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Assessing strategy execution at a company in the South African film and television industry

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Assessing strategy execution at a company in the South African film and television industry

Barbara Jean Spencer-Young

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration.

Johannesburg, 2013

ABSTRACT

The research conducted for this study is an assessment of strategy execution at a company in the South African film and television industry. It focuses on four factors identified from the literature as having an impact on strategy execution at businesses in general, namely:

- the availability or lack of resources
- planning for operationalising strategy
- communication across and through the organisation in every direction
- the adaptability of strategy.

The factor of alignment is also assessed as it was mentioned by many of the respondents with great frequency. In addition, results are presented regarding the perceptions of respondents about the nature of competition in the South African film and TV industry.

The research was conducted using in-depth interviews in a qualitative study of Multichoice South Africa.

The results that are presented for each of the factors show that all or the majority of respondents perceive that the factor being assessed impacts on strategy execution. However, there are many different views as to how implementation planning, communication, alignment and the adaptability of strategy are managed or how the organisation studied is affected by each of these factors. Some respondents perceive some of these factors to be better managed than others and attribute some of them a higher level of importance than others.

With respect to resources the majority of respondents agree that a lack of resources impacts negatively on strategy execution at the organisation studied. A lack of qualified or industry-experienced people in particular is perceived as having the most impact.

DECLARATION

I, Barbara Jean Spencer-Young, declare that this research report is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration (MBA) at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

(Barbara Jean Spencer-Young)

Signed at …….

On the …….. day of …… 2013

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CHAPTER 1: INTRODUCTION

1.1. Purpose of the study

This purpose of this research is to assess how certain factors that affect strategy execution are managed at an organisation in the South African (SA) film and television (TV) industry, identify how the management of these factors impacts strategy execution in the organisation and evaluate how this influences the organisations' performance at an industry-level.

1.2. Context of the study

The context of the study includes two aspects, namely:

- strategy execution and its importance to business in general
- the film and TV industry.

1.2.1. *Strategy execution*

When considering strategy execution and its importance to business the following aspects are explored:

- the current failure of businesses to execute strategy
- the value of successful strategy execution
- making strategy work.

Being able to execute a strategy is valuable and can provide businesses with a distinctive competitive advantage (Bossidy, Charan, & Burck, 2002; Cocks, 2010; Connolly, 2006; Frigo, 2003; Hrebiniak, 2005; Jackson, 2011; Kaplan & Norton, 2008; Powell, 2004; Schaap, 2012; Thompson, Strickland, & Gamble, 2008). Unfortunately, most organisations are not able to implement their strategies or do so poorly (Bossidy et al., 2002; Cocks, 2010; Hrebiniak, 2005, 2006; Jackson, 2011; Mankins & Steele, 2005; Morgan, Levitt, & Malek, 2007; Neilson, Martin, & Powers, 2008; Powell, 2004). While strategy execution is a challenging endeavour on a number of levels (Hrebiniak, 2006; Jackson, 2011), it is possible and can be carried out successfully by paying attention to

certain areas and with the application of a number of tools (Cocks, 2010; Hrebiniak, 2006).

a. *A failure to execute*

There is more literature and theory available about the formulation of business strategy than there is information and theory available about strategy execution (Cocks, 2010; Frigo, 2003; Hrebiniak, 2005, 2006; Porter, 1985; Powell, 2004; Schaap, 2012). Many businesses spend more time, money, manpower and effort developing their strategies than they do on planning to execute their strategies (Faull & Fleming, 2005; Getz & Lee, 2011; Mankins & Steele, 2005; Morgan et al., 2007; Schaap, 2012). As such, most business professionals and managers are more knowledgeable about developing strategy than they are about implementing it (Bossidy et al., 2002; Hrebiniak, 2005, 2006; Morgan et al., 2007). Consequently, many companies execute their strategies poorly and a large number of strategies never get implemented at all (Bossidy et al., 2002; Hrebiniak, 2005, 2006; Jackson, 2011; Mankins & Steele, 2005; Morgan et al., 2007; Neilson et al., 2008; Powell, 2004). However, in a 2006 global survey conducted by the Monitor Group, when asked about their priorities senior executives reported that their most important priority, by a large margin, is strategy execution (Kaplan & Norton, 2008).

The high level of failure when implementing strategy is demonstrated by numerous different studies. Kaplan and Norton (2001) estimate that 70% of strategies fail to be implemented because of poor execution processes. Mankins and Steele (2005) report that organisations generally achieve only 60% of the potential of their strategic plans, and 63% of the financial potential of these plans, as a result of flaws and failures in strategy formulation and implementation. This finding is supported by research conducted by Neilson *et al.* (2008) showing that 60% of staff assessed their organisations as being poor at strategy execution.

b. *The value of successful strategy execution*

Companies that can put their strategic plans into action and achieve positive results have a distinctive competitive advantage (Bossidy et al., 2002; Cocks, 2010; Connolly, 2006; Frigo, 2003; Hrebiniak, 2005; Powell, 2004; Schaap, 2012; Smit, 2000; Thompson et al., 2008). A survey conducted by Mankins and Steele (2005), in collaboration with the Economist Intelligence Unit, shows that organisations that are able to realise the promise of their existing strategies can improve their financial performance by 60% to 100%. In addition, there can be a real impact on company culture over time as positive behaviours are reinforced, employees become more confident, and goals become more dynamic and ambitious (Connolly, 2006; Mankins & Steele, 2005).

c. *Making strategy work*

In order for a chosen strategy to be successful it must be implemented effectively (Cocks, 2010; Frisch, 1998; Gadiesh & Gilbert, 2001; Hrebiniak, 2005, 2006; Jackson, 2011; Schaap, 2012; Smit, 2000; Thompson et al., 2008). Translating a strategic plan into an execution plan can be very difficult (Hrebiniak, 2006; Neilson et al., 2008; Smit, 2000). Since strategy implementation is a consequence of numerous choices and actions made by all employees on a daily basis (Getz & Lee, 2011; Hrebiniak, 2005; Morgan et al., 2007; Neilson et al., 2008; Schaap, 2012) it can be a bigger challenge than formulating the plan (Bossidy et al., 2002; Hrebiniak, 2005, 2006; Schaap, 2012).

According to Kaplan and Norton (2008) organisations that use a formal system for executing strategy outdo their competitors time and again and are two to three times more likely to be successful than those without a plan. Some very successful organisations have managed to get more out of their strategies and realise the benefits by working on planning and execution together and creating clear connections between these two factors (Bossidy et al., 2002; Cocks, 2010; Frigo, 2003; Getz & Lee, 2011; Hrebiniak, 2006; Mankins & Steele, 2005; Schaap, 2012). Companies that do succeed where others have

failed follow a variety of guidelines and approaches to identify and deal with the challenges that they face and to consistently get results (Mankins & Steele, 2005).

1.2.2. *The film and television industry*

When considering the film and TV industry the following aspects are explored:

- an overview and contextualisation of the industry
- planning and execution in the film and TV industry
- the economic importance of the industry
- South African and international organisations in the SA-industry
- the significance of the film and TV industry to SA
- problems faced by the SA-industry.

1.2.3. *Film and television industry overview*

The film and TV industry is, first and foremost, a commercial enterprise and the main motive in the industry is profit (Blumenthal & Goodenough, 2006; Squire, 2004). Content is only one important piece in a bigger picture and organisations in the industry have many of the same functions and structures as businesses in other industries such as human resources, operations, finance, Information Technology (IT) and marketing, and so require many of the same capabilities and to apply many of the same factors as other organisations in order to be successful (Greenwald & Landry, 2009). In addition, production covers the full product lifecycle, which is applicable to numerous new products across a variety of industries (Eliashberg, Elberse, & Leenders, 2006), and includes activities such as:

- research and development, which can be compared to manufacturing
- distribution, which can be compared to wholesaling
- exhibition, which can be compared to retailing (Squire, 2004).

Furthermore, the production of content can lead to possible multiple product lines that use the brand and title of the original film or TV programme (Eliashberg et al., 2006; Squire, 2004). The product mix and revenue streams

that can result from a single project can include local and global theatrical releases, home video, pay-TV, syndication, video games, merchandising (Eliashberg et al., 2006; Squire, 2004) such as toys and linen, music, theme parks and exhibitions, and even software and hardware that can be licensed for use in other productions (Squire, 2004).

The industry falls under the broader industry of communications, entertainment and media, includes a range of activities and makes use of services from multiple industries (Cultural Strategy Group, 1998). The activities used by the industry include both creative and administrative roles in industries directly related to film and TV, and in supporting industries such as catering, insurance and transport (Cultural Strategy Group, 1998; Motion Picture Association of America, 2010; Tuomi, 2005b). The value-chain of production and delivery for the film and TV industry follows five broad categories, namely beginnings (also known as development or planning); production; circulation or distribution; delivery or exhibition; and audience consumption (Cultural Strategy Group, 1998; Eliashberg et al., 2006) as represented in Figure 1 below.

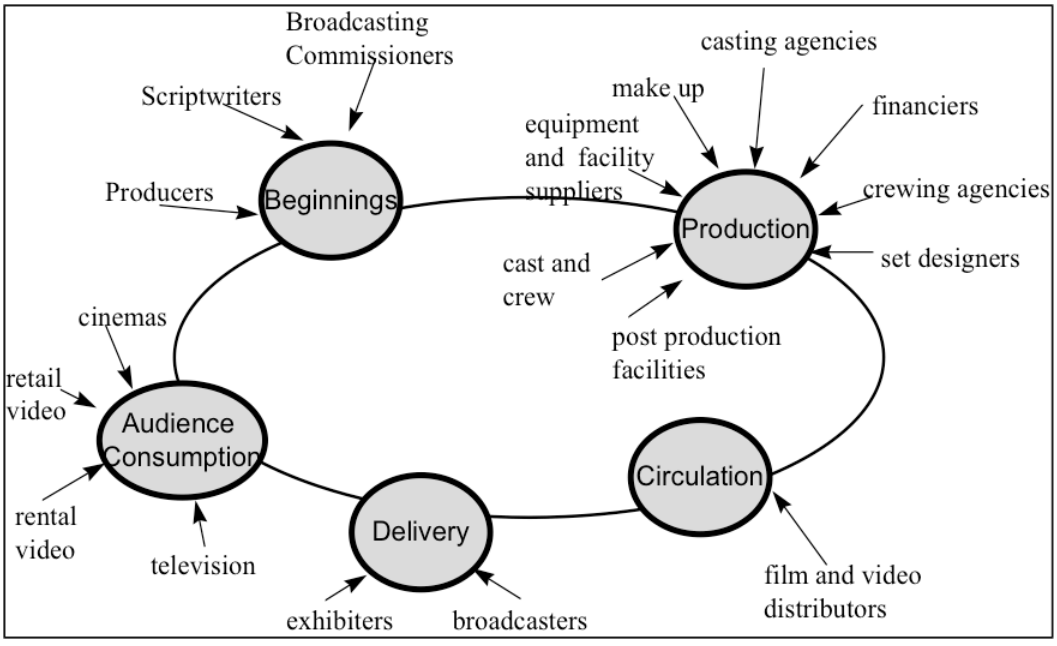


Figure 1. Film and television industry structure (Cultural Strategy Group, 1998, p. 48)

Figure 1 shows the five broad categories in the film and TV content value-chain. The functions and activities that fall into each of these categories are shown with arrows pointing towards the categories into which they fall.

The industry as a whole is a truly global one (Blumenthal & Goodenough, 2006; Gauteng Film Commission, 2012; Greenwald & Landry, 2009; Squire, 2004; Tuomi, 2006), possibly more so than most other industries (Greenwald & Landry, 2009). The importance of planning and execution in the industry is extremely high and contributes significantly to the success of industry projects (Lampel & Shampsie, 2003).

a. *Planning and execution in the film and television industry*

Considering that organisations in the film and TV industry have many of the same functions as businesses in other industries it is practical to conclude that planning and execution are equally as relevant and important for these businesses as for businesses in any other industry. Specifically, with respect to content, the importance of planning and execution to the success of films made in the Hollywood-industry is high (Lampel & Shampsie, 2003). There has been a great deal of innovation and investigation within the Hollywood-industry, both within organisations and industry-wide, to develop these capabilities and to manage the process of making a film, from development through to exhibition (Lampel & Shampsie, 2003).

The production of something, such as a film, is on a project basis and relies on successful project management (Greenwald & Landry, 2009; Lampel & Shampsie, 2003; Palmer, Dunford, Rura-Polley, & Baker, 2001; Tuomi, 2005b), and “for incumbents the successful planning and execution of movie projects is increasingly crucial” (Lampel & Shampsie, 2003, p. 2194). The processes or factors that drive and regulate using various resources to get a final product that is to an acceptable standard are considered vital for the development, production and marketing of content made in Hollywood and are second only to resources in their importance for box office success (Lampel & Shampsie, 2003). As such, a consideration of factors that affect strategy

execution in the industry is relevant both for film and TV businesses on the whole and for the production of specific content.

b. *The economic importance of film and television as a business*

"The industry has high economic importance in the global economy" (Eliashberg et al., 2006, p. 638). Notably, the media and entertainment industry is the United States' (US) largest export industry (Eliashberg et al., 2006; Greenwald & Landry, 2009) with over half of the film industry's earnings being made outside of the country (Greenwald & Landry, 2009). In 2008 the US film and television industry was a major employer that supported over 2.4 million private-sector jobs, paid over $140 billion in total salaries and generated $15.7 billion in public revenues such as federal taxes (Motion Picture Association of America, 2010). In addition the "industry is one of the few that consistently generates a positive balance of trade" (Motion Picture Association of America, 2010, p. 5), generating a surplus of $11.7 billion for the US in 2008 (Motion Picture Association of America, 2010).

The non-US film industry, which has historically been more concerned with art and critical acclaim, is evolving such that it is adopting a more US-style, business-focussed industry approach (Greenwald & Landry, 2009). For example, in 2010 the British film industry contributed over £4.5 billion to the Gross Domestic Product (GDP) of the United Kingdom (UK) with more than £1.2 billion of this going to tax (Oxford Economics, 2010). Additionally, it generated approximately £1.9 billion in tourism revenues from international visitors, around a tenth of total tourism revenues for the UK (Oxford Economics, 2010). In 2011 the British film industry produced, in whole or part, 237 films, including co-productions, domestic features and inward investment films, and spent nearly £1.26 billion on production alone, with over £1 billion of this spend coming from inward investment films (Perkins & Maine, 2012).

The average cost of production of a film released by the major US studios and networks in 2007 was $71 million, with a low-budget film being made for approximately $15 million, and the average cost of marketing at $36 million (Greenwald & Landry, 2009). "Made-for-television movies have budgets in the

low millions and even documentaries can cost a half-million dollars or more" (Greenwald & Landry, 2009, p. 5). According to Squire (2004, p. 1):

> At its most complex, [the feature film] is a massive venture of global commerce, a vast-creative enterprise requiring the logistical discipline of the military, the financial forecasting of the Federal Reserve and the gambling instinct of wildcat oil drillers.

It is important to note, however, that film and TV is both a business and a creative art form and in order to achieve success in this industry it is important to be able to manage both of these aspects (Greenwald & Landry, 2009; Squire, 2004). As such, It is essential that people working in this industry are able to manage creative talent (Greenwald & Landry, 2009) in addition to any general business management skills that they may have.

Within the SA context the industry makes a number of important economic contributions and is important on a number of levels (Claasen, 2012; Cultural Strategy Group, 1998; Gauteng Film Commission, 2012; PriceWaterhouseCoopers Inc., 2000; Tuomi, 2005a). However, the industry in SA faces a number of problems that threaten it and hamper its ability to achieve its potential and to contribute to the SA economy fully and in all the ways that it can (Claasen, 2012; Cultural Strategy Group, 1998; Tuomi, 2005a, 2005b, 2006).

c. *South Africa organisations working in the industry*

The film and TV industry in SA is very differentiated, made up of small and medium enterprises (SMME's) and large enterprises, all of which are interconnected by a flexible network of production and service delivery (Cultural Strategy Group, 1998). Furthermore, there tend to be very different ownership structures for production from those for distribution/delivery, with a high concentration of companies in the distribution, exhibition and broadcasting areas of the value-chain and a high degree of fragmentation in production and post-production (Cultural Strategy Group, 1998). Production for TV dominates the SA-industry (PriceWaterhouseCoopers Inc., 2000), and

across the value-chain the SA film and TV landscape, and indeed the media and entertainment landscape, is dominated by five large SA organisations:

- Avusa Limited, through its ownership of NuMetro Entertainment
- etv
- Naspers, through its ownership of Multichoice, and in turn MNet and DStv
- Primedia (Pty) Limited, through its ownership of the Ster-Kinekor group of companies
- The South African Broadcasting Corporation (SABC) (Cultural Strategy Group, 1998).

d. *International organisations participating in the industry in South Africa*

Global players in the film and TV industry have very little presence in Africa and do not consider SA or the continent as a whole as big markets (Cultural Strategy Group, 1998). However, some organisations, such as CNBC Africa, MTV Networks Africa and Warner Brothers, have some presence in the SA-industry, primarily through part-ownerships of local enterprises, such as Warner Brothers' 20% ownership of etv (Teer-Tomaselli, 2004). The one international organisation with a significant presence and influence in the SA-industry is Endemol (Cultural Strategy Group, 1998; Teer-Tomaselli, 2004).

e. *Significance of the film and television industry to South Africa*

The SA Government has identified the film and TV industry as being important to the economic, political and social development of the country and so has invested money and implemented a number of initiatives to help the industry to develop (Cultural Strategy Group, 1998; PriceWaterhouseCoopers Inc., 2000; Tuomi, 2005a). Economically the industry has been identified as creating significant growth (Barnett, 1999; Claasen, 2012; Cultural Strategy Group, 1998; Gauteng Film Commission, 2012; Tuomi, 2005b, 2006), including for the

SA export market. According to the Classen (2012) between 2002 and 2012 the film and TV industry in SA contributed over R20 billion to the SA economy and according to the Gauteng Film Commission (2012) the industry now contributes over R7.4 billion to the economy annually.

The industry also contributes economically by creating employment opportunities in both rural and urban environments, on both primary and secondary levels, and across a number of different industries (Claasen, 2012; Cultural Strategy Group, 1998; Gauteng Film Commission, 2012; PriceWaterhouseCoopers Inc., 2000; Tuomi, 2005b, 2006). Over 30,000 people per year are estimated as being employed directly across the value-chain since 2006 (Gauteng Film Commission, 2012; Tuomi, 2006) with further jobs being created indirectly in supporting industries such as the hospitality and transport industries (Cultural Strategy Group, 1998).

Additional contributions that the industry makes to SA are:

- bringing in foreign exchange (Cultural Strategy Group, 1998; PriceWaterhouseCoopers Inc., 2000)
- playing the vital role of communicating ideas and providing information (Cultural Strategy Group, 1998; Greenwald & Landry, 2009)
- developing an industry-specific skills base (Gauteng Film Commission, 2012; Tuomi, 2005b)
- transferring new technologies into the country (Cultural Strategy Group, 1998; PriceWaterhouseCoopers Inc., 2000)
- increased tax revenue (Tuomi, 2006).

f. *Problems faced by the South African film and television industry*

In the literature reviewed and from reading around the industry in general a number of key problems that face the SA film and TV industry are identified.

There is a great deal of secrecy in the industry globally and a general unwillingness by organisations to be involved in research projects (Blumenthal & Goodenough, 2006; Squire, 2004), with one major Hollywood studio stating

on their website “we cannot provide help for any specific projects” (Paramount Pictures, 2011). This is reflected by Blumenthal and Goodenough who state in the acknowledgments of their book *This Business of Television,* “a surprising number of executives asked to be left off this list so that they could provide inside stories without fear of job loss (!)” (2006, p. xix). This secrecy is further exacerbated due to the difficulty there is with finding and accessing research and information about the media and entertainment industry in general, particularly the business perspective of the film and TV industry, globally (Greenwald & Landry, 2009) and in SA (Tuomi, 2005a, 2005b, 2006).

From the research that is available about SA other issues the industry faces include:

- A severe lack of business, management, scriptwriting, and certain crewing and technical skills in the SA-industry (Claasen, 2012; Gauteng Film Commission, 2012; Tuomi, 2005a).
- High internet connection costs (Milne & Taylor, 2006) and poor bandwidth availability (Gauteng Film Commission, 2012) relative to many developed countries, making it difficult for SA companies to take advantage of the speed and communications benefits of long-distance data transmission, to develop audiences for digital and online services in SA and the capabilities in emerging technologies to engage with global markets and consumers.
- The relative weakness and instability of the SA rand (Isa, 2013) making access to necessary technologies such as up-to-date production equipment potentially prohibitively expensive (PriceWaterhouseCoopers Inc., 2000; Tuomi, 2005b).
- A lack of financial investment creating a major obstacle to the success of the SA-industry (Claasen, 2012; Cultural Strategy Group, 1998; Gauteng Film Commission, 2012; Tuomi, 2005a, 2005b) and resulting in the SA-industry being underfunded compared to in other countries (Claasen, 2012; Tuomi, 2005b).

- The industry in SA remaining small, very localised and missing many of the foundations necessary to become commercially viable (Claasen, 2012; PriceWaterhouseCoopers Inc., 2000).
- The costs of producing local content in SA being higher than the costs of importing content (Cultural Strategy Group, 1998; Indaba 2001, 2001; KPMG, 2001; Orgeret, 2004; Teer-Tomaselli, 2004; Tuomi, 2005a, 2006).
- Poor access to international networks and relationships, as well as a lack of financial support for distributing content (Claasen, 2012; Gauteng Film Commission, 2012), resulting in a poor distribution network from which there are not many opportunities for exporting SA film and TV products (Gauteng Film Commission, 2012; Indaba 2001, 2001; Tuomi, 2005a, 2005b).
- A reluctance by SA exhbitors to screen SA produced content as it does not sell well to local audiences (Claasen, 2012; Gauteng Film Commission, 2012; Tuomi, 2005a).
- A domestic audience base that is too small to support a SA film and TV industry (Claasen, 2012; Cultural Strategy Group, 1998; Gauteng Film Commission, 2012; Indaba 2001, 2001; Tuomi, 2005b, 2006).
- The requirement to meet regulations set by the national regulator, the Independent Communications Authority of South Africa (ICASA), while relying on commercial sources of revenues, which hinders organisations' ability to be competitive and profitable (Barnett, 1999; Milne & Taylor, 2006; Orgeret, 2004; Teer-Tomaselli, 2004).
- A number of legislative and bureaucratic issues that restrict the use and availability of resources, impose globally uncompetitive working conditions and inhibit foreign businesses from operating in the SA film and TV industry (Tuomi, 2005a, 2005b, 2006).

1.3. Significance of the study

The study is significant on two primary levels, namely at an organisational level within the company being assessed, and at an industry-level in SA.

a. ***Organisation-level significance***

For the organisation in which the case study is conducted the findings may provide guidance to strategy makers and managers at the organisation and help them to improve their performance by taking effective and necessary steps (Faull & Fleming, 2005) to implementing their strategies. It may also enable them to better execute strategies that they will develop in the future and to work better together across the whole industry value-chain.

The research will do this by helping the organisation to:

- understand the status quo, (Avishai et al., 2000; Koco, 2003; Macpherson, Brooker, & Ainsworth, 2000) including existing constraints (Avishai et al., 2000)
- develop an understanding as part of a wider strategic analysis of the business (Koco, 2003; Simmons & Lovejoy, 2003)
- convey the opinions and aims of research participants to decision makers (Kennedy, 1977; Koco, 2003; Macpherson et al., 2000)
- assess existing approaches (Avishai et al., 2000; Kennedy, 1977; Koco, 2003; Macpherson et al., 2000; Sankaran, 2005; Simmons & Lovejoy, 2003; Smith, 1987)
- improve existing methods (Kennedy, 1977; Simmons & Lovejoy, 2003; Smith, 1987)
- develop new ideas (Sankaran, 2005)
- drive change (Macpherson et al., 2000)
- inform and validate decisions (Eliashberg et al., 2006; Kennedy, 1977; Macpherson et al., 2000)
- enable forward planning (Avishai et al., 2000; Koco, 2003; Macpherson et al., 2000; Simmons & Lovejoy, 2003; Smith, 1987)
- make the delivery of services more effective and efficient (Avishai et al., 2000; Koco, 2003; Simmons & Lovejoy, 2003; Smith, 1987)
- pursue excellence (Smith, 1987)
- support policy design and implementation (Macpherson et al., 2000; Smith, 1987).

b. ***Industry-level significance***

At an industry-level this research is significant on a number of levels, including to fill the gap that exists due to the lack of research into the industry, highlight the importance of business and management skills in the industry and provide information and insights that may be relevant in other, similar contexts and environments.

The lack of data that results due to a lack of research and statistics can lead to insufficient interest, understanding and respect from communities outside the industry that may contribute to its growth, such as financiers and investors. As such, this research is intended to advance knowledge (Koco, 2003; Macpherson et al., 2000; Pettigrew, 2005; Sankaran, 2005; Simmons & Lovejoy, 2003; Smith, 1987) and stimulate and teach others (Smith, 1987) both within the industry and external to the industry who may have an influence or impact on the industry.

In addition, the research will provide information that is relevant to management (Eliashberg et al., 2006) across a number of different organisations in the industry. It will highlight the importance of strategy-level business and management skills in the industry, as well as the factors that have an impact on the execution of strategy at an organisation in the industry. Furthermore, it will provide understanding of and insight into a successful participant within the competitive market environment (Eliashberg et al., 2006; Kennedy, 1977) for all players and stakeholders in the industry.

The research will hopefully also provide insights that have relevance in other, similar contexts and environments (Macpherson et al., 2000). It will provide a case study upon which to base further research and provide possible good practice for the application of research across the industry. In addition, findings may provide all parts of the industry's value-chain, such as suppliers to and stakeholders of the media and entertainment industry, with insights that could be of use in their dealings with the organisation being studied and may inform the development of relationships with the organisation.

1.4. Problem statement

The research problem on which this study is based is to assess how specific factors that affect strategy execution are managed at an organisation in the SA film and TV industry, identify how this impacts strategy execution in the organisation and evaluate how this influences the organisations' performance at an industry-level.

