

A Review of Strategic Management Process and Its Impact on Organisational Productivity and Success

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Abstract

This paper looks at the impact of strategic management process, which involves analyses and choices that can come from several areas depending on organisation's strengths or capabilities from within and outside of the organization. This entails that only after conducting an in-depth analysis and gaining thorough knowledge of the environment to identify the most attractive business opportunities, such that right decisions that result in achieving competitive advantage can be made. The ability to consistently win is based on deploying organizational strength that resonates with crafted strategies to exploit weaknesses of competitors. Over the years, analysts, academics and practitioners alike have discussed much about strategic management process, but more still needs to be done in this competitive business community. This article is aimed to analyse strategic management process through interrelated phases, developing organisation's vision and mission, scanning environments, crafting and implementing strategy as well as monitoring and control of strategy with the view of achieving sustained competitive advantage.

Keywords: Strategy, Strategic Management, Organization, Efficiency, Effectiveness and Competitive Advantage.

Introduction

Unprecedented radical changes, increased complexity and unpredictable future among others, have made business environments more uneasy. Today every business organisation must pass the test of change in order to survive and function optimally (Dicken, 2007). Considering the impact of change in the environment, organisations must constantly adapt to changing conditions to perform better than their competitors in order to survive and thrive. Hence, the need to develop better strategic approaches to enable maneuverability in the ever-competitive environments cannot be overstated (Henry Mintzberg, 1987). Strategic management process is important in every thriving organization. Application of its concepts allow for effective and efficient managerial operation such that sustained competitive advantage is relatively achieved over competitors. Like people, organisations are entities and have values, purpose and direction. The more reason why organisations must be principally guided. Change is one of the biggest challenges that today's business organizations have to cope with. Characteristically, it manifests in internal and external environments necessitating organizational leaders to carry out environmental scanning to enable guidance in crafting, implementing as well as monitoring and controlling routine tasks, and strategic processes to ensure continuous accomplishments of organizational short and long term objectives. There are four dimensions that collectively shape the

business environment: degree of dynamism, complexity, diversity and munificence (Dess and Beard 1984; Harris 2004; Ward et al 1995). Accordingly, these are held to be the most critical dimensions of the business environment with respect to strategy making. Dynamism refers to the speed and predictability of change in the environment, originating from sources such as technological change, demand shifts and competitive moves. Complexity refers to the extent that organisations are required to have a great deal of sophisticated knowledge about products, customers, etc. Diversity refers to the degree to which an environment supports the growth of organisation faced with homogenous or diffused conditions. Munificence is the degree to which an environment supports the growth of organisations within it, which refers to the level of competitive pressure in the environment as exemplified by the intensity of competition and the bargaining leverage applied on companies by buyers and suppliers (Harris, 2004).

The strategic management process for crafting and implementing strategy involves thorough external and internal analysis. The central task of the strategy formulation process is specifying the high-level plan and set of actions an organisation should take in its quest to achieve competitive advantage. After the plan for achieving competitive advantage is created, the final step is to develop a detailed plan to effectively implement, or put into action, the firm's formulated strategy through policies, programs and other specific activities (monitoring and control). One of the first decisions an organisation must make is where to compete or which markets it will serve. Leaders must choose the industries an organisation competes in and the specific customer segments or needs it will address within its industries. After an organisation chooses the markets in which to compete, it then attempts to offer unique value in those markets. This is often referred to as organisation's value proposition, or the value that organisation proposes to offer to customers. Organisations typically try to achieve competitive advantage by choosing between one of these generic strategies for offering unique value: low cost or differentiation, etc. Increasingly, however, organisations have found smarter ways to deliver on both low cost and differentiation (Hill, 1988).

