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Universidad para la
Cooperación Internacional

Master in Project Management

Planning and Strategic Analysis of the Company

Presentation – Week 2: **Strategic Deployment**



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Strategy Formulation

The art of envisioning the route of
organizational success



The three levels of strategy: Corporate strategy

- It is the definition of company values that are expressed for financial and other purposes.
- It is based on the identification, creation or acquisition of key resources and production capabilities, and also involves decisions about which industries the company intends to compete in and how the different lines of business will be related.
- The corporate strategy establishes the procedure for distributing resources between different lines of business, and because of this, it becomes clear what must be done and what must be discarded.



The Three Levels of Strategy: Competitive Strategy



- It determines how a company intends to compete in a particular industry. That is, the way in which you plan to create an advantageous position in the industry.
- This includes the definition (explicit or implicit) of the group of consumers to whom it is directed and the methods of promoting goods and services for them. It is also a combination of certain activities and processes that will enable the company to attract and retain the intended customer group.
- It also involves the coordination of various areas of the company's activities, thanks to which all efforts are made to consistently strengthen the potential advantages of the company in the market.

The Three Levels of Strategy: Functional Strategy

- They reinforce the competitive strategy and determine the types of activities and processes that can benefit from them.
- A detailed description and analysis of functional strategies helps determine how and to what extent they correspond to competitive ones, and allows you to focus on the coordination of various functions.
- They are specific marketing, financial, production, human management, logistics, technology and research+development strategies that support the competitive strategy from the operational processes.



Strategic Planning

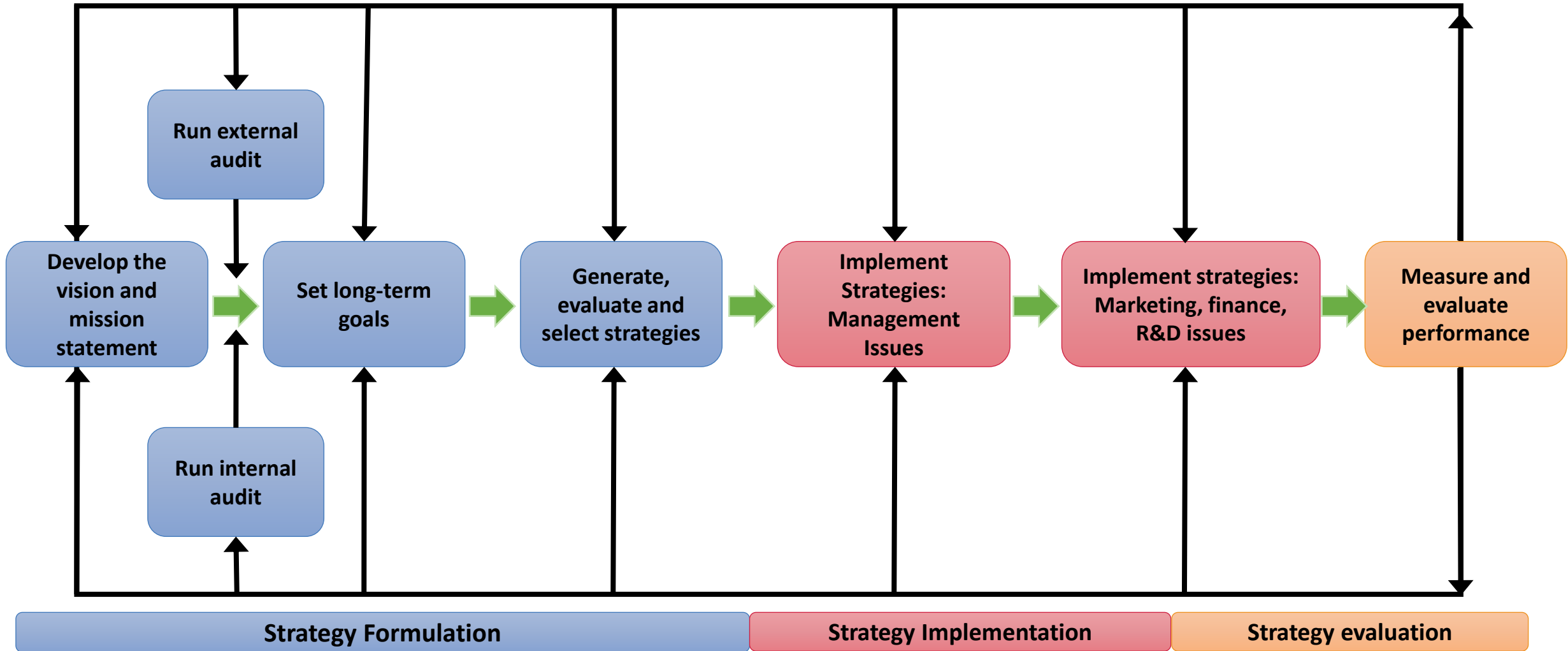
- It is the art and science of formulating, implementing and evaluating multidisciplinary decisions that allow a company to achieve its objectives.

