

STRATEGIC MANAGEMENT

Lesson 6: Strategy in Action

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Chapter Description



- **Expected Outcomes**
 - Demonstrate the ability to establish long term objectives.
 - Demonstrate the ability to identify the different types of alternative strategies.
 - Demonstrate the ability to decide on when alternative strategies are appropriate to pursue.
- **References**
 - David, F.R. (2013). Strategic Management: Concept & Cases, 14th Edition. Prentice Hall



Long-Term Objectives

Quantitative, measurable & realistic

Provide direction, establish priorities, minimize conflicts
resources allocation.

2 Types: Financial Objectives & Strategic Objectives



Types of Strategies

1. Integration
Strategies

2. Intensive
Strategies

3.
Diversification
Strategies

4. Defensive
Strategies

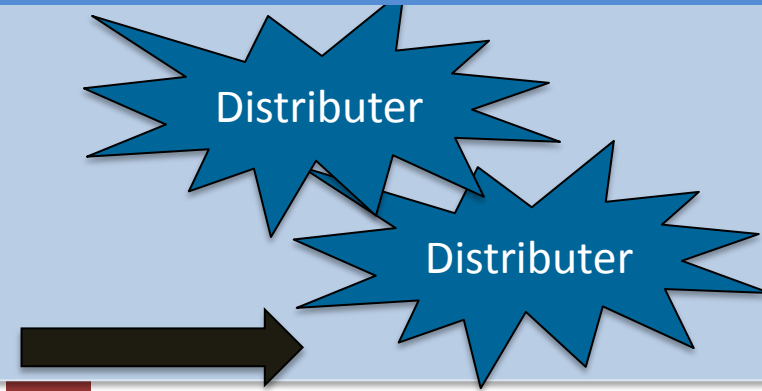


1. Integration Strategies

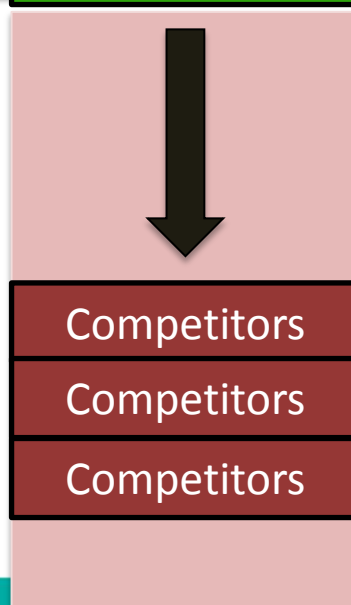
a. Backward Integration



b. Forward Integration



c. Horizontal Integration



Using these strategies, a company can gain control over distributors, suppliers, and/or competitors.



2. Intensive Strategies

Market Penetration

- Increasing market share through extensive marketing efforts.

Market Development

- introducing current products / services to new geographic areas.

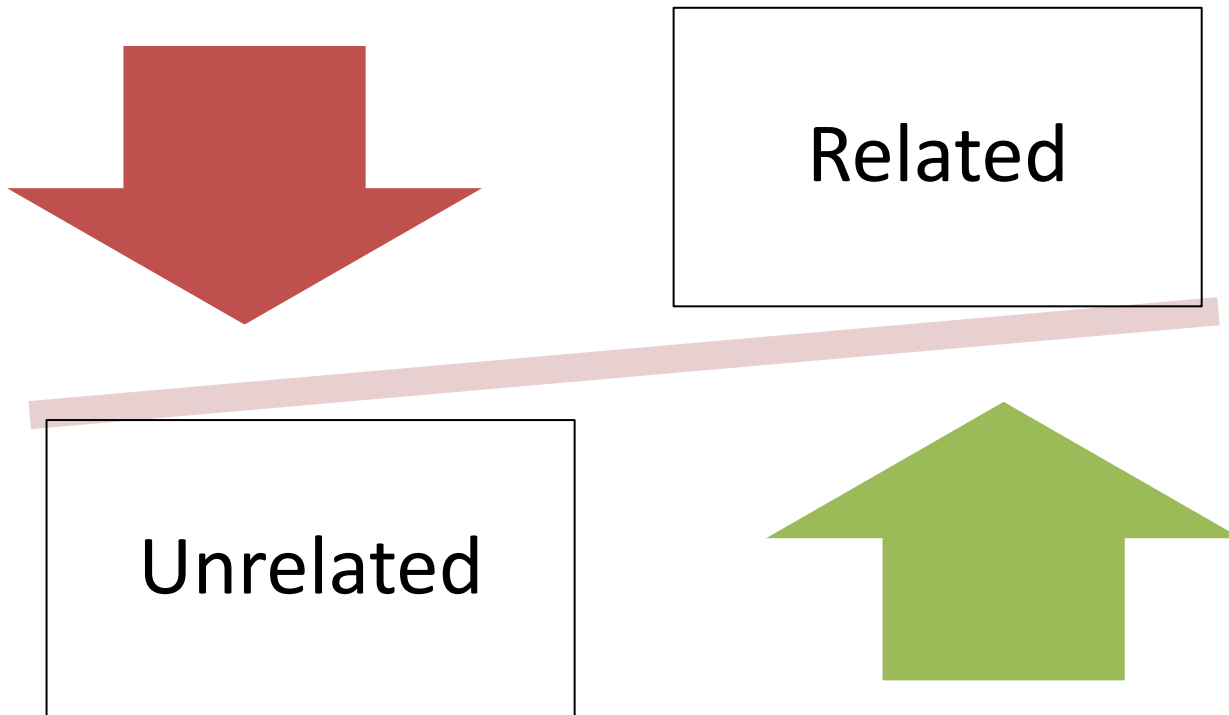
Product Development

- improving or modifying current products or services.



