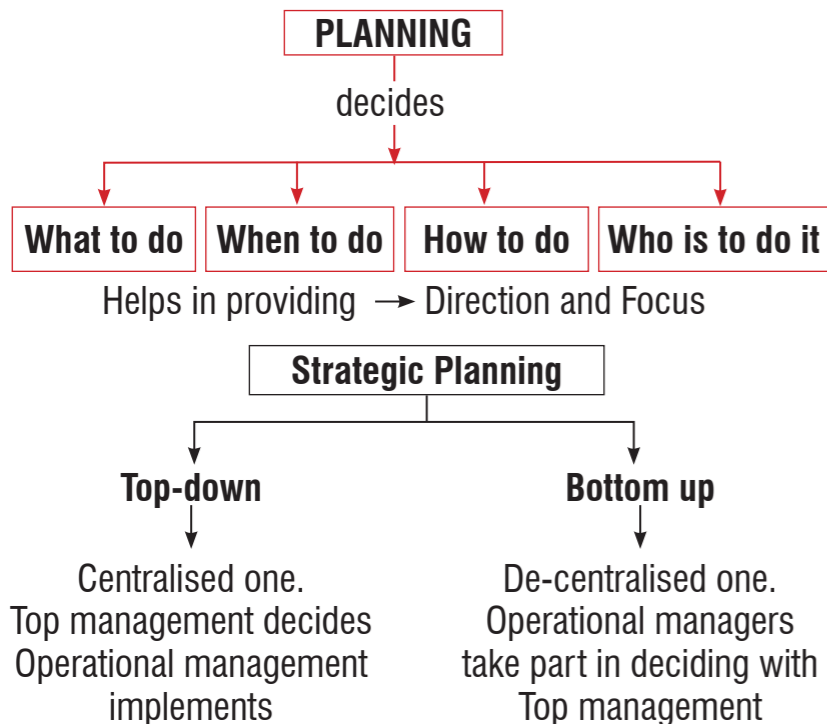


LO1: IMPORTANCE

Strategic planning involves planning for organisation as whole



LO2: CORPORATE STRATEGY

Lays roadmap for achieving growth concerned with a) Business, b) Products and c) Markets.

- Issue 1: Pro-active vs Re-active
- Issue 2: Strategic uncertainty
- Issue 3: Scenario analysis [get ready for any scenario]
- Issue 4: Stages of corporate strategy

Stage 1: Developing a Strategic vision

- i) Short term vs Long Term Growth
- ii) Focus vs Diversification
- iii) Global vs Local
- iv) Quality vs Price
- v) Mass vs Niche

Specific
Measurable
Attainable
Realistic, but challenging
Timescale

Stage 2: Setting Strategic Objectives

- Issue 1: Objective must be **SMART**
- Issue 2: Long Term Objectives
- Issue 3: Balance Score Card

