

TOPIC- Process of Strategic Management

The process of strategic decision-making leads to the formulation and implementation of chosen strategy, that is strategic management. It comprises several steps, which are as follows:

Process consent: The first step in the strategic management process is to get agreement not only to carry out the process but also on how, when and by whom it will be carried out. Since the strategic management process is not a one-shot exercise, commitment to the long haul is vital. At least three different types of individuals should be considered for inclusion:

Identify and clarify the organisation's mission, objectives and current strategies. Clarification of the mission, objectives, and strategies is fundamental to the initiation of the strategic process. It amounts to a statement over where the organisation is, what it does and how it goes about its business. It should also help clarify which policies or demands can be facilitated by the organisation

Identify organisation's internal strengths and weaknesses: The management should examine the organisation's resource base (skill base, capital or financial resources, etc.). This will give a better idea of how the organisation's resources are arranged and how effectively those resources are put to use. For example, an organisation may well have excellent research skills, but if its primary tasks are in service delivery like in a courier company. Then such skills are not required often and their costs can make such skills more a weakness than strength.

Evaluate the threats and opportunities in the external environment: There is a recurrent preference by managers to focus on the internal dimensions of the organisation. But the policy change and the often-volatile nature of politics in countries undergoing major policy changes require conscious exploration of the external environment of the organisation as well. Political, economic, social, a technological change will influence the direction and shape of an organisation

Identify key constituents and stakeholders, with their expectations and resources: The expectations and demands of constituents are key ingredients for decisions about what an organisation will do and how it goes about carrying out its tasks. Stakeholders or constituents are

those who have a direct interest in and are capable of influencing in some measure the outcomes or actions of the organisation.

Identify key strategic issues: The information generated by the preceding steps should identify a set of fundamental questions or key problems regarding the adaptation of the organisation with its environment. These problems might concern the organisation's mission, its products or services, its clients, financing mechanisms, management, or relationship to certain stakeholders.

Design, analysis, and selection of strategy alternatives to manage the identified issues: Once issues and problems have been identified, strategies to solve those problems need to be worked out. Generally, more than one option for dealing with the problem may be available. So the options must be examined for their comparative viability, feasibility, and desirability.

Implement the strategy: Implementation of a strategy is not an involuntary process, there are two major parts to the process. The first step is the development of an action plan. It is a statement what, who, when, and how are the actions required to be carried out, for the strategy to get executed. Performance goals and objectives will also be specified in this plan. Much of the information needed to develop the action plan gets generated during the execution of step seven. The second step consists of actions aimed at collecting and applying resources. In the context of policy change these actions may consist (but are not limited to), changes in organisational structures.