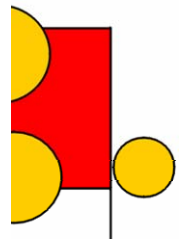
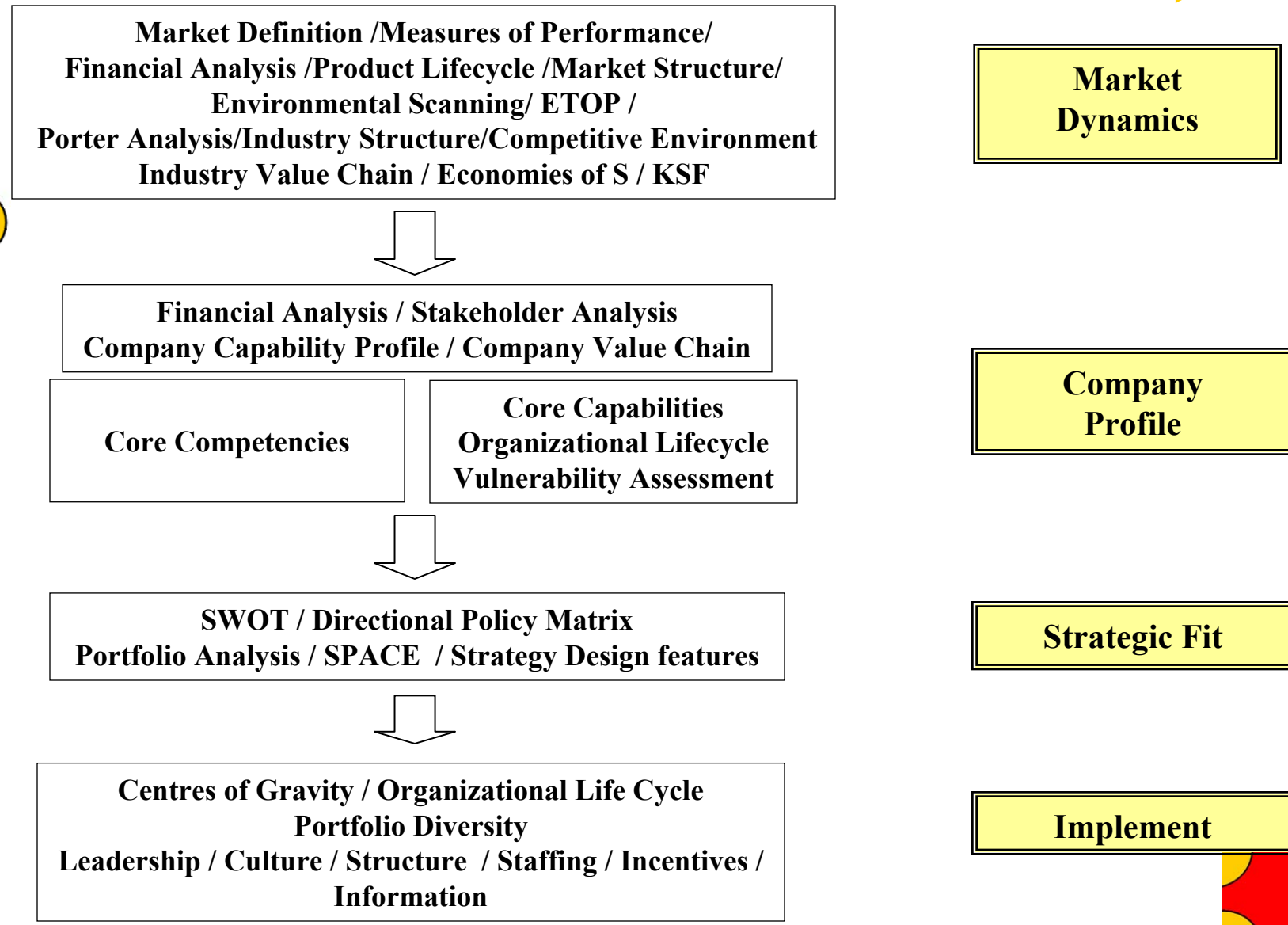