Delivering unique value requires developing strengths that allows the organisation to perform activities better than competitors. Indeed, perhaps the most critical role of the strategist is to figure out how to build or acquire the resources and capabilities (strengths) necessary to deliver unique value. Resources refer to assets that the firm accumulates over time, such as plants, equipment land, brands, patents, cash, and people, etc. While capabilities refer to processes (or recipes) a firm develops to coordinate human activity to achieve specific goals (Hamel and Prahalad, 1990).

Strategic management process also involves a lot of administrative course of action, designed to achieve success even in the face of adversities. It is a continuous effort that permeates organization in punctilious manner that promises to deliver such organization from a given state to a desired position in an envisioned future period of time. For example, if management anticipates price-cut by competitors, it may decide upon a strategy of launching an advertising campaign to educate customers and potential customers,

convincing them of the superiority of its products. It provides direction in which human and other resources are deployed for achieving organizational goals in the face of environmental pressure and constraints. Strategy harmoniously relates organization to its external environment, where decisions are reached to align with market trends, changes in government policy, technological developments, etc. Strategy is also interpretative, giving meaning to other constituent plans in light of specific situations, determining the direction in which the organization is heading in relation to its environments.

Basic elements of strategy include but not limited to the following: breadth of a firm's strategic domain i.e., the number and types of industries, product lines, and markets it competes in or plans to enter. Goals and objectives; these specify desires such as volume of growth, profit contribution or return on investment over a specified period. Resource deployment; strategy should specify how resources are to be obtained and allocated across businesses, product/markets, financial departments and other activities. Identification of a sustainable competitive advantage; this is achieved by examining market opportunities in business, product and the firm's distinctive competencies or strengths relative to competitors. Synergy; this exists when the firm's businesses, products, markets, resource deployments and competencies complement one another. Therefore, a great strategy should be able to specify; what is to be accomplished, where (which product/markets to focus on), how (which resource and activities to be allocated to selected product/market) to meet environmental opportunities and counter threats to gain competitive advantage.

Strategic Management Defined

Strategic management aims to identify and describe the systematic processes and approaches that top managers or strategists carry out to achieve better performance that results in sustained competitive advantage for their organizations. Suitably, A. D. Chandler (1962) defines strategic management as "the determination of the basic long term goals and the adoption of courses of action and allocation of resources necessary for carrying out these goals". However, the choice of specific strategic management techniques or framework is more or less dependent on the paradigmatic school of thought and its applicability (Moore, 2011). Generally, strategic management entails broad planning for both predictable as well as unfeasible contingencies. A manager or strategist is expected to have a thorough knowledge and analysis of the general and competitive organizational environment so as to take right decisions and achieve competitive advantage (Cole, 2011). An organization is said to have competitive advantage if its profitability is higher than the average profitability of other organisations in its industry. In this sense, strategic management is necessarily indispensable in profit and non-profit organizations to help achieve cooperate and stakeholders' objectives.

Developing Organization's Mission and Vision (Statements)

Establishing a concept of purposeful direction of where organisation needs to be headed entails ascertaining mission and vision of organisation. In effect, infusing the organization with a sense of purpose to provide steady guide for short and long-term performance, objectives and direction to future destination is the essence of establishing organisation's mission and vision (Meredith et al, 2014).

Organisation's Vision Statement

A vision is conveyed in statement about what an organization wants to become in the future; usually a succinct, short and inspiring statement often stated in competitive terms. Vision refers to category of clear intentions that are broad, all-inclusive and forward-thinking. It represents the image that an organisation must have of its long term goals before it sets out to reach them. It also describes aspirations for the future without necessarily specifying the means that will be used to achieve those desired ends. Organisations need to create a grand, noble vision which elevates energy, enthusiasm and self-esteem of every stakeholder in the organisation while ensuring benefit in following the vision. Corporate success largely depends on the vision articulated by top management. Therefore, for a vision to have any impact on the employees of an organization, it has to be conveyed in a dramatic and enduring way, at the same time, employees' interest must be in alignment or coexist with the organisation's vision.

