

College of Defence Management



HDMC 22

**FACULTY OF STRATEGIC MANAGEMENT &
BEHAVIOURAL SCIENCES**

STRATEGIC MANAGEMENT: PRIMER

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College of Defence Management

PRIMER HDMC 22
STRATEGIC MANAGEMENT – AN OVERVIEW

“If we know where we are and something about how we got there, we might see where we are treading, and if the outcomes which lie naturally in our course are unacceptable, to make timely change”

Abraham Lincoln

Introduction

1. Strategic Management (SM) is one of the subjects that a participant of HDMC gets to learn amongst various other interesting subjects. The SM Department is a part of the Faculty of Strategic Management & Behavioural Sciences, along with the vertical of Organisational Behaviour. *SM could be understood as an umbrella subject of management with all subjects supporting this umbrella.* The subject provides a broad and all-encompassing worldview of topics that assists in developing an understanding of the '**big picture**', critical in future assignments for Officers of this seniority.

2. The vision of CDM is **“To be the Nation’s premier Centre of Excellence in developing future generations of strategic leaders for meeting the challenges to National Security”**.

Aim

3. The aim of SM is to Impart Training in developing an understanding of the concepts of Strategic Management of **National and Military Security**.

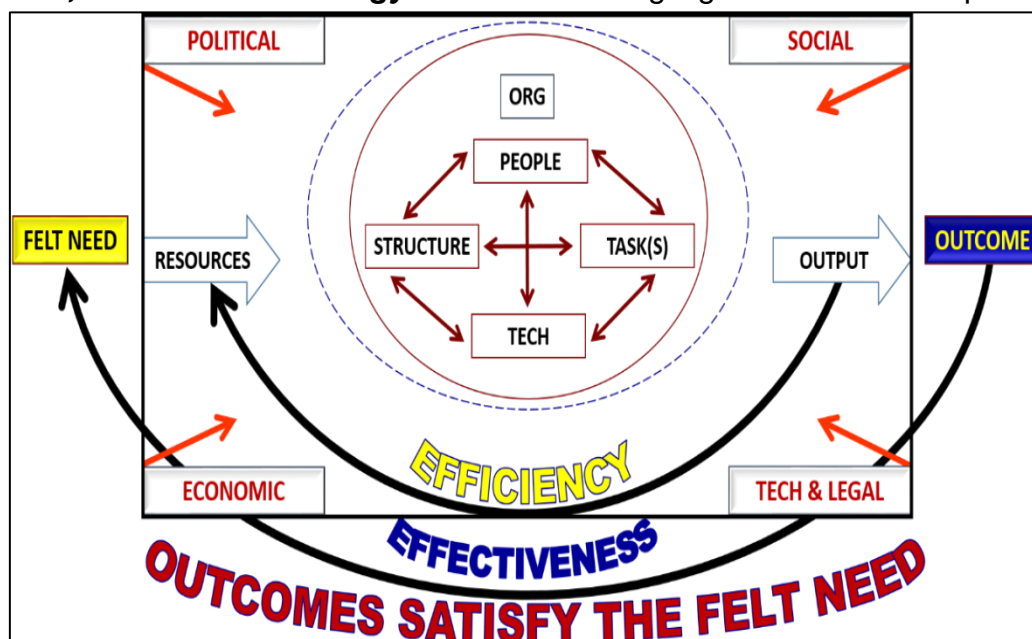
Scope

4. The SM vertical straddles the three semesters of the HDMC curriculum with broad verticals of '*Management of Defence*', '*Administration of Defence*' and '*Management of War*'. Topics covered include SM Process, Geopolitics, Strategic Culture, International Relations Theories, National Interest/Security, Net Assessment, Higher Defence Organisation, Defence Planning, Perspective Planning, Operational Art, Campaign Planning etc culminating in a Tri-services exercise where all that would have been learnt in SM as well as other subject syllabi would be put into practice. The subject is vast, hence this primer doesn't intend to cover all of it. However, it would help you to get a **basic understanding of the subject** in subsequent pages.

Concept of an Organisation

6. All organisations exist because of a 'need' in the environment that requires 'fulfilment'. Due to the dynamic nature of the environment around organisations, there is a possibility of an organisation becoming "out of sync" with the 'needs' it is required to 'fulfil', if it does not pay heed to the changes occurring in the environment. The clarity in the vision of the future environment, provided by top leadership, will determine the degree of effectiveness and efficiency that an organisation can aspire for.

7. We may define an organisation as an entity comprising multiple people with a collective goal and is linked to an external environment. As per Leavitt's Diamond Model¹, the four important aspects which make up an organisation are **People, Structure, Task and Technology**. The same are highlighted in the subsequent figure.



Concept of an Organisation

3. **PESTLEM (Political, Economic, Social, Technological, Legal, Environmental and Military) Analysis.** This describes a framework of macro-environmental factors used in the environmental scanning component of strategic management. The same will be discussed in the environmental scanning process under Net Assessment.

4. Definitions.

4.1 **Felt Need.** This is a different approach from the basic human needs as propagated by Maslow. A **felt need** is anything people consciously lack and desire. This subsequently translates into an expressed need which causes the felt need to be translated into action. In management, it is firmly believed that an

¹ Leavitt Harold J; *Managerial Psychology*; 1972, University of Chicago Press

organisation exists only because of a felt need and it is relevant only if it satisfies such a felt need.

4.2 Output/ Efficiency. These are the products, services or facilities that result from an organisation's or project's activities. The optimum usages of resources – **Men, Machine, Material, Metre, Minute, Money and Information (M6I)** will indicate the efficiency of an organisation.

