Strategic Planning and Strategic Management Paper

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**Introduction**

The world’s economy is changing faster than we think. In the blink of an eye, many companies go into profit-making, and many companies have to bear loss worth millions. To avoid such instances in business organizations, companies imply a process called Strategic Management Process. The process of formulation of strategies according to prevailing business environment and then ultimately implementing them is known as the Strategic Management Process (Hill, Jones, & Schilling, 2014). Using this process, managers decide to devise a strategy or set of strategies keeping in mind the current business environment, so that the business may cope up with an ongoing challenge or make progress, leaving the competitors behind.

**Discussion**

**Components of Strategic Management Process**

Strategic Management Process comprises of the four major steps:

1. Environmental scanning
2. Strategy formulation
3. Strategy implementation
4. Strategy evaluation and control

**Environmental Scanning**

The process of collection, scrutinization, and presentation of facts and data for the purpose of strategy formulation is known as Environmental Scanning. It helps the organization in the assessment of the internal and external environmental factors which are affecting it. After the execution of environmental analysis tools, the organization should carefully evaluate the information collected and try to deduce meaningful results out of it. Examples of such analysis are SWOT analysis and PESTEL analysis.

**Strategy Formulation**

On the basis of the information collected in the environmental scanning process, companies further jump to the next step of the process, known as Strategic Formulation. In this process, the managers of the organization decide the best course of action to achieve the organizational objectives and accomplish the goals agreed upon by the company. Strategies for various levels are determined at this level like corporate, financial, business and functional level strategies.

**Strategy Implementation**

After the stage of Strategy Formulations, comes the phase of Strategy Implementation. This stage consists of putting the formulated strategy into action and making it work out as planned. The strategy implementation phase may include the development of the decision-making process, distribution of resources, bringing changes in the structure of the organization and managing human resources.

**Strategy Evaluation and Control**

The final step in the Strategy management Process, Strategy Evaluation phase makes an analysis of the whole process and evaluates whether the process had been successful or not. It judges on the basis that if the organizational goals were achieved or the challenge for which the strategy was formulated has been catered successfully or not. It includes appraising the internal and external factors that have become the reason for the initiation of Strategy Making Process, measuring the performance and then finally taking the corrective or remedial action in case of failure of the process.

All these steps are followed into chronological order as per the need and demand of the situation. So that a new strategy may be formulated, if a company or business has already devised a strategic plan, it will revert back and start from the first step, if it wishes to bring changes in the strategy.

**Review of the company chosen for Strategic Planning**

Example of a Strategic Management Process can be taken into the case of Toyota Motor Corporation, which is the largest Automobile maker of Japan and the second largest automotive producer in the world. When Toyota decided to diversify its operations in the world markets, it met a challenge in the price conscious markets like India. To cater to this challenge, Toyota devised a strategy to introduce a range of low priced cars in such markets.

**Conclusion**

In short, it can be clearly seen how important Strategic management Process is for the business organizations working in the current business scenarios. It can be inferred that Strategic management is an ongoing process, it can never be stopped, and it gets on repeated continuously. Therefore, it is essential that there is synchronization among all the components of the process. All the steps in the process need to properly interact with each other so that the common goal for the business can be achieved.

**References**

Hill, C. W., Jones, G. R., & Schilling, M. A. (2014). *Strategic management: theory: an integrated approach*. Cengage Learning.