Organisation's Mission Statement

According to Meredith et al (2014), mission defines the fundamental reason for organization's existence providing a framework for decision-making that sets direction for the entire organization. Overall goal of the organization that provides a sense of direction and a guide to decision-making for all levels of management; organizational objectives and strategies at lower levels, are developed from the mission. The mission describes the organization's line of business; its products and or services, specifies the markets it serves within a time frame of 3 to 5 years or more. Mission statement defines boundaries or domain within which organization operates. However, mission should not prevent change but provides direction for seeking new opportunities, broad enough to allow exploitation of new opportunities but specific enough to provide direction.

A mission statement should be achievable within a defined time frame. It should include the following components; organizational self-concept, desired public image in the organization's guiding philosophy, targets customers and markets, principal products and or services, geographic domain, core technologies used concern for survival, growth and profitability. The organization's philosophy establishes values and beliefs of the organization about how the business should be done as well as the organization's role in the society. It establishes relationship between the organization and its stakeholders; its responsibilities towards internal and external shareholders in general. Missions are well

thought-out to be feasible and attainable, should be clear and precise enough (it should be neither too broad nor too narrow) to inspire management, staff and society.

Scanning the Environments

Environments of a firm consist of all conditions and forces that affects organisation's strategic options and define its competitive situation. A host of factors influences firm's choice of direction, action and ultimately organisational structure and internal processes (Pearce and Robinson, 2003). Particularly, external environment is a major source of change. Some firms become victims of this change while others use it to their advantage. Environmental analysis can define relevant environmental forces to enable scanning and forecasting; collecting information concerning the defined environment. Organisations can use environmental scanning to determine whether or not to enter new market and also to discern the present condition of its environment. Therefore, as top managers or strategist, we must be conscious of the fact that the success of our enterprises, to a large extend, depends upon the way we can adjust to the dictate of external environment. The purpose of which is to identify strategic factors that will determine or will be of best interest to the organisation. The interrelationship between organisations (business) and the society cannot be overemphasized. Society has a pervasive influence on businesses and businesses are sensitive thus, to events in society. Business institutions have created the productive activities that turn out goods and services for the benefit of larger society. Factors that cumulatively constitute the external environment can be divided into three interrelated subcategories: remote, industry and operating environments.

Remote Environment

Remote business environment consists of factors that originate beyond and usually irrespective of any single firm's operating situation: Political, Economic, Social, Technological, Environment and Legal (PESTEL) factors. This environment presents firms with opportunities, threats, and constraints, but rarely does a single firm exert any meaningful reciprocal influence.

This, generally involves examination of competition and forces that shape industry competition and profitability as well as customer analysis to understand customer's preference. External analysis is quite critical for addressing strategic choice: (where should we compete?) Particularly useful for shedding light on opportunities and threats. The purpose of environmental analysis is to enable the firm convert change to its advantage by being proactive. The environment (PESTEL) is unique to every organization as it constantly changes. It is a source of opportunities and threats, largely uncontrollable:

Political/legal factors: these define the legal and regulatory framework within which firms must operate. Constraints are placed on firms through fair trade practices, minimum wage legislation, pollution and pricing policies aimed at protecting the employees, consumers, the general public and the environment. Such actions may reduce the profit potential of

firms. However, others such as patent laws and government subsidies are designed for the benefit and protection of firms.

Economic and environmental factors: These factors affect consumer spending, power and consumption patterns. Managers must consider the general availability of finance, the level of disposable income and people's consumption patterns. Other factors are; the level of interest rates, inflation rates, trend of growth in GDP, the emergency of trading blocs (e.g. ECOWAS) and levels of employment.

Social factors: these include the values, beliefs, attitudes and lifestyles of people. As people's attitudes change, so does the demand for various types of products. Other examples of social change include; Entry of large numbers of young graduate into the labour market, shifts in age distribution, geographic shifts in population, increased levels of education and sophistication, etc.

