

CMA INTERMEDIATE

STRATEGIC

MANAGEMENT

CHARTS BOOK

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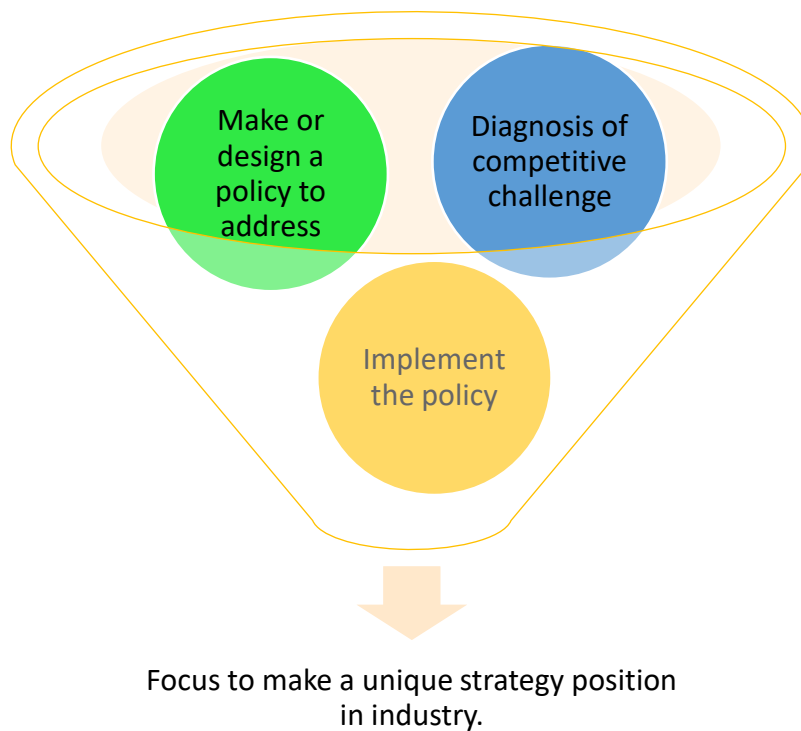
1.

INTRODUCTION TO STRATEGY AND STRATEGIC MANAGEMENT

➤ STRATEGY:-



➤ ELEMENTS :-



- The word strategy is derived from Greek word 'strategia' meaning generalship.

