

# Strategic planning assignment

Business



Java on the Go With the hustle and bustle of everyday life, more and more people are taking advantage of stopping at the nearest coffee shop for a pick-me-up. Coffee shops are on the rise in many local communities. These stores are popping up everywhere, from the local Starbucks or Einstein chains, to the small local coffee shop opened by the couple down the street. This paper will discuss the strategy planning management must go through when opening up a new coffee shop. It will define the strategic plan and identify the critical information that must be defined and analyzed by management.

It will then discuss the importance of a solid strategic management plan. Lastly, it will define the four functions of management and explain how they are relative to creating and implementing a strategic management plan. Strategic Plan John A. Pearce II and Richard B. Robinson, Jr. authors of the book Strategic Management Formulation, Implementation, and Control define strategic management “ as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company’s objectives” (Pearce & Robinson, pg 3).

There are many tasks management must define and analyze when creating a strategic plan. The strategic plan can be completed in a nine-step process. The first task is defining the company mission statement. The mission statement should identify the company’s goals and objectives. It is essentially the backbone for the strategic plan. For example, Starbucks has identified their mission as, “ Establish Starbucks as the premier purveyor of the finest coffee in the world while maintaining our uncompromising principles as we grow” (Starbucks, ¶ 1).

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The second and third tasks should analyze the company's internal conditions, while analyzing the external environment of the future company. Identifying competitors and general factors of the surrounding environment are important. For example, due to the rise of coffee shops it is important management analyze factors such as the nearest competitor and location of the future store. Once the external environment has been analyzed, steps four through seven can all be done in conjunction with one another. Starting with step four, management must determine what options the company has.

They must analyze and define which options are in line with the company mission. Once management has determined which options are in line with the mission, long-term objectives must be defined so annual and short-term strategies can be put into place. For example, if part of the mission is prompt service for people on the go. Management must analyze their options for quick service and define strategies for getting people in and out the door promptly. Step eight focuses on the implementation of the strategies management has defined. Management must allocate budgets and resources to carry out the implementation plan.

Lastly, step nine evaluates the success of the previous steps and adjustments are made for future success. In addition to defining a solid plan, it is also important that management from all levels participate in the planning. This encourages everyone from the investor to the shift supervisor to take an active interest in the strategic plan and ensure each step is executed successfully. A strategic plan is important for success because it ensures everyone involved understands the mission from the top down and

each person recognizes the important role he or she plays in the company's success.

**Functions of Management** The four functions of management— planning, organizing, leading, and controlling are crucial fundamentals of executing a strategic management plan. The first of the four functions, planning, plays a critical role in the success of any organization. If management does not plan accordingly, businesses and projects are at risk from the very beginning. This emphasizes why the creation of the strategic plan is so important. If a solid plan is not put in place management is unable to measure company success and make adjustments where necessary.

Organizing among different units in a business also plays a crucial role in the success of a company. It is important management at all levels to participate in the formation of the company and business units. There are many aspects of good organization in a company. Among them are— making the company's appearance attractive to potential employees, creating job responsibilities, developing business units, and creating desirable working environments. In order to have a company to execute a solid strategic plan, management organization is critical.

Working with all levels of management and organizing a desirable company will ensure employee satisfaction is carried over to customer satisfaction. The third function of management, leadership is also a necessary component of the strategic plan. Successful leadership is not about delegating assignments and dictating the day-to-day activities. It is about encouraging employees to increase their knowledge and produce quality work. In

addition, it is about motivating employees and learning ways to promote open and productive communication. The last of the four functions of management is arguably the most important.

The controlling function is extremely critical to the success of all businesses and organizations. Controlling is about taking the strategic plan, the assigned resources and executing. The critical aspect of the controlling function is measuring performance and recognizing when adjustments need to be made in order to meet goals. Conclusion Whether a person has decided to participate in the opening of the local Starbucks chain, or invest in his or her own local coffee shop, creating and implementing a solid strategic management plan is necessary for company success.

However, a strategic plan can only be as successful as the management executing it. In order for a company to encounter success, they must have strategic management plan with solid staff that understands the four functions of management. References Starbucks. (2008). Starbucks Mission Statement. Retrieved April 13, 2008 from <http://www.starbucks.com/aboutus/environment.asp> Pearce, J. & Robinson, R. (2005). Strategic Management 9th ed. Boston, MA: McGraw-Hill.