

# STRATEGISTS AND THEIR ROLE IN STRATEGIC MANAGEMENT

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# ROLE OF BOARD OF DIRECTORS

- ULTIMATE LEGAL AUTHORITY
- RESPONSIBLE FOR THE GOVERNANCE OF AN ORGANISATION
- RESPONSIBLE FOR PROVIDING GUIDANCE AND ESTABLISHING DIRECTORS ACCORDING TO WHICH THE MANAGERS OF THE ORGANISATION OPERATES
- TO ACT ACCORDING TO THE POLICIES, RULES, PROCEDURES, CONVENTIONS....
- BOARD IS ONLY REQUIRED TO DIRECT
- SIGNIFICANT ROLE IN TECHNICAL COLLABORATIONS, NEW PRODUCT DEVELOPMENT, SENIOR MANAGEMENT APPOINTMENT....
- THEIR ROLE IS FORMAL AS WELL AS INFORMAL

# STRATEGIC ROLE OF BOARD OF DIRECTORS

- TO GUIDE THE SENIOR MANAGEMENT IN SETTING AND ACCOMPLISHING OBJECTIVES, REVIEWING AND EVALUATING ORGANISATIONAL PERFORMANCE, AND APPOINTING SENIOR EXECUTIVES.
- SETTING STRATEGIC DIRECTION, WHICH INVOLVES ESTABLISHING OBJECTIVES AND STRATEGY, MONITORING AND REVIEWING ACHIEVEMENTS
- CLARITY ON THE ROLE OF BOARD IS VERY IMPORTANT IN THE SUCCESS OF AN ORGANISATION.

# ROLE OF CHIEF EXECUTIVE OFFICER

- WHO IS RESPONSIBLE FOR ALL ASPECTS OF STRATEGIC MANAGEMENT FROM FORMULATION TO EVALUATION
- ALSO KNOWN AS MANAGING DIRECTOR, EXECUTIVE DIRECTOR, GENERAL MANGER....
- MAJOR ROLE IN STRATEGIC DECISION MAKING
- THE SUCCESS OF AN ORGANISATION BASICALLY DEPENDS ON THE ROLE OF CEO.
- CHIEFLY RESPONSIBLE FOR THE EXECUTION OF THOSE FUNCTIONS WHICH ARE OF STRATEGIC IMPORTANCE TO THE ORGANISATION.
- PIVOTAL ROLE IN SETTING MISSION OF THE ORGANISATION, DECIDING THE OBJECTIVES AND GOALS, FORMULATING AND IMPLEMENTING STRATEGY.

# ROLE OF ENTREPRENEURS

- ALWAYS SEARCHES FOR CHANGE, RESPOND TO IT AND EXPLOIT THE OPPORTUNITIES.
- HAVE A PROACTIVE ROLE IN STRATEGIC MANAGEMENT
- TO PROVIDE SENSE OF DIRECTION TO THE ORGANISATION, AND SET THE OBJECTIVES AND FORMULATE STRATEGIES TO ACHIEVE THEM.
- IMPLEMENTORS AND EVALUATORS OF STRATEGY
- WORKS ON FORMAL AND INFORMAL
- STRATEGIC DECISION MAKING IS QUICK AND GENERATE THE SENSE OF PURPOSE TO SUBORDIANTES

# ROLE OF SENIOR MANAGER

- CONSISTS OF MANAGERS AT THE HIGHEST LEVEL FROM CHIEF EXECUTIVE TO FUNCTIONAL LEVEL MANAGERS
- SOME SENIOR MANAGERS ALSO A PART OF BOARD ON ROTATIONAL BASIS
- RESPONSIBLE FOR IMPLEMENTING STRATEGIES AND PLANS AND FOR A PERIODIC EVALUATION OF PERFORMANCE.
- ASSISTING BOARD
- HAVE A MAJOR ROLE IN THE FORMULATION, IMPLEMENTATION AND EVALUATION OF STRATEGY
- THEY COME TOGETHER IN THE FORM OF DIFFERENT TYPES OF COMMITTEES, TASK FORCES, WORK GROUP, MANAGEMENT TEAMS.....

