Information on the environmental factors are external to an organization and is available in various forms. Newspapers, magazines, government publications, radio, television etc. The publicity of such information also is useful to business firms which can become aware about the changing trends and important events taking place in the environment and hence generally appreciated them too. Baring a few exceptions where an individual business firm stands to gain by encashing to its own advantages, and hence keep them under wraps, the external environmental factors generally gets wide publicity. Such is not the case with the information on the organization's internal functioning.

Not much information is available on the subject of formulation and implementation of corporate strategy. This information means money and normally is closely guarded secret in the industries. The only exception to this is when it helps a firm to reveal such information to send the market signals to other competitive forces so that their response could be controlled.

Formulation and implementation of corporate strategy are two most important pillars of corporate strategic management. Normally formulation precedes implementation but in certain cases it is otherwise round too. Henry Mintzberg of McGill University, Canada terms it crafting strategy, where it is the strategy which gets evolved from the daily routine
functioning of the management, which is identified, recognized and adopted by the management.

Normally a firm carries out SWOT analysis after identifying its strengths, weaknesses, opportunities and threats to find out strategic alternatives open to it. The generic strategic alternatives open to a firm are cost leadership, product differentiation, and niche marketing. Depending upon the cost verses benefit analysis, the firm may decide to go all alone or go in for a strategic alliance with other firm to implement its strategy. There are benefits in favor of strategic alliances but costs too are high. Two most important costs are that the coordination with the partner firm is more complicated and that the partner firm may turn hostile or opt out of strategic alliance and damage business interest of the firm to a great extent. The firm's strategy is required to be broken-down to plans and policies matching with the firm's resources, structure and administrative style. Continuous or periodical evaluation and control is needed to ensure that strategy and implementation will meet the objectives of the firm. The outcome at each stage becomes the feedback for the previous stages.

Literature Survey

Summer and others (1990) write that "...because Business Policy and Strategy is a professional field, one of its ultimate goals is to understand, predict, and change variables in the world."

Further clarifying the central focus of the field of Business Policy and Strategy, they write that "In the field of Business Policy and Strategy,
the central cause of survival and growth of the organization is its "alignment". In the long-term life span of the organization, its evolutionary pattern (whether it survives, grows, declines, stagnates) is determined by whether or not it is successful, in approximating, through time, an alignment between its internal distinctive competencies and its environment. Alignment, the independent variable, causes evolutionary pattern, the dependent variable.

Total or comprehensive alignment is an enormously complex thing. It is a network of external distinctive competence elements (choice of products, markets, capital markets, resource suppliers, and needs of cultural constituencies) synergistically related to a network of internal competence elements (physical capital, technological operations, organization structures, information flows, talents, reward systems, etc.). The network of external elements is the firm's external alignment. The network of internal elements is its internal alignment. These two, when related synergistically, form the organization's comprehensive alignment."

Highlighting maneuverability, Toffler (1985) writes in his book "The Adaptive corporation" that "Some firms are already beyond rescue; they are organizational dinosaurs. These are non-adaptive corporations, many of which will disappear between now and not-too-distant turn of the century." He prescribes "Instead of constructing permanent edifices, today's adaptive executives may have to de-construct their companies to maximize maneuverability. They must be experts not in bureaucracy, but in the coordination of ad-hocracy. They must adjust swiftly to immediate
pressures—yet think in terms of long-range goals."

Definitions

Chandler (1973) states that strategy can be defined as "....the determination of the basic long-term goals and objectives of an enterprise and the adoption of courses of action and allocation of resources necessary for carrying out these goals."

Tilles (1963) writes "A strategy is a set of goals and major policies."

Scott (1965) has taken a comprehensive view of the approach to the study of strategy by remarking that a long-range strategy is designed to provide information about a company's basic direction and purpose, information which will guide all its operational activities."

Steiner (1969) highlighting the importance of role of resources states that "Strategic planning is the process of determining the major objectives of an organization and policies and strategies that will govern the acquisition, use, and disposition of resources to achieve those objectives."

Ansoff (1965) has defined the concept of strategy, that includes not implementation but adds dynamism to formulation. According to him, "a strategy is one which (1) provides a broad concept of a firm's business; (2) sets forth specific guidelines by which the firm can conduct its research and (3) supplement the firm's objectives with decisions which narrow the firm's selection process to the most attractive opportunities."
One of the well-known definitions of strategy has been advocated by Harvard Business School Professor Andrews (1972), which states that "Corporate Strategy is the pattern of major objectives, purposes or goals and essential policies and plans for achieving those goals stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be."

Drucker (1974), the best known management consultant, defines strategic planning as "It is the continuous process of making present entrepreneurial (risk-taking) decisions systematically and with the greatest knowledge of their futurity; organizing systematically the efforts needed to carry out these decisions; and measuring the results of these decisions against the expectations through organized, systematic feedback." Here both formulation process and implementation process including evaluation have been covered in the term strategic planning.

According to Haner (1976) "A strategy is: A multiple-step approach to achieve a specific objective. It is controlled by a plan, involves coordinated use of selected components and resources of the company and covers the time frame necessary to accomplish the objective." Here time-boundness nature of strategy is highlighted.

Lorange and Vancil (1977) mention that "The strategy of an organization, or of a sub-unit of a larger organization, is a conceptualization, expressed or implied by the organization's leader of (1) the long term objectives or purposes of the organization, (2) the broad constraints
and policies, either self-imposed by the leader or accepted by him from his superiors, that currently restrict the scope of the organization's activities, and (3) the current set of plans and near-term goals that have been adopted in, the expectation of contributing to the achievement of the organizations objectives. This definition highlights the reason why; though facing similar environmental opportunities, due to their varying constraints; different organizations cannot adopt same strategy.

Glueck (1984) has stated a practical definition of strategy as "it is a unified comprehensive and integrated plan relating to the strategic advantages of the firm to the challenges of the environment. It is designed to ensure that the basic objectives of the enterprise are achieved."

