount the odds and work for the company's survival. Discipline is possible not only through a strict monitoring of each and every organizational activity, but through an effective system of reward and punishment, accountability and target orientation at all level of the organizational hierarchy. Discipline would ensure motivation, impetus and necessary enthusiasm for helping the company grow. Thus, absenteeism, cordial inter-personal relationship, and maintaining stringent work discipline should be an essential part of personal discipline. It is also important to ensure organizational and technological discipline. Due emphasis should be given to safety precautions and proper house keeping. The discipline of proper handing over and taking over at the end of the shifts should be ensured. This is important because the company loses between five to ten percent of production and energy cost during shift change. Employees should report at before a shift change so that they...
can take over assignments without an operational break. The company must inculcate a culture of self-discipline where employees share the company’s vision, achieve their targets and perform their best to maximize the productivity of the company. This would come through total transparency in behaviour, high quality of decision making, a spirit of teamwork and sacrifice throughout the organization, especially in the higher echelons of the organizational hierarchy.

Growth Strategy:

While survival strategy must ensure that the company should survive and sustain itself, it becomes necessary that effective long-term strategies should also be formulated that could go beyond the immediate present and ensure the company’s future prospects. A carefully formulated growth strategy is essential to managing change in a competitive market. Such a growth strategy should not only envisage the competitive position of the company but foresee the comparative strengths of the company and design a game plan that could take care of all eventualities and ensure the desired growth for the company. The elements of such a growth strategy should follow a systematic approach, where all its elements are unified to each other and synergise together for achieving the organizational goals. They must integrate with each other and work together to achieve corporate goals, thus becoming an essential part of any long-range strategic plan of the company.

A growth strategy would be most effective for the company if its strategic fabric is made up of three levels - Core Level, Strategic Level and Tactical Level. To sustain and grow in a highly competitive environment, the process of change should be initiated at all these three levels so that the desired organizational transformation is achieved for sustainable competitive advantage. While the organizational transformation would be catalyzed at the core level, steps would be initiated at the functional and tactical level also to make strategy a success.
• **The Core Level:** The strategy at the core level should provide a foundation for an effective strategic management process in the company and determine the basis for other actions to follow for successful management of change. Formulation at the core level strategy would consist of a thrust on the nine factors that have been said to be the necessary prerequisites for successful management of change in the company. Activities at the core level must emanate from the top, radiate across the company and cover its basic framework. It must also encompass supervision, people, systems / structure, strategy, speed of response, cultural synergy, people’s sensitivity and superior organizational values. At the core level, the leadership should be visionary, supervision dedicated, people committed, systems/structure customer-oriented, strategy with teeth, speed fast, sensitivity to the maximum and values to be supreme if the company has to manage change in a competitive market. These factors guided by a shared vision and triggered by an able leadership would energize and enthuse the organization, and help to manage change most effectively. The extent of success in managing change through these factors would eventually rest on the capability of the leadership to integrate, harmonize and synergize the other eight factors for organizational success. It is upon this solid foundation that the other levels of strategic process namely functional level and tactical level would be formulated. The ultimate success or failure of strategies at the functional and tactical levels would depend upon the extent of integrated force of these nine essential factors.

• **Functional Level:** The purpose a sound strategy is to ensure a good-fit with the company’s resources, use those resources optimally and harmonize it with the expectations of the market. The growth strategy should therefore be need specific and not universal, or it would lose their efficacy. Such a strategy should have feasibility, long-run adaptability and sustainability. It must have a clear focus as to what is to be accomplished, should be customer oriented, innovative, realistic and implementable. Care must be taken to avoid letting historical
practices and rigidities becoming unchallenged constraints. The final choice of an effective
growth strategy at the functional level strategy should thus be based on trade-off and
compromises that seek to match what business can do with the resources and what it should do
to satisfy customers to gain competitive advantage. In formulating functional strategies, the
company’s steel plants should be treated as customer satisfying processes and not as steel
producing processes. The company should guide its buyers through the entire buying chain as
effectively as possible.

The following functional strategies are suggested here for the company.

**Marketing Strategy:** An effective marketing strategy would be of crucial importance for the
ccompany. It must be highly customer oriented and must respond to the changing needs of the
customers adequately. Such a strategy that could increase market share and enhance net sales
realization must be supported by competitive products and services to the served targeted
market at a continually lower cost. The marketing strategy of the company must address to the
following issues of the company seriously.

- Increasing market share,
- Enhancing net sales realization
- Competitive products and services
- Serving targeted/ served markets.
- Attractive Pricing
- Effective Logistics

An effective management strategy must aim at increasing its product wise market share.
This is possible only if market is assessed accurately and products are categorized as per their
performance potential in the market. The potential of each product could be analyzed through a
Growth/ Share matrix. Such a matrix would help to categorize the product portfolio, prune
them appropriately and formulate effective strategies to further entrench in the market. A
thorough market survey is needed to ascertain the potential of existing and future market segments. The urban and rural markets also need a careful re-look.

The urban market is a major segment for the company and has the potential of most of the products being manufactured by the company. While at present, the focus here is mainly on the urban government institutional segment, there is a tremendous potential in other urban institutions and trade. The institutional market is attractive for BSP Plates, Heavy Structurals, Rails, CRGO/ CRNO/ TMBP and Electrolytic Tin Plates, Wheels and Axles and ERW/ SW Pipes. The trade will respond to products like HR Coils and Sheets, GP/ GC Sheets and Coils and Semis. The role of trade would increase over a period of time and would influence company’s marketing success to a great degree. An extensive network of dealers/ commission agents should therefore be set up to Market Company’s product range.

As competition intensifies in the urban market, search for rural market must be intensified. The total steel required by 30 major manufacturers of agricultural equipment segment is around 5000 tonnes per year. These equipment include Multipurpose Thresher, Tractor Trolleys, Seed Drill, Potato Harvester, Potato Planter, Potato Digger, Sunflower Thresher, Chaff Cutter, Wheat Thresher, Reaper, Self Propelled Combine Harvester, Tractor Driven Combine Harvester, Hand Tools Grain Storage Bins, Silos etc. Considering the requirement, the overall steel demand is estimated to be 14-16 thousand tonnes per year in Punjab alone, around 65000 tonnes on an All-India level. Besides this, there are numerous manufacturers of agricultural implements in the small-scale industry and tiny sectors. The company has an opportunity to market HR Coils/ Sheets, GP/GC Sheets, Light Structurals, Skelps Bars and Rods and Wire Rods in this sector. To deliver steels in small lots to such manufacturers, the company should take help of State Agro-Industries Corporations and open service outlets to propagate newer and increased usage of steel materials. Company must also strive to ensure availability of standard designs of such agricultural machinery, help in modernization of manufacturing
process and reach out to its customers through extensive customer contact programmes. Necessary efforts are needed to have comprehensive data on usage of steel in agricultural sector, know details about ultimate consumers, increase contact with customers at different fora and educating them about newer methods of agriculture and use of modernized equipment.

The rural household segment is another lucrative market for the company. Products like wirerods, angles, Torsteel and light structural could be used in the area of housing, fencing, and cowsheds. In this area, the main customers could be the wayside artisans, village blacksmiths and farmers who could need steel for various uses. It is important that company’s image should be established first and then market should be approached. In both urban and rural markets, company must plan the optimum marketing mix for each product category. The product should conform to specifications and packaging should be protective. Commercial terms should be competitive and attractive. Multiple distribution channels should be selected, as per requirements of the market. A very aggressive advertising campaign would be essential to any marketing endeavour in the rural market. Pace of response in the market would determine the success or failure of any such venture. Approaching this market would depend upon a dedicated sales force assigned with the task of penetrating the rural market.

Following plant wise actions are suggested for increasing the net sales realization for the company. This would help enhance the profitability of the company and give it the much-needed competitive edge, which in turn would prove crucial for the overall marketing strategy of the company.

For Bokaro Steel Plant, it is suggested that the product mix should be most profitable and there should be flexibility in inter product adjustment at short notices. Efforts are needed to service thickness wise order including thinner gauges to be serviced to keep overall market share (for GP/GC and CRC/S). There should be adherence to schedule of despatch to avoid loss of order,
the linked /firm orders at stockyard should be given due priority and minimum stock at identified consumption centres at stockyard to be maintained to avoid loss of sales. There should be a consistent supply of special grades and sales of EDD CR and EDD HR should be promoted. It is suggested that supply of non-confirmed orders as per specific sizes should be ensured. Moreover, road movement should be maximized and supply to stockyard with order linkage in order should be streamlined to ensure lesser stock accumulation and reduction in inventory carrying cost.

For Bhilai Steel Plant, the selling additional special quality material like blooms, wire rods, TMT, wire SWR, and Billets could increase company’s NSR. Efforts should be made to procure orders for BQ and HT plates, disposal of inventory and loading all mills with orders. NSR of company could be further increased by special quality conversion, Improved product range and packaging could be ensured by branding TMT bars, effective marketing of light Structural and maximizing exports.

