



# RAMA UNIVERSITY

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## **FACULTY OF COMMERCE & MANAGEMENT**

**COURSE: MBA 3<sup>rd</sup> SEMESTER**

**SUBJECT: BUSINESS POLICY & STRATEGIC  
PLANNING**

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**LECTURE: 6**

**NAME OF FACULTY: DR. H. L. BHASKAR**

# Lecture-6



## **STRATEGIC INTENT**

The foundation for the strategic management is laid by the hierarchy of strategic intent. The concept of strategic intent makes clear **WHAT AN ORGANISATION STANDS FOR** **HARVARD** Business Review, 1989 described the concept in its infancy **HAMED AND PRAHALAD** coined the term strategic intent. A few aspects about strategic intent are as follows:

- It is an obsession with an organization.
- This obsession may even be out of proportion to their resources and capabilities.
- It envisions a derived leadership position and establishes the criterion; the organization will use to chart its progress.
- It involves the following:
  - o Creating and Communicating a vision
  - o Designing a mission statement
  - o Defining the business
  - o Setting objectives

**Vision** serves the purpose of stating what an organization wishes to achieve in the long run.

**Mission** relates an organization to society.

**Business** explains the business of an organization in terms of customer needs, customer groups and alternative technologies.

**Objectives** state what is to be achieved in a given time period.

- The strategic intent concept also encompasses an active management process that includes focusing the organization's attention on the essence of winning.
- The concept of stretch and leverage is relevant in this context.

**Imp: Stretch** is a misfit between resources and aspirations.

Leverage concentrates, accumulates, conserves and recovers resources so that a meager resource base can be stretched.

Leverage reduces the stretch and focuses mainly on efficient utilization of resources.

- The strategic fit matches organizational resources and environment. This positions the firm by assessing organizational capabilities and environmental opportunities.
- Under fit, the strategic intent would seem to be more realistic.
- It is hierarchy of intentions ranging from a board vision through mission and purpose down to specific objectives.

## **VISION**

It is at the top in the hierarchy of strategic intent. It is what the firm would ultimately like to become. A few definitions are as follows:

**KOTTER** description of something (an organization, corporate culture, a business, a technology, an activity) in the future. The definition itself is comprehensive and states clearly the futuristic position.

**MILLER and DESS** defined vision as the “category of intentions that are broad, all inclusive and forward thinking”

The definition lays stress on the following:

- (1) broad and all inclusion intentions
- (2) vision is forward thinking process.

A few important aspects regarding vision are as follows:

- It is more of a dream than articulated idea
- It is an aspiration of organization. Organization has to strive and exert to achieve it.
- It is powerful motivator to action.
- Vision articulates the position of an organization which it may attain in distant future.

## **Envisioning**

This is the process of creating vision. It is a difficult and complex task. A well conceived vision must have

- Core Ideology
- Envisioned Future

**Core Ideology** will remain unchanged. It has the enduring character. It consists of core values and core purpose. Core values are essential tenets of an organization. Core purpose is related to the reasoning of the existence of organization.

**Envisioned Future** will basically deal with following:

- The long term objectives of the organization.
- Clear description of articulated future.

### **Advantages of Having a Vision**

A few benefits accruing to an organization having a vision are as follows:

- They foster experimentation.
- Vision promotes long term thinking
- Visions foster risk taking.
- They can be used for the benefit of people.
- They make organizations competitive, original and unique.

- Good vision represent integrity.
- They are inspiring and motivating to people working in organization.