The five tasks of strategic management

- Mission and Vision
  - A mission statement focuses on current business activities/"who we are and what we do"
    - current product and service offerings
    - customer needs being served
    - technological and business capabilities
  - A strategic vision concerns a firm's future business path/"where we are going"
    - markets to be pursued
    - future technology-product-customer focus
    - kind of company that management is trying to create
- Setting Objectives
  - converts strategic vision and mission into specific performance targets
  - creates yardsticks to track performance
  - pushes firm to be inventive and focused on results
  - helps prevent complacency and coasting
- Crafting a Strategy
  - strategy involves determining whether to:
    - concentrate on a single business or several businesses/diversification
    - cater to a broad range of customers or focus on a particular niche
    - develop a wide or narrow product line
    - pursue a competitive advantage based on:
      - low cost or
      - product superiority or
      - unique organisational capabilities
  - strategy involves deciding how to:
    - respond to changing buyer preferences
    - respond to new market conditions
    - grow the business over the long-term
    - achieve performance targets
    - out-compete rivals
  - a company's strategy is partly planned and partly reactive
    - market driven strategies:
      - conventional wisdom holds that adaptation is the best strategy
      - executives will succeed if they can sense and respond quickly to what's changing around them
      - a shaping strategy is no less than an effort to broadly redefine the terms of competition for a market sector through a positive message that promises benefits to all who adopt the new terms
    - why do strategies evolve? there is always an ongoing need to react to
      - shifting market conditions
      - fresh moves of competitors
      - new technologies
      - evolving customer preferences
      - political and regulatory changes
      - new windows of opportunity
      - crisis situations
  - understanding a company's strategy: what to look for
    - actions to diversify
    - actions to out-compete rivals
    - responses to changing external circumstances
    - actions to alter geographic coverage
    - actions to merge or acquire rival companies
    - actions to form strategic alliances and collaborative partnerships
    - efforts to pursue new opportunities and defend against threats
    - how functional activities are managed
    - actions to strengthen resources and capabilities
- Implementing and Executing Strategy
  - taking actions to put a freshly-chosen strategy into place
  - supervising the ongoing pursuit of strategy
  - improving the competence and efficiency with which the strategy is being executed
    - showing measurable progress in achieving the targeted results and objectives
  - *What does strategy implementation and execution include?*
    - building a capable organisation
    - allocating resources to strategy-critical activities
    - establishing strategy-supportive policies
    - motivating people to pursue the target objectives
    - tying rewards to achievement of results
    - creating a strategy-supportive corporate culture
    - installing needed information, communication and operating systems
    - instituting best practices and programs for continuous improvement
    - exerting the leadership necessary to drive the process forward and keep improving
- Monitoring, Evaluating and Taking Corrective Actions as needed
  - The tasks of crafting, implementing and executing a strategy are not a one-time exercise
    - customer needs and competitive conditions change
    - new opportunities appear; technology advances; any number of other outside developments occur
    - one or more aspects of executing the strategy may not be going well
    - new managers with different ideas take over
    - organisational learning occurs
  - All these trigger the need for corrective actions and adjustments

some think competition, we think partnership

I think co-opetition