The net sales realization of Durgapur steel Plant could be achieved by optimizing the product – mix, production volume, manufacturing more quantity of special quality steel and retuning the logistics of movement. The production of billets should be enhanced, newer markets should be explored for the wheel and axle plant products and booking for conversion and direct despatch should be prioritized. Supply through road should be increased and pricing criteria for inter-plant transfers should be fixed. The net sales realization for all the mills should also be optimized and co-ordination between Central Marketing Organization and plants in case of plant sales for prime /defectives on pricing, location, quantity and customers should be ascertained. The pricing of new special quality products should be reviewed with due consideration to their stage in the Product Life Cycle. There should also be sharing of data on cost and net sales realization of the company.
The first step to increase NSR in Rourkela Steel Plant would include improvement in the order coverage for HRC & CRC/Sheets. For this there should be a consistent quality and efficient servicing of orders and realistic pricing. As regards HR Coils, the thickness and width variations should be minimized, Avoiding loose coiling / teleseopicity, specific size orders should be ensured and Test Certificate reliability should be improved. Regarding CR Coils/sheets, the thickness variations, improved packing (4 to 5 T CRS packets), rolling with negative tolerance and effective monitoring could improve net sales realization. Efforts should be made to move HRC, CRC/S & GP/GC to markets having better acceptability & freight advantage. It is suggested that timely despatches should be ensured as per orders, company logo could be stenciled on GP/GC and GP/GC could be rolled with negative tolerance. The availability of medium carbon HR Coils may also be ensured. Since HR plate is also a highly competitive product, it may be despatched to freight advantageous zones. Side trimming of HR plates is also suggested particularly in special qualities. New markets should be explored for RSP chequered plates. Besides this, arisings controlled- norms should be revised in view of the Continuous Casting, production could be planned as per orders, capital shutdowns should be synchronized with lean demand season (e.g. GP sheets), and adjustment could be made between the production of CR&GP, HR Coils & HR Plates depending upon order position. NSR of Pipes may be improved by focusing on API quality orders. This could be done by identifying likely grade wise demand coming from Petroleum sector and entering into technical dialogues with designers / consultants / govt. agencies. Major tenders should be followed and consistent quality assurance & reduced arisings should be ensured.

- Competitive Products and Services would be another important aspect in the marketing strategy stated earlier. The company must have a differentiated marketing strategy for its products and services. This would require modification of its products and services for various segments of customers. Existing products needs repositioning so that greater value could be
perceived. The scope of products, appeal, relative advantages of the products, intended satisfaction that the product promises, degree of direct substitutability etc. need special attention. Product pruning is necessary to sustain their competitive advantage. The manufacturing processes might have to be readjusted to suit prevailing market requirements. Study of the life cycle of products and corresponding changes, if needed, need to be taken. Premium products should be branded to ensure their better acceptability and price in the market. Each product should be owned by a specific group with the responsibility to nurture and take care of its healthy growth. Effective advertisements campaigns should be launched with the objectives of reinforce corporate/ product image, encourage customers to increase frequency of their purchase, induce customers to buy at different times to even out the seasonal fluctuation in demand and increase customer awareness about new products and services. The pricing strategy should be simple but effective. Efforts should be made to ensure that products are not blocked at any level of the delivery chain. Even if the profits are less, it is advisable to ensure fast selling of products to avoid accumulation of inventory and faster cash in-flow. This would lead to increase in sales turnover and better return on capital invested. The distribution strategy should ensure faster delivery of goods to the customers. Thus while direct distribution should be continued, introduction of dealers/ stockists in the rural areas and smaller towns should be expedited. Since customers prefer smaller lots at regular intervals, increasing usage of road transport would help in sending goods faster to the customers at their premises. Sales promotion would play a critical role in future steel marketing in India. It could be in the form of discounts, attractive non-monetary schemes, free technical consultancy, and free delivery in their own premises etc. Selling needs to sharpen its teeth. A penetrative marketing intelligence system, potent customers contact policy and a superior service to manage service efficiently is needed urgently. The company must give due cognizance to these facts and ensure efficient product and service delivery.
Accordingly, efforts must be made to ensure that the width and thickness should be within specified tolerance limits, rolled-in scales, crowns, telescopicity, scabs, pits, fish tails etc. should be eliminated and lamination, black patches, burnt and crack edges to be removed. Off-chemistry should be avoided and good protective packaging should be ensured. A bubble packaging is suggested in all high value products like CR, TMBP and GP/GC products along with at least six strips. Delivery of products and documents like TCs, RR and CA should be made faster, despatch details should continue to reach within 24 hours of despatch from plants and commercial terms should be restated. Discounts/ schemes should be offered subject to the clearance of outstanding payments. Efforts should also be made to give smaller quantities but receiving payments fast. Plants should concentrate on making coils and sheet packets of lesser weight. New products should be developed especially for the Auto Segment, White Goods Segment and Precision Tube Segment. Newer applications should be discovered for those products, which are profitable. Strict adherence to delivery schedule should also be maintained. A deeper penetration of the existing segments is also suggested. Newer segments may be explored and products developed. This would be necessary for serving niche markets and for generating additional revenue for the company.

Service being an increasingly indistinguishable part of the products must be sharpened. This service should have many facets; each providing its own series of benefits that influence buyer patronage. The most important types of service are technical, repair and maintenance, delivery, information, and sales contacts. Customers of steel who has learned to rely on the technical advice and help of the company in solving his materials use problems might be hard to win away from it by other appeals. It should provide value adding services such as sawing, shot blasting, painting, grinding, milling, plate flattening, chamfering, press braking, washing, re-oiling, laser cutting, profiling, pipe coating and lining etc. Further augmentation their products by doing minor fabrication work and providing certain specialty steel application products.
Reliability is one such strongest service patronage factor that is gaining importance in service delivery in the steel sector. In its essence, it would consist of assurance that the company would do what it promises to do. It has two important facets – quality and services. Quality would involve care on the part of the company in learning precisely what is wanted and in seeing to it that this is what is delivered. Reliability in delivery would consist of two elements – speed and certainty. Speed would be necessary to maintain adequate and representative stocks in or near using centres, to handle orders efficiently, and to use proper means of transportation. In the sense that the buyer could count on the company to deliver the ordered goods within a specified period, certainty of delivery is clearly a strong patronage factor. Reliability in production should consist of a thorough understanding of specifications or other forms of quality description and a rigid compliance with them so that the customer could be sure that what he orders is what he would get. Information is an important part of selling service that an industrial buyer expects to get from the company. It includes information about new products, trade or industry.

Other services could be: The people based services like Information – including computer based on-line link, after sales service, application engineering, product development based on customers existing and future requirements, consultancy in engineering/ technology/ human resource/ quality/ financial services and/ or delivery. Similarly, the equipment-based services may be shaping/ pre-forming of steel – cutting, shearing, slitting, punching, drilling, bending, part processing – blanking, shot/ sand blasting, chamfering, edge moulding and/ or enhancing/ value addition – annealing (small lot sizes), painting, primer coating, pipe coating and lining.

The effectiveness in providing steel customers with value added services and products would require a forward integration into value adding processes and services, by adding further processing equipment, by opening company service centres near major customers and by enlisting franchised service centres to meet demands of a number of small/ medium customers,
where quality assurance should be ensured by all plant personnel. Closer interaction between corporate R & D, Plants and Customers, regular flow of information to Customers from Plants, R & D and Corporate Communications and introduction of Customer Care Managers, who would manage specific large customers or groups of small customers is also needed. As regards value-addition by forward integration, it is preferable to tie-up with suitable conversion agents, either by taking part in share of the company or else by signing long-term agreements.

One of the important stance of the marketing strategy should be a relentless focus on understanding targeted and served markets and change as per their changing needs. An efficient market research and intelligence system would be of great help to the company in this respect. As the steel market is approaching maturity, newer segments with potential should be explored and tapped. Such segments having different usage like doorframes, steel sinks, dustbins, grain silos, etc. replacing substitute products would help. Newer markets in the urban and rural sectors, as discussed earlier, would generate more sales for the company.

