

# The purpose of a strategic management commerce essay



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Strategic Management is defined as consisting of analysis, decisions, and the actions and organization undertakes in order to create and sustain competitive advantages. It is concerned with the analysis of the internal and external environment of the organization.

Strategy is in itself the ideas, decisions and actions that enable a firm to succeed in the long and short run. It is their way of getting their goals and objectives achieved with core values and beliefs that create an organizational coherence in strategy direction. The strategy is their plan of action that will allow them to succeed better than existing and future competitors. Strategy allows for planning how to tackle threats of the business environment while allowing the organization to recognize new opportunities internally and externally.

All stakeholders of the organization have to take part in formulating the strategy so that the strategy will be one that serves all and succeeds creating gains for all stakeholders.

A strategy must also be reevaluated to make sure that the environment it was designed for has not changed but if it has sometimes the strategy must be changed to succeed by adapting to the new business environment. Strategies must encompass long-term and short-term goals to stay competitive and to access the ability of the environment to sustain long-term success.

Robin Hood is having problems aligning the current strategy with the changing internal and external environments without disappointing or losing support from members who feel the new strategy will hypocritical. He wants

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to charge a fixed tax to all travelers that go through the forest to encourage more travelers to go through the forest since the threat of the confiscation of all goods will be lowered, hence allowing them so have a greater number of people to take money from since due to all practice of total confiscation of goods has caused many travelers to avoid the forest completely causing a decrease in revenues.

Rob the Rich to Give to the Poor This is their current motto

His lieutenants argue that charging a tax on all travelers through the forest will be taxing their allies (townspeople and farmers), which will lower support and create more resistance increasing the threat of Sheriff to organization operations.

The organization is facing the trade- offs between efficiency and effectiveness. Efficiency will lower the costs and increase output but how effective will that strategy be if the stakeholders do not believe in the values of the organization. Efficiency will increase profitability but at the cost of losing support because our values walk does not match the talk . The support and enthusiasm for the organization can be quickly lost if members/ employees feel that senior management s actions are not consistent with the values and beliefs that should guide the strategy. So the decision of strategy adjustments must tackle this tradeoff and it must involve the input of all stakeholders.

The purpose of strategy is to achieve set objectives, which are measurable, specific, appropriate, realistic and timely.

Strategic Problems/ Issues:

1. Management of Corporate culture and values:

- a. Leadership is weak
- b. New members lack core values
- c. Corporate culture is eroding (decreased vigilance and discipline)
- d. Have values and beliefs changed? Should they change?

2. Management of Human Resources:

- e. No restrictions regarding membership
- f. Leadership is not practiced at all levels
- g. Intellectual capacity is not realized and remains unknown and those resources are of no advantage until they are analyzed
- h. Retaining member support even after downsizing

3. Rising costs and reduced profits:

- i. How to trade-off efficiency and effectiveness
- j. Fixed cost transit tax (value confliction?)

4. Increasing threat from the Sheriff:

- k. Increased influence and powerful people at his disposal

l. Increased pressure from the Sheriff

m. How to regain anonymity?

n. Allocating resources to keep an eye on his activities ?

o. Killing the Sheriff (amnesty issues and confliction with values)

5. Strategy Redesign:

p. Effectiveness vs. Efficiency

q. Aligning the new strategy with current beliefs and values

r. Communication with such a huge organization

s. Effect implementation

6. Very risky opportunity to generate high returns:

t. Join the Barons to free king Richard, high risk and high returns

u. Amnesty issues.

v. Losing stakeholder support

7. Sustaining the organization in an environment that cannot sustain the current growth of the organization growth:

w. Decentralization of power (Selection)

x. New areas to expand to?

- y. Accessing the large membership for new suppliers, contacts and looking beyond for new alliances that can support the expansion
  - z. Decentralizing the organization without causing a rift between regions and departments.
  - {. Sustaining and enforcing cultural values and belief over different regions
  - |. Communication will be more difficult if expansion occurs
8. Concerns about possible disbandment:
- } . Outplacement

The Role of the Organizational Leader as Strategist and an Articulator of Global Goals:

1. Leaders must have an integrated view of the organization and assess how all of the functional areas and activities fit together to achieve goals and objectives.
2. Leaders must develop and implement a vision. The vision is the fundamental statement of an organization s values, aspirations, values and goals. Leaders should be aware while formulating the vision that it can erode the company if:
  - a. The walk does not match the talk
  - b. The vision is not anchored in reality
  - c. The vision must be relevant and appropriate

3. The leader must create an organizational mission, a purpose of the organization, a basis of competition and a competitive advantage. The mission must incorporate stakeholder management and respond to all the concerns of constituencies that have a stake in the organization. The mission must be different and special and should and can change when faced with new threats and opportunities.

