

Q.5 How are strategies being formulated?

Strategies formulated

It is the process by which an organisation chooses the most appropriate courses of action to achieve its defined goals. This process is essential to an organisation's success, because it provides a framework for the actions that will lead to the anticipated results.

Strategic plans should be communicated to all employees so that they are aware of the organisation's objectives and purpose. Strategy formulation forces an organisation to carefully look at the changing environment and to be prepared for changes that may occur. A strategic plan

also enables an organisation to evaluate its resources, allocate budgets and determine the most effective plan for maximising return on investment.

A company that has not taken the time to develop a strategic plan will not be able to provide its employees with direction or focus.

Rather than being proactive in the face of business conditions, an organisation that does not have a set strategy will find that it is being reactive

while the organisation will be addressing unanticipated pressures as they arise and the organisation will be at a competitive disadvantage.