

## Executive Overview

Faced with the pressures of increasing competition, businesses need to coordinate the activities of their principal functions within a coherent strategy.

The reality is that companies typically don't do this. When developing their corporate strategies, they fail to embrace all the functional contributions and insights essential to understanding, resolving and agreeing strategic direction.

One common and glaring omission in this process is the views and involvement of the operations function.

To explain this phenomenon, outline an approach by which operations can proactively engage in and contribute to the successful development of a corporate strategy and introduce the key concepts and ideas that comprise and underpin an operations strategy, this chapter addresses the following:

**What is strategy?** – this clarifies the content and role of strategy within a business.

**Evolution of strategy** – explains how, as companies grow, strategy evolves into three separate but interlinked levels.

**Levels of strategy** – introduces the different levels of strategy from corporate through business unit to functional, together with a review of business unit strategy formulation.

**Being market-driven and market-driving** – highlights the strategic mix within most companies that distinguishes between being market-driven, thereby developing the capabilities to meet the demands of a market, to being market-driving, requiring a proactive approach to identify how the competitive dimensions in a market may be changed.

**Executive roles** – a review of the operational and strategic dimensions of an executive's task.

**Operations strategy in action** – having set the scene, an example of Wal-Mart's use of operations to help it grow within the highly competitive retail market.

**Executives roles** – a reminder of the section in Chapter 1 highlighting the operational and strategic roles of executives.

**Business unit strategy** – looks at the requirement and reality of how strategy at the business unit level is developed and the reasons why this approach tends to be adopted.

**Reactive role of operations in strategy development** – provides an in-depth explanation of why operations continues to play a reactive role in strategy development.

**Recognizing difference within strategy formulation** – as today's markets are increasingly different, understanding difference is a central feature of strategy development.

**Linking marketing and operations** – introduces the need for and approach to linking markets and operations and how this is achieved through markets.

**Understanding markets** – two sections here look at the reality compared to the approach to be followed in completing the essential task of market reviews.

**Developing and implementing an operations strategy** – explains one approach to developing an operations strategy and looks in detail at how this is implemented.

**Operations strategy** – an illustration of operations strategy is provided that links market tasks to operations actions.

Finally, the book map opposite the first page of the chapter shows the position of this topic within the book and illustrates its overarching nature within the operations management field.