It focuses on integrating management, marketing, finance and accounting, production and operations, research and development, and information systems, to achieve the success of an organization.



David, F. (2017). *Strategic Management Concepts* (16th ed.). Pearson Education.

A comprehensive model of Strategic Planning



Elements of Strategic Planning



The mission

- The mission or purpose identifies the basic function or task of a company.
- The mission statement is an enduring statement about purpose that distinguishes a company from other similar ones.



The mission

- The mission statement identifies the scope of a company's operations in terms of product and market.
- A clear mission statement describes an organization's values and priorities.
- It answers the basic question that all strategists face:

What is our business?"



Let's learn to formulate a mission

Criteria

- 1. Clients.** Who are the customers (stakeholders) of the organization?
- 2. Products or services.** What are the main products or services offered by the organization?
- 3. Markets.** In geographic terms, where does the organization compete?
- 4. Technology.** Does it show the relevance of the use of technologies in its context of action?
- 5. Concern for survival, growth and profitability.** Is the organization committed to growth and financial stability?
- 6. Philosophy.** What are the organization's core beliefs, aspirations, ethical priorities, and values?
- 7. Self-concept.** What is the organization's distinctive competency or most important competitive advantage?
- 8. Concern for public image.** Does the organization respond to social, community and environmental concerns?
- 9. Concern for human talent.** Is it evident that the importance of TH for the organization?

Let's learn to formulate a mission

complementary criteria

Does it have a length of less than 250 words

Does it provoke positive feelings and emotions about the Institution?

Is it inspiring? Does it stimulate and induce a positive effect on people?

Is it enduring?

Is she conciliatory?

It has a wide range; it does not include monetary amounts, numbers, percentages, ratios or targets.

Identifies the usefulness of the products/services offered by the Institution.

Reveals the social/environmental responsibility of the Institution.

Answer the question **What is our business?**

The vision

- The vision is the direction that senior management gives to the company; that is to say, it expresses how the company is visualized, how it ideally wants the company to be in the future.



The vision

- Some authors consider that formulating a vision statement is the first step in Strategic Planning, and even precedes the mission statement.



- Today, many organizations write a vision statement, which answers the question:

What do we want to become?

The vision

It must cover certain characteristics:

- To be formulated by senior management.
- Known and shared by all collaborators.
- Be based on the values of the organization.
- Be positive and encouraging.
- Guide all members of the organization along the route to the position in which the company should be at a given time.

Let's learn to formulate a vision

Criteria

Does it set an achievable and compelling global goal?

Is it possible to measure or verify success in achievement?

Does it establish a frame of reference in time?

Does the form state how the organization will be perceived?

Is the way in which the purpose of the organization's existence is projected clear?

Does it contemplate the inclusion of authentic values?

Is it inspiring? Does it stimulate and induce a positive effect on people?

The values

- They are the conviction that the members of an organization have in terms of preferring a certain state of affairs over others (honesty, efficiency, quality, trust, etc.).
- Shared values influence performance in three key ways:

They provide a stable base (guide) on which decisions are made and actions are executed.

They are an integral part of an organization's value proposition to customers and staff.

They motivate and energize staff to give their maximum effort for the well-being of their company.



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