

A Review of Strategic Management: The Success Factor

Mr. Pooran Singh

SOMC, Sanskriti University, Mathura,
Uttar Pradesh, India

Email Id- anubhavs.somc@sanskriti.edu.in

Dr. Jitendra

SOMC, Sanskriti University, Mathura,
Uttar Pradesh, India

ABSTRACT

To establish administration's purpose as well as objectives, it critical to first comprehend the current circumstances and the kinds of obstacles the business should encounter in the current environment. The organization's job and objectives may be accomplished by effectively implementing strategies. As a result, businesses should be educated on strategical plan as well as managements. The most essential management's gears, strategic planning assists manager in identifying priority as well as key activities required to accomplish an organization's purpose and objectives. Because of the changing the corporates environments, strategical management is becoming the most vital subject in an administrative management. The ideas of a strategies, strategical planning, thinking strategically, managing strategically, as well as the significances of strategical management are discussed in this article.

Keywords

Management, Management tools, Strategy, Strategic planning, Strategic planning.

1. INTRODUCTION

Strategical managements as well as ongoing debate in area of the literature are required by the organization. Strategic management is a method that struggling companies use to prepare for and improve long-term performance in the face of future difficulties. The effectiveness and performance of an organization's strategies will be enhanced via improved analytical techniques and better data gathering. Strategical managements can be described as processes by which a company creates the strategies, which will begin as a corporative goal as well as objective with a purpose as well as vision, as stated in business strategy journal. After a solid path established, strategical managements will be carried out via strategic researches as well as planning, strategy formulation, strategy execution, and, finally, previous results will be assessed. Strategic management is a method of defining a company's corporate purpose or mission based on its values and management process. It establishes a reasonable aim for attaining the goal, identifies current environment opportunity as well as limitations, as well as lay out a strategy accomplishing goal. Quality of corporate administration's management is largely reliant on its success in the competitive economy, as measured by the effective execution of strategic management[1-3].

The purpose of the review papers is to investigate the basic art of Strategic Management as well as its impact on the corporates sector's performance. Study looks at how strategical management in the workplace helps companies to compete with their marketing rivals. The parts that follow will provide a view of strategical management component, the strategical management method, strategic management limiting factor, and strategical

management advantages. Specific performance goals are needed at all levels of a business, from the top down to the bottom up, and in every field that impact the company's survivals as well as success. Setting explicit objectives not only transforms an organization's direction, but it also protects it against drift, lack of focus, ambiguity about what to accomplish, and loss of purposes. The short-term as well as long-term objective are required[4-5].

Company's market position and competitiveness, yearly profitability objectives, important financial and operational results via its selected activity, as well as any other the milestones in evaluating its strategic success should all be included in the strategic goals for an organization as a whole. Because performance goals are so essential in the company, strategic management's objective function necessitates the participation of all managers. For strategic success, everyone must identify their sector's contribution and then establish clear, quantifiable performance objectives.

2. ELEMENTS OF STRATEGIC MANAGEMENT

Figure 1 depicts the fundamental components of strategic management such as environmental scanning, formulating the strategy, strategy implementation, evaluating strategic performance. The strategical management processes does not become involved in everyday operations of company, but rather creates long-term plans. In order to achieve goals, strategic management consists of four key components[6].

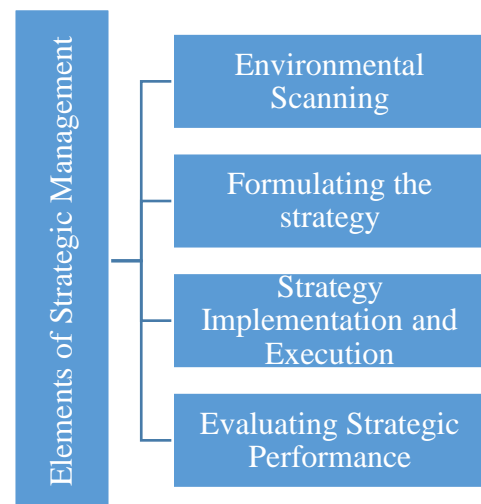


Figure 1: Illustrates the several fundamental elements of strategic management

2.1. Scanning of Environmental

Scanning surroundings is initial step in associating the company's strategy. Understanding that environmental scans assist a company in learning about opportunities, events, or problems that may have an effect on its output, as well as developing strategies that are in accordance with those circumstances. Scanning information in this manner has grown in importance as a means of achieving maximum efficiencies in every small as well as medium size businesses.

