

Brief about Strategic Management

Strategic management is an integrated process consisting of several steps, including analysis of the organization's internal environment; From an analysis of the current situation with its strengths and weaknesses, familiarity with the organization's resources, defining its goals, and analyzing the strategies followed and the decisions taken in order to achieve those goals.

It is known as the administration responsible for strategic **decisions** and is specialized in developing long-term plans.

In addition to analyze the organization's external environment; From analyzing competitors and any external factor that could affect the organization's work negatively or positively, collecting all that data and then making strategic decisions to develop the organization as a whole and achieve its long-term goals.

Strategic management tasks:

Creating the vision and mission of the organization to clarify its philosophy, the purpose of its establishment, and the goals it wants to achieve.

Building an image of the organization that reflects its value and position, and what it can achieve through its internal capabilities and resources, and enhances its status among organizations in the market.

Analyze the current situation of the organization, identify its strengths and weaknesses, as well as the opportunities and threats it may be exposed to

Analysis of the organization's external environment, including an analysis of competitors and the competitive environment as a whole, and any external variables that could affect it

Determine the long-term strategic goals of the organization

Analyzing the strategic alternatives available to the organization, and determining the most appropriate of these alternatives in terms of creating compatibility between the organization's mission, its resources, and its surrounding environmental conditions

Developing general, long-term strategies that help seize the best opportunities to achieve the organization's goals

Determine the organization's short-term goals and develop short-term strategies that are consistent with its long-term goals and general strategies

Begin implementing the organization's strategy in order to achieve its goals, in a manner consistent with its capabilities and human, material, and technological resources

Maintaining good communication and consistency between the organization's internal divisions and departments while each of them performs their role to work as one unit to achieve the organization's goals.

Monitoring the implementation of strategic decisions and actions taken to achieve the organization's goals, evaluating their results and comparing them to the desired results, while benefiting from the resulting information to improve the effectiveness of future strategic decisions.

Since every task has a goal and purpose, here is the importance of strategic management for organizations...

The importance of the organization's strategic management is represented in detail in the following points:

- Determine the organization's direction of work and the products it operates in, and determine which markets it will enter in the future
- Develop a framework to organize the organization's activities and make them more formal
- Determine realistic strategic goals for the organization that are consistent with its vision
- Maintaining the organization's continued success and expanding its control over the field in which it operates
- It is considered a basic reference for any strategic decision
- Comprehensive analysis of market data and trends, which facilitates prediction of the future and makes the organization's actions proactive and reactive, not reactive
- Anticipate future threats and problems and work to find solutions to them
- Directing all the organization's resources to achieve its goals efficiently and effectively
- Giving the organization a competitive ability that helps it get ahead of its competitors and remain in the market for the long term
- Discovering the best means to exploit opportunities and take advantage of the organization's strengths, and overcome weaknesses and threats such as: intense competition, unstable market conditions, and rapid change in the business environment, which works to grow the organization's value.
- Helping to choose the appropriate strategic alternative from the available alternatives
- Increased interest in human resources and appreciation of their efforts, which increases their loyalty to the organization
- Crystallizing the organization's competitive advantages and competencies

Enhancing managers' ability to be aware of and respond to internal and external influences

- Unifying the efforts of all the organization's departments and individuals to work as one unit to achieve the organization's goals and growth

- Strategic management of the organization's business increases its productivity, and consequently increases sales and profitability

Elements of the strategic management process

The strategic management process consists of 4 main elements, each of which represents a step in it, and it consists of several smaller steps, each of which contributes to implementing the strategic management process in a sound and systematic manner, starting with environmental scanning, passing through developing and implementing the strategy, and ending with evaluation and control of the strategy. Implementation, to work on the growth of the organization and achieve its vision and mission

1- Environmental scanning

It is of three types:

- . Infrequent survey: It is done when needed to prove certain hypotheses of the organization
- . Periodic scanning: It is done repeatedly, either to update previous research, or to prepare for a new plan
- . Continuous scanning: It is conducted on an ongoing basis to support the implementation of the strategy, encourage the organization to seek appropriate future opportunities, and give it an opportunity to address the threats it may face.