4.3 Outcomes/ Effectiveness. These are the **changes, benefits, learning or other effects** that happen as a result of what the project or organisation offers or provides. Outcomes are the effects that happen due to the organisation's services, facilities or products. Outcomes relate to aims. In essence the effect which the output has on the aim which eventually satisfies the felt need is the effectiveness of an organisation. Whereas efficiency tells us whether we are doing things the right way, effectiveness, more importantly tells us if we are doing the right things.

5. Types of Organisations. Organisations which have a clearly defined path or direction in consonance with the environment continue to exist and those which anticipate and adapt with the changing environment flourish. There are four types of organisations **based upon how they respond to changes in the environment**. They are: -

5.1 Inactive Organisations. These resist change and become irrelevant and decay. Slowly but surely, these cease to exist. Inactive Organisations' survival is independent of performance. The orgs however may cease to be inactive if the leader imposes will and changes strategy to align to the environment.

5.2 Reactive Organisations. These organisations try to grow by reacting quickly to problems and opportunities offered by the changing environment. These do not have institutionalised mechanisms to study and forecast changes. They lack formal, well-researched, long term futuristic strategy(ies) or plans. Such organisations do manage to survive but do not realize optimal effectiveness and competitive advantage. The reactive approach to a problem is first to identify its cause or source, then try to remove or suppress it. In this type of organisation action begins in response to a stimulus or situation, as if, waiting for something to happen. Reactive organisations walk into the future unprepared without trying to anticipate it.

5.3 Pro-active Organisations. These organisations try to predict the future, identify opportunities to exploit, threats to defeat and challenges to overcome. They then prepare strategies and plans to meet forecasted future and develop competitive advantage. In pro-active organisations the response is preceding the action; creating a solution before being requested to have one; anticipating what is needed and having it ready. However, the organisation **needs to know what to be ready for**. Forecasting is a major pre-occupation of pro-active organisation.

5.4 Interactive Organisations. These organisations do not accept the future as inevitable. They study trends and forecast futures and then make strategic interventions to shape future environment as most suited to them. These organisations believe in developing and implementing '*Environment Shaping Strategies*'. The *objective of leadership/ management is to create as much of the future as is possible to their advantage.*

Concept of Strategic Management

6. Levels of Management. The study of the science of management has identified three basic levels of management. These, as pertaining to a corporate setup are as under:-

6.1 Top (Strategic) Level. The top level comprises people with the responsibility for planning, organising, directing, controlling and evaluating the organisation's vision, its purpose of existence and the course of its future. These are the leaders of the organisation. They think far into the future as well as set goals and objectives for the organisation. The leaders make a relatively small group and are referred to as President, Vice President, Chief, Commander or Chief Executive Officer (CEO). This level is responsible for evolving the strategy for the organisation. This level is also referred to as the '**Conceptual Level**'.

6.2 Middle (Directional) Level. The middle level management comprises senior executive officers who implement decisions of the top-level management. These people take the long-range goals of top-level managers and turn them into short-range goals and objectives that first-line managers can achieve. They are generally the Plant Managers, Operations Managers, Department Heads, etc. This level is also referred to as the '**Directional Level**'.

6.3 Lower (Functional) Level. The functional level comprises those who directly assign work duties and oversee workers on the job. The functional managers train people or oversee a small group of workers who do not have much experience. This level is also referred to as '**Functional Level**'.

7. Below the functional level of management is the worker who physically carries out the tasks assigned by the management. Historically there has been a sharp demarcation between the worker and the management. The above levels of management have also been classified differently depending upon the type of organisation. However, irrespective of nomenclature, the primary functions remain the same. Some of them are:-

Serial No	Generic	Govt Sector	Armed Forces	Business
7.1	Top	Conceptual	Strategic	Top
7.2	Middle	Directional	Operational	Executive
7.3	Lower	Functional	Tactical	Operational

8. **Management.** Management implies the conversion of resources, through appropriate processes, into desired results and involves certain functions as under:-

8.1 **Forecasting.** Involves foreseeing of the future so as to facilitate planning.

8.2 **Planning.** Process of bridging the gap between where we are and where we want to go.

8.3 **Organising.** Process of establishing relationships between function, men and material grouped together for a common purpose.

8.4 **Directing.** Guiding subordinates towards common goal.

8.5 **Coordinating.** Combining inter-related but independent activities to ensure unified effort.

8.6 **Controlling.** Process of ensuring that performance is closely monitored and all efforts are directed to achieve specified goals.

9. *Two types of management functions* are undertaken in an organisation - **Administrative** and **Operative**. The former is undertaken by leaders/ managers who are higher up in the hierarchy wherein they devote more time on aspects like vision, mission, broad objectives, plans, policies, decision making, etc. However, an implied assumption is that the goals and objectives are reasonably clear and that it is simply a matter of ensuring that the functions indicated earlier are undertaken. This would be the case if the organisation was, at all times, sensitive to environmental changes in terms of needs, which would then form the basis for changes in the task, structure, technology and people dimensions of the organisation. It would be unwise to take this aspect for granted in an ever-changing environment. A deliberate focus on the changing needs requires futuristic thinking and prepares nations and organisations to respond to uncertainties. This vital aspect of envisioning nation's or organisation's long term desired 'end state', reviewing goals, setting realistic objectives, aligned with dynamically changing environment, is necessary and forms the basis of strategic management.

