

## **STRATEGIC BUSINESS POLICY PARADIGMS ANALYSIS**

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### **ABSTRACT**

The strategic management method is over simply a group of rules to follow. It's a philosophical approach to business. Higher management should suppose strategically 1st, and then apply that thought to a method. The strategic management method is best enforced once everybody among the business understands the strategy. The 5 stages of the method are goal-setting, analysis, strategy formation, strategy implementation and strategy observance.

**KEYWORDS:** - Strategic Management, Business Policy, Strategic Planning, Business Strategy

### **INTRODUCTION**

The purpose of goal-setting is to clarify the vision for your business. This stage consists of distinguishing 3 key facets: 1st, outline each short- and long objectives. Second, establish the method of a way to accomplish your objective. Finally, customize the method for your employees, offer all and sundry a task with that he will succeed. Detain mind throughout this method your goals to be careful, realistic and match the values of your vision. Typically, the ultimate step during this stage is to jot down a mission statement that compactly communicates your goals to each your shareholders and your employees.

### **ANALYSIS**

Analysis could be a key stage as a result of the knowledge gained during this stage can form successive 2 stages. During this stage, gather the maximum amount info and knowledge relevant to accomplishing your vision. The main target of

the analysis ought to air understanding the requirements of the business as a property entity, its strategic direction and distinguishing initiatives which will facilitate your business grow. Examine any external or internal problems which will have an effect on your goals and objectives. Make certain to spot each the strengths and weaknesses of your organization moreover as any threats and opportunities which will arise on the trail.

### **STRATEGY FORMULATION**

The first step in forming a method is to review the knowledge gleaned from finishing the analysis. Confirm what resources the business presently has which will facilitate reach the outlined goals and objectives. Establish any areas of that the business should ask for external resources. The problems facing the corporate ought to be prioritized by their importance to your success. Once prioritized, begin formulating the strategy. As a result of business and economic things are fluid, it's crucial during this stage to develop various approaches that concentrate on every step of the arrangement.

### **STRATEGY IMPLEMENTATION**

Successful strategy implementation is crucial to the success of the business venture. This is often the action stage of the strategic management method. If the strategy doesn't work with the business' current structure, a replacement structure ought to be put in at the start of this stage. Everybody among the organization should be created afar from their responsibilities and duties, and the way that matches in with the goal. To boot, any resources or funding for the venture should be secured at this time. Once the

funding is in place and also the workers are prepared, execute the arrangement.

Strategy analysis and management actions embody performance measurements, consistent review of internal and external problems and creating corrective actions once necessary. Any prosperous analysis of the strategy begins with process the parameters to be measured. These parameters ought to mirror the goals set in Stage one. Confirm your progress by measurement the particular results versus the arrangement. Observance internal and external problems also will modify you to react to any substantial amendment in your business atmosphere. If you establish that the strategy isn't moving the corporate toward its goal, take corrective actions. If those actions aren't prosperous, then repeat the strategic management method. As a result of internal and external problems is perpetually evolving, any knowledge gained during this stage ought to be preserved to assist with any future ways.

#### HIERARCHICAL LEVELS OF STRATEGY

Strategy is developed on 3 completely different levels:

Company level

Business unit level

Useful or division level.

While strategy is also concerning competitive and living as a firm, one will argue that merchandise, not firms contend, and merchandise are developed by business units. The role of the corporation then is to manage its business units and merchandise so every is competitive and then that everyone contributes to company functions.

Consider Textron, Inc., a prosperous conglomerate corporation that pursues profits through a variety of companies in unrelated industries. Textron has four core business segments:

Aircraft - thirty second of revenues

Automotive - twenty fifth of revenues

Industrial - thirty ninth of revenues

#### EVALUATION AND MANAGEMENT

Finance - 4WD of revenues.

While the corporation should manage its portfolio of companies to grow and survive, the success of a distributed firm depends upon its ability to manage every of its lines. Whereas there's no single contender to Textron, we will name the competitors and strategy of every of its business units. Within the finance business section, for instance, the chief rivals are major banks providing business funding. Several managers think about the business level to be the correct focus for strategic designing.

#### CORPORATE LEVEL STRATEGY

Corporate level strategy basically is bothered with the choice of companies within which the corporate ought to contend and with the event and coordination of that portfolio of companies.

Corporate level strategy is bothered with:

- Reach - process the problems that are company responsibilities; these would possibly embody distinguishing the goals of the corporation, the categories of companies within which the corporation ought to be concerned, and also the manner within which businesses are going to be integrated and managed.
- Competitive Contact - process wherever within the corporation competition is to be localized. Take the case of insurance: within the mid-1990, Aetna as a company was clearly known with its business and property casualty insurance merchandise. The conglomerate Textron wasn't. For Textron, competition within the insurance markets transpires specifically at the business unit level, through its subsidiary, Revere. (Textron divested itself of The Revere Corporation in 1997.)
- Managing Activities and Business Interrelationships - company strategy seeks to develop synergies by sharing and coordinative employees and

alternative resources across business units, investment money resources across business units, and victimization business units to enhance alternative company business activities. Igor Ansoff introduced the idea of synergism to company strategy.

- Management Practices - firms decide however business units are to be governed: through direct company intervention (centralization) or through additional or less autonomous government (decentralization) that depends on persuasion and rewards.

Corporations are to blame for making price through their businesses. they are doing thus by managing their portfolio of companies, making certain that the companies are prosperous over the long, developing business units, and generally making certain that every business is compatible with others within the portfolio.

#### BUSINESS UNIT LEVEL STRATEGY

At the business unit level, the strategic problems are less concerning the coordination of operational units and additional concerning developing and sustaining a competitive advantage for the products and services that are created. At the business level, the strategy formulation section deals with.

#### POSITIONING THE BUSINESS AGAINST RIVALS

Anticipating changes in demand and technologies and adjusting the strategy to accommodate them. Influencing the character of competition through strategic actions like integration and thru political actions like lobbying.

Michael Porter known 3 generic ways (cost leadership, differentiation, and focus) which will be enforced at the business unit level to form a competitive advantage and defend against the adverse effects of the 5 forces.

#### CONCLUDING SUMMARY

It has thus been found that the useful level of the organization is that the level of the operational divisions and departments. The strategic

problems at the useful level are associated with business processes and also the price chain. Useful level ways in selling finance, operations, human resources, and R&D involve the event and coordination of resources through that business unit level ways is dead with efficiency and effectively. Functional units of a corporation are concerned in higher level ways by providing input into the business unit level and company level strategy, like providing info on resources and capabilities on that the upper level ways is primarily based. Once the higher-level strategy is developed, the useful units translate it into separate action-plans that every department or division should accomplish for the strategy to succeed.

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