Chapter 8
Considerations on the Current State of Strategic Management

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ABSTRACT

European specialists and researchers have shaped the “European strategic management” concept for solving problems and making decisions at the level of the industrial companies, which is characterised by the European activity of strategies and planning, implementing and performing the changes in company development. The chapter analyses some of the current strategies after applying the strategic management in the activity of industrial companies, such as: European concept of strategic management; Japanese management, existence form of strategic management; Kaizen strategy in automotive industry; opinions on the strategic management process structure; industrial companies’ strategies under current globalisation; strategy as working tool of strategic management. Regardless of the type of strategic management, it is based on a process of strategic management. The result of this process is the preparation of an optimal strategy of developing the company.

OPINIONS ON THE STRATEGIC MANAGEMENT PROCESS STRUCTURE

Strategic management is a complex process involving several stages to be covered with a logical content and succession. In the literature regarding the strategic management, there is no unanimity of views on the structure of the strategic management process. In order to render both the differences and common points of the approaches concerning the strategic management process, then a short presentation of the main opinions on this process is rather useful.

Thus, the strategic management proposed by A.A. Thompson Jr. and A.J. Strickland III has a structure that includes five stages and namely: defining the company’s business and developing a strategic mission, as basis for what this will do or will not do; establishing the strategic objectives and the target performances of the companies; formulating the strategy in order to reach the strategic objectives and performances desired by the company; implementing and performing the strategic plan chosen by the company; assessing the strategic performances and achieving the corrective adjustments of the strategy and/or the way of implementation, taking into account

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the current experience of the company when the conditions change or according to new ideas and opportunities. (Figure 1)

L.W. Rue and Ph.G. Holland define the strategic management process as being a process by means of which managers determine the long-term direction and company’s performances, ensuring the achievement of a careful formulation, of a correct implementation and continuous strategy assessment.

They suggest a structure of the strategic management process that includes four stages: the analysis of the company’s current situation (identifying the mission, identifying the present and past strategies pursued by the company, the diagnosis of the present and past performances registered by the company); examining the perspectives for the future (establishing the long-term objectives, the analysis of the external environment, the analysis of the internal environment of the company); establishing the future trend regarding the company’s evolution (comparing the strategic alternatives, establishing the strategic alternatives at company level, establishing the strategic alternatives at business level); applying the strategy adopted (defining the functional strategies, acting on the organisational factors, assessing the strategy and the control of results) (Figure 2).

W. Glueck considers the strategic management process as a set of decisions and actions that lead to the development of one or several effective strategies to help the company meet its objectives and suggest a structure that includes four stages: analysis and diagnosis (determining the opportunities and existing and potential threats in the company’s business environment); performing the choice (assessing the alternative strategies, choosing the most appropriate strategy); applying the strategy (introducing a suitable management style, implementing the functional policies, organisational implementation); assessment (assessing the strategy).

Another structure of the strategic management process encountered in the literature is that suggested by J. Pierce and R.B. Robinson (Figure 3), which includes two stages: formulating the

![Figure 1. The structure of the strategic management process proposed by A.A. Thompson Jr. and A.J. Strickland III](image-url)