# ROLE OF CORPORATE PLANNING STAFF

- SUPPORTING ROLE IN STRATEGIC MANAGEMENT
- ASSIST THE MANAGEMENT FOR FORMULATING, IMPLEMENTING STRATEGIES AND ITS EVALUATION
- RESPONSIBLE FOR THE PREPARATION AND COMMUNIACATION OF STRATEGIC PLANS
- CONDUCT SPECIAL STUDIES AND RESEARCH
- THEY ARE NOT SOLELY RESPONSIBLE FOR STRATEGIC MANAGEMENT
- THEY CAN WORK BY ADMINISTRATIVE SUPPORT

# ROLE OF CONSULTANTS

- CONSULTANTS MAY BE INDIVIDUALS, ACADEMICIANS, OR CONSULTANCY COMPANIES SPECIALISING IN STRATEGIC MANAGEMENT ACTIVITIES.
- TRAINED OR EXPERIENCED PERSONS WHO ADVISE THE MANAGEMENT ON STRATEGIC ACTIVITIES
- GETTING UNBIASED AND OBJECTIVE OPINIONS FROM A KNOWLEDGEABLE OUTSIDER.
- COST EFFECTIVE METHOD
- AVAILABILITY OF SPECIALISTS' SKILL
- FAMILY OWNED COMPANIES AND PUBLIC SECTOR COMPANIES MOSTLY RELY ON CONSULTANCY SERVICES



# ROLE OF MIDDLE LEVEL MANAGERS

- RELATE TO OPERATIONAL MATTERS
- SOUNDING BOARDS OF DEPARTMENTAL PLANS, IMPLEMENTORS OF THE STRATEGIC DECISIONS, FOLLOWERS OF POLICY GUIDELINES
- IMPLEMENTATION OF FUNCTIONAL STRATEGIES
- CONTRIBUTE TO GENERATION OF IDEAS, DEVELOPMENT OF STRATEGIC ALTERNATIVES, THE REFINEMENT OF BUSINESS, FUNCTIONAL AND DEVELOPMENTAL PLANS, TARGET SETTING AT DEPARTMENTAL LEVELS

# ROLE OF EXECUTIVE ASSISTANT

- RECENTLY EMERGED CONCEPTS
- A PERSON WHO ASSIST THE CHIEF EXECUTIVE IN THE PERFORMANCE OF HIS DUTIES IN VARIOUS WAYS.
- TO ASSIST THE CHIEF EXECUTIVE IN DATA COLLECTION AND ANALYSIS, SUGGESTING ALTERNATIVES WHERE DECISIONS ARE REQUIRED, PREPARING BRIEFS OF VARIOUS PROPOSALS, PROJECT AND REPORTS, HELPING IN PUBLIC RELATIONS AND LAISONS FUNCTIONS.
- ACTING AS A FILTER FOR THE INFORMATION COMING FROM DIFFERENT SOURCES.
- ASSIST CHIEF EXECUTIVE , THEY HELP TO OPTIMISE THEIR TIME UTILISATION
- EXPOSURE TO DIFFERENT FUNCTIONAL AREAS

# COMPANY MISSION

A mission statement is a concise explanation of the organization's reason for existence. It describes the organization's purpose and its overall intention. The mission statement supports the vision and serves to communicate purpose and direction to employees, customers, vendors and other stakeholders.

# NEED FOR EXPLICIT MISSION

- No external body requires that the company mission be defined, and the process of defining it is time consuming and tedious.
- The mission statement is a message designed to be inclusive of the expectations of all shareholders for the company's performance over the long run.
- The executives and board who prepare the mission statement attempt to provide a unifying purpose for the company that will provide a basis for strategic objective setting and decision making. In general terms, mission statement addresses the following questions
  - Why is this firm in business?
  - What are our economic goals?

