

CORPORATE STRATEGY’S

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ABSTRACT:

STRATEGY ARE DEVELOPED IN ORDER TO ACHIEVE DESIRED OUTCOMES. THESE ARE INHERENT IN THE ORGANISATION’S MISSION OR DEFINING PURPOSE. MISSION GUIDES STRATEGIC DECISIONS AND PROVIDES VALUES AND A SENSE OF DIRECTION. SMALL BUSSINESSES TEND TO HAVE LIMITED RESOURCES AND STRONG COMPETITION; MULTINATIONALS ARE MORE CONCERNED WITH PROBLEMS OF STRUCTURE, RESOURCE ALLOCATION AND LOGISTICS. PUBLIC SECTOR AND NOT-FOR-PROFIT ORGANISATIONS ARE INFLUENCED BY IDEOLOGY, POLITICS, AND THE INFLUENCE OF RANGE OF STAKEHOLDERS. CHARACTERISTIC OF SMALL BUSINESSES ARE THE LIMITED RANGE OF PRODUCTS IN A LIMITED MARKET, LIMITED PLANNING RESOURCES AND OWNERSHIP INTEREST AMONG MANAGERS, SIGNIFICANT PRESSURE FROM COMPETITORS AND LIMITED FINANCIAL RESOURCES. AS EFFECTS ON STRATEGIC PROCESSES IT CAN BE NOTED A FEW PROBLEMS OF SCOPE.

KEYWORDS: CONTEXT OF STRATEGY, STRATEGIC MANAGEMENT, OBJECTIVES

Classification JEL: M12, M14.

The european union is beginning to pay more attention to the development of rural areas, offering more than just agricultural support and as the idea of business creation and development is emerging can be the best strategy for rural development, new reports from different international sources now question the benefits of entrepreneurial support for the economic development of rural areas.

Center for entrepreneurship & business research (cebr) to create a report. Of entrepreneurial activities in romania (2007). Using a sample of the center for entrepreneurship & business research (cebr) for 2006, which includes 1,449 persons from romania, the report aims to present and identify the demographic and socio-cultural factors and the motivations of those involved in entrepreneurial activities, for to provide a broader view of the characteristics and motivations of potential and fresh entrepreneurs in Romania.

Creativity methods are used to find ideas for new products. These methods are not intended to find solutions that meet the needs expressed on the market, but seek to anticipate the evolution of consumers' needs.

Creativity methods can be divided into two categories: intuitive methods and rational methods.

Besides these methods we can add: Delphi Group Method, 6 Thinking Hats Method, Lotus Technique (Flower Flower), Interdependent Groups Method (mosaic), Pyramid Method, Starbursting, etc.

Intuitive methods are based on the idea that a group of individuals is more creative than each individual working individually. Emphasis is placed on the synergistic effect resulting from interaction between group members. These methods make use of the imagination and intuition of people who participate in creative sessions.

Rational methods imply the search for new product ideas, starting from the systematic analysis of existing products. Some aspects such as: the characteristics of existing products, their behavior in consumption, usage patterns, consumer situations, etc. can be considered in the analysis process.

Strategy is difficult to define; it is a topic with several different aspects and the word is used to mean several different things. We are concerned with its meaning in relation to higher management of organisation. This is a complex process, but examining some of its features will help us to develop an understanding of what is meant by strategy and strategic management.

Strategies are developed in order to achieve desired outcomes. These are inherent in the organisation's mission or defining purpose. Mission guides strategic decisions and provides values and a sense of direction.

Strategic management has many aspects and the relative importance of each of these aspects for individual organisations may vary considerably. For example, an organization heavily influenced by national political activity, such as the National Health Services, is likely to find the management of conflicting stakeholder expectations of greater significance than might a privately owned distributor of standard electrical components. Even within a single company, differences of industry and market are likely to require different business units to take different approaches to strategy.

Characteristic of small businesses are the limited range of products in a limited market, limited planning resources and ownership interest among managers, significant pressure from competitors and limited financial resources. As effects on strategic processes it can be noted a few problems of scope,

Understanding the organisation's mission is invaluable for setting and controlling the overall functioning and progress of the organization. However, an organization can operate reasonably effectively even if most of the people within it have only a vague understanding of its purpose. Most people's work is defined in terms of far more specific and immediate things to be achieved: if these things are related in some way to wider purpose, the organization will function.

