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**SOME ASPECTS OF THE ENTERPRISE'S STRATEGY
EFFICIENT IMPLEMENTATION**

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***Abstract:** Modern business conditions are determined by constant changes in the environment. They are reflecting on the strategic thinking and reacting of the management. In such circumstances, it is not enough to just have the right, that is, well formulated strategy (effective strategy), but also to implement it in the right way. This is sine qua none to exercise and maintain the competitive advantage. The aim of this paper is to show in what way management seeks to achieve desired (planned) performances of corporate social responsibility by implementing the strategy.*

***Keywords:** strategy, implementation, management*

Introduction

Traditionally, strategy implementation is a phase of strategic management process which comes after strategy formulation/selection. In other words, the implementation comes after strategy creating, writing action plans and permitting of the operational decisions implementation. This involves allocation of responsibilities to employees, task accomplishment and realization of the planned economic results and other business performances. Through actions, plans and communication channels, employees are informed about the way they will work and with the help of the developed control systems the success of the strategy has been assessed and, if business performances are not on the desired level, the corrective actions are applying. Strategy implementation includes: selection of the proper organizational structure for strategy realization; determination and provision of the necessary non-material and material resources; development of the operational plans based on the strategy, and realization of the operational plans, that is, realization of the business activity.

1. Strategy Implementation and Exercise of Competitive Advantage

Competitive advantage is everything that, in the external environment, characterizes business activity of the enterprise compared to its competitors. Competitive advantage is

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achieved through the offering and working better than competition. That is something enterprise is achieving on an original way and which makes it different from the competitors.

The key role of management is to constantly find new sources of competitive advantage which will make their future effect in higher business performances compared to competition. Sources of competitive advantage are highlighted through selection, definition and combination of the strategic directions. All that will be defined by management in the form of competitive strategy which successful implementation is the condition of preserving and improving the strategic competitive market position.

Basis for realizing the competitive advantage is composed of (Davidson 1997, 261):

- Benefits of superior products/services;
- Advantages in product or brand based on its advertising, geographical place of origin and everything else recognised by the consumer/buyer as important;
- Low production cost;
- Superior resources (abilities/competencies) and advantages which come out from the intellectual property law, such as patents and copyrights;
- Superior contacts/relationships with the subjects in the industry or in the Government;
- Economy of scale;
- Competitive offensive moves and ideas how to achieve them.

That is why competitive strategy predicts something that competitors are not capable of or not going to do it. Also, this strategy predicts such actions that competitors are going to be weaker in if they undertake them. Or, it involves such activities/actions that will gain profit, even if the competitors realize them. The strategy is focused on actions that will provide use of favourable opportunities in the market, and which are not recognised by other enterprises. Being better than competition, requires flexible strategy. Flexibility is reflected in decision-making for the period of strategy realization. It means that a specific adaption of strategy is needed because of the changes in the environment during the process of its application. Also, there is a need for a connection between creation (definition) of the strategy and its implementation. This means that all activities, programs, actions during the implementation must be integrated and coordinated, and that all participants in the strategy realization know all of its elements.

In the processes of strategy formulation and implementation, it is necessary to include all the managers from the different management levels. Based on the determined enterprise strategy, business unit strategies should be developed, and then, based on them, functional strategies. Based on the enterprise strategy and the business units strategy, management defines specific connections that should contribute to achieving of higher synergic effects. Within that process, there is a particular importance for the *adequate connectivity and synchronization of realization of business units strategy and enterprise strategy*, as well as *business units strategies and functional strategies*. In other words, an adequate coordination and communication of different parts of organization is necessary.

2. The Role of Management in Effective Leading of the Strategy Implementation Process

Key management tasks in strategy implementation are not easy to specify. The main reason is that many factors influence the process of strategy implementation. Strategy

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implementation brings a variety of roles and tasks: to decide, acquire the resources, motivate, resolve crisis, reward/punish, monitor, change, develop human potentials, be informed, pressure employees to work harder etc. In some situations, these roles are exposed and direct, and in other indirect and discreet because they are delegated to subordinates. Sometimes it is, therefore, necessary to show (formal or actual) authority, and sometimes careful listening, making compromise decisions, giving instructions and delegating.