Jauch (1988) defines "Strategic management is a stream of decisions and actions which leads to the development of an effective strategy or strategies to help achieve corporate objectives. The strategic management process is the way in which strategists determine objectives and make strategic decisions." Further he writes that "Strategic decisions are means to achieve ends. These decisions encompass the definition of the business, product and markets to be served, functions to be performed, and major policies needed for the organization to execute these decisions to achieve objectives." He also writes that "Plans and policies are guides to action. They indicate how resources are to be allocated and how tasks assigned to the organization might be accomplished so that functional-level managers execute the strategy properly."
There has been emerging school of thought differing from the design school of thought with reference to the formulation process of strategy. Crusading for this school of thought Mintzberg (1987), Professor at McGill university, Canada, claims that strategy is not always well planned in practical world. Often it happens that out of the actions of the managers an unintended pattern emerges, which later having been identified, is adopted as firms strategy, if found to be most beneficent to the firm. Mintzburg also implies that "Intuition is the critical ingredient to strategy development." (Campbell, 1991).

According to Simon (1965) "At each moment the behaving subject, or the organization composed of number of such individuals, is confronted with a large number of alternative behaviors, some of which are present in consciousness and some of which are not. Decision, or choice, as the term is used here, is the process by which one of these alternatives for each moment's behavior is selected to be carried out, the series of such decisions which determines behavior over some stretch of time may be called a strategy."

Mintzberg (1987) presented five definitions of strategy- as plan, ploy, pattern, position and perspective. Strategy as a plan is- some sort of consciously intended course of action, a guideline (or set of guidelines) to deal with a situation. As plan a strategy can be a ploy, too, really just a specific "maneuver" intended to outwit an opponent or competitor. Strategy as a pattern is- specifically, a pattern in a stream of actions, a consistency in behavior, whether or not intended, Strategy as a position is- specifically; a means of locating an organi-
ration in an 'environment'. Strategy is a perspective, its content consisting not just of a chosen position, but of an ingrained way of perceiving the world.

According to Sinha and Reddy (1991) strategy is the pattern or plan that integrates an organization's major goals, policies and action sequences into a cohesive whole.

World famous strategy consultant and professor of Harvard Business School of present time Porter (1980) asserts that "Every firm competing in an industry has a competitive strategy, whether explicit or implicit. This strategy may have been developed through planning process or it may have evolved implicitly through the activities of the various functional departments of the firm. Porter (1985) further states that "Competitive strategy is the search for a favorable competitive position in an industry, the fundamental area in which competition occurs."

Various authors have presented different models of strategic management. One of the most comprehensive detailed model has been presented by Jauch and Glueck (1988), which is reproduced below.
Strategic Management Elements

To determine mission, goals, and values of the firm and key decision makers.

Enterprise strategists

To search the environment and diagnose the impact of threats and opportunities.

The General environment

The industry & international environment

Internal factors

Generic strategy

To consider various alternatives and assure that the appropriate strategy is chosen.

Strategy variations

To match plans, policies, resources, structure and administrative style with the strategy.

Policies, plans and administration

To ensure strategy and implementation will meet objectives.

Evaluation and control

A model of strategic management

Feedback

Feedforward
Considering the literature on corporate strategic management broad classification of the elements of strategic management process can be done as follow.

1. Strategists, who are responsible for corporate strategic management of organization.

2. Crystallization of mission and objectives of the organization.

3. Formulation of strategy by carrying out—
   
   (i) analysis and diagnosis of internal and external environments/SWOT analysis.
   
   (ii) considering various strategic alternatives and choosing appropriate strategy.

4. Implementation of strategy by carrying out—

   (i) matching plans, policies, resources, structure and administrative style with strategy.

   (ii) ensuring strategy and its implementation meet objectives of the organization through necessary evaluation and control.

Mission and objectives, and environmental factors are excluded from the focus of this chapter as they have already been covered in earlier chapter.

The organization's strategists observe mission and goals, strategic policies, current and forecast information about their environments and then determine current and future organizational strengths, weaknesses, opportunities, and threats (SWOT) in order to determine where they are, where they want to be, and how they plan to get there— the essence of strategy (Tilles, 1963).
The (SWOT) WOTS-UP analysis is designed to aid the strategists in finding the best match between environmental trends and internal capabilities. Among the other authors using SWOT or WOTS-UP analysis are Higgins (1980), Rowe (1982), Prasad (1985), and Hatter and Hatten (1988).

Due to growing globalization of business, how to address a global market and how to coordinate the activities of a far-flung fragmented organization are two key issue faced by all business around the world (Barham and Rassam).

Porter (1980) writes that "The essence of formulating competitive strategy is relating a company to its environment. Although the relevant environment is broad, encompassing Social as well as economics forces, the key aspect of the firm's environment is the industry or industries in which it competes. Industry structure has a strong influence in determining the competitive rules of the game as well as the strategies potentially available to the firm. Forces outside the industry are significant primarily in a relative sense; since outside forces usually affect all firms in the industry, the key is found in the differing abilities of firms to deal with them." Further he writes that "The state of competition in an industry depends on five basic competitive forces:... they are threat of substitute product or services, threat of new entrants, bargaining power of suppliers, bargaining power of buyers, and rivalry among existing firms in the industry."

The process of strategy formulation can be thought of as taking place at the three organizational levels: headquarters (corporate strategy),
anci J department (functional strategy), and department (functional strategy) (Lorange and Vancil, 1977). Pearce and Robinson (1988) consider three levels of strategy (1) corporate level, (2) business level, and (3) functional level. Some authors suggest carrying out of Performance Gap Analysis which focuses management attention on the difference between what was wanted and what was achieved (Hatter and Hatten, 1988; Higgins, 1980; Higgins and Vincze, 1989).

