AN INVESTIGATION ON THE STRATEGY FORMULATION METHODS USED DURING CORPORATE TRANSFORMATION

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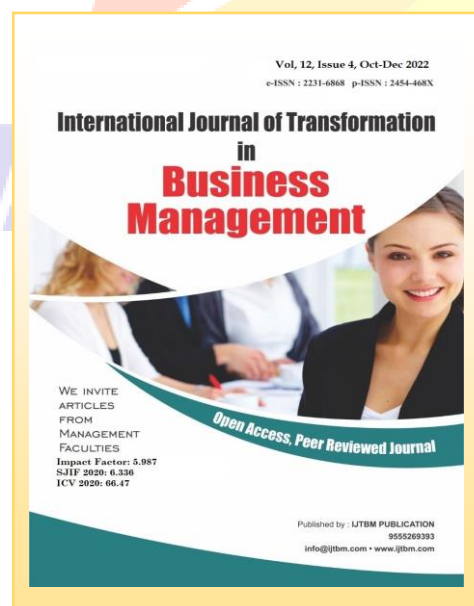
ABSTRACT

It has been stated that transformation is modern society's attempt to prevent extinction in the face of digital disruption. While it is critical for leaders to develop new strategies, business models, and organisational projects that embrace change, the true issue is directing their people through the transition from their present state to their intended future state. This necessitates constantly assessing progress and adjusting based on new information provided by emergent intelligence. During the strategy formulation process, the majority of these businesses rely heavily on their internal research and development teams or innovation departments as one of the primary sources of innovation. While small independent teams can generate impressive leads during the invention process, it is these organizations' ability to incorporate these leads into full products while incorporating other components that is truly impressive.

Keywords: *Investigation, Corporate, Formulation, Strategy.*

INTRODUCTION:

The world is rapidly transitioning from the industrial to the intelligent age, with far-reaching ramifications for both individuals and businesses. There have been major alterations in global plans and operations due to the fast growth of digital technology. It has been said that transformation is the effort of contemporary society to avoid extinction in the face of digital disruption. While it is important for leaders to create innovative strategies, business models, and organisational projects that incorporate changes, the real challenge lies in guiding their teams through the transition from the current state to their desired future state. This requires constantly assessing progress and adjusting based on new information provided by emergent intelligence. The study aims to learn from leaders around the world in successful transformation. [1]

In developing countries, businesses are forced to examine and improve their strategies and management systems due to the increasing competition, changing external demand and changing roles of business. The modern business environment in which business organizations operate is dynamic and success depends greatly on meeting the changing needs of all stakeholders. Due to these factors, a business organization must have in place an organizational performance measurement method in place in order to identify its current performance level and implement strategies and management systems that will make it improve the performance.[2]

Background of the Study

All businesses are started with objective of doing their activities for ever, by continue to serve the customer, grow all aspect of it and remain competitive. This aspect of a business is practiced formally though the Generally Accepted Accounting Principles (GAAP) as adopted in double entry bookkeeping system and the U.S. Securities and Exchange Commission (SEC). The principle is called "Going concern assumption" or "Principle of Continuity". When an accountant makes the "going concern" assumption, it indicates he or she anticipates that the business will not have to be liquidated in the near future. To rephrase, the firm will be able to stay in business for as long as it has to in order to fulfil its current commitments. That means the accountant may keep reporting most assets at their historical cost and put off paying certain expenses until later. In other words, assets should be valued with the expectation that the company will remain in operation. In reality businesses fail, wind up operations, go bankrupt, purchased by competitor or change products or services. Even though going concern is critical assumption for accounting systems, most managers or entrepreneurs assume a survivor mode. Most businesses operate in a free and open market environment with competition and ever changing Political, Economic, Social, Legal and Environmental facts that directly or indirectly influence the operation of their business. In the current world geo-political fasts are cross boarder and global. [3]