The essence in the effective managing of strategic plan implementation is to continuously get the information about how the projects, processes, activities, plans are realized and what is the progress in the strategy implementation. Ways to timely obtain vital information are different: reporting about realized performances, conversations with key people, meetings, presentations, contacts with customers and competitors, visits to organizational units, interviews with executives on their workplaces etc. All this provides not only to get the information, but to encourage managers, their initiative and positive energy which moves the people to do whatever it takes in their surrounding that will help to successfully realize the strategy

In other words, the role of managers is to create constructive pressure on organization to achieve good results (Thompson, Strickland, Gamble 2008, 393). *Organizational culture* which is focused on the value of achieving the results and constant increasing of objectives (as in the past they are being achieved or surpassed), *may be helpful in strategy implementation*. Besides, it is important to also promote other organizational values such as: encouraging employees to self-initiative and creativity, contribution to business success, involvement in decision-making and improvement making, etc. Apart from this, however, it is important to replace inefficient managers, additionally educate average executives, educate and train for new tasks, firing inefficient executives, and rotation of executives in order to learn as much as they can and become experts for different tasks, etc. *No less importance have quality compensation packages* which will motivate the employees and keep them within an enterprise, but who will also be a "magnet" for attracting professionals from the surrounding. Managers' skills are hidden, but vital input for strategy implementation. For successful strategy implementation the key is in *skills* of managers. Adequate manager's behavior, influence on people from the surrounding, leadership, giving a role-model, are interactive. Also, apart from these, managers should have negotiating skills. *Allocating skills* mean the ability of the managers to organize the others, and to adequately allocate time, money and people on the most important projects and high priority actions in order to efficiently implement a strategy. *Controlling skills* are very important, because it is not enough just to have good information (control) system, but to use the feedback mechanisms which provide tracking of business success factors. Controlling managers includes their direct participation in the key processes, trainings, discussions and so on, and not just isolated determination of results and definition of the rewards/punishments based on realized performances. *Organizing skills* include the ability to design formal organizational structures, but also organizing processes/activities in order to fulfil effective action which leads to timely and consistent strategy realization.

3. Problems and Challenges in Strategy Implementation

Experiences of many enterprises tell about that, although the strategy is well formulated, it is not often that some special results have been achieved. Problem does not

have to be in planning and formulating the strategy but in its implementation. If the problems are discovered on time, they can be solved and consequences can be avoided.

First of all, one cannot develop strategies that are not in accordance with resources/capabilities of the enterprise and its external environment, and which ignore organizational changes and actions leading to the results. On the other hand, mistake that most managers make is to begin with the problem examination too late, and that means after introducing the strategical intentions to all of the employees, but really, a discussion is needed much earlier, in the process of considering and formulating a strategy. The mistake many enterprises make is that managers do not perceive the changing internal and especially external environment as a problem, so they make inadequate decisions. Also, managers often know that the strategy is going to be hard to implement, so they dismiss it prematurely and direct the attention to the new strategy, which is bad and expensive option. Even worse is to run an enterprise without any strategy. Premature switch to a new strategy is a result of lack of attention devoted to problem examination connected with the implementation, that is, testing the strategy before applying it, and so management cannot struggle with the difficulties.

Mistakes in implementation lead to the strategy failure. For this reason, formulation and implementation of the strategy should be two sides of the same coin. This means that even in the stage of strategy formulation one must take into account all the requirements of its implementation which would minimize the mistakes in that process. The best option is to implement the strategy with the responsibility of the managers and other employees who formed it.

Because of the ineffectiveness in realizing the strategy, general managers can be characterized as unsuccessful. Certain researches that regarded this issue pointed to the fact that only 10% of the enterprises realizes the strategy successfully (Niven 2002, 9). Those researches identified the following constraints in the strategy application: (1) lack of strategy understanding; (2) lack of informing all the parts of the organization with the strategy content; (3) no linkage between employees' compensation system with the success (results) in the strategy realization; (4) lack of management commitment in strategy implementation; (5) weaknesses in the planning process of the enterprise regarding mismatches of the long-term and short-term planning dimensions.

