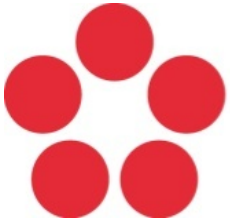


Jihočeská univerzita
v Českých Budějovicích
University of South Bohemia
in České Budějovice

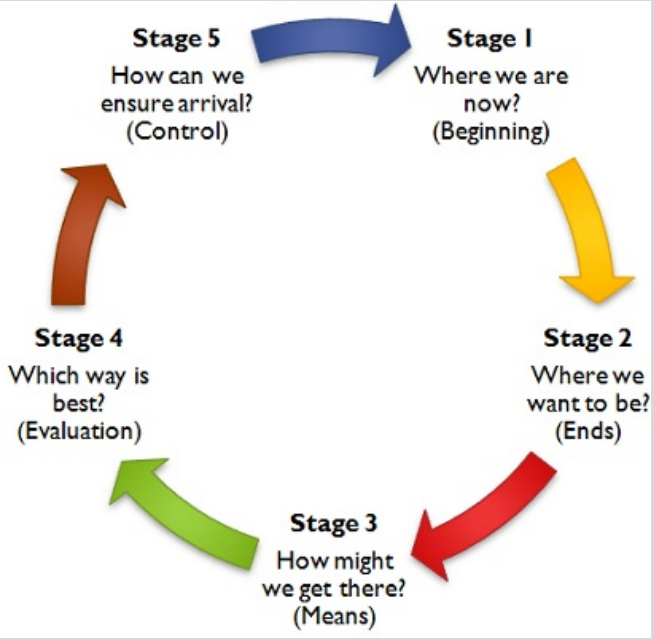
Strategic management

doc. Ing. Ladislav Rolínek, Ph.D.

EVROPSKÁ UNIE
Evropské strukturální a investiční fondy
Operační program Výzkum, vývoj a vzdělávání

MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY

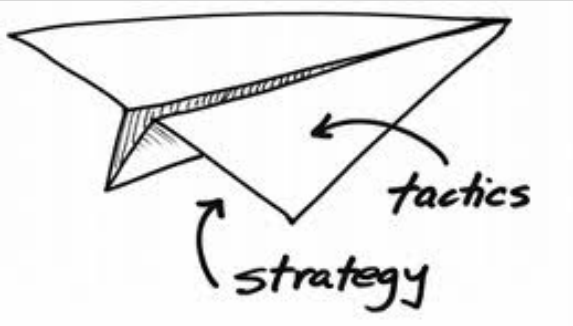
The American businness historian, Alfred D. Chandler (1962), who provided one early definition of strategy said, „strategy is the determination of the basic long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources for carrying out those goals“.



Ohmae defined strategy as „the way in which a corporation endeavours to differentiate itself positively from its competitors, using its relative corporate strengths to better satisfy corporate needs“.

Strategy - definition

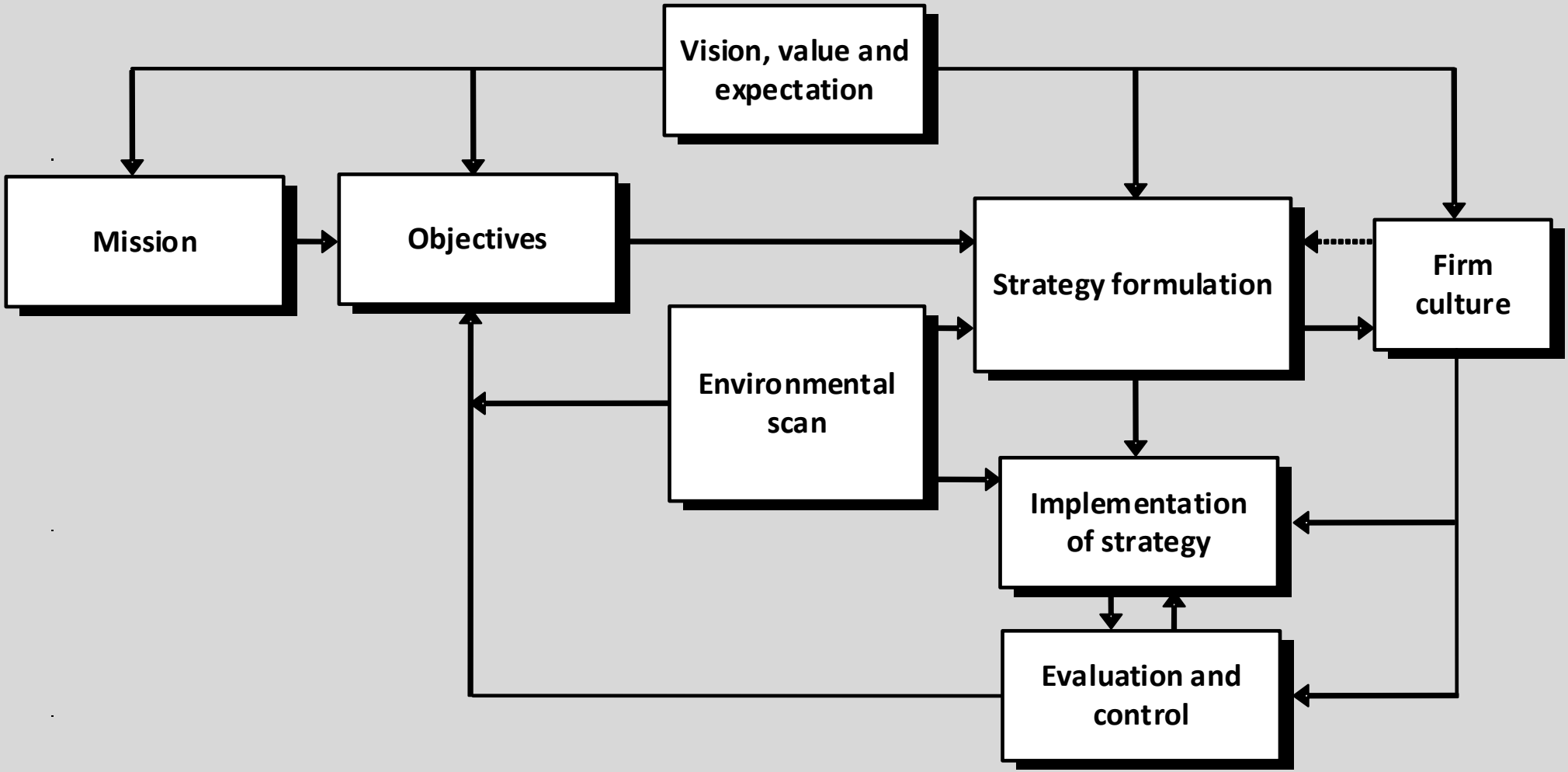
The American businness historian, Alfred D. Chandler (1962), who provided one early definition of strategy said, „strategy is the determination of the basic long term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources for carrying out those goals“.



