Exhibit 7–16: ♦ Appropriate Internal Resources, Competencies, and Capabilities for the Market Entry Strategies

Market Entry Strategy	Appropriate Resources, Competencies, and Capabilities (Strengths)
Acquisition	• Financial resources • Ability to manage new products and markets • Ability to merge organizational cultures and organizational structures • Rightsizing capability for combined organization
Licensing	• Financial resources (licensing fees) • Support organization to carry out license • Ability to integrate new product/market into present organization
Venture Capital Investment	• Capital to invest in speculative projects • Ability to evaluate and select opportunities with a high degree of success
Merger	• Management willing to relinquish or share control • Rightsizing capacity • Agreement to merge management • Ability to merge organizational cultures and organizational structures
Alliance	• Lack of competitive skills/facilities/expertise • Desire to create vertically integrated system • Need to control patient flow • Coordinate board/skills • Willing to relinquish share control
Joint Venture	• Lack of a distinctive competency • Additional resources/capabilities are required
Internal Development	• Technical expertise • Marketing competency • Operational capacity • Research and development capability • Strong functional organization • Product/service management expertise
Internal Venture	• Entrepreneur • Entrepreneurial organization • Ability to isolate venture from the rest of the organization • Technical expertise • Marketing competency • Operational capacity

Exhibit 7–17: ♦ External Conditions Appropriate to Market Entry Strategies

Market Entry Strategy	Appropriate External Conditions
Acquisition	• Growing market • Early stage of the product life cycle or long maturity stage • Attractive acquisition candidate • High volume economies of scale (horizontal integration) • Distribution economies of scale (vertical integration)
Licensing	• High capital investment to enter market • High immediate demand for product/service • Early stages of the product life cycle
Venture Capital Investment	• Rapidly changing technology • Product/service in the early development stage
Merger	• Attractive merger candidate (synergistic effect) • High level of resource required to compete
Alliance	• Alliance partner has complementary resources, competencies, capabilities • Alliance partner has similar status • Market demands complete line of products/services • Market is weak and continuum of services is desirable • Mature stage of product life cycle
Joint Venture	• High capital requirements to obtain necessary skills/expertise • Long learning curve in obtaining necessary expertise
Internal Development	• High level of product control (quality) required • Early stages of the product life cycle
Internal Venture	• Product/service development stage • Rapid development/market entry required • New technical, marketing, production approach required

Exhibit 7–18: ♦ Market Entry Strategies and Organizational Goals

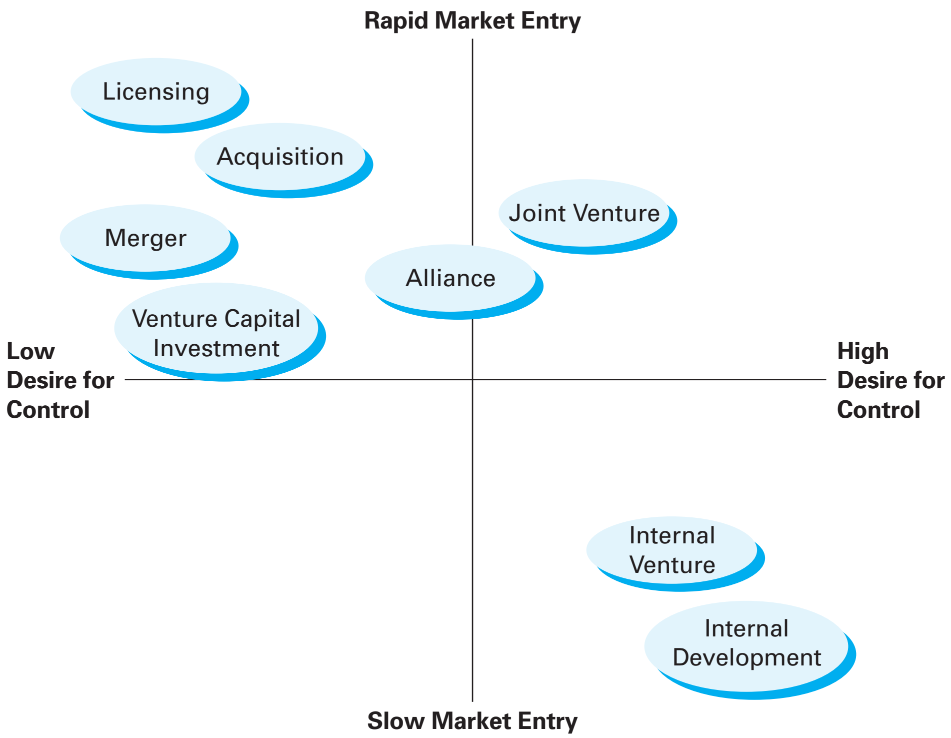


Exhibit 7–19: ♦ Appropriate Internal Resources, Competencies, and Capabilities for Strategic Posture Strategies

Posture Strategy	Appropriate Internal Conditions (Strengths)
Defender	• Ability to develop a single core technology • Ability to be very cost-efficient • Ability to protect market from competitors • Capacity to engage in vertical integration strategy • Management emphasis on centralized control/stability • Structure characterized by division of labor • Well-defined hierarchical communications channels • Cost control expertise • Well-defined procedures and methods • High degree of formalization, centralization
Prospector	• Ability to adjust organization to a variety of external forces • Technological and administrative flexibility • Ability to develop and use new technologies • Ability to deploy and coordinate resources among numerous decentralized units • Decentralized planning and control • Flexible structure • Marketing plus research and development expertise • Low degree of formalization (few well-defined procedures and methods)
Analyzer	• Ability to mix high levels of standardization and routinization of core products and markets with flexibility and adaptation for new products and markets • Structure accommodates both stable and dynamic areas of operation • Effective lateral and vertical communication channels • Many different management skills required • Effective strategy and planning team

Exhibit 7–20: ♦ External Conditions Appropriate for Posture Strategies

Posture Strategy	Appropriate External Conditions
Defender	• Stable external environment • Predictable political/regulatory change • Slow technological and competitive change • Products or services in mature stage of PLC • Relatively long PLCs • High barriers to entry
Prospector	• Turbulent environment • Rapid technological, political/regulatory, economic change • Introduction and early growth stages of PLC • Technology may be employed across markets • Low intensity of competitive rivalry • Numerous market and product opportunities • Fairly low barriers to market entry
Analyzer	• Moderately changing environment • Technological, regulatory, economic, social, and competitive change open new opportunities • Some competitive rivalry in old and new markets • Some stable product and markets • Some new market and product opportunities • Growth and mature stage of PLC for existing products • Growth stage of PLC for new products

Exhibit 7–21: ♦ Appropriate Internal Resources, Competencies, and Capabilities for the Positioning Strategies

Generic Strategy	Resources and Competencies	Organizational Capabilites
Cost Leadership	• Sustained capital investment and access to capital • Process engineering skills • Intense supervision of labor • Products and services that are simple to produce in volume • Low-cost delivery system	• Tight cost control • Frequent, detailed control reports • Structured organization and responsibilities • Incentives based on meeting strict quantitative targets
Differentiation	• Strong marketing abilities • Product/service engineering • Creative flair • Strong capability in basic research • Reputation for quality or technological leadership • Long tradition in the industry or unique combination of skills • Strong cooperation from channels	• Strong coordination among functions in R&D, product/service development, and marketing • Subjective measurement and incentives instead of quantitative measures • Amenities to attract highly skilled labor, scientists, or creative people
Focus	• Combination of the preceding skills and resources directed at a particular strategic target	• Combination of the preceding organizational requirements directed at a particular strategic target

Source: ♦ Michael E. Porter, *Competitive Strategy: Techniques for Analyzing Industries and Competitors* (1980), pp. 40–41. Copyright © 1980 The Free Press. Adapted by permission of Simon & Schuster.