# FORMULATING A MISSION

## ITS BASED ON SOME FUNDAMENTAL BELIEFS

- PRODUCT AND SERVICE CAN PROVIDE BENEFITS ATLEAST EQUAL TO ITS PRICE
- CAN SATISFY CUSTOMERS NEEDS
- TECHNOLOGY MUST PROVIDE COST AND QUALITY COMPETITIVE PRODUCT OR SERVICE.
- WITH THE SUPPORT OF OTHERS A COMPANY CAN GROW
- MANAGEMENT PHILOSOPHY HELPS TO MAKE FAVOURABLE PUBLIC IMAGE
- ENTREPRENEURS SELF CONCEPT CAN BE COMMUNICATED PROPERLY AND ADOPTED BY EMPLOYEESAND STAKEHOLDERS.

# PURPOSE AND MISSION

- **Purpose expresses the company's fundamental value – overriding reason for existing. It is the end to which the strategy is directed.”**

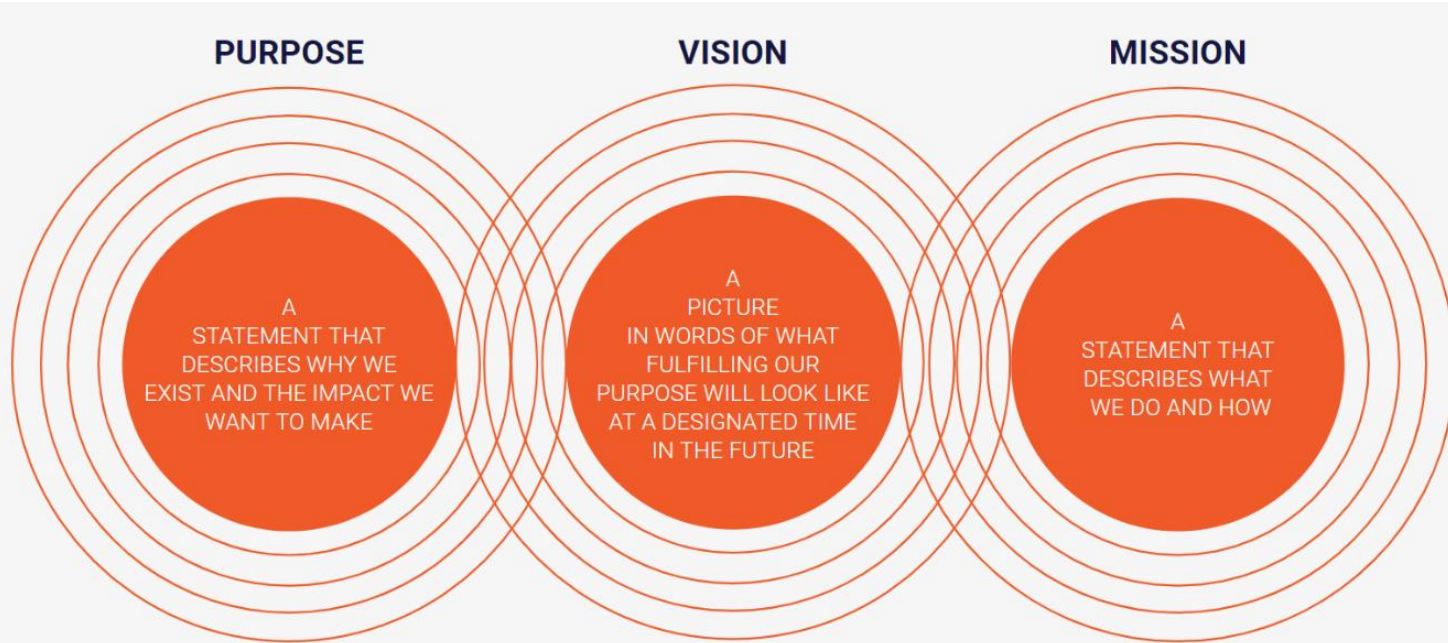
Mission
What we do
About business operations
Provides focus
Win-lose / Zero sum
Military roots
Closed Pie
Hierarchical
Command and control
Shareholder value focus

vs.

