BUSINESS POLICY & STRATEGIC MANAGEMENT

UNIT 1

What Is Strategic Management?

Strategic management evaluates and may reorganize company resources to achieve new goals and objectives. Strategic management looks at the competitive environment and internal organization, evaluates strategies, and ensures that management rolls out new approaches across the company.

CONCEPT OF Strategic management

The top management of an organization is concerned with the selection of a course of action from among different alternatives to meet the organizational objectives. The process by which objectives are formulated and achieved is known as strategic management and strategy acts as the means to achieve the objective. Strategy is the grand design or an overall 'plan' which an organization chooses in order to move or react towards the set of objectives by using its resources. Strategies most often devote a general programme of action and an implied deployed of emphasis and resources to attain comprehensive objectives. An organization is considered efficient and operationally effective if it is characterized by coordination between objectives and strategies. There has to be integration of the parts into a complete structure. Strategy helps the organization to meet its uncertain situations with due diligence. Without a strategy, the organization is like a ship without a rudder. It is like a tramp, which has no particular destination to go to. Without an appropriate strategy effectively implemented, the future is always dark and hence, more are the chances of business failure.

Definitions of Strategy

Kennth Andrews defined strategy as "the pattern of major objectives, purposes or goals and essential policies or plans for achieving the goals, stated in such a way as to define what business the company is in or is to be in and the kind of company it is or is to be." This definition of strategy emphasizes on purpose and the means by which purpose will be achieved. It also emphasizes on the values and the cultures that the company stand for.

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KEY TAKEAWAYS

- Companies, universities, nonprofits, and other organizations can use strategic management to set goals and meet objectives.
- Flexible companies can more easily restructure than inflexible organizations.
- A strategic manager may oversee strategic management plans and devise ways for organizations to meet their benchmark goals.

Management Styles

Organizational leaders commonly focus on learning from past strategies and examining the current environment. Strategic management may include an analytic process, where all threats and opportunities are accounted for, or merely applying new guiding principles.

The skills and competencies of employees, business culture, and organizational structure influence how an organization can achieve its objectives. Inflexible companies may find it difficult to succeed in a changing business environment. Creating a barrier between strategies and their implementation can make it difficult for managers to determine whether objectives have been efficiently met.

While an organization's upper management is ultimately responsible for its strategy, the strategies 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 solely on the chief executive officer (CEO) for guidance.

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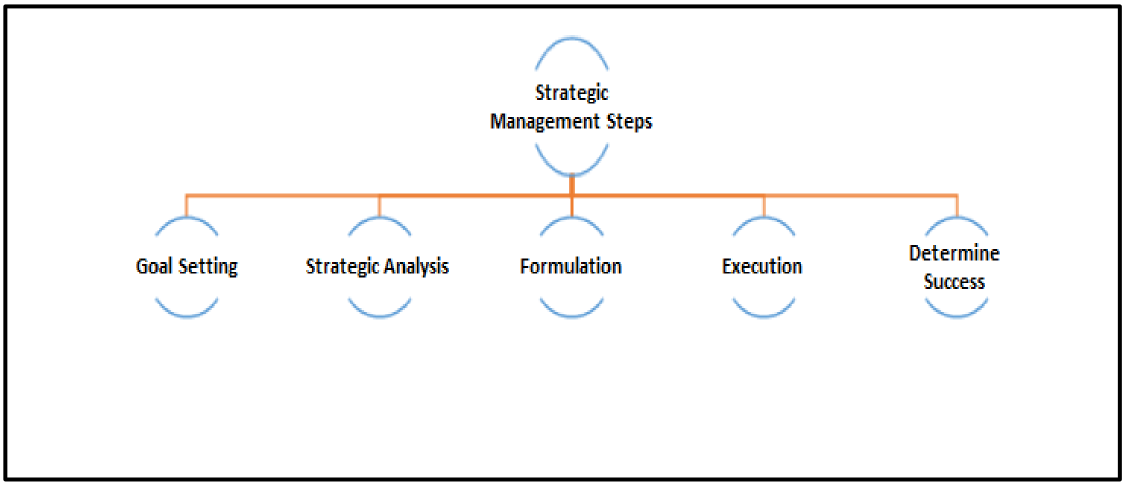
Strategic Management Steps