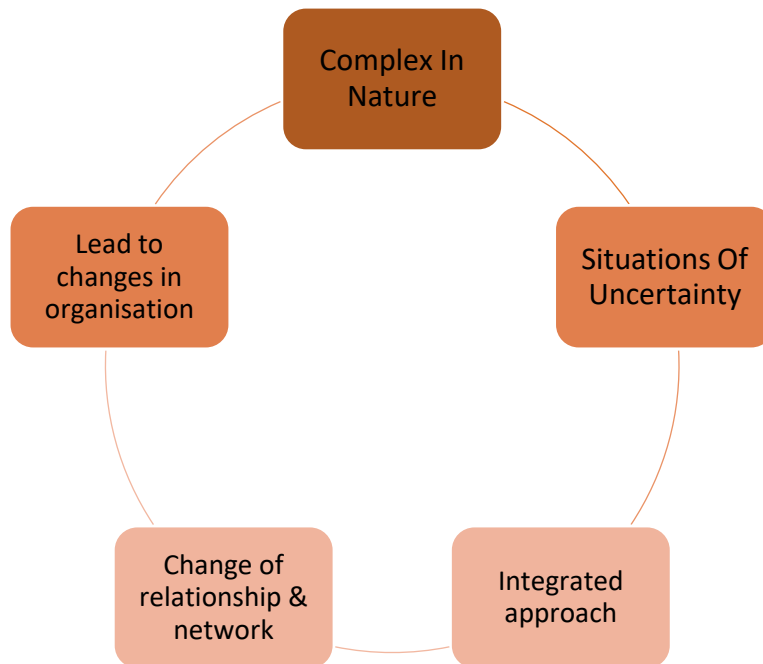
➤ DEFINITION:-



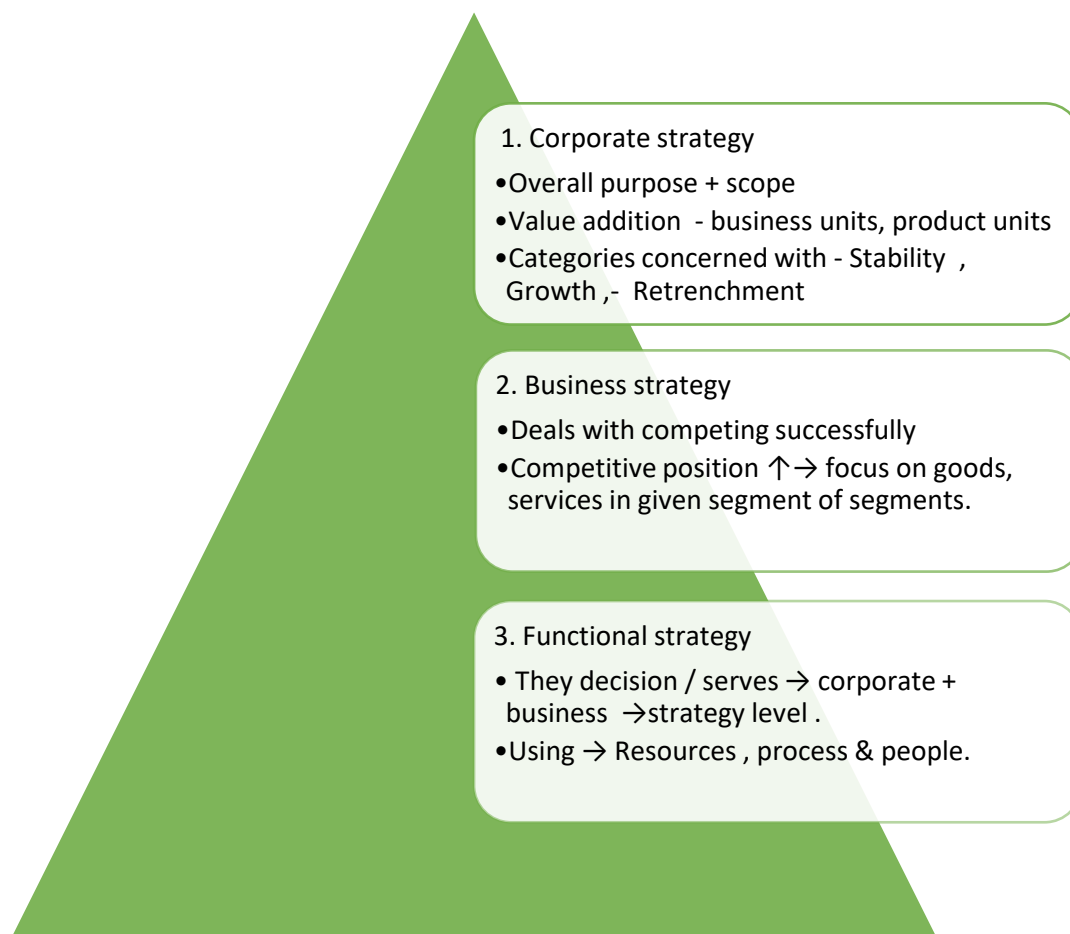
➤ CHARACTERISTICS OF STRATEGY:-



➤ CONSEQUENCES:-



➤ TYPES OF STRATEGY:-



➤ RED OCEAN & BLUE OCEAN :-

Sr. no.	Red ocean	Blue ocean
1	Compete in existing markets	Create uncontested markets to serve
2	Beat the companies	Make to competition irrelevant.
3	Exploit existing demand	Create and capture new demand
4	Make the value – cost trade – off	Break the value-cost trade-off
5	Align the whole existence of a firm’s activities with its strategic choice of differential or low cost.	Align the whole system of a firm’s activities in pursuit of differentiation and a low cost.

➤ STRATEGIC MANAGEMENT :-

- Strategic management refers to a set of management decisions and actions that determines the long-term performance of an organisation.



➤ ALIGNMENT OF STRATEGY WITH VISION, MISSION & CULTURE :-

➤ VISSION:-

It is the desired future state of an organisation.

It is a clear image of what a company wants to behave in future.

Realistic , credible, attractive.

Example : Nike → To bring innovation and inspiration to every athlete in the world.

➤ MISSION :-

A company mission describes its purpose and its present business
(who we are? , what we do ? and why we are here?)

It declares what goods/ services are being provided by its company.

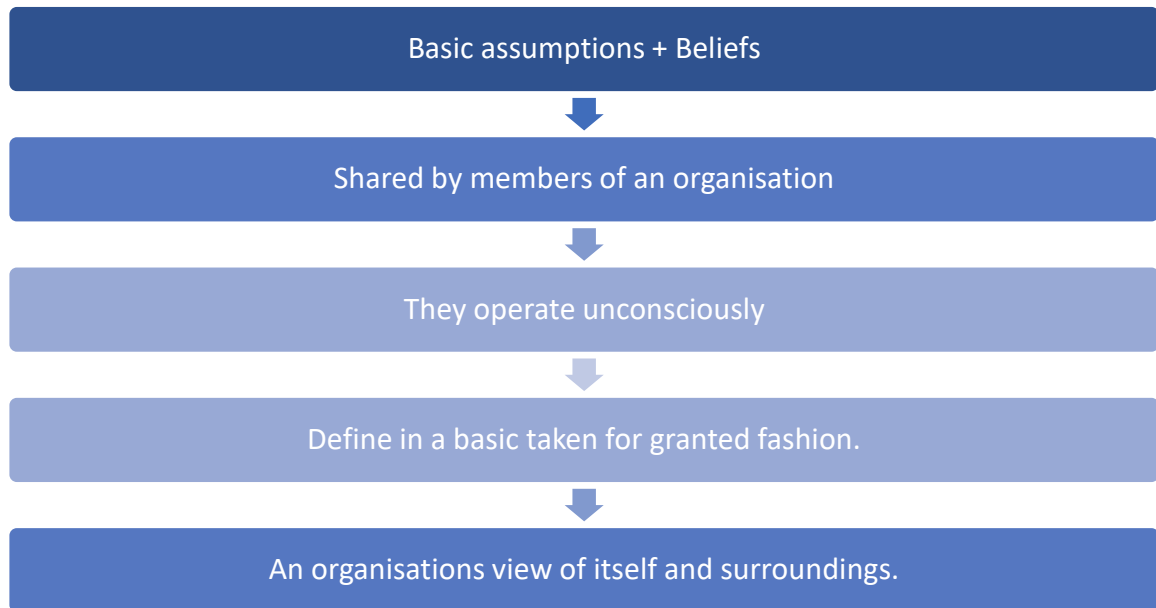
It identifies scope of the companies operations.