Apart from these, other researches of strategy implementation problems have identified additional limits (Beer, Eisenstat 2000, 31, 32): (1) inefficient top management team; (2) unclear and unprecise strategy and priorities; (3) top-down management style; (4) bad vertical communication; (5) bad coordination between organizational units; (6) poorly developed leadership skills of the lower managers.

Ineffective top management team is characterized by managerial failures (omissions) regarding strategical moves, plan execution, leading, technological development, etc. However, *effective* can only be the team of top managers which members have managing orientation in which the enterprise development has a dominant position.

Managers with the top-down style hamper discussions that may lead to confrontation of opinions and, eventually, to "constructive conflicts" and influence their associates by imposing their views/interests. For the successful strategy a leadership style is needed in order to overcome the top-down directions, since the policy can come from the lower parts of the organization. However, a problem of insufficient information has to be

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solved especially those going from the lower to the higher managing levels. General manager sets the direction, but also gets feedback information. Weak and/or bad vertical communication of the highest management and lower executive levels has a particular negative impact on the ability to reformulate (redefine) the strategy, that is, to learn through a certain business process and to react with the appropriate correction in the strategy.

Inadequate communication in such cases leads to ex post reactions, that is, after a certain program, project, action or initiative has not been realized successfully. So, open and direct communication is needed between lower levels with the top management team about their role in the strategy implementation. Considering all the problems and limits in the successful strategy implementation, a *strategy mapping* is recommended (Kaplan, Norton 2000). *Strategic map* is necessary tool for strategy communication which helps a lot in its implementation.

4. Problem Recognition in Strategy Implementation and Readiness to Change

An enterprise or its various organizational (business) segments differ in terms of: (a) knowing that there is a problem of implementation that needs to be solved (or, eventually, a belief that there is no problem) and (b) desire to take action to solve a problem or, even so, on the other hand, lack of willingness and readiness to engage in that direction (Piercy, 2009). By crossing these criteria, one can identify four situations enterprises can find itself in: (1) there are, in fact, enterprises "*closed minds*" that believe there is no problem and are not ready to make any changes. Those are enterprises which have little awareness about the problem existence and are ready to make minimal efforts to change. So inefficient enterprises cannot achieve good results in strategy implementation, and also cannot count on sustain competitive advantage; (2) enterprises "*worried observers/scared rabbits*" are aware of the problem existence. However, that the problems will be solved by themselves and that nothing should be done about that and cause unnecessary expences that way. They continue to operate the way they used to and wait for certain results; (3) enterprises "*blissfull ignorance*" are open for new ideas, ready to change, but think that problem does not exist and (4) in the best position are enterprises "*ready to move*". They are aware of the problem existence and direct all of their capacities to solve them. These actions are planned, designed, so they expect good results with a reason

Diagnosing problems in implementations requires both thinking about *adequacy of strategy* (appropriate/inappropriate strategy), as well as about *necessary abilities and skills for implementation* (good/bad) (Piercy, 2009). There are for specific situations: (1) „*Success*“ in achieving goals can be expected only by enterprises which have appropriate strategy and good implementation skills. In other words, success is guaranteed if an enterprise has a good strategy and its consistent application; (2) Opposite to them are enterprises with inappropriate strategy and weak implementation skills. The "*failure*" is certain for them. Not even implementation improvement can help them if they continue to stick to the same (inappropriate) strategy. Even if the strategy gets reformulated, and there is still a problem of bad realization, failure is probable; (3) Often enterprises have good strategy but weak abilities/skills for its implementation, which is a "*problem*". The burden of bad performances, in that case, falls on the management and executives. Management has devoted very much attention to the strategy formulation itself, but without providing all prerequisites and resources for its implementation. The point is in engaging management to find ways and means for successful implementation and (4) „*roulette*“ is a situation

which characterizes enterprises with inappropriate strategy, but excellent skills in conducting weak strategy. They need time to improve, that is, to redefine strategy. *The greatest chance of success has enterprises with appropriate strategy and good implementation skills.* However, in the dynamic business conditions, survival requires constant innovation. Good strategy cannot permanently remain good, so enterprise should constantly adapt it to new circumstances. It must be in accordance with existing resources, systems and structure.

