



## THE STRATEGIC MANAGEMENT AS A BUSINESS SUPPORT IN DEVELOPMENT OF COMPANIES

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**Abstract;** Strategic management is an objective, logical, systematic approach to making a series of decisions on the Company. Strategic process to optimize the elemental elements of the Company in implementing an effective and efficient decision on certain conditions, based on experience, empirical, assessment, and feeling, intuition is important for making good and right strategic decisions. The process of strategic management is based on the belief that supervision of the company must be carried out continuously, monitoring the occurrence of events that occur in the company's internal and external, so as to be able to make changes appropriately. Changes in business improvements that utilize accurate and fast information, so they can see and apply, improve a best way that is suitable and can be absorbed in the company's development,efforts

### I. Background

The Strategic management is a blend of art and science in the formulation, application, and evaluation of decisions in accordance with the functional that can deliver a company to achieve its goals. In the process of determining the objectives of the Company, developing policies and planning to achieve these goals, and allocating resources to implement policies and planning the achievement of the Company's goals. The process of combining all activities from various variants of the functional part of a business in the development of the Company.

Strategic management is an activity and process sequence of activities, which is controlled by top management, which is usually compiled by the board of directors and carried out by the executive leadership and executive team of the company appointed as managers, because management strategies provide comprehensive direction in the company that is closely related to the field of behavior and the Company's culture itself. Strategic management that reveals the big picture of a company, in essence strategic management is able to identify the objectives of the company, treat existing resources, and how existing resources can function effectively in meeting strategic objectives The function of management strategies must be to provide a basic foundation in taking Company decision. a continuous and focused process in carrying out the Company's



strategic plan, which is a reference that is always carried out by the actors involved in the company.

According to Thomas L.Wheelen - J. David Hunger strategic management is a series of major decisions and activities that determine the company's success in the long run. These activities consist of formulation, strategic planning, implementation, implementation, and evaluation.

Changes in the flow of globalization, both information and technology and other devices, which affect many people's orders, on technological developments that have many impacts on developments in the business world and other businesses. Community oversight of the implementation of company activities, so that company leaders cannot make policies that are unilaterally decided and ignore the interests of the surrounding community, because the company in carrying out its activities needs harmony between the competencies of the company and government regulations with the surrounding community in the Company's surroundings.

Practical company considerations on strategic decisions, know the limits of these rights and obligations, so that they know and respect privacy and other perspectives that have become from business strategic management. Thus the need for activities in adjusting decision making between the capabilities of the company and the surrounding community so that the need for strategic management. In the management of strategic management depends on managers directed by top managers, as for competitors, markets, prices, suppliers, distributors, governments, creditors, shareholders and customers, the quality of products and services companies must be able to compete with similar competitors.

Very tight competition must strengthen the competitiveness of the market mechanism in reaching loyal and loyal customers, need for product innovation and the right delivery, speed and accuracy of product delivery in the form of goods and services, which can create added value for the company and customers. Therefore to improve the competitiveness of the Company, aspects of creativity, capability, technology used and marketing reach achieved will realize product innovation, high productivity and excellent service.



## I. FORMULATION OF THE PROBLEM

How is the implementation of the functions of Management strategic, Human Resources and development bussines in managing the company to deal with changes in the company in the present and future?

## II. RESEARCH METHODOLOGY

The methodology of writing this study uses a qualitative methodology that draws and describes, which portrays strategic research that is interactive, dialogue and interviews and is part of epistemology, and literacy that examines the sequence and steps to be taken by the author, so that the knowledge obtained is intended to understand the phenomenon social phenomena from the perspective of the participant, which complements the data of scientific work. As well as the methodology must also be seen as part of the assessment in the principles of appropriate reasoning. Then the methodology is considered important because there are assumptions behind the various methods used in this scientific research.

## III. THEORETICAL BASE

According to Thomas L.Wheelen - J. David Hunger strategic management is a series of managerial decisions and activities that determine the company's success in the long run. The activity consists of formulation, strategic planning, implementation, and evaluation.

From the analysis theory above, it illustrates how important the strategy is built by a manager to make a series of decisions that are meaningful and meaningful in business development, through a series of activities to determine the extent to which success will be achieved, both determining short-term success and employment, starting from the formulation strategic, strategic planning, implementation and implementation in accordance with its designation, which ends with an evaluation in all strategic settings given its assessors to determine in the future their development

According to George R. Terry, (1997) management in a company is a different process consisting of planning (planning), organizing (organizing), directing (actuating), and controlling (controlling) where it is carried out to achieve the company's main objectives involving humans and other resources.



From Georges R. Terry's theory of analysis, the above illustrates how the importance of strategy, a process in the business world, in the future development of the company, which starts from planning that determines how the company works in the future, organization in the vision and mission, direction from all devices, both human resources and other resources, and controls that continuously monitor how the business runs in the corridor that has gone through the previous process sequence, all of which are geared towards centralizing and advancing on the development of the company.

#### IV. DISCUSSION

##### A. Strategic Management Theory

The role of strategic management in the development of the Company, some strategic management understanding and literacy, here are some experts who provide understanding and description or theory about the following strategic management. Grant, 1995: 10 Strategic can also be interpreted as a whole plan regarding the use of resources to create a favorable position. In other words, strategic management is involved with strategic development and implementation within the framework of developing competitive advantage.

Strategic Management focuses on combining marketing aspects, research aspects and development aspects, financial aspects, accounting aspects, operational aspects, aspects of the Company's production. Strategically, it can provide several benefits and benefits, so that the management process carried out by the Company can create profits for the Company, so the management process functions in managing its strategic management. As for the purpose of the Company in implementing a strategic management system, to provide direction in achieving the Company's objectives, strategic managers must be able to show all parties where the company is going. Because, a clear direction will be used as a basis for controlling and evaluating success.

Michael A.Hitt & R.Duane Ireland & Robert E. Hoslisson (1997, XV) Strategic management is a process to help companies identify what they want to achieve, and how they should achieve valuable results. The magnitude of the role of management strategies is increasingly being recognized in these times compared to previous periods. In a global economy that allows the movement of goods and services freely among



various countries, companies continue to be challenged to be more competitive. Many of the companies that have increased the level of competition offer products to consumers with higher value, and this often results in above-average profits.

David 2002: 5 Arts and knowledge to formulate, implement and evaluate cross-functional decisions that make the Company able to achieve its objectives. Hunger and Wheelen 2003: 4 A series of managerial decisions and actions that determine a company's long-term performance.

Thus from the various definitions above, it can be seen that management strategies are located and focused in integrating strategic management, marketing, finance, production, operations, direction and development, and product innovation, which are supported by information systems to achieve the Company's goals and success. Strategic management will be effective if information reaches all staff and employees regarding the company's business objectives, business direction, progress, achievement of targets, and customer selection, competitor strength and product innovation, information and communication is the achievement of successful management strategies within the company.

#### **Some of the Basic Strategic Management Processes are:**

- 1) Strategic Formulation which includes developing a vision, mission and long-term goals, identifying opportunities and threats from external factors as well as strengths and weaknesses from within the Company itself, developing several alternative strategic and appropriate strategic determinations to run.
- 2) Strategic implementation which includes determining allocations and operational targets, Company policies, providing motivation for employees and other resources so that the established strategies can be implemented properly and correctly.
- 3) Strategic oversight which covers all businesses to monitor all results produced as well as making and implementing strategically, including measuring employee performance in supporting the Company's progress and taking corrective steps for the development of the company.

Helping the interests of various parties, the Company will bring together the needs of various parties, suppliers, employees, shareholders, banks, and other wider communities related to the company as stakeholder benefits, playing a role in the



success of the company. Strategic management can anticipate every change evenly and prepare its guidelines and controls, so that it can expand and understand and contribute well to the company.

## **B. The Role of Strategic Management**

To get the desired goals by the company, the application of strategic management is needed, and to achieve what is desired by the company, the role of strategic management in implementing a company, in each unit, the part that exists in the company can carry out its duties and responsibilities well and right. Moreover, the company has expanded its market to get a lot of profit, requires the right strategic steps so that the process and steps taken by the manager can run according to the direction.

Competition with market mechanisms through the speed and accuracy of the distribution of products in the form of goods or services that are able to create added value for their users. Therefore increasing competitiveness in the company must be unique, as well as the aspect of creativity, the ability of the technological aspects used and the marketing reach achieved, as a manifestation of product innovation, high productivity and good service.

The essence of Strategic Management in the development of the Company's competitiveness can be categorized as follows:

### **1. Growth and Sustainability**

With the existence of large activities from the Company, which have an impact on improving the welfare of employees as human resources, the achievement of these conditions is obtained from the collaboration between employees who are able to realize their performance, in supporting the Company's development, growth and renewal of other products and equipment to support productivity company. Internal and external factors are influenced by fundamental changes in consumer desires, as well as intense competition in supporting the company's progress.

### **2. Strategic Actions**

Understanding the importance of time factors, in an ongoing and iterative process in identifying activities to be carried out based on mapping the capabilities possessed by human resources and other comprehensive resources, and paying attention to other macro factors such as politics, economics, technology and socio-cultural,



company competitiveness partially or thoroughly. strategic in concept, input, process and outcome in managing changes in the company, opportunities and threats faced in accordance with its development.

### **3. Strategic Management**

Strategic management in its implementation is determined by the stages of identification of the internal and external environment, strategic formulation, strategic implementation, strategic direction and strategic evaluation. Compiled based on the analysis of the internal environment, namely strengths and weaknesses, resources, capabilities and competency skills, analysis of the external environment namely opportunities and threats, the strategic policy approach to functions on factors that influence broadly and specifically such as:

- 1) New competitors namely similar products must have product differentiation, product innovation, capital addition, share market, distribution channels.
- 2) Threat of equivalent substitute products
- 3) Strength of bargaining power in consumers such as quantity, quality and availability of spare parts

In the process of strategic management, thinking is needed in the involvement of the company's vision, mission and goals regarding strategic design that has been prepared and determined according to its level, such as corporate, business and other functions based on consistency and integration in the short and long term decision-making framework , there are structures with various forms and formulations, functional, divisional, matrix, business units, strategic management is very important in achieving company goals.