# Strategic Management


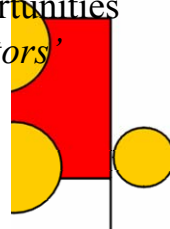
## Strategic Framework



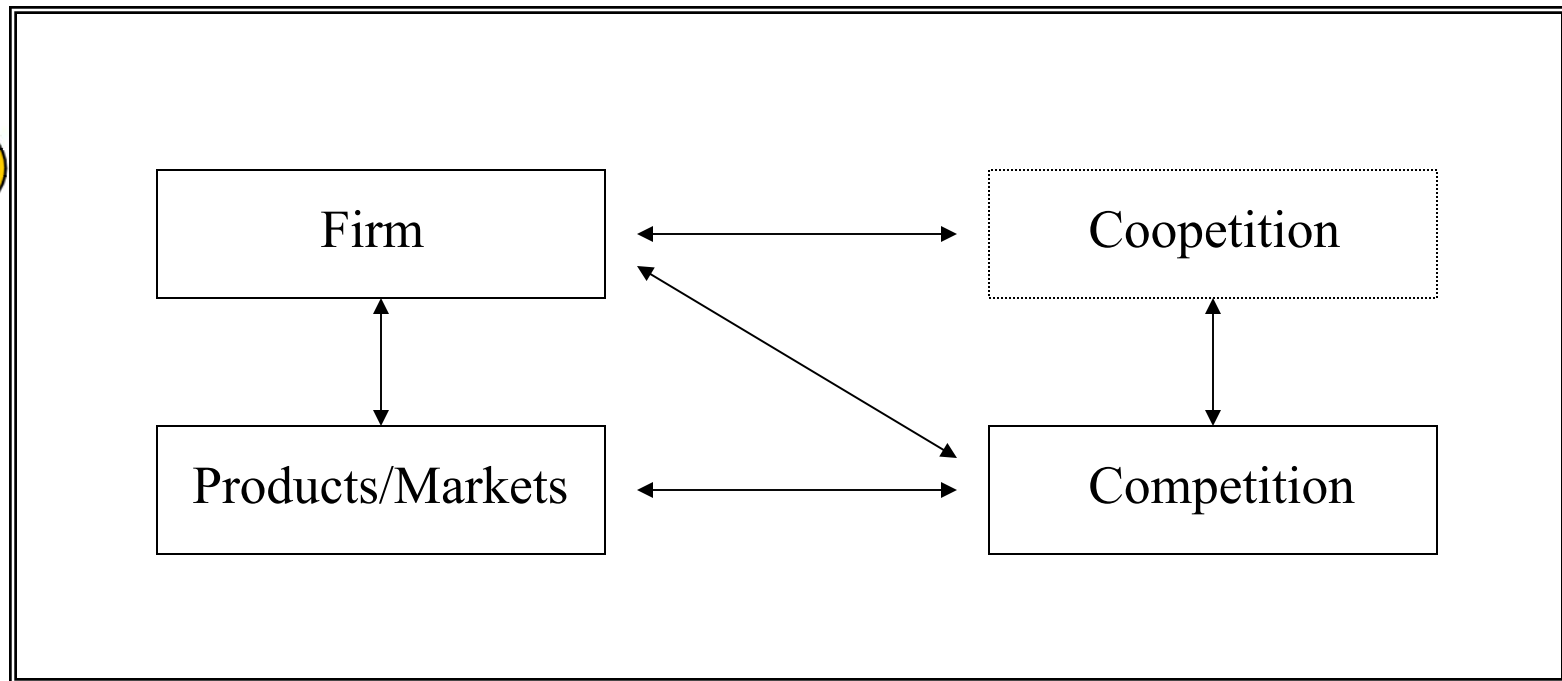
# Roadmap to Strategic Techniques



# Some Terminology from Corporate Strategic Environment

- 
- **Culture** The organization ambience and operating context (cohesion, collective sense of purpose)  
*\*What is our identity?*
  - **Vision** The desired future state of the organization  
*\*What should we aspire to?*
  - **Values** Moral framework guiding corporate behaviour  
*\*Against what criteria should our actions be judged?*
  - **Beliefs** Assumptions about the organization mode of operation and interaction with environment  
*\*What do we take for given?*
