**Lecture 6**

**Strategic Management**

Strategy is the determination of the long-term goals and objectives of an enterprise and the adoption of the courses of action and the allocation of resources necessary for carrying out these goals. Strategy is management’s game plan for strengthening the organization’s position, pleasing customers, and achieving performance targets.

Types of strategy Strategy can be formulated on three different levels:

• corporate level

• business unit level

• functional or departmental level.

**Corporate level** strategy fundamentally is concerned with the selection of businesses in which the company should compete and with the development and coordination of that portfolio of businesses.

**Business Unit Level Strategy** A strategic business unit may be a division, product line, or other profit center that can be planned independently from the other business units of the firm.

**Functional Level Strategy** The functional level of the organization is the level of the operating divisions and departments. The strategic issues at the functional level are related to business processes and the value chain. Functional level strategies in marketing, finance, operations, human resources, and R&D involve the development and coordination of resources through which business unit level strategies can be executed efficiently and effectively.