Purpose
Why we do it
About business impact
Provides meaning
Win-win / Positive sum
Humanitarian roots
Enlarging pie
Relational
Autonomy and integration
Shared value focus

# VISION

Prepared by Femv Moni



# VISION

Prepared by Femy Moni





# GOALS: SURVIVAL, GROWTH, PROFITABILITY

## Primary Company Goals:

- ✘ **Survival** – A firm that is unable to *survive* will be incapable of satisfying the aims of any of its stakeholders.
- ✘ **Profitability** – A firm's *profitability* is the mainstay goal of a business.
- ✘ **Growth** – A firm's *growth* is tied inextricably to its survival and profitability. Growth in this sense must be broadly defined.

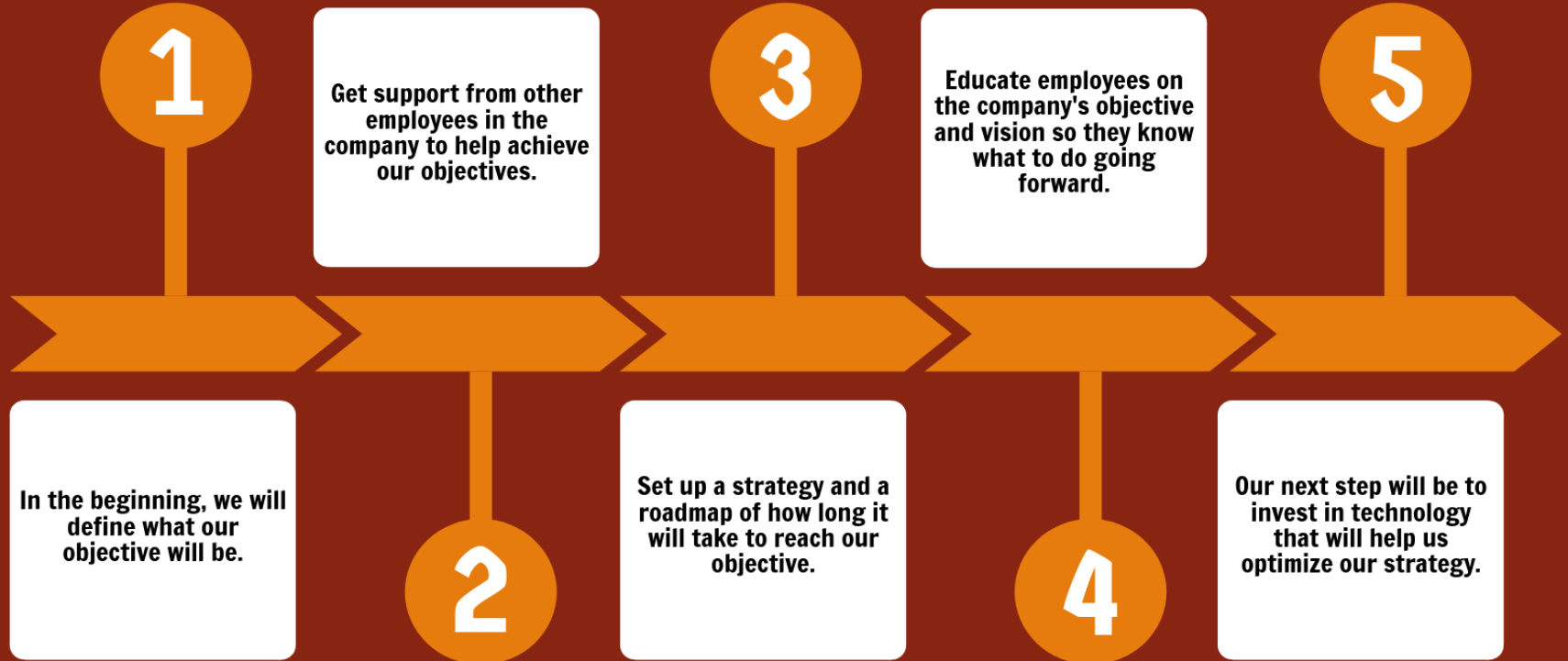


# OBJECTIVES

- Company objectives are the goals and outcomes you hope to achieve, whether it's a year from now or twenty. Building a list of business objectives creates the foundation that guides and directs the rest of your planning, actions, and responses.
- Company has multilevel objectives such as
  - Survival
  - Growth
  - Profitability
  - Productivity
  - Quality of product
  - Quality of service
  - Competitive advantage.....

