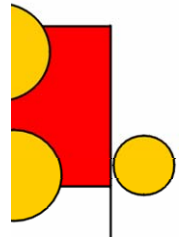
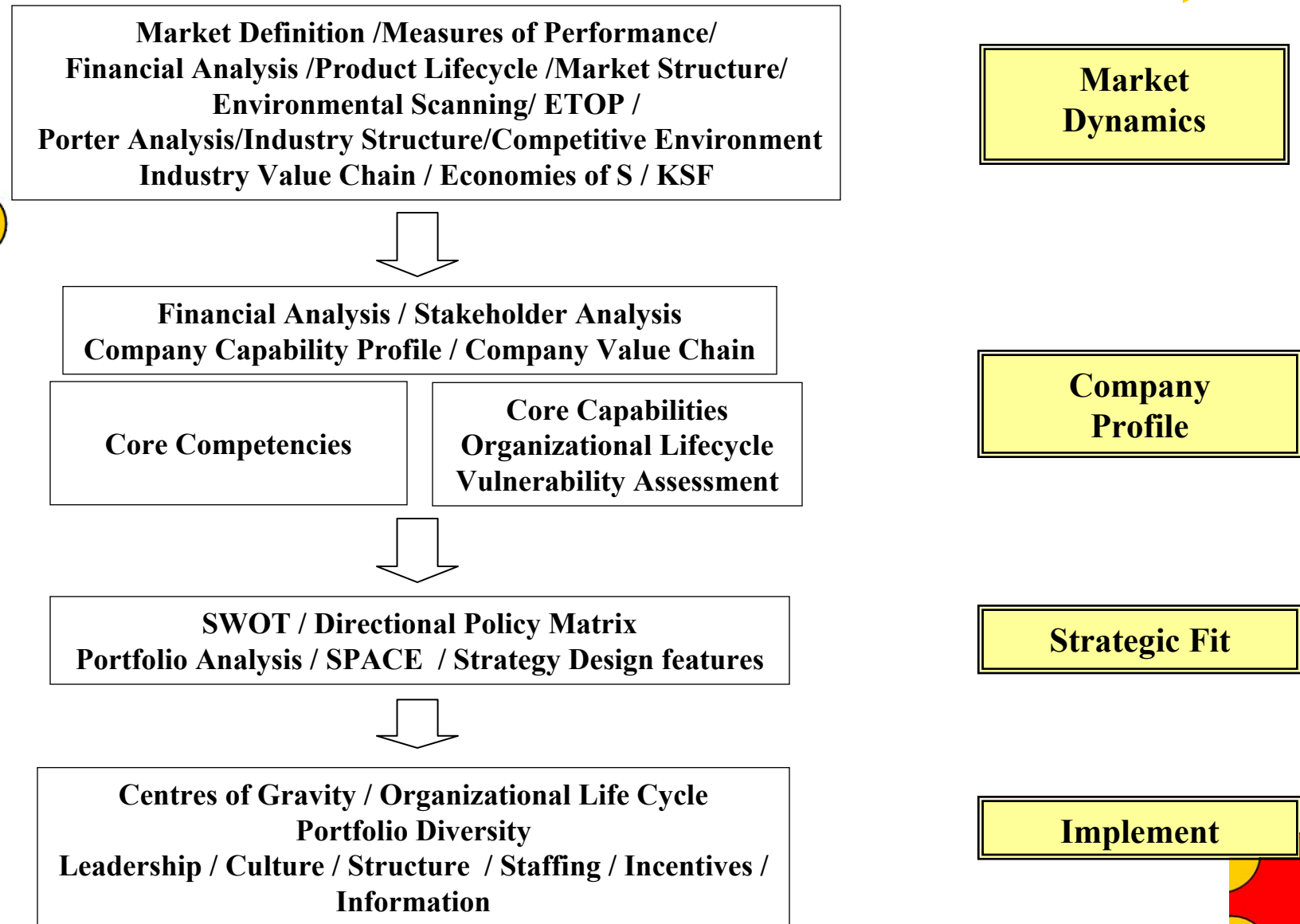