Strategic Management

10. Strategic management is a systematic approach by which the organisation is aligned to the environment in a way that will assure its continued success and make it secure from surprises. It concerns those aspects of the management process that ensure the viability of an organisation and that, its resources and output is adapted to its environment. This permits efficient achievement of the organisation's goal(s), using appropriate courses of action with acceptable degrees of risk.

11. Strategic Management can be defined as:-

11.1 The art and science of formulating, implementing and evaluating cross-functional decisions that enable an organisation to achieve its long term aspirations and objectives.

11.2 The set of decisions and actions resulting in formulation and implementation of strategies designed to achieve the objectives of an organisation.

11.3 The process through which organisations analyse and learn from their internal and external environments, establish strategic direction, create strategies that are intended to achieve established goals, implement these strategies in an effort to satisfy the key organisational stakeholder.

12. Strategic management is a comprehensive area that covers almost all the functional areas of the organisation. It is an **umbrella concept of management** that combines all such functional areas as marketing, finance & account, human resource, and production & operation into a top level management discipline. Therefore, strategic management has an importance in the organisational success and failure than any specific functional areas. Strategic management is different than the routine and operation management.

13. Strategic management deals with organisational level and top level issues whereas functional or operational level management deals with the specific areas of the organisation. Strategic management has relatively long term focus in comparison to the operational management. Management of 'National Security' too, is an enterprise. However, unlike most corporate and business enterprises, its scope is vast. This enterprise too, needs to be managed most intricately and effectively to ensure existence and growth of the nation in a dynamically changing regional and global environment; to ensure *wellbeing of its citizens, fulfilment of their aspirations and ultimate realisation of long term national goals and vision*.

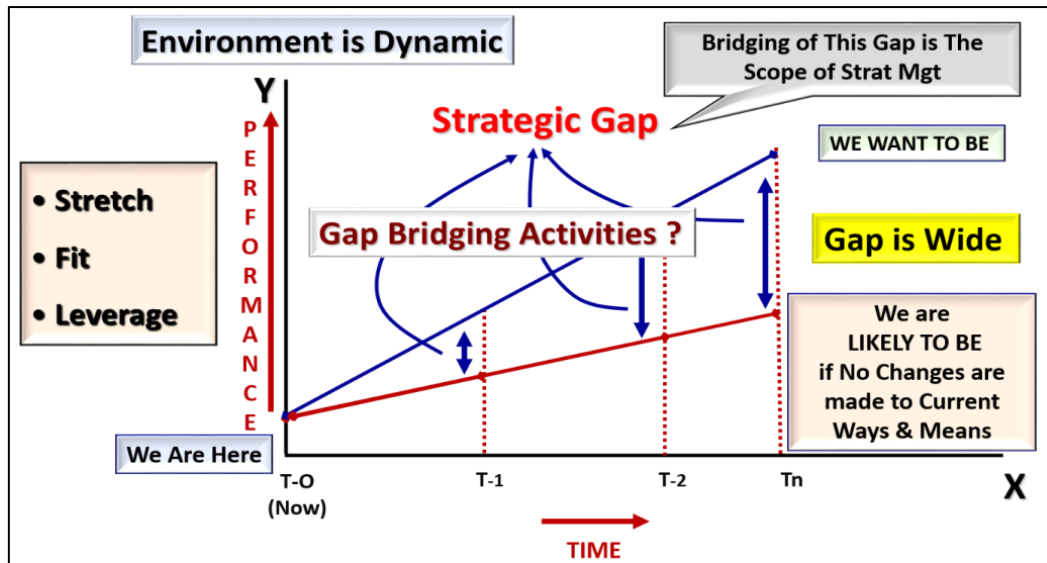
14. In pursuing Strategic Management, the following questions become relevant:-

14.1 Where is the organisation presently?

14.2 Where is it headed (where will it be at some point in future, if no changes are made)?

14.3 What needs to be done to achieve the goals?

15. **Scope of Strategic Management.** An organisation sets objectives for itself over a given period. It then selects strategies to achieve these objectives. The resultant strategies and the changes in the environment set a course for the organisation. The difference between the desired course and the projected course while pursuing the current selected strategy defines the **strategic gap**. If the gap is narrow, or expected performance is likely to exceed the target, it suggests reviewing or upgrading goals/objectives. On the other hand, a large gap is attributable to changes in environmental needs or weakness in the chosen strategy. This brings in the concept of '**Stretch**', '**Fit**' and '**Leverage**'.



Stretch

16. Stretch is a **misfit and gap between resources and aspirations**. Where current resources and capabilities are unlikely to be adequate to meet the requirement of an organisation's strategic intent, they will need stretching in order to meet the demands of that intent. Misfit between resources and aspirations will always be there and hence instead of looking at resources one must look at **resourcefulness**. To achieve this, an organisation will need to stretch and make innovative use of resources. This leads Hamel and Prahalad to comment that 'it is essential for the top management to set an aspiration that actually creates, by design, a chasm between ambition and resources – leaders must *create* a misfit between resources and ambition to stretch the organisation to tap its full potential'. According to Frank Buytendijk '*Strategic Stretch is very much like working with an elastic band. If you only pull it from one side, the other side will move in the same direction. You can only stretch it if you pull from both sides. And the harder you pull in multiple directions at the same time, the more space you create, which is the objective of strategic management.*' The metaphor of elastic band is very appropriate because it implies that you can't stop pulling, otherwise it goes back to its neutral position. The leader needs to recognize this and keep working on creating strategic stretch; otherwise the organisation will fall back to average results. Stretch is done by leveraging as described in Paragraph 20.

