

DEPARTMENT:
COURSE NAME:
COURE NUMBER:
CREDITS:

General Education
Entrepreneurial Skills
ENT 211
03

Module 3: Strategic Management and the Entrepreneur

Strategic management is a process that involves developing a game plan to guide the company as it strives to accomplish its vision, mission, goals, and objectives and to keep it from straying off its desired course. The idea is to give the entrepreneur a blueprint for matching the company's strengths and weaknesses to the opportunities and threats in the environment.

S STRENGTHS	W WEAKNESSES	O OPPORTUNITIES	T THREATS
<ul style="list-style-type: none">• Things your company does well• Qualities that separate you from your competitors• Internal resources such as skilled, knowledgeable staff• Tangible assets such as intellectual property, capital, proprietary technologies etc.	<ul style="list-style-type: none">• Things your company lacks• Things your competitors do better than you• Resource limitations• Unclear unique selling proposition	<ul style="list-style-type: none">• Underserved markets for specific products• Few competitors in your area• Emerging need for your products or services• Press/media coverage of your company	<ul style="list-style-type: none">• Emerging competitors• Changing regulatory environment• Negative press/media coverage• Changing customer attitudes toward your company

WordStream

1. The search for a competitive advantage

Competitive Advantage - the combination of factors that sets the small business apart from its competitors and gives it a unique position in the market.

Increasingly, a company's intellectual capital is likely to be the source of its competitive advantage in the marketplace. Intellectual capital has three components:

1. Human capital—the talents, skills, and abilities of a company's workforce.
2. Structural capital—the accumulated knowledge and experience in its industry and in business in general that a company possesses. It can take many forms, including processes, software, patents, copyrights, and, perhaps most important, the knowledge and experience of the people in a company.
3. Customer capital—the established customer base, positive reputation, ongoing relationships, and goodwill a company builds up over time with its customers.

Building a Competitive Advantage:

- Give a unique and superior position in the market
- Create value customers

- Sustainable
- Difficult for competitors to duplicate
- Develop a set off core competencies

Core competencies – a unique set of capabilities that a company develops in key operational areas, such as quality, service, innovation, team building, flexibility, responsiveness, and others, that allow it to vault past competitors.

2. The Strategic Management Process

One of the most important tasks a business owner must perform is to look ahead—to peer into the future—and then devise a strategy for meeting the challenges and opportunities it presents. Strategic management, the best way to accomplish this vital task, is a continuous process that consists of nine steps:

Step 1 Develop a clear vision and translate it into a meaningful mission statement.

Step 2 Assess the company's strengths and weaknesses.

Step 3 Scan the environment for significant opportunities and threats facing the business.

Step 4 Identify the key factors for success in the business.

Step 5 Analyze the competition.

Step 6 Create company goals and objectives.

Step 7 Formulate strategic options and select the appropriate strategies.

Step 8 Translate strategic plans into action plans.

Step 9 Establish accurate controls.

Balanced Scorecard



A vision is the result of an entrepreneur's dream of something that does not exist yet and the ability to paint a compelling picture of that dream for everyone to see. Vision is based on an entrepreneur's values.

A mission statement addresses the first question of any business venture: "What business am I in?"

- The purpose of the company: What are we in business to accomplish?
- The business we are in: How are we going to accomplish that purpose?
- The values of the company: What principles and beliefs form the foundation of the way we do business?

There are 3 basic strategies:

- Cost leadership
- Differentiation
- Focus

Strategic Plans and Business Plans are very similar, but definitely not the same:

Business Plan vs. Strategic Plan