1.5. Delimitations of the study

The scope of the study will include only the following elements:

- a company working in the film and TV industry
- a company with permanent operations in SA
- a company that is willing to provide permission for a case study to be conducted
- an organisation that has a dominant place in the SA film and TV industry
- senior or management level employees and/or employees with participation and involvement in the strategic process
- as wide a range of employees as possible to ensure the believability of the results
- individuals who are willing to be surveyed.

The scope of the study will not include the following elements:

- an organisation that provides supporting and supply services to the industry, such as insurance or catering
- a comparison and/or contrast of the organisation participating in the study with other businesses based either in SA or in international markets
- an analysis of how various factors can be applied or managed and related to best practice
- an analysis of how specific tools and techniques can be used and their relative benefits

- existing implementation models and systems
- the consequences of failing to execute strategy
- the impact of Black Economic Empowerment (BEE) on strategy execution and business success.

1.6. Assumptions

The outcomes of this research may be influenced by the assumptions stated in Table 1.

Table 1. Assumptions of the research

Assumption	Reasonableness	Sensitivity
The organisation selected for the case study will agree for a case study to be done.	High	Highly sensitive
Specific individuals will be willing to be interviewed.	High	Highly sensitive
Respondents will have enough knowledge about their organisation to be able to clearly articulate answers to the questions.	High	Highly sensitive
Respondents have enough involvement in or understanding of their organisational strategy to assess whether or not it is executed successfully.	High	Highly sensitive
Sufficient usable interviews can be arranged.	High	Highly sensitive
It will be possible to obtain sufficient data from the respondents in order to analyse the data and make findings.	High	Highly sensitive
Respondents will accept that the research is totally confidential and anonymous and will answer questions openly and honestly.	High	Highly sensitive

1.7. Definition of terms and abbreviations

Definitions and abbreviations used in this report and that need to be understood are provided in Table 2 and Table 3.

Table 2. Definitions of terms used in this report

Word/Phrase	Definition	Reference
Inward investment film	"a feature film which is substantially financed and controlled from outside the [country], where the production is attracted to the [country] because of script requirements, the [country's] infrastructure or tax incentives"	(Perkins & Maine, 2012, p. 5)
Videofax	"transmits motion video via ISDN lines, analogous to an ordinary fax transmission, but with modified VCR's at both ends of the line"	(Palmer et al., 2001, p. 195)

Table 3. Abbreviations used in this report

Abbreviation	Word/Phrase	Reference
BEE	Black Economic Empowerment	(OECD, 2005)
BTD	Broadcast Technology Division	Research transcripts
CEO	Chief Executive Officer	(Mankins & Steele, 2005)
CFO	Chief Financial Officer	(Mankins & Steele,

Abbreviation	Word/Phrase	Reference
		2005)
DTI	The Department of Trade and Industry	(Tuomi, 2005b)
GM	General Manager	Research transcripts
ICASA	Independent Communications Authority of South Africa	(Milne & Taylor, 2006)
HD	High definition	Research transcripts
IT	Information technology	Research transcripts
KPI	Key Performance Indicator	(Mankins & Steele, 2005)
SABC	South African Broadcasting Corporation	(South African Broadcasting Corporation Limited, 2007)
SBU	Strategic Business Unit	(Stalk, Evans, & Shulman, 1992)
SMME	Small and medium enterprises	(Cultural Strategy Group, 1998)
US	United States	(Hrebiniak, 2005)
VP	Vice President	(Mankins & Steele, 2005)
3D	Three dimensional	Research transcripts

CHAPTER 2: LITERATURE REVIEW

Many organisations spend a great deal of time and effort on strategy formulation and related issues of structuring and organising the company (Bossidy et al., 2002; Faull & Fleming, 2005; Getz & Lee, 2011; Mankins & Steele, 2005; Morgan et al., 2007). However, many strategies never actually get implemented (Hrebiniak, 2005; Jackson, 2011; Mankins & Steele, 2005; Neilson et al., 2008). As such there is a real need for organisations to understand how to execute their strategies (Cocks, 2010; Hrebiniak, 2006; Schaap, 2012). Both research into strategy execution and more general literature around the topic suggest that there are logical, sequential steps that can be taken or behaviours that can be engaged in (Bossidy et al., 2002; Hrebiniak, 2006; Schaap, 2012) and a number of key areas on which a company can focus in order to successfully implement strategy (Crittenden & Crittenden, 2008).

Before it is possible to discuss the areas on which a company should focus in order to execute strategy it is necessary to first define what strategy and execution are. As such the following topics will be reviewed from the literature:

- the definition of strategy execution
- factors affecting strategy execution.

2.1. Definition of strategy execution

2.1.1. *Strategy*

The subject of strategy and the issues around it are continually being reviewed and modified based on current and changing needs and information (Segal-Horn, 2004). As such, there are many different definitions amongst commentators and management theorists about what strategy is, types of strategy, how it should be formed and how it can be realised (Mintzberg, Ahlstrand, & Lampel, 1998; Segal-Horn, 2004).

Among the definitions for strategy are:

> The determination of the basic 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 (Chandler, 1962, p. 13).
>
> An internally consistent configuration of activities that distinguishes a firm from its rivals (Porter, 1985, p. xvi).
>
> Top management's plans to attain outcomes consistent with the organization's mission and goals (Wright, Pringle, & Kroll, 1992, p. 3).
>
> Creating fit among a company's activities (Porter, 1996, p. 75).

Peter Drucker (2008) defines strategy as what a business is, what it should be and what it will be; and Thompson and Strickland (2003) propose that strategy includes setting the mission or goals of a company, setting objectives and identifying the action plan for achieving these.

These definitions of strategy are based on the concept of strategy as being about planning, using primarily quantitative assessment techniques (Cole, 2004; Mintzberg & Waters, 1985; Segal-Horn, 2004), and based on the concept popularised by Porter of strategy "as a rational process of analysis that is designed to achieve competitive advantage of one organisation over another in the long term" (Segal-Horn, 2004, p. 2). There are, however, different concepts of strategy and perceptions of how it should be formed from that of the planning approach (Mintzberg et al., 1998; Segal-Horn, 2004). Initially Mintzberg and Waters (1985), later supported by Segal-Horn (2004), proposed that there are a number of types of strategy that fall along a continuum, with planned strategy at one end and less precisely articulated strategy at the other end. Later, Mintzberg *et al.* (1998) proposed ten different schools of thought on how strategy should be formed and what it should be, as

opposed to Whittington, who chooses to define strategy into four approaches (Segal-Horn, 2004).

An area on which there has been a great deal of focus has been how strategy is formulated and what becomes of it, with the concepts of it being intended, deliberate and emergent having particular attention paid to them (Mintzberg et al., 1998; Segal-Horn, 2004). An intended strategy is one that is planned and laid out in advance and can be either realised or unrealised (Mintzberg et al., 1998; Mintzberg & Waters, 1985; Segal-Horn, 2004). A deliberate strategy is an intended strategy that is realised (Mintzberg et al., 1998; Segal-Horn, 2004) or successfully executed. An emergent strategy is realised or happens over time (Mintzberg & Waters, 1985), not from an explicit plan, but as a result of numerous factors such as responses to conditions and environmental factors and informal consensus among employees (Mintzberg et al., 1998; Mintzberg & Waters, 1985; Segal-Horn, 2004).

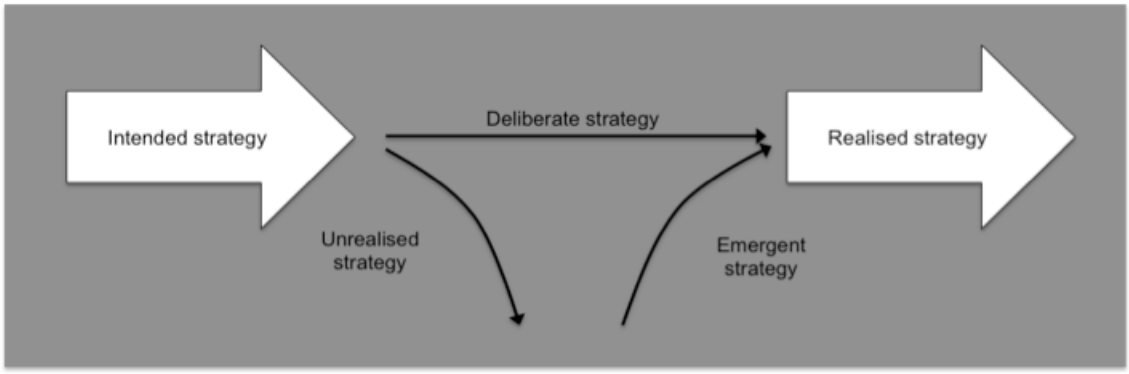


Figure 2. Types of strategies (Mintzberg & Waters, 1985, p. 258)

Figure 2 shows the relationship between intended strategy, deliberate strategy and realised strategy.

Overall, there has been a progressive change in views toward strategy from that of it being purely about planning towards a notion of it being more emergent and incremental (Mintzberg et al., 1998; Mintzberg & Waters, 1985; Segal-Horn, 2004). It is now recognised that good strategies need to mix deliberate and emergent approaches in order to both maintain control and

respond to internal and external conditions (Mintzberg et al., 1998; Thompson et al., 2008).

2.1.2. *Execution*

According to Bossidy and Charan execution is:

> A systematic process of rigorously discussing hows and whats, questioning, tenaciously following through, and ensuring accountability... The heart of execution lies in three core processes: the people process, the strategy process, and the operations process (Bossidy et al., 2002, p. 22).

This is supported, to an extent, by Faull and Fleming (2005) who view effective strategy execution as a process and Hrebiniak (2006) who says it is a process and the outcome of a sequence of integrated choices and actions over time.

This understanding of execution is included under some of the definitions for strategy and/or for ways in which strategy is realised. As such, in choosing a definition of strategy execution, to use for the purposes of this research, this understanding of execution will be incorporated.

2.1.3. *Conclusion*

The definition of strategy execution that has been used for the purposes of researching strategy execution at a company in the SA film and TV industry is a combination of those put forward. Primarily, it has been considered to be about making choices about what business an organisation is in, what it hopes to achieve, how it will compete in that business and achieve objectives (Mintzberg et al., 1998; Segal-Horn, 2004; Thompson et al., 2008), and how resources will be used and managed over time (Hamel & Prahalad, 1993; Segal-Horn, 2004). The definition used also works on the notion that strategy is intended, made deliberate and systematically carried out, as the concept of successful execution is premised on the idea of the realisation of a strategy that was initially planned and defined. However, strategy is also considered to

be flexible and required to adapt and emerge as conditions change (Thompson et al., 2008).

2.2. Factors affecting strategy execution

A number of studies have been conducted regarding strategy execution and the factors that contribute to or present obstacles to successful strategy execution. These studies show that organisations that consistently perform well demonstrate the ongoing, clear and controlled application of a number of related factors across key areas (Bossidy et al., 2002; Faull & Fleming, 2005; Higgins, 2005; Hrebiniak, 2005; Mankins & Steele, 2005; Neilson et al., 2008) and achieve success through both strong planning and execution (Cocks, 2010; Hrebiniak, 2006; Mankins & Steele, 2005; Schaap, 2012; Thompson et al., 2008). Companies fail to implement strategy because they neglect or are poor at important elements of business success such as planning, who makes the decisions and how decisions are communicated (Jackson, 2011; Mankins & Steele, 2005; Neilson et al., 2008; Schaap, 2012). As such, the areas faced by an organisation that affect strategy execution need to be identified and must be carefully managed if strategy is to be implemented successfully (Bossidy et al., 2002; Hrebiniak, 2005, 2006; Mankins & Steele, 2005; Schaap, 2012).

In assessing the research conducted by different sources the ten factors that are most common and important for successful strategy execution or where obstacles to successful execution exist are:

- leadership and management support
- strategy formulation
- strategy implementation planning
- change management
- resources
- alignment
- communication
- accountability

- incentivisation and development
- adaptation of overall strategy.

The factors identified are in no particular order and have been chosen with no preference given to any one author or study. For the purposes of this review each of these factors have been considered as listed above.

2.2.1. *Leadership and management support*

Establishing a clear strategy and making the difficult choices depends heavily on the leadership of an organisation (Bossidy et al., 2002; Cocks, 2010; Getz & Lee, 2011; Mintzberg & Waters, 1985; Morgan et al., 2007; Porter, 1996; Schaap, 2012). In addition, strong leadership can motivate, direct and align a business so that it can achieve results (Bossidy et al., 2002; Cocks, 2010; Kaplan & Norton, 2008). However, many managers believe that this is where their responsibilities end and that the actual implementation, or doing, of strategy is the domain of employees at a lower level in the organisation (Bossidy et al., 2002; Getz & Lee, 2011; Hrebiniak, 2006; Morgan et al., 2007). This sentiment is reflected by one manager interviewed by Hrebiniak (2006) who said, “let the grunts handle execution” (p. 13). In reality, strategic objectives are most successfully achieved when the people who are responsible for execution are involved with planning and vice versa (Bossidy et al., 2002; Cocks, 2010; Hrebiniak, 2006; Morgan et al., 2007; Schaap, 2012).

Strong and committed leadership is essential to successful strategy execution (Bossidy et al., 2002; Cocks, 2010; Faull & Fleming, 2005; Getz & Lee, 2011; Hrebiniak, 2006; Jackson, 2011; Schaap, 2012) and permeates every part of management (Bossidy et al., 2002; Cocks, 2010; Kaplan & Norton, 2008; Schaap, 2012). According to Kaplan and Norton (2008) the only factor that is common to all the organisations that they have observed successfully executing strategy is brilliant and far-sighted leadership. Involving leadership in the execution process can ensure that strategies align with the day-to-day activities of the organisation and that senior management maintains a connection with the rest of the organisation (Bossidy et al., 2002; Cocks, 2010;

Schaap, 2012; Witcher, Chau, & Harding, 2007). In addition, it communicates to employees a high level of management commitment to strategy and achieving its objectives, leading to a higher level of commitment within the organisation (Bossidy et al., 2002; Witcher et al., 2007). Conversely, a commitment to execution is essential for leadership to be effective (Bossidy et al., 2002; Schaap, 2012). According to Bossidy *et al.* (2002, p. 34) "Leadership without the discipline of execution is incomplete and ineffective. Without ability to execute, all other attributes of leadership become hollow."

2.2.2. *Strategy formulation*

A clear strategy gives an organisation direction and motivation (Hamel & Prahalad, 1993; Thompson et al., 2008) and unless it is well developed and formulated it cannot be executed properly (Bossidy et al., 2002; Frigo, 2003; Frisch, 1998; Hrebiniak, 2006; Kaplan & Norton, 2008; Morgan et al., 2007; Thompson et al., 2008) or no real benefit will be evident even when good execution happens (Bossidy et al., 2002; Frigo, 2003; Morgan et al., 2007). A well-formulated strategy should be clear, realistic and strongly grounded in its marketplace and operating environment (Bossidy et al., 2002; Mankins & Steele, 2005). Where plans are unrealistic it can have a negative impact on an organisation as staff believe that strategies are not viable and cannot be trusted and therefore do not take their performance commitments seriously (Bossidy et al., 2002; Mankins & Steele, 2005). Conversely, where strategies are clear and grounded in reality they can be easily communicated, resources can be correctly allocated, actions become more efficient and accountability can be more easily assigned (Mankins & Steele, 2005).

In order for strategies to be well developed and formulated they should be based on a sound and complete situational analysis (Bossidy et al., 2002; Drucker, 2008; Frigo, 2003; Kaplan & Norton, 2008; Mankins & Steele, 2005; Thompson et al., 2008).

a. ***Situational analysis***

A situational analysis can help to ensure that the strategies, objectives and forecasts developed are underpinned by an understanding of issues (Kaplan & Norton, 2008; Segal-Horn, 2004) such as the broader market environment and its economics, the competitive environment, customer profiles and other influential factors (Cocks, 2010; Drucker, 2008; Frigo, 2003; Kaplan & Norton, 2008; Mankins & Steele, 2005).

Having done a thorough situational analysis it is then possible to develop the best possible strategy (Drucker, 2008; Frigo, 2003; Kaplan & Norton, 2008; Thompson et al., 2008) and implementation approach based on both the internal and external factors affecting a business (Cocks, 2010).

b. ***Formulation approach***

There are numerous types of strategy that a company can adopt (Kaplan & Norton, 2008; Thompson et al., 2008). On the whole a corporate strategy should be formulated primarily to identify a way to achieve a sustainable competitive advantage with the resources that are available (Gadiesh & Gilbert, 2001; Kaplan & Norton, 2008; Porter, 1996) and differentiate an organisation from its competitors in some way (Kaplan & Norton, 2008; Porter, 1996).

While there is no one or best way to formulate a good strategy there are numerous management frameworks, approaches to strategy and areas of focus that can be used to support formulation and to make good choices (Kaplan & Norton, 2008; Segal-Horn, 2004). Whatever tools or approaches are used in formulation, strategy targets should not be only financially-based, but should include wider measures and areas of relevance to the business (Connolly, 2006; Kaplan & Norton, 2008).

As strategy formulation and execution are interdependent a simultaneous approach to developing strategy and how it will be executed is essential in order to achieve strategic success (Cocks, 2010; Hrebiniak, 2006; Schaap,

2012). Cocks (2010) emphasises “the need for balancing strategy formulation with strategy execution” (p. 260) as shown in Figure 3.

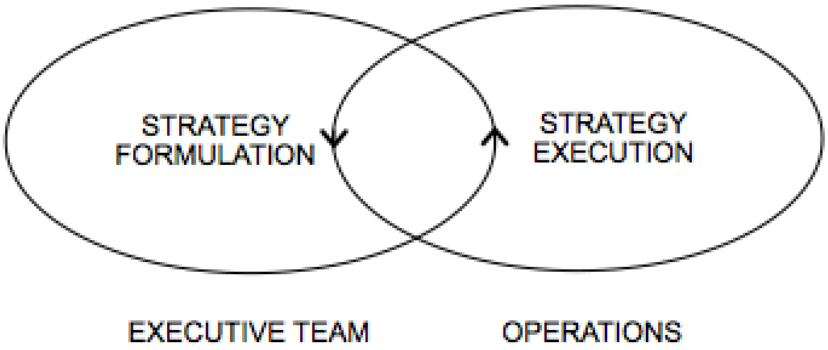


Figure 3. Linking strategy formulation with execution (Cocks, 2010, p. 261)

Figure 3 shows the connection that is required in an organisation between strategy formulation and strategy execution, the ongoing review that is necessary between both and the need for contribution to this process by people working at an operational level as well as from the executive team.

2.2.3. *Strategy implementation planning*

How a strategy is to be implemented or made operationally effective is essential to both strategy formulation and successful execution (Bossidy et al., 2002; Cocks, 2010; Frigo, 2003; Getz & Lee, 2011; Hrebiniak, 2006; Kaplan & Norton, 2008; Morgan et al., 2007; Rasiel, 1999; Schaap, 2012; Thompson et al., 2008). The approach to planning and execution must be disciplined and carefully laid out in order for objectives to be achieved (Connolly, 2006; Drucker, 2008; Getz & Lee, 2011; Hrebiniak, 2005; Mankins & Steele, 2005; Morgan et al., 2007; Schaap, 2012) and enterprise-level plans should be “translated into the plans of the various units and departments” (Kaplan & Norton, 2005, p. 72). An action-plan or plans, in which priorities should be made explicit and include a set of specific activities and their desired outcomes or key performance indicators (KPI’s), ought to be prepared for carrying out a strategy and focussing on what actually needs to be done (Bossidy et al., 2002; Cocks, 2010; Drucker, 2008; Faull & Fleming, 2005;

Getz & Lee, 2011; Hamel & Prahalad, 1993; Hrebiniak, 2006; Kaplan & Norton, 2008; Mankins & Steele, 2005; Morgan et al., 2007; Rasiel, 1999; Schaap, 2012; Thompson et al., 2008) both in the long-term and on a day-to-day basis (Kaplan & Norton, 2008; Morgan et al., 2007). Such a plan should also include clear and specific identification of how resources, such as money and manpower, are to be allocated, including accountabilities, measurement and timing of activities (Bossidy et al., 2002; Cocks, 2010; Drucker, 2008; Faull & Fleming, 2005; Getz & Lee, 2011; Hamel & Prahalad, 1993; Mankins & Steele, 2005; Morgan et al., 2007; Rasiel, 1999; Schaap, 2012). All of these elements should be agreed through a process of honest, candid and open discussion amongst key stakeholders at all levels in an organisation (Bossidy et al., 2002; Cocks, 2010; Faull & Fleming, 2005; Schaap, 2012).

Cisco systems is an example of a company that pays close attention to strategy implementation planning and understands the importance of the role of the leadership team in its execution efforts (Mankins & Steele, 2005). As part of its operationalisation approach:

> a cross-functional team reviews the level and timing of resource deployments early in the planning stage. These teams regularly meet with John Chambers (CEO), Dennis Powell (CFO), Randy Pond (Vice President [VP] of Operations), and the other members of Cisco's executive team to discuss their findings and make recommendations. Once agreement is reached on resource allocation and timing at the unit level, those elements are factored into the company's two-year plan. Cisco then monitors each unit's actual resource deployments on a monthly basis (as well as its performance) to make sure things are going according to plan and that the plan is generating the expected result (Mankins & Steele, 2005, p. 70).

a. *Approaches to implementation planning*

There are a number of different management tools and techniques that have been created, such as the balance scorecard (Kaplan & Norton, 2005), that

are used to help organisations manage and implement their strategies (Cotton, 2008; Kaplan & Norton, 2008; Porter, 1996; Witcher et al., 2007) and to perform activities better than their competitors (Porter, 1996). On the whole each of the tools and processes allow an organisation to realise distinction in a specific activity or area as opposed to all of the activities that may be associated with a given strategy (Porter, 1996), however, each of them has been used effectively and at various organisations (Kaplan & Norton, 2008).

To support leadership in their strategy implementation endeavours Kaplan and Norton (2005; 2008) recommend the creation of an Office of Strategy Management (OSM). The OSM is a senior or corporate-level unit with direct access to all executive-level staff (Kaplan & Norton, 2008). This unit is responsible for facilitating strategy execution by acting as a central point to synchronise implementation activities and make sure execution is achieved in a cohesive manner across an organisation (Kaplan & Norton, 2005). Its purpose is to co-ordinate and manage, or project manage, the full strategy process and to act:

> As *architect* (to design) the new strategy and operational management processes… the *owner* of the key processes in the management system (and) an *integrator* to align all these diverse processes with the strategy (Kaplan & Norton, 2008, p. 19).

Cocks (2010) argues that a programme and project management approach can be used for operationalising strategy as both require planning and execution, the allocation of resources to achieve objectives and involve breaking a plan down into activities and related tasks. As such, the use of programme and project management techniques and tools could be used effectively for executing strategy (Cocks, 2010). Additionally, a key element of project management is ongoing monitoring and reviews as it is for strategy implementation (Cocks, 2010).

b. *Performance monitoring and review*

Learning to improve the implementation of strategy is an ongoing process (Faull & Fleming, 2005; Mankins & Steele, 2005; Schaap, 2012) and regular reviews of performance are important to both the development of a long-term strategy and to its successful execution (Cocks, 2010; Morgan et al., 2007; Witcher et al., 2007). In addition, controls are necessary to help keep management informed about changes in the organisation and its operating environment (Hrebiniak, 2006; Morgan et al., 2007). Furthermore, "aligning employees' competency development plans, and their personal goals and incentives, with strategic objectives" (Kaplan & Norton, 2005, p. 72) is essential and can be set up and monitored as part of a staff performance review process. Successful organisations apply real-time performance monitoring of how their resources are being used and that KPI's are being met on an ongoing basis, and adapt their planning, update resource allocations (Cocks, 2010; Mankins & Steele, 2005; Morgan et al., 2007) and modify incentive programmes accordingly (Hrebiniak, 2006). Such controls must be applied regularly, timeously and provide relevant information so change and adaptation can become a normal part of the strategy execution effort (Hrebiniak, 2006).

c. *Implementation planning in the film and television industry*

How a strategy is to be executed or operationalised is vital in the highly competitive and changeable film and TV industry (Lampel & Shampsie, 2003; Parker, 2004; Tuomi, 2005b). At a content-level, once the necessary planning for production has been done the most important milestone when making a film or TV production is reached - that between the project development or planning phase and the initiation of production (Lampel & Shampsie, 2003). Once the commitment has been made to start production it is nearly impossible to reverse this decision (Tuomi, 2005b). As such, before they will give approval to proceed with production, financiers, such as film studios bosses, need to be convinced that the project aligns with their overall organisational strategies (Dosher & Kleiner, 1997), feel that the resources are

in place and that a production will be successfully executed and completed (Lampel & Shampsie, 2003).

2.2.4. *Change management*

According to the research conducted by Wharton-Executive Education and Wharton-Gartner (in Hrebiniak, 2006) an inability to manage change well is the biggest challenge to the successful execution of strategy. The implementation of strategy often includes change (Schaap, 2012) as it may lead to changes in the systems used in a company, employees and their job descriptions and to organisational structures (Bossidy et al., 2002; Getz & Lee, 2011; Hrebiniak, 2006; Morgan et al., 2007). In addition, the complexity or magnitude of a new strategy and the speed with which it is to be implemented can make other big and complicated demands on an organisation (Bossidy et al., 2002; Hrebiniak, 2006; Morgan et al., 2007). As such, it is vital to strategy execution that change management is well handled and that practitioners are competent and can deal with change processes (Bossidy et al., 2002; Hrebiniak, 2006).

2.2.5. *Resources*

In the literature reviewed there is little to no specific reference to the need for sufficient and correct resources, such as people, capital and infrastructure. It could be argued that this is because the need for enough good resources is obvious and so does not need to be addressed specifically. As stated by Bossidy and Charan (2002) with respect to human resources, “common sense tells us that the right people have to be in the right jobs” (p. 113). Unfortunately, the necessary resources are not always available, or, when they are available, they are not used or applied in the best possible way (Bossidy et al., 2002; Morgan et al., 2007).