Standard & Poor's 500 companies had a median longevity of 21 years in 2020, down from 32 years in 1965. S&P 500 enterprises have shown a clear long-term pattern of decreasing lifespan, and this decline is anticipated to accelerate into the 2020s. Recently, McKinsey conducted a research that indicated the average age of a company in the Standard & Poor's 500 index was 61 in 1958. The gap is now under 18 years. McKinsey predicts that by 2027, 75% of the firms listed on the S&P 500 will no longer exist as a separate entity. Similar to Enron and Lehman Brothers, they will be acquired, merged, or go bankrupt. Some businesses survive the onslaught. A few of the oldest corporations still listed on the New York Stock Exchange include General Electric, Exxon Mobile, Procter & Gamble, and DuPont. However, the greatest market caps in recent years have been held by companies with unfamiliar names like Apple, Alphabet, Microsoft, or Amazon. In his seminal 1973 book, "Small is Beautiful," English economist E. F. Schumacher posed this same subject. He shed light on the wastefulness of multinational corporations and predicted the emergence of sustainable growth. As he put it, "what defines contemporary industry is its

immense consumption to generate so little... Its lack of efficiency is staggering.[4]

Strategy

The discipline of strategy and the development in the field has long history of centuries, over time the concepts and different branches are developed. The origin of word 'strategy' derives from "strategia", meaning generalship in Greek, and the earliest studies of strategy are by military commanders. The concept has evolved from its beginnings of Military theory into the business management world. Some of the early definitions of strategy include view of business historian Chandler and he define strategy as "the determination of the long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals". The modern strategic management theory evolves from the contribution of academicians like Henry Mintzberg and Michael Porter. categories Strategy into four more common application in business world; namely first as 'a plan' that a means of getting from here to there, secondly as 'a pattern' in actions over time, third is 'a position' to offer "decisions to offer particular products or services in particular markets" and finally as 'is perspective' referring to the organization's vision and direction. [5]

Transformation

The simplest meaning for Transformation is 'change', if the change is ambitious and high impact, then it is referred as 'Transformation'. The Cambridge Dictionary define Transformation in business English as "the process of changing completely the character or appearance of something in order to improve it". The research on transformation is mostly part of change management literature. There are different types and levels of transformation within business management context. Following are some of the key transformations academics and corporations are engaged. [6]

Cultural, People and Organizational transformation: this type of transformation involve the redesigning an organizational structure, operation, activity, norms, habits and practices within the organization. Technology and Digital Transformation: Technology transformation in an interanion system help companies to achieve competitive advantage with careful alignment of applications, including digitalization of services, process security, data sharing and analytics. Not all technology transformations can be considered as 'digital transformation' in terms of its impact to the business model.

Process and Business Model Transformation: an organization redesign its value proposition for the customer by altering the internal process and capabilities. In a process

transformation, organization review the activities need to deliver any given goal to avoid duplication, time required, resources efficiency and digitalization or automation for better customer experiences. Strategic Change and Change Strategy are two different concepts, the former is focused on making fundamental alternation to the business strategies however, the later can be any elements of the business function at any given context. [7]

LITERATURE REVIEW

Eric R. and George R., (2018) This research details the radical evolution of Nokia Corporation's business model between 1987 and 1995. The research showed that a process model of business model change may be derived from the conceptual and historical work, illuminating the way in which core business units provide strategic choices and capabilities to the corporate-level transformation process. Implications for practice the findings underscore the significance of "market processes" at the level of corporations, which enable attractive strategic alternatives to arise and filter out inferior ones. One of the most important mechanisms at work here is the movement of executives and their ways of thinking between the various divisions and the parent company (CHQ). Unique/beneficial This study adds to the literature by demonstrating the reciprocal nature of cognitive and

organisational transformation processes and stressing the significance of expanding upon already established strengths in the face of increasing demands for proof of effective turnaround initiatives.[8]

