

Subject: Business Economics

Course: B.A., 6th Semester, Undergraduate.

Paper No: 602

Paper Title: Business Strategy & Ethics

Unit No.: 1 (One)

Title: Overview of Strategic Management

Lecture No: 2 (Two)

Title: Strategic Management Process

FAQs

Q-1. What do you mean by social responsibility?

Social responsibility means various duties or responsibility or obligations that a business organization has towards the society within which it exists and operates from.

Q-2. Write a note on components of strategy management.

There are four components of strategic management model

Environmental scanning : It refers to a process of collecting, scrutinizing and providing information for strategic purposes.

Strategy formulation: After environmental scanning, managers formulate corporate, business and functional strategies.

Strategy implementation: It includes designing the structure of an organization, resources distribution, developing decision making process and managing human resources.

Strategy evaluation: It is a final step of strategy management process. Strategy evaluation states that the organizational strategy as well as its implementation meets the organizational objectives.

These components are steps that are carried, in chronological order.

Q-3. What do you mean by strategic vision?

An aspirational description of what an organization would like to achieve or accomplish in the mid-term or long-term future. It is intended to serve as a clear guide for choosing current and future courses of action.

Q-4. What do you mean by mission?

The mission of a company is the unique purpose that sets it apart from other companies of its type and identifies the scope of its operations in the product, market and technology terms.

Q-5. Explain the process of strategy management.

It is a method by which managers can implement a strategy that can lead to a sustainable competitive advantage.

- 5.1 Goal Setting:** The first step of strategy process is Setting the goal for organization. Goals can be short term or long term. Manager has to choose capable staff to achieve short term as well as long term of organization.
- 5.2 Analysis:** Many information and data are gathered by people of organization to achieve goals. Internal and external factors can affect at the time of data collection. SWOT analysis is also done.
- 5.3 Strategy Formulation:** after strategy analysis, organization moves to strategy formulation. There is a need of giving priority to issues which organization facing. Organization has to focus on requirement of resources and finally strategy is formulated according to plan.
- 5.4 Strategy Implementation:** after strategy formulation, the employees of an organization are clearly made aware about their role and responsibility towards organization. There must be need of fund all the time. Thereafter Strategy implementation begins.
- 5.5 Strategy Evaluation:** after implementation of strategy it is required to check whether people are working on right track or not to achieve desired result. If any deviations found, the corrective actions should be taken at right time.

Q-6. Explain Andrew's model.

In 1965, *Kenneth Andrews* developed a simple model. This model includes the choice of a strategy, but ignores implementation and control. In 1971, *Andrews* formulated a more complete model that included implementation, but it still ignores a strategic control and evaluation.

Q-7. Explain different phases of Glueck's Model.

Strategic managements elements: *"...to determine mission, goals, and values of the firm and the key decision makers."*

Analysis and diagnosis: *"...to search the environment and diagnose the impact of the threats and opportunities."*

Choice: *...to consider various alternatives and assure that the appropriate strategy is chosen."*

Implementation: *"...to match plans, policies, resources, structure, and administrative style with the strategy."*

Evaluation: "...to ensure strategy and implementation will meet objectives."

Q-8. Give names of different steps of The Schendel And Hofer Model.

Their model consists of several basic steps:

- (1) Goal formulation,
- (2) Environmental analysis,
- (3) Strategy formulation,
- (4) Strategy evaluation,
- (5) Strategy implementation, and
- (6) Strategic control.

Q-9. Discuss the different tasks of The Thompson And Strickland Model.

This process consists of five major ever-present tasks:

1. Developing a concept of the business and forming a vision of where the organization needs to be headed.
2. Converting the mission into specific performance objectives.
3. Crafting a strategy to achieve the targeted performance.
4. Implementing and executing the chosen strategy efficiently and effectively.
5. Evaluating performance, reviewing the situation, and initiating corrective adjustments in mission, objectives, strategy, or implementation in light of actual experience, changing conditions, new ideas, and new opportunities.

Q-10. Explain five stages of Schematic Model.

It consists of six stages:

1. Analyze the environmental opportunities and threats.
2. Analyze the organization's internal strengths and weaknesses.
3. Establish the organizational direction: mission and goals.
4. Strategy formulation.
5. Strategy Implementation.
6. Strategic Control.

The model begins with an analysis of environmental opportunities and threats. The organization is affected by environmental forces; but the organization can also have an impact upon its environment.

The organization's mission and goals are linked to the environment by a dual arrow. This means that the mission and goals are set in the context of environmental opportunities and threats.

The next arrow depicts the idea that strategy formulation sets strategy implementation in motion. Specifically, strategy is implemented through the organization's structure, its leadership, and its culture.

Then, the final downward arrow indicates that the actual strategic performance of the organization is evaluated.

The control stage is demonstrated by the feedback line that connects strategic control to the other parts of the model.