



Strategy and tactics

Chapter: 11

Introduction



Strategy is done above the shoulders, tactics are done below the shoulders.



Introduction to strategic business planning

It is a series of logical and creative steps to identify the long-term business objectives ranked by importance

It is a complex process of collecting information

Analyzing input data

Conducting internal and external assessments of available business resources

SWOT analysis



Introduction to strategic business planning



Provide a framework of tactical business decisions and approvals



Explain the business to people involved in business implementation order to inform and motivate

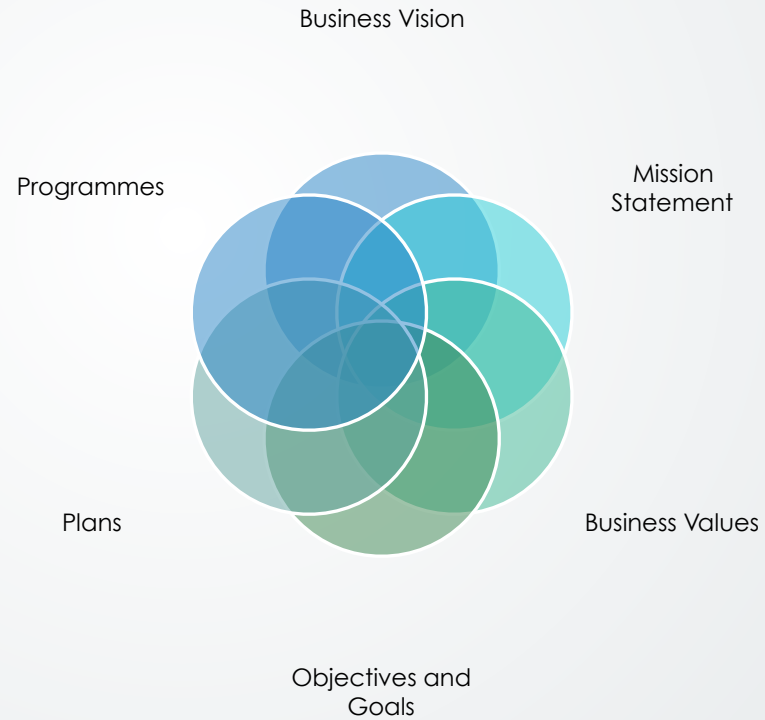


Stimulate change management and become a building block for further business planning and development



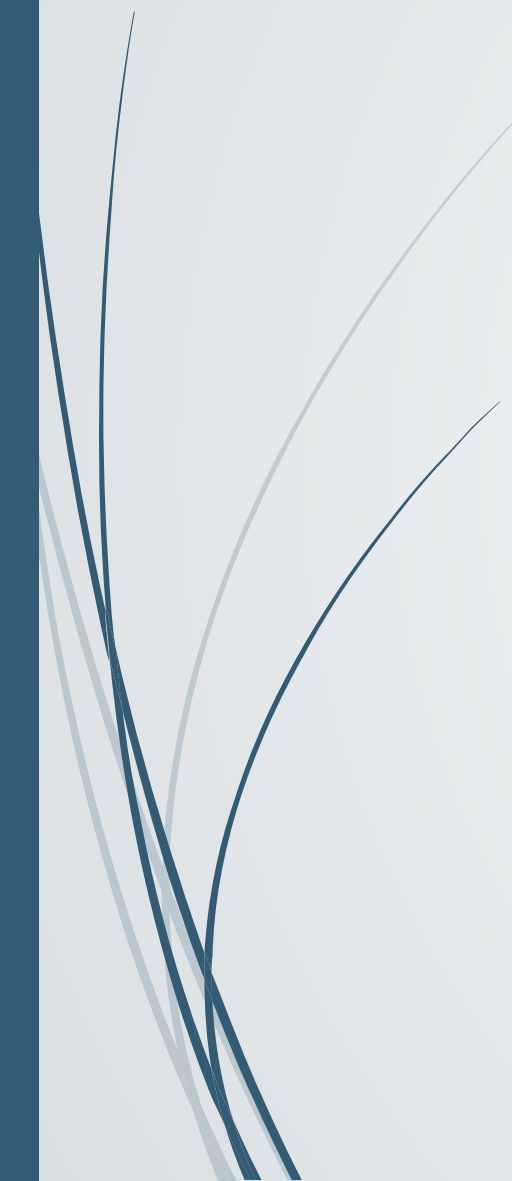
Assist business benchmarking & performance monitoring

Introduction to strategic business planning: Output





Significance



Correlate
expected
benefits and
produced
outcomes



Fit potential
with available
resources and
the external
world



Provide
competitive
advantages



Characteristics



A strategic business plan includes:

- Extensive market research
- Industry trends
- Competitor analyses
- The components of a traditional plan



Benefits



It can serve as an outline for successful completion of company milestones

Helps executives understand the direction

Helps to keep a company on track to meet growth

Business Plans vs. Strategic Plans

Business plans

- A business plan covers the “who” and “what” of the business
- Provides a written tour of your business’ operations
- Identifies the business’ models, missions and objectives
- Examines the business’ potential for success and the business’ competitive advantages

Strategic plans

- The strategic plan gives us the “how” and “when.”
- Can focus on the entire business or specific areas of the business
- Businesses can have many strategic plans to address various areas of business



How to make a strategic business plan?



Write down the business vision



Write the mission statement for the business



List the critical success factors



How to make a strategic business plan?



Compile the business strategies



Prioritize the timeline

Types of business strategies

Business strategies

Cost
strategy

Differentiation
strategy

Focus
strategy



Cost strategy

Aiming to become Lowest Cost Producer

The firm can compete on the price with every other industries and earn higher unit profits

Cost reduction provides the focus of the organization's strategy

Targets a broad market

Competitive advantage is achieved by driving down costs

A successful cost leadership strategy requires that the firm is the cost leader and is unchallenged in this position

Especially beneficial: where customers are price sensitive

Differentiation strategy

A differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers

Customers perceive the product to be different and better than that of rivals

The value added by the uniqueness of the product may allow the firm to charge a premium price for it

Differentiation can be based on product image or durability, after-sales, quality, additional features

It requires flair, research capability and strong marketing



Focus strategy



Attempts to dominate a small piece of a market or niche

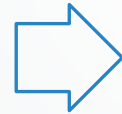
The focus strategy concentrates on a narrow segment

The premise is that the needs of the group can be better serviced by focusing entirely on it

A firm using a focus strategy often enjoys a high degree of customer loyalty

Tactical business planning

Defines the actual steps that will be utilized to execute a business strategy



Organized and comprehensive assessment that details the exact methods



Describes what is to be done, who is responsible for each task



Tactical business planning



Study your competition

Identify customer needs by soliciting input from customers

Anticipate market trends

Seize opportunities before competitors do

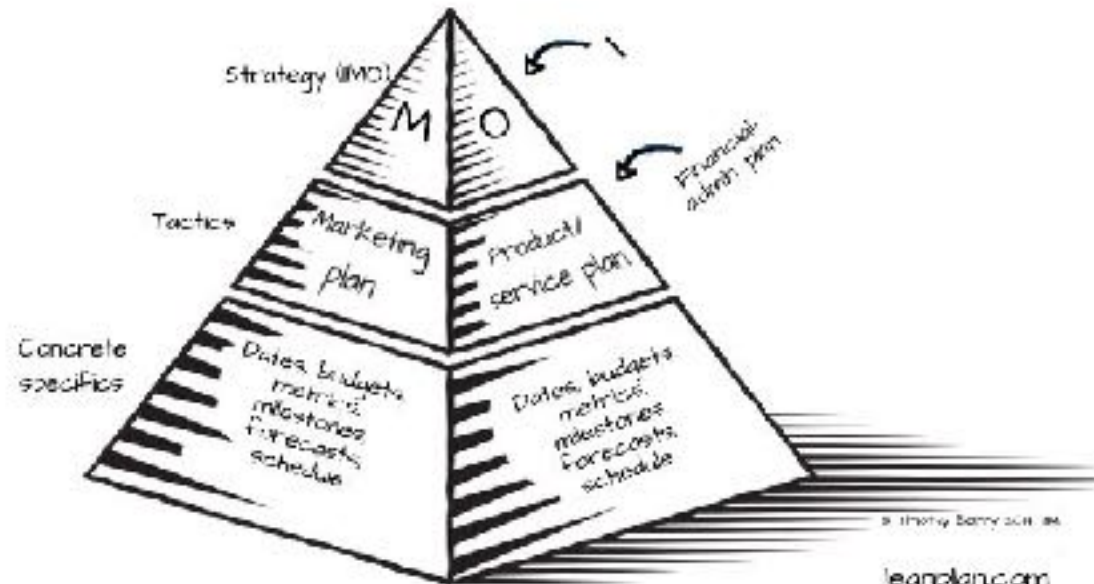
Have contingency plans thought out

Strategies Vs. Tactics

STRATEGY (WHAT?)		TACTICS (HOW?)
What	Quick View	How & Who
Stratos: army, or resources Ago: leading	Greek Definition	Taktike: the art of organizing an army, a maneuver
To lead your resources, a plan, method, or series of maneuvers or stratagems for obtaining a specific goal or result	Greek Definition	A plan for attaining a particular goal
Stable, democratic Iraq, through the Surge and Clear-Hold-Build	Example	Operation Sinbad including the various ways to advance on a city, to clear a house, and to detect mines
Organization-level determiner: Foster the growth of youth to be the strong leaders of tomorrow.	Organization Example	Staff-level auctioning: Develop programs that teach civic responsibility and leadership.

Strategy pyramid

IMO Strategy Pyramid



I = Identity; M = market; O = product/service (business offering)

“Strategy without tactics is the slowest route to victory, and tactics without strategy is the noise before defeat.”

- Sun Tsu



Marketing tactics



The tactical marketing plan for your insurance company must outline

Step by step

Each marketing component needed to meet the goals

Deciding on an appropriate message

Arranging for the production of the commercial

Deciding what channels to air the commercial on and when

Product tactics

Product tactics

Pricing

Packaging

Service
specifica
tions

New
products
or
services

Product
launches

Sourcing

Manufac
turing

Software
develop
ment

Technology
procurement

Trade
secrets

Bundling



Milestones, Tasks, Metrics



Review Schedule

- Make sure you schedule monthly plan review sessions in advance.

Identifying and Listing Assumptions

- When assumptions change, the plan should change. If you don't list your assumptions then you don't know.

Milestones

- List specific activities, responsibilities, tasks, dates, deadlines, and budgets.

Metrics

- Devise specific performance metrics that can be measured, tracked, and managed.

Summary





Thanks for your attention