

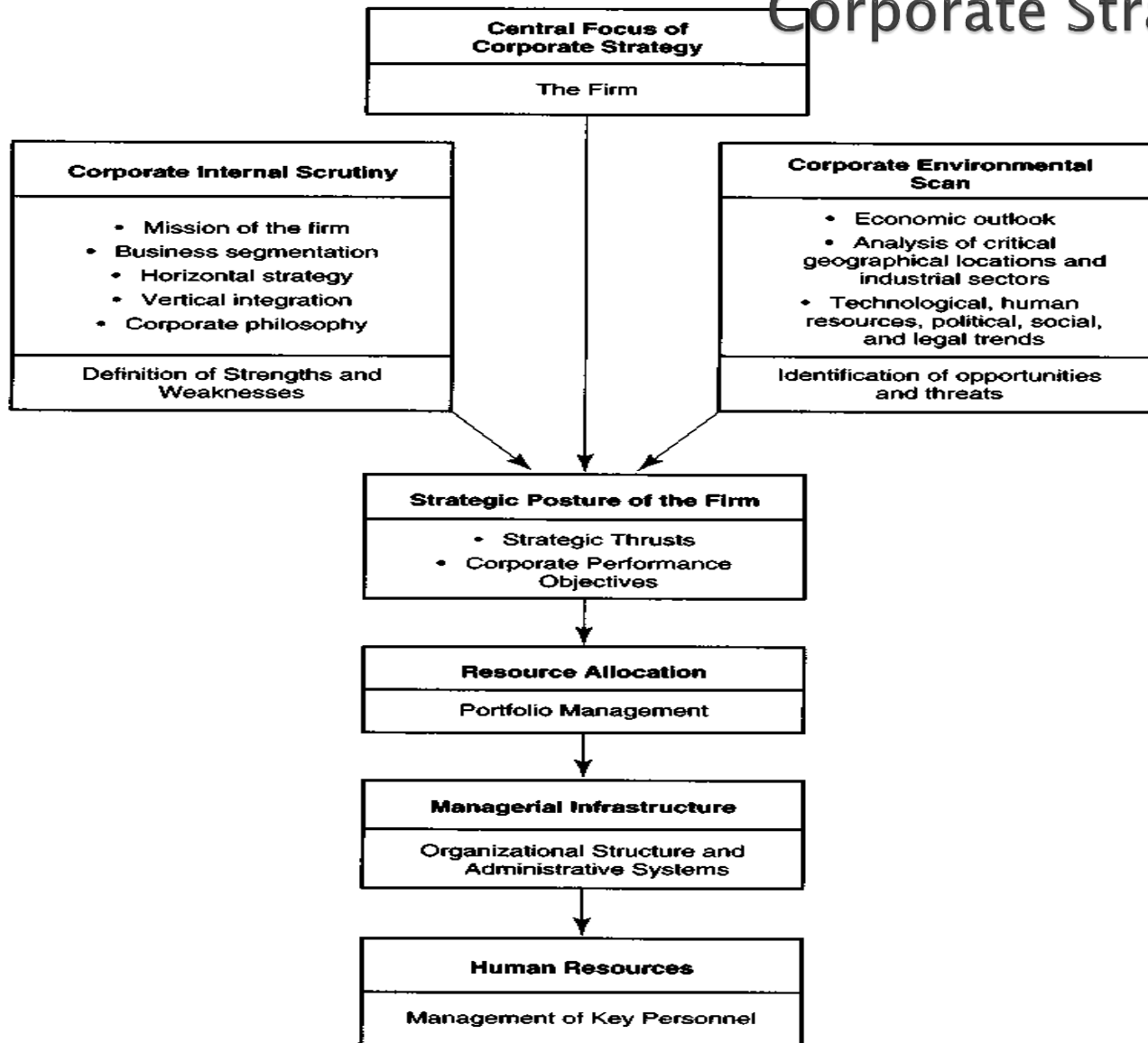
# *A Formal Strategic Planning Process*



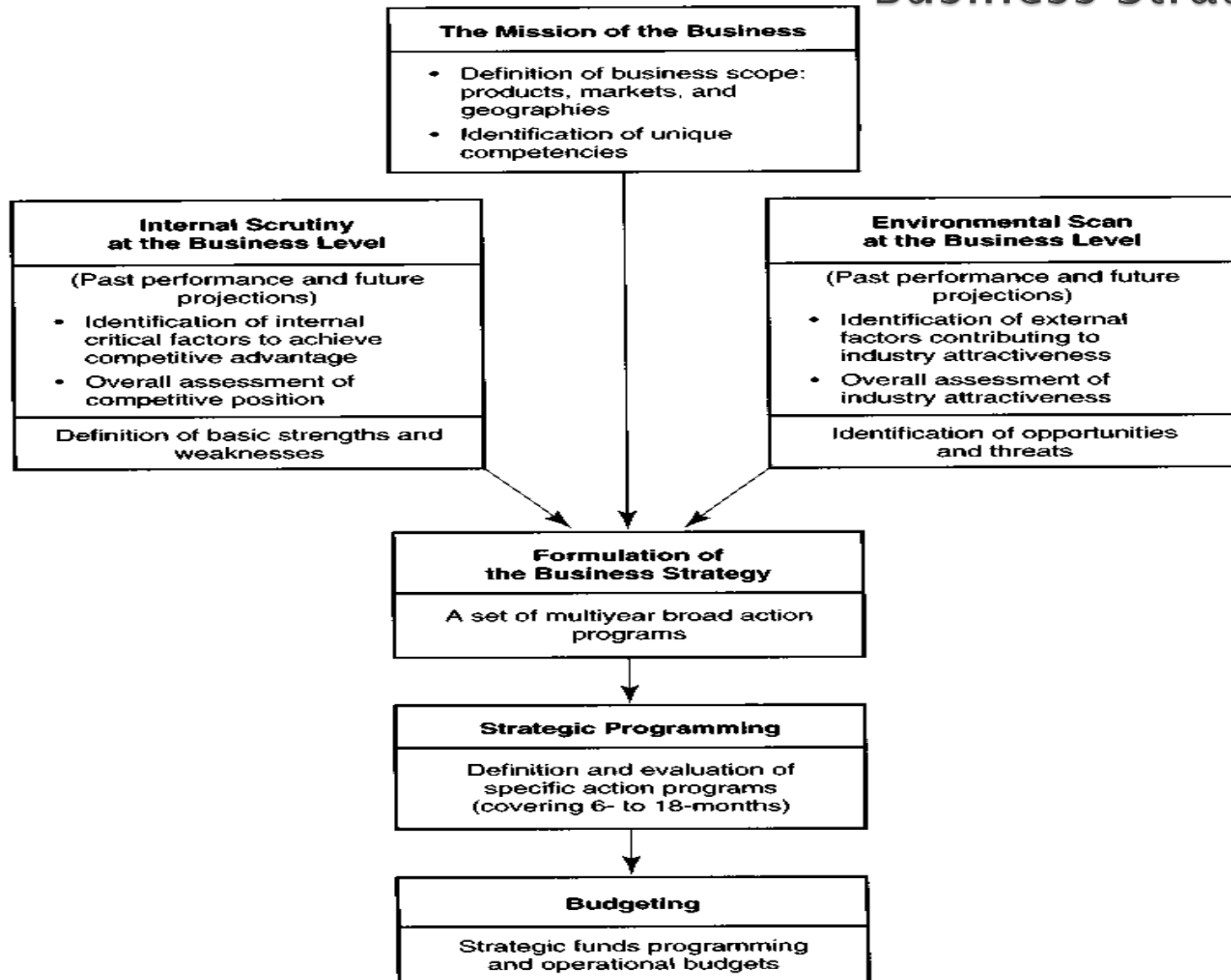
## The Three Perspectives of Strategy

- ▶ The *corporate strategy* deals with the decisions that, by their nature, should be addressed with the fullest scope encompassing the overall firm
- ▶ *Business strategy* aims at obtaining superior financial performance by seeking a competitive positioning that allows the business to have a sustainable advantage over the firm's competitors.
- ▶ *Functional strategies* not only consolidate the functional requirements demanded by the corporate and business strategies, but also constitute the depositories of the ultimate capabilities needed to develop the unique competencies of the firm.

