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Meaning of strategic management

Strategy is a situation when we want to have a competitive advantage in order to be successful in any given situation.

A strategy is a set of related actions that the managers have to take to increase the performance, profit, productivity, profitibility for the business.

Strategic management process.

Strategic management is the process of setting goals, determining the ~~goals~~ actions to achieve the goals, and mobilizing resources to implement these actions it involves analysing the companies internal and external environment setting strategic objectives

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developing strategies accomplish to his objectives and monetaring progress towards achieve them. Strategic management is imported for the organization to achieve long term success and competetive advantage.

1. Analysis
2. Formulation
3. Implementation.

Strategic Leadership -> Strategic leadership is about how to most efficienc effectively manage a company strategic making proass to create competitive advantage.

The strategy making process is the process by which manage select an environment that aims to achive a completive advantage.

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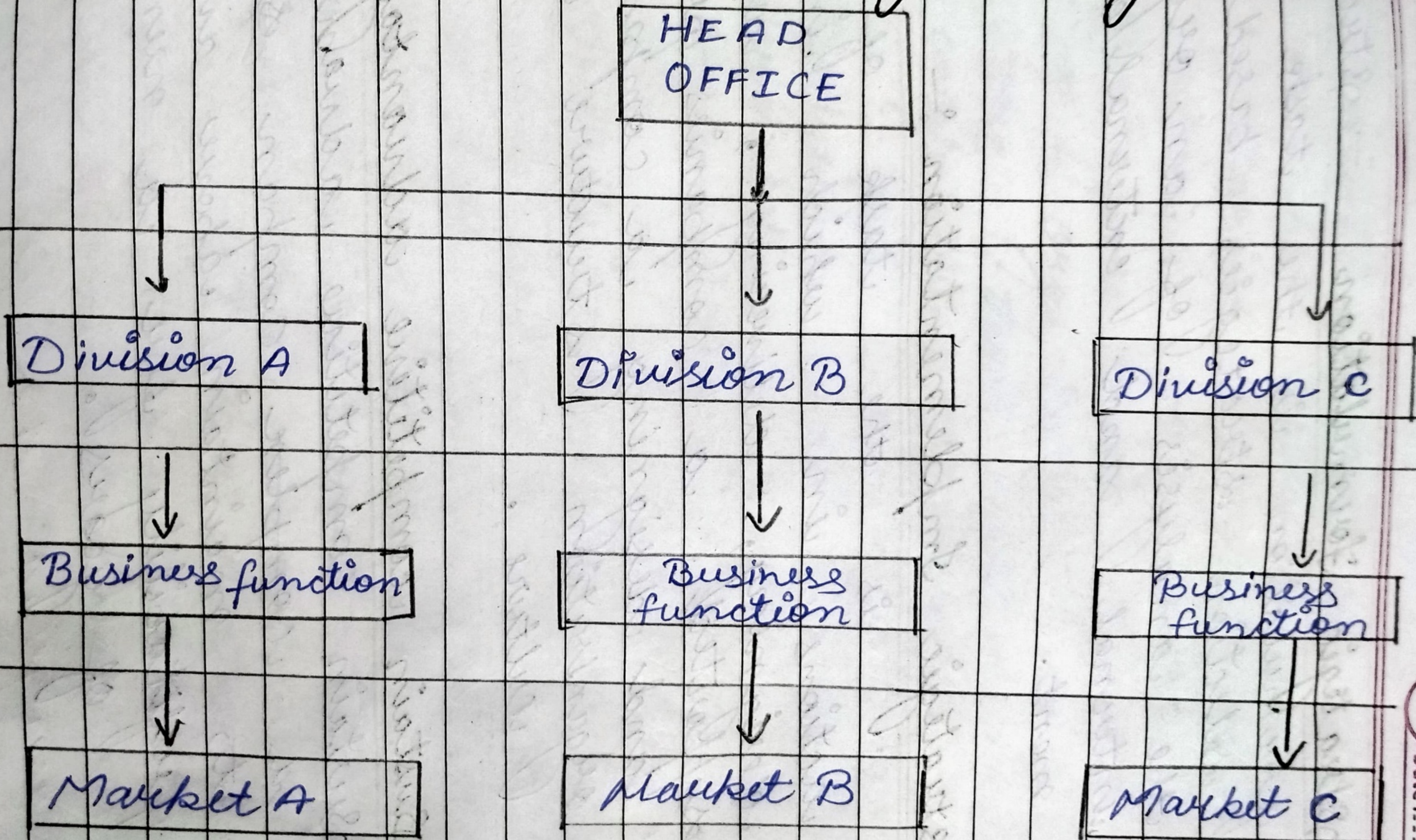
Strategic Formulation :- Strategic formulation is the task of selection strategies based on the analysis of an organisation internal and external environment.