The Ashridge College model of mission links business strategy to culture and ethics by including four separate elements in an expanded definition of mission.

1. **Purpose.** Why does the organization exist? Who does it exist for?
 - To create wealth for owners?
 - To satisfy the needs of all stakeholders?
 - To reach some higher goal such as the advancement of society?
2. **Values** are the beliefs and moral principles that underlie the organisation's culture.

3. **Strategy** provide the commercial logic for the company, and so addresses the following questions: What is our business? What should it be? Strategy in this sense is referred to by as a business model
4. **Policies and standards of behavior** provide guidance on how the organisation’s business should be conducted. For example

Loosely speaking, these “things to be achieved” are goals, objectives and targets of the various departments, offices and individuals that make up the organization. In more effective organizations, goal congruence will be achieved: all these disparate goals, objectives and targets will be consistent with one another and will operate together to support progress with the mission.

Goals can be related in several ways:

- **Hierarchically**, as in the pyramid structure outlined as follows
- **Functionally**, as when colleagues collaborate on a project
- **Logistically**, as when resources must be shared or used in sequence
- **In wider organizational senses**, as when senior executives make decisions about their operational priorities. For example, balancing the need contain costs whilst increasing productivity by investing in improved plant.

A simple model of the relationship between the various goals, objectives and targets is a pyramid analogous to the traditional organizational hierarchy. At the top is the overall mission; this is supported by a small number of wide ranging goals, which may correspond to overall departmental or functional responsibilities. For a business, a primary, corporate objective will be return offered to shareholders, however this is measured. There may be other primary objectives and there will certainly be supporting objectives for costs, innovation, market, products and so on.

Each of the high level goals is supported in turn by detailed, subordinate goals. These may correspond, perhaps, to the responsibilities of the senior managers in the function concerned. A more modern pattern is for hierarchy (and indeed many other aspects of the organisation) to be based on major value-creating processes rather than on functional departments. In any event, the pattern is continued downwards until we reach the work targets of individual members of the organization.

We owe the concept of a hierarchy or cascade of objectives to the great management thinker and writer Peter Drucker, who outlined the system now known as management by objectives (MbO) in the middle of the twentieth century. MbO is still use as a management tool, though no longer promoted as a universal solution. Drucker was the first to suggest that objectives should be SMART: Specific, Measurable, Achievable, Realistic, Time-related.

Today, realistic is often replaced with result-focused for two reasons.

1. The current pursuit of innovation as a route to competitive advantage makes it very important that managerial attention is directed towards achieving results rather than just administering established processes.
2. Realistic means much same thing as achievable, anyway.

Strategy is the direction and scope of the organisation over the long term, which achieves advantage in a changing environment through its configuration of resources with the

aim of fulfilling stakeholder expectations. Strategic decisions are made under conditions of complexity and uncertainty; they have wide impact on the organisation and often lead major change.

There are several reasons why a business should give serious consideration to establishing a clear concept of its corporate mission and values.

Values are significantly acknowledged as integral elements of consumers' buying decisions; this is shown by the attention paid to them in advertising, brand building and market research. Customers ask not only "What do you sell?" but "What do you stand for?"

Studies into organisational behavior show that people are motivated by many things other than money: employees are likely to be both more productive and more satisfied with their work when they feel that what they are doing has significance beyond the mere pursuit of a living.

There are three main levels of strategy in a organisation

- **Corporate:** the general direction of the whole organisation
- **Business :** how the organisation tackle particular markets
- **Operational/functional:** specific strategies for different departments of the business

The distinction between corporate and business strategy arises because of the development of the divisionalised business organisation, which typically has a corporate centre and a number of strategic business units (SBUs) dealing with particular markets.

The corporate objective is profit growth. The corporate strategy is the decision that this will be achieved by entering new markets, rather than producing new product. The business strategy suggests that those markets include Latin America. The operational or functional strategy involved the decision to invest in new plant (the production function) which is to be financed by shares rather than loans (the finance function).

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