Strategic Management of Small Business Enterprises: Type of Literary Critique

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ABSTRACT
Strategic management is important element for any business enterprise. Be it small or large enterprise it is being identified as vital parameter for success of the enterprises. Strategic planning is very necessary for any enterprise. For a business to grow, it has to formulate strategy to move forward in modern business era. The stiff competition in the market has forced enterprises to formulate strategies. This paper will focus on framework of strategy in small business enterprises.

Keywords— Small call enterprises, strategic management, decision, international arena

I. INTRODUCTION
Strategic management facilitates companies to put strategy into action. It aims to fill the gap of any industry between various factors to take appropriate decision. It a process for managers which help them to build long term objectives. The formulation of strategy will not guarantee better performance with rivals continuously. It is better than traditional approach. Strategic management is important parameter in decision making and allocates right resource at right time. The totality of decision to obtain objective is strategy management. Strategic decision should have three characteristics
1. Rare: Strategic decisions are rare
2. Consequential: Strategic decisions needs resource and commitment from people
3. Directive:It has to show path to the organization.

II. OBJECTIVE OF THE STUDY
The study has the following objectives
1. To understand the process of strategic management framework
2. To recommend strategies for small scale business enterprises

III. FIVE STEPS OF STRATEGIC MANAGEMENT

The management should understand what business it’s going to do and how long it may serve that particular customer segment. The mission statement will establish future course of action and based on that the organization will play its role. Strategic management is not only the role of manager but it’s the role of higher management in the organization.

Secondly the mission statement has to be put into target. The challenges may not be easy but projecting its target helps organization to achieve its performance target. The objective has to inline with certain time horizon. It should be either long term or short term. Both the financial objectives and strategic objectives has to be met to rise in current trends.

The crafting of strategy is most important to achieve one’s target. It’s a management tool to achieve target. Formulation of strategy is not easy as it has to be analyzed organizational internal and external factors. Strategic cannot be static, it has to be flexible with market scenerio.
Next is strategy implementation. It is methods of implementing strategy. The strategy has to be checked before implementation whether it’s appropriate to reach specified target or not.

The last step is strategy evaluation. The firms seeks for continuous improvement and if there is any error in strategy, it has to be adjusted. As the organization grows, it has to be checked against the current trends and based on that it can be adjusted. Problems cannot be predicted and are not strategic timetable but once it arises, it has to be dealt with. Strategic decisions are modified over period of time when demanded by the organization. The strategy manager in a business enterprise are the following:

The chief executive officer who has responsibility towards business enterprise.

The manager and general manager who has bigger strategic responsibility towards business enterprise

Functional area head who have to look after their areas

IV. STRATEGIC MANAGEMENT MODEL

Pryor, White and Toombs (1998) proposed a model of strategic management for small business owners. The elements given by them are described in the following table:

<table>
<thead>
<tr>
<th>Strategic management model</th>
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<tbody>
<tr>
<td>Mission</td>
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<tr>
<td>Vision</td>
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<td>Core Values</td>
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<td>Goals and Objectives</td>
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<tr>
<td>Strategy Formulation</td>
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<td>Strategy Deployment</td>
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<td>Measurement &amp; Control</td>
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<tr>
<td>Distinctive Competencies</td>
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<td>Critical Success Factors</td>
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<td>SWOT Analysis</td>
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V. ADVANTAGE OF STRATEGIC MANAGEMENT

Specific goals for the organization.
Making managers alert for the organization.
Proactive control for the business enterprise.
It significantly improves market position of the enterprise.
It ensures prevention and monitoring of problems.

Better coordination at all operational at levels and consistently of better decision making.
It ensures design of organizational structure.

A firm cannot sustain even if it has resource, capabilities and competence to develop new technology but the determining characteristics of a firm are
1. Durability: All company resource becomes obsolete. Emerging technology can make the product obsolete
2. Imitability: The competence, capability can be duplicated by others

VI. LIMITS OF THE STRATEGIC MANAGEMENT

Strategic management cannot provide details of the future. The market scenario changes so fast that strategist are unable to foresee the future. External environment affects decision making process. Strategist cannot control governmental forces of framing taxes, types of suppliers an enterprise has to dealt with. The strategy of a company cannot be said to be a better strategy unless and until that enterprise has a market hold at both national and international arena. Some enterprise target on low cost strategy operating beyond the international border. A strategist cannot be sure that their strategy is perfect for a specific period of time. Strategic management involves continuous assessment of its components and changes in one component can gave adverse affect in the decision making process. In the economic downturn, these changes of element can take place at that time. The implementation of strategy is a complex process and it needs to be involved in all process. If a manager is involved in only one process then he may not be accountable to implementation process. The planning process requires skill planning but the planning process itself is a error for skill planning.