- Attractive Pricing would be another significant area in the company’s marketing strategy. The basic task in formulating a pricing strategy would be to see where company is positioned to influence market prices and where it has to follow the market prices and suggest a mechanism to overcome the adverse impact of regional/inter branch competition. It must also ensure means to capitalize on short and medium term. The pricing structure should be one, which is easy to understand and operate, helps in achieving higher realization, provides orders for mill loading, maintains optimum stocks to sales ratio and builds customer confidence. Accordingly, it is suggested that internal competition should be minimized through redefining branch jurisdiction, coordination of multi-location customers by a centralized agency and multi-regional customers by the product management group of the company. The rebate system should be simplified, and short-term and medium term opportunities should be encashed by keeping prices flexible. For this, the field should be sensitized to encashed short-
term opportunities, common sections could be divided territory-wise with IISCO (company’s subsidiary), exploring possibilities of rolling DSP sections at BSP and vice-versa to maximize freight saving and capitalizing on sudden spurt in demand. Prices of semis should also be regulated by monitoring prices of pencil ingots. Prices of items having seasonal demand like GP/GC/TMT/TOR etc may be negotiated based on the demand pattern. Tie-up prices could be introduced where there is likelihood to increase market share. Rebates should be offered regionwise, rakeload freight chart could be introduced for destinations and building brand image for realizing more money for products are other suggested modes. All commercial extras built in pricing may be reviewed, fixed pricing for non-modvatable items like Structurals; TMT bars, semis and GP/GC may be introduced instead of operating rebates from stockyards. For trade items, location wise price fixation could be introduced and a differential discount could be offered at the invoicing stage on regional basis so that the specific demand of products could be tapped immediately.

- Efficient logistics would be crucial for the success of company’s marketing strategy. Streamlining the planning and movement of materials could improve company’s profitability. This could be assured by providing orders to the plant as per schedule. The orders should be released indicating mode of despatch including by road. The production should match rakeload orders. Moreover, commitments of the firm/critical orders should be serviced through stockyards by prioritizing despatches. Region wise monthly sales targets could be set based on market positioning, taking into consideration the expected realization, product quality, proximity to plant locations, market/customer size, stake of the customer, future potential, untapped market and convenience for movement. Despatches should be prioritized on the basis of criticality (order with projects/tenders/commitments), volumes on cash/credit, direct despatch/deemed direct despatch and other strategic reasons. Stress should be given on high value established products like e.g. wire rods, HCR TMT, BQ plates, grade c/grade of plates,
and LPG sheets. Use of road despatch for direct and to stockyards from plant and plant could be ensured based stockyards for saving on freight, ensuring movement of priority orders. Movement of nonrakeable planning could be facilitated. Examination of rationalized railway routes may be made to minimize on freight. Stock transfer may be done only after careful consideration. Examination of road/rail freight for economizing on movement to nodal stockyards may be done by rail and onward movement by road.

Financial Strategy: The financial strategy of the company needs to see how, where and when the company should obtain funds, use of financial resources optimally and manage the ratio of a company's borrowing to its total share capital. Efforts should also be made to maximize the market valuation of the company, manage the accumulated cash and engage in long-term financial planning for future business growth. The extent to which the profits are reinvested should also be decided prudently.

The financial objective as part of the business mission of the company should be to generate adequate internal resources through operational efficiency for a self-sustained growth. In pursuance to the above objective, the financial strategy of the company should identify and project the financial needs, problems and opportunities based on the above corporate objectives. It would not be the last link in the chain of planning but would constitute a strategic base for decision making in other areas. The financial strategy should also focus on the realistic projections of liquidity cost and expenditure with a view to achieving higher profitability through better financial management and discipline. As a supplement to the main financial objective of the company of maximization of internal resource generation from within, the financial strategy should give emphasis on mobilizing short/long term external funds at minimum costs, and providing the requisite financial supports for decision making and ensure maximum return on investments through financial analysis and evaluation of projects. It must also improve profitability through regulations and control of expenditure as per corporate plans.
and financial norms, develop a deep sense of cost consciousness amongst all employees to improve profitability and effectively participate and influence the formulation of monetary and fiscal policies relating to steel industry to safeguard the interests of the company under study. The aspects of internal resource generation and the strategy to meet the resource gap should be dealt with effectively. For internal resource generation it should be expected that production targets along with techno-economic norms would be fully achieved, manpower reduction to the extent of 25% would be achieved in the next three years, and higher labour productivity would be increased by atleast 120 %. The plan to meet the gap in resources should be tried through maximum productivity of each machine and equipment, decrease in borrowing, utilization of funds and drastic reduction of expenditure and costs.

HRD Strategy: In the ultimate analysis, the success of the company’s plans to substantially raise production, master sophisticated technology and introduce large scale automation and achieve market leadership would depend upon effective human endeavour. Competitive superiority of the company could result from relative superiority in knowledge, skills and resources that business can deploy. To this extent, it would be the competence of manpower that would ultimately give the organization the competitive edge. This competence defined in terms of his ability to achieve pre-determined goals must be supplemented with an conducive environment for work, systems that enables him to perform better and processes that helps him to ensure maximum productivity at his work place.

As is evident from the analysis, a major issue in the company is the efficient management of its workforce. There is an urgent need to inspire the workforce, ensure their commitment, and revitalize their spirit to work and the will to win. The HRD strategy should be market oriented and thus align it with the vision of the company. To that extent, the workforce should have the readiness to meet the market challenges, cope with emerging technologies, and understand the
key business of the company by determining parameters and their integration in working. They must also address to the strategic planning and its implementation and ensure accountability.

It could be possible if there is a supportive database, a culture of setting norms of behaviour to achieve a desired performance, necessary competence and environment an appropriate leadership at all levels. The HRD strategy should focus on culture of quality, cost effectiveness and training for problem solving. A culture of implementation must prevail and it must adhere to standard procedures and interdisciplinary coordination and reinforce value and ethics.

Empowerment also finds much relevance in this context. Today the company is faced with a crisis of opportunity, crisis of power, crisis of identity, crisis of stress and integration and crisis of faith. All this could be neutralized only if the company treats its workforce as their most important assets and gives power to people who operate in the organization. A continuum could be conceived from powerless to empowered and organization could be encouraged to help people move towards empowered end. The organization would thus reduce dysfunctional consequences of powerlessness: low morale, bureaucratic rules – mindedness, and the right territorial control. It would benefit from speedy decisions and ability to take advantage of innovations. It is possible only through active involvement of people who would therefore be integral part of empowerment.

- **Tactical Level:** Company’s strategies would succeed if equally sound tactics in the field supports it. Tactics is a time bound plan of action for a specific contingency, which if carefully planned and implemented would ensure immediate results. It would take care of the strategic intentions of the company and steer the grand plans through specific modes of operations. The success of company’s strategies would rest on how meticulously planned are the tactics and the degree to which they are successfully implemented. Its effectiveness would depend upon the capabilities of the company, its sensitivity to the environment, and timeliness of its
implementation and competitive moves. The speed of response, its arena and intensity would also determine the extent of its success in the market.

Kinds of Tactics: Tactics could be situation based and designed to take care of specific eventuality and the effectiveness of these tactics would depend upon its sensitivity to the environment, sharpness, timeliness of its implementation, speed of response, degree of intensity and space in which it is administered. In the present study, a set of five appropriate tactics is suggested that would provide company’s strategies with teeth and would help them to achieve targets successfully.

An *Effectiveness Model* is conceived here which elaborates these tactics and provides a ground where they could be used effectively. These tactics could be selected after assessing the comparative strength of the market and the company’s resources. The conceptual aspects of these tactics are discussed herewith alongwith the areas of application.

![Effectiveness Model for Success of Tactics](image)

*Fig. 9.4 Effectiveness Model for Success of Tactics*
The Effectiveness Model suggests five appropriate tactics that could be used by the company to achieve success in a competitive market. The conceptual aspects of these tactics are discussed first along with appropriate areas of its application. These tactics have been suggested taking into consideration the two major forces: Company Strength and Market Strength. The comparative strength of these forces would determine the tactic to be used in the specific market place. These tactics are as follows.

- **TIGER Tactic**
- **ELEPHANT Tactic**
- **SHARK Tactic**
- **CAT Tactic,** and
- **FOX Tactic.**

**TIGER tactic:** The first tactic is drawn from the aggressiveness of the tiger. Tiger, a fierce striped roaring Asiatic beast, symbolizes aggression, courage and swiftness. Tiger, by nature, is powerful, strong, courageous and fearless. It is a born hunter and its stripes hide it from the view of the enemy is stealthy and has a killer instinct. It is carnivorous and does not let its prey go once it falls within its range. It has determination, lightening speed and grabs its kill without fail.

The TIGER tactic is an aggressive tactic and, like the attributes of this royal animal, should reflect boldness, aggressiveness, strength, deep impact and tremendous courage to ensure that the goal is attained. Like a tiger, the tactic suggests total concentration on its target, careful planning, mustering all its strength, taking the prey by surprise, and attacking it with all its might to ensure that the kill is nabbed. It also suggests leadership with a killer instinct and determination.

This tactic could be used in situations where the company is market leader, supply is larger than the demand and products are either in the introductory or the maturity stage in the PLC. If
product sales are less but has the potential to grow, customers’ acceptance of the product is fairly good, but there are numerous competitors vying for maximum market share, products’ reach is good but net sales realization from the products is deteriorating then this tactic may be effectively used. The company, using this tactic, must make sure that once it attacks the target it gets “killed”. Company, using this tactic, must ensure that it must select the products and the market, estimates competition, organize its resources and hit the target market with all its might. By using this tactic, the company can expect the market to make sales increase, Net Sales Realization to increase and competition to weaken.

