Business Strategy Management

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LEVERAGING PEOPLE FOR TOMORROW…

Strategy…

Method or plan chosen to bring about a desired future, such as achievement of Goal or Solution to a problem under conditions of uncertainty, using available resources - Tactics

The Art & Science of Planning and marshaling resources for their efficient & effective use - Bridge the Gap - Deploy & Employ – Strategy bridges the gap between ends & means

Business Strategy....

Business Strategy Is a business Plan that takes place long term in order to help achieve a specific goal or objective

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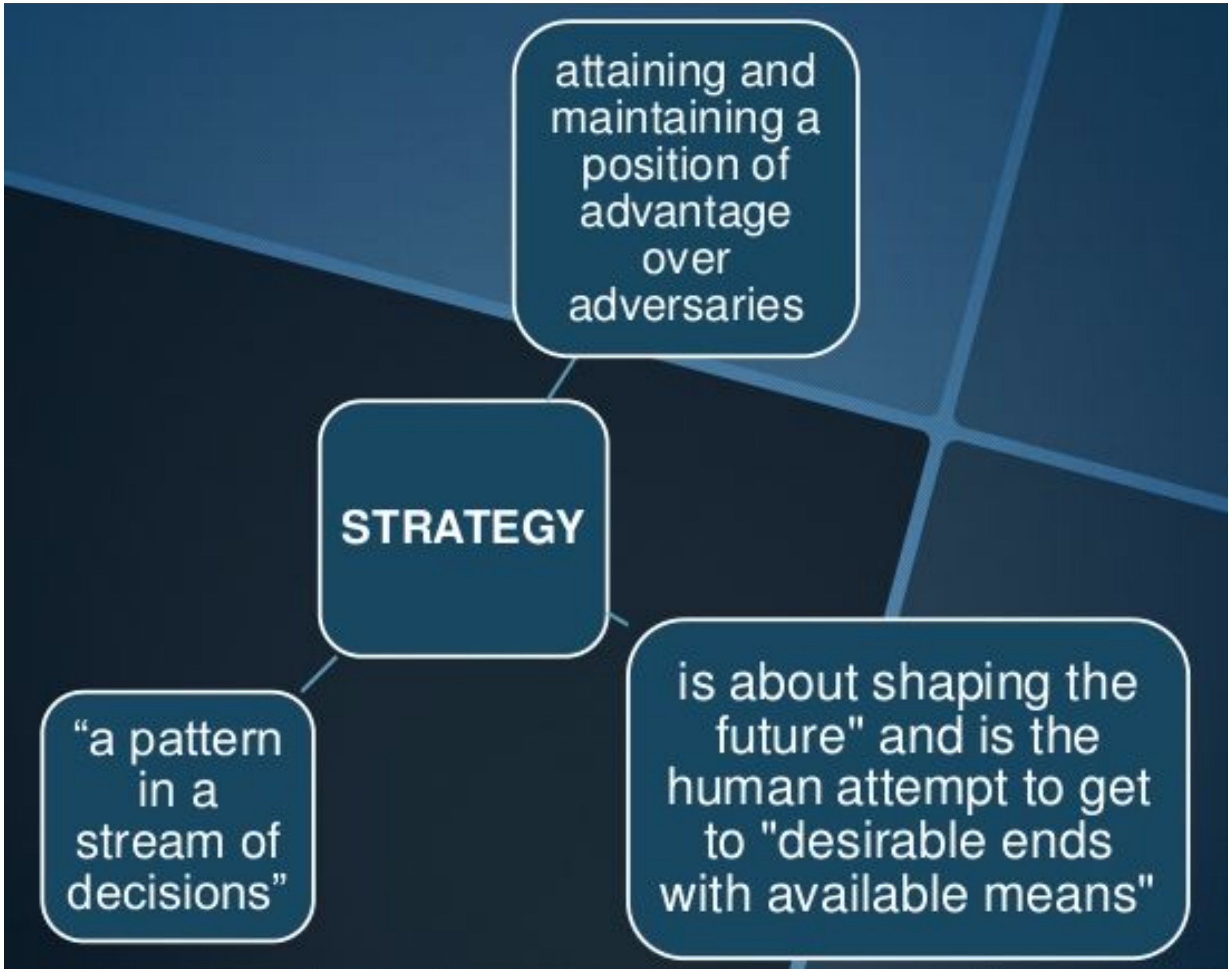
Importance of Strategy



