



Corporate Strategy: A Dynamic Challenge for Financial Growth of Business and Organization

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ABSTRACT

Strategy is the art of the general that is the leader which first gained currency at the end of the 18th century and had to do with stratagem by which the general sought to deceive an enemy, with plans the general made for campaign, and with the way the general moved and disposed his forces in war. The strategy processes include strategic analysis, strategy development and strategy implementation and the reasons for corporate strategy are that it is universal, it keeps pace with the environment as it changes, it minimizes competitive disadvantage and adds up to competitive advantage, vision and sharper focus on goals and objectives, motivates employees', decision making, understanding of internal and external environment of business and implementation of action for results. Some of the factors that affects strategy management are Threat of new entrants threat of substitute products and / or services, bargaining power of suppliers, bargaining power of buyers and rivalry amongst existing firms and the limitation of the strategy management are scrutinizing a complicated environment, structure mean rigidity, constraint in discharge and incompetent gratitude by the management.

KEY WORDS: Strategy, management, corporate and organization

INTRODUCTION

Organizations are facing exciting and dynamic challenges in the 21st century and the globalized business and companies require strategic thinking and only by evolving good corporate strategies can they become strategically competitive. A sustained or sustainable competitive advantage occur when a firm implement values that is, creating strategy of which other companies are unable to duplicate the benefits or find it too costly to initiate. Corporate strategy includes the commitments, decisions and actions that are required for an organization to achieve strategic competitiveness and earn above average returns (Nag *et. al.*, 2007)

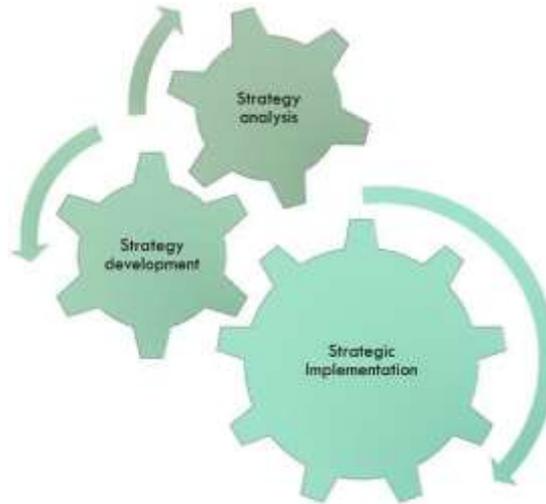
Strategy is the art of the general that is the leader which first gained currency at the end of the 18th century and had to do with stratagem by which the general sought to deceive an enemy, with plans the general made for campaign, and with the way the general moved and disposed his forces in war (Terra and Passador 2016)

The strategy of a business organization is a comprehensive master plan stating how the organization will achieve its mission and objectives and strategic management is basically needed for every organization and it offers several benefits (Parmigiani *et. al.*, 2011)

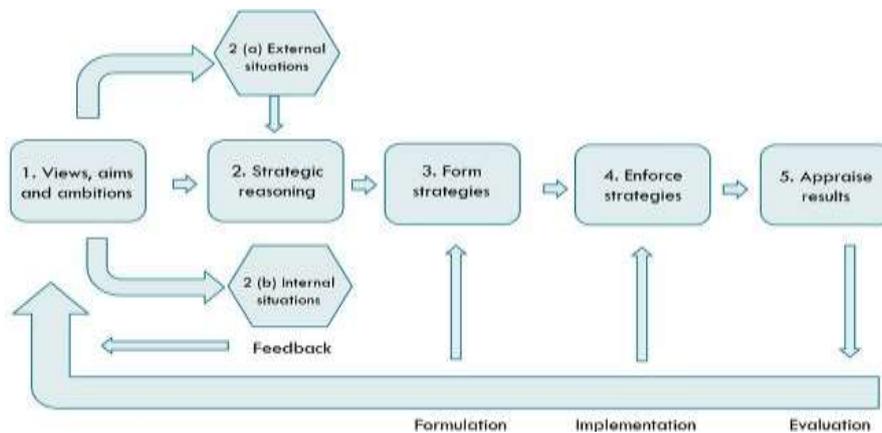
STRATEGY PROCESSES

Michael (2003) identifies some strategy process that are needed for organizational growth

- **Strategic analysis:** This involves the evaluation of the organization's mission which has to be tested. Strategic Management assists organization in generating profit for the members of the organization. In a real sense, the senior managers are the one who establishes the regard of the organization's comprehensive purposes in the long feasible terms and also evaluates the assets of the organization.
- **Strategy development:** All strategies need to be developed and then expected to be successful, the organization uses experience to assemble the various strategies and the exceptional accords that it has. Many organizations simply establish dominance over opponents that are continuous over time.
- **Implementation of Strategy:** The selected goals have to be enforced and there should be extensive complications in terms of encouragement, influence relationships, government consultation, company procurements and many other consequences. A strategy is not worth the paper; it is written-on if it not enforced.



Moreover, strategic management processes of planning consist of a associated, subsequent and regular sequence of steps that serve some results. This process becomes easily understood by five distinct elements as shown below

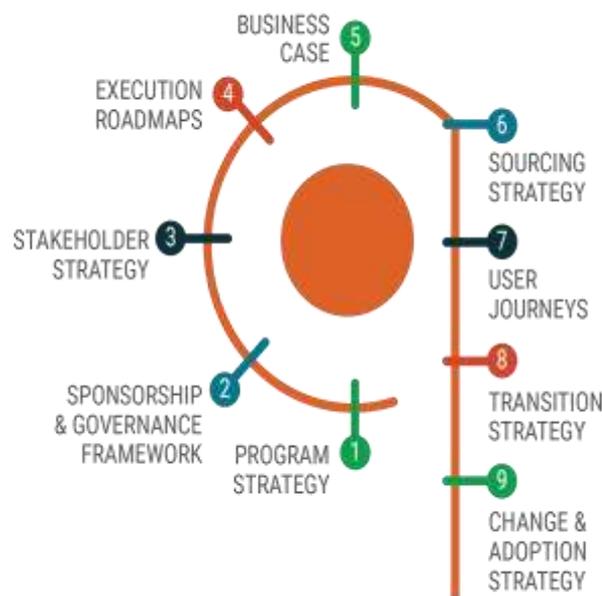


REASONS FOR CORPORATE STRATEGY

- **It is universal:** Strategy refers to a complex web of thoughts, idea, insight, experiences, goals, expertise, memories, perceptions that provides general guidance for specific actions in pursuit of particular ends. Nations have, in the management of their national policies, found it necessary to evolve strategies that adjust and correlate political, economic, technological and psychological factors, along with military elements. Be it management of national policies, international relations, or even of a game on the playfield, it provides us with the preferred path that we should take for the journey that we actually make (Kenneth, 2008)
- **Keeping pace with the environment as it changes:** The present day environment is so dynamic and fast changing thus making it very difficult for any modern business enterprise to operate. Because of uncertainties, threats and constraints, the business corporations are under great pressure and are trying to find out the way and means for their healthy survival. Under such circumstances, the only last resort is to make the best use of strategic management which can help the corporate management to explore the possible opportunities and at the same time to achieve an optimum level of efficiency by minimizing the expected threats (Kenneth, 2008)
- **Competitive disadvantages:** It minimizes competitive disadvantage and adds up to competitive advantage
- **Vision and sharper focus on goals and objectives:** Every firm competing in an industry has a strategy, because strategy refers to how a given objective will be achieved. Strategy defines what it is we want to achieve and charts our course in the market place; it is the basis for the establishment of a business firm; ant it is the basic requirement for a firm to survive and to sustain itself in today's changing environment by providing vision and encouraging defining mission (Kenneth, 2008)
- **Employees' motivation:** One should note that the labour efficiency and loyalty towards management can be expected only in an organization that operates under strategic management. Every guidance as to what to do, when and how to do and by whom etc, is given to every employee. This makes them more confident and free to perform their task without any hesitation. Labour efficiency and their loyalty which results into industrial peace and good returns are the results of broad based policies adopted by the strategic management (Kenneth, 2008)

- **Decision making:** Under strategic management, the first step is to identify the objectives of the business concerned. Hence a corporation organized under the basic principles of strategic management will find a smooth sailing due to effective decision making. These points out the need for strategic management (Kenneth, 2008)
- **Implementation of action for results:** Strategy provides a clear understanding of purpose, objectives and standards of performance to employees at all level and in all functional areas. Thereby it makes implementation very smooth allowing for maximum harmony and synchrony. As a result, the expected results are obtained more efficiency and economically (Kenneth, 2008)
- **Understanding of internal and external environment of business:** Strategy formulation requires continuous observation and understanding of environmental variables and classifying them as opportunities and threats. It also involves marginal as such strategy provides for a better understanding of environment (Kenneth, 2008)

CHARACTERISTIC FEATURES OF STRATEGIC MANAGEMENT



FACTORS AFFECTING COMPETITIVE INDUSTRIES

According to Michael Porter (1986), the reigning of guru of competitive strategy, competition within an industry is driven by five basic factors

1. Threat of new entrants
2. Threat of substitute products and / or services
3. Bargaining power of suppliers
4. Bargaining power of buyers
5. Rivalry amongst existing firms

Other factors that affect corporate and competitive strategy by on the subject of strategy point to several factors that can serve as the basis for formulating corporate and competitive strategy. Regardless of the definition of strategy and / or the many factors affecting the choice of corporate or competitive strategy, there are some fundamental questions to be asked and answered. These include:

Related to mission and vision

- Who we are
- What we can do
- Where we are
- The kind of company we are

- The kind of company we want to become
- The kind of company we must become

Related to strategy in general

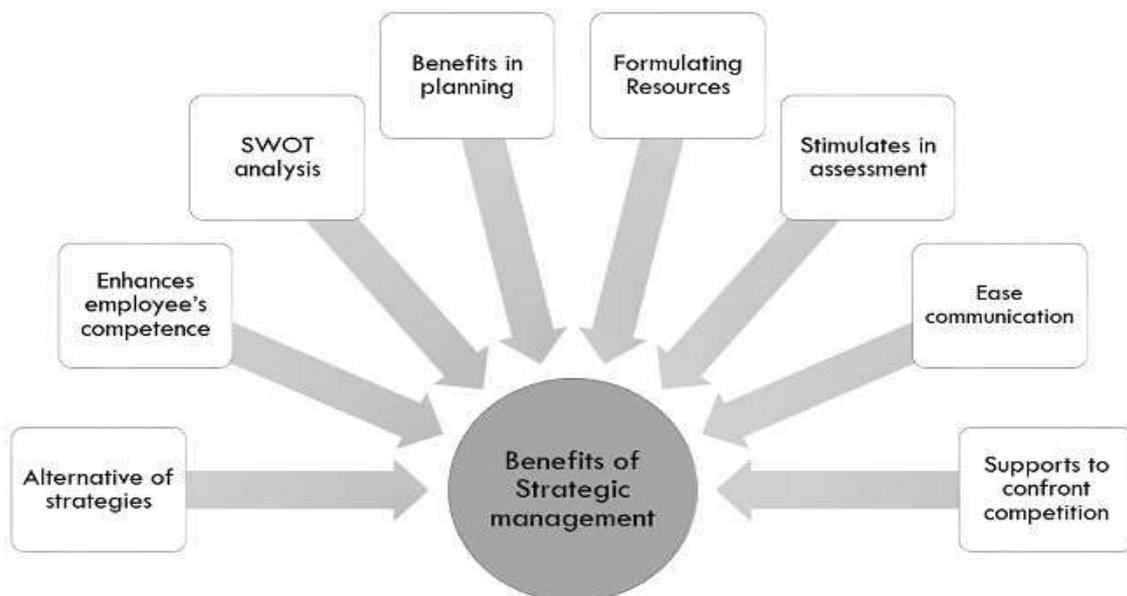
- Our objectives and what we could seek
- What our current strategy is, if it is implicit or explicit
- The course of action that could lead to the end we seek
- What our mean of disposal should be
- How are our actions are restrained and constrained by the means at our disposal
- The risk that are involved and the ones that are serious enough

Related to competitive strategy

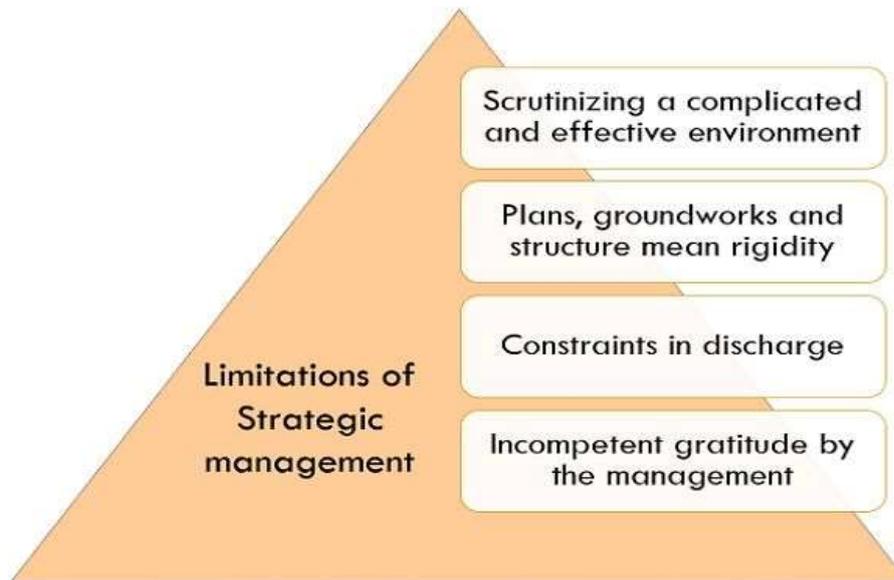
- What the current strategy is
- What the assumption have to hold for the current strategy to be viable
- The growth, sizes, and profitability of our goals
- The customers
- The products and services that are offered
- The core ones
- The ultimate options
- The basis of competition
- What we make, buy, and acquired
- The technology that would be applied

BENEFITS OF STRATEGIC PLANNING AND MANAGEMENT

The figure below x-rays some of the benefits strategic management



LIMITATIONS OF STRATEGIC MANAGEMENT



CONCLUSION

Strategy management provides available tools to effectively manage organizations, and involves the art of knowing how and when to apply creative thinking. Understanding and having the knowledge of both the art and the science of strategic management is needed to help guide business and organizations as their strategies emerge and evolve over time. These tools will also help one to effectively chart a course for a career as well as to understand the effective strategic management of the organizations for which one would work.

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