Strategic Management


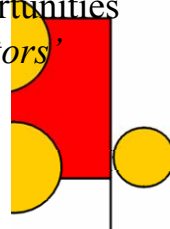
Strategic Framework



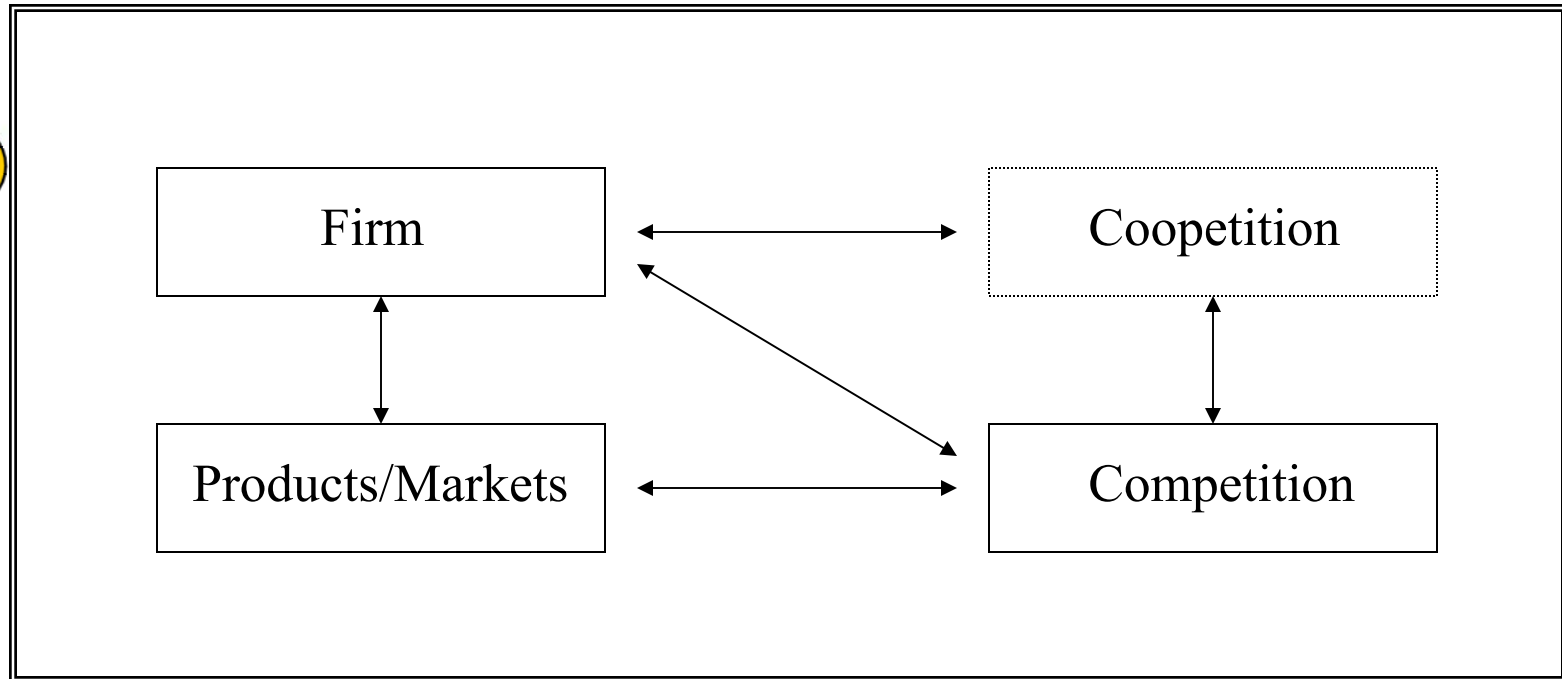
Roadmap to Strategic Techniques



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:

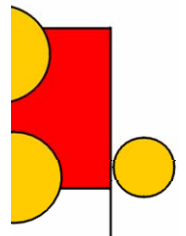
Counter Hostile Action:

Σ "Fit"