### **C. Benefits of Strategic Management**

Strategic management as a framework for resolving every strategic problem within the Company, especially with regard to competition, the role of managers is invited to think more creatively or think strategically. Troubleshooting to consider more alternatives that are built from an accurate analysis, which will provide optimal results. Some of the benefits the Company has obtained by implementing strategic management are:

- 1) Providing long-term direction to be achieved by the company



- 2) Helping the Company protect against changes in changes that will occur.
- 3) Making a company more effective and efficient
- 4) Identifying the Company's comparative advantages
- 5) Strategic policies increase the ability to develop the company
- 6) The involvement of Company management will motivate at the implementation stage.
- 7) Minimizing all overlapping activities

#### **D. Stages in Strategic Management**

Strategic management is a process that consists of a series of activities including strategic formulation, strategic implementation and strategic evaluation. Strategic formulation consists of activities that develop a business mission, recognize external opportunities and threats of the company, establish internal strengths and weaknesses, establish long-term objectivity, produce alternative strategic and strategic choices to be implemented, how to allocate resources, expand operations or diversification, will enter international markets, merge or form joint ventures, strategic formulation decisions bind a company to specific products, markets, resources and technology over a period of time.

Strategically establish long-term competitive advantage. strategic decisions have consequences for various functions and long-term effects on a company. Strategic implementation requires companies to establish objectivity, motivate employees and allocate resources, so that formulated strategies can be implemented including developing them, creating effective organizational structures, preparing budgets, developing information systems and linking corporate compensation to employee performance. Strategic evaluation is a stage end. Managers will function properly, if all strategies can work.

#### **E. The importance of strategic management for the company**

Some reasons for the importance of the role of strategic management are:

- 1) Giving long-term direction to be achieved.
- 2) Helping Companies to adapt to aspects of changes that occur.
- 3) Controlling the Company to be more active.
- 4) Identifying a company's comparative advantage into a high-risk environment.



- 5) Activities that are still overlapping will be reduced.
- 6) Rotating old employees who cannot change to advance.
- 7) Strategic change will be more motivating at the implementation stage.
- 8) Making strategic policies will drive the ability of the company

Strategic management is expected to be managed so that it can be implemented to integrate all decisions and actions in the Company. The stages of activities for strategic implementation are as follows:

### **1. Strategic formulation**

Strategic formulation is the process of choosing the main actions to realize the Company's mission. The process of making decisions to determine the strategic which is a consequence in the determination of vision and mission, until the realization of the program.

### **2. Strategic action planning.**

The step in implementing the established strategy is the strategic planning maker, which will be carried out at this stage, is how to make plans in achieving, achieving, managing programs and budgets that are correct in accordance with the strategic direction set by the Company.

### **3. Strategic implementation.**

Strategic success formulated must be realized in careful implementation actions, in the Company's elements that are appropriate to the design, structure and culture of the Company, and leadership and human resource management systems, which are implemented in an ever-changing environment, which is always controlled and evaluated in the implementation of.

### **E. Risk of Strategic Management**

The involvement of managers in the strategic planning process will pose several risks that need to be considered before carrying out the strategic management process, namely:

- 1) The time used by managers in the strategic process, has a negative influence on operational responsibility.



- 2) If strategic makers are not directly involved in the implementation, managers are not responsible for the decisions taken in the planning process.
- 3) There will be disappointment in the subordinates involved in the implementation, because the company objectives are not achieved.

To overcome this risk, managers need to be directed at securing, minimizing, arising risks

- 1) Rescheduling the obligations of managers in order to allocate more efficient time.
- 2) Limiting managers to the planning process to make a performance plan that is correct and can be implemented by their subordinates.
- 3) To anticipate and respond to the wishes of the subordinates proposed for the company's progress.

#### **F. Strategic Steps in Corporate Development**

- 1) The first step of strategic management needs to be detailed in identifying all activities that are carried out directly in testing and assessment, as for the monitoring and implementation control planning process.
- 2) The second step that needs to be done to analyze the format of the Company is to look for linkages from various activities in the chain of activities, main activities, functions of activities and other supporting activities.
- 3) The third step is to look for potential synergies that can be found by the products produced by each of the Company's productivity.

#### **V. CONCLUSION**

From the analysis of the discussion above, the writer can conclude in overcoming the weaknesses that have been planned in the Strategic Management model, which combines strategic thinking patterns in the management process also continued at the operational level and supervision of new trends, namely:



- 1) Competitive advantages that comprise; a). Special competencies, competitive advantages b). Creating imperfect competition c). Continuous d). Conformity to the environment e). High profits
- 2) Transition Strategic thinking can only be done by the elite planners, but also by each member of the Company. Because the person who is planning is every party who will also implement the plan.
- 3) The transition from calculation to creativity in Strategic Management, which focuses on quantitative factors and also on a more qualitative perspective.
- 4) Change in rigid nature becomes flexible on strategic, because it combines the view of balancing control and managing stability in strategic changes

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