17. Advantages of Stretch.

17.1 It forces the management to abandon orthodoxy of conventional wisdom and an installed base of thinking.

17.2 It involves and empowers employees in identifying issues and solving problems that arise.

17.3 It leads to doing things differently and resourcefully by fundamentally rethinking processes, roles and responsibilities or by re-engineering them.

Fit

18. Fit implies positioning the organisation by matching its resources to its environment. It is the traditional way of looking at strategy. Using techniques such as SWOT analysis, which are used to assess organisational capabilities and environmental opportunities and challenges, strategy is taken as a compromise between what the environment has got to offer in terms of opportunities and the counter offer that the organisation makes in the form of its capabilities. Organisation sets **realistic goals** based on what it thinks it can achieve with the resources at hand, and then construct strategies and tactics to achieve them. Under fit, the strategic intent is conservative and seems to be more realistic, but one may not be aware of the potential of the organisation.

Leverage

19. Where fit is achieved by simply paring down ambitions, there will be no spur for such ingenuity and much of the organisation's strategic potential will remain dormant. Tests of feasibility and realism must not be prematurely applied. Stretch and the creativity it engenders are the engine and fuel for organisational growth and vitality. This is why the genesis of the strategic process must be a purposefully created misfit between where the organisation is and where it wants to be. This leads to **leveraging** one's resources. Leverage utilizes resources in such a manner that a meagre resource base can be stretched to meet the aspirations that an organisation dares to have. Leverage refers to **Concentrating, Accumulating, Complementing, Conserving and Recovering** resources. Elaborating further, these imply:-

19.1 **Concentrating** resources around strategic goals or intent which have been spelt out. Every individual, function and unit within an organisation must concentrate on the same goals. Multiple goal and conflicting goals would undermine the overall aim/goal and thus the strategy. It is more on setting priorities and putting resources to its best use. It is a preventive against diluting and dissipating resources.

19.2 **Accumulating** resources more efficiently. This implies that the organisation must learn from experience and continue learning. It should go to the extent of 'borrowing' resources to improve strategic leverage (Sony built the transistor while Bell Labs pioneered it).

19.3 **Complementing** one kind of resource with another. Blending of resources is essential (Sony combines headphone and tape recorder to produce Walkman).

19.4 **Conserving** resources wherever they can. Resources being at a premium should not be frittered away. Important for the organisation is to strategize properly before committing resources.

19.5 **Recovering** resources from the market place as quickly as possible. Rapid recovery of resources is a resource multiplier.

20. Under **Stretch** and **Leverage**, it could be improbable, even idealistic, but then one looks at something far beyond present possibilities and look at the potential possibilities. Hamel and Prahalad describe **Stretch** and **Leverage** as two sides of the same coin; *Stretch relates to the aspiration; Leverage relates to the use of capabilities and resources to achieve these aspirations.*

21. The art of strategic management lies in leveraging, which becomes the motivation to perform better. Under '**Fit**', the strategic intent would be more realistic and under stretch and leveraging it, could be idealistic. Yet, in both cases, it is essential that a desired aim be achieved.

Understanding Strategy

22. **Strategy.** Strategy came from the Greek word '*strategos*', which literally means a 'General' and originally meant the art and science of directing military forces. The initial usage of the term was connected to the art of war and art of moving and posturing of troops. The industrial revolution brought competitiveness into the field of business, which became as fierce as war, as time went by. The term strategy became a common term where long term plan or policy was concerned.

23. Strategy formulation and implementation is a function of management at the conceptual level. It is the determination and evaluation of alternatives available to an organisation and the selection of the alternative to be pursued. It is concerned with the relationship between **ends and means, power and objectives, capabilities and intentions** and **forecasting and foresight**. It is a means to achieve the nation's or the organisation's vision which it has stated for itself.

24. A strategy is not simply a statement of intent or a plan. It is far more comprehensive than that. A good strategy must have the following elements:-

24.1 A purpose.

24.2 A plan.

24.3 A sequence of actions/ tactics.

24.4 A distinct and measurable goal.

24.5 A strategic narrative – the story. A 'strategic narrative' can be understood as the story that a nation/ organisation must tell itself, and the world, to wage a war or to maintain its competitive advantage in the international system/ environment.

25. **Strategists.** Strategists or strategic leaders are individuals responsible for the long term planning which determines the success or failure of any organisation. They may range from the organisation head to a group nominated to direct organisational strategies. They are generally at the highest level of management. Strategists have special skills and an intuitive understanding which could be enumerated as follows:-

25.1 **Conceptual Skills for a Strategist (Strategic Leader).** All strategic leaders should have very high level of conceptual skills so as to develop strategic vision. These, as envisaged by Katz include:-

25.1.1 Profound scanning ability to appraise the environment.

25.1.2 The ability and disposition to solve complex problems.

25.1.3 Disposition to be anticipatory in approach.

25.1.4 Willingness to develop future options.

25.2 **Intuitive Understanding and Beliefs.** Strategists are individuals who need to understand and believe in following:-

25.2.1 *'Doing the right things'* is more important than *'doing things right'*.

25.2.2 *'What is done'* is more important than *'how it is done'*.