  - **Mission** Defines scope of corporate activity in terms of culture, vision and values  
*\*Where do we compete and how?*
  - **Goals** Sets direction of corporate accomplishments  
*\*How to judge progress in performance?*
  - **Objectives** Defines milestones and targets for goals  
*\*What to evaluate in performance?*
  - **Strategy** Defines a “fit” between the organization’s capabilities, goals and the market opportunities  
*\*What should we sell to whom, where should we sell and how; given our competitors’ situation*
- 

# Art of the General



Market/Product Choice:

Ability to Deliver:

Counter Hostile Action:

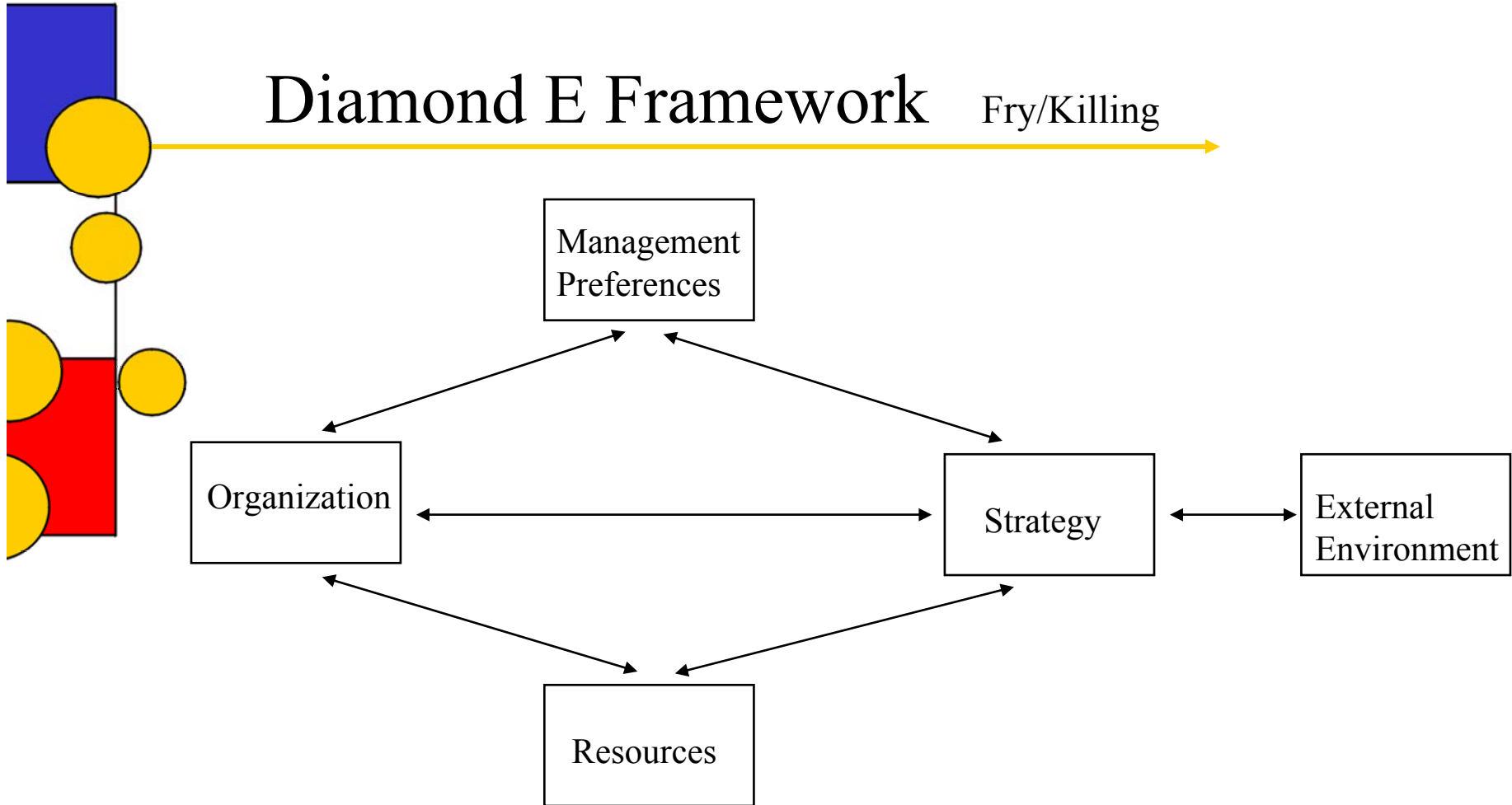
$\Sigma$  “Fit”

