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**Introduction to Strategic Management**

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**Introduction:**

Leadership vs management are often confused in the world of work. However, to manage a team, it is essential to develop leadership skills. These concepts are essential to lead a team and achieve the objectives set. So what about the concept of leadership vs management? Within the company, the manager derives his authority from his title. If managers lack leadership, they can have a hard time keeping people motivated and involved. As a team leader, a good manager must therefore be able to set up an efficient work organization by involving each employee. The objective of my research is to deepen the concepts and approaches of strategic management, in the light of current trends in the economy and in light of the new challenges that these trends pose to the company.

The leader, for his part, is the one who takes initiatives in the group and inspires others. It holds its place thanks to the recognition of its collaborators. To be successful as a leader, it is important to set an example and have a vision to always move forward. Before explaining the roles of the manager and that of the leader, it is important to understand the differences between leadership and management. Although their roles are different, both leaders and managers are important in the company. In particular, they ensure the effectiveness of the teams and strengthen the collaboration of each member on a daily basis. What exactly is strategic management? A detailed analysis of the different concepts of this field will allow us to shed light. Thus, a review of the main existing models in this field will lead us to also carry out our own syntheses of the explanatory factors of strategic management.

What exactly is Strategic Management? Strategic management is the art and science of building successful businesses. The techniques that make up this methodology can be learned and applied by any manager. This administrative approach is now mandatory and has led many successful companies, which are distinguished by their rapid adaptation to changes and unique situations.

Strategic management enables the business to operate in a complex and dynamic environment in a successful manner. ... Strategic management emphasizes the evaluation and monitoring of external business opportunities and challenges in relation to the strengths and weaknesses of the company.

Strategic management consists of a series of business decisions and actions that determine the long-term performance of a company. Strategic management enables the business to operate in a complex and dynamic environment successfully. It involves an environmental scan (internal and external), formulation of strategies (strategic plan and long-term planning), implementation of the strategy, and evaluation and control. Strategic management emphasizes the assessment and monitoring of external business opportunities and challenges against the strengths and weaknesses of the business.



If, previously, it was common to practice intuitive and immediate management, today there is no longer any room for poorly thought out actions: if you want to survive in the market, you need a good management plan strategic. Therefore, it is necessary to start from planning to orient companies according to their objectives, in a complex process of adaptation to the environment.

Also, strategic management is a continuous and interactive process that adapts the management of the company to its environment, taking into account its value proposition, its objectives and its field of activity. This approach is necessary in times of rapid change, which demand a great capacity for adaptation on the part of organizations.

The corporate strategy designates the set of resource allocation choices that define the scope of activity of an organization in order to achieve its objectives. The axes of classic strategies seek to ensure its profitability, its development, its sustainability and the well-being that it brings to employees.

It corresponds to the development axes chosen for the company and is materialized through a system of objectives and an economic model (or a value chain) driven by a complex decision-making process: the strategic decision. Corporate strategy is also called general corporate policy or strategic management.

The first strategic decision support tools thus appeared in the 1960s in the United States:

• The best known is the SWOT model, acronym for the English terms Strengths, Weaknesses, Opportunities and Threats which is a simplification of the LCAG OCR matrix model (proposed by four Harvard professors Business School, Learned, Christensen, Andrews and Guth in 1969).

• The VRIN model, acronym of the English terms Value, Rarity, Inimitabily and Non-substitutability. It makes it possible to assess the capacity of resources to generate value in a production process.

• Analysis tools and grids have evolved thanks to improvements made by strategy researchers (in particular Igor Ansoff, Michael Porter, Henry Mintzberg, Jay Barney or W. Chan Kim and Renée Mauborgne) and by the strategy consulting firms of the Boston Consulting Group, McKinsey and Company or Arthur D. Little type.

The success of a business strategy is relative and not absolute: it is measured against the success of the competitors' strategy. The objective is therefore to obtain a competitive advantage that is to say to generate a lasting profit higher than that of the competitors. However, the cases of companies whose performance remains durably superior to the market remain extremely rare.

The strategy must match the resources and skills of the organization (predominant according to the resources approach defended in particular by Jay Barney) to the threats and opportunities of its environment (predominant according to the approach of Michael Porter). The main risk is that all the competitors provide equivalent answers, which according to the neo-institutional theory causes an institutionalization of the industry.

Strategy is traditionally the responsibility of the leader (CEO, CEO, manager, etc.). However, the manager is necessarily subject to a limited rationality in the sense of Herbert Simon when making decisions. He therefore risks contenting himself with formalizing the emerging strategies developed by the company or over-interpreting past successes, to the point of causing a possible strategic drift.

Strategic diagnostic approach. The strategic diagnosis or strategic analysis, consists in determining the adequacy between the resources available to an organization and the key factors of success of the environment in which it evolves, in order to recommend according to the characteristics of the competition, strategic orientations, which may eventually lead to a redefinition of the business, activities and economic model of the firm.

Classically, the strategic analysis process consists of five steps:

1. Segmentation (macro-segmentation) of the organization into Strategic Business Areas (DAS).

2. Competitive analysis of each DAS using the SWOT model. For the external part of the SWOT, we use in particular the PESTEL model (acronym of the words political, economic, sociological, technological, ecological and legal environment) and the model of the 5 forces of competition proposed by Michael Porter. For the internal part of the SWOT, we use in particular the value chain, also proposed by Michael Porter, and the VRIO model developed by Jay Barney (are the company's resources generating value, rare, inimitable and exploited by the organization?).

3. Choice of a generic strategy proposed by Michael Porter for each DAS: cost strategy (or price reduction), differentiation strategy (purification or sophistication) or focus strategy (niche). We are talking here classically about business strategies.

4. Arbitration of resource allocation between the different DAS using tools such as BCG Matrix, McKinsey Matrix or ADL Matrix. We are talking here classically about group strategy.

5. Evolution of the scope of activity towards new DAS (for example by using an Ansoff matrix): diversification, internationalization, vertical integration (upstream or downstream of the sector) or outsourcing of the least profitable DAS, mergers and acquisitions of competitors, alliances or partnerships.

Strategic choice. Historically, two levels have been distinguished in corporate strategy:

• the general level of the company, when the latter brings together several activities (and this is a frequent case). This is called corporate strategy or corporate strategy.

• the level of each strategic activity area. These are competitive strategies or business strategies.

In the light of more recent works, in particular those devoted to strategic innovation, the resource-based approach, hyper-competition or emergent strategy, this distinction is often considered outdated, because it is opposed to an integrated vision of the strategy:

• the modification of competitive conditions, which is part of the business strategy, can lead in particular to a change in the scope of activities, which is part of the corporate strategy. This is what we observe in particular within the framework of a Blue Ocean Strategy.

• similarly, the resources approach structures the strategies of the activities around cross-functional capabilities which, historically, would have been considered as falling within the corporate strategy.

• hyper-competition consists in shifting the field of competition from one activity to another, which blurs the traditional distinction between the corporate level and the business level.

• finally, work on emergent strategy shows that diversification can very well result from the gradual evolution of competitive interaction within a strategic activity domain.

In a single-activity company, the corporate level and the business level are combined, while in a company with diversified activities, these two approaches are interactive.

Development method - In order to implement changes in the scope of activity (diversification, integration, outsourcing, etc.), three development methods are generally distinguished and considered as possible:

• Internal growth or organic growth: the company develops using its own resources. It is sometimes unable to do so (as in a valley of death situation) and must then find external financing.

• External growth which involves acquisition or merger with other organizations.

• Alliances or partnerships, which aim to establish collaborations with other organizations. We speak of alliance to designate cooperation between competitors (for example Skyteam or Star Alliance in air transport), and of partnerships to designate cooperation between non-competitors, either between customers and suppliers, or between companies that do not maintain direct economic relations (for example the SNCF and Avis).

Inter-organizational relations - A central element of strategic choices concerns inter-organizational relations, i.e. all relations between organizations. Inter-organizational relations allow independent organizations to have access to external resources or to penetrate new markets and, as such, represent an essential lever of competitive advantage. The field of corporate strategy has paid much attention to the different forms of relationships between organizations, ranging from strategic alliances, buyer-supplier relationships, joint ventures, networks, and franchise relationships.

On the one hand, business strategy researchers who rely on economics (e.g. transaction cost theory) have argued that firms resort to inter-organizational relationships when they are the most effective compared to other forms of organization, such as operating alone or using the market. On the other hand, researchers relying on organizational theory (e.g. resource dependence theory) suggest that firms tend to associate with others when such relationships allow them to improve their status. , power, reputation or legitimacy. A key factor in the strategic management of inter-organizational relationships involves the choice of governance mechanisms. In particular, recent studies investigate the nature of contractual and relational agreements between organizations.

Strategic deployment - To implement the strategy, it is generally necessary to apply:

• Change management, in particular through management control and the help of human capital management.

• Good knowledge management. It comes in two strategies: codification and personalization.

• A new organization and a new information system (information system management).

• A new supply chain.

Strategic planning and strategic management. In the mid-1960s, Igor Ansoff defined the strategic planning process. The approach was widely used in the 1970s and is still often applied in large companies, particularly in energy or aeronautics.

Following in particular the work of Henry Mintzberg, strategic planning is now considered an outdated approach. According to him, strategic planning most often becomes a pure bureaucratic exercise that limits the adaptability of the company and prevents emergent strategies from appearing.

Strategic management. - Following the work of Henry Mintzberg or the development of the theory of resources since the end of the 1990s, in particular by Jay Barney, most strategy researchers do not distinguish between business strategy and strategic management, starting from the principle that the definition of general orientations which would not take into account their implementation would be an approach without practical interest. The association of French-speaking professors of strategy is thus called the International Association of Strategic Management, in order to clearly mark the integration of these two dimensions.

However, Jean-Pierre Helfer, Michel Kalika and Jacques Orsoni continue to introduce a distinction, insisting on the organizational dimension of strategic management. For them, strategy is the set of long-term decisions taken by the company to achieve its objectives, taking into account its resources and its environments. On the other hand, strategic management is the set of tasks falling within the scope of general management, the objectives of which are to set the company's paths for its future development while giving it the organizational means to achieve it.

Franck Rothaermel also makes the difference, but much less clearly. He opposes that strategic management is an integrating field of management that combines analysis, formulation and deployment in the search for a competitive advantage, while strategy is the set of actions oriented towards a goal that a company intends to achieve in the pursuit of gaining and maintaining a competitive advantage.

Other reference manuals, including Johnson et al and Demil et al. Include strategy in strategic management, in order to insist on the interdependence between the definition of objectives and their operational deployment.

This notion of interdependence between analytical reasoning and practical deployment is defended in particular by the model around which the work of Johnson et al.

The purpose of the strategy is, among other objectives related to the development of the company, to give meaning to change and to instil the spirit of enterprise. ... The work can be done with seriousness and efficiency and at the same time contribute to the satisfaction of the needs of the company and the collaborator

Strategic management is one of the most important skills in business management. In Strategic Management, you will learn how to proactively manage businesses and projects with a focus on long-term strategy, rather than reacting to day-to-day setbacks.

Describe and analyze the key elements of strategic management and production processes.

Going back, according to the new approaches, we can say that strategic management is a continuous process of strategic analysis, strategy creation, implementation and follow-up, used by organizations with the aim of achieving and maintain a competitive advantage.

A modern strategic management approach includes:

• An analysis of strategic resources,

•Skills,

• Capacities and

• Basic skills.

The crucial themes of such an approach are the sources of competitive advantage. Crucial resources are the best adaptation of the organization to its environment, the possession of resources, skills and abilities that are valuable, rare and difficult to copy by competitors.

This course covers these essential topics and concepts of strategic management, resource planning, and production operations management.

Strategic management does not consist in predicting the future but in preparing for it and knowing what are the exact steps that the company will have to follow to achieve its objectives.

In essence, this answers the following 3 questions:

1. Where is the organization right now?

2. Where does she want to go?

3. How can she get there?

What is the importance of strategic management? Is it important to know strategic management? Strategic management and effective operational planning will give you and your business a competitive advantage.

A company that has a competitive advantage performs much better financially than other companies in the industry.

It also allows you to see things from a broader perspective. Only managers who see the whole picture of the business and its environments can make the decisions that are best for the future of the business.

Let’s take a look at the benefits of having knowledge about Strategic Management:

• Defines the vision, mission and future goals of a company as well as the best strategy to achieve these goals.

• Improves awareness of external and internal environments.

• Increases managers' commitment to achieving company goals.

• Improves coordination of activities and more efficient allocation of corporate resources.

• Strengthens business performance.

• Strategic planning allows the organization to become more proactive than reactive.

The adaptation of human resources to the strategic objectives of companies as a very important factor in strategic management.

What is Human Resource Management (HRM)? HRM is a set of policies and actions allowing a company to adjust, quantitatively and qualitatively, human resources to the needs of the company.

The strategic management of Human Resources. Strategic human resource and organizational management seeks to align human resource structures, processes, programs and policies with organizational goals and to gain buy-in from all involved. The HR strategy is a more or less long-term vision of the strategic orientations to be followed to obtain the best possible return on the company's human capital (its human resources) by promoting the retention and development of talent.

Nowadays, we unanimously agree that human resources are the strength of the company. The shareholders are the creators of the company, without their financial contributions, the company would not exist, this constitutes irrefutable evidence.

The strategic management of the human resources function is a major challenge for the growth of companies and the orientation of decision-making. 2020 could confirm this turning point because the HR function is faced with 4 major HR challenges: digitalization, retention resources in the midst of a talent war, employability in a time of skills obsolescence and disenchantment with work.

How can HRM contribute to making the employee a real strategic resource for the company? Conversely, a company seeking to diversify through internal growth can implement recruitment, promotion and training plans. HRM offers companies two main means of adapting human resources to strategic objectives:

a) flexibility

b) training

HRM has evolved as companies and their environment have become more complex. From the 1980s, HRM became a strategic function and participated in the creation of value in the company.

A company's employees are a key strategic resource, a source of sustainable competitive advantages. It is therefore necessary to manage this resource so that it contributes to the achievement of the company's objectives.

How to assess human resources needs in the strategic management of a company? The realization or the changes of strategy require the evaluation and the adaptation of the human resources in order to achieve the planned objectives. Human resources must be assessed quantitatively and qualitatively.

This assessment takes place in four stages:

* Quantitative diagnosis: this involves identifying the workforce available to the company to implement its strategy. The single personnel register, which records all the movements of personnel in the company, makes it possible to carry out this diagnosis.
* Qualitative diagnosis: this involves evaluating the skills available to the company. Various tools allow this diagnosis: the organization chart, the mapping of professions, the age pyramid, the social report, the social dashboards, etc.
* Identification of future needs: HRM must identify staffing needs taking into account the strategy pursued and the evolution of the environment.
* The comparison between current resources and future needs reveals quantitative and qualitative gaps. These discrepancies require internal (training, promotion) or external (recruitment, layoffs) adjustments. This is the role of forward-looking management of jobs and skills (GPEC).
* What is forward-looking management of jobs and skills (GPEC)? The GPEC is a HRM system that ensures the adequacy between resources and needs both quantitatively (jobs) and qualitatively (skills).
* The GPEC was institutionalized by the law of January 18, 2005 known as the "Borloo law". For the State, this law aims to avoid sudden restructuring and social plans. It is compulsory in companies with 300 or more employees.
* For the company, the GPEC has become a support for strategic action. Indeed, it makes it possible to support the professional and geographical mobility of employees, to anticipate the consequences generated by strategic reorientations on human resources. Examples: a strategy of outsourcing production presupposes the consideration of retraining, retirement or even the dismissal of certain employees. Conversely, a company seeking to diversify through internal growth can implement recruitment, promotion and training plans.
* What are the means of adapting human resources to strategic objectives?
* HRM offers companies two main means of adapting human resources to strategic objectives: flexibility and training.
* Flexibility: in general, flexibility is defined as the company's ability to adapt to changes in its environment. Labor flexibility is a way of managing the workforce put in place by companies to quickly adapt production and employment corresponding to market fluctuations. There are different forms of flexible working.
* The quantitative flexibility of work consists in varying the workforce according to the intensity of the company's activity. It can be external: the company has recourse to the labor market to increase or decrease its workforce. The increase in staff is carried out by recruitment on a fixed-term or temporary basis. Downsizing can take the form of individual or collective dismissals. Flexibility is internal when the company adjusts its workforce by varying the number of hours worked. The adjustment is made by resorting to part-time work, the use of overtime, etc.
* The qualitative flexibility of work consists in adapting the workforce to the needs of the company by modifying the organization of production and/or by increasing the versatility of employees.
* Wage flexibility for a company consists in varying the remuneration it pays to its employees according to the economic situation and the evolution of the result. Remuneration increasingly includes a variable part which leads to an individualization of remuneration. Labor flexibility is justified by the need to support strategic choices and contributes to making companies more competitive. However, the abuse of work flexibility can become counterproductive and risks demotivating employees by making their situation precarious, disorganized and stressful.
* Staff training became a legal obligation in 1971. For the company, it is a question of ensuring that it employs qualified employees to maintain its competitiveness. Training is an (intangible) investment intended to maintain staff motivation and competence. For the employee, the training allows the acquisition of a higher level of qualification and possibilities of career development or promotion.
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* In a managerial objective we analyze the definitions of strategic management and will present the most important strategic management tools that every manager must understand such as:

• Understand the formulation of business strategy.

• Understand important strategic management concepts and tools such as PEST analysis, Porter's five forces model, SWOT analysis, benchmarking and balanced scorecard.

• Learn how to monitor production and operations with tools such as break-even analysis.

• Describe and analyze the key elements of strategic management and production processes.

* Thus, the gaze must always be fixed on the following points:

• Understand the formulation of business strategy.

• Understand important strategic management concepts and tools such as PEST analysis, Porter's five forces model, SWOT analysis, benchmarking and balanced scorecard.

• Learn how to monitor production and operations with tools such as break-even analysis.

• Describe and analyze the key elements of strategic management and production processes.

Strategy by strategic business area. According to Michael Porter, it is possible to distinguish the following generic strategies at the level of each of the areas of strategic activity:

• Strategies of domination by costs, which consist for a DAS in proposing the same offer as the competitors, but at a lower price: this is the approach claimed by Hyundai in the car industry or Leclerc in mass distribution.

For this, we often rely on the effect of experience, which makes it possible to reduce the marginal cost or of the last unit produced by an increase in the cumulative volume. A price strategy that relies on this principle is called a volume strategy.

• Differentiation strategies, which can be distinguished between upward differentiation or sophistication (offering a more elaborate and more expensive offer than competitors, but sold even more expensively: BMW, Apple, Starbucks, Häagen-Dazs, etc.) and downward differentiation or purification (offering a less elaborate and much less expensive offer than competitors, but sold at a lower price: Easy Jet, Ryan air, Lidl, Dacia, Bic, H&M, etc.). In both cases, the aim is to create a positive differential between the cost difference and the price difference in relation to the reference offer: either the price is increased more than the cost (upward differentiation), or the cost is reduced more than the price (downward differentiation).

• The focusing strategy: we focus on a market niche. For this, the market must be small enough not to attract large competitors and require investments specific enough to put off other small competitors. The main trap of a niche is to make it bigger.

The concept of strategy, in turn, has its origins in the military field. The term comes from the Greek word stratēgia, which means “the art of leading a troop” and referred to the generals of ancient Greece. The idea of ​​commanding armies to victory was adapted to business after the Industrial Revolution, when executives assumed the role of commanders in a highly competitive marketplace.

To understand strategic management, you need to start with three basic questions about the business:

By answering these questions, managers are able to diagnose their present and plan for the future, using strategy as the basis for achieving short, medium and long-term goals.

According to Professor Alfred D. Chandler Jr, who taught management and economic history at Harvard Business School, business strategy comes down to two words: competitive advantage. For the expert, strategic management is working to elevate the power of a company above its competitors, acting effectively to achieve goals and objectives. In this sense, strategic management involves all actions and decisions aimed at directing resources and means towards growth. Growing in this case means beating the competition in a very dynamic environment and delivering superior value to stakeholders (customers, investors, partners and society).

Strategic management therefore plays a vital role in the survival and prosperity of the business, charting a clear course in the midst of market turbulence. It is also important to emphasize that this management approach requires continuous learning and adaptation in real time. After all, the differential lies precisely in the ability of the company to react in an accelerated transformation scenario.

Benefits of Strategic Management – ​​Strategic management is the only possible way to stand out from the competition and win over the target audience. Here are some of the main advantages of this approach.

– Strategic vision

The strategic vision allows managers to analyze the internal and external scenario of the company, to see the next steps and the consequences of each decision taken. The vision statement should be carefully crafted to inspire employees to pull in the same direction and channel their strengths towards the business goal in a realistic and purposeful way.

For example, the legendary Henry Ford established the vision of “a car in every garage” in the 19th century, and with that he managed to change the world by popularizing cars. When strategic management takes action, the result is a broader view of the market, product/service, target audience, and stakeholders that steers the business toward a bright future.

– Create a competitive advantage

In classical competitive strategy (Elsevier, 2004), theorist Michael Porter identifies competitive advantage as the essence of strategic management. In this case, it is the company's ability to create greater value than the competition at the lowest possible cost.

To do this, organizations must create unique and valuable positions, meeting the specific needs of customers to earn their place in the market. According to Mr. Porter, strategy is used to choose what the company should do and also what it should not do to differentiate itself. Besides this approach, operational efficiency is also key to creating a competitive advantage, reducing costs and waste to achieve better results.

– Synergy in activities

Synergy means a simultaneous effort, with perfect cohesion and cooperation between the people involved and the activities carried out.

This is one of the main achievements of strategic management, which keeps all areas of the company interconnected and actions directed towards a single objective. This is another essential point of competitive advantage, as it ensures the harmony necessary to achieve a differentiated positioning.

– Sustainable growth

Growth is the goal of any business, whether through business expansion, entering new markets or internationalization. But for this growth to be well managed and become sustainable, it is essential that leaders adopt strategic management. Thanks to this strategy, it is possible to follow a line of sustainable growth, pushing the limits within the limits that the organization implies.

How to learn about strategic management

There are several ways to learn about strategic management, either through formal education or on your own initiative. A few steps to deepen your knowledge on the subject.

1. Understand the concept of strategy

There are more rational and holistic views of the concept of strategy, which is the fundamental starting point for any manager. Strategy can be the set of decision-making rules, the setting of goals in light of internal and external forces – or even how companies capture economic value. Thus, the concept is multi-faceted and needs to be understood from different angles before it can be put into practice.

2. Examples of successful studies

Case study is the best way to learn strategic management in practice, because there is no shortage of stories of successful companies.

Winning strategies like Netflix's on-demand streaming model and Havaianas' repositioning are a few examples that perfectly illustrate the theme. Therefore, nothing better than relying on experience to explore the concept.

3. Search for courses and training in the area

Formal education also offers several course options in the field of strategic administration, ranging from workshops to postgraduate courses. For example, FGV's "Introduction to Strategic Management" course gives entrepreneurs an overview of the subject in just five hours. The Post-Graduation in Strategic Administration, of the FIA, offers a complex and multidisciplinary academic training to deepen knowledge on the subject.

Main authors of Strategic Administration

Several authors have devoted themselves to strategic administration, from classics to contemporaries. Michael Porter is a classic author of strategic management, professor at Harvard Business School since the age of 26. His most famous work is Avantagem Competitive das Nações (Elsevier, 1989), in which he applies business logic to nations and begins his career as a national consultant.

Henry Mintzberg is a renowned academic, author of numerous books on strategic management, and holder of a doctorate from the Sloan School of Management at MIT. His best-known book is “The Rise and Fall of Strategic Planning (Bookman, 2004)”, in which he critiques some current strategic planning practices and guides new ways of making business decisions. Mintzberg's work is essential and also controversial on several points, because the theorist criticizes what he calls "the obsession with numbers" and defends a management based on practice and experience.

Igor Ansoff, a North American professor and consultant of Russian origin wrote the famous business strategy (Penguin Books, 1987). Influenced by Peter Drucker and Alfred D. Chandler, he presented a unique process for formulating goals and strategies based on environmental opportunities. Additionally, she created the Ansoff Matrix, a strategic planning model that guides business expansion through a series of decisions.

Examples of strategic management

There is no shortage of examples and success stories in terms of strategic management. Here are some of the most expressive:

– The irreverence of the apple

To become the world's most valuable brand, valued at $247 billion, Apple stayed true to its strategy: to challenge the status quo. The “Think Different” campaign illustrates the power of the company to create revolutionary products and conquer new global markets. Even after this dazzling success, Apple has not stopped innovating and remains convinced of the need to create new solutions and new technologies.

– Transparency of South West Airlines

South West Airlines is famous for its ingenious strategy: to lead the low-cost aviation industry with absolute transparency and human service. The company manages to survive the crises of the airline industry thanks to the intelligence in reducing costs and the dedication of its employees, who have a real passion for the organizational culture.

– The audacity of Airbnb

Airbnb has gone from a start-up to one of the biggest powers in the global tourism market, thanks to a bold strategy.

The company used the growth hacking technique to reach the $1 billion market value, betting on establishing trust as the basis for the shared hosting service's success. Additionally, she invested in a strong digital presence and storytelling strategy to communicate her differences.

Strategic management in a managerial approach

Strategic management is therefore the set of planning, execution and control actions orchestrated by professional managers, leading the resources of the organization to the achievement of its objectives. In other words, it is the way to manage the whole company from an initial strategic planning that covers the structure of the organization, from scenario analysis to execution and management. Evaluation of the plan.

It is part of the scope of strategic management to perform a diagnosis of the business, define specific objectives and develop plans to achieve the goals, allocating the necessary resources and continuously adjusting the process. Thus, this discipline is oriented towards strategic thinking and planning, responsible for the formulation and implementation of the measures necessary for the success of the company.

Main characteristics of strategic management

– Adapt the company to its environment

One of the basic principles of strategic management is the adaptation of the company to its business environment. This environment is characterized by the field of activity, the segment, the target audience, the geographical location, the competition and the product/service, among other essential aspects that place all the companies. Adaptation, in this case, is about aligning the organization's goals and strategies with the threats and opportunities in its environment, in pursuit of competitive advantage and growth.

– Internal and external diagnosis

To adapt successfully, the company must carry out an internal and external diagnosis. To do this, it is necessary to rely on classic tools such as the SWOT analysis: a diagram that allows you to locate the strengths and weaknesses within the company as well as the opportunities and threats outside. As the basis of strategic management, SWOT helps to analyze the scenario with precision, verifying the exact position of the company in the market.

– Complexity and fluidity

Strategic management is not a process with a beginning, a middle and an end, but a continuous and uninterrupted activity. Indeed, the market is an ever-changing environment, which demands quick responses and constant changes of plans. The strategy must therefore be reviewed, adjusted and improved according to the situation, which requires constant attention due to its complex and fluid nature.

– Systemic application

This type of management only makes sense if it is applied at all levels of the organization, from a systemic point of view. In other words, businesses are complex systems with multiple interdependent relationships and functions, and management must consider each of these links while visualizing the whole. Therefore, any initiative in one area will have an impact on all the others, which will require management to consider both macro and micro aspects in its decisions.

– Formulation and execution of plans

The basis of strategic management is the definition of the objective, the formulation of strategies and the implementation of what has been planned. That is why it is up to leaders to chart the most effective paths to success and ensure that the organization moves in that direction, making necessary deviations as changes occur. It is clear that it is not always possible to act as planned, so strategic management also involves emergent decision-making.

For Johnson, Scholes and Fréry (2002), strategy consists of an allocation of resources that commits the company to the long term by configuring its scope of activity. For inferred strategy, the strategist builds the strategy by identifying threats and opportunities resulting from external forces acting on the business and adapting the resources at his disposal to take advantage of them. On the other hand, the strategy built consists in relying on the resources and skills of the company in order to establish a competitive advantage or to create new opportunities.

Moreover, these authors (Johnson, Scholes and Fréry, 2002) specify that strategic management includes strategic diagnosis (by which the strategist determines his strategic position), strategic choices (which consist of formulating possible options and selecting the one of them) and finally the strategic deployment (which concerns both the implementation of the chosen strategy and the management of the changes (or adjustments) that this choice imposes).

Overall, the managers of large companies, just like the managers of SMEs (entrepreneurs), all pursue the following general objectives: the survival of their company, the maintenance of their strategic position or the growth and development of their company. Even if the large company has more human resources to carry out an adequate professional strategic management, this should not prevent the entrepreneurs of SMEs from adopting a strategic management approach for their company.

Often, entrepreneurs start their business with few resources. They therefore understand the meaning of a judicious use of resources. In addition, they very quickly perceive the need to ensure the survival and development of their business. The application of the strategic choices of the business plan formulated by the entrepreneur as well as all the adjustments made during the start-up in order to ensure the sustainability of his business constitute a good example of strategic management. However, many entrepreneurs hesitate to redo this exercise after a few years (diagnosis, choice and implementation) in order to understand the current situation and specify new development directions for the coming years.

The current environment is different from the period experienced by the company when it started. Environmental factors (competitors, suppliers, customer needs, technology, etc.) have evolved and the entrepreneur must take a step back to better understand this new reality. The strategic choices of the start-up (product, customer, territory and technology) require questioning and adjustments are necessary in order to adapt to this new environment in order to maintain or increase its business performance. The entrepreneur must take a moment to pause and look at how far he has come. He must analyze his achievements (good and less good) in order to properly orient the future of his company.

The adventurer plans his expedition. Periodically, he stops, consults his map, observes the path taken and occasionally adjusts his route in order to stay on course and ensure that he reaches his objective. He must learn to question himself periodically in order to move forward better.

Just like the adventurer, the entrepreneur must recognize the need to get out of the natural whirlwind of his daily life in order to think about the future of his business, because the absence of this work of strategic reflection can catch up with him in any management of the moment.

**Conclusion:**

Strategic management is important for organizations. Strategy is the main activity of all leaders who are looking for management methods and tools to create a competitive advantage and beat the competition. The same way commanders guide their troops through battle, planning every move, managers guide people and resources to victory in business. The challenge, in this case, is to create strategies that differentiate the company and fully meet the expectations and needs of customers, investors and partners. Then, the most difficult step is to ensure that the strategy spreads throughout the organization and directs everyone to the same point, maximizing efforts towards the company's objectives. When strategic management fulfills its objective, everyone walks in the same direction and becomes part of the corporate culture, seeing the same horizon pointed out by the leaders. This requires hard work, concentration and analytical skills, as well as a thorough knowledge of management tools, scenario analysis and tactical implementation. As seen previously, there is an extensive bibliography on the subject, in addition to training programs, events, courses and platforms for content focused on strategic management.

Some of this knowledge will only be acquired with experience, as some authors point out, but the first step to taking advantage of a career in management is to seek out all the information available on the subject. For more individualized professional support, it is possible to call on a coach specializing in the careers of managers and executives. These human development professionals are able to improve their skills and correct their vulnerabilities, aligning their profile with that of a successful strategic manager. Any training will help, but don't forget the essence of business strategy: the ability to see beyond the present and make the most of every moment.

You should never stay on your initial idea. The idea is to be accompanied upstream to find a business idea that allows you to explore more original avenues, which therefore have a better chance of succeeding. Look around you because the best business ideas sometimes come from the environment around us or from taking inspiration from a concept that works abroad. Read specialized magazines sometimes many magazines and media refer to startups, entrepreneurs, or even directly to business ideas.

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