



STUDENT ASSIGNMENT #2: The Seven S's: Further Analysis of the Dow Case

McKinsey, a consulting organization, examines a company's internal strengths and weaknesses by focusing on seven internal factors (Hax and Mejluf, p. 95):

1. **Strategy.** A coherent set of actions directed at achieving sustainable advantage over the competition, improving position in relation to competitors, and allocating resources.
2. **Structure.** The organization chart that shows how tasks are divided and integrated and who reports to whom.
3. **Systems.** The formal means by which the company performs such critical functions as capital budgeting, manufacturing, quality control, information management, and performance measurement.
4. **Style.** The symbols and behaviors of management, which suggest what it believes should be emphasized and what it considers to be important.
5. **Staff.** The demographics of who is in the organization, why have they been hired, and how long have they been around.
6. **Skills.** The special capabilities that the organization has, what is it able to do best. The skills of the whole organization should be greater than the skills of individual organization members.
7. **Shared values.** These go beyond explicit mission statements and include the actual attitudes that motivate employees to carry out their tasks.

Note that U.S. managers typically focus on 1, 2, and 3, while Japanese managers focus on 4, 5, 6, and 7.

Assignment:

Read background case: W. Wubbenhorst, "Dow Chemical: Environmental Policy and Practice," Ch. 3-4 in *Managing Environmental Issues: A Case Book*, ed. R. Buchholz, A. Marcus, and J. Post (New York: Prentice Hall, 1992), 211-230.

Question:

What are the strengths and weaknesses of Dow's P2 implementation using the 7 S framework? Please use all elements in the framework.

SOURCE

Hax, Arnoldo, and Nicolas Majluf. *Strategic Management: An Integrative Perspective*. Englewood Cliffs, N.J.: Prentice Hall, 1984.