In the film and TV industry, at a production level, the biggest difficulty in the development or planning phase is making sure that the correct resources are available and correctly allocated (Greenwald & Landry, 2009; Lampel & Shampsie, 2003; Palmer et al., 2001). At any point in the planning phase vital resources, such as actors or a director, can cease to be available or

something such as a script can cease to be relevant (Lampel & Shampsie, 2003). But the wrong combination of resources or a badly conceived film risks failure at the box office and large financial losses (Lampel & Shampsie, 2003).

a. ***People***

The quality and correct use of an organisations' people can be the most important resource for achieving consistently good results and be the source of a clear, sustainable competitive advantage (Bossidy et al., 2002; Getz & Lee, 2011; Lampel & Shampsie, 2003; Schaap, 2012). But in order for this to be the case it is essential that companies hire, promote and develop the best people and for the right roles (Bossidy et al., 2002; Cocks, 2010; Schaap, 2012). A failure in recruitment and staff management can be enormously damaging, and, if the person concerned is high enough up in an organisation, potentially destroy a business (Bossidy et al., 2002).

The film and TV industry "generates a competitive advantage from its people" (Cultural Strategy Group, 1998, p. 64) and on the whole jobs in the industry are medium to highly skilled, very specialised and not easily transferable (Lampel & Shampsie, 2003; Tuomi, 2005b). The industry uses and relies on numerous creative people in order to develop saleable and commercially viable products (Greenwald & Landry, 2009; Lampel & Shampsie, 2003). This creative talent represents a significant asset (Greenwald & Landry, 2009) and statistics show that the financial success of a production closely correlates with the number of famous and recognised individuals involved with a production (Albright, Winston, & Zappe, 2006; Cultural Strategy Group, 1998; Lampel & Shampsie, 2003).

Tax incentives and film subsidies during apartheid did allow some films to get made in SA so a number of independent producers did emerge and, with the help of international funding, international producers have gradually become interested in the SA-industry (Cultural Strategy Group, 1998). In recent years, the provision of tax incentives and a number of Government initiatives to encourage foreign investment in the SA-industry has helped to develop this interest further and encouraged further growth in the local industry (Claasen,

2012; Gauteng Film Commission, 2012). As such, a fairly strong technical base has developed in SA in areas such as camera work, sound and lighting, together with a good audio-visual infrastructure, excellent studios and post-production facilities, good supply industries and experienced crews (Cultural Strategy Group, 1998; PriceWaterhouseCoopers Inc., 2000). However, there is a sever lack of business, management, scriptwriting, and certain crewing and technical skills in the SA-industry (Claasen, 2012; Gauteng Film Commission, 2012; Tuomi, 2005a).

b. ***Technology***

The film and TV industry is technologically driven and reliant (Berman, 2004; Greenwald & Landry, 2009; Lampel & Shampsie, 2003) and makes use of numerous:

> Equipment, materials, and processes that are expensive to design, develop, and manufacture such as cameras, film or video stock, editing equipment, sound systems, projection devices and so forth (Greenwald & Landry, 2009, pp. 4-5).

With the relative weakness and instability of the SA rand (Isa, 2013), access to necessary technologies such as up-to-date production equipment can be prohibitively expensive (PriceWaterhouseCoopers Inc., 2000; Tuomi, 2005b). This has a direct impact on the quality and type of content that can be produced in the country (PriceWaterhouseCoopers Inc., 2000). In addition, new distribution models rely heavily on digital content management and the availability of an IT infrastructure that allows fast and cheap access across digital networks (Greenwald & Landry, 2009; Palmer et al., 2001). The high internet connection costs in SA and poor bandwidth availability (Gauteng Film Commission, 2012) relative to many developed countries puts SA companies in the industry at a distinct disadvantage (Milne & Taylor, 2006) by making it difficult for them to take advantage of the speed and communications benefits of long-distance data transmission, to develop audiences for digital and online services in SA and the capabilities in emerging technologies to engage with global markets and consumers.

c. ***Capital***

The film and TV industry is capital-intensive and it requires large amounts of risk capital to create and distribute content with a broad market appeal (Greenwald & Landry, 2009). In addition, the initial investment in a production is high, although not as high as the investment required for production itself (Lampel & Shampsie, 2003; Tuomi, 2005b, 2006), and it is not possible to recoup most of the costs or to reuse the raw materials of the process, such as the script, research and development (Cultural Strategy Group, 1998; Tuomi, 2005b, 2006).

A lack of financial investment is a major obstacle to the success of the SA-industry (Claasen, 2012; Cultural Strategy Group, 1998; Gauteng Film Commission, 2012; Tuomi, 2005a, 2005b) and compared to other countries the SA-industry seems to be underfunded (Claasen, 2012; Tuomi, 2005b). The kind of capital necessary to compete in the global industry has not been and is still not easily available in SA, particularly with local investors being reluctant to invest in the industry (Claasen, 2012; Cultural Strategy Group, 1998; PriceWaterhouseCoopers Inc., 2000; Tuomi, 2005a). In addition, international investors think of SA productions as extremely high-risk and have shown little interest in investing in or supporting the SA-industry through partnerships (Cultural Strategy Group, 1998; Gauteng Film Commission, 2012; Tuomi, 2005a, 2005b), further discouraging the local private sector from providing financial support (Cultural Strategy Group, 1998).

2.2.6. *Alignment*

Most companies and their business or operating units are organised functionally (Bossidy et al., 2002; Higgins, 2005) and according to Kaplan and Norton (2005):

- 67% of IT and HR businesses surveyed do not have alignment between corporate and business unit strategies
- 60% of companies don't link their financial planning and budgeting with strategic priorities.

However, it is important that there is cross-functional alignment if strategies are to succeed and be well executed (Bossidy et al., 2002; Cocks, 2010; Higgins, 2005; Morgan et al., 2007; Porter, 1996; Thompson et al., 2008). The alignment of unit strategies with the overall corporate strategy is essential for the enhancement and successful execution of an organisations' strategy (Bossidy et al., 2002; Kaplan & Norton, 2008; Morgan et al., 2007; Schaap, 2012). Coordination across Strategic Business Units (SBU's) and activities can:

- enable consistency of strategy and its application
- enable units to reinforce and support one another
- achieve cumulative gains and economies of scale
- reduce redundancy and duplication
- reduce costs (Porter, 1996).

Organisations best make use of their core competencies and operate at their best by developing an infrastructure that connects and transcends established SBU's and job functions (Bossidy et al., 2002; Stalk et al., 1992; Thompson et al., 2008). Alignment can be facilitated by an organisation design or structure that speaks to and evolves with the objectives and strategy of an organisation (Getz & Lee, 2011; Schaap, 2012). As such, a clear fit between the organisation design of a company and its strategy will impact on strategy execution and can facilitate and enhance the execution process (Getz & Lee, 2011; Jackson, 2011; Schaap, 2012).

Such alignment both facilitates and is facilitated by good communications (Bossidy et al., 2002; Porter, 1996).

2.2.7. *Communication*

A well formulated business strategy is useless if employees are not aware of it, and if it cannot be understood properly, applied as intended and linked to day-to-day operations (Bossidy et al., 2002; Cocks, 2010; Frigo, 2003; Gadiesh & Gilbert, 2001; Getz & Lee, 2011; Morgan et al., 2007; Schaap, 2012). According to Kaplan and Norton (2008) in 73% of organisations

achieving higher performance levels, strategy and strategic measures are clearly communicated. However, Kaplan and Norton (2005) also found that on average 95% of employee's working in an organisation do not know about or understand the company's strategy.

It is vital that a strategy be well communicated in order for it to be translated into specific actions and for resources to be effectively allocated by business units (Bossidy et al., 2002; Cocks, 2010; Getz & Lee, 2011; Mankins & Steele, 2005; Morgan et al., 2007; Schaap, 2012). As such, a common and formal framework for communication should be applied that results in the use of a common language that is understood by all business units (Cocks, 2010; Mankins & Steele, 2005). Furthermore, the messages communicated should be consistent, clear, honest and to the point (Bossidy et al., 2002; Cocks, 2010; Gadiesh & Gilbert, 2001; Jackson, 2011; Porter, 1996).

a. ***Downwards***

If senior management does not communicate its strategy to the wider organisation it can lead to initiatives that are not in line with the overall strategy of the business (Bossidy et al., 2002; Cocks, 2010; Gadiesh & Gilbert, 2001; Getz & Lee, 2011; Morgan et al., 2007; Porter, 1996; Schaap, 2012). In addition, having the necessary information to understand the impact of decisions, such as bottom-line consequences, makes it possible for line and field staff to make the best possible decisions (Bossidy et al., 2002; Cocks, 2010; Gadiesh & Gilbert, 2001; Getz & Lee, 2011; Higgins, 2005; Morgan et al., 2007; Neilson et al., 2008; Porter, 1996; Schaap, 2012). Without information staff don't know what they should do, when or how and targets can never be achieved (Bossidy et al., 2002; Cocks, 2010; Getz & Lee, 2011; Mankins & Steele, 2005; Morgan et al., 2007). According to Nielson *et al.* (2008) 61% of respondents in organisations with strong execution think that employees have the information necessary to understand the bottom-line effect of the choices they make compared to only 28% in weak execution organisations. However, according to Kaplan and Norton (2008) 85% of senior

executives “spent less than one hour per month discussing strategy” (p. 4) and 50% reported that they spent almost no time at all discussing strategy.

b. *Upwards*

Having up-to-date and accurate information and market intelligence makes it possible for senior executives to identify patterns and issues early and to make the necessary changes to their strategy and approach (Bossidy et al., 2002; Cocks, 2010; Hrebiniak, 2006; Mankins & Steele, 2005; Neilson et al., 2008; Schaap, 2012; Thompson et al., 2008). In addition, allowing employees to communicate how they feel about a number of issues, such as through surveys or an open-door policy, can help to identify problems and strengths that can shape and focus current and future strategy and objectives (Bossidy et al., 2002; Cocks, 2010; Connolly, 2006; Thompson et al., 2008). This information can come from all levels of the organisation (Bossidy et al., 2002; Cocks, 2010). According to Neilson et al. (2008) in organisations with good execution 77% of respondents agreed that headquarters quickly received important information about the competitive environment, whereas only 45% of respondents in companies with weak execution saw this as happening.

c. *Across the organisation*

Poor communication across an organisation can result in different parts of a company functioning like silos, the absence of trust and preventing the sharing of best practices, knowledge and expertise and no use of economies of scale (Bossidy et al., 2002; Neilson et al., 2008). Conversely, good communication across an organisation can ensure that ideas don’t get stuck and are able to flow freely (Bossidy et al., 2002; Hamel & Prahalad, 1993). In the study conducted by Neilson *et al.* (2008) only 21% of respondents from companies with poor execution believed that information flowed freely across the organisation, as opposed to 55% of respondents from companies with strong execution.

d. ***Communication in the film and television industry***

Due to the global nature of the film and TV industry and the possible use of multiple locations, the ability to collaborate or communicate remotely, such as via video-conferencing or Videofax, is essential to the management and success of a project (Palmer et al., 2001). At the same time, the ability to communicate remotely via technology, to check up on activities and to engage in decision-making makes it possible for senior people to monitor and review both decisions and performance, which is essential to ensuring that a project does not go off track (Palmer et al., 2001). Such communication and cooperation amongst stakeholders is essential and makes it possible to maintain flexibility (Tuomi, 2005b).

In many cases making sure that the right information is communicated is dependent on having the right people in decision-making roles throughout a company (Bossidy et al., 2002; Neilson et al., 2008).

2.2.8. *Accountability*

Making individuals accountable at various levels in an organisation acts to encourage and motivate employees to achieve the company's strategic objectives and can help to disseminate information across an organisation in general (Bossidy et al., 2002; Cocks, 2010; Witcher et al., 2007). In the study conducted by Neilson *et al.* (2008) accountability is identified as the most important trait for the successful execution of strategy. Clarifying who is responsible for certain decisions makes it easier for a company to keep track of individual achievements (Bossidy et al., 2002; Cocks, 2010; Getz & Lee, 2011; Neilson et al., 2008; Schaap, 2012). At the companies that showed strong execution 71% of respondents agree that "everyone has a good idea of the decisions and actions for which he or she is responsible" (Neilson et al., 2008, p. 61) as opposed to 32% of respondents at organisations viewed as being poor at execution.

Unfortunately, as companies grow and evolve it can become uncertain as to where the boundaries are and who is accountable for what (Neilson et al.,

2008). Uncertainty as to who is accountable can block decision making and the flow of information, separate rewards from performance and lead to employees coming up with their own approaches that undermine management (Bossidy et al., 2002; Neilson et al., 2008).

a. *Accountability in the film and television industry*

Remote collaboration in the film and TV industry allows and depends on many factors. It allows the sharing and sending of digital files such as stock images, audition tapes or daily film reels to project members across international borders and can save time by allowing organisations in different locations to work simultaneously on their different parts of the project (Palmer et al., 2001). However, in order for project members to work simultaneously and from multiple locations and to take advantage of the potential time and money savings such an operating model provides it is essential that these people be trusted and have responsibility for making their own decisions (Palmer et al., 2001).

2.2.9. *Incentivisation and development*

Organisations need to motivate and develop their employees to drive execution (Bossidy et al., 2002; Frigo, 2003; Getz & Lee, 2011; Higgins, 2005; Mankins & Steele, 2005; Schaap, 2012). It is vital that strategy is supported throughout an organisation by the use of incentives (Bossidy et al., 2002; Getz & Lee, 2011; Hrebiniak, 2006; Schaap, 2012) and the correct coaching and development opportunities for the right people (Bossidy et al., 2002). Such incentives should be given both for meeting specific performance objectives related to things such as financial and operational factors, and for general behaviour and attitude (Bossidy et al., 2002). In addition to providing short-term gains, incentivisation can also provide long-term benefits such as staff retention, the development of a planning and execution culture (Bossidy et al., 2002; Connolly, 2006; Mankins & Steele, 2005) and ensure the alignment of individuals' goals with those of the organisation (Hrebiniak, 2006; Kaplan & Norton, 2008).

According to Mankins and Steele (2005) businesses that have proven to have strong execution also place a high value on development as a form of incentive. And yet, according to Kaplan and Norton (2008) only 30% of organisations surveyed link incentives to strategy.

2.2.10. *Adaptability of overall strategy*

It is essential that organisations regularly review and update their strategies if necessary (Cocks, 2010; Frigo, 2003; Morgan et al., 2007; Thompson et al., 2008). Strategies need to be dynamic and may need to change as a result of changing internal and external factors (Cocks, 2010; Schaap, 2012) such as customer needs, the competitive environment, costs and capital availability (Frigo, 2003; Gadiesh & Gilbert, 2001; Hamel & Prahalad, 1993; Hrebiniak, 2006; Mintzberg & Waters, 1985; Morgan et al., 2007; Porter, 1996; Stalk et al., 1992; Thompson et al., 2008). However, it is also essential that, in adapting their strategies, companies do not fall into the trap of making incremental changes that result in no clear strategy being present or the compromise of a strong competitive position in an attempt to be everything to everyone (Porter, 1996).

According to Kaplan and Norton (2005) 50% of senior management spend no time reviewing and discussing strategy and 85% of leadership discuss and review strategy for less than an hour a month. Mankins and Steele's (2005) findings show that less than 15% of organisations regularly compare their forecasts from strategic planning with actual results. By not reviewing strategy, companies face the risk of repeating the same errors, continuing to fund unsuccessful strategies and "embedding the same disconnect between results and forecasts in their future investment decisions" (Mankins & Steele, 2005, p. 66), resulting in ongoing underperformance compared to what has been projected.

a. *The need to be able to adapt in the film and television industry*

Anyone who works in or with the film and TV industry must be willing and able to adapt (Blumenthal & Goodenough, 2006). For example, across the industry

as a whole, the advent and evolution of digital and satellite technology has resulted in transformative and large-scale changes in the market and the competitive environment, such as changes in production methods, distribution channels and consumer behaviour, resulting in increasing levels of audience evolution and fragmentation (Berman, 2004; Cultural Strategy Group, 1998; Gauteng Film Commission, 2012; Greenwald & Landry, 2009; Parker, 2004). New segmentation and distribution models (Gauteng Film Commission, 2012), in turn, result in fundamental changes to operations and structure, and require wide commitment and coordination across an organisation in order to succeed (Parker, 2004). Furthermore, regularly changing audiences and delivery-methods across the industry have a direct impact on strategic decisions and decisions about resource use and allocation for specific projects, such as what content to produce, who should be involved with a project, what it will cost and the technology required for viewing content (Berman, 2004; Gauteng Film Commission, 2012). This has further contributed significantly to the pace of change, the level of competition and the levels of unpredictability in the industry as audience fragmentation pushes down the price of advertising spots and content prices increase due to a higher volume of competing channels (Berman, 2004; Parker, 2004). Such wide-scale changes are increasing in frequency across the film and TV industry and depend on the successful execution, across business units, of supporting processes and require all types of businesses working in the industry to have adaptable strategies (Parker, 2004).

2.2.11. *Conclusion*

While it is important that each of the elements identified are carefully considered and applied when implementing a strategy, how this should be done and the relevant tools that should be used differ from one company to another. Each organisation is different and has its own strengths and weaknesses (Getz & Lee, 2011; Neilson et al., 2008) and so may need to focus more or less on a particular aspect.

Ultimately the success of the SA film and TV industry will depend on how effective all the participants in the industry are at both formulating and executing strategy and on how well each part of the value-chain works with the whole (Cultural Strategy Group, 1998). As such, the factors identified as affecting strategy execution in businesses in general should be taken into account by these organisations and addressed as and where necessary.

2.3. Conclusion of literature review

From the literature review it is evident that there are numerous factors, in general, which have an impact on the execution of strategy in an organisation. It is also clear that companies in the film and TV industry are affected by the same factors that influence strategy execution in other industries. As such, it is fair to conclude that successful strategy execution at organisations in the SA film and TV industry is affected by:

- committed leaders that get involved with execution
- a well formulated strategy
- planning how a strategy is to be implemented or operationalised
- the availability and proper use of resources
- good change management
- cross-functional alignment
- good and consistent communication
- the clear allocation of accountability
- the incentivisation and development of staff
- regular reviews and updates of strategy.

While these factors provide an important context for the research, and demonstrate the relevance of the full management process to the successful execution of strategy, it is beyond the scope of this research to address all the factors that have been identified. However, four key themes emerge in the literature review that can be considered particularly critical to the SA film and TV industry and that are likely to have the greatest impact on strategy execution, namely:

- planning how strategy is to be implemented or operationalised
- the availability and proper use of resources
- good and consistent communication
- regular reviews and updates of strategy.

How strategy is to be implemented or made operationally effective is essential to successful execution (Bossidy et al., 2002; Cocks, 2010; Frigo, 2003; Getz & Lee, 2011; Hrebiniak, 2006; Kaplan & Norton, 2008; Morgan et al., 2007; Rasiel, 1999; Thompson et al., 2008) and vitally so in the highly competitive and changeable film and TV industry (Lampel & Shampsie, 2003; Parker, 2004; Tuomi, 2005b).

In addition, without sufficient resources or the incorrect combination of resources, including people, technology and capital, a strategy cannot be carried out or implemented (Bossidy et al., 2002; Morgan et al., 2007). This is clearly evident in the film and TV industry, which "generates a competitive advantage from its people" (Cultural Strategy Group, 1998, p. 64), is technologically driven and reliant (Berman, 2004; Greenwald & Landry, 2009; Lampel & Shampsie, 2003), is capital-intensive and requires large amounts of risk capital (Greenwald & Landry, 2009) and in which the biggest difficulty in the development or planning phase is making sure the correct resources are available and correctly allocated (Greenwald & Landry, 2009; Lampel & Shampsie, 2003; Palmer et al., 2001).

Following on from these factors, strategy must be well communicated in order for resources to be effectively allocated by business units and in order for it to be translated into specific actions (Bossidy et al., 2002; Cocks, 2010; Getz & Lee, 2011; Mankins & Steele, 2005; Morgan et al., 2007; Schaap, 2012), and, due to the global nature of the film and TV industry and the speed of change in the industry, the ability to collaborate or communicate is essential to the management and success of a project (Palmer et al., 2001).

Furthermore, it is essential that organisations regularly review and update their strategies (Frigo, 2003; Morgan et al., 2007; Schaap, 2012; Thompson et al.,

2008) to adapt to changing internal and external factors such as customer needs, the competitive environment, costs and capital availability (Frigo, 2003; Gadiesh & Gilbert, 2001; Hamel & Prahalad, 1993; Hrebiniak, 2006; Mintzberg & Waters, 1985; Morgan et al., 2007; Porter, 1996; Stalk et al., 1992; Thompson et al., 2008). Anyone who works in the film and TV industry must be willing to adapt (Blumenthal & Goodenough, 2006) due to the significant pace of change, the level of competition and the level of unpredictability in the industry (Berman, 2004; Parker, 2004).

2.4. Research Questions

The main research problem on which this study is based is to assess how factors that affect strategy execution, at businesses in general, are managed at an organisation in the SA film and TV industry, identify how this impacts strategy execution in the organisation and evaluate how this influences the organisations' performance at an industry-level.

2.4.1. *Research Question 1: Implementation Planning*

How does the organisation plan for strategy to be implemented or operationalised, and how does this impact strategy execution and effect business performance at an industry-level?

2.4.2. *Research Question 2: Resources*

Does the availability or lack of resources impact the execution of strategy in the organisation, and how does this impact business performance at an industry-level?

2.4.3. *Research Question 3: Communication*

How does the organisation engage in regular communication down to staff, up to leadership and across functions, and how does this impact strategy execution and effect business performance at an industry-level?

2.4.4. *Research Question 4: Adaptability*

How does the organisation ensure that its strategy is adaptable and can be modified if necessary, and how does this impact strategy execution and effect business performance at an industry-level?

CHAPTER 3: RESEARCH METHODOLOGY

In this chapter the methodology used to conduct the research is discussed. The first section on research methodology discusses qualitative research and its appropriateness for this study and the value of using a case study approach. Using a qualitative, case study approach, the following topics are then discussed:

- research design
- the research instrument
- population and sample
- procedure for arranging and conducting interviews
- interview transcript analysis and interpretation
- limitations of the study
- validity and reliability.

3.1. Research methodology

The research was conducted using a qualitative methodology. All qualitative research concentrates on experiences that take place in their natural context and studies those experiences in-depth (Denzin & Lincoln, 1998; Leedy & Ormrod, 2005). In addition, qualitative research is flexible, allows for exploration of the subject (Creswell, 2003; Leedy & Ormrod, 2005) and enables an understanding "directly from the perspectives of those being studied" (Kalaf, Dan, & Dietz, 2008, p. 162). A qualitative approach is suitable for this research as it is an exploratory study, little research has been done (Creswell, 2003; Leedy & Ormrod, 2005) into the film and TV industry in SA (Tuomi, 2005a, 2005b, 2006), and no literature could be found reporting interviews with people at the dominant organisations working or participating in the industry in SA.

There are different types of qualitative research and it can be conducted in a number of ways (Leedy & Ormrod, 2005), including interviews, observations (Creswell, 2003; Leedy & Ormrod, 2005; Willig, 2008), focus groups (Willig,

2008) and case studies (Leedy & Ormrod, 2005). Specifically, a case study approach has been used for this research.

3.1.1. *The case study approach*

According to Schwandt (1997, p. 13) “a case study is preferred when the inquirer seeks answers to how and why questions, when the inquirer has little control over events being studied, [and] when the object of the study is a contemporary phenomenon in a real-life context.” Perry (2001) suggest that the case research method is an appropriate method to use when dealing with situations that are relatively complex and exploratory in nature, and that include and explain concepts from outside of the situation. One of the most respected experts on case study research, Yin (2009), argues that case research is particularly appropriates in situations where a current phenomenon is being considered within a dynamically changing, real-life context.

As the object of this study is to understand the phenomenon of strategic execution within the real-life context of the dynamically changing SA film and television industry, the researcher has no control over the subject being investigated, part of the purpose of the study is to assess how certain factors are managed at an organisation, and the situation is relatively complex and exploratory in nature, a case study approach is appropriate for this research. Furthermore, the approach is appropriate as individuals within the organisation studied have different and varied viewpoints (Leedy & Ormrod, 2005) as to the factors affecting strategy execution in their company, and provide an insider’s viewpoint and identify one factor other than those proposed from the literature reviewed. In addition, the fullness of the information obtained through the case study contributes to understandings that can have significance in other contexts (Macpherson et al., 2000).

The literature review is also an important part of case research (Perry, 2001; Yin, 2009). While, such a review is ordinarily used to develop specific and testable hypotheses and propositions as part of an empirical method, in case research the literature review can allow for wide and open research topics to

emerge that can be used as headings in the chapters providing an analysis of the interviews (Yin, 2009).

A case study approach also has relevance in this context due to the significance of the study, previously defined in *Chapter 1: Introduction*.

3.2. Research design

The research was conducted using a series of one-on-one, in-person and in-depth interviews with a number of individual respondents at Multichoice. Each of these individuals has been kept anonymous in the report and in the reporting of direct quotes. While predominantly open-ended questions (Creswell, 2003; Kalaf et al., 2008) were used, the interviews were semi-structured and based on the findings of the literature reviewed to ensure that the relevant and necessary data was collected (Creswell, 2003; Leedy & Ormrod, 2005; Willig, 2008). Each interview took between 30 and 90 minutes (Leedy & Ormrod, 2005).

In-depth interviews allowed for the gathering of information-rich and detailed data, and the use of open-ended questions allowed respondents to give their own answers in their own words (Creswell, 2003; Kalaf et al., 2008; Leedy & Ormrod, 2005). In addition, the interviewer asked follow-up questions to clarify any issues (Creswell, 2003; Kalaf et al., 2008).

Potential problems with this approach include:

- respondents being influenced to reply in particular ways because of the type and nature of questioning (Bell, 2005; Creswell, 2003; Kalaf et al., 2008)
- the dynamic between the interviewer and interviewee influencing results (Kalaf et al., 2008)
- the respondent being influenced by the social characteristics of the interviewer such as gender, race and age (Willig, 2008)
- all respondents not understanding the questions or expressing themselves in the same way (Creswell, 2003; Willig, 2008)

- respondents having to rely on their memories, which can be unreliable or open to subjective interpretation (Creswell, 2003; Leedy & Ormrod, 2005)
- some uncertainty with the reporting of results due the richness of the data needing a degree of inductive analysis (Macpherson et al., 2000)
- respondents guarding their opinions and analysis of the context due to a fear of repercussions or making the organisation look bad.

Additionally, some people may have wanted to use the research as an opportunity to evangelise or complain about the business in general or specific issues that they are unhappy about. Furthermore, some of the respondents didn't answer the questions that were being asked directly, and focussed on trying to push or emphasis a personal agenda. In some cases it seems that respondents are knowledgeable on a departmental-level or within their own paradigm but not necessarily or sufficiently knowledgeable at a company-wide level.

