Characteristics of Strategic Management / Features of Strategic Management

Successful management concepts and practices serve as the bedrock for strategic management. It identifies and accomplishes an organization’s fundamental objective or mission. To guarantee that the objective is met, it defines a realistic objective, weighs all available options, and develops a practical strategy, understand the features of strategic management to accomplish the company’s target.

Long-term decisions on the future of a business can be taken here. The majority of strategic management decisions are made with the purpose of benefiting the whole organisation. Strategic management, for example, may be used to define an organization’s mission, vision, values, goals, objectives, roles and responsibilities, timeliness, and other characteristics, as well as their interactions. The resources of an organisation are used to accomplish its goals and objectives.

Meaning of Strategic Management

With reference to Lloyd L. Byars, he means “Strategic Management is engaged in making decisions about an organization’s future direction”. Strategic management, according to Glueck, is “a series of decisions and activities that culminates in an effective plan or strategies to aid the organization in reaching its goals.”

“Financial Strategic management is a methodical approach to an increasingly important duty of general management: situating the organization and linking it to its environment in a way that assures its continued success and protects it against shocks,” Ansoffs says.

Strategic Management in Organizations

Any company, regardless of size, may benefit from this strategy because there is always room for growth and since each organisation has its own unique mix of assets and opportunities.

Ideally, it should be a continuous process rather than a one-time review or brainstorming session. To make this work, you must conduct extensive research on your competitors, understand how they operate, and identify the distinctive features that have led to their success.
Furthermore, they are always reevaluating their own organization’s strategy, analysing its relevancy and potential success/hazards in current market conditions.

Larger strategic decisions decide the course for the firm’s future and should be based on extensive research. Furthermore, the organisation must monitor its progress to determine whether additional actions are required to ensure a successful deployment.

**Characteristics / Features of Strategic Management**

The following characteristic / features of strategic management in decision-making process.

**Facilitates the Implementation of a Strategy**

Strategic management comprises ensuring that strategies are implemented efficiently and successfully by utilising action-oriented programmes.

**Primary / Critical Process**

This features of strategic management is the main procedure. Strategic management is a critical skill in every organization. Only after defining a firm’s strategy can the following procedures be begun, with the strategy serving as the foundation for their execution in the firm’s operations.

**Long-Term Implications**

Characteristics of strategic management is concerned with the organization’s mission, vision, and objectives. Strategic management has a long-term impact but has little effect on the day-to-day operations of the firm.

**Long-Term Issues**

Things must be looked at in the long run. Strategic management deals with difficulties that are typically long-term in nature. These problems may not necessarily have an immediate negative impact on the organisation, but they can be beneficial in the long run.

**Allows for Risk Management**

Consider risk management to be a subfield of strategic management. Risk is the possibility of future loss, and risk management includes the management of various risk-mitigation approaches, making it a subset or variant or characteristics of strategic management.
Strategic management in this manner assists the organisation in detecting and mitigating the risks posed by a variety of threats.

**Uncertainty and a Positive Attitude**

Due to the ever-changing and unpredictable nature of the business world, managers have no idea what impact their actions will have on the bottom line. Features of strategic management, rather than focusing on day-to-day operations, makes predictions about what could happen in the future.

**Difficulties in Beginning**

In the Beginning it is difficult to understand. Managers must deal with a number of complex difficulties that are inherent in the business world. There is a need to do research on both the internal and external settings. Strategic management is difficult because it is vague.

**Day-to-day Operations Consequences**

A competent strategic management technique has a positive impact on the operation’s shoes. It is an important features of strategic management. For example, if compensation and performance are linked, this would boost operational productivity since personnel will be driven to put in more effort in their given responsibilities. Topics such as finding the best approach for managing sales with a certain customer group and deciding whether to provide items on credit are examples of operational options. Operational decisions are made by lower-level management.

**Important Strategic Management Ideas**

Conduct a thorough examination of the organization’s strengths, weaknesses, opportunities, and threats. Kenneth R. Andrews developed and popularised the SWOT analysis framework at Harvard, and it is still a widely used analytical tool today.

SWOT Analysis, which identifies your organization’s Strengths, Weaknesses, Chances, and Threats. It should be performed in order to maximise your organization’s strengths, address organisational weaknesses, seize new opportunities, and build a backup plan for recognised dangers.

Experience Curve According to the Boston Consulting Group, the “experience curve” theory contends that when output doubles, the cost of a unit of a product decreases by a ratio of 15 to 25%. It has been demonstrated at various points in time by well-known organisations. The decrease in spending might be attributed to a number of factors, including the learning curve, operational automation, and economies of scale.
Several findings were discovered by author Walter Kiechel, including the following: a cost structure can always be improved, different cost structures within the same industry are a product of firms’ differing experiences, and increased market share contributes to cost reduction.

Using the experience curve, that “the strategy revolution was simply the most crucial idea.” With the experience curve, the strategy revolution began to instil a keen feeling of competition in the corporate consciousness, and the experience curve became an integral aspect of that sense of rivalry.”

The following are the remaining important strategic management principles:

1. Strategic Leadership,
2. Environmental Scanning,
3. Competitor Analysis,
4. BCG Matrix,
5. Strategy Development
6. Business Practices That Are Ethical Core Competencies of
7. Corporate Governance Implementation
8. Porter’s Five Forces Model, and so on.

**Conclusion**

The organization’s actions are likely to be of interest to the decision maker. Attempting to align an organization’s actions with the environment in which they occur may be considered as one way to do this. In today’s fast-paced business climate, strategic management is both a process and a collection of concepts that define and control an organization’s alignment. It is a technique for illustrating how management may influence how things are done in their organization via the use of objectives and plans. When a manager is confronted with rivals, consumers, markets, and even the business, the manager’s perspective shifts. This article about characteristics of strategic management, features of strategic management and importance of strategic management ideas was written to raise financial management knowledge of both external and internal events for the company’s long-term strategy.