Jauch and Glueck (1988) writes that "there are four generic ways in which (strategic) alternatives can be considered: stability, expansion, retrenchment, and combinations.

Ansoff (1965) presented 2x2 matrix of Growth vector components by considering present and new, mission and products with market penetration, market development, product development and diversification alternatives. He also presented diversification matrix where various strategic alternatives are Horizontal Integration, Vertical Integration, Marketing and/or Technology related concentric diversifications, and conglomerate diversification.

From the mid-1970 through 1987 (BCG's Product) portfolio analysis was a major concept in strategic planning (Higgins and Vincze, 1989). Where 2x2 matrix of high and low market share as well as market growth classified products into star, cash cow, question mark, and dog categories with strategic prescription to get rid of dogs (divest), and use cash flow from cash cows to support the development of question marks into star status (Henderson, 1979; Higgins, 1980; Prasad, 1985; Gilbert, Hartman, 1989).
Another popular 3x3 matrix, developed at General Electric, of the US, was a directional policy matrix on company's competitive position (Weak, Average, Strong) V/S Prospects for market sector profitability (unattractive, average, attractive) (Higgins, 1980; Prasad, 1985; Gilbert, Hartman, Mauriel, and Freeman, 1988; Hatter and Hatten, 1988).

Porter (1980) suggests "In coping with the five competitive forces, there are three potentially successful generic strategies to outperforming other firms in an industry: 1. overall cost leadership 2. differentiation, and 3. focus.

Robert (1991) suggests "...if you are not the leader, you should never play the game according to the rules the leader has set. When you change the rules of play on the leader, you paralyze the leader, sometimes for long periods of time,... while the leader is immobilized, you can make significant gains. After all, the ultimate competitive advantage is not to create an even playing field,... but to create a playing field that is tilted to your advantage."

Deviating significantly from design school of thought on strategy making before its implementation, Henry Mintzberg strongly advocates that organization should use 'emergent strategy' approach to strategy formation, using trial and experience process. Where out put of this process is an observable strategy which is the logical pattern underlying the historical sequence of successful trials (Ansoff, 1991).
Henry Mintzberg advocates crafting strategy. And believes "Intuition is the critical ingredient to strategy development" (Campbell, 1991). "Every company's strategy is unique, somewhat like a human finger print. Although corporate strategies may look similar, when examined closely they have marked differences." (Kelly).

Nixon (1987) writes "the mere possession of a corporate strategy, no matter how well formulated, is not sufficient to ensure corporate success...... only by harmonizing strategy and culture can a company achieve and sustain excellence."

The famous "7-S framework" developed by Mc Kinsey & company, Inc. of the US, highlights the fact that strategy alone cannot significantly contribute to the competitive advantage of the company. The "7-S framework" is being used extensively to understand the interdependent seven variables: Strategy, Structure (both considered also as the hardware of organization), Style, Systems, Staff (people), Skills, and Shared values (all five also considered as the software of organization); and their impact on performance of the organization (Peters and Waterman, 1982).

According to Chandler (1973) implementation of strategy is done "by an allocation or reallocation of resources—funds, equipment, or personnel." Further he states "that a company strategy in time determined its structure and that the common denominator of structure and strategy has been the application of the enterprise's resources to market demand..... of these resources, trained personnel with manufacturing, marketing, engi-
nearing, scientific, and managerial skills often became even more valuable than warehouses, plants, offices, and other physical facilities."

Bhattacharya (1983) writes that "In most corporate restructuring, the basic principle usually adopted is that organizational structure must become the vehicle of translating organizational strategy into action given the context of its products, its markets, its competition, its people and the business environment, within which it operates."

Higgins and Vincze (1989) write that "Implementation is the process of translating strategic plans into results. It is the summation of activities in which people use various resources to accomplish the objectives of the strategy."

Jauch and Blueck (1988) write that "Strategy formulation and implementation are interdependent". According to them strategy implementation process includes determining key managerial tasks and its assignment along with resource allocation. Matched by policies, MIS, reward system, administrative style and evaluation system.

"For good morale there must be sufficient resources to permit the performance of the task; all members should have access to these resources and all should be able to contribute to them; the members should share the values which are furthered by the performance of the task; they should be clear how the resources can be used to further the task." (Klein, 1963)."
Strategy review and control is the process through which managers know the extent to which strategy is able to achieve its objectives (Prasad, 1985).

Higgins and Vincze (1989) write that "Strategic control is the process of determining whether strategy has accomplished its goals and objectives, or if it promises to do so, and acting to correct any problem."

Tilles (1963) evaluates strategy based on six criteria—Internal consistency, consistency with the environment, appropriateness in the light of available resources, satisfactory degree of risk, appropriate time horizon, and workability.

Evaluating a strategy means evaluating its results—past, present and probable. Resources are the accumulated results of past actions. The results of the current operating cycle are the best indicators of what aspects of our current strategy are working in the present environment. Together, past and current results point out the current direction of the organization and reveal likely near-term future (Hatter and Hatten, 1980).

Formulation and Implementation of Corporate Strategy

Now, we discuss the formulation and implementation of strategy of some Indian companies within the framework as stated above.
According to Michael E. Porter there are three potentially successful generic strategies to outperforming other firms in an Industry: 1. overall cost leadership 2. differentiation, and 3. focus.

Overall Cost Leadership

Nirma, a small scale unit manufacturing and marketing detergent washing powder catered to lower end of the market and offered product of the quality that the market can afford. The price was significantly lower than that of the multinational Hindustan Lever Limited and other detergent manufacturers in India. Karsanbhai Khodidas Patel, the promoter of Nirma, himself formulated the strategy of overall cost leadership and personally implemented it for quite some time by carrying out supervision of all the major functions like purchase, production, sales, marketing and finance. He still looks after important control points to keep the costs as well as price under control to protect and maintain Nirma’s strategic advantage of overall cost leadership.

