

# Tasman arts training institute: strategic management



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With the application of strategic management the CEO Ethan Williams has decision choices be; en alternative courses of action in order to establish Tat's competitive advantage. Strategic management is the process Of formulating and implementing strategies that achieve organizational goals in a competitive environment (Shoehorning.

.. Et al. , 2014) and is best implemented when everyone within the business understands the strategy. For Ethan the first step of strategic management is his need to identify and analyses a current mission, objectives and devise strategies.

Implementing a mission statement ill give Ethan a direction to follow through strategic changes.

The mission is the organization's reason for existence in society (Shoehorning... Et al. , 2014).

An important test of mission is how well it serves Tat's stakeholder, which include the employees, shareholders, customers, suppliers and the community surrounding it. With an effective mission DATA will be able to implement further stages of the strategic management process. Ethan then needs to look at operating objectives within TAT I.

According to Trucker “ Objectives must be derived from what our business is, what it will be, and hat it should be. They are not abstractions. They are the action commitments through which the mission of a business is to be carried out, and the standards against which performance is to be measured.

Objectives, in other words, represent the fundamental strategy of a business. " (Kramer, 2008). For example, the financial health of DATA is poor as it is on the brink of financial insolvency, Ethan could set an objective to acquire more capital to earn positive returns to improve the finances instability of TAT'.

The first step in forming a strategy is to review the information gathered from the analysis ND determine what DATA has to do to reach the objectives, and because businesses and economic situations are fluid, it is critical to develop alternative approaches to target each plan (Clayton, 2014).

The next step in the process is to analyses the internal and external environment of DATA, looking at industry and external environment and organizational resources and capabilities.

The SOOT analysis identifies Tat's place in the market, and allows for a strategic plan that takes advantage Of strengths and opportunities whilst minimizing weaknesses and threats, it also allows for Ethan to understand how to create a competitive advantage for DATA. Competitive advantage is achieved by operating in ways that are difficult for competitors to imitate (Shoehorning...

Et al. , 2014). The primary technique for identifying strengths involves evaluating which operations actually make money (Johnston, 2014).

TAT'S strengths include its reputation and specialization as it is one of the best known community schools in the region with a progressive quality reputation, which has been gained previously by employing reputable staff

members. To identify weaknesses Ethan needs to determine which parts of Tat's operation is costing money. Poor human resource management has cost DATA with Linda hiring non-reputable staff, rather than those with repute.

If the tutors were hired by expertise then Ethan could turn a weakness into a strength and use it as a means to create a competitive advantage by hiring the most specialized tutors available.

The misapplication of financial resources has led to an inability to better allocate the scarce resource of money to areas such as student resources and the uncial instability of DATA as a whole. An opportunity for DATA to not only gain a greater market share, but also to gain extra revenue is to open a gallery to display and sell the artwork of students at TAT I, however under Porter five forces there is a threat of not only rivalry, but also threats of new entrants, which bring new capacity, the desire to gain market share, and often substantial resources. Porter, 1997). Threats need to be evaluated appropriately to avoid market failure, such as if a new arts institute were to pen, then Ethan would need to use an alternative strategy to create a competitive advantage to maintain leadership in the market, such as employing specialized tutors as stated above.

Once a successful SOOT analysis has been completed, Ethan needs to revise his set missions and objectives.

DATA graduates have gone on to prominent placements because of their ability' to produce for the international and tourist markets, and with DATA being located in Nelson, the home Of the World Of Heartbeats, there is a <https://assignbuster.com/tasman-arts-training-institute-strategic-management/>

current market to compete in. Using a corporate strategy, which sets long-ERM direction through diversification of opening a gallery DATA can grow into new and different business areas, meaning DATA could compete in the niche international tourist market, which would allow DATA to compete with price and quality rather than just differentiation.

Successful strategy implementation is critical to the success of DATA.

If the overall strategy does not work with Tat's current structure, a new structure should be installed at the beginning stages to ensure the success of the strategy. The weaknesses of communication need to be addressed so that everyone within the organization is clear on what their responsibilities and duties are, and how that fits with the overall strategy, a lack of participation in the planning process can lead to a failure in implementation.

Using a functional strategy, which guides activities within one specific area Of operation, Ethan can kick at marketing and human resources as separate activities and implement strategies best suited to each. At current the marketing budget has been too large restraining the amount of money to be allocated to other areas of the business, such as human and student resources. More funds for these areas could help to create a competitive advantage, and to maintain leadership in the current market.

For implementation to be positive, a successful analysis of the environment needs to have occurred, and corporate governance needs to be in place.

Corporate governance is the set of mechanisms used to manage the relationship among stakeholders and to determine and control the strategic

direction and performance of organizations. (Hill, Ireland, & Hosking's, 2013). Corporate governance is critical to a firm's success because it is responsible for challenging firms and their leaders which makes it an increasingly important part of strategic management.

Strategy evaluation and control actions include a consistent review of internal and external issues and making corrective actions where necessary. Ethan should create a step-by-step process to review T Tat's performance.

The first step is to set specific strategic goals. A strategic goal for DATA could be to open a gallery to expand into a new market segment. Once the goal is set, and after a strategic management process is set into place to pursue those goals, the next step is setting deadlines and benchmarks as a measure of the implementation of those goals.