Strategic Implementation :- S.I is the task of putting actions in which includes designing, delivering, and supported a companies production and designing a companies structure and organisation culture.

Sustain competitive advantage -> Sustain competitive advantage is a complex compan strategy to maintain above average profitability for a number of years.

Levels of Strategic Management



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Mission And vision statement

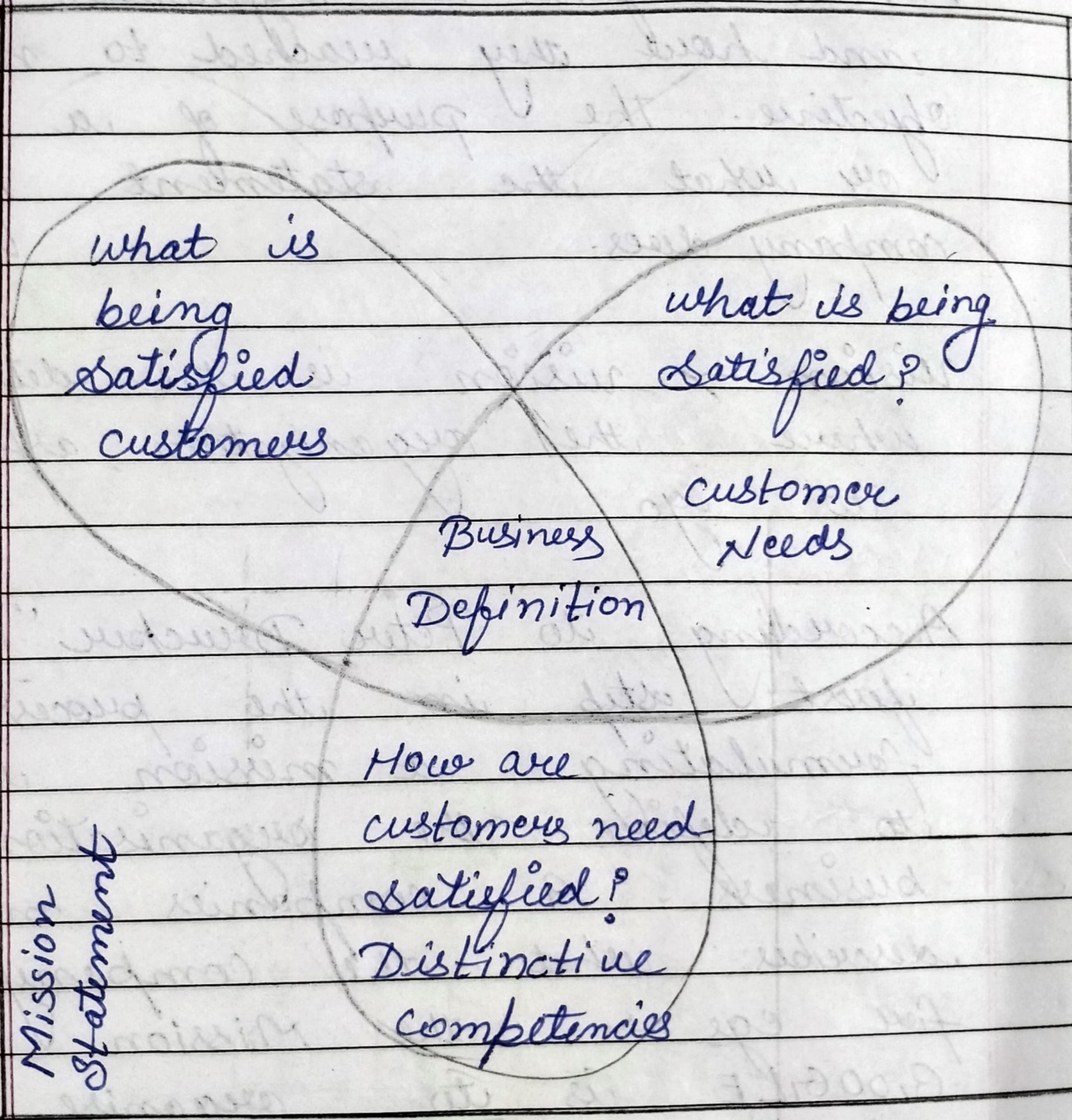
Mission

Mission defines the organisation objectives and how they reached to next objective. The purpose of a company, or what the statement of the company does.