4. Hence, all stakeholders must be identified and communication and major decisions must include them. Because of plans to possibly expand the focus of stakeholders must be broadened.

5. The leader must also set the objectives of the organization and this should also involve stakeholders. Shared short-term and long-term vision and mission should set the organizational objectives. A hierarchy of goals should be created using the shared values and beliefs of the stakeholders involved. General and specific time horizons should be separated and well communicated within the organization and to stakeholders. The strategy must be able to set objectives that are:

i. Measurable

ii. Specific

iii. Appropriate Realistic

iv. Timely

Objectives should be continuously adjusted to the business environment so that new threats and opportunities can be addressed. Challenging objectives

help to motivate and inspire employees. The organization must guide good work through incentives and rewards, to guide a greater sense of equality, fairness and allocation. Consistency must be ensured. Leaders should, ask high quality questions, listen and pay attention for new ideas or concerns and they must see opportunities.

6. Leaders must ensure coherence in strategy. So that employees and leaders at every level must strive towards common goals and objectives.

7. Organizations must concentrate and conserve valuable resources and work collectively in a timely manner.

Issues in the External Environment:

1. Assess the Resources available:

a. Trained manpower is lacking

b. Travelers have declined because our strategy of confiscating all their goods have forced them to incur extra cost and inconvenience to avoid the forest.

2. The external environment is becoming very aware of the organization and this has crippled their ability to gain an advantage through anonymity, which had been a competitive advantage in the past.

3. The opportunity to free king Richard with the Barons could be a gain with high returns but it is extremely risky.

4. Growing threat and pressure from the well connected Sheriff



5. Lack of contacts, suppliers, and allies beyond the organization and region.

More interaction is needed with the external environment to realize new advantages and connections

6. The environment cannot sustain organization growth, e. g. scarce game and the encampments are too large to be hidden.

The Relationship of the internal Structure to its Environment:

1. Unsustainable internal structure:

a. The organization is too large

b. It is become too Informal for being so large

c. Lack of communication and executive direction from the top to bottom

d. Has caused loss of anonymity

e. Easy infiltration by spies through a very lazy recruitment practices

f. Changing culture and values (loss of discipline and vigilance)

2. Opportunity to expand organizational operations:

g. Decentralization of power

h. Possibility of loss of culture and values

i. Increased possibility of departmental/ regional separation of goals.

j. Management of new expansion from small headquarters?

k. Resources to be allocated to this new internal restructuring

l. Difficulties in communication could arise

m. More flexibility and adaptability to new environments

n. Likelihood to gain more revenue, due to expansion where business operations take place. Travelers will have to go through us

o. More resources will be available and make long-term sustainability more stable and likely.

3. Human Resource Management:

p. The selection and recruiting should be better able to filter out spies and be able to select the best human resources that can deliver high quality work and whose values and beliefs can be aligned with those of the organization.

q. Training is essential and so recruiting of those who can train and lead are needed, attract a high quality of people who have the talents that will give us an advantage and develop them in their careers so that they commit to the long-term objectives, mission and vision of the organization. Selection must be more vigilant because the training should create value in those chosen that surpasses the value of the inputs out into their training

r. There should be a separation in membership (more external) and leadership (more internal). Support is essential so split the group into leaders who take part in important short-term decisions, who are secretive about their position/ membership and have vision of long-term success through

reality based value guided strategies . These should be the main people who listen to people at all levels of the organization and then these leaders must have functions of the organization that they direct so that important issues such as resources are constantly monitored, leaders like this will be needed in all new regions:

- i. Local Tax Leaders They are responsible for profit and loss as well as investment opportunities.
- ii. Executive Leaders Champion and guards of values and beliefs, they should create learning infrastructure and establish a timely and efficient manner in which to make decisions and take action.
- iii. Internal Networkers those who generate leadership through communication and by clarifying ideas and missions and visions. They promote corporate culture, listen to those who they work with and have the ability to recognize people who elevate the organization. They listen for new people, ideas, and they communicate the views, thoughts and attitudes of the more general members to other leaders.

