

Strategy Management → Corporate strategy
→ Business strategy

Corporate strategy - Scope of Business (plan for org.)
(Portfolio Strategy)

Business Strategy - How to succeed in the
chosen business
(competitive Strategy)

Characteristics of strategy . with criteria, Need.

Objective oriented.

Future oriented.

Comprehensive & integrated.

Relates to the environment.

Deals with allocation of resources.

Universally applicable

Periodic in review

ext. anal., int. anal., org. env. Applicable to all functional areas

Political, Economical, social, Technological, Environmental, legal

Vision - Describes what a company desires to achieve in the long run and answers who we are, where we are now, where we are going to be in future.

Mission - It is a statement why the organization exist and what it wants to achieve.

Establishes the purpose of the organization as a whole

Characteristics features of Mission:

Should be feasible & attainable

Should be clear

Must be inspiring for the management,
staff and society at large.

Should neither be too broad nor too narrow

Unique and distinctive

Must be analytical in nature

Should be credible in which all stakeholders
should be able to believe it.

Goals - Overall things to achieve in future
and understandable by everyone

Characteristics features of Goals:

Precise and measurable

Focus on critical and significant issues

Realistic and challenging

Should be achieved within a specific
time

Includes financial and non-financial components

Objectives - Different kinds of ways to achieve desired goals.

characteristics

Not only to individual

short term and long term

Must respond and react to changes in the environment

Need to be feasible, realistic and operational

Segment Samsung mobile belongs varieties of products of Samsung

Competitors

Level of competition among them (domestic, international)

Diff kinds of strategies they use

Segment	Product
Competition	Strategies

SWOT of Samsung

PESTEL factors

↑↑↑ four mostly

Strategies - Planned or emerged course of action taken to achieve the objectives

Strategic fit:

How much a business matches its capabilities and resources with opportunities materializing in its external environment.

Types :

Management fit

Marketing fit

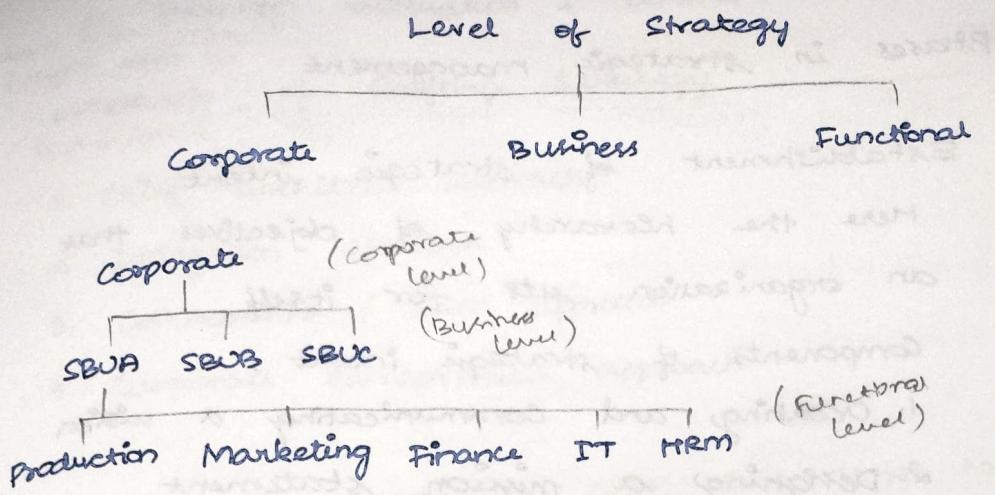
Operational fit

Strategic intent:

A single statement that includes vision, mission, etc.

SWOT - internal analysis

PESTEL - external analysis



SBU - Strategic Business Unit

any part of business organization which is treated separately for strategic management process

Societal (CSR)

Corporate

Business

Functional

Operational level

focus more
for exam
here

SBU - profit centers.

Corporate strategies - overall vision & mission

Business strategies - categorize products & offerings into various SBU's and design strategy for those

Companies focus on societal strategies if they care about CSR

phases in strategic management

(comprehensive model
of strategy project)
1 → 2 → 3 → 4
Strategic control

1. Establishment of strategic intent -
Here the hierarchy of objectives that an organization sets for itself
Components of strategic intent :
 1. Creating and communicating a mission
 2. Designing a mission statement
 3. Defining a businessA. Adopting the business model
5. Setting objectives

2. Formulation of strategies -

1. Performing environmental appraisals
2. Performing organizational appraisals
3. Formulating corporate level strategies
4. Formulating business level strategies
5. Undertaking strategic analysis
6. Exercising strategic choice
7. Preparing strategic plan

3. Implementation of strategies -

1. Activating strategies
2. Designing structure systems and process
3. Managing behavioral implementations
4. Managing functional implementations
5. Putting strategies into operations

A. Strategic evaluation & control -

Methods of Crafting Strategy

1. Chief architect approach
2. Delegation approach
3. Collaborative / team approach
4. Corporate entrepreneur approach

1. 1 man - responsibility from strat. design to strat. impl. including strat. control
can take advice from subordinates by decision maker is 1 man.
2. Assign roles & responsibilities to different kinds of subordinates.
3. Different kinds of people across departments assign roles & responsibilities with different kinds of departments as a team.
4. A subordinate is assigned to assign roles & responsibilities. A subordinate is selected by some criteria (like the subord who gives the best idea for a product among other subord.)