In order to mitigate against some of these issues and reduce the possible impact of any potential problems the interviewer explained the context of the research to respondents and that the researcher is impartial and non-partisan within the context of the company and with respect to the outcomes of the research and has no influence within the organisation being studied. In addition, respondents were promised anonymity in the presentation of the findings. As part of the interview process the researcher repeated back or rephrased the responses and any interpretation of the responses to test understanding and to clarify any points of confusion or possible contradictions, as shown in the interview schedule in *Appendix A*.

3.3. The research instrument

The research instrument that was used is an interview schedule. This is the appropriate instrument as a semi-structured interview approach was used (Creswell, 2003; Kalaf et al., 2008; Willig, 2008). The interview schedule for this study includes:

- introductory comments (Kalaf et al., 2008)
- an explanation of the purpose of the study
- the list of factors or headings (Kalaf et al., 2008; Willig, 2008) that are the focus of the research questions
- a few key questions, developed in advance, to elicit information from respondents (Creswell, 2003; Kalaf et al., 2008; Leedy & Ormrod, 2005)
- associated prompts for probing and getting clarification on issues (Creswell, 2003; Kalaf et al., 2008; Leedy & Ormrod, 2005)
- closing comments.

The letter to respondents and the interview schedule is provided in *Appendix A*.

3.4. Population and sample

3.4.1. *Population*

The case study is on Multichoice South Africa. As such, the population for the study consists of all people involved with or impacted by strategy implementation and management at Multichoice SA.

Multichoice SA presents an ideal case study, both in general and specifically to conduct an assessment of strategy execution at a company in the SA film and TV industry, due to its success within the SA business landscape, and specifically within the SA film and TV industry. It is the market leader in the African broadcasting and pay-TV market, in which there are over 50 pay-TV stations, with nearly five million of the estimated seven million paid subscribers in the sub-Saharan Africa market (Gauteng Film Commission, 2012). It is also one of the five organisations dominating the media and entertainment industry in SA (Cultural Strategy Group, 1998).

3.4.2. *Sample and sampling method*

The CEO of Multichoice SA was approached by email and asked to allow for Multichoice SA to be the subject of a case study. The purpose of the research

was explained and Multichoice was offered a copy and presentation of the research findings. In addition, the organisation was assured of the anonymity of the data and the individual respondents. The CEO, in turn, referred the study to the Head of Human Capital for discussion and approval.

A meeting was held with the Head of Human Capital at which the study was explained in-depth and permission requested to proceed with the case study. He explained to the researcher that such research could not be quantitative in nature as it would require too many responses and may be disruptive to business, and as such only a qualitative study would be allowed. It was further explained that no questions regarding the specific strategy or issues relating to the intellectual property of the organisation could be asked and the questions should be somewhat generic in nature. Furthermore, he instructed that only employees from a list supplied by Multichoice, of Wits Business School alumni, may be approached as they would mostly likely be receptive to being interviewed and would understand the confidentiality restraints on such a study. In addition, he said that he would not guarantee that individuals would agree to be interviewed, nor would he intervene or compel anyone to do so should they decline or show a lack of interest.

During the meeting a follow-up email was requested from the researcher in which a full explanation of the study and a copy of the interview schedule be provided for approval. It was confirmed that the approved list of interview targets would be provided once the information had been reviewed and suitable targets identified. This follow-up email was sent immediately and the request to do a case study was approved in principle and a list of employees was provided.

A random sample of 33 people was taken from the list of employees provided by Multichoice and 16 respondents from that sample agreed to be interviewed.

Based on the constraints defined by the Head of Human Capital and the response of individual targets and their willingness to be interviewed the sample is, to an extent, a convenience sample.

3.5. Procedure for arranging and conducting interviews

Candidates were approached by email and/or by telephone and asked to participate in the research. Numerous telephone and email follow-ups were then made to set-up and confirm appointments for interviews. In particular, due to the emphasis on confidentiality in the organisation and heavy workloads, many of the people that were approached were hesitant or unwilling to grant an interview. In some cases respondents were not available when the interviewer arrived at the agreed date and time and appointments had to be rescheduled or interviews abandoned. This led to the process being drawn out over a number of months.

16 respondents agreed to be interviewed for the study. 14 of the respondents were interviewed in one-on-one meetings and two were interviewed together at a single meeting, resulting in 15 meetings being held in total. Interviews were arranged for a location in Johannesburg that was suitable and preferable for the respondents, ideally in their offices or another quiet and private location (Kalaf et al., 2008; Leedy & Ormrod, 2005). While the interviewer remained as neutral as possible with respect to the subject and the questions being asked a rapport was established and maintained with the interviewee from the beginning of the interview (Kalaf et al., 2008; Leedy & Ormrod, 2005; Willig, 2008).

Before starting the interviews individual respondents were informed in full about the nature of the research, their right to privacy and how this would be respected (Leedy & Ormrod, 2005). They were also informed that, should they wish, they would be sent a copy of the results of the research and/or a copy of the transcript from their interview and that the interviewer intended to record the interview, why this is important and asked if they had any objections (Willig, 2008).

During the interviews respondents were asked key questions that were identified in advance, related to the research questions, and the interviewer then probed around their responses, seeking clarification where necessary and asking for specific examples where possible (Creswell, 2003; Kalaf et al.,

2008; Leedy & Ormrod, 2005; Willig, 2008). Respondents' comments were rephrased and built into future and probing questions during the interviews (Willig, 2008). All interviews were recorded in full (Creswell, 2003; Kalaf et al., 2008; Leedy & Ormrod, 2005; Willig, 2008), using a digital voice recorder, and notes were taken during the interviews (Creswell, 2003; Kalaf et al., 2008; Leedy & Ormrod, 2005). Interviews were then wound down and respondents thanked. As the research progressed the process changed and evolved as the researcher learnt from the process and developed a better understanding of the context and experiences being researched (Leedy & Ormrod, 2005).

After the interviews follow-up emails were sent thanking respondents again and confirming that findings and transcripts would be sent where requested. A spreadsheet of the demographic profile of respondents, which includes the gender, race, level of seniority and the department in which the respondents, work was updated. The interviews were then transcribed in full from the digital recordings (Bell, 2005; Creswell, 2003; Leedy & Ormrod, 2005; Willig, 2008).

3.6. Interview transcript analysis and interpretation

To analyse the interviews a similar approach to that show in the data analysis spiral in Figure 4 was used. "The central task during [phenomenological] data analysis is to identify common themes in people's descriptions of their experiences" (Leedy & Ormrod, 2005, p. 140) as illustrated in the classification step of the data analysis spiral.

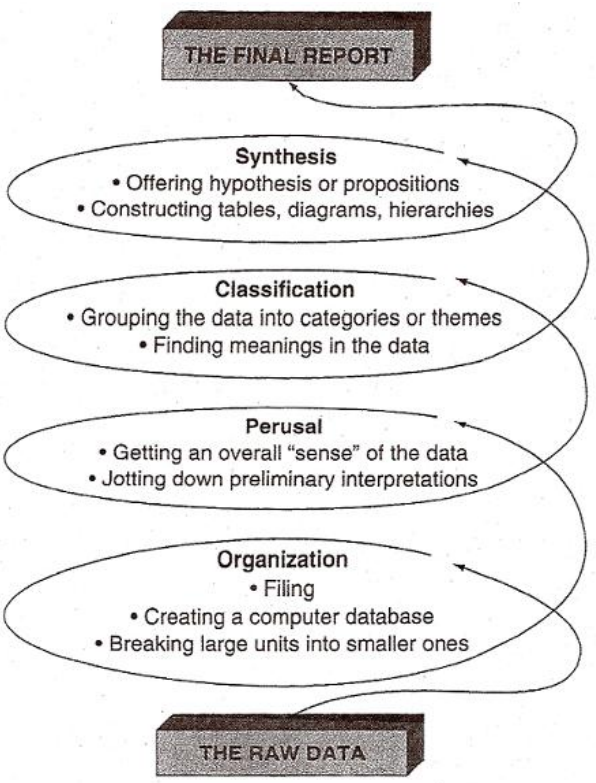


Figure 4. The data analysis spiral (Leedy & Ormrod, 2005, p. 151)

Figure 4 shows the process that the researcher went through a number of times in order to organise and interpret the data.

As such, as the data was collected and once all the interviews had been transcribed the data was organised and stored electronically (Creswell, 2003; Leedy & Ormrod, 2005). The interviews were then read through a number of times to get an overall sense of what had been said (Creswell, 2003; Leedy & Ormrod, 2005). The information that is relevant to the research problem was identified and any statements that are irrelevant or redundant were excluded (Creswell, 2003; Leedy & Ormrod, 2005). The relevant statements were grouped or coded by organising them into factors or themes and colour coding each category (Bell, 2005; Creswell, 2003; Leedy & Ormrod, 2005). The information was then broken down into small pieces (Creswell, 2003; Leedy & Ormrod, 2005)

An excel spreadsheet was used to maintain a count of the frequency with which certain themes were mentioned (Creswell, 2003; Leedy & Ormrod,

2005) and the number of incidents where there was either agreement or disagreement on an issue. In addition a count was done of how many times a given factor was mentioned in total by the respondents in an attempt to understand the weight that the respondents attribute to each of the factors. The various statements on a particular factor were then compared and contrasted (Creswell, 2003; Leedy & Ormrod, 2005).

In presenting and analysing the results an overall description has been created and the information has been interpreted (Bell, 2005; Creswell, 2003; Leedy & Ormrod, 2005). While every effort has been made to remain neutral it is likely that the interpretation of the data has been influenced by the researchers' prejudice and principles to some extent (Bell, 2005; Creswell, 2003; Kalaf et al., 2008; Leedy & Ormrod, 2005). Specific quotes have been provided to support the arguments and findings (Bell, 2005; Creswell, 2003; Leedy & Ormrod, 2005) in-line with the recommendations of experts on qualitative case research such as Perry (2001) who advocates the use of rich descriptions to enable the words of respondents to support the conclusions reached. It is possible that in selecting and editing quotes the researcher can use the information to subjectively make a point, however, using respondents own words can be a powerful way to provide evidence of the responses given and help to avoid any interpretive interference that may otherwise occur. Where comments and quotes from respondents have been provided each quote in a category is taken from a different respondent so that no two or more comments, either showing a positive or negative perception, come from the same person.

The findings are then related back to the literature and to the research questions put forward (Creswell, 2003; Leedy & Ormrod, 2005). The implications, if any, of the findings are then addressed (Creswell, 2003; Leedy & Ormrod, 2005).

3.7. Limitations of the study

The research relied on the cooperation and availability of a small and specific group of people. Should any of these people have been unwilling to participate

or cancelled interviews this would have affected the study. In addition, the research relied on the sample understanding the nature of the questions and being able to answer them in a relevant and understandable manner. Were this not the case it would have made it difficult to compare and contrast responses, present the results and to reach usable conclusions. Furthermore, the study is a purposive one and so it is not possible to apply the results of the study more generally or to a lager population (Kalaf et al., 2008; Leedy & Ormrod, 2005).

3.8. Validity and reliability

There are a number of tests that can be done to assure the quality of case research, including construct validity, external validity and reliability (Yin, 2009).

3.8.1. *Validity*

a. ***Construct validity***

Construct validity is something that is vital to case study research because the research is trying to establish either agreement or disagreement about what a construct means (Yin, 2009). The research has been conducted applying a number of the steps suggested by Perry (2001) and Yin (2009) in order to ensure construct validity.

An extensive literature review has been done to develop a thorough understanding of both strategy execution and the context of the SA film and television industry. In addition, a flexible approach to the research has been applied, which includes the use of research questions instead of propositions and hypotheses.

When conducting the interviews a flexible technique was used to allow respondents to speak from their own experience rather than to respond to a group of set and rigid questions. Throughout the research process the comments of respondents were compared to the literature in order to allow a clearly understanding of the factors to emerge. Triangulation was then applied

to the information gathered from respondents from different seniority-levels and functions to get a clear understanding of the phenomenon by identifying where perceptions either converged or diverged.

b. ***External validity***

When conducting qualitative research external validity does not have the same meaning as for quantitative research, nor is it directly related to reliability (Creswell, 2003). In qualitative research external validity demonstrates the accuracy of research findings from the perspective of the researcher, the respondents and the readership (Creswell, 2003).

There are a number of ways in which the external validity or credibility of qualitative research findings can be checked (Creswell, 2003; Kalaf et al., 2008). For the purposes of this research validity was ensured by doing the following:

- Any information or negative data that is contrary to the themes identified is presented in the findings as this can enhance the credibility of the research findings (Creswell, 2003).
- Peers were used to assess and interrogate the study so a perspective other than the researchers' could be obtained (Creswell, 2003; Kalaf et al., 2008).
- A supervisor was used to review the research and its findings to provide an assessment of and guidance about the approach and the findings (Creswell, 2003).

3.8.2. *Reliability*

Perry (2001) argues that for there to be reliability the interview technique should consistently measure ideas so that the results can be duplicated by other researchers. In addition, the use of a supervisor to help with the design and monitoring of the research can also add to its reliability (Perry, 2001). For the purposes of this research the explanations in *Chapter 3: Research Methodology* of the research report regarding how the interviews were conducted and analysed, records kept in the way of recordings, transcripts, a

spreadsheet and coding show how the research has been designed and conducted to create and provide reliability. In addition, a supervisor with extensive experience in the fields of strategy assisted with identifying a case approach as being most appropriate and providing guidance with respect to refining the design of the approach for the context.

However, according to Perry (2001) generalisability is limited in case research, supported by Creswell (2003) who states that “reliability and generalisability play a minor role in qualitative inquiry” (Creswell, 2003, p. 195). Reliability can be used in qualitative research to ensure that, where there is more than one researcher or interviewer, themes and patterns are developing consistently across the findings (Creswell, 2003; Kalaf et al., 2008). For the purposes of this research only one interviewer conducted the interviews, so this aspect of reliability was not relevant.

Generalisability can be used for comparing certain aspects of cases studies where multiple cases are being analysed (Creswell, 2003). For the purposes of this research only one case study was done, so this aspect of generalisability was not relevant.

CHAPTER 4: PRESENTATION AND ANALYSIS OF RESULTS

A great deal of rich and diverse information was gathered from respondents as part of the interview process. For the purposes of this study the results that are presented are classified according the factors that form the basis of the research questions, together with alignment as an additional factor, as it was mentioned by many of the respondents and with great frequency. Specifically the presentation and analysis of results is broken down into the following sections:

- overview of Multichoice SA
- implementation planning
- resources
- communication
- alignment
- adaptability.

In addition, the results relating to two other areas of relevance and interest that arose during the research are presented and analysed. These additional areas are:

- the effect of competition
- other additional factors identified within the literature review.

Each section presents the results by factor and is then broken down into smaller units that emerged in some of the categories. Tables are provided showing frequency counts for the various factors and sub-themes that emerged, including how many of the respondents perceive that each of the factors impact on the execution of strategy, whether the factors are perceived to be managed positively or negatively at Multichoice and the number of total mentions made about how well or poorly the factors are managed.

Respondents are deemed to perceive a factor as having an impact on strategy where they have made comments noting that the factor is important to strategy

execution, that they cannot execute if it is not well managed, that it does have an impact or similar. Where respondents have comment to the effect that a factor isn't an issue, doesn't make a difference or a similar type of comment this has been counted as the factor being perceived as having no impact on strategy. Where a factor has been counted as being perceived to be managed well it is as a result of comments noting that the management of the factor works, it provides a competitive advantage, Multichoice is good at it or comments of a similar nature. Where a factor is counted as being perceived to be managed negatively it based on those comments by respondents referring to the management of the factor being an issue, being done badly, making it difficult to operate or similar.

Each of these areas provides interesting and important insights into the execution of strategy at Multichoice and into employee perceptions and understanding around these themes.

For the purposes of analysing the results per factor the number of respondents perceiving a factor to be positively or negatively managed is plotted against the total number of mentions referring to either positive or negative management of the factor across all the interviews. This is presented in a two by two matrix, divided into four quadrants, namely quadrants A, B, C and D. This is done to try and establish the weighting attributed to the factor across the full sample and identify those with the greatest importance in the environment being studied. Where a factor is mentioned more than once, or mentioned in the context of another question, it is felt that it can reveal the importance a respondent attributes to the factor and the weighting they give to it. Those factors falling into quadrants A and B are those with the greatest numbers of mentions and therefore considered to have the greatest weighting by respondents. This is particularly the case where the factor has a majority of respondents who perceive it to be either well or poorly managed. In addition, the results are compared to the literature that has been reviewed to identify where the way in which a factor is managed at Multichoice conforms to that proposed in the literature and where there are differences and new themes or smaller units of information that emerge.

4.1. Overview of Multichoice South Africa

M-Net was launched in SA by Naspers in 1986, as SA's first single-channel, private, analogue pay-TV service (Multichoice SMS (Pty) Ltd., 2011b) and one of only two subscription TV services outside the USA (Multichoice Africa Limited, 2011a). In 1993 the subscriber management and customer services division of M-Net was spun off by Naspers into Multichoice SMS (Pty) Ltd. (Multichoice SMS (Pty) Ltd., 2011a) and is now commonly known as Multichoice South Africa. Multichoice SA was created as a subsidiary company to handle the business side of M-Net's operations, such as account management, decoder sales, market research and the promotion of pay-TV (Multichoice SMS (Pty) Ltd., 2010). "Today it is the leading multichannel digital satellite television operator across the African continent" (Multichoice SMS (Pty) Ltd., 2011a) providing digital entertainment, content and services to multiple devices (Multichoice SMS (Pty) Ltd., 2011a).

The official mission statement of Multichoice South Africa is "to bring digital media entertainment, content and services to subscribers through multiple devices" (Multichoice SMS (Pty) Ltd., 2011c).

Multichoice South Africa's vision provides an insight into the over-arching strategy of the organisation. The full vision statement is:

> We will be the Number One in all chosen market segments, as the most trusted, best value provider of:
>
> - the most compelling digital media content
> - the most innovative delivery
> - the best customer care
> - nurturing the best talent (Multichoice SMS (Pty) Ltd., 2011c).

Currently, Multichoice SA is 80% owned by the holding company MIH Group, while Multichoice Africa is 100% owned by MIH Group (Naspers, 2011). MIH Group is, in turn, 100% owned by the parent company Naspers (Naspers, 2011).

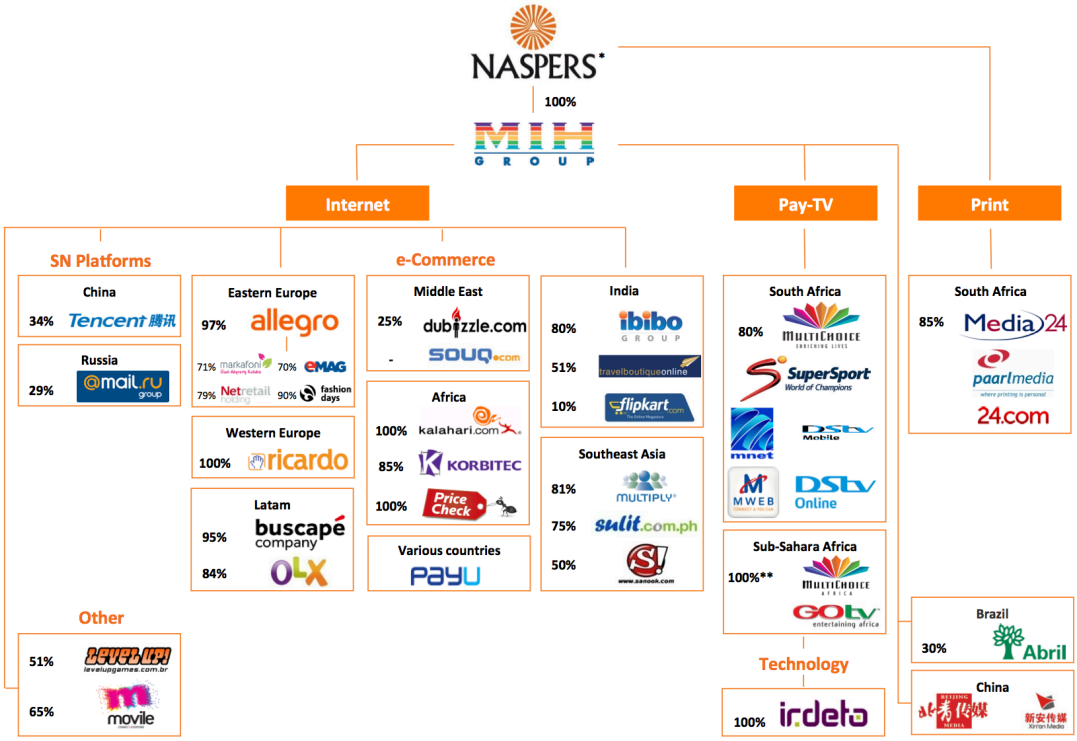


Figure 5. Naspers company structure (Naspers, 2013a)

Figure 5 shows the company structure of Naspers, with its print assets and the holding group MIH Group falling under Naspers, and MIH's related Internet and pay-TV technology assets.

Multichoice SA owns the companies and brands DStv, DStv Online, M-Net, SuperSport, DStv Mobile and M-WEB (Multichoice Africa (Pty) Ltd., 2013). Multichoice Africa Limited is a separate registered company, based in Mauritius (Multichoice Africa Limited, 2011b).



Figure 6. MIH Group pay-television assets (Naspers, 2013b, p. 3)

Figure 6 shows the pay-TV assets that fall under the holding group MIH, including Multichoice SA, some of the brands and companies owned by Multichoice SA, as well as Multichoice Africa.

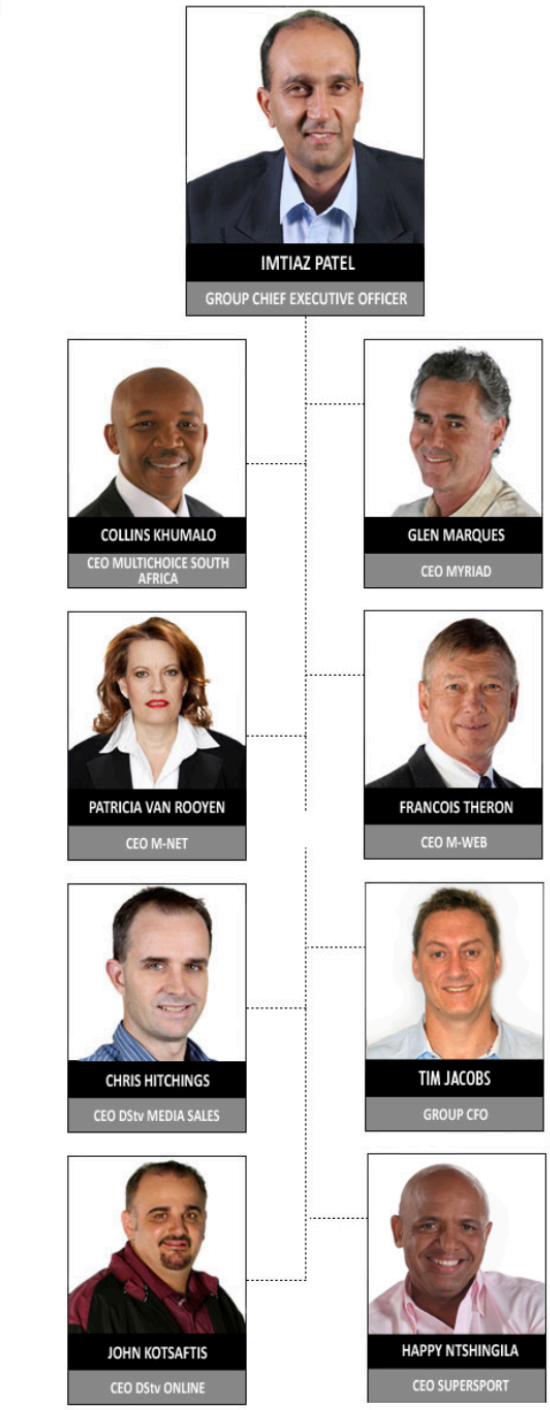


Figure 7. Multichoice South Africa Group structure (Multichoice Africa (Pty) Ltd., 2013)

Figure 7 shows the management structure of Multichoice SA, with the Chief Executive Officer's (CEO's) of each of its brands and companies, including Multichoice SA, Myriad, M-Net, M-WEB, DStv Media Sales, DStv Online and Supersport, all reporting to the Group CEO Imtiaz Patel.

4.2. Demographic profile of research respondents

In the course of the research process the demographic details that were recorded for the respondents include gender, race, seniority-level and discipline and/or department. The final breakdown by these categories is provided in Table 4. A seniority-level of “senior” represents an employee who reports directly to the CEO or is in a position one level lower than that.

Table 4. Demographic profile of research respondents

Gender		**Totals**
Female	8	16
Male	8	
Race		
Black	4	16
Coloured	1	
Indian/Asian	7	
White	4	
Seniority-level		
Senior	4	16
Middle	8	
Other (Junior and/or Specialist)	4	
Discipline/Department		
Broadcast Technology Division (BTD)	2	16
Call Centre	2	
Content	1	
Human Resources (HR)	3	
Internal Customer Care	1	
IT	4	
Legal	1	
Marketing	2	

A comparison between what was hoped for with respect to the demographic profile of respondents in the sample and what was actually obtained is shown in Table 5 below.

Table 5. Desired versus actual profile of research respondents

Desired	Actual
Minimum of 15 respondents	16 respondents in total
Mix of genders	Eight male and eight female respondents
Mix of races	Respondents from four different race groups
Mix of disciplines	Respondents from eight different disciplines
Mix of seniority-levels	Respondents from a variety of seniority-levels

The comparison demonstrates that, while the sample was a convenience sample to a large extent, all of the demographic elements that were hoped for were achieved.

4.3. Performance of Multichoice at an industry-level

The general findings relating to competition in the industry and how each of the four factors are applied and impact the business performance of Multichoice at an industry-level show that, on the whole, while 12 of the respondents do perceive that Multichoice has competition, 11 respondents perceive that there is no threat from competition. As such, there is a general feeling that how Multichoice deals with each of the factors and the resultant impact on strategy execution and therefore on its performance at an industry-level is either not relevant or too hard to evaluate.