vision → vision is the details of where the organization aspires to go.

According to Peter Drucker " the first step in the process of formulating a mission is to define the organisations business. A companies mission describes what the company does. for egs → the Mission of GOOGLE is to organise the worlds information and make it universally accessable and useful.

What is a business?
what it should it be?



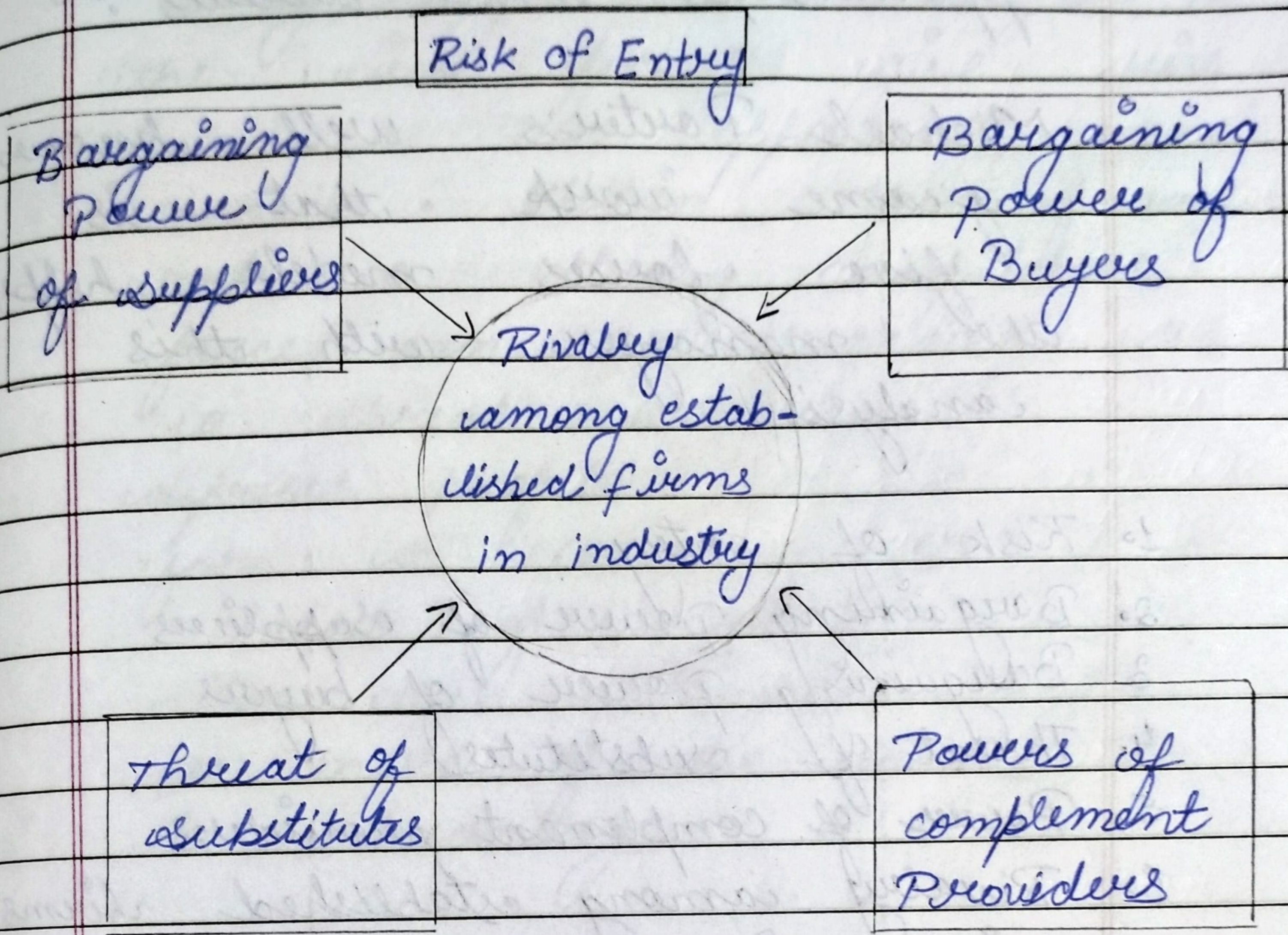
The vision the the company defines a desired future state or achievements. It explains what company would like to achieve in a future date for