Types of strategies

- Intended strategies :

Execute as planned

- Emergent strategies :

Diverge from planned may be like
plan B or C.

- Deliberate strategies :

Mix top 2

1. chief architect approach :

CEO assumes the role of chief strategist who is the sole authority of the designed strategy

He may design the strategy by brainstorming with subordinates

2. Delegation approach :

The manager delegates parts of the strategy making tasks to subordinate, down the line managers in charge ^{particular dept.} key business units and departments

Talented people from various parts

of the organization form a group and develop new strategic initiatives.

3. Collaborative / Team approach :

Manager with strategy making responsibility enlist the assistance which includes line and staff managers from different dept. to work as a single team and devise the strategies

4. Corporate entrepreneur approach :

The top management encourages individuals and teams to develop proposals for new product lines and new business ventures

Here the executives serves as judges and they are provided with business and budgetary support.

Types of strategies

1. Intended

The strategy that an organization hopes to execute
They are usually described in detail within an organization's strategy plan

2. Emergent

It is an unplanned strategy that arises in response to unexpected opportunities and challenges

3. Deliberate

They are a product of a firm's intended strategies and its emergent strategies

Diff b/w intended & emergent strat.

Find examples of above 3 types

Case studies of types of strategies

1. Intended strategy:

① Tesla - Elon Musk - intended to revolutionize automobile industry by producing Electronic Vehicles - not only environmental friendly but with high performance - so he did it.

② Apple - Steve Jobs - intended to enter smartphone market with iPhone - apple planned its design, features marketing strategy with focus on user experience and design - it became success

2. Emergent Strategy:

① YouTube - YouTube started as a dating platform and the users can upload videos introducing themselves.

But YouTube began to attract users who upload wide variety of video content due to its ease of use.

So, adapting to demand it pivoted from being dating site to video-sharing platform.

② Instagram - Ig was initially developed as location based social network called "Burbn". It was a check-in app which provides recommendations to nearby places.

It had addition feature of photo sharing to show photos of places.

But users primarily used it for its photo sharing feature rather than check-in.

So its founders pivoted to focus on photo sharing alone along with photo filter features.

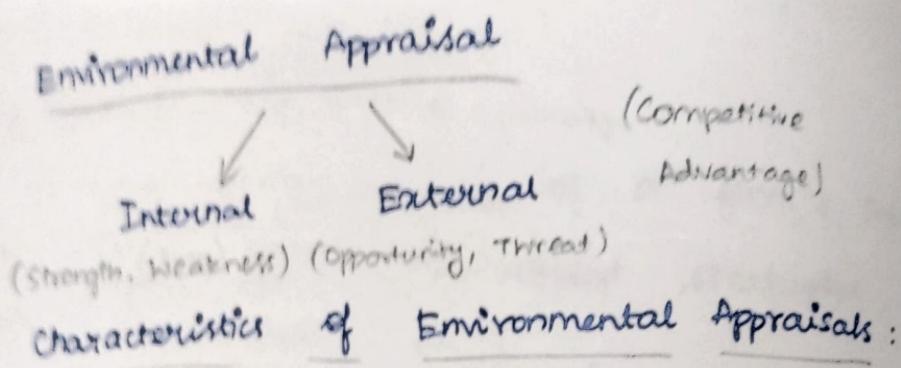
3. Deliberate Strategy

① Amazon - Jeff Bezos wanted Amazon to be an online bookstore by using the growth of internet. Amz aimed to dominate online book market.

After its brand recognition, Jeff Bezos saw its potential and started to sell wide range of products.

Also launched AWS and Amazon prime and became dominant player in e-commerce, cloud computing & digital streaming.

④ Microsoft by unifying all the strategy based on integrated branding of Windows to hardware manufacturing, branding of Surface, a think more from customer perspective and a shift to cloud computing as business require, a cloud service platform, and also launched various laptop and tablet providing highly integrated software and hardware experience.



Complex in nature

Dynamic in nature

Multifaceted

It has higher impact on organization

TOWS matrix → SWOT (also called WOTS-UP)

Competitive advantage → Mostly about HR

Core

Competencies → Uniqueness

done
by → SWOT

Strength:

Good reputation among customers, resources, assets, people, experience, knowledge, data and capabilities.

Weakness:

Gaps in capabilities, financial limitations, over dependence on a single product line.

Opportunities:

Economic boom, favorable demographic shifts, arrival of new technologies, favourable global influences

Threats:

Economic downturn, unfavourable demographic shifts, new competitors, unexpected shifts in consumer tastes, demanding new regulations, new technology and loss of key staffs

Environmental Scanning (part of env. appraisal)

1. General & Relevant Environment

2. Factors considered on ES (Env. Events, Trends, Issues, etc.)

3. Approaches

4. Sources of information

5. Factors affecting EA

6. Identify Env. factors

1st Step in SWOT analysis :

Identify or setting objectives of the org.