Focus

Capability

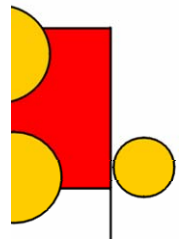
Anticipation

# Diamond E Framework Fry/Killing

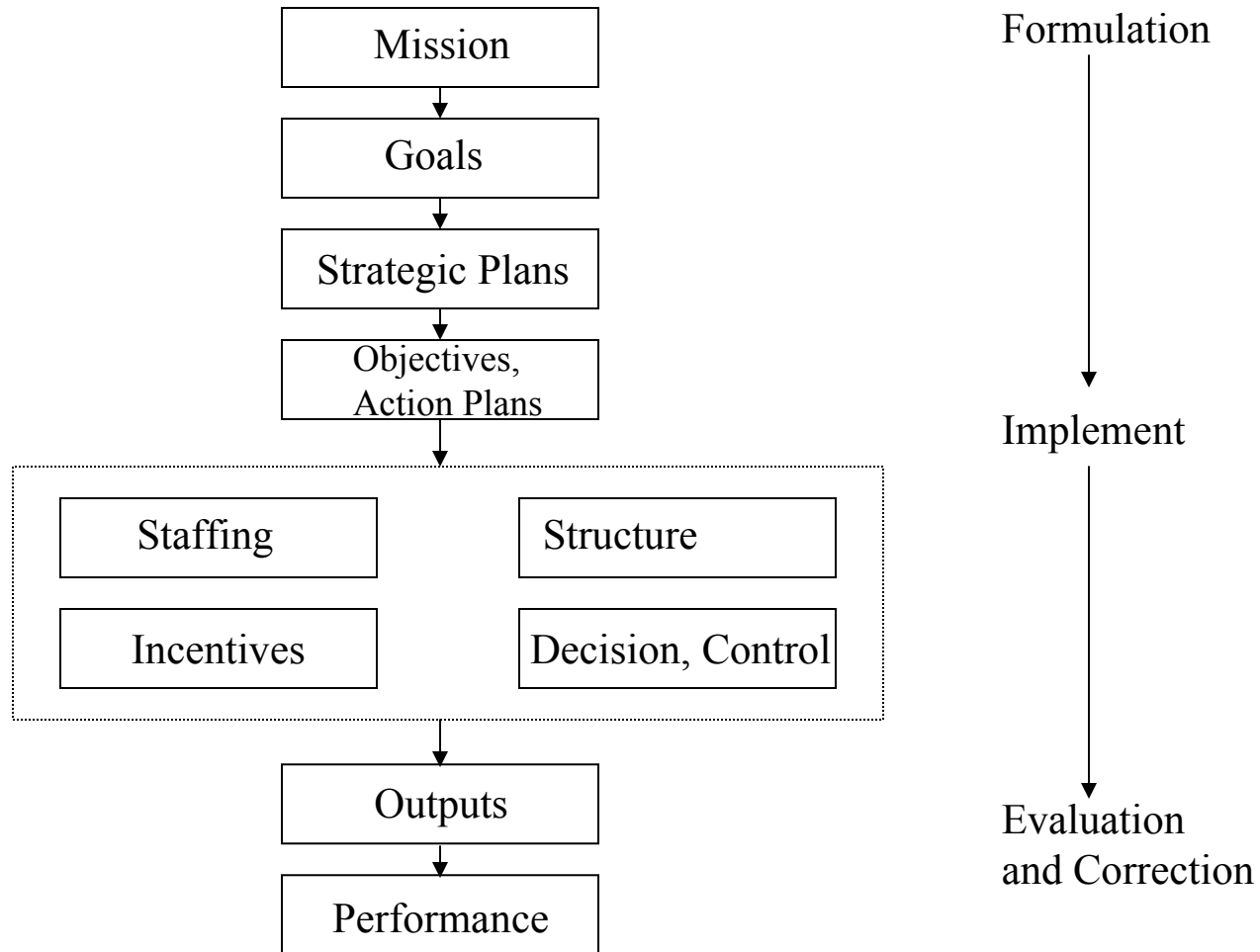