It includes:

- Analysis of the internal environment

That is, analyzing the internal factors affecting the organization, which are subject to the supervision of senior management in the short term, with the aim of identifying the organization's strengths and weaknesses, and knowing how to fortify these internal factors to exploit external opportunities and make the most of them, and prepare to confront external threats, and these factors are such as:

The organizational structure of the organization and its communications, authority, and chain of command

The culture of the organization, that is, the values and beliefs that drive and manage interactions among the organization's members

Resources, which include human resources and the capabilities, skills and talents they possess, as well as material resources and assets

Activities of the organization's departments such as human resources management, production, marketing, financial management...

- Analysis of the external environment

It includes analyzing external factors that could affect the work of the organization and are not subject to the control of senior management in the short term, with the aim of preparing the organization to address them, and developing strategies to deal with them effectively to reduce their negative effects on the organization, such as:

Direct external factors: These directly affect the work of the organization, such as the intensity of competition or the emergence of new competitors, shareholders, suppliers, buyers, the government, and trade unions.

Indirect external factors: They affect indirectly, such as: international variables, economic situation, policies and legislation, technology, social and cultural variables.

2- Develop a strategy

This stage of the strategic management process includes defining the organization's mission, defining its strategic objectives, and developing a strategy that achieves optimal exploitation of the strengths that already exist in the organization, or the opportunities that it can obtain, in addition to meeting the threats that it may encounter and harnessing all efforts to overcome them. These are the weaknesses, along with determining the policies that must be followed in order to achieve the organization's goals

3- Implementing the strategy

Now is the time for implementation, and to transform all the plans and policies written in the strategy into actual procedures and steps in order to achieve the organization's goals, taking into account directing all of the organization's resources, including individuals, programs, budgets, and others, towards achieving this efficiently and effectively.

4- Evaluation and control

At this stage, the organization's activities are tracked, the implementation of the procedures established by the strategic management is monitored by the departments and divisions concerned with implementation, and conclusions are drawn from that:

Was it implemented correctly?

What goals were achieved versus desired goals?

What are the reasons for failure to achieve some goals?

How do we treat these causes?

In general, what actions were actually implemented on the ground versus planned?

All of this information feedback from the evaluation and control process goes back to the concerned departments at all levels to make appropriate decisions, such as finding solutions to a problem, or modifying the procedures or strategy itself if necessary.

Different levels of strategic management

Strategic management has three different levels, but each one of them complements the other. The first is strategic management at the organization level, which focuses on the organization as a whole, then strategic management at the level of the strategic business unit, and focuses on managing the business units individually but in a manner consistent with the vision and goals of the organization. General, and finally strategic management at the functional level, which is the quickest to implement.

The following is an explanation of these three levels:

Strategic management at the organization level

It specializes in managing activities that determine the organization's distinctive characteristics from other competing organizations, and making higher decisions such as:

Defining the organization's mission and vision

The products you offer now or in the future

The markets in which you deal

Expansion and growth of the organization's scope of work

Distribute resources to different strategic business units

Develop longterm strategies affecting the organization as a whole

Strategic management at the strategic business unit level

The organization is divided into a number of departments or strategic business units (SBU), each of which can be managed independently, in accordance with the achievement of the organization's objectives.

The management of these units focuses on improving the competitive position of the goods or services that each unit provides to a specific sector or segment of consumers, so it is also called competitive strategy.

In order for this to be done correctly, management must answer three important questions:

What product or service will the business unit provide?

Who is the target audience for that product or service?

How will the unit be able to distinguish itself among its competitors while at the same time adhering to the organization's policies and directives and contributing to achieving its goals?

Strategic management at the functional level

It is the strategic management that has the most prominent role in the strategy implementation phase, as it is developed as a guide to the organization's strategy and the strategy of the

business units, and is characterized by a short time frame, so its impact quickly emerges as a practical executive step contributing to achieving what was set in the previous two strategies.

Responsible for strategic management:

The answer, in short, is senior management. Senior management is concerned with setting the organization's general strategies, and determining the goals, policies, and procedures that are followed by other administrative levels, and therefore it is fully responsible for strategic management.

Top management is often represented by

The company's board of directors and president

Or the General Manager

Or Managing Director

When the organization contains a number of strategic business units, the vice presidents - men in the second line of senior management - usually manage those units.

In addition, senior management often seeks expert consultants in strategic management from outside the organization to help them carry out the strategic management process as a whole, or in one stage of it, which is planning.