eg -> Microsoft had a very powerful vision of a computer or laptop in every desk or at every home.

Basis	Vision	Mission
Definition	vision statement outlines what a org. expire to achieve in the future. It paints a picture of what success look like direction and Inspiration	The mission statement defines the purpose of an organisation its reasons for existense it answers the existence of what the organ. does for whom, and how?

Focus	It focuses on long term goals	It focuses on the present purpose and activities of the mission
content	Future oriented, it describes the desired and statement are the outcomes of the organisation efforts	It is more detailed than how vision statement, and it includ organization product, services and values
Eg	"To be the globle leader in sustainable energy solution." "In every destor at every home a computer."	To provide affordable, hight quality health care services to had the poor citizens.

PORTER'S COMPETITITIVE FORCES MODEL



Industry is a group of companies offering products or services that are close substitutes for each other. Once the boundaries of an industry have been identified, managers face the task of analysing competitive forces within the industry in order to identify opportunities and threats.

Michael Porter's well known frame work that is five forces models helps the manager with this analysis

1. Risk of entry
2. Bargaining power of suppliers
3. Bargaining power of buyers
4. Threat of substitutes
5. Power of complement providers
6. Rivalry among established firms in industry.

As each of these forces grow stronger, it limits the ability of established companies to raise prices and earn higher profit. the strength of these six forces may change over time as the industry conditions change.

Managers face the task of recognising how changes in the six forces give rise to a new opportunity and threats. Within this framework a strong competitive force can be regarded as a threat because it depresses profit. It is possible for a company through its choices of strategy, to alter the strength of one or more of the forces to its advantage.

Approaches of Strategic Management

SWOT Analysis: This involves assessing an organizations strengths, weaknesses, opportunities, and Threats to form a strategic plan.

PESTEL Analysis: Examines the Political, Economic, Social, Technological, Environmental and legal factors influencing an organization strategy.

Porter's Five ~~Facto~~ Forces: Analyzes the competitive forces within an industry to help determine the attractiveness of entering or remaining in that industry.

Resource-Based View (RBV): Focuses on leveraging an organizations uniques resources and capabilities as sources of competitive advantages.

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Value chain Analysis : Identities specific activities within an organization and evaluates how they contribute to value creation and competitive advantages.

Balanced scorecard : A framework for translating an organization vision add strategy into

Existing Business Model

Mission, Vision values, goals

External Analysis opportunities & Threats

Internal Analysis Strengths & Weakness

Strong, Weekness | SWOT Analysis | Opportunities Threats

Functional level strategy
corporate level strategy
Business level strategy
Global strategy

Govenment & Ethics

Designing Organisational structure

Designing Organisational culture

Designing Organisational controls