

# The successes of strategic management in business plans



## PART ONE

## Strategic Management: Successful or Unsuccessful

A strategic vision defines management's objectives for the company's future. The vision establishes an overall view of the organizational end goals and a rationale to explain why the goals make sense to the success of the organization. Developing a strategic vision requires leaders to have an understanding where their organization has been and is presently to forecast trends and set goals.

Conversely, the mission statement describes the purpose of the business; it is a descriptive public statement. A strong mission statement uses language that is specific about who a company is and what service they provide.

The third key element to whether an organization is successful or unsuccessful is their internal beliefs; also referred to as *Core Values*. Core Values generally relate an organization's ethical integrity; it states how they expect their employees, regardless of position, to act in a given situation.

For an organization to be successful, each component must be utilized. While each element is individually unique, when brought together they create a culture of sustainability. The mission statement is an important foundation as it describes the commitment of the organization. The mission of an organization is cultivated and built upon through values. Having a strong culture that is strengthened by ideological ethical values that is driven by a specific mission opens leaders to actively create visions of where they want the future of their organization.

## The Importance of Leadership Support

Leaders provide oversight for an organization's financial accounting, they provide critical surveys to the strategy and overall direction of an organization, they evaluate managers and their ability to reach organizational goals, and, leaders create a compensation program for executives to drive success.

Leaders within an organization help develop and maintain the high quality of networking that ensures support to daily operations. They guide individuals toward organizational goals. It is important to an organization's success to have leadership that is both supportive and participative. Participative leaders take an active approach and work with organizational members to help decide goals and make decisions regarding the direction a company takes. Conversely, a supportive leader is concerned about individual's needs and ideals and they set standards to meet those needs that help employees evolve personally and within an organization.

## Situational Analysis

To determine how successful a business plan can potentially be it must be tested. There are two testing strategies managers can use; the fit test and the performance test. A fit test determines if a strategy is competitive within its industry and if it will have the resources and opportunities to prevail in the market; to pass the fit test, a business strategy is scored on internal, external, and, dynamic ideals. Conversely, the performance test measures competitive strength, industry standing, profitability, and, financial strength.

Whether an organization uses the fit test, or the performance test is determined by the current success of an organization and their goals. There are different analytical tools organizations utilize to determine the outcomes of these tests; two of these tools are the PESTEL analysis and a strength, weakness, opportunity, and threat (SWOT) analysis.

The SWOT analysis tool is often used because it measures the internal and external factors that can help or hinder the growth of a business. A SWOT analysis measures internal strengths and weaknesses by surveying functions such as staffing, training, and employee morale. The opportunities and threats are external factors that are measured by industry and societal influences. This can be extremely helpful when determining if the business strategy is a “fit” for the goals of the organization. It can also be an effective tool when trying to determine if the performance of the organization can compete within their industry.

A PESTEL analysis is more involved; it measures the political, socio-economical, technological, environmental, and, legal factors in the industry and the community. For this tool to be useful in determining if a business strategy will be successful organizational leadership must determine the impact their organization will have in each function.

### The Importance of Alignment Within an Organization

Within each organization is a culture that drives it toward success. The culture is a collection of shared values, attitudes, accepted behaviors, and, traditions that are unique to the individuals. Organizational culture

influences each individual to feel like they are a part of the overall success of  
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how a company performs. An example is the organization that polls its employees to determine the top four attributes, or characteristics, each person feels is most important to the success of the company and then creating an environment where those values are upheld. My job did this about a year ago and, as a group, we have created and continually foster a culture where teamwork, communication, accountability, and a positive attitude is the standard every employee is held to when making decisions regarding the good of the company.

The vision of my company is to be a leader in our industry; we do this by providing quality service and care to our customers. The human resources department provides oversight to the employees as well as the company to ensure organizational values are upheld and that each decision is made ethically. Ethics is defined by how a business and its people should act toward each other; honesty, humanity, respect for others, fairness, and encouragement of fellow organization members, while not the top four attributes of my company, are important ethical standards that are included when providing oversight. Ethics and values shape the way people conduct business. Making room for shortcuts may not affect progress immediately, but at some time there will be a shortfall. Consider Volkswagen; for many years (2008-2015) Volkswagen altered or misreported their emissions levels on their vehicles (Mansouri, 2016). Through this initial unethical act, Volkswagen opened themselves to other unethical behavior; not only did they continue to skew their emissions testing, they provided special carburetors, created to pass the emissions test but were never used in their vehicles, to the Environmental Protection Agency (EPA) for independent

testing. The years between 2008-2015 were good for Volkswagen, they sold over 400, 000 vehicles by promoting their lower emissions; in fact, Volkswagen was the number two car manufacturer in 2014 (Mansouri, 2016). In 2015 the unethical business practice of manipulating emissions testing was discovered Volkswagen was charged with a four billion dollar fine (Mansouri, 2016). This is a perfect example of a lack of alignment; Volkswagen has a mission statement, the leadership within the organization chose to not follow those values, and the human resource department chose not to provide oversight. Employees follow the example set by their managers, the managers by their managers, and so on. If leadership sets a bad example and there is no oversight the subordinate managers and, in turn, the employees will act the same. In this example, the leadership of Volkswagen set the standard and it was carried on through the efforts of the technicians and engineers within the company to continue the standard that they were told to follow.