Business Strategy Steps/Technique …

Strategic Planning-Taking time to think & reflect – Aim/Objectives
Strategic Intent – Working on Theme

Future Thinking
Analysis - Core Business & Competencies
Required Inputs – Land, Labour & Capital
SWOT - Strengths – Weaknesses – Opportunities & Threats
PEST - Political – Economical – Social & Technological
Five Forces – Strengths and Barriers to Entry – Extent of rivalry between firms – Supplier power – Buyer Power & Threats from Substitutes
ETOP Analysis - Environment Threat & opportunity Profile
Evolutions - Feed back/Assessments/Volume/ROCE/Profit/Sales/Productivity/Earnings/Benchmarking

Types of Strategy …

Types of Strategy

Growth Strategy – Horizontal/Vertical/Forward & Backward Integration
Competitive & Cost Advantage
Market Dominance
Downsizing
Delaying
Restructuring
New Product Development
Contraction & Diversification
Price Leadership
Global Footprints
Re-engineering
Proceed with caution
Bankruptcy/Liquidation

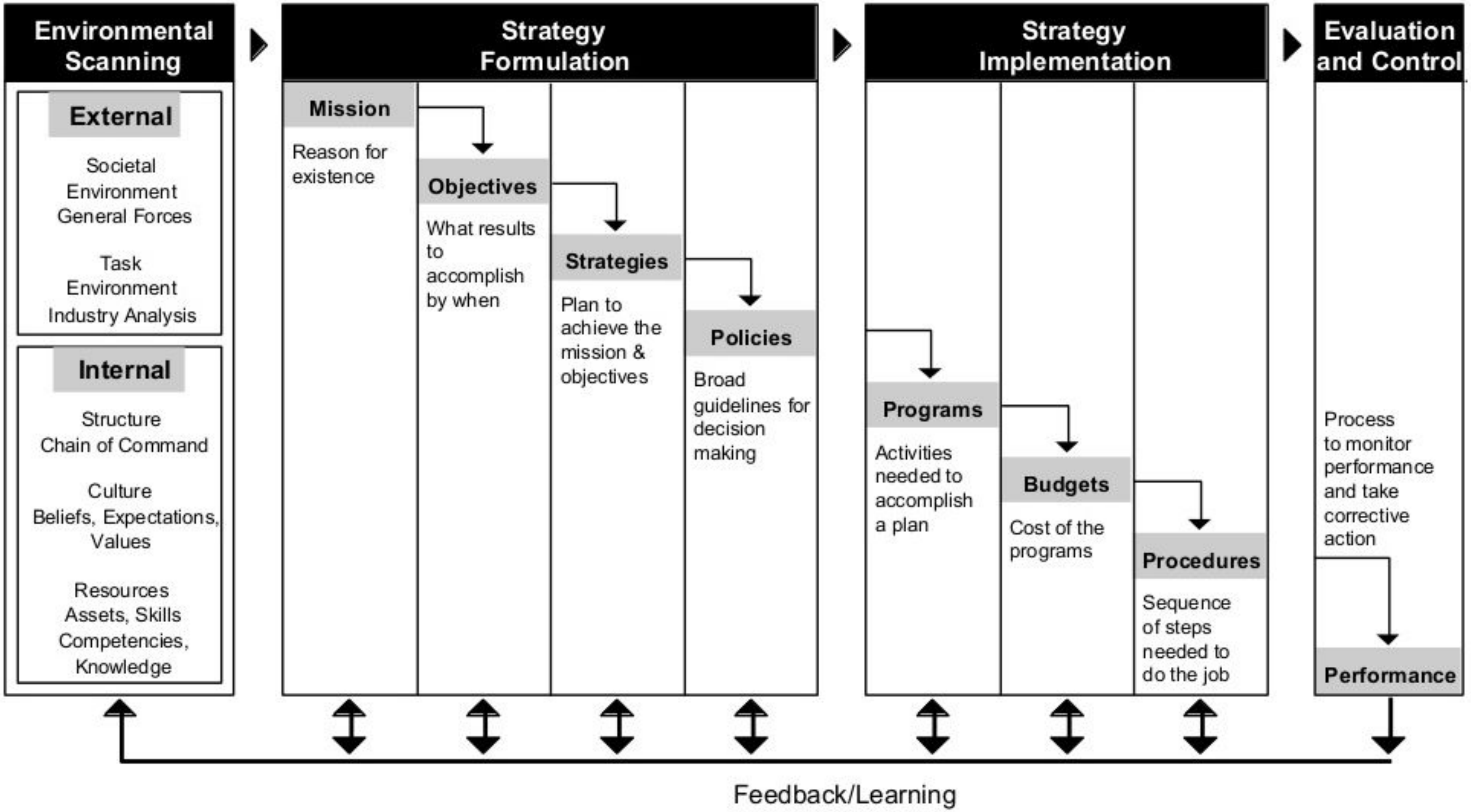
Strategy Management

The set of managerial decision and action that determines the long run performance of organization it includes:

- Environmental Scanning (Internal & External)
- Strategy Formulation
- Strategy Implementation
- Evaluation & Control

It focuses on integrating management, Marketing, Finance & Accounts, Human Resources, IT, Procurement, Production, Research & Development

Strategy Management Model....



Environment Scanning

Monitoring, evaluating & disseminating information from the environment to key people within the organization

Scan via SWOT analysis:

Look for opportunities/threats in the external environment

Look for strengths/weaknesses in the internal environment

Approaches:

- Systematic Approach – Information Gathering/Analysis
- Adhoc Approach – Survey/Research/Study Reports
- Processed form Approach - Processed based inputs

Sources of Information for ES

- Documentary
- Mass Media
- Internal Sources
- External Agencies
- Formal Studies
- Spying & surveillance
- Government Publications
- Institutional Publications/Journals

Strategy Formulation

The process of developing long range plans to deal effectively with environmental opportunities & threats in light of Corporate Strengths & weaknesses

1. Corporate Strategy/ Business Strategy/HR Strategy/Growth Strategy/M&A Strategy/Integration Strategy
2. Develop Strategy that fits the organization
3. Creating Competitive & Cost Advantage
4. Create Differentiation & Focus
5. Adapt to Blue Occasion Strategy
6. Engaging Stakeholders
7. Evaluation of Progress & Growth

Strategy Formulation Steps…

It comprises of:

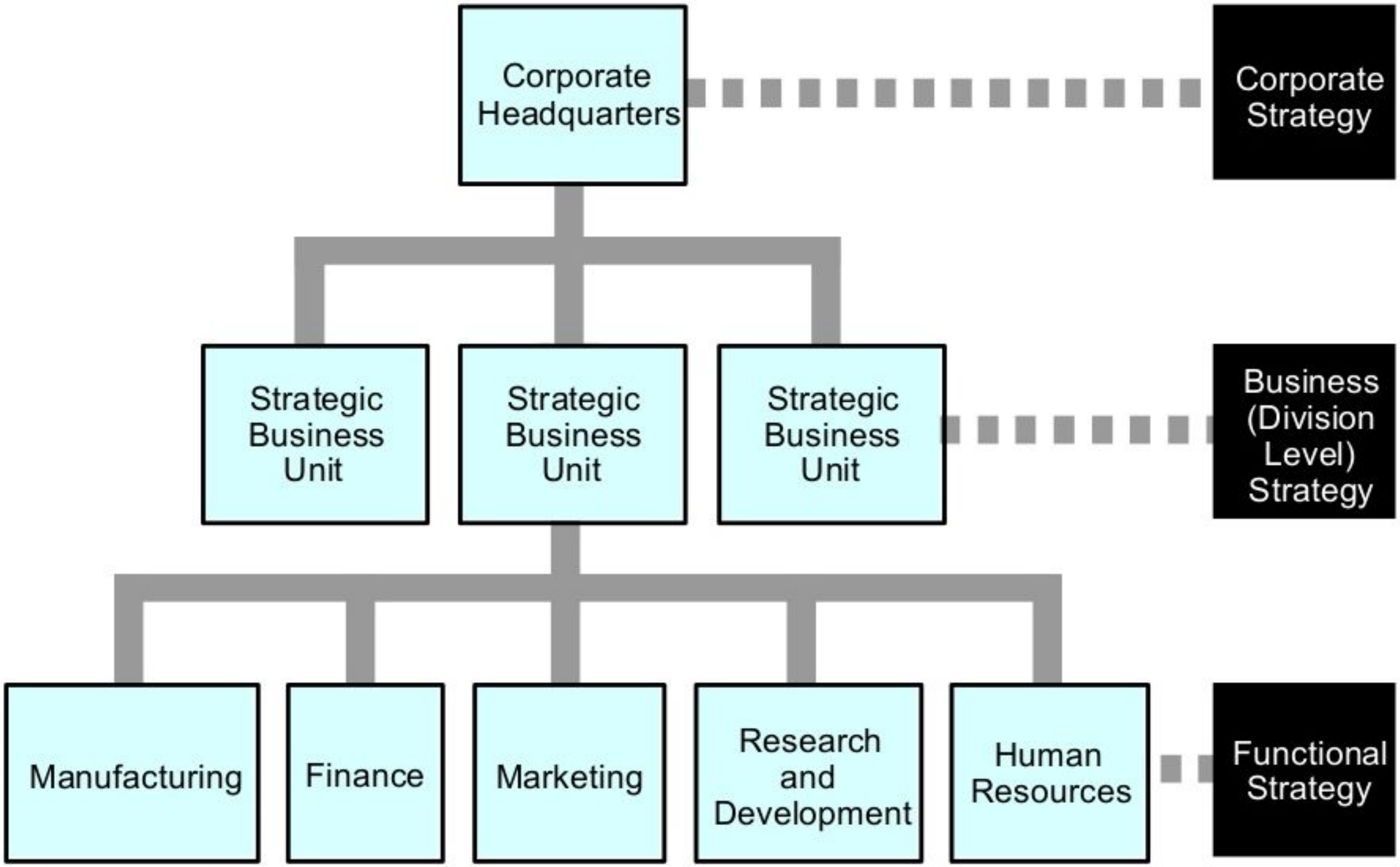
Mission – Purpose or Reason for the Organization Existence
Objective – End of Planned activity, Quantified -Specific Measurable & obtainable
Strategies – Comprehensive Master Plan – Corporate – Business & Functional
Policies – Broad guidelines for making decision

Business Stakeholders…

Stakeholders as follows:

Shareholders
Creditors
Directors & Managers
Employees
Suppliers
Customers
Community
Government
Financial Institutions

Hierarchy of Strategy ....



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Significance of Strategic Management

1. Monitoring how well business is doing over time
2. Deciding the next step to take in business in order to be successful

In order to:

- Increase the earning potential & success of particular business
- Choosing the most profitable niche for a market to promote a business
- To improve a business or make a business better than its competitors

Benefits of Strategic Management

1. Clear Sense of Strategic Vision
2. Sharper Focus on what is strategically important
3. Improved understanding of rapidly changing environment

Important Question to ask:

- Where is the organization now?
- If no changes are made, where will the organization be in one, two, five years? Are the answers acceptable
- If the answers are not acceptable, what specific action should management undertake? What are the risks & payoffs involved

Evaluation & Control

The process of Monitoring Organization activities & Performance results so that actual performance can be compared with desired performance

Important Element:

Corporate Culture - Vision/Mission/Flexibility/Adaptability/Logo/ Leadership/Belief/Ideas/ Team Working/Image

Strategy Implementation

The process of putting strategies & policies into action through the development of

- Programs – Statements of activities or steps needed to accomplish a single use plan
- Budgets – Statements of Organization programs in Rupee terms
- Procedures – Systems of Sequential steps or techniques that describe in detail how to perform particular tasks or jobs

In Conclusion:

Aim of Business Strategy is to strengthen a particular business so that its performance increases & in turn the business become more profitable.

Without Business Strategy, a business has no guide to follow & has an increased risk of not succeeding

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Build organizations through Business Strategies - People are the key …

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Let us get going ….

Ordinary people can deliver extraordinary performance

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