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Research Paper

NEED OF STRATEGIC MANAGEMENT IN CORPORATE SECTOR

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ABSTRACT

The word 'strategy' refers to plan or course of action or a set of decision making rules forming a pattern or creating a common thread.lOVlfred D.Chandler defines 'strategy' as "the determination of the basic long-term goals and objectives of an enterprise and the adoption of the courses of action and allocation of resources necessary for carrying out these goals. This paper examines the success in corporate sector through strategic management. In recent times world economy has witnessed a lot of dynamism and challenges.
Keywords: expansion, supply, opportunity.

Introduction

According to William F Glueck. strategy me?ns " A unified, comprehensive and integrated plan designed r:) assure that the basic objectives of the enterprise are achieved.

The art of strategic management remained primarily associated with the military history. The history is filled with the examples where the strategic management of offensives and counter offensives paved the path for decisive victories. In the Corporate sector, its emergence started after the culmination of Second World War. The rapid development of world economies like USA, Japan and China provided a favorable environment for large multinational organizations which required evolution in planning and thought process. Moreover, the competitive environment made it difficult for the companies to maintain the success graph without realizing the changing requirements of business and adopting a plan to tackle those changes.

Objectives

Thus strategic management involves the setting of tical-cut objectives, both short-term and long-term and an earnest effort is made ro achieve them by adopting suitable strategic decisions, litmost care is taken to utilise effectively the six "Mns of the organisation such as Men. Materials, Money, Machine, Market and Managerial power to achieve the goals.

The terms 'strategic planning', 'business policy', 'long-range planning', and 'strategic management' are generally considered as synonymous terms in management science. Sharplin defines strategic management as "the formulation and implementation of plans and the carrying out of activities relating to the matters which are of vital, pervasive or continuing importance to the total organization

Strategic management is a disciplined approach utilizing the principles and process of management to identify the corporate objective or mission of any business. It determines an appropriate target to satisfy the objective, recognize existing opportunities and constraints in the environment, and device a way by which objective can be achieved. The performance of any business organization in the competitive economy is highly dependent upon the quality of its management via proper implementation of strategic management

Literature Survey

The analysis of the environmental scanning is a major stage of strategic management process. The environmental research has direct impact on the formulation of strategies. The more adverse the environmental conditions will be, the more innovative and dynamic strategies would be required to cater for these challenges. All the environmental scanning models, developed over the years by business strategists, are of great help to the organization for critically observing the changing dynamics of corporate sector. The comparison between the Eastern and Western corporate sector also proved that the environmental and economic factors have huge influence over the design of strategic management process. It has been observed from many experiences that China is in the early eras of western culture because there is absence of environmental consciousness, while Australian businesses are more concerned about the environmental changes.

The literature review also revealed that strategy formulation is a very important step and the ailing corporate firm must hire the creative and brave strategists to make innovative and bold strategies. These strategies are the theoretical remedial approach in solving the problems faced by the organization, but their effective implementation is the practical remedy of the problems. Thus, the organizational excellence can only be achieved by both formulating as well as implementing the right strategies.The test results verify that strategic planning performance is also linked with the organization’s environmental turbulence, structure and firm size.

But Hinterhuber (2008) argues that customer value based pricing approaches play relatively minor role in pricing strategies because of various obstacles (e.g. value leakage at sales level occurs to satisfy personal goals extending discounts) that prohibits the implementation. While suggesting remedies he states that better under-standing of values of company's offerings must prevail among company's own employees and then extend ii io customers. Ketchen et al (2008) focus on how supply chain - the series of activities create value of products & services and distribute to customers and can enhance firm performance by maximizing speed or minimizing costs. Citing examples from leading turns they describe value supply chains are designed by organization as a tool to deliver total superior value in customers in terms of speed, cost, quality & flexibility which differ from traditional chains in important wavs. Breja (2007) depicts competition is the act of slaving-for dominance and exists inside as well as outside of the organization. Presenting the examples of industries he advocates best value is created through customer to customer processes in the spirit of commitment, cooperation, complement, creation , customization, comparing products/ brands (bench mark) and compete in the market . While discussing strategic cost management in Indian corporate sector Farmer (2008) state that old concepts and practices need to be replaced by introducing various strategic cost management techniques like JIT, business process re-engineering, bench-marking, Activity Based Management , activity Based Costing and new skills to be acquired by the profession. The new paradigm needs competitive strategies and how value chain analysis is used to direct overall strategic position of the organization. Advocating value - in - use, Ballantyne and Varey (2008) state that when marketers switch to value in use perspective customers today are revealed as botli producers and consumers who determine what is value. He urges supplier's strategic role is to support the customer's value creating processes with both seivice activities & goods that render service.

Application of Activieties

While internal marketing strategies deal with lower-ling unit cost with improving quality of the tyres, the external marketing strategies transmit this increased value to the firm's customers through precise and (unique value proposition by some gamut of value added activities - service, sales, intermediaries and distribution net works. The above model can be best applied to explain ITK. keting strategy of automobile tyre industry in which n ditional push - pull combination is followed to earn ix enue and profit. The industry is largely driven by umes not profit which require large production volume with cost minimization strategies at operation levels competitive edge one crucial part of strategic intern marketing. Therefore, economies of scope is followed the economies of scale at production operation le\c which explains validation of the model in supply sidr within the purview of existing cross ply tyretechnolo:r involving experienced people, matured process anc usage of automated machines and equipments. The objective is to continuously lower down the conversion rate (i.e. monetary cost of conversion of per Kg. raw material to finished tyre). The other part describes continuous persuasion of quality improvement through design and process innovations (Design: suit to customer requirements - not over or under design, proce operation friendly, manufacturing lay out change smoother process to impart speed of production. process re-engineering for productivity enhancement JIT management for inventory control etc.) in order ti. differentiate from the nearest competitors.

ELEMENTS OF STRATEGIC MANAGEMENT The strategic management process does not get involved in the day to day running of the organization's operations, but instead creates the strategies for the accomplishment of Long term objectives. There are four key elements to Strategic Management. a. Environmental Scanning b. Strategy Formulation c. Strategy Implementation d. Evaluation and Control

Conclusion

Strategy implementation implies makingthe strategy work as intended or putting the organization's chosen strategy into action. Strategy implementation includes designing the organization's structure, distributing resources, developing decision making process, and managing human resources.

CORPORATE STRATEGY It is the highest level of strategy making in an organization. It is concerned about the overall development of the businesses within the organization. These strategies provide a direction for a firm that what type of business it should be investing in. Corporate strategy is based on knowing: Where your organization is today.• Where you want it to be.• How you want to get there.• The nature of strategic decisions tends to be value-oriented, conceptual and less concrete than decisions at the business or functional level.

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