3. Diversification Strategies

The company value chains has valuable cross-business strategic that fits one another.



The company value chains are NOT SIMILAR & no cross-business relationships exist.



4. Defensive Strategies

Retrenchment

- Happens when a company regroups using cost & asset reduction due to declining sales and profits.

Divestiture

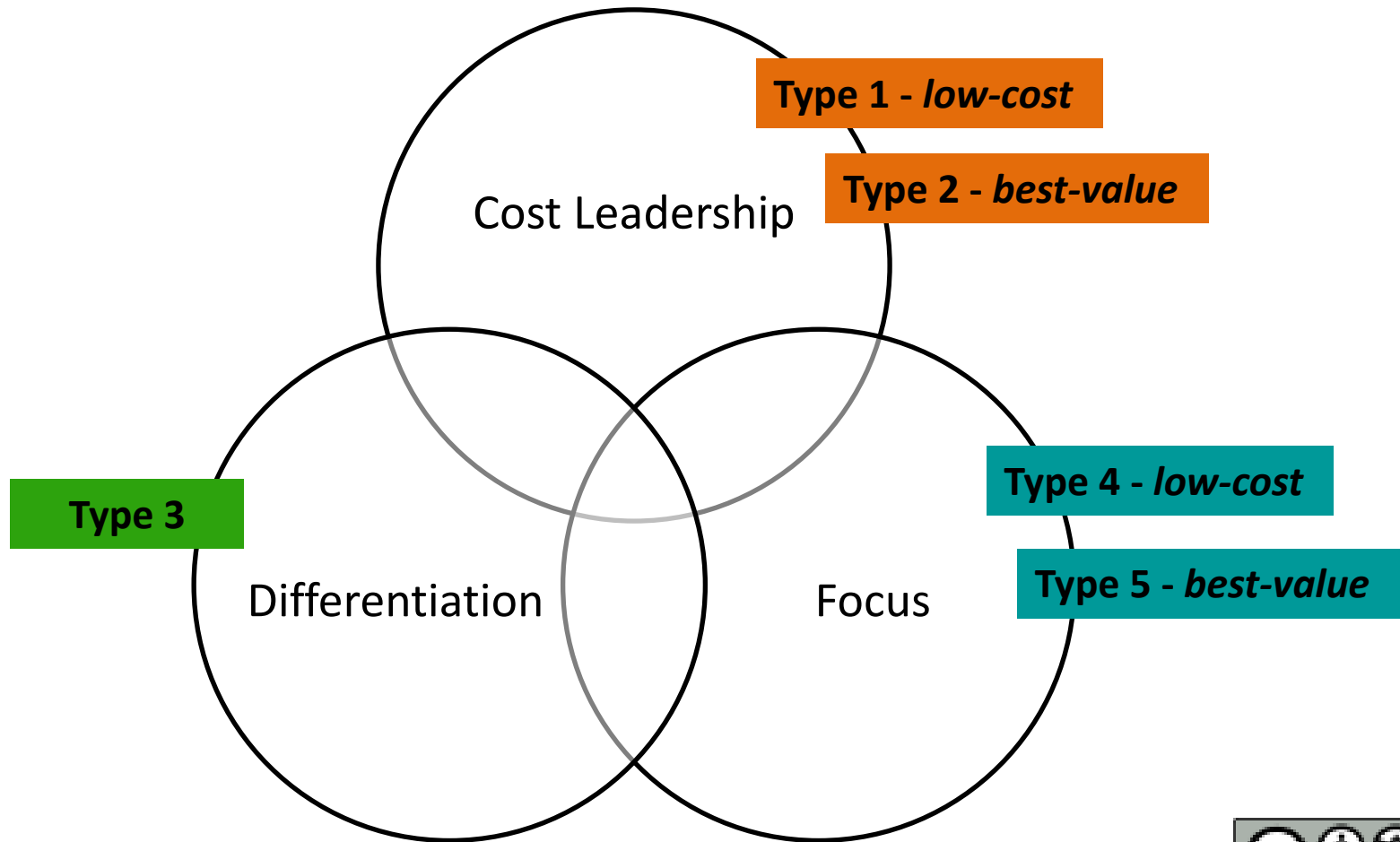
- A division or part of a company is sold.

Liquidation

- All of a company's assets is sold.



Michael Porter's Five Generic Strategies



SM in Nonprofit Organization

Medical
Organizations

Governmental
Agencies and
Departments

Educational
Institutions



END