

Stages of strategic management

[Business](#)



Stages of Strategic management: The strategic management process consists of three stages: ?? Strategy Formulation (strategy planning) ?? Strategy Implementations ?? Strategy Evaluation Strategic Formulation: Strategic formulation means a strategy formulate to execute the business activities. Strategy formulation includes developing:- ?? Vision and Mission (The target of the business) ?? Strength and weakness (Strong points of business and also weaknesses) ??

Opportunities and threats (These are related with external environment for the business) Strategy formulation is also concerned with setting long term goals and objectives, generating alternative strategies to achieve that long term goals and choosing particular strategy to pursue. The considerations for the best strategy formulation should be as follows: ?? Allocation of resources ?? Business to enter or retain ?? Business to divest or liquidate ?? Joint ventures or mergers ?? Whether to expand or not ?? Moving into foreign markets ?? Trying to avoid take over Strategy Implementation

Strategy implementation requires a firm to establish annual objectives, devise policies, motivating employees and allocate resources so that formulated strategies can be executed. Strategy implementation includes developing strategy supportive culture, creating an effective organizational structure, redirecting marketing efforts, preparing budgets, developing and utilizing information system and linking employee compensation to organizational performance. Strategy implementation is often called the action stage of strategic management.

Implementing means mobilizing employees and managers in order to put formulated strategies into action.

It is often considered to be most difficult stage of strategic management. It requires personal discipline, commitment and sacrifice. Strategy formulated but not implemented serve no useful purpose. Strategy evaluation: Strategy evaluation is the final stage in the strategic management process.

Management desperately needs to know when particular strategies are not working well; strategy evaluation is the primary means for obtaining this information.

All strategies are subject to future modification because external and internal forces are constantly changing.