2nd Step :

Identify S, W, O, T

3rd Step :

How to ,

→ Maximise / Increase Strength

→ Minimise / Decrease Weakness

→ Capabilities +

→ Capitalise more opportunities

→ Protect from threats (Backup plans)

4th step :

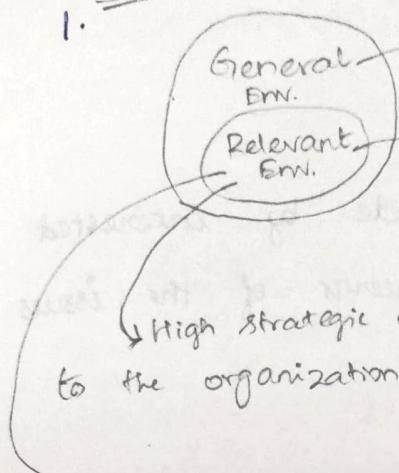
Step 3. Recommending strategies based on

see Advantages & pitfalls of SWOT analysis

(Micro & Macro Environmental - Internal & External)

ES:

1.



wider perspective of environmental factors

→ Immediate concerns of any organization which are confined to a part of general environment

→ High strategic relevance to the organization (high influence)

→ Vision, Mission, etc are based on relevant env.

2.

What are the different kinds of events happened
what are the courses of actions after the event
in trends? (consequences)

What are the issues before of the events & trends?
(results)

What are the expectations or concerns about your business by people?

Events -

Important and specific occurrences taking place in different environmental sectors

Trends -

General tendencies or course of action along ^{with} which events takes place.

Issues -

They are the current concerns in response to events and trends

Expectation -

All the demands made by interested groups based on the concerns of the issues

see find examples for above ^

3.

① Systematic approach - (based on relevant env. factors)

Information related for environmental scanning is collected systematically

The info. related to markets & customers, changes in legislation & regulations which have a direct impact on organization's activities, govt. policy statements pertaining to the business could be collected continuously to monitor changes

Continuously collecting info. and updating
is necessary in systematic approach.
(keyword)

② Ad-hoc approach - (based on relevant env. factors)

Organization may conduct special surveys and studies to deal with specific environmental issues from time to time.

Ex:

An org. has to undertake special projects, evaluating existing strategies or devise new strategies.

③ Processed form approach - (based on both relevant & general env.)

The organization uses info. in a processed form from different sources both inside and outside the organization (like newspaper & magazines)

A.

① Documentary or Secondary sources -

Newspaper, magazines, journals, books, govt. publications and annual reports of competitor companies

② Mass media -

Radio, television, internet

③ Internal sources -

company files and documents, internal reports and M&M and MIS (management info system), DBs, Company employees, sales and staff

④ External agencies
customers, marketing intermediaries,
suppliers, trade associations and
educational institutions

⑤ Formal studies done by employees,
market research and agencies,
consultancies

⑥ Spying and surveillance

Ques - Which sectors of environment did Indian companies
focus upon?

Advantages & pitfalls of SWOT analysis.

Disadv:

1. No weighted factors, no mechanism to rank the significance of one factor versus another
2. Ambiguity, 1D model categorize into SWOT but not mixed of SWOT.
3. Has biases of people who collect the data
4. It is subjective, diff. people have diff. opinion on SWOT.

5.

Factors affecting EA

strategist
Related

Organization
Related

Environment
related.

SR:

Age

Education

Experience

Motivation levels

Cognitive style

Ability to withstand pressure

Interpersonal, group relationships

OR:

Nature of business

Age of business

Size of business

Complexity of the market size

Also includes info. climate prevailing on
process, technology & people.

ER:

strategic related

b. Identification of Environmental factors

Possibility of impact	Impact on Business (both +ve, -ve)		
	High	Medium	Low
High	Critical	High priority	Low Priority
Medium	High Priority	High Priority	Low Priority
Low	To be watched	Low Priority	Low Priority

Critical - immediate action

HP - continuously monitor

LP - periodically monitor

See: Choose business of your choice & do ETOP

to Impact 'arrow mark' & 'explanation'

Define ETOP

ETOP - Bicycle Company

Env. Sectors	Nature of Impact	Impact of each sector
Economic	↑	Rising disposable income! living standards
Market	→	Overall industry growth rate not encouraging; Growth rate for niche segments like sports, trekking is high

International ↓ Global imports growing; threat of cheap imports is high

Political → Industry too small for any major political attention

Regulatory → Regulatory restrictions are very high;

Social ↑ Environment & healthy friendly transport option; recreation;

Supplier → Rising steel prices; mostly ancillaries and associated companies in small-sector supply parts

Technological ↑ Technological upgradation of industry in progress; Product innovation such as battery-operated & lightweight foldable cycles