Strategic management helps organizations turn visions into action to reach business goals and objectives. A prescriptive approach outlines how strategies are developed, while a descriptive approach focuses on how they are implemented. Most organizations generally follow a series of steps that include:



- Goal Setting: An organization must establish clear, realistic goals to articulate its vision and long- and short-term goals. A company can then identify the objectives, or how the goals will be reached.
- Strategic Analysis: Organizations examine, understand, and codify what internal and external forces affect their business and goals, as well as what they need to remain competitive. Analytical tools, such as SWOT analysis, are helpful during this phase.
- Formulation: A company develops its strategy, outlining how it will achieve its goals. In this phase, an organization may identify the people, technology, and other resources it needs, how resources will be allocated to fulfill tasks, and what performance metrics will measure success. It is also critical to gain buy-in from stakeholders and business leaders.
- Execution: Once the strategies are defined, it is time for execution. The strategy moves from planning to implementation. The allocated resources are placed into action based on their roles and responsibilities.
- Determine Success: The final stage of strategic management is to evaluate the effectiveness of implemented strategies using defined metrics. The company will determine whether ineffective methods should be replaced with more viable ones. The organization will monitor the business landscape, and internal operations, and maintain effective strategies.

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Examples of Strategic Management

Consider a large company that wants to achieve more ambitious online sales rates. To meet this goal, the company will develop a strategy, communicate the plan, apply it across various units and departments, integrate it with employee goals, and execute it accordingly. If an effective strategy is created, it will help the company achieve its targets through a single, coordinated process.

Suppose a for-profit technical college wishes to increase new student enrollment and enrolled student graduation rates over the next three years. The purpose is to make the college known as the best buy for a student's money and increase revenue. The school may evaluate its financials to create high-tech classrooms and hire the most qualified instructors. The college may also devote resources to marketing and recruitment.

Case Studies:

Case Study 1: Amazon's Core Competence and Organizational Learning

Amazon's success as the world's leading e-commerce company stems from its core competencies in logistics, customer experience, and technology innovation. Its proprietary algorithms for personalized recommendations and its ability to deliver goods quickly through an efficient supply chain have set Amazon apart from competitors.

The company's focus on organizational learning has been another critical factor. Amazon consistently adapts to market demands, exemplified by its transition from an online bookstore to a diverse global marketplace, and then into cloud computing services through AWS (Amazon Web Services). This diversification shows Amazon's capability to identify market trends and leverage its learning to expand into new industries successfully.

Lessons:

1. Core competence in logistics and customer satisfaction drives consistent value delivery.
2. Organizational learning allows companies to stay competitive by adapting and diversifying.

Questions:
1. What are Amazon's key core competencies?
2. How does organizational learning help Amazon stay ahead in competitive markets?
3. What role does technology play in Amazon's strategic growth?

Case Study 2: Kodak's Failure to Manage Strategic Change

Kodak was a dominant player in the photography industry for decades, known for its innovative film products. However, the company failed to adapt to the digital photography revolution, despite being one of the first to invent digital camera technology.

Kodak's reluctance to transition from film to digital stemmed from a fear of cannibalizing its profitable film business. The company ignored the signs of strategic change in consumer behavior and technological advancements, which allowed competitors like Sony and Canon to overtake the market.

Eventually, Kodak filed for bankruptcy in 2012, becoming a cautionary tale of what happens when organizations fail to embrace strategic change.

Lessons:

1. Ignoring technological advancements can lead to market failure.
2. Timely strategic change is critical to maintaining relevance in competitive industries.

Questions:

1. Why did Kodak fail to adapt to the digital revolution?
2. What could Kodak have done differently to manage strategic change?
3. What lessons can other companies learn from Kodak's experience?

Why Is Strategic Management Important?

Strategic management allows a company to analyze areas for operational improvement. It may follow an analytical process—identifying specific threats and specific opportunities—unique to the company. A company may choose general strategic management guidelines that apply to any company.

What Are the Key Elements of Strategic Management?

Strategic management is not a one-size-fits-all strategy. However, there are key elements that are found to be critical. These include goal setting, industry and organizational analyses, strategy formation, strategy implementation; and the measurement, monitoring, and controlling of strategies.

Dimensions of Strategic Decisions

1. Strategic Issues Require Top-Management Decisions
Since strategic decisions over -arch several areas of a firm's operation, they require top
management involvement, who has the perspective needed to understand the broad

implications of such decisions and the power to authorize the necessary resource allocations.

