

t
by R R

Submission date: 27-Jan-2021 06:44AM (UTC-0500)

Submission ID: 1495250282

File name: strategic_thinking.edited.docx (24.77K)

Word count: 1637

Character count: 9496

Setting Company Direction

Name

Institution

Course

Instructor

Date

Setting Company Direction

Although vision is essential to a company, its essence and eminence rest in its direct actionability. Subsequently, it formulates a roadmap for the business destination, which guides the strategy that selects an action. Eventually, all effective and judicious action leads to the company's success. In setting the company's direction with a specific strategy, the taskforce involved should strategically contemplate key advantages or disadvantages. Besides, it necessitates evaluating the decision model and considering others as they significantly affect strategy development. Hence, this paper will deliver a convincing discussion thread to ascertain the validity of the prepositions mentioned above.

Process: Setting the Company's Direction with Strategy

The strategic planning process is crucial in charting the company's direction and encouraging exchanging beneficial concepts between individuals with identical goals. Through the innate list of steps of this process, leaders who adhere to them can complete and implement the company's strategy that leads to envisioned company direction. The process begins with identifying the company's strategic position. This initial phase prepares you for the rest of the stages in the process. Here, leaders should have a clear vision of the company to achieve its goals (Gamble, Thompson & Peteraf, 2019). A clear distinction should equally be made between short-term and long-term company objectives. All the goals should also be realistic and quantifiable. This step is guided by the mission statement, corporate values, and culture.

Subsequently, the managers should gather people who will steer the process besides up-to-date and reliable information. Here, the use of accurate data will help in making informed choices backed with facts. Also, any external or internal issues likely to impact company objectives should be examined. Thirdly, a SWOT analysis should be performed. This will help

identify the company's strengths as well as weaknesses together with opportunities at the same time threats likely to arise. Team identification of these key aspects should lead to collective effort to develop novel goals that will positively confront the cited possibilities. Additionally, SWOT analysis charts the right direction for the company goals.

Next, a strategic plan should be formulated concerning initiatives that will greatly impact the company to improve its position (Gamble, Thompson & Peteraf, 2019). Moreover, urgent initiatives should come first in the plan. To determine whether the strategic plan is operative, it is important to determine optimal means of measuring progress. Last but not least, the company strategic plan should be executed. This is the action stage of the process where responsibilities are defined to the strategy task force. Constant check backs are equally made to guarantee everyone is on track and necessary changes made where needed (Gamble, Thompson & Peteraf, 2019). Lastly, performance is constantly monitored. Monitoring ensures everyone plays their role in the process by holding everyone involved accountable. The latter move will guarantee the efficacy of the entire process.

Strategic Thinking: Key Advantage or Disadvantage

The drawback of poor information has seen many business leaders make repeated mistakes and blunders in strategic decision making (Rumelt, 2012). Rumelt further explains that this poor information range from competitive information, bad or inadequate proprietary information, availability of resources to transformations central in the marketplace. Business leaders who work or deal with limited resources and information tend to downplay acknowledged and accepted constraints. Furthermore, they ignore reimagining how the company or allied organization could utilize the existing resources. If a company enters a market with a disparity between its capabilities and the marketplace needs, that business organization will be

orienting itself in a vulnerable competitive position or situation. If that company's capabilities surpass the market needs, the business organization will inherently have additional costs linked to the firm being overqualified.

Thus, Rumelt emphasizes most business organization's inability to implement any strategy as a natural advantage of creating a strategy. Regardless of such organizations having established company objectives, goals and initiatives, they fail to develop a clear roadmap of how their plan to realize short-term and long-term goals will work (Rumelt, 2012). He goes on to outline a clear example of how strategic thinking could be put into action. Rumelt alludes to Apple's Steve Job, who managed to turnaround the company's situation when Apple was in a dire financial state. A focused and coordinated set of actions underscored the power of Apple's CEO strategy, through which he managed to tackle fundamental challenges at Apple directly. Job redesigned its business logic revolving around a simplified product line and sold by a restricted set of openings (Rumelt, 2012). He refrained from announcing ambitious proceed goals and messianic visions of the future (Rumelt, 2012).

Decision Model

The Gap-in-the-market model appropriately fits as the best decision model in the face of the strategic thinking subject. All new ventures' objective is to capitalize on a specific market gap and exploit an opportunity for financial gain (Krogerus & Tschäppeler, 2018). Hence, this model predicts and measures the possible market development, theoretical client base, and future product line. Although these concepts are crucial for new businesses, they are equally applicable to established ones. The only consideration to make before using the gap-in-the-market model is establishing if the perceived service or product demand exists in the intended marketplace.

