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CHOICE OF STRATEGY: THE MANAGERIAL AGENDA TO DETERMINE MISSION, VISION AND VALUES FOR BUSINESS ENTITY

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ABSTRACT

The strategy of a firm is the central core of objectives and policies against which all major decisions are measured and all new strategy chosen. To be helpful as a guide to making major decisions the firms strategy should be clear and well understood and accepted by the principal decision makers. Hence what needs to be guarded against while choosing a strategy is imperfect decision-making which may result from the tendency to ignore problems in the hope that they may disappear to avoid the risk. The present article studies about the purpose of the choice is to direct resources towards objective in accordance with the chosen strategy of the firm. Executives who are risk prone and risk takers look for high growth, less stable markets. They prefer to be innovators, seeking early entry into new high growth markets. Those who tend to be low risk-takers prefer to adopt sager options even though the payoff is not high, they prefer to be followers rather than innovators in newer untried fields. Those who consider some risk is desirable balance high with low risk choices and prefer a combined strategy.

Managerial attitude toward risk is not to be regarded as something unchangeable. It may vary in the face of fast changing industry or environmental conditions. The strategic decision process may be grouped on the basis of two key variables, viz., potential market growth and the firms competitive position. It would be desirable for such firms to minimize investments in the low growth area thus generating cash for other strategic moves.

KEY WORDS: *Strategic planning, Managerial agenda, Mission, Vision, Values, Strategic choice, Value systems, Managerial attitude, organizational behavior.*

MANAGERIAL AGENDA

Organizations need managers that can get the best form their teams, and achieve sustainable results. Managing in the 21st century is fluid ad changeable requiring flexibility alongside solid skills and competencies. The impact of technology the pace of work and the increasingly inter generational nature of the work place make management both exiting and challenging. It is very unlikely that an organization would know which direction to take without a sense of direction. Managers are faced every day with decisions that have a major impact on the direction the organization must take, therefore, strategic planning can play an important role in guiding managers in the right direction. In other words strategic planning is a tool that management can use to give them a sense of direction that will guide them in doing a better job.

Management should understand the nature and extent of changing affect in the economy and be able to predict how those changes affect their industries and what opportunities will bring change. Within the organization major decisions are often influenced by the power play among different interest groups. Strategic decisions are no exception. If chief executive is in favor of a strategic option, it may be endorsed by senior managers close to him, but one or the other managerial clique may oppose it. Research findings have thrown considerable light on the impact of managerial power relations on strategic choice.

METHOD OF MAKING THE STRATEGIC CHOICE

Strategic choices may be the outcome of judgment, bargaining or analysis. The decision may be a subconscious process and the choice may be made by an individual on the basis of his judgment. The choice may be made by a group with conflicting objective so its members each exercising his own judgment and arriving at a decision through bargaining. Thirdly, choice of strategy may be the outcome of a systematic evaluation of alternatives based on facts and analyzed by staff experts, such analysis being followed by choice by judgment or bargaining. Every company has a certain amount of resources available to it — among them financial resources, human resources, productive capacity and distribution channels. Strategic choices are the specific steps a company intends to take to deploy these resources. Your strategic choices could include determining what products and services to sell, where to sell them, how to sell them and what target markets to sell them to. A strategic choice could be acquiring a competitor if the objective is to gain market share. Another strategic choice might be to focus on selling at trade shows rather than using advertising to reach potential customers.

OBJECTIVES DEFINED

Business planning is a process that companies both large and small use to determine a course of action that leads to revenue growth and increased profits — in other words, a path to success. Two important aspects of the business planning process are setting objectives, also called goals, and making strategic choices to reach these objectives. Objectives are forward-looking statements of what a business owner intends to accomplish. These can be quantifiable — for example, increasing sales 20 percent in the upcoming year. Many objectives are not expressed in numerical terms, however, such as setting a goal of improving morale in the sales and marketing division. Businesses usually have short-term objectives — those set to be accomplished in the next year — and longer-term objectives that can look out as far as five years or more.

What is strategic planning?

Strategic planning is the process of making these choices and documenting them. An effective strategic plan makes choices based on:

- Knowing who you are
- Knowing what brings change
- Predicting how the environment is likely to change
- Rigorous and honest self-appraisal

A. Knowing who you are: A good strategic planning process connects to the identity and mission of the organisation. It obviously helps to be clear about questions like: Why do you exist? What is the unique contribution you bring to the world? What would be lost if you did not exist? Who are you? A good strategy process often involves 'cleaning the mirror', so we are clearer about who we are.

B. Knowing what brings change: A good strategy process is based on knowledge of what brings change to beneficiaries or to policy environment. The project system in which we operate encourages us to focus on activities and deadlines, rather than on what actually brings change.

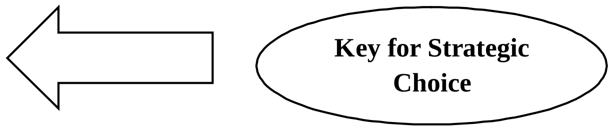
C. Predicting how the environment is likely to change: An essential element of strategic planning is predicting the future and thinking through how this will affect the work. The most famous ice-hockey player of all time, Wayne Gretsky said the secret of his success was that: 'I skate to where I think the puck will be'. Not skating to where things are today, but predicting where they might be in the future and proactively moving in that direction.

D. Rigorous and honest self-appraisal: To plan well, you have to know where you are starting from. An honest and open discussion about existing strengths and weaknesses is an important element of strategy.

STRATEGY CHOICE KEY FOR STRATEGIC PLANNING

Strategic choice involves selecting from among several alternatives the most appropriate strategy which will best serve the enterprise objectives. The choice takes place within a frame of reference consisting of different elements and the choice made is the product of interaction of the elements in the frame of reference. Alvar Elbing has distinguished between seven categories of such elements:

- Accumulated knowledge base
- Decision-making processes.
- Assumptions about cause and effect
- Human needs
- Past experiences
- Expectations
- Culture and values



Similar factors have been suggested by other writers but classified differently for analytical purposes. Indeed, the factors which may influence the choice of strategy are many some of which may be constraints limiting the scope of choice. The more important factors influencing the strategic choice are:

1. The survival and prosperity of a firm depend largely on its interaction with the elements or units in the environment.
2. Within the organization major decisions are often influenced by the power play among different interest groups.
3. While suggesting a strategic choice, different departments evaluated the strategic alternatives differently and in their own interest.
4. The number criteria considered in evaluating a strategic choice was directly related to the degree of uncertainty in the projects forecasts.
5. Value systems in decision making by managers is well established while evaluating a strategic alternatives.
6. The choice of current strategy may be influenced by the earlier strategy for a variety of reasons.
7. The time dimension of strategic choice is another factor in strategic decision process that may be considered.
8. Availability of information is a crucial factor in the choice planning.
9. The management must take into account the likelihood of the reaction, the competitors capability to react ad its impact on the strategic choice.

IMPLEMENTATION OF EFFECTIVE STRATEGIC PLAN

Developing alternative strategies and making the strategic choice constitute important step in the process of strategic management. Implementation of strategy is the next vital stage in the process. Implementation may be regarded as a more important stage than that of choosing the strategy. Implementation effectiveness can be measured by how well the business meets the financial projections set out in the strategic plan.

To achieve effective implementation, a business must ensure that any changes initiated by the strategic plan are reflected in areas such as budgeting, reward schemes and information systems. The overall goal is to integrate the results of strategic planning with daily, weekly and monthly routines. The goals articulated in the strategic plan should drive marketing and sales efforts, human resources practices and research and development. These goals become a central part of the business by guiding daily operational activities.

FUNDAMENTALS OF STRATEGIC PLAN IMPLEMENTATION

Once you have a robust strategic plan in place, the following actions are crucial to successful implementation.

1. Avoid common implementation mistakes.
2. Reach out to stakeholders.
3. Measure progress in the strategic plan.
4. Monitor the strategic plan.
5. Requires commitment and cooperation of all units, levels and members if it is to succeed.

Objectives to Achieve Goals:-

Accomplishing a goal requires establishing and achieving several specific objectives, which must

- Be clear, concise and attainable.
- Be measurable.
- Have a target date for completion.
- Include responsibility for taking action.
- Be arranged according to priority.

An objective to the above-stated goal could require that the dispatcher develop a route structure capable of providing three-hour service to any area within 20 miles of the city's center, with the service beginning within six months. An objective has to fit within a hierarchical network of other objectives that together contribute to the firm's ultimate goals and mission.

When you have a clear grasp of the competitors, customers, suppliers and situations you face, and you combine this with a realistic understanding of your own strengths and weaknesses, you can develop a strategic plan with a strong chance of success. You may decide that you have the strengths to compete with other businesses "head-to-head" in their best markets. You may choose to target a market that has not been touched by your competitors. You may see opportunities to influence local or state legislation in a way favorable to your needs. Or you may realize that you are constrained by a combination of circumstances that severely restrict your opportunities and leave you only limited chances for success. You should, however, under any of these scenarios, be able to make better choices.

VISION MISSION AND VALUE THROUGH PLANNING

The best strategic plans have both a soft and a hard composition. The softer side includes mission, visions and values and beliefs. The harder side includes outcome goals and strategic objectives that include milestones, metrics and benchmarks.

The cornerstone to any strategic plan are "the big five" They are:

- Mission: Why does the organization exist? What is the reason for being?
- Vision: How will your community be changed, and made better by what you have done?
- Values/Beliefs: What core principles should guide your organization in the present and into the future?
- Goals: These are outcome statements that define what an organization is trying to accomplish, both programmatically and organizationally. Goals need to be SMART – Specific, Measurable, Achievable, Realistic and Timely.
- Strategies: How are you going to meet the goals? Remember: if the strategies get too detailed, you are moving away from strategic planning and into annual operational planning.

Mission: A mission is at the core of why you're doing the work you do. A mission statement reflects purpose and may include some strategy reflection. Crafting a good mission statement can be challenging. Sometime it is helpful to seek consensus on core elements, and then have volunteers later put the core pieces together for the group's later review.

Vision: Vision is a long range picture of how the "world will be" if you're successful in your work.

Goals and Objective: Goals are simply a clear statement of the mission, specifying the accomplishments to be achieved if the mission is to become real. The target objectives are even clearer statements of the specific activities required to achieve the goals, starting from the current status. At this point, strategic planning begins to produce lots of ideas and action steps. Often the scope of this activity can be managed by delegating different topics to different teams. Objectives basically address the difference between where we are (current status), and where we want to be (vision and goals), by spelling out what we do (target objectives and action plans) to get there. Objectives are specific, measurable results produced while implementing strategies.

Values: Values are the organization's essential and enduring tenets - a small set of general guiding principles; not to be compromised for short-term financial gain or expediency. Values are the "proven, enduring guidelines for human conduct" called "Principles" by Covey. Values include both the Commitment Statement portion of the Mission Statement and Goals in the *Simplified Strategic Planning* (SSP) process.

The strategic planning process should include an opportunity for all board and staff to come together and analyze the strengths, weaknesses, opportunities and threats (SWOT) facing the organization. The SWOT analysis helps everyone focus on key priorities. The strengths and weaknesses are internal – how is the organization positioned, what are the internal challenges and what are the areas where the organization shines? Board and staff may be considered a strength as well as the organization's reputation and history, and weaknesses could be capacity, infrastructure etc. Opportunities and threats are external. Opportunities may be new program areas; new funding; and community collaborations.

CONCLUSION

Strategic planning has become more important to business managers because technology and competition have made the business environment less stable and less predictable. If you are to survive and prosper, you should take the time to identify the niches in which you are most likely to succeed and to identify the resource demands that must be met. In larger businesses the steps outlined in this guide may be carried out by teams of experts or may involve the interplay of ideas among hundreds, even thousands, of managers. These guidelines are equally applicable to the entrepreneur sitting down with several key employees to discuss what can be achieved in the next two to three years, and what it will cost. The amount of time spent on each step and the resources devoted to this process will vary greatly from business to business, but it is vital to understand and employ these steps. The questions in the self-assessment questionnaire below will help you recall the steps involved in developing a strategic plan.

Strategic planning determines where an organization is going over the next several years, how it's going to get there and how it'll know if it got there or not. The plan includes specific products that will direct the County's prevention activities. Even though you may have previously developed vision and objectives, the planning process provides an opportunity for partners and staff to establish common language and involvement in the County's prevention system. Prevention services can be greatly enhanced by developing clear vision and mission statements, objectives, comprehensive strategies, and detailed action plans.

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