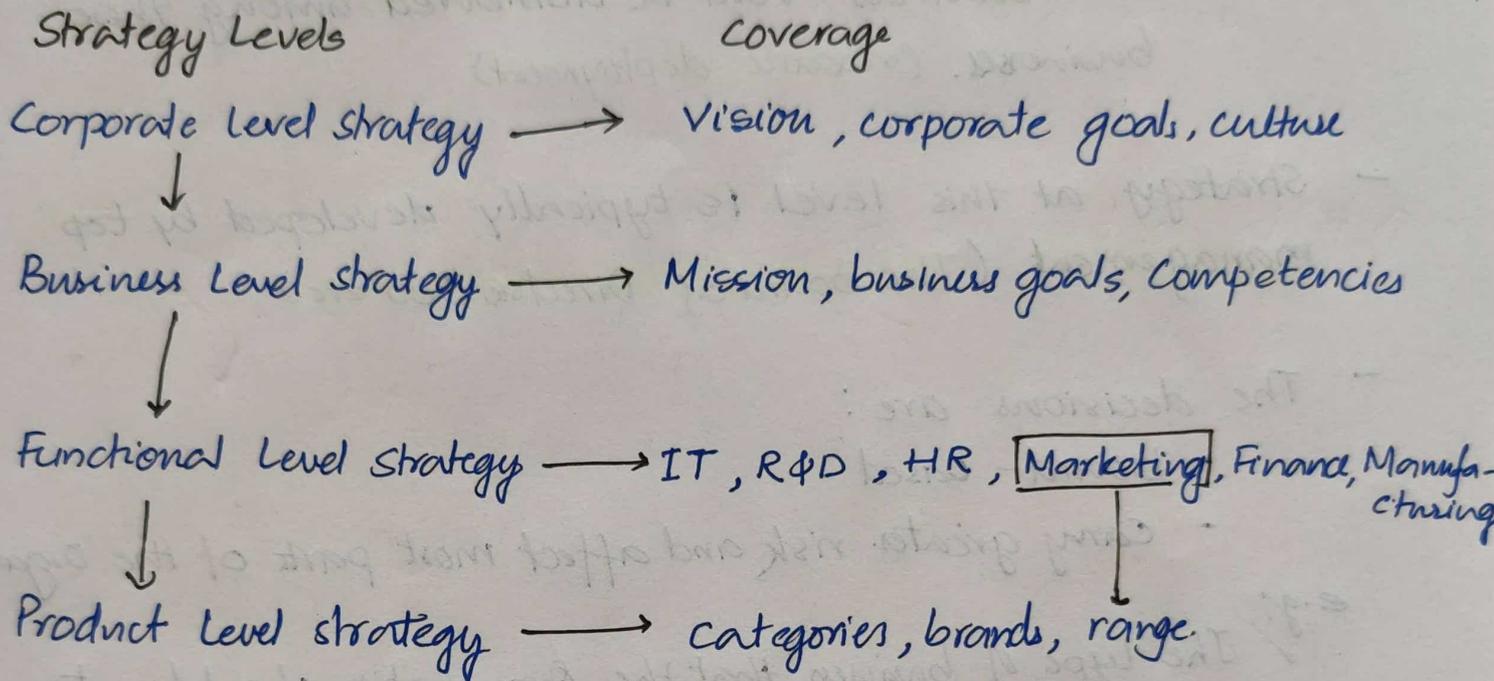


STRATEGY LEVELS

- Many organisations develop strategies at four different levels.
- Corporate level, business, functional and product level

Strategy Levels - Structure

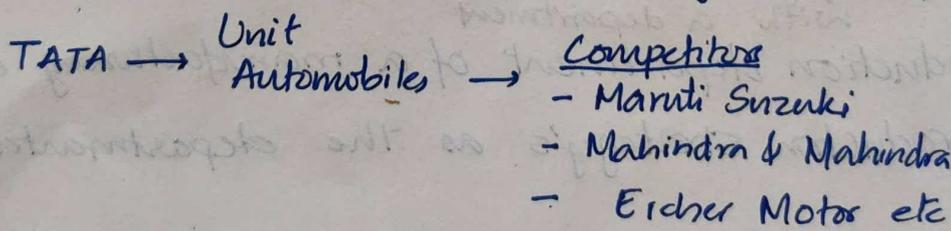


1. Corporate Level Strategy:

- It is the process of defining the overall character and purpose of the Organisation,
 - the business will enter and leave (operate)
 - how resources will be distributed among these businesses. (resource deployment)
- Strategy at this level is typically developed by top management (The Board of Directors, CEO etc)
- The decisions are:
 - board-based
 - carry greater risk and affect most parts of the organization
- e.g:
 - ✓ The type of business that the Organisation should enter
 - ✓ changes required in growth strategy.
 - ✓ acquisition and Diversification decision.
- The Corporate strategy reflects the path toward attaining the vision of the Organization.
- eg: Your firm may have four distinct lines of business operations.
 - namely, automobiles, steel, tea and telecom.
- The Corporate level strategy will outline whether the Org. should complete in or withdraw from each of these lines of businesses
 - and in which business unit, investment should be increased
 - in line with the vision of your firm.

2. Business Level Strategy.

- It is the planning process concerned primarily with how to **manage** the **interests** and **operations** of a **particular unit** within the Organisation, commonly known as Strategic Business Unit (SBU).
- A Strategic business unit is a **distinct business** with its **own set of competitors**, that can be managed reasonably independently of other businesses within the Organisation.
- The **head** of the **respective business unit** **develop** business **Strategies** with the **approval** of **top management**.
- Strategies at this level are aimed at deciding the **Competitive advantage** ~~to~~ in the marketplace against competitors.



- The **SBU i.e Automobiles of Tata Group** will frame strategies aiming at deciding the **competitive advantage**, determining responses to **changing market situations**, **allocating of resources** within the Organisation (**business unit**).

3. Functional Level Strategy

- A functional strategy is in reality, the departmental / division strategy designed for each organizational function.
 - Thus, these may be production strategy, marketing strategy, advertisement strategy, sales strategy, IT, human resource strategy, Research and development, financial strategy, training strategy etc.
 - A functional strategy refers to a strategy that emphasizes a particular functional area of an organisation. It is formulated to achieve some objective of a business unit by maximizing resource productivity.
- example [Sometimes functional strategy is called departmental strategy since each business-function is usually vested with a department]
- The production department of a manufacturing company develops production strategy's as the departmental strategy.
 - Training department formulates 'training strategy' for providing training to the employees.
- These policies and procedures are developed by functional managers and are typically reviewed by business unit head.

4. Product Level Strategy

- It is a process of determining the cost, quality, quantity, raw material, supplies, categories, brands, range etc., of the product. the organisation manufactures.
- Sometimes this level of strategy is undertaken in functional level strategy itself in many organisation.

How to Apply Level in Business

Corporate Level: CEO
Board of directors, and
other senior Executives

Business Level: Unit
head or Unit managers

Functional Level:
Functional manager/
department manager