## Characteristics of Good Strategy

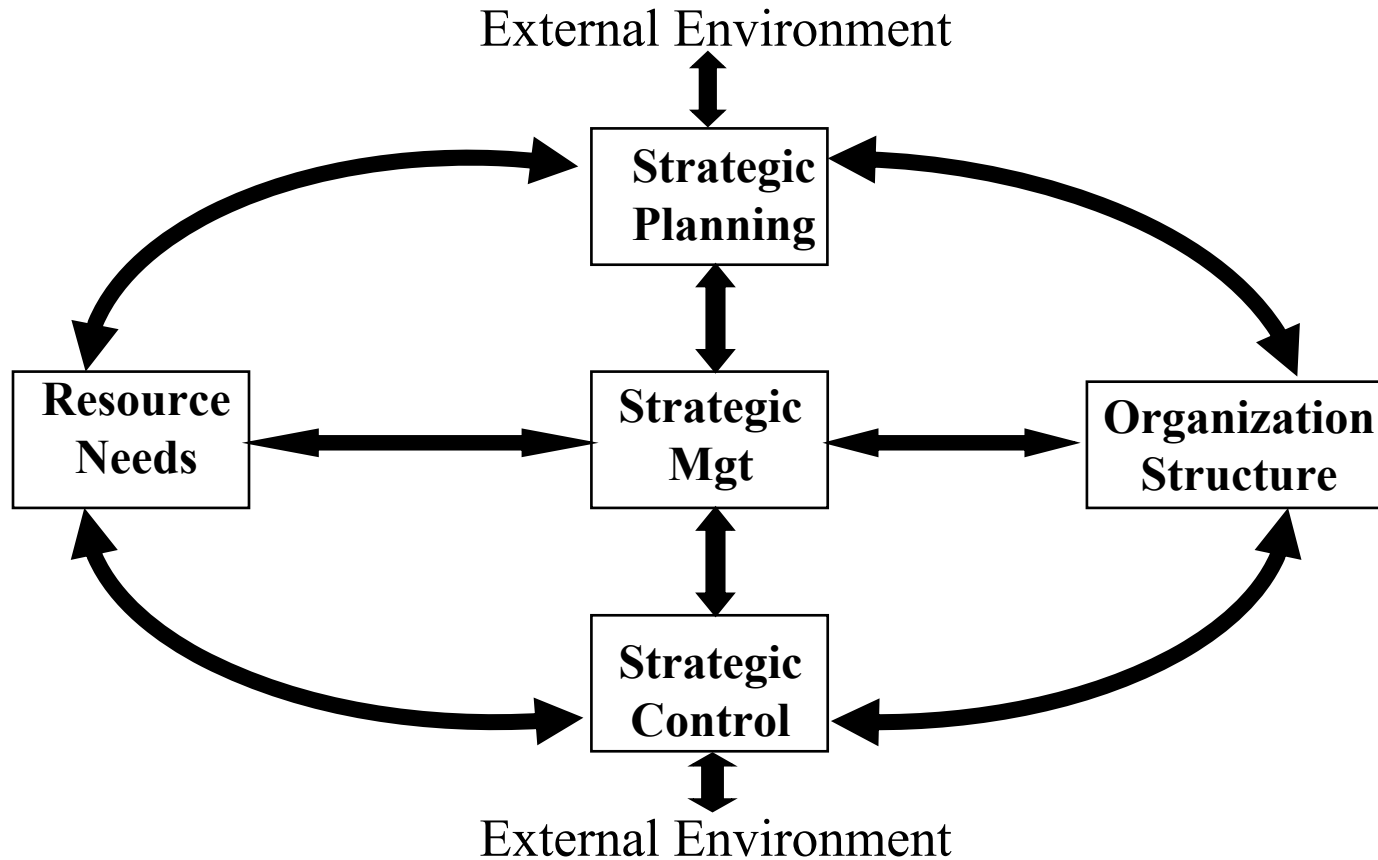
- Sustainable
- Unique
- Value Added (Real or Perceived)



# Strategy Process and Tasks



# Strategic Four Factors Model



ABC

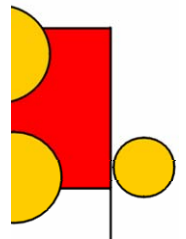
Assumptions  
Beliefs  
Consequences

3F

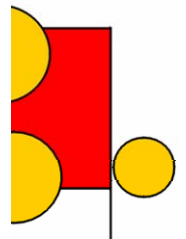
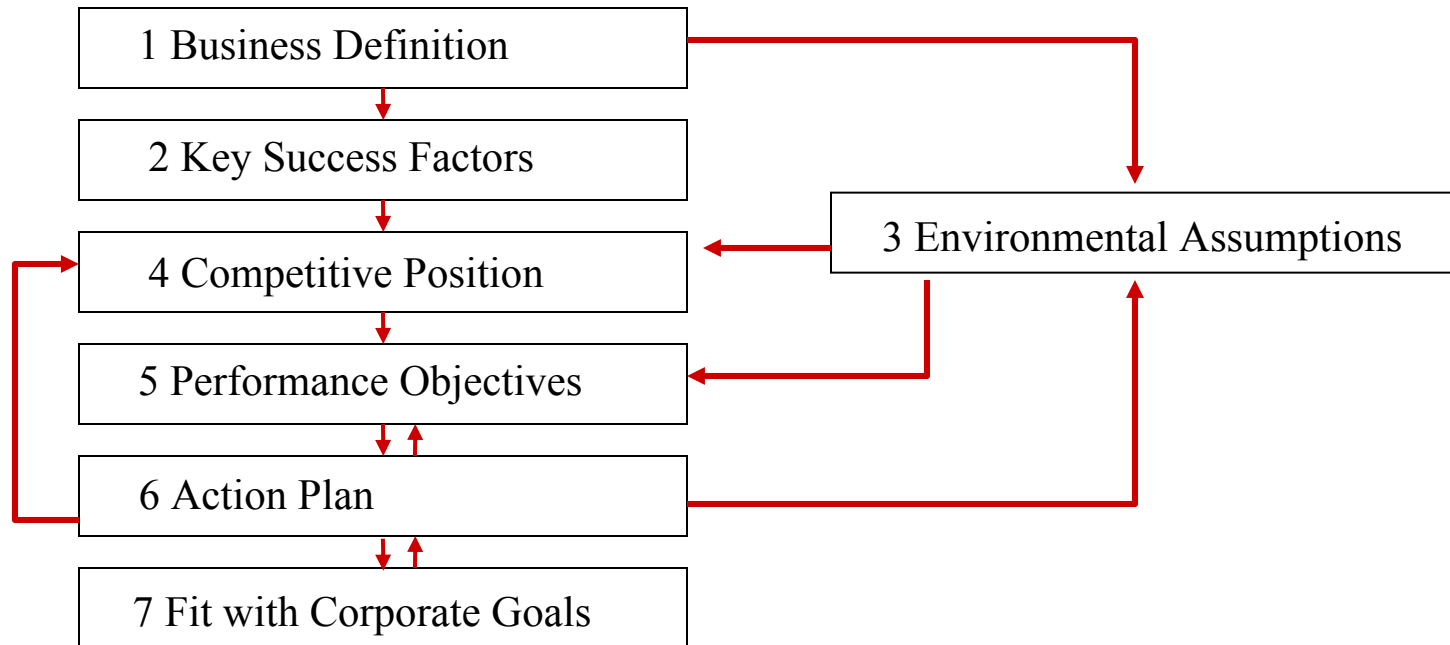
Forces  
Focus  
Fit

