

STRATEGIC MANAGEMENT

Lesson 4: Internal Assessment

by
Cheng Jack Kie
Faculty of Industrial Management
jackkie@ump.edu.my



Chapter Description

- Expected Outcomes
 - Demonstrate the ability to perform an internal audit
 - Demonstrate the ability to identify the functional activities in a company
- References
 - David, F.R. (2013). Strategic Management: Concept & Cases, 14th Edition. Prentice Hall



Key Internal Forces

Marketing

Finance /
Accounting

Management

Management
Information
System

*Production /
Operation*



Key Internal Forces

- Distinctive Competencies:
 - i. Strength = cannot be easily matched + imitated by competitors

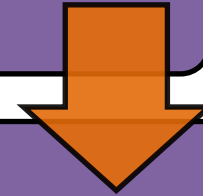


Internal Audit: How to do it?

INVOLVEMENT

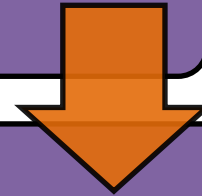
[Managers + employees]

= determine company's Strength & Weakness.



INFORMATION GATHERING

Company functional areas: Management,
Finance, HR, Production, etc.



PRIORITIZING

[Key factors]

= Strength + Weakness can be determined.



Internal Audit

Improve Understanding

On how their jobs fit into the company's operation

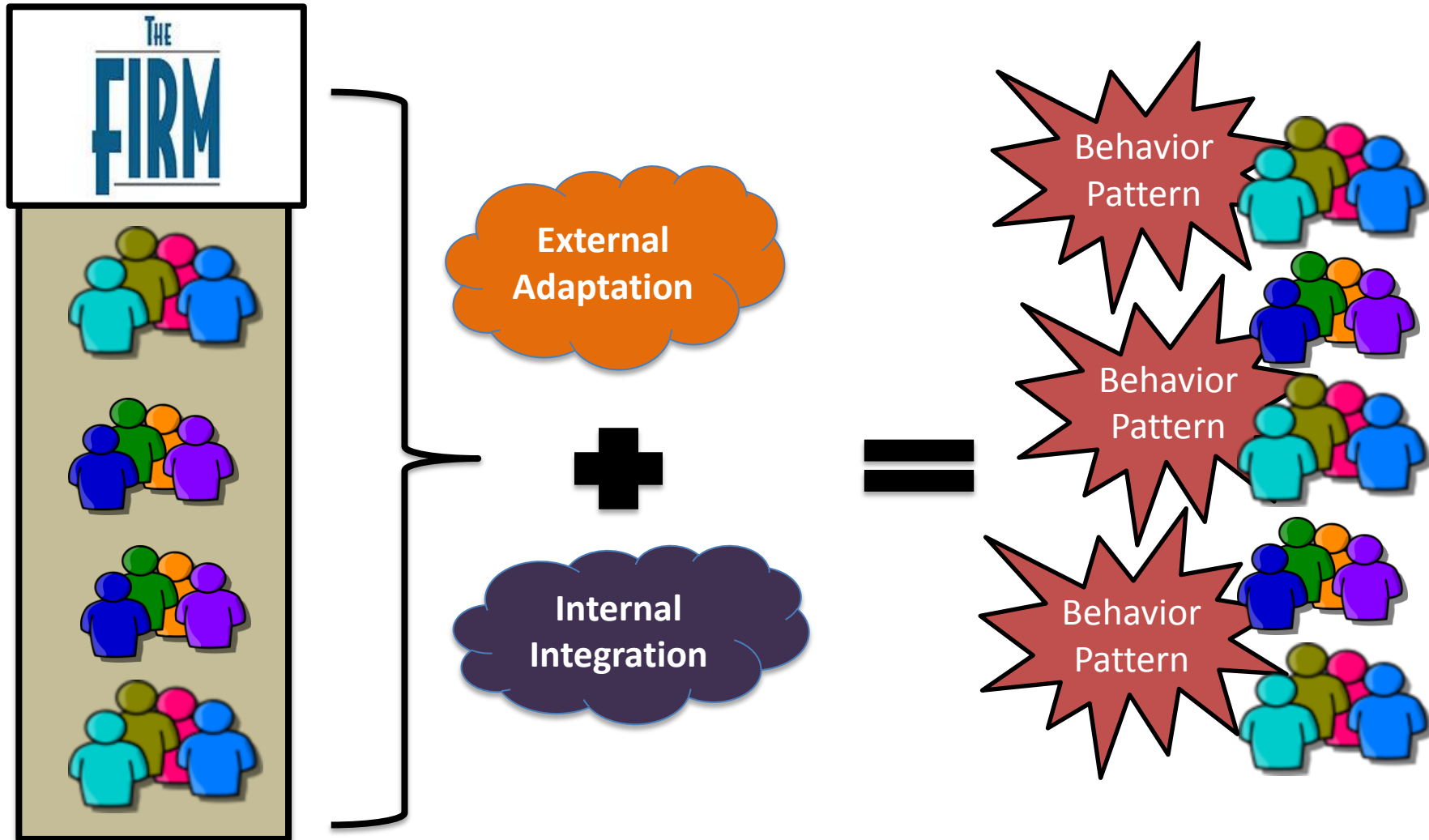
On how their work affects other activities in the company

Opportunity
for
Participants:

Improve communication



Organization Culture



Functional areas

MANAGEMENT

- Planning
- Organizing
- Motivating
- Staffing
- Controlling

MARKETING

- Customer Analysis
- Product & Service Planning & Pricing
- Distribution
- Marketing Research
- Opportunity Analysis



Functional areas

FINANCE

- Finance / Accounting Functions

PRODUCTION

- Production / Operation Functions

R&D

- Internal R&D
- External R&D

MIS

- Strategic Planning Software



END