

Strategic alternatives

Business



Strategy is the long term goal of the direction and scope of an organization.

[1] It is an elaborate and systematic plan of action that results in the intended accomplishing specific goals[2]. The BASF is one of biggest chemical company in the world to this generation. Their visions and missions are captured by scientific strategy.

With the executive board of directors and supervisory board of BASF[3] they manage and control the company to boost its successful growth in the future. Way back on 1865, founded by German Friedrich Engelhom it was the birth of one largest chemical company in present generation. Looking back, they are now 140 years in the industry of business operations. One of their backbones of this kind of success is their strategy. Their strategy frameworks are combinations of new and proven ideas in their success.

BASF formulates four strategic guidelines in a brief: 1. Earn a premium on our cost of capital. Looking forward to the future, they want to developed options for the capital in business which makes them grow profitably. In other words an appropriate return of capital they employ. By using EBIT (earnings before interest and taxes) it served as performance indicator.

This is the parameter that determines cost structures, profitably growth, and economic financial stability. 2. Helps our costumer to be more successful. With their important role in the world market, they want to focus costumers' needs in the future and immediately develop and apply the best business models for both of them and the costumers. In the association of

research and partnerships helps them to develop new products and services with the collaborations to key costumers.

And to the field of specialty and standard products, significantly for the company to look and identity individual needs. With rising global competitions the target quality standard products and reliable deliveries are the weapons for the world market competitions. They are also open for the strategies in new knowledge that enhanced into advance technology.

Science such as biotechnology and nanotechnology that fundamentally change their costumer's business and expectations in a better world. 3.

Form the best team in industry. Manpower is the most important tool in labor. Including to their strategies is the commitment to manpower protections. They are committed to the qualified employees and excellent team in the industry. To their success in the global market, they found out that valuing diverse opinions and intercultural values are great importance to the competences in the industry.

Aside from this, they create visions for the further broaden management team and opportunities in self-learning to the job. Above all, performance-related-pay in the future is one their missions specifically the increase of base pay at all level of individuals. 4. Ensure sustainable development[4]. Their strategy's viewpoints and principles about sustainable development are the combinations of economic success to the environmental protections and social responsibility. Hence the long-term competitive advantages, is to fulfill the costumers and consumer needs.

Their responsibility to the costumers and consumers are to develop products that are superior to the specific applications both in the economic and environmental viewpoints. In behind of all the success in the most popular and success business companies of current generations there is a successful strategic management lies. In the management the strategy must appropriate to available resources, environmental circumstances, and core objectives. With these strategic thinking has been recognized in creating sustainable advantages in the business environments. Typically strategic thinking defined as creative, disruptive, future-focused, and experimental in nature.

Designed for the stability of market structures and management growth is the strategic thinking[5]. Defining strategic thinking suggest five major attributes in practice. (1) Strategic thinking as a system or holistic view. It is built for the foundation of perspective system. With these the strategic thinker must have a view of end-to-end value system of creation or the transparent view of present image to the goal into productive outcomes in the future. As the large system that produce outcomes of values for costumers.

(2) Strategic thinking as a focus on intent. Strategic intent provides the individual to focus and concentrate, resist distraction, and keep on focus attentions to achieve a goal. (3) Strategic thinking in time. The strategic thinker's mind links in the past, current, and future thus it composed of three components. It is not lies on the future alone rather it links between today's reality and the intent of future.

Thinking as the recognitions that define the future has no place to come rather in the past. Second component is the recognitions of the future from the present. The present determines what matter the future, it is causes departures from the past, changes, and alternations. And the third component is continuous comparisons. The oscillated or movement in one directions[6] of present to the future and past and then goes back for several times.

The links of present to the future and past that fluctuates between beliefs, opinions and conditions. In short the strategic thinking in time is the historical relationship of context to view its future. (4) Strategic thinking as hypothesis driven. In relation to the strategic thinking in time it predicts the outcomes of its future. However strategic thinking also based on the scientific method. It generates hypothesis to predict the future outcomes and testing as central activities.

Strategic thinking in the scientific method is both creative and analytical in nature. Thru scientific method served as parameter to reveal significant data without interpreting new explore ideas. In application, strategic thinking helps reach certain objectives beyond the limitations due to its scientific system. (5) Intelligently opportunistic. The organization of well-articulated strategy must be proportionally equal to the risks of losing alternative strategies to the effective and efficient organizational channels. While on the line, there are a lot of opportunity comes and with the intelligent opportunisms it emerges to the new possibility in the new strategies.

Strategic thinking means an assessment using three key requirements: the definite purpose in the mind, understanding with the environment particularly the forces affecting the achievement of goal, and creativity to response in those forces (Idealist. Org; What is Strategic Planning?).

Underlying the strategic thinking is the traditional approaches of strategic planning. The ultimate object of traditional planning is the creation of the plan itself. In contrast to the strategic thinking, the strategic plan has the variety of perspectives, models, and approaches used. Planning is the most common activities in management[7].

Planning is the design method of arrangement with specific purpose[8]. The method of strategic plan is depends on the nature of organization's leadership, cultures, and complexity of environment. Goals-based, issued-based, organic, and scenarios are the examples of strategic planning. Goals-based planning focused on the organization's missions (visions and/or values), goals, strategies, and action planning to the goal. Issued-based planning is the method of examinations of issues, strategies, and action plans in the organizations.

Organic planning starts in the articulations of organizations' values and visions (C. MacNamara, 2006, Strategic Planning (in non-profit or for-profit organizations). Thus strategic thinking leads to the strategic management. Afterwards, then strategic management follows. Strategic management is the basis of organizations, and the application of strategic thinking into actions Strategic planning is a management tool and may vary in the purposes of organizations. It is the over-all part of business plan into marketing, financial, and operational/management plan[9].

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The management tool in keeping the organization to focus its energy towards the same goal, and assess for adjustments in changing environment of business nature[10]. Strategic planning is a set specific purpose towards the goals and objectives with consistent missions in time frame of organization. In addition, it provides based that measures and established progress mechanisms for specific changes. In general, it solves major problems, and increases productivity. Hence planning is the plans for what are present now.

Thus strategic planning is the fundamental decisions and actions that involve the future environment and decisions in the present. It is the creative process that move forwards and back several times before arriving the final decisions. And in addition, strategic planning is complex, challenging, and the basic ideas is always defines. The planning for certain orders is focused and productive. While in general, plan is the set of what-to-do list (Idealist.

Org; what is Strategic Planning?). Formulating strategic planning alone is not the end, strategic analysis followed after these. The heart and process of planning is the analysis or strategic analysis. Competing to the changing nature of business, one great tool to develop successful strategies is to analyze it. In defining strategic analysis, SWOT[11] is an effective tool for analysis. This process is the short of scans or reviews to the organizational environment (social, economic, and technical environment) and the common approach in the business planning and analysis.

Thru SWOT analysis it can assist and identify the areas for development in over-all strategy in the future advancement[12] .