Consequently, in the presentation and analysis of the results of this research, the issue of competiveness is not dealt with under each factor, but rather as a separate section at the end in which the respondents opinions regarding competitors, competitiveness, and the position of Multichoice in the market is detailed. Where possible the four factors that are the focus of this research are addressed in terms of how their management impacts on competitiveness.

4.4. Operationalisation planning and strategy execution at Multichoice

When asked how planning for implementation of strategy is done at Multichoice the areas where information was discussed by respondents includes:

- whether or not operationalisation planning has an impact on strategy execution
- how well operationalisation planning is managed
- how the Strategy Office contributes to the operationalisation of strategy.

Table 6 below shows a summary of the results obtained for Research Question 1 regarding how planning for the operationalisation of strategy execution at Multichoice is managed.

Table 6. How implementation planning and operationalisation of strategy execution is managed at Multichoice

Does the way in which strategy is operationalised impact on execution of strategy?		**Totals**
Yes	16	16
No	0	
How well planning for strategy to be implemented or operationalised at Multichoice is managed		
Positively	9	16
Don't know	2	
Negatively	5	
How well the Strategy Office at Multichoice contributes to operationalisation of strategy		
Positively	3	16
Not mentioned	7	
Negatively or no impact	6	

Total mentions by theme		
Planning for implementation is done well	19	Not applicable
Planning for implementation is done poorly	22	
The importance of performance monitoring and review	5	
Strategy Office contributes positively	3	
Strategy Office contributes negatively or not at all	6	

4.4.1. *Impact on strategy execution*

All 16 respondents agree that planning to operationalise strategy does have an impact on strategy execution and the way in which Multichoice either does or does not plan has a direct effect on strategy implementation. However, the only people who elaborated were those who perceive the current approach as impacting negatively on the execution of the strategy. Where the respondents feel the approach is positive the inference seems to be that it is obvious how the approach would impact on strategy execution in a positive way. The respondents who did elaborate further said:

> "I think it limits me in trying to plan forward [when there isn't an operationalisation plan]. So if I know something's coming up then if I need to gear up a team or get some specialist training in or whatever, obviously it will impact."

> "I think if you look at your costs, expenditure, timeframes, all those things I think if you had a proper operational plan you might be able to manage that a bit better. But again, we have that kind of entrepreneurial spirit where it's deliberate, you want it out there, and we'll take from there, we'll put it there and we'll get that out, and we'll take from there."

> "A lot of things, a lot of good ideas get implemented very very badly because people just rush and people get involved and it's not structured and decisions are changed every five minutes."

4.4.2. *Planning for strategy to be operationalised*

a. *A structured approach*

Nine respondents answered that Multichoice does plan for strategy to be operationalised and perceive that it does this well. With respect to the way in which Multichoice does this respondents commented that:

> "These guys at [executive-level] will then strategise and plan to say what is it they'd like to see in terms of taking the organisation to the next level or in a certain direction. And then it gets cascaded down to the divisions that will then obviously contribute. So then things get projectised… It gets broken down into projects, objectives and then they are driven from the various areas, and then the [executive] team sits down and says, 'Have we achieved?' So our GM will give his report, and other GMs will give their report, and then to see whether the actual strategy was successful."

> "The way it is designed at the moment, we have like a business owner council, so they will prioritise which project or strategy is important and which one has funding and which one doesn't have funding. So, those guys are the ones that sit together with us. And then we get together in different stages of the process and we find out how we're going implement, how we're going to accomplish, how we're going to measure. And once we get that big chunk, we bring it here as a team, and then we dissect it and we say this is how we're going to do it."

As a sub-set of this structured approach to implementation planning, five respondents perceive monitoring of activities and measurement against objectives as being an important contributor to strategy execution. Comments in this regard include:

> "We constantly are [monitoring], for instance like in mobile TV, which is a fairly new business, we constantly sit around the table to

see what is working, what is not working and how can that be changed."

"At the end of every annual financial year we get measured, have you done these six objectives, that's how we get our performance bonuses etcetera."

b. ***Uncertainty***

Two respondents weren't sure if or how Multichoice plans for strategy to be implemented, commenting that:

"There isn't [an operationalisation plan] that I'm aware of."

"To be honest I'm not sure. I am fully aware of the strategy of the company, the business, and the bigger holding companies. But I don't necessarily see the plans to operationalise them. I don't see it myself."

c. ***Inconsistency***

Five respondents, while agreeing that Multichoice does plan how strategy should be implemented, perceive that it does it badly and that the approach is inconsistent across the company and there are many shortfalls. Two respondents in particular said:

"The whole project management process in our organisation, in my opinion, fails. The result of that is each division or company forms their own project management function and they never align and they never integrate. Whereas, what we should be doing in my opinion, is creating more visible and standardised, disciplined project management integration processes. That everybody knows how it works… That's where our big challenge lies. And that goes back to the Project Office in my opinion, where people are forced to work independently. Where we don't have somebody that's the glue that pulls it all together."

> "The Project Office itself, in the manner in which it's currently run doesn't work for the business. So you'll find people have got their own Project Managers helping, or this part is a formality and the rest of us are managing everything quietly on our side… They're in that Project Office and the rest of us bypass them."

4.4.3. *The Strategy Office at Multichoice*

Multichoice does have a standalone Strategy Office, which was mentioned by nine of the respondents, and which has Project and New Business Development Offices that sit within it. Of the respondents that mentioned the Strategy Office three perceive that it has a positive impact on the business and contributes to the management and/or operationalisation of strategy at Multichoice. Six of these respondents perceive that the Strategy Office does not contribute in a meaningful way to the management and/or operationalisation of strategy at Multichoice.

The respondents that perceive the Strategy Office to make a positive contribution indicated that:

> "It all starts with our Strategy Office… So those things go there for them to actually flesh out and see if it's going to work. And it actually stops right there if it's not going to happen."

However, the six respondents who perceive that the Strategy Office does not contribute to the management and/or operationalisation of strategy, or does so in a negative way, commented that:

> "I'm not really sure what the Strategy and New Business Development Office is really doing, aside from one or two projects here and there. I haven't seen anything, on this side it's not visible to me. If you talk to every other GM, so Broadcast Technology, IT etcetera all of those have their own strategy, linked to the corporate strategy. And they're busy with executing with it. I don't know if the Strategy Unit has a view to that. The rest of the guys go ahead and

do their own thing. And they will register projects with the Project Office, which resides with Strategy. But I find that a very operational thing."

"I don't actually know what they do… I do work with them… but we see senior people presenting about the strategy. I think [the Strategy Office does] influence those over-arching strategies, but I don't think they play enough role then in the strategies of divisions, because unfortunately I think Strategy sits as a peer to the divisions rather than over-arching. So it's like, 'don't come in and tell me what to do, I know how to do my HR strategy or do my IT strategy' etcetera."

4.4.4. *Findings*

The results of the research, with all 16 respondents agreeing that the way in which strategy is operationalised impacts on the execution of strategy, reflects the literature findings that how strategy is to be implemented or made operationally effective is essential to the successful execution of strategy (Bossidy et al., 2002; Cocks, 2010; Frigo, 2003; Getz & Lee, 2011; Hrebiniak, 2006; Kaplan & Norton, 2008; Morgan et al., 2007; Rasiel, 1999; Schaap, 2012; Thompson et al., 2008). In addition, both where respondents perceive that Multichoice manages operationalisation planning either well or poorly, the results reflect the sentiment of the literature that the approach to planning and execution should be disciplined and carefully laid out in order for objectives to be achieved (Connolly, 2006; Drucker, 2008; Getz & Lee, 2011; Hrebiniak, 2005; Mankins & Steele, 2005; Morgan et al., 2007; Schaap, 2012) and that enterprise-level plans should be "translated into the plans of various units and departments" (Kaplan & Norton, 2005, p. 72). Specifically with respect to performance monitoring and review, the five comments made, from five respondents, also reflect the findings of the literature that regular reviews of performance are important to both the development of a long-term strategy and to its successful execution (Cocks, 2010; Morgan et al., 2007; Witcher et

al., 2007) and that these respondents perceive that Multichoice does this consistently as part of its ongoing management approach.

With respect to the Strategy Office, while six respondents believe that it is not well managed, as opposed to three respondents who do, that nine respondents refer to the Strategy Office demonstrates that Multichoice does use this vehicle as part of its strategy process, as recommended by Kaplan and Norton (2005; 2008). In addition, the tendency of respondents to discuss operationalising strategy in the context of project management, and the structure of the organisation existing such that the Project Management Office sits within the Strategy Office, supports that Multichoice applies the argument put forward by Cocks (2010) that a project management approach can be used for operationalising strategy.

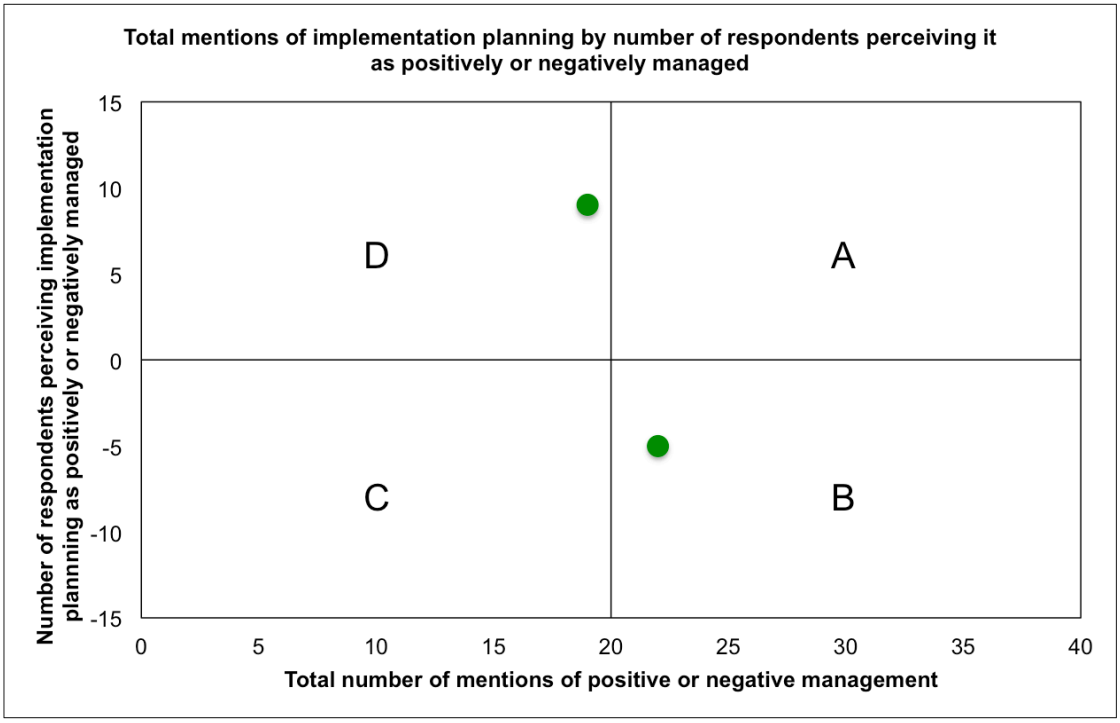


Figure 8. Total mentions of implementation planning by number of respondents perceiving it as positively or negatively managed

Figure 8 shows the number of respondents that perceive that strategy is operationalised either positively or negatively by the number of times that respondents make mention of either this positive or negative management of

implementation planning. The green dot in quadrant D shows the nine respondents who perceive implementation planning to be managed well with a total of 19 mentions to this effect. The green dot in quadrant B shows the five respondents who perceive implementation planning to be badly managed with a total of 22 mentions to this effect.

The green dot in quadrant B of Figure 8 suggests that the concerns expressed about implementation planning is an important result of the research. The comments of the respondents that the process is not managed in a disciplined, consistent way in which all stakeholders are involved and that is aligned across the organisation suggest that Multichoice operates contrary to the findings of the literature that all of the elements of the operational plan should be agreed through a process of honest, candid and open discussion amongst key stakeholders at all levels in the organisation (Bossidy et al., 2002; Cocks, 2010; Faull & Fleming, 2005; Schaap, 2012).

This lack of consistency in the perceptions of respondents may be as a result of the Strategy Office not operating in the way in which Kaplan and Norton recommend (2005; 2008). According to some respondents, in its current guise, the Strategy Office does not function as a central point responsible for facilitating strategy execution by synchronising implementation activities and making sure execution is achieved in a cohesive manner across the organisation (Kaplan & Norton, 2005). In addition, the programme and project management approach used is perceived as not being consistent with different tools and techniques being used by different departments, contrary to the recommendations of Cocks (2010).

It is possible that these issues exist because some parts of Multichoice engage with the Strategy Office or vice versa, and so follow one method of implementing strategy and others have their own approach or ignore the direction of the Strategy Office. Alternately, the perceived difference in approach may exist because of how the organisation is structured, with different companies and brands falling under Multichoice SA. In this case some units or employees may use one method of implementation and other departments may perceive themselves as separate or autonomous, may not

have been exposed to the approach applied by others or have chosen to use their own approach. Additionally, the organisation structure, with the Strategy Office positioned either as a peer to or with less seniority than some departments, may dilute its impact and suggest to the various stakeholders that it does not have the mandate to control strategy implementation across the organisation, if indeed it does.

4.4.5. *Conclusion*

In response to Research Question 1, "How does the organisation plan for strategy to be implemented and operationalised, and how does this impact strategy execution?" all the research respondents agree how strategy is operationalised impacts on strategy execution at Multichoice and many spoke about applying a project management approach to developing and managing such a plan. However, there are widely divergent views as to how Multichoice plans for strategy to be implemented, how well it does this, and therefore how execution is impacted. Some respondents feel the way in which the organisation plans to implement strategy is positive and works well, others feel it either doesn't plan or does so badly. The responses analysed suggest that there are departmental differences in how operationalisation is managed and individual departments find ways to work around organisational issues with respect to planning and operationalising strategy. This difference of opinion is an important one to consider and suggests that Multichoice does not conform to all of the recommendations identified in the literature and should be considering ways in which it can improve on its current approach.

4.5. Resources and strategy execution at Multichoice

When asked if the availability of resources impacts on strategy execution at Multichoice a number of smaller units of information emerged. These sub-themes include:

- whether or not the availability of resources has an impact on strategy execution
- how Multichoice is impacted by the availability of resources

- resources where there is a scarcity
- how the attitude of staff impacts on strategy execution
- the development of staff at Multichoice.

Table 7 shows a summary of the results obtained for Research Question 2 regarding the importance of the availability of resources for strategy execution at Multichoice.

Table 7. Importance of resources for strategy execution at Multichoice

Does the availability or lack of resources impact on the execution of strategy at Multichoice?		**Totals**
Yes	16	16
No	0	
Impact of availability or lack of resources at Multichoice		
Positive impact due to availability of resources	0	16
No impact noted	3	
Negative impact due to lack of resources	13	
Resources that respondents mention a scarcity of at Multichoice		
People	13	Not applicable
Technology and related infrastructure in SA	5	
Money	2	
Time	2	
Information	1	
Impact of the attitude of staff on strategy execution at Multichoice		
Positive impact	10	16
No comment about attitude	1	
Negative impact	5	
Development of people at Multichoice		
Positive development approach	7	16
No comment about staff development	7	
Negative development approach	2	

Total number of mentions by theme		
Lack of skilled people	47	Not applicable
Type of negative impact due to lack of skilled people (quality, schedule, staff attrition)	17	
Sufficient skilled people	3	
Specifically a lack of IT and/or technical skills	13	
Lack of technology and related infrastructure	6	
Sufficient technology and related infrastructure	6	
Lack of money	4	
Sufficient money	4	
Lack of time	3	
Lack of information	1	
Positive impact of staff attitude	19	
Negative impact of staff attitude	8	
A focus on the development of people	12	
Insufficient or poor staff development	4	

4.5.1. *Impact of the availability of resources on strategy execution*

All 16 respondents perceive that the availability or lack of resources has an impact on both the business as a whole and on strategy execution in a number of ways. Specifically respondents noted that:

> "Lack of resources impacts strategy, yes."

> "[It impacts strategy] in terms of delivering a solution. So at the end of the day we're required to deliver a solution and if we don't have the right amount of resources or the skill or whatever the case we are unable to do that."

> "If you don't have resources, you're not able to mobilise what your objectives are. And your strategy talks to your objectives. If you don't have resources strategy means nothing. So in my opinion

resources are fundamental to [the implementation of] a successful strategy."

4.5.2. *The availability of resources at Multichoice*

13 respondents commented that a lack of resources is an issue at Multichoice, can impact negatively on strategy execution and referred to problems with a lack of people, technology and related infrastructure, money, time and information. Three respondents commented that Multichoice does not have an issue with resource constraints.

Respondents noting the lack of resources in general made comments such as:

> "In our industry in particular it's most probably one of our biggest problems is resources and aligning all your resources, not only human resources, but everything that you have to be able to deliver to what the business wants."

Those respondents that perceive there to be no problem with a lack of resources reflected the sentiment that:

> "I don't think resources is an issue in our organisation. So if the organisation decides they want to do something from a technology or a product or a channel point of view then that's where the money is spent… Sometimes human resources might be a problem in terms of skills or maybe a lack of enough people but I think if you motivate and you have a substantive reason why you want to employ somebody we never stop that. So I really would find it hard if anybody said we can't do something because of a lack of resources."

a. ***People***

The area where the greatest shortage of resources is noted is a scarcity of skilled people, particularly in technical and specialist industry-related areas, with 13 respondents referring to a lack of people as a concern and 13 mentions being made about a lack of IT and/or technical skills. Among the

comments that the 13 respondents who noted a lack of skilled human resources provided are comments about the types of skills, the calibre of people and the level of skill. Respondents noted that:

> "It's a challenge in that regard to grow and develop the right level of skill within the organisation. I'm convinced there's not enough high-level detailed skill, worker bees."

> "We really do battle with finding specific broadcast technology skill, that's one area where we do battle. IT's another area, but I think that would cover many industries in terms of business analysts and process analysts. Those are skills that we definitely do battle with."

> "Find the right calibre people, that is difficult."

> "Currently we have a team that is missing a person from every single discipline. And they have too much work on their plate, and then unable to deliver. It creates the perception that we're doing nothing, but we are. You know it's difficult to actually produce a solution at the end of the day."

Where respondents did not find a lack of skilled people to be an issue it was noted that:

> "I think the resources that are allocated to my department are actually sufficient."

b. ***Technology and related infrastructure***

The area where the second greatest shortage of resources was noted is a scarcity of technology and related infrastructure in South Africa. Five respondents perceive this as having a negative impact on strategy execution. However, some respondents commented that there are no resource problems with respect to the availability of technological resources.

Among the comments that were made the area that receives the most focus is the lack of bandwidth in South Africa. Respondents commented that:

> "It impacts us quite heavily because if we had the best bandwidth, or if we had competitors, like Neotel was here, like it was well established, we would be able to sell other things in other means. Like Internet… Because of the poor infrastructure it becomes difficult 'cos the down-streaming becomes a bit of a challenge."

> "Some of the problems we had was because of a resource issue. It wasn't a money resource, it wasn't a human capital resource, but it was a capacity resource. You only have so much space, so much bandwidth, so much in the satellite."

Where respondents did not find an issue with respect to the availability of technology and related infrastructure it was noted that:

> "The only issue we might face is bandwidth issues in Africa. That's about it. Otherwise, we have everything at our disposal. Technology, infrastructure."

> "We can build infrastructure ourselves, we can implement things ourselves, we can do everything ourselves… We have, we build transmitter sites all over the place, we've got access into 45 countries in Africa."

c. ***Money***

Two respondents identified a lack of money as being a constraint when trying to execute on strategy, noting that:

> "The biggest problem is resources, financial resources. That's the biggest challenge."

> "When you break down the strategy to different business units their strategy gets realised because they received the funding for it. Yours doesn't and you just have to operate as normal."

However, on the whole, the availability of money at Multichoice is not perceived as being a problem. Two people referred to this saying:

> "From a resource point-of-view it's always there, from a money point-of-view, it's always there."

> "I never have an issue with my budget. I've always had enough money."

d. ***Time***

Two respondents identified a lack of time as being a constraint when trying to execute on strategy, commenting that:

> "You can only do something properly if you have the time to focus on doing it."

> "Because we're so busy and all of us have time issues."

e. ***Information***

One respondent commented on a lack of information being available saying:

> "We struggle in the sense that normally the type of information that we require is not readily available."

4.5.3. *Mitigation of issues at Multichoice*

a. ***Impact of the attitude of staff***

According to respondents the attitude of staff at Multichoice is a key factor in how the organisation operates with ten respondents noting that it relies heavily on the attitude of staff, and their loyalty and willingness to go the extra mile to

mitigate against issues caused by a shortage of people. Some respondents commented that:

> "People, certainly at my level going up, are just passionate, passionate about what they do and passionate about what they want to achieve. So to that extent that passion drives our wanting to succeed as a business and I think it also sets us apart from our competitors."

> "We have a never say die attitude here. That's where Multichoice as a company, there's a never say die attitude where we don't hide behind red tape and stuff like that."

However, this approach and willingness to go the extra mile can impact on human resources with five respondents noting that long and irregular hours have a negative knock on effect. According to one respondent:

> "If I had to tell you what I'm doing, plus this big project, plus the hours that the guys are working, it's not sustainable."

With respect to a crisis that arose around the launch of the Box Office product in mid-2011 one respondent noted:

> "While it's great to have everyone working together, people got burnt out and you found a lot of people getting sick. After three weeks they couldn't sustain doing a normal job as well as constantly being on standby and not getting enough sleep. There is definitely a knock-on effect."

b. ***Development of people***

According to seven of the respondents Multichoice does work to mitigate against some of the issues with respect to a lack of skills or industry understanding, and/or makes a strong effort to retain its staff, thus keeping as many of its skilled staff as it can. Among the comments made in this regard were:

> "There is a lot of development for that person if they do come in… We are quite progressive in that we will equip you with training, whatever needs to be done to get you up to speed."

> "The guys that are here the company's actually looking after. So we're well looked after, they introduce core skills, retention plans to keep the guys here."

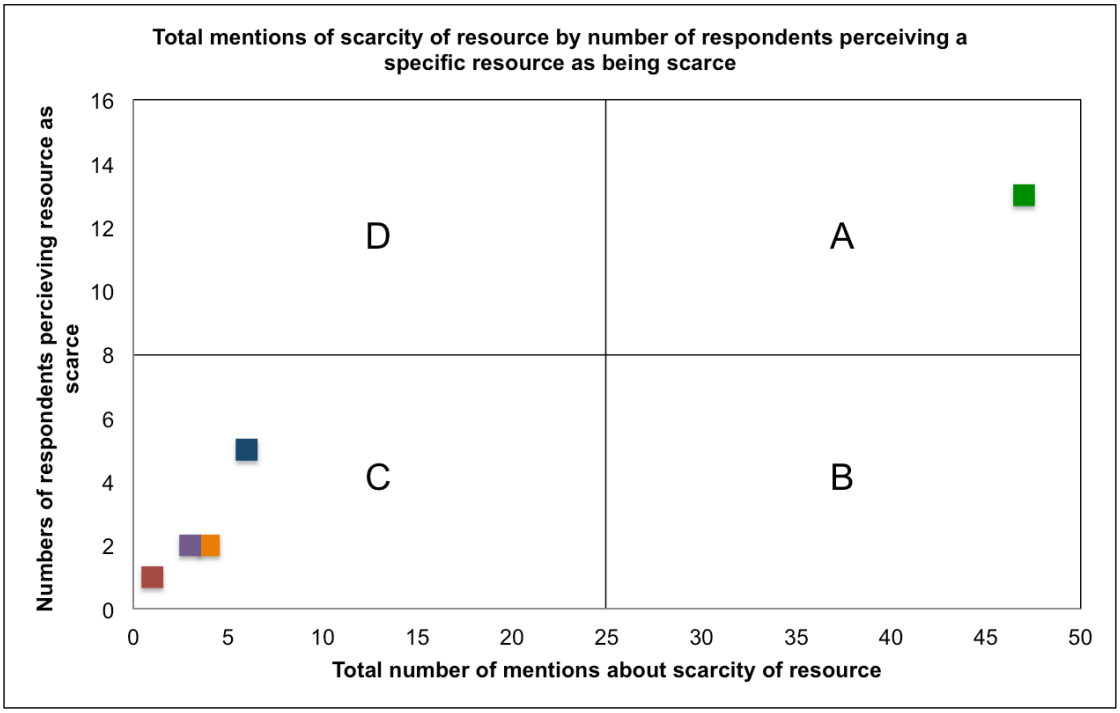
However, two respondents do not agree with this sentiment. According them:

> "In our department there isn't a pipeline. What kind of a company doesn't have a pipeline… When it comes to people and the management of people that is where the company is failing."

> "You should have time to learn. Now I sort of put 10% aside for all of that. We never get a chance to execute against it. Your people development strategy gets screwed because you can't do it."

4.5.4. *Findings*

The results of the research, with all 16 respondents agreeing that the availability of resources impacts on the execution of strategy, emphasises the importance of resources to strategy execution to a greater degree than the need is reflected in the literature that has been reviewed. However, the lack of emphasis on resources in the literature could be because this is considered an obvious need and "common sense tells us that the right people need to be in the right jobs" (Bossidy et al., 2002, p. 113).



Legend	
Symbol	**Resource**
■	People
■	Technology and related infrastructure
■	Money
■	Time
■	Information

Figure 9. Total mentions of scarcity of resources by number of respondents perceiving a specific resource as being scarce

Figure 9 shows the number of respondents that perceive a specific resource to be scarce at Multichoice by the total number of times that respondents make mention of the specific resource type. The green square in quadrant A shows the 13 respondents who perceive people to be scarce with a total of 47 mentions to this effect. The four squares in quadrant C show the respondents who perceive there to be a scarcity of other resources with the total number of mentions to this effect per resource type.

a. ***People***

The green square in quadrant A of Figure 9 suggests that the perception that there is a scarcity of people and that this negatively impacts on strategy implementation is an important result of the research. Specifically with respect

to people, the perceptions of respondents regarding the importance of resources reflects the findings of some of the literature that the quality and correct use of an organisations' people can be the most important resource for achieving consistently good results and be the source of a clear, sustainable advantage (Bossidy et al., 2002; Getz & Lee, 2011; Lampel & Shampsie, 2003; Schaap, 2012) and the film and TV industry "generates a competitive advantage from its people" (Cultural Strategy Group, 1998, p. 64). This finding also reflects the sentiment expressed by the literature that a failure in recruitment can be damaging (Bossidy et al., 2002). However, seven of the respondents commented that Multichoice focuses on developing its people as recommended by the literature for the purpose of realising a sustainable advantage (Bossidy et al., 2002; Cocks, 2010; Schaap, 2012) and so may mitigate against some of the problems caused by a scarcity of resource in this way.