Ohmae defined strategy as „the way in which a corporation endeavours to differentiate itself positively from its competitors, using its relative corporate strengths to better satisfy corporate needs“.

Strategic management - model

Integral model of strategic management (Hron et al. 2000)



Mission of company

The **mission** describes the company´s business vision, including the unchanging values and purpose of the firm and forward-looking visionary goals that guide the pursuit of future opportunities.

The mission statement communicates the firm´s core ideology and visionary goals, generally consisting of the following three components:

- ✓ **Core values** to which the firm is commetted
- ✓ **Core purpose** of the firm
- ✓ **Visionary goals** the firm will pursue to fulfill its mission.

Objectives

What is the **objective**? What is it used for?
How should a correctly formulated objective (goal) look like?

Target Parameters

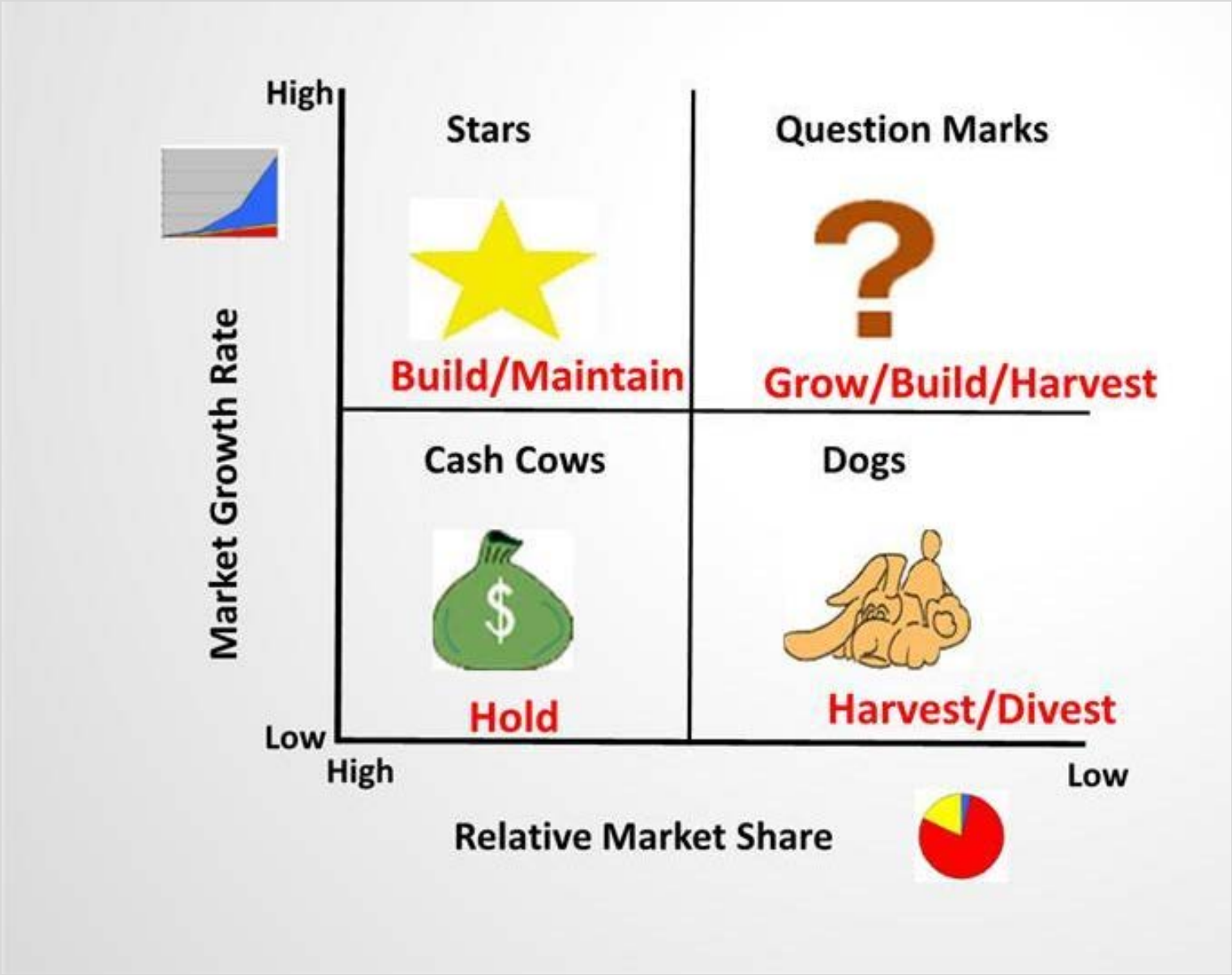
- SMART
- 4 E
- Positive target

„If we do not know which port we are heading for, no wind is favorable.“

Seneca

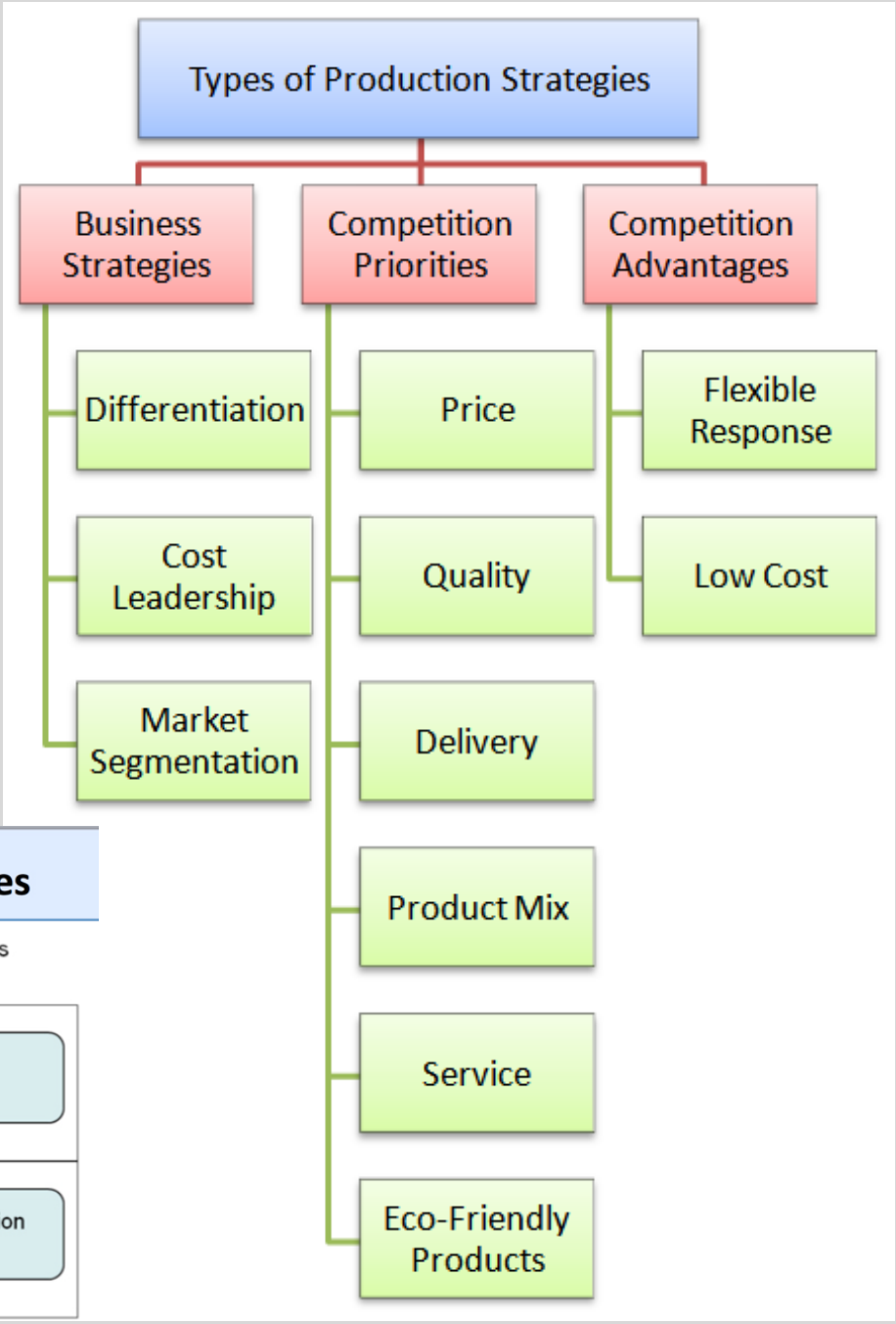
Environmental Scan - Porter´s five forces