The Tiger tactic may be used in case of the following products of the company under consideration

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<tr>
<th>Products</th>
<th>Markets</th>
<th>Approach</th>
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<tr>
<td>Light Rails-BSP &amp; Merchant Products-DSP</td>
<td>Govt./Private Builders, Cos. Engaged in making infrastructure, Rural market, Trade</td>
<td>Trust on North/ West India, Railways/ State Housing &amp; development board, Aggressive field movement, Education for Rural trade/ farmers, Hitting Advt. Campaign with wall painting and POP material, Attractive commercial terms</td>
</tr>
<tr>
<td>Plates-BSP</td>
<td>Shipbuilders, Defence, Sugar factories, Railways, Boiler makers</td>
<td>Application engineering, Constant interaction with customers, Continuous monitoring of supplies, Thrust on Govt. &amp; North/ South India, Offer to be highly competitive</td>
</tr>
<tr>
<td>Structural-DSP</td>
<td>Govt./Private Builders, Cos. Engaged in expanding infrastructure, Rural market, Trade</td>
<td>Distribution to rural market through extensive dealer network, Attractive advertising campaign with wall painting and POP material, Intensive field movement, Competitive prices, Thrust on urban and rural institutional market across India</td>
</tr>
<tr>
<td>Skelps-DSP</td>
<td>Urban Institutions besides Railways, Tube makers, Urban trade</td>
<td>Very attractive commercial terms, Speedy delivery, Delivery in small lots, Aggressive field movement, Finding new customers continuously</td>
</tr>
<tr>
<td>HR Plates/ Coils-RSP</td>
<td>Urban institutional market, Urban/ rural trade, Govt. sector/ Railways/ Defence</td>
<td>Explore new markets/ customers, Application engineering for newer applications, Smaller coil weight, better packaging, attractive pricing, constant movement, Extensive initiatives to expand market</td>
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<tr>
<td>CR Sheets &amp; Coils-RSP and BSL</td>
<td>More thrust to the coating Auto, Drums/ Barrels/ Precision Tube industries, House hold goods makers, GP/GC Sheet makers</td>
<td>Market to be expanded with higher level of penetration, Aggressive selling, promotion, Emphasis on brand preference, Smaller coil weight, better packaging</td>
</tr>
<tr>
<td>HR Coils/Plates/Sheets-BSL</td>
<td>CR/ galvanizing units, Pipe and tube makers, Railways, Automobile sectors</td>
<td>Fast action to look for newer markets, Aggressive sales promotion/ field movement, Attractive schemes, Smaller packed weight, smaller lots and faster delivery</td>
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ELEPHANT tactic: The defensive tactic is drawn from the nature of an elephant. The elephant, by nature is an animal of enormous strength and size. It is herbivorous suggesting its cool and calm nature and does not disturb other animals unless instigated. If attacked, it displays tremendous power and thwarts off any impending attack by its gallant defence.

This tactic could be used in situations where product is the market leader, product acceptance is very good, competition is not very intense, payment is fast and net sales realization is attractive and company-customers bonding is strong. The company as a market leader in a highly competitive market situation could use this tactic quite effectively to its benefit.

The Elephant tactic may be used in case of the following products of the company under consideration:

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<tbody>
<tr>
<td>Plates-BSP</td>
<td>* Mainly urban institutional market like Shipping, Railways, Exports,</td>
<td>* Constant interaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Attractive offer</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* High quality, competitive prices and timely delivery,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Excellent after sales service and good inter-personal relationship</td>
</tr>
<tr>
<td>Rails-BSP</td>
<td>* Railways, Exports</td>
<td>* High quality</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Constant interaction with customers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Timely delivery and efficient after sales service</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Persuasive selling</td>
</tr>
<tr>
<td>Heavy Structural's-BSP</td>
<td>* Govt., PSUs, Construction segment, Railways, Big private companies</td>
<td>* Aggressive selling</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Competitive price</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Quick delivery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Single window customer dealing</td>
</tr>
<tr>
<td>Merchant Products BSP &amp; DSP</td>
<td>* Urban and rural construction segment, Trade</td>
<td>* Selling through trade</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* High pitch advertising and sales promotion</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Constant movement in the market to expand market base all over India</td>
</tr>
<tr>
<td>Semis</td>
<td>* Exports, domestic urban and rural market</td>
<td>* Competitive price and quick payment terms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Quick delivery system</td>
</tr>
<tr>
<td>CRGO/ CRNO Sheets</td>
<td>* Electrical Motor makers both in the urban and rural sectors, Trade</td>
<td>* Quick supplies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Smaller lots preferably monthly supplies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>* Constant touch with customers</td>
</tr>
</tbody>
</table>

SHARK tactic: This is a tactic that is taken from the nature of a highly ferocious carnivorous fish-shark. Its major strength is its lightening speed with which it attacks its prey, the nature of
attacking its prey by flanking leaving the prey dead. With its sharp teeth and scales, smooth and swift movements its takes its enemies by surprise.

This tactic taken from these above mentioned qualities of a shark, is best suited in situations where product is new or has attained maturity, competitors are highly active, companies resources to fight competition are limited, NSR is adversely affected, and customers prefer only those products that gives them maximum return for money. Thus such tactic is used in such markets where customer reassurance is not there though market exists and is governed by competitors’ products. In such markets products should be easily accessible and marketing mix needs to be fine-tuned. The company must differentiate its marketing mix and attack the territory from all sides with its fullest strength to defeat its opponents.

The Shark tactic may be successfully used in the case of following products of the company:

<table>
<thead>
<tr>
<th>Products</th>
<th>Markets</th>
<th>Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wire Rods-BSP</td>
<td>Urban and rural institution</td>
<td>Thrust in Northern and West India</td>
</tr>
<tr>
<td></td>
<td>Trade</td>
<td>Establishment of extensive network</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Aggressive selling and Advertising</td>
</tr>
<tr>
<td></td>
<td></td>
<td>lucrative commercial terms</td>
</tr>
<tr>
<td>Wheels and Axles-DSP</td>
<td>Railways, refineries etc.</td>
<td>Very high quality</td>
</tr>
<tr>
<td></td>
<td>Experts</td>
<td>Competitive prices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Timely delivery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Constant sales visits</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Continuous two-way communication</td>
</tr>
<tr>
<td>GP/ GC Sheets-RSP &amp; BSL</td>
<td>Trade and dealer network in urban and rural markets</td>
<td>Very aggressive field movement</td>
</tr>
<tr>
<td></td>
<td>Institutions in both markets</td>
<td>In-shop materials</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attractive sales promotion schemes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>quick delivery and consignments in small lots preferably door delivery to customers</td>
</tr>
<tr>
<td>TMBP-BSL</td>
<td>Institutional sector</td>
<td>Persuasive approach</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Attractive offer including price and other commercial terms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Smaller lots and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Good post sales service.</td>
</tr>
</tbody>
</table>

CAT tactic: A feline with carnivorous habits, the cat displays typical hunting qualities. It is noiseless and stealthy, has a sharp eye and ear, and waits and watches patiently for the right
moment to attack its prey until it kills it. It has tremendous speed, has total concentration in its attack and leaves no chance for the opponent to survive in a highly competitive market.

The cat tactic is ideal in situations, where competition is high but market opportunities exist, product NSR per unit is low but sales turnover is high, potential customers look for good products but are attracted towards the better offer. In such situations, the company must be able to identify newer markets and customers, sense their needs, gauge the strengths of the market forces and attack the target segment with all its might. It is a good tactic for it not only helps the company to get its share of market easily, it disturbs the opponents continuously and mars their strategies in the market place. It could be attractive for all products of the company, which has a small market share, with the company finding hard to make any headway.