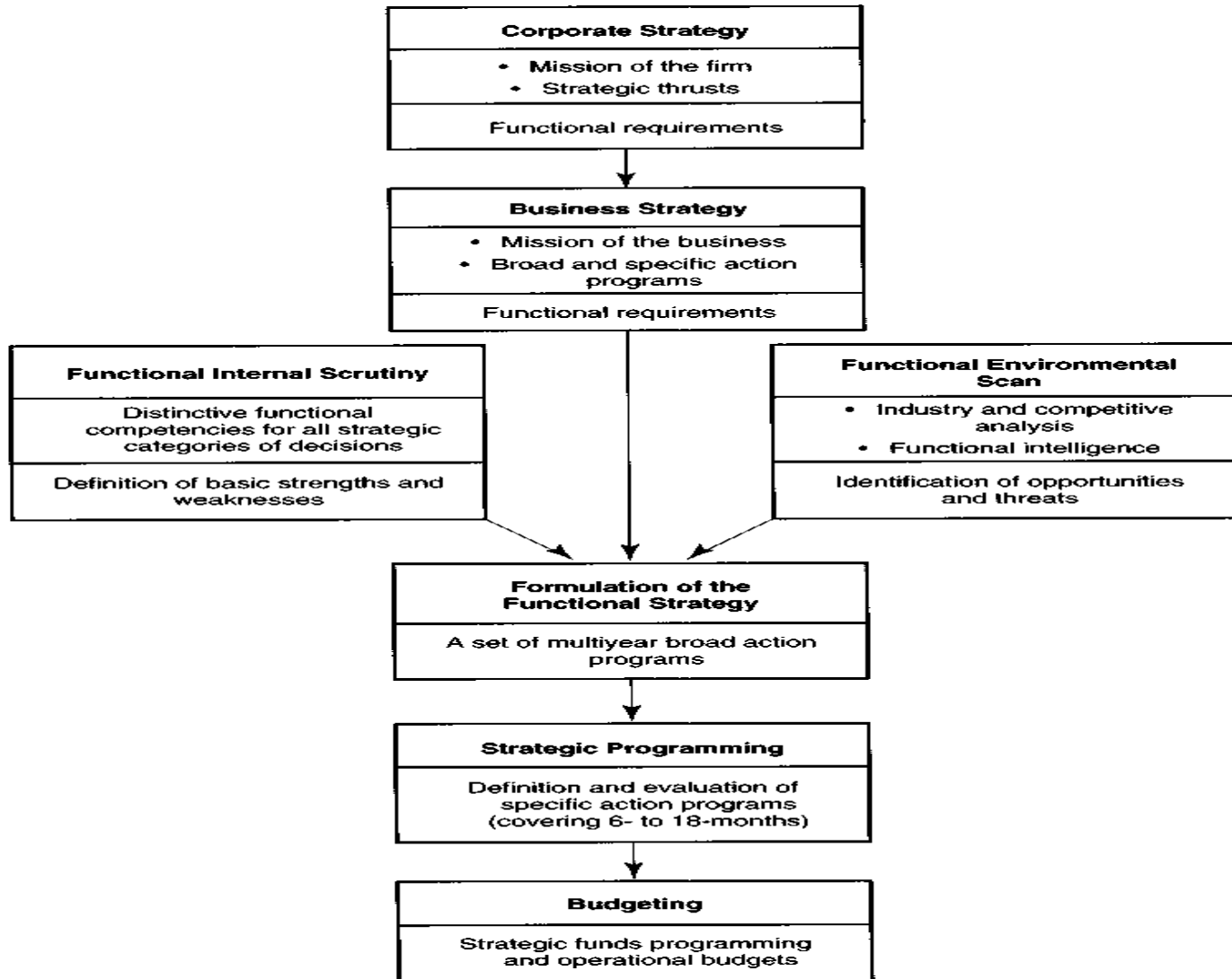
# The Fundamental Elements of the Definition of Corporate Strategy—



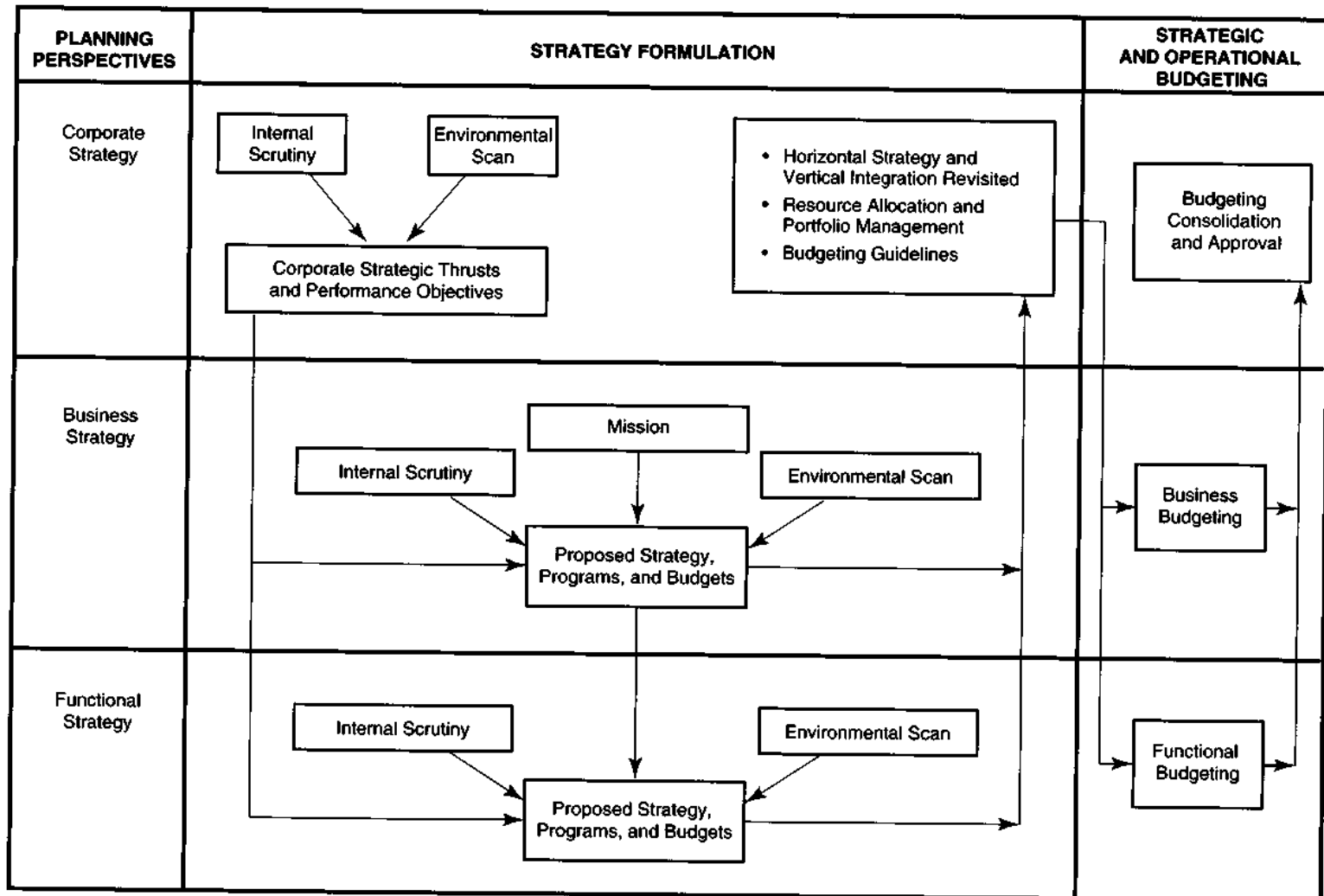
# The Fundamental Elements of the Definition of a Business Strategy



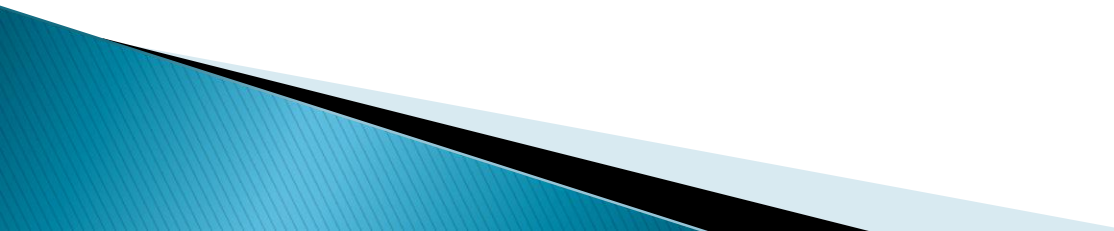
# The Fundamental Elements of the Definition of a Functional Strategy



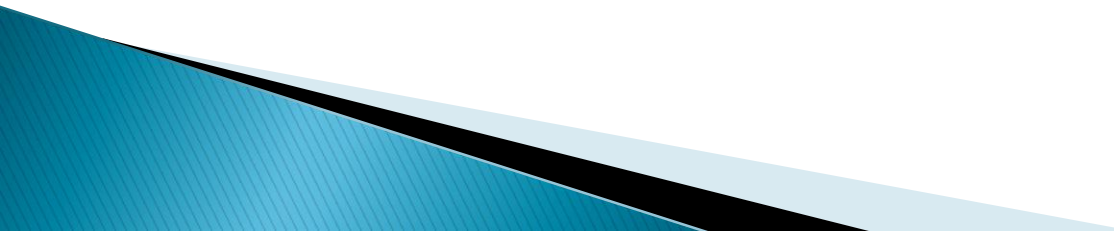
# The Three Perspectives of Strategy: Corporate, Business, and Functional