5. Strategy Testing in the Aim of its Efficient Implementation

To make the implementation efficient, the testing, that is, strategy checking is necessary. That process is completed through three phases (Piercy 2009). In the first phase of strategy testing, *it is necessary to consider coherence and completeness of strategy.* Strategy must be connected with the actions because otherwise desired results can hardly be achieved. It must point out what to do. If that cannot be seen from the strategy, then it should not be implemented.

In the second phase of strategy testing, its *adequacy for implementation in a concrete enterprise, in the defined time* has been examined (presence and projected future – period from 3 to, mostly, 5 years or longer). If the strategy is not adequate for implementation in a specific enterprise, it is logical that desired effects will not be achieved after it has been applied. Well formulated strategy, which is not supported by management structure of enterprise and does not comply with the requirements of the present moment, can hardly provide realization of the targeted business performances and contribute to realization and/or sustainability of the competitive advantage.

In the third phase of testing *flexibility, that is, adaptability of the strategy is being observed.* An enterprise must be ready to make an effort towards strategy adapting and support providing – by changing plans if that is necessary. If an enterprise is not ready to do that, the only result is to refuse and not implements the strategy. In this regard, mid-level managers in many enterprises tend to make resistance to strategy implementation – so called, counter-implementation. It means, actually, persistent attitude and long-term effort to prove that the strategy will not work.

Strategy testing is necessary condition for starting strategy implementation, but surely, it is not enough to achieve desired effects in implementation and total effects after that process. Very important aspect *is strategy check in regard of possible implementation problems.* This testing can be realized through four phases. The first phase is checking the strategy for potential implementation problems. *If there is some insurmountable barrier, strategy is being rejected before enterprise spends too much resources, time and effort on it.* On the other hand, timely problem identification gives enough time to solve them. In the second phase enterprise performs implementation problem isolation and their detailed analysis and assessment. *In that aim, it is necessary to examine the factors from the environment which have impact on the strategy and, at the same time, to examine eventual balance between positive and negative factors (impacts).* Repeated analysis may reveal that some of the reasons which make strategy rejected are not insurmountable. In the third phase key players are being identified and assessed. *Facing a problem requires higher precision and specificity in regards to necessary stuff, units, commissions, etc.* When the result has been achieved in all these phases, a credible strategy is being developed in the phase four. Such a

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strategy is relatively resistant to such implementation problems, supported with all the resources, so its success is more certain. If that is not the case, the strategy is being rejected.

Previously discussed strategy testings should be complemented by reviewing *value/performance strategy potential*. The importance of a strategy can be determined through the possibility that its application adds (creates, increases) the value – material (in financial terms) and non-material, on the one hand, but also to avoid or reduce expenses (costs), on the other hand (Đuričin, Janošević 2006).

However, in order for potential strategy to bring to the value increase of an enterprise in the future, it is essential that it contributes to increase different operative and investment performances that we mark as “driving values” (Krstić, Sekulić 2007, 366). It means that those performances and their objective levels can be tested by the criteria for adequacy assessment and strategy selection. That procedure is called *strategy valuation (assessing of strategy options)*. It is an integral element of the strategic choice process when choosing between several strategic options which is the best for an enterprise in the present circumstances, and which will be implemented in the future period. After the selection, there is a check procedure which includes control of the previously made strategy selection.

Otherwise, evaluation of strategic options consists of the following steps:

- (1) *Determining set of mutually exclusive strategic options* (usually three to five) (Nutt 1998) out of which one will be chosen for implementation;
- (2) *The choice of target or quantity and quality objectives* which should be realized by strategy implementation and according to which one should assess different possible strategic options and make a decision which one of them is the best;
- (3) *Projecting and eventual quantifying of the strategic options/strategies influence over selected goal/goals*, that is, performances in order to facilitate the selection. In evaluating different options (strategies) one can start from one goal approach – maximizing profit or more goals approach, one of which is maximizing profit. In this regard, strategic options evaluation may include, in the first case, use of (a) classic discount methods (net-present value, internal rate of return, recovery time) or, on the other side, (b) value analysis of profitability measures of enterprise (strategic business unit), where also one performs calculations by years of the strategy realization period partially, (c) the analysis of the values of other key financial and non-financial performance measures by which strategy success can be followed;
- (4) *Comparisson and analysis of all strategic options* in terms of possible fulfillment of the defined set of objectives, that is, criteria of acceptability/adequacy;
- (5) *Again (backup) assessment* if there is the dilemma about selection, but also about the evaluation which starts from other scenarios of demand and competition if it turns out that strategic options considered are inappropriate

Crucial in the process of evaluation and strategy check for the future implementation or more strategic options is answering the question which strategy can provide the highest growth of enterprise value (value for the owners) in the future. That is also the essence of the concept of *value based management* (Arnold, Matt 2000). In this regard, there is a necessity for application of the *concept of value based management in the strategy evaluation* (Đuričin, Janošević 2006, 378).

