The strategic Management process begins with the identification of the Superordinate Goal. Superordinate Goal provides organizational direction. It is a set of values and aspirations often unwritten, that go beyond conventional, formal statements of quantified goals and objectives.

Every excellent company studied by Thomas J. Peters and Robert H. Waterman designed the process of value shaping in an organized manner. Without clarity of values and the right kind of values, no organization can achieve excellence and launch new products successfully.

Strategy is a match between the environment and available resources within the organization that will best ensure the fulfillment of objectives derived from the superordinate goal. It tries to determine how the organization will compete.

Any strategy to be successfully implemented must fit into the culture of the organization. According to Robert Waterman: "A good strategy is not synonymous with a doable one. Nor is a doable strategy synonymous with a good one. The challenge is to find a good doable strategy". The 7-S Framework discussed in the famous book "In search of Excellence" views organizational culture as a function of seven variables: strategy, structure, systems, style, staff, skills and shared values. A strategy is successful when the other S's in the framework fit or support the Strategy.
## LEVELS OF STRATEGY FORMULATION

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### SCOPE
- **Entire** organization
- **SBU** - Single Business Unit or Product
- **Functional Area**, Geographical or Customer Area, Company Area.

### TIME SPAN
- **Long Range** 0-5 years
- **Intermediate** 0-3 years
- **Short Range** 0-1 year

### SPECIFICITY
- **General** Statements of Direction and Intent
- **Concrete and operationally oriented** Statements of Direction and Intent
- **Action and implementation oriented** Statements of Direction and Intent
In a study conducted by Prof. S. K. Bhattacharya the clarity of chosen strategy ______ organizational and functional (e.g. production, marketing, finance and personnel) ______ as an important ingredient of excellence clearly emerged from the study of ten excellently managed companies in India. They are:

1. Asian Paints India Ltd
2. Bajaj Auto Ltd
3. Bharat Heavy Chemicals Ltd
4. Gujarat Cooperative Milk Marketing Federation Ltd
5. Hindustan Lever Ltd
6. HMT Ltd
7. Industrial Credit & Investment Corpn of India Ltd
8. ITC Ltd
9. Larsen & Toubro Ltd
10. Reliance Industries Ltd

The subject matter of this paper is a good doable strategy for the introduction of a new product. Such a strategy following Thomas Alva Edison’s recipe for inventive genius requires one percent inspiration and ninety nine percent perspiration. A spark of insight is essential ______ without it strategies disintegrate into stereotypes. To convert insight into fruition as a successful strategy takes method, mental discipline, analytical approach and plain hard work. Creativity cannot be taught. It can be learned. Creative insight is a smoldering ember that must be fanned constantly to glow. If you have sensitivity, will and receptiveness it can be mustered by example, direction and conditioning.
There are three major constraints to which the business Strategist needs to be sensitive:

1. REALITY _____ how realistic is it in terms of customers, competition and competence.

2. RIPENESS _____ timing of the strategy especially with respect to new product launch.

3. RESOURCES _____ whether the strategy for new product development has a pragmatic resource fit _____ in terms of Man, Material, Method, Machine and Money at the disposal of the organization.

The main issue in Strategy implementation is the question of structure. Today's diversified firms are organized to run large, mature cost-efficient businesses rather than innovative, growth oriented concerns.

Bureaucracy, formality, corporate politics and memos are a way of life in practically all large corporations. The system stifles entrepreneurship, slows down decision making and discourages creativity.
To overcome these organizational problems many firms have been experimenting with an organizational form called "new venture units". In its most basic form, this unit is simply a separate "division" or "specially incorporated company" created to house new product and new business initiatives. Management, therefore, seeks to separate the entrepreneurial process from the regular operating systems.

New venture units have been used by some well-known companies with resounding success: IBM for personal computers, Boeing (757), Xerox (non xerography products) and Allied Chemicals (various orphan new product ideas).

One of the major benefits that these units provide is the rapid expansion of new products. At 3M, for instance, new venture units accounted for 25 percent of the company's increase in operating profits during a period of five years. New venture units may provide a structure which will enhance the chances of success of a new product.

An appropriate structure which follows strategy is necessary but not sufficient. In totality, the problem is one of a seven element strategic fit as demonstrated in the McKinsey Model shown overleaf. If any organization has to ensure that strategies at all levels are directed towards the shared values or superordinate goal, then in addition to structure it must also have the appropriate systems, skills, staff and style to achieve its metagoal through strategy implementation at various levels ___ individual, team, department, single business unit and corporate.
Given a product to satisfy a consumer need the pertinent question is how to make it visible in the market place in the context of the new era we have plunged into? What functional strategy will make our new product known to the consumers in a convincing manner? This is perhaps the greatest challenge faced by a manager today. The challenge lies in formulating an Advertising Strategy which will make our new product visible in the crowded market place and also make the launch a total success.

The basic problem then is to make your new product visible in an ocean of products and services, some of which have already gained high visibility. This is the age of the Information Revolution. Perhaps the greatest challenge faced by a manager today is in the area of new product development and marketing. Successful advertising managers or marketing managers need winning horses to ride on. Good 'ideas' are the winning horses. Good ‘ideas’ refer to messages of communication through the media what we call in Management: ADVERTISING
But to make your product visible, you need a Strategy as we need it in a war, political battle or a footfall match. So what we are talking about is an Advertising Strategy. Whereas most of the research work in this area is concerned with positive analysis, this paper will develop a normative approach to the problem. The model suggested will be theoretical in nature but will help us in taking decisions that will yield better results than the rule of thumb approach.
The problem that will be studied is as follows: what is the ideal strategy for a new product trying to enter a market, gain high visibility and finally establish a firm position in the market?

Our normative, theoretical and strategic model will not be applicable to all products universally. This is because advertising itself assumes varying degrees of importance for different products as illustrated by Figure one.

The ratio of Fixed Cost to Variable Cost is a very important consideration in the formulation of Corporate Strategy. As Corporate Strategy is based (among other things) on marketing inputs the role of promotion will vary with Corporate Strategy. In other words, the role of advertising is a function of Corporate Strategy.

The implication of a high fixed cost to variable cost ratio is that the traditional cost oriented approach is only partly relevant. Cost analysis and control are not the right methods of dealing with the problem of profitability. A closer look has to be taken at sales volume, sales mix and revenue. If we combine the problem of sales instability with cost structure considerations our example will be more effective. Sales Instability could be due to (a) daily (b) weekly or even (c) annual fluctuations. The overall Business Strategy and the importance of advertising will depend on not one but several
if a firm is at R factors. As Figure One shows very clearly, if a firm is at R factors (with a combination of high fixed costs and unstable demand) it should have a market oriented or revenue oriented approach. In an opposite situation such as C, the relevant approach is cost oriented. Clearly, advertising strategy will have a more important role to play in a situation such as R.