Technological factors: technology refers to the means used to do useful work. To avoid product obsolescence and promote innovation, a firm must be aware of technological changes that influence its industry. Innovative technologies can lead to possibilities of a new product, product improvements or improvement in production and marketing techniques.

Industry environment: one of the central questions for the strategist is to determine which markets or industries to compete in as all industries are not created equal (some are more profitable than others). The industry environment comprises of factors which are widely known as Porter's five forces of industry analysis. Good managers develop deep understanding of the effect of each of the five forces on industry attractiveness. Such an understanding allows for strategic action to influence the five forces in a positive way for firms and industry; Threat of entry, powerful suppliers, powerful buyers, substitute of product or services and jockeying for position. The nature and degree of competition in an industry hinges on these five forces (Porter, 2008). An organisation must understand how they work in its industry and how they affect the organisation in its particular situation.

Operating environment: Operating environment, also called the competitive or task environment. This comprises of factors in the competitive situation that affects firm's success in acquiring needed resources or in marketing its goods and services. Among the most important of these factors are the firms competitive position, the composition of its customers, its reputation among suppliers, creditors and its ability to attract capable employees. The operating environment is typically much more subject to the firm's influence or control than the remote environment. Therefore, firms can be more proactive as opposed to reactive, dealing with the operating environment than with the remote environment. For example, examination of customers or potential customers, understanding their needs and price sensitivity. In particular, the strategist can take better decisions about how to offer unique value by considering groups of customers who all have similar needs. This is called customer segmentation analysis (Goldstein, 2007).

Internal environmental analysis: the internal environmental analysis process evaluates all relevant factors within an organization in order to determine its strengths and weaknesses.

It starts with the identification of the organization's resource allocations, an enumeration of its strengths and strategic significance. Such analysis may be done by people from the planning department or an external consulting firm. Some of the areas most organizations should analyze include; financial position, product/service position, marketing capability, R & D capability, organizational structure, human resources, state of facilities and equipment, past and current objectives, strategies and their effectiveness.

Strengths have strategic significance when they result in a distinctive competency. A distinctive competency occurs when an organization cannot be easily matched by a competitor. They provide a competitive advantage; the ability to do something that competitor cannot do (Porter, 1996).

In deciding an organization's future direction, managers must answer series of questions;

- * What is the organization's present position?

- * Where does the management want the organization to be in future?

- * How does the organization move from its present position to the future desired position?

The first question is answered through the analysis of the firm's external and internal environment. Whereas external analysis focuses more on company's industry, customers and competitors, internal analysis focuses on the organisation itself. Internal analysis mainly focuses on organisation's strengths and weaknesses. More formally, internal analysis involves an analysis of the organisation's set of resources and capabilities that can be deployed—or should be developed—to deliver unique value to customers. Firms that don't have the resources and capabilities that are necessary to implement the strategies formulated may need to improve, change, or possibly create and offer unique value proposition to their customers. This is where resource allocation becomes an important dimension of strategy. After a company decides how it hopes to offer unique value, it must allocate or deploy resources and capabilities in order of priority, necessary to back up such decisions.

According to Hamel and Prahalad (1990), resources and capabilities help firms create and deliver unique value. So what drives choices into which resources and capabilities a firm should invest money and time? The answer is priorities, which are a firm's ranking about what is most important. Priorities are driven by a company's underlying values, its leaders' beliefs about what is right and wrong, good and bad, desirable and undesirable. Timing is crucial in the development or deployment of many resources, capabilities, or priorities. Barney, J.B. (2002) posits that resources that come from differences in individual or organizational abilities over time cannot be easily deciphered and processed. Peter Drucker (1954), describes values as the ultimate test for action. Values lead to priorities that help executives, managers, and employees to make decisions. Priorities drive the creation of resources and capabilities in two ways. First, priorities guide resource allocation processes such as capital investment, human capital acquisition and training, and brand development. Second, priorities maintain those allocations over time when things get tough leading to path dependence where the process through which a resource or capability came into being

is made difficult for competitors to imitate, disallowing imitation when resources or capabilities follow a successive development path. By extension, developing a concept called causal ambiguity causality where complexity, resources, capabilities, and priorities become difficult for competitors to imitate when they span the organization or contain many interrelated elements and exhibit substantial complexity (Reed, 1990).