Of the skills that are most frequently mentioned as being scarce respondents refer most often to a lack of IT and/or technical skills, with 13 mentions being about this in total. This reflects the finding of the literature that, while a fairly strong technical base has developed in SA in certain areas (Cultural Strategy Group, 1998; PriceWaterhouseCoopers Inc., 2000) there is a lack of certain technical skills in the SA-industry (Claasen, 2012; Gauteng Film Commission, 2012; Tuomi, 2005a). However, contrary to the findings of the literature that there is also a severe lack of business, management and scriptwriting skills in the SA-industry (Claasen, 2012; Gauteng Film Commission, 2012; Tuomi, 2005a), respondents did not refer to shortages in these areas specifically and seem to perceive that in the more general roles that are not industry-specific in nature that there is not a notable shortage of skilled people.

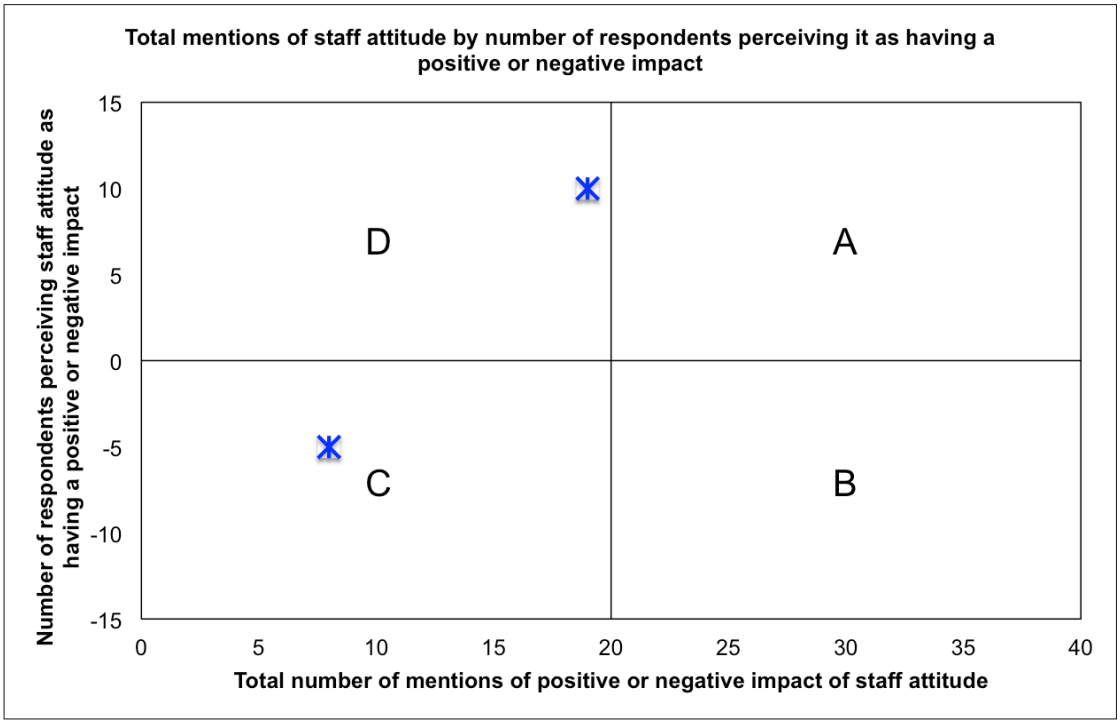


Figure 10. Total mentions of staff attitude by number of respondents perceiving it as having a positive or negative impact

Figure 10 shows the number of respondents that perceive the attitude of people at Multichoice to have either a positive or negative impact by the total number of times that respondents make mention of attitude as having either a positive or negative impact. The blue star in quadrant D shows the ten respondents who perceive attitude to be a positive aspect of the Multichoice culture with a total of 19 mentions to this effect. The blue star in quadrant C shows the five respondents who perceive the attitude of staff to have a negative impact at Multichoice with a total of eight mentions to this effect.

While neither of the perspectives falls into either quadrant A or B of Figure 10, the star in quadrant D of Figure 10 can be considered borderline and to suggest that attitude of staff is an important factor to consider and the positive impact of attitude on strategy execution, in particular, is an important result of the research. This is an element that did not emerge in any of the literature reviewed either in a standalone respect or in relation to the literature about people and so is an interesting item to emerge from the research. Attitude of people may emerge in this context and not in the literature that has been reviewed as this is a case study within a particular organisation in which

attitude may be emphasised or discussed and so is part of the consciousness of respondents in the interviews. Alternately, it may also emerge because of the scarcity of resources that is perceived to exist at Multichoice and in the SA-industry, which may not have been a concern in the course of previous studies about strategy implementation. It is also possible that this aspect is industry-specific and that the passion referred to by a number of the respondents is something that is relevant and evident within the context of the film and TV industry to a greater degree than it may be in other industries, such as those researched within the context of the literature that has been reviewed.

b. ***Technology and related infrastructure***

The blue square in quadrant C of Figure 9 shows the perception of respondents regarding the scarcity of technology and related infrastructure with only five of the respondents perceiving this as an issue and making only six mentions in total in this regard. Additionally, there are six comments in total that this is not concern. This does not reflect the emphasis on this issue in the literature that has been reviewed and the sentiments expressed that access to necessary technologies such as up-to-date production equipment can be prohibitively expensive (Isa, 2013; PriceWaterhouseCoopers Inc., 2000; Tuomi, 2005b) and that high internet connection costs in SA and poor bandwidth availability (Gauteng Film Commission, 2012) relative to many developed countries puts SA companies in the industry at a distinct disadvantage (Milne & Taylor, 2006). It is possible that this is specific to Multichoice and that it does not experience the same problems as other organisations in the industry as it has been in business since 1986 (Multichoice SMS (Pty) Ltd., 2011b) and has had the time to build up its own infrastructure. Additionally, according to some respondents, Multichoice is willing to spend the necessary money to buy technology and develop its infrastructure where needed with one respondent commenting “if the organisation decides they want to do something either from a technology or product point-of-view then that’s where the money is spent.”

c. ***Money***

The orange square in quadrant C of Figure 9 shows the perception of respondents regarding the scarcity of money with only two of the respondents perceiving this as an issue and making only four mentions in total in this regard. Additionally, there are four comments in total that this is not concern. This is contrary to the findings of the literature review that a lack of financial investment is a major obstacle to the success of the SA-industry and that the kind of capital necessary to compete in the global industry is not easily available in SA (Claasen, 2012; Cultural Strategy Group, 1998; PriceWaterhouseCoopers Inc., 2000; Tuomi, 2005a). Again, it is possible that this is specific to Multichoice due to the length of time it has been in business and its willingness to spend money when needed.

d. ***Time and information***

The purple and red squares in quadrant C of Figure 9 show the perceptions of respondents regarding the scarcity of time and information respectively, with only two of the respondents perceiving there to be an issue with time and one perceiving there is an issue with information. Neither of these factors emerged in the literature reviewed as being resources of relevance either in business in general or in the film and TV industry. As such, the lack of emphasis placed on these areas by respondents reflects the lack of findings about these issues in the literature.

4.5.5. *Conclusion*

In response to Research Question 2, “Does the availability or lack of resources impact the execution of strategy in the organisation?” the majority of respondents agree that a lack of resources impacts negatively on strategy execution at Multichoice. A lack of qualified or industry-experienced people in particular is perceived as having the most negative impact and reflects the findings of the literature regarding the importance of people in the industry. However, contrary to the findings of the literature, there is not an emphasis by respondents on the lack of business, management or scriptwriting skills.

Many respondents agree that Multichoice does try to mitigate against the lack of resources through development programmes and that the general attitude and willingness of staff to go the extra mile does alleviate some of the difficulties the lack of skilled people leads to. The development of staff does reflect that Multichoice understands how important people are and the findings of the literature that they can be a source of competitive advantage. Attitude is not an element addressed by the literature reviewed and presents an interesting area for further exploration, however, it may be a factor that arises specifically in the film and TV industry or that is specific to Multichoice.

Some respondents refer to a scarcity of resources with respect to technology and related infrastructure, and money. However, neither of these resources is mentioned frequently enough or perceived by enough respondents to be an issue for the scarcity of resources in these areas to be considered important. This does not reflect the findings of the literature reviewed in terms of the challenges experience by organisations in the SA film and TV industry with respect to these resources but it is possible that the lack of problems related to technology and related infrastructure and the availability of money is specific to Multichoice due to the length of time it has been in business and its willingness to spend money when needed.

Two further resources that were mentioned as being scarce during the interviews are time and information, however, these are referred to by very few of the respondents and are not resources that emerged as part of the literature review.

4.6. Communication and strategy execution at Multichoice

When asked how Multichoice manages communication downwards, upwards and across the organisation the information that emerged includes:

- whether or not communication has an impact on strategy execution
- how well communication is managed in each direction.

A summary of the results obtained for Research Question 3 regarding the management of communication at Multichoice is shown in Table 8.

Table 8. How communication is managed at Multichoice

Does communication have an impact on the execution of strategy?		Totals
Yes	16	16
No	0	
How communication downwards is managed at Multichoice		
Positively	13	16
Don't know	0	
Negatively	3	
How communication up the chain-of-comment is managed at Multichoice		
Positively	10	16
Don't know	3	
Negatively	3	
How communication across the organisation is managed at Multichoice		
Positively	8	16
Don't know	0	
Negatively	8	
Total number of mentions by theme		
Downward communication is managed well	32	Not applicable
Downward communication is managed poorly	15	
Upward communication is managed well	10	
Upward communication is managed poorly	4	
Communications across the organisation is managed well	8	
Communication across the organisation is managed poorly	8	

4.6.1. *Impact of communication on strategy execution*

All 16 respondents perceive that communication, in general, has an impact on strategy execution and the way in which Multichoice either communicates well

or communicates badly will impact strategy execution either positively or negatively respectively. With respect to how communication can impact strategy execution three respondents noted the following:

> "Communication helps us drive towards one goal where we all understand."

> "Sometimes the way you communicate things makes it very easy for people to see, or for the organisation to wrap itself around this direction that it's now required to take."

> "Now purely for me is that if you don't communicate right, if we didn't have a proper communication channel, people wouldn't know on the ground. They say, 'what do they want us to do again?'… [Communication] has a serious positive effect. If you don't communicate properly… you know a lot of organisations have this tendency of saying, 'O the strategy is actually going to make so many million.' But don't tell the staff, just tell them how we're going to do that. I think everybody should know. If you want me to contribute to what you want, what you're thinking out there, one man, thinking for an organisation of 4,000 people, you better well communicate properly, because I could do something totally different. In the opposite direction."

4.6.2. *The management of communication*

a. *Downwards communication*

13 respondents perceive that formal communication at Multichoice, from senior management downwards to the rest of the company, is well planned and managed and takes place on a regular basis. Among descriptions for how Multichoice engages in communication downwards are:

> "There's various platforms for communication. I mean, anything that's new, we've got it on our Intranet. Also, there's network news

that comes out monthly… Divisional events, departments, what they've been up to."

"These [leadership indaba] sessions are perfect. Nico [Meyer] gives us feedback, he'll tell is what's going on, if any of the departments want to give further feedback on their objectives and say where they are they're welcome to do that. Then also the Strategy Department usually presents at those leadership indaba's to say, 'this is the strategy we're looking at going forward, and this is what we're busy… the projects we're running with.' So we know what kind of objectives to expect in the coming years… We've got an Intranet where wherever possible we put as much as possible so staff are kept informed of what's going on. If we've picked up any issues or the media have caught onto something and we need to put responses, we always put it on Sedibeng [the Intranet] saying, 'if you get a call specific to this please direct these calls to so and so. And if you can't do that then this is what we're going out with so that you're well aware that this is what is going on within Multichoice.' So we use it very effectively. We're also on Twitter and Facebook, because a lot of the people, especially the call centre people, love using those things. So we make sure we put all our messaging, what's going on in the company there. And then Nico [Meyer] does his session [State of the Station] where he tells what our company objectives are, we put it on Sedibeng [the Intranet] so it will be one of your headlines. And then we've got it saved somewhere so every time you want to go look it's always readily available and there's indicators. So Corporate Affairs makes sure we start of with green… and then keep on showing indicators as to where you are."

However, three respondents do perceive that there are some problems with downwards communication at Multichoice, specifically with respect to communication of the high-level strategy of Multichoice and the bigger picture noting that:

> "There is also a gap in a way that what you find we probably aren't communicating enough further own the lines in terms of what that strategy is and how to implement and execute the strategy."

> "What the big picture is at the end of the day, we might not always know… We have no idea what we're delivering for the company in terms of its strategy. We're just doing what we perceive as the normal day-to-day work. We don't know what the bigger picture is."

b. ***Upwards communication***

Similarly, the general feeling about communication up-the-chain of command is that it is well-managed and provided for, with 10 respondents perceiving it is managed in a positive way and a number of them commenting on the open-door policy at Multichoice. Respondents commented that:

> "Communication up generally I think it's pretty easy. I myself get emails from reps and people who walk into the office. I think there are channels for people to communicate upwards."

> "Most of the GM's have open door policies, so even if you're just the PA, or the secretary, or even the cleaner, who doesn't actually report to Multichoice totally they can approach you because they've become part of the family. They can come and talk to you. Anything. Regardless. Whether it is about business, whether it is about your department or another department because you have an idea. They will listen and direct you and tell you where to go. That is what is amazing about this company… The company is open to ideas so every staff member is allowed to bring in something that they think that's going to help the organisation. And it goes through Strategy. They look into it, nothing is thrown away. They look at it to see if it is going to fit into the business or maybe we've already go it implemented but we just haven't showcased it or something like that."

On the other hand, three respondents referred to a lack of a formal processes or channels for communicating upwards. Arguably this is supported by the three respondents who commented that they were not aware of or didn't know about how the organisation caters for upwards communication. Two of the respondents commented about upward communication saying:

> "We don't have a formal process for that, and I think that is a big gap. We also do have a culture being quite free to talk."

> "I think there's a ceiling at a departmental level. That's where it stops in your department or division. I don't know if there are any channels open to us communicating up further."

c. ***Communication across the organisation***

With respect to communication across the organisation perceptions are divided about how well this is managed. Eight respondents feel it works well and eight respondents believe it is an area of concern that negatively impacts how Multichoice operates. Those respondents that perceive this communication to work well made comments such as:

> "Departments in a way talk to each other as opposed to, one can say, on a need to know basis… So in that way I see a lot of communication amongst different departments."

> "Across divisions if I've got a problem I can speak to anybody. If that's not the right person they'll direct me to the right person. So you don't find this hierarchical, 'oo sorry.' Even though it appears to be a hierarchical structure on paper in practice it isn't actually. It's very open door, very transparent. And then there's forums and stuff that people can post questions and concerns, and their voices are definitely listened to."

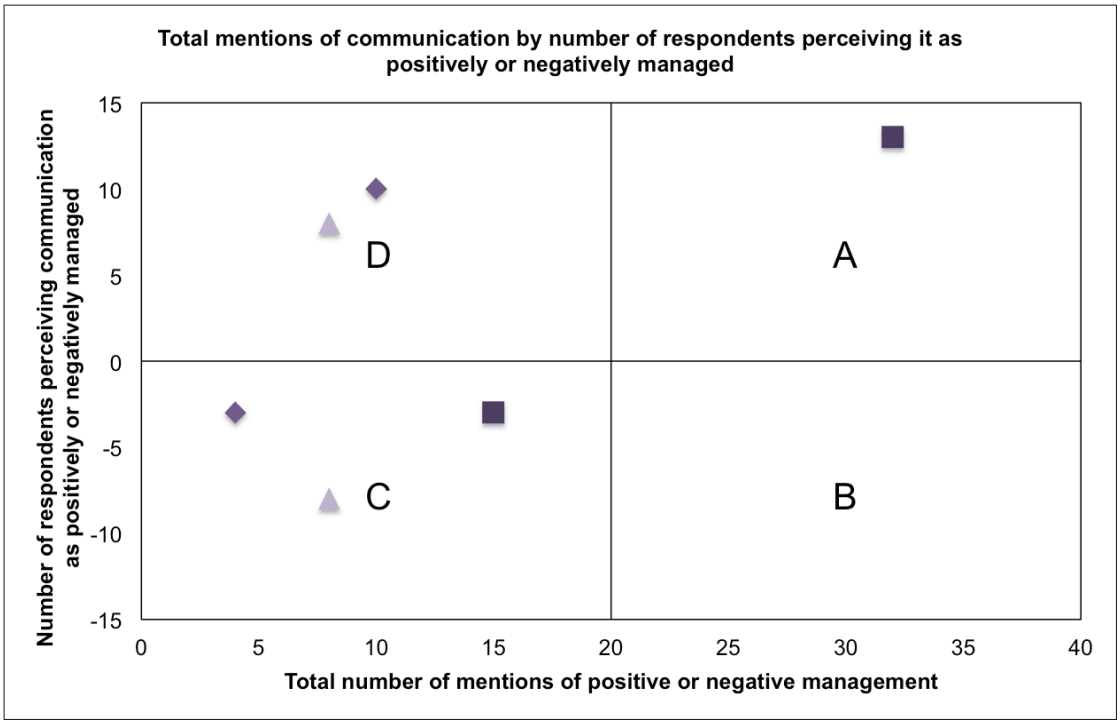
Where respondents disagreed with these opinions they commented that:

"I think it happens at a senior-level, I just don't think it runs down. I don't think it rolls down… And you speak to guys in other divisions and, 'we don't hear that, we don't have those, we don't have updates.' So I think that in certain areas it will probably be almost non-existent and in other areas it kind of happens. A lot of the areas like BTD, ITD, Strategy, the guys are never there."

"We could do it better. Maybe we could suggest ways. Maybe they came up with a stupid solution and there's a better way of doing it. Obviously you can contribute in a better way… Because if we did know about it and it was in our face and we had good ideas and we presented then we could, as a company, be presenting much better solutions to our customers than we are currently."

4.6.3. *Findings*

The results of the research, with all 16 respondents agreeing that communication impacts on the execution of strategy, reflects the literature findings that it is vital that a strategy be well communicated in order for it to be translated into specific actions and for resources to be effectively allocated by business units (Bossidy et al., 2002; Cocks, 2010; Getz & Lee, 2011; Mankins & Steele, 2005; Morgan et al., 2007; Schaap, 2012).



Legend	
Symbol	**Factor**
■	Downward communication
◆	Upward communication
▲	Communication across the organisation

Figure 11. Total mentions of communication by number of respondents perceiving it as positively or negatively managed

Figure 11 shows the number of respondents that perceive that communication is either positively or negatively managed in each direction by the total number of times that respondents make mention of either this positive or negative management of communication in each direction. The dark purple square in quadrant A shows the 13 respondents who perceive communication downward to be managed well with a total of 32 mentions to this effect. The dark purple square in quadrant C shows the three respondents who perceive communication downwards to be badly managed with a total of 15 mentions to this effect. The purple diamond in quadrant D shows the ten respondents who perceive communication upwards to be managed well with a total of ten mentions to this effect. The purple diamond in quadrant C shows the three respondents who perceive communication upwards to be badly managed with a total of four mentions to this effect. The light purple triangle in quadrant D shows the eight respondents who perceive communication across the

organisation to be managed well with a total of eight mentions to this effect. The light purple triangle in quadrant C shows the eight respondents who perceive communication across the organisation to be badly managed with a total of eight mentions to this effect.

a. ***Downward communication***

The dark purple square in quadrant A of Figure 11 suggests that the perception about the efficacy of downward communication is an important result of the research. This finding reflects the sentiment of the literature that having the necessary information to understand the impact of their decisions, such as bottom-line consequences, makes it possible for line and field staff to make the best possible decisions (Bossidy et al., 2002; Cocks, 2010; Gadiesh & Gilbert, 2001; Getz & Lee, 2011; Higgins, 2005; Morgan et al., 2007; Neilson et al., 2008; Porter, 1996; Schaap, 2012). From the comments of respondents, consistently repeated in a number of the interviews, it is also evident that Multichoice follows an approach to downward communication recommended by the literature that a common and formal framework for communication be applied that results in the use of a common language that is understood by all business units (Cocks, 2010; Mankins & Steele, 2005). In addition the messages seem to be communicated consistently as suggested by the literature (Bossidy et al., 2002; Cocks, 2010; Gadiesh & Gilbert, 2001; Jackson, 2011). Even in the case of the three respondents that do not feel that communication downward is necessarily communicated well reference is made to many of the same channels mentioned by other respondents and so reinforces the finding that a common and formal framework that is consistent is used at Multichoice.

b. ***Upward communication***

While the purple diamond demonstrating a perception of communication being well managed falls into quadrant D of Figure 11, and so cannot be considered to be as important or relevant at Multichoice as the positive management of downward communication, the perception of ten respondents that upward communication is well managed makes this a factor that is, on the whole, well

managed. The comments of a number of respondents regarding the open-door policy at Multichoice reflects that the organisation recognises the recommendation in the literature reviewed that allowing employees to communicate how they feel about a number of issues, such as through an open-door policy, can help to identify problems and strengths that can shape and focus current and future strategy and objectives (Bossidy et al., 2002; Cocks, 2010; Connolly, 2006; Thompson et al., 2008) and that this information can come from all levels of the organisation (Bossidy et al., 2002; Cocks, 2010). However, as opposed to the recommendations in the literature, from the comments made by respondents it does not appear that a common and formal framework for communication upward is applied (Mankins & Steele, 2005) and the organisation does not seem to make use of tools such as surveys for this purpose (Bossidy et al., 2002; Connolly, 2006; Thompson et al., 2008).

c. ***Communication across the organisation***

The light purple triangles demonstrating a perception of communication across the organisation being either well or poorly managed fall into quadrants D and C of Figure 11 respectively. These perceptions are equally balanced with eight respondents in both instances perceiving communication across the organisation to be well or poorly managed and with a total of eight mentions to this effect in both cases. The division in the perceptions does suggest that there are some problems in this area and that, at least for some areas of the business, there is a problem with communication across departments. At the least it seems that there is not a common and formal framework for communication across the organisation as recommended in the literature reviewed (Mankins & Steele, 2005) and at the worst it is possible that different parts of the company function like silos, with a possible absence of trust preventing the sharing of best practices, knowledge and expertise and no economies of scale (Bossidy et al., 2002; Neilson et al., 2008) as suggested by the literature can occur due to poor communication across an organisation.

4.6.4. *Conclusion*

In response to Research Question 3, “How does the organisation engage in regular communication down to staff, up to leadership and across functions, and how does this impact strategy execution?” all the research respondents agree that regular communication impacts on strategy execution at Multichoice and a number of respondents noted how it helps them to understand the direction the company is going in and how they can contribute to and fit in with that vision. Specifically with respect to downward communication the perception is that downward communication is well managed and is the most important of the results relating to communication in the organisation. This finding reflects the sentiment of the literature regarding the importance of downward communication. In addition, it is also evident that Multichoice follows an approach to downward communication recommended by the literature that a common and formal framework for communication be applied

With respect to upward communication, while this element of communication is not afforded the same level of importance in the results as downward communication, the perception of ten respondents is that upward communication is well managed, with a number of people commenting on the open-door policy at Multichoice. However, it does not appear that a common and formal framework for communication upward is applied and the organisation does not seem to make use of tools such as surveys for the purpose of upward communication.

In terms of communication across the organisation there are varying opinions as to how well Multichoice communicates with perceptions regarding the positive and negative management of this area being divided down the middle. This is another area where, contrary to the recommendation in the literature, it does not appear that a common and formal framework is applied and so some problems may occur. Many respondents used this area of discussion to address issues of alignment across departments and companies at Multichoice and the related problems with silos that they perceive to exist.

4.7. Alignment of departments and companies at Multichoice

In the course of the interviews the topic of alignment across the organisation emerged, in addition to the factors addressed by the four research questions posed, and particularly following on from discussions about implementation planning and communication across the organisation. With respect to the subject of alignment the aspects addressed relate to:

- whether or not alignment has an impact on strategy execution
- how well alignment is managed across departments.

A summary of the results obtained regarding alignment across departments at Multichoice is shown in Table 9.

Table 9. How alignment across departments is managed at Multichoice

Does alignment across the organisation have an impact on strategy execution?		**Totals**
Yes	12	16
No comment	4	
No	0	
How alignment across departments is managed at Multichoice		
Positively	3	16
No comment	7	
Negatively	6	
Total number of mentions by theme		
Alignment across the organisation is managed well	9	Not applicable
Alignment across the organisation is manager poorly	20	

While the factor of alignment is not addressed as a research question in the design of the research and no questions were asked about this factor specifically, it was mentioned or inferred by many respondents. Generally, the

subject arose in conjunction with the discussion about communication across Multichoice. As such, research findings about this factor have been analysed.

4.7.1. *Impact of alignment across an organisation on strategy execution*

12 of the respondents perceive that alignment across an organisation has an impact on strategy execution and four respondents didn't comment in this regard. Where respondents feel that there is a lack of alignment at Multichoice and therefore a negative impact on strategy execution they made comments such as:

> "It's not easy for me as a shared services provider to support companies that are not aligned."

Those respondents who are not concerned about poor alignment at Multichoice but who see its importance to strategy execution made comments such as:

> "I think it does negatively affect [strategy execution] if, for example, we're not sharing. But I think we do, because it's also very very co-dependent. Almost no function can survive without the other function."

4.7.2. *Alignment across the organisation*

Nine respondents referred to alignment or the lack of alignment across departments and companies in the Multichoice group. Three respondents perceive that employees at Multichoice work well across the organisation, saying:

> "People will work together across divisions and across whatever to get something done. I mean, it's happened before, it will continue to happen and I don't know of any project that we do that doesn't involve every other division and also shared objectives."

> "You get the departmental managers doing their strat session, you get each department doing their strat session and they make sure

it's aligned so it can be controlled, it can be managed, it can be measured, it can also be followed up and stuff like that… So immediately you do your stakeholder analysis and you know, okay this is the project we're running with. Then you do your workshop session where you pool every person that is involved, every stakeholder within that group, and you make them come up with a vision. I am not the one doing the vision, we all do the vision. We put them in a room and say this is the project, we have Box Office, what are we hoping to achieve with Box Office. We have a business owner's council that is formed already. It's every resource from every division that has an input and that can actually sign off and contribute."