Exhibit 7–22: ♦ External Risks Associated with Positioning Strategies

Generic Strategy	External Risks
Cost Leadership	• Technological change that nullifies past investments or learning • Low-cost learning by industry newcomers or followers, through imitation or through their ability to invest in state-of-the-art facilities • Inability to see required product or marketing change because of the attention placed on cost • Inflation in costs that narrow the organization's ability to maintain sufficient price differential to offset competitors' brand images or other approaches to differentiation
Differentiation	• The cost differential between low-cost competitors and the differentiated firm too great for differentiation to hold brand loyalty; buyers therefore sacrifice some of the features, services, or image possessed by the differentiated organization for large cost savings • Buyers' need for the differentiating factor diminishes, which can occur as buyers become more sophisticated • Imitation narrows perceived differentiation, a common occurrence as the industry matures
Focus	• Cost differential between broad-range competitors and the focused organization widens to eliminate the cost advantages of serving a narrow target or to offset the differentiation achieved by focus • Differences in desired products or services between the strategic target and the market as a whole narrows • Competitors find submarkets within the strategic target and outfocus the focuser • Focuser grows the market to a sufficient size that it becomes attractive to competitors that previously ignored it

Source: ♦ Adapted from Michael E. Porter, *Competitive Strategy: Techniques for Analyzing Industries and Competitors* (1980), pp. 40–41. Copyright © 1980 The Free Press. Adapted by permission of Simon & Schuster.

Exhibit 7–23: ♦ Map of Selected Strategies for Long-Term Care Organization

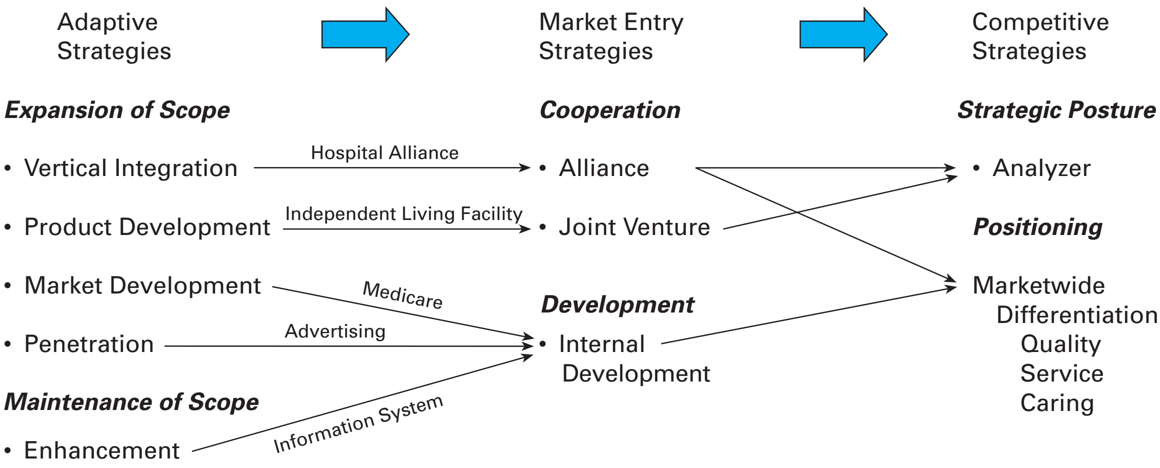
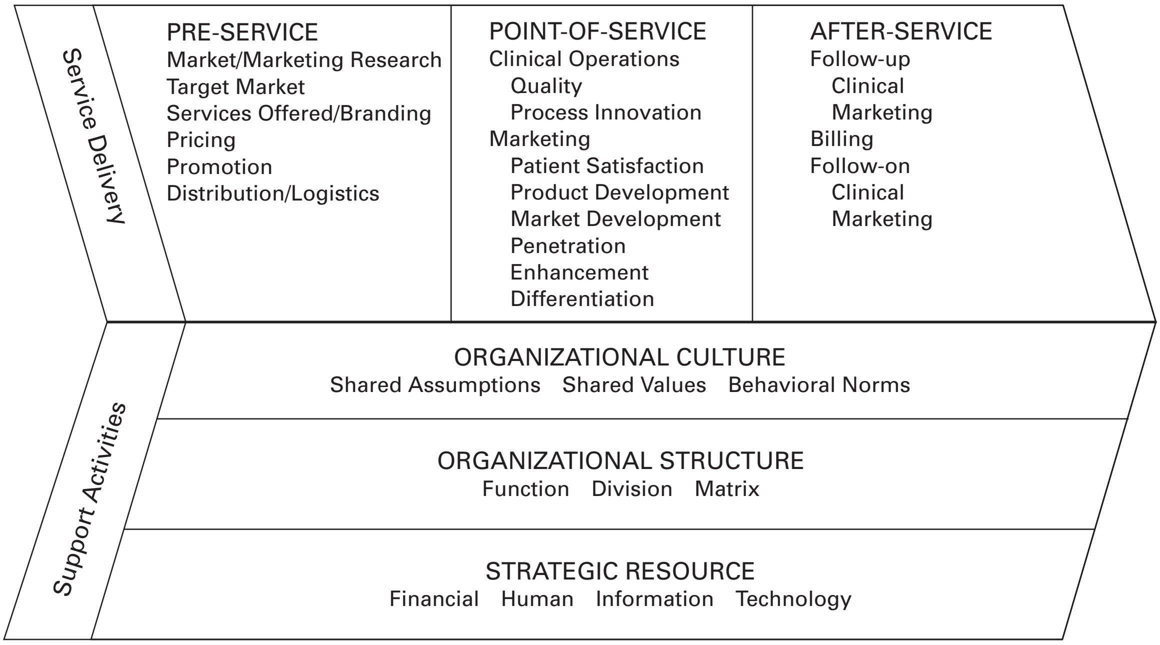


Exhibit 8–1: ♦ The Value Chain



Source: ♦ Adapted from Michael E. Porter, *Competitive Advantage: Creating and Sustaining Superior Performance* (New York: Free Press 1985), p. 37.