After the liberalisation many new entrants entered the automobile industry with technologically superior products in collaboration with reputed international giant companies. In the two wheelers segment of the market Kinetic Honda Motors Ltd. and LML Ltd. did the same. Their products were significantly costlier than the products of Bajaj Auto Ltd., the leader in the market. Bajaj Auto Ltd. opted for strategy of overall cost leadership in the scooter market, though scooters of Kinet-
ic Honda Motors Ltd. were fast becoming popular and posing threat to Rajaj Auto Ltd. This was due to the release of the suppressed demand of the higher income group consumers, who did not have alternative to satisfy their want of technologically superior light weight scooter, earlier. This segment is a small segment in India. The increased availability of scooters evaporated the premium on scooters and the ex-showroom price was within the reach of the vast majority of middle-class consumers, which increased the demand for scooters. This increase in demand was mainly catered by Rajaj Auto Ltd. The fast growth rate of Kinetic Honda Motors Ltd. not only slowed down but became negative. Kinetic Honda Motors Ltd. ceased to pose threat to Rajaj Auto Ltd. LML Ltd., however, is eroding the hold of Rajaj Auto Ltd. in the market by coming out with technologically superior products at affordable prices. LML Ltd.'s growth rate is improving fast, which has become a cause for concern at Rajaj Auto Ltd. Rahul Rajaj, chairman and his sons who are putting in long hours at their office/factory looking after day-to-day implementation of their strategy would have to either increase the price difference between their scooters and that of LML Ltd.'s or further improve the quality of the scooters while holding on the price to keep the threat from LML Ltd. under check.

One of the most threatened Indian industries in the wake of liberalization is the consumer electronics industry. Reputed international brands like Sony, Panasonic, Goldstar are entering the Indian market with high quality products. The prices too are high. The domestic manufacturers may benefit by adopting overall cost leadership strategy to compete the international brands. as in India high income group consumers form only
a small segment, whereas the middle income group consumers form a large segment.

**Differentiation**

Telco-Mercedes Benz joint venture is to introduce Mercedes Benz luxury car in India to be sold under the brandname bearing the name of both Tatas and Mercedes. Both are reputed names and known for quality of their products. The price of the car is expected to be high, considering the technologically superior features of the car. The product differentiation would position the producer above the competition prevailing in the Indian automobile car market segment.

Hero Honda and Bajaj Kawasaki motor-cycles revolutionised Indian motor-cycle segment of automobile market. The technologically superior fuel efficient motor-cycles became success instantly. They were differentiated from Enfield's and Escorts' motor-cycles and though costly, were preferred by consumers as due to their fuel efficiency consumers spent less on fuel and benefited in the long run. Hero Group and Bajaj Auto Ltd., which sold cycles and scooters respectively with a strategy of overall cost leadership, went in for a differentiation strategy in motor-cycle segment on the strength of a technologically superior and fuel efficient products and were success in the market.

Kinetic Honda Ltd. too introduced a scooter with a differentiation strategy. The smaller sized, light weight, gear-less technologically superior scooter had a promising start and was the fastest growing scooter brand in India. The growth rate, however, could not be sustained.
and rather became negative. The main reasons are its high price and low fuel efficiency. Technological superiority is an important source of strength as well as helps differentiation of a product, which can fetch a premium. But unless a consumer benefits in terms of safety, monetary savings, and perceived comforts, technological superiority cannot provide sufficient strength to sustain successful differentiation strategy.

Core Healthcare Ltd. introduced IV fluid bottles with a superior technology "Form-Fill & Seal" as against low cost glass bottles of the small scale producers. The IV fluid being life saving drug, consumers preferred Core products though they were costlier. Price difference of a few rupees was insignificant when it came to safety of life of a person. Initially an unknown company, within a span of a decade with product differentiation strategy it became not only a leading company in India but a global company spreading its operations in the global market.

WIMCO Ltd. also sold matches on a differentiation strategy but the earlier management (Swedish collaborator) could not confidently capitalize on it. Though its matches were of superior quality, which was important for the safety against fire hazards, the price difference was not substantial. The management must have perceived a constraint against further increasing price of its matches due to the reasons best known to them. The poor financial performance for a series of years ultimately compelled the Swedish management to sell off its stake in the company. The new management was better estimator of the real premium its differentiated products could fetch and boldly increased prices of its products and soon made turnaround of the company possible.
Product differentiation does offer strength to a company. But the critical factor in making the product differentiation strategy successful is the accurate estimation of the premium the product so differentiated could fetch. Over-estimation as in the case of Kinetic Honda scooters and under-estimation as in the case of WIMCO matches, both could lead to failure of a differentiation strategy. If at all there has to be an error, it is better to err underestimating before setting up a project or over-estimating before selling off or closing the business.

Focus

The relevance and importance of focus strategy to a company is low under the conditions of a seller's market and high under the conditions of buyer's market. Focus strategy has now become more relevant and important in India since the liberalization and globalization have changed the conditions of the seller's market into buyer's market.

It was not necessary for the largest scooter producer Bajaj Auto Ltd. to produce scooters keeping into consideration who would buy them as they were always oversold and fetched a premium in the market. After liberalization such consideration became important as many new entrants entered the two-wheelers segment of automobile market causing over supply in the market. Bajaj Auto Ltd. soon found it hard to sell all the scooters it produced. Prudently it developed different models focusing different market segments like for women, students, young, and middle income group consumers. This helped Bajaj Auto Ltd. maintain its overall leadership.
in the two-wheelers segment.

Telco Ltd. was a success with its diesel based passenger cars Tata Sierra and Tata Estate. The potential of the diesel car segment was not exploited fully by any producer. And this opportunity was exploited by Telco Ltd. fully. Telco Ltd.'s Sumo was pitched against Mahindra & Mahindra Ltd. and Maruti Udyog Ltd.'s utility vehicles also and still was a success. Though Mahindra & Mahindra Ltd., the leader, has not suffered significantly, Maruti Udyog Ltd. has taken a further beating from Telco in utility vehicle segment of Indian automobile industry.

