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E-Content BCH-601 : Business Policy

Lecture 16

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- 1. Evaluate current performance results in terms of (a) return on investment, profitability,
- and so forth, and (b) the current mission, objectives, strategies, and policies.
- 2. Review corporate governance—that is, the performance of the firm’s board of directors
- and top management.
- 3. Scan and assess the external environment to determine the strategic factors that pose
- Opportunities and Threats.
- 4. Scan and assess the internal corporate environment to determine the strategic factors
- that are Strengths (especially core competencies) and Weaknesses.



- 5. Analyze strategic (SWOT) factors to (a) pinpoint problem areas and (b) review and revise the corporate mission and objectives, as necessary.
- 6. Generate, evaluate, and select the best alternative strategy in light of the analysis conducted in step 5.
- 7. Implement selected strategies via programs, budgets, and procedures.
- 8. Evaluate implemented strategies via feedback systems, and the control of activities to ensure their minimum deviation from plans.
- This rational approach to strategic decision making has been used successfully by corporations such as Warner-Lambert, Target, General Electric, IBM, Avon Products, Bechtel Group Inc., and Taisei Corporation.

Strategic Management Process - Meaning, Steps and Components

The strategic management process means defining the organization's strategy. It is also defined as the process by which managers make a choice of a set of strategies for the organization that will enable it to achieve better performance.

Strategic management is a continuous process that appraises the business and industries in which the organization is involved; appraises its competitors; and fixes goals to meet all the present and future competitor's and then reassesses each strategy.