Exhibit 8–2: ♦ Decision Logic for the Value Adding Strategies

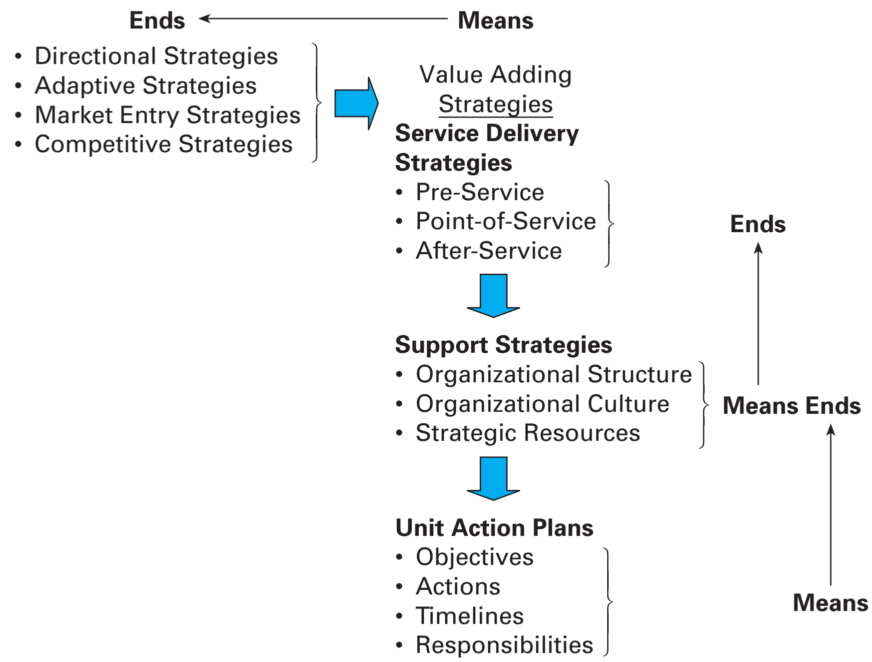


Exhibit 8–3: ♦ The Process of Developing Value Adding Strategies

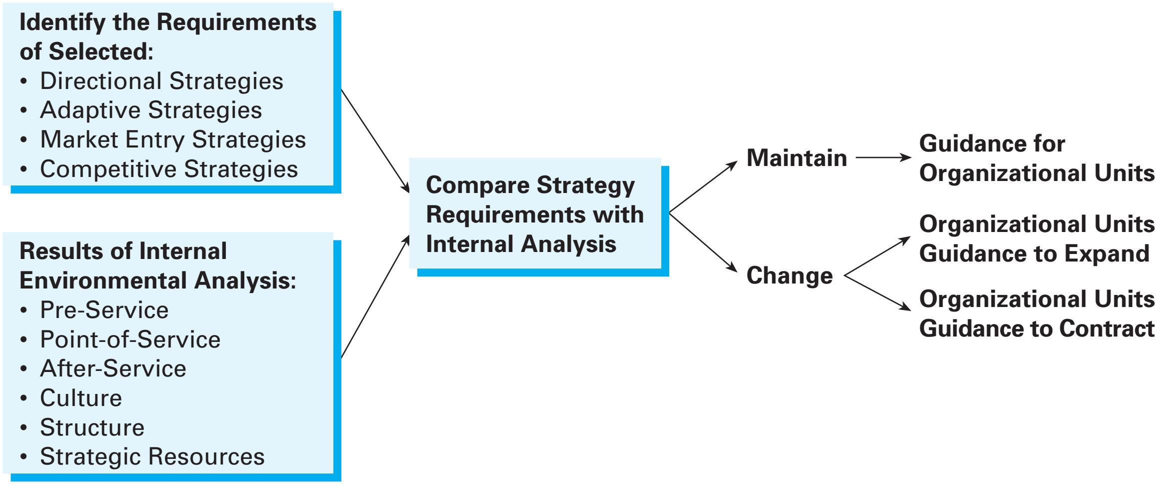


Exhibit 8–12: ♦ Strategic Thinking Map for Value Adding Support Strategies for a Long-term Care Organization

Adaptive Strategy: Vertical integration – enter into a system of care.
Market Entry Strategy: Enter into an alliance with a hospital to assure referral network.
Strategic Posture: Move from defender posture to analyzer posture.
Positioning Strategy: Differentiation based on quality, upscale image.

	Characteristics/Attributes		Evaluation			Support Strategy
Value Adding Service Delivery Strategies	**Results of Internal Analysis**	**Requirements of Selected Strategies**	**Comparison: Strategy Requirements – Internal Analysis Results**	**Maintain**	**Change**	**Guidance for Organizational Units (Basis for Unit Action Plan Development)**
Pre-Service • Market/Marketing Research • Target Market • Services Offered/Branding • Pricing • Promotion • Distribution/ Logistics	Target market: upscale families, private pay. Prestige pricing in this step-down facility that offers long-term care and skilled nursing. Word-of-mouth is relied on as well as the publicity about the CEO's mother residing there. Excellent location – upscale neighborhood with excellent shopping and recreation nearby.	Become Medicare and Medicaid qualified to meet hospital's needs. Intensify branding efforts to combat new competition. Maintain upscale appearance, caring staff. Add new services to be "full-service."	Fairly good match. Expansion of the target market may impact upscale image. Word-of-mouth promotion not sufficient to develop brand awareness. Maintaining the current competitive advantage will be challenging with an expanded target market.	X		**Marketing** – enhancement: Develop a promotional campaign to enhance brand awareness, redesign of the logo and new signage, consider comparative advertising with other local upscale facilities. **Operations** – enhancement: modify procedures to be consistent with Medicare and Medicaid regulations, ensure facilities are clean/neat to reflect upscale image, make facilities modifications to meet Medicare and Medicaid requirements, ensure recruitment of caring professionals.
Point-of-*Service* • Service Delivery	Patients/families indicate care delivery is outstanding. Facility is clean, does not smell like a nursing home. Food is tasty and nutritious – like home cooked. Families do not want to move the loved one if other problems associated with aging occur.	Expand services: Alzheimer's care, senior day care, rehabilitation.	Fairly good match. Services differentiation strategy requires improved information system to track care. Enhancement strategy requires process innovation while maintaining caring environment, cleanliness, great food. Product development offers opportunities.	X		**Clinical** – status quo: maintain service delivery at its current high level of quality and caring, continue quality food service/dining. **Marketing** – product development analysis: Alzheimer's care and senior day care units. **Operations** – enhancement: work with IS to enhance tracking of care, improve activities and social opportunities for residents, develop procedures for operating Alzheimer's and day care units. Work with Facilities Management on the facilities requirement for Alzheimer's and day care units.
After-Service • Follow-up Activities • Billing • Follow-on Activities	"No need" for patient/family satisfaction studies. Billing process: give an accumulated bill to a family member when they stopped in for a visit. If the patient needs care from a specialist, referrals are prompt, transportation arranged.	Satisfaction studies to track improvements. Billing procedure to provide consistent revenue stream.	Not a good match. IS upgrade needed to match the hospital's system for timely, accurate billing to increase customer satisfaction. Expanded target market requires careful tracking to maintain image.		X	**Marketing** – initiate patient/family satisfaction studies, make recommendations to leadership based on results of the study, track brand awareness and image in an expanded target market. **Operations** – work with IS to change billing system, coordinate with alliance hospital for consistency in billing procedures.

Exhibit 9–1: ♦ Consistency in Value Adding Support Strategies

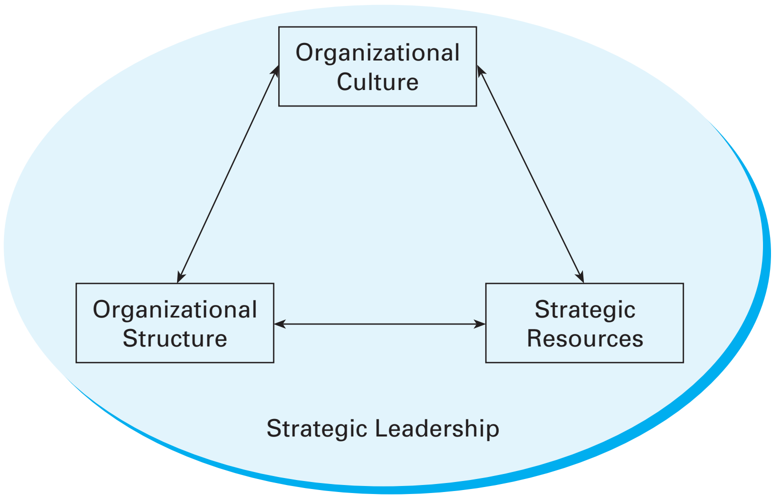


Exhibit 9–2: ♦ Strategic Thinking Map for Developing Value Adding Support Strategies

	Characteristics/Attributes		Evaluation		
Value Adding Support Strategies	**Results of Internal Analysis**	**Requirements of Selected Strategies**	**Comparison of Strategy Requirements and Internal Analysis**	**Maintain**	**Change**
Organizational Culture					
Organizational Structure					
Strategic Resources					

Exhibit 9–7: ♦ Strategic Thinking Map for Value Adding Support Strategies for a Long-term Care Organization: An Example

Adaptive Strategy: Vertical integration – enter into a system of care.
Market Entry Strategy: Enter into an alliance with hospital to assure referral network.
Strategic Posture: Move from defender posture to analyzer posture.
Positioning Strategy: Differentiation based on quality, upscale image.

	Characteristics/Attributes		**Evaluation**	**Support Strategy**		
Value Adding Support Strategies	**Results of Internal Analysis**	**Requirements of Selected Strategies**	**Comparison of Strategy Requirements and Results of the Internal Analysis**	**Maintain**	**Change**	**Guidance for Organizational Units (Basis for Unit Action Plan Development)**
Organizational Culture • Assumptions • Values • Behavior Norms	Strong, positive culture based on religious affiliation, caring environment with appropriate behavioral norms, (seen as competitive advantage: valuable, rare, difficult to imitate, and sustainable).	Culture reflects up-scale differentiation positioning strategy.	Good match. However, culture (values and behavior norms) will need to be transferred to alliance partner (requires major organization effort to maintain competitive advantage).	**X**		**HR** – Emphasize importance of the organization's culture and image, review and discuss the values/behavior norms, discuss mission, vision, values and strategic goals for new alliance partner.
Organizational Structure • Function • Division • Matrix	Strong functional structure (some communication problems across functions, seen as short-term competitive disadvantage: valuable but fairly easy to fix).	Strategy requires specialization, vertical integration through alliance moves organization toward more decentralization.	Fairly good match. However, need to increase coordination and communication, improve communications and coordination through executive and standing committees. Cross-functional task force needed to plan and facilitate alliance.	**X**		**All units** – more discussion at executive and departmental meetings, create cross-functional task force to plan and implement alliance with appropriate hospital, initiate training program on communication and coordination.

