Strategy Implementation at GlaxoSmithKline

By

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Declaration

This research project is my original work and has not been submitted for a degree in any other University.

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This research project has been submitted for examination with my approval as a university supervisor.

Signed: [Signature] Date: 7/11/2009

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Dedication

To my beloved Dad Aiko and my Mum Kerubo who jump started my life and showed me the importance of studying in order to achieve great heights.

To my beloved wife Abigail and our children Deborah, Beverly and Emmanuel for their inspiration, moral support and enduring my absence even as I struggled to get this work completed.
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Abstract

Today, organizations in Kenya as well as elsewhere in the world operate under increasingly competitive and ever-changing environment. In order to survive and deliver goods and services effectively, they require engaging in effective strategic management process and more so on strategy implementation. Successful strategy implementation demands for the identification of measurable, mutually determined annual objectives, development of specific functional strategies and communication of concise policies to guide decisions. Coupled with this, the organization's structure, leadership and sound financial base equally play critical role.

The study sought to determine the factors that influence strategy implementation in GSK. The nature of data collected was qualitative and was analysed qualitatively using content analysis based on the meanings, implications emanating from the respondents' information on strategy implementation. Several factors such as corporate policy, financial resources, human resource capabilities, communication systems, annual work plans and changes in the environment were explored.

The above stated factors were used to propose the background of the study, problem statement, objectives formulation, development of conceptual framework, design of methodology, data collection instruments, presentation of analyzed data and summary of the study results.

This was a case study design. As an in-depth investigation of an individual, institution or phenomenon, primary data was favoured over the secondary data. Qualitative data collected was analyzed using content analysis. Content analysis as a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding was deemed best suitable for the study.

The findings from this study clearly show that GSK has documented all the necessary tools for successful strategy implementation. These include formulation and documentation of annual objectives, policies and functional strategies. There is also further evidence that GSK changes her policies, structures and undertakes staff training in order to deal with new strategies and deal with emerging challenges during implementation.
The findings and recommendations of this study if implemented will be far useful in providing a competitive edge for GSK and ultimately improve the financial performance and productivity.

The study was successfully undertaken but not without limitations. Since the study was a case study design, the research findings cannot be generalised for other firms in the pharmaceutical industry. The study was carried out within limited time. This constrained the scope as well as the depth of the research.

Even though the researcher carried out an in-depth study, it was broad and dealt with various aspects that influence strategy implementation. Further research could be carried out on Strategy Implementation in other major pharmaceutical companies. Alternatively, each of the factors that influence strategy implementation can be analysed in greater detail. Additionally, a cross section survey could also be carried out for a longer period of time to make the findings more generalizable.
CHAPTER ONE: INTRODUCTION

1.1 Background

1.1.1 Strategy Implementation

In these days of international inflation, resource depletion and global interdependence, a strategic manager must either find or create increasingly sophisticated tools and models to guide his enterprise. Strategic managers have been found to use sophisticated tactics to implement strategic plans, but seem to limit their effectiveness by applying them indiscriminately in managing the future of an organization. Effective strategy formulation and implementation are crucial in directing the whole business of an organization. The assessment of strategy formulation process becomes crucial for practitioners and researchers alike in order to conduct and evaluate different formulation processes (Olson, 2005).

Howe (1996) argues that strategy implementation entails the transformation of strategy into administrative and operating decisions that are constantly undergoing monitoring and evaluation. (Johnson and Scholes, 1997), on their part define strategy implementation as an activity that embraces all those actions that are necessary to put a strategy into practice. It involves identification of key tasks to be performed, allocation of tasks to individuals, providing for coordination of separated tasks, design and installation of appropriate management systems and drawing up specific programmes of action.

In view of the foregoing statements, strategy implementation is vital to survival in a turbulent business environment. Organizations exist in a complex commercial, economic, political, technological, cultural and social environment, more complex to some organizations than others. The success of every organization is therefore determined by its response to the environment. To obtain and retain a competitive advantage, organizations have found it necessary to examine their environment both internal and external and respond accordingly by formulating appropriate strategies as well as ensuring their successful implementation (Ansoff, 1984).

For successful strategy implementation, three interrelated themes ply a crucial part. They include, identification of measurable, mutually determined annual objectives, development of specific functional strategies and communication of concise policies to guide decisions, coupled with this, the organization’s structure, leadership and corporate culture play a significant role in the success of strategy implementation (Johnson and Scholes, 1997)
In the past, numerous researchers in strategic management bestowed great significance to the strategic formulation process and considered strategic implementation as a mere by-product or invariable consequence of planning (Wind and Robertson, 1983). Fortunately, insights in this area have been made recently which temper our knowledge of developing strategy with the reality of executing that which is crafted (Olson et al. 2005). However, as strategy implementation is both a multifaceted and complex process, it is only by taking a broad view that a wide span of potentially valuable insights is generated.

Research emphasising strategy implementation is classified by Bourgeois and Brodwin, (1984) as part of the first wave of studies proposing structural views as important facilitators for strategy implementation success. Beyond the preoccupation of many authors with firm structure, a second wave of investigations advocated interpersonal processes and issues as crucial to any strategy implementation effort (Noble and Makwa, 1999).

The fatal problem with strategy implementation is the de facto success rate of intended strategies. In research studies it is as low at 10 percent (Judson, 1991). Despite this abysmal record, strategy implementation does not seem to be a popular topic at all. In fact, some managers mistake implementation as a strategic afterthought and a pure top-down-approach. Instead, management spends most of its attention on strategy formulation. This can be documented by the focus on strategy formulation in strategic management literature. To resolve this, strategic management should accomplish its very own shift of emphasis by moving from a 90:10 concern with strategy formulation relative to implementation to a minimum 50:50 proportion with each (Grundy, 1998).

The ten most frequently occurring strategy implementation challenges include, underestimating the time needed for implementation and major problems surfacing that had not been anticipated. In addition, uncontrollable factors in the external environment account for adverse impacts (Alexander, 1985).

1.1.2 Pharmaceutical Industry in Kenya

The pharmaceutical industry in Kenya consists of three segments namely the manufacturers, distributors and retailers. All these play a major role in supporting the country’s health sector, which is estimated to have about 4,557 health facilities countrywide (International Research Network, 2005).
Kenya is the largest producer of pharmaceutical products in the Common Market for Eastern and Southern Africa (COMESA) region, supplying about 50% of the region’s market. Out of the region’s estimated 50 recognised pharmaceutical manufacturers approximately 30 are in Kenya. It is approximated that about 9,000 pharmaceutical products have been registered for sale in Kenya. These are categorized according to particular levels of outlet as free-sales/OTC (Over-The-Counter), pharmacy technologist dispensable, or pharmacist dispensable/prescription only (Economic Survey, 2004).

According to International Research Network (2005), the patent protection of pharmaceuticals in Kenya is based on the African Regional Industrial Property Organization (ARIPO) patent system. Kenya’s patent laws have been revised from the traditional British based format to the ARIPO system, which was created by the Lusaka agreement in 1976. ARIPO is based in Harare, Zimbabwe; the organisation was mainly established to pool the resources of its member countries in industrial property matters together in order to avoid duplication of financial and human resources. Additionally, the Kenyan government passed the Kenya Industrial Property Bill in 2001. This bill allows Kenya to import and to produce more affordable medicines for HIV/AIDS and other diseases.

The pharmaceutical sector consists of about 30 licensed concerns include local manufacturing companies and large Multi National Corporations (MNCs), subsidiaries or joint ventures. Most are located within Nairobi and its environs. These firms collectively employ over 2,000 people, about 65% of who work in direct production. The industry compounds and packages medicines, re-packes formulated drugs and processing bulk drugs into doses using predominantly imported active ingredients and excipients. The bulk of locally manufactured preparations are non-sterile, over-the-counter (OTC) products. The number of companies engaged in manufacturing and distribution of pharmaceutical products in Kenya continue to expand, driven by the Government’s efforts to promote local and foreign investment in the sector (Burshan, 2001).

The Kenya Medical Suppliers Agency (KEMSA), a division of the Ministry of Health, largely carries out the distribution of pharmaceutical products in Kenya. It distributes drugs to government public health facilities and private health facilities. KEMSA has been an autonomous body since 1st July 2003. Its policy is to make available essential drugs and equipment primarily but not exclusively, to public facilities. KEMSA competes with other
suppliers, e.g. the mission based medical supply facility (MEDS) and private wholesalers (Central Bureau of Statistics, 2003).

Pharmaceutical products in Kenya are channelled through pharmacies, chemists, health facilities and shops. There are about 700 registered wholesale and 1,300 retail dealers in Kenya, manned by registered pharmacists and pharmaceutical technologists. The drugs on sale in Kenya are sold according to the outlet categorization, which can be described as free-sales/OTC, pharmacy technologist dispensable, or pharmacist dispensable/prescription only.

The products manufactured by the pharmaceutical companies in the country for both local and international markets include Antibiotics, Antimalarials, Antiamoebics, Analgesics, Antidiarrheals, Antacids, Tranquillizers, Antispasmodics, Vitamins and Antiulcers. These drugs are used in various medical areas including Anti-Infective, Gastrointestinal, Analgesic/Anti-inflammatory, Cardiovascular and Respiratory therapeutic segments. The pharmaceutical sector in Kenya is also engaged in assembling capsules, disposable syringes, Paracetamol, and surgical gauze amongst others (Kenya Coalition on Access to Essential Drugs, 2006).