Asian Paints Ltd. and Nerolac Paints Ltd. are leaders in Indian paint industry. Both the companies deal in decorative as well as industrial paints segments. As a part of focus strategy, Asian Paints Ltd. has been focusing on and achieved leadership in decorative paints segment whereas Nerolac Paints Ltd. has been focusing on and achieved leadership in the industrial paints segment. The industrial paints market segment is expected to grow faster than that of the decorative paints segment in the near future considering increase in the industrialization and high growth expected in the automobile industry. This is likely to benefit Nerolac Paints Ltd. more.

Dabur, Amrutanjan, Hamdard and Vicco are well-known producers in herbal drug market. Their focus strategy to deal in herbal products only is likely to benefit them as world over there is a shift of preference for drugs made from natural ingredients from that of the chemical ingredients. Indian expertise dates back centuries, which is going to be chief
source of strength to Indian companies. The new patent policy under GATT, which will come into effect by the year 2005 is seen as advantageous too to Indian companies. All these have improved prospects for herbal drug so much so that even Lupin Laboratories Ltd. a leading allopathic pharmaceuticals company is adopting focus strategy to enter this market too.

JK group preferred to have a focus strategy and concentrated on premium quality suiting market segment only instead of dealing in all kinds of varieties of textiles as was the practice of most of the textile producers and was successful in achieving leadership position with its Raymond brand of suiting. Century Textiles opted for a focus strategy and dealt with only cotton textiles. The company was faithful to its focus strategy and inspite of attractive opportunities the synthetic textiles market segment offered it stuck to producing cotton textiles only and develop its competence in the cotton textiles. In the 1980s when majority of the textile mills were facing problems and were closing down one after another, the Century Textiles was doing a profitable business exporting its cotton textiles abroad, where the demand for cotton textiles had picked up. The prospects of repetitive purchase of cotton textiles by consumers is significantly high compared to that of the synthetic textiles.

According to Lawrence R. Jauch and William F. Glueck there are four generic ways in which (strategic) alternatives can be considered. They are stability, expansion, retrenchment, and combinations.
Stability

Maruti Udyog Ltd.'s putting on hold its expansion plan of Rs.1200 crore was a part of its stability strategy. Maruti Udyog Ltd. had become the leader in the market with its technologically superior fuel efficient small passenger car and other luxury car models with over-booking positions. Expansion was a logical choice. However, after liberalization many joint ventures were formed by existing competitors as well as by new entrants with internationally well-known automakers. They were to introduce many new models in 1995 and 1996. This was likely to change the rules of the game in the Indian automobile market. What affected Maruti Udyog Ltd. most was the massive cancellations of the booking of its cars- Zen, Maruti 1000, and Maruti Esteem, at the time of opening of the booking of booking of Cielo, the luxury car model of DCM Daewoo. Where as the true position of the market was expected to emerge in the coming two years, when most of the new car models of different joint ventures were likely to hit the road and consumer preference was likely to get crystallized to a reliable degree. It was logical for Maruti Udyog Ltd. to put the expansion plan on hold and opt for stability.

Hindustan Motors Ltd. and Premier Automobiles Ltd., which took the beating from Maruti Udyog Ltd. for over a decade, went in for collaborations with General Motors and Peugeot respectively to achieve stability in the passenger car segment of Indian automobile industry.

Expansion

'Reliance, Where the Growth is Way of Life', is the motto of Reliance Industries Ltd. And true to its motto Reliance Industries Ltd. has been
growing ever since it was established at a rate no other organization in India has ever expanded over a period of about two decades. Before liberalization, Reliance Industries Ltd. on the strength of its ability to encash on the government policies and its ability to deal with the politicians and bureaucrats who called the shots in Indian industries, was able to obtain licenses for expansion projects which other competitors had difficulties doing the same. This made it possible for Reliance Industries Ltd. to go in for all round expansion. Its performance in the stock market opened access to huge funds through public issues of capital and superior quality of its products and vibrant agility of dealing with the setbacks suffered made Reliance Industries Ltd.'s expansion strategy sustainable. This has made Reliance Industries Ltd. within a short time span of a less than two decades among the top producers of polyester, and some of the petrochemicals in the world.

LML Ltd., once the seeker of a 'sick unit' status under Board of Industrial Financial Reconstruction (BIFR), is now out of red and is successful in nibbling into Bajaj Auto Ltd.'s market-share in scooter segment of two-wheelers market. LML Ltd.'s growth in 1994-95 was substantial and production was near full capacity levels. The management became confident and has planned for expansion of its production capacity from two lac to six lac scooters per year by the end of 1996.

Gujarat Ambuja Cements Ltd. successful with its superior quality cement and environment protection measures has gone in for expansion plan of setting up another plant in Himachal Pradesh, where rich limestone reserves exist and cheap electricity is available.
Retrenchment

Many textile mills in India suffered competition from unorganized sector on price front and from leading competitors due to shrinking demand for textiles on account of polyester fabrics replacing manifold demand for cotton textiles. When their accumulated losses exceed their capacity to bear, they went in for retrenchment and closed down their operations. This helped their other group companies survive.

Combinations

DCM Toyota Motors Ltd. had introduced light commercial vehicle (LCV) in collaboration with Toyota, Japan. Due to severe competition it faced from other new entrant Eicher Motors Ltd. and existing leading competitor Telco Ltd., DCM Toyota could not survive in the LCV segment of Indian automobile market and hence decided to adopt retrenchment strategy by changing the focus from LCV to passenger car segment. The company decided to enter into collaboration with Daewoo Motor Corporation of Korea and even changed its name to DCM Daewoo Motors Ltd. as well as hand over the management to the new collaborator. The company opted for retrenchment strategy in its LCV business and expansion strategy in passenger car business. This is a case of a combinations strategy, where a business goes for more than one strategies from among the expansion, stability, and retrenchment strategies.
Ansoff's growth vector components are market penetration, market development, product development and diversification (horizontal integration, vertical integration, marketing and/or technology related concentric diversifications, and conglomerate diversifications).