Strategic Resources • Financial • Human Resources • Information Systems • Strategic Technologies	Shortages of clinical personnel, reward system not tied to performance (not seen as competitive disadvantage because the problems are common in the industry). Little management depth, information system weak, many billing problems (competitive disadvantages). Strong financially Excellent facilities, recently remodeled, equipment is state-of-the-art, effective management facilities and technology (competitive advantage: valuable, rare, difficult to imitate, and sustainable).	Strong staff to provide long-term continuity of care and maintain image. Superior IS to support differentiation strategy. Positioning strategies (up-scale-differentiation) requires quality facilities and technology.	Poor match in the areas of HR and IS. Need to be improved to implement strategy. Most problems in HR concern personnel shortages, lack of management depth, and the reward system. Need major emphasis on recruitment of management and technical staff. Information system outdated. Need development of patient record and billing system. IS critical to the selected positioning strategy Good match: facilities and technology, continual upgrade and maintenance needed.	**X**	**HR** – create recruitment package to attract and retain key management personnel and technical personnel, develop performance/reward proposal tied to behavior norms identified in internal analysis. **IS** – purchase new billing system, create overall information systems strategy. **Technologies** – install maintenance and upgrade schedule, ensure state-of-the-art facilities and equipment, ensure housekeeping keeps appearances up to high standards, state-of-the-art facilities and equipment in promotional materials, continue image promotions that emphasize differentiation strategy. **Finance** – budget for facilities and equipment upgrades utilizing current revenues.

Exhibit 10–1: ♦ Strategy Formulation and Unit Action Planning

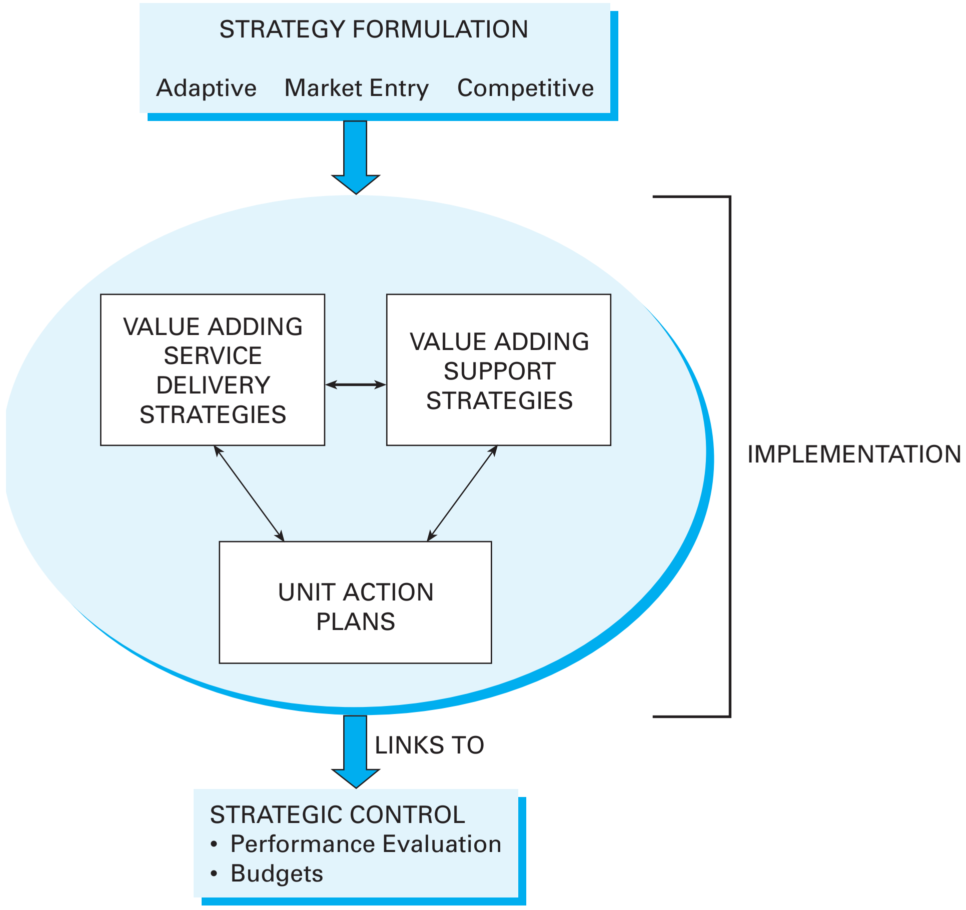


Exhibit 10–3: ♦ Example of Pharmacy Action Plan

Value Adding Strategy – Clinical Services. Change. Increase role of hospital as community health resource.
Pharmacy Objective – Revenue Increase. To increase the volume of outpatient pharmacy revenues by 25 percent by the end of the first year of expanded outpatient operations.

Activity	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Revenues**	**Costs**	**Responsible Person/Group**	**Comments**
New Revenues													$76,500			
Costs																
1. Remodel storage space for waiting area.														$8,500	Hospital Facilities Management	Waiting area is the only additional space needed in first year of expanded operations
2. Expand curbside parking near hospital entrance.														$3,000	Hospital Grounds and Landscaping	Additional parking spaces will be necessary for customer drop-off and pick-up
3. Add additional telephone line and expand hospital Web site.														$2,100	Telecommunication Services	Additional telephone line required for anticipated increase in volume. Web site needed for outpatient pharmacy
4. Contract with marketing firm to promote outpatient pharmacy initiative.														$24,000	Head of Pharmacy	Assistance of marketing firm needed to inform physicians and potential customers of new outpatient initiative
5. Recruit and hire up to two additional FTE pharmacy technicians.		1st									2nd			$33,000	Hospital Human Resources	Increase in volume initially handled by technician Second may be needed in June depending on volume
6. Recruit and hire one additional 0.5 FTE pharmacist.														$35,000	Head of Pharmacy	Anticipated volume will require new pharmacist by end of December
Total Revenue/Cost													$76,500	$105,600		
Net Revenue/Cost														($29,100)		

Exhibit 10–4: ♦ Strategic Thinking Map about Unit Action Plans

Department Strategic Plan

Value Adding Service Delivery and Support Strategies

Maintain or Change

Unit Action Planning

Setting unit objectives. What are two or three objectives that, if accomplished, will contribute to the value adding strategy of the appropriate service delivery or support services area?

Identifying actions. What actions will be required to accomplish each unit objective?

Estimating completion times. How long will it take to accomplish each action?

Calculating revenues and costs. How much revenue will each action produce and how much will it cost to complete each action?

Assigning responsibility. Who will be responsible to ensure each action is accomplished on time?

Developing budget request. What will be the additional resources needed or resources available for redeployment as a result of accomplishing the objective?

Translate into Budget Request

Exhibit 10–5: ♦ Unit Action Plan for Special Services Clinic Center

Health Center: Unit Value Adding Strategy – Change.
Objective 1. By the end of the fiscal year reduce departmental subsidy by $100,000.