Development in production of pharmaceuticals has been enhanced by the decision by GlaxoSmithKline PLC (GSK) to license Cosmos Ltd, a Kenyan company to produce generic versions of two of its life-prolonging AIDS drugs Zidovudine and Lamivudine, as well as a combination of the two, for sale in Burundi, Kenya, Rwanda, Tanzania and Uganda. Kenya becomes the second African country after South Africa to start producing generic antiretroviral drugs in the continent. Production of these drugs by Cosmos Ltd. started in October 2004 although GlaxoSmithKline will also continue manufacturing Zidovudine and Lamivudine in Kenya (Kenya Coalition on Access to Essential Drugs, 2006).

According to Burshan, 2001, the market for pharmaceutical products in Kenya is estimated at KShs 8 billion per annum. The government, through Kenya Medical Supplies Agency (KEMSA) is the largest purchaser of drugs manufactured both locally and imported, in the country. It buys about 30% of the drugs in the Kenyan market through an open-tender system and distributes them to government medical institutions. There are about 700 registered wholesale and 1,300 retail dealers in Kenya, manned by registered pharmacists and pharmaceutical technologists. These pharmacies are accorded a 25% mark-up on retail drugs.
Anti-infective products (chiefly antibiotics, antimalarials, Sulfonamides), analgesics, antipyretics, bronchial relaxants and Cytotoxins account for the bulk of government and private sector purchases of medicines in the Country. Kenya enjoys preferential access to the regional market under a number of special access and duty reduction programmes related to the East African Community (EAC) and the Common Market for Eastern and Southern Africa (COMESA) among others.

According to the Ministry of planning through the Central Bureau of Statistics, Kenya largely imports medicinal and pharmaceutical products from sources such as Great Britain, India, Germany, France, the USA and Switzerland. Importers are expected to meet legal requirements, which include:

- Provide samples to the Kenya Bureau of Standards (KEBS) for quality checks and registration
- Meet the regulations of the national policy, which has been adopted by the MOH. This includes an essential drugs list, using WHO guidelines, whose objective is to promote the availability of quality pharmaceutical products at affordable prices.
- Pass regulatory quality control, monitoring and market surveillance as stipulated by the Pharmacy and Poisons Board and the National Drug Quality Control laboratory.

The Pharmaceutical Society of Kenya issues licenses to pharmacists, as well as ensuring the drug store managers are members of the Pharmaceutical Society of Kenya (PSK) and have sworn allegiance to the pharmacy practitioners' professional oath. PSK equally plays the role of raising queries as and when they believe its members are committing malpractices (International Research Network, 2005).

There is no denying that the pharmaceutical industry in Kenya is highly regulated and competitive. Industry players require huge investment, highly trained personnel and well thought out strategies to survive and compete effectively. GSK as a major player has been innovative and taken lead in shaping the competition terrain in the industry.

1.1.3 GlaxoSmithKline

GlaxoSmithKline is a UK based second largest pharmaceutical & healthcare company in the world Headquartered in the UK and having listing on both New York stock exchange and London stock exchange. GSK is one of the industry leaders, with an estimated seven per cent of the world's pharmaceutical market. GSK is the only pharmaceutical company researching both
medicines and vaccines for the World Health Organization’s three priority diseases HIV/AIDS, tuberculosis and malaria (GSK Annual Report, 2008)

According to GSK’s annual report of 2008, the company employs over 100,000 people, has more than 80 manufacturing sites in 37 countries, and makes almost four billion packs of medicines and healthcare products each year. GSK spends £8 million (US$14 million) on research and development each day. That translates to around £300,000 (US$562,000) every hour.

GSK is devoted to discovering and developing new and innovative medicines, vaccines and health care products for people around the world. Every day, GSK strives to improve the quality of human life by enabling people to do more, feel better and live longer. GSK is divided into two different business units based on the product portfolio. On one hand we have GSK Consumer Healthcare and Pharmaceutical business on the other hand (GSK Annual Report, 2008).

In the Pharmaceutical business portfolio, GSK’s key products target five major disease areas including, respiratory illnesses, diabetes, viral control, infections, and central nervous system disorders. GSK is also a leader in the important area of vaccines and currently developing new treatments for cancer.

GlaxoSmithKline Consumer Healthcare a leader in the worldwide consumer healthcare market is the consumer part of the business. GSK’s Consumer Healthcare brand names such as Tums, Gaviscon, Sensodyne, Aquafresh toothpastes, Spectro Jel skincare products, Polident, Poli-Grip denture care products and Contac are household names in the United States and around the world. In one year GlaxoSmithKline Consumer Healthcare produces among many others nine billion tablets to relieve stomach upsets and 600 million tubes of toothpaste.

The driving force behind the company’s business is science. With a dedicated research and development department, local regulatory affairs and quality operations, the business takes scientific innovation as seriously as marketing excellence and offers leading-edge capability in both. The company has its presence globally through fully owned subsidiaries and branches. GlaxoSmithKline Kenya is one of those subsidiaries serving east and central Africa. Strategic decisions are normally decided at the headquarters and communicated as appropriate (GSK Annual Report, 2008). Over the last century, GSK has grown tremendously. The growth has been largely attributed to successful strategic implementation among other factors. For the last decade alone,
the company has undertaken several strategic changes to attain a world class status. Some of the strategic changes saw the company going through major mergers and a number of integration processes.

The mergers wave in the pharmaceutical industry started late in the decade of 1980 when SmithKline Beckman and Beecham merged. SmithKline Beckman itself was the result of the 1982 merger of SmithKline (originally Smith, Kline & French) and Beckman Instruments. This merger was categorized as merger of equal because both companies had equal capitalization of £3.5 billion. SmithKline was unable to restore the income from its core drug, Tagamet, but had an aggressive sales force in the US. Beecham, a consumer goods Company, got success in its early research attempt on antibiotics, but had no competencies to become a major pharmaceutical player. Their merger resulted in an organization with an international marketing presence. Glaxo's acquisition of Wellcome produced only short-term savings but no long-term growth (GSK Corporate Review, 2001).

According to GSK's Corporate Review 2001, Glaxo, originated in New Zealand, where it was founded in 1873 by Joseph Nathan, who already knew the merging strategies way back before Glaxo welcome was created. In 1995, Glaxo took over Wellcome for £9bn, in what was then the biggest merger in UK corporate history. Wellcome Foundation established in 1936 had been financing medical research by the time of the merger and appeared lucrative enough. The merger created Glaxo Wellcome a formidable pharmaceutical company.

In January 2000, Glaxo Wellcome and SmithKline Beecham announced their $76bn proposed merger and shareholders approved by 99 per cent majority of shareholders, which was expected to give the combined company a global market share of 7.3 per cent and an R&D budget of $4bn. Theoretically, it was a horizontal merger which created a global pharmaceutical giant, GlaxoSmithKline.

The process of integration as a general strategy took a centre stage in the mergers and acquisitions that has resulted into the creation of GlaxoSmithKline. The company has consistently kept changing its strategies to comply with the changes in the environment. This has been achieved by changing the organization's current mission, objectives, and strategies, analyzing the environment, identifying the opportunities and threats, analyzing the organization's resources, identifying the strengths and weaknesses, formulating and implementing strategies, and evaluating results (GSK Corporate Review, 2001).
1.2 Problem Statement

Today, organizations in Kenya as well as elsewhere in the world operate under increasingly competitive and ever-changing environment. In order to survive and deliver goods and services effectively, they require engaging in effective strategic management process. All organizations must grapple with the challenges of changing environment in which they operate (Machuki, 2005). Various organizations develop and formulate their strategies variously. Whatever the process, each organization ends up with what is called a strategy.

Crafting and formulating a strategy represents just but the easy part. Implementing it does pose tremendous challenges. Implementing strategies ultimately translates to changing the way things are done and may evoke sensitiveness as any change in an organization disrupts the status quo. Fred (1979) points out that successful strategy formulation does not guarantee successful implementation. He further argues that it is always more difficult to do something (implementation) than to say you will do something (formulation). Much more effort, resources and commitment are required at the implementation phase. Successful implementation is therefore a challenge that demands patience, stamina and energy from the involved managers. The key success here is an integrative view of the implementation process (Raps and Kauffman, 2005). This explains why many companies begin major new strategic initiatives but more often than not, end up having little impact on the management of organizations (Lynch 2003).

A number of studies have been done on strategy implementation (Machuki, 2005; Situma, 2006; Muturi, 2005; Muguni, 2007; Kamanda, 2006). These studies have mainly focused on the challenges and barriers to strategy implementation. These studies have not, equally provided sufficient answers to how strategy can be effectively implemented within the pharmaceutical companies. In general, strategy implementation in the pharmaceutical companies has not received much attention by researchers and hence permeating a significant knowledge gap. As regards to GSK, strategy implementation has continuously played a key role in successful strategic management change. Notably, during the merger that created GSK, strategic implementation was singled out as the greatest contributor the successful closure of the merger and a creation of new entity. Increased research in this area is necessary to unveil what entails success in strategy implementation and provide answers to the following research question: what factors influence strategy implementation at GSK?
1.3 Objectives of the Study

The main objectives of the study were two fold. Specifically, the study sought to:

i) Establish the process of strategy implementation in GlaxoSmithKline.

ii) Determine the factors that influence strategy implementation in GlaxoSmithKline.

1.4 Importance of the Study

The findings of this study may go towards filling the existing information gap on strategy implementation in GlaxoSmithKline. More specifically, it is envisaged that the study will play three key roles.

Bridge the knowledge gap on strategy implementation within GlaxoSmithKline and make necessary recommendations for further research.

