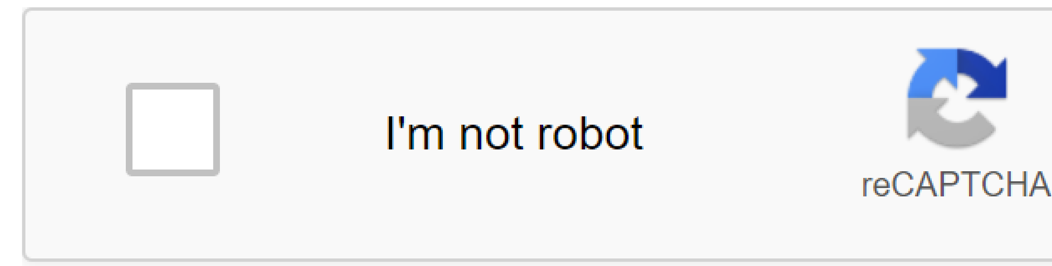
Strategic management process steps pdf



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Strategic management plays a key role in your organization's success. As the name implies, this process involves making and implementing strategic decisions to achieve your goals. It identifies the steps that need to be taken to bring your vision to life and ignite business growth. In addition, the strategic management process can give you a competitive edge. Regardless of industry and type of business, it is important to have clear goals for your organization and plan to bring your vision to life. Strategic management includes the steps needed to achieve your goals in a smart way. Regardless of the size of your business, you should have clear goals in mind. If you are a startup, you can increase your income and reach more customers. Small businesses can focus on raising brand awareness and expanding their operations. For example, a corporation can invest in the development of new products and technologies. Regardless of your goals and your goals, it is important to develop a plan and make strategic decisions. Setting goals is only one part of the process. You need to know exactly what it takes to achieve these goals, whether it's raising additional funds, buying new equipment or expanding your market coverage. This is where the process of strategic management takes place. This five-step approach involves identifying your goals, analyzing the current situation, and developing a strategy. Next, you need to implement this strategy and monitor the results. The goal of strategic management is to help your business meet its goals. Basically, it outlines actions and solutions that enable the organization to achieve its goals. The importance of strategic management in today's business environment is widely recognized. More than 89 percent of managers say that formulating a strategy that meets ever-changing market conditions is essential to defeating competition. Approximately 77 per cent of successful organizations have an established process of implementing and evaluating their strategies. More than 63 percent have joined their business units in their corporate strategy. In this competitive age, achieving a leading position in the market is becoming more and more challenging. As a business owner, you are targeting thousands of other companies that may already have a loyal customer base. In addition, technology is evolving rapidly, and the only way to succeed is to stay flexible and adapt your business strategy to market conditions. The strategic management process has several stages, including an analysis of the situation. Once you have set goals for your business, you need to make sure that you can really achieve those goals. This requires a good understanding of the internal and external factors that influence the organization. At the moment assess the market and gather information relevant to achieving your goals. Consider and the national economy, as well as your competition and market trends. Assess the strengths and weaknesses of your company, its material resources and the threats it may face. The next step is to formulate and implement a strategy that fits your vision. This process will not only help you achieve your goals, but will also allow you to identify new opportunities and areas of improvement. For example, if you plan to launch a new product, strategic management can give you a better understanding of the market. It also provides the information needed to make smart decisions and prioritize. Whether you're a small business or a corporation, you can take advantage of strategic management. Companies, implementing this practice, report increased productivity and operational efficiency, accelerated growth and increased revenue. The strategic plan ensures that your goals are realistic and aligned with the company's internal resources. The strategic management process can help your business achieve sustainable growth and gain a competitive advantage. In the long term, this leads to better organizational performance and ensures long-term market survival. With this approach, you will better understand your company's core competencies and how you can use them to stay competitive and profitable. In the private and non-profit sectors, the strategy issues relate to the overall direction or mission taken by the organization and the practical implementation of the mission. In these common terms, strategic planning and strategic management are used to describe very similar processes. While there is some debate on this issue, most people agree that there are subtle differences between the two descriptions. Strategic planning relates mainly to the mission and objectives of the organization, while strategic management also includes the implementation of these objectives. According to USAID, the terms strategic planning and strategic management include defining and defining the mission and objectives of the organization. By making a clear statement of mission or growth strategy, an organization can better identify the specific actions and allocations of resources that best serve its goals. A well-defined set of goals also provides a better basis for evaluation and feedback. The difference between strategic planning and strategic management is what happens after the goals are set. In general, the emphasis on implementation is that strategic planning and strategic management vary. Using the word planning involves defining and refining a comprehensive framework by which a company or other Makes decisions. the word management implies active oversight in the development and execution of specific steps to achieve the goals of the strategic planning. While the forms of analysis used in strategic planning are also used in strategic management, the relative emphasis on or lack thereof is the main difference between the terms. A significant part of implementing a common strategy, considering possible scenarios and outcomes can help the organization assess risks and take steps to mitigate them as much as possible. According to Fred Nickols, former director of strategy and planning for the Education Testing Service, this is an aspect of a strategy that usually falls under strategic management rather than strategic planning because it includes nitty gritty details of a common mission or set of goals. Another important area of concern in the organization's strategy is the awareness of internal strengths and weaknesses, both processes to implement the strategy and the organization as a whole. This includes evaluation or feedback mechanisms whereby an organization can assess how effective a common mission or goal is. Again, because this aspect of the strategy relates to the specific implementation of a mission or goal, it usually falls under the category of strategic management. Management is a strategic process, and steps in this process are critical to ensuring the success of a business, business unit or individual. Steps in effective strategic management include achieving internal and external contributions, developing goals and objectives, developing strategies and tactics, and assigning responsibility and accountability to achieving business objectives. The strategy is not created in a vacuum. Business managers should take into account the contributions of both internal and external sources to help them make informed decisions. Internal resources can include things like sales volumes, staff turnover, or customer satisfaction. External resources may include market information (e.g. the number of potential customers in the market, changes in their numbers and competitive forces), industry information and economic data. All of these contributions serve as the basis for identifying the organizational strengths, weaknesses, opportunities and threats that serve as the basis for the development of the strategy. An effective strategy should include setting goals and objectives. The organization and its staff need to know what is expected of them to perform their tasks and functions, and focus their energies on the right priorities. The goals are broad statements about the future direction - increasing market share. The objectives are more specific and include detailed information on both the specific level of progress achieved and the time frame by which they should be achieved. For example, increase market share in the northern services sector by 39 by the end of the year. Goals and objectives are supported by strategies and tactics. Strategies Strategies in a broad sense, the goals and tactics set out, in particular, what will be done to achieve these strategies. For example, the strategy might be: introduce new products. Tactics associated with this strategy may include: Conducting market research to determine consumer needs or developing new product prototypes. Strategies and tactics should include the contribution of the staff who will participate in the implementation. Strategic management sometimes lags behind once the plans are in place. Responsibility and accountability are important elements for success. Accountability must be placed on those who will be responsible for achieving their goals. The creation of indicators that will be collected and reported on a regular basis will ensure that everyone is aware of the progress that has been made or has not been achieved. As progress is measured and progress is reported, adjustments can be made to courses to change strategies or tactics to achieve great results. For the better part of a decade, strategy has been a buzzword for business. Top managers are thinking about strategic goals and objectives. Managers down the line rough out product/market strategies. Functional managers lay out strategies for everything from NIOKA to raw materials sources and relationships with distributors. Simple planning has lost its glamour; planners have all turned into strategists. All of this may have blurred the concept of strategy, but it has also helped to shift the focus of managers from the technical aspects of the planning process to substantive issues affecting the long-term well-being of their businesses. Signs that real change are taking place in business planning have been visible for some time in the performance of some large, complex multinational corporations - General Electric, Northern Telecom, Mitsubishi Heavy Industries, and Siemens A.G., to name four. Instead of behaving like big bulky bureaucracies, they were nimbly leap-frogging small competitors with technical or market innovations, in true entrepreneurial style. They execute what appears to be a well-designed business strategy consistently, consistently, and often at an amazing rate. Repeatedly, they have won market share away from more traditionally managed competitors. What is the source of the remarkable entrepreneurial power of these giant companies? Is this the result of their significant investment in strategic planning, which seems to have produced something like a quantum leap into the complexity of their strategic planning processes? If so, what lessons could be learned from the steps they had taken and the experience they had gained? To examine these issues, we have begun to systematically examine the link between formal and strategic indicators across a wide range of companies (see sidebar). We were looking for a common common in the development of planning systems over time. In particular, we looked at their evolution in those giant companies where formal planning and strategic decision-making were most closely and effectively intertwined. For two years, we and our colleagues studied the development of formal planning systems in 120 companies, mainly manufacturers of manufactured goods (customers and non-clients) in seven countries. To determine how and to what extent formal planning actually influenced the major decisions that define the business strategies of these companies, we sifted through materials ranging from case stories and interview briefs to detailed financial analysis. The four-phase evolutionary model derived from this work was further studied through an internal analysis of 16 representative companies, each with more than $500 million in sales, in which the relationship between planning and strategically important actions was particularly well documented. For the purposes of the study, the business strategy has been defined as a set of goals and a comprehensive set of measures aimed at ensuring a sustainable competitive advantage. The concept of strategic management described in this article is somewhat different from that of H. Igor Asoff, who invented and popularized the term. From strategic planning to strategic management under the editorship of H. Igor Asoff, Roger. Declerch and Robert L. Hayes (New York: John Wylie and Sons, 1976). Our findings suggest that formal strategic planning is indeed developing in a similar way in different companies, albeit with different paces of progress. This progression can be segmented into four consecutive phases, each with clear achievements relative to its predecessor in terms of clear wording of questions and alternatives, quality of staff preparatory work, willingness of senior management to participate in and guide strategic decision-making, and the effectiveness of its implementation (see Exhibition). The exhibition Four Steps in the Evolution of Formal Strategic Planning The Four Phase of Model Evolution, which we will describe, has already proved useful in evaluating corporate planning systems and processes and to indicate ways to improve their effectiveness. In this article, we describe each of the four stages with a special focus on Stage IV, the stage we have chosen to call strategic management. In order to highlight the differences between the four stages, each of them will be sketched a few bold touches. Obviously, not all companies in our sample accurately fit the pattern, but generalizations are broadly applicable to everyone. Phase I: Major Financial Planning Most Companies Track The Origins of Formal Planning to the annual budgeting process, where it all comes down to a financial problem. Procedures are being developed to forecast revenues, expenditures and capital requirements and to determine spending budget limits on an annual basis. Information systems report functional characteristics compared to budgetary goals. Phase I companies often demonstrate powerful business strategies, but they are rarely formalized. Instead, they exist. The only concrete evidence that there is a business strategy may be projected revenue growth rates, sometimes qualified by certain debt/equity targets or other clear financial objectives. The quality of the strategy of the first stage largely depends on the CEO and the top team. Do they really know their company's products and markets and have a good idea of what the main competitors will do next? Based on their knowledge of their own cost structure, can they assess the impact that product or marketing changes will have on their plants, their distribution system, or their sales? If so, and if they don't plan for businesses to grow beyond traditional limits, they may not need to create an expensive planning apparatus. Phase II: Planning based on the complexity projections of most large enterprises, however, requires clearer documentation of implicitly understood Phase I strategies. Shoes usually pinch first in financial planning. While the Treasurers are trying to assess capital requirements and compromise with alternative financing plans, they and their staff extrapolate past trends and try to anticipate the future consequences of political, economic and social forces. Thus, the second phase, based on planning forecasts, begins. Most long-distance or strategic planning today is Phase II of the system. First, this planning differs from the annual budget only in terms of the duration of its terms. Very soon, however, the real world upsets planners, perversely different from their predictions. In response, planners typically use more advanced forecasting tools, including trend and regression analysis models and, ultimately, computer modeling models. They achieve some improvement, but not enough. Sooner or later plans based on a predictive model do not signal major environmental shifts that not only seem obvious after the fact, but also have a large and usually negative impact on the corporate state. However, Phase II improves the effectiveness of strategic decision-making. She is management to counter the long-term impact of decisions and to reflect on the potential impact on business of notable current trends long before the impacts are visible in current earnings statements. Issues that relate to plans based on projections, such as, for example, future capital needs or foreign producers' attacks on domestic markets often lead to timely business decisions that strengthen the company's long-term competitive position. One of the most fruitful complementary products in Phase II is the efficient allocation of resources. Under pressure from long-term resource constraints, planners learn by circulating capital and other resources between units. The main tool is portfolio analysis, a device for the graphic organization of a diversified company's business in two aspects: competitiveness and market attractiveness. However, as is practiced by Phase II companies, portfolio analysis tends to be static and focused on current opportunities rather than looking for options. Moreover, it is deterministic, i.e. the position of the business on the matrix is used to determine the appropriate strategy, according to the generalized formula. And second-stage companies usually see portfolio positioning as the final product of strategic planning rather than as a starting point. Phase II systems also do well to analyze long-term trends and set goals (e.g. increased productivity or higher capital use). But instead of bringing key business issues to the surface, they often bury them under the masses of data. In addition, Phase II systems can motivate managers in the wrong direction; both incentive compensation programmes and informal remuneration and values tend to focus on short- or medium-term operating performance to the detriment of long-term goals. In general, Phase II planning becomes too easy as a mechanical routine, as managers simply copy last year's plan, make some performance adjustments, and extend the trend lines for another 12 months in the future. Phase III: Externally oriented planning In the face of rapid changes in events can render market forecasts obsolete almost overnight. Repeatedly confronted with such frustrations, planners begin to lose faith in forecasting and instead try to understand the major market phenomena that are the driving force behind change. The result is often a new understanding of the key determinants of business success and a new level of planning efficiency, Phase III. At this stage, resource allocation is both dynamic and creative. Phase III planners are now looking for ways to move the business on the portfolio matrix into a more attractive sector, either by developing new business opportunities or by rethinking the market to better align the strengths of their companies. A Japanese conglomerate with insufficient use of steel capacity at its shipyard and faltering high-rise concrete chimneys business has combined them into a successful pollution control. In search of new ways to identify and meet the needs of clients, Phase III strategists are trying to look at offers and offers of their competitors from the point of view of an objective outsider. For example, one heavy equipment manufacturer assigned a strategic team the reverse engineering equipment of a competitor, the reconstruction of production facilities on paper and the cost of a competitor's production at a competitor's plant. The team found that design improvements gave the competitor such an advantage in production costs that there was no point in trying to compete on price. But they also found that lower operating costs of their own product and fuel costs offer customers clear savings based on lifecycle costs. Accordingly, sales staff have been trained to sell the benefits of the cost of the life cycle. Over the next three years, the company increased its market share by 30% and doubled its net profit. Another strategy, based on the external perspective, was developed by an American manufacturer of manufactured goods. When sales in one of the main product lines quickly declined after the emergence of a new, cheaper competitive product, she decided to find out the reason. Through a field of interviews with customers, he found that the sales slide was almost over, something competitors didn't realize. As product sales fell to several major markets where there was no cost-effective alternative, it decided to put more support behind this product line, just as the competition was closing its factories. The manufacturer trained sales staff to serve those distributors who continued to carry the line, and revised prices to obtain competitive distribution through general distributors. It even resisted the trade association's move to reduce government-approved safety requirements when handling new products. By the time its strategy was obvious to competitors, the manufacturer had firmly established a leadership in distribution in a small but attractive segment of the product/market. The SBU concept of Phase III planning in diversified companies is the formal grouping of related enterprises into strategic business units (SBU) or organizational organizations large and homogeneous enough to exercise effective control over most of the factors affecting their business. The SBU concept recognizes two different strategic levels: corporate decisions that affect the form and direction of the enterprise as a whole, and business decisions that affect only individual SBU solutions operating in its own environment. Thus, strategic planning is packaged in parts relevant to individual policy makers, and the development of a strategy is linked to the implementation of the strategy as a clear responsibility for operational management. Have to the concept of the SBU. Many enterprises, such as vertically integrated companies in process-oriented industries, cannot be neatly dispersed in business units because their business shares important corporate resources - sales, manufacturing and/or NIOCRIT. In other situations, the strategy may dictate the agreed direction of several business units to meet the needs of a common group of customers, such as selling the automotive industry or establishing a corporate position in Brazil. In other cases, the combined purchasing power of several SBUes or the freedom to transfer technology from one business to another may be more valuable than the ability to make profit-oriented decisions in individual units. For example: a large chemical company has found that some of its competitors, which have grown large enough to integrate back into raw materials production, are beginning to gnaw at its historic competitive advantage as a fully integrated manufacturer. One reason is that by licensing a certain technology to the competition, the company gives an advantage in the cost of raw materials, which it can not compare with its own, older plants. The main problem, however, is that its product managers are concerned about competitive threats in only a few of the many product/market segments they serve. Solutions that seem to make sense at the individual level of the business unit have been adding up to deep trouble for the company as a whole. A major supplier of industrial equipment has divided its electricity manufacturing business into two SBU, an electricity generation plant and a power transmission business. Too late, top management discovered that the NI SBU did not consider pollution control equipment as part of its legal charter. As a result, the company was unable to bid for this business, which accounts for a quarter of the capital expenditure on the electricity sector. The most important way in which Phase III differs from Phase II is that corporate planners are expected to offer a number of alternatives to senior management. Each choice is usually characterized by a different risk/reward profile or prioritizes a different goal (e.g., greater job security at some cost of return on investment). This change is quite widespread; in fact, one easy way to determine whether a company has advanced to Phase III is to ask managers whether their boss will consider presenting strategy alternatives as a sign of indecision. The alternative strategies approach becomes both a force and a weakness in the planning of the third phase, as it begins to impose a heavy, sometimes unacceptable burden on top management. As organizational capacity for detailed product/market planning and spread across the organization, the number of issues raised, alternatives surfaced, and the opportunities that have evolved are alarmingly expanding. Top managers soon recognize that explicit choices are made by planners and managers in the depths of the organization's life without participation at the highest level, and that these are these can have a significant impact on the long-term competitiveness and well-being of their company. This knowledge disturbs top management and encourages them to become more involved in the planning process, Phase IV. Phase IV: Stage IV Strategic Management joins strategic planning and management in a single process. Only a few of the companies we have studied are clearly managed strategically, and all of them are multinational, diversified manufacturing corporations. The task of planning the needs of hundreds of different and rapidly developing enterprises serving thousands of products/markets in dozens of different national environments has led them to create complex, uniquely effective planning methods.

However, these organizations are not so much distinguished by the planning method as by the thoroughness with which management links strategic planning with operational decision-making. This is largely achieved by three mechanisms: 1. Planning frameworks that override organizational boundaries and facilitate strategic decisions about client groups and resources. 2. A planning process that stimulates entrepreneurial thinking. 3. A corporate value system that strengthens the commitment of the company's strategy managers. As noted earlier, many Phase 3 companies rely on the SBU concept to provide a planning framework, often with disappointing results. However, there are often more levels on which strategically important decisions should be made than the two implied in the SBU theory. In addition, today's structure of the organization cannot be an ideal basis for planning tomorrow's business, and a strategically managed company can organize the planning process at five different levels of planning: 1. Product/market planning is the lowest level at which strategic planning is carried out, it is the product/market unit where the product, price, sales and maintenance are usually planned, and competitors are identified. Product/market planners often have no control over different sets of production facilities and therefore have to adopt a predetermined set of business economies. 2. Business Unit Planning - The bulk of planning efforts in the most diversified sales companies are at a level where mostly self-employed enterprises control their market position and cost structure. These individual business plans become the building blocks of the corporate strategic plan. 3. Co-planning resources - to achieve economies of scale or to avoid a sub-critical problem (e.g. at NIOCO sites), resources are shared. In some cases, prioritizing priorities is strategically important different divisions or developing a plan to manage the corporate resource as a whole. In resource-based industries or processes, strategies for shared resource units often determine the determine to limit the business unit strategy. 4. Joint Problem Planning : Some large companies require a certain level of planning responsibility to develop strategies that meet the unique needs of certain industry or geographic client groups, or to plan technologies (e.g. microprocessors, fiber optics) used by a number of business units. 5. Corporate Planning - Identifying global technical and market trends not picked up by business planners, setting corporate goals and pooling financial and human resources to achieve these goals is finally the responsibility of corporate headquarters. For corporations involved in only a few closely related products/markets, a two- or three-tier planning system can be quite adequate. Even where additional levels of planning are required, these companies do not need to enter another layer of organizational hierarchy to plan common resources or customer issues. Experience has shown, however, that it is important to recognize such issues where they exist and to place a clear responsibility for planning on the person or group in the organization. Otherwise, critical business decisions may slip between the cracks, and the corporation as a whole may not be able to take advantage of its strategic opportunities. Since the choice of planning frameworks would tend to affect the range of alternatives proposed, several strategic planning options were more important. Thus, defining a strategic planning framework is a key responsibility of senior management, with the support of corporate planners. Planning the process When planning as comprehensive and thorough as possible, Phase IV companies are also trying to keep their planning process flexible and creative. The main drawback of Phase II and III of strategic planning processes is their inevitable obfuscation in the official corporate calendar. Strategic planning is easily degenerated into mind-blowing bureaucratic exercises, punctuated by ritual formal planning meetings that neither inform top management nor help business managers get their jobs done. Department heads are known to try to break the burden of useless annual planning by inviting them to fold their business into other SBU, at least for planning purposes. To avoid such problems, one European conglomerate ordered that each of its SBUs first scrutinize its business, outline a detailed strategy, and then redesign as needed. It has been found that well-managed enterprises in relatively stable industries can often quite comfortable with routine monitoring against strategic goals every quarter and intensive strategic review every three to five years. Time saved from detailed annual planning sessions for each business is dedicated to businesses in fast-changing environments or or does not perform in accordance with the corporate plan. Because it is difficult to institutionalize a process that can reliably produce creative plans, strategically managed call companies and stimulate the thinking of their managers through: Emphasizing Competitiveness- Requirement for a deep understanding of competitors' strategies recently has been a planning major from U.S. electrical products companies well known for their commitment to planning. Top management comes to planning meetings prepared by its employees to conduct several key issues or activities. If, as you say, our competitors are only three years away from introducing microprocessors into their control units, why are they already talking about it in their annual reports? The president may ask. What savings can our customers achieve with microprocessor equipment? or who are the leading engineers of our competitors? Only one such grilling session is required to make department heads aware of gaps in their competitive information. Focusing on the topic - Several large companies have periodically stepped up their planning processes, asking their managers to adopt key annual plans on a particular topic. International business, new manufacturing technologies, the value of our products for customers and alternative distribution channels are successfully used. This approach has obvious limitations: it does not work with business units in trouble and should be avoided until the importance of formal planning is well established. The objectives of the negotiations - Several companies are trying to agree on strategically agreed goals between the headquarters of the corporation and the general management of the business unit. We want two years and $35 million in additional investment to prove to you that we can make it into a 35% gross business profit, said the new CEO of the unit in distress. During this time we will get zero profit, but we will strengthen our market share by three points and co-erdm material waste at our plant in Atlanta from 10% to 3%. In addition, you can have $4 million a year in the bottom line next year and $6 million a year after that. No investment, and only minimal share losses. But be prepared to sell the whole division, because after that it's all downhill. Faced with clear options, corporate governance can offer ideas and concessions that would promise them a large share growth and some profitability for much smaller monetary commitments ahead. Requirement of Strategic Ideas - Avoiding competition by indirect approach is the essence of a creative and innovative strategy: reformulating the function of a product, developing new production methods or distribution channels, or opening up aspects of competition to which traditional competitions are traditional Blind. One way to create this kind of thinking is to ask a question a business manager to describe the specific business benefits he or she intends to achieve. Top management is skeptical about every business plan. As one DIVISION CEO says: If you can't tell me something about my business I don't already know, you're probably not going to surprise our competitors either. This method relies heavily on corporate planners to demonstrate to non-creative business planners that there are new ways to look at old businesses. The Corporate Value System, shared by the company's top managers and mid-level managers, provides a third, less visible link between planning and action. While management styles and organizational conditions of companies, which can be called strategically managed, vary greatly, and even in one company there is a great variety, four common themes arise from interviews with staff at all levels in strategically managed companies: 1. The value of teamwork, which leads to task-oriented organizational flexibility. 