25.2.3 Top Management (at the strategic level) builds on what is unique, strong and powerful in the organisation.

25.2.4 People weigh more than hierarchy systems and need to be trusted and listened to instead of being controlled.

26. **Strategic Thinking.** Strategic thinking is a process whereby one learns how to make the organisation's vision a reality by developing abilities in team work, problem solving and critical thinking. It is also a tool to help confront change, plan for and make transitions and envision new possibilities and opportunities. Strategic thinking requires one to envision what the ideal outcome ought to be and then work backwards by focusing on the story of 'How' to reach the envisioned 'End State'. To be effective as a leader, one must develop skills in strategic thinking. As Loizos Heracleous suggests, the purpose of strategic thinking is to discover novel, imaginative strategies which can re-write the rules of the competitive game; and to envision potential futures, significantly different from the present. So, it is imperative that the goal for strategic thinking is to develop strategies that align an organisation's future direction (or vision) with the future environment to gain competitive advantage. One should think of strategic thinking as the 'what you want' component of Strategic Management. As one develops a strategic vision, a strategic leader should focus on the following five different criteria of the strategic thinking process:-

26.1 **Organisation.** The organisation involves the people the leader will have working for him, the organisational structure and the resources necessary to

make it all work. What will the organisation look like? What type of structure will support the vision? How will the leader combine people, resources and structure together to achieve the ideal outcome?

26.2 **Observation.** Strategic thinking allows one to see things from 'higher plane'. By increasing the powers of observation, one becomes more aware of what motivates people, how to solve problems more effectively, how to generate and distinguish between alternatives.

26.3 **Views.** Views are simply different ways of thinking. In strategic thinking, there are four viewpoints to take into consideration when formulating strategy - ***the environmental view, the operational view, the capability view and the measurement view.*** Views can be used as tools to help one think about outcomes, identify critical elements and adjust one's actions to achieve one's ideal position.

26.4 **Driving Forces.** What are the driving forces that will make the ideal outcome a reality? Driving forces usually lay the foundation for what the leader wants people to focus on (i.e. what factors will the leader use to motivate others to perform). Examples of driving forces might include - ***individual and organisational incentives, empowerment and alignment;*** qualitative factors such as a ***defined vision, values and goals;*** productive factors like a ***mission or function;*** quantitative factors such as ***results or experience;*** and others such as ***commitment, coherent action, effectiveness, productivity and value.***

26.5 **Ideal Position.** After working through the first four phases of the strategic thinking process, one should be able to define the ideal position. The ideal position outline should include - the ***conditions found to be necessary if the enterprise is to be productive;*** the niche in the battle-space that the organisation (unit) will fill, any opportunities that may exist either currently or in the future, the core competencies or skills required and the strategies and tactics which would need to be used to put it all together.

27. By working through these five areas, one gets a clearer picture of exactly how the organisation's vision can be accomplished. As the vision becomes focussed, the ideas appear stronger and more credible. Not only will it be easier to convince others that the idea is a good one, but it will also be easier to maintain one's own conviction and motivation when one reaches any pitfalls or obstacles along the road.

28. **Strategic Culture.** The term Strategic Culture was coined by Jack Snyder in 1977 as part of a study instituted by the RAND Corporation. Initially it pertained to understanding the behaviour as well as response of USSR to various contingencies related to use or threat of use of nuclear dimension. While the term lacks universally accepted definition, however, its utility and applicability in understanding behaviour of nation states is widely accepted and is considered a must to be able to gain deeper insights about the concerned nation and its likely behaviour. Ken Booth, a noted theorist on strategic matters, defines strategic culture as that which "***refers to a***

nation's traditions, values, attitudes, patterns of behaviour, habits, symbols, achievements and particular ways of adapting to the environment and solving problems with respect to the threat or use of force." In short, it defines a set of patterns; of and for a nation's behaviour on issues of war and peace. It is derived from a nation's history, geography and political culture and represents the aggregate of attitudes and patterns of behaviour of the most influential voices. All military professionals must acquaint themselves with the construct of Strategic Culture and must read more on the subject to be able to form their own world views on the subject including its utilisation while analysing nation states or other strategic issues of importance.

29. **Strategic Focus.** The foundations of strategic management lie in a conscious strategic orientation or focus at the highest levels. A clear orientation is the "wellspring" of all other management processes. An appropriate orientation is possible only if top-level management is acutely conscious of the necessity of such a focus as also the adverse consequences through lack of it.

30. **Characteristics of Strategic Decision Making.** The characteristics of strategic decisions are:-

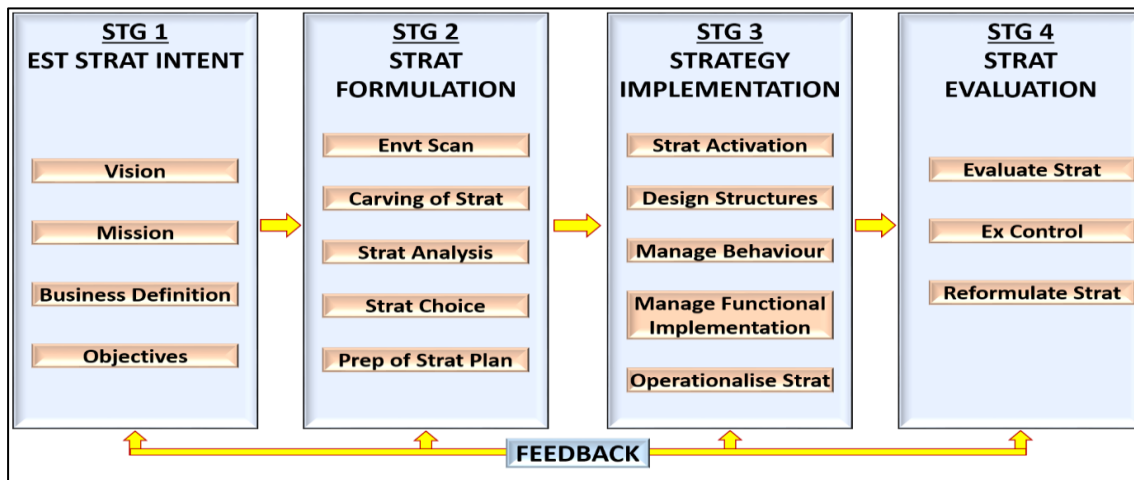
- 30.1 They are taken by the top-management.
- 30.2 They involve the allocation of large resources.
- 30.3 They will have a significant impact on the long-term prosperity or success of the organisation.
- 30.4 They are future oriented.
- 30.5 Strategic issues usually have major multi-functional consequences (multifaceted results).
- 30.6 Strategic issues necessitate considering factors of the external environment.