Provide vital information to policy makers on the dynamics in the pharmaceutical industry as regards to the process of strategy implementation. They will gain guidance from this study in designing appropriate policies that will regulate the company.

Provide information to potential and current scholars on strategic management in the pharmaceutical industry. This will expand their knowledge on strategy implementation in the industry.
CHAPTER TWO: LITERATURE REVIEW

2.1 The concept of Strategy

According to early scholars in this field such as Andrews (1971), strategy is a rational decision-making process by which the organization's resources are matched with opportunities arising from the competitive environment. Others, such as Aldrich (1979), state that the environment has a strong deterministic influence on the strategy-making processes in organizations. On the other hand, proponents of the resource-based view argue that it is not the environment but the resources of the organization which form the foundation of firm strategy (Olson, 2005). Despite the differences, all these frameworks have one thing in common which is that they all aim at maximizing the performance of an organization by improving its position in relation to other organizations operating in the same competitive environment. This, however, becomes more and more difficult as the level of competition in different competitive environments continues to intensify.

There is a growing cognizance that in highly dynamic environments, traditional approaches to strategy development often do not lead to the intended results, and that organizations must move towards a more dynamic concept as the underlying conditions change before formulated strategies can be fully implemented (Fuerer and Chaharbaghi, 1994). However, the way in which a dynamic approach to strategy development can be achieved is not clear.

Many of the concepts that form the basis of current understanding of strategy development were developed during the first half of the twentieth century. Examples include Fredrick Taylor's work on efficiency, the rapid growth of forecasting and measurement techniques during the 1930s and the development of organizational structures and the transformation from production to demand-driven organizations after the Second World War. In 1951, Newman was the first to demonstrate the nature and importance of strategy (Newman, 1951). His work was soon expanded by others. In the early 1960s Ansoff (1965) laid the foundations for strategic planning by demonstrating the need to match business opportunities with organizational resources and illustrating the usefulness of strategic plans.

This early phase was followed by a phase of generalization in which researchers attempted to identify common patterns of success. These studies culminated in a large number of strategy
tools and frameworks that are still used for analysis purposes today. In the 1980s, the focus shifted from strategic planning towards strategic management (Schendel and Hofer, 1979). Led by Porter (1980, 1985), a broad range of concepts and techniques evolved which were aimed at building and sustaining competitive advantage by anticipating and exploiting business opportunities. In parallel, increasing attention was given to the issue of strategy implementation.

Major contributions which resulted from work carried out on strategy implementation during this time include the value chain concept (Porter, 1985) and the 7S framework (McKinsey and Company, 1986) which helps in developing of internal issues that need to be addressed to achieve the organization's goals. During the 1970s and 1980s researchers increasingly recognized that strategy development cannot be regarded as a simple design mechanism but that different strategy processes may exist in different organizations and the there may be a gap between the intended and achieved strategy. As the speed of change and the level of uncertainty in the competitive environments further increased it was realized that it is not possible to determine a strategic direction for an organization on a systematic basis but that organizations must constantly adapt to fast-changing circumstances and, hence, move towards dynamic strategy development.

There is now a growing cognizance that no single strategy process or single strategic capability will lead to a sustainable competitive advantage. Organizations increasingly have to adjust dynamically their characteristics to the requirements of the environment by constantly changing their strategies and strategic capabilities. Recent research has shown that organizations achieve superior results if they can select from a wide range of strategic capabilities rather than concentrating on a single capability or process (Fuerer and Chaharbaghi, 1997).

The focus of strategy research is once again shifting away from identifying drivers of organization success towards maximizing the change potential of an organization. Mintzberg argues that the role of strategists has to change from that of planners and strategy creators to that of strategy finders, knowledge generators and catalysts of change and that strategic planning must be replaced by strategic thinking (Fuerer and Chaharbaghi, 1997). Ansoff (1992) on the other hand, stresses that the classical understanding of strategic planning must be replaced by a more dynamic understanding that focuses on strategic issues and calls for a simplification of the strategic process. This implies that strategy formulation can no longer be separated from strategy implementation because of the speed which is necessary to exploit opportunities in the competitive environment. Fuerer and Chaharbaghi, (1997) further points out that “too much
analysis can be harmful by the time an opportunity is investigated fully, it may no longer exist”,
and proposes an entrepreneurial approach even for large corporations.

Other researchers have highlighted that superior performance does not originate from strategies
which have been successful in the past. Successful organizations are those organizations which
focus on new concepts, creativity and strategy innovation. Such an approach in turn requires the
involvement of a large number of individuals, strategic knowledge generation throughout the
organization and the application of a systems thinking approach to strategy development. This
change in the understanding of strategy formulation and implementation is also reflected in the
increasing amount of research that is directed towards organization learning, the emergence of
new organization structures and the importance given to the redesign of business processes in the
context of strategic change (Fuerer and Chaharbaghi, 1997).

Despite the increasing awareness for a more dynamic approach to strategy formulation and
implementation, research up-to-date provides little guidance on how such an approach may be
realized. Only a small number of concepts have been proposed which sketch out the basic
parameters for a dynamic approach (Fuerer and Chaharbaghi, 1997).

2.2 Strategic Management Process

Strategic management is an ongoing process to develop and revise future oriented strategies that
allow an organization to achieve its objectives, considering its capabilities, constraints, and the
environment in which it operates (Fuerer and Chaharbaghi, 1997). Diagnosis includes
performing a situation analysis (analysis of the internal environment of the organization),
including identification and evolution of current mission, strategic objectives, strategies, and
results, plus major strengths and weakness. Analyzing the organization’s external environment,
including major opportunities and threats and identifying the major critical issues, which are a
small set, typically two to five, of major problems, threats, weaknesses, and/or opportunities that
require particularly high priority attention by management.

Formulation, the second phase in the strategic management process, produces a clear set of
recommendations, with supporting justification, that revise as necessary the mission and
objectives of the organization, and supply the strategies for accomplishing them. In formulation,
we are trying to modify the current objectives and strategies in ways to make the organization
more successful. This includes trying to create “sustainable” competitive advantages although
most competitive advantages are eroded steadily by the efforts of competitors.
A good recommendation should be effective in solving the stated problem(s), practical (can be implemented in this situation, with the resources available), feasible with a reasonable time frame, cost-effective, not overly disruptive, and acceptable to key "stakeholders" in the organization. It is important to consider "fits" between resources plus competencies with opportunities, and also fits between risks and expectations.

2.3 Strategy Implementation

Recognition has been established both within the academic literature and in the business media that the implementation of a strategy is a key factor in determining business performance (Walker and Ruekert, 1987). Yet, the nature of implementation and the reasons for its success or failure are poorly understood (Noble and Mokwa, 1999). A wide range of views and definitions of strategy implementation has been forwarded. Some have characterized implementation as a relatively mechanistic enactment of a plan (Wind and Robertson, 1983). Others have emphasized interpersonal and behavioural elements associated with the process (Franwick., 1994; Workman, 1993). Noble and Mokwa (1999), however, define strategy implementation as the communication, interpretation, adoption, and enactment of a strategy or strategic initiative. In contrast, Greenley (1986) contends that strategy implementation requires a transition from ‘planning’ to ‘doing’, requiring a change from following a sequence of planning stages to executing a range of activities.

There has been no consensus in business on the definition of strategy implementation. Mintzberg (1994) describes implementation as the process of proselytizing deliberate and emergent strategy into realized strategy. Wind and Robertson (1983), exemplify the common treatment of implementation as a final stage in the strategy process. Implementation has also been defined as, “...the way in which a company creates the organizational arrangements that allow it to pursue its strategy most effectively” (Hill and Jones, 1998, p.347).

In general terms, strategy implementation is a series of actions aimed at putting a selected strategy to work. It is an important part of the strategy process, but has often been allocated a secondary status to formulation of strategy and choice of strategic direction (Chebat, 1999). However, strategic implementation is a key element of the strategy process and is, arguably, the most important of all (Carnall, 1986). Cespedes (1991) suggests that strategy implementation concerns the ‘how-to-do-it’ aspects such as organizational issues, the development of specific programs, and the execution of these. He refutes the belief that strategy formulation necessarily
precedes implementation and suggests that the relationship between these two sets of activities is inherently reflexive and iterative. Johnson and Scholes (2004) take this idea further by suggesting that the formulation and implementation of an action can converge in time and occur simultaneously. They explain such a convergence as ‘improvisation’ and suggest that the narrower the time gap between composing and executing, the more the act is improvisational.

The main functions of strategic management have been explained by Robbins and Coulter (1996) as identifying the organization’s current mission, objectives, and strategies, analyzing the environment, identifying the opportunities and threats, analyzing the organization’s resources, identifying the strengths and weaknesses, formulating and implementing strategies, and evaluating results.

Strategic decisions determine the organizational relations to its external environment, encompass the entire organization, depend on input from all of functional areas in the organization, have a direct influence on the administrative and operational activities, and are vitally important to long-term health of an organization (Shirley, 1982).

According to Schermerhorn (1989), strategies must be well formulated and implemented in order to attain organizational objectives. Schermerhorn (1989) determined that the strategy implementation process included the many components of management and had to be successfully acted upon to achieve the desired results. Here, the critical point is that effective and successful strategy implementation depends on the achievement of good “fits” between the strategies and their means of implementation.

