Original Research Paper Management

A Study on Strategic Decisions for Sustainability and Growth in Today's Business Scenario

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ABSTRACT

The Study is about the strategic planning and the decisions for sustainability and growth in today's scenario. The business people should understand the market, competitors, clients, the motivations and drivers of the people on the team, and the core competencies for the business and the individuals .

This paper gives the knowledge about the balance in their business and how to refine their goals, the prolonged benefit of implementing some unique value-creating strategy based on unique combination of internal organizational resources and capabilities that cannot be replicated by competitors.

In order for the business to grow successful small businesses will need to put in more time and effort to planning, developing staff, and putting structures and systems into place.

Essentially, a company must be able to identify at what stage of the growth cycle it is at in order to prepare it for the upcoming challenges.

KEYWORDS

Introduction:

The strategic planning process is not simple. It involves understanding of the market, competitors, clients, the motivations and drivers of the people on the team, own drivers and needs, what is working and what isn't, where the core competencies are for the business and the individuals in it, how 'big' should a goal be, what is the 'vision thing' for the business, and how to grow it and have a life at the same time. This paper provides simple foundations to start developing business growth strategy and some ingredients for making better decisions.

8 Ingredients for Making Better Strategic Decisions:

As a business owner or manager, what you ultimately rely on most when deciding your company's future, is your intuition. The challenge, with so many stakeholders relying on you to make the 'right' decision, is ensuring that your instincts are reliable.

Gets customer coaching: Even as a senior executive, you'll end up making better decisions after spending some time at the front line talking directly with customers. Ask them the key question, "What can we do to improve our service?"

Listen to those in-the-know: Listen to everyone in your company, especially the ones who actually talk to customers. They really know what's going on out there.

Ask your competitors -.One of the best ways to learn from the competition is to join your professional trade association. There are associations for virtually every occupation on the planet, the more you get involved and contribute to the group, the more you ultimately receive. Give a lot to your association and your competitors will share a lot with you.

Read by listening: Business books are filled with great ideas; providing you actually read them. As a time saver, consider buying your books on audio so you can listen while driving, can get at least one good idea from every summary.

5. Get some seminar smarts: Make a practice of attending seminars and training sessions. A bonus of learning with others is that you have the opportunity to exchange ideas, network, and - provided you have a skilled facilitator - end up having some fun and stress relief.

6. Learn the unwritten rules: You may have a wonderful new idea for your company, but if it clashes with the culture, you'll soon face resistance and subversion. Savvy individuals learn where the company has come from so that they can reinforce and uphold closely held values as they introduce change.

7. Clarify your code: We all read the headlines of high profile managers facing criminal charges. Apparently, their primary moral code is maximizing short term profits at all cost. Increasingly, individual managers are being held personally accountable by shareholders, government regulators, and consumers for their ethics. When making strategic decisions, ask yourself, "Is this the right way to conduct our business?"

8. Get smarter by going slower : When it comes to honouring your intuition, keep in mind one of the great myths in business that you need to fill every waking moment with activity, who slow down and reflect are often the most creative, adaptive, and, ironically, productive

Common mistakes to avoid when making strategic decisions:

Rapid changes in the competitive forces that shape industries are forcing business leaders to deal with more complexity than ever before - and they are being forced to make tough strategic decisions that will profoundly impact their company's future success.

Here are some the common mistakes to avoid when making strategic decisions:

1.Tunnel vision :Powerful leaders who are used to getting their own way tend to downplay opinions and evidence that conflicts with their point of view. This also happens when leaders have an emotional investment in following a particular course of action.

2. Silencing the critics: We tend to listen to the optimists and people who agree with us - and shun the pessimists and people who disagree with us. Without hearing balanced arguments for and against a course of action, leaders can be tempted to gamble without properly considering the downside consequences.

3. Gut instinct: Instinct and emotions can easily mislead us into making irrational decisions. Our first impressions influence us more than we think. To make better decisions - put

 ISSN - 2250-1991 | IF : 5.215 | IC Value : 79.96

aside your preconceived ideas of what "seems right" at first glance. Seek out contrary opinions, and try to consider all the options objectively. Reassure everyone that you really want their honest input and to hear opinions that differ from your own.

4. Phantom synergies: A common error is to focus blindly on meeting financial growth targets. Growth for the sake of growth is not strategy. Some leaders force acquisitions, seeing phantom synergies when there aren't any. Or they make brand line extensions - which may increase revenues in the short term, but cause long term brand damage. Or they offer too many products and services to be able to do them all justice, short changing those with the highest growth potential.

5. Hoping history will repeat: Just because a strategy worked in the past – does not mean it will apply to the complex challenges of the future. Luck may have played a bigger role in the past than you give it credit for.

