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STRATEGY

DEFINATION OF STRATEGY

Igor H. Ansoff

The common thread among the organization's activities and product markets that defines the essential nature of business that the organization has or planned to be in future.

William F. Glueck

A unified, comprehensive and integrated plan designed to assure that the basic objectives of the enterprise are achieved.

CONCEPT OF STRATEGY

- Helps To Respond To Dynamic Hostile External Forces
- Is a Long Range Blue print of Desired image, Direction & Destination
- Unravels Complexity & to reduce uncertainity of the environment
- Is a Scheme to exploit opportunities & Meet potential threats
- Is a Game Plan to Achieve organisations Objectives
- Brings a Sense of Dynamic Direction,Focus & Cohesiveness
- Can never be perfect, Its Always flexible & pragmatic

NATURE OF STRATEGY

A company's strategy is typically a blend of partly proactive and partly reactive.

Strategy

- **Proactive** actions on the part of managers to improve the company's market position & financial performance.
- **Reactions** to unanticipated developments and fresh market conditions.

MANAGEMENT

Management is an influence process to make things happen, to gain command over phenomena, to induce & direct events & people in a particular manner. The term is often used :

- As a key group in an organisation in-charge of its affairs
- As a set of interrelated functions and processes carried out by the management of an organisation to attain its objectives.

STRATEGIC MANAGEMENT

Concept of Strategic Management

- Managerial process to develop vision, set objectives, craft, implement and evaluate strategy.
- &
- Initiate corrective adjustments where deemed appropriate

Objectives of Strategic management

- To create competitive advantage, so that the company can outperform the competitors in order to have dominance over the market.
- To guide the company successfully through all changes in the environment

LIMITATIONS OF STRATEGIC MANAGMENT

- Environment is highly complex and turbulent
- Strategic management is a time-consuming process.
- Strategic management is a costly process
- Competition is unpredictable.

Importance & Benefits of Strategic Management

- Defines the goals and mission
- Helps the organisation to develop certain core competencies and competitive
- Helps organisations to be proactive instead of reactive in shaping its future
- Provides framework for all major decisions of enterprise.
- Prepares the organisation to face the future.
- Serves as a corporate defense mechanism against mistakes and pitfalls.
- Enhance the longevity of the business.

STRATEGIC INTENT

- Strategic intent can be understood as the philosophical base of strategic management. It implies the purposes, which an organisation endeavors to achieve.
- Strategic intent gives an idea of what the organisation desires to attain in future. It answers the question what the organisation strives or stands for?
- Strategic intent provides the framework within which the firm would adopt a predetermined direction and would operate to achieve strategic objectives

Elements of Strategic Intent

- Vision
- Mission
- Goals & Objectives
- Values

VISION

Vision implies the blueprint of the company's future posit

It describes where the organisation wants to land.

It depicts the organisation's aspirations and provides a glimpse of what the organisation would like to become in future.

Essentials of Strategic Vision

- It is Creative & Future Directed
- Forming a strategic vision is an exercise in intelligent entrepreneurship.
- A well-articulated strategic vision creates enthusiasm among the members of the organisation.
- It Clearly illuminates the direction in which organisation is headed.

Reasons For Having Mission

- To ensure unanimity of purpose within the organisation
- To develop a basis, for allocating organisational resources
- To provide a basis for motivating the use of the organization's resources
- To establish a general organisational climate For Effective Business operations
- To serve as a focal point for organisation's purpose and direction.
- To facilitate the translation of objective and goals into a work
- To specify organisational purposes & the translation of these purposes into goals in such a way that cost, time & performance parameters can be assessed and controlled.

MISSION

A company's mission statement is typically focused on its present business scope – "who we are and what we do".

Mission statements broadly describe an organizations present capabilities, customer focus, activities, and business makeup.

Points to be considered while writing mission statement

- To establish the special identity of the business one that typically distinct it from other similarly positioned companies
- Needs which business tries to satisfy. customer groups it wishes to target & the technologies and competencies it uses and the activities it performs.
- Good mission statements should be unique to the organisation for which they are developed.
- The mission of a company should not be to make profit. Surpluses may be required for survival & growth, but cannot be mission of a company.

Difference Between Vision & Mission

VISION	MISSION
Vision Refers to The Ultimate Goal to be Achieved	Mission is a Statement indicating the activities to be pursued for accomplishing a goal
The Vision States The Future Direction	The Mission States The ongoing activities of the organisation
It is For Long Term	It is For Short Term
Vision is Broad & Inspirational	Mission is Clear & Action Oriented
It Answers the Question of "Where We Want to be"?	It Answers the Question of "Where We are at present"?
Vision is an Effect & Its cause is Mission.	Mission is Cause & Its Effect is Vision

GOALS & OBJECTIVES

Goals are open-ended attributes that denote the future states or outcomes. Objectives are close- ended attributes which are precise and expressed in specific terms. Thus, the Objectives are more specific and translate the goals to both long term and short-term perspective.

Objectives should be quantitative, measurable, realistic, understandable, challenging, hierarchical, obtainable, and congruent among organizational units. Objectives are short-term & long-term.Long term objectives are subdivided into short term such as monthly, weekly or daily objectives.

Essential Characteristics of Goals & Objectives

Goals & Objectives Should Be

- Defining the organisation's relationship with its environment.
- Facilitative towards achievement of mission and purpose
- Providing the basis for strategic decision-making
- Providing standards for performance appraisal.
- Concrete and specific.
- Related to a time frame.
- Measurable and controllable
- Challenging.
- Correlating with each other
- Set within the constraints of organisational resources and external environment.

VALUES

values are the fundamental principles and beliefs that steer a company's operation.

They cultivate the corporate culture, dictate conduct, and set the tone for its interactions with its customers, employees and other stakeholders.

A few common examples of values are
– Integrity, Trust, Accountability, Humility, Innovation, and Diversity.

- Importance of Values -

- A company's value sets the tone for how the people think and behave.
- It creates a sense of shared purpose to build a strong foundation and focus on longevity of the company's success.
- Employees prefer to work with employers whose values resonate with them.
- Majority of consumers prefer to buy products and services from companies that have a purpose that reflects their own value and belief system.

STRATEGIC LEVELS IN ORGANISATION

CORPORATE LEVEL MANAGERS
- Takes Decisions For the Company as a Whole, Affecting Each Business.
- CEO , Board of Directors, Senior Executives & Corporate Staff Etc.

BUSINESS LEVEL MANAGERS
- Takes Decisions Based on Corporate Level managers Decisions For Their Respective Business , The Ones They lead
- Divisional Managers & Staff Etc

FUNCTIONAL LEVEL MANAGERS
- Takes Decisions For The Function They Lead Like Finance, Marketing, Human Resource Etc & Actually Turns The Decisions of Above two into Action
- Finance Managers, Marketing manager, HR Manager Etc

NETWORK OF RELATIONSHIP BETWEEN THE THREE LEVELS

FUNCTIONAL & DIVISIONAL RELATIONSHIP

It is an independent relationship, where each function or a division is run independently headed by the function/division head, who is a business level manager, reporting directly to the business head, who is a corporate level manager.

HORIZONTAL RELATIONSHIP	It's a Flat Structure Where Everyone From Top management to Staff level Employees are considered at same level
MATRIX RELATIONSIP	It's a Structure with teams formed with people from various departments