International Journal of Enhanced Research in Management & Computer Applications
ISSN: 2319-7471, Vol. 12 Issue 8, August, 2023, Impact Factor: 7.751

A Role of Strategic Management System in Business Administration

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ABSTRACT

Management Strategies are the continuous planning, monitoring, analysis and assessment of all that's mandatory for a company to achieve its goals. Simplification within the business climate require organizations to constantly assess their strategies for fulfillment. Management Systems has developed a singular, proven methodology for strategic planning that has been employed by many organizations to grow successfully and profitably over the next generation. A successful strategy may be a system in business administration with seven integrated aspects: the goals of the organization, the strategy to realize those goals, the first process, structure, culture and folks that may deliver the strategy, a planning and an impact system that monitors the achievement of the strategy and eventually the those that are able to execute the strategy.

Keywords: Management, monitors, thinking, strategic planning, forum, strategy, process, concepts, support, achievement.

INTRODUCTION

A strategy management system consists of a planning and control cycle that permits organizations to realize its strategy and objectives . Planning refers to strategic planning and thus to the formulation of the strategy, the interpretation of that strategy into strategic objectives, the event of an implementation plan with operational objectives, processes, and activities. Control refers to strategy execution, the monitoring of the progress of the execution and when required, the adjustment of the strategy or its execution. Strategic planning within the 'post-net' era creates new challenges for senior management, because of the necessity for faster speed of strategy planning and implementation, frequent, significant environmental changes, and more complex organizations. Present systems focus an excessive amount of on quantitative criteria, and not enough on qualitative or procedures criteria of coming up with.

Objective:-

Main Strategic objectives can either be short-run or long-run objectives. Short-run objectives cater to the immediate future. They typically target tangible goals that management can realize in a very short time. Long-run objectives target the firm's long-term position. While short-run objectives target a firm's annual or monthly performance, long-run objectives concern themselves with the firm's development over several years. Strategic management concepts Strategic management relies on an organization's clear understanding of its mission, or purpose for existing; its vision for where it wants to be within the future; and also the values that may guide its actions. It needed a commitment to strategic planning, the subset of business management that contains an organization's ability to line both short- and long-term goals and work according to the strategic decisions and activities. A process for managing an institution's strategies helps organizations make logical decisions and develop new goals quickly so as to stay speed with upcoming technology, market and business circumstances. Strategic management can, thus, coordinate a company receive competitive advantage, improve market part and plan accordingly for its future.

PREPARE A STRATEGIC ANALYSIS:-

The strategic management system starts with a strategic analysis of the external environment, the inner organization and also the current strategy of the organization. First, an external analysis is formed of the macro-economic environment. this can be done by assessing the macroeconomic environment of the organization. This often involves analyzing the political, economic, social, technological, environmental and legal factors and the way they'll influence the activities and performance of the organization. Next, the industry and market during which the organization operates is analyzed. this will be done by using Michael Porter's five forces framework. This framework is used to analyze and industry by observe the five forces that shape strategy: threat of current entrants, bargaining power of consumers, bargaining power of suppliers, threat of alternative products of services and rivalry among existing competition.

CONSTRUCT THE STRATEGY

Strategy formation develops with the formulation of the mission and strategic vision of the company. The mission describes the rationale of existence and identity of the organization and more specifically the customer needs the organization aims to fulfill. The strategic vision describes the goals and desired middle to long-term future state of the organization. The strategic vision helps clarify the direction during which a company is to maneuver . The strategic vision has to be clearly defined and well formulated . additionally, the strategic vision must be attractive and simple to speak toward organizational members, customers, shareholders, and other relevant stakeholders. a horny and bold strategic vision can help to draw in and unite organizational members and stimulate them to extend their effort . The operational excellence strategy is about the assembly and delivery of products and services. the target is to steer the industry in terms of price and convenience. The Customer intimacy strategy relies on delivering what specific customers want. the target is long-term customer loyalty and customer profitability. A product leadership strategy relies on delivering the most effective products of services. it's about on producing never-ending stream of state-of-the-art products and services. the target is that the quick commercialization of recent ideas. Each strategy requires a unique primary process, organization structure, organization culture and competences of organizational members

TRANSLATE THE STRATEGY

Without rigid objectives and milestones, it's impossible to live the progress of the strategy implementation. This makes improving the strategy implementation impossible. Therefore, the implementation plan has to contain clear and measurable objectives or targets. Clear and specific tasks must be defined which are required to realize these targets. Everyone with strategy implementation responsibilities has to know what to try to to so as to implement the strategy and what concrete objectives they need to achieve. These performance indicators are a part of internal control systems or dashboards that measure the progress of performance indicators. Budgeting is that the last a part of the strategy translation. Budgeting translates the strategic decisions into its financial consequences.

