

# Elements of strategic management process argumentative



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From the process perspective, Strategic Intelligence can be seen as a part of Competitive Intelligence, as it is also a systematic and continuous process with a purpose to facilitate decision-making with needed and timely intelligence input delivered in actionable form. The major difference between SSL and CLC is that SSL actions focus strictly on supporting strategic decision-making by monitoring aspects with strategic significance. Additionally, a SSL time horizon is broad and the focus is on all significant events: past, present and future events.

In order to practice effective Strategic Intelligence capable of meeting the needs of strategic management and introducing intelligence of strategic value into the decision-making process, certain critical aspects should be considered. They include: ; Appointing a strategic level process owner, preferably the UP for Corporate Strategy, and a seasoned SSL Manager. It enables integrating the best available internal senior expertise into the SSL process. ; Knowing and understanding the internal SSL customers – individuals involved in strategic planning. Defining the SSL priorities and properly communicating them (critical strategic themes, key players to be analyzed, early warning themes). ; Designing and producing SSL products that serve customers' content needs and communication needs. ; Building a network of Strategic Intelligence contributors, both internal and external. GIG White Paper 2/2004 Introduction to Strategic Intelligence 1. Introduction This paper focuses on the relationship between Strategic Intelligence and strategy.

The aim is to provide readers with a definition of Strategic Intelligence (S') and explain the role of intelligence in formulating and implementing  
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strategy. Monitor, interpret, and respond to environmental changes. This is where  $S'$ , a systematic process of collecting, analyzing and communicating actionable strategy-oriented business information, can serve as input in strategic decision-making. The role of Intelligence in strategy formulation is a critical one, especially now, given the quickly changing business environment.

As the pace accelerates, it becomes more difficult for senior managers and decision-makers to adequately The paper begins with a discussion on strategy and attempts to define for readers the concept of Strategic Intelligence ( $S'$ ). Strategic Intelligence as a part of Strategy Development will then be discussed followed by some concluding remarks. 2. Strategy The concept of strategy has been around for as long as there have been organizations and wars. Inevitably, there has been a huge amount of studies and writings on the subject.

Today, there are different ways of defining strategy and the concept of strategy can be viewed from many angles. The aim of this chapter is not to provide a clear-cut definition of strategy but to give readers an overview of strategy which can serve as a framework for studying the relationship between Strategic Intelligence, strategy formulation and implementation. As mentioned earlier the concept of strategy can be viewed from different angles. Here are some, but by no means all, dimensions that should be included in any unified definition of the concept of strategy.

These dimensions can provide an insight on how thinking strategically can benefit our business. Some traditional views: ; Strategy as a coherent,

unifying and integrative pattern for decision-making, a blueprint for the whole organization that indicates the organization's future destination. ; Strategy as a means of establishing an organization's purpose in terms of its longtime objectives, action plans and priorities for resource allocation; aligning short term action ND resource deployment to be congruent with longer term objectives. Strategy as a definition of a firm's competitive domain including defining the businesses a firm is in or intends to be in, segmentation, strategic positioning and how and where it is going to compete. ; Strategy as a response to external opportunities and threats and to internal strengths and weaknesses; a means of achieving a long range competitive advantage, and a favorable competitive position and adapting to meet the demands of a changing environment. Strategy as a logical system for differentiating managerial tasks at the corporate, business ND functional levels; defining an overall mission and allocating resources with a sense of strategic priorities. ; Strategy as a definition of the economic and non-economic contribution the firm intends to make to its stakeholders. From the unifying point of view, strategy becomes a fundamental framework through which an organization can assert its vital continuity while at the same time purposefully managing its adaptation to the changing environment to gain competitive advantage.

Having a “ strategic thinking” mindset does not, in itself, always generate a fully functional strategy for an organization. On the other hand, Strategic planning does not guarantee strategic thinking. Most strategic planning systems rely on historical data and numbers generated internally. These systems often require long and exhaustive analysis. The result is an

extrapolation of history into the future. Strategic thinking, on the other hand, incorporates an assessment of both the internal and external environment.

The process involves a qualitative evaluation of the business and its environment and is both introspective and extractive. When discussing strategic planning, strategic design or strategic thinking, it is important to give inconsideration as well to strategic management. Michael Porter's statement "The essence of Environmental Scanning Strategy Formulation formulating competitive strategy is relating a company to its environment" highlights several key dimensions of strategic management. 1 .

The first part of the statement, "the essence of formulating", indicates that there must be a process at play. Whether structured or unstructured, formal or informal, rational or irrational, the organization must proceed through a number of steps before it can arrive at a strategy. This dimension of strategic management, which looks at the how of strategy, is referred to as the strategy process. 2. The next part of the statement, "competitive strategy", indicates that the strategy process must result in a strategic outcome.

This output of the strategy process is a course of action to be followed by the company that will allow for the fulfillment of the company's objectives in the face of competitive pressure. This dimension of strategic management, which looks at the what of strategy, is referred to as strategy content. 3. The final part of the statement, "is relating a company to its environment", indicates that strategies are developed to suit varying organizational and environmental contexts.