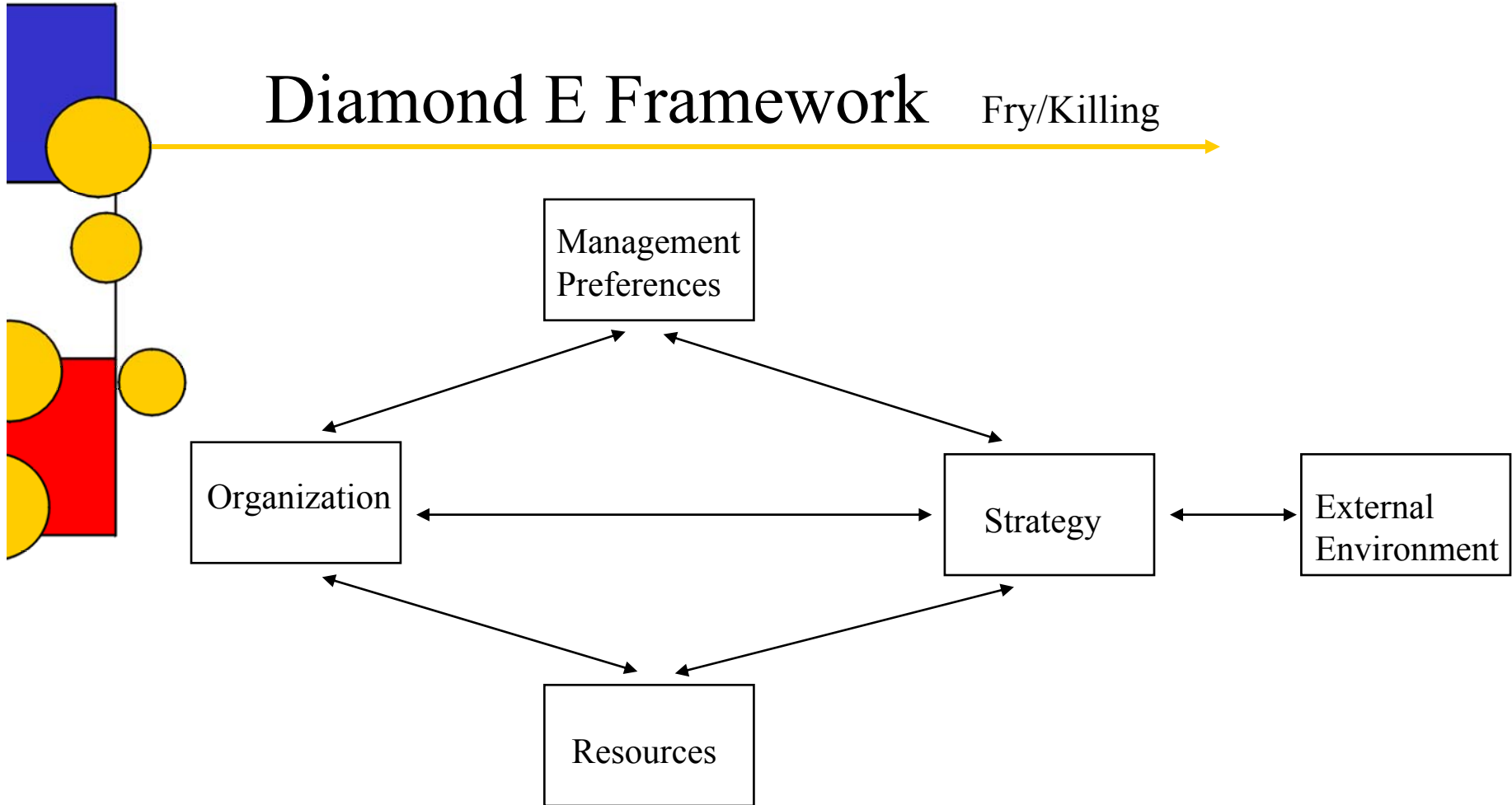
Focus

Capability

Anticipation

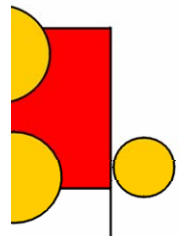