Stage 3: Creating a Strategy

Stage 4: Implementation

- 1. Staffing 2. Budgeting 3. Operating

Stage 5: Monitoring

STRATEGIC PLANNING

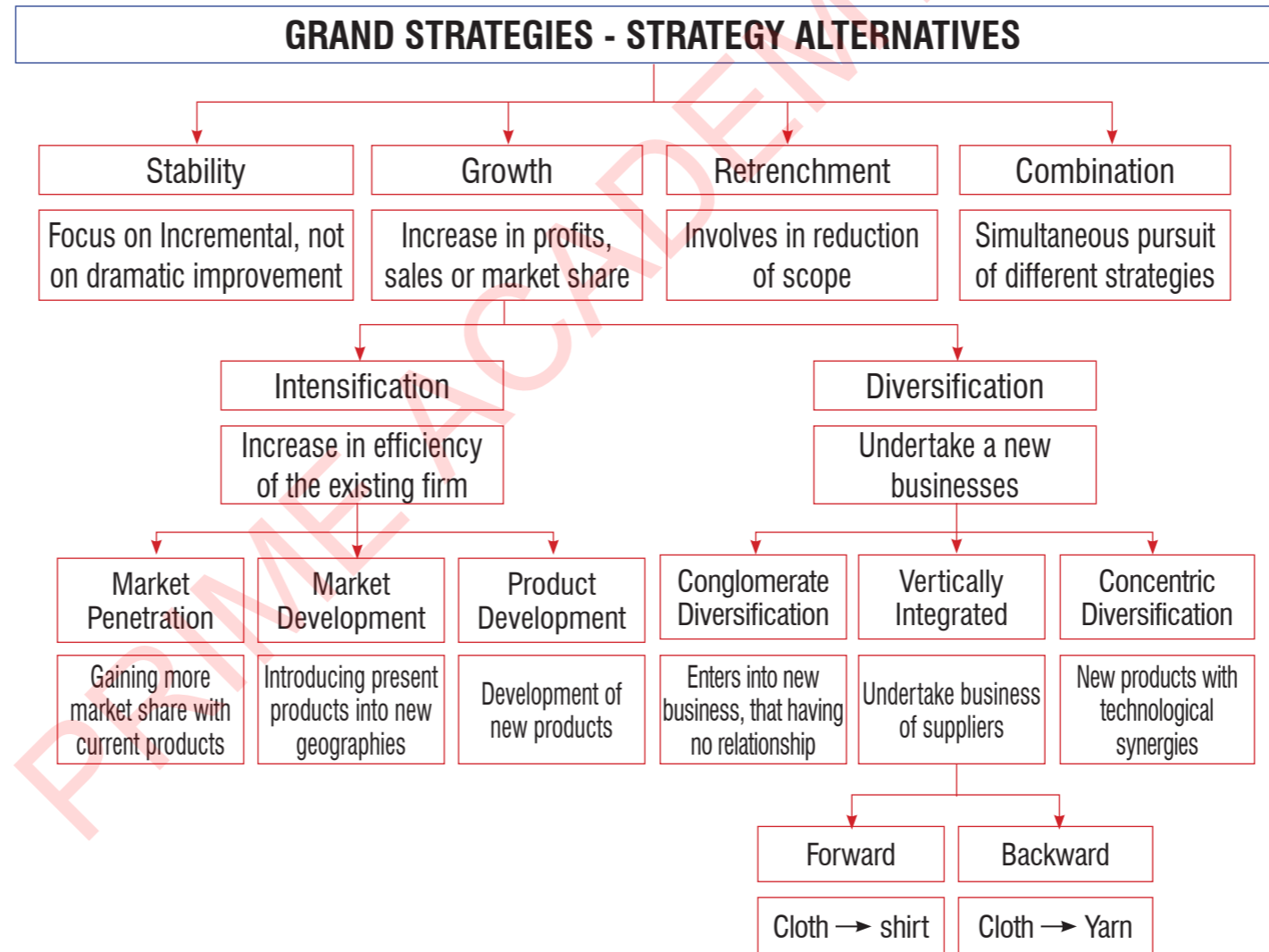
LO3: LEVELS OF STRATEGY

A. Corporate-level strategy is responsible for market definition, address entire enterprise.

Characteristics:

- 1. Flexible and dynamic
- 2. Emerging from to management level
- 3. Multi-pronged and integrated
- 4. Action Oriented
- 5. Long range in nature
- 6. Ensures Competitive and Complex setting
- 7. Deployment of Limited sources

FEMALE 'D'



B. Focus on Niche Strategy:

- Deals with
- Identifying niches
 - Co-ordinating SBU activities
 - Monitoring Markets
 - Developing distinctive competencies

C. Functional Level Strategies:

- Deals with
- Efficiency utilizing specialists
 - Integrating activities
 - Assuring that **Functional vs Strategy** with **Business vs Strategy**

LO4: GENERIC STRATEGIC ALTERNATIVES

1. How to achieve cost leadership

- a. Have high asset turnover
- b. Achieve low operating costs
- c. Control our procurement chain
- d. Use of technology

By a company:

- a. Low levels of bureaucracy,
- b. Adequate capital,
- c. Process – re-engineering skills,
- d. Cost consciousness

Disadvantages:

- 1. Customer's shift to lower priced ones
- 2. A reputation of low quality
- 3. Others can copy and dislodge

2. Differentiation:

- Leads to higher costs for manufacturer
- Impacts performance through reducing directness
- May fail sometimes
- Sometimes appropriate

3. Focus on Niche Strategy:

- Based on cost leadership on differentiation
- The company should compete
- Focus on few target groups
 - Needs of mass market