Robbins and Coulter (1996) have taken into consideration that no matter how effectively a company has planned its strategies, it could not succeed if the strategies were not implemented properly. Simons and Thompson (1998) also clarified that the more ineffective the top management decisions, the more ineffective are the choices made at lower levels of management. Similarly, if top management’s strategic choices tend to be successful, it reflects favourably on choices made in other parts of the organization. Simons and Thompson (1998) refer to three categories of factors that affected strategic decision-making process: environmental factors; organizational factors; and decision-specific factors.
Here, environmental factors mean external agents such as national culture, national economic conditions, and industry conditions. Organizational factors refer to organizational structure, organizational culture, structure of decision making bodies, impact of upward influence, and employee involvement. Decision-specific factors can be explained as time, risk, complexity, and politics. According to Porter (1979) strategists must assess the forces affecting competition in their industry and identify their company’s strengths and weaknesses, then strategists can devise a plan of action that may include first, position the company so that its capabilities provide the best defence against the competitive force; and/or second, influencing the balance of the forces through strategic moves, thereby improving the company’s position; and/or third, anticipating shifts in the factors underlying the forces and responding to them, with the hope of exploiting change by choosing a strategy appropriate for the new competitive balance before opponents recognize it.

Beer et al (1990), and Woolridge and Floyd (1990) emphasized that strategy implementation could be more difficult than thinking up a good strategy. Harrison and Pelletier (1998) explained that the real value of a decision surfaced only after the implementation of a decision. In other words, it will not be enough to select a good decision and effective results will not be attained unless the decision is adequately implemented. Hitt and Tyler (1991) argued that it was essential that strategic level manager’s demographic characteristic should have been explained for the formulation and implementation of strategic decisions.

Wessel et al. (1993) stated that there were mostly individual barriers to strategy implementation such as too many and conflicting priorities, insufficient top team functions, a top down management style, inter-functional conflicts, poor vertical communication, and inadequate management development. Eisenstat (1993) pointed out that most companies trying to develop new organization capacities failed to get over these organizational hurdles: competence, coordination, and commitment. Sandehmds (1994) indicated that there were difficulties to conjecture the commitment, time, emotion, and energy needed to translate plans into action. McGrath et al. (1994) explained that the political turbulence might be the most important issue facing any implementation process. Lingle and Schieman (1994) stated that market, people, finance, operation, adaptability, and environmental factors play a vital role to long-term successful strategy implementation.

Christensen and Donovan (1998) mentioned that intended strategies would be implemented as they have been envisioned if three conditions were met. First, those in the organization must
understand each important detail in management's intended strategy. Second, if the organization is to take collective action, the strategy needs to make as much sense to each of the members in the organization as they view the world from their own context, as it does to top management. Finally; the collective intentions must be realized with little unanticipated influence from outside political, technological, or market forces.

Peng and Liteljohn (2001) noted two dimensions of strategy implementation: structural arrangements, and the selection and development of key roles. According to Govindarajan (1989), effective strategy implementation is affected by the quality of people involved in the process, Peng and Litteljohn (2001) claimed the quality of people as skills, attitudes, capabilities, experiences and other characteristics required by a specific task or position.

McKinsey's (1982) model describes the seven factors critical for effective strategy execution. The 7-S model identifies the seven factors as strategy, structure, systems, staff, skills, style/culture, and shared values. Strategy is the positioning and actions taken by an enterprise, in response to or anticipation of changes in the external environment, intended to achieve competitive advantage. Structure refers to the way in which tasks and people are specialized and divided, and authority is distributed; how activities and reporting relationships are grouped; the mechanisms by which activities in the organization are coordinated (Kaplan, 2005).

Systems refer to the formal and informal procedures used to manage the organization, including management control systems, performance measurement and reward systems, planning, budgeting and resource allocation systems, and management information systems. Staff refers to the people, their backgrounds and competencies; how the organization recruits, selects, trains, socializes, manages the careers, and promotes employees. Skills refer to the distinctive competencies of the organization; what it does best along dimensions such as people, management practices, processes, systems, technology, and customer relationships (Kaplan, 2005).

Style or culture refers to the leadership style of managers - how they spend their time, what they focus attention on, what questions they ask of employees, how they make decisions; also the organizational culture (the dominant values and beliefs, the norms, the conscious and unconscious symbolic acts taken by leaders (job titles, dress codes, executive dining rooms, corporate jets, informal meetings with employees). Lastly, shared values refer to the core or fundamental set of values that are widely shared in the organization and serve as guiding
principles of what is important; vision, mission, and values statements that provide a broad sense of purpose for all employees (Kaplan, 2005). The 7-S model posits that organizations are successful when they achieve an integrated harmony among three "hard" "S's" of strategy, structure, and systems, and four "soft" "S's" of skills, staff, style, and super-ordinate goals (now referred to as shared values) (Kaplan, 2005).

Lynch and Cross (1995) identify three criteria that must be met by performance management systems if they are to effectively mediate between an organization's strategy and its day-to-day activities. These "necessary" conditions comprise: that the system must explicitly link operational targets to strategic goals; it must integrate financial non-financial performance information; and the system should focus business activities on meeting customer requirements. It is asserted that the balanced scorecard model fundamentally meets all of these criteria by providing a "truly strategic control system" (Mooraj et al., 1999, p. 486) that "puts strategy and vision at the centre" (Kaplan and Norton, 1992, p. 79).

Successful strategy implementation, as suggested, requires sound mechanisms for directing activity and behaviour Goold (1991), especially including effective communication systems as well as appropriate strategic and management controls. The balanced scorecard's four perspectives as manifested in Kaplan and Norton's (2004, p. 10) strategy maps provide "a level of granularity that improves clarity and focus" thereby creating clear direction and, potentially, through the development and publishing of the strategy map, facilitate understanding and coordination across the organisation.

The importance of enabling sound "two-way" communications within organisations is seen as fundamental to the effective implementation of strategy (Rapert et al., 2002), with a particular emphasis on facilitating useful feedback and "bottom-up" messages (Otley, 1999). The process of creating an organisational balanced scorecard essentially commences with a full strategic appraisal and the clear articulation of the organization's strategic vision and objectives (Kaplan and Norton, 1992; Atkinson and Brander Brown, 2001), this process can in itself build consensus and engender learning which can be of enormous value (Neely et al., 2000).

Through this process of definition and communication of core values throughout an organisation, moreover, the Balanced Scorecard provides an effective "boundary" control system (Mooraj et al., 1999).
Then, as the balanced scorecard approach makes explicit the "cause and effect" of a strategy, it also usefully converts strategic aims into tangible objectives and measures (Brander Brown and McDonnell, 1995; Kaplan and Norton, 1996b; Martinson et al., 1999). At this stage, moreover, if the scorecard is implemented participatively with measures identified and targets set cooperatively rather than imposed (Decoene and Bruggeman, 2006), actively supports organisational learning and reflection, which encourages "interactive" control through the testing of "cause and effect" relationships (Mooraj et al., 1999). This also enables front line managers to have a "basis for selecting among the diverse opportunities they might face" (Bartlett and Goshal, 1996, p. 39) and resisting the distraction of other activities (Alexander, 1985; Beer and Eisenstat, 2000).

The process of building and utilizing the scorecard provides an opportunity to identify priorities and reconcile different, stakeholder demands as well as enhancing strategic feedback and learning (Denton and White, 2000), thus also enabling effective "diagnostic" control (Simons, 1994) through the monitoring of financial and other "Jag" indicators against pre-set targets (Mooraj et al., 1999): In addition to substantially meeting Lynch and Cross' (1995) necessary conditions, the balanced scorecard appears to offer a range of additional attributes that may also support successful strategy implementation. It has been shown that the keys to enabling such communications are an organisation's "middle managers" who have been shown to play "a pivotal role" (Aaltonen and Ikavalko, 2002, p. 417) and are viewed as strategic "actors" (Bartlett and Goshal, 1996) playing an important role in strategic transformation.

The scorecard approach encourages the establishment of co-ordinated scorecards at every level of an organisation which, when implemented properly, engage middle managers. Such a process not only necessitates considerable active communication involving everyone within an organisation (Alexander, 1985; Aaltonen and Ikavalko, 2002), it also permits the useful integration of such scorecards with management and employee incentive programmes (Denton and White, 2000), potentially involving the development of individual/personal scorecards which can be positively utilised to align personal and organisation goals and encourage "ownership" (Mooraj et al., 1999; Norreklit, 2000). Noble states that, "the degree, of involvement across the organisation appears to be a predictor of implementation success" (Noble, 1999, p. 132); the scorecard facilitates this involvement throughout the strategy implementation process.
It is further suggested that the balanced scorecard approach should be viewed as a template not a strait-jacket (Kaplan and Norton, 1996, p. 34). Such a standpoint potentially offers organisations a considerable degree of flexibility to address their unique circumstances while still "pulling" management and employees in the core strategic direction (Ahn, 2001). In fact it is argued by some that strict adherence to the scorecards four perspectives cannot be appropriate (Kenny, 2003). This adaptive capacity also assists the balanced scorecard to address Goold and Quinn's (1990) previously noted concerns regarding "matching" appropriate control mechanisms to different levels of environmental turbulence and an organization's ability of identify and monitor its strategic objectives. In this regard, Van Veen-Dirks and Wijn (2002) further propose that, additional flexibility (which is needed in rapidly changing market environments) can be provided by augmenting the balanced scorecard approach with critical success factors (CSFs). The explicit incorporation of such factors not only keeps attention focused on an organization's critical strategic objectives (Kaplan and Norton, 1996), it also avoids the potential danger of management information overload (Brotherton and Shaw, 1996).

