

An abstract graphic featuring a cluster of blue, three-dimensional squares in the upper left corner, transitioning into a smooth, wavy blue line that curves across the bottom right. The background is a light, hazy blue gradient.

IS 3110

Episode 01 Strategic Management

"The perspective"

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*What made their
fate?*



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2

What do strategists do?

- Attract and please the customers
- Leave out the competition from the market (having competitive advantage)
- Grow the business
- Achieve organization's vision

In nutshell, what you try to do is to
SURVIVE



***Why
them?***

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4

Why Not?



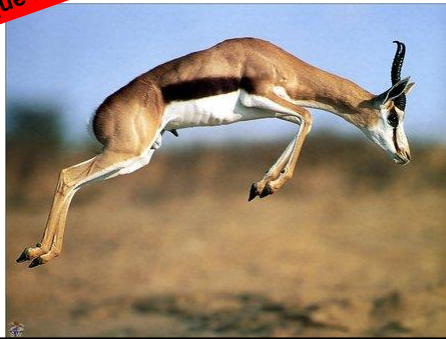
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Fastest animal on earth
Max speed: 110-120 Kmph
Reach its average speed 70kmph in 3 sec
Can run up to 20sec



**It is not about being the best, but about being
unique in some aspects**

Second fastest animal on earth
Max speed: 80-90 Kmph
Agile and enduring



“There are no best
companies in today’s
world” – Michael Porter



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7

What is a strategy?

- Strategy is a *position*
- Is the determination of a unique position and how are we going to sustain in it
- *Position* subsequently tells;
 - What steps to take
 - What not to
 - What should be continued
 - What should be stopped
- Capturing the future and building it

Strategy Means *Trade-offs*

- Trade-off: more of one thing necessitate less of another.
- It creates the need for choice and purposefully limit what company offers
- It is essential, otherwise:
 - Inconsistencies in image or reputation
 - Requirement of different setting (due to less flexibility in systems etc.)
 - Limits on internal coordination and control

Why strategy?

- Corporate positioning
- Foster organizational capabilities
- Attain organizational goals
- Continues assessing and adjusting to the environment
- Identify organizational resources and assets in the true sense and manage them
- Enables organizations to gain advantages in the marketplace
- Set the guide to operations

What is being strategic mean?

- Holistic thinking (free from operational concerns)
- Being visionary
- Have a strong sense of core value generated
- Sensitive to the customers "mind conditions" (Markets)

*It is a way of thinking than
a way of doing*

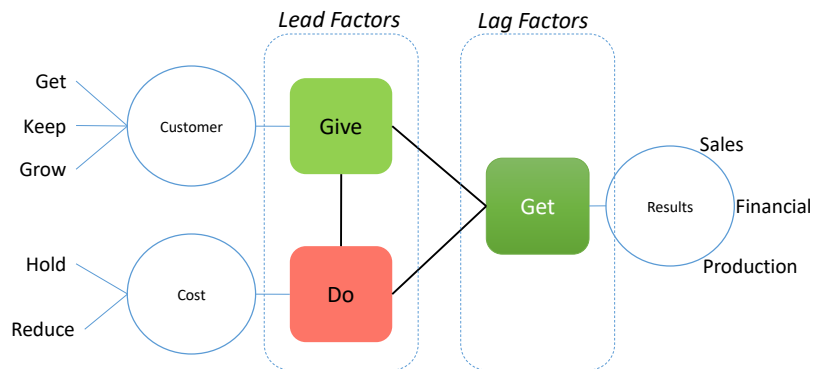
Something like this...

This is you...



