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106. Different approaches to strategic planning

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Introduction: There are as many frameworks and definitions of strategy as various scientific schools may be discerned among the various conceptual approaches to strategy. There is no one perfect strategic planning model for each organization. For the vast majority of companies, having well-defined visions and mission statements changes nothing. To be able to energize employees to work towards corporate objectives, visions and missions, managers should constantly communicate the mentioned corporate tasks to their employees.

Resources and methods: The scientific methods to be used in the article include theoretical and methodological analysis and method of synthesis. The information base for this work is analysis of the different levels of strategy, defining the essence of the concept of mission. Proceedings domestic and foreign scholars, engaged in research of this issue. Strategic planning process has been studied by the following scientists: Porter M., Ansoff I., Nemcov V.D., Dovgan L.E. Strategy involves decision and actions. A practical framework defines strategy as a combination of informed decisions and effective actions. This flows from the coherent crafting of strategy and the effective execution of strategy, in a dynamic, integrated process.

There are many different levels of strategy in a large organization, the key levels being corporate strategy, business strategy, and functional strategy. Knowing how to formulate, integrate and execute different levels of strategy involves both science and art. Both

develop with experience. A business on all levels may be summarized as a coherent three sets of key words: aspiration (What is our mission); destination (Where do we compete?); preparation (How to win? How to succeed?) [1]. Combining different sources of inspiration is to integrate and harmonize different influences. A mission based orientation, in which the business or organization clearly defines its primary purpose and aligns its energy and resources in order to achieve that purpose. A market segmentation and industry structure approach to firm strategy, in which the firm seeks to identify and serve its target customers, while striving for sustainable competitive advantage in contention with various industry forces that seek to minimize its share of the market and the size of its profits. A resources and value-chain view of the firm, in which the firm seeks to gain maximum benefit from its set of resources, capabilities and activities, in the process of achieving its mission and serving its target markets [2]. In some businesses and organizations the approach to strategy may be influenced mainly by the core competencies of the enterprise. Other enterprises adopt a view that in a constantly changing business environment, innovation is of paramount importance and is the ultimate source of competitive advantage. This leads the enterprise to develop new products and services, to consider new value-adding combinations, to evolve new business models and processes, and to identify new markets and customers [3]. Strategy implementation is "the process of allocating resources to support the chosen strategies". This process includes the various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress, and ultimately achieve organizational goals. For example, according to Steiner, "the implementation process covers the entire managerial activities including such matters as motivation, compensation, management appraisal, and control processes". As Higgins has pointed out, "almost all the management functions -planning, controlling, organizing, motivating, leading, directing, integrating, communicating, and innovation -are in some degree applied in the implementation process". Pierce and Robinson say that "to effectively direct and control the use of the firm's resources, mechanisms such as organizational structure, information systems, leadership styles, assignment of key managers, budgeting, rewards, and control systems are essential strategy implementation ingredients"[4]. In our opinion, the implementation activities are in fact related closely to one another and decisions about each are usually made simultaneously.

Results: Quite often, an organization's strategic planners already know much of what will go into a strategic plan (this is true for business planning, too). However, development of the strategic plan greatly helps to clarify the organization's plans and ensure that key leaders are all "on the same script". Far more important than the strategic plan document, is the strategic planning process itself. Also, in addition to the size of the organization, differences in how organizations carry out the planning activities are more of a matter of the nature of the participants in the organization -- than its for-profit/nonprofit status. For example, detail-oriented people may prefer a linear, top-down, general-to-specific approach to planning. On the other hand, rather artistic and highly reflective people may favor of a highly divergent and "organic" approach to planning.

Conclusions: Hence, the strategic planning process is dependent on many different factors. Therefore, there are many approaches to strategic planning. So, considering all factors of internal and external environment planned strategy will lead to the most effective strategic planning implementation.

References

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