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НЯКОИ АСПЕКТИ НА СТРАТЕГИЧЕСКИЯ МЕНИДЖМЪНТ

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SOME ASPECTS OF STRATEGIC MANAGEMENT

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Abstract

Strategic Management is a planning process of developing strategy in the direction of achieving strategic-fit between the organization's competence & resources and the global environment under which it tends to operate. It is an ongoing management planning process, aimed at developing strategies to allow an organization to expand abroad and compete internationally.

An organization must be able to determine what products or services, where and how they intend to sell…

Concurrent with this assessment, objectives are set. These objectives should be parallel to a time-line; some are in the short-term and others on the long-term. This involves crafting vision statements (long term view of a possible future), mission statements (the role that the organization gives itself in society), overall corporate objectives (both financial and strategic), strategic business unit objectives (both financial and strategic), and tactical objectives.

Keywords: *strategic management, strategic planning, aspects of strategic management, strategies, companies*

JEL Codes: *M11*

1. Introduction

In the field of management, strategic management involves the formulation and implementation of the major goals and initiatives taken by an organization's top management on behalf of owners, based on consideration of resources and an assessment of the internal and external environments in which the organization operates (Nag, Hambrick, Chen, 2007). Strategic management is the management of an organization’s resources, evaluating strategies and ensuring that management rolls out the strategies across the organization. It identifying how the organization stacks up compared to its competitors and recognizing opportunities and threats, whether they come from within the organization or from competitors.

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The strategic management process helps institutions identify what they intend to achieve and how they will accomplish outcomes. The term strategic management is used to refer to the entire decision-making process. Strategic management must evolve by predicting the future (more effective planning), thinking strategically (increased responses, evaluation of strategic alternatives and dynamic allocation of resources) and creating the future (strategic planning…

Academics and practicing managers have developed numerous models and frameworks to assist in strategic decision-making in the context of complex environments and competitive dynamics (Ghemawat, 2002). Business culture, the skills and competencies of employees, and organizational structure are important factors that influence how an organization can achieve its stated objectives. Inflexible companies may find it difficult to succeed in a changing business environment. Creating a barrier between the development of strategies and their implementation can make it difficult for managers to determine whether objectives were efficiently met.

While an organization's upper management is ultimately responsible for its strategy, the strategies themselves are often sparked by actions and ideas from lower-level managers and employees. An organization may have several employees devoted to strategy rather than relying on the chief executive officer (CEO) for guidance. Because of this reality, organization leaders focus on learning from past strategies and examining the environment at large. The collective knowledge is then used to develop future strategies and to guide the behavior of employees to ensure that the entire organization is moving forward. For these reasons, effective strategic management requires both an inward and outward perspective.

2. The need for strategic management

Strategic management spans all sectors of a business. Strategic management is the process of evaluating the best policies for a business's managers to carry out in order to achieve the organization's goals and priorities. Strategic management is not static in nature; the models often [quantify] include a feedback loop to monitor execution and to inform the next round of planning (Hill, Jones, 2012). The small-business owners, can create a competitive advantage for the companies by enacting aspects of strategic management.

Strategic Analysis

Strategic analysis is an idea used within the broader field of strategic management to help businesses understand where their companies fit into the broader marketplace. This starts by looking inward evaluating the work environment, the availability of resources and the relationships between various levels of stakeholders. The aim of strategic analysis is the business owner or manager, to think about the key influences on the company's present position and to begin thinking about how those influences can be manipulated to get the company where it wants or needs to go.

Strategic Choice

Once a strategic analysis of the company's environment has been carried out, can move onto listing the strategic choices the company can take to meet its objectives. Listing the strategic choices will help to come up with ways to scale up resources, change company policy and reinvent business processes so as to reach the increased revenue goal. The key to this process is open communication. Discussing the options with stakeholders - employees, customers, board members and concerned community members - will give a 360-degree view of where the company can tweak or modify its policies and processes to better position itself for success.

Strategy Implementation

Implementing the choices outlined in the strategic plan is likely to be a time-consuming and, at times, frustrating endeavor. There are two things to keep in mind - allocation of resources and the organizational structure. If the organization and its management are rigid and not very open to change, it will be much harder to implement the strategic plan. Also have to think about access to resources, such as manpower, money and tools. Implementing change within the business will require a balance between pouring money into a problem and effectively using resources to change business policies and processes.

SWOT Analysis

One of the main tools that can be used in bringing together a strategic management plan is a SWOT analysis. The name is an initialism for the four parameters the technique examines:

- **S**trengths: characteristics of the business or project that give it an advantage over others.
- **W**eaknesses: characteristics of the business that place the business or project at a disadvantage relative to others.
- **O**pportunities: elements in the environment that the business or project could exploit to its advantage.
- **T**hreats: elements in the environment that could cause trouble for the business or project.

SWOT stands for strengths, weaknesses, opportunities and threats. The idea behind this tool is to list each of organization's attributes in each section. If the facilities need to be revamped, that is opportunity to better the company. If a competitor can't do much to control, that is a weakness. Seeing all of the business's pros and cons in one place can help decide a strategic plan for accomplishing financial, operations and resource-based goals.