Whiles researches has been done on link between the strategies as well as organizational property, as well as the links between environment scanning as well as organizational characteristic, the links between scanning as well as strategies in every small businesses deserve more attentions because scanning activities have been given the priority to managers in recent decade. There hasn't been much study on the link between ambient scanning and strategy. Small businesses are often descriptive and focused on the utilization of information sources. While responses and perceptions in large corporations vary, they are not always suitable for entrepreneurs. Because information and strategy are intertwined, companies with varying strategies and attitudes must use various scanning techniques.

Environmental scanning is a contemporary and essential activity in company management when reliable data gathering is needed. This examination is required such that the organizations may function like open system in the surroundings, locating resource as well as establishing legitimacy. When used effectively, defines environmental circumstances, exposes developments, possibilities, and situations linked with non-existent issues. A thorough environmental scan was required at the start of the process to ensure the competitive success of strategic and environmental scanning. Environmental assessment offers vital information for the company, preventing from decaying because its manager lack knowledge about the environmental change, according to the association of environment strategy.

As a result, organizations should be aware of their surroundings so that management can react to market developments. The frequency with which information about the external world is collected, as well as the manner in which it is acquired, are two critical elements of the scanning process. Environmental data may be obtained in big or small quantities by businesses. Because there may be a range of components in the environment, depending on the nature of external features monitored.

To gather environmental data, a variety of methods may be utilized, ranges from private to in private sources, and from external to internal source associated with business. Written or historical sources relate to impersonal sources that enable enormous amounts of material to be consolidated, while external sources refer to oral or telephone interactions that contain many suggestions that are reviewed quickly. Internal sources are discovered inside the business and enable data to be directly connected to reality, while external sources are found outside the organization and result in less data loss since they do not travel through middlemen[7,8].

2.2. Formulating the Strategy

Strategy formulation is the process of identifying and establishing an organization's goals, objectives, and priorities, as well as selecting the best.

There is still a clear aim in sight, and these are the company's key priorities. The company requires unique outcomes that can only be obtained by following a certain route or working within the restrictions or limitations of a particular system. This course or

framework will be created by developing a plan. The method is often referred to be "strategic planning" since it basically follows the same concept. Management may evaluate its resources and choose the best ways to maximize the company's return on investment via strategic planning (ROI). The output-strategic plans will serve as a framework or guide for members of the organization as they carry out their different duties. It's essential to note that, despite their similarity in a number of respects, the two phrases aren't exactly the same.

2.2.1. Aspects of Strategy Formulation

Strategy formulation includes three aspects level as shown in figure 2, each with its own set of criteria to guarantee the creation of logical, realistic, and effective plans[9,10].

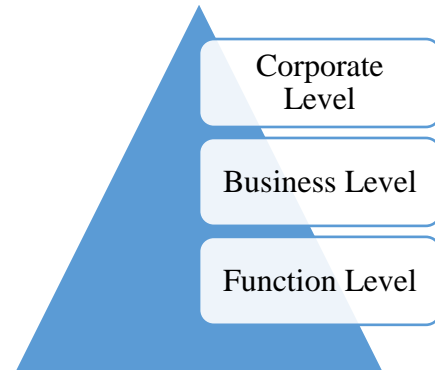


Figure 2: Illustrates the three aspects of strategic formulation.

- Corporate Strategic Plan: At this level, the vision is broad and broad since the focus is on the organization's entire scope, purpose, and goals. We are concerned with the whole structure of the company because we are looking at the big picture.
- Growth Strategy: This section is focused with the company's orientation. What are the organization's growth objectives? What percentage of its total production corresponds to what the business believed when its growth goals were set? Will the growth strategies remain aligned with the growth goals, and if not, what changes or modifications are required?
- Portfolio Strategy: The goal here is to look at the company's organizational structure. What business lines does the company have in its portfolio? What do these lines have in common or how do they fit together? Concerns regarding a company's ability to diversify or retain its current portfolio.
- Parenting Strategy: The main issue here is how resources and energy are distributed throughout the organization's business divisions. In the portfolio, how will things be handled? Which lines need more direct management and control? Which lines need further assistance in order to enhance their performance?