3S

Strategy  
Structure  
Style

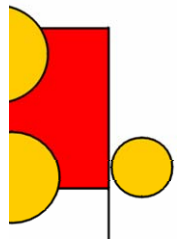
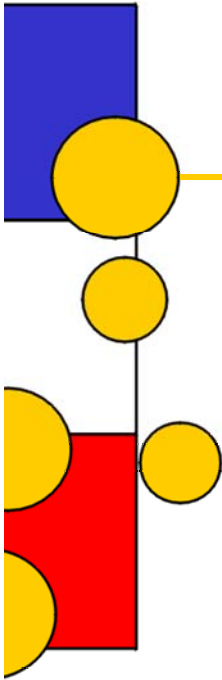


# Components of Strategy Formulation

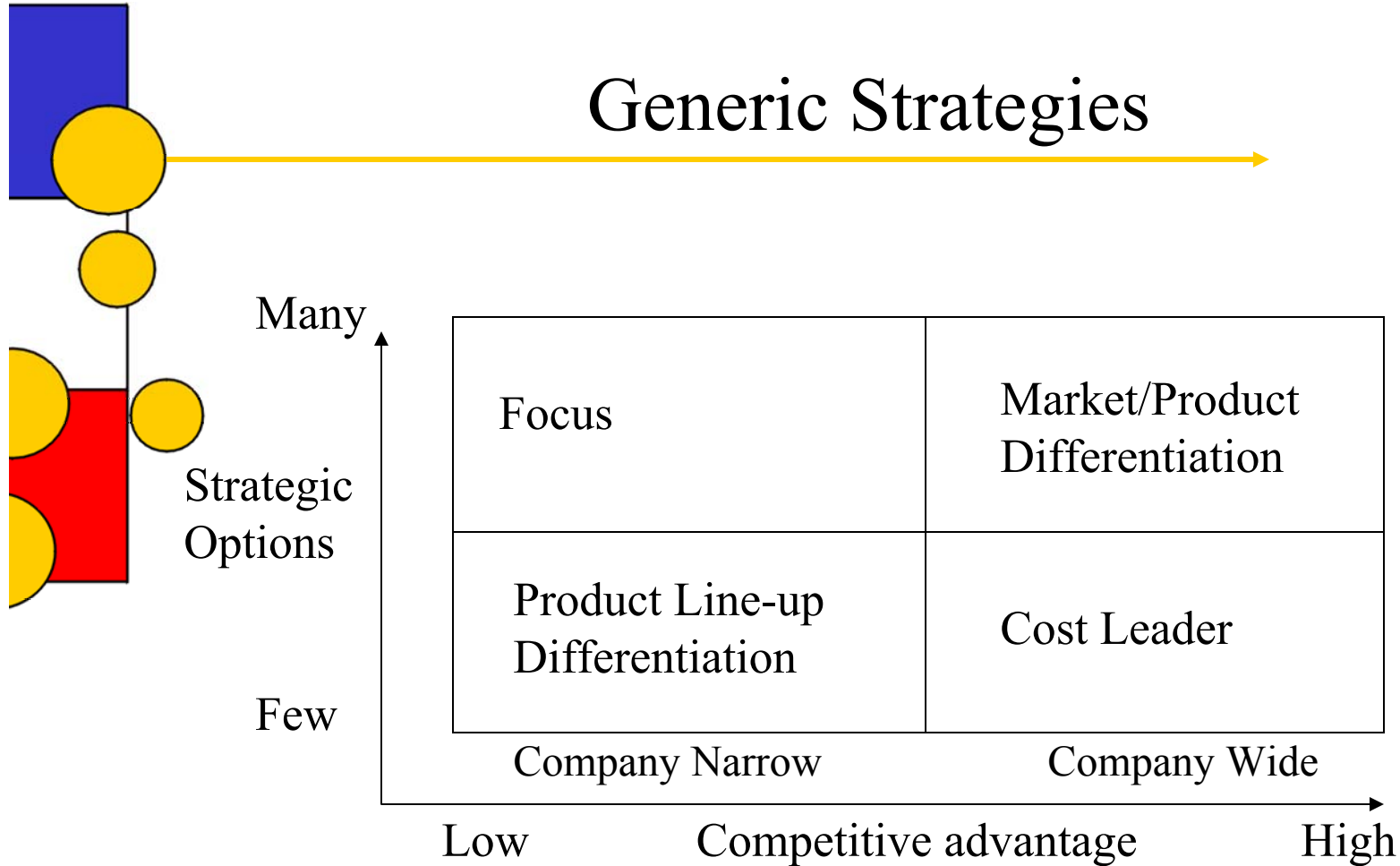


# Mintzberg Strategy 5 P's

- Ploy
- Plan
- Pattern
- Policies
- Position

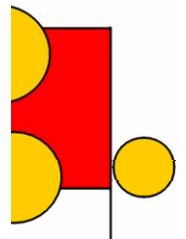


# Generic Strategies



## SPACE Equivalence

- Cost Leader = Aggressive
- Focus = Competitive
- Market/Product Differentiation = Conservative
- Product Line-up Differentiation = Gamesmanship

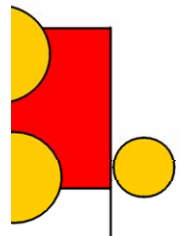
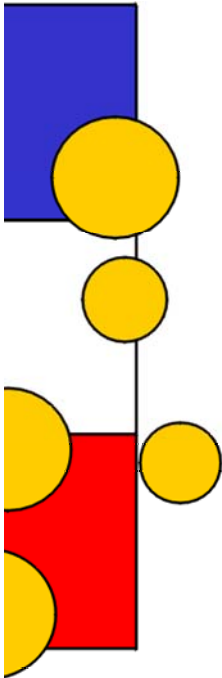


# Strategic Alternatives

<b>Strategic Alternative</b>	<b>Focus</b>
Status Quo	<ul style="list-style-type: none"><li>➤ Internal</li><li>➤ Stability</li><li>➤ Continue in present products/markets</li></ul>
Concentration	<ul style="list-style-type: none"><li>➤ Internal</li><li>➤ Single product line</li><li>➤ Do one thing well</li></ul>
Horizontal Integration	<ul style="list-style-type: none"><li>➤ External</li><li>➤ Ownership or control of competitors</li><li>➤ Gain market power and economies of scale</li></ul>
Vertical Integration	<ul style="list-style-type: none"><li>➤ External</li><li>➤ Transform cost centres to profit centres</li><li>➤ Improve economies of scale, reduce dependence on suppliers or distributors</li></ul>