## *The Merits of Formal Strategic Planning*

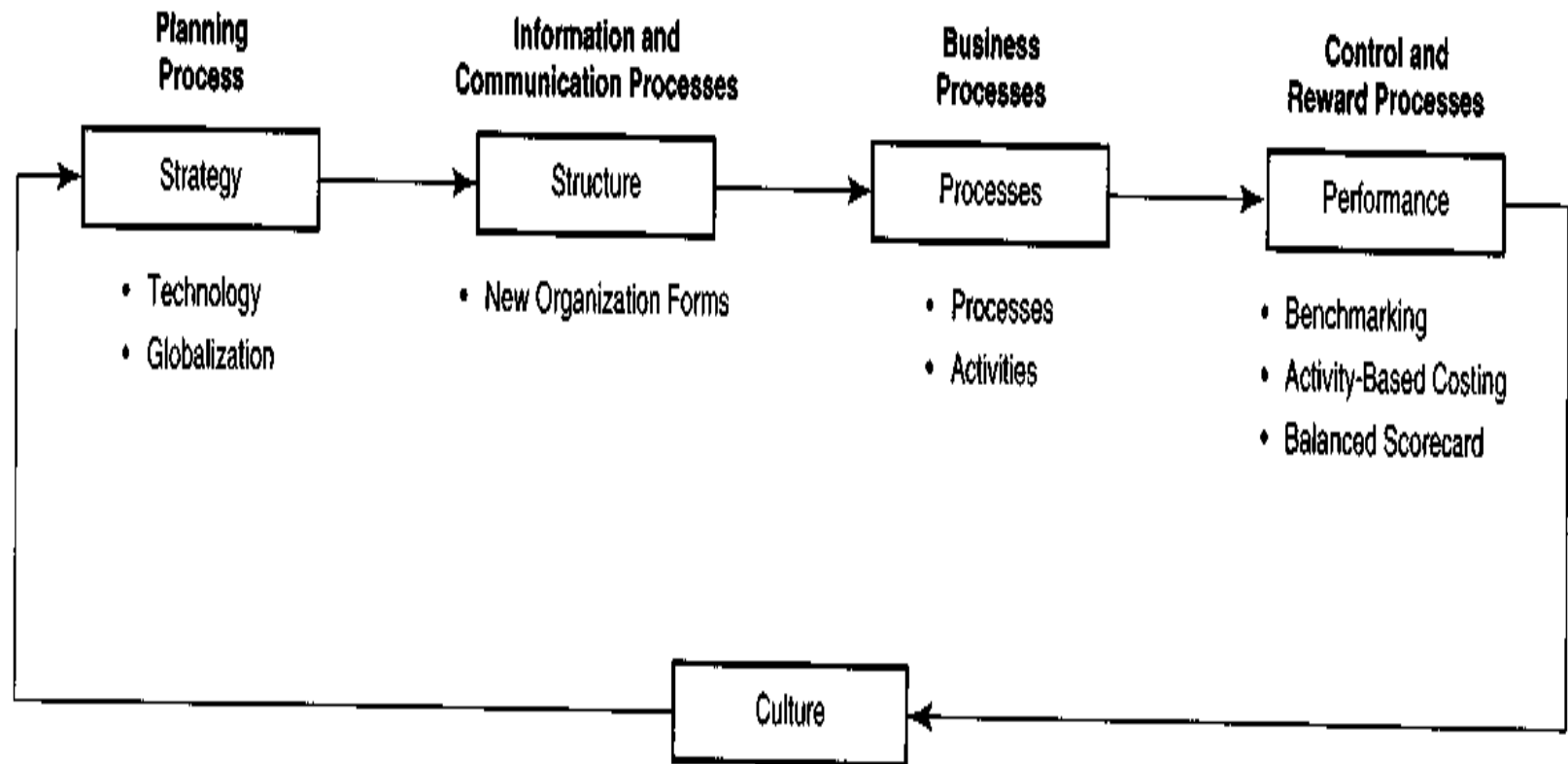
- ▶ The planning process helps to unify corporate directions
  - ▶ The segmentation of the firm is greatly improved
  - ▶ The planning process introduces a discipline for long-term thinking in the firm
  - ▶ The planning process is an educational device and an opportunity for multiple personal interactions and negotiations at all levels
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## *Avoiding the Limitations of Formal Strategic Planning*

- ▶ ***RISK OF EXCESSIVE BUREAUCRATIZATION***
  - ▶ ***PLANNERS DO NOT PLAN: MANAGERS DO***
  - ▶ ***GRAND DESIGN VERSUS LOGICAL INCREMENTALISM***
  - ▶ ***FORMAL PLANNING VERSUS OPPORTUNISTIC PLANNING***
  - ▶ ***HIERARCHIES SHOULD NOT BE AN OBSTACLE FOR THE DEVELOPMENT OF STRATEGIC CAPABILITIES***
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# Strategic Management Framework



## *Managing by Strategy*

- ▶ *People Are the Greatest Assets of the Firm*
  - ▶ *Integration of Strategy, Structure, Business Processes, Performance, and Culture*
  - ▶ *The Important Coexistence of Formal and Informal Managerial Processes and Systems*
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