# OBJECTIVES

## Company Objectives



# DISTINCTION : GOAL AND OBJECTIVES

COMPARISON	GOALS	OBJECTIVES
What is it?	End result	Means to an end
Meaning	A goal is a long term purpose which a person strives to achieve.	Objectives are the achievements which can be attained only if the attempts are made in a particular direction.
Time frame	Long term	Medium term to Short term
Measurement	Comparatively difficult	Easy
Basis	Ideas	Facts
Materiality	Abstract	Concrete
Action	Generic	Specific

# The Importance of objectives

- Give businesses a sense of direction, purpose and unity
- Form the foundation of business decision making
- Help to encourage *strategic thinking*
- Provide the basis for measuring and controlling the performance of the workforce

# GUIDELINES FOR FORMULATING OBJECTIVE

- INVOLVEMENT
- ORGANISATIONAL OBJECTIVES
- OBJECTIVE SHOULD HAVE SOME REACH
- SHOULD BE REALISTIC
- SHOULD BE CONTEMPORARY AS WELL AS INNOVATIVE
- THE NUMBER OBJECTIVES FOR EACH MANAGER SHOULD NOT BE MANY
- PRIORITY
- BALANCE

# ROLE OF OBJECTIVES

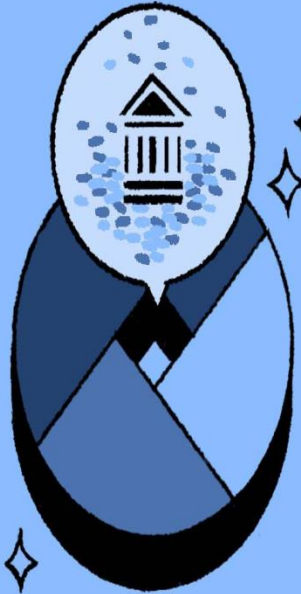
- ENVIRONMENTAL SCANNING
- PRIORITISE OBJECTIVES
- IDENTIFY THE CONSTRAINTS
- OBJECTIVES ARE ENDS SO STRATEGIES ARE THE MEANS TO END
- PROVIDE DIRECTION
- NO AMBIGUITY

# TOOLS OF STRATEGIC MANAGEMENT

- CORE COMPETENCIES
- BENCHMARKING
- TOTAL QUALITY MANAGEMENT
- GAP ANALYSIS



# CORE COMPETENCE



## Core Competencies

*[ˈkɔr ˈkæmpəˌtən(t)ˌsēs]*

The resources and capabilities that comprise the strategic advantages of a business.