However, six respondents perceive that there is a problem with alignment and the prevalence of silos at Multichoice. Comments to this effect include:

"From a department perspective all of us, including Strategy, is working in their silos. So once or twice, we've picked up they've been working on something and one of the other departments might have been working on it."

"You have a simple role, like you've got a Publicity Officer at DStv Mobile, and you've got a Publicity Officer at DStv. Their role is to push content, and the content on DStv Mobile is duplicated… It's a lot of duplication and because of that people get quite territorial and protective of their little segments. 'Cos it feels like, 'Am I really needed here?' You can see someone else doing exactly what you do… And who conducts the choir? That's what you need, the guy there who just sits and just everybody, makes everyone in harmony. Because right now Drifter can do what they feel like, MNet Marketing can do what the feel like, we can do what we want… We're not controlling it. This thing is getting out of hand. And I actually have that fear. I think within less than two years Multichoice will have to go through a fundamental restructure because there's a

lot of duplication… And that's a problem because people start putting their ego's and their own interests before that of the business."

4.7.3. *Findings*

The results of the research, with 12 respondents identifying that alignment across the organisation impacts on the execution of strategy, reflects the literature findings that it is important that there is cross-functional alignment for strategies to succeed and be well executed (Bossidy et al., 2002; Higgins, 2005; Morgan et al., 2007; Porter, 1996; Thompson et al., 2008) and that the alignment of unit strategies with the overall coporate strategy is essential for the enhancement and successful execution of an organisations' strategy (Bossidy et al., 2002; Kaplan & Norton, 2008; Morgan et al., 2007; Schaap, 2012).

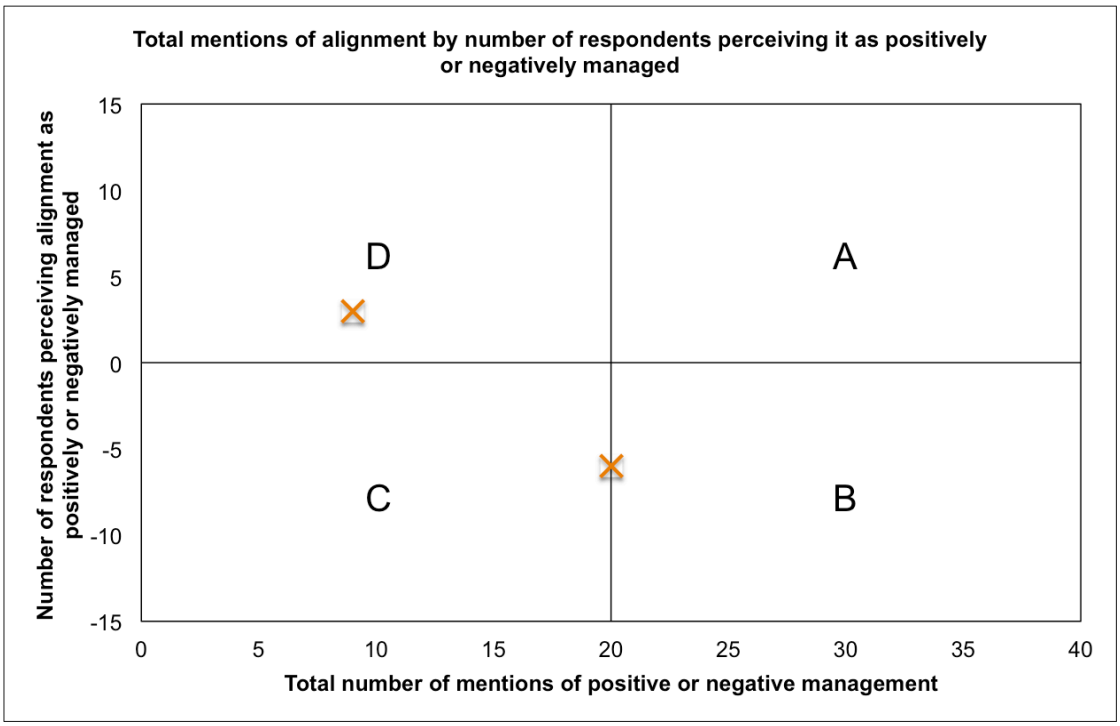


Figure 12. Total mentions of alignment by number of respondents perceiving it as positively or negatively managed

Figure 12 shows the number of respondents that perceive that alignment is either positively or negatively managed by the total number of times that

respondents make mention of either this positive or negative management of alignment. The orange cross in quadrant D shows the three respondents who perceive alignment to be managed well with a total of nine mentions to this effect. The orange cross at the juncture of quadrants C and B shows the six respondents who perceive alignment to be badly managed with a total of 20 mentions to this effect.

The orange cross between quadrant C and B of Figure 12 suggests that the concerns expressed about problems with alignment across departments at Multichoice is an important result of the research. Furthermore, that this issue arose unprompted in the course of the interviews adds further weight to its importance and the concerns of those six respondents who do perceive it to be a problem. The comments of the respondents that the organisation can function in silos and some of the worries expressed in this regard, such as about duplication of roles and activities, shows that Multichoice experiences problems in areas that the literature shows can be resolved by coordination across SBUs and activities, such as consistency of strategy and its application, the ability of units to reinforce and support one another and the ability of the organisation to reduce redundancy and duplication (Porter, 1996).

This finding regarding problems with alignment at Multichoice is most likely due to the organisation being organised functionally and by business and operating units, and as a number of different and separate companies and brands, without any kind of structure that connects and transcends established SBUs. The literature shows that this is common in many companies with most organising their business and operating units functionally (Bossidy et al., 2002; Higgins, 2005). According to the literature alignment can be facilitated by an organisation design or structure that speaks to and evolves with the objectives and strategy of an organisation (Getz & Lee, 2011; Schaap, 2012) and a clear fit between the organisation design of a company and its strategy will impact on strategy execution (Getz & Lee, 2011; Jackson, 2011; Schaap, 2012). As such, Multichoice could benefit by re-assessing its organisation design and identifying ways in which it can be modified to facilitate better alignment across SBUs, companies and brands in the organisation and to make better use of

their core competencies and operate at their best (Bossidy et al., 2002; Stalk et al., 1992; Thompson et al., 2008).

4.7.4. *Conclusion*

The majority of respondents agree with the findings of the literature that alignment across departments and companies at Multichoice impacts on strategy execution with 12 of them referring to this in the course of the interviews. Six of these respondents believe that alignment is not good at Multichoice and that it has a negative impact on strategy execution, as opposed to only three who perceive that there is no problem with silos in the organisation. The comments of the respondents that the organisation can function in silos and some of the worries expressed in this regard shows that Multichoice experiences issues in areas that the literature suggests can be improved on by coordination across SBUs and activities. This finding regarding problems with alignment is most likely due to Multichoice being organised functionally and by business and operating units, and as a number of different and separate companies and brands, as the literature suggests is the case with many organisations. As such, Multichoice could benefit by re-assessing its organisation design and identifying ways in which it can be modified to facilitate better alignment.

4.8. Adaptability and strategy execution at Multichoice

When asked how Multichoice manages the adaptability of strategy respondents provided answers relating to:

- whether or not an adaptable strategy has an impact on strategy execution
- how well the adaptability of strategy is managed.

Table 10 shows a summary of the results obtained for Research Question 4 regarding how Multichoice manages the adaptability of its strategy.

Table 10. Management of strategy adaptability at Multichoice

Does the adaptability of the strategy have an impact on its execution?		Totals
Yes	16	16
Don't know	0	
No	0	
How the adaptability of strategy is managed at Multichoice		
Positively	12	16
Don't know	0	
Negatively	4	
Total number of mentions by theme		
The adaptability of strategy is managed or impacts the organisation positively	25	Not applicable
The adaptability of strategy is managed or impacts the organisation negatively	11	

4.8.1. *Impact of the adaptability of strategy on strategy execution*

Whether the management of adaptability is perceived to be positive or negative in nature, all 16 respondents agree that the adaptability of strategy has an impact on strategy execution. In some respects it is perceived to force execution of strategy and to engender a culture of development and growth in the company. According to some respondents:

> "Every time we're in the death of a lifecycle we reinvent ourselves. We're reborn. Video-on-demand is a rebirth. Drifter is a rebirth. It comes from deviations, adaptations and proper communication… If you have to ask me what's one of the fundamental values that I appreciate and love about this company, we're innovators… In a nutshell, you have to be on your toes and continuously reinvent yourself."

> "Our business is very flexible, very fast moving…we're more innovative than we've ever been before, and we bring more new products to the market than ever before."

However, there is a fine balance that needs to be achieved between the agility and adaptability of strategy, and planning and control. The negative impact on strategy execution is noted by respondents who remarked that:

> "In terms of quality, if you have to deliver under very tight deadlines you're not going to deliver the best. You'll deliver something that's kind of patchy and you're going to be sticking plasters all over it until you get it right."

> "It delays it. It costs much more. And it moves things around as far as priorities are concerned."

> "So, from a human resource perspective that's what chews your resources. It's trying to get things done in a hurry and then also redoing what we've done because we don't always have the time to do it, or the business doesn't, as a whole, doesn't have that level of maturity, that enterprise foresight to do things properly and structured."

4.8.2. *A focus on adaptability and innovation*

12 respondents perceive that the strategy of Multichoice is highly adaptable and that this factor has a strong positive impact on strategy execution. In particular, it is noted that a focus on innovation is a core component of the Multichoice business and culture and that the organisation as a whole has a very entrepreneurial spirit. The adaptability of strategy and emphasis on innovation are catered for in a number of ways. According to respondents:

> "We still set targets, really serious targets where we're saying, 'let's grow our business, let's reinvent ourselves, let's make sure that our service offering is up there.'…We were talking about HD [high definition], just before HD was done, we were already saying, 'do

you know that 3D is the next best thing.' And the guys already know, even though they are busy interacting with this new product HD, there's something else that's going to be coming that's going to influence."

"Adaptability is something that's always going to be there for us… We have three or four sessions a year where we revisit everything… There's a lot of meetings our senior management have to make sure that we stay edgy and competitive… You have people who are always looking out. Especially the technology department, they've got people that are in certain positions. So one of their outputs is you need to know exactly what's going on in the industry. So even if something's still in an innovation stage or any other company outside, like in Europe or in China, looking at other things, we just need to find out. So we try to build those networks. So we've got those relationships and networks in place so when people do have anything coming they let us know, 'this is what the industry is looking at.' And that's their job, they look into that. They will get staff to investigate further and see if there's going to be any impact to Multichoice further down the road. So if there is, then obviously they start putting together proposals, strategies."

"There's a lot of market research that gets done, there's a lot of trying to keep their finger on the pulse of the customer and adapting things if they can. To kind of meet that need or suit that need. In some places you're not going to, but in a lot of instances I think yes… A very responsive, reactive, very quick to deliver company, but the whole approach that they follow works… There's almost like a focus on what's big and what's not and there also this…the litmus test in terms of reasonability and impact and risk, in essence. And that definitely gets factored in. So, what would the impact of this little thing be and do we need to cater for it now or not."

While they agree that Multichoice does have an adaptable strategy and focuses on innovation, four respondents identified this as having a negative impact on strategy execution or being poorly managed. This is primarily due to a resultant lack of or reduction in planning and control. This in turn is perceived to have a negative knock-on effect from a human resources perspective as staff get frustrated and run-down and, in some cases, quality is compromised. According to some of these respondents:

> "We've tried to do different things to accommodate them by going a more agile route, which means we sort of build as we go along. Some of it works but it's not as easy as it sounds. Normally they do things in response to market activities, and as a result of that everything has to happen immediately. The result of that is we don't really get to do anything properly, and the result is we keep doing it over and over again, which is very frustrating."

> "I think some of the things that we stick hard and fast to is quality product… we won't waiver from that…everything else we might… It does have a negative effect, especially on people because suddenly people are then taken out of their normal jobs and asked to run with this project…it's very unsettling in a large number of ways. Sometimes budgets are affected… you need a very specific type of person that can survive like this."

> "'Something happened, o shit, we need to do something. How are we going to address this, how are we going to address that.' And then that kinda comes down to us in the form of bad planning and we've got to scrubble around… I think at some stage you have actually compromised your quality to an extent."

4.8.3. *Findings*

The results of the research, with all 16 respondents agreeing that the adaptability of strategy impacts on the execution of strategy, reflects the literature findings that it is essential that organisations regularly review and

update their strategies if necessary (Cocks, 2010; Frigo, 2003; Morgan et al., 2007; Thompson et al., 2008) and that strategies need to be dynamic and may need to change as a result of changing internal and external factors (Cocks, 2010; Schaap, 2012).

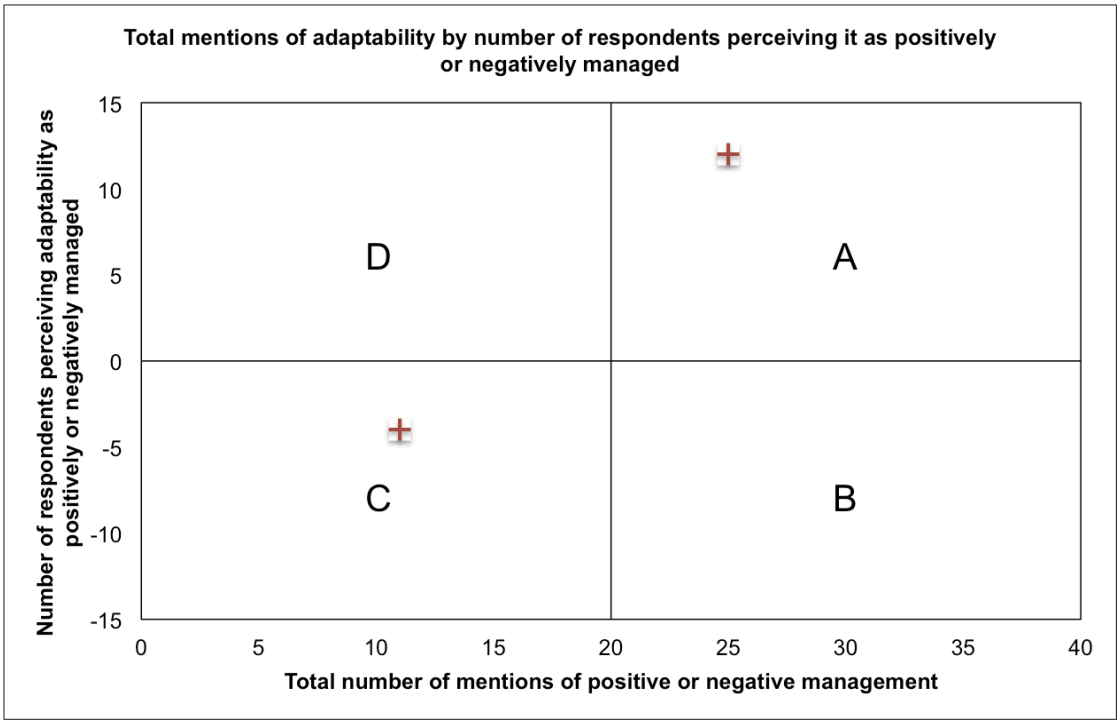


Figure 13. Total mentions of adaptability by number of respondents perceiving it as positively or negatively managed

Figure 13 shows the number of respondents that perceive that the adaptability of strategy is either positively or negatively managed by the total number of times that respondents make mention of either this positive or negative management of adaptability. The red plus sign in quadrant A shows the 12 respondents who perceive adaptability to be managed well with a total of 25 mentions to this effect. The red plus sign in quadrant C shows the four respondents who perceive adaptability to be poorly managed with a total of 11 mentions to this effect.

The red plus sign in quadrant A of Figure 13 suggests that the good management of the adaptability of strategy is an important result of the research. The comments of the respondents that Multichoice puts a high value and focus on innovation, and therefore, on the adaptability of its strategy

reflects that the organisation agrees with the findings of the literature reviewed that anyone who works in the film and TV industry must be willing and able to adapt (Blumenthal & Goodenough, 2006) due to the rapidly changing nature of the industry and the speed of technological advancement it is subject to (Berman, 2004; Cultural Strategy Group, 1998; Greenwald & Landry, 2009; Parker, 2004) and that all types of businesses working in the industry need to have adaptable strategies (Parker, 2004).

While the red plus sign in quadrant C of Figure 13 is representative of the perceptions of four respondents the nature of the comments made by these respondents does raise some small concern about one element that arises in the literature. The literature reviewed cautions that it is essential that, in adapting their strategies, companies do not fall into the trap of making incremental changes that result in no clear strategy being present, or the compromise of a strong competitive position in an attempt to be everything to everyone (Porter, 1996). With its focus on innovation and adaptability Multichoice should be careful not to respond with knee-jerk reactions or to adjust its strategy in a way that may impact its ability to execute its strategy consistently and or compromise some aspects of its existing offering and customer experience.

4.8.4. *Conclusion*

In response to Research Question 4, “How does the organisation ensure that its strategy is adaptable and can be modified if necessary, and how does this impact strategy execution?” all the research respondents agree that adaptability of strategy impacts on strategy execution at Multichoice. This reflects the sentiments expressed in the literature regarding the importance of adaptability for strategy execution and in the highly changeable environment of the film and TV industry.

However, while 12 respondents feel the impact of the adaptability of strategy at Multichoice is positive, four perceive there to be a negative impact due to the adaptability of strategy. This reflects the possibility that while adaptability of strategy is highly-valued and strong at Multichoice it can be done in a way

that is reactive and uncontrolled. Additionally, as discussed in the *Findings* of section *4.5 Resources and strategy execution at Multichoice* the overall attitude and culture of the staff seems to be of great value and importance to the organisation and to be the main reason that it can adapt as fast and as well as it does. Nine respondents commented that everyone is willing to make a plan and work extra hours if necessary, but this can have a high price down-the-line in terms of attrition, particularly if a real competitor comes into the market and challenges the organisation.

These differences in opinion raise a question about the feasibility of keeping strategy adaptable and maintaining an operationalisation plan, and reflect the dynamic tension that exists between the adaptability of strategy and achieving control in implementation and a high quality of product.

4.9. Additional factors identified by research respondents

During the course of the interviews and when asked if there was anything else that they would like to add, respondents mentioned a number of additional factors to those addressed by the research questions. These factors are:

- regulation
- leadership
- accountability
- incentivisation.

These factors and the frequency with which they have been mentioned are shown in Table 11 below.

Table 11. Additional factors impacting on strategy execution at Multichoice

Factor	Number of mentions
Regulation	10
Leadership	7
Accountability	2
Incentivisation	2

4.9.1. *Regulation*

Ten respondents commented about the impact of regulation on strategy execution and the business in general stating that:

> "Changes in regulations have forced us to be creative, to look at different ways of doing things or operating even under difficult legislative environments."

> "I mentioned the CPA [Consumer Protection Act] because that itself is right where we are at. It's in our space. Now we have to start changing the way we interact, and we have to change the way we plan, and we have to change the way we develop things."

> "Regulation does stunt your strategy because you have to redesign your strategy to accommodate what regulation says… We do have a problem where, because we don't have a proper broadband system, because of a regulatory issue in some other industry we are suffering. Because we would have been bringing you TV on the Internet… Regulation also keeps you on your toes. Besides protecting the Government and the people of South Africa, regulation tells me that I still need to deliver a quality service, that it still needs to be proper content."

4.9.2. *Leadership*

Seven respondents commented on the importance of leadership and of leadership involvement for the successful execution of strategy. Among the comments made are:

> "[Leadership at Multichoice] is a huge competitive advantage as far as I'm concerned. 'Cos having a CEO who has a lot of people skill, because if you report to him you're gonna learn those skills, you're gonna want to be like him. So then it basically filters down to all the departments because his direct reports are going to start doing that. So it's a huge competitive advantage."

> "Leadership is important 'cos if you have dull leaders your execution becomes a monotonous boring task."

> "I think a lot of it hinders on leadership, quality of leadership… because you do get instances where the leadership doesn't communicate or they don't execute, it becomes a file 13 kind of scenario. I think a leader, the dynamics of the leadership team will completely affect strategy execution… from there it'll affect resources, it'll affect all the other things, communication."

4.9.3. *Accountability*

Two respondents mentioned accountability as being important for strategy execution saying:

> "It works because we're holding you responsible."

> "It's about people taking accountability or saying that's what I want and living with it… We don't have people that I believe take accountability, and that's one of the problems with execution. There's too much group decision making, there's not enough people that stand up and take accountability for what we are doing."

4.9.4. *Incentivisation*

Two respondents mentioned incentivisation at Multichoice and how they feel it contributes to strategy execution. One respondent commented:

> "We create different incentives for staff as well where they can get up to R12 000 at the end of the year, at the end of the financial year if we achieve our numbers."

4.9.5. *Findings*

Regulation did not emerge in the literature reviewed as being a factor of relevance either in business in general or in the film and TV industry.

However, this factor is perceived by ten of the respondents as having an impact on strategy execution. It is possible that this is not addressed in the literature as it is not relevant with respect to strategy execution for all industries. Additionally, it may not be an issue for organisations in the film and TV industries in other, more developed markets, in the same way that it is for SA. Furthermore, due to its size within the SA market, it is possible that Multichoice is subject to greater regulatory pressure than other, smaller organisations may be as regulators try to facilitate the entrance of new companies into the market and to keep Multichoice from dominating the market in an unhealthy or damaging way.

With seven respondents commenting on the importance of leadership and leadership involvement for strategy execution they reflect the findings of the literature that strong and committed leadership is essential to successful strategy execution (Bossidy et al., 2002; Cocks, 2010; Faull & Fleming, 2005; Getz & Lee, 2011; Hrebiniak, 2006; Jackson, 2011; Schaap, 2012). However, as this is not a core focus of the research, further, more extensive insight into leadership at Multichoice is not available from the interviews with respondents. Similarly, the comments by some respondents about the importance of accountability and incentivisation for strategy execution reflects the findings of the literature that these factors are important for strategy execution, but as neither of these factors is a focus of the research a deeper and more rich understanding of the application of these factors within the Multichoice environment is not possible from the interviews that were conducted.

4.9.6. *Conclusion*

In the course of the interviews four factors other than those addressed by the research questions emerged as being perceived by respondents as being important to strategy execution. The factor that emerges most frequently and that has the most importance amongst the four is that of regulation. While this is mentioned by ten of the respondents it is a factor that is not addressed in the literature. This could be for a number of reasons, such as that it is a factor that is industry, SA or Multichoice specific due to the particular nature of any one of these elements.

The remaining three factors of leadership, accountability and incentivisation are all identified in the literature that has been reviewed as having an impact on strategy execution. However, further insight into the application of these factors at Multichoice is not possible as they are not a focus of the research and so were not explored further in the course of the interviews.

4.10. Strategy execution and the performance of Multichoice at an industry-level

When asked how the management of each factor at Multichoice impacts on the organisation's performance at an industry-level a number of smaller units of information emerged. These sub-themes include:

- whether or not Multichoice has competition in the market
- if the competition poses a threat
- what the nature of those competitors is
- that Multichoice welcomes competition in the market.

A summary of the perceptions of respondents regarding the competition Multichoice has in the SA-market is provided in Table 12.

Table 12. Assessment of competition in the South African film and television market

Multichoice has competition in the market		**Totals**
Yes	12	16
No comment	2	
No	2	
The competition is a concern or puts pressure on Multichoice		
Yes	2	16
No comment	3	
No	11	
Multichoice welcomes competition		
Yes	12	16
No comment	4	
No	0	
Reference to management of factors as impacting on performance at an industry-level		
Resources	2	Not applicable
Operationalisation planning	1	
Communication	1	
Alignment	1	
Adaptability of strategy	5	
Multichoice's competitors		
SABC	4	Not applicable
TopTV	9	
etv	3	
Any industry that competes for disposable income	3	
Other	2	

4.10.1. *Nature of competition in the market*

On the whole research respondents agree that there is competition in the market with 12 people identifying specific competitors or products that are

perceived as competition. However, the presence of competition is largely considered not to be an issue and not to create any real pressure with 11 respondents commenting to this effect.

Where respondents believe that competition does pose a threat to Multichoice the respondents are those that see any kind of industry that competes for disposable income as competition. According to these respondents:

> "We're looking at the video shops, we're looking at the movie houses, we're looking at anything and everything that is going to take our viewers away from their homes. Away from the product."

> "Our competition is for your share of wallet."

> "What's happened in recent years is the competition has arrived in the form of DTH or a satellite competitor, but it's also arrived in more disruptive mechanisms like the Internet and so on."

Two of the 11 respondents that perceive that the competition doesn't pose a threat to Multichoice said:

> "In South Africa where we haven't really got that much competition… Competition only came out two years ago. With Top TV… well basically Top TV's our only competitor."

> "It's there but you can't feel it as yet… We haven't really felt that we have been tested. To a point that we feel that we have to really do something different."

In addition to a general feeling that the existing competition doesn't pose a threat, two of the respondents commented that there is no competition at all, saying:

> "Multichoice does have the monopoly, so I don't think that impact is that great."

"From a competition perspective there's not that much out there."

4.10.2. *Competition is welcomed and adds value to Multichoice*

Despite the lack of threatening competition in the market, the overriding opinion reflected by respondents is that Multichoice welcomes competition in the market and perceives it to be a driver of innovation and strategy execution for a company. 12 respondents noted the importance of competition in the market and made comments such as:

> "Competition tests your depth, it tests your ability to change and grow, even in the space where there's someone else who is doing the same thing that you are doing."

> "We need those competitors… Regulation is a serious issue at the moment… they won't award us anything because there's nobody to compete against or they want to try and give it to other people but there's nobody to take it."

> "We need competition… to stop to be seen as the monopoly. So we would love to see competition surviving. But then it's also allowed us to better our processes, it's allowed us to be a little more visionary, it's allowed us to be a little bit more responsive to the market."

> "We actually need competition to get better. If we don't have competition we will fall behind. It's the competition that will drive us. Without the competition we are not going to give better solutions and better services to our customers because there's nothing to compare it against."