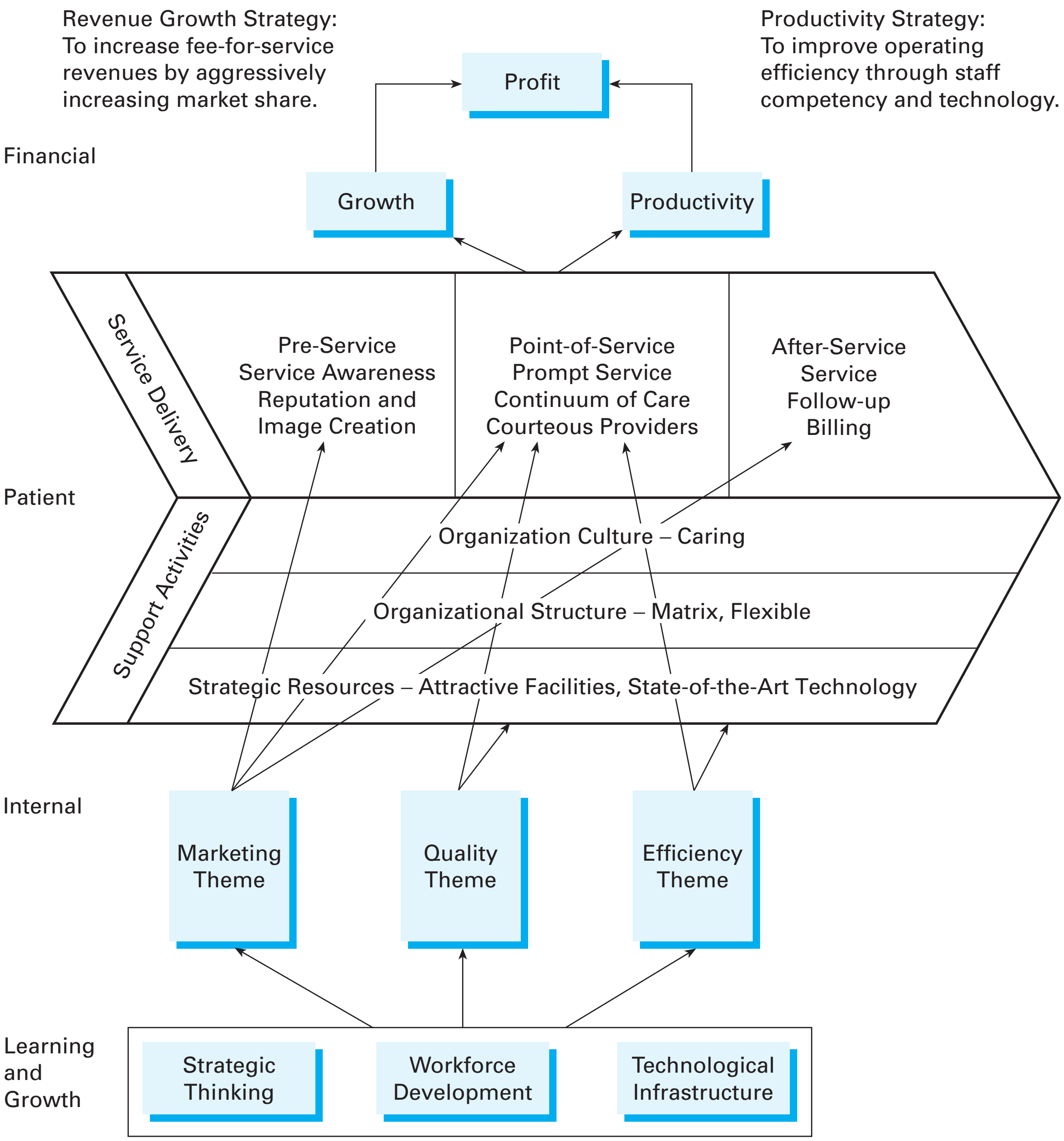
Actions	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	County Funds	Other Funds	Responsible Person	Comments
Revenue Lost:														–$102,900		Reductions in four full-time and one part-time position will reduce clinic's ability to generate fee-for-service and insurance payments.
Cost Savings of Actions																
Personnel:																
1. Delete one Transcriber.													$28,700		Clinic Director and HR	Clinic Director will work in association with appropriate representative from merit system to ensure proper procedures are followed for personnel reductions.
2. Delete one Account Clerk.													$24,800		Clinic Director and HR	
3. Delete one Telephone Operator.													$22,500		Clinic Director and HR	
4. Delete one Clinical Manager.													$54,000		Clinic Director and HR	Reductions represent salary and fringe benefit costs.
5. Delete one Student Intern.													$10,900		Clinic Director and School Officials	
Nonpersonnel:																
1. Reduce inpatient contracts.													$60,000		Contract Officer	Primarily from contracts for inpatient services.
2. Reduce support costs.													$2,000		Clinic Director	
Savings/Lost Revenue													$202,900	–$102,900		
Reduction in County Funds													–$100,000			

Exhibit 10–6: ♦ *Unit Action Plan* for Surveillance and Epidemiology

Surveillance and Epidemiology: Unit Value Adding Strategy – Change.
Objective 1. By the end of the fiscal year reduce the incidence of infectious diseases in group living facilities by 25 percent.

Actions	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	County Funds	Responsible Person	Comments
Revenue													0		
Cost of Actions															
Personnel:															
1. Staff meetings for program development.	—	—	—	—	—	—								Unit Director	Staff meetings are part of normal job responsibilities.
2. Investigation of day care outbreaks.	—	—	—	—	—	—	—	—	—	—	—	—	$4,600	Assigned Senior PHR	Two PHRs @ 2% each. Senior PHR @ 5%.
3. Day care disease prevention presentations.							—	—	—	—	—	—	$5,000	Assigned Senior PHR	Two PHRs @ 5% each. Two PHRs @ 1% each. Senior PHR @ 1%.
4. Nursing home outbreak investigations.	—	—	—	—	—	—	—	—	—	—	—	—	$1,500	Assigned Senior PHR	Two PHRs @ 1% each. Senior PHR @ 1%.
5. Bacterial Meningitis investigations in group living facilities.	—	—	—	—	—	—	—	—	—	—	—	—	$7,000	Assigned Senior PHR	Senior PHR @ 5%. Two PHRs @ 5%.
6. Telephone responses to inquiries on 50 diseases.	—	—	—	—	—	—	—	—	—	—	—	—	$7,000	Assigned Senior PHR	Senior PHR @ 5%. Two PHRs @ 5% each.
7. Preparation of press releases and responses to media.	—	—	—	—	—	—	—	—	—	—	—	—	$3,000	Assigned Senior PHR	Senior PHR @ 5%.
8. Participation in disease awareness programs.							—	—	—	—	—	—	$5,000	Assigned Senior PHR	Senior PHR @ 5%. PHR @ 5%.
9. Development of manual and materials on infectious disease control and prevention in group living facilities.				—	—	—	—						$15,000	Assigned Senior PHR	Senior PHR @ 13%. Graduate Intern @ 50%.
Nonpersonnel Costs:															
Travel and Per Diem													$2,000		
Education and Training													$1,000		
Materials													$3,000		
Postage													$350		
Additional Budget Requested													$54,450		

Exhibit 10–7: ♦ Health Care Provider Balanced Scorecard Strategy Map



Source: ♦ Adapted from Robert S. Kaplan and David P. Norton, "Having Trouble with Your Strategy? Then Map It," *Harvard Business Review* 78, no. 5 (2000), pp. 168–169.