 Investopedia



# BENCH MARKING

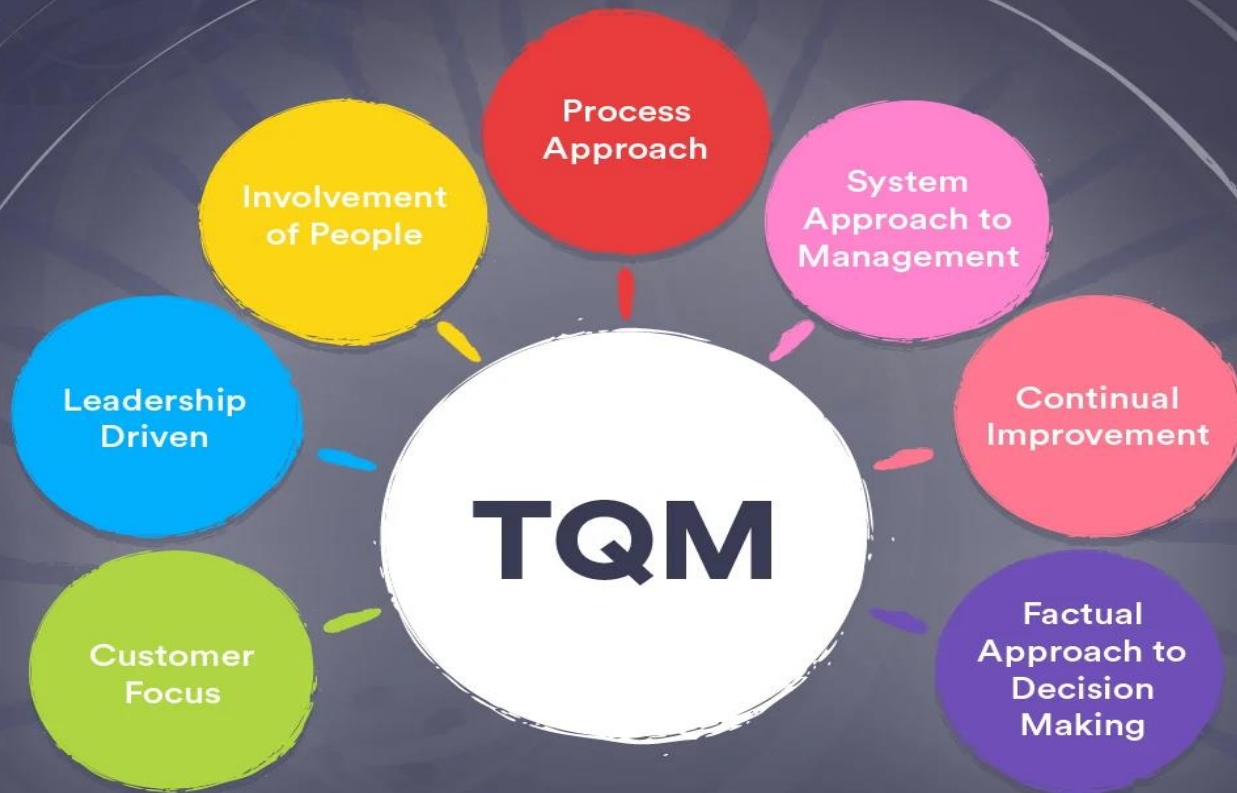
- Benchmarking is a process of measuring the performance of a company's products, services, or processes against those of another business considered to be the best in the industry, aka “best in class.” The point of benchmarking is to identify internal opportunities for improvement