The Cat tactic may be effectively used in case of the following products of the company:

<table>
<thead>
<tr>
<th>Products</th>
<th>Markets</th>
<th>Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>ERW Pipes</td>
<td>• Agricultural sector-both urban and rural</td>
<td>• Aggressive sales</td>
</tr>
<tr>
<td></td>
<td>• Oil Industry like Indian Oil Corporation etc.</td>
<td>• Competitive price</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Advertising for product awareness about its attributes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Wait and watch tactic and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Stealthily seizing opportunity with fastest pace</td>
</tr>
<tr>
<td>SW Pipes</td>
<td>-do-</td>
<td>• Competitive offer in terms of product quality, price, promotion, delivery and pace</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Patiently awaiting for the opportune time to attack the market and seize opportunity with speed</td>
</tr>
<tr>
<td>Electrolytic Tin Plates</td>
<td>• Urban institutions-Govt. Public Sector Units, Private Companies</td>
<td>• High quality</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Persuasive selling</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Attractive commercial terms</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Speedy delivery</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• If possible FOR destination.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Being alert for the right opportunity and attack with lightening speed for the kill.</td>
</tr>
</tbody>
</table>

FOX tactic: A crafty, tactful animal, fox symbolizes flexibility, determination and perseverance. Inspite of all odds, it never loses sight of its prey and is able to get it through well thought of manouvoures. This tactic is ideal for such situations where market is very sensitive to quality and price, customer expectations are changing fast, supply is more than the demand and product is more or less homogenous. The success of a company in such conditions
would depend upon its ability to understand the changing trends of the market, feel the pulse of the customers, opportunities and threats prevailing in the market and react accordingly. The Fox tactic may be used in case of the following products of the company:

<table>
<thead>
<tr>
<th>Products</th>
<th>Markets</th>
<th>Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOR Steel</td>
<td>Construction segment/ Trade both urban and rural</td>
<td>Aggressive customer contact, Advertising, Smaller consignments, Appointment of dealers especially in rural sector, Very competitive offer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TMT Bars</td>
<td>Same as above</td>
<td>Flexible in terms of commercial terms, Effective negotiation ability, Lightening speed in delivery and problem solving, Careful monitoring of competition</td>
</tr>
<tr>
<td>Rounds</td>
<td>Same as above</td>
<td>Constant vigil in the market for competitive activities, Attractive commercial terms, Expanding market base in time-bound manner</td>
</tr>
<tr>
<td>All HR/CR Products</td>
<td>All urban and rural institutional markets</td>
<td>Aggressive sales, Constant customer visits, Attractive terms, Smaller coil weights, Quick delivery</td>
</tr>
</tbody>
</table>

It is stated that with the help of the above-mentioned tactics, it is possible to achieve the desired rate of growth in all the products and attain the desired market share.

**9.6 MONITORING AND CONTROL:**

No plan, if not carefully monitored, can ever be successful. A system of monitoring and control of performance, in order to make sure that company objectives and plans devised to attain them are accomplished, is therefore necessary. Whether or not the corporate purpose envisioned in the vision statement and enumerated in the goals of the company are being pursued properly can be understood only through proper monitoring and control. The fundamental focus of a viable system of monitoring and control should be towards ensuring a synergistic effect whereby every singly activity of the company is able to give the desired output and give direction to the management of change in the enterprise.
A potent monitoring and control system of the company should have two basic aspects: monitoring activities and comparing actual with target performance; the implementing measures to remedy deficiencies. Control should link inputs to outputs and provide feedback for on-course correction. The company's strategy should represent a comprehensive agenda of intended activities and goals of all functions to ensure that operational efficiency is attained, a common culture is developed and change is managed effectively within the organization. Furthermore, control systems should be necessary for both strategic and operational purposes. Strategic control should involve establishing benchmarks for determining whether current strategies should be further fine-tuned and if so, how and when. It requires information on key external forces and internal activities and is beneficial if explained clearly on these aspects.

The more clearly specified are the company's vision and goals, strategies and policies, then more consistent would be the plans it produces and more self-evident the types of control mechanism it needs to apply. While devising a control and monitoring mechanism the controls should focus on key variables that determine the success or failure of business. Obviously, the monitoring of routine duties are important, but the consequence of inadequate control would be nowhere near as catastrophic for the company as a whole as neglecting the control success factors that are critical for the growth of the company. Reports submitted through the control system should relate to issues rather than individual performance. Incorrect information should be submitted if report might reveal sub-standard performance or failure to meet standard, with consequent penalties for the person or the section concerned. Early feedback should be generated for the problems for immediate solution and necessary actions. Quick actions on the part of people receiving feedback should be taken with a system to ensure that people who fail to take fast time bound action are made accountable and are penalized. Also, control system should itself be subject to control. Performance of a system should be regularly monitored, especially in relation to intra-departmental co-ordination.
9.7 COMMUNICATION:

An effective communication system is essential for the success of any strategy. The company under study perhaps was not able to appreciate this fact fully. As it is observed, the Public Relations function was involved only in drafting company communication, building and maintaining relationships with media, articulating company’s position to the external environment, providing inputs for spokespersons and communicating with employees. It is also observed that even in the case of above, the identification with stakeholders and specifying issues for communication was not done effectively. It has resulted in a lacklustre communication strategy, which lacked focus, depth and reach. This made company's corporate Communication chaotic, self-destructive and certainly counter-productive. An ideal model of the company's communication is suggested below:

![Stakeholders Map: The Flower Model](image-url)
The suggested model depicts the inter-dependencies of different forces determining the fate of the steel market. If the model is to help the company to achieve a successful turnaround, the communication system pervading through the entire organization should have a focussed approach with all its stakeholders. It must be extensive and also intensive. It must have permeability and necessary penetration to make each step of strategy formulation a success. The company must communicate about its corporate issues, financial issues, internal issues plant issues and inter-plant issues. It must focus on creating a shared mindset, ensure behaviour transformation, facilitate capability transformation and help achieve Business results. It is time for a change in the mindset. It is time to ensure that company goals are met, time to gear internal publics to project a good exterior, time to handle the abundance of information for its own advantage and time to start changing the disposition of internal audience towards change process. Specifically, the company’s corporate communications strategy should project it as a professional organization with a legacy, reshape opinions of internal audience towards this realization of a change in environment and therefore the need for working together for a larger goal, and communicate its stakeholders about the strides made by it and how it is striving to fulfil its expectations.

The first task of a sound communication system would be to revitalize the workforce. It must create a shared mindset amongst people of the company and make people appreciate the criticality of the prevailing situation. It must create in them a sense of urgency. It must instill faith amongst them in the company. It should be able to galvanize people towards the common task of making company survive and grow and engrain a do-or-die attitude to achieve it. A competitive benchmarking, commitment to action and result orientation is other aspects that communication must take care at this stage.

Once the human resource of the company are able to understand the seriousness of the threat of competition, an effective communication system should undertake to transform their behaviour
so that results are influenced accordingly. A total customer orientation and a winning attitude would be essential for the success of communication system at this stage. It is also necessary that the message of the need for strict discipline be also passed on across the company. The next step is transforming capabilities into action. The competence to perform a certain task has to be affected into practical situations for getting the desired results. This should find expression in the marketing and technical capabilities, strategic management and portfolio management, organizational culture, and result orientation. The role of communication would be to harmonize all actions for the achievement of the common task of attaining corporate goals. The sharing of information for strategy formulation, optimizing output, enhancing employee motivation, and organizing for a concerted action would give the company a competitive edge. The last step for ensuring effective communication is that of assessing and sharing business results. This should get reflected in improved profitability, having pride and confidence in the company, financial space in terms of debt/ equity, asset management, cross-boundary cooperation, respect for process and higher stock market value for the company. All this is necessary to have unrelenting attention to efficiency.

The basic assumption underlying such a communication system is that people would be committed only to the new challenging goals only if they feel an emotional identification with them. This they would have only if they appreciate the complexity of the business environment, get involved in setting goals and are convinced that they can change. The success of company’s communication process would eventually rest upon a cascading effect that it must have throughout the organization.

Corporate communication has a major role to play in this context. While it should be an integral part of the corporate strategy, it should be in perfect alignment with the organizational goals and objectives of the company. It should be in harmony with the marketing efforts and must be driven by creativity, continuity and sharp focus. It must be ventured on a war footing,
the only objective being managing change. To that effect, it must plan its activities to impress upon its stakeholders the urgent need to appreciate the company’s constraints and collaborate for company’s upliftment. The company’s focus should be on long-term partnership with the customers. This relationship should be to take customers to the delight level. An appropriate corporate positioning is needed which could help in the formulation of an apt communication strategy. The creative expression of all communication initiatives should reflect the criticality that company gives to its customers, the initiatives it is taking to serve them and the developments it is undertaking to take of their current and future needs. The communication strategy should give thrust in the following manner.