6. Determinants of Efficient Strategy Implementation

Strategy implementation is an operational activity connected with the resource management, change management, organization (structure), organization culture and performance of business processes. Strategy implementation requires different changes within an enterprise, realization of projects, programs and initiatives. In other words, strategy implementation involves translating strategy into action, that is, realization of actions/activities in order to fulfil determined strategic objectives.

Aligning organizational structure with the strategy aims to improve it in order to improve organization of execution of enterprise activities. *System of organization should be in function of strategy realization*. Good organization in an enterprise is a prerequisite of effective and efficient execution of business processes, programs, initiatives and actions.

The first important decision regarding the adjustment of the structure with the strategy is related to what activities in the value chain will be done internally, and which ones externally. According to the basic directions of outsourcing, strategically important (essential) activities should be done by the enterprise itself in order to achieve full control over them and avoid dependence of other subjects. Less important (non-essential) activities can be outsourced, and central decision principal is cost-effectiveness meaning that it is much cheaper to outsource than doing it inside the enterprise. This initial decision will largely determine the organizational structure design, that is, the organizational system of an enterprise. Strategy implementation also requires *the alignment of organizational structure* in terms of forming and eliminating organizational units (departments) or business unit (profit centers) on one territory or more different geographical areas.

Especially important question is *determinating the degree of power and independence of each organizational unit, as well as the responsibility of each individual*. In pretty centralized organizational structure, the responsibility concentrates mostly on managers and mid-line managers (business units for example), while very little authority transfers to first line managers and executives. The point is on strict adherence of procedures which are prescribed by the superior management, as well as on the strict monitoring and controlling. In larger enterprises *decentralization of decision-making* is necessary. Responsibility is transferred to those levels and individuals who are the closest to the source of problem and the most familiar with it. Individuals are trained to assess situation and decide about everyday operations, but also make decisions which influence strategy realization. The problem of good organization or organizing execution of business/working activities is not just a question of duties division and delegation of authority, but also a good *coordination*. Usually, an individual is responsible for coordination on the corporate level. As an important coordination mechanism, *process departments* are formed in order to merge segments of strategically important activities which have previously been executed in a separate business functions as organizational units.

Inability to provide appropriate material and human resources and their inadequate allocation on organizational (business) units can delay or stop realization of actions, programs, initiatives and projects which realization actually means the realization of strategy. In the first place, the appropriate financial resources for investments should be provided. However, strategy implementation has been performed by people. Bearing that in mind, allocation also includes human resources. In that aim, it is relevant to recruit quality staff and train the existing staff in order to prepare them for the implementation of new

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strategy. Flexibility in resource reallocation with change of strategy is also an important prerequisite of its successful implementation.

Developing a compensation package based on the realized performances is also an important factor of successful strategy implementation. Compensation system (system of salaries, stimulations and, so called, indirect compensating) is based on the realized performances (results, effect, contributions) and should primarily be designed to support achievement of enterprise's strategic objectives. It is a powerful management tool to achieve commitment of all the people in organization in consistent strategy implementation. Quality and highly motivating compensation system is in service of strengthening organizational culture which emphasizes: realizing targeted performances, work, dedication, loyalty, and continuous result improvement.

In strategy realization, apart from individual compensation packages, group compensation systems also have a special (Krstić, Sekulić 2007, 109-140). For the implementation of functional strategies, the special importance have, so called, team (functional) compensation systems. However, mentioned systems and system elements are not the only one. Apart from them, in modern enterprises and referent literature there is a wider set of mechanisms of compensations/rewarding, including there the following: promotion possibility, possibility of improvement throu training on the working place and outside, so called "psychological" addition as an emotional reward thanks to the job itself and the environment (people), providing a better quality of life and work, as well as the "factor X" an element employees would like to have as a part of their working places (Trompman 2004, 30).