# Strategic Alternatives cont.

Strategic Alternative	Focus
Diversification	<ul style="list-style-type: none"> <li>➤ External or Internal</li> <li>➤ Broadening of product line</li> <li>➤ Reduce competitive pressures; gain greater profitability; spread risk</li> </ul>
Joint Venture	<ul style="list-style-type: none"> <li>➤ External</li> <li>➤ Complementary benefits</li> <li>➤ Spread risk; create synergy</li> </ul>
Retrenchment	<ul style="list-style-type: none"> <li>➤ Internal</li> <li>➤ Reduction of activity or operations</li> <li>➤ Respond to adversity by permanent phaseout</li> </ul>
Divestiture or Liquidation	<ul style="list-style-type: none"> <li>➤ Internal</li> <li>➤ Removal of an entity that does not fit</li> <li>➤ Realign products/markets or organization</li> </ul>



# Strategic Alternatives cont.

Strategic Alternative	Focus
Innovation	<ul style="list-style-type: none"><li>➤ Internal</li><li>➤ Seizing of leadership position</li><li>➤ Take initiative; gain position early in product life cycle</li></ul>
Restructuring	<ul style="list-style-type: none"><li>➤ External</li><li>➤ Cost reduction; growth potential</li><li>➤ Concentrate on products and divisions with high potential</li></ul>