It includes → value + Philosophy about business, treatment of employees.

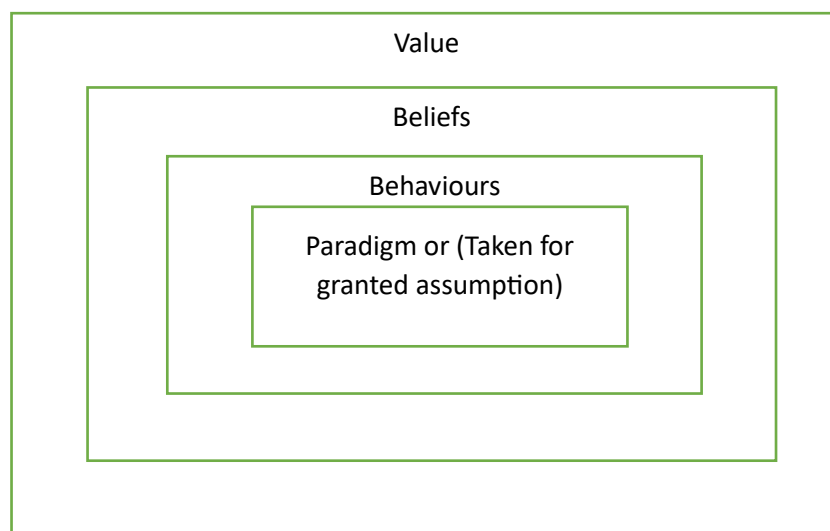
A separate document .

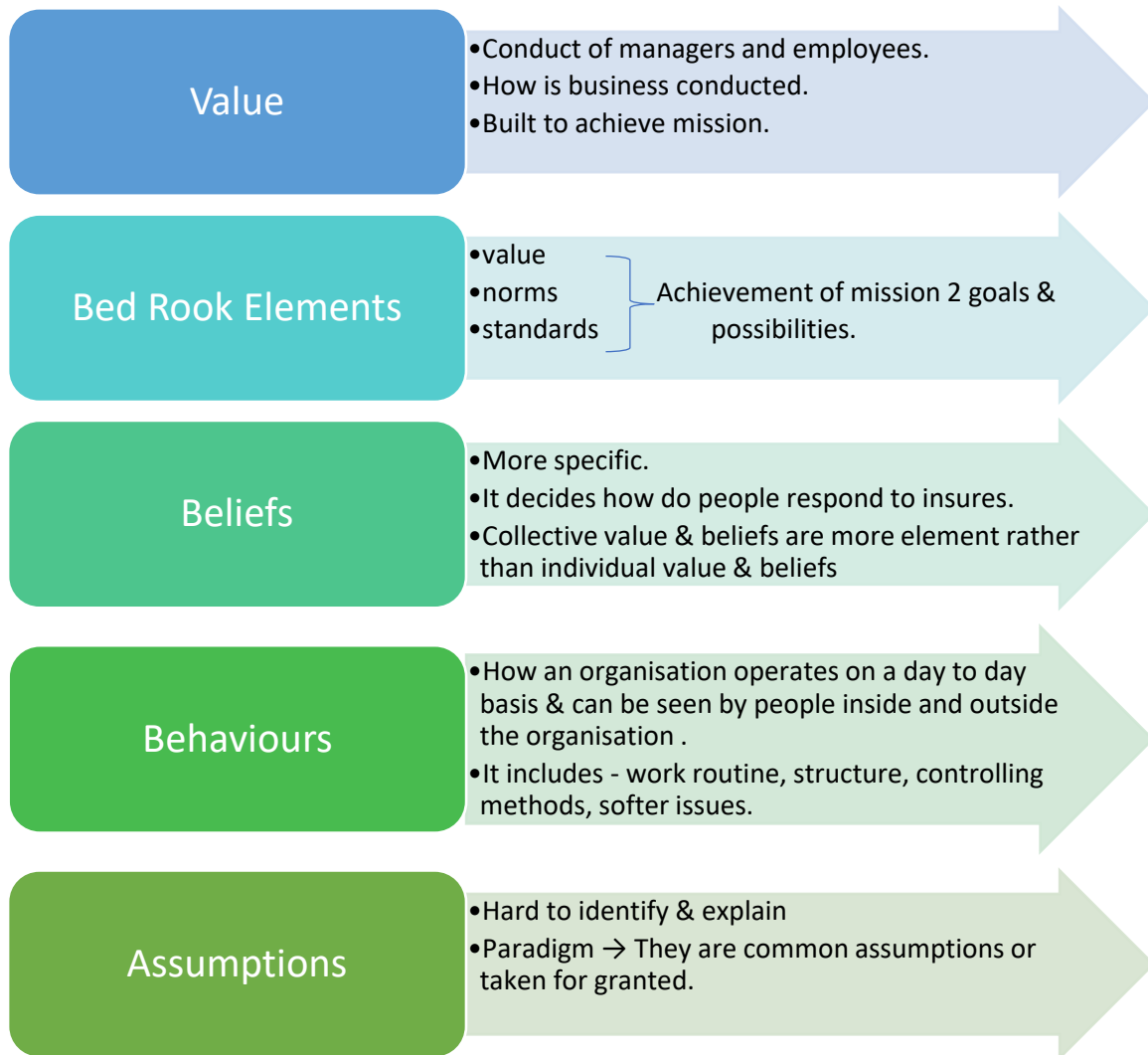
Example : Alibaba → To make it easy to do business anywhere.