Diamond E Framework Fry/Killing

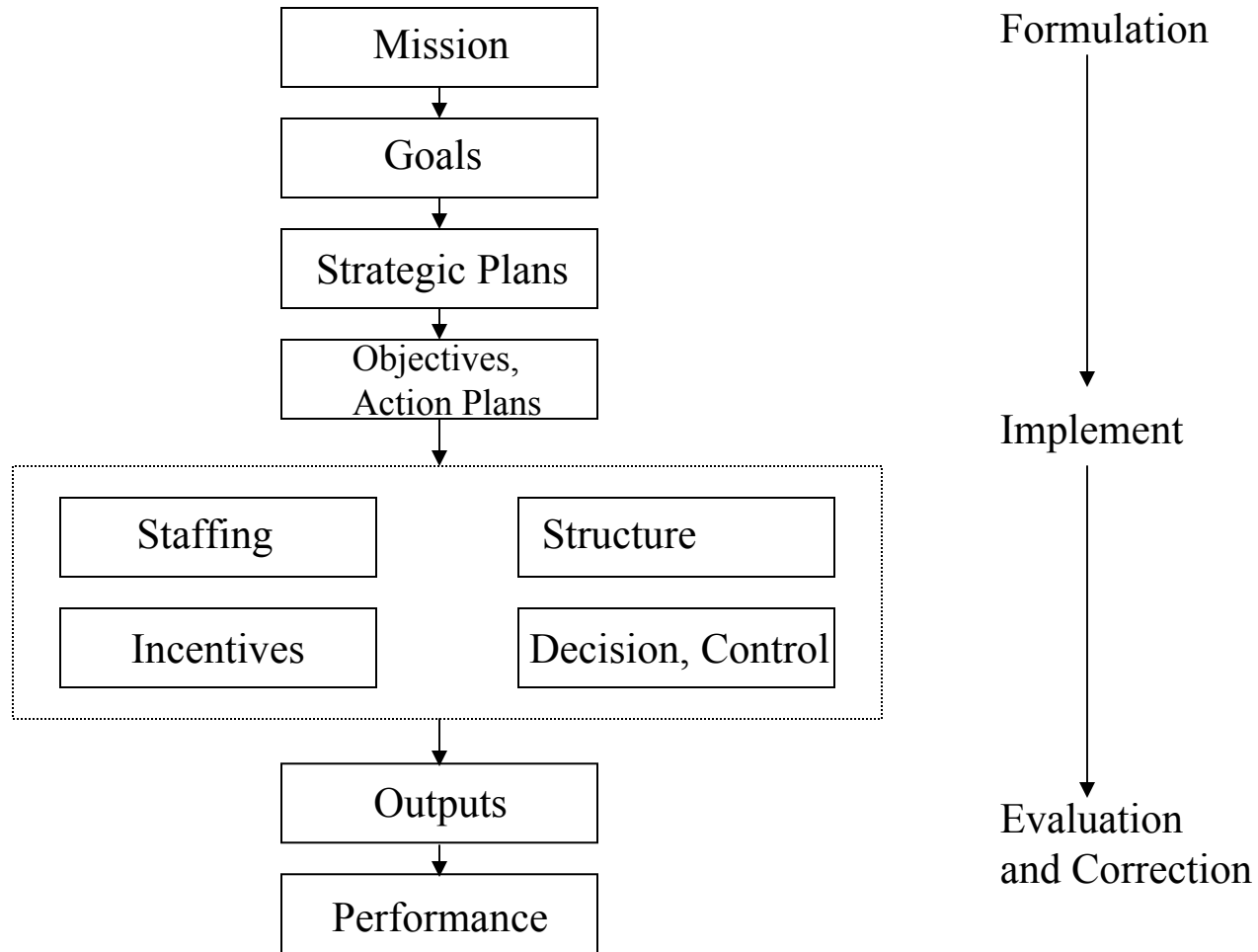


Characteristics of Good Strategy

