

# *The Significance of Strategic Management to The Sustainable and Healthy Development Enterprise*

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**Abstract:** Below market economy environment, competition is cruