

Chapter 1 : Strategic Management: 4 Steps of Strategic Management Process “ Explained!

The strategic management process is more than just a set of rules to follow. It is a philosophical approach to business. Upper management must think strategically first, then apply that thought to.

The purpose of goal-setting is to clarify the vision for your business Define both short- and long-term objectives Identify the process by which to accomplish your objective Give each person a task with which he can succeed How you would do it in Boardview: Defining the parent Set a long-term organization-wide strategic goal. This is the one goal all members of the organization should be able to reproduce and chant at any time. The goal has to be emotionally compelling but not just a daydream: Do this in the Boardview app: Create one Parent goal at the very top of your Growth Map. Defining the children Now define short-term goals that help you achieve the long-term goal defined earlier. Think about the necessary ingredients to achieving the bigger goal. Generally, there are two to five child goals that need to be achieved in order to have a shot at achieving the parent. Create two to five second level goals right underneath the Parent goal. Before you start to become specific about how any of this will be achieved, make sure everyone around the boardroom table is on the same strategic page, and everyone agrees on the goals to be pursued. Show the C suite the initial Growth Map in Boardview to give them a quick yet crystal clear overview. Gather information and data relevant to accomplishing your vision Understand the needs of the business as a sustainable entity Examine any external or internal issues that can affect your goals and objectives How you would do it in Boardview: Which result can you expect based on your own historical numbers? What do the numbers say? Do you expect to be able to outperform the market in the pursuit of one or more of your goals? If you can spot a potential competitive advantage, go for it! Learn where different tools or better integration can improve your stack. Create a better workflow and master the flow of customer data. Discover how mature your MarTech stack is Compare how your tools spread across the MarTech landscape Get personalized suggestions on how to improve your stack 3. Determine what resources the business currently has to reach the defined goals Identify any areas for which the business must seek external resources Goals should be prioritized by their importance to your success How you would do it in Boardview: Effort Determine how important each of the child goals are for achieving the parent goal. Expecting to be able to put in all the required effort and achieve all pursued goals is unrealistic, in most cases. Look for relationships: Logically, high required effort may be justified by even higher impact. Along with specifying Effort and Impact, we believe now is the right time to look for suitable metrics to accurately measure goal success. Every employee involved receives a set of responsibilities and tasks to be performed. Every single task is connected to a goal. And performing every task as planned should give you a decent shot at achieving the goal. Consider using the RA CI model , appointing someone to be Accountable for the goal achievement and someone to be Responsible for the performing of tasks. For every goal, list a number of tasks. The goal owner and the performer of tasks should keep in close contact to remain aligned at all times. Determine your progress by measuring the actual results versus the plan If the strategy is not moving toward its goal, take corrective actions Any data gained in this stage should be retained to help with any future strategies How you would do it in Boardview: Now that the project is up and running, always keep a finger on the pulse. Have a look at your performance data and adjust your course. If it turns out internal operations are going better or worse than expected, adjust tasks and projected effort. If external market conditions change, you may want to adjust the projected impact of existing goals, or you could create additional goals or scratch superfluous ones. The visual layout of the Growth Map should give you a great overview of the goings on at all times. To act upon new insights, you can plan new tasks or make adjustments in goal effort or impact. Or drag and drop entire goals anywhere around the Growth Map. This will trigger automatic recalculation of priorities. Keeping your strategy always up to date has never been this easy. You can now be certain your efforts will always have the highest possible impact on the bottom line. Now then, the moment of truth.

Chapter 2 : Steps In the Strategic Management Process | Bizfluent

The strategic management process means defining the organization's strategy. It is also defined as the process by which managers make a choice of a set of strategies for the organization that will enable it to achieve better performance. Strategic management is a continuous process that appraises.

Implementation Schedule Implementation is the process that turns strategies and plans into actions in order to accomplish strategic objectives and goals. How will we use the plan as a management tool? How and when will you roll-out your plan to your staff? How frequently will you send out updates? Who is your strategy director? What are the dates for your strategy reviews we recommend at least quarterly? What are you expecting each staff member to come prepared with to those strategy review sessions? Use the following steps as your base implementation plan: Establish your performance management and reward system. Set up monthly and quarterly strategy meetings with established reporting procedures. Set up annual strategic review dates including new assessments and a large group meeting for an annual plan review. Below are sample implementation schedules, which double for a full strategic management process timeline. Your Bi-Annual Checklist Never lose sight of the fact that strategic plans are guidelines, not rules. Every six months or so, you should evaluate your strategy execution and plan implementation by asking these key questions: Will your goals be achieved within the time frame of the plan? Should the deadlines be modified? Are your goals and action items still realistic? Should your goals be changed? What can be gathered from an adaptation to improve future planning activities? Why Track Your Goals? Having a stake and responsibility in the plan makes you feel part of it and leads you to drive your goals forward. Successful plans tie tracking and updating goals into organizational culture. Accountability and high visibility help drive change. This means that each measure, objective, data source and initiative must have an owner. Changing goals from In Progress to Complete just feels good! Once agreed upon, this topic should be developed to conclusion. Holding meetings helps focus your goals on accomplishing top priorities and accelerating growth of the organization. Although the meeting structure is relatively simple, it does require a high degree of discipline. Strategy Review Session Questions: What were our three most important strategic accomplishments of the last 90 days? How have we changed our field of play in the past 90 days? What are the three most important ways we fell short of our strategic potential? In the last 90 days, what are the three most important things that we have learned about our strategy? We are looking for insight to decision to action observations. In many organizations, retreats have a bad reputation because stepping into one of the many planning pitfalls is so easy. Holding effective meetings can be tough, and if you add a lot of brainpower mixed with personal agendas, you can have a recipe for disaster. Executing your strategic plan is as important, or even more important, than your strategy. Critical actions move a strategic plan from a document that sits on the shelf to actions that drive organizational growth. The sad reality is that the majority of organizations who have strategic plans fail to implement. You remain in this phase of the strategic management process until you embark on the next formal planning sessions where you start back at the beginning. Remember that successful execution of your plan relies on appointing a strategy director, training your team to use OnStrategy or any other planning tool, effectively driving accountability, and gaining organizational commitment to the process. Clients executing their plans with OnStrategy: A Dose of Strategy.

Strategic management process consist of eight steps including strategic planning, evaluation and implementation. 01 - First step is the identification of mission, goals and strategies. All the organizations have missions that define the significance of those organizations with practical.

Or, it can be expanded into a day strategy retreat. In just the last year 7, facilitators, coaches, managers and business owners have accessed these steps in the strategic planning process. I hope it helps you as it has them. Where Are You Now? In this step we take a look at the two major drivers of strategic planning: Then we narrow them down to those that will create the most impact. While problems and challenges drive the need for strategic thinking, it is vision that drives the rest of the strategy process. Nothing happens until you have a vision. The more clear and compelling your vision, the more powerful and imaginative your strategy will be. Your vision should include tangible targets like revenue goals, market share goals, etc. If you want some inspiration in creating a vision statement here are several from Great Leadersâ€ Vision Statements Step Three: What Are The Obstacles? To have a vision is to have obstacles. They appear the minute your vision is formed. Looking at, and admitting major obstacles to your vision does not make you a pessimist. The purpose of looking at obstacles is not to look for excuses and reasons not to pursue the vision. Failure to look at obstacles and adapt your strategy to them creates nasty surprises. Looking at big scary obstacles realistically gives the imagination the fuel it needs to craft innovative strategies for victory. What are our resources? We are looking for two major elements: What resources we have to help us achieve our vision, and what resources we need. Why not do this first â€ before vision? Strategy exists to serve a vision. Here are 5 proven strategies to grow a business. Effectiveâ€ 5 ways to grow a business Step Six: What are our tactics? Either way, nothing will happen until you complete this step in the strategic thinking process. What will we monitor and measure? You better adapt to them. Vision is about the future, and strategy is how to get there. Yet, no person knows the future â€ nor will any amount of intense data gathering fully reveal the future. Therefore we need to constantly monitor our strategy and tactics, making adjustments where necessary to keep us driving towards our vision. Too often I see business leaders get so locked on a specific strategy or tactic that they fail to realize when it is time to try something different. Monitoring and measuring the right things is the only way to keep you on track and on time. It includes more tools and tips for each step and comes with access to a strategic planning workbook as well. You can discover more and see reviews on Amazon. Very helpful, simple to understand and relate to.

Chapter 4 : 4-Phase Guide to Strategic Planning Process Basics | OnStrategy

The strategic management process itself consists of the following 6 steps: Step 1: Establish the vision, mission and goals of the organization This step involves the clarification of what the company is and who they do business for.

Planning is decision making , regarding the goals and setting the future course of action from a set of alternatives to reach them. The plan helps to maintain the managerial effectiveness as it works as a guide for the personnel for the future activities. Selecting goals as well as the paths to achieve them is what planning involves. Planning involves selecting missions and objectives and the actions to achieve them, it requires decision-making or choosing future courses of action from among alternatives. Planning helps maintain managerial effectiveness by guiding future activities. For a manager, planning and decision-making require an ability to foresee, to visualize, and to look ahead purposefully. Once a manager set goals and develops plans , his next managerial function is organizing human and other resources that are identified as necessary by the plan to reach the goal. Organizing involves determining how activities and resources are to be assembled and coordinated. The organization can also be defined as an intentionally formalized structure of positions or roles for people to fill in an organization. Organizing produces a structure of relationships in an organization and it is through these structured relationships that future plans are pursued. Organizing, then, is that part of managing which involves: It is intentional in the sense of making sure that all the tasks necessary to accomplish goals are assigned to people who can do the best. The purpose of an organization structure is to create an environment for best human performance. The structure must define the task to be done. The rules so established must also be designed in the light of the abilities and motivations of the people available. Staffing is related to organizing and it involves filling and keeping filled, the positions in the organization structure. This can be done by determining the positions to be filled, identifying the requirement of manpower, filling the vacancies and training employees so that the assigned tasks are accomplished effectively and efficiently. The managerial functions of promotion, demotion, discharge, dismissal, transfer, etc. Basically organizing is deciding where decisions will be made, who will do what jobs and tasks, who will work for whom, and how resources will assemble. Leading is considered to be the most important and challenging of all managerial activities. Leading is influencing or prompting the member of the organization to work together with the interest of the organization. Creating a positive attitude towards the work and goals in among the members of the organization is called leading. It is required as it helps to serve the objective of effectiveness and efficiency by changing the behavior of the employees. Leading involves a number of deferment processes and activates. The functions of direction, motivation , communication , and coordination are considered a part of leading process or system. Coordinating is also essential in leading. Most authors do not consider it a separate function of management. Rather they regard coordinating as the essence of managership for achieving harmony among individual efforts towards accomplishing group targets. Motivating is an essential quality for leading. Since leadership implies fellowship and people tend to follow those who offer a means of satisfying their own needs, hopes and aspirations it is understandable that leading involves motivation leadership styles and approaches and communication. Monitoring the progress is essential to ensure the achievement of organizational goal. Controlling is measuring, comparing, finding deviation and correcting the organizational activities which are performed for achieving the goals or objectives. Controlling consist of activities, like; measuring the performance, comparing with the existing standard and finding the deviations, and correcting the deviations. Control activities generally relate to the measurement of achievement or results of actions which were taken to attain the goal. Some means of controlling, like the budget for expenses , inspection records, and the record of labor hours lost, are generally familiar. Each measure also shows whether plans are working out. If deviations persist, correction is indicated. Whenever results are found to differ from the planned action, persons responsible are to be identified and necessary actions are to be taken to improve performance. Thus outcomes are controlled by controlling what people do. Controlling is the last but not the least important management function process. In short, we can say the controlling enables the accomplishment of the plan. All the management functions of its process are inter-related and cannot be skipped. All managers carry out the main

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functions of management; planning, organizing, staffing, leading and controlling. But depending on the skills and position on an organizational level, the time and labor spent in each function will differ.

Chapter 5 : Strategic Management Process and Its Different Stages

The strategic management process covers the following four steps, which are: 1. Identification of business objectives and purposes 2. Formulation of strategies 3. Implementation of strategies and 4. Evaluation of strategies! 1. Identification of Business Objectives and Purpose: The corporate.

These stories often leave us in a state of wonder and awe, and we find ourselves wanting to know more. More about how the business became a success, more about what inspired a normal working guy or girl to think of a novel and brilliant business idea, and more about how someone can start a business, and make her dreams a reality. We become so fixated on these stories that, all too often, we overlook the other side of that reality: What many often fail to realize, is that they can also learn from business ideas that tanked and business ventures that never really got off the ground. Better, they can also learn a lot from businesses that were able to get started, and then, somewhere along the way, something went wrong. They were having problems and great difficulty in maintaining their operations, until most of them declared bankruptcy or liquidated. Businesses fail for a lot of reasons. Some had to close up shop because of economic upheavals that simply did not provide any room for new businesses to try making headway in their operations. Others blame the actions of competitors, and even the business challenges that are inherent in the market. There are also those businesses that blame the lack of resources for the failure. However, this makes one wonder: At this point, the most logical reason that comes to mind is mismanagement. More often than not, it is about how the business was unable to manage its strategies very well. Through the strategic management process, it allows the organization to formulate sets of decisions, actions and measures – collectively known as strategies – that are subsequently implemented in order to achieve organizational goals and objectives. Many organizations fail during the first stage, in the sense that they are unable to come up with strategies that will potentially take the organization where it wants to be. And yet, the end result is still the organization having problems and even ultimately closing down. What could have gone wrong? Most probably, it was because of poor implementation of the strategies. This is where the real action takes place in the strategic management process, since this is where the tactics in the strategic plan will be transformed into actions or actual performance. However, if done right, it will ensure the achievement of objectives, and the success of the organization. And it does not refer only to the installation or application of new strategies. The company may have existing strategies that have always worked well in the past years, and are still expected to yield excellent results in the coming periods. Reinforcing these strategies is also a part of strategy implementation. The basic activities in strategy implementation involve the following: Establishment of annual objectives Formulation of policies for execution of strategies Allocation of resources Actual performance of tasks and activities Leading and controlling the performance of activities or tactics in various levels of the organization Incidentally, businesses may also find that they have to perform further planning even during the implementation stage, especially in the discovery of issues that must be addressed. Strategy implementation is the stage that demands participation of the entire organization. Formulation of the strategies are mostly in the hands of the strategic management team, with the aid of senior management and key employees. When it comes to implementation, however, it is the workforce that will execute the strategic plan, with top or senior management taking the lead. All five must be present in order for the organization to be able to carry out the strategies as planned. People There are two questions that must be answered: The tougher part of this is seeing to it that you have the right people, looking into whether they have the skills, knowledge, and competencies required in carrying out the tasks that will implement the strategy. In addition, the commitment of the people is also something that must be secured by management. Resources One of the basic activities in strategy implementation is the allocation of resources. These refer to both financial and non-financial resources that a are available to the organization and b are lacking but required for strategy implementation. Of course, the first thing that comes to mind is the amount of funding that will support implementation, covering the costs and expenses that must be incurred in the execution of the strategies. Another important resource is time. Is there more than enough time to see the strategy throughout its implementation? Each member of the organization must know who he is accountable to, and who he is

responsible for. Management should also define the lines of communication throughout the organization. Employees, even those on the lowest tier of the organizational hierarchy, must be able to communicate with their supervisors and top management, and vice versa. Ensuring an open and clear communication network will facilitate the implementation process. Systems What systems, tools, and capabilities are in place to facilitate the implementation of the strategies? What are the specific functions of these systems? How will these systems aid in the succeeding steps of the strategic management process, after implementation? Culture This is the organizational culture, or the overall atmosphere within the company, particularly with respect to its members. The organization should make its employees feel important and comfortable in their respective roles by ensuring that they are involved in the strategic management process, and that they have a very important role. These factors are generally in agreement with the key success factors or prerequisites for effective implementation strategy, as identified by McKinsey. These success factors are presented in the McKinsey 7s Framework, a tool made to provide answers for any question regarding organizational design. The 7 factors are divided into two groups: It must indicate a direction that leads to the attainment of objectives. Structure The organizational structure must be visible to everyone, and clearly identify how the departments, divisions, units and sections are organized, with the lines of authority and accountability clearly established. Systems There should be a clear indication and guide on how the main activities or operations of the business are carried out. The processes, procedures, tasks, and flow of work make up the systems of the organization. Style This addresses the management or leadership style in force within the organization, from top management to the team leaders and managers in the smaller units. Strategy implementation advocates participative leadership styles, and so this is really more about defining and describing the interactions among the leaders in the organization and, to some extent, how they are perceived by those that they lead or manage. Staff Organizations will always have to deal with matters regarding staffing. Human resources, after all, is one of the most important assets or resources of an organization. Thus, much attention is given to human resource processes, specifically hiring, recruitment, selection and training. Skills Employees without skills are worthless resources to the organization. In order to aid the organization on the road towards its goals, the employees must have the skills, competencies and capabilities required in the implementation of strategies. Shared Values This is at the heart of the McKinsey 7s framework, and they refer to the standards, norms and generally accepted attitudes that ultimately spur members of the organization to act or react in a certain manner. Employee behavior will be influenced by these standards and norms, and their shared values will become one of the driving forces of the organization as it moves forward. Usually, organizations may take a look at each of these key success factors for individual analysis. However, the McKinsey approach takes a wider approach, assessing if they are well-aligned with the other factors or not. All seven prerequisites are interconnected, which means all seven must be present, and they must be effectively aligned with each other, in order to ensure effective strategy implementation, and overall organizational effectiveness. Here is another interesting lecture from Stanford University on how to align your organization to execute strategy. Going back to the earlier discussion on why some businesses failed, even with the best-laid plans and strategies, have you ever wondered what went wrong in the implementation of these strategies? In a study conducted by Fortune Magazine, it was revealed that nine out of ten organizations are unable to fully, completely and properly implement their strategic plan, often resulting to complete business failure. The most common reasons why implementation of the strategies are unsuccessful are: The employees and managers do not fully understand the strategy, and this arises mainly from their lack of understanding of the mission and objectives of the organization. This lack of understanding may be traced to a number of reasons, such as: Lack of effective communication, or lack of communication, in general. Since the employees and maybe even the supervisors of the smaller units are unaware of the strategy, or do not understand it, there is very little motivation and sense of empowerment to make them perform well in their respective tasks and functions. There is a lack of ownership, since the employees do not feel that they have a stake in the plan, and this results to poor implementation of the strategy. Confusing, convoluted, and generally overwhelming plan. Some people can only assimilate several things at one time. If they are presented with a plan that seems too massive and too ambitious for them, their natural response would involve shutting down and refusing to understand. Thus, it is

important that the strategy formulation be carried out properly, and the strategic plan prepared in a user-friendly manner. Also, communication is key. No matter how overwhelming the strategic plan may be, it can still be understood and accepted by the workforce if communicated properly. The strategy is disconnected from with crucial aspects of the business such as budgeting and employee compensation and incentives. Executing the strategies involves funding, resource allocation, financial management and other budgeting matters, and if there is no link connecting these activities to the strategies, then there is no way that they will be implemented effectively. This is largely an issue that must be addressed in the strategy formulation stage. The strategy is paid little attention by management. All too often, the owners, managers and supervisors become too caught up in the day-to-day operations of the business, they rarely refer to the strategic plan. Before long, they end up adopting a dismissive attitude towards the strategic plan, treating the strategies as something related to the overall management process, but still separate. After the discussion, they will put it at the back of their minds, and continue as they were. In order to ensure the success of the strategy implementation, covering all your bases is important. The best way to go about that is by following the essential steps to executing the strategies. Take a look at the steps to ensure that happens. Evaluation and communication of the Strategic Plan The strategic plan, which was developed during the Strategy Formulation stage, will be distributed for implementation. However, there is still a need to evaluate the plan, especially with respect to the initiatives, budgets and performance. After all, it is possible that there are still inputs that will crop up during evaluation but were missed during strategy formulation. There are several sub-steps to be undertaken in this step. Align the strategies with the initiatives. First things first, check that the strategies on the plan are following the same path leading to the mission and strategic goals of the organization. Align budget to the annual goals and objectives. Financial assessments conducted prior will provide an insight on budgetary issues. You have to evaluate how these budgetary issues will impact the attainment of objectives, and see to it that the budget provides sufficient support for it.

Chapter 6 : 8 - Steps to Strategic Management Process | Importance of Strategic Management

Strategy evaluation is the last step of the stages of strategic management process. The final stage of the strategic management process is the strategy evaluation. It is the duty of the managers to have sufficient know-how about the problems and improper working of strategies.

Each one is discussed below Strategic Formulation: The stages of strategic management process start with the strategic implementation. Business activities are executed by the formulation of strategy which is referred to as Strategy Formulation. Following elements are developed in the strategy formulation stage. Following are some of important considerations that should be followed for best strategy formulation. Resources allocation Business to enter or maintain Mergers or joint ventures Business to liquidate or divest Entering in the foreign markets Business expansion Resistance of take over Strategy Implementation: Strategy Implementation is the second stage of strategic management process, annual objectives are established along with the devising of policies. Strategy implementation further includes the following. Strategy implementation stage is the most difficult stage among all other stages of strategic management. The strategy that is formulated but not implemented lacks any useful purpose. Strategy evaluation is the last step of the stages of strategic management process. The final stage of the strategic management process is the strategy evaluation. It is the duty of the managers to have sufficient know-how about the problems and improper working of strategies. This task of the management is better accomplished through strategy evaluation which provides needful information to the managers in this regard. In fact the strategic thought is translated into action in strategic management. Moreover all of them are committed to assist the organization to become successful by involving in the activities of strategy formulation. The organization is affected from top to bottom through strategy implementation. Proper implementation is so important that even perfectly developed plan fails to fulfill any purpose if it is not implemented properly. When imperfect plan which is implemented effectively, than it can provide more fruitful results than from any perfect plan which is not implemented properly. Characteristics of Strategic Management Strategic Management is the continuous process that takes place to the existence of the organization. Top management determines the strategic goals and the broader plans are activated to accomplish these goals. In fact the internal environment is forced by the external environment to specify the goals and along with the guidance of external environment to achieve these goals. Following are some of the reasons that provides basis for the importance of the strategic management. The Survival of the Business: The most important reason for the importance of strategic management is that the success of the business depends upon it. Moreover the advertising is also effectively made through internet which greatly influences the sales of the organization. The Natural Environment Issue: In this regard, the natural environment has become serious strategic issue in such a way that it is threatened from the recent business community. The unlimited wants can be satisfied through limited natural resources through effective utilization.

Strategic management is construed in the context of a process. Strategic management process 6 steps is an identifiable flow of information through interrelated stages of analysis directed toward the achievement of an aim.

Purpose of the Strategic Management Process by Andra Picincu - Updated October 29, Strategic management plays a key role in the success of your organization. As its name suggests, this process involves making and implementing strategic decisions to meet your objectives. It defines the steps you need to go through to bring your vision to life and ignite business growth. Furthermore, the strategic management process can give you a competitive edge. Strategic management involves the steps needed to achieve your objectives in a smart way. Strategic Management Definition No matter your business size, you need to have clear goals in mind. A small business may focus on driving brand awareness and expanding its operations. A corporation may invest in developing new products and technologies, for example. Goal setting is just one part of the process. This is where the strategic management process comes in. This five-step approach involves defining your objectives, analyzing the current situation and developing a strategy. Next, you must implement that strategy and monitor the results. The purpose of strategic management is to help your business meet its objectives. Basically, it outlines the actions and decisions that allow an organization to achieve its goals. More than 89 percent of managers say that formulating a strategy that aligns with the ever-changing market conditions is essential for beating the competition. Approximately 77 percent of successful organizations have an established process to implement and evaluate their strategies. Over 63 percent have aligned their business units to their corporate strategy. In this competitive age, achieving a leading position in the marketplace is becoming more and more challenging. Plus, technology is evolving at a fast pace, and the only way to succeed is to stay flexible and adapt your business strategy to the market conditions. The strategic management process has several phases, including situation analysis. This requires a good understanding of the internal and external factors that impact your organization. Consider the local and national economy as well as your competition and the market trends. The next step is to formulate and implement a strategy that aligns with your vision. This process not only helps you reach your goals but also allows you to identify new opportunities and areas of improvement. Additionally, it provides the information you need to make smart decisions and set your priorities straight. Companies that implement this practice report increased productivity and operational efficiency, accelerated growth and greater revenue. The strategic management process can help your business achieve sustainable growth and gain a competitive advantage. In the long run, it leads to better organizational performance and ensures long-term survival in the marketplace.

The process of strategic management lists what steps the managers should take to create a complete strategy and how to implement that strategy successfully in the company. It might comprise from 7 to nearly 30 steps [4] and tends to be more formal in well-established organizations.

The strategic planning process is a brief description of the steps in the process. These steps are a recommendation, but not the recipe for creating a strategic plan. However, the steps outlined below describe the basic work that needs to be done and the typical products of the process. This may also be referred as the strategic intent that would determine what an organisation ultimately wants to be and do. An organisation that, determined, it is indeed ready to begin strategic planning process. A mission statement defines the core purpose the organisation-why it exists. Effective missions are inspiring by nature. A mission statement is like an introductory paragraph that lets the reader know where the writer is going. Hence a mission statement must communicate the essence of an organisation to the reader. A mission statement typically describes an organisation in terms of its: Within mission and vision statements in hand an organisation takes an important step towards creating a shared, coherent idea of what it is strategically planning for. Many people mistake vision statement for mission statement. Mission statement defines the purpose or broader goal for being in existence or in the business. It serves as a guide in time of uncertainty, vagueness. It is like guiding light. It has no time frame. The mission can remain the same for decades if crafted correctly. While vision is more specific in terms of objective and time frame of its achievement. Vision is related to some form of achievement if successful. Once an organisation has committed to why it exists and what it does, it must take a clear-eyed look at its current situation. Part of strategic planning, thinking and management is an awareness of resources and an eye to the future environment, so that an organization can successfully respond to changes in the environment. These could include a variety of primary concerns, such as: It is one of the most important issues to be taken up in the strategic planning process. It is based on calculating the value proposition that essentially calculates the ratio of what the customers get from the organisation and how much it costs them. Some of the important economic conditions include the factors such as inflation, unemployment, interest rates, exchange rates, sources of funding, etc. The political conditions that include the legal and regulatory frame work have a profound effect on the organisation. A part from these other Key issues may be new program opportunities, changing regulations or changing needs in the client population, internal consideration of the organization, technological factors, cultural factors etc. Strategies, goals, and objectives may come from individual inspiration, group discussion, formal decision-making techniques, and so on but the bottom line is that, in the end, the leadership agrees on how to address these critical issues. This can take considerable time and flexibility, discussions at this stage frequently will require additional information or a reevaluation of conclusions reached during the situation assessment. It is even possible that new insights will emerge which change the thrust of the mission statement. The strategies that need to be developed have to provide of the competitive advantages for the organisation. It may be defined as the ability of the firm to win over the long term in the competitive situation; competitive advantages provide the organisations with the comparative advantage ability to do the things differently and better than others. Some of the competitive advantage strategies may be: Competing by striving for the lowest cost producer of a product or a service. Making the product different from the competitors on the dimensions that are widely accepted by the customers. A strategy focused on the small segment of the market that was previously ignored by other players. Once the strategies have been formulated the next step would be to implement these strategies in order to find out the desired outcome of these strategies. The direction and scope of the company over the long term. The basic organisation of the company, its departments, reporting lines, areas of expertise, and responsibility and how they inter-relate. Formal and informal procedures that govern everyday activity, covering everything from management information systems, through to the systems at the point of contact with the customer retail systems, call center systems, online systems, etc. The capabilities and competencies that exist within the company. What it does best. The values and beliefs of the company. In combination they provide another

effective framework for analysing the organization and its activities. In a marketing-led company they can be used to explore the extent to which the company is working coherently towards a distinctive and motivating place in the mind of consumer. This is the final step in the strategic planning process that generates the required feedback about the outcomes of the strategy that was implemented. If the required end results are not obtained then this step suggests the alternative strategy to meet the end results.

Chapter 9 : Strategic Planning Process: Nine Steps of Setting Proper Strategic Plan

A popular article called "The Five Stages of the Strategic Management Process" skillfully describes how to do strategic management properly. It is a particularly.

Get Full Essay Get access to this section to get all help you need with your essay and educational issues. Get Access Steps in strategic management process Essay Sample The strategic management process is more than just a set of rules to follow. It is a philosophical approach to business. Upper management must think strategically first, then apply that thought to a process. The strategic management process is best implemented when everyone within the firm understands the strategy. The four stages of the process are environmental scanning, strategy formation, strategy implementation and strategy monitoring. The first step in forming an strategic management is environmental scanning where the specific organization need to identify their current mission ,goals and strategies. The purpose of goal-setting is to clarify the vision for your business. This stage consists of identifying three key facets: First, define both short- and long-term objectives. Second, identify the process of how to accomplish your objective. Finally, customize the process for your staff, give each person a task with which he can succeed. Keep in mind during this process your goals to be detailed, realistic and match the values of your vision. Typically, the final step in this stage is to write a mission statement that succinctly communicates your goals to both your shareholders and your staff. SWOT analysis is divided into 2 analysis which is internal analysis and external analysis. Analysis is a key stage because the information gained in this stage will shape the next two stages. In this stage, gather as much information and data relevant to accomplishing your vision. The focus of the analysis should be on understanding the needs of the firm as a sustainable entity, its strategic direction and identifying initiatives that will help your business grow. Examine any external or internal issues that can affect your goals and objectives. Make sure to identify both the strengths and weaknesses of your organization as well as any threats and opportunities that may arise along the path. On the other hand, its capabilities are its skills and abilities in doing the work activities needed in its business. The major value-creating capabilities of the organization are known as its core competencies. After completing an internal analysis, managers should be able to identify organizational strengths and weaknesses. Any activities the organization does well or any unique resources that it has are called strengths. Managers do an external analysis so they know, for instance, what the competition is doing, what pending legislation might affect the organization, or what the labor supply is like in locations where it operates. Opportunities are positive trends in the external environment threats are negative trends. After completing the SWOT analysis, managers are ready should be to know their appropriate strategies. The next step in forming a strategy is to review the information gleaned from completing the analysis. Determine what resources the business currently has that can help reach the defined goals and objectives. Identify any areas of which the firm must seek external resources. The issues facing the company should be prioritized by their importance to your success. Once prioritized, begin formulating the strategy. Because business and economic situations are fluid, it is critical in this stage to develop alternative approaches that target each step of the plan. Here, you will develop an organizational vision and a mission statement that describes the future of your organization " where it wants to be, its essential values, and what it wants do. For an example, an objective may be to increase market share year-over-year by at least five percent. Think of achieved objectives as building blocks in constructing your goal or vision. Next ,would be strategy , means is a comprehensive master plan stating HOW the corporation will achieve its mission and objectives. There are three types of strategies which are corporate , business and functional. At this level, executives at top parent companies choose which products to sell, which market to enter and whether to acquire a competitor or merge with it. They select between integration, intensive, diversification and defensive strategies. An example of corporate-level strategy will be on February announcement an alliance between Microsoft and Nokia Corp. The deal with Microsoft gives both Nokia and Microsoft a route to the future in the smart-phone market. This type of strategy is used when strategic business units SBU , divisions or small and medium enterprises select strategies for only one product that is sold in only one market. The example of business level strategy is well illustrated by Royal Enfield firms. They sell

their Bullet motorcycle one product in United Kingdom and India different markets but focus on different market segments and sell at very different prices different strategies. Functional level strategy is basically concerned with developing a distinctive competence to provide a company or business unit with a competitive advantage. Functional strategy include IT strategy, marketing strategy, IT strategy, human resources strategy, and operations. As implied by the graphic, functional-level strategy is the foundation that supports both corporate-level strategy and business strategy. Many strategic initiatives are simply the implementation of functional strategies, but often a strategic initiative straddles numerous functions and business. An example of functional-level strategy will be in , Swiss Life Group, a Zurich-based insurance company ranked on the Fortune Global list announced a change in its Information Technology functional strategy priorities. The implications of this was a decision to considerably scale back the number of IT projects in order to reduce costs through re-prioritization. This was successful as shown in this November announcement. The last step in forming strategy formulation is policies. Policies are broad guidelines for making decisions. Once strategies are formulated, they must be implemented. At this stage managerial skills are more important than using analysis. Communication in strategy implementation is essential as new strategies must get support all over organization for effective implementation. The process of putting strategies and policies into action through the development of programs , budgets and procedures. The last process in strategy implementation would be procedures which is systems of sequential steps or techniques that describe in detail how to perform particular tasks or jobs. In a nutshell , the final step in strategic management process is evaluation and control. Evaluation and control is the process of monitoring corporate activities and performance results so that actual performance can be compared with desired performance. Implementation must be monitored to be successful. Due to constantly changing external and internal conditions managers must continuously review both environments as new strengths, weaknesses, opportunities and threats may arise. If new circumstances affect the company, managers must take corrective actions as soon as possible. The fundamental strategy evaluation and control activities are: More essays like this: