

# Strategic Management

## AAT Level II

### BMA - Business Management

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# Business Management

## Strategic Management

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## Characteristics of good strategy

**Novelty**

Strategy should be New and creative.

**Secretly Devised**

Formulate and implement secretly. Leak to competitors is not good characteristic

**Intelligent**

Consider all possible facts. Ie sustainability and competitive advantages

**Deceptive**

Deception of target employees in ethical way

**Cost Effective**

Consider the Return of investment

## Factors effecting to Organizational Strategy

### External Factors

- Economic
- Social
- Political & Legal
- Technological
- Competitive

### Internal Factors

- Organizational Culture
- Management
- Marketing
- Finance and accounting
- Production and Operation
- Research and development
- Information Systems

## Strategic planning

### Rational Planning Framework

The Rational Planning Model (pictured below) is a example of a planned strategy of a company that is put in place by the directors. It's a detailed and (can be) complex process to put in place and can take many months – it consists of these four main areas.

**1.Strategic Analysis** – can use PESTEL or Porters 5 forces to analyse the external environment whole SWOT analysis can be used for corporate appraisal.

**2.Strategic Choice** – models like NPV, IRR and payback evaluation can be used to choose when strategic option to take.

**3.Strategic Implementation** – need to consider policies and strategies to implement for ALL areas of the business.

**4.Strategy Evaluation and Control** – measuring the performance against the objectives.

# Strategic planning

## Rational Planning Framework



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