Market Penetration

Due to liberalization and globalization many public sectors in India have opened-up for privatization. Jet Air, Damania, Sahara, Modiluft airline companies were formed to penetrate the air transport service segment, which was earlier the monopoly of the public sector organizations only. UTI Bank Ltd. of Unit Trust of India has penetrated banking service market. Tatas, Birlas, Reliance, RPS, Essar, BPL, Arvind and many other Indian groups have entered into collaboration with foreign telecom firms to penetrate the Indian telecom industry. Ansal group a housing and commercial complex construction group has entered joint venture with Daewoo Corporation of Korea to penetrate the road and expressways development and construction industry.

Lipton Brooke Bond India Ltd., the leading tea company tried to penetrate the soft drink segment of beverages market. The company, however, was not success in the soft drink market as it had different rules of the game, which Lipton Brooke Bond India Ltd. could not adapt to.

Kudremukh Iron Ore Ltd. was set up with an objective of penetrating the Iran market on the strength of the promise of the Shah of Iran to lift up substantial portion of the production. This became difficult as the
Shah of Iran was thrown out of power on account of his toppling by Ayotoila Ruhtolla Khomeni.

Market Development

Asian Paints Ltd. initially had faced the formidable British Paint Companies as competitors, before independence. Asian Paints Ltd. introduced smaller sizes of packs that served masses who could not afford to buy large size packs of its competitors. The company also offered darker and brighter shades of paints which was preferred by the Indian masses compared to the pestle shades that European and only a small segment of higher income group Indian consumers preferred. This was a part of Asian Paints Ltd.'s strategy of market development and was success at it so much so that to-day it has grown to the leadership position in India.

Nirma, a small scale firm producing detergent washing powder served the lower end of the market, which was ignored by the large producers of detergents in India. This market development efforts made Nirma a name to reckon with in Indian detergent industry. Hindustan Lever Ltd. the erstwhile leader in the market was threatened so much that it went in for a Wheel brand of detergent to cater this segment of the market.

Continental Construction Co. Ltd. as a part of its market development had expanded its operation in Iraq. Unfortunately the gulf-war devastated the economy and routine life in Iraq, which had damaging consequences to the Continental Construction Co. Ltd.'s operations in Iraq. There was a loss incurred on account of damage to its assets during the war,
stoppage of operations, and relocation of the men and machineries. The company also suffered the loss of the future potential business in Iraq as Iraq's economy was in shambles and it would take years before it achieves normalcy.

Product Development

Standard Motors, the small car producer in the automobile industry before the liberalization changed its strategy in 1980s and instead of going in for product development of a technologically superior small car, went in for a large luxurious car 'Standard 2000', which R. Venkatraman, the then president of India, had described it as "a thing of beauty." The company not only failed to capture a reasonable market share and consumer acceptance of its new product, but failed in running its normal operations too and eventually closed down. A company runs a high risk when new product development is not based on its competence or competitiveness in the market. It is sure way to nullify the competitive advantage of the company.

ITC Ltd., when faced with increasingly hostile environmental conditions to its tobacco business, went in for diversification and entered the edible oil business. The entry into edible oil business and new product development was based on two major factors. One, the company had close links with farmers in Andhra Pradesh as well as conversant with the agro-climatic conditions and other aspects of agricultural production as these were necessary for the company to be aware of as a part of its raw material i.e. tobacco, procurement activity. Two, the company wanted to
take minimal risk of competition from the large groundnut oil producers, competing with whom would require large initial investments. So, the company opted for new product development of sunflower edible oil. ITC Ltd. was a success in the market on the strength of its Unique Selling Proposition of sunflower edible oil being good for health and hence being preferred in the developed countries in the west.

Nirma's strategy of offering a quality of product that market can afford was a success with its Nirma detergent washing powder. The company, hence, went in for a new product development of toilet soap to cater the lower end of the market and is successful at it.

Telco Ltd., when failed to materialize the collaboration with Mercedes Benz due to closing of the strategic window in 1980s, opted for new product development on its own. Telco Ltd. developed safe, sturdy, diesel based cars/utility vehicles on the strength of its competence in production of diesel based heavy commercial vehicles and came out with models- Tata Sierra, Tata Estate and Tata Sumo, all of which are success.

Arvind Mills Ltd. to bypass competition from the unorganized powerloom sector, focused on varieties of textiles which cannot be produced by the powerlooms and among others developed denim requiring high investments to produce denim of international quality standard. The denim was success in the market in India and abroad. Arvind Mills Ltd. not only survived the onslaught of the powerloom sector, but has turned out to become one of the largest denim producers in the world with its aggressive expansion plans in denim production.
Diversification

Horizontal Integration

Horizontal integration is expansion of an organization's operations having same or similar product line. Tata Oil Mills Co. Ltd., one of the leading companies manufacturing and marketing a range of popular brands of soaps and detergents, merged with Hindustan Lever Ltd., the multinational subsidiary, another leading company in the same industry. This horizontal integration for Hindustan Lever Ltd. added to its product range and brands it controlled in the market, resulting in further strengthening its dominant position in the market.

Soaps and detergent industry in India had witnessed significant events in the recent past. There was a rise of Nirma, a small scale producer threatening other leading producers. There was an entry of Proctor & Gamble, the leading company in the global market, with its highly aggressive advertising and marketing techniques and innovative and differentiated washing systems which made a significant dent in the market. In addition, it entered into strategic alliance with Godrej Soaps, another leading producer having many star toilet soaps brands in its fold. This posed a serious threat to Hindustan Lever Ltd., the leader in the market, which went in for a horizontal integration by acquiring the Tata Oil Mills Co. Ltd. This helped Hindustan Lever Ltd. not only increase its production and sales, but helped it gain a point in psychological warfare with its arch global competitor Proctor & Gamble, clarifying its
stand in no uncertain terms that Hindustan Lever Ltd. intends to and is committed to remain the leader in the Indian soaps and detergents market.