Although there are some criticisms and "question marks" concerning the balanced scorecard approach, many of these seem to represent problems of practical application rather than fundamental flaws. There is evidence to show that organisations' approach to implementing a scorecard is maturing (Kenny, 2003) as the business community learns how to get the most out of this "important management tool" (Bourne et al., 2002) and that there is increasingly more guidance on establishing measures (Kaplan and Norton, 2004) and implementing a scorecard (Bourne et al., 2002) with appropriate implementation processes including top management commitment (Bourne et al., 2003). Moreover, there is also evidence of the efficacy of the balanced scorecard framework for supporting strategy implementation by linking strategy to operations such that it is proposed that the balanced scorecard addresses many of the problems associated with strategy implementation.

2.4 Factors Affecting Strategy Implementation

The fatal problem with strategy implementation is the de facto success rate of intended strategies. In research studies it is as low at 10 percent (Judson, 1991). Despite this abysmal record, strategy implementation does not seem to be a popular topic at all. In fact, some managers mistake implementation as a strategic afterthought and a pure top-down-approach. Instead, management spends most of its attention on strategy formulation. This can be documented by the focus on strategy formulation in strategic management literature. To resolve this, strategic management should accomplish its very own shift of emphasis by moving from a 90:10 concern with strategy
formulation relative to implementation to a minimum 50:50 proportion with each (Grundy, 1998). To overcome and improve the difficulties in the implementation context, Rapa and Kauffman (2005) compiled the following checklist of ten critical points.

2.4.1 Commitment of top management

The most important thing when implementing a strategy is the top management's commitment to the strategic direction itself. This is undoubtedly a prerequisite for strategy implementation. Therefore, top managers must demonstrate their willingness to give energy and loyalty to the implementation process. This demonstrable commitment becomes, at the same time, a positive signal for all the affected organizational members (Rapa and Kauffman, 2005).

To successfully improve the overall probability that the strategy is implemented as intended, senior executives must abandon the notion that lower-level managers have the same perceptions of the strategy and its implementation, of its underlying rationale, and its urgency. Instead, they must believe the exact opposite. They must not spare any effort to persuade the employees of their ideas (Rapa and Kauffman, 2005).

2.4.2 Involvement of middle manager's valuable knowledge

Strategy implementation is not a top-down-approach. Consequently, the success of any implementation effort depends on the level of involvement of middle managers. To generate the required acceptance for the implementation as a whole, the affected middle managers' knowledge (which is often underestimated) must already be accounted for in the formulation of the strategy. Then, by making sure that these managers are a part of the strategy process, their motivation towards the project will increase and they will see themselves as an important part in the process (Rapa and Kauffman, 2005).

Unfortunately, in practice, managers and supervisors at lower hierarchy levels who do have important and fertile knowledge are seldom involved in strategy formulation. When they are however, the probability for realizing a smooth targeted and accepted strategy implementation process increases substantially. Research studies indicate that less than 5 percent of typical workforce understands their organization's strategy (Kaplan and Norton, 2001). This is a disturbing statistic as it is generally believed that, without understanding the general course of strategy, employees cannot effectively contribute to a strategy implementation.
To involve employees is an important milestone to make strategy everyone's everyday job. That is why the involvement of middle managers is essential to increase the general awareness of the strategy. The involvement of middle level managers helps in building consensus for the strategy. A lack in strategic consensus can limit a company's ability to concentrate its efforts on achieving a unified set of goals.

2.4.3 The Role of Communication

At first look, the suggestion that communication aspects should be emphasized in the implementation process seems to be a very simple one. Even though studies point out that communication is a key success factor within strategy implementation (Miniace. and Falter, 1996), communicating with employees concerning issues related to the strategy implementation is frequently delayed until the changes have already crystallized.

In this context, it is recommended that an organization institute a two-way-communication program that permits and solicits questions from employees about issues regarding the formulated strategy. In addition to soliciting questions and feedback, the communications should tell employees about the new requirements, tasks and activities to be performed by the affected employees, and, furthermore, cover the reason ("the why") behind changed circumstances (Alexander, 1985).

It is essential both during and after an organizational change to communicate information about organizational developments to all levels 'in a timely fashion. However, one may not misunderstand communication, or the sharing of information, as engagement the direct dialogue that produces active participants in the change process. The way in which a change is presented to employees is of great influence to their acceptance of it. To deal with this critical situation, an integrated communications plan must be developed. Such a plan is an effective vehicle for focusing the employees' attention on the value of the selected strategy to be implemented (Rapa and Kauffman, 2005).

2.4.4 Integrative point of view

Traditional strategy implementation concepts generally over-emphasize the structural aspects and reduce the whole effort-down to an organizational exercise. It is dangerous, however, when implementing a new strategy, to ignore the other existing components (Rapa and Kauffman, 2005). Strategy implementation requires an integrative point of view. Not only the organizational structure, but cultural aspects and the human resources perspective are to be considered as well.
An implementation effort is ideally a boundary less set of activities and does not concentrate on implications of only one component, e.g. the organizational structure (Rapa and Kauffman, 2005).

It is of great importance to integrate soft facts as well in the reflection of the implementation process. It is the consideration of soft and hard facts together that ascertains that cultural aspects and human resources receive at least the same status as organizational aspects. Altogether, such an integrative interpretation allows an important scope of development for implementation activities (Rapa and Kauffman, 2005).

2.4.5 Clear assignment of responsibilities

One of the reasons why strategy implementation processes frequently result in difficult and complex problems - or even fail at all - is the vagueness of the assignment of responsibilities. In addition, these responsibilities are diffused through numerous organizational units (Rapa and Kauffman, 2005). Cross-functional relations are representative of an implementation effort. This is indeed a challenge, because as already mentioned before organizational members tend to think only in their "own" department structures. This may be worsened by over-bureaucracy and can thus end up in a disaster for the whole implementation (Rapa and Kauffman, 2005).

To avoid power struggles between departments and within hierarchies, one should create a plan with clear assignments of responsibilities regarding detailed implementation activities. This is a preventive way of proceeding. Responsibilities are clear and potential problems are therefore avoided (Rapa and Kauffman, 2005).

2.4.6 Preventive measures against change barriers

Change is part of the daily life within an organization. The ability to manage change has shown to be a core competency for corporations. A great challenge within strategy implementation is to deal with potential barriers of the affected managers (Rapa and Kauffman, 2005). Implementation efforts often fail when these barriers are underestimated and prevention methods are not adopted at the beginning. One has to be aware that barriers against the implementation of the strategy can lead to a complete breakdown of the formulated strategy. In psychology, much research is done about human barriers. The cause for these barriers is seen in affective and non-logical resistances, which are, in a way, incomprehensible because they come out of the subconscious of human beings (Rapa and Kauffman, 2005).
Barriers to implementing a strategy range from delay to outright rejection. However, this psychological point of view is often downplayed during discussions of implementation issues, even though it is becoming more and more obvious that strategy implementation consists, for the most part, of psychological aspects (Rapa and Kauffman, 2005). By changing the way they view and practice strategy implementation, senior executives can effectively transform change barriers into gateways for a successful execution.

2.4.7 Teamwork

Teamwork plays an important role within the process of strategy implementation. When it comes down to implementation activities, however, it is often forgotten. It is indisputable, that teams can play an important part to promote the implementation (Rapa and Kauffman, 2005).

To build up effective teams within strategy implementation the Myers-Briggs typology can be useful to ascertain person-to-person differences. Differences in personality can result in serious inconsistencies in how strategies are understood and acted on. Recognizing different personality types and learning how to handle them effectively is a skill that can be taught.

Over one million surveys are performed each year in corporate settings for team building and management development. More than any other field of activity, implementation is the area that benefits most from a trained and personality-sensitive management team (Noble, 1999).

2.4.8 Role of Individuals' Differences

Human resources represent a valuable intangible asset. Latest study research indicates that human resources are progressively becoming the key success factor within strategy implementation. In the past, one of the major reasons why strategy implementation efforts failed was that the human factor was conspicuously absent from strategic planning (Lorange, 1998). This leads to a dual demand (Rapa and Kauffman, 2005).

First, considerations regarding people have to be integrated into considerations about strategy implementation in general. Second, the individual behaviour of these persons is to be taken into account. Individual personality differences often determine and influence implementation. The difference of individuals requires, as a consequence, different management styles. For the purpose of strategy implementation it is desirable to create a fit between the intended strategy and the specific personality profile of the implementation's key players in the different organizational departments (Rapa and Kauffman, 2005).
2.4.9 Utilization of supportive implementation instruments

To facilitate the implementation in general implementation instruments should be applied to support the processes adequately. Two implementation instruments are the balanced scorecard and supportive software solutions (Rapa and Kauffman, 2005).

The balanced scorecard is a popular and prevalent management system that considers financial as well as non-financial measures. It provides a functionality to translate a company's strategic objectives into a coherent set of performance measures (Kaplan and Norton, 1993). When it comes to meeting the criteria of a strategy implementation instrument, there is an excellent fit. The individual character of each balanced scorecard assures that the company's strategic objectives are linked to adequate operative measures. As a consequence, it provides even more than a controlling instrument for the implementation process. It is a comprehensive management system, which can support the steering of the implementation process.

A strategic planning system cannot achieve its full potential until it is integrated with other control systems like budgets, information and reward systems. The balanced scorecard provides a framework to integrate the strategic planning and meets the requirements that the strategic planning system itself can display (Rapa and Kauffman, 2005). In the context of implementing strategies, the application of software solutions seems to be neglected. Recent experience has shown that IT-support is gaining more and more importance.