The Strategic Management Process

31. The definitions quoted earlier give us the idea that strategic management as a process consists of different phases, which are sequential in nature. Most authors agree that there are four essential phases in the strategic management process, though they may differ with regard to its sequence, emphasis or nomenclature. These four phases could be encapsulated as follows:-

- 31.1 Establishing the Hierarchy of Strategic Intent.
- 31.2 Formulation of Strategies.
- 31.3 Implementation of Strategies.
- 31.4 Strategic Evaluation and Control.

32. These four phases are considered as sequentially linked to each other and each successive phase provides a feedback to the previous phase. The phases in strategic management for **an organisation** are depicted in the diagram.



Phases of Strategic Management Process

33. However, in practice, the different phases of strategic management may not be clearly differentiable from each other. The feedback arising from each of the successive phases is meant to revise, reformulate or redefine the previous phase(s), as necessary. Such representation yields a dynamic model of strategic management which takes into account the emerging factors as the process moves on.

34. **Elements in the Strategic Management Process.** Each phase of the strategic management process consists of a number of elements which are discrete. Identifiable activities are performed in logical and sequential steps. These are as follows: -

34.1 **Establishing the Hierarchy of Strategic Intent.**

- 34.1.1 Creating and communicating a vision.
- 34.1.2 Designing a mission statement.
- 34.1.3 Defining the areas of operation of the organisation.
- 34.1.4 Setting objectives.

34.2 **Formulation of Strategies.**

- 34.2.1 Environmental scan.
- 34.2.2 Appraisal of external and internal environment.
- 34.2.3 Conducting an organisational appraisal.
- 34.2.4 Formulation of strategies.
- 34.2.5 Undertaking strategic analysis.
- 34.2.6 Exercising strategic choice.
- 34.2.7 Preparing a strategic plan.

34.3 **Implementation of Strategies.**

- 34.3.1 Activating strategies.
- 34.3.2 Designing structures and systems.
- 34.3.3 Managing behavioural implementation.

34.3.4 Managing functional implementation.

34.3.5 Operationalizing strategies.

34.4 **Strategic Evaluation and Control.**

34.4.1 Performing strategic evaluation.

34.4.2 Exercising strategic control.

34.4.3 Reformulating strategies.

Phase 1: Establishing of Strategic Intent

35. **Strategic Intent.** The strategic intent makes clear what an organisation stands for. Strategic intent is a high-level statement of the means by which an organisation will achieve its vision. It is a statement of design for creating a desirable future (stated in present terms). Simply put, a strategic intent is an organisation's vision of what it wants to achieve in the long term.

36. **Vision.** The vision articulates the position that the organisation would like to attain in the distant future. Seen from this perspective, the vision encapsulates the basic strategic intent. The established values and beliefs of the stakeholders translate into the direction the organisation will take. The vision is a deduction of the philosophical study of the nature of things and a particular system or a set of beliefs carried out by the stakeholders. The leaders of the organisation articulate national/ societal philosophy as the vision statement, which normally is an enduring statement. It establishes 'what we are'. Although difficult to articulate, it is a strong motivator to action. The study on vision comprises of Identification of our core values, core purpose. the audacious goal & the vivid description.

37. **Mission.** Mission statement defines the role of the organisation in the society. It specifies whom it serves and gives a timeframe. If it is the genius and wisdom of our leaders, that gives us our vision, then it is the scientific evaluation that derives the national mission from the understanding of the vision. A clear mission statement provides a sense of direction and guides decision-making at all levels of management. It ensures unanimity of purpose within the organisation and establishes the organisational climate. A mission statement of an organisation is not permanent. Once defined, it must be re-examined regularly.

38. **Goals and Objectives.** Goals denote what an organisation hopes to accomplish in a future period. Objectives are the ends that state specifically how the goals shall be achieved. They are concrete and specific in contrast to goals, which are generic. In this manner, objectives make the goals operational. While goals may be qualitative, objectives tend to be quantitative in specification. In this way, they are measurable and comparable.

Phase 2: Formulation of Strategies

39. **Environmental Scan.** Environmental scan is a systematic process of identifying the relevant past, present and future factors that will influence strategic planning. Environment is always dynamic, competitive and prone to constant change. The exact nature of the environment may never be available to the strategic planner, but its important aspects can be studied to provide an insight into the future. The information from the environment scan gives us the first input in deciding our future course of action.

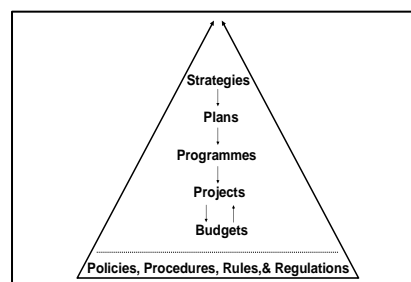
39.1 **External Environment.** The external environment includes all the factors outside the organisation. These factors are not in the control of the organisation but can be influenced depending on the strength of the organisation. External environment provides opportunities and poses threats to the organisation.