2. Strategic Issues Require Large Amounts of the Firm's Resources
Strategic decisions involve substantial allocations of people, physical assets, or moneys that
either must be redirected from internal sources or secured from outside the firm. They also
commit the firm to actions over an extended period.

3. Strategic Issues Often Affect the Firm's Long-Term Prosperity
Strategic decisions ostensibly commit the firm for a long time, typically five years; with the
impact lasting much longer. Once a firm has committed itself to a particular strategy, its
image and competitive advantages usually are tied to that strategy. Firms become known in certain markets, for certain products, with certain technologies. They would jeopardize their previous gains if they shifted from these markets, products, and technologies by adopting a radically different strategy.

4. Strategic Issues Are Future Oriented

Strategic decisions are based on what manager's forecast, rather than on what they know.
Emphasis is placed on the development of projections that will enable the firm to select the
most promising strategic options.
In the turbulent and competitive free enterprise environment, a firm will succeed only if it
takes a proactive (anticipatory) stance toward change.

5. Strategic Issues Usually Have Multifunctional or Multi-business Consequences Strategic decisions have complex implications for most areas of the firm. Decisions about such matters as customer mix, competitive emphasis, or organizational structure necessarily
involve a number of the firm's strategic business units (SBUs), divisions, or program units.
All of these areas will be affected by allocations or real locations of responsibilities and resources that result from these decisions.

6. Strategic Issues Require Considering the Firm's External Environment
All business firms exist in an open system. They affect and are affected by external conditions that are largely beyond their control.

Therefore, to successfully position a firm in competitive situations, its strategic managers must look beyond its operations. They must consider what relevant others (e.g., competitors, customers, suppliers, creditors, government,}

THE LEVEL OF STRATEGY

1. Corporate level (board of directors and the CEOs and administrative officer

Responsibilities

Firm's financial performance and for the achievement of non-financial goals, such as enhancing
the firm image and fulfilling its social responsibilities

Setting objectives and formulating strategies that span the activities and function; areas of
these businesses.
Attempting to exploit the firm's distinctive competencies by adopting a portfolio approach to
the management (its businesses and by developing long-term plans, typically for a five-year
period

2. Business level - Business and corporate managers.

Responsibilities

Translate the statement of direction and intent generated at the corporate level into concrete
objectives and strategies for individual business divisions, or SBUs.

Business-level strategic managers determine how the firm will compete in the selected
product-market arena.
They strive to identify and secure the most promising market segment within that arena. This
segment is the piece of the total market that the firm can claim and defend because of its
competitive advantages.

3. Functional level - Managers of product, geographic, and functional areas.

Responsibilities

They develop annual objectives and short-term strategies in such areas as production,
operations, research and development, finance and accounting, marketing, and human
relations.
Their principal responsibility is to implement or execute the firm's strategic plans.
Whereas corporate- and business-level managers center their attention on "doing the right
things,' managers at the functional level center their attention on "doing things right." Thus,
they address such issues as the efficiency and effectiveness of production and marketing
systems, the quality of customer service, and the success of particular products and service; in
increasing the firm's market shares.

Characteristics of Strategic Management Decisions-

The characteristics of strategic management decisions vary with the level of strategic activity considered.
Decisions at the corporate level tend to be more value oriented, more conceptual, and less concrete than decisions at the business or functional level.
Corporate-level decisions are often characterized by greater risk, cost, and profit potential; greater need for flexibility; and longer time horizons.

Such decisions include the choice of businesses, dividend policies, sources of long-term financing, and priorities for growth.

Functional-level decisions implement the overall strategy formulated at the corporate and business levels. They involve action-oriented operational issues and are relatively short range and low risk. Functional-level decisions incur only modest costs, because they are dependent on available resources. They usually are adaptable to ongoing activities and, therefore, can be implemented with minimal cooperation.

Business-level decisions help bridge decisions at the corporate and functional levels.

Modes of Strategic Management

Modes of strategic management are the actual kinds of approaches taken by managers in formulating and implementing strategies. They address the issues of who has the major influence in the strategic management process and how the process is carried out. Research indicates that managers tend to use one of three major approaches to, or modes of strategic management: entrepreneurial, adaptive, and planning. The mode selected is likely to influence the degree of innovation that occurs within the organization. Innovation is particularly important in the context of strategic management, because organizations that do not continually incorporate new ideas are likely to fail behind competitively, particularly when the environment is changing rapidly.

