

Business strategic management

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The unpopularity of strategic management The corporate world was once preoccupied with an efficiency approach for their business instead of adapting strategic planning from what they had started from the past. The business world was once into improving quality, restructuring, downsizing and reengineering instead of hatching new products, expanding existing business and creating markets for tomorrow (Byrne par. 3). In other words, businesses were once not certain with their directions and not sure about where they were heading forward. They were enticed with their efficiency approach which was trying to promise them higher revenue and profit. The alluring comeback of strategic management However, the corporate world only had little idea that the efficiency approach was only giving them less competitive advantage (Byrne par. 4). They were so focused about directly creating revenues and profits and there was little understanding on how to generate competitive advantage in particular. In years where competition is becoming fierce in the global business, competitive advantage is a must. A company should aim to be a cut above the other. It is in this reason that strategic planning is necessary. Corporate strategies are needed. In the midst of tough competition, companies could not afford to drop their chances to move in the right direction. Thus, businesses are able to grasp once again the importance of strategic management. They are once again trying to sort out their business by cows, dogs, stars and question marks. However, this seems to be classical in nature. The strategic management comes back with substantial interaction with customers and suppliers. In other words, the saturated focus on production approach just to be able to achieve higher revenues and profits was gone. This is replaced once again with strategies that are highly in line with how to create needs for certain service and

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product offerings since everyone seems to be busy trying to achieve high level of competitive advantage. Thus, competitive strategies need to be tapped. White-space opportunity There are markets that are not served and have potential for company's high growth. In other words, companies may obtain great opportunity in serving these markets with potential. Other companies may be busy serving a certain market segment, but there are other segments out there with corresponding opportunity once they are catered. These markets are called white space. Thus, catering them is called a white-space opportunity. Value migration Customer value is very important in every business that tries to become a cut above the other. In other words, it is important to come up with business models that could sufficiently provide the best offerings of great value for the customer. Thus, there are needed transitions in the process in order to obtain this goal. The very process of this transition can be therefore considered as value migration because there is a need to adapt to a new, efficient or effective business models for instance. Business ecosystem The business ecosystem is an organization's network which primarily includes the components of the value chain such as suppliers, distributors, customers, competitors and the list goes on. Leadership in innovation Today, due to tough and adverse environment for business competition, each organization tries to become the leader in innovation. For instance, Apple Incorporated is much known about its innovative strategies. The innovation it incorporated to reach its competitive advantage has something to do with its goal to become the market leader for its line of products. Had the article been written in 2009 instead in 1996, the leadership in innovation would have been one of the issues written in it. This has to be integrated with the issues of competitive

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advantage in which the bottom line is how to create needs for certain offerings. Reference Byrne, John. A. Strategic Planning: After a decade of gritty downsizing, Big Thinkers are back in corporate vogue. [online]. New York: Businessweek. Available from: <http://www.businessweek.com/1996/35/b34901.htm>, 1996. [Accessed 22nd June 2011].