



## Chapter 5

# Corporate-Level Strategic Planning

# Definition of Strategic Planning



Strategic planning involves analyzing the current situation, forecasting the future, and determining the best possible course of action to achieve effective implementation.

It requires special consideration to formulate the best strategies and transform all situations into advantages, regardless of whether the organization is in a favorable or challenging position.



# Defining Organizational Vision and Mission



The vision and mission statements define the tasks and objectives of each business unit to achieve the organization's long-term aspirations.





# Vision (VISION)



A vision represents the organization's aspirations for the future, serving as a goal to strive for. It should be:

A compelling image of the future, realistic yet challenging

Valuable, inspiring alignment within the organization.

Ambitious and motivational to drive collective commitment



# Importance of Strategic Management



- Provides a clear direction toward the organizational goal.
- Helps select the best method suitable for specific situations.
- Enhances clarity in roles and responsibilities.
- Establishes measurable success criteria and evaluation metrics.



# Mission Statement

A mission statement defines the scope of the organization's activities, outlining its capabilities, customer focus, business objectives, and operational framework.





# Setting SMART Marketing Objectives



Marketing objectives should be:

- **Sensible:** Achievable within operational constraints.
- **Measurable:** Quantifiable and assessable.
- **Attainable:** Clearly defined and specific.
- **Reasonable:** Logically structured for execution.
- **Time-bound:** Having a defined timeframe for achievement.



# Types of Marketing Objectives



- 1 Profit maximization.
- 2 Increasing sales revenue.
- 3 Market share expansion.
- 4 Unit sales growth.
- 5 Maintaining or improving product quality.
- 6 Employee welfare and benefits.
- 7 Corporate social responsibility.





# Formulating Effective Marketing Strategies



A strong marketing strategy should:

- 1 Align with market needs and organizational goals.
- 2 Be realistic within the organization's resources.
- 3 Be consistent with the mission and objectives of the organization.

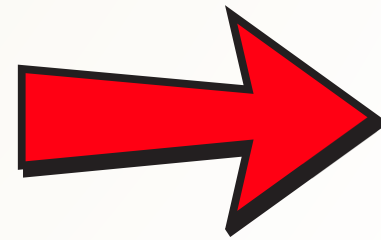


# Corporate-Level Strategy (Corporate Strategy)



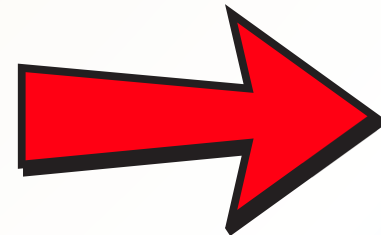
There are three primary corporate strategies:

Growth Strategy



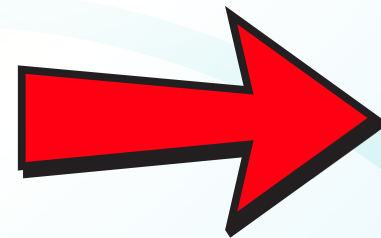
Expanding the business.

Stability Strategy



Maintaining the current position.

Retrenchment Strategy



Reducing or restructuring operations



# Growth Strategy

Growth strategies can be classified into:



# 1. Intensive Growth Strategies:



## Market Penetration

- Increasing market share and product usage.

## Market Development

- Expanding into new geographic or demographic markets.

## Product Development

- Introducing new products in existing markets.





## 2. Integrative Growth Strategies:

- Vertical Integration : Expanding operations backward (suppliers) or forward (distribution).
- Horizontal Integration : Expanding into related businesses.



# 3. Diversification Growth Strategies:



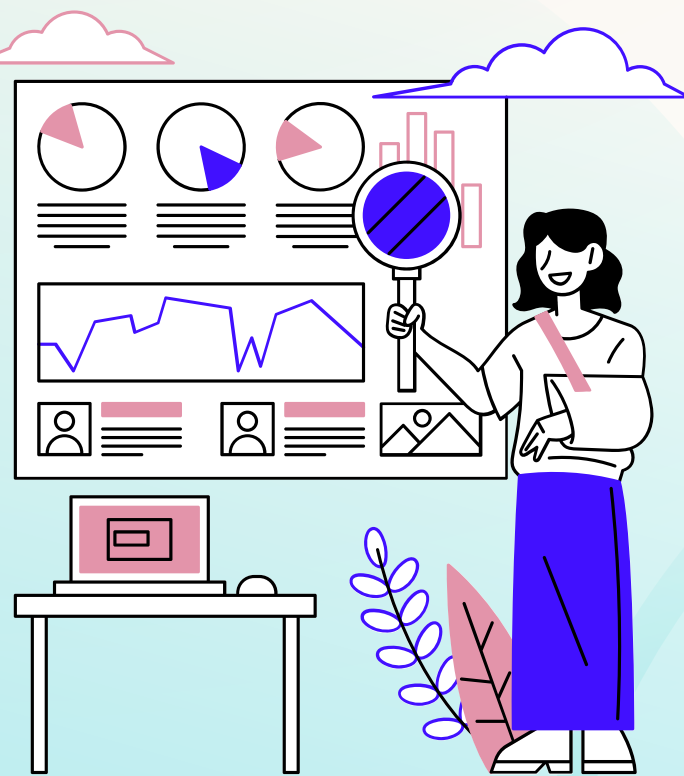
- Concentric Diversification
  - Adding related new products.
- Conglomerate Diversification
  - Adding unrelated new products.





# 4. Other Growth Strategies:

- Mergers and Acquisitions.
- Joint Ventures.
- Strategic Business Alliances.
- International Expansion  
(Export, Franchising, Joint Ventures).



# Stability and Retrenchment Strategies



Stability Strategy: Maintaining the current market position.

## Retrenchment Strategies:

- **Harvest Strategy** : Gradually reducing investment while maximizing returns.
- **Divestiture Strategy** : Selling off parts of the business.
- **Bankruptcy Strategy** : Managing financial insolvency.
- **Liquidation Strategy** : Closing the business entirely.



# Stability and Retrenchment Strategies



This structured approach to corporate strategic planning enables organizations to navigate dynamic market conditions effectively and achieve long-term success.







Thank You