Information tools must be available and adequate to allow strategic decision makers to monitor progress toward strategic goals and objectives, track actual performance, pinpoint accountability, and most important provide an early warning of any need to adjust or reformulate the strategy (Rapa and Kauffman, 2005).

Unfortunately, this seems to be limited to enterprises' resource planning (ERP) systems, which are prevalent in the operative environment of a company's day-to-day business. The strategy implementation perspective demands systems with different criteria than those of conventional systems. The supportive character in monitoring and tracking the implementation process should be in the centre of interest (Rapa and Kauffman, 2005).

In the past, these activities were tracked manually or launched on an ad hoc basis so that there was a lack in mandatory installed business processes. The supportive application of adequate
software solutions can be more than helpful to improve the quality of strategy implementation. In addition to that, a software solution is a starting point to define as mentioned above clear assignments of responsibilities throughout the organization's implementation processes (Rapa and Kauffman, 2005).

### 2.4.10 Calculate buffer time for unexpected incidents

One of the most critical points within strategy implementation processes is the exceeding of time restrictions. This can be attributed to an underestimation on the part of many executives who do not have a clearly focused view on the complexities involved in implementing strategies and on the general process to deal with these multifaceted complexities (Rapa and Kauffman, 2005).

Basically, it is difficult enough to identify the necessary steps of the implementation. It is even more difficult to estimate an appropriate time frame. One has to find out the time-intense activities and harmonize them with the time capacity. One method for accomplishing this is to work with the affected divisions and the responsible managers. In addition to calculating the probable time frame an extra buffer should be calculated to account for unexpected incidents that might occur at any time (Rapa and Kauffman, 2005).

### 2.5 Problems of strategy implementation

According to Alexander (1985), the ten most frequently occurring strategy implementation problems include underestimating the time needed for implementation and major problems surfacing that had not been anticipated, in addition uncontrollable factors in the external environment had an adverse impact. Based on empirical work with 93 firms he observed that senior executives were over optimistic in the planning phase and it is noteworthy that the first two issues which occurred most frequently in Alexander's study are planning issues. He also found the effectiveness of coordination of activities and distractions from competing activities inhibited implementation, in addition key tasks were not defined in enough detail.

With regard to people, the capabilities of employees involved were often not sufficient, leadership and direction and "training and instruction given to lower level employees were not adequate" (Alexander, 1985, p. 92). Although the least frequent in this study in many cases the information systems used to monitor implementation were not adequate.

Reed and Buckley (1988) discuss problems associated with strategy implementation identifying four key areas for discussion. They acknowledge the challenge and the need for a clear fit
between strategy and structure and claim the debate about which comes first is irrelevant providing there is congruence in the context of the operating environment. They warn that, although budgeting systems are a powerful tool for communication, they have limited use in the implementation of strategies as they are dominated by monetary based measures and due to their size and the game playing associated budget setting "it is possible for the planning intent of any resource redistribution to be ignored" (Reed and Buckley, 1988, p. 68). Another problem is when management style is not appropriate for the strategy being implemented, they cite the example of the "entrepreneurial risk taker may be an ideal candidate for a strategy involving growth, but may be wholly inappropriate for retrenchment" (Redd and Buckley, 1988, p. 68).

AJ Ghamdi (1998) replicated the work of Alexander (1985) in the UK and found for 92 percent of firms implementation took more time than originally expected, that major problems surfaced in 88 percent of companies, again showing planning weaknesses. He found the effectiveness of coordination of activities as a problem in 75 percent and distractions from competing activities in 83 percent cases. In addition key tasks were not defined in enough detail and information systems were inadequate in 71 percent of respondents. What is interesting is that there is congruence between these findings, which implies that lessons have still not been learned; as Al Ghamdi states, 'the drama still continues'V (Al Ghamdi, 1998, p. 322).

More recent articles confirm notable barriers to successful strategy implementation about which there appears to be a degree of accord including Beer and Eisenstat's (2000, p. 37) who assert that six silent killers of strategy implementation comprise: a top-down/laissez-faire senior management style; unclear strategic intentions and conflicting priorities; an ineffective senior management team: poor vertical communication; weak co-ordination across functions, businesses or borders: and inadequate down-the-line leadership skills development (Beer and Eisenstat, 2000). It is recognized that such change requires a shared vision and consensus (Beer et al., 1990) and "failures of strategy implementation are inevitable" if competence, coordination and commitment are lacking (Eisenstat, 1993).

Corboy and O'Corrbui (1999), meanwhile, identify the deadly sins of strategy implementation which involve: a lack of understanding of how the strategy should be implemented; customers and staff not fully appreciating the strategy; unclear individual responsibilities in the change process; difficulties and obstacles not acknowledged, recognized or acted upon; and ignoring the day-to-day business imperatives. Overall though, it is increasingly acknowledged that the traditionally recognised problems of inappropriate organisational structure and lack of top
management backing are not the main inhibiting factors to effective strategy implementation (Aaltonen and Ikavalko, 2002).

Rather, the major challenges to be overcome appear to be more cultural and behavioural in nature, including the impact of poor communication and diminished feelings of ownership and commitment (Aaltonen and Ikavalko, 2002). Aaltonen and Ikavalko recognise the role of middle managers, arguing they are the "key actors" who have a pivotal role in strategic communication" (Aaltonen and Ikavalko, 2002) meanwhile Bartlett and Goshal (1996) talk about middle managers as threatened silent resistors whose role needs to change more towards that of a "coach", building capabilities, providing support and guidance through the encouragement of entrepreneurial attributes.

In addition to the above, another inhibitor to successful strategy implementation that has been receiving a considerable amount of attention is the impact of an organisation's existing management controls (Langfield-Smith, 1997) and particularly its budgeting systems (Marginson, 2002). Although it is increasingly suggested that budgets suffer from being bureaucratic and protracted, and that they focus on cost minimisation rather than value maximisation (Brander Brown and Atkinson, 2001), they still represent the main integrative control mechanism in many, if not most, business organisations (Otley. 2001).

So far in this review of literature on strategy implementation there is evidence of some recurring themes, including communication and coordination which are essential to ensure that people across the organization know what to do and to ensure that they stay focused on the key targets under the everyday pressures.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Research Design
This is a case study design. A case study is an in-depth investigation of an individual, institution or phenomenon (Mugenda and Mugenda, 2003). The primary purpose of a case study is to determine factors and relationships among the factors that have resulted in the behaviour under study.

Since this study sought to gain an in-depth knowledge of the factors that influence strategy implementation in GlaxoSmithKline, a case study design was deemed the best design to achieve the objectives of the study. Case studies are multi-perspectival analyses. This means that the researcher considers not just the voice and perspective of the actors, but also of the relevant groups of actors and the interaction between them. This one aspect is a salient point in the characteristic that case studies possess. They give a voice to the powerless and voiceless.

3.2 Data Collection
In this study, emphasis was given to primary data. The major advantage of primary data is that the information is specific, relevant and up-to-date. The durability of primary data is however, somewhat moderated by the high cost and amount of time associated with its collection (Mugenda and Mugenda, 2003).

The primary data was collected using an interview guide. The interview guide consisted of a set of questions that the interviewer asked when interviewing. The interview guide is a question-answer process where a researcher asks a survey questions and the interviewee answers. It makes it possible to obtain data required to meet specific objectives of the study (Mugenda and Mugenda, 2003). The interview guide equally assists in probing the interviewees in order to get in-depth knowledge on the strategy implementation in GSK and the part played by the various functions of the company.

The interviewee consisted of seven functional heads and heads of departments in charge of finance, information technology, human resources, sales and marketing, regulatory, customer service and operations. This group of respondents are considered for the interview because of their positions and the roles they play in strategy implementation.
Given that those interviewed were less than ten in number, and the researcher required gathering in-depth information on issues surrounding strategy implementation in GSK, interviews were considered the best method of collecting data and the interview guide gave a clear guidance on what questions to ask.

3.3 Data Analysis

Qualitative data collected was analyzed using content analysis which is a method of qualitative analysis. Content analysis is a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding (Berelson, 1952; Krippendorff, 1980; and Weber, 1990). Content analysis enables researchers to sift through large volumes of data with relative ease in a systematic fashion. It is a useful technique for allowing one to discover and describe the focus of individual, group, institutional, or social attention (Weber, 1990). It also allows inferences to be made which can then be corroborated using other methods of data collection. The presence, meanings and relationships of words and concepts will be analyzed in order to make inferences about GSK.

Content analysis is well suited and relevant to the study at hand. Its major benefit emanates from the fact that it is a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit rules of coding. It has the attractive features of being unobtrusive, and being useful in dealing with large volumes of data. The technique of content analysis extends far beyond simple word frequency counts.
CHAPTER FOUR: FINDINGS AND DISCUSSION

4.1 Introduction
The study sought to determine the factors that influence strategy implementation in GSK. The nature of data collected was qualitative and was analysed qualitatively using content analysis based on the meanings, implications emanating from the respondents' information on strategy implementation. This descriptive analytical technique has been used successfully in research studies including Situma (2006), Machuki (2005), Muguni (2007) and Kiptugen (2003).

This chapter presents the analysis and findings of the study. They are presented based on each major factor that influences strategy implementation. Firstly, the chapter will discuss evidence of strategic management practice and operationalization of strategy. Secondly, the chapter will bring out the factors influencing strategy implementation within GSK.

4.2 Respondents
The respondents in this case were part of the top management of GSK. They have been involved in spearheading strategy implementation in GSK. They include, Human Resources Director, Finance Director, Sales and Marketing Director, Information and Technology Director, Regulatory Manager, Operations Manager, Site Director and Customer Service Manager. Most of the respondents have held senior management positions for over three years.

