



STRATEGIC  
MANAGEMENT





Strategic management is the comprehensive process of **Formulating, Implementing, and Evaluating decisions** and actions that enable an organization to achieve its long-term objectives.

It involves analyzing the internal and external environment, setting goals, formulating strategies, allocating resources, and monitoring performance to ensure that the organization adapts effectively to its ever-changing surroundings and achieves sustainable competitive advantage.

In essence, strategic management encompasses the systematic planning and execution of initiatives aimed at positioning an organization for success in the future.

# INTRODUCTION TO STRATEGIC MANAGEMENT

- **DEFINITION**

- **PURPOSE**

- **KEY COMPONENTS**

Analysis

Strategic Formulations

Strategic Implementation

Evaluation and control

- **LEVELS OF STRATEGY**

Corporate Strategy

Business Strategy

Functional Strategy

- **IMPORTANCE**



# PURPOSE OF STRATEGIC MANAGEMENT

The primary purpose of strategic management is to ensure that organizations remain responsive to changes in their environment while fulfilling their mission and vision.

It helps organizations Anticipate and adapt to challenges, Capitalize on opportunities, and Sustain competitive advantage over time.

# KEY COMPONENTS OF STRATEGIC MANAGEMENT

- **Analysis**: Conducting a thorough analysis of the internal strengths and weaknesses of the organization, as well as the external opportunities and threats in the industry and market.
- **Strategy Formulation**: Developing strategies that leverage strengths, mitigate weaknesses, capitalize on opportunities, and counteract threats.
- **Strategy Implementation**: Executing strategies through effective resource allocation, organizational alignment, and action plans.
- **Evaluation and Control**: Monitoring performance, assessing the effectiveness of strategies, and making adjustments as necessary to ensure alignment with organizational goals.



# LEVELS OF STRATEGY

- **Corporate Strategy**: Concerned with the overall scope and direction of the organization, including decisions regarding diversification, mergers and acquisitions, and allocation of resources across business units.
- **Business Strategy**: Focuses on how a particular business unit or division competes within its industry, including decisions related to differentiation, cost leadership, and target markets.
- **Functional Strategy**: Pertains to specific functional areas within the organization, such as marketing, finance, operations, and human resources, and involves aligning these functions with broader business objectives.



# IMPORTANCE OF STRATEGIC MANAGEMENT

- **Provides a framework for aligning organizational efforts towards common goals.**
- **Facilitates proactive decision-making and risk management.**
- **Enhances organizational adaptability and resilience in the face of change.**
- **Helps organizations maintain a competitive edge in their industry.**

