

STRATEGIC MANAGEMENT

Lesson 7: Strategy Analysis & Choice

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Chapter Description



- Expected Outcomes
 - Demonstrate the ability to describe the Strategy Formulation Framework.
 - Demonstrate the ability to construct SWOT Matrix, BCG Matrix, IE Matrix, SPACE Matrix and QSPM Matrix.
- References
 - David, F.R. (2013). Strategic Management: Concept & Cases, 14th Edition. Prentice Hall



Generating and Selecting Strategies – The Process

Involved Employees to Develop:

- * Vision & mission statements
- * External audit
- * Internal audit



Participants to discuss the proposed
ALTERNATIVE STRATEGIES



The Feasible ALTERNATIVE STRATEGIES are ranked:

- 1 = should not be implemented
- 2 = possibly should be implemented
- 3 = probably should be implemented
- 4 = definitely should be implemented



Strategy-Formulation Framework

Stage 1 (Input Stage)

- Input information to formulate strategies are summarized.
- EFE Matrix, IFE Matrix, CPM

Stage 2 (Matching Stage)

- Aligning external & internal factors to generate feasible Alternative Strategies.

Stage 3 (Decision Stage)

- Evaluate Stage 2 using information from Stage 1.

See Lesson 3 & Lesson 5



Input Stage

The information from this stage, serve as input to matching and decision stage matrices

This stage **relied on good intuitive judgment**

The EFE
Matrix

The IFE
Matrix

The CPM
Matrix



Matching Stage

Consists of 5 techniques:

Uses the information from the INPUT STAGE to match **EXTERNAL OPPORTUNITIES & THREATS** + **INTERNAL STRENGTHS & WEAKNESS**

The
SWOT
Matrix

The
SPACE
Matrix

The BCG
Matrix

The IE
Matrix

The
Grand
Strategy
Matrix



Decision Stage

Feasible Alternative Strategies generated in **MATCHING STAGE** are prioritized (rate: Scale 1-4) to determine which strategies could be achieved.

The QSPM Matrix



END