4.3 Strategy implementation at GSK
How organizations, whether for profit not-profit, implement their strategies is important because they influence the achievement of their desired outcomes. This process requires organizations to have clear methods, procedures and systems to be able to implements their strategies effectively and efficiently. The process also requires organizations to have the capacity at the organization level and the capabilities of the relevant staff as well as an enabling environment both internal and externally. The above aspects mainly touch on the skills of staff, resources and systems.

The evidence of strategic management practice in GSK is demonstrated by the presence of a strategic triangle which includes the vision, strategy, and policies. Three important questions define a company's strategic posture. Where are we going? How do we get there? How do we align operations with the vision–mission and the company's long term commitments? Vision
and mission provide a sense of direction that guides a company's strategic decisions. The vision and mission answer two questions. Where are we going? What do we want to become in five or ten years? A vision includes and excludes possible futures. It results from an exercise in imagination, not analysis. The absence of a vision and mission will simply imply that an organization is not practicing strategic management.

Strategic decisions are long term commitments by a company. Strategic investments for instance, commit company resources with a chosen direction – to achieve the long term goal stated in the vision and mission. Commitments are difficult to reverse. They answer the question how do we get there? Commitments derive from observing what works and analyzing promising opportunities. An easily reversible decision is not strategic because it does not commit a company’s resources.

Business policies on the hand create coherence between vision-mission, strategic decisions and operations. Policies are a set of guidelines, norms and rules that ensure coherence between operating decisions and the company's vision-mission and commitments. Policies are used to permeate the whole organization with the sense of direction and commitments made by the company. Policies point out when to say no, avoid contradictions, complement strategic decisions, and leverage business opportunities. Business policies answer two questions, how do we create coherence between operations and strategy? And how do we align operations with vision-mission and the company's major commitments?

Other equally important aspects to consider when analyzing the practice of strategic management include leadership styles, organizational culture, organizational policies and performance evaluation and reward systems. The study revealed that GSK has, to a large extent put in place clear vision, strategy and policies augmented by the right capabilities to steer ahead strategic management. Each of these aspects forms the greater part of discussions in this section of the study.

4.3.1 Organizational polices and procedures
The study revealed that GSK uses policies and procedures documents to record the rules and regulations that should be adhered to by all employees. These include whatever the company considers important for its operations. For instance, divisional policies, training policies, recruitment policies, attendance policies, substance-abuse policies, work-flow procedures among others form part of the policies and procedures. Once recorded, the policies and procedures are there for everybody in the organization to refer to, and these documents
become the means of providing direction and guidelines that should be followed within the organization. Organizational policies are equally used to achieve uniformity, economics, public relations, benefits and other objectives.

Further inquiry on whether there exists a policy manual on how divisional strategies are implemented in GSK, all respondents attested to the fact that there are clear and elaborate divisional policy manuals. The policy manuals provide details on how documented strategies should be implanted. Standard Operating Procedures commonly referred to as SOPs form the integral part of the policy manual. The SOPs give graphical details of procedures to be followed in any undertaking.

The research also established that the current policies support strategy implementation. Divisional policies on strategic implantation are updated on yearly basis. The organization may therefore be said to have specific and relevant guidelines, methods, procedures, rules, forms and other administrative practices established to support and encourage work towards stated goals.

### 4.3.2 Leadership support

Successful change management requires a large commitment from executives and senior managers, whether the change is occurring in a department or in a complete organization. In this study, one respondent said, “a change effort cannot be optional for senior staff. They must lead or get out of the way. The new system will ultimately have to stand on its own feet, but every new system needs support and nurture” This implies that GSK’s top management have no options when it comes to leadership. They must provide the same.

The research also sought to find out whether GSK has provided the required leadership support for successful strategy implementation from key stakeholders, including the Customer board, top management and staff. The Customer Board makes strategic decisions which are communicated to the divisional managers who in turn operationalize the same. Based on the information gathered, it is clear that GSK has been in the forefront in providing effective leadership to ensure that strategies are implemented successfully.

However, there was a general feeling that there are gaps and grey areas as regards to leadership support. Some senior managers exhibited lack of understanding as pertains to change management and high potentiality to resistance to change.
4.3.3 Financial resource availability

Another important issue in the research was whether GSK has the financial capacity to implement documented divisional strategies. Favourable responses were obtained. The organization can therefore be said to have been providing adequate financial and other physical resources for successful implementation of strategies. Each financial year has a budgetary allocation for strategic management and by extension strategy implementation. This implies that the company has enough funds to undertake strategic management projects.

It was also observed that the top management has always been keen on providing extra funds above the budgetary allocation whenever need arose. This means that strategic management projects will not stall as a result of lack of funds.

4.3.4 Organizational Structure

Formal and informal framework of policies and rules, within which an organization arranges its lines of authority and communications, and allocates rights and duties defines GSK's organizational structure. The structure determines the manner and extent to which roles, power, and responsibilities are delegated, controlled, and coordinated, and how information flows between levels of management. This structure depends entirely on the organization's objectives and the strategy chosen to achieve them. GSK's structure is a centralized structure, where the decision making power is concentrated in the top layer of the management and tight control is exercised over departments and divisions. In GSK, the decision making power is distributed and the departments and divisions have varying degrees of autonomy.

The organizational structure of GSK was observed as appropriate with regards to strategic implementation. The current structure is based on clear functional business operations which makes it appropriate and supportive to strategy implementation. Respondents were asked to describe the appropriateness of the current organizational structure in support of strategy implementation. Their responses were favourable implying that the structure was in line with the current strategic plan.

Also, when the respondents were further asked on whether the current organization structure supports the implementation of the current strategies, an equally favourable response was
obtained. Some of the reasons given in support of this were that there has been de­
centralization of authority (functional approach).

4.3.5 Human resources capability
The research sought to find whether the available human resources are capable of managing and implementing new strategic direction. The study revealed that there has been an increase in staff training on strategic management as a whole. There was a general belief that these trainings have positively impacted on human sources’ capability with regards to strategic implementation.

Related closely to the skills and competencies of the management staff and staff training program is the aspect of quality of the newly recruited staff in GSK. In order to establish whether the recruitment policy supports strategy implementation, respondents were of the opinion that there has been a clear policy on the same. This supports the fact that the recruitment policy is in line with the strategy and enables the organization to recruit qualified staff with appropriate skills to implement strategies. This was further supported by the fact that the personnel recruited are based on the organizational needs, technical qualifications necessary for the position and that the recruitment process is itself transparent.

However, an increase in staff training and recruiting people with the right qualifications does not necessarily mean that there has been significant skills and capability enhancement towards strategy implementation among staff. Some of the trainings mentioned seemed to be irrelevant or inadequate or more geared towards individual needs than organizational goals. Inadequate training mainly attributed to inadequate training resources. The organization’s database on existing skills and experience indicated further that skills and experience are regularly updated.

4.3.6 Financial Management Systems
A financial system supports the financial functions required to track financial events, provide financial information significant to the financial management of a company. This system in GSK terms encompasses automated and manual processes, procedures, controls, data, hardware, software, and support personnel dedicated to the operation and maintenance of system functions. A financial system include multiple applications that are integrated through a common database or are electronically interfaced, as necessary, to meet defined data and processing requirements.
GSK maintains a fully fledged financial management system that ensures proper utilization of funds, accountability, financial monitoring and efficient reporting all geared towards strategy implementation. The responses were favourable implying that GSK has put in place a sound financial management system that supports its strategy implementation process.

4.3.7 Communication system
Within GSK, communication management is viewed as the systematic planning, implementing, monitoring, and revision of all the channels of communication within an organization, and between organizations. It also includes the organization and dissemination of new communication directives connected with an organization, network, or communications technology. Aspects of communications management include developing corporate communication strategies, designing internal and external communications directives, and managing the flow of information, including online communication. New technology forces constant innovation on the part of communications managers.

From the foregoing statements, it is evident that there exists an established communications system that enhances access to information. The company has been using one of the best and user friendly information system to enhance effective communication. This implies that the company has been successful and effective in communicating her intentions.

However, the fact that effective systems of communications have been developed does not imply that the staffs really know and understand the strategy. The research established that not all staff understands or know the content of the strategy document.

4.3.8 Annual Work Plans
Annual work plan in GSK brings together the annual plans of all the departments. It outlines the various activities of the different program components, as well as the work schedules of all the staff members. It helps to ensure that the necessary resources for example, staff, vehicle, or financial resources are available when they are needed. The annual work plan translates the overall strategies and objectives, which are contained in the long-range plan, into everyday activities.

In the planning cycle, the annual plan is developed after setting strategies, objectives and major activities during the development of yearly budgets and before the implementation of
any new programs. In GSK there are continuing programs which means that annual work plans are usually completed several months before the start of the next operating year. The annual work plan essentially sets forth the sequence of activities that will contribute to the achievement of the stated long-term goals and objectives.

The data obtained from the study generally showed that GSK embraces annual work plans from which departmental objective are derived from. The study also revealed that GSK has annual work plans that effectively supported the current strategic plan.

The information gathered further revealed that the organization always referred to the current master plan when planning to execute its activities. The annual work plans are further subdivided into personal development performance indicators.

4.3.9 Monitoring and Evaluation

In their own words, GSK’S management views monitoring as the systematic collection, analysis and use of information from projects and programmes for three basic purposes, learning from the experiences acquired (learning function), accounting internally and externally for the resources used and the results obtained (monitoring function) and taking decisions (steering function).

