

## Matching Organisational Structure To Strategy

- Matching organizational structure to strategy is critical for ensuring that a company's resources, processes, and decision-making frameworks align with its strategic goals.
- A mismatch between structure and strategy can lead to inefficiencies, communication breakdowns, and failure to achieve objectives.
- > Understanding the Concept:

**Strategy**: Defines the long-term goals and competitive approaches of the organization, including **market positioning**, growth, innovation, cost leadership, or differentiation.

Structure: Refers to the framework within which work is divided, coordinated, and controlled to execute the strategy effectively.

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## **Key Principles for Alignment**

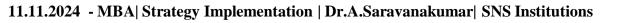
- Flexibility and Adaptability: The structure must evolve with changes in strategy.
- Integration and Differentiation: Balance coordination (integration) and specialized functions (differentiation) to meet strategic demands.
- Clarity in Decision-Making: Ensure clear lines of authority and accountability align with strategic priorities.





## Steps to Match Structure to Strategy

- I.Define Strategic Objectives: Understand whether the focus is on innovation, efficiency, growth, market expansion, or customer service.
- 2.Evaluate Current Structure: Identify gaps or misalignments between the existing structure and the strategy.
- > 3.Choose the Appropriate Structure:
- Functional Structure: Best for cost leadership or focused efficiency strategies (e.g., manufacturing firms).
- Divisional Structure: Suitable for diversification or market/geographic expansion strategies (e.g., global companies).
- Matrix Structure: Ideal for organizations pursuing multiple strategic goals like innovation and efficiency simultaneously (e.g., tech firms).





- Flat Structure: Works well for startups or organizations prioritizing agility and innovation.
- Network Structure: Best for collaborative or highly decentralized strategies (e.g., alliances or partnerships).
- 4.Ensure Communication Alignment: Build communication channels to ensure seamless execution of strategy.
- 5.Monitor and Adapt: Regularly assess the effectiveness of the structure and adjust as the strategy evolves.