What is the difference among strategic, long-term, and short-term objectives? ess...

Business, Organization

What is the relationship between objectives and goals? What are some examples of this relationship? Strategic goals are the carefully studies goals that the organization expects to achieve in the long term through the process of strategic planning. With strategic planning the organization is able to develop specific objectives/strategies in order to meet their goals. The purpose of strategic planning is to determine where the organization is going and how it's going to get there over the next year and beyond. Therefore, strategic planning is necessary because it lays the pathway for organizing, controlling, and testing, in order to make sure the organization achieves its goals successfully.

Long term objectives are the steps that the organization has developed in order to reach its long term goals. On the other hand, short term objectives are the steps that the organization has develops in order to reach its goals in the near future. Both short term and long term goals can be part of the strategic planning process.

The goals are the outcomes that the organization expects to achieve. The strategies are the steps the organization will follow in order to reach those goals. Therefore, the strategies are the pathways to the goals. Examples of this relationship are:

1. The organization has a goal to become culturally diverse. Some of the strategies for that goal are that the organization hires individuals from diverse background and to encourage them to express their culture. Those steps in turn will lead to the organization reaching its goal of being a culturally diverse organization.

2. The organization’s goal is to be one of the happiest places for employees to work. Therefore, some of its strategies will entail finding out what motivates the employees, do what they can to motivate the employees (i. e. increase pay, etc…), encourage employees to express their ideas. Those steps in turn, along with others, will lead to the organization becoming one of the happiest places for employees to work.

What are the different types of strategies? What are the differences among these strategies?

The three different types of strategies are Cost leadership, differentiation and focus strategies. In a company pursuing a low-cost strategy, every activity of the organization must be examined with respect to cost. For example, favorable access to raw materials must be arranged, products must be designed for ease of manufacturing, manufacturing facilities and equipment must continually be upgraded, and production must take advantage of economies of scale. In addition, a low-cost strategy requires a company to implement tight controls across its operations, avoid marginal customer accounts, and minimize spending on advertising and customer service.

Companies that pursue a strategy of differentiation try to create a product or service that is considered unique within their industry. They may attempt to differentiate themselves on the basis of product design or features, brand image, technology, customer service, distribution, or several of these elements. The idea behind a differentiation strategy is to attract customers with a unique offering that meets their needs better than the competition, and for which they will be willing to pay a premium price.

Companies undertaking a focus strategy direct their full attention toward serving a particular market, whether it is a specific customer group, product segment, or geographic region. The idea behind the focus strategy is to serve that particular market more effectively than competitors on the basis of product differentiation, low cost, or both.

How do you determine which type of strategy is most appropriate for your organization? Some of the factors that affect the choice of strategy to be pursued by the organization include the company’s strengths and weaknesses, including its profile of assets and skills relative to competitors, including financial resources, technological posture, brand identification and personal values of organization’s leadership, competitive scenario, government policies, economic scenario, social factors, etc. An organization should choose a strategy that exploits its internal capabilities and exploits the external market opportunities in the best possible manner, while overcoming internal weaknesses and external threats. For example, if an organization has a unique product that is far superior to competitive offerings and the consumers will be willing to pay a premium for such product, the company can opt for differentiation strategy. Similarly, if organization has access to resources that allow it produce goods cheaper than others do, it can opt for cost leadership.