Conversely, H&M, a clothing retailer, is very open in how they conduct business. H&M promotes transparency in their organization and as such they publish the names of 98% of their suppliers along with website and address information. In addition, they are striving to lead their industry by setting a goal to use 100% recycled or sustainable materials before 2030. They are publicly dedicated to ethical behavior and promote their willingness to accept feedback and make changes when necessary to stay true to their vision.

## PART TWO

## Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis

Canyon Rim Care Center (CRCC) is devoted to providing the highest care in the rehabilitation and skilled nursing industries. CRCC supplies both physical and emotional health of our residents and provides support to their families. Our employees work co-operatively to create a personalized treatment program centered around the patient's well-being. CRCC is one part of a large company within the health care industry, Avalon Health Care Group (Avalon).

Avalon as a company desires to be a leader in their industry by developing new innovated ways to provide care. Avalon is committed to honesty, integrity, and a reverence for life. They monitor themselves through an oversight committee that ensures top management, middle management, and regular employees are adhering to strict ethical guidelines and follow organizational values.

CRCC, while part of the larger organization, is independent in how it is managed. Not only is there corporate compliance, CRCC has their own oversight committee within the building to ensure CRCC adheres to Avalon's vision as well as their own. As part of the goal setting process, a SWOT analysis was performed on CRCC; the following are the results.

## Strengths

- Social Worker
- Recreation

## Weaknesses

- Inter-staff communication

- |                           |                              |
|---------------------------|------------------------------|
| n                         |                              |
| Department                | • Sufficient staffing        |
| • Enhanced                | • Low                        |
| Journey's program         | employee retention           |
| • 24-hour skilled nursing | • Potential security threats |
| • Multi-level therapy     | • Lack of teamwork           |

Opportunities      Threats

- |  |                                    |
|--|------------------------------------|
| • Increased Alzheimer/dementia population          | • Changes in company policy        |
| • Improved CMS (Centers for Medicare and Medicaid) | • Frequent changes in management   |
|  | • Negative history on social media |
|  | • Employee                         |



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CRCC's strengths correlate directly to its opportunities. The "Enhanced Journey's" program teaches the employees how to work with people with dementia and Alzheimer's disease; also, having 24-hour skilled nursing and therapy services available can be used as marketing tools to fill the vacancies in the building. The opportunities CRCC has with increasing their CMS rating and renovation projects in the building can mitigate employee turnover by making the building more aesthetically pleasing and provide employees a place to work in which they can have pride. As CRCC works to successfully build communication among the staff, hire new staff, and increase employee retention they can alleviate the threats of negative commentary on social media and keep employee morale high.

### PART THREE

## SWOT Analysis Impact

A SWOT analysis can have a positive or negative impact on an organization dependent upon the skill level and knowledge of the individual using this analytical tool. The positive side of a SWOT analysis is they are visual which can make them easy to understand, they are applicable to many different facets within an organization, and, they can be conducted with varying depths, ranging from superficial levels to complex issues, depending on the needs of the organization (Sarsby, 2016). Conversely, having poor quality data can have a negative impact on an organization. Including anecdotes, personal beliefs, and general blanket statements will skew data results; a SWOT analysis that contains subjective data is ineffectual (Sarsby, 2016). Likewise, not separating the objective data can create confusion; a confusing SWOT analysis will lead to an invalid strategy based on organizational needs.

This SWOT analysis was created based on our facility goals. The administrator, director of nursing, and myself discussed what our greatest opportunities were that would help us achieve our goals. We then looked internally to our strengths and our weaknesses to see what can help us and what we need to improve so we can fulfill those opportunities. We then looked at what threatens our facility internally and externally that might impede our progression toward success. From this SWOT analysis we can create a business plan that can drive our success. As we create our business plan to exploit our opportunities while mitigating our threats, we can develop a training program that includes our company values and mission statement to ensure all staff, including corporate leadership, will have documentation to

support our goals. Having documentation provides a framework so there can be support on every level.

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