Diana V. and Pelle W. (2018) The study concludes that there are four hard elements that are different from the shareholder value maximisation we reviewed earlier. Here the elements are: duration between review and corrective action, integrity of the project team, commitment from the management, and the extra work required by the team members on top of their day-to-day work. They referred to this model as the "DICE" framework. It requires the team to ask a set of questions and find the best fit initiatives. The study has found a significant correlation between the score and the success rate across thousands of change management programmes worldwide. Verma and Pandey (2005) the accounting scandal at fourth-ranked Fortune 500 telecom corporation WorldCom in 2002 sent shockwaves throughout the world and prompted several inquiries into corporate governance, ethical leadership, and unscrupulous activities at American businesses. [9]

Rita D. M., and Ian C. M., (2017) This article demonstrates the need for a synergistic approach to the transition towards sustainability, one that includes cultural shifts, partnerships with external

stakeholders, and creative problem solving. It also shows that growth via acquisition or overseas expansion may accelerate or solidify this trend. Implications for the Real World This article is written in the form of a teaching case and includes discussion questions at the conclusion. The purpose is to stimulate debate on what variables may kick off and sustain a transition toward sustainability among readers and participants in educational and training programmes. The paper's practical significance lies in its demonstration of how cultural considerations, collaborative efforts, and innovative ideas all work together to effect positive change in the way firms operate. To better incorporate sustainability into business practise, businesses may use cultural aspects, teamwork, and innovation, as shown by this instance. [10]

Mohan N., (2017) This article uses in-depth qualitative research to illustrate the challenges that businesses encounter when attempting to reap the rewards of their investments in IT-enabled transformation and when attempting to build and improve their benefit realisation capabilities. Several of these concerns, such as managing the total portfolio of change efforts and how to enhance the organization's capacity for benefits realisation, have not been well addressed in earlier studies. The study also lends credence to the dynamic capacity

theory's claims that routines (practises) are shared by many different types of businesses and that these businesses go through a series of developmental phases before reaching their full potential. Important implications for the action needed to create skills have resulted from this study's additional contribution: the development of an improved model of organisational competence. [11]

W. C Kim. and Renée M. (2016) We begin by outlining the idea of "strategic innovation capability," which we define as the capacity of an organization's system to bring about a change in its strategy via creative problem solving. Then, we compare the capacity of strategic innovation to existing theories (dynamic capability, major innovation, dynamic capability, and breakthrough innovation capability). In our second section, we provide a case study of strategy transition at Fanuc, the world leader in the NC industry. In this case study analysis, we look back on the company's history of striving for originality in the NC industry, creating ground-breaking NC technology for the machine tool market, and enthusiastically putting that technology to work in the marketplace. [12]

METHODOLOGY

Research methodology assisted the inspection to unearth answers to research

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questions through the operation of experimental procedures. A research methodology, according to Quinlan 2011 facilitates the achievement of the research objectives, in addition, to being able to justify the research. The methodology is a necessary bearing of any research as it lays out the protocol to be followed chasing the research pointers.

Research Design

The proposed study will use a systemic research methodology to approach the research objectives. Here the study is planning to use a combination of exploratory and empirical research designs. This work will be divided into two parts, the first part will try to answer the objectives by better understanding the core subject and the key frameworks associated within and the second part will help in identifying empirical evidence from real-life applications. For the exploratory approach, the author is planning to use 'secondary research methods, in this case, Literature research. For the empirical research, the proposal is to engage the 'qualitative research method' of case studies. All research is based on some elemental philosophical belief about what makes decent and adequate research and which research procedures are advisable for the advancement of learning in a given study. A research philosophy as a system of beliefs and presumptions about the advancement of

knowledge that molds how one perceives research questions, usage, and interpretation of results. According to the authors, a conclusive research belief expresses a well-maintained and persistent set of presumptions and hinges on the methodological preference, research blueprint, and data collection methods and analytical workings.