➤ ORGANISATIONAL CULTURE:-



➤ Four layers of organisational culture:-





➤ CULTURES INFLUENCE ON STRRATEGY :-

- Nature → Taken for granted
- Why is it important for strategy.

Managing culture

- A culture is difficult to - Observe , identify, control
- Reason - It works in a taken for a granted manner.

Culture as on drives of strategy

- It is difficult to change strategy outside bounds of the culture
- When changing business environment is forced.
- Managers try to cope with that in terms of existing culture.

➤ ETHICAL BEHAVIOUR:-

A culture should include ethical behaviour



Important actions to be taken

Explicitly articulate values → That emphasize ethical behaviour.

→ How is it done? - draft a code of ethics. A code of ethics is a formal statement of it is ethical priority.

Repeatedly emphasise their importance and act on them.

Intuitive & reward system.

Ethical core values

Underly → vision statement to ensure – stability & long term success

→ **Mission & competitive advantages.**

➤ Goals:-

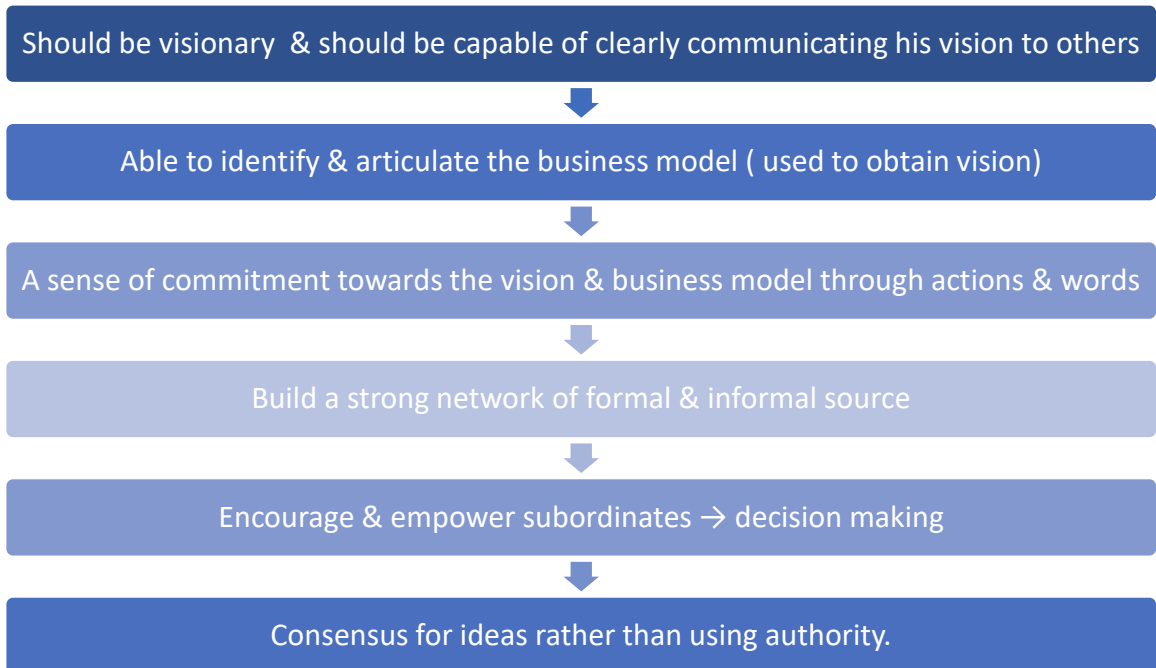
An organisation hopes to accomplish in future period of time.