Exhibit 11–1: ♦ Strategic Fit

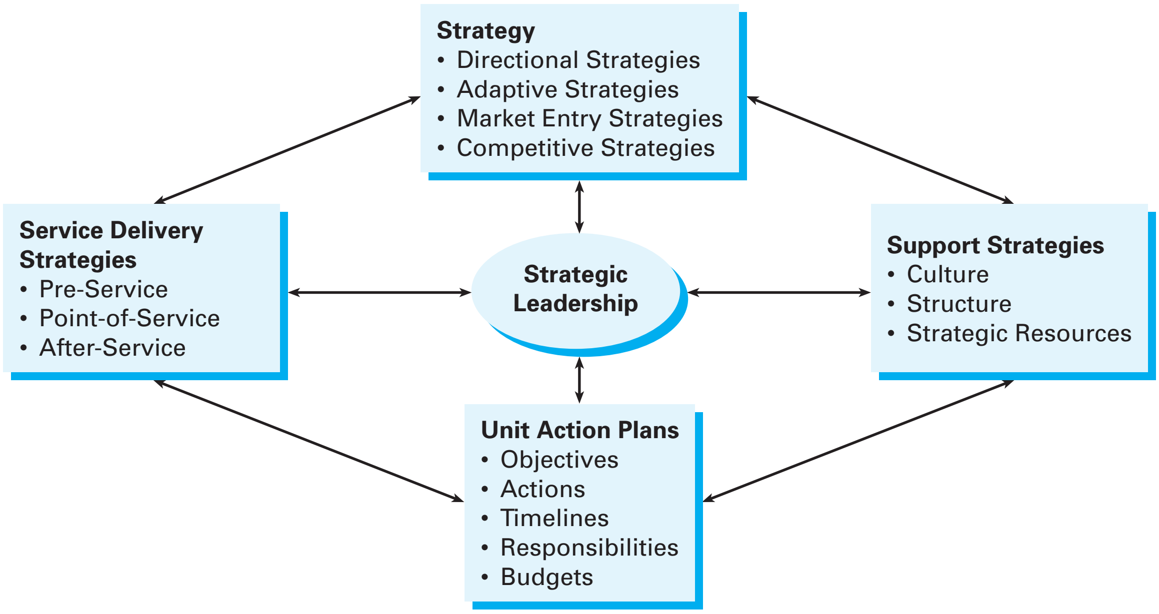


Exhibit 11–2: ♦ The Concept of Control

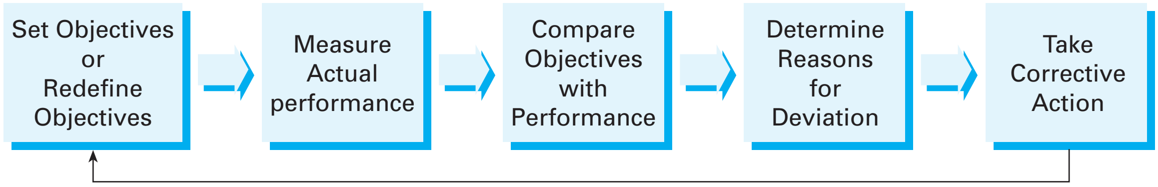


Exhibit 11–3: ♦ The Concept of Control and a Framework for Strategic Control

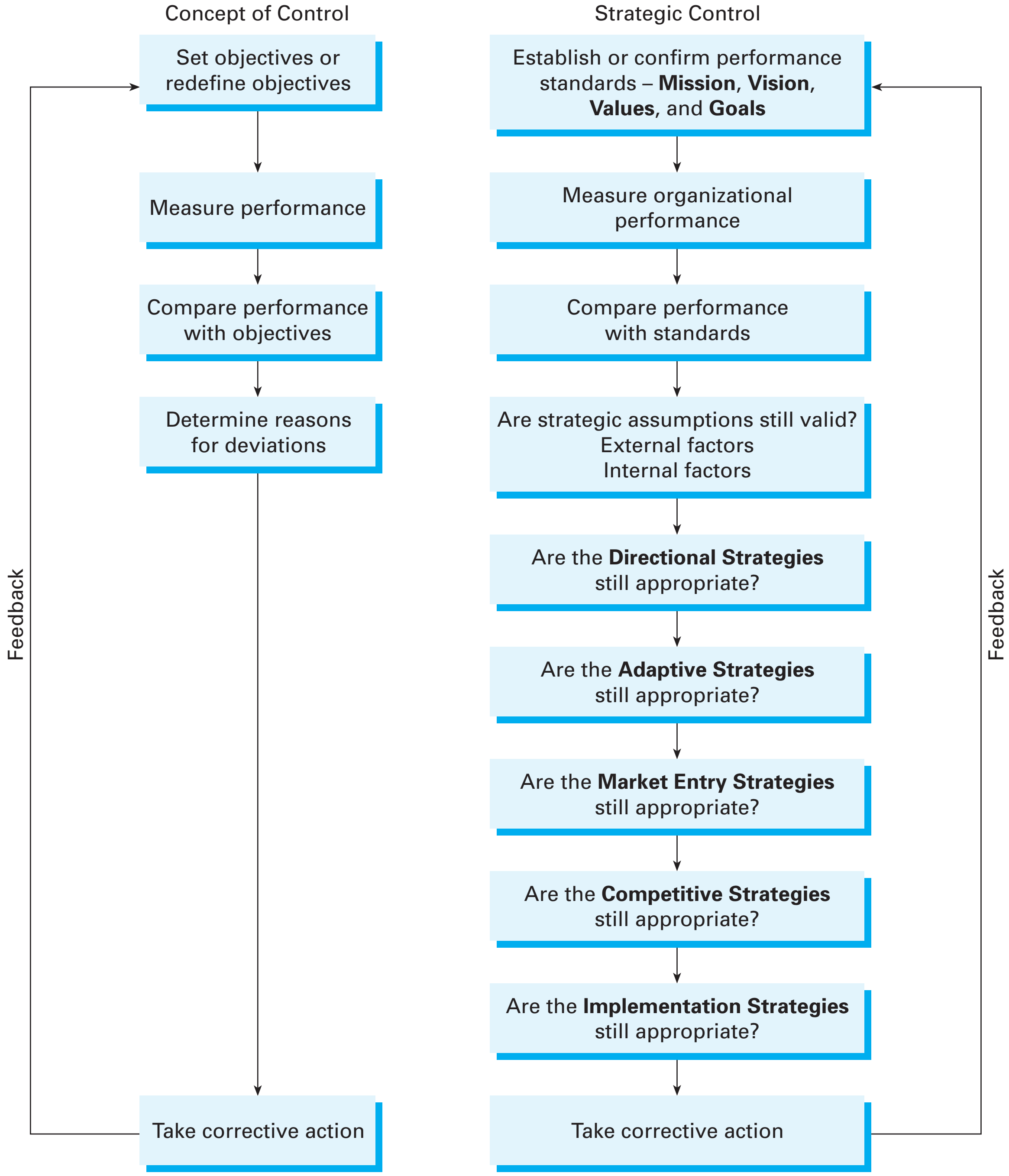


Exhibit 11–4: ◆ The Scope of Strategic Control

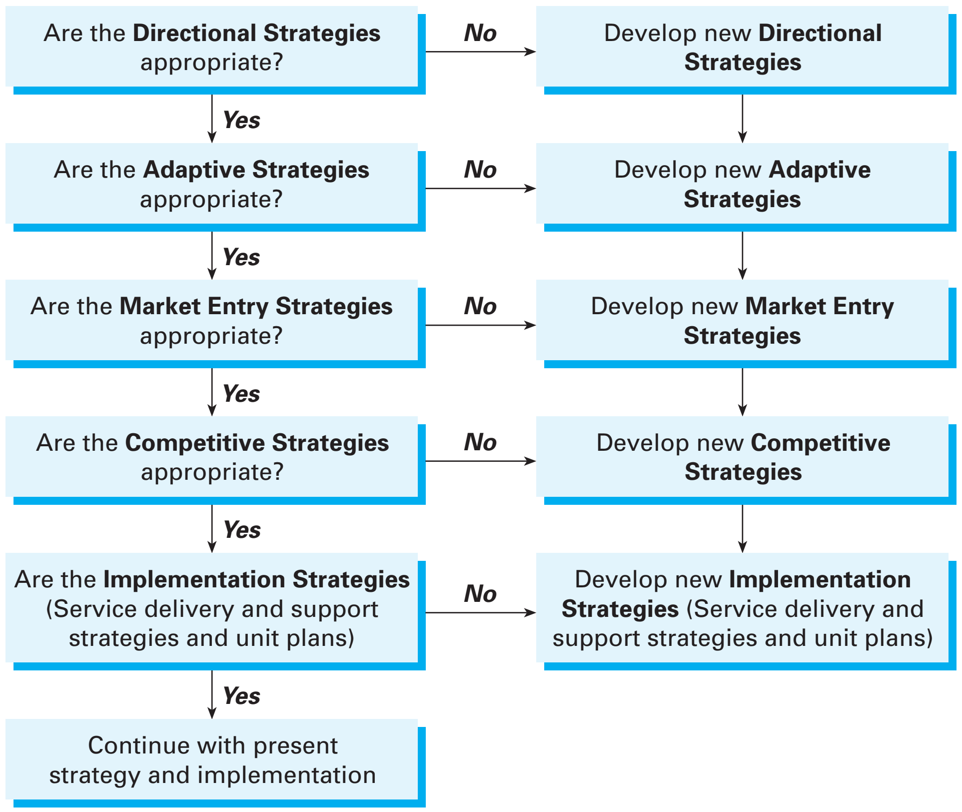
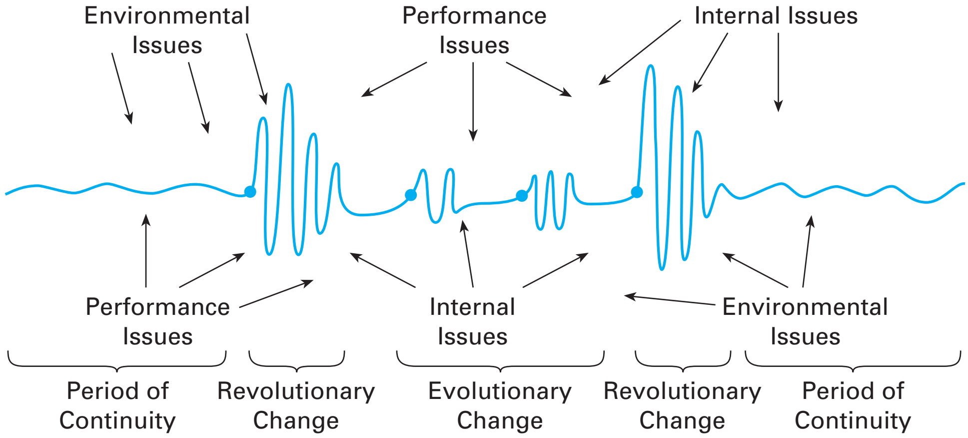


