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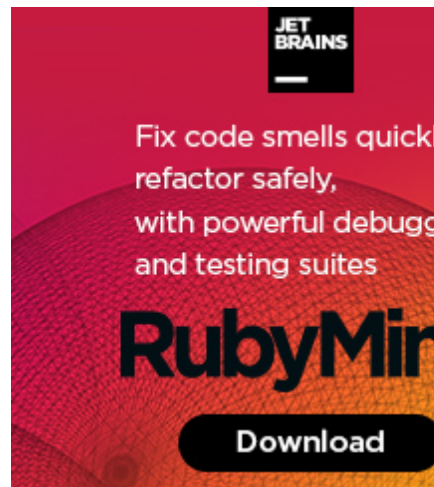
# Difference Between Strategy and Policy

June 22, 2015 By Surbhi S — 9 Comments





In business parlance, the terms **strategy** refers to is a unique plan designed with an aim of achieving a competitive position in the market and also to reach the organisational goals and objectives. In short, it is an interpretative plan, that guides the enterprise in realizing its goal. On the other hand, **policy** refers to a set of rules made by the organisation for rational decision making.



Policy lays down the course of action, which are opted to guide the organization's current and future decisions. Many people have confusion regarding the two terms, but they are not alike. Here, one should know that policies are subordinate to strategy. Here, in this article we made an attempt to point out the significant differences between Strategy and Policy. Have a look at it.

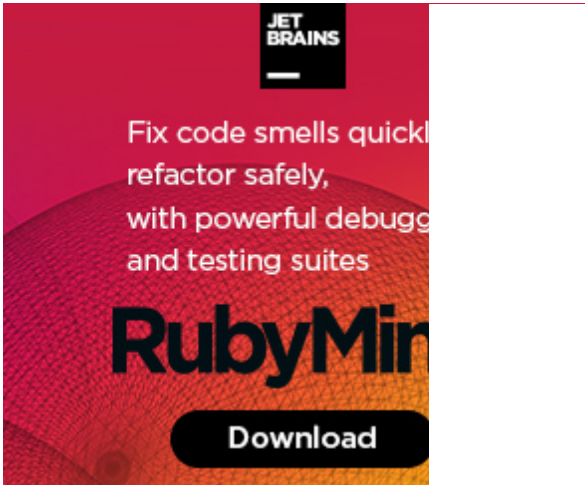
## Content: Strategy Vs Policy

1. [Comparison Chart](#)
2. [Definition](#)
3. [Key Differences](#)
4. [Conclusion](#)

## Comparison Chart

<b>BASIS FOR COMPARISON</b>	<b>STRATEGY</b>	<b>POLICY</b>
Meaning	Strategy is a comprehensive plan, made to accomplish the organizational goals.	Policy is the guiding principle, that helps the organization to take logical decisions.
What is it?	Action plan	Action principle
Nature	Flexible	Fixed, but they allow exceptional situations
Orientation	Action	Decision
Formulation	Top Level Management and Middle Level Management	Top Level Management

BASIS FOR COMPARISON	STRATEGY	POLICY
Approach	Extroverted	Introverted



Definition of Strategy

The strategy is a game plan, chosen to achieve the organisational objectives, gain customer’s trust, attain competitive advantage and to acquire a market position. It is a combination of well-thought intent and actions which lead to the organisation towards its desired position or destination. It is a unified and integrated plan made

to achieve the basic objectives of the enterprise like:

- Effectiveness
- Handling events and problems
- Taking advantage of opportunities
- Full resource utilisation
- Coping with threats

The strategy is a combination of flexibly designed corporate moves, through which an organisation can compete with its rivals successfully. The following are the features of the Strategy:

- It should be formulated from the top level management. However, sub-strategies can be made by middle-level management.
- It should have a long range perspective.
- It should be dynamic in nature.
- The main purpose is to overcome from uncertain situations.
- It should be made in such a way, to make the best possible use of scarce resources.

## Definition of Policy

The policy is also regarded as a mini – mission statement, is a set of principles and rules which direct the decisions of the organisation. Policies are framed by the top

level management of the organisation to serve as a guideline for operational decision making. It is helpful in highlighting the rules, value and beliefs of the organisation. In addition to this, it acts as a basis for guiding the actions.

Policies are designed, by taking the opinion and general view of a number of people in the organisation regarding any situation. They are made from the experience and basic understanding. In this way, the people who come under the range of such policy will completely agree upon its implementation.

Policies help the management of an organisation to determine what is to be done, in a particular situation. These have to be consistently applied over a long period to avoid discrepancies and overlapping.

## Key Differences Between Strategy and Policy

The following are the major differences between strategy and policy

1. The strategy is the best plan opted from a number of plans, in order to achieve the organisational goals and objectives. The policy is a set of common rules and regulations, which forms as a base to take the day to day decisions.
2. The strategy is a plan of action while the policy is a principle of action.
3. Strategies can be modified as per the situation, so they are dynamic in

nature. Conversely, Policies are uniform in nature. However, relaxations can be made for unexpected situations.

4. Strategies are concentrated toward actions, whereas Policies are decision oriented.
5. The top management always frames strategies, but sub-strategies are formulated at the middle level. In contrast to Policy, they are, in general, made by the top management.
6. Strategies deal with external environmental factors. On the other hand, Policies are made for internal environment of business.

## Conclusion

The difference between Strategy and Policy is, a little complicated because Policies come under the Strategies. Apart from that, the policies are made to support strategies in several ways like accomplishing organisational goals and securing an advantageous position in the market. Both of them are made by the top management as well as made after a deep analysis.



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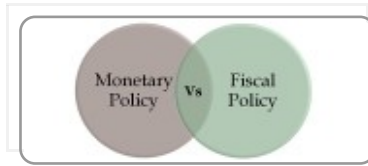


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## Comments



Lindiwe Nzimande says  
March 30, 2016 at 8:17 pm

Thank you

Reply



Stanisław says



August 5, 2016 at 4:12 pm

Thanks, Now I really, as a novice in this area, understand more.

Reply



suliman says

October 24, 2016 at 10:14 pm

thanks for the explanation...

Reply



Matti says

April 11, 2017 at 7:12 pm

Thanks.

Reply



hafsat says

April 18, 2017 at 7:46 pm

Thanks, for the article

Reply



Surbhi S says

April 19, 2017 at 9:57 am

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Thank you very much for liking the contents, your views are valuable

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Reply



Nisar Ali says

February 8, 2018 at 2:43 pm

thanks for differentiating the two mixing word. Can you further explain the it by giving recent examples please.

Reply



Dr. M Eisa Nang says

July 3, 2018 at 12:10 pm

Thanks for the comprehensive description on these two words, I got more, I appreciate.

Reply



Daovanh Sirivong says  
October 15, 2018 at 9:38 am

Thank you, more understand now

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Key Differences

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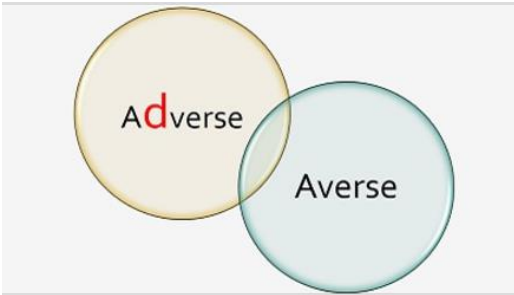
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