



**Sixth Semester
Essentials of Management
HSS-302
Strategic Planning Process**

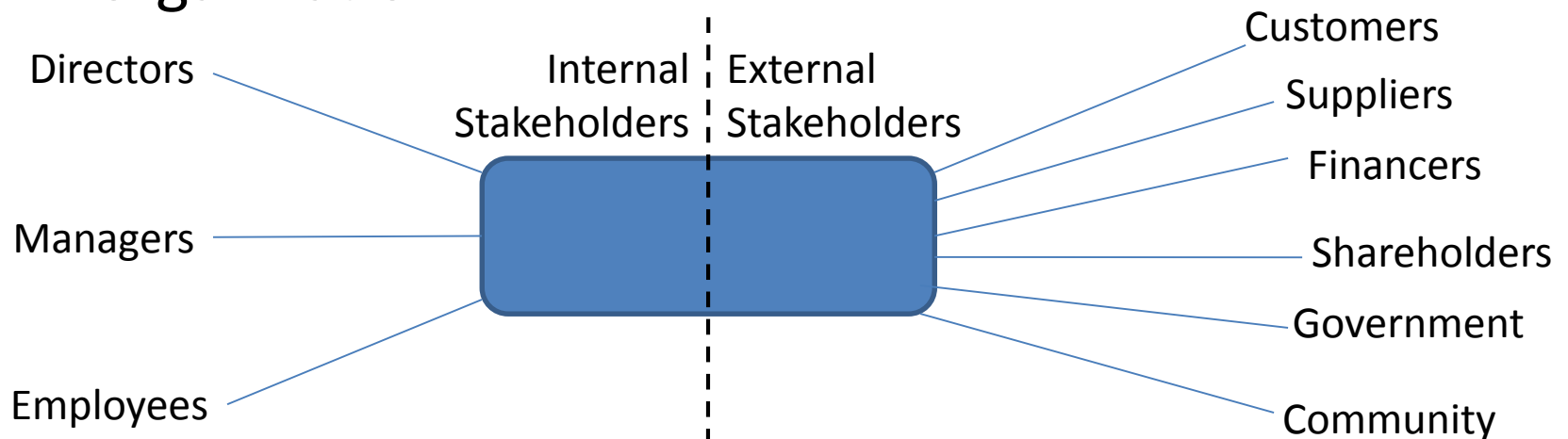
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Stakeholder



Stake holder is a person who has a 'stake' in the firm. Dictionary meaning of the word 'stake' is a share or interest, specially financial, in property, a person or a business venture and the like.

Stake holders can be internal or external to the organization.



Stakeholder... (cont'd)



- These interest groups influence not only the final selection of the strategy but also its very formulation.
- Therefore its crucial for managers to analyze their relative importance and expectations.
- The purpose of business is to provide value for a broad range of stake holders.

Stakeholders & their interests



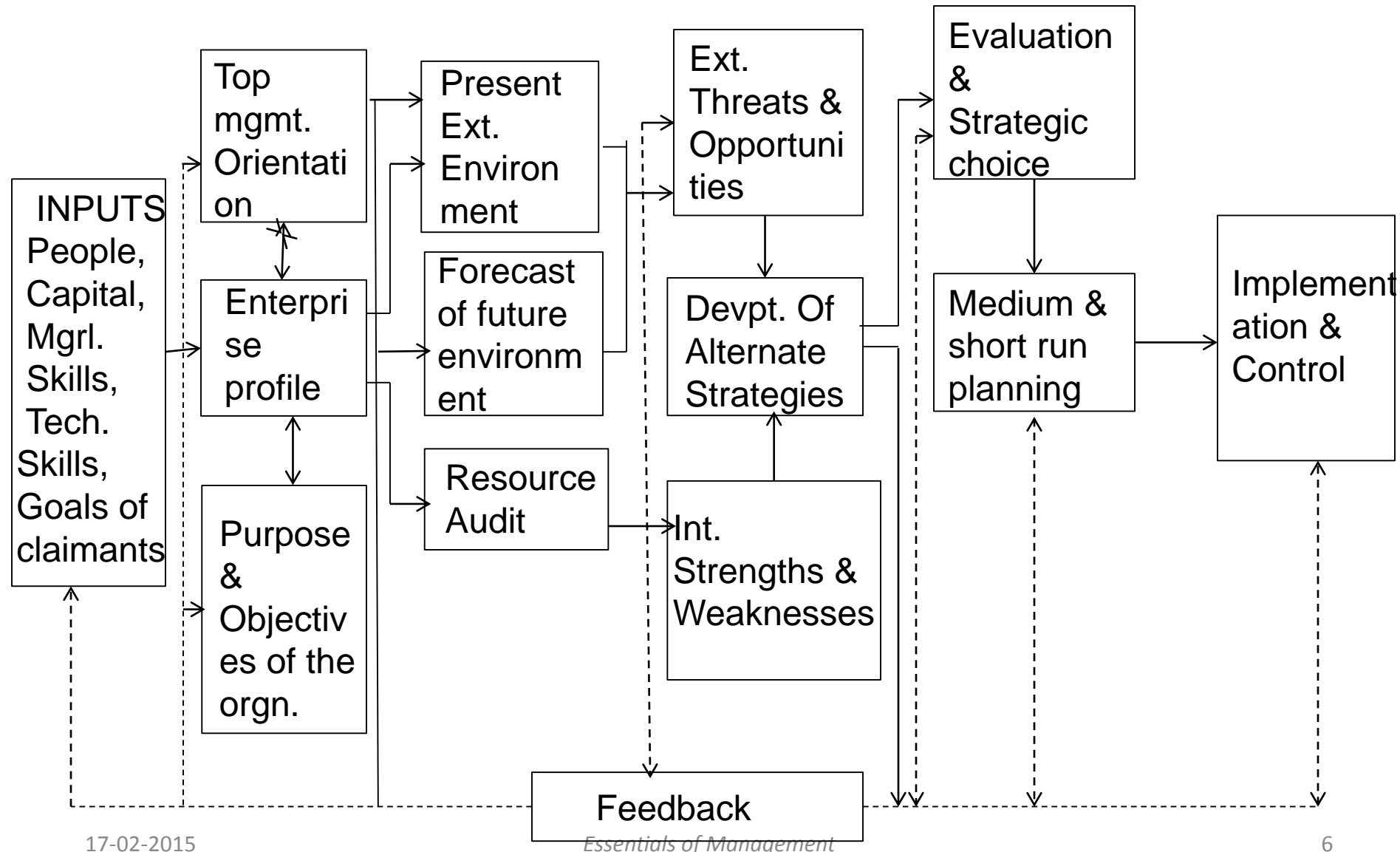
Stakeholder Group	Examples of Value Provided
Stock holders	Stock price appreciation and dividends
Customers	Products and services
Employees	Employment, wages, personal growth opportunities
Suppliers	Revenue through sales, growth opportunities
Local Community	Jobs, economic development, civic development
Society at large	Economic health and security, environmental protection
Trade associations	Political strength, operating funds

Fiscal & Social Responsibility



- A firm's obligations to stock holders is referred as **fiscal responsibility**, while obligations to firm's stake holders is known as **social responsibility**.
- One of the management's most important role is to strike an acceptable balance between the firm's fiscal responsibilities and its social responsibilities.

Strategic Planning Process



Tools to develop Strategy



- ❑ Critical question analysis

- ❑ SWOT analysis

- ❑ Business portfolio analysis

- ❑ Porter's Model for Industry Analysis