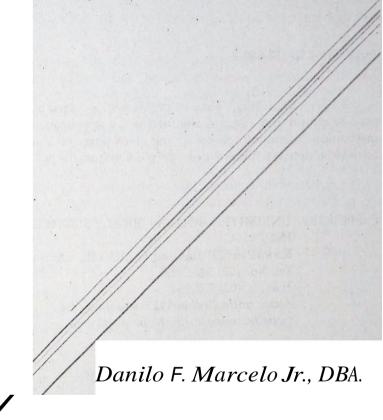


Strategic Management

S

Dr. Danilo F. Marcelo, Jr.

STRATEGIC MANAGEMENT



STRATEGIC MANAGEMENT

COPYRIGHT 2020

Danilo F. Marcelo, Jr., DBA

ISBN: 978-621-427-080-4

ALL RIGHTS RESERVED. No part of this work covered by the copyright thereon may be reproduced, used in any form or by any means - graphic, electronic or mechanical, including photocopying, recording, or information storage and retrieval systems - without written permission from the publisher and the author/s.

 Published by: UNLIMITED BOOKS LIBRARY SERVICES & PUBLISHING INC..
Room 215 ICP Building, Cabildo St., Intramuros, Manila Tel. No.: (02) 502-2017 Telefax: (02) 525-1649 email: unlimitedbooks2014@yahoo.com website: www.unlimitedbooksph.com

Designand Layout by : Marie Steffany Rodriguez

Cover Design by: Joanna Camille Cruz

TABLE OF CONTENTS

-1012

NJ%Jg»QQ J > J J ANI»OJA®AA»Ao

PREFACE	iii
ACKNOWLEDGMENT.	.v
CHAPTER 1: STRATEGIC MANAGEMENT THE NEW CHALLENGE OF THE NEW CENTURY	1
Strategic Management Process	1
Strategic Management Challenges	2
Strategic Vision and Intent	3
Strategic Mission	4
The Landscape of Business in the New Century	4
The Global Economic Scenario	5
The New Horizon for the Philippines' Strategic Competitiveness	6
The Development of Strategic Competitiveness	6
The Trends and Condition that Alter Competition	7
The External Influence in Above Return on Investments	9
The Influence of Internal Above Return on Investments	11
Environmental Scanning of Industry	12
Horizontal and Vertical Expansion	12
Chapter 1: Test Questions	13
CHAPTER 2:THE BUSINESS ENVIRONMENT FOR COMPETITIVE STRATEGY	17
The Business Environment	17
Analysis of the External Environment	18
Segmentation of the General Environment	19
Analysis of the Industrial Environment	23
The Five Forces That Affect Firm's Competitiveness	24
Industry Analyses and Strategic Actions	27
Analysis of the Industry Competition	28
Chapter 2: Test Questions	29

CHAPTER 3: THE INTERNAL OPERATION ENVIRONMENT OF BUSINESS	35
Analysis of Firms Internal Operation	35
Creating Customer's Value	36
The Challenge of Internal Analysis	37
Managerial Decision Making	37
Resources of the Internal Environment	38
The Firms Internal Capabilities	40
Internal Core Competencies	41
The Criteria for Sustainable Advantage	41
Value Chain Analysis	44
Material Outsourcing	45
Chapter 3: Test Questions	47
CHAPTER 4: STRATEGY FORMULATION AND BUSINESS LEVEL STRATEGIC ACTION	53
Strategy Focus and Development	53
Identification of Customers	54
Customer Relation Management	58
Types of Business Level Strategy	58
Universal Business Level Strategies	59
The Risk Associated with Cost Leadership Strategy	61
Product Differentiation Strategy	62
Risk Involved in Differentiation Strategy	63
Segmented Focus Strategy	64
Integrated Cost Leadership and Differentiation Strategy	65
Network Linkages and Information System	65
Chapter 4: Test Questions	67
CHAPTER 5: THE DYNAMICS OF COMPETITIVE RIVALRY	73
Competitive Dynamics	74
The Dynamics of Global Competition	74
The Model of Competitive Strategy	75
Strategic Response to Competitor's Action	76
Tactical Actions to Competitive Rivalry	77
Factors that Influence the Likelihood of Rivals' Attack	78

The Dynamics of Rival's Responses Chapter 5: Test Questions	82 8 3
CHAPTER 6: CORPORATE EXPANSION AND STRATEGIC	89
The Dynamics of Corporate Expansion	89
Crafting the Corporate Strategy	90
Corporate Level of Diversification	91
Levels and Types of Corporate Diversification Strategy	91
Rationale for Corporate Diversification Strategy	93
Chapter 6: Test Questions	99
CHAPTER 7: GLOBALIZATION AND INTERNATIONAL	405
STRATEGY .	.105
Opportunities in the Global Market	105
The Benefits of Global Strategies	106
Strategic Approaches to International Business	108
Business Level Strategy in the Global Market	109
The Level of Corporate Strategy in International Operations	111
The Mode of Entry in International Operations	114
The Risk International Environment	117
Chapter 7: Test Questions	119
CHAPTER 8: STRUCTURAL DYNAMICS AND CONTROL STRATEGIES	.125
Structural Alignment of Organization	125
The Importance of Organizational Control	126
The Interdependence of Structure and Strategy	128
Patterns of Relationships Between Strategy and Structure	128
Chapter 8: Test Questions	137
CHAPTER 9: STRATEGIC LEADERSHIP FOR EFFECTIVE ORGANIZATION	.143
The Foundation of Effective Leadership	143
Characteristics of Effective Strategic Leaders	144
Managerial Leadership as Organizational Resources	145
Rationale In Establishing Work Teams of Corporate Managers	145

The Dynamics of Top Level Decision Makings	146
The Managerial Performance of Management Teams	147
The Cardinal Characteristics and Values of Good Work Teams	148
Factors to Consider in Development of Management Teams	148
Characteristics of High Performing Teams	149
The Power Being the Throne	149
Staffing the Corporate Team	151
Effective Strategic Leadership	152
Components of Effective Strategic Leadership	153
Chapter 9: Test Questions	159
CHAPTER 10: ENTREPRENEURIAL FORMATION AND	
EVALUATION	.165
Strategic Entrepreneurship Formation	165
Innovation for Entrepreneurial Formation	1 66
Strategic Entrepreneurial Process	166
Environmental Scanning	169
Analysis of the Business Condition	17 O
Chapter 10: Test Questions	179
CHAPTER 11: CORPORATE SOCIAL RESPONSIBILITY	.185
Corporate Social Responsibility (CSR)	185
The Development of Corporate Social Responsibility in the	
Philippines	185
Corporate Social Responsibilities Approaches and Program	188
Example of Typical Program of CSR in the Philippines	188
Principles of Corporate Social Responsibility	189
Types of Corporate Social Responsibility	190
Chapter 11: Test Questions	195
REFERENCES	199