## Types of Benchmarking



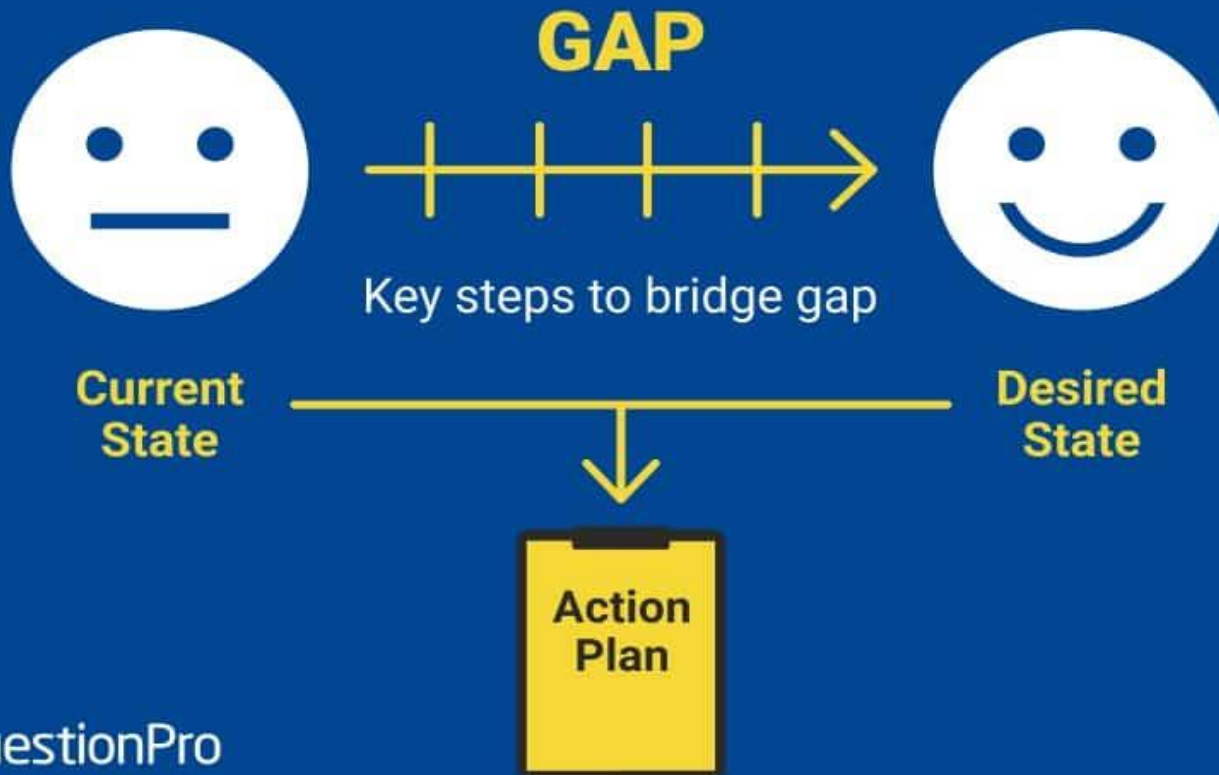
# TOTAL QUALITY MANAGEMENT

- Total quality management (TQM) is the continual process of detecting and reducing or eliminating errors in manufacturing, streamlining supply chain management, improving the customer experience, and ensuring that employees are up to speed with training.

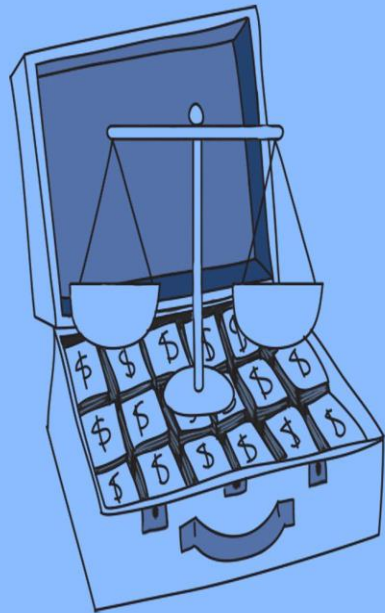


# GAP ANALYSIS

- A gap analysis is the process of comparing your actual business performance with your desired performance to see what's missing. You can use these analyses to create company strategies and identify possible shortcomings in your business.



# BUSINESS ETHICS



## Business Ethics

*['biz-nəs 'e-thiks]*

The moral principles, policies, and values that govern the way businesses and individuals engage in business activity.

 Investopedia



Morality



Behaviour



Principle



Choice

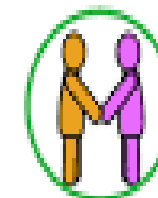


Trust

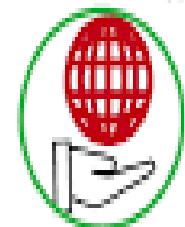
## Business Ethics



Reliability



Relationship



Responsibility

Prepared by Emv Mori

# FACTORS INFLUENCING BUSINESS ETHICS

- LEGISLATION
- GOVERNMENT RULES ANDDD REGULATIONS
- INDUSTRY/ COMPANY ETHICAL CODE OF BEHAVIOUR
- SOCIAL PRESSURES
- CONFLICT BETWEEN PERSONAL VALUES AND NEED OF THE FIRM