CHAPTER 1: INTRODUCTION

What factors make an organisation successful, while another one fails to utilise the same resources and opportunities that the former has? Why do some organisations, established only a decade ago, forge ahead and grow while other well-entrenched ones, which have been around for more than a century, fail to take advantage of its experience and core competencies?

There are also numerous examples throughout the world, irrespective of the type of industry, when organisations have landed up with huge losses and suffered in their market shares although they have excellent systems and processes. Many have closed down after decades of existence and their places taken over by the new ones. It is expected that, those who succeed have effective management. This does not mean working harder with obsolete tools and techniques. Effective management involves developing systems and techniques that can help come out with new products and services which customers want and getting them to market in time to gain competitive advantage.

Never has the world seen such drastic changes as those that have happened in the last 50-60 years. Arising out of an exponentially growing population, technological breakthroughs, resources crunch, globalisation and attitudinal reorientation due to radically changed beliefs and values, economic and social patterns are like structures on shifting sands, - there today, gone tomorrow, with new ones emerging out of the duststorm.

Businesses / industries have also drastically changed and are continuously changing. From a “4-S” scenario (single, safe, simple, static), businesses have been precipitated into a much more complex “4-D” scenario (diverse, dangerous, difficult, dynamic). Businesses have become more uncertain and extremely competitive. Only the best can hope to survive - only those organisations which are flexible enough to cope with the constantly changing business environs and those who can anticipate the coming changes and plan accordingly.

One of the most useful insights into the functioning of the successful companies (winners) and the unsuccessful ones (losers) was given by Peters and Waterman (1982) in the course of their research work on American companies. They found 4 distinct different characteristics between "winners" and "losers" respectively.
<table>
<thead>
<tr>
<th><strong>“winners”</strong></th>
<th><strong>“losers”</strong></th>
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<tbody>
<tr>
<td>1) anticipative, future-oriented</td>
<td>reactive, stay with one strategy</td>
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<tr>
<td>2) have strategic plan</td>
<td>fail to plan</td>
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<tr>
<td>3) culture matches with organisation plan</td>
<td>inappropriate organisation culture</td>
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<tr>
<td>4) strategic flexibility</td>
<td>slow to meet the changing conditions</td>
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These points have been further elaborated below:

1) **MANAGING INTO THE FUTURE**

It is necessary that organisations constantly think about customer needs, design such products/services accordingly, allocate optimum resources for those, and then to launch those in the market as fast as possible. Such organisations have a clear sense of direction and strategic vision for the future. There is a strong bias towards pro-action, rapid problem solving and innovation.

2) **STRATEGIC ACTION PLAN**

Senior managers of successful organisations tend to develop a strategic game plan for achieving competitive advantage. These organisations stay close to the customers and seek out what customers want.

3) **CORPORATE CULTURE**

In well-run organisations, people make things happen. There is a commitment to corporate values and objectives and a willingness to take risks. There is a sense of autonomy and entrepreneurship and a belief in the importance of value and service. The key factor in today's competitive world seems to be developing strategic entrepreneurship within the organisation and managing creativity.

4) **STRATEGIC FLEXIBILITY**

The organisations that are successful in adapting to the rapidly changing environment try to anticipate the coming changes. In many cases, this may mean reformulating strategies or altering the corporate culture, even in some cases refocussing the objectives. These organisations are result-oriented and are market-driven. There is a strong emphasis on
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productivity improvement by making use of the potential of the people, encouraging change and supporting risk-taking in order to gain success in both the current and new products/services markets.

The response to the need for continued excellence, thus, lies in the strategic decisions made by the top managements. Successful organisations are effective in developing a strategic plan, and controlling its implementation to achieve its present and future objectives. Unsuccessful organisations either let themselves drift towards uncertain goals without any proper direction or fail to utilise their resources towards implementing whatever they had planned for, resulting in ineffective performance.

In a dynamic and competitive environment, an organisation must either move forward with purpose and direction or fall back. No one can stand still. The difference lies in how well the managers in an organisation are able to perform their strategic management function, that is, develop an effective “winning” organisation.

Both are of fundamental importance—planning and execution. No business plan is worth anything, if it is not executed or put into action. Similarly, no action should be adhoc or disjointed. They must be according to a well laid out plan aimed at a certain objective. How to implement, what should be the control points, and what should be the corrective measures in case of problems during the implementation phase should be taken together be part of the strategic plan. On the other hand, controls are not restricted to the implementation only; controls need to be exercised also for the planning process itself. Thus the two—Strategic Planning and Strategic Control are intertwined and has to work hand-in-hand if effective results are to be achieved by an organisation.

Strategic Planning emphasises on an organisation towards “Doing The Right Things” while Strategic Control overviews about “Doing The Things Right”.

This concept is depicted by the help of a matrix diagram given below.
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Strategic Planning

"Doing The Right Things"

ineffective | effective

Corporate collapse | Survival

Gradual decline | Growth & Prosperity

Being effective means "Doing The Right Things", while "Doing The Things Right" means being efficient. The former is more aligned towards Strategic Planning while the latter towards Strategic Control. Growth and prosperity will come when an organisation is both effective and efficient.

The above discussion is relevant to any type of industry, particularly the electronics industry, as no other industry has been so radically transformed during the last 60 years. Strategic Planning and Strategic Control is of immense significance here. Therefore the role played by the managers in the electronics industry needs to be carefully studied and an insight has to be obtained about their perceptions in this connection. To this end, this thesis has made a modest attempt. It is hoped by the researcher that the findings and recommendations would be appropriately used by concerned people for further growth and prosperity of the electronics industry, particularly in the State of West Bengal.