### Table 9.7 Communication Focus

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>• Highlight rapid strides made by company to meet customers’ needs</td>
</tr>
<tr>
<td></td>
<td>• Developmental activities undertaken by the company</td>
</tr>
<tr>
<td>Employees</td>
<td>• Emphasize the importance of customers and modify their impressions about the company</td>
</tr>
<tr>
<td></td>
<td>• Efforts made for the present and future like new product development, new policies, new media coverage etc.</td>
</tr>
<tr>
<td>Media, opinion leaders</td>
<td>• Create a media/ community friendly atmosphere</td>
</tr>
<tr>
<td></td>
<td>• Impress upon by its current achievements in steel making and social activities</td>
</tr>
<tr>
<td></td>
<td>• Create an image “SAIL – Sentinel to the Nation”</td>
</tr>
<tr>
<td>Consumers</td>
<td>• Convey the reliability of SAIL Steel</td>
</tr>
<tr>
<td></td>
<td>• Continue with the campaign “There is a little bit of SAIL in Everybody’s Life”</td>
</tr>
<tr>
<td>Stockholders</td>
<td>• Company’s performance especially financial performance</td>
</tr>
<tr>
<td>Suppliers</td>
<td>• Company’s strengths and competitiveness</td>
</tr>
</tbody>
</table>

The media strategy should address through:

### Table 9.8 Media Focus

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Media</th>
<th>Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>Public Relations, Direct Marketing, Mass Media</td>
<td>Corporate image, Product/service quality</td>
</tr>
<tr>
<td>Stockholders</td>
<td>Public Relations</td>
<td>Corporate image, Company’s performance</td>
</tr>
<tr>
<td>Employees</td>
<td>Internal campaign</td>
<td>External scenario, company’s real position, building up morale</td>
</tr>
<tr>
<td>Media, opinion leaders</td>
<td>Public Relations, Mass Media</td>
<td>Corporate image, company’s performance</td>
</tr>
<tr>
<td>Consumers</td>
<td>Public Relations, Mass Media</td>
<td>Corporate image, Product/service quality</td>
</tr>
</tbody>
</table>
For having basic communication for customers, systematic advertising campaign in selected cities in the country can be undertaken. To impress the urgent need to meet the expectations of the customers, the company must go for a variety of local media wherein the basic communication for employees should reiterate the urgency to serve the customers not out of any option but because there is no other choice. A theme urging people to work and win in the marketplace could be selected carefully and emphasized.

9.8 MANAGEMENT OF CHANGE – AN EMERGING RATIONALE:

The study of management of change in a Public Sector Steel Company in India provides us with important directions of generic significance. These directions have wider applications not only in the steel industry per se but also in other industries operating under similar conditions. The inferences drawn in the earlier part of this chapter to explain the various facets of the management of change for the company under reference point towards a rationale that would help in guiding the destiny of other organizations in managing uncertainty most effectively. The new rationale for managing change is described as below.

9.8.1 The Precept of Change:
Change is a continuous process. It is inevitable and encompasses every organization irrespective of its size, strength, and past performance. Change can be progressive or retrogressive and takes place when the equilibrium between the environmental and intra-organizational forces is disturbed. If the pressure of external forces is lesser than the internal forces, change is progressive. On the contrary, if it is vice-versa, it is retrogressive. Change is unavoidable and organizations must either face it or adapt to it. In case they fail to respond to the pressure of change adequately, they might suffer adversely. Organizations must therefore either respond to it before they are forced to do it, or die. The pace of change in the organization must therefore exceed the pace of change in the organization. The forces of change external to the organization can be the Government policies, rate of technological
development, growth and volatility of demand, strength of the customers and suppliers, and the intensity of intra-organizational rivalry. However, the ability of an organization to counter the above mentioned forces will depend upon the strength of its internal forces termed as *Nine Ss* discussed in section 9.3 of this chapter through the *Crystal Model*. These Nine Ss namely – Stewardship, Supervision, Self, Strategy, Systems/ Structure, Synergy, Sensitivity, Speed and Superior Values are vital for managing change in organizations.

9.8.2 Factors Crucial for Managing Change

As discussed in the preceding paragraph, the nine intra-organizational factors as mentioned above and explained in detail in section 9.3 of this chapter with the help of the *Crystal Model* have a crucial effect on the degree of success of the management of change process. These nine factors which might also be enumerated as the Nine Ss for organizational change are as follows:

1. Stewardship
2. Supervision
3. Self
4. Strategy
5. Systems/ Structure
6. Synergy
7. Sensitivity
8. Speed
9. Superior Values

The Crystal Model is being referred here once again for understanding the underlying inter-relationship between each intra-organizational factor and its generic importance for affecting change in organizations.
An effective strategic process requires the optimization of these Nine factors. Enumerated as Nine Ss, these nine factors provide the *What, Who* and *How* of the strategic process for effective management of change in an organization. There are three factors in each of these aspects. *What* is the first aspect of the strategic process that signifies the essential factors that need to be managed for successful sustenance. These include the Systems/ Structure, cultural synergy and Superior values. They have been found to be of crucial importance and must be managed in order to manage change. *How* is the second aspect for effective management of change that works as prime instruments for managing change. These include Strategy, Speed and Sensitivity. It is with these three factors that any change management process could be successfully accomplished. The third aspect is the *Who*. This aspect signifies the Stewardship, supervision and self. It has been observed that it is the people at all strata of the organizational hierarchy influence any effective management of change. These three sets of factors – each
with three factors, hold the key to any effective management of change. The inter-relationship of each of these elements has been explained below.

Fig 9.7 The Nine-S Inter-relationship

The inter-relationship of these factors and their relative significance to the change management process is described below.

1. Stewardship is the first of these essential factors. The fundamental issues of stewardship of the company should rest upon:

   - Whether the leadership has a vision for the future?
   - Whether it has sensitivity towards its business environment?
   - Whether it has the willingness and capability to transform its intentions into actions?
   - Are commitments reflecting its intentions and actions for organizational transformation?
   - Are leaders role models in themselves?
A company desirous to manage change needs leaders who have the capability to keep the company ahead of the change curve, constantly redefining their industries, ensuring creation of new markets, blazing new trails, reinventing the competitive rules and challenging the status quo. Leadership must look forward, scan the market, watch the competition cautiously, identify emerging trends and newer opportunities and reinforce against impending threats. It must harness the intellect of the organization and generate intellectual capital. The true source of power in the company would be a meaningful sense of purpose, which the leadership would have to provide, for leadership should create a hierarchy of imagination within the company. This would mean giving a voice to the people who would involve themselves in the strategy making process.

Company’s leadership should be that fountainhead which would provide the direction to all organizational activities and synthesizes results to a meaningful end. Successful leadership at the core level of strategy making process would catalyze a sound culture, which would propel the company to move forward, and insulate it from outside threats. To that extent it must have certain attributes for ensuring organizational success.

Today’s leadership needs to be in touch with the realities of the market, must have aggressiveness in the market and should have an obsession to beat the competition. It would be possible only if it has a killer instinct to carve out a niche for the company in the face of intensive competition. It must have the ability to articulate a vision that has a meaning. The vision must be shared by one and all. It must also be able to generate and sustain trust in the workforce. Today’s leadership must be adventurous, foresighted and exploratory. It must also ensure courage among the employees, motivate them to forge ahead and enthuse in them a winning spirit. Company’s strategic leadership must facilitate the change process with the do or die spirit and ensure its implementation throughout the organization.
As the leadership has the important responsibility to lead the process of change, it would require innovative initiatives, continuous communication, setting examples of desired behaviour and creating systems and practices to facilitate change and also abolishing systems and practices which generate resistance to change. Leadership must comprehend vital issues and explore the right answers, show visible commitment by exemplary behaviour and utilize every opportunity to communicate the value systems of the company. It must also spend time in planning for development of capability of human resources in the organization, encourage people to perform well and identify policies, systems and practices which are inconsistent with the core values and create new ones which facilitate change.

2. Supervision is essential at every level of the organizational hierarchy and the second important factors for effective management of change. In order to ensure fullest satisfaction of the customers, instill motivation amongst employees, and repose confidence in the minds of shareholders, it is necessary to have a very high standard of supervision across the company which could result in a competitive performance. Such a supervision of company’s affairs is possible through a high quality of management that is focused towards its job, is committed, dedicated and has obsession to do the best for the company. An effective supervision would require a superior culture, value systems, and organizational sensitivity. Implementation of organizational strategy rest upon the supervision and if company has to remain competitive, it would have to enhance the competence of its quality of supervision in terms of knowledge, skills and attitude.

3. Self is the third of the nine factors found to be crucial for managing change. It denotes the employees of the company who themselves are the triggers to facilitate the process of change. In the present study, people proved to be one of the most important factors in managing change. Company must be able to manage its human resources well only if the systems and procedures are customer oriented, there is objectivity in decision making, and people have
discipline and self-control. For successful organizational transformation, people should be able to re-affirm their commitment to the organization, identify their priorities and perform their best towards achievement of the results. They should appreciate the urgency to change, set corporate goals, and unleash their creative potential for organizational growth. A positive attitude should replace inertia and indifference; accountability should prevail in all dimensions of work; and an urge to work and win must pervade under all circumstances. This would require enhancement of knowledge and updating of skills to suit changing needs. A sense of ownership should pervade and people should appreciate the fact that their future depends upon the growth and sustenance of the company.