39.2 **Internal Environment.** The internal environment refers to all the factors within the organisation. These factors are within the control of the organisation. Internal environment imparts strengths or causes weaknesses of a strategic nature. Internal environment assessment is conducted in the form of an organisational appraisal.

40. **Generating Strategies.** In the formulation stage, the present objectives and strategies are analyzed in relation to any changes in objectives - which may be along the dimensions of quality, quantity, cost and time. If there are no changes in objectives then the only course left is to ensure continued implementation. It is this analysis that indicates the "strategic gap", which is the perceived difference between 'targeted performance' and 'projected performance' following present strategy, thus giving the scope for strategic management.

41. **Choosing Strategies.** Having identified long-term goals in response to environmental demands, it is necessary to generate alternative strategies to attain the goals. These alternatives are really a spectrum of possible choices or paths. Choice or selection of alternative is also an important phase since, once adopted, other choices get eliminated and any subsequent change is likely to have adverse fallout in terms of time and costs. Adoption of strategic choice provides the basis for strategic or perspective planning.

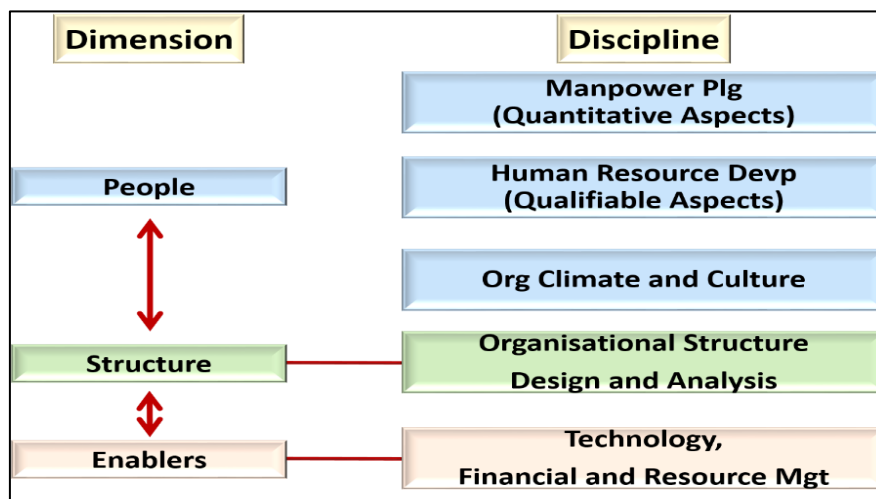
Phase 3: Strategy Implementation



Pyramid of Strategic Implementation

42. **Strategy Implementation.** For the implementation of a strategy, the strategic plan is put into action through six sub-processes: project implementation, procedural implementation, resource allocation, structural implementation, behavioural implementation, functional and operational implementation. Project implementation deals with setting up the organisation. Procedural implementation deals with different aspects of the regulatory framework within which the organisations have to operate. Resource allocation relates to the procurement and commitment of resources for implementation. The structural aspects of implementation deal with the designing of appropriate organisational structures and systems and re-organizing to match the structure to the needs of the strategy. The behavioural aspects consider the leadership styles for implementing strategies and other issues like organisational culture, politics and use of power, personal values and ethics, and social responsibility. The functional aspects relate to the policies to be formulated in different functional areas. The operational implementation deals with the productivity (force structuring), processes, people and pace of implementing the strategies.

43. The disciplines that deal with these dimensions within the ambit of strategic planning are schematically indicated in the figure below.



Phase 4: Strategy Evaluation and Control

44. **Strategy Evaluation.** This is the final stage in strategic management. Strategic evaluation is an indicator to the decision maker as to how well specific strategies are working and this evaluation involves:-

- 44.1 Reviewing external and internal factors driving current strategies.
- 44.2 Measuring performance.
- 44.3 Taking corrective action.

45. **Strategic Control.** Strategic controls take into account the changing assumptions that determine a strategy; continually evaluate the strategy as it is being implemented, and take the necessary steps to adjust the strategy to the new

requirements. In this manner, strategic controls are early warning systems and differ from post action controls, which evaluate only after the implementation has been completed. The four basic types of strategic controls are:-

45.1 **Premise Control.** Premise control is necessary to identify the key assumptions, and keep track of any change in them so as to assess their impact on strategy and its implementation.

45.2 **Implementation Control.** Implementation control is aimed at evaluating whether the plans, programmes and projects are actually guiding the organisation towards its predetermined objectives or not. In this manner, implementation control may lead to strategic rethinking.

45.3 **Strategic Surveillance.** Strategic surveillance is aimed at a more generalized and over-reaching control designed to monitor a broad range of events inside and outside the company that are likely to threaten the course of a firm's strategy. A constant scan will enable the organisation to align itself with the emerging environment.

45.4 **Special Alert Control.** Strategic control based on a trigger mechanism for rapid response and immediate reassessment of strategy in the light of sudden and unexpected events. Special alert control can be exercised through the formulation of contingency strategies and assigning the responsibility of handling unforeseen events to crisis management teams.

Strategic Management of National Security

46. *'National Security Strategy' is defined as the nation's preferred course for the coordinated use of all the instruments of the state power – military and non-military – to pursue objectives that defend and advance national interest. According to Liddell Hart, 'strategy coordinates and directs all the resources of a nation towards the attainment of the political objective of war'.*

47. **Components of National Security Strategy.** The national security strategy (sometimes referred to as 'Grand Strategy') is a broad course (**ways**) the national leadership chooses to pursue, by utilizing a systemic mix of all components of its comprehensive power (**means**) to achieve long term national goals, aspirations and vision (**ends**). The grand strategy thus, becomes the fountainhead from which are derived the 'National Military Strategy', 'Economic Strategy', 'Political Strategy', 'Diplomatic Strategy', etc.