2. Entrepreneurial drive, or commitment to creating things. 3. Open communication, not privacy. 4. The general belief is that an enterprise can largely create its own future rather than be driven into a predetermined angle by wind of environmental change. Teamwork on task force projects is the rule, not the exception, of strategically managed companies. Instead of being wary of these uniquely dangerous expeditions that go beyond organizational safety, managers learn to live with the ambiguity that teams create in exchange for excitement and a variety of new challenges. As a result, continuous reorganization may seem strange from outside the organization. For example: Observers, trying to understand the personnel reshuffle of top management in one very successful telecommunications company, were left scratching their heads, as first the chairman resigned to become president, and then he was demoted to become CEO of a large subsidiary. Who runs the company, the observers asked. Which person is responsible for their brilliantly executed strategy? No one. The whole team at the top was so strong that no manager deserves a single loan. The changes in the name visible to the public were more evidence of the success of the company's strategy stages than signals of the rise or fall of one person's career. Entrepreneurial activity among managers and technical staff at all levels is a valuable form of behavior in strategically managed companies. Top management of one of the organizations really wanted to get to the first synthetic fuel equipment business. Six levels down from senior management, an application engineer in the specialized metals division faced a notice of significant cost costs on expensive test equipment. Instead of cancelling an order for a source of equipment from a less expensive supplier and thereby incurring a six-month delay, the engineer went to the boss, and eventually to the boss's boss, to find out whether the delay in implementing the company's cost-saving strategy was worth it. As a result, the engineer did overspend the project's budget, but the test equipment was available when needed. The company's privacy strategy is one of the hardest things for senior management to give up. Yet the company cannot be strategically managed without the involvement of broad niches relative to young people in many aspects of the company's strategic plans. Top managers do not need to divulge everything, but at least junior managers should know what strategic goals serve their actions. In retrospect, one of the Presidents admitted that he had overestimated the value of confidentiality. We had a good idea for a strategy for our specialty business. But we couldn't implement it without letting everyone in the company know about it. We take the chance; Now I suspect everyone in the industry knows what we're doing. But they can't come together to outrun us. We're moving too fast. The shared commitment to creating one's own future is the core ethics of strategically managed companies. Instead of minor improvements - a few more market share or a few percentage points of cost reduction - managers have set ambitious goals that, if achieved, will lead to a sustainable competitive advantage for their company. For example: the Japanese TV manufacturer, faced with increasing material and labor costs, ordered its engineers to reduce the number of parts in color TVs by 30%. Innovative approaches to design have since allowed the manufacturer to significantly increase the volume, while halving the number of workers at its assembly plant. The manufacturer of the machine has committed to change the way the whole industry buys cars. In a sales environment where close personal relationships at the plant and with process engineers have previously been key to success, it has systematically injected top-management-oriented, technically and financially asserted sales approach. At the same time, it is radically modernizing its research and development capabilities, adding computer engineering, software development and system engineering support. Very few of our product advantages have patent protection, the CEO acknowledges. But if we can convince the industry to buy on productivity rather than on cost and delivery, the premium we can charge for engineering costs will fund enough research to keep us three to four years ahead. Using this approach, has already built one of the five largest In the world. As the economic system becomes more complex and the integration of individual business units into multinational, diverse organizations continues, ways must be found to restore the entrepreneurial strength of a simpler, more individually oriented company structure. Strategic management linking the rigor of formal planning to vigorous operational implementation may be the answer. A version of this article appeared in the July 1980 issue of Harvard Business Review. Reviews. strategic management process steps pdf. strategic management process steps slideshare. strategic management process steps quizlet. planning and strategic management process steps. 7 steps of strategic management process. in order the steps of the strategic-management process are. discuss various steps involved in the process of strategic management. what are the four steps of the strategic management process

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