4. Any action for managing change in a competitive market would rest upon a sound strategy that would help in taking care of the threats of the environment adequately and steer the company towards its desired goals. This is the fourth essential factor and determines the degree of success of any change management process in an organization. The strategy should comprise of the totality of management decisions that should determine the purpose and direction of the company and hence its fundamental goals, activities, and the policies it selects in order to attain its objectives. The strategies adopted would determine the internal character of the organization, how it relates to the outside world, the range of its products, the market in which it would operate and its intentions for the future. Companies must formulate to two kinds of strategies: Survival Strategy and Growth Strategy. Both strategies would be essential for growth and sustenance. While the company should implement the survival strategy immediately to ensure its survival, it must also work on the growth strategy simultaneously to take care of its total transformation for a better future.

5. Another fundamental constituent of a sound strategy at the core level would be the systems and structure that would ensure performance of tasks in the organization. An effective system would work as a facilitator for ensuring desired results through effective implementation of
rules, regulation and procedures leading to rewarding results. Effective implementation of strategies would require supportive systems. These systems should be reviewed periodically so that they maintain the right fit with the adopted strategies. These procedures should ensure faster responses to the needs of the customers, remove bottlenecks in processes involved in accomplishing tasks and result in desired consequences. It is therefore necessary that existing systems should be reviewed and rationalized, modified or created to strengthen the implementation of strategies.

Organizational systems would be effective only if structure is strong and customer friendly. This means making continuous changes in the structure of the company. Formation of a streamlined structure would represent company’s intention to make the strategy work. The focus of such a structure would be on building a desired responsiveness to competitive conditions by integrating company’s activities more closely to counter external forces. A strong structure would sharpen capabilities of the organization, ensure pace and enhance competence for competitive performance. Customer oriented structure should encourage innovativeness, economize processes, and help in reaching company offered benefits to the market in most effective manner.

6. A sound cultural synergy is the sixth necessary pre-requisite for successful organizational transformation. At the core level of strategy formulation, the cultural synergy should hinge upon the ways of responding to the organizational goals. It should be reflected by the way people in the company exhibit it in their behaviour. This should facilitate achievement of goals by a competence and dedicated workforce. If by competence we mean the knowledge, skill and attitude of the people concerned, then all these three essential elements should be harnessed amongst employees to maximize results. Workforce must demonstrate a positive predisposition towards the tasks they are expected to perform which should get reflected through the dedication, sincerity, and honesty of purpose and high level of motivation exhibited by people.
At a deeper level, the company’s corporate culture should be about the implicit shared values of the organization. These values should be consistent with the group norms, i.e. the norms of behaviour should tend to reflect the values and the values exhibit in the norms of behaviour. In today’s context culture should be an anchor of change for the company i.e. it must help people to adapt to the changing trends and emerge as winners. This adaptive culture must have two essential elements. Firstly, the management must deeply, honestly and sincerely value the basic constituencies that support the business-customers, suppliers, vendors etc. And secondly, the initiative and leadership should be truly valued and encouraged at every level in the organization. These would give the company an incredible capacity to navigate in a turbulent environment. In nurturing an adaptive culture, the role of leadership becomes paramount. Internalization of what is conveyed must be done before the management expects it to percolate across the entire organization. A sound culture in the company would also need a continuous objective monitoring of behaviour and responses and any deviation should be noticed and rectified without loosing time. A sound corporate culture would prove to be a strategic asset around which the performance of all other assets would depend. Therefore, leadership must first initiate actions to strengthen the organizational culture before it proceeds further. This core culture should have two distinct characteristics: The management group deeply, honestly and sincerely values its stakeholders, and that initiative and leadership are truly valued and encouraged at every level of the company. A combination of these two characteristics would give the company an incredible capacity to move ahead of competition. It would also help in adapting to the rapidly changing environment and to outperform stronger competitors. Other characteristics that group around these two mentioned above are sharing of a high sense of urgency on a continuous basis, a tendency towards teamwork, a willingness to delegate many of the management functions to the lower levels, a true belief in the internal simplicity, a minimum level of hierarchy and empowerment. Accordingly, the company should enhance its sensitivity in dealing with the customers (external and internal), achieving targets
on time and have a result oriented disposition, display commitment to goals. Also, creativity should substitute demand for additional resources, a culture of consistency should prevail and managers should be able to lead the change process.

A sound synergistic culture would lead to a climate that would energize the entire organization forward for achievement of goals. A conducive climate would be an anchor for change for it would create an ambience where people are provided with ample opportunities for growth. A good organizational climate would create conditions for inter-departmental harmony, work synergy, effective communication, and excellent inter-personal relationship.

7. Sensitivity is another critical element for affecting successful management of change in the company. An organization, in order to manage change should have sensitivity to its environment. The urgency for change must be understood and immediate initiatives should be taken to start the change process. These initiatives would be successful if priorities are fixed, strategic focus is clear, and there is a will to beat competition through a sensitive leadership. People within the organization should feel the necessity for change, combat the adverse environmental forces and win over the intensifying competition. People should be able to appreciate the impending threat of competition and necessitate change. Effective monitoring and control systems and supervision would also make the desired difference and create sensitivity for positive results.

8. Speed of response is the eighth significant element for managing change in today’s competitive scenario. A fast speed in all activities inside the company would lead the company to effective results. This could be possible through a positive predisposition of employees, systematic approach of systems, and strong and effective monitoring systems. Pace across the company would result in customer oriented offerings to the market, which in turn give competitive edge to the company.
9. Superior Values are the ninth critical factors for managing change in a competitive environment. The value system represents the state of mind of individuals working in it: people must have the ability to differentiate the right from the wrong and possess sound ethical values. It must be based upon a sound set of beliefs that should help in meeting the targets, providing best service to the customers, ensuring consistent profitability, show a sound commitment to the company, and enforce strict discipline. While these values would be more specific as against the existing values of the company, they would help bring about a business orientation in the company. People within the organization must have an obsession to serve the customers, cooperate and help fellow colleagues and offer the best to the organization and exhibit their responsibilities in words and deeds. This could happen only if they identify themselves with the organization and consider themselves as integral part of the company.

Successful organizational transformation requires the right alignment of critical elements within the organization. The Crystal Model illustrates the inter-relationship of all these critical elements. When these 9 Ss are in positive alignment, the organization would be poised for success and energized to execute its strategies successfully. Their synchronization would lead to a spirit permeating across the organization and would affect organizational inter-connections affecting change. Whether and to what extent the organization would be able to bring about the needed shifts in strategy would depend upon the extent and pace of accomplishment of action plans of each element. The model would also help in diagnosing issues emanating from the implementation of the strategy. It would help strategists in evaluating their organizations along each of these 9 factors, thereby identifying organizational strengths and weaknesses. The Crystal Model would prove to be a powerful expository tool that would guide the strategic process of the organization effectively and provide valuable insights into the various facets that could affect the process of organizational change in industries. These variables, if managed effectively, would prove to be the cutting edges for attaining competitive advantage.
9.8.3 *Crystal Model Compared:*

Though the *Crystal Model* seems to have some apparent similarity with the Mckinsey’s 7-S model, there are perceptible differences between the two. The Mckinsey’s 7-S framework, developed during 1970’s by the consultants of Mckinsey and Co. also sought to diagnose organizational problems and formulate programmes for improvement in organizations. Similar efforts were made even before by Harold Leavitt who, through a multi-variable framework called *Leavitt’s Diamond* included task, structure, people, information and control, and environment as important factors for organizational managing change. However, it bordered on abstraction and seemed inadequate to manage change in competitive environments. Mckinsey’s 7-S framework, on the other hand, reflected an inter-relationship of seven interdependent variables: structure, strategy, skills, staff, style, systems and shared values. The 7-S framework made a conscious attempt to highlight some important organizational interconnections and their role in affecting change. It also stated that whether and to what extent the organization would be able to bring about the needed shifts in strategy would depend upon the extent and pace of accomplishment of action plans in the spheres of the seven Ss.