Evaluation is also seen as assessing systematically and objectively as possible an ongoing or completed project, programme or policy. The object is to be able to make statements about their relevance, effectiveness, efficiency, impact and sustainability. Based on this information, it can be determined whether any changes need to be made at a project, programme or policy level, and if so, what they are. What went well, where is there room for improvement? Evaluation thus has both a learning function - the lessons learned need to be incorporated into future proposals or policy - and a monitoring function - partners and members review the implementation of policy based on objectives and resources mobilised.

Monitoring and evaluation are complementary. During an evaluation, as much use as possible is made of information from previous monitoring. In contrast to monitoring, where emphasis is on the process and results, evaluation is used to provide insight into the relationships between results, effects and impact the new strategy may impose. Since monitoring and Evaluation systems are critical for any successful organization and the
research sought out to find the effectiveness of monitoring and evaluation systems and the implication they have on strategic implementation, the respondents were asked if all strategic management projects were continuously monitored and evaluated to identify gaps where new projects needed to be developed. The study established that they do. This shows that all projects on strategic management are continuously monitored and evaluated.

Also in finding out whether the organization’s strategic management projects are designed and implemented to deliver results that contribute to the outcomes identified in the master plan, a positive response was obtained showing that they actually does.

4.4 Discussions
Strategy implementation difficulties are partly occasioned by obstacles during the implementation stage. Extreme efforts and care should be exercised at this stage. The researcher found out that the major factors that influence strategic implementation are internal factors premised within the organization.

Overall, it can be said that most factors that influence strategy implementation in GSK are internal to the company including clear corporate policies, supportive organizational structures, and sound financial base, human resource capabilities, adequate communication and evaluation systems to monitor the implementation process and the uncontrollable factors in the environment. All these tend to contribute towards successful strategy implementation. The implication is that GSK must exert control over these factors in order to succeed in its strategy implementation and must strive to match the competencies and capabilities with strategy.

The findings of this study are well aligned with the previous studies (Machuki 2005, Situma 2006, Muturi 2005 and Muguni 2007). All these studies observed that there must be a tight fit between the strategy and how the organization does things. Successful strategy implementation involves creating a series of tight fit between strategy and organizational skills and competencies, between strategy and corporate culture, between strategy and reward systems, between strategy and budgets, between strategy and internal policies and procedures and supportive from subsystems.
CHAPTER FIVE: SUMMARY, RECOMMENDATIONS AND CONCLUSION

5.1 Introduction
Strategy implementation is concerned with both planning how the change of strategy is put into effect and managing the changes required. This process it is fraught with complexity and challenges. The objective of study was to determine the factors that influence strategy implementation in GlaxoSmithKline. Checklists of factors that impact on GSK in strategy implementation were studied.

This chapter gives a summary of the findings as well as the conclusions gathered from the analysis of data. This chapter also incorporates the various suggestions and comments given by the respondents. Findings have been summarized, conclusions drawn from the study and the recommendations given.

5.2 Summary
The study revealed that managing strategy implementation is more art than science. Different business practices, competitive circumstances, work environments, human resource capabilities, organizational culture, financial resources, policies, competitive incentives, mixes of personalities, and organizational histories all require a customized approach to strategy implementation. The business practices form part of the factors that exert influence on the success of strategy implementation in GSK.

Implementing and executing strategy at GSK entails converting the organization's strategic plan into action and then into results. Like crafting strategy, it is a job for the whole management teams not just a few senior managers. While top management and the heads of major units such as business divisions, functional departments, and key operating units are ultimately responsible for seeing that strategy is implemented successfully, the implementation process typically affects every part of the firm from the-biggest, operating unit to the smallest frontline work group. Therefore, all managers were noted as strategy implementers in their areas of authority and responsibility, and all employees are participants.
Management issues to strategy implementation noted in the study included establishing annual objectives, devising policies, allocating resources, altering an existing organization structure, restructuring and reengineering, revising reward and incentive plans, minimizing resistance to change, matching managers with strategy, developing, a strategy supportive culture, developing an effective human resource function, and if necessary, downsizing. These are some of the factors noted as influencing successful strategy implementation in GSK.

5.3 Limitations of the study
The study was successfully undertaken but not without limitations. Since the study was a case study design, the research findings cannot be generalised for other firms in the pharmaceutical industry.

The study was carried out within limited time. The time allocated for study was insufficient considering that the researcher was a full time employee. This constrained the scope as well as the depth of the research.

5.4 Recommendations
The findings from this study clearly show that GSK has documented all the necessary tools for successful strategy implementation. These include formulation and documentation of annual objectives, policies and functional strategies. There is also further evidence that GSK changes her policies, structures and undertakes staff training in order to deal with new strategies and deal with emerging challenges during implementation.

The study reveals that though the strategy implementation is successfully carried out in GSK, issues such as poor leadership, unsupportive organizational culture continue to pose minor challenges during the implementation stage. For GSK to implement documented strategies fully there is an urgent need to critically look at the leadership styles. Additionally, management and financial policies and plans must be improved further to fully support strategy implementation and this should be done at all levels.

Successful strategy implementation depends on how a firm aligns its strategy with capacity gaps. GSK should strive to critically access and evaluate her capabilities in order to align them with chosen strategies before embarking on implementation. Functional strategies must always
come from the firm's corporate strategy and should be referred to as often as possible to reduce the chances of deviating from the long term objectives.

5.5 Suggestions for further study
Even though the researcher carried out an in-depth study, it was broad and dealt with various aspects that influence strategy implementation. Further research could be carried out on Strategy Implementation in other major pharmaceutical companies.

Alternatively, each of the factors that influence strategy implementation can be analysed in greater detail. Additionally, a cross section survey could also be carried out for a longer period of time to make the findings more generalizable.

5.6 Conclusion
Strategy implementation is no doubt the most difficult part of strategic management process and many strategies fail at the implementation stage. For an organization to successfully implement its strategy, it must ensure the existence and alignment of all strategy supportive aspects of the organization. There must be a fit between strategy and the budgets, between the strategy and the organizational skills and competencies, between strategy and reward systems, between strategy and internal policies, procedures and challenges that affect strategy implementation.

Further research should be conducted on each of the factors that influence strategy implementation independently. Similarly, this in-depth study of GSK should be replicated to other pharmaceutical companies.
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Appendix 1: A letter of introduction

Dennis Moiro Aiko
C/O University of Nairobi
Lower Kabete Campus
P.O. Box 30197
NAIROBI

7th September 2009

Dear Sir/Madam,

I am a post graduate student in the Faculty of Commerce University of Nairobi. I am conducting a Project Research on Strategy Implementation in GlaxoSmithKline

In order to undertake the research, you have been selected to form part of the study. This is therefore to request your assistance in answering selected questions in the question guide. The information you give will be treated with strict confidentiality and is needed purely for academic purposes. A copy of the final report will be made available to you on request.

Your assistance and co-operation will be highly appreciated.

Yours sincerely

Dennis M. Aiko
Student

Prof. Evans Aosa
Lecturer Department of Business Administration (Supervisor)
Appendix 2: Interview Guide for Functional Managers

1. Respondents’ personal details
   
   i. Position in the company
   
   ii. Division
   
   iii. Number of years with the company

2. Does your division maintain a policy manual on how to implement divisional strategies? Please elaborate.

3. How often are the divisional policies on implementation updated? How relevant are the divisional policies to current activities of the company?

4. How are the following supportive of your divisional policy development and implementation?
   
   i. Your staff members
   
   ii. The Customer Board
   
   iii. Top management

5. Does the division have the financial capacity to implement the departmental strategies formulated? Please elaborate.

6. Does the company have a financial management system? Please elaborate.

7. How appropriate is the current organisation structure to support the implementation of your division's strategic initiatives?

8. How capable is the available human resource in your division in managing and implementing new strategic direction?
9. Does the division have an established communication system? Please elaborate.

10. Does the division have an annual work plan? Please elaborate.

11. Does the division have a monitoring and evaluation system? How are the projects designed so as to deliver results?
### Appendix 3: List of Companies and Locations

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Location</th>
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<tbody>
<tr>
<td>Alpha Medical Manufacturers</td>
<td>Nairobi</td>
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<tr>
<td>Aventis Pasteur SA East Africa</td>
<td>Nairobi</td>
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<tr>
<td>Bayer East Africa Limited</td>
<td>Nairobi</td>
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<tr>
<td>Beta Healthcare (Shelys Pharmaceuticals)</td>
<td>Nairobi</td>
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<tr>
<td>Cosmos Limited</td>
<td>Nairobi</td>
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<tr>
<td>Dawa Pharmaceuticals Limited</td>
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<tr>
<td>Diversey Lever</td>
<td>Nairobi</td>
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<tr>
<td>Eli-Lilly (Suisse) SA</td>
<td>Nairobi</td>
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<tr>
<td>Elys Chemical Industries Ltd</td>
<td>Nairobi</td>
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<tr>
<td>Glaxo SmithKline</td>
<td>Nairobi</td>
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<tr>
<td>High Chem East Africa Ltd</td>
<td>Nairobi</td>
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<td>Ivey Aqua EPZ Limited</td>
<td>Athi River</td>
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<tr>
<td>Mac’s Pharmaceutical Ltd</td>
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<td>Manhar Brothers (Kenya) Ltd</td>
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<td>Novartis Rhone Poulenic Ltd</td>
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<td>Novelty Manufacturers Ltd</td>
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<td>Pfizer Corp (Agency)</td>
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