Organizational culture and climate represent key factors of successful strategy implementation. Organization culture may be a support in strategy realization if the highlighted values, behaviours, norms, beliefs, and business principles are in accordance with characteristics of strategy. In order to make strategy as effective as possible, management ought to harmonize values of organizational structure with the structure characteristics. Those values should point out desired behaviours and thoughts which are in function of strategy realization. Therefore, there are usually changes in culture when implementing new strategy. New behaviours and values proclaimed should be connected with better enterprise functioning in the future, after strategy implementation.

Leadership is also very important factor of successful strategy implementation. The primary role of a leading manager is to implement the strategy and that is the activity they should devote significant attention and majority of their working time. Leading managers (not just at the top of the enterprise, but also on the lower hierarchical levels), according to their personal and professional characteristics, have the power to influence on value and behavior of the people in organization. Also, they should create constructive pressure on the members of organization to make their contribution to the strategy realization by achieving good effects (results), as well as to initiate and implement corrective actions in order to improve strategy implementation and achieve the desired effects.

7. The Role of Balanced Scorecard in Efficient Strategy Implementation

Balanced Scorecard (BS) (Kaplan, Norton 1996) has been originally designed as a control system for business performance measurement and measurement of the effects of implemented strategies of enterprises and their organizational units. Over time, the concept

has been developed in the direction of the strategic management system that supports the implementation of the strategies and translating those strategies into the actions at different levels of complex organizations. BS as a management tool can motivate and initiate significant improvements of business performances in key areas of business activity. It allows managers to introduce four management processes (Chow, Haddad, Williamson 1997, 26), which separately and in mutual combination contribute to linking long-term strategic goals with short-term, current actions.

The first process is *translating the vision and strategy*. It helps managers to achieve the consensus of the opinions about vision and strategy in an enterprise. In order to employees can understand the vision of management, it is very important to translate vision and strategy into the operational relations and terms. Vision and strategy must be expressed through an integrated set of objectives and performance indicators, which will qualitatively and quantitatively describe long-term objectives and factors of the business success of enterprise.

The second process is *communication and networking of objectives and corporate strategy with the objectives and strategies of business units (departments), as well as with goals of individuals*. This process is implemented through system of internal informing (communication), which will help to all the employees and managers within the organization with strategic goals. In order to employees and managers on the lower levels fully understand strategic goals, it is necessary to decompose the goals and performance indicators into operational goals and operations (so called performance indicators of narrower organizational units and performance indicators of activities within them).

The third process is *business planning*. It helps integrating units business and financial plans. BScorecard can be very useful in defining goals, establishing priorities and resource allocation decision making.

The fourth process is *informational feedback and organizational learning*. It helps the enterprise as a system to realize the process of learning. BS directs the attention of management on performance management, starting from the employees' and managers' learning, which can provide initiative to improve internal business processes and the consumers' requirements in the target markets that should be fulfilled.

BS as a performance measurement system primarily assists in monitoring and control of strategy implementation by translating the strategy into goals and indicators that will serve to control these goals. Besides, BS should help in formulating and redefining strategies. Therefore, BS as a measurement system should be linked with the strategy. This connection arises from the process of development and revision of the BS, in which the vision and mission are translated into a set of objectives. Based on those objectives key success factors can be identified, which then need to be translated into a set of key performance indicators of strategy success. After that, out of those key success factors and indicators, we can derive initiatives, actions and programs for successful strategy implementation. Essentially, these elements present activities of management process. (Sekulić, Krstić 2004).

BS as a measurement system helps company to overcome two basic problems: first, problem of effective business performance measurement, and second, successful strategy implementation. BS is relatively comprehensive system for measuring different aspects of enterprise's resource usage performances (Krstić, Sekulić 2007, 186). Performance management is a key activity for the activities of strategy formulation and

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implementation (Neely, Adams, Kennerley 2002, 170). Measurement systems developed according to the BS model can help managers to follow up strategy implementation by comparing performances achieved with the targeted ones. This way, performance measurement systems based on the BS model play an important role in helping managers to correct themselves, to adapt and learn. Out of that learning process they receive directions and information in order to redefine their strategies.