A budget is immersed for every year and contains information on the estimated value of sales and value of costs. During the year the particular performance of the organization is measured against the budget. The annual budgeting process is usually very elaborate publicly organizations where the strategic objectives, performance indicators and budgets.

IMPLEMENT THE STRATEGY

The next step of the strategy management system is about implementing the strategy. Strategy execution starts with improving an operational implementation scheme. The execution plan consists of annual scheme for each organizational unit. The implementation plan contains a forecast of the amount of products or services the organization expects to deliver within the next year and also the resources that are required to deliver the products or services. The implementation plan describes the processes and activities that are needed to realize the strategic goals. additionally, the implementation plan also describes the responsibilities for those processes and activities. Implementation can only achieve success when there's a transparent and shared understanding of who does what, when, at what cost . Not only should the mandatory actions to implement the strategy be identified and planned, responsibility for these actions should be allocated still . By allocating clear responsibilities for the execution of the implementation activities, progress will be measured and controlled. After developing the implementation plan the particular implementation of the strategic initiatives, process improvements and organization structure changes begins.

CONTROL AND ADAPT THE STRATEGY:-

Controling and adapting the strategy is that the last introduce the strategy management system. This stage consists of monitoring the progress of the conclusion of the strategic objectives and milestones of the strategic plan. When objectives or milestones don't seem to be being met the strategy or its execution must be adapted. so as to form these adjustments it's required to assign clear responsibilities for the achievement of these targets. When objectives don't seem to be being met, the person or persons responsible must be held accountable. As strategy implementation plans are destined to alter, implementation teams must regularly meet in well-structured, punctuated sessions to share information, reconfirm priorities and make decisions. This way, strategic management system could perform the necessary adjustments when needed and thus can guide the strategy execution effort. to form these adjustments it's required to assign clear responsibilities for the achievement of these targets. When objectives don't seem to be being met, the person or persons responsible must be held accountable. Many organizations have accountability problems, which can be the results of a scarcity of designing, the absence of a functional management data system, or the existence of cultural values which don't encourage holding persons, especially in high positions.

SWOT Analysis:-

A SWOT analysis is one amongst the categories of strategic management frameworks employed by organizations to create and test their business strategies. A SWOT analysis identifies and compares the strengths and weaknesses of a corporation with the external opportunities and threats of its environment. The SWOT analysis clarifies the inner, external and other factors which will have an effect on an organization's goals and objectives. The SWOT process helps leaders determine whether the organization's resources and skills are effective within the competitive environment within which it's to function and to refine the strategies required to stay successful during this environment.

STAKEHOLDERS ROLE IN STRATEGIC MANAGEMENT

A stakeholder is a private or group that features a legitimate interest in a very company. a company stakeholder is a private or group who can affect or be littered with the actions of a business. Stakeholders can be defined as “those groups without whose support the organization would cease to exist.” In the last decades of the 20th century, the word “stakeholder” has become more commonly accustomed see an individual or group that features a legitimate interest in a very project. In discussing the decision-making process for institutions including large business corporations, government agencies, and NGOs – the concept has been broadened to incorporate everyone with an interest in what the entity does.

VALUE OF ORGANIZATIONAL CULTURE

Organizational culture can determine the success and failure of a business and could be a key component that strategic leaders must consider within the strategic management process. Culture could be a major consider the way people in a corporation outline objectives, execute tasks and organize resources. a robust organizational culture will make it easier for leaders and managers to motivate employees to execute their tasks in alignment with the outlined strategies. At flat organizations, where lower-level managers and employees are expected to be involved within the decision-making and strategy, the strategic management process should enable them to try to to so. It is important to make strategies that are suitable to the organization's culture. If a selected strategy doesn't match the organization's culture, it'll hinder the flexibility to accomplish the strategy's intended outcomes.

BENEFITS OF STRATEGIC MANAGEMENT

Strategic management is mostly thought to possess financial and nonfinancial benefits. A strategic management process helps a corporation and, specifically, its leadership, to consider and plan for its future existence, thus fulfilling a chief responsibility of a board of directors. Strategic management sets a direction for the organization and its employees. Unlike once-and-done strategic plans, effective strategic management continuously plans, monitors and tests an organization's activities, leading to greater operational efficiency, market share and profitability.

CONCLUSION

Strategic Management gives a broader perspective to the staff of a corporation and that they can better understand how their job fits into the complete organizational plan and the way it's co-related to other organizational members. the staff become more trustworthy, more committed and more satisfied as they'll co-relate themselves alright with each organizational task. They will understand the reaction of environmental changes on the organization and therefore the probable response of the organization with the assistance of strategic management. Thus the staff can judge the impact of such changes on their own job and might effectively face the changes. The managers and employees must do appropriate things in appropriate manner, they have to be both effective still as efficient.

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