

PROBLEMS OF STRATEGY MAKING AND IMPLEMENTATION IN RUSSIA ПРОБЛЕМЫ СОЗДАНИЯ И РАЗВИТИЯ СТРАТЕГИИ В РОССИИ

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Abstract: The article is investigated the strategy key components and factors. The author try to dip into strategy developing processes in Russia and try to find out what problems in strategy making Russian companies are faced.

Keywords: Strategy making, strategy implementation, Russia, Russian companies, management, top management, problems.

Аннотация: В данной статье представлены ключевые компоненты и факторы стратегии. Авторами описан принцип создания стратегии в Российских условиях и выявлены главные ошибки этого процесса.

Ключевые слова: Создание и развитие стратегии, Российские компании, Россия, менеджмент, руководство компании, проблемы.

“A strategy is the pattern or plan that integrates an organization's major goals, policies, and action sequences into a cohesive whole. A well-formulated strategy helps to marshal and allocate an organization's resources into a unique and viable posture based upon its relative internal competencies and shortcomings, anticipated changes in the environment, and contingent moves by intelligent opponents” – said professor emeritus James Brian Quinn in Tuck School of Business management in Dartmouth. There are always three main opponents for a company: competitors, consumers and personnel, who are composed its internal and external environment. It is impossible to define opponents' response exactly, but there is an opportunity to predict for a certain extent of probability of their further action. An effective company strategy must be based on constant analysis of internal and external factors and should make in terms of all these opponents, who block the way of company success and maximum profit. In James Quinn opinion an effective formal company strategy must contain of three fundamental components:

- company's purposes (or goals);
- most important politics elements, which direct or bound field of activity;
- succession of basic actions (or program), directed at company's goal achievement and not to be beyond the scope of selected politic.

In other words, goal achievement strategy should include politic and program of actions. The right choice of politic directs and restricts not only this program of basic actions and goals alternative, but whole process of strategy making in management and every step of it: goal-setting, mission, vision, particular long-range goals, action program, operation of company efficiency index. Of course purposes (or goals) of itself define what results should be obtain and when. However practically no one knows how to get it. Transition from goals to action program is quite complicated and first it needs to:

- develop mission (or vision) of organization;
- identify a corporate objectives, based on mission/vision.

In practice transition from mission to corporate objectives is not that easy to accomplish. A majority of management conception are built on intuition particular long-range goals and activities identification without sufficient company's mission and purposes support.

Usually Russian companies spend three or four months on strategy making, and often they involve external consultants in the work. However in the conditions of modern business there are situations appear often, when two strategy are already written in the companies, but the management claims that strategy isn't present and it is necessary to develop it as soon as possible. Some of the companies go another way and choose a way of use Internet resources (various of online consultations and forums). Besides as a rule young workers or graduating students, who just start working as a manager, seek help in the internet, because a top management ask to create and write a development strategy for this company. The company believe that strategy is a huge and thick report about the work done with qualitative operation of company area and suppose that it is meaningless to involve top management and key specialists for doing this job.

At the same time there are a lot of methodology and algorithm of strategy making appear in Russia Various provisions, orders, standards and instructions are attempt to paint sequence of development of strategy on steps. Various regulations, orders, standards and instructions are attempt to plan stepping

sequence of strategy development. As a rule there is no difference between this sequence and typical long-range planning. At first management carry out a survey of departments, then certain department summarizes collected materials, further for a long time all these materials agreed with all stakeholders and company management. By all means developers insert diverse strategic analysis matrixes (PEST, SWOT etc.) and derived result in reporting form and submit to superior force (committee of directors). Then the course of time after, approximately after one year, the company have in accordance with instructions and confirmed strategy.

It should be noted that employees and the administration seldom follow the strategy. The fact of the matter is that both management and employees understand and interpret strategy in different ways. And the major cause of it is that every member of strategy development misunderstand a meaning of expression "strategy". It is easy to ascertain this by asking every member to write the definition. Different understanding of strategy content leads to different understanding of what it should include and how to implement it. In one issue everyone are at one: strategy is a document describing company activity, line of development and long-term improvement, series of goals which should be succeeded within a given period.

In my opinion most important thing is that management should understand following definition: strategy is owners and top management (including CEO, his deputies and directors) concerted system of balanced long-term developing goals and the ways (programs, projects and arrangements) of its achievement. But it is impossible to concert this strategy with owners and top management if they do not participate in the process of strategy making but scarcely look through ready materials. When the moment of responsibility for one or another company goal comes all management loose a will to consent to strategy.

This situation can be easily illustrated by giving an example. When a scarce resources situation arises a company starts allocate resources in concordance with strategy, stimulating priority directions of development and limiting for others. In this case as a rule struggle for recourses comes because it is much easier to obtain wanted results possessing comprehensive recourse facilities than to do the same, but by effective deploying a lack of recourses. If performance managers try to capture as much resources as possible there is a chance when recourses are allocated not in accordance with long-term goals but on the assumption of deputies personal needs. That is why strategy is should be concerted otherwise there is no purport of its developing and realization. Not without reason in strategic management this expression exists: "Strategy must be not right, but agreed. A majority of big American companies had spent from three to four years developing its strategy, because this process had took repeated conception and discussions.

But developing of strategy is not most significant thing. Most important is strategy implementation. There always arises the difficulty of doing this because strategy implementation demand of considerable company changes which is not that easy for employees and management to accept it. If management style and organization structure are too conservative realization only formally goes.

Thereby it is draw a conclusion, that effective company strategy (including strategies in a government and in a military sphere) must include following factors and structural components:

- **Significant and articulate goals.** **Common** long-range goals must be adequately clear for every department for guaranteeing continuity and succession tactical choice full time horizon of strategy realization.
- **Initiative support.** There must be a space for independent actions and decisions.
- **Concentration.** The true strategy art is to obtain maximum results with minimum effort. That is what helps to score big successes in struggle with competitors.
- **Flexibility.** Maneuver liberty and backup possibility system permit to obtain considerable results with insignificant expenses.
- **Cooperative and responsible management.** Management must be selected and motivated right way, when their own interests and values are in line with entrusted role.

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