

# **The concept of strategy**

- Strategic management can be defined as the art and science of formulating, implementing and evaluating cross – functional decisions that enable an organization to achieve its objectives
- Thus, we can say that strategic management focuses on integrating management, marketing, finance, accounting, production and operations, research and development and computer information system to achieve organizational success.

- The concept of corporate strategy was first defined in the early 60s' by Kenneth Andrews "as the goals of the firm and the pattern of policies and programs designed to achieve these goals".
- "A unified, comprehensive and integrated plan designed assure that the basic objectives of the enterprise are achieved". W.F. Check.

In order to identify the strategy of a firm we need to answer a series of questions about products and processes.

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- ⦿ In the long term, what is the objective of the firm?
- ⦿ What are the products and services that the firm sells?
- ⦿ In which market does the firm sell its products and services;
- ⦿ What is the operational model of the firm?
- ⦿ What is its economic model?
- ⦿ What are its principal functional policies?
- ⦿ What are its principal management policies?
- ⦿ From a competitive perspective, which capabilities of the firm are of distinctive importance in the sense that they are important to customers and distinct relative to competitors.

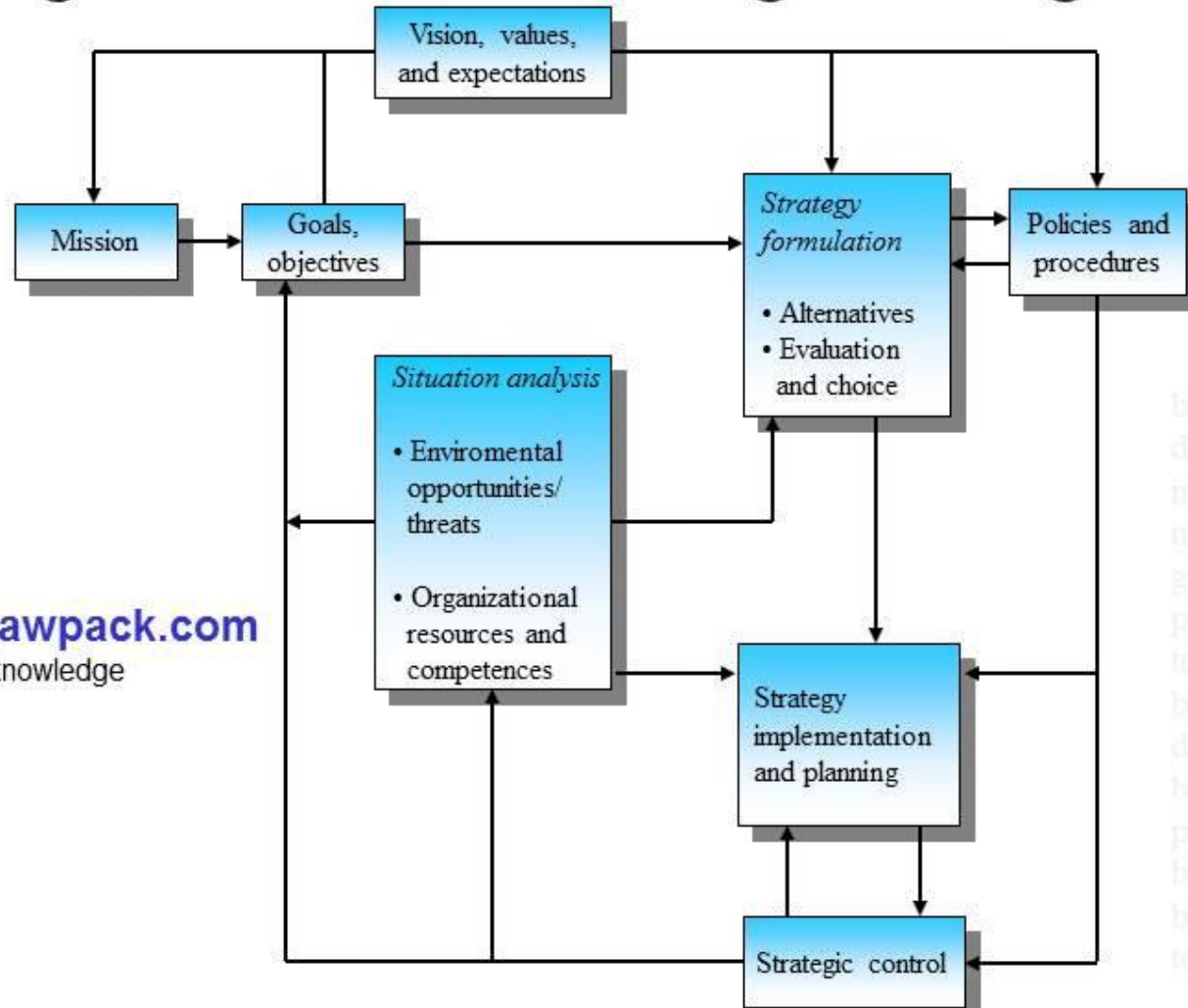
- The strategic management process identifies organization's existing vision, mission, objectives and strategies and tries to relate an organization as a sub-system with respect to its external environment.
- This model represent a clear and practical approach for formulating, implementing and evaluating strategies.

# Strategic Management Process 6 Steps:

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- ① Developing Organization's Vision and Mission.
- ② Strategic Analysis of the Organization.
- ③ Establishing Objectives.
- ④ Strategy Formulation.
- ⑤ Strategy Implementation.
- ⑥ Strategic Evaluation and Control.

# Integrated Model of Strategic Management



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