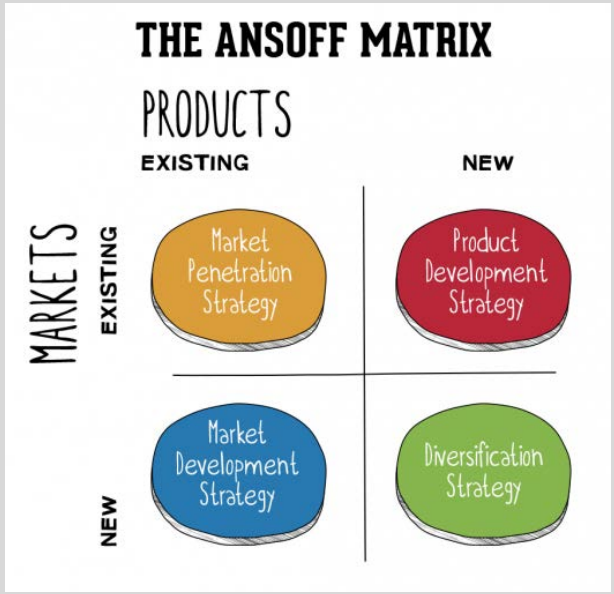
Environmental Scan - BCG matrix

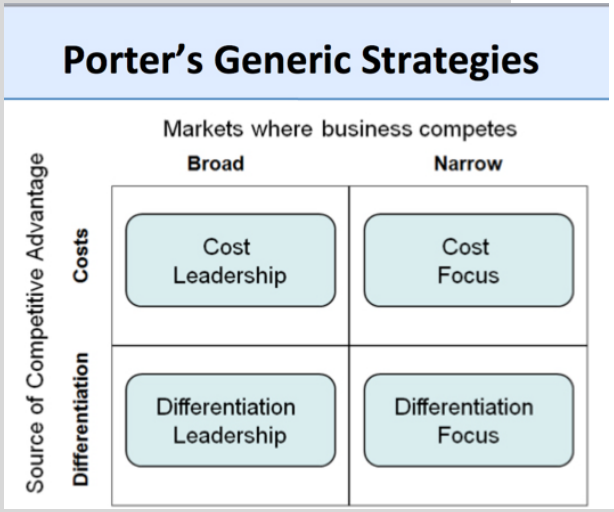


Strategy formulation

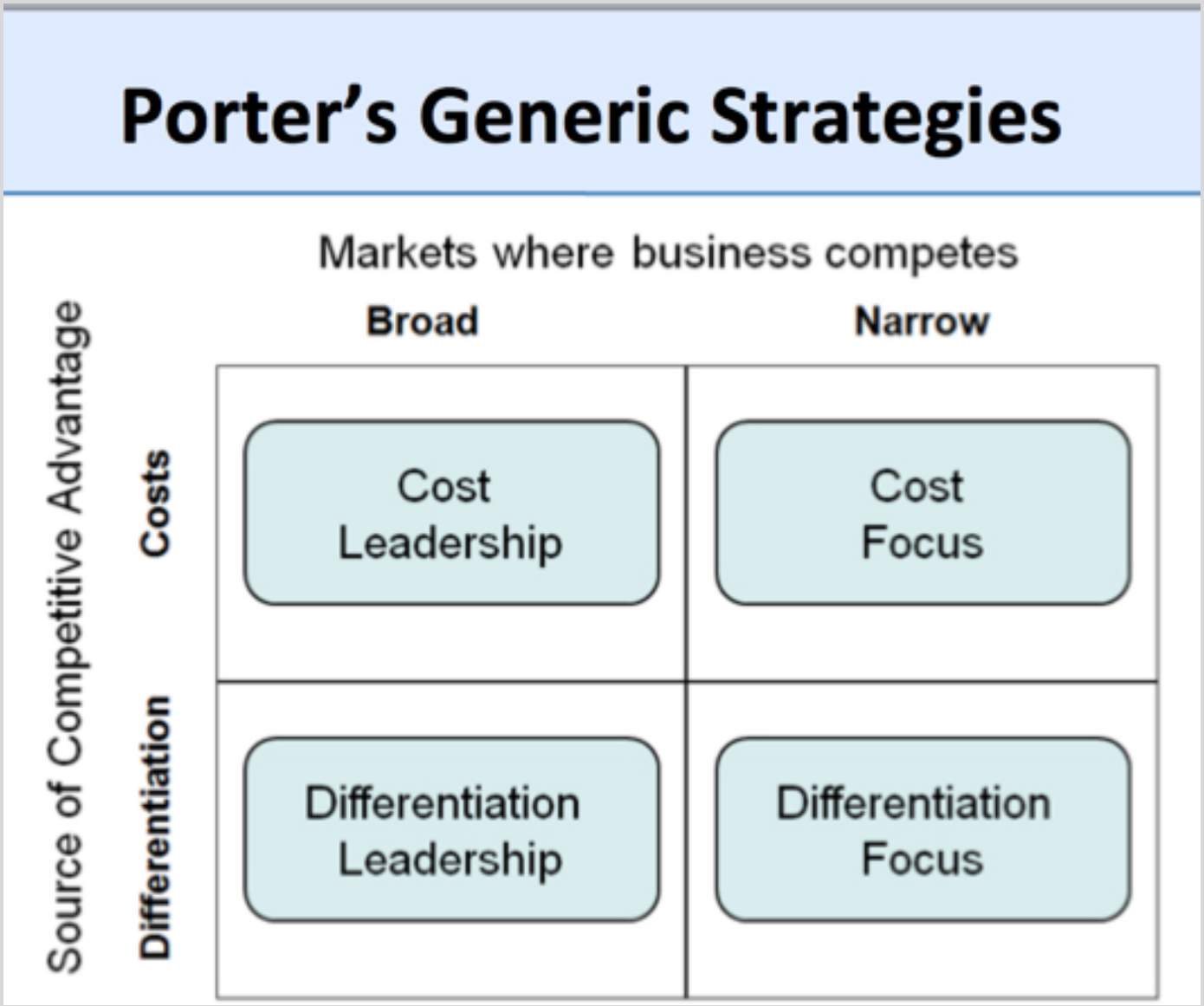
The selected strategy is implemented by means of programmes, budgets, and procedures. Implementation involves organization of the firm´s resources and motivation of the staff to achieve objectives.



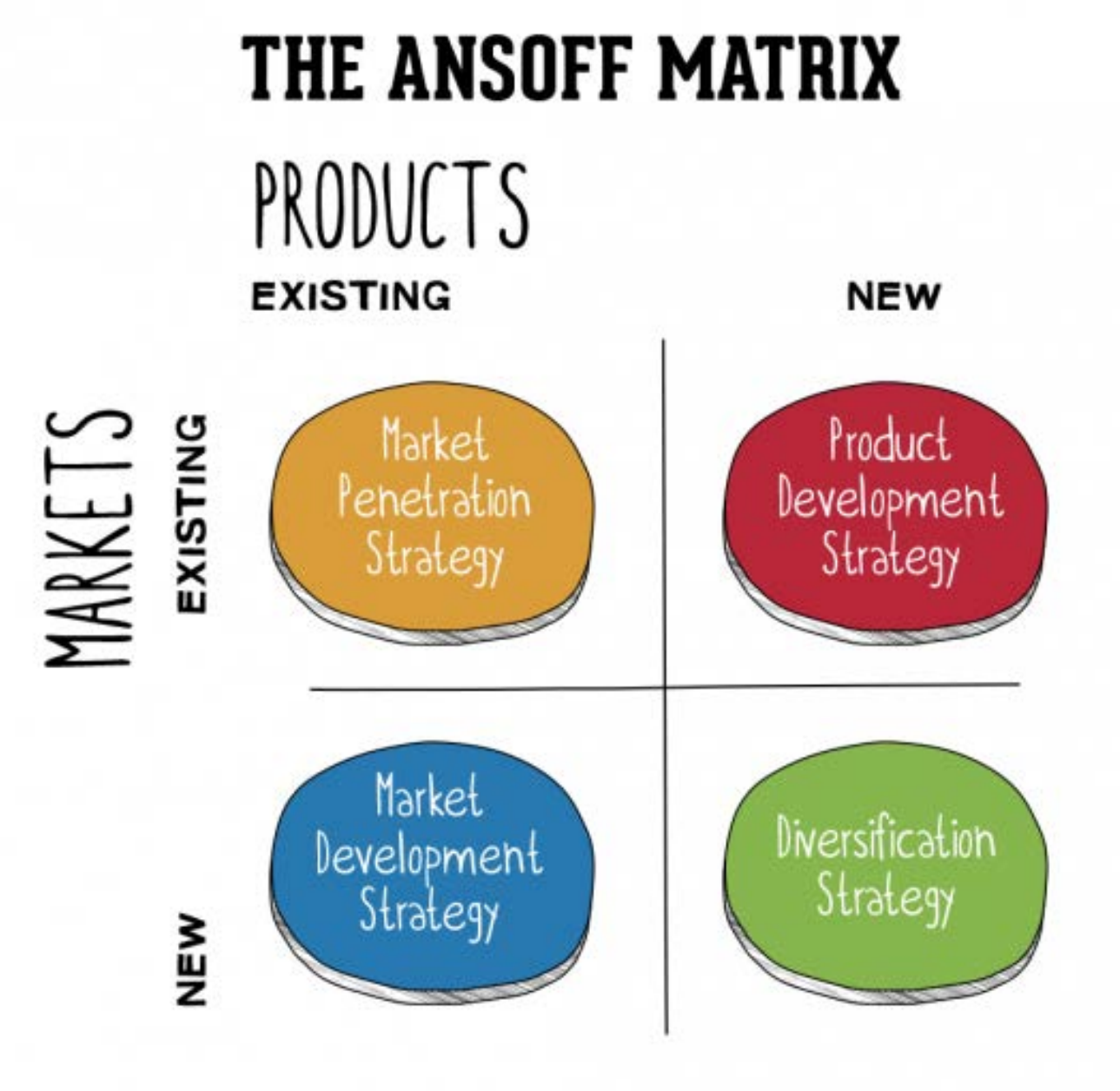




Strategy formulation



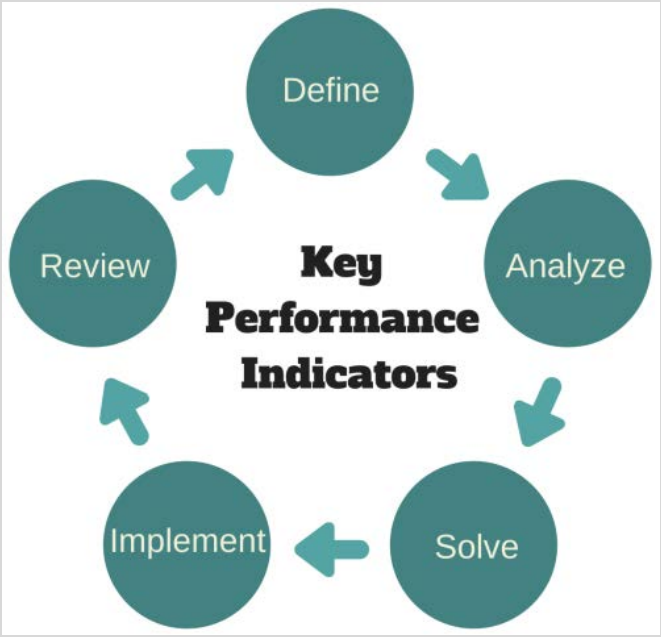
Strategy formulation



Strategy implementation – KPI

Key Performance Indicators

KPIs are the indicators, metrics, or performance metrics assigned to the process, service, organizational unit, organization as a whole, which express the required performance (quality, efficiency or economy).



Strategy implementation - BSC

Phase I:
Transforming vision and strategy into a balanced system

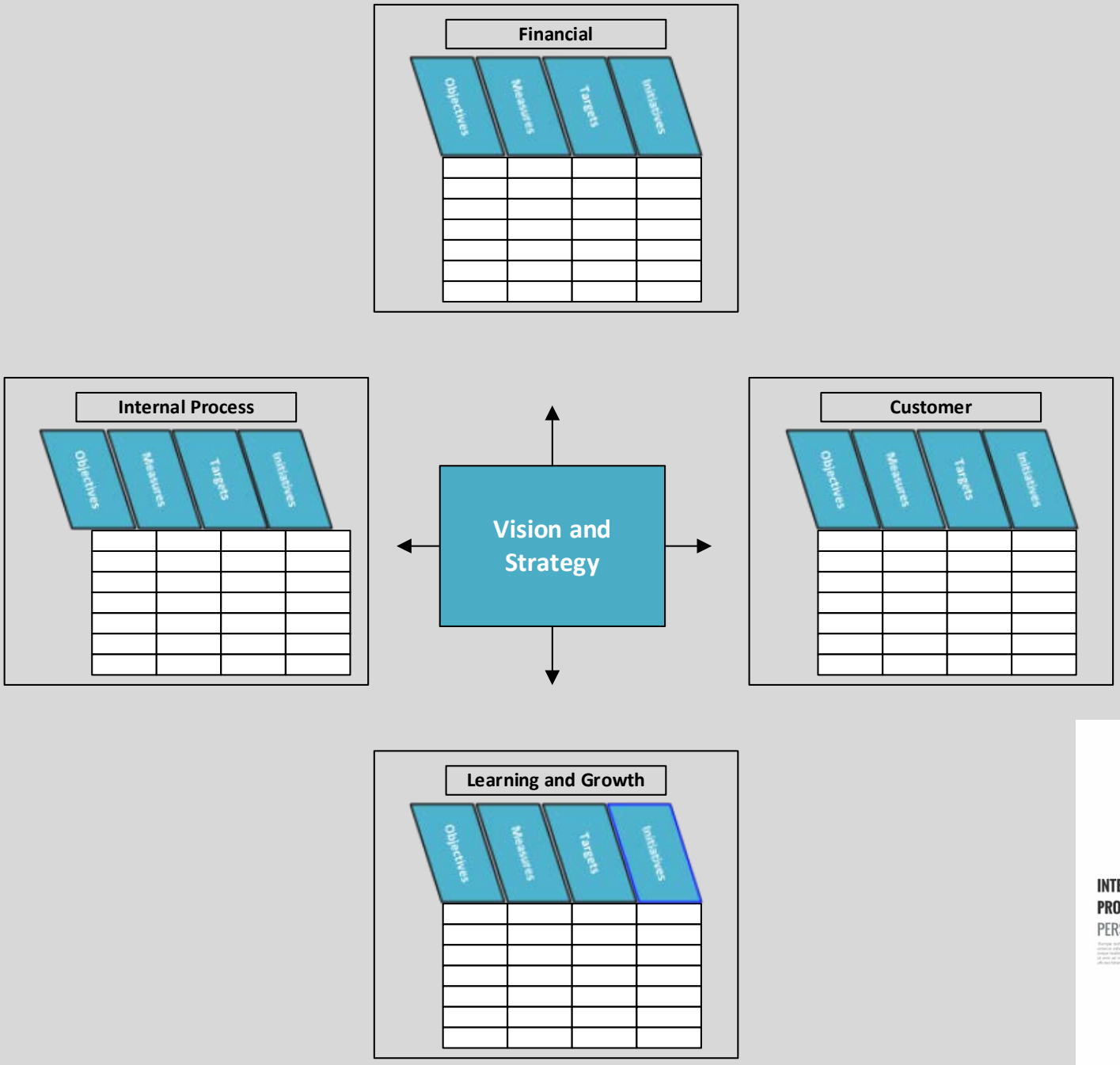
Phase II:
Communication and further concretization of strategy

Balanced Scorecard

Phase III:
Anchoring strategy in planning

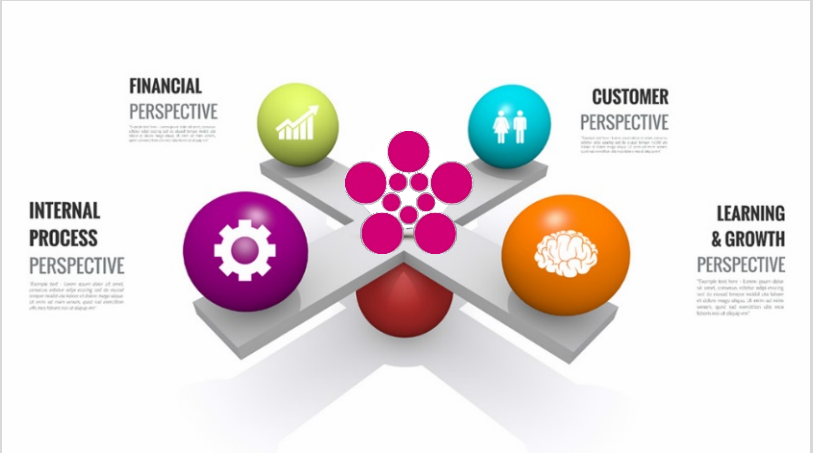
Phase IV:
Learning and adaptation (analysis and eventual change of strategy)