A future state of outcomes of efforts

Goals → financial & non financial - issues are addressed

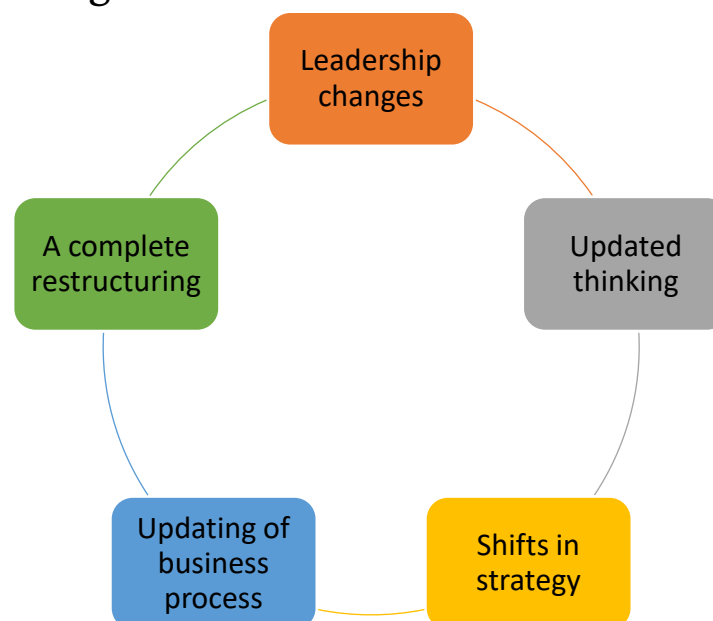
Close - ended attribute → Precise , expressed in specific terms.

➤ CHARACTERISTICS OF A STRATEGIC LEADER:-

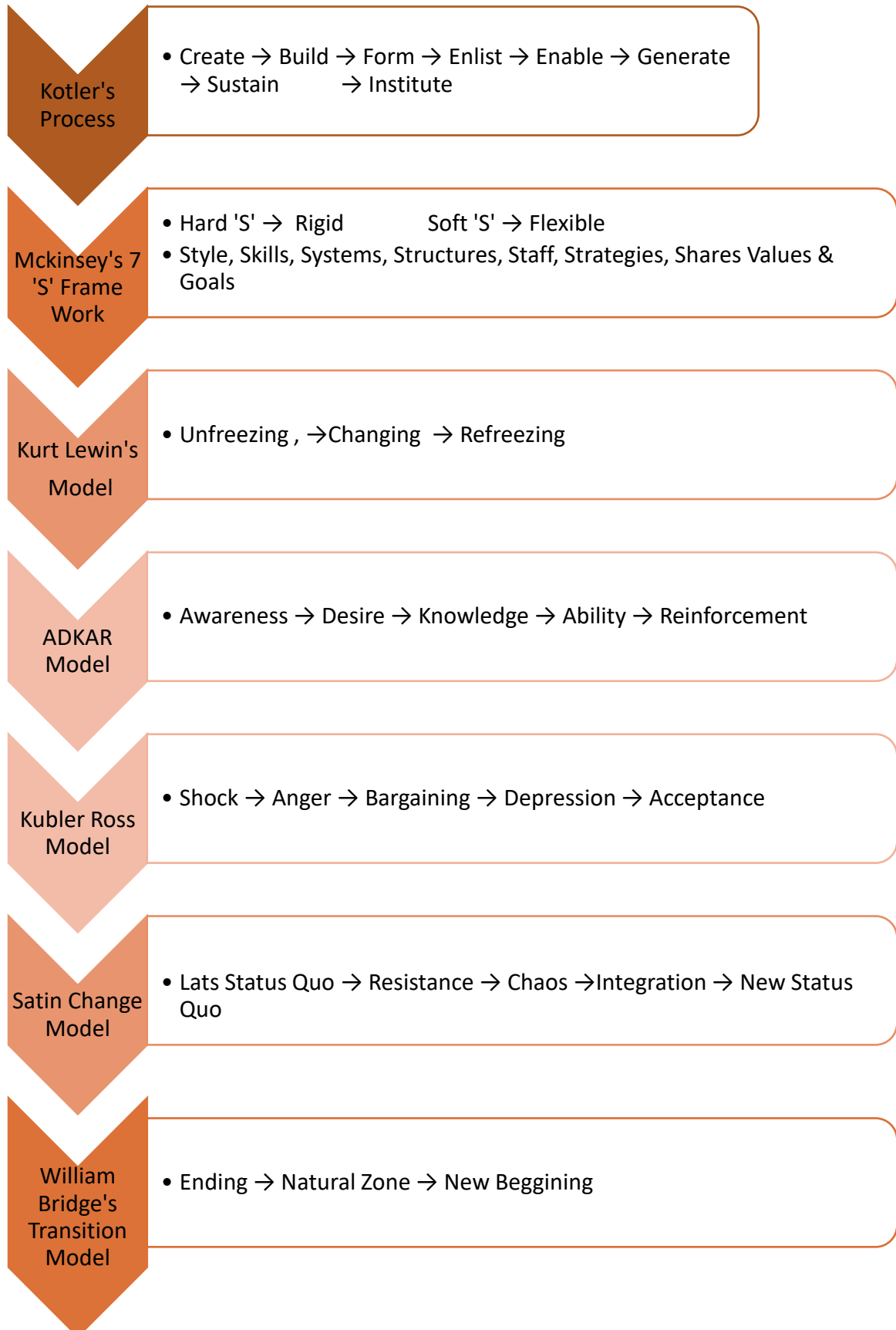


➤ ORGANISATIONAL CHANGE:-

- Inevitable aspects
- Shows one's commitment to growth & evaluation to stay modern, competitive, relevant.
- Example of changes :