Sampling

The research will apply a non-probability sampling for the secondary data collection. To collect the Literature, the system followed can be classified as something similar to snowball sampling as each topic will lead to the latest development in research and publications. Otherwise, it is a convenience sampling method based on access to data. For the case study, the proposed research planning to use Purposive sampling. This is also a judgmental sampling however; the sample selection is purely based on what is most useful to the purposes of the research. The case study analysis will be done for 10 companies, these ton companies are selected based on the Innosight Transformation 10. This is the only available global ranking of Transformation. The rank is prepared by Innosight consulting company by screening companies in the S&P 500 and Global 500 index across three main categories like fresh growth, repositioning of core business activity and financial results, and with a

panel of management experts. According to the company website, Innosight is a "growth strategy consulting firm focused on helping the leaders of Global 1000 companies to design and create the future, instead of being disrupted by it." The corporate performance of these companies will be analyzed by reviewing different publications and reporting by these companies from the calendar year 2016 to 2019.

Data Collection

The work will use secondary data collection methods throughout different methods. The ligatures will be collected offline and online libraries and databases such as management publications, university libraries, and international commercial databases. All the sources will be limited to internationally recognized peer-reviewed journals. The data for a case study of companies will be from published sources by the company themselves through their websites and annual reports and other investor or public relations documents. Another source of information will be business news sources online and offline, financial market community publications, books, and consulting companies. Qualitative data collection techniques were employed, which are evidenced by the inclusion of an array of evidence—documents, artifacts, interviews, and observations that converge on the construction of the emic perspective.

Multiple sources enhance the credibility of the findings by ensuring data integrity. Data collection procedures included establishing boundaries for the study, identifying the data collection type, and creating a protocol to record findings.

Data Analysis

The data from the literature will be analyzed to establish key frameworks and elements of transformation. This will be done using the conventional peer review and literature review used in the academic research. The data from these top 10 transformational companies will be analyzed to establish any pattern in the strategic transformation. Qualitative analysis calls for a process of coding in which data is arranged into small units, conclusively deciding which codes can club and grouping back together into new, greater order of concepts is called categories; a grouping of like categories concludes a theme. Coding is a ceaseless process of seeking meaningful patterns in texts and images. Open coding encompasses the initial breakdown of raw text into conceptual categories. These categories are distinct and they detail a singular phenomenon

RESULT

Winning Aspirations (V1)

Following section of this chapter will present evidences of winning aspirations of all 10

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companies and how they changed over time and communicated to their team. This could be their vision, mission goals, and objectives. These aspirations are there views for the future. winning in this context represent aspirations of the shareholder, employees and most importantly the customer. organisations will define what it means to be winning for customers. a customer focused organisation aspire to win by meeting and delighting their customer needs and reducing their pain points. winning is always contextual, winning related to competitors.

1. Amazon.com, Inc.

"Our mission is to be Earth's most customer-centric company. Amazon is guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking." – Amazon.com

There are a variety of reasons for Amazon's success, but Customer Obsession, in Jeff Bezos' opinion, is the most crucial. Of the 16 principles that listed in the company website, customer Obsession list has first and foremost. Company list it as "Leaders start with the customer and work backwards. They work vigorously to earn and keep customer trust. Although leaders pay attention to competitors, they obsess over customers." In his now famous letter to shareholder in 1997,

founder and then CEO Jeff Bezos mentioned publicly about this focus of the business.

2. Netflix, Inc.

As per Netflix website, "At Netflix, we want to entertain the world. Whatever your taste, and no matter where you live, we give you access to best-in-class TV series, documentaries, feature films and mobile games. Our members control what they want to watch, when they want it, with no ads, in one simple subscription. We're streaming in more than 30 languages and 190 countries, because great stories can come from anywhere and be loved everywhere. We are the world's biggest fans of entertainment, and we're always looking to help you find your next favorite story."

Where to Play (V2)

This part of the paper we are looking at choices company made in terms of different products, services and technology solutions. Date points like new product development, new investments, uses and users for the current product or service. Also, any value-added services and packages offered. We will find cases of market development and geographical expansion. Empirical evidences of forward and backward integration in the industry value chain. Different white space or blue ocean developments also investigated.