Strategy implementation - BSC

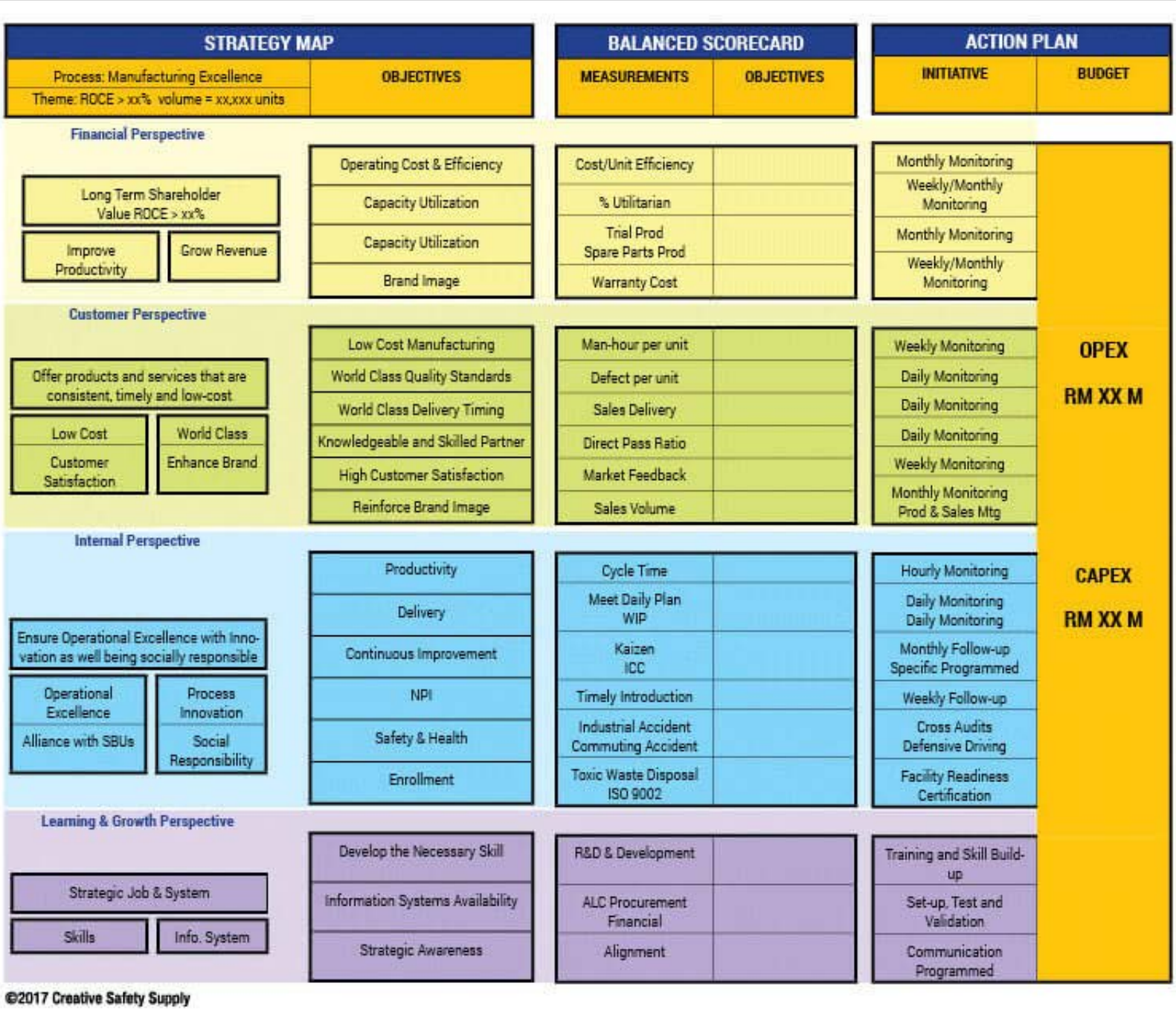


The Four Perspectives in More Detail

Perspective	Focus	Example KPIs
Financial	Financial Performance	ROI Operating Margin
Customer	Customer Satisfaction	Level of returns Service rating
Internal Processes	Business Efficiency	New product lead time Unit costs
Organisational Capacity	Knowledge & Innovation	Employee retention Flow of NPD ideas



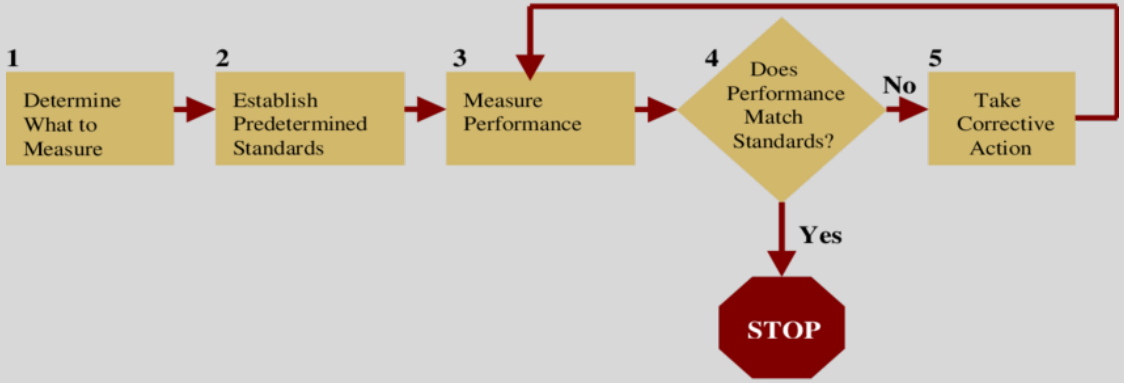
Strategy implementation - BSC



Evaluation and control

The implementation of the strategy must be monitored and adjustments made as needed. Evaluation and control consists of the following steps:

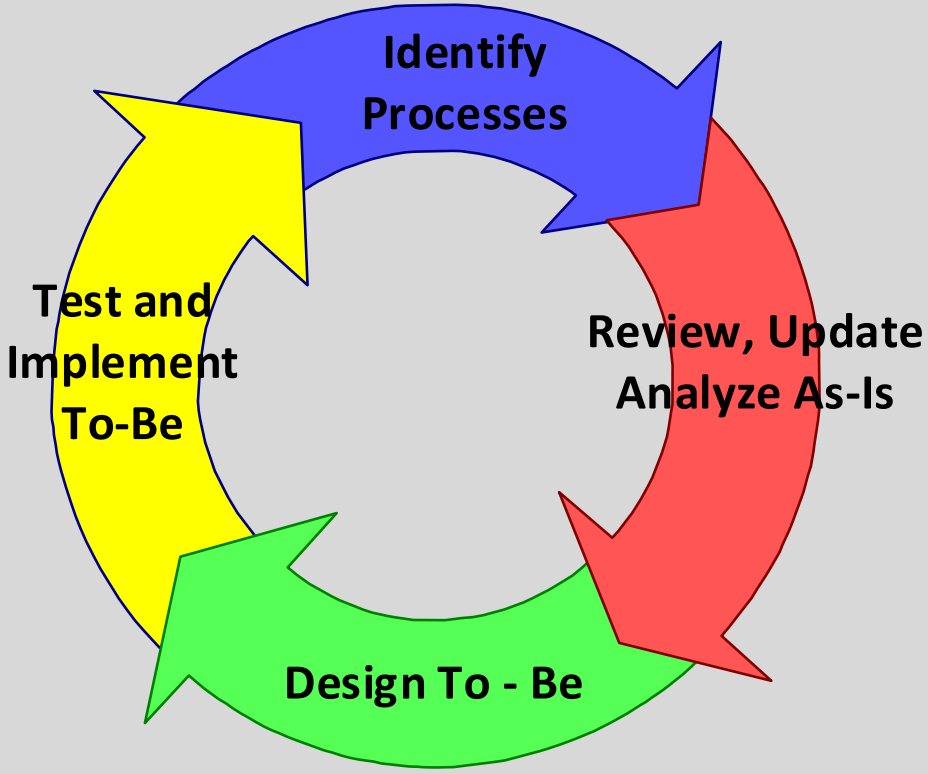
- Define parameters to be measured.
- Define target values for those parameters.
- Perform measurements.
- Compare measured results to the pre-defined standard.
- Make necessary changes.