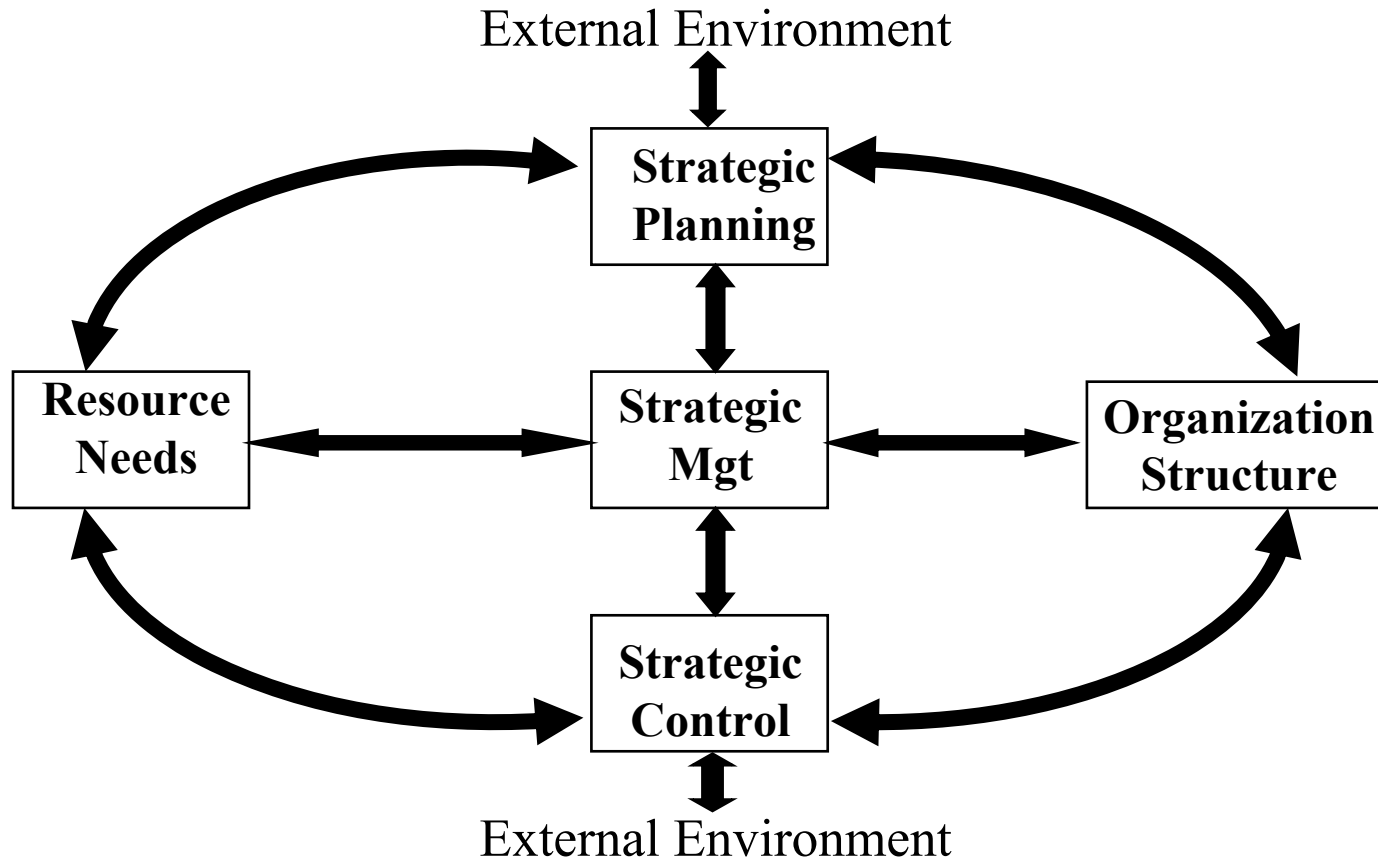
- Sustainable
- Unique
- Value Added (Real or Perceived)