Measuring according to BS model plays an important role in providing key information which will provide proper definition of assumptions. Also, measurement and information it brings are relevant for strategy reformulation. One of the reasons for strategy failure is that strategy "audit" is mainly based on a good managers' hunch or on a management theory postulates, and less or not at all on the internal environment analysis (resources, production program...) and external environment analysis (situations in the industry, technology trends, competition intensity...).

For many years of experience, Kaplan and Norton (Kaplan, Norton 2000) have noted that organizations need a certain tool to communicate strategy and specific processes (systems) which help strategy implementation. For this, they found a specific solution – a strategic map based on the BS. It clearly indicated and explains to employees how their jobs and tasks are connected with the organization's goals. This way, it provides a basis for coordinated efforts of individuals, and thus a unit of the enterprise, all leading to achieving desired objectives. Strategy map shows cause-effect relations and connections through which improvements and desired results can be achieved.

The strategic map also helps in finding and selecting measures for activity monitoring. It shows how an organization will realize its initiatives and resources (tangible – disclosed in the balance sheet, and intangible - partially or not at all disclosed in the balance sheet) and achieve the desired results in resource usage. A completed map can be used to communicate (announce) strategies and their logic which is reflected in the answer to question why we believe we'll be successful. The essence of the strategic map is to describe a strategy. Its purpose is accomplished if an insight and analysis of the strategy map help to understand the strategy, that is, to identify good all of its elements. The value of strategic maps based on the BS model is that it can help in detecting failure, that is, elements missing in a certain strategy (Kaplan, Norton 2006).

Conclusion

Strategy, logically, should highlight what enterprise works well and, at the same time, avoid weaknesses, that is, activities that competition performs better. By implementing the strategy, management seeks to maximize competitive abilities and minimize the disadvantages compared to the competitors.

Successful strategy implementation in an enterprise represents a key step in achieving a long-term goal of the enterprise – competitiveness and profitability. To become, but also to remain competitive on a modern and dynamic market, becomes a growing challenge, and so, successful implementation and realization of the planned strategy gain higher importance. In the very process of implementation, managers are the key, and strategy itself should be their continual preoccupation, with the employees maximally participate in the strategy implementation process. In order to enable successful strategy realization, strategic objectives are translated into short-term goals for every year

of strategy realization by the process of budgeting. It also delegates responsibility for meeting the objectives on the lower organizational levels – managers and executives. Apart from human resources, it is also necessary to acquire other non-material and material/financial resources in order to implement a strategy.

Strategy implementation also requires the development of human potentials and existing enterprise's abilities in order to face changing environment and provide enterprise to keep up with the competition in the future, that is, in time of the strategic plan realization. Quality management team is the first prerequisite of the adequate strategy realization. Therefore, it is necessary to strengthen human resources and fill in such a team with creative, trained, competent, hard-working, dedicated and loyal employees who are ready to learn and grow.

The problems that may potentially occur are warning that it is necessary to integrate strategy formulation and its implementation in order to achieve enterprise's competitive advantage. The theory offers the instruments such as Balanced Scorecard and strategic maps as an attempt to overcome above mentioned challenges in strategy implementation. Their importance lies in providing strategy communication all the way through an organization and deviations detection in the strategic course of the organization thus providing managers to take the corrective actions timely, all in purpose of achieving desired, that is, planned performances with respect to the principal of corporate social responsibility.

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NEKI ASPEKTI EFIKASNE IMPLEMENTACIJE STRATEGIJE PREDUZEĆA

Rezime: Savremeni uslovi poslovanja preduzeća uslovljeni su stalnim promenama u okruženju. One se odražavaju na strategijsko razmišljanje i reagovanje menadžmenta. U takvim okolnostima, nije dovoljno samo imati pravu, tj. dobro formulisanu strategiju (efektivnu strategiju), već je i implementirati na pravi način. Ovo je sine qua none ostvarivanja i održavanja konkurentske prednosti. Cilj ovog rada je da pokaže na koji način menadžment teži da sprovođenjem strategije ostvari željene (planirane) performanse društvene odgovornosti preduzeća.

Ključne reči: strategija, implementacija, menadžment