2.3. Strategy Implementation and Execution

It is essentially an administrative activity that entails carrying out the strategy and ensuring that people and organizational subunits effectively carry out their parts of the strategic plan. This implies a variety of management issues, including:

- Create a company that can carry out the strategy plan.
- Prioritization of strategic goals and services

- Establishing a clear link between the framework for encouraging and awarding performance and the performance itself.
- To create an organizational culture that is fully aligned with the plan.
- Development of an information and reporting structure for managing and documenting strategy implementation
- Create rules and procedures to aid in the plan's implementation.
- The development of a policy action plan includes participation from all levels of management, as well as decision-making on answers to the question.

“What do we need to do to carry out our portion of the Strategic Plan, and how can we do it the most effectively?” When an organization performs well, almost every activity is examined to determine what actions are required to improve policy execution and promote strategic support and behavior. The administrative responsibilities of implementing and enforcing the plan involve an increasingly methodical process that produces a set of “fits,” ensuring that a company's internal conduct is in conformity. In general, the function of management in strategy execution is to examine the whole internal business to decide what strategy supporting techniques are needed and what actions to take to accomplish them. To ensure a smooth transition, the different components of the implementation strategy must be arranged (from the old approach to the new one). Both the sequence of activities and the rate at which the whole company is united behind the strategy's execution are important considerations.

2.4. Evaluating Strategic Performance and Making Corrective Adjustments

Neither the development nor the implementation of strategies are one-size-fits-all processes. There are circumstances in each instance that make adjustments desirable. Because it does not function well or because changing circumstances require finer adjustments, or even substantial modification, the approach may need to be updated. Changes in market and competitive dynamics, the introduction of new possibilities or difficulties, new management leadership, and an updating of priorities may all make a strategy shift appealing. Similarly, there will be times when one or more aspects of the plan are not properly handled, necessitating modifications to the strategy's execution. Changes in internal needs as well as knowledge with existing implementation methods may lead to new or improved implementation strategies. Experiments and errors are common ways to test new ideas and learn what works and what doesn't.

Managers are often required to evaluate how well the approach chosen works and how effectively it is implemented, as well as to make corrective adjustments if better ways can be discovered. Strategic management responsibilities are continuous and not something that can be done on a one-time basis.

3. STRATEGIC MANAGEMENT

The phrase “strategic management” refers to a wider concept than “strategic planning.” It is a process that compels senior management to evaluate the organization's environment for policy formulation, strategy implementation, and management plans. The Strategy Management framework collects activities such as continuous strategic review, policy formulation, implementation, and tracking. It methodically arranges resources

throughout the organization in accordance with the company's vision, purpose, and strategy. Strategic management does not predict the future; rather, it prepares the business for it by having a comprehensive grasp of the steps necessary to put a strategic plan into action.

Strategic management began as a subset of strategic planning and has evolved into a stand-alone approach for strategic management. Strategic planning and strategic management are integrated, bringing management and planning together in a single phase. Strategic management has risen to prominence as one of the most important management disciplines. It includes a comprehensive list of management actions to aid management in maintaining the business environmentally friendly and demonstrating the most effective route to development.

The goal of strategic organizational management is to create and sustain a competitive advantage. It entails doing organizational studies, making choices, and acting in a way that generates and maintains competitive advantages. These competitive advantages assist a company in identifying opportunities and minimizing environmental risks. Strategic management, in a broader sense, is a continuous and complete process that involves determining the organization's purpose and objectives in both an internal and external context.

3.1. Importance of Strategic Management

- It directs the company's progress in a certain direction. It establishes the organization's goals and sets realistic objectives that are in line with the company's vision.
- It enables the business to be proactive rather than reactive, to monitor competitors' activities and take the necessary steps to compete in the market rather than becoming spectators; and it acts as the foundation for all of the company's major choices.
- It assists the business in preparing for future problems and is a pioneer in identifying and recognizing opportunities.
- It guarantees the company's long-term existence as well as the competitive world's long-term viability.
- It aids in the development of key skills and competitive advantages that support the company's long-term viability and growth.

Strategic management's primary objective is to guarantee the company's long-term strategic success. It is feasible to create and implement strategies that bring value to the company. Its goal is to identify opportunities and problems, as well as the strengths and weaknesses of businesses, in order to create and implement plans for their success, development, and growth.