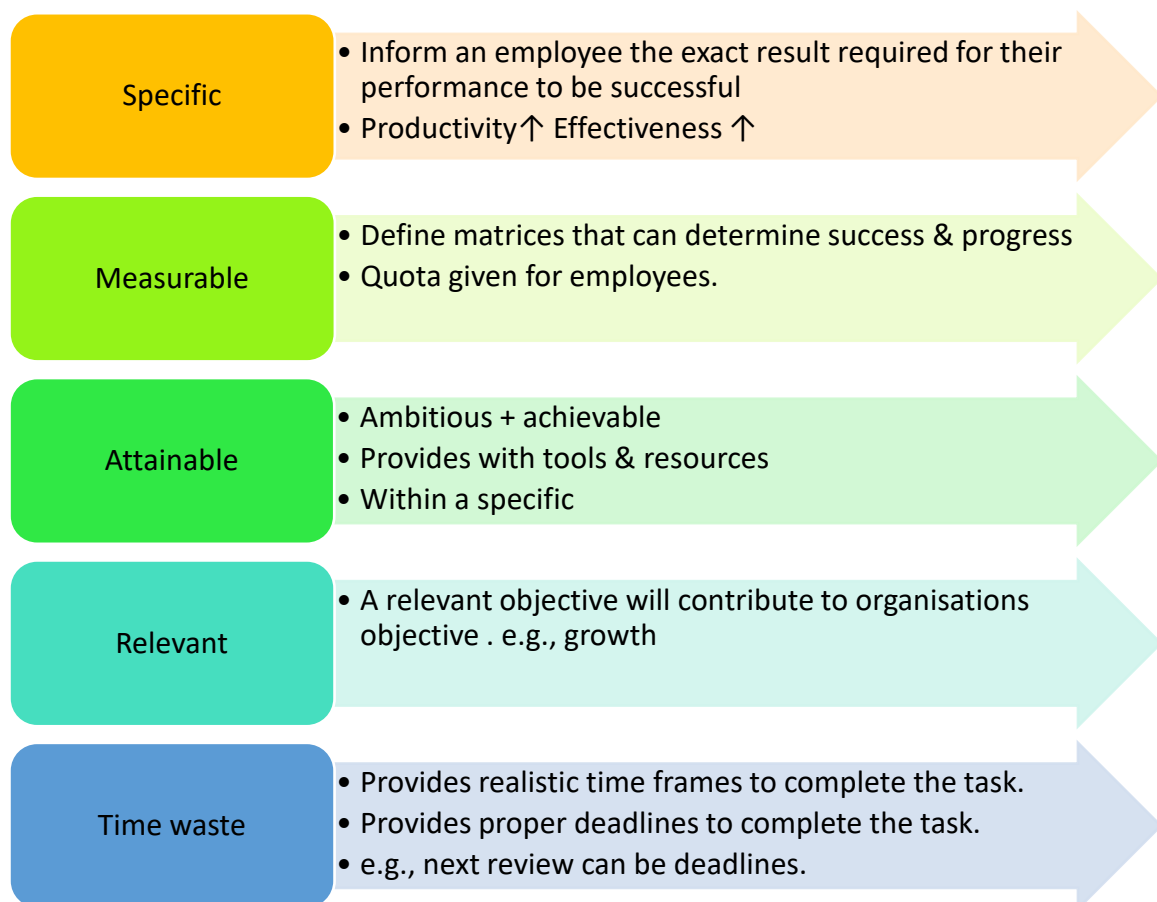
- To manage changes we use organisation change management methods:



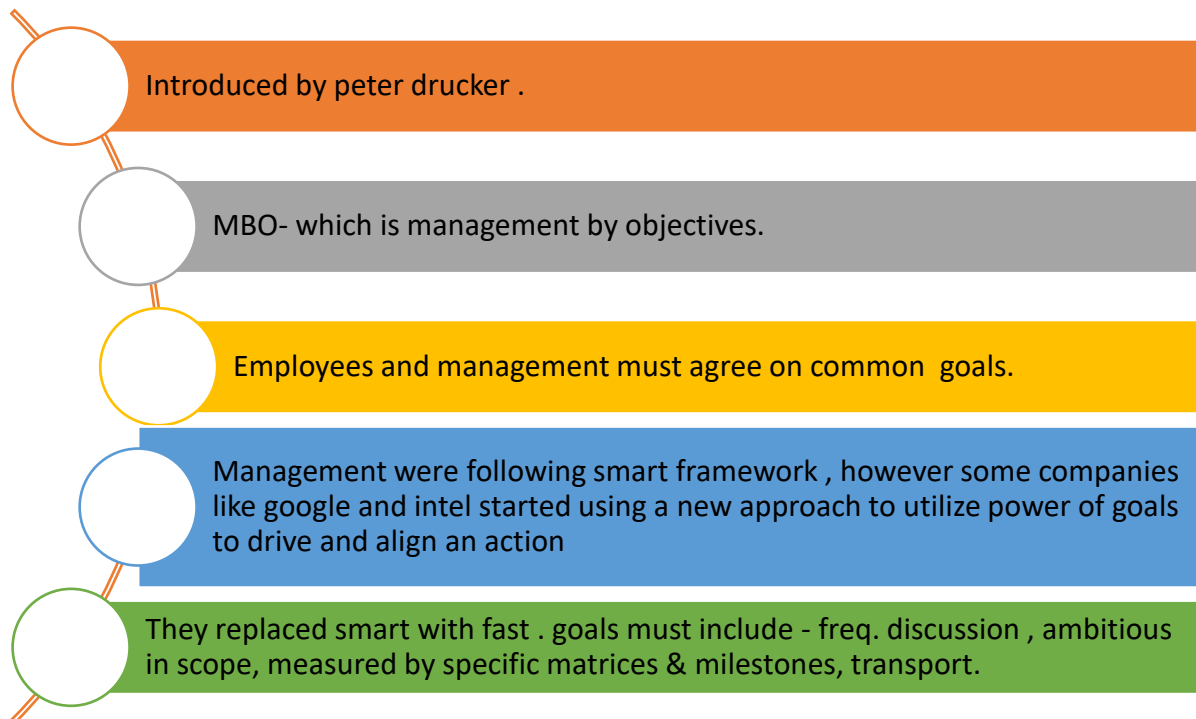
➤ Alignment with individual level objective & organisational level objective:-

