

**LO1: POLICY & BUSINESS POLICY**  
**Policy:** A principle or rule to guide the decisions & achieve stated objectives  
**Business Policy:** Study of

- Responsibility of senior management
- Crucial problem that affect success in the enterprise
- Decisions that determine the directions of organisation

**LO2: MANAGERMENTS**  
**Def:** Getting the things done effectively & efficiently through & with people (or) Mobilisation and utilisation of the resources [physical, human and needed] in a judicious manner

- Efficiency – Doing things rightly
- Effectively – Doing right things

**LO3: STRATEGY**  
**Def:** A unified, comprehensive & integrated plan designed to assure that the basic objective of the business are achieved. Strategy is partly proactive and partly reactive  
**Proactive** – It is framed from the past experience of business  
**Reactive** – It is modified or changed with the changes takes place in the environment  
**Designation** – BIOPSY<sup>1</sup>  
**Importance** – BM/UC/OT/DM<sup>2</sup>

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| <p><b>1</b><br/>                 B – Business direction<br/>                 O – Organisational Audit<br/>                 P – Process, product, people<br/>                 IC – Intense Competitive advantage<br/>                 Y – Y factor: Examining external factors<br/>                 S – Stakeholders interest</p> | <p><b>3</b><br/>                 V – Vision setting<br/>                 O – Objective setting<br/>                 I – Implementing Strategy<br/>                 C – Crafting a strategy<br/>                 E – Error</p> |
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| <p><b>2</b><br/>                 BM – Beginning &amp; Means<br/>                 UC – Handle Uncertainty<br/>                 OT – Opportunities &amp; Threats<br/>                 DM – Decision Making</p> | <p><b>4</b><br/>                 B – Beginning<br/>                 E – Ends<br/>                 M – Means<br/>                 E – Evaluation<br/>                 C – Control</p> |
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**LO9: STRATEGIC LEVELS IN ORGANISATION**  
**Corporate Level:** Controlled by top level management

- Sets visions, mission, goals and objectives
- Allocate the resources among different business

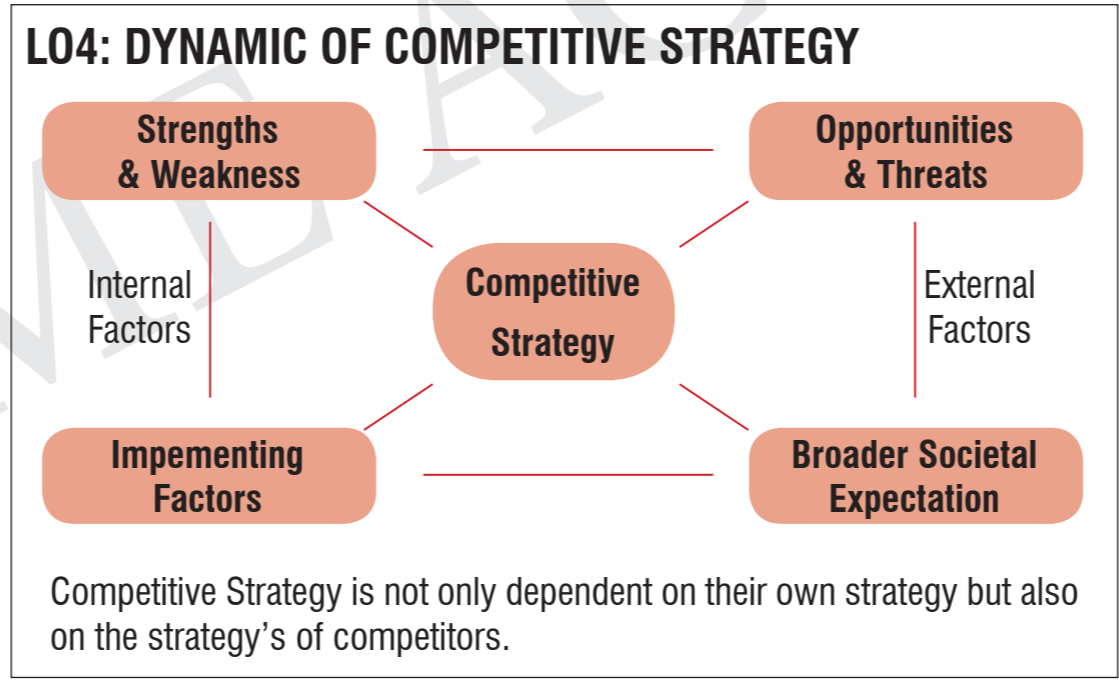
**Business Level:** Business level managers are responsible for the profit of self-contained division

- Help the organization achieve its corporate division
- Develop distinctive competencies and competitive advantage in each unit

**Functional level:** Functional level managers are responsible for specific business functions [HR, purchases, etc.]

- Integrating the activities within functional area
- Assuring FLS mesh with BLS & CLS

# BUSINESS POLICY & STRATEGIC MANAGEMENT



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| <p><b>5</b><br/>                 D – Decision making<br/>                 U – Uncertainty in Environment<br/>                 P – Proactive<br/>                 D – Defence mechanism<br/>                 C – Competitive advantage creation<br/>                 M – Measurement of progress</p> | <p><b>6</b><br/>                 M – Mission<br/>                 P – Business Portfolio<br/>                 G – Goals, objective<br/>                 P – Funcational Plans</p> |
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**LO8: VISION, MISSION, GOALS & OBJECTIVES**  
**VISION:** Desirable future of the organization (where we want to go?)  
 Elements of Strategic Vision:

- Mission Statement
- LT course of action
- Communication of vision

**MISSION:** Current scope of operations (who we are?)  
 Describes – PUV CAB<sup>8</sup>  
 5 Areas included in mission Statement – McPEB<sup>9</sup>

**GOALS & OBJECTIVES:** Desired end towards which efforts are directed

- They should be challenging
- They should be SMART

**S – Specific**  
**M – Measurable**  
**A – Attainable**  
**R – Realistic**  
**T – Time bound**

**LO7: STRATEGIC MANAGEMENT MODEL**  
**Strategy formulation:** Setting vision, mission

- Performing External, Internal audit
- Establish long-term objectives

**Strategy Implementation:** Generate & Select strategies

- Implement the Strategic management issues
- Implement the Strategies

**Evaluation:** Measure and evaluate performance

**LO6: DECISION MAKING**  
 Dimensions in Strategic Issues – PFMET<sup>7</sup>

**LO5: STRATEGIC MANAGEMENT**  
**Def:** Managerial process of forming VOICE<sup>3</sup>  
**Tasks:** BEMEC<sup>4</sup>  
**Importance:** DUPDCM<sup>5</sup>  
**Develops:** MPGP<sup>6</sup>

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| <p><b>7</b><br/>                 P – Long term Prosperity<br/>                 F – Future oriented<br/>                 M – Multifunctional consequences<br/>                 E – External Environment<br/>                 T – Top management decision</p> | <p><b>8</b><br/>                 P – Present capabilities<br/>                 U – Unique compeencies<br/>                 V – Values<br/>                 C – Competitive advantage<br/>                 A – Activities<br/>                 B – Business SCOPE</p> | <p><b>9</b><br/>                 M – Markets<br/>                 C – Customers<br/>                 P – Products &amp; Servies<br/>                 E – Employees<br/>                 B – Business philosophy</p> |
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