This dimension of strategic management is referred to as strategy context and looks at where, when, who, and why. Implementation Evaluation and Control Figure 1 . Four basic elements of strategic management Let's now have a look at the basic elements of strategic management – elements which attempt to provide insight into the strategy process (how), strategy content (what) and strategy context (where, when, who and why):

Environmental scanning includes both external and internal scanning. The external environment consists of the task environment and the societal environment.

The task environment (also referred to as industry) includes competitors, customers, suppliers, interest groups etc. The societal environment includes more general forces such as technological and political-legal forces. The internal environment includes the corporation's structure, culture and resources. Strategy formulation includes the corporate mission/vision, objectives, strategies and policies. Strategy implementation is a process by which strategies and policies are put into action (e. G. Programs, budgets and procedures).

Evaluation and control: corporate activities ND performance results are monitored so that actual performance can be compared with desired performance. 3. Definition and Tasks of Strategic Intelligence Competitive Intelligence (C') is often defined as knowledge and foreknowledge about the external operating environment of the organization. The purpose of CLC is to facilitate proactive decommissioning by producing the needed business information into actionable form and making it available at the right time.

The orientation and utilization of CLC is tactical and to some extent strategic. The CIA time horizon focuses on present vents and, to some extent, on past and future events as well. Some CLC processes are designed to serve the strategic level, while some focus on operative monitoring or both. Actionable form. The major difference between SSL and CLC is that SSL actions focus strictly on supporting strategic decision-making by monitoring aspects with strategic significance. Strategic Intelligence is a type of Competitive Intelligence produced for strategic purposes.

Customers of SSL include individuals involved in strategic decision-making. Users of SSL are primarily individuals involved in strategy development. Additionally, a SSL mime horizon is broad and the focus is on all significant events: past, present and future events (Figure 2). In short, Strategic Intelligence can be defined as: can be seen as a part of Competitive Intelligence “ A systematic and continuous process of producing needed intelligence of strategic value in an actionable form to facilitate long-term decommissioning”.

Strategic Level Levels Competitive Strategic Intelligence Competitive Intelligence Market Intelligence Events Past Present Future Figure 2. The Scope of Strategic Intelligence. Source: Monoclonal & Vela, 1996 Strategic Intelligence has to be highly needed. Here, need refers to content needs as well as communication needs of the content (format, timeliness etc. ). Typically, the higher the strategic analysis level, the more interactive the intelligence communication and the less information quantity are required.

Some typical, content related strategic intelligence needs include: ; Impact-analysis/so-what analysis: how does a certain phenomenon affect the company's business ; Business driver analysis: what are the main driving forces affecting the business environment ; Scenarios with probable outcomes/long range views of battlefield developments In-depth competitor and key-customer analyses instead of company profiles ; Bird's eye view of the business environment: overall battlefield illustrations ; Relevant macro issue and trend analysis and their impact ; Analysis of critical strategic themes

3. . Strategic Intelligence as a part of Strategy Development What are the roles of SSL activity in strategic decommissioning? Six basic roles can be identified: 1 . Describing the competitive environment: Intelligence analysis must define the current competitive arena in which the company operates. Business Environment An intelligence assessment must be made of the ores and factors that make up the company's competitive environment.

The figure 3 below shows a generic model of a strategic business environment/competitive environment. General Trends Industries Supplier Scope Own Industry Customer Industries/ Segments Competitors Customers Companies Interest Groups ark et Suppliers Value Chain Dimension Figure 3. Strategic Business Environment 2. Anticipating the future of the competitive environment: The intelligence department should be able to provide forecasts regarding the competitive environment in which the company is likely to find itself in the future.

The future is about change: some of the future is predictable, most of it not.

Scenario planning should be used as a means of supporting strategic  
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planning by identifying emerging competition, technologies and customer needs well in advance in order to formulate a prediction that can initiate an early change of direction. The voluminous body of literature on the management of change explicitly proposes that strategic intelligence is a pre-requisite for change. 3.

Challenging the underlying assumptions asking the right questions: A very important role for intelligence is identifying and challenging underlying assumptions held by management (economic, political, technology-related, as well as market and customer related) which may impact strategic thinking. 4. Identifying and evaluating company weaknesses against market opportunities and threats: Intelligence can be used to identify and assess a company's own weaknesses and vulnerabilities; a process often reserved for competitors. 5.

Using intelligence to implement and adjust strategy to the changing competitive environment: Once a company's strategy has been formulated, it will go through two distinct phases of implementation. The first phase is during its initial implementation, when competitors begin to sense and react to the strategy's salient features. Good intelligence on how the competitor is responding and adjusting to the strategy initial implementation is very valuable, both to test its effectiveness and to begin making adjustments that compensate for any countermeasures the competition is likely to initiate. .

Determining when the strategy is no longer sustainable: Once a successful strategy has been put in place and it has survived the initial phases of implementation, it is important that an ongoing reporting and collection program be established to monitor the competitors' actions. All these SSL  
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roles inform and support strategic management activities in different stages of the strategy development.