Personal objective	5-7 goal / employee	Alignment?
<ul style="list-style-type: none"> • Job specific goals for individual employees. • What is implant. • What is expected out of them. 	<ul style="list-style-type: none"> • Activity based - such as total revenue/ month/ week. • To well until also specify outcomes. 	<ul style="list-style-type: none"> • To achieve quantity & quality of efforts between individual and team.

➤ SMART FRAMEWORK :-



➤ FAST FRAMEWORK:-



➤ PERFORMANCE OBJECTIVE:-

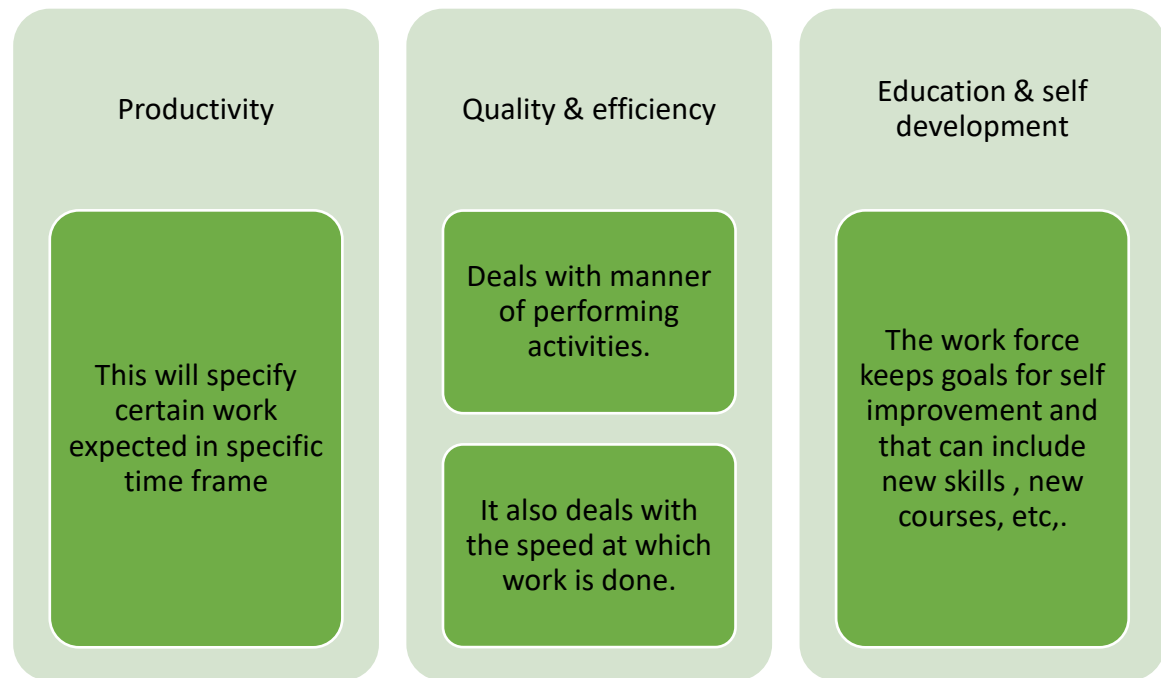
They are set so that employees will know, what is expected from them and what they are accountable for.

They can be performance based or development based.