Being Strategic

- Be focused on Lead Factors never be deceived by the Lag Factors



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13

What Strategy is Not About

- Not Operational Effectiveness
 - Operational Effectiveness is a part of it
 - It leads to being similar (while strategy seeks to being different)
- Strategy is not technology
 - Never let technology lead strategy
 - Technology will not just lead to sustainable competitive advantage

Strategic Thinking

- Think in a different way
- Look for alternatives
 - For instance, 10 answers for each problem
- Crack your thinking
 - We tend to repeat the past, same thinking pattern, same behavior etc. We always try to solve the tomorrow's problem with the yesterday's solution
 - Tend to go by the trend
 - Paradigm paralysis
- Move to the edges of existing paradigms to initiate shifts
 - Identify the borders of our box; get out of it

Strategic Thinking Vs Operational Thinking

Strategic Thinking	Operational Thinking
Effective	Efficient
Success Seeker	Failure Avoider
Proactive	Reactive
Dynamic	Static
Flexible	Inflexible
Confronts	Avoids
Interdependent	Independent

Thinking Strategically: The **Three Big Strategic Questions**

- **Where are we now?**
 - Current position: **Strengths and weaknesses**, **Value offered to customer**, **Competition**, **Current performance**
- **Where we want to be?**
 - **Which business(es)**
 - **Which segments**
 - **What to achieve in them**
- **How do we get there?**

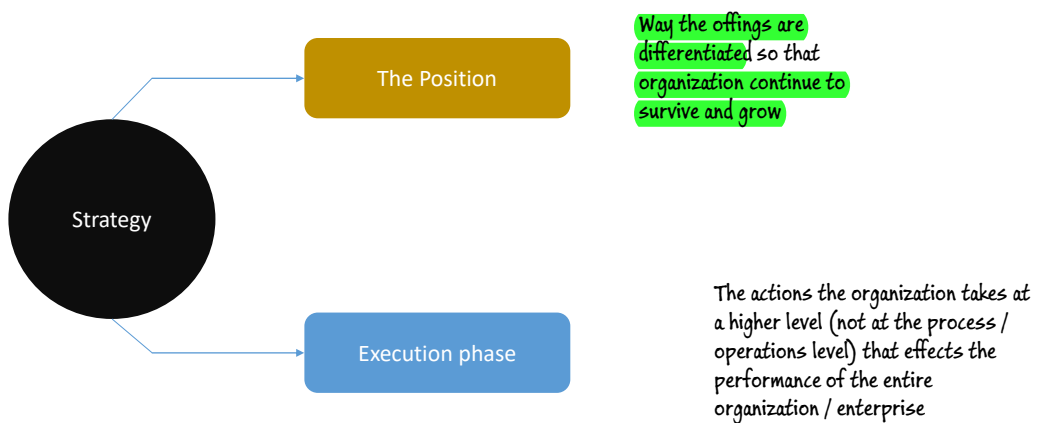
What is being holistic?

Example	Holistic
Knowing a technology	NO
Knowing behavior of suppliers	YES
Developing a breakthrough algorithm	NO
Knowing customer behavior	YES
Predicting the possible futures	YES

How the parts of the entire system fit together and what influence the interactions would bring out on the performance of the organization.

Keep feeling the business eco system

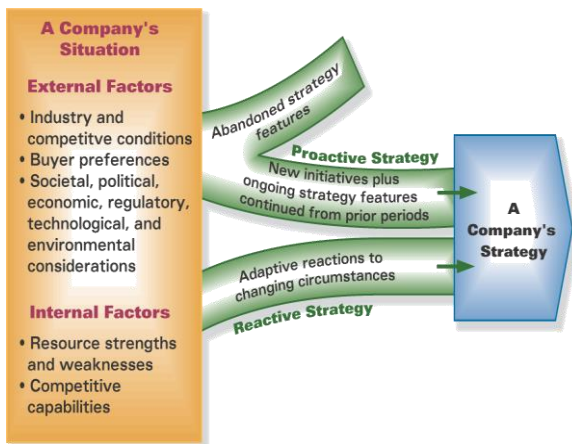
So what should a strategy have?



