

Planning and strategic management



WHAT IS STRATEGIC PLANNING?

Strategic planning is the path we take from why we exist (mission) to what we want to become (vision).



MISSION



Of 26,000
START-UP FAILURES

67%
had no strategic plan



Key elements: Mission and Vision

1. Mission

- The organization's reason for existence.

Example:

McDonald's exists to offer the fast food to customers. The food is prepared in the same high-quality manner world-wide, tasty and reasonably priced, delivered in consistent and friendly atmosphere.



Key elements: Mission and Vision

2. Vision

- Defines where the company wants to be in the future and how to get there.

Example:

“McDonald’s vision is to be the world’s best quick service restaurant experience. Being the best means providing outstanding quality, service, cleanliness, and value, so that we make every customer in every restaurant smile.” McDonald’s



Strategic Management

- A process of formulating and implementing strategies within an organization that determine the long-run performance of a corporation.



Grand strategy

- The general plan of actions that a company will take.

Types of grand strategy:

- Growth
- Stability(pause strategy)
- Retrenchment(means that the organization goes through a period of forced decline by either selling off current business units or liquidating the entire business.)



Situation analysis

- SWOT analysis- is an analysis of company's
 - Strengths(+)
 - Weaknesses(-)
 - Opportunities(+)
 - Threats(-)
- that affect organizational performance.



Formulating strategy



- The strategic management process is typically concerned with development of strategies at three levels:
 - **Corporate-level strategy**(focuses on the organization as a whole)
 - **Business-level strategy**(focuses on each business unit or product line)
 - **Functional-level strategy**(focuses on major functional departments within a business unit)

You need a
 to get
to where you
want to go.

You will not arrive at a destination
without a guiding light to
show you the way

