

STRATEGY AND STRATEGIC MANAGEMENT IN BUSINESS DEVELOPMENT

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Abstract

Forecasting of the future is important issue for experts, futurists, leaders and top executives in every industry. Most entrepreneurs and business managers have seen the financial growth and good laws as crucial growth factors. The article presents a view of a modern business entrepreneurial unit with its decisive factors of growth. These are defined primarily in the awareness that capital number one are people, technology number one is entrepreneurial management, assets number one are broad-spectrum knowledge, knowledge, business know-how and processes, respectively phase's number one are educational, creative, research-development, innovation and other comprehensive preparatory processes or pre-production / pre-commercial stages. The contribution concludes with the fact that the key role of management in processes of inculturation and subsidiarity is to effectively coordinate the differences, specificities and overall functioning of the organization to achieve a purposeful functioning of subsuming or intermingling of often diverse cultures, traditions, qualification structures, characters, people's spirits, and so on. The most important core of such management is a classified as a consensus

Key words: strategy management, quality assessment, strategy of quality

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Introduction

Important conditions and prerequisites for the successful and long-term development of enterprises and organizations are: ability to predict the future, to know development trends, to forecast, to create quality scenarios/strategies, to wisely conceptually and strategically lead people and to manage processes etc. These conditions apply to all types of production and non-productive organizations, to small, medium and large enterprises. The basis of the

permanent process of making or correcting mission, long-term outlook, strategies is made by people and in particular by leaders and managers. The most valuable insights in the heads of leaders, managers or other categories of creative workers should have a dimension of true wisdom. Otherwise - this broad-spectrum knowledge is necessary to constantly innovate and complement permanent studies including through the use of state-of-the-art ICT and flexibly transforming them into wisdom. This means wise choices, making wise and timely decisions with a validity over a long period (5 to 25 years).

From the long-term visions and strategies, then medium and short-term business and other implementation (action) plans should be developed. A serious approach to these links is the strict respect for the tree principle, the compilation and observance of the three targets in the context of the implementation of MBO. People, leaders, managers who know trends, constantly renew their knowledge, study management and bionics and other disciplines are the basis for creating relevant strategies. However, other relevant conditions, assumptions and principles of anticipation and development of strategic management are needed.

Forecasting of the future is very important issue for experts, futurists, leaders and top executives in every industry. CEOs of businesses that can not predict future risks in particular will have major problems. The principles, advice and perspectives of experts for the future in this area can be summarized as follows:

- Create multidisciplinary teams - managers of advanced businesses hire economists, forecasters, futurologists other consultants to anticipate future events that can significantly affect the operation of company.
- The future has already come - some experts encourage entrepreneurs and marketers to find out and study what a small percentage of customers want because they will create the future.
- The best way to predict the future is to create it by self - it is also a reflection of the opinion of a specialist in business strategy. There are really many alternatives or variants of the future in front of any business and top managers with advisory teams have a really challenging task - deciding which one to choose and then to take responsibility.

- Anticipation of tomorrow's departure from the current situation is considered as inappropriate view. It is necessary to know where customers and the whole economy are going.

1 Terms and principles in the process of strategy creation and implementation and strategic management improvement

Strategy is a prerequisite for the development and growth of the competitive strength of learning organizations of all kinds. It is an important tool of strategic (long-term) management which is quite general, less specific and not very addressed. It's an instrument to navigate the right long-term direction and to ensure long-term development (sustainable growth) and the long-term survival of the organization. Strategy of the organization should be a single set of specific features, quality, design, ethics, services, costs, etc. The strategy has to contain the formulation of its organic components - the results of analyzes, synthesis of knowledge, progressive steps and, in particular, strategic goals and strategic business operations that aim to meet long-term goals. Thus, the strategy is being designed for a long time and the human, knowledge, technological, process; financial and other potential of the organization is gradually being developed.

General (complex) strategy is a generic and comprehensive strategy compiled at the highest hierarchical level of the organization, i.e. at the top management level and for the organization (enterprise) as a whole.

For example, with the strategy developed by the multinational corporation, organization integrates its branches and satellites operating on four continents of the planet, and so on. This strategy therefore follows; respectively its organic component is also the vision, mission and strategic goals of the organization. A general strategy is necessary to share and adequately decompose (break down, develop) into lower levels of management.

Especially important is to quickly and flexibly attract all managers and employees of lower levels of management with high motivation. The conditions for successful processing, implementation of the strategy are, above all, these serious sophisticated phenomena [1]:

- Understanding developmental trends and fundamental changes in the economy and society (new development trends are presented in other places and actually in the context of the subchapter issues throughout this work).

- Mastering the principles of strategic business thinking and management.
- The strong will and conviction of the top management that without a good strategy it can not survive for long and be competitive on the market.
- Persistent personal engagement of the top executive manager as well as the representative of the majority owner (or the business owner) and their closest associates in the process and implementation of the strategy.
- Eventual participation of a qualified consulting organization that recognizes the specificities of the given territory, economy, society, state, groupings of states, other relevant conditions and assumptions.

The fundamental changes in our economy which affect business management depend on the transformation of the economy into a market-oriented economy and from the convergence to the developed economies of Europe and the world (OECD, EU) to which the Slovak Republic is already a full member. However, these changes also stem from the rapid changes, turbulence, risks and uncertainties of the current world.

The key role of business management is to constantly monitor these changes, incorporate them into strategies and thus strive to increase the market value of an enterprise (basically, it is a property less debt). In order to accomplish this task, an enterprise must achieve a reasonable return on its own, of the total available capital (in the numerator the applicable profit after tax and in the denominator the equity capital, or in the numerator is the cash flow and in the denominator, the own capital plus the foreign capital). The company must also achieve the necessary liquidity and other indicators of long-term survival and growth.

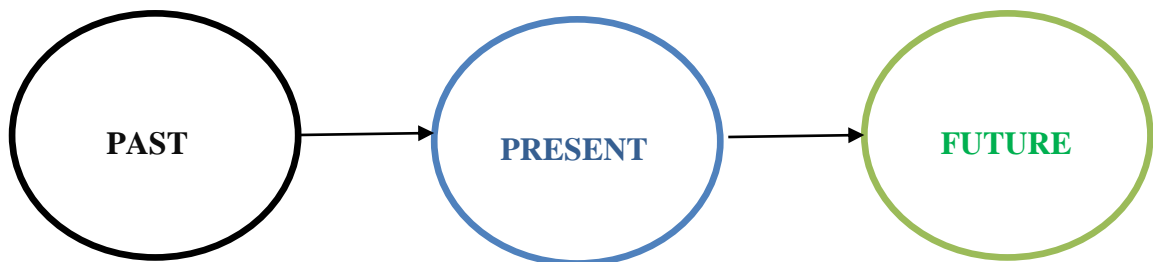
This is the decisive orientation not only for business management but for all categories of its employees (including researchers, designers, technologists, programmers, economists, buyers, dealers, IT and all workers). An important prerequisite for survival and business development is therefore the successful sale of products and services to customers, thereby achieving a reasonable turnover and profit.

Leaders and managers are recipients, creators, managers, and accelerators of change. How can the organization / company change? There are many practices in the managerial literature and practice materials. Here we mention a few:

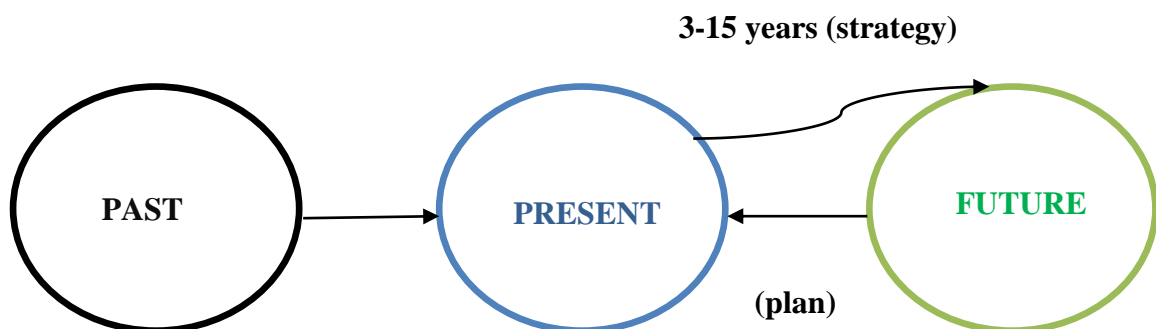
- To promote the Japanese Kaizen system to create incremental innovations of products (products, services);
- Make at least ten product improvements every three months;
- Develop a good marketing system and a systematic way to track customer satisfaction, listen carefully to customers and "sew" them to their conditions;
- Involve workers in the team-building of quality improvement projects;
- Ensure that each product has an international quality standard (ISO standards / certificates) and a guarantee of safety;
- Constantly educate, train all categories of employees but especially those of marketing and management at all levels of management;
- Equip all departments of the business (including the sales department) with high-quality technologies of all kinds, manage internet sales as well as e-business;
- Organize creative teams with the participation of both suppliers and customers;
- Coach creativity and master the principles of strategic thinking and effective business management, etc.

Fig. 1: Change of paradigm of the strategic thinking

Old approach:



New approach:



Eleven essential principles of positive strategic thinking which has to serve for strategic management and implementation in business and organization practice:

- Holistic principle
- Global principle of system access
- The principle of working time consciousness
- The principle of creativity
- The principle of alternative and variant
- The principle of permanence
- The principle of safety, awareness of risk and prevention
- The principle of multidisciplinary, interdisciplinary
- The principle of concentration of resources
- The Principle of ethics and morality
- The principle of strategy specificity

2 The process of strategy development in relation to relevant growth factors and the differences between industrial and knowledge management

Most entrepreneurs and business and organization managers have seen the financial growth and good laws as crucial growth factors. These factors are certainly very serious but not sufficient in the aspect of sophisticated strategy development, knowledge management development, adequate modeling of strategic and tactical business management.

The decisive factors for the growth of a modern learning organization (factors number one) to which both the creation of business strategy and the strategic management model should be attached are following:

- The number one capital is people - highly creative managers and employees at all stages of the reproduction process and at all posts.
- The number one technology is entrepreneurial management - it is a knowledgeable, marketing, progressive set-up system of comprehensive corporate management with a strong move especially to meet the needs of the customer, the company and our own profits.

- The number one assets are broad-spectrum knowledge, know-how, business know-how - these assets are the most valued in the process of making alternative strategies, variants within the chosen business strategy. Afterwards, they are followed by massive energy and other sources (assets). At present, there is a substantial or primary intangible asset and secondary tangible fixed assets.
- The number one processes, respectively phases are educational, creative, research and development, innovation and other complex preparatory processes or pre-production stages. Creative teams in the field of education, research, development, complex preparation of production / main activity, creation of innovations and so on.

3 Impulses for creating a new strategy and developing of entrepreneurship

The current global era of change brings about quite substantial changes, especially in thinking but also in business practice and business / entrepreneurial management. Logically, the critical areas of strategic management also change. Strategic thinking is also developing, the value of knowledge grows but it seems as if sometimes the value of real wisdom has fallen.

Technological and other changes are coming increasingly fast, the optimal portfolio of resources is constantly being reviewed, competitive advantages are only temporary, and virtually nothing is stable. Several lessons and impulses on the margin of fundamental change in strategic thinking have also been offered by a well-known management professor [2]:

- The strategy should be about actively exploit emerging benefits. And so it is not just about verbal declarations and their passive endeavors.
- The corresponding strategy must be dynamic, flexible and continuous and not static, unchangeable and periodic.
- Formal mission declarations, visions, strategic, tactical and operational plans that are largely military in nature are overtaken. This strategy is not just about strategic documents, declarations, wallpapers, or presentations at general shareholders' meetings.
- The strategy is what you do (not what you say) Every company has (good or bad) strategy, no matter what it says or does not speak, writes or does not write in the management rules and so on.

- It is essential to constantly adapt strategy to a changing environment.

4 Inculturation and subsidiary in strategic management

Significant principles and dimensions of corporate governance, organization, as well as states and their clusters (EU) also require inculturation and subsidiarity.

Inculturation essentially means the penetration, co-existence or participation of multiple cultures, languages, traditions, faith, nations, nationalities, regions, institutions, groups (teams) or individuals to manage relevant organizations and objects.

Subsidiary as a management principle generally means that the decisions to be taken at the level of the highest governing body of the organization or organizational group have / must be acceptable to the lowest level of management. For example, the decisions I receive at the level of an EU body must be "as close as possible to the citizen".

In other words, at the level of the Union, decisions should be made in areas that are better tackled together as well as on their own. Under this principle, the Union will not take decisions until it is more effective than decisions taken at national, regional or local level. The exception is those areas in which the Union has exclusive competence. Analogously, this should also apply to the decision-making and management at the highest levels of corporate governance and organization.

The basic role of management in the processes of inculturation and subsidiary is to sensitively, culturally and efficiently coordinate the differences, specificities and overall functioning of the organization, enterprise or higher community in order to achieve a just, purposeful functioning of subsuming or intermingling of often diverse cultures, traditions, qualifications structures, characters, people and so on. The core of such governance is actually to be a consensus (consensus agreement), consensual decision-making, and the adoption of common mutually beneficial decisions. This also creates space for new strategy formation and a qualitative new dimension of strategic management, as well as other follow-up special management (human capital management, information and knowledge management, security management, financial management, etc.).

Conclusion

Factors of growth of enterprises and organizations can be better understood and developed in practice, even if we recognize the differences between management in the industrial era and management at the present stage of unprecedented informatisation, enormous growth of knowledge, etc.

The differences between industrial management and knowledge management that need to be taken into account in the development of business strategy and strategic management at all can be briefly brought about by fundamental differences and features:

- A. Basic attributes of industrial management
- B. Dominant features, knowledge management skills

The process of creating a general organization strategy (business, firm) is de facto generated by practical life, top managers or management professors. It can be written into a sequence of logical and follow-up steps:

1. Analysis of the environment of the organization
2. Analysis of the strengths and weaknesses of the organization
3. Defining the specific features of the organization
4. Formulation of vision, mission
5. Defining the organization's key strategic goals
6. Formulation of basic strategic operations

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