1. Amazon.com, Inc.

Amazon is the third biggest retailer in the world and sells everything from A to Z. You'd have a hard time finding someone who hasn't made at least a little purchase from the online megastore, Amazon.com. However, Amazon wasn't always the successful company it is today. Many of us have forgotten that the firm was founded in a Seattle garage that was leased out to it and that it originally simply exchanged books. Amazon Prime was introduced in 2005 and provides members with free two-day delivery inside the contiguous United States for $79 a year. One of Amazon's most well-known offerings was born from its first push into the payment services industry. The launch of Prime and its two-day delivery reinforced Amazon's leadership in the retail industry, making it almost preferable to purchase a product or book from Amazon than to go to a retail shop. Amazon introduced one of its most significant offerings in 2006: a new kind of web server it called Amazon Web Services (AWS). Amazon Web Services (AWS) was a moneymaker that promised to provide the backbone for companies to conduct their own online transactions in the cloud. Later went on to build Entertainment business, brick and mortar stores and smart devices.

Table 1:Major Products and Service introduced by Amazon

Year	Product and service
2009	Amazon Basics – Private label electronic accessories
2012	Amazon Business – wholesale for industrial goods
2014	Prime Pantry – Groceries delivery, Fire Phone
2015	Prime Day – Shopping festival

Alexa-enabled products have been released in plenty by Amazon after the success of the initial Echo device, which was a runaway success. Developers can now link their gadgets to Alexa more easily using Amazon's Alexa Connect Kit. Using a variety of routers and mesh topologies, Alexa is able to make everything in the house function together.

2. Netflix, Inc.

As per Netflix website Except for China, almost everyone can access Netflix. As we regain our service, our worldwide growth will be explained over several years. To begin, we focused our efforts in 2016 on a select group of well-heeled, globally mobile customers with worldwide credit cards and cellphones. Each market we have entered, we have listened, learned and progressed swiftly, accumulating more material, languages and a healthier Netflix experience for our subscribers over time. We are steadily certifying and producing content globally, so Netflix users will be able to enjoy the same

movies and TV series at the same time, allowing for legacy revenue structures and outmoded limits. Many prototypes are coming from countries other the U.S. and the U.K. that speak languages other than English. Netflix is well situated to present enticing tales from a broad range of philosophical traditions to a global audience.

Management Systems (V5)

We are also looking at the strategy management, implementation and control process and systems available on these companies. In this part we are looking at how these companies communicate their strategic choices internally. Include measures for assessing short-term and long-term performance. Cases on organizational culture and leadership attributes are mentioned. Different level team engagement within the company and their advantages are also painted.