Correspondingly, we could consider the Eisenhower model, which is crucial in prioritizing decisions.

Conclusion

The discussion thread above demonstrated the significance of a company implementing a strategic plan to chart its envisioned direction and the critical role of strategic thinking. A good strategy help defines and plots a company's short as well as long-term goals. On the other hand, strategic thinking is nothing but mindset business leaders can employ to their advantage to catapult their ability when developing a company strategy. Thus, a good strategy should probe into the possibilities of the future and steer the organization accordingly. One example of a decision model is the gap-in-the-market model, which leaders can use to determine how products could be presented in new markets based on the client base, development, and future product implementation.

References

- Gamble, J., Thompson Jr, A., & Peteraf, M. (2019). Essentials of Strategic Management: The Quest for Competitive Advantage, 6e.
- Rumelt, R. P. (2012). Good strategy/bad strategy: The difference and why it matters. *Strategic Direction*.
- Tschäppeler, R., & Krogerus, M. (2018). *Le livre des décisions*. Alisio.

Annotated Bibliography

Tschäppeler, R., & Krogerus, M. (2018). *Le livre des décisions*. Alisio.

This book, which translates to the book of decisions, offers a roadmap on how business leaders could make appropriate business decisions. How this key pillar in business could inherently motivate themselves as well as the teams, they lead. Additionally, the book offers an essential guideline on how anyone in a business setting could outdo their believed potential to work more efficiently in their respective company assigned obligations and duties. One primary distinction of this book from all other literary business works is that it provides more than forty best tested and studied decision-making models, which can distinctively help leaders provide founded and concrete answers in an organization. These models include the Eisenhower matrix, Long Tail, pragmatic, Maslow's pyramid, visual, Pareto's law, and methodical.

This publication could be considered dependable for scholarly citation since its deliberations have been revised, corrected, and enriched with other scholars who supported or augmented the two authors' proposed theories. Likewise, Mikael Krogerus, who doubles as a journalist, and Roman Tschäppeler, are prolific authors both in their occupation and business world. Tschäppeler is not only the founder but also the CEO of the Swiss communications agency Guzo. A company that provides advice to promote innovation within private and charitable organizations. The two authors' discussion regarding decision models provided the necessary insight needed to understand appropriate strategic decision models applicable to strategy development in an organization. Thus, they helped inform my deliberation on the gap in the market model, which not only helps new business capitalize on a void in a market place to exploit financial gains but also established business could grow their customer base, hence increasing profit in the long run.

Rumelt, R. P. (2012). Good strategy/bad strategy: The difference and why it matters. *Strategic Direction*.

This publication by Richard Rumelt is one of the best, if not the best guide to how businesses could salvage their troubled nonperforming strategy. Rumelt delivers a convincing and fact-backed discussion on why most company strategies are not working. According to Rumelt, the latter issue could stem from a dozen shortcomings counting failure for a business to foresee the forthcoming economic or financial crisis and exposed deficiencies in its economic heritage. Rumelt draws a line between a good and bad business strategy by claiming that most companies today subscribe to the latter category because their mission, vision, and objectives, which underwrites the language of strategy, are increasingly becoming void. Moreover, this language promotes similarity and convergence aspects rather than divergence and uniqueness. The author equally points out that companies are not getting strategy wrong, but they do not understand this crucial business concept. The author demonstrates the link between a company's strategy and its profitability.

Rumelt's book is a quality and reliable book for fledgling and astute business leaders and strategists. These leaders could be versed with the know-how of good strategy development and why it matters for their chosen ventures through its deliberations. The book proves how important a good strategy is to a business and how it is the only element of distinction or exception in a competitive business environment.

Conferring to Richard Rumelt, he is a qualified professional strategist whose achievement has been instrumental in the business management arena and the corporate world. This publication and the author's perceptions have been cited in the Strategic Management Journal to dispute that industry matters more than the ability to deliver in that industry virtuously. Thus,

Rumelt's explanations were critical in informing my discussion of strategic thinking and its primary advantage.

ORIGINALITY REPORT

0%

SIMILARITY INDEX

0%

INTERNET SOURCES

0%

PUBLICATIONS

0%

STUDENT PAPERS

PRIMARY SOURCES

Exclude quotes Off

Exclude bibliography On

Exclude matches Off