

MBALN685 - Strategic Management

ASSIGNMENT 1 BRIEF

TASK

Develop a Strategic Business Plan for a New Venture

Start-up companies are more important in bringing products and services to market. In response to new technology, new and innovative businesses are taking over the markets of those older companies too slow to move with changing customer demands. Following this line of thought, for this task you are an administrative officer at the corporate level of an offshore organization and, **you are assigned to develop a strategic business plan for a new venture in a sector of your choice**. This Strategic Management Process should contain whatever is necessary to start-up a company from scratch, including the new company's philosophy, mission, objectives, strategies and tactics, CSR, an analysis of the firm's internal and external environment, organizational structure, leadership and, an one-page financial report justifying the firm's survival for at least a year. You should justify your choices in terms of the chosen industry/sector on the grounds of innovation, competitive advantage and, company's sustained growth and survival. Your budget is £150,000 (BP).

Assignment Specifics:

- THIS IS AN INDIVIDUAL PIECE OF WORK
- For the assignment's requirements, if necessary contact local authorities for licensing and/ or legal issues.
- Your report should be grounded in relevant theory – use the core and recommended reading – at the same time you should consider exploring a new/ innovative idea/venture.

- **Reference all sources appropriately, using the Harvard Referencing System.**
- The word count of your report is 5000 words (-/+10%).
- The assignment counts 50% against your final grade.
- Deadline: End of week 4

DIRECTIONS AND HELP FOR YOUR ASSIGNMENT

You are expected to discuss a number of components that appear in the ‘Strategic Management Process’ in relation to an innovative idea/ new venture. However, in the same way that businesses vary in the processes they use to formulate and direct their strategic management activities, you may include different components in your strategic process. In other words, although the basic components of the models used to analyze strategic management operations are very similar, you may develop an eclectic strategic analysis. Despite the differences, nevertheless, your strategic analysis should be representative of the foremost thought in the strategic management area. Your strategic management process may include all, or most of the following key components (source: Pearce and Robinson, 2010):

Company Mission

Form a company mission for your new venture. The mission of a company is the unique purpose that sets it apart from other companies of its type and identifies the scope of its operations. In short, the company mission describes the company’s product, market, and technological areas of emphasis in a way that reflects the values and priorities of the strategic decision makers.

Internal Analysis

The company analyzes the quantity and quality of the company’s financial, human, and physical resources. It also assesses the strengths and weaknesses of the company’s management and organizational structure. You are expected to proceed to a similar analysis, using appropriate tools such as SWOT analysis.

External Environment

A firm’s external environment consists of all the conditions and forces that affect its strategic options and define its competitive situation. The strategic management model shows the external environment as three interactive segments: the remote, industry, and operating environments. You should present and discuss a similar analysis about the external environment of their new venture.

Strategic Analysis and Choice

Simultaneous assessment of the external environment and the company profile enables a firm to identify a range of possibly attractive opportunities. These opportunities are possible avenues for investment. However, you must be screened through the criterion of the company mission to generate a set of possible and desired opportunities. This screening process results in the selection of options from which a strategic choice is made. The process is meant to provide the combination of long-term objectives and generic and grand strategies that optimally position the firm in its external environment to achieve the company mission.

Long-Term Objectives

In your analysis, you are expected to emphasize the importance of long-term objectives. The results that an organization seeks over a multiyear period are its long-term objectives. Such objectives typically involve some or all of the following areas: profitability, return on investment, competitive position, technological leadership, productivity, employee relations, public responsibility, and employee management.

Generic and Grand Strategies

Many businesses explicitly and all implicitly adopt one or more generic strategies characterizing their competitive orientation in the marketplace. Low cost, differentiation, or focus strategies define the three fundamental options. Although every grand strategy is a unique package of long-term strategies, 15 basic approaches can be identified. You are expected to present and discuss the generic and grand strategy/ies that are suitable for their new venture, how are to be achieved, and their roles towards achieving the organization's long-term objectives.

Short-term objectives

Short-term objectives are the desired results that a company seeks over a period of one year or less. They are logically consistent with the firm's long-term objectives. Companies typically have many short-term objectives to provide guidance for their functional and operational activities. Thus there are, among others, short-term marketing activity, raw material usage, employee turnover, and sales objectives. You should discuss their short-term objectives, and their role in supporting generic and grand strategies.

Functional tactics

You are expected to suggest a number of functional tactics and how these short-term activities are used to achieve short-term objectives and establish competitive advantage. Within the general framework created by the business's generic and grand strategies, each business function needs to undertake activities that help build a sustainable competitive advantage. These short term, limited scope plans are called tactics. A radio ad campaign, an inventory reduction, and an introductory loan rate are examples of tactics. Functional tactics are detailed statements of the 'means' or activities that will be used to achieve short-term objectives.

Policies that empower action

Speed is a critical necessity for success in today's competitive, global marketplace. One way to enhance speed and responsiveness is to force/allow decisions to be made whenever possible at the lower level in organizations. Policies are broad, precedent-setting decisions that guide or substitute for repetitive or time-sensitive managerial decision-making. Creating policies that guide and 'preauthorize' the thinking, decisions and actions of operating managers and their subordinates in implementing the business's strategy is essential for establishing and controlling the ongoing operating process of the firm in a manner consistent with the firm's strategic objective.

Strategic Control and Continuous Improvement

Strategic control is concerned with tracking a strategy as it is being implemented, detecting problems or changes in its underlying premises, and making necessary adjustments. In contrast to post-action control, strategic control seeks to guide action on behalf of the generic and grand strategies as they are taking place and when the end results are still several years away. The rapid, accelerating change of the global marketplace of the last 10 years has made continuous improvement another aspect of strategic control.

Conclusion

As it has been mentioned earlier, you are expected to use all or a number of components towards synthesizing a Strategic Management Process for their new venture. Each component is a central theme in different chapters of their core textbook. At the same time, students are expected to present a one-page analysis of their financial highlights, illustrating expected money inflow/outflow for a year.

Good Luck!!!