Strategic PlanningMethods

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Successful businesses often endeavor to develop a clear strategic plan that informs business activities in the course of the business. According to Wolf and Floyd (2017), different scholars have established the existence of a positive relationshipbetween strategic planning and firm outcomes. Hence, management teams that invest in a strategic plan to determine their actions and resource allocation for a particular period achievemore significant improvements in their productivity than those that do not implement such measures. Particularly, investing in strategic plans relative to a particular company’s nature of investments helps achieve ideal outcomes in the organizational objectives and aids the management in appropriate evaluation of its successes based on its strategic framework.

While investing in the Chinese market, the balanced scorecard presents the opportunity to evaluate the different aspects of the market critical to theorganization’s success. Most importantly, there are cases in which a firm could experience challenges associated with resource allocation primarily due to poor management of the needs and lack of a clear strategic plan. In this case, the balanced scorecard provides sufficientinformation in relation to the Chinese market, which will increase the management’s identification of potential issues of interest for the management team. However, its successful implementation is largely dependent on identifying the critical factors in the scorecard, and the consequent development of benchmarks relative to said factors.

The use of a balanced scorecard is one of the potential methods of ensuring that the company incorporates the different processes in its management process. For instance, one of the components of the balanced scorecard is an outline of the growth perspectives, which would provide the management with an ideal understanding of the company’s envisioned progress within the period of interest. Consequently, such acts as a benchmark with the capability of informing business decisions to ensure that business activities and decisions align with the said objective. On the other hand, the customer perspective helpsprovide benchmarks on customer experiences and satisfaction while the learning and growth perspectives are based on continuous progress in the firm’s activities. Ultimately, the financial perspective is critical in outlining and determining the company’s success in meeting its financial goals. Ultimately, the scorecard emerges as a critical measure of the company’s performance and a basis for decision-making based on achievements made by the firm.

In addition to the scorecard, the market penetration and expansion strategies are critical in outlining the firm’s approaches to investing in the global market. In particular, the market penetration and expansion strategies are critical for any business since they provide an outline of how the firm is to acquire a competitive advantage in the market (Alkasim, Hilman, Bohari, Abdullah, &Sallehddin, 2018). A company’s choice of market is critical to determining the marketing approach since it determines the potential external factors the firm would experience. For instance, investing in the Chinese market provides significant opportunities for growth in the business, considering the county’s high purchasing power, population size, and general ease of business success. However, the company would need to consider the potential differences in culture between the American and Chinese firms, and ensure that the employees in the host country understand the firm’s values during their production processes. In any case, successful achievement of the growth objectives depends on uniform growth across the different subsidiaries.

Most importantly, it is critical for organizations to combine different strategies while in pursuit of a global expansion. Notably, different market environments in the global market have varied production cultures and consumer trends (Alon, Jaffe, Prange, &Vianelli, 2016). A singular strategy would imply limited organizational flexibility and could present challenges adapting to different market conditions. An array of strategic approaches for the business activities guarantees that the firm has access to information and a clear guideline on how it would address different market needs in addition to the organizational factors necessary for driving achievement of said objectives. For instance, an American company expanding to China would consider not only the market penetrationstrategies but also consumer strategies as a means of ensuring that it addresses both organizational and environmental factors in determining the chances of its success.

In conclusion, organizational strategies are critical to success of any organization, as long as the management appropriately implements the strategies based on the variousimpacts they have on the organization. In some cases, the strategic objectives may impact the internal market environment while in other instances they influence the external environment. The management bears much of the responsibility in achieving envisioned success of the organization, but it would always be important to consult the potential implications of the strategic plan in determining the potential achievements of the management in its mandate to the firm.

References

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