Exhibit 11–5: ♦ The Strategies and Revolutionary and Evolutionary Change

	Type of Change						
	Strategy Formulation Revolutionary Change				**Strategy Implementation Evolutionary Change**		
Strategies	Changes in directional Strategies	Changes in adaptive strategies	Changes in market entry strategies	Changes in competitive strategies	Changes in service delivery strategies	Changes in support strategies	Changes in unit action plans
Nature of Change	Reorientation (frame breaking)	Reorientation (frame breaking)	Reorientation (frame breaking)	Reorientation (frame breaking)	Adjustment (frame bending)	Adjustment (frame bending)	Adjustment (frame bending)
Example	Change the mission	Diversify into new business	Move from merger strategy to alliances	Move from defender to analyzer, or move from differentiate to cost leader	Develop new marketing strategy, or change operations	Change the culture, reorganize, or change technology	Set new unit objectives or develop new implementing activities

Exhibit 11–6: ◆ The Concept of Revolutionary and Evolutionary Change

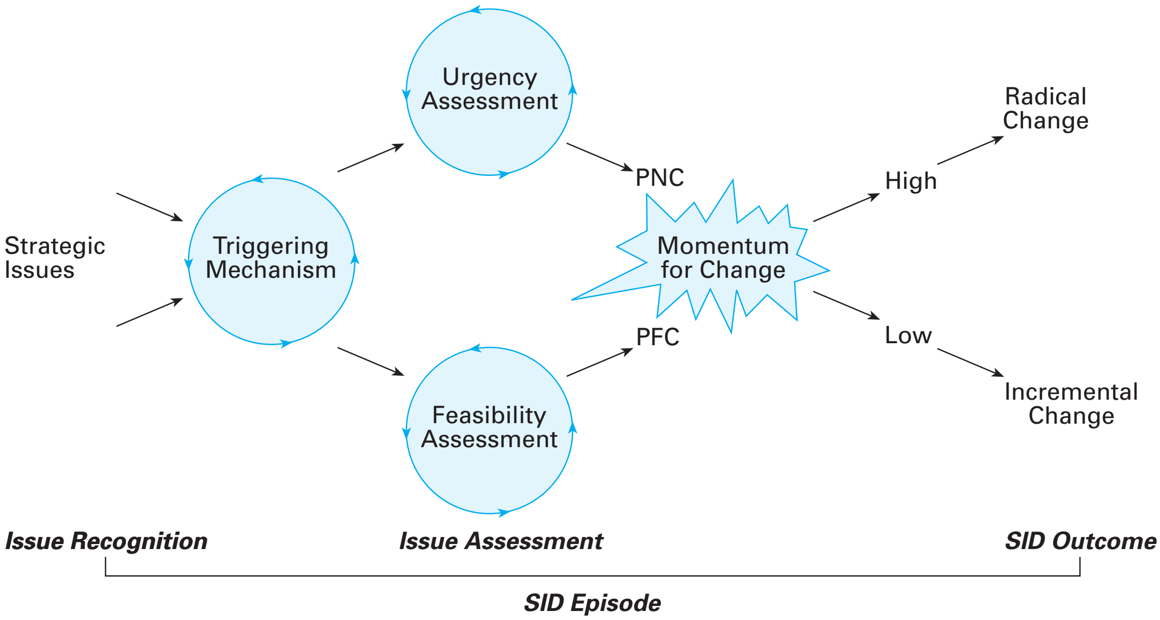


Revolutionary change requires changes in directional, adaptive, market entry, and competitive strategies.

Evolutionary change requires changes in implementation strategies (service delivery and support strategies and unit action plans).

● = Strategic pressure point

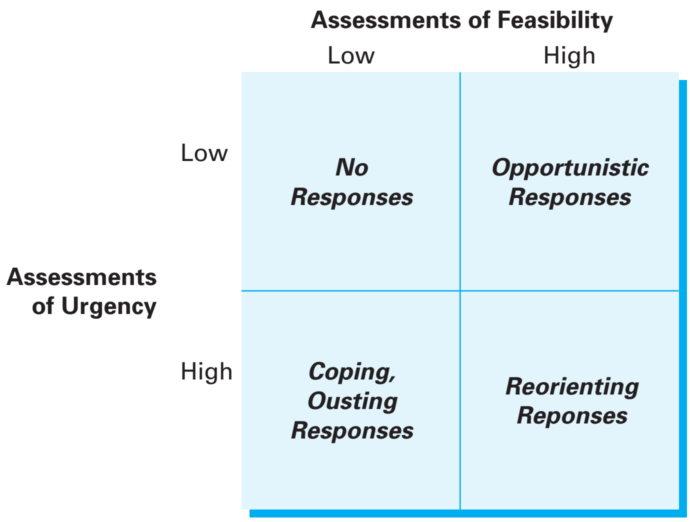
Exhibit 11–7: ♦ Strategic Issue Diagnosis



PNC – Perceived need to change
PFC – Perceived feasibility for change

Source: ♦ Jane E. Dutton and Robert B. Duncan, "The Creation of Momentum for Change Through the Process of Strategic Issue Diagnosis," *Strategic Management Journal* 8, no. 3 (1987), p. 281. Copyright © John Wiley & Sons. Reproduced with permission.

Exhibit 11–8: ♦ Issue Urgency, Feasibility, and Organizational Response



Source: ♦ Jane E. Dutton and Robert B. Duncan, "The Creation of Momentum for Change Through the Process of Strategic Issue Diagnosis," *Strategic Management Journal* 8, no. 3 (1987), p. 281. Copyright © John Wiley & Sons. Reproduced with permission.

Exhibit 11–9: ♦ Questions for Validation of the Strategic Assumptions

External Environment	Yes/No	Evaluation
1. Is the strategy acceptable to the major stakeholders?		
2. Are there new technological developments that will affect the organization?		
3. Have there been social or demographic changes that affect the market or strategy?		
4. Are there new regulations or has the political environment changed? Are there new economic issues?		
5. Is the strategy consonant with the competitive environment?		
6. Do we have an honest and accurate appraisal of the competition?		
7. Have we underestimated the competition?		
8. Has the rivalry in the industry or service category changed?		
9. Have the barriers to entering the industry or market changed?		
10. Does the strategy leave us vulnerable to the power of a few major customers?		
11. Has there been any change in the number or attractiveness of substitute products or services?		
12. Is the strategy vulnerable to a successful strategic counterattack by competitors?		
13. Does the strategy follow that of a strong competitor?		
14. Does the strategy pit us against a powerful competitor?		
15. Is our market share sufficient to be competitive and generate an acceptable profit?		
16. Is the strategy subject to government response?		
17. Is the strategy in conformance with the society's moral and ethical codes of conduct?		