Crafting Strategy

In similar fashion, crafting organisation's business strategy is described as a dynamic plan to gain, and sustain competitive advantage in the marketplace. Such plan is based on the ideas and theories its leaders have about how to succeed in a particular market (Armstrong, 1982). This theory may take the form of studies, observations, predictions, etc., about which markets are attractive and how a company can offer unique value proposition to customers in those markets in a way that won't be easily imitated by competitors. This theory then gets translated into a number of activities to gain competitive advantage.

This involves selecting which actions an organisation will take to gain and sustain competitive advantage. Remember, attaining competitive advantage requires that the company do all of the following: provide unique value to a set of customers in the appropriate markets, develop a set of resources and capabilities that allow the company to deliver that unique value to customers better than competitors, sustain competitive advantage by figuring out how to prevent imitation of the chosen strategy (Dyer et al, 2017). A company will also need to craft and implement strategy at three different levels of the organization: corporate, business (product), and functional units, depending on the organizational structure. Corporate strategy refers to decisions that are made by senior corporate executives about where to compete in terms of industries and markets. Business unit strategy is made at the level of the strategic business unit—standalone business units in a company that typically have their own profit and loss responsibility. Companies typically try to achieve competitive advantage by choosing between one of two generic strategies for offering unique value: low cost or differentiation. A firm that chooses a low-cost strategy focuses on reducing its costs below those of its competitors. Key sources of cost advantage include economies of scale, lower-cost inputs, or proprietary production know-how. A firm that chooses a differentiation strategy focuses on offering features, quality, convenience, or image that customers cannot get from competitors. Therefore, the traditional answer to offering unique value is to be either a low-cost (low-price) provider or a differentiator (Hill, 1988).

In many instances, firms rely on a few key strategy vehicles to help them enter attractive markets and build the resources and capabilities necessary to deliver unique value. These strategy vehicles include such things as diversification, acquisitions, alliances, vertical integration and international expansion. A firm may choose to grow by diversifying, adding to its products or opening a new line of business. Acquisition is a strategy vehicle used for growth and diversification or to acquire key resources. Sometimes companies decide to

access new resources and capabilities through strategic alliance—an exclusive relationship with another firm—rather than through acquisition.

Strategies are more likely to be successful when they explicitly take into account, these four inter-related factors: where to compete, the attractiveness of a market or customer segment in the targeted markets; how to offer unique value relative to the competition in the targeted markets; what resources or capabilities are necessary to deliver that unique value and how to sustain a competitive advantage once it is achieved (Barney, 2002). Competitive advantage requires that a firm consistently outperform its rivals in generating above-average profits over a long period of time, through a strategy that competitors are unable to imitate or find too costly to imitate (Barney et al, 2007). Above-average profits are returns in excess of what an investor expects from other investments with a similar amount of risk. The goal of crafting strategy is ultimately to create competitive advantage. The ability to consistently win is based on developing and deploying better resources and capabilities that resonates with the crafted strategies to exploit the weaknesses of competitors. This is measured by looking at the profits (as a percentage of invested capital) generated by firm. Although, non-profit organizations do not measure their success in terms of profit rates but through outcomes such as satisfactory measures, people served, or some other measure of an improved performance.

