

Why is strategy important to business?

[Business](#), [Strategy](#)



Strategy is determining where you are now, where you want to go, and how to get there. It's the art of developing and implementing specific actions and decisions that will help a business to achieve goals and objectives as set out by the owners. Through the strategy process the overall direction of the company is set including opportunities and threats in the outside world and the internal strengths and weaknesses of the business. The aim of a business strategy is to ensure that the threats posed by the external environment are minimized and also to strengthen or minimize the effects of internal weaknesses.

The opportunities and strengths are combined to ensure maximum productivity is achieved. The more the external environment changes the more opportunities there are likely for a company, but the more threats can be a problem if not prepared for. Without a business strategy, it would be difficult for an owner to realize the opportunities available. Strategic management in contrast with business policy is a technical approach having a five step model. Strategic management is a set of managerial decisions and actions that determine the long run performance of a company.

Strategic management does not have to be just a part of the top level management. In fact, organizations should focus on strategic management at all levels of the management and the entire hierarchy of the company should be involved both in planning and implementation phases. Strategic management does not have to be just a part of the top level management. Organizations should focus on strategic management such that all levels of the management and the entire hierarchy of the company should be involved in both planning and implementation phases.

The basic theory of strategic management involves the action of creating and implementing plans and decisions for the benefit of the organization and to help it achieve its objectives. Strategic management analyzes and scan the environment therefore future problems and opportunities could be well anticipated, allows a firm's top management to anticipate changes and provide track and control for the enterprise, provides clear cut mission, also gives vision and objectives of enterprise to all the employees, and allows a firm to take decisions on the basis of long range forecast.

Your vision must be future-oriented it has to paint a picture that attracts employees through the use of visual imagery. This is what gets people hooked into buy-ins, followership, and implementation of the plan. So it means you just have to think outside the box of today and describe the world of the future. With the current situation of the economy the fact that some business establishments have stopped their operation and closed has caused big drop in small and large corporations.

Having back up plan would be the idea should the original plan does not succeed businessmen could have alternative options or backed up plans for the continuity and success of the business. Since businessmen are knowledgeable of the business processes, they know the importance of having back up plans. Without a contingency plan, and should the original plan fail, businessmen and the business could experience a lot of trouble. The Mission statement is important because it describes the reason for the existence of an organization and what it hopes to achieve.

While mission statements vary from organization to organization and represent the distinctness of each one, they all share similar components. Before writing a mission statement, leaders in the organization must have an idea of what is in store for the future. This vision is the foundation for the mission statement. Most statements include descriptions of the organization's target market, the geographic domain, their concern for survival, growth and profitability, the company philosophy, and the organization's desired public image.

In addition, it is a tool that conveys the goal, organizational structure and strategy, legitimacy, values, participation and ownership among employees, leadership, responsibility to the community, ethical priorities, and commitment to the public and stakeholders. The organizational decision making process involves proper and efficient implementation of strategic plans and methods to achieve desired business objective. Often one difficulty facing an organization is that multiple divisions are involved in the overall decision making process.

Making a decision can have different implications for each respective division. With the businesses of today facing shortened product lifecycles, organizations are facing intense competitive pressures to build market share to stay ahead of rivals. Process changes, the introduction of new and improved disruptive technologies are forcing companies to adapt new business goals and objectives in shortened timeframes, this alone places stresses on all organization.

References

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Mission and Vision Statements [http://www. referenceforbusiness. com/management/Mar-No/Mission-and-Vision-Statements. html#ixzz1LGZLzvbl](http://www.referenceforbusiness.com/management/Mar-No/Mission-and-Vision-Statements.html#ixzz1LGZLzvbl)