Strategy Process and Tasks



Strategic Four Factors Model



ABC

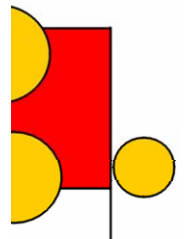
Assumptions
Beliefs
Consequences

3F

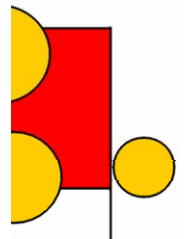
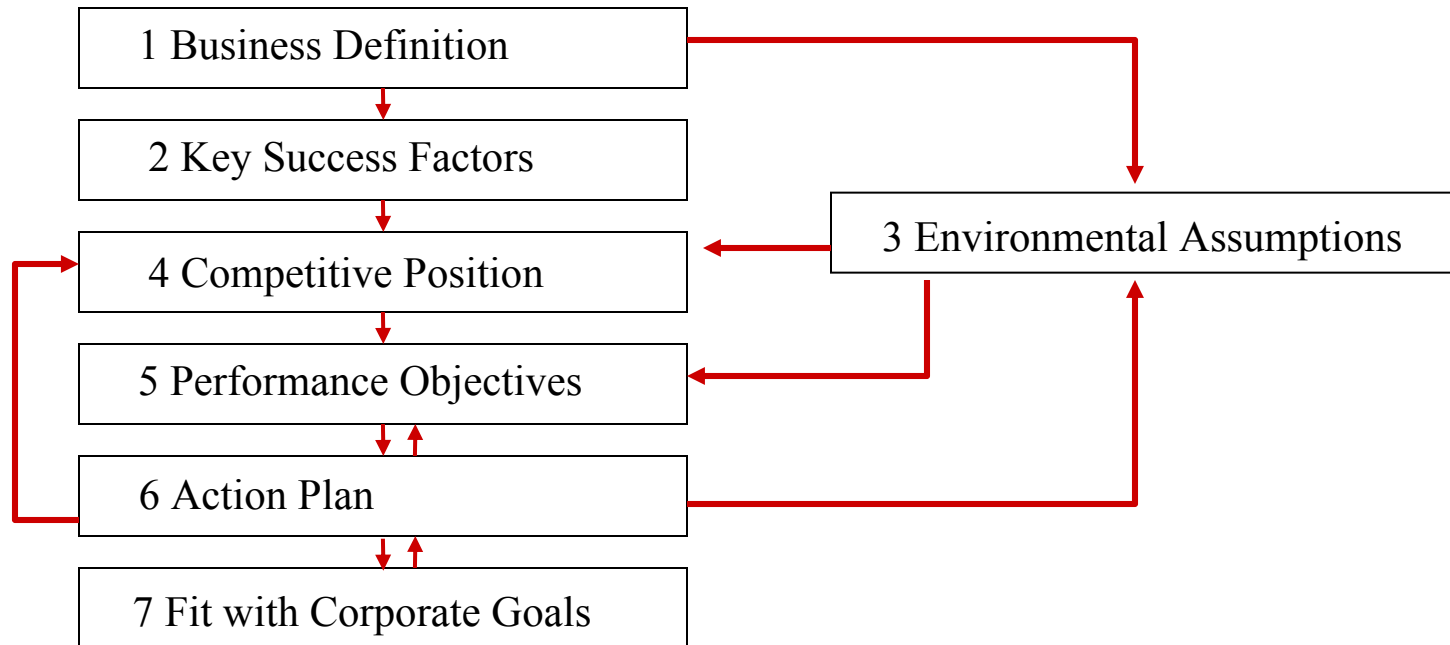
Forces
Focus
Fit

3S

Strategy
Structure
Style

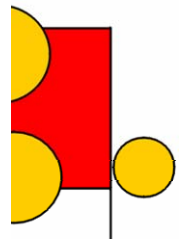
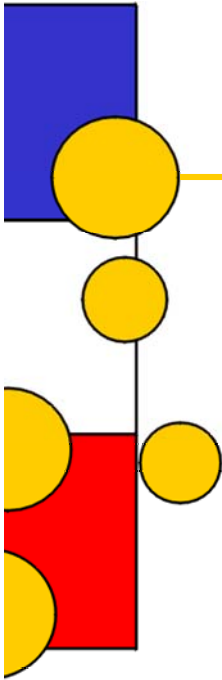