Strategy Implementation

Another imperative step in the strategic management process is implementation of the chosen strategy during the strategy formulation phase. Strategy implementation occurs when a company adopts a set of organizational processes and activities to help carry out the strategy. Effective implementation typically requires that functional area strategies within the company (research and development (R&D), finance, operations, sales and marketing and human resource) are well aligned in delivering the unique value identified in the overall strategy Argyres et al (2002). Implementation is generally more successful when a company can measure how effective, functional activities are being performed to support the overall strategy: this is where “the rubber hits the road”. Environmental scanning and strategy formulation are crucial to strategic management but are only the beginning of the process. Strategy, no matter how well-crafted it is, without implementation through defined tactical operations in the workplace, is considered a failure. In other words, unsuccessful implementation of organizational strategy is as good as failure to achieve organisational objectives. Hence, successful strategy must always be made action oriented. This is done through a series of policies and programs that are funded through specific budgets, containing detailed procedures. The secret to organisation’s success is its well-executed strategy. Clearly laid out programs, budgets, and procedures support organisation’s competitive strategy by making it stand out in the mind of the consumer (P. Sellers, 2003).

One key to implementation is *staffing*—hiring and promoting a certain kind of persons. The implementation of new strategies and policies often call for new human resource management priorities and a different use of personnel. Such staffing issues can involve hiring new people with new skills, firing people with inappropriate or substandard skills, and/or training existing employees to learn new skills. Research demonstrates that companies with enlightened talent-management policies and programs have higher returns on sales, investments, assets, and equity (Hrebiniak, 2006).

As in the case of structure, staffing requirements are likely to follow a change in strategy. For example, promotions should be based not only on current job performance but also on whether a person has the skills and abilities to do what is needed to implement the new strategy. Implementation also involves leading through coaching people to use their abilities and skills most effectively and efficiently to achieve organizational objectives. Without direction, people tend to do their work according to their personal view of what tasks should be done, how and in what order. They may approach their work as they have in the past or emphasize those tasks that they most enjoy—regardless of the company's priorities. This can create real hitches. Direction may take the form of management leadership, communicated norms of behavior from the organisation's culture. It may be accomplished more formally through action planning or programs such as Management By Objectives (MBO) and Total Quality Management (TQM). Procedures can be changed to provide incentives to motivate employees to align their behaviour with company's objectives. Activities can be directed toward accomplishing strategic goals through action planning. At a minimum, an action plan states what actions are to be taken, by whom, during what time frame, and with what expected results. After a program has been selected to implement a particular strategy, an action plan should be developed to put the program in place.

Strategy is implemented by modifying structure (organizing), selecting the appropriate people to carry out the strategy (staffing), and communicating clearly how the strategy can be put into action (leading). A number of programs, such as organizational and job design, reengineering, Six Sigma, MBO, TQM, and action planning, may be used to implement a new strategy. Managers must manage the organisation's culture and find the right mix of qualified people to put a strategy in place. The development of key resources and capabilities needed to deliver unique value should be part of the company's strategy implementation plan. Strategy implementation plan involves the company developing a set of processes (capabilities) and priorities within each function (e.g., finance, operations, marketing and sales, HR, etc.) that align with the unique value the company offers. Strategists also absorb that it is helpful to align the firm's structure (organization design), staffing (people), skills (capabilities/processes), systems (e.g., information and reward systems), shared values and style (culture) with crafted strategy for offering unique value, designed to facilitate the execution of the strategy, popularly known as the McKinsey 7S framework, useful for creating the alignment necessary to ensure effective implementation.

Monitoring and Control

When an organisation has a clear strategy regarding how it plans to offer unique value or “win” with customers, monitoring and control helps guide the implementation of the overall strategy within each of the different business functions. To ensure successful implementation, the organization should have clear metrics or techniques to measure whether or not, the strategy is being implemented. Given that strategic change and realignment takes such a long time to successfully implement, managers need a way to effectively measure their organization’s progress. This includes the general need for assessing whether any strategy, new or existing, works (Pearce and Robinson, 2003).

