

Making strategy: the journey of strategic management

[Business](#), [Management](#)



Strategic management is the process meant to draft, implement, and evaluate functional decisions that enable an organization to achieve its long term goals. Ackermann & Eden (1998) states that strategic management involves the mission, vision, objectives as well as policies designed to achieve these set objectives. This model has got various theories and models. These include; Porter's five forces. These forces determine the competitive intensity and attractiveness of the market. To begin with, we look at the threat of new competitors. In a market situation especially a profitable one may result in high output that attracts investors and therefore decrease the market share. To deal with this problem, a manager needs to set up objectives and strategies that will maintain their customers. These strategies may include customer loyalty. Another force is the rivalry between existing firms. This is where firms operating on the same level compete for market share and profitability (Ackermann & Eden 1998). Managers set up strategies based on price, quality, and innovation of brand names.

Competition can mostly be avoided through technological progress. The bargaining power of buyers is also categorized in the porter's five forces of strategic management. It can be defined as the ability of the buyers to make the firm run under pressure. It also involves the bargaining power of suppliers and the threats of substitutes that affect a market situation.

In reference to the above models, I think the perceived strengths would be insisting on customers' royalty. This is because the customer will always be right. If this objective is enhanced then there will be an increase in market share as well as a firm's output. The weakness of practicing this model is that most firms would not afford raw materials such as capital to

influence change in their organization and thus they turn out to be laggards. It is very true that the strategic management models have an effect on our daily procedures (Ackermann & Eden 1998).