Components of Strategy Formulation

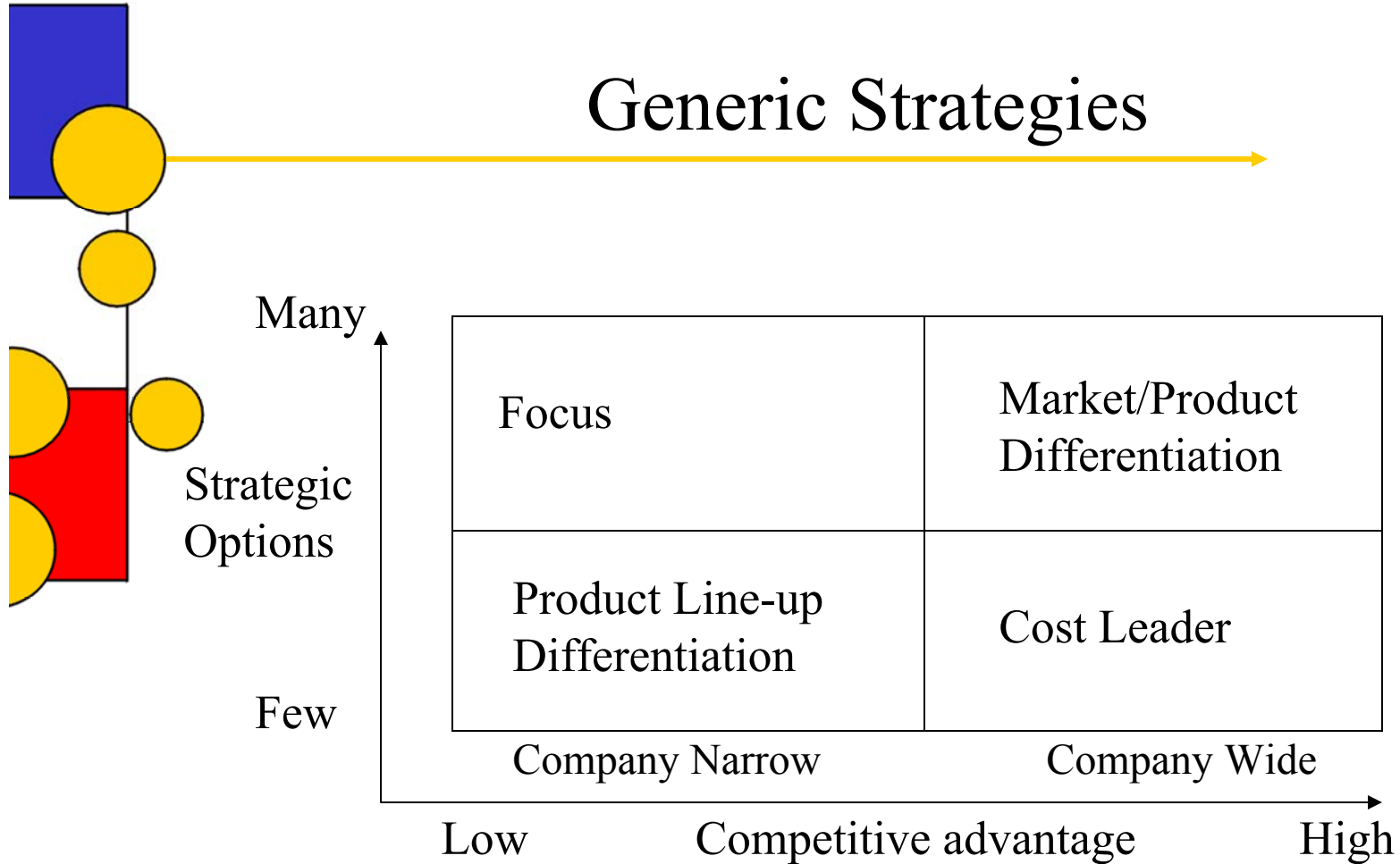


Mintzberg Strategy 5 P's

- Ploy
- Plan
- Pattern
- Policies
- Position

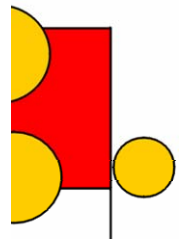


Generic Strategies



SPACE Equivalence

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

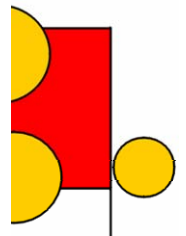
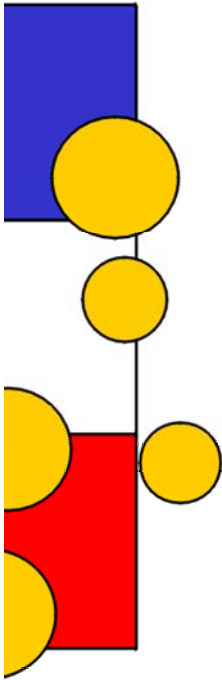


Strategic Alternatives

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

Strategic Alternatives cont.

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



Strategic Alternatives cont.

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

