STRATEGIC MANAGEMENT

STRATEGIC MANAGEMENT PROCESS

1. Identify mission, objectives, and strategies

2. Conduct external analysis

3. Conduct internal analysis (SWOT)

4. Formulate strategies

5. Implement strategies

6. Evaluate results

MISSION STATEMENT COMPONENTS

- Customers
- Products/Services
- Markets
- Technology
- Growth & Profitability
- Philosophy & Values
- Competitive Advantage
- Public Image
- Employees

CORPORATE-LEVEL STRATEGIES

Growth Strategy

Stability Strategy

Renewal Strategy

TYPES OF GROWTH STRATEGIES

Concentration

Vertical Integration (Backward & Forward)

Horizontal Integration

Related Diversification

Unrelated Diversification

STABILITY & RENEWAL STRATEGIES

Stability: maintaining the status quo

Renewal: addressing declining performance

Retrenchment vs Turnaround

BCG MATRIX CATEGORIES

Stars: high growth & high market share

Cash Cows: low growth & high market share

Question Marks: high growth & low market share

Dogs: low growth & low market share

BUSINESS-LEVEL STRATEGIES

Define how each SBU competes

Focus on competitive advantage

Importance of core competencies

PORTER'S FIVE FORCES

Threat of new entrants

Threat of substitutes

Bargaining power of buyers

Bargaining power of suppliers

Rivalry among competitors

GENERIC COMPETITIVE STRATEGIES

Cost Leadership

Differentiation

Focus Strategy

E-BUSINESS STRATEGIES

Cost Leadership: online bidding, inventory control

Differentiation: online ordering & support

Focus: targeted websites & engagement tools

CUSTOMER SERVICE STRATEGIES

Deliver what customers want

Communicate effectively

Train employees for customer service excellence

INNOVATION STRATEGIES

Breakthrough innovations

New applications of existing technology

Basic research & development

First-mover strategies