1. Apple Inc.

Taking responsibility for "the complete widget" was a natural part of Jobs's personality, which was characterised by control. In addition, he had a deep-seated desire to create beautiful items. For him, using Apple software on non-Apple hardware caused him to break out in hives, and the notion of using unauthorised applications or material on an Apple device made him sneeze. Although it was a strategy that didn't always pay off in the near term, it resulted in awe-inspiring goods that were characterised by pleasurable user experiences.] Apple's attitude on internal communication differs significantly from those of the company's other products.
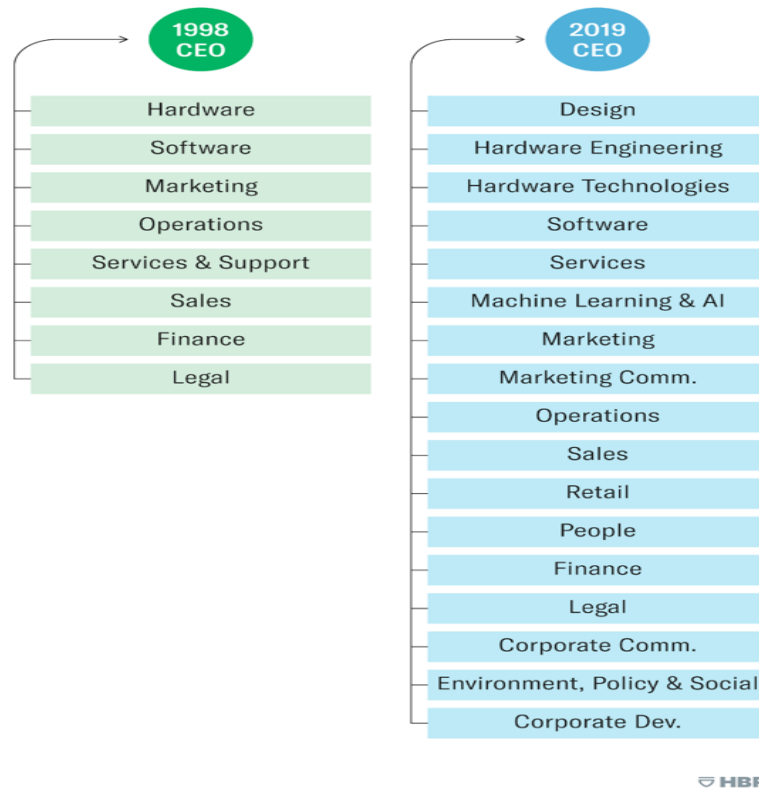
Figure – 1 Apple's Functional Organization - Podolny and Hansen

Inorganic Strategic Choices (2017 to 2021)

1. Amazon.com, Inc.

Amazon used its merger and acquisition strategy to its fullest extent. Those retailers that Amazon has approved as part of its plan to establish a bigger Amazon make up the first group. Whole Foods, Zappos.com, Audible, and Shopbop are all included in this group. In many cases, these new additions help to broaden Amazon's product offers into uncharted terrain, making them more affordable. Amazon has acquired firms like Souq.com, allowing it to advance in the worldwide market as the Amazon of the Middle East. However, this isn't the only client segment that Amazon has targeted. In addition to acquiring merchants, Amazon has created new firms to expand its client base. Curse, a gaming brand for its Twitch gaming network, was formed as an Indian publishing brand to give it a leg start on records in the worldwide market.

Table 2.: Major Acquisitions of Amazon.com, Inc.

Year	Company
2009	Zappos,
2014	Twitch Interactive
2017	Whole Foods, Souq.com,
2018	Ring, PillPack,
2020	Zoox
2021	Metro-Goldwyn-Mayer (MGM)

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2. Netflix, Inc.

Netflix has made 5 major achievements and related speculation in different groups. Regarding content related, in 2017 Netflix discovered Millarworld, the publisher and the rights to produce new TV shows and films, in 2019 Netflix selected the StoryBots franchise from JibJab Bros. Studios and signed up Evan and Gregg Spiridellis, and in 2021 Roald Dahl, the late British novelist whose books were primarily written for children and have since sold a 25 million copies worldwide. Netflix previously had a pact with The Roald Dahl Story brand.

Table 3.:Other major acquisitions of Netflix, Inc.

Year	Company
2018	Albuquerque Studios
2020	Grauman's Egyptian Theatre
2021	Scanline VFX & Night School Studio LLC
2022	Next Games & Boss Fight Entertainment

CONCLUSION

This can be seen in the adoption of new technologies. Connecting the new pieces of the activity system to the old was relativity swiftly phased. Most of these businesses rely heavily on their internal research and development teams or innovation departments as one of the primary sources of innovation during the strategy formulation process. While small independent teams can develop impressive leads in the invention process, it is these organisations' ability to incorporate these leads into full products while incorporating other components that is truly impressive. Examining their performance, six of the ten businesses on the list were successfully managed to create positive financial performance and stock market return; the other five either retained their position or had poor outcomes. The chosen method helped to address the scope of the study from examining the process by relaying on secondary data through the lens of strategy. From corporate strategy to business and functional level.

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