Substance of a Strategy

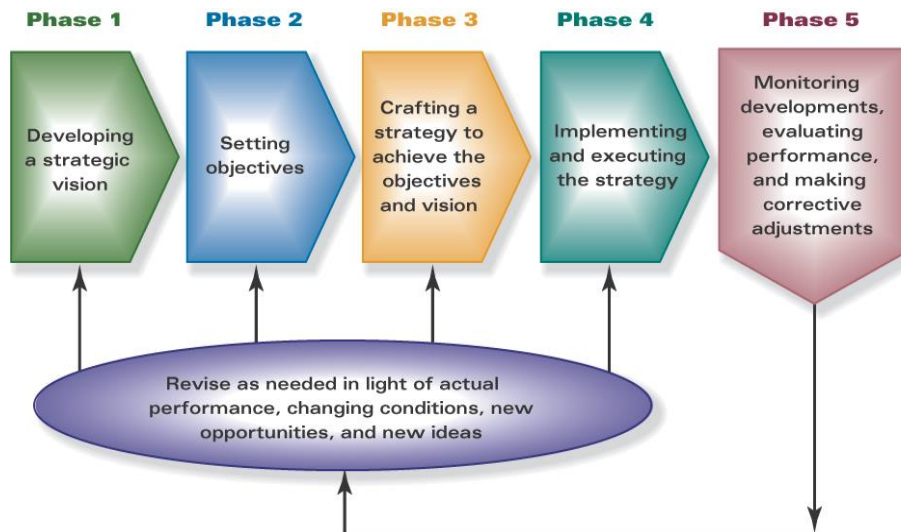


It is Partly Proactive and Partly Reactive



- Proactive: to improve the market position and financial position.
- Reactive: to react unanticipated market dynamics

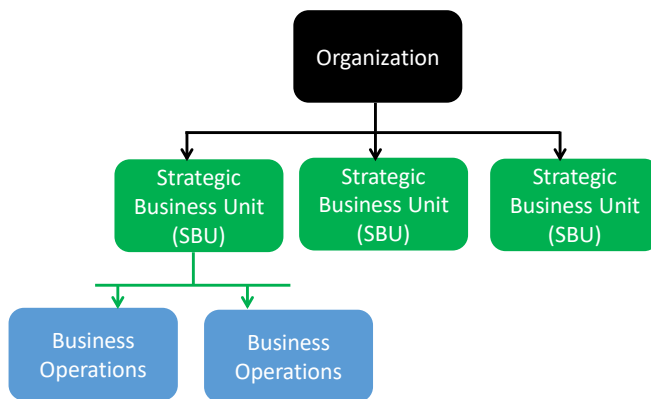
Strategy Development Process



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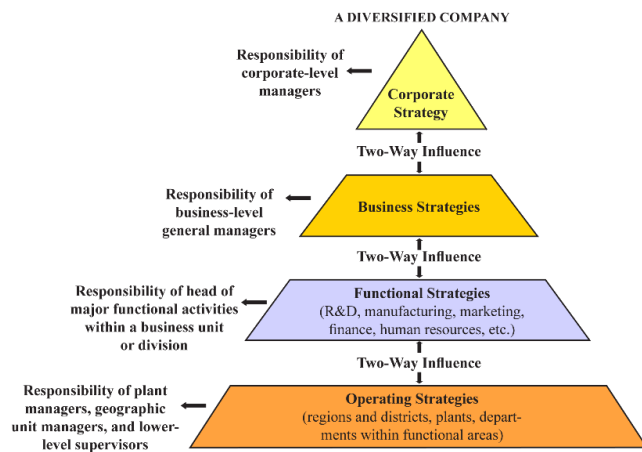
22

Where does actually strategy lie?



It is not in a single place
It is what constitute the
whole thing and the
direction of it

Strategic Pyramid



Strategic engagement in different levels of the business is important

Size of the organization also determines the existence of layers

What we will be doing

- Analyzing the external forces
 - Industry profitability analysis
 - Industry drivers analysis
 - Competitor strategic position analysis
- Analyzing the internal capabilities
 - Competency analysis
 - Value chain analysis
 - Weighted competitive strength assessment
- Developing strategies
- Implementing and evaluation

Things you will be hearing...

Strategic vision *Phase Growth Model*
 Strategic mission
 Strategic alternatives *Value Proposition*
 TOWS analysis
Strategic acquisitions
 Competitive advantages
 Strategic windows
 Core and distinct competencies
 Generic competitive strategies *GE Business Screen*
 Portfolio analysis