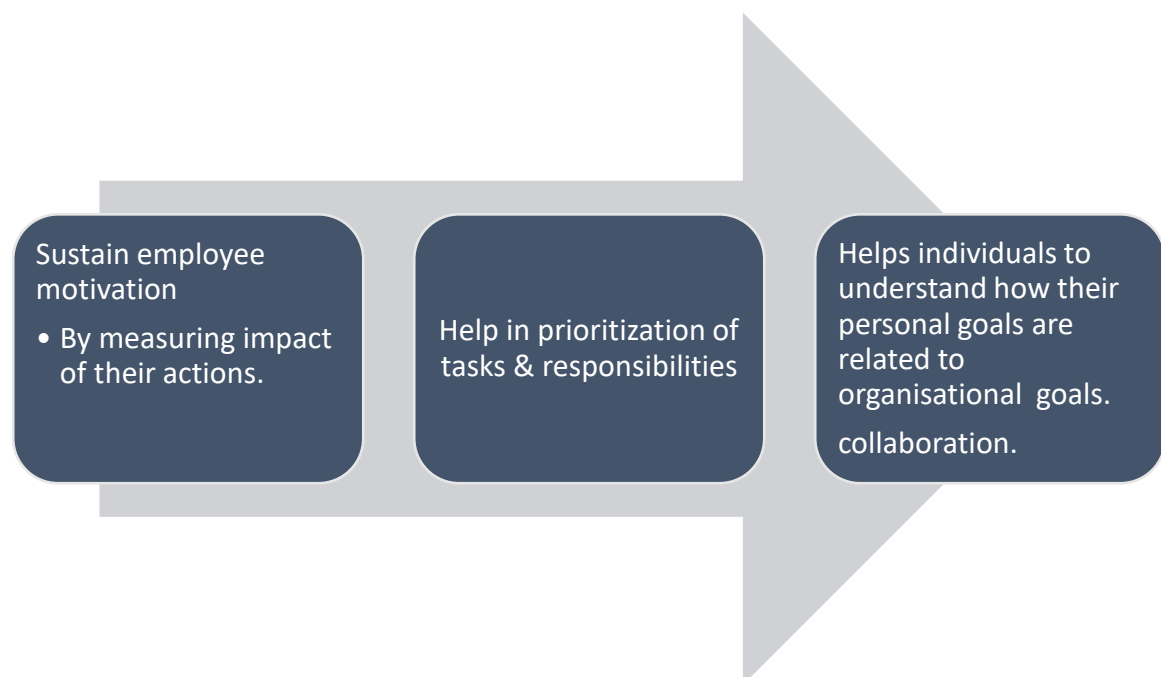
They are measured differently in different companies.

They may also carry different weightage in different industry.

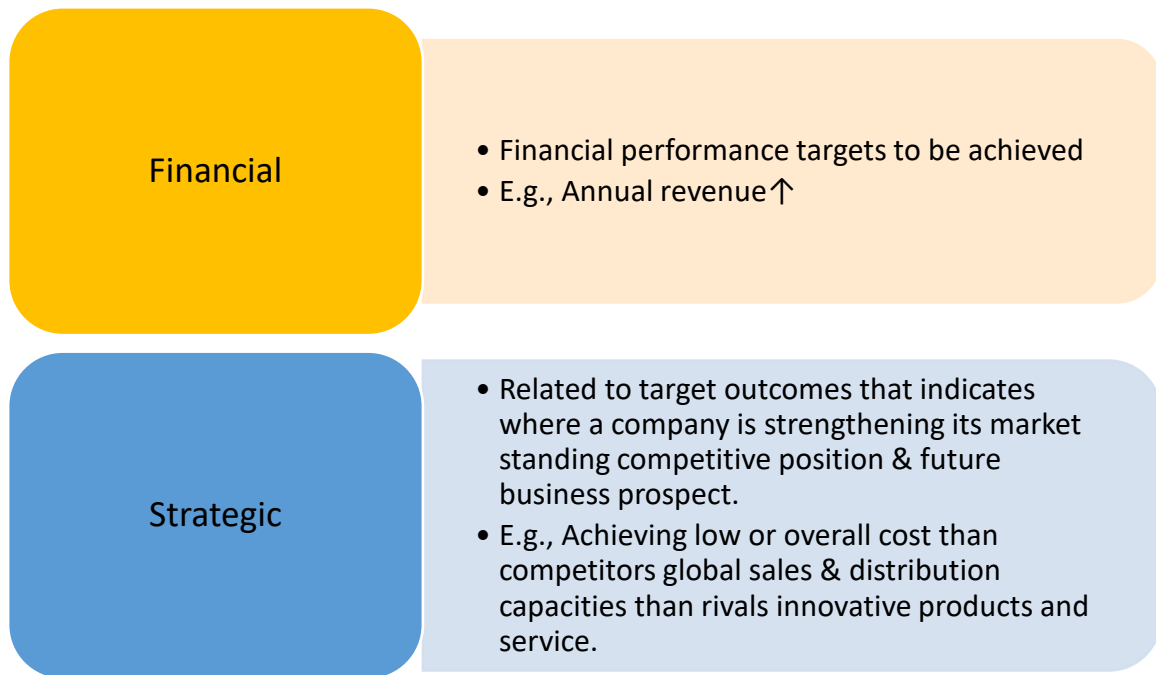
- EXAMPLES :-



- Reasons of aligning individual goals to organisational goals:-



➤ TYPES OF OBJECT:-



➤ BALANCE SCORECARD:-

• **Steps in balanced scorecard:**

