

Strategy

- What is it?
- Is it necessary?




Strategy is a 'plan of action to achieve a long-term objective or an overall aim'¹

While strategy and plan are sometimes used interchangeably, they do not necessarily mean the same.

1. Oxford Dictionary definition





A plan is the goal that a company wants to achieve and when it needs to be achieved whereas a strategy is how the company intends to achieve that goal.

For example, a business may plan to increase the company revenue by 20% in the following year and the strategy can be to sell more products to existing customers or expand into a new region to capture new customers.

This is a simple explanation of what strategy mean, but it goes deeper than this.

Strategy is about increasing the odds of success though not guaranteeing it. It is also about making choices- what's not to do is as important as what to do²






There are corporate and business level strategies.

Corporate strategy is long term and supports the organization's mission and vision.

It borders on growth, stability, renewal, transformation, and business model, and includes components such as portfolio management, resource allocation, strategic design and alignment.

Corporate strategy is the preserve of the company's Board and executives.

The background of the slide is a blue-toned photograph. It shows a close-up of a pen drawing a jagged line graph on a piece of paper. The graph starts with a small peak, followed by a sharp decline, then a steep upward climb, and finally a series of smaller fluctuations. The pen is positioned at the top right, with its tip touching the paper. The overall image has a professional, business-oriented feel.

Business level strategy on the other hand deals with how a business unit competes in the marketplace. Business strategy is a sub-set of corporate strategy, and it is usually carried out by mid-level managers.

Small businesses do not usually need business level strategies until they are big enough to require it. Corporate strategy may just be enough.

Every organization,
irrespective of size,
has a strategy even
if they are not
aware of it or don't
know what the
strategy is.



Back to our initial question.

‘Is strategy necessary for a business?’

- Yes, it is.
- A formal strategy allows a business to approach the market with intent and purpose. A formal strategy increases the odds of success as opposed to the lack of it.



What's your
company's strategy?

Are you aware of it?

Do you have a formal
strategy in place in
your company?



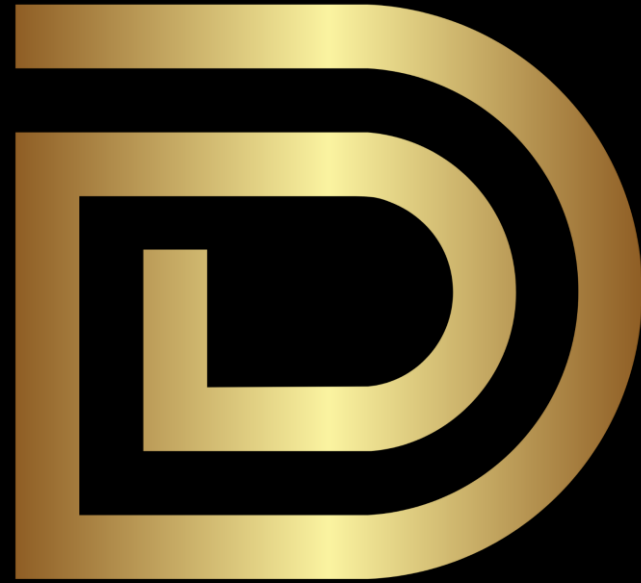
At Damilight, we assist companies to formulate and design corporate and business level strategies that enable them to compete effectively in the marketplace.



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their business and financial goals