6. Overconfidence: CEO's tend to do likewise - and such overconfidence can lead them to ignore warning signs. Leaders overestimate their ability to control their companies and effect external outcomes.

7. Planning for yesterday: Many companies are planning to win yesterday's war. Frequent and careful analysis of the competitive forces that shape industries must be undertaken – because the rapid pace of structural change means the ground can quickly shift under your feet.

8. The Lure of Simplicity: We latch on to simple solutions as being the answer to our prayers (e.g. "we need a new marketing message") - when there may be many contributing factors to poor performance (wrong people in key roles, wrong strategy, ineffective execution, poor product quality, lagging innovation, lack of confidence in pricing, wrong distribution strategy, weak sales force, poor customer service etc).

9. Misplaced Concerns: We tend to over-estimate the importance of low-probability events that cause an emotional reaction and we underestimate the likelihood of high-probability events that have less of an emotional component. We overestimate the importance of copying competitor's moves – when it may make better sense to pursue our own course.

Just because a competitor makes a move, does not mean you need to emulate them.

6Ws of Sustainable Corporate Growth
Know WHY, Know WHAT, Know WHEN, Know WHO, Know HOW

Know Why
What is the real purpose of your business? Your company needs profits to live, but profits are not what the business is for. The objectives are to provide value to the population and to make the community better.

Know What
Finding the right balance in your business will help you refine your goals and hasten you towards them. Organizations prosper by achieving strategy through balancing the four major factors or perspectives: Financial; Customer; Process; and Growth…

Building Your Sustainable Competitive Advantage
Sustainable competitive advantage is the prolonged benefit of implementing some unique value-creating strategy based on unique combination of internal organizational resources and capabilities that cannot be replicated by competitors. Sustainable competitive advantage allows the maintenance and improvement of your enterprise's competitive position in the market.

Know Where
Enterprise Strategies, Road Mapping, Market Intelligence.

Know When
Timing is everything. You have to know not only how to make a move, but when. "The value of actions lies in their timing," Customer Value derives from timely delivery. Change is unavoidable, but if you can anticipate it and understand business cycles, you can ride with change instead of being run over.

Know Who
"In the end, all management can be reduced to three words: people, product, and profits. People come first." Your corporate vision is worthless, strategies powerless and shared values are corrupt without the right people to execute...

Know How
Manage processes, not people. Focus not on what they do, but on how they do it. Establish a synergistic enterprise-wide and an end-to-end (cross-departmental, and often, cross-company) coordination of work activities that create and deliver ultimate value to customer...

Reasons why strategic plans fail:
There are many reasons why strategic plans fail, especially:

- Failure to understand the customer
- Inability to predict environmental reaction
- Over-estimation of resource competence
- Failure to coordinate
- Failure to obtain senior management commitment
- Failure to obtain employee commitment
- Under-estimation of time requirements
- Failure to follow the plan
- Failure to manage change
- Poor communications

HOW THE DECISIONS SHOULD BE:
D - Destiny
E - Examine
C - Convince
I - Instinct
S-Stick
I - In time
O - Others
N- No doubt

Daily we pass from so many situations. We tackle hundreds of decisions. But have we even been serious to it? Have we understood its meaning? Most of the time we leave on time and we never decide. We don't want ourselves to land up anywhere. And that's why we never reach where we want to be. In fact we never realize where we exactly wish to be.

A Creative Approach to Overcoming Obstacles
To make a decision, they took a creative problem solving approach that included:

- Seeing the situation as it was.
- Owning the situation.
- Solving the problem.
- Staying focused on the desired results.

ISSUES OF BUSINESS GROWTH:
Experts have described six specific stages most of the successful companies experienced when aiming for company growth, where each stage is faced by a set of challenges. The firm will need to constantly monitor the changes it is going through as it moves from one stage to another. Most importantly managerial changes need to be observed in between stage changes. The six stages to be focused on are:

1) conception/existence
2) survival
3) stabilization
4) growth
5) take-off
6) maturity

It is also of great importance to know that a team grows a business and not an individual. One must create an effective management team from the very beginning, and is vital for all small organisations in order to help in future strategic decisions. Research conducted in the UK has proven, one of the barriers for growth for small businesses was the lack of management systems, organizational structures and skilled managers.

In order for the business to grow successfully beyond stage three, small businesses will need to put in more time and effort to planning, developing staff, and putting structures and systems into place.

CONCLUSION:
For a sustainable growth, the corporate should be aware about the 6Ws.Sustainable competitive advantage is achieved by continuously developing existing and creating new resources and capabilities in response to rapidly changing market conditions and should have a sustainable staffing structure and quality recruitment , retention practices will improve your chances in business.

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