1. **Entrepreneurial Mode**

"Entrepreneurial mode is an approach in which strategy is formulated mainly by a strong visionary chief executive who actively searches for new opportunities, is heavily oriented toward growth, and is willing to make bold strategies rapidly" (Management, Kathryn M. Bartol & David C. Martin). The entrepreneurial searches for new mode are most likely to be found in organizations that are young or small, have a strong leader, or are in such serious trouble that bold are their only hope. Not surprisingly, in the entrepreneurial mode, the extent to which the strategic management process encourages innovation depends largely on the orientation of top leaders. Their personalities, power, and information enable them to overcome obstacles and push for change. Conversely, strong leaders also are in a position to threat innovative activities, should they be so inclined.

2. **Adaptive Mode**

"Adaptive mode is an approach to strategy formulation that emphasizes taking small incremental steps, reacting to problems rather than seeking opportunities, and attempting to satisfy a number of organizational power groups" (Management, Kathryn M. Bartol & David C. Martin). The adaptive mode is most likely to be used by managers in established organizations that face a rapidly changing environment and yet have several coalitions, or power blocks, that make it difficult to obtain agreement on clear strategic goals and associated long-term plans. For example, before London based Grand Metropolitan PLC purchased Pillsbury, including the Burger King Chain, the chain was plagued by constant turnover, marketing problems, inconsistent service, and angry franchisees who frequently told Pillsbury what to do. Grand Metropolitan is now working to put the chain back on track through a strategy that emphasizes, doing "whatever it takes to create a positive, memorable experience." Concrete measures include increasing the number of field representatives who visit Burger King stores, highlighting cleanliness, and rewarding employees who take the initiative in improving service by doing things differently. With the adaptive approach, the degree of innovation fostered by the strategic management process is likely to depend on the ability of managers to agree on at least some major goals and basic strategies that set essential directions. In addition, lower level managers must have some flexibility in carrying out the basic strategy rather than being given extremely detailed plans to follow; this approach might be effective in a more stable environment or one in which agreement among coalitions is easy to obtain. Without at least some agreement among high-level managers on major goals and directions, however the adaptive mode may be ineffective in moving the organization in viable strategic directions.

3. **Planning Mode**

Planning mode is an approach to strategy formulation that involves systematic, comprehensive analysis, along with integration of various decisions and strategies" (Management, Kathryn M. Bartol & David C). Martin. With the planning mode, executives often utilize planning specialists to help with the strategic management process. The ultimate aim of the planning mode is to understand the environment well enough to influence it. The planning mode is most likely to be used in large organizations that have enough resources to conduct comprehensive analysis, have an internal situation in which agreement is possible on major goals, and face an environment that has enough stability to enable the formulation and implementation of carefully conceived strategies. For example, Disney's plans include entry into the convention hotel business with its Dolphin Hotel, operated by the Sheraton Corporation, and Swan Hotel, run by the Westin Hotel Company. Combined, the two hotels offer 2350 rooms and more than 200,000 square feet of convention space inside Disney World. The hotels were heavily booked well in advance of their opening in 1990. With the planning mode, innovation is most likely to occur when strategies explicitly articulate needs for product and service innovation and when top-level managers, such as those at Disney, help integrate efforts in the direction of encouraging innovation.

Assessing the Strategic Management

Modes Each mode can be relatively successful as long as it is matched to an appropriate situation. In fact, it may be possible to use different modes within the same organization. For example, a top-level manager may adopt an entrepreneurial mode for a new business that is just starting and use the planning mode for strategic management of the rest of the organization. Each of these modes of strategic management can either promote organizational innovation or stifle it, depending on how the mode is used. Still, operating effectively in any of the three modes requires knowledge of the strategic management process. In carrying out the process, once the mission and strategic goals are determined, managers engage in competitive analysis.

Playing chess without a strong opening is a guaranteed way to disadvantage yourself. Just like in chess, organizations without an adequate strategic planning process are unlikely to thrive and adapt long-term.

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The strategic planning process is essential for aligning your organization on key priorities, goals, and initiatives, making it crucial for organizational success.
This article will empower you to craft and perfect your strategic planning process by exploring the following:

- What is strategic planning
- Why strategic planning is important for your business
- The seven steps of the strategic planning process
- Strategic planning frameworks
- Best practices supporting the strategic planning process

By the end of this article, you'll have the knowledge needed to perfect the key elements of strategic planning. Ready? Let's begin.

