

# Describe Strategic Management and Strategic Competitiveness

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## Abstract

It is commonly known and acknowledged that carefully considered strategy formulation is a key success factor for an organization in the cutthroat business environment. Successful strategies are developed in the majority of successful organizations utilizing "Environment Analysis," which is a thorough review of information using a variety of models and approaches. The fundamentals of "Environment Analysis" and many widely used models and methodologies are summarized in this research study article. A crucial functional area of management is strategic management. The process of formulating strategies is the core of strategic management for any organization, and decision-making is crucial to have timely and appropriate strategies. An organization can identify potential threats and opportunities by scanning its external environment; it can also identify its strengths and weaknesses by conducting an internal assessment. It is possible to identify informal sources and the information they create, developing problems, as well as the benefits and drawbacks of an existing system. This Paper is the result of knowledge, information, and concepts gathered by analysis of numerous pieces of current literature, including research papers, journals, and articles. Future studies that examine the consequences of various models and methods of environment analysis and their relative benefits and difficulties can be made in light of this limitation. Moreover, researchers might conduct empirical studies relevant to the uses of environment analysis models and methodologies.

Keywords: Formal, strategic management, business, performance, stakeholder.

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## Introduction

Strategic competitiveness and above-average returns are achieved by organizations through the strategic management process. Strategic competitiveness is attained when a company has learned how to establish and implement a value-creating strategy, and when it has the above-average returns necessary to concurrently satisfy all of its stakeholders.

In the contemporary competitive environment, competition's core characteristics have changed. Because of this, individuals making strategic decisions need to acquire a new mindset that will enable them to understand how to compete in extremely turbulent and unpredictable circumstances that are causing chaos and a lot of uncertainty. The two main reasons leading to the instability of the competitive environment are the globalization of industries and their markets and quick and significant technological innovations.

### *Problem Statement*

The most effective way to present a problem statement is as a question since it is a concise summary of the issue you are seeking to address. Effective issue-solving relies heavily on problem statements. They have a remarkable talent for organizing teamwork, projects, and brainstorming efforts.

This study has focused on formal strategic management (FSM). The primary focus is on how successfully an organization executes its policies and programs and realize strategic intent in terms of its goal and vision. Owners and managers are given a lot of attention by formal strategic management to easily accomplish their aims. A strategy is a way for a firm to prioritize activities. The pursuit of strategic fit has often been seen as having performance requirements (Zajac et al, 2000). Nonetheless, a well-defined strategy may improve company success and should be important for higher education institutions as well. Given the aforementioned and seeing the current trend in higher educational institutions, owners/managers are too busy dealing with operational difficulties and daily activities and dedicate little time to formal strategic planning. However, if this pattern of carelessness and misunderstanding of the significance of FSM continues, there is a real risk of losing students as customers and a reputation among parents and students as reputable institutions, all of which would negatively impact market share, damage customer loyalty and satisfaction, threaten organizational survival, and leave them unable to compete effectively with their rival organization (Shai & Nochai, 2011). In light of this, this study aims to investigate the extent of formal strategic management usage in higher education institutions as well as how FSM affects organizational romance and survival.

### *Purpose of Study*

Competitive advantage is maintained through strategic management. When a company can accomplish something that competitors cannot do or has access to something that competitors require, this is what is meant when a corporation claims to have a competitive edge.

### **Literature Review**

For small, medium, and large firms to successfully maintain their profitability and competitive business performance, a strategic management system is required. A review of the literature was conducted to develop the conceptual framework that compares the independent and dependent variables in order to illustrate and confirm the significance of the elements of the strategic management system, financial performance, customer satisfaction, and competitive business performance. This study uses a survey of related literature as a way to ascertain the crucial elements of a strategic management system and the indicators of competitive business performance for private companies in the United Arab Emirates. This study, which is based on a scholarly review, discusses the kinds of business strategies, processes, and approaches that are advocated for use in books and by eminent scholars.

### **Methodology**

The exact steps or methods used to find, choose, process, and evaluate material on a subject are known as research methodology. The methodology part of a research paper gives the reader the chance to assess the general validity and dependability of a study.

The strategic management approach builds an organization's expertise while also developing its strategic management process. The strategic management approach is a process of transformation. For a further explanation of this process, see the transformation process.

- **Planning** - Planning is a stage in the formulation process that involves choosing a business venture, coming up with a business plan, identifying tasks that need to be completed, budgeting, analyzing feasibility studies, setting up a schedule for the study's completion, creating an action plan, and choosing a strategy for business continuity and venture creation.
- **Risk Analyzing** - The determination of obstacles is the focus of risk analysis, which is a stage of formulation. The company's activities would be slowed or stopped as a result of its evaluation, and remedies would be developed to prevent financial and property damage due to political, legal, economic, health, safety, and environmental issues.
- **Organizing** - Developing and creating appropriate business policies, organizational development, operational workflows, health and safety policy, financial and account policy, and HR policy are all aspects of the organizing process. Additionally, choosing the best strategies and developing an action plan for the practical implementation stage is also included.

- **Performing** - The performing stage of implementation mostly entails turning the developed business strategy, operational guidelines, health and safety guidelines, action plans, and chosen strategies into effective operational activities with the goal of delivering good outcomes and profitability
- **Evaluating** - The monitoring and control stage of evaluating involves measuring, examining, and analyzing operational performance outcomes from the implementation stage in order to develop the best action plan and strategy for the enhancement of business venture operations.
- **Realigning** - Realigning is a corrective step that deals with the alignment and modification of all strategies, action plans, and policies as a result of internal and external pressures impacting an active organization's operational performance or commercial venture resulting from the assessing stage.
- **Financial Performance** - While vying for certification and sustainability, financial performance is a crucial barometer of performance excellence.
- **Commitment to Customer Satisfaction** - As a model for organizational sustainability and competitive advantage, effective strategy creation and execution in tandem with the environmental scanning process may be used.

## Findings and Discussion

Many variables need to be in place for any business to prosper in a certain sector. The business needs to comprehend globalization as a totality. They also need to understand how the organization may be impacted by globalization. It must benefit from incentives like the local government's subsidies and the relatively inexpensive labor supply.

The business must also pay special attention to both its internal and external resources, as well as potential prospects. A corporation can take advantage of external opportunities thanks to special internal resources. The mission and vision statement must also include all of the company's goals.

## Suggestion

All strategic leaders must work hard, analyze problems confronting the company thoroughly, be ruthlessly and persistently honest, and ask the appropriate questions of the right people at the right time. This is especially true for the CEO and other members of the top management team.

## Conclusion

Strategic decision-makers forecast the possible results of their choices. To achieve this, businesses must first determine the profit pools related to value chain operations in their sector. It is less likely that the company would develop and put into action inadequate strategies if they can foresee the possible implications of their strategic actions.

The use of these strategic management system components as a guide, tool, and strategy for one's current and future pursuits is also advised for all working business owners, educators, and community leaders. The researcher advises all parties involved in the implementation of any organizational activities to develop individualized action plans based on SMS components. In suggestion more study to look at the efficacy of the author's business strategy framework is also advised.

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