Internal Environment	Yes/No	Evaluation
1. Does the strategy really fit the organization's mission, vision, values, and goals?		
2. Does the strategy give a clear basis upon which to compete (competitive advantage)?		
3. Does the strategy exploit the strengths and avoid the major weaknesses of the organization?		
4. Are the adaptive, market entry, competitive, value adding strategies, and unit action plans consistent and compatible?		
5. Is the organizational culture consistent with the strategy?		
6. Is the organizational structure consistent with the strategy?		
7. Are the financial resources appropriate for the strategy?		
8. Is there sufficient capital to support the strategy?		
9. What are the financial consequences associated with the allocation of capital to the strategy?		
10. Are the human resources appropriate for the strategy?		
11. Are there identifiable and committed managers to implement the strategy?		
12. Do we have the necessary skills among both managers and employees to successfully carry out the strategy?		
13. Are the information systems (strategic, administrative, clinical, electronic networking) appropriate for the strategy?		
14. Are the strategic technologies (facilities and equipment) appropriate for the strategy?		
15. Are the organizational units working together?		

Exhibit 11–10: ♦ Questions for Evaluation of the Directional Strategies

	Yes/No	Evaluation
1. Are we not doing anything now that we should be doing?		
2. Are we doing some things now that we should not be doing?		
3. Are we doing some things now we should continue to do but do in a different way?		
4. Do our mission and vision allow for innovation?		
5. Do our mission and vision allow for expansion?		
6. Is our mission relatively enduring?		
7. Are our organization's mission and vision unique in some way?		
8. Is our scope of operations clear (market, products/services, customers, geographic coverage)?		
9. Do our mission, vision, and goals fit the needs of our stakeholders?		
10. Do our fundamental values and philosophy still make sense?		
11. Is the image of the organization what it should be?		

Exhibit 11–11: ♦ Questions for Evaluation of the Adaptive Strategies

	Yes/No	Evaluation
1. Has the adaptive strategy been tested with appropriate analysis, such as return on investment and the organization's ability and willingness to bear the risks?		
2. Does the adaptive strategy balance the acceptance of minimum risk with the maximum revenue potential?		
3. Is the payback period acceptable in light of potential environmental change?		
4. Does the strategy take the organization too far from its current products and markets?		
5. Is the adaptive strategy appropriate for the organization's present and prospective position in the market?		
6. Is the strategy consonant with product life cycle as it exists or as the organization has the power to make it?		
7. Is the organization rushing a revolutionary product or service to market?		
8. If the adaptive strategy is to fill a currently unfilled niche in the market, has the organization investigated whether the niche will remain open long enough to return the capital investment?		
9. Have the major forces inside and outside the organization that will be most influential in ensuring the success of the strategy been identified and evaluated?		
10. Are all the important assumptions on which the strategy is based realistic?		
11. Has the strategy been tested with appropriate analytical tools?		
12. Has the adaptive strategy been tested with appropriate criteria, such as past, present, and prospective economic, political, and social trends?		

Source: ♦ George A. Steiner, John B. Minor, and Edmund R. Gray, *Management Policy and Strategy*, 3rd edn., pp.150–154. Copyright © 1986. Adapted by permission of Prentice-Hall, Upper Saddle River, NJ.

Exhibit 11–12: ♦ Questions for Evaluation of the Market Entry Strategies

	Yes/No	Evaluation
1. Have adequate financial resources been allocated to enter the market?		
2. Does management understand the important market forces?		
3. Does management understand the unique requirements of the market entry strategy (purchase, cooperation, development)?		
4. Is the market entry strategy the best way to accomplish the adaptive strategy?		
5. Is the market entry strategy compatible with the adaptive strategy?		
6. Does the selection of the market entry strategy affect the ability of the organization to effectively position its products/services in the market?		
7. Is the market entry strategy compatible with the competitive strategies?		
8. Is the market entry strategy the most appropriate way to achieve the mission, vision, and goals of the organization?		
9. Is the market entry strategy consonant with the values of the organization?		
10. Does the market entry strategy place unusual strains on any of the functional areas?		
11. Have new stakeholder relationships developed as a result of the market entry strategy (customers, vendors, channel institutions, and so on)?		
12. Has the relationship between the desire and need for rapid market entry been properly analyzed?		
13. Has the desired and appropriate level of control over the products and services been achieved?		
14. Have the trade-offs between costs and control been properly analyzed?		

Exhibit 11–13: ♦ Questions for Evaluation of the Competitive Strategies

Strategic Posture	Yes/No	Evaluation
1. Is the strategic posture sustainable?		
2. Have there been external developments (technological, social, regulatory, economic, or competitive) that have shortened product life cycles?		
3. Are there new market opportunities that suggest the organization should move more toward a prospector posture? Analyzer strategy? Defender strategy?		
4. Has the organization developed the right mix of centralization and decentralization for the selected strategic posture?		
5. Is the level of standardization and administrative flexibility appropriate to the strategic posture?		
6. Is the level and type of communication appropriate for the strategic posture?		
7. Is the strategic posture appropriate given the barriers to market entry?		
8. Has the level of vertical integration been appropriate for the strategic posture?		
9. Has the organization been caught by surprise too often?		
10. Are the overall strategy, strategic posture, and value adding strategies compatible?		
11. Does the organization need to evolve its strategic posture?		
Positioning	**Yes/No**	**Evaluation**
1. Is the product or service positioned appropriately in the market?		
2. Can the organization use one of the other generic positioning strategies?		
3. Is the positioning strategy appropriate considering the external opportunities and threats?		
4. Will market forces allow the selected positioning?		
5. Is the positioning strategy best suited to capitalize on the organization's strengths and minimize the weaknesses?		
6. Is the positioning of the organization's products and services unique in the marketplace?		
7. Is the positioning strategy defensible against new players trying to position in a similar fashion?		
8. Is the positioning strategy compatible with the market entry strategy?		
9. Does the positioning strategy provide the appropriate image for the organization?		
10. Is the positioning strategy sustainable?		
11. Is the appropriate distribution channel being used?		
12. Is the current promotional strategy appropriate?		
13. Is the pricing strategy appropriate?		

Exhibit 11–14: ♦ Questions for Evaluation of Strategy Implementation

Service Delivery	Yes/No	Evaluation
1. Have the pre-service activities provided customers with need satisfying services?		
2. Have the pre-service activities provided the right price, level of information to present and potential customers, and locations?		
3. Are the pre-service logistics appropriate to the service?		
4. Are the point-of-service activities sensitive to changing customer needs?		
5. Are the point-of-service activities efficient? Effective?		
6. Has the quality of the services changed?		
7. Has the organization innovated the delivery of its services?		
8. Is the delivery of services flexible (can accommodate special customer needs)?		
9. Is there proper follow-up with customers?		
10. Is the billing system timely, accurate, and user friendly?		
11. Are the follow-on strategies appropriate?		

Support Strategies	Yes/No	Evaluation
1. Is the organization's culture appropriate for the overall strategy?		
2. Are the organization's values reflected in the service delivery?		
3. Are the behavior norms appropriate for the strategy?		
4. Are the management processes (the way we do things) appropriate for the strategy?		
5. Does the organizational structure help facilitate the overall strategy?		
6. Is there a balance between standardization and flexibility?		
7. Are additional coordinating or collateral structures required?		
8. Does the organization have the financial resources to carry out the strategy?		
9. Does the organization have the appropriate human resources, skills, policies, and procedures for the strategy?		
10. Is the management talent appropriate?		
11. Do the information systems help facilitate the strategy?		
12. Are the facilities and equipment up to date and appropriate to carry out the overall strategy?		

Unit Objectives and Action Plans	Yes/No	Evaluation
1. Has the organization's overall strategy been well communicated to all members of the organizational units?		
2. Do the organizational units have the resources required for successful implementation of the strategy?		
3. Is there a high level of commitment to the strategy within the organizational unit?		
4. Has the organizational unit developed realistic objectives, action plans, timelines, and budgets?		
5. Are the unit objectives consistent and compatible with the strategy?		
6. Do the organizational units have the managerial and employee capabilities required for successfully implementing the organization's strategy?		
7. Do all the unit objectives and action plans together accomplish the overall strategies of the organization?		