**Vertical Integration**

Reliance Industries Ltd., which had started its operations with knitted fabric production and textiles processing went in for a backward vertical integration and started producing woven textiles. Reliance Industries Ltd. continued its vertical integration and went in for production of synthetic yarn and fabric production, production of petrochemicals required for yarn production, oil refinery and oil production. Reliance Industries Ltd. is a classic case of growth through vertical integration in India. This helped Reliance Industries Ltd. keep control over costs as well as quality of raw materials at each stage of production. This also helped influence its competitors at each stage as Reliance Industries Ltd. became supplier to its competitors in various industries. This helped the company maintain high growth rate with the help of high profitability. To-day the company is number one company in terms of production, sales and profit.

**Marketing and/or Technology Related Concentric Diversification**

Hindustan Computers Ltd. (later HCL Ltd. and HCL-HP Ltd.) started its operation producing and marketing calculators and computers and soon became the leader in the Indian electronics industry. It became necessary for the company, being the leader, to offer other products required
by the clients. The company was familiar with and had competitive advantage in dealing with products such as printers, plotters and other office automation products and as they were both marketing and technology related, the company was success at it.

Conglomerate Diversification

Almost all the large business houses in India went in for conglomerate diversifications till the liberalization. Some still do. The reasons though are different. Now the conglomerate diversifications are based on sound business management considerations. Earlier they were, in most cases, the only option available. Though the conglomerate diversification is more difficult to manage, Indian business went in for it as a first choice on three major counts. One, the capacity expansion in existing business was difficult due to licensing system and government's policy to discourage concentration of economic power and factors of production. Two, India being a developing country, there existed huge untapped potentials in almost all markets and hence were seller's markets. Three, the Indian industries were protected from the foreign or global competition by the government and it was possible to survive in the industry inspite of being less efficient with regard to cost or quality of products. A single group like the Modis, manufactured products ranging from threads, tyres and cement. Tatas manufactured steel, automobiles, textiles, soaps, tea, salt. Birlas manufactured jute, cements, chemicals, automobiles, textiles, tyres, machineries. The list is endless.
The notable conglomerate diversifications seen in the post-liberalization era are in telecom industry, which is being privatised allowing entry of private sector firms both domestic as well as foreign. Of course no foreign firm can enter this industry without having a collaboration with an Indian firm. There exist a tremendous potential in this industry which can accommodate many large companies with good growth prospects. Many large business groups have entered telecom industry. As such it is risky for them to do so as they lack the experience of doing such business in the past; hence, it is logical for them to go in for strategic alliances with the foreign firms having experience in the telecom industry. The Indian groups which entered telecom industry among others are Reliance, Latas, Birlas, Essar, RPG, Arvind, Modi. Reliance group, which till date was found sticking to vertical integration, for once went in for this exception and diversified into unrelated business. With this entry, Reliance group too becomes a conglomerate.

Conglomerate diversifications are preferred when real or perceived growth potential of the existing business are limited or a new growth opportunity in unrelated business emerge which is found too tempting to resist or to objectively lessen the ill effects of industrial cycles.

Implementation

According to Bill Nixon "the mere possession of a corporate strategy, no matter how well formulated, is not sufficient to ensure corporate success....". Implementation of strategy, hence, is no less important than the formulation of strategy. Implementation also requires involvement of
all the people working in an organization, unlike as may be found in formulation process. This may also necessitate better communication and coordination. Implementation may also require greater dependence on the factors external to organization. These factors when turned hostile can make implementation impossible even though the organization may possess all the necessary resources to carry out the implementation of the formulated strategy. Advance formulation of strategy is advantageous whereas the same may not hold true for implementation. Implementation is most advantageous, when it is timely.

The famous "7-S framework" developed by Mc Kinsey & Co. Inc., USA. highlights the fact that strategy alone cannot significantly contribute to the competitive advantage of the company. The "7-S framework" is being used extensively to understand the interdependent seven variables; Strategy, Structure, Style, Systems, Staff, Skills and Shared Values; and their impact on performance of the organization.

There may also be cases where some unplanned actions are undertaken to respond to contingencies which turn out to be advantageous to an organization and is later termed to be the strategy or part of the strategy. This is implementation of strategy without its formulation. Or in the words of Henry Mintzberg - crafting strategy.

Successful strategy of an organization may not prove out to be success for another organization because if gone into details strategy is like fingerprints which cannot be duplicated. Orkay Ltd. was found to have almost same strategy as that of Reliance Industries Ltd. Orkay Ltd. had
become a shadow of Reliance Industries Ltd. and was growing following the growth of Reliance Industries Ltd. But before long Orkay Ltd. found itself in unfavorable conditions which the company found it difficult to come out from.

Calico on the other hand had excellent strategy formulated through all the 7-S but still was a failure. It was ahead of time. In its efforts to increase lead over its competitors, went ahead too bit and found it difficult to maintain the rhythm of growth it built over a century. It went in for implementation of many projects simultaneously at a time. This was the time it suffered rejection of a huge lot of textiles exported to Europe on the one hand and on the other hand had an accidental fire in a fiber plant at Baroda. Unreasonable delay in the settlement of its insurance claims as well as revision of credit limits by the banks corresponding to the restructuring of the group companies upset the working capital cycle jeopardizing implementation of all the projects and routine operations. Sarabhai family, which controlled the management of the company, had family squabbles, further leading to disbalances in the functioning of the company. Ultimately Calico fell sick and inspite of efforts by the Sarabhais, Government and others it could not survive.