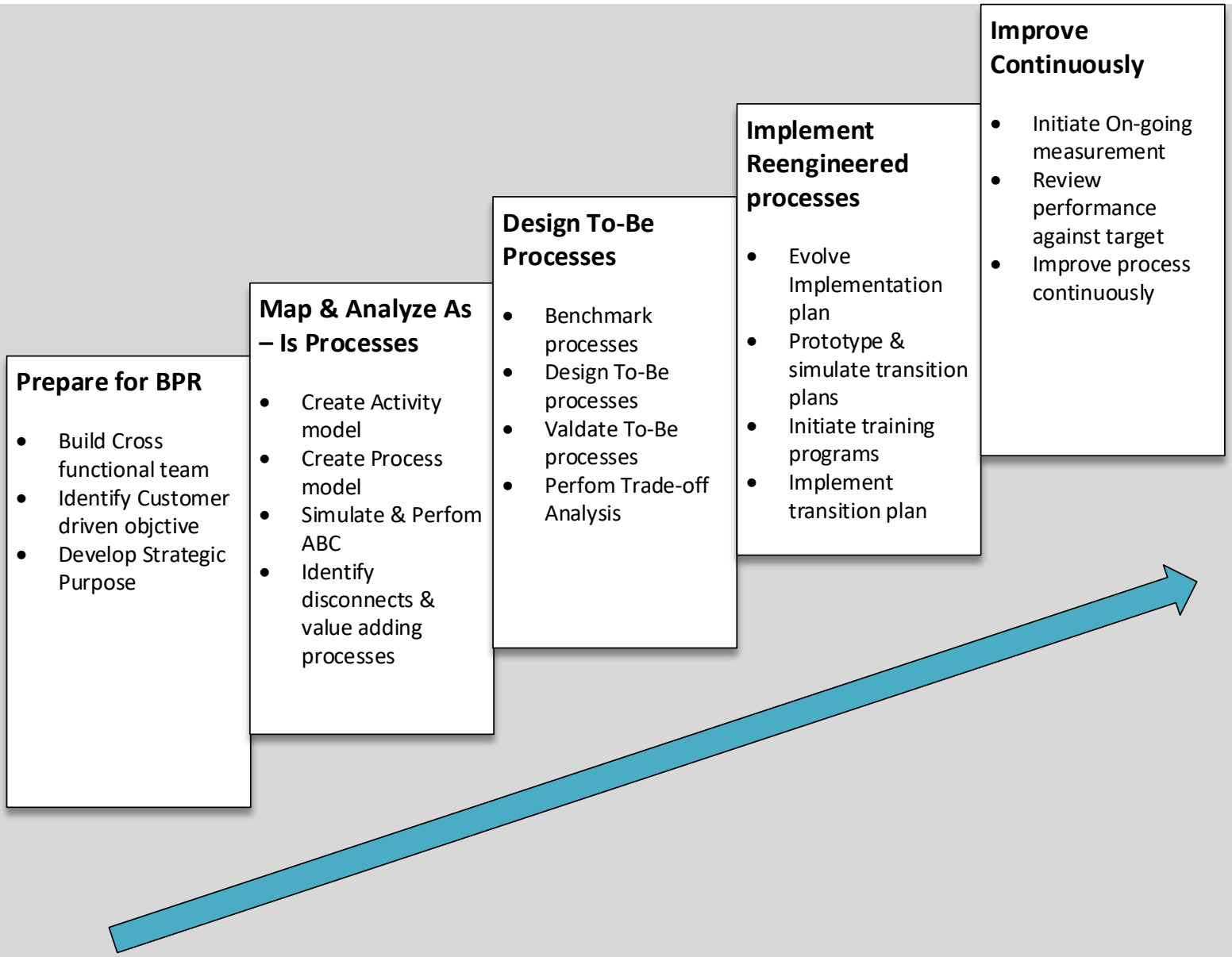
Source: Wheelen and Hunger (2004:242).

Strategy implementation – Bussines proces reenginering

The process model is usually compiled in the method "**Business Process Reengineerig**" at which will map and describe all processes to a certain level of detail.



Strategy implementation – Bussines proces reenginering



Muthu, S., Whitman, L., and Cheraghi, S. H., Business Process Reengineering: A Consolidated Methodology, Proceedings of the 4th Annual International Conference on Industrial Engineering Theory, Applications and Practice, 1999

Strategy implementation – Bussines proces reenginering

- **One of the ways of describing a process model is to use the following forms:**

- Function tree - Overview of the process model to subprocess levels
- overview of the main processes links - graphical representation of the relationships between the main ones processes
- graphical description of process links - a set of graphical descriptions depicting the breakdown of the main ones processes for individual processes and subprocesses
- database containing all process model attributes - description of the model in the form of the database
- process and subprocess cards - database listing in the form of individual subprocesses capturing their attributes, including process owners