

STRATEGIC MANAGEMENT

Lesson 1: Overview of Strategic Management

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Chapter Description

- **Expected Outcomes**
 - Ability to describe strategic management process
 - Ability to understand strategic management terms
 - Ability to describe strategic management's benefit
- **References**
 - David, F.R. (2013). Strategic Management: Concept & Cases, 14th Edition. Prentice Hall



What is Strategic Management?

Management

Marketing

R&D

Production

Computer IS

[Cross-functional
decisions]

Formulation

+

Implementation

+

Evaluation



To achieve
Organizational
Success.



Strategic Management Stages

Strategy
Formulation

Strategy
Implementation

Strategy
Evaluation



Strategic Management Stages

Developing a vision & mission

Determine external opportunities & treats

Determining internal strengths & weaknesses

Strategy
Formulation

Strategy
Implementation

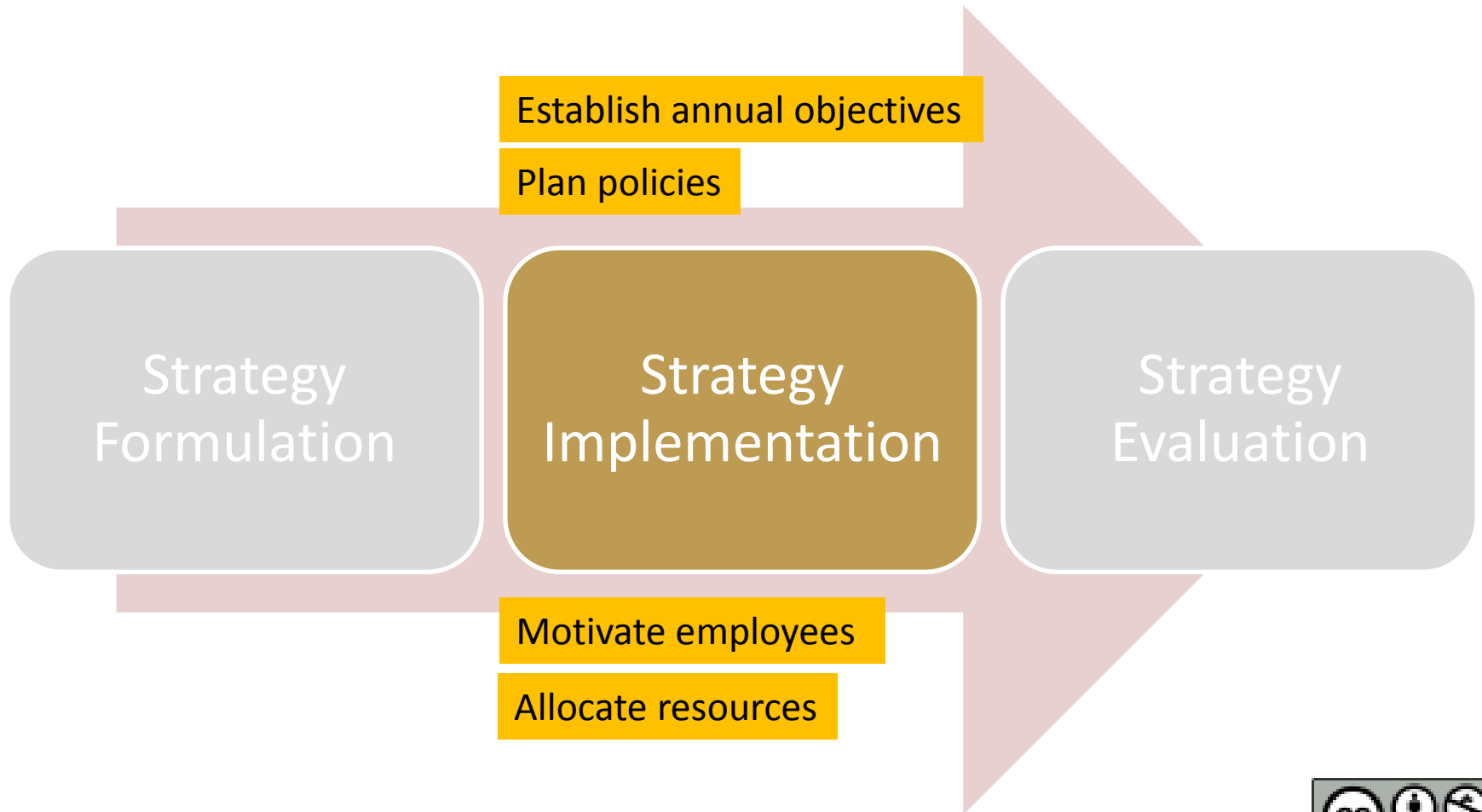
Strategy
Evaluation

Develop long term objectives

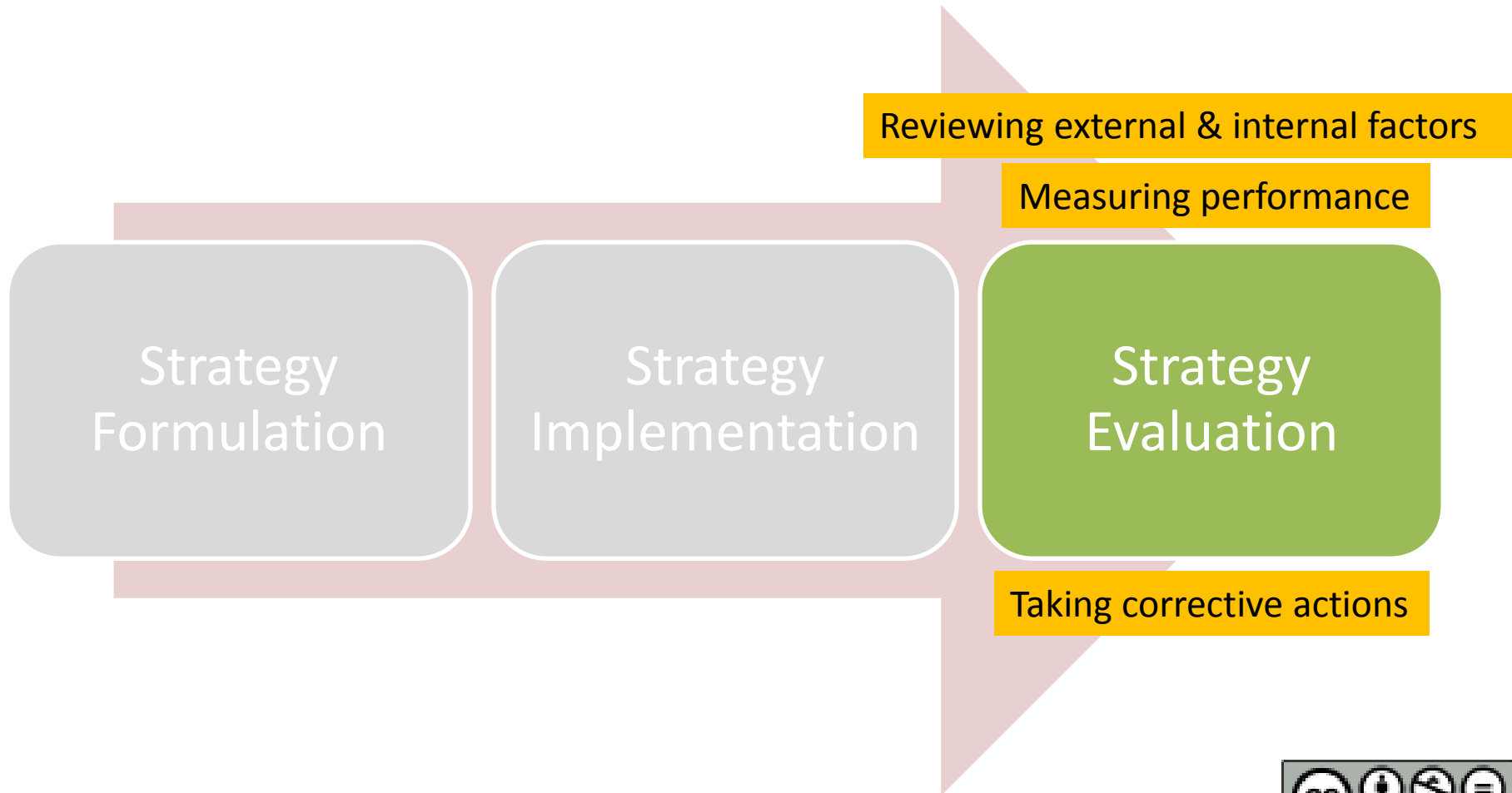
Generating alternative strategies



Strategic Management Stages



Strategic Management Stages



Important Key Elements in Strategic Management

Competitive Advantage

Strategists

Vision and Mission Statements

External Opportunities and Threats

Internal Strengths and Weaknesses

Long-Term Objectives

Strategies

Annual Objectives

Policies



Financial Benefits

- Better sales & profitability
- Improve productivity
- Better informed decision

Benefits of SM

Nonfinancial Benefits

- Improve efficiency awareness & understanding
- Increased employee productivity
- Reduce resistance to change
- Empowering employees



Vision & Mission

Step no.1 in
Strategic
Management

Employees +
managers working
together to develop
vision & mission

Reflect the personal
visions &
envisioned future.

Serve as a
motivator to
employees



Vision & Mission

Vision

*What do we
want to
become?*

Mission

*What is our
business?*



Benefits of Vision & Mission

#1 achieve consensus of purpose within the company

#2 allocate company resources

#3 establish organizational climate

#4 identify company's purpose and direction

#5 assess cost, time and performance parameters



END