Rhythm of growth of an organization is not only important for the growth of the organization but is important for the survival of the organization. Reliance Industries Ltd. is the company having highest assets, sales and profits in India as well as is growing at a high rate. This makes it appear the company so strong. But how much it is vulnerable
perhaps Dhirubhai H. Ambani, chairman may be knowing. To survive only, Reliance Industries Ltd. will have to grow at the same rhythm it has been growing.

URG Computers, a Sarabhai group company was among the pioneers dealing in computers in India. However, when opportune time of growth came, other companies grew exponentially but URG Computers could not be seen even on the horizon of the competition. The company failed to encash its strategy of diversifying into electronics due to poor implementation. Near bureaucratic style of functioning, shortage of funds, and poor market information system were major reasons.

NOCIL had a well formulated strategy of five-fold expansion plan of its ethylene manufacturing capacity with the project code named ‘Mango’. However, it lacked the political clout to carry out such mega project. Also the company faced with an aggressive new entrant allegedly creating barriers for NOCIL in implementing its project ‘Mango’. Hence, NOCIL failed to reap the benefits of its well formulated strategy.

Pavan Sachdeva, the chairman of M.S. Shoes company having excellent performance, tried to grow bit too much, too soon. He opted for a strategy of diversification into unrelated business of hotel industry. He roped in a collaborator like Intercontinental, of the US, a $4 billion US hotel chain, which earlier had a long association with Oberoi group and was having association with Taj group then. Though this was the strategy which could have catapulted him in a big league, but instead landed him behind the bars on the charges of manipulating share
prices of M.S. Shoes company in the capital market through unfair and illegal practices. It became evident that if he had not done what he did, he would have failed to generate resources required to implement his diversification project of setting up hotels. Every businessman may avoid such strategy resources for which he either does not have or could mobilize through fair and legal means. Such practice is not sustainable. Growth, if evolutionary is sustainable, otherwise it could be destructive.

DCM Data Products Co. Ltd., like QRG Computers, was one of the early birds in the Indian computer industry. This was certainly a well formulated strategy as computer industry was the sunrise industry. The company had the strength of the backing of the large DCM group and had skilled staff including persons of no less caliber than Shiv Nadar, Arjun Malhotra, Y.C. Vaida, D.S. Purie and Subhash Arora. Still the company was a failure in implementation of its strategy as the style of its functioning was not conducive to the exponential growth opportunities offered by the then Indian environment. Decision making process was slow, tedious and frustrating to the agile people working in it. This ultimately led the Shiv Nadar—Arjun Malhotra team to leave DCM Data Products Co. Ltd. to set up their own small but sensitive and vibrant company, Hindustan Computers Ltd. (HCL) in 1975. HCL with quickness of proper response to the fast changing environment grew fast to the position of a leader in the industry. In 1990, HCL went in for a strategic alliance with Hewlett-Packard (HP) to further strengthen its style, systems, skills and shared values.
Reliance Industries Ltd. could not have grown the way it did if formulation and implementation of strategy was done by Dhirubhai Ambani, chairman himself only. Its extraordinary growth could be credited to the comprehensive alignment it could maintain. The management of the company has a loose tight property. While the focus of the alignment must have been looked after by the chairman, there are strategic issues which are being dealt by the company in a manner that it appear that it is Dhirubhai himself who is responding to them, whereas there are strategic issues also which are responded to even by middle level management, which in case of other companies the top management would never dream of delegating such responsibilities to even senior level managers. The organizational skills in functioning with high degree of decentralization style under normal circumstances coupled with the quick transformation to highly centralized style of functioning in case of major emergencies, perhaps is the most important strength of the company.

Any company that grows large becomes stronger in many aspects but becomes weaker on the count of maneuverability due to the problems of communication and coordination. How to address to a large but geographically far flung fragmented organization is one of the major concerns of the most companies all over the world aligning with the emerging globalization of business and Indian companies are now no exceptions. The improved communication facilities, computer applications, and transportation facilities do help to ease the problems faced in implementation of strategy.
DCM group split and all the independent subgroups improved their performance to the extent that sum total of their performance was significantly better than that of the group undivided. Sometimes synergy works in reverse and it becomes necessary to break the large group to improve the maneuverability of its sub-groups.

The insufficient maneuverability may prove to be fatal too, as it happened in the case of Union Carbide (India) Ltd. The company’s failure in keeping foolproof check on its safety measures to the extent necessary led to the poisonous gas leakage, the worst kind of industrial accident in the world’s history of industrialization that resulted into deaths of more than 3000 innocent people and many more thousand handicapped. This not only destroyed the Union Carbide (India) Ltd. but adversely affected the parent company based in USA too. And the bad name it earned would be difficult to recoup from in the decades to come.

The banking industry is undergoing change and the chairmen of the leading nationalized banks are pleading for higher maneuverability in their operations in terms of rationalization of branch network and staff, reward and penalty to the staff etc. to compete effectively with the foreign and private sector banks.

Strategy formulation and strategy implementation are interdependent. Mechanical implementation of strategy or mechanical formulation of strategy both are destined to fail. Flexibility is required both in formulation as well as implementation of strategy. This flexibility removes the discrepancies which are in-built in them due to the con-
strains under which strategy is formulated or implemented. Strategy formulation or strategy implementation are not the end by themselves but are means to achieve the desired appropriate objective. Battles may be lost but the war must be won.

Sushil Handa and his team, one of the leading management, computer and engineering consultants in Ahmedabad approached financial institution with their best ever made proposals for loan to venture into pharmaceutical manufacturing business, but failed to get positive response. Frustrated, while sitting on parked scooters on the road outside the office of the financial institution, intuitively decided to approach the investors directly through capital market, which was bullish then. This was risky and risk they took and came out winner. To-day Sushil Handa’s Core group is the largest producer of the IV fluid bottles in India and is turning into a global corporation.