3.2. Limitations of Strategic Management

Longer-term plans and priorities are needed for strategic management to assist an organization grow resources, opportunities, and achieve a competitive edge. While strategic management offers many advantages, such as lowering change tolerance and encouraging collaboration, it also has disadvantages. The strategic management process is time-consuming and complex to implement. Professional planning is required to avoid hazards.

4. DISCUSSION

External and internal climates, short- and long-term objectives, organizational structure, and strategic control are all aspects that must be reviewed on a regular basis in strategic management. A modification in one aspect of this inter-relationship of elements

may have an impact on other parts. In an economic downturn, for example, a business may be forced to reduce its workforce. The poor economy is hurting the domestic climate, which is reflected in the number of individuals working. An organization may therefore need to revisit its objectives and make necessary adjustments. All of these variables have an impact on an organization's management, leadership, and institutional procedures, all of which have a role in decision-making.

Strategic management requires a significant amount of time. Management devotes a significant amount of time on planning, researching, and explaining the strategic management process, which may negatively affect operations and have a negative impact on company. Managers, for example, may examine everyday problems in order to identify issues that need resolution, resulting in lower staff productivity and a negative effect on short-term sales. A key element in strategic planning is resolving problems in a timely way. This may lead a company to divert valuable resources and put key management efforts on hold.

The implementation process involves a clearly defined plan that is carried out with full attention, active participation, and openness required not just by business executives but also by all members of the organization. Managers must work to create and develop employee synergies in order to guarantee buy-in and support for the organization's objectives and vision. In certain instances, this may be very challenging. For example, if a manager has participated in the strategy development process but not equally in the implementation phase, he may not be held accountable for choices.

Although strategic plans aid in the achievement of long-term objectives by reducing uncertainty, the planning process itself provides chances for errors. An organization must plan for the future and account for different degrees of change and risk. To avoid mistakes, project managers must have the required abilities to plan the project and reduce risks. Managers should, for example, keep watch of possible changes in their external environment and develop business contingency plans, such as market circumstances, competitive pressures, and economic variables that may harm their company.

5. CONCLUSION

There are many different types of strategy, and it is a highly important word for an organization. This article combines numerous strategy ideas proposed by different academics, and the author proposes a new strategy concept: "A strategy is a plan of action used to define objectives, goals, and means for attaining them." Strategic planning is a business approach that may assist a firm manage its operations, especially if the company can successfully execute a strategic plan. Strategic analysis and strategic management are two of the most important aspects of senior management duties. A technique of strategic planning that is very comprehensive includes a lot of strategic analysis. By creating and sustaining competitive advantage, strategic management aids a business in defining its purpose and objectives. The benefits of strategic management in a business are now recognized by the organization. The article briefly explains how strategic management benefits a business both financially and non-financially.

REFERENCES

- [1] Brown WA. Strategic management. In: The Jossey-Bass Handbook of Nonprofit Leadership and Management. 2016.
- [2] Athapaththu HKSH. An Overview of Strategic Management: An Analysis of the Concepts and the Importance of Strategic Management. *Int J Sci Res Publ.* 2016;
- [3] Charles NA, Ojera PB, David O. Factors influencing choice of strategic management modes of small enterprises. *J Innov Entrep.* 2015;
- [4] Jasper M, Crossan F. What is strategic management? *J Nurs Manag.* 2012;
- [5] Engert S, Rauter R, Baumgartner RJ. Exploring the integration of corporate sustainability into strategic management: A literature review. *J Clean Prod.* 2016;
- [6] Ilić B, Stefanović V. Planning as an element of strategic management in tourism. *Trendovi u Posl.* 2018;
- [7] Amuna YMA, Shobaki MJ Al, Naser SSA, Technology I. Strategic Environmental Scanning: an Approach for Crises Management. *Itee.* 2017;
- [8] Robinson C V., Simmons JEL. Organising environmental scanning: Exploring information source, mode and the impact of firm size. *Long Range Plann.* 2018;
- [9] Soteriades MD, Avgeli VA. Promoting tourism destinations: A strategic marketing approach. *Tourism.* 2007;
- [10] Huang SH, Uppal M, Shi J. A product driven approach to manufacturing supply chain selection. *Supply Chain Manag An Int J.* 2002;