A comparative overview of the three models is stated below:

<table>
<thead>
<tr>
<th>Leavitt’s Diamond</th>
<th>Mckinsey’s 7-S Framework</th>
<th>TG’s Crystal Model</th>
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<tbody>
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<td>Structure</td>
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<td>People</td>
<td>System</td>
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<td>Information and Control</td>
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<td>Strategy</td>
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<td>Superior values</td>
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286
It is evident that there are certain apparent similarities in the aforesaid models. However, if we go deeper into these models and see the importance and inter-relationship of its factors, it is evident that there are certain inadequacies in the Leavitt’s Diamond and Mckinsey’s 7-S framework that the Crystal Model developed in the present study seeks to eliminate. Leavitt’s Diamond provides a rather abstract view of factors influencing the change management process of organizations. The factors are not purely internal and seem inadequate to address to all organizational issues that need to be resolved in the process of managing change. The relationship between environment, which is external to the organization and structure, people and information/ control, which are internal, seems incongruous. Similarly, the effect of integration of these factors on organizations is not understandable. Mckinsey’s framework seeks to answer this by proposing the 7-S framework that would address all organizational issues and contribute effectively to managing organizational change. This framework provides a clearer picture of the organizational links and encompasses a broader viewpoint on the elements responsible for managing change. However, the emphasis of this model seems mechanistic for it tries to tackle things at the surface level only. It considers that strategy would be effective only if structure is systematic, systems are simple, staff is properly inducted and trained, skills are imparted as per need and organizational values are shared across the organization. It misses out on the basic factors i.e. the role of leadership in managing organizational change, the influence of organizational sensitivity, speed and cultural synergy and deals half-heartedly on the crucial issues of another vital factor i.e. quality of supervision and people. The suggested Crystal Model seeks to provide a deeper insight into the these fundamental managerial issues of organizations and states that every change management process would succeed if there is a harmonious effect of all the nine factors enumerated above. Able leadership is one such factor that would catalyze the other eight and synchronize them to manage change most effectively. To that extent, the efficacy of the change management process would rest on the leadership capability of the organization. The other two models do
not consider this as important and while Leavitt's diamond does not recognize this factor at all, the 7-S framework refers only to the style of functioning of the top management and others in the organization. The Crystal Model proposed in the present study also states the importance of the quality of supervision, which does not get ample expression in the other models, referred above. While referring to people as resource, the 7-S model seeks to explain the need for proper recruitment of staff and enhancing their skills, the Crystal Model goes deeper and emphasizes the need for a total transformation of the self which is possible through the enhancement of their knowledge, skills and attitude. It talks of self-discipline, inner urge, loyalty and willingness to contribute towards the organization. The importance of strategy is stated in the 7-S model but its ramification i.e. formulating it as survival and growth strategy and dividing the latter into strategy at the core, functional and tactical levels, are explained only in the present study. Again, the 7-S framework mentions shared values as significant but whether the employees should be guided by a fundamental set of beliefs that looks beyond materialistic goals, is explained in the Crystal model. That every employee of the organization must offer his best and exhibit positive disposition in all activities, identifies himself with the organization and strives to do everything that would help his company grow further, is emphasized in the Crystal Model only. Neither the Leavitt’s Diamond nor the 7-S framework mentions anything about the importance of speed as a strategic advantage, cultural synergy and sensitivity in bringing about a desired change in the organization. The crystal model considers these issues as crucial and deals in detail by stating that success of any change management process would rest upon the strength of these factors to a great extent.

It is thus clear that the crystal model suggested in the present study provides a comprehensive view of the critical factors responsible for management of change in any organization and proves that effective management of these factors would be essential for effective management of change in organizations.
Effective management of change requires a three-step approach. These stages are diagnosis, prescription and effect. The first major stage consists of ascertaining the issues and concerns pertaining to the organization, identifying the expected requirements to resolve the same and pinpointing the critical factors having maximum bearing upon the success of resolution of issues. An attempt is made at this stage to assess the vital aspects affecting change in the organization. Situation assessment through a careful analysis of the relative strength of the intra-organizational factors is also done here to help in identifying the core problems of the company. In this stage the main areas of concern are analyzed and corrective actions are ascertained and the gap between market requirements and organizational capabilities is evaluated. This provides a lead regarding the expected requirements of the company to bridge the competence gaps to match with the business environment. The critical factors responsible for affecting the change process identified and the company is able to have a clear view of its competitive position, the intensity of the forces of the business environment and decide what course of action it should adopt in order to manage change in the organization.

The second stage is the prescription stage and includes the formulation of the strategic management process. This stage starts with the statement of organization mission and goals and formulation of appropriate survival and growth strategies. Strategies are formulated at this stage that determine the extent of company’s competitiveness. This strategic thrust must ensure that organizations must first survive if they have to grow. Hence the strategic thrust has to be in the direction firstly towards a Survival Strategy which could ensure its survival. While the survival of the company is ensured, a potent growth strategy is also needed that would steer the organization towards growth. The details of planning strategies for the core, functional and tactical levels are finalized here. It is here that organizations get ready for assaulting the market.
The Last stage is called the Effect stage wherein the degree of success is evaluated and extent of organizational sustenance is determined. This is a reflection stage of the organizational mission that is fulfilled. This stage monitors gaps between the desired goals and actual achievements and identifies issues relevant in stage-one for further corrective actions.

9.8.5 The Strategic Process:

The strategic process for effective management of change must first ensure stakeholders' interest. Every organization must understand the fact that it exists because of its stakeholders and it has the primary responsibility to take care of the interests of its stakeholders. The longevity of a company depends upon the extent to which it is able to ensure the stakeholders' interests.

Every organization must understand that it has a purpose to live. This purpose must be in alignment with the stakeholders' interest. This purpose provides a reason for existence to the company. It must therefore clearly state purpose of its existence and disseminate across the organization.

Organizations in order to succeed must scan their business environment carefully. Successful organizations must reassess its comparative strength on a continuous basis. Such periodic reassessment warns it about its strengths and weaknesses and enables it to reinforce itself for meeting environmental challenges in time.

Organizational purpose must lead a company to have a vision. Organizational vision motivates people within organization and enables the company to move forward to attain its goals. Inspired by strong personal conviction, visions ignite organization energy towards excellence and help people unleash their limitless potential for achieving organizational goals. Clarifying vision and goals would reinforce corporate will to win in the market place and as such would help in formulating an effective strategy.
It must communicate effectively with all its stakeholders and have stringent monitoring and control systems to ensure that its strategies work as desired. The effectiveness of organization’s strategy will depend upon the sharpness of a sound monitoring and control system.

Organizational success rests upon the effectiveness of strategies. Strategies must be situation specific and universal. It should also be formulated in parts-first to ensure the survival of the company and then to ensure its growth. Strategies should be formulated at three levels. The first level i.e. Core level forms the pivot of all strategy for it ignites the process of change in a company. Functional strategy follows suit and it is this step where strategies are translated into practice. Tactical level id the last level where functional strategies are given sharpness to meet particular contingencies.

The success of any change management process rests upon the efficacy of a strong communication process. This communication should be cross functional and must permeate throughout the organization. Communication must have the ability to galvanize the entire organization thought process and actions towards achievement of corporate goals. It must reassure stakeholders about the company’s progress and reinforce people’s confidence in the development of the company. All these steps are sure to lead to organizational sustenance.

9.9 PREPARING FOR TOMORROW:

As we come to an understanding of how to manage change effectively in a competitive market, it becomes evident that to cope with the changing world, organizations must develop the capability to appreciate the need to change and respond fast. This requires a willingness to learn. This would need an understanding that the essence of learning is the ability to manage change by changing oneself and to remain in harmony with a changed environment. This learning would begin with perception, a sensitivity about its environment in which it works and of which it is a part. Surviving and thriving in a volatile world would require a management,
that is concerned about the future of the organization in relation to its environment, is able to
anticipate changes, and convert opportunities born of a crises amid threats prevailing in the
business environment. Such sensitivity should be driven by a social responsibility and
company’s concern for its own destiny. Alertness and responsiveness would help create a
climate in which business growth would ensue. Organizations must foresee the shifts in the
environment change as per need and transform continuously to enhance its competitiveness.
Above all, it must develop new competencies to carve out a better future for itself.

The following four aspects would therefore be of critical importance for organizations. Firstly,
they must have sensitivity to the environment of which they are a part and must make efforts to
learn from the same. They must also remain in harmony with its outside world and adapt
accordingly to out-perform competition. Secondly, They must have cohesion with a strong
sense of identity. This strong sense of belongingness and identifying with their achievements
would help them to grow on solid ground. This sense of belongingness and ability to identify
with achievements would be an important feature of successful companies. Thirdly,
organizations must display tolerance for it is symptomatic of the company’s awareness of its
environment: their ability to build durable relationship with other entities, within and outside
themselves. They must display a decentralized management approach wherein there is ample
liberty for creativity, scope for innovativeness and space for lateral thinking for organizational
excellence. And lastly, organizations must use their finances judiciously. That they must be
conservative in finances must be realized and people should be made accountable for any lapse
in this respect. Companies should be frugal and should not risk capital just like that. Having
capital could provide them the much needed flexibility and independence of action and they
would be in a position to pursue options that their competitors would not venture easily. They
would be able to grasp opportunities without having to justify much to third parties intending
to finance projects for the company. The extent to accomplish the above would rest on how
they appreciates the business realities of the times, treat them seriously, and take adequate steps to make them happen. They must also appreciate learning as continuous activity that would enable the company to forge ahead successfully and achieve corporate objectives.

Organizations must realize that to take care of the interests of its stakeholders, they must survive and grow. But they must also fulfil its potential and aspire to become as great it can be. They must always be in quest for excellence. A relentless endeavour to outgrow competition, always finding newer ways to offer superior value to the customers at a continually lower price is what would make organizations excellent. There is no reason why organizations cannot manage the turbulence of times and manage change effectively.