3. Intended, emergent and realized strategies

For firms, changes in the behavior of competitors, customers, suppliers, regulators, and other external groups can all be sources of a metaphorical punch in the face. Depending on the situation in the company's environment, strategic management can use different strategies. Strategic management is often described as involving two major processes: formulation and implementation of strategy. In practice the two processes are iterative and each provides input for the other (Mintzberg, 1996).

When an organization's environment is stable and predictable, strategic planning can provide enough of a strategy for the organization to gain and maintain success. The executives leading the organization can simply create a plan and execute it, and they can be confident that their plan will not be undermined by changes over time. Because change affects the strategies of almost all organizations, understanding the concepts of intended, emergent and realized strategies is important.

An intended strategy is the strategy that an organization hopes to execute. Intended strategies are usually described in detail within an organization's strategic plan. When a strategic plan is created for a new venture, it is called a business plan.

An emergent strategy is an unplanned strategy that arises in response to unexpected opportunities and challenges.

A realized strategy is the strategy that an organization actually follows. Realized strategies are a product of a firm's intended strategy (i.e., what the firm planned to do), the firm's deliberate strategy (i.e., the parts of the intended strategy that the firm continues to pursue over time), and its emergent strategy (i.e., what the firm did in reaction to unexpected opportunities and challenges).

4. The five ps of strategy

Defining strategy is not simple. Strategy is a complex concept that involves many different processes and activities within an organization. To capture this complexity, Professor Henry Mintzberg of McGill University in Montreal, Canada, articulated what he labeled as “the 5 Ps of strategy.” According to Mintzberg, understanding how strategy can be viewed as a plan, as a ploy, as a position, as a pattern, and as a perspective is important. Each of these five ways of thinking about strategy is necessary for understanding what strategy is, but none of them alone is sufficient to master the concept (Mintzberg, 1987).

Understanding different ways of thinking about strategy is the first step toward mastering the art and science of strategic management. The **five Ps** of strategy developed from the work of Henry Mintzberg help to provide an overview of the most commonly used definitions of strategy:

1) **Plan**
2) **Ploy**
3) **Pattern**
4) **Position**
5) **Perspective**

Strategy as a Plan

Strategic plans are the essence of strategy, according to one classic view of strategy. A strategic plan is a carefully crafted set of steps that a firm intends to follow to be successful. Virtually every organization creates a strategic plan to guide its future.

A business model should be a central element of a firm’s strategic plan. Simply stated, a business model describes the process through which a firm hopes to earn profits. Developing a viable business model requires that a firm sell goods or services for more than it costs the firm to create and distribute those goods. A more subtle but equally important aspect of a business model is providing customers with a good or service more cheaply than they can create it themselves.

Strategic plans are important to individuals too. Indeed, a well-known proverb states that “he who fails to plan, plans to fail.” In other words, being successful requires a person to lay out a path for the future and then follow that path. Life is full of unexpected twists and turns, so maintaining flexibility is wise for individuals planning their career strategies as well as for firms.

Strategy as a Ploy

A second way to view strategy is in terms of ploys. A strategic ployis a specific move designed to outwit or trick competitors. Ploys often involve using creativity to enhance success.

Ploys can be especially beneficial in the face of much stronger opponents. Military history offers quite many illustrative examples, but ploys continue to be very important until today.

Strategy as a Pattern

Strategy as pattern is a third way to view strategy. This view focuses on the extent to which a firm’s actions over time are consistent.

Strategy as a Position

Viewing strategy as a plan, a ploy and a pattern involve only the actions of a single firm. In contrast, the P-strategy as position considers a firm and its competitors, ie a firm’s place in the industry relative to its competitors.

Strategy as a Perspective

The fifth and final P shifts the focus to inside the minds of the executives running a firm. Strategy as perspective refers to how executives interpret the competitive landscape around them. Because each person is unique, two different executives could look at the same event such as a new competitor emerging and attach different meanings to it. One might just see a new threat to his or her firm's sales; the other might view the newcomer as a potential ally. Executives who adopt unique and positive perspectives can lead firms to find and exploit opportunities that others simply miss.

5. Conclusion

Making companies able to compete is the purpose of strategic management. To that end, putting strategic management plans into practice is the most important aspect of the planning itself. For firms, the unexpected twists and turns place limits on the value of strategic planning. From that point forward, strategy is less about a plan and more about adjusting to a shifting situation. As events unfold around a firm, its strategic plan may reflect a competitive reality that no longer exists. Because the landscape of business changes rapidly, other ways of thinking about strategy are needed.

Plans in practice involve identifying benchmarks, realigning resources – financial and human and putting leadership resources in place to oversee the creation, sale, and deployment of products and services. Strategic management extends to internal and external communication practices as well as tracking to ensure that the company meets goals as defined in its strategic management plan.

Strategic management focuses on firms and the different strategies that they use to become and remain successful. Most organizations create intended strategies that they hope to follow to be successful. Over time, however, changes in an organization's situation give rise to new opportunities and challenges. Organizations respond to these changes using emergent strategies as a product of many different strategies.

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