VII. NATURE OF STRATEGIC MANAGEMENT

It is a process where senior management identifies the complex situation and response to it strategically.

The following are the strategist who can play a role in strategic management.
1. Consultants
2. Entrepreneurs
3. Board of Directors
4. Chief Executive Officer
5. Senior management
6. Corporate planning staff
7. Strategic business unit (SBU) level executives
8. Middle level managers
9. Executive Assistant
VIII. BUSINESS MODEL

A business model helps to analyze current company position with their rivals. The elements of business model are:

<table>
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<th>Sl no</th>
<th>Elements</th>
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<tbody>
<tr>
<td>1</td>
<td>To whom it serves</td>
</tr>
<tr>
<td>2</td>
<td>What it is providing</td>
</tr>
<tr>
<td>3</td>
<td>How can it make money</td>
</tr>
<tr>
<td>4</td>
<td>How it can sustain in the market</td>
</tr>
<tr>
<td>5</td>
<td>How is the service delivered</td>
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</tbody>
</table>

A simple business model is easy while others are complex to understand. Some of the current business model are:
1. Customer solutions model: Used by IBM to sell expertise to make money
2. Advertising model: Make money with the help of advertisement
3. Efficiency model: Used by Walmart as a part of its operations strategy
4. Blockbuster model: A model used by pharmaceutical and film industry with high investment and huge profit margin
5. De Facto industry standard model: A company offers product at very low price to sustain in the market
6. Switchboard model: A company becomes intermediary to sell product

The term mission, vision, goals and target are used in organization many time. Mission leads to objectives, objectives lead to goals and goals lead to targets.

IX. ENVIRONMENTAL ANALYSIS

Environment can be classified into two types:
1. Internal environment
2. External environment

The internal environment goals, value system, hierarchical authority structure, the social groups and teams, the management groups, organizational climate and culture etc.

The external environment are:
1. Macro environment
2. Micro environment

Macro environment

The constituents of mega environment are PESTEL (Political, environmental, socio-cultural, technological, economic and legal).

The socio-cultural environment is one of elements of macro environment. It affects buying behavior pattern and it can adversely affect any product. Demographics of any location can have immense affect on social cultural environment. Technology plays a vital role in transforming an enterprise product into order winner. In modern business environment, disruptive technology has made many companies like GM and Ford, Gillette etc. to challenge with other companies to gain or lose market share.

Any type of organization can have internal and external environmental factors. The control of organizational depends on types of internal and external factors.

STRATEGIC MANAGEMENT IN YOUNG SME

The application of strategy in young enterprise is a major factor for success. The plan is scripted according to the business ideas to reach their future goals. The elements of strategic management are highlighted below:

| Manager Strategy content Strategy process Business plan |
|--------------------------------------------------------|-----------------------------------------------------------|

Any organization mission focus on the functioning and foundation of the enterprise. Objectives is important for any enterprise and is required in the fields like market, innovation, productivity, profitability, public responsibility, physical and financial resources. Synergy is necessary and important to gain competitive advantage over rivals. Implementation of strategy decides success and failure of an organization.
the market. This type of new business enterprise can manufacture its objective is to sell its product in analysing their future plans and compare their for analysing and finding the gap between them. But the product with already in the market. There are various tools the edge of their competitors. The new small existence of strategy itself is a factor for industries to be on market its going to serve. The pitfalls for small important question is, how it can made a big success in the source

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X. ANALYSIS AND DISCUSSIONS

There exist various strategist in organization. The existence of strategy itself is a factor for industries to be on the edge of their competitors. The new small manufacturing enterprise objective is to sell its product in the market. This type of new business enterprise can analysed about their future plans and compare their product with already in the market. There are various tools for analyzing and finding the gap between them. But the important question is, how it can made a big success in the market its going to serve. The pitfalls for small manufacturing enterprise is that if has low capital budget.

XI. CONCLUSIONS

The objective of this article is to have a idea of strategic management and the role played by strategic management for new business in the changing market. Strategist exist in all organization and frame strategy for the organization. But the need of the hour is that even though strategist exist, what are the various failures and remedial measures to prevent failure of business in the current era. The question is what role a strategist can play in organization and till what extent it can make a big impact to the organization. The enterprise has to evaluate strategy based on the criteria: value, appropriateness, feasibility, acceptability, cost benefit and timing. The small business enterprises has analyze to sustain in the dynamic environment and check strategy when it is needed.

REFERENCES