Principle of line of sight and McKinsey 7S approaches are operational tools for strategic monitoring and control to help create a system to overcome the limited perspective in implementing defined strategy. Line of sight links routine organizational behaviors and decisions to their impact on the overall strategy. Accordingly, this principle makes out that grand strategies are finally executed only as stakeholders make decisions about how to appropriately allocate valuable resources and capability within their control. More so, line of sight principle provides clarity and directs strategy to an established finish point of reference. This involves translating the overall strategy into a set of specific objectives for divisions or groups of employee. With a clear line of sight, staff discerns how to deploy services to achieve service excellence, how to make better negotiation to win deals, also helps encourage and reward those behaviors that actually create strategic value.

Outlining steps individuals and managers can use to develop line of sight systems and create measures to know when they are effectively implementing strategy, requires that stakeholders determine which of their actions greatly contribute to realizing a strategy and which activities to prioritize. In creating a clear line of sight, it is important to first, begin with the end in mind; this is the time to list the abstract, broad goals and objectives of the organization; such goals and objectives are readily originated from the organisation’s mission statement; identify the tangible strategy that reaches that objective. For example, does the company intend to create shareholder value through a premium price or through cost leadership? Each of those larger strategic positions require organisation to align and combine its resources to achieve meaningful differentiation or low cost concept. For division or functional managers, which resources and capabilities are under my direct control? How does my division or function help the company implement its strategy? This establishes the line of sight for this level of the organization.

At the work group level, what specific activities do we perform that use and strengthen these resources? The key for work groups is to sort through the daily activity set and sort activities that really need to come first; work group tasks can then be subdivided into individual tasks; employees should be able to see the inextricable chain that connects their personal work with the organisation’s strategy. Finally, determine which single measure captures the way the work should be done.

Monitoring and control system such as the balanced scorecard can serve as an early warning sign for misalignments among the 7S model or between the organisation and its environment, can help managers monitor progress toward strategic objectives and also help them manage the process of change and realignment. Balanced scorecard is a tool that measures four broad areas of organizational performance: financial results, customer goals, internal business processes, and learning and growth. Ultimately, tools such as line of sight help managers decide where, when, and how much to allocate resources, especially their own time to different activities.

Conclusion

Understanding strategic management process, tools and concepts are fundamental to effective formulation and implementation of strategy for successful organization. Organisations create and sustain competitive advantages through their own efforts by analysing markets and industry, assesses strengths, opportunities, priorities, sets goals and direction to maneuver competitors and potential competitors and then reassesses strategies periodically to determine whether it is successful or needs replacement with another strategy to meet changed circumstances in technological, competitive, economic, social, financial, and or political environment, describing ways an organization pursues and achieves objectives, in light of relative strengths and changing situations. Strategy is often described as the fundamental pattern of planned events, resource deployments, and interactions of a firm with markets, competitors and other environmental dynamics.

Strategies often depend on the complex combination of a firm's underlying values, resource base, capabilities, actions and activities of large number of individuals and groups as interactions take place in market and industry contexts characterized by constant, sometimes radical change. Normally, stakeholders in charge of running the affairs of an organization encounter challenges, especially during strategy implementation phase that requires monitoring and control to overcome. These challenges arise due to a number of environmental factors including internal limitations. An effective monitoring and control system guarantees successful implementation of strategy from top management to the least employees by constantly connecting their daily work to the overall strategic goals and the success of the organization. There is need to have a very clear understanding of the organisation's overall strategy, roles and responsibilities in furthering it, to enable the strategist have the necessary tools to help decide which of the many urgent tasks to prioritise and undertake. By understanding basic strategic management principles, managers will be more effective at developing and implementing ideas that are consistent with overall strategy. Priorities support the development of capabilities, and enable the creation and deployment of unique and valuable resources. Hence, rare resources, capabilities, and priorities give organisations competitive advantage over rivals. Organisations with sustained competitive advantage typically provide superior advancement opportunities, higher pay and greater job security than organisations without any competitive advantage.

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