
Analysis Of The Five Steps Involved in Strategic Management Process

There are five steps in the strategic management process which can be described as:

1. **Environmental Analysis:** It is the study of environment of organization to evaluate how environmental factors have influence on activities or operations in organization. It also helps to corelate what all is happening internally as well as externally in any firm undergoing strategic process. It involves three main factors as:
 - **General Environment** - It involves social, political, legal, technology and economic component.
 - **Operating Environment** - This involves supplier, customer, labour, competition and international component. Relation and interaction with suppliers, labour, feedback from customers.
 - **Internal Environment** - This involves planning, organizing, influencing and controlling process with the organization. Planning determines on how an organization can achieve goals. Organizing is the process of establishing the use of resources within organization in an orderly manner, influencing involves making people understand culture (language, needs, attitude). The controlling is done by manager through communication network.
2. **Establishing organizational direction:** This process involves determination of organizational mission and the actual cause of existence of organization. It also describes products and services of organization. Moreover, it develops mission statement which is written by management under guidance of manager and employees. Mission statement is a written statement giving explanation on mission needed to be communicated to all members.
3. **Strategy Formulation:** This means determining exact course of action for fulfillment of objectives and goals. It also aims to provide good quality of products as compared to the competitors at an economical and cheap price range. It is of three types as
 - **Differentiated** - Aim to make organization more competitive from competitors by production of different products
 - **Cost Leadership** - it tries to make organization ore competitive by production of products cheaper than the competitors.
 - **Focus** - Aims to make the organization more competitive by making focus on a particular customer.
4. **Strategy Implementation:** This process brings the planned activities into action. All tasks are applied and performed according to the objectives, goals of company. Coworkers practice all activities accordingly. The plans that are made are put into action in this process for the execution of the project in the company. For successful implementation of strategic process, four skills are important as:
 - **Interacting skills** - which includes the interaction among the team members and with the people
 - **Allocating skills** - includes the proper allocation of the tasks and activities to the concerned person or the employee for the execution process.
 - **Monitoring skills** - the work which is being done is monitored and checked to produce good quality products for the market.

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- Organizing skills - It is the process of proper use of resources for various practices, activities and procedure in company or organization in an organized order.

5. Strategic Controls: It involves monitoring, evaluation and checking of all processes whether they are appropriate, compatible and functional properly. It focuses on all previous processes and checks that the strategy implemented is going on the right path for the success and the progress of the company or the organization. According to me, of all these processes, the second process that is establishing organizational direction is most important. As it tells about objectives, goals, existence, the purpose of organization, about its products produced and services provided. Also, the mission statement is developed by management with help of manager and employees, to be interacted and communicated to all employees, to get to know its mission clearly that what, how and when activities are to be done. It also focusses on critical work area to be accomplished. It also establishes relation between mission and objectives. As objectives flow naturally in genuine direction form approves mission.

Also, the mission flows in natural direction from information gathered and obtained through environmental analysis. Thus, this process correlates other processes. It helps individual to direct their efforts in common direction. We can say that it guides, helps members of organization to have better relationship, interaction, coordination with each other, to develop better teamwork and productivity. They become more familiar to goals of organization. As, without guidelines and direction, no employee can gain knowledge regarding mission of organization as well as about the work that he has to perform for accomplishment of goals. Work is completed in time with perfection and efficiency. Neither can all employees work in coordination, nor altogether they can reach the objectives as planned according to requirement, without guidance. So, this process is most important as support and backbone for the employee.