48. In national security, political purpose must dominate all strategy; thus, Clausewitz' famous dictum, "**War is merely the continuation of policy by other means.**" Generally, strategy emerges at the top as a consequence of policy statements and a stated national security strategy (or grand strategy). National security strategy lays out broad objectives and direction for the use of all the instruments of power. From this national security strategy the major activities and

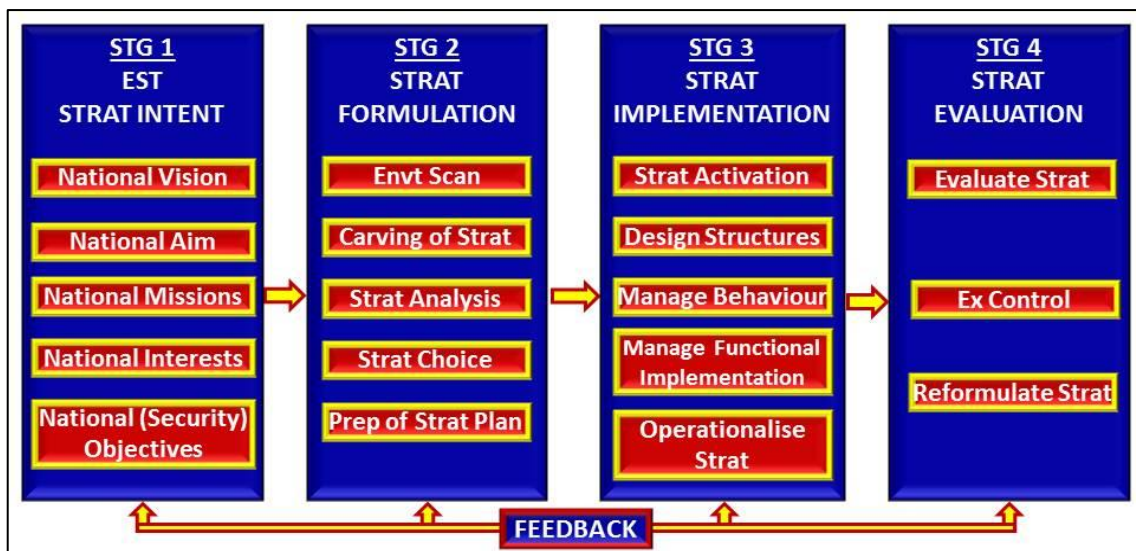
departments develop subordinate strategies. For the military, this is the 'National Military Strategy'. Strategies appropriate to various levels of war are as follows: -

48.1 **National Military Strategy.** The art and science of developing, distributing and applying military power to attain national objectives in peace and war.

48.2 **Specific Services' Strategy.** The art and science of applying the army, air force or naval power to attain objectives as stated in the national military strategy.

48.3 **Theatre/ Command Strategy.** The art and science of developing integrated strategic concepts and strategic options directed towards securing the objectives of national security policy and strategy by the use of force, threatened use of force or operations not involving the use of force within a theatre/ command.

49. **Strategic Management Process for a Nation State.** The stages of Strategic Management Process for a Nation State to evolve National Security Strategy can therefore be defined as under:-



50. The national military strategy would identify appropriate ends, which serve and are in sync with national ends to be accomplished through utilizing military means, concepts and resources. In a similar manner a Theatre Commander would have specific theatre level objectives for which he would develop theatre concepts and use resources allocated to his theatre. In some cases, these might include other than military instruments of power if those resources are available.

Functions of Strategic Management of National Military Security

51. National Security Management is a diverse subject that encompasses all facets of national endeavour. National military security management has three distinct yet seamlessly connected functions as follows: -

51.1 Management of Defence. The management of defence involves *formulation and promulgation of the official national security objectives, national security policy and strategy*, which enunciates what a nation, will do in a given and expected set of circumstances. It involves conversion of national resources to national power and utilizing this power to achieve national aspirations. The responsibility of this function is of the apex national political authority supported by various formal structures viz, CCS, NSA, NSC, SPG, ministries, various specially constituted think tanks, etc.

51.2 Administration for Defence. This involves the *management of resources and their conversion into elements of national power*. For the armed forces, it involves technology management, acquisitions and budgeting, maintenance of forces 'in being' and developing force structures capable of achieving the aim laid out by the apex national body.

51.3 Management of War. This involves the actual conduct of war. This is the responsibility of the CCS (or any apex political authority – for strategic direction of the war effort), the MoD/ DoD, IDS/ JCS/ COSC, the Services HQ, Military Comds HQ/ Military Theatres HQ, etc. Management of war is dealt in three stages:-

51.3.1 Ad Bellum. Actions to be taken before the war.

51.3.2 In Bellum. Actions to be taken during the war.

51.3.3 Post Bellum. Actions to be taken after the war.

Conclusion

52. Strategic management is a process of contemplating the potential nature of the dynamic operating environment in the distant future and developing a plan to adapt the organisation to maximize the likelihood of surviving and attaining the desired goal in that futuristic environment. In defence services the generally accepted timeframe involves exploring the environment 30 years or more in the future. Defence planners must understand that war is an instrument of political activity. Political object is the goal and war is the means. Therefore, politics pervades all issues of war. The main objective of defence planning is force preparedness to safeguard the national security interests.

Recommended Reading

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