

Aspects of strategic management



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business venture more often than not, doesn't work in a vacuum and is subject to a number of factors that can influence its functioning and work processes. These influential factors can be internal, as well as external. For instance, internally, the work culture, the attrition rate, the policies of the organisation and the like play a major role.

Externally, the market conditions of demand and supply, competitors' strategies, the economic growth and inflationary or deflationary situations and the like play imperative roles. Therefore, a business venture is exposed to a number of factors that act as the judiciary in determining the direction that the business takes.

In order to bring together all work processes and to develop a more etched direction that the business could take, by evolving plans and implementing them with foresight, strategies are laid down and executed. The overall processes, inclusive of policies and programmes, ideas and plans, and the like together constitute Strategic Management.

Strategic Management is extremely crucial for business ventures, since it helps prevent wayward movement and direction that the company takes, owing to internal and external factors. Firstly, strategic management helps companies come up with mission statements and policies. It helps company gain direction and momentum, while helping negate the impact of external and internal environments that have a huge impact on the business.

Secondly, strategic management helps in management of resources. When a company has a set of resources, it cannot go overboard and get into insolvency, nor should it ideally under-utilise the available resources. At this juncture, strategic management of resources, as juxtaposed against the

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needs of the company can be very imperative to business growth.

In addition to this, strategic management also helps companies devise long-term plans and goals, besides the short-term ones. This helps companies in developing objective strategies that suit the company's vision and mission statement. " Implement the strategic choices by means of budgeted resource allocations in which the matching of tasks, people, structures, technologies, and reward systems is emphasized." (Strategic Management, The McGrawHill Companies, 2009)

Strategic Management has different dimensions, owing to its varied variety that finds usage in a number of departments. The Research and Development Department, the financial accounting strategies, marketing strategies and human relations strategies are key to any venture and are varied dimensions of strategic management. Strategic Management decisions are more inclined towards plans and strategies that are more value-based and conceptual.

The principle aim of any department of dimension, is to carry forward the strategy that has been laid down. Strategic Management, thus, is a very imperative part of business functioning. This is certainly because of the fact that the process provides direction, vision and mission to the business, which would have lost track owing to internal and external factors, otherwise.

REFERENCES

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