#### Group Values or Culture s Influence on Strategy Making:

1. All stakeholders must share values, vision, mission and objectives. It creates support and commitment. Without that support strategy will not work.
2. Group values will not allow members to steal from their family because it contradicts the groups values.

3. Stakeholders need to understand why the new strategy will be of greater benefit to them, they must understand and communicate their concerns continuously through the formulation, implementation and the execution.
4. Group values and beliefs must be aligned with the new strategy in order maintain coherence and commitment in objectives.
5. If stakeholder values and beliefs have changed the strategy must be redesigned to incorporate and consider these views.
6. Group values are seen to be almost like Holy Grail that view must be changed into that values and beliefs that change and adapt to the surrounding business environment to achieve competitive advantages and opportunities in a world that is constantly changing.
7. All members must feel valued and as part of the organization so even though not all members are official leaders or executives they should be encouraged to lead by setting an example, giving ideas, and some incentives should come from being a contributing member of the organization.

Values influence the strategy by the defining the way the strategy will be implemented and executed as well as the objectives it strives for. The culture is cultivated through shared, beliefs and norms. This culture creates a group cohesion and goal alignment. The strategy must be aligned with the culture and values, if those change then it must be realigned and changes must be clearly communicated, understood and accepted by stakeholders.

What Strategies Robin Hood can Implement:

1. Communicate the reality, concerns, opportunities and issues to the Merry Men and all other invested parties who should be made aware of the organizations.
2. Recruiting and selection should become more stringent so that the organization can attract and select talent that will benefit the band for a long term and resources can be invested in quality human capital that will give back a high return.
3. Decentralization of power to other regions that have the business environment in which the band can successfully thrive in.
4. The transit fixed tax can be levied on travelers who are strangers to the land. They need communication so that they can differentiate member communities from strangers. But not immediately, for now the group should move from that area before it is attacked. The Headquarters could possibly be moved. Plus travelers need to have confidence in traveling through the forest again. When that confidence has returned they can return and levy these fixed transit taxes on travelers in a smaller, better-trained, more secretive organization that is better organized and more effective.
5. By moving, the concern about the motives of the Sheriff are quelled and the pressure will be off them, so that they can return and reestablish a base, this time with more selective leadership, membership, and more secretive. Also access to contacts and resources will be more likely and stronger networks can be built beyond the organization.

6. New regional bases should be small, anonymous, timely and effective as well as efficient. Membership may not be a secret but leadership should be secretive and selective. Good decisions and actions should be rewarded.

Accountability, responsibility and transparency will create discipline if exemplified by leaders and enforced with consequences. Transparency is in the sense of the intent, mission, objectives, vision values and accountability and communication of the organization to stakeholders.

7. The opportunity to free King Richard should be reassessed, approached, discussed and re designed to lower risks increase the chances for success. A secretive group within the organization and ally organizations and barons (sharing risk) should be created to plan how to best execute the plan in secrecy without losing stakeholder support, creating amnesty or going against shared values. This is a lucrative project that could benefit the organization in the long run and help achieve organizational mission on a grander scale that could create long-term good changes for the poor.

8. Disbandment from the area should be planned (temporary or permanently). This will relieve pressure from the Sheriff, let things quite down, allow travelers to feel comfortable travelling through the forest again and to regain anonymity upon re entrance into the environment. The environment needs to regain its depleting resources.

9. Leadership implemented, should be at every level in the organization. Every member, should value accountability, responsibility, transparency and discipline. Every member must be a leader invested in the success of the

organization because they understand that they benefit when the organization succeeds at executing their shared objectives and vision.

10. The new strategy should allow for mistakes, errors, and miscalculations or re evaluation. The strategy needs be flexible and adaptable to sudden unforeseen changes, difficulties or opportunities.

10. Outplacement services should be set up and coordinated to help place and train members to be self-sustaining during this massive organizational restructuring.