

Corporate level strategy

Business



Both the portfolio and core competency approaches towards corporate strategy require a particular mindset and strategic orientation towards how organization views itself in a market place. Portfolio approach to corporate strategy requires strategic units working independently to necessarily achieve financial synergy. Core competency approach however, requires an organization to focus on developing its core competencies on organization wide level. Focus in this approach is on utilizing the strengths of the organization and doing only such things which fall under the core competencies of the firm. However, for a department like Police, a portfolio approach will be relatively better suited.

Summary

Both the approaches towards corporate strategy requires a very well thought out approach towards viewing organization amid the competition it faces in the market place. It is however, important to understand that not all firms and organizations are established for competitive purposes as public sector organizations have to actually fulfill certain responsibilities without any commercial consideration. Organizations like Police Department therefore don't focus on maximizing the profits as most commercial organizations do however, to work efficiently and effectively, it is important that such organizations also maintain a strategic outlook.

Portfolio approach to corporate strategy may focus on achieving financial synergy while allowing business units to operate independently however, it is also important for allowing business units to operate on their own. The challenge for management however is to ensure that all the business units operate according to overall corporate strategy of the firm and overall execution of strategy remains well intact.

<https://assignbuster.com/corporate-level-strategy-essay-samples/>

Portfolio approach for a department like Police will be a relatively better approach because Police department, as a whole, works in different units.

Not all units are assigned the same roles and responsibilities however, a close integration of all the departments is considered as necessary.

However, various departments also need to ensure that they operate on their own to fulfill their strategic role while at the same time maintaining required synergy.

Core competencies approach is relatively strong approach however this may not be suitable for a department like Police. Core Competencies approach requires that organization generate and maintain its core competencies across the whole organization. Each department and business unit therefore is required to ensure that organizational core competencies are reflected in the way it operates. (Nobre, 2011). Police Department however, though may require to focus on strengthening its core competencies i. e. competency to achieve low crime rates, however, they possess different competencies to perform their assigned duties. As such the lack of synergy between different activities performed may not allow a police department to extensively focus on the development of its core competencies.

It is critical to understand that both the approaches can be planned and executed at the same time where an organization may focus on developing core competencies of each strategic unit. While managing the organization on the portfolio basis with each strategic unit having its own objectives and targets, an organization can focus on developing the uniform core competencies across different strategic units. In this way, an organization can actually focus utilizing both the approaches to corporate strategy in effective manner.

References

- De Wit, B. and Meyer, R. (2010) Strategy synthesis: Resolving strategy paradoxes to create competitive advantage (3rd edition). Andover, Hampshire, United Kingdom: Cengage Learning, EMEA. ISBN: 978-1-4080-1899-6
- Nobre, F. S. (2011). Core competencies of the new industrial organization. *Journal of Manufacturing Technology Management* , 22 (4), 422 - 443.