4.10.3. *The impact on Multichoice's performance at industry-level*

With respect to the factors addressed by the research questions of the study, because of the perceived lack of threat posed by competition in the market, respondents struggled to answer how Multichoice's handling of each of the

factors impacts on its performance at an industry-level. However, some respondents did make comments in this regard.

a. ***Implementation planning***

When discussing planning to operationalise strategy one respondent perceives how Multichoice plans its implementation of strategy to be a competitive advantage saying:

> "Our competitive advantage is the way we do business, and the culture and the environment… [operationalisation planning] is one of our competitive advantages because we tend to have a very good management structure… I'm talking about the executive."

b. ***Management of resources***

With respect to the lack or availability of resources one respondent commented that:

> "We're basically 25 years ahead of the competition from a [technical] resource point-of-view…from a skills point of view, from a finance point-of-view."

c. ***Communication***

Where communication is concerned one respondent noted that:

> "Communication also makes us competitive. That's what gives us an advantage."

d. ***Alignment***

With respect to alignment across Multichoice and how any problems there may be with alignment impact strategy execution one respondent noted specifically that this is unlikely to be an issue due to the lack of real competition in the market. This respondent commented:

> "You know we're still a monopoly… so I don't think [problems with alignment] impact us too much, but if there were 15 other pay-TV

companies in South Africa, definitely. We would have to make a plan. We would probably have to streamline the departments and the way they work. You need guys that can make decisions on the fly, or make really quick decisions."

e. ***Adaptability***

Unlike the other factors discussed, adaptability of strategy at Multichoice is a factor on which five of the respondents were willing to comment with respect to it's impact on competitiveness. This suggests that how Multichoice manages this factor is something from which respondents perceive that the organisation may derive its greatest competitive advantage.

"What is our competitive advantage, innovation."

"I think [adaptability] is one of our strengths definitely… it's one of our strong points is our ability to adapt to situations. And deal with things as they come."

"I think it allows us to stay at the head of the game. It does allow us to do that. So they almost anticipate perhaps what the competition are going to be doing, what the market's going to be doing and they always come in with a response quickly just to counteract any other competitive threat. So I think from that point-of-view it does allow us to stay competitive."

"I think it helps a hell of a lot actually. I mean if you look at the products that come out, if you look at the Drifters and the Online and the On Demand and all that, you're not competing with viewing at a specific time because you're now allowed the adaptability to watch it when you want to."

4.10.4. *Conclusion*

As an assessment of the competition in the SA film and TV industry is not part of the scope of the research no literature has been reviewed against which the

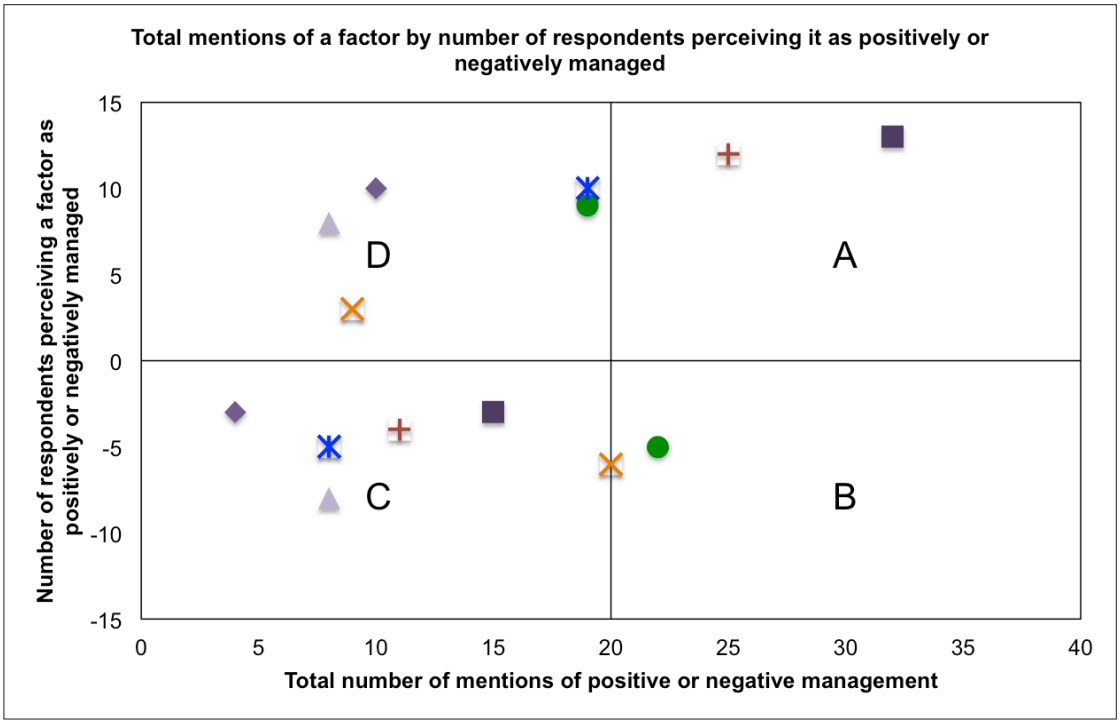
comments of respondents can be compared. However, the comments of respondents regarding competition do reflect that they perceive that Multichoice does have some competition and competes with products from other industries. However, more competition is needed in the market and the overall perception is that there are no real challengers for Multichoice's market share at the moment. None-the-less, Multichoice does operate as if there is competition and tries to be as competitive and innovative as possible, and to drive a competitive culture internally by focussing on innovation as a core value. Based on the current understanding of respondents, Multichoice performs well at an industry-level and would continue to do so if a strong competitor entered the market.

4.11. Conclusion

The results that are presented for each of the factors that form the basis of this study, together with alignment as an additional factor, show that for each of the factors either all or the majority of respondents agree that the factor being assessed impacts on strategy execution at Multichoice. However, there are many different views as to how Multichoice manages implementation planning, communication, alignment and the adaptability of strategy or is affected by each of these factors, with different variables emerging as part of a careful analysis of the results for each of these factors. Some respondents perceive some of these factors to be better managed than others and attribute some of them a higher level of importance than others. Additionally, there are some factors where respondents perceive there to be problems with the way in which they are managed and on which Multichoice can focus in order to improve its execution of strategy.

With respect to resources the majority of respondents agree that a lack of resources impacts negatively on strategy execution at Multichoice. A lack of qualified or industry-experienced people in particular is perceived as having the most impact. Multichoice does try to mitigate against this in a number of ways and does depend on the attitude of its staff to offset some of the challenges presented with respect to a scarcity of people. However, there may

be more that it can do to mitigate against problems in this respect and to ensure the future availability of resources is more secure.



Legend	
Symbol	**Factor**
●	Implementation planning
■	Downward communication
◆	Upward communication
▲	Communication across the organisation
×	Alignment
+	Adaptability
✳	Attitude of staff

Figure 14. Total mentions of a factor by number of respondents perceiving it as positively or negatively managed

Figure 14 is a consolidation of Figures 8 and 10 to 13, and shows the number of respondents that perceive a given factor to be managed either positively or negatively by the total number of times that respondents make mention of either the poor or negative management of that factor. It allows a comparison across the factors assessed to see how each of the factors falls within the matrix relative to the other factors.

From both Figure 14 and the findings of the research that have been presented the feedback of respondents shows that Multichoice is particularly strong with respect to:

- communication downwards
- adaptability of strategy
- the attitude and work ethic of employees.

Furthermore, the perceptions of respondents show that Multichoice is moderately good at:

- implementation planning
- communication upwards.

However, there are some areas in which problems exist and where Multichoice can make improvements and so realise a higher standard of execution. Particularly, the areas of improvement on which Multichoice should focus moving forward are:

- better control and management of implementation planning
- careful management of alignment and control of duplication across functions.

CHAPTER 5: CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

Having described and analysed the information gathered during the research it is now possible to:

- provide conclusions about each factor addressed in the study
- make recommendations for the stakeholders identified in *1.3 Significance of the study* in *Chapter 1*, primarily focussing on recommendations for Multichoice, as the key stakeholder.

Finally, suggestions for further research that were identified in the research and analysis process are provided.

5.2. Conclusions of the study

5.2.1. *Research Question 1: Implementation Planning*

In response to Research Question 1, "How does the organisation plan for strategy to be implemented and operationalised, and how does this impact strategy execution?" all the research respondents agree how strategy is operationalised impacts on strategy execution at Multichoice and many spoke about applying a project management approach to developing and managing such a plan. However, there are widely divergent views as to how Multichoice plans for strategy to be implemented, how well it does this, and therefore how execution is impacted. Some respondents feel the way in which the organisation plans to implement strategy is positive and works well, others feel it either doesn't plan or does so badly. The responses analysed suggest that there are departmental differences in how operationalisation is managed and individual departments find ways to work around organisational issues with respect to planning and operationalising strategy. This difference of opinion is an important one to consider and suggests that Multichoice does not conform

to all of the recommendations identified in the literature and should be considering ways in which it can improve on its current approach.

5.2.2. *Research Question 2: Resources*

In response to Research Question 2, “Does the availability or lack of resources impact the execution of strategy in the organisation?” the majority of respondents agree that a lack of resources impacts negatively on strategy execution at Multichoice. A lack of qualified or industry-experienced people in particular is perceived as having the most negative impact and reflects the findings of the literature regarding the importance of people in the industry. However, contrary to the findings of the literature, there is not an emphasis by respondents on the lack of business, management or scriptwriting skills.

Many respondents agree that Multichoice does try to mitigate against the lack of resources through development programmes and that the general attitude and willingness of staff to go the extra mile does alleviate some of the difficulties the lack of skilled people leads to. The development of staff does reflect that Multichoice understands how important people are and the findings of the literature that they can be a source of competitive advantage. Attitude is not an element addressed by the literature reviewed and presents an interesting area for further exploration, however, it may be a factor that arises specifically in the film and TV industry or that is specific to Multichoice.

Some respondents refer to a scarcity of resources with respect to technology and related infrastructure and money. However, neither of these resources is mentioned frequently enough or perceived by enough respondents to be an issue for the scarcity of resources in these areas to be considered important. This does not reflect the findings of the literature reviewed in terms of the challenges experience by organisations in the SA film and TV industry with respect to these resources but it is possible that the lack of problems related to technology and related infrastructure and the availability of money is specific to Multichoice due to the length of time it has been in business and its willingness to spend money when needed.

Two further resources that were mentioned as being scarce during the interviews are time and information, however, these are referred to by very few of the respondents and are not resources that emerged as part of the literature review.

5.2.3. *Research Question 3: Communication*

In response to Research Question 3, “How does the organisation engage in regular communication down to staff, up to leadership and across functions, and how does this impact strategy execution?” all the research respondents agree that regular communication impacts on strategy execution at Multichoice and a number of respondents noted how it helps them to understand the direction the company is going in and how they can contribute to and fit in with that vision. Specifically with respect to downward communication the perception is that downward communication is well managed and is the most important of the results relating to communication in the organisation. This finding reflects the sentiment of the literature regarding the importance of downward communication. In addition, it is also evident that Multichoice follows an approach to downward communication recommended by the literature that a common and formal framework for communication be applied

With respect to upward communication, while this element of communication is not afforded the same level of importance in the results as downward communication, the perception of ten respondents is that upward communication is well managed, with a number of people commenting on the open-door policy at Multichoice. However, it does not appear that a common and formal framework for communication upward is applied and the organisation does not seem to make use of tools such as surveys for the purpose of upward communication.

In terms of communication across the organisation there are varying opinions as to how well Multichoice communicates with perceptions regarding the positive and negative management of this area being divided down the middle. This is another area where, contrary to the recommendation in the literature, it does not appear that a common and formal framework is applied and so some

problems may occur. Many respondents used this area of discussion to address issues of alignment across departments and companies at Multichoice and the related problems with silos that they perceive to exist.

5.2.4. *Alignment*

The majority of respondents agree with the findings of the literature that alignment across departments and companies at Multichoice impacts on strategy execution with 12 of them referring to this in the course of the interviews. Six of these respondents believe that alignment is not good at Multichoice and that it has a negative impact on strategy execution, as opposed to only three who perceive that there is no problem with silos in the organisation. The comments of the respondents that the organisation can function in silos and some of the worries expressed in this regard shows that Multichoice experiences issues in areas that the literature suggests can be improved on by coordination across SBUs and activities. This finding regarding problems with alignment is most likely due to Multichoice being organised functionally and by business and operating units, and as a number of different and separate companies and brands, as the literature suggests is the case with many organisations. As such, Multichoice could benefit by re-assessing its organisation design and identifying ways in which it can be modified to facilitate better alignment.

5.2.5. *Research Question 4: Adaptability*

In response to Research Question 4, “How does the organisation ensure that its strategy is adaptable and can be modified if necessary, and how does this impact strategy execution?” all the research respondents agree that adaptability of strategy impacts on strategy execution at Multichoice. This reflects the sentiments expressed in the literature regarding the importance of adaptability for strategy execution and in the highly changeable environment of the film and TV industry.

However, while 12 respondents feel the impact of the adaptability of strategy at Multichoice is positive, four perceive there to be a negative impact due to the adaptability of strategy. This reflects the possibility that while adaptability

of strategy is highly valued and strong at Multichoice it can be done in a way that is reactive and uncontrolled. Additionally, as discussed in the *Findings* of section *4.5 Resources and strategy execution at Multichoice* the overall attitude and culture of the staff seems to be of great value and importance to the organisation and to be the main reason that it can adapt as fast and as well as it does. Nine respondents commented that everyone is willing to make a plan and work extra hours if necessary, but this can have a high price down-the-line in terms of attrition, particularly if a real competitor comes into the market and challenges the organisation.

These differences in opinion raise a question about the feasibility of keeping strategy adaptable and maintaining an operationalisation plan, and reflect the dynamic tension that exists between the adaptability of strategy and achieving control in implementation and a high quality of product.

5.2.6. *Additional factors identified by respondents*

In the course of the interviews four factors other than those addressed by the research questions emerged as being perceived by respondents as being important to strategy execution. The factor that emerges most frequently and that has the most importance amongst the four is that of regulation. While this is mentioned by ten of the respondents it is a factor that is not addressed in the literature. This could be for a number of reasons, such as that it is a factor that is industry, SA or Multichoice specific due to the particular nature of any one of these elements.

The remaining three factors of leadership, accountability and incentivisation are all identified in the literature that has been reviewed as having an impact on strategy execution. However, further insight into the application of these factors at Multichoice is not possible as they are not a focus of the research and so were not explored further in the course of the interviews.

5.2.7. *Performance at an industry-level*

As an assessment of the competition in the SA film and TV industry is not part of the scope of the research no literature has been reviewed against which the

comments of respondents can be compared. However, the comments of respondents regarding competition do reflect that they perceive that Multichoice does have some competition and competes with products from other industries. However, more competition is needed in the market and the overall perception is that there are no real challengers for Multichoice's market share at the moment. None-the-less, Multichoice does operate as if there is competition and tries to be as competitive and innovative as possible, and to drive a competitive culture internally by focussing on innovation as a core value. Based on the current understanding of respondents, Multichoice performs well at an industry-level and would continue to do so if a strong competitor entered the market.

5.3. Recommendations

5.3.1. *Multichoice*

For Multichoice the findings of the research may provide guidance to strategy makers and managers and help them to take steps to improve the performance of the organisation and to more effectively and efficiently implement strategy. The recommendations for Multichoice, based on the findings of the research are to:

- do further, more extensive research and analysis
- conduct an organisation redesign to try to alleviate some of the issues with silos, misalignment and duplication of roles, and possibly to help better operationalise strategy
- make sure that a formal, consistent framework is use for communication in all directions, including upwards and across the organisation
- identify additional ways in which to develop skills and help employees to ensure a better work-life balance.

a. ***Further business research and analysis***

Multichoice is recommended to conduct additional, quantitative research, across the whole group, using a large sample in order to get a more

comprehensive understanding of the issues and perceptions that staff may have. The results of such research can then be used to prioritise areas on which Multichoice should focus and refine any possible interventions or tools that can be selected to be or that have been introduced. In addition, such research will generate co-operation amongst stakeholders as they will feel they are being consulted and are participating in shaping the future of the organisation.

In addition to doing some kind of quantitative study it is recommended that Multichoice reviews its current business processes and maps the ways in which certain activities are conducted at present across every part of the organisation. This includes for activities such as:

- crisis and issues management
- new product development
- project management
- strategic-fit analysis of new and existing initiatives.

While such research may take time and delay the introduction of ways in which to improve how Multichoice operates, the competitive position that Multichoice has gives it the luxury to take the necessary time to ensure the quality and validity of any approach it selects.

However, based on the results of this study, it is recommended that the following additional steps be taken to help Multichoice improve its performance and execute more effectively on its strategy.

b. *Organisation redesign process*

Based on the problems perceived by respondents with respect to operationalisation planning of strategy and a lack of alignment across departments, and the organisation as a whole, Multichoice is recommended to consider reviewing its organisation design and to modify its operating model somewhat. An approach whereby more functions are centralised into a shared services structure that provides support to the full Multichoice group of companies may prove more effective and make it possible to introduce more

standardisation and governance with respect to operating processes and procedures. Such an approach may also:

- allow for greater synergy across functions,
- allow the organisation to develop more of a customer-centric approach, as opposed to a product-centric approach, moving forward
- enable more consistency and control
- enable units to reinforce and support one another
- achieve cumulative gains and economies of scale
- reduce redundancy and duplication
- reduce costs (Porter, 1996).

Functions that may better serve Multichoice by being part of a shared services structure for the whole group include:

- Strategy.
- Research and Development (R&D).
- Project Management Office (PMO).
- Marketing and Sales for all products, companies and functions with a Chief Marketing Officer (CMO) who acts as a manager to all brand and/or product managers within the group.
- Corporate Communications, incorporating the functions of internal communications management, media management, crisis and issues management, reputation management, and investor relations.
- Human resources.

The Strategy Office should function more like the OSM described by Kaplan and Norton (2005; 2008), as an umbrella function with a small, lean team that works across all departments and companies in the group and interfaces directly with the CEO and executive team on strategic issues. Such a team would be responsible for developing the over-arching strategy of the company, together with the executive, and for developing and implementing the operational management process for executing the strategy. The team would then align and integrate all the relevant processes with the strategy and monitor and follow through on strategic activities (Kaplan & Norton, 2008).

The R&D function, or New Product or New Business Development department, should fall within the OSM and also serve as an umbrella function to the whole Group. It would be responsible for coming up with new ideas, attending conferences for new developments, conducting market research and liaising with all business teams and functions. In addition, the R&D team would be responsible for developing an innovation management process for collecting and vetting ideas that come in from the Group, liaising with the OSM on the strategic-fit of ideas and doing the initial development and strategic alignment necessary to include all the relevant stakeholders in the organisation. Such a team could be made up of qualified research professionals and innovation specialists and manage a centralised database of content that enables trend analysis, tracking of activity across the whole company and the industry in order to ensure maximum alignment and integration.

The PMO should also fall within the OSM and function as a centralised project office that provides all the Project Managers to the group for any projects that have a cross-functional element. These project managers should operate without any specific functional allegiances, work closely with the OSM to confirm the strategic-fit of projects, and with the R&D function to implement any new ideas/approved projects. Such a function would be able to use specialist teams as project teams to provide cross-business tracking of objectives and activities, better consistency and planning, and a higher degree of control than seems to be in place currently.

With respect to the management and implementation of new products, while adaptability and speed-to-market are relevant in the global market, Multichoice is currently in a position in SA where it has the power and the means not to have to focus on schedule as a core driver and where schedule is not as relevant as in some other industries. As such, Multichoice can possibly compromise on schedule somewhat to guarantee the quality of products and relieve some of the pressure on human resources. This balance could be monitored and managed by the PMO and objectives re-prioritised through the PMO's relationship to the OSM.

c. ***Implementation of a formal communication framework***

While downward communication is perceived to be well managed using a common and formal framework, some improvement can be made with respect to communicating upwards and across the organisation. The Corporate Communications team is recommended to identify and implement formal, consistent and regular ways by which to enable upwards communication such as surveys and polls. Similarly, formal means for communicating across the organisation, specifically on projects and new initiatives is recommended. It is possible that this element of communication can be addressed by the implementation of a new organisation design and the use of the shared services structure discussed in *b. Organisation redesign process* above. However, additional measures should also be investigated for formalising the process of communication across the organisation and doing this in a consistent way.

d. ***Management of resources***

With respect to the management of resources, a lack of skills, specifically in the technological areas, is identified as the biggest issue with respect to strategy execution. In addition, while the attitude of staff is seen to be a real positive for Multichoice it can have negative implications as employees suffer from burn out and are unable to sustain the level of performance that is expected.

To help with the development of skills it is recommended that Multichoice set up an academy internally, through which both general skills, such as project management, and more industry-specific skills, such as broadcast engineering are offered. All staff should have access to the whole curriculum of the academy and learnerships can be extended to family members of employees, bursars and any other promising candidates that Multichoice identifies. This academy can also serve to help develop a leadership pipeline for the organisation.

With respect to managing the work-life balance of employees Multichoice is recommended to monitor employees and conduct regular surveys to establish

when and where employees are over-extending themselves. Furthermore, formalised crisis and issues management plans are recommend to be put in place, with nominated crisis management teams where possible, to prevent employees from being put under undue stress or pressure should anything go wrong.

5.3.2. *At an industry-level*

At an industry-level other organisations in the market can learn from the mistakes and successes of Multichoice. In particular, the research demonstrates the high importance of general business and management skills in the film and television industry and the way in which all the factors that impact business in general are relevant within the paradigm in which Multichoice functions. In addition, the research shows the areas where Multichoice realises a strong competitive advantage, particularly it's focus on adaptability and innovation and the way in which it communicates with and involves it employees in the success of the company. These are elements that other organisations can focus on developing and improving if they are going to compete with Multichoice or anticipate Multichoice will have a knock-on effect to their own businesses.

For suppliers to Multichoice the research findings give an insight into how Multichoice functions, which can be used to shape how they interact with Multichoice and possible account management approaches that should be applied.

5.4. Suggestions for further research

During the research process a number of possible areas for further research have been identified. These include:

- Assessment of how a successful businesses in an industry contributes to the development and growth of that industry.
- Assessment of ways in which regulation and controls hamper innovation and creativity in an industry.

- Consideration of customers as a resource and how such an approach can drive innovation and development.
- Assessment of the impact on an organisation of a lack of competition in the industry and the extent to which competition is necessary to drive an organisation to become more effective and efficient.
- Identification of the extent to which competition or the absence of competition in an industry leads to the growth and development of skills and/or technology and/or innovation.
- Identification and assessment of the execution tools that work most effectively in any industry.
- Assessment of the extent to which attitude and passion affects the behaviour of people working in the film and TV industry compared to that of people working in other, unrelated industries.
- Evaluation of the challenges experienced by new entrants to and small organisations in the South African film and television industry.

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APPENDIX A

Letter to respondents

Dear *(name of respondent)*,

Re: Help with Wits Business School MBA Thesis

Faik Sulaiman in Human Capital suggested that I contact you as he thought you might be able to help me.

I am currently working to complete my MBA thesis, which is a case study "Assessing strategy execution at a company in the South African film and television industry". Would you be willing to let me interview you?

The interview will take between 45 and 60 minutes. Specifically I will be asking about four factors that my literature review has demonstrated to be important to executing strategy in an organisation, namely the availability of resources, strategy implementation planning, communication and the adaptability of strategy. The interview will not involve specific questions about your organisational strategy or confidential information about Multichoice. Rather I will be asking about personal experiences and viewpoints on how these factors are used in the business and how they impact the performance of the organisation.

The report is for academic purposes only and full confidentiality will be ensured during the research process. No personal information will be revealed or related to specific findings or quotes in the report and any specific organisational information provided in the report with be derived from publicly available information only. In addition, you are welcome to receive an electronic copy of the research once it had been completed and the transcripts of your interview.

I understand that you are very busy but any help you can provide would be greatly appreciated. I am happy to meet with you at your earliest convenience and anywhere that is convenient for you.

Many thanks,

Jean

Jean Spencer-Young

Interview schedule

Strategy execution in the South African film and television industry

Introduction

As part of my research for my MBA at Wits Business School I am doing my MBA thesis as a case study assessing strategy execution at a company in the South African film and television industry. I will be asking about your personal experiences and viewpoints with regard to strategy execution at Multichoice South Africa, and specifically your perception of how four factors are applied in the organisation and how this affect's Multichoice's general success within the SA film and TV industry.

The interview should take no more than an hour to complete. Your identity and responses are confidential and any quotes used in the final report will not be attributed to you. You are welcome to receive an electronic copy of the research once it has been completed and/or of the transcript of this interview. If at any time you don't understand the questions being asked or terms being used, feel free to ask for clarification or to interrupt me at any time.

For the purposes of this research, strategy execution is defined as being about making choices about what business an organisation is in, what it hopes to achieve, how it will compete in that business and achieve objectives, and how resources will be used and managed over time. Specifically, ten factors have been identified as contributing to the successful execution of strategy. From these ten factors I have selected four factors that I will be asking about.

The four factors that I will be asking about are:

- availability of resources
- strategy implementation planning for operationalising strategy
- communication
- adaptability of strategy.

Do you have any questions or concerns for me?

Questions

1. Does the availability or lack of resources impact the execution of strategy in your organisation?

    - Are there any resources in particular that you think contribute to or undermine strategy execution? e.g. people, technology, money, infrastructure.
    - How does this affect the performance of the organisation at an industry-level?

2. How does the organisation plan how strategy is to be implemented or operationalised?

    - What effect does this have on strategy implementation?
    - How does this affect the performance of the organisation at an industry-level?

3. How does the organisation engage in regular communication, such as down to staff, up to leadership and across functions?

    - What effect does this have on strategy implementation?
    - How does this affect the performance of the organisation at an industry-level?

4. How does the organisation ensure that strategy is adaptable and can be modified or updated where necessary?

    - What effect does this have on strategy implementation?
    - How does this affect the performance of the organisation at an industry-level?

5. Is there anything else that you would like to say or do you have any closing comments?

Based on responses the interviewer sought to have the interviewee extrapolate on or clarify certain issues or factors identified.

Probing and clarifying questions

1. Could you provide an example of where this has happened?
2. So what you are saying is that ...?
3. Does that relate in any way to what you were saying before about …?
4. What do you believe the consequences of that have been or are?
5. Was that a positive or a negative outcome for you?

Closing comments

Thank you so much for your help and your time. It has been a real pleasure speaking to you. As I mentioned before, you are welcome to receive an electronic copy of the research once it has been completed and/or of the transcript of this interview.