What is strategic planning?

Strategic planning charts your business's course toward success. Using your organization's vision, mission statement, and values — with internal and external information — each step of the strategic planning process helps you craft long-term objectives and attain your goals with strategic management.
The key elements of strategic planning includes a SWOT analysis, goal setting, stakeholder involvement, plus developing actionable strategies, approaches, and tactics aligned with primary objectives through strategic assessment. You can also use a strategy management maturity model to assess the current state of strategy development in your organization.

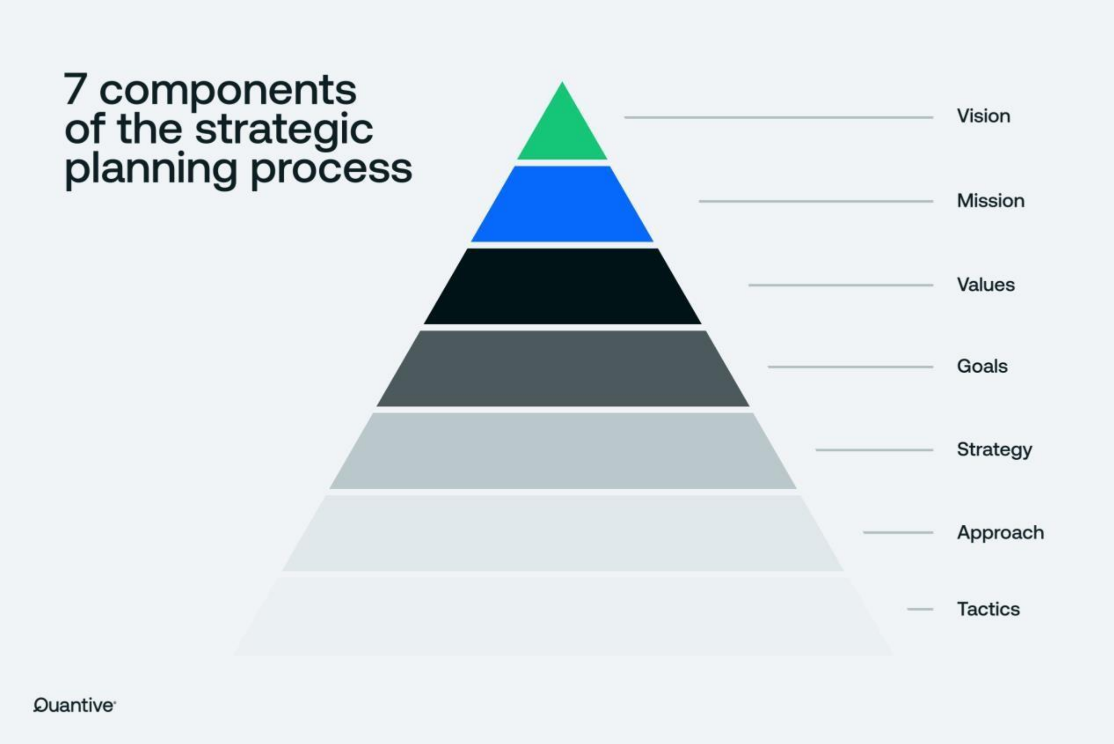
In short, the strategic planning process bridges the gap between your organization's current and desired state, providing a clear and actionable framework that answers:

- Where are you now?
- Where do you want to be?
- How will you get there?

7 key elements of strategic planning

The following strategic planning components work together to create cohesive strategic plans for your business goals. Let's take a close look at each of these:

1. **Vision**: What your organization wants to achieve in the future, the long-term goal
2. **Mission**: The driving force behind why your company exists, who it serves, and how it creates value
3. **Values**: Fundamental beliefs guiding your company's decision-making process
4. **Goals**: Measurable objectives in alignment with your business mission, vision, and values
5. **Strategy**: A long-term strategy map for achieving your objectives based on both internal and external factors
6. **Approach**: How you execute strategy and achieve objectives using actions and initiatives
7. **Tactics**: Granular short-term actions, programs, and activities



Why is the strategic planning process important?

Just as a chess player needs a gameplan to reach checkmate, a company needs a solid strategic plan to achieve its goals. Without a strategic plan, your business will waste precious time, energy, and resources on endeavors that won't get your company closer to where it needs to be.

Your ideal plan should cover all key strategic planning areas, while allowing you to stay present by measuring success and course-correcting or redefining the strategic direction when necessary. Ultimately, enabling your company to stay future-proof through the creation of an always-on strategy that reflects your company's mission and vision.

An always-on strategy involves continuous environmental scanning even after the strategic plan has been devised, ensuring readiness to adapt in response to quick, drastic changes in the environment.

Let’s dive deeper into the steps of the strategic planning process.

What are the 7 stages of the strategic planning process?

You understand the overall value of implementing a strategic planning process — now let’s put it in practice. Here's our 7-step approach to strategic planning that ensures everyone is on the same page:

1. Clarify your vision, mission, and values
2. Conduct an environmental scan
3. Define strategic priorities
4. Develop goals and metrics
5. Derive a strategic plan
6. Write and communicate your strategic plan
7. Implement, monitor, and revise

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1. Clarify your vision, mission, and values

The first step of the strategic planning process is understanding your organization's core elements: vision, mission, and values. Clarifying these will align your strategic plan with your company's definition of success. Once established, these are the foundation for the rest of the strategic planning process.

Questions to ask:

- What do we aspire to achieve in the long term?
- What is our purpose or ultimate goal?
- What do we do to fulfill our vision?
- What key activities or services do we provide?
- What are our organization's ethics?
- What qualities or behaviors do we expect from employees?

2. Conduct an environmental scan

Once everyone on the same page about vision, mission, and values, it's time to scan your internal and external environment. This involves a long-term SWOT analysis, evaluating your organization's strengths, weaknesses, opportunities, and threats.

Internal factors

Internal strengths and weaknesses help you understand where your organization excels and what it could improve. Strengths and weaknesses awareness helps make more informed decisions with your capabilities and resource allocation in mind.

External factors

Externally, opportunities and threats in the market help you understand the power of your industry's customers, suppliers, and competitors. Additionally, consider how broader forces like technology, culture, politics, and regulation may impact your organization.

Questions to ask:

- What are our organization's key strengths or competitive advantages?
- What areas or functions within our organization need improvement?
- What emerging trends or opportunities can we leverage?
- How do changes in technology, regulations, or consumer behavior impact us?

3. Define strategic priorities

Prioritization puts the "strategic" in strategic planning process. Your organization's mission, vision, values, and environmental scan serve as a lens to identify top priorities. Limiting priorities ensures your organization intentionally allocates resources. These categories can help you rank your strategic priorities:

- **Critical**: Urgent tasks whose failure to complete will have severe consequences — financial losses, reputation damage, or legal consequences
- **Important**: Significant tasks which support organizational achievements and require timely completion

- **Desirable**: Valuable tasks not essential in the short-term, but can contribute to long-term success and growth

Questions to ask:

- How do these priorities align with our mission, vision, and values?
- Which tasks need to be completed quickly to ensure effective progress towards our desired outcomes?
- What resources and capabilities do we need to pursue these priorities effectively?

4. Develop goals and metrics

Next, you establish goals and metrics to reflect your strategic priorities. Purpose-driven, long-term, actionable strategic planning goals should flow down through the organization, with lower-level goals contributing to higher-level ones.

One approach that can help you set and measure your aligned goals is objectives and key results (OKRs). OKRs consist of objectives, qualitative statements of what you want to achieve, and key results, 3-5 supporting metrics that track progress toward your objective.

OKRs ensure alignment at every level of the organization, with tracking and accountability built into the framework to keep everyone engaged. With ambitious, intentional goals, OKRs can help you drive the strategic plan forward.

Questions to ask:

- What metrics can we use to track progress toward each objective?
- How can we ensure that lower-level goals and metrics support and contribute to higher-level ones?
- How will we track and measure progress towards key results?
- How will we ensure accountability?

5. Derive a strategic plan

The next step of the strategic planning process gets down to the nitty-gritty "how" — developing a clear, practical strategic plan for bridging the gap between now and the future.
To do this, you'll need to brainstorm short- and long-term approaches to achieving the goals you've set, answering a couple of key questions along the way. You must evaluate ideas based on factors like:

- **Feasibility**: How realistic and achievable is it?
- **Impact**: How conducive is it to goal attainment?
- **Cost**: Can we fund this approach, and is it worth the investment?
- **Alignment**: Does it support our mission, vision, and values?

From your approaches, you can devise a detailed action plan, which covers things like:

- **Timelines**: When will we take each step, and what are the deadlines?

- **Milestones**: What key achievements will ensure consistent progress?
- **Resource requirements**: What's needed to achieve each step?
- **Responsibilities**: Who's accountable in each step?
- **Risks and challenges**: What can affect our ability to execute our plan? How will we address these?

With a detailed action plan like this, you can move from abstract goals to concrete steps, bringing you closer to achieving your strategic objectives.

6. Write and communicate your strategic plan

Writing and communicating your strategic plan involves everyone, ensuring each team is on the same page. Here's a clear, concise structure you can use to cover the most important strategic planning components:

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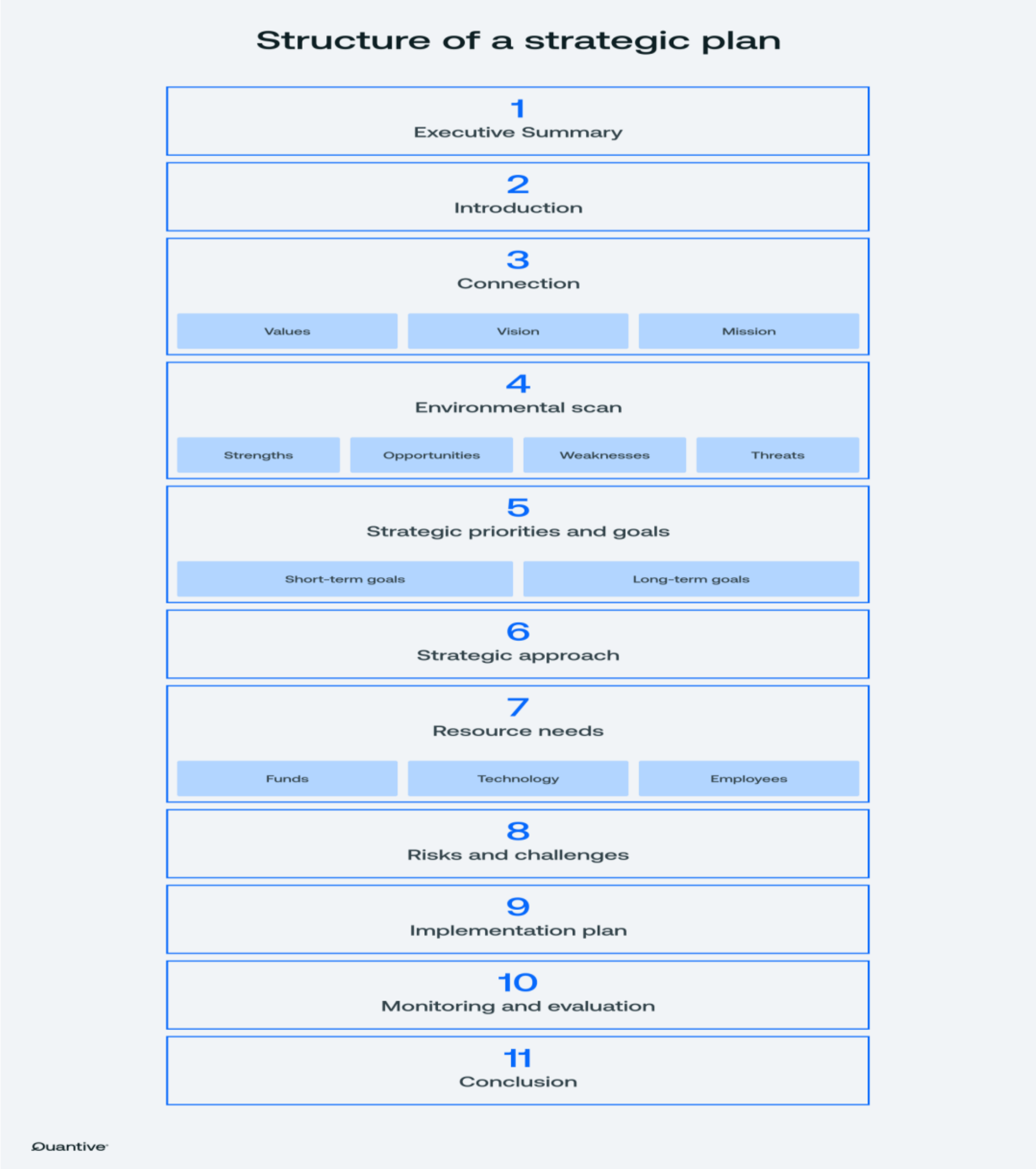

- **Executive summary**: Highlights and priorities in your strategic overview
- **Introduction**: Background on your strategic plan
- **Connection**: How your strategic plan aligns with your organization's mission, vision, and values
- **Environmental scan**: An overview of your SWOT analysis findings

- **Strategic priorities and goals**: Informed short and long-term organizational goals
- **Strategic approach**: An overview of your tactical plan
- **Resource needs**: How you'll deploy technology, funding, and employees
- **Risk and challenges**: How you'll mitigate the unknowns if and when they arise
- **Implementation plan**: A step-by-step resource deployment plan for achieving your strategy
- **Monitoring and evaluation**: How you'll keep your plan heading in the right direction
- **Conclusion**: A summary of the strategic plan and everything it entails

Questions to ask:

- What information or context do stakeholders need to understand the strategic plan?
- How can we emphasize the connection between the strategic plan and the overall purpose and direction of the organization?
- What initiatives or strategies will we implement to drive progress?
- How will we mitigate or address risks?
- What are the specific steps and actions we need to take to implement the strategic plan?
- Any additional information or next steps we need to communicate?

7. ***Implement, monitor, and revise performance***

Finally, it's time to implement your strategic plan, making sure it's up to date, creating a persistent, always-on strategy that doesn't lag behind. As you get the ball rolling, keep a close eye on your timelines, milestones, and performance targets, and whether these align with your internal and external environment.

Internally, indicators like completions, issues, and delays provide visibility into your process. If any bottlenecks, inefficiencies, or misalignment arises, take corrective action promptly — adjust the plan, reallocate resources, or provide additional training to employees.

Externally, you should monitor changes such as customer preferences, competitive pressures, economic shifts, and regulatory changes. These impact the success of your strategic action plan and may require tweaks along the way.

Remember, implementing a strategic plan isn't a one-time task — continual strategic evaluations are essential for an Always-On Strategy. It involves extending beyond planning stages and contextualizing the strategy in real-time, allowing for swift adaptations to changing circumstances to ensure your plan remains relevant.

Questions to ask:

- Are there any bottlenecks, inefficiencies, or misalignments we need to address?
- Are we monitoring and analyzing external factors?
- Are we prepared to make necessary tweaks or adaptations along the way?

- Are we agile enough to promptly correct deviations from our strategic plan while maintaining an "always-on" strategy for continual adjustments?

Strategic planning frameworks

You can use several frameworks to guide you through the strategic planning process. Some of the most influential ones include:

- **Balanced scorecard (BSC)**: Takes an overarching approach to strategic planning, covering financial, customer, internal processes, and learning and growth, aligning short-term operational tasks with long-term strategic goals.
- **SWOT analysis**: Highlights your business's internal strengths and weaknesses alongside external opportunities and threats to enable informed decisions about your strategic direction.
- **OKRs**: Structures goals as a set of measurable objectives and key results. They cascade down from top-level organizational objectives to lower-level team goals, ensuring alignment across the entire organization. Get an in-depth look at OKRs here.
- **Scenario planning**: Involves envisioning and planning for various possible future scenarios, allowing you to prepare for a range of potential outcomes. It's particularly useful in volatile environments rife with uncertainties.
- **Porter's five forces**: Evaluates the competitive forces within your industry — rivalry among existing

competitors, bargaining power of buyers and suppliers, threat of new entrants, and threat of substitutes — to shape strategies that position the organization for success.

QUESTIONS

1. What is the scope of strategic management, and why is it important for organizations?

2. Explain the concept of core competence with examples from successful companies.

3. How do organizational capabilities contribute to achieving competitive advantage?

4. What is organizational learning, and how does it support strategic planning?

5. Describe the key steps involved in the process of strategic planning and implementation.

6. How can organizations manage strategic change effectively?

7. What are the challenges of activating strategies, and how can they be overcome?

8. Explain the relationship between strategy and organizational structure with relevant examples.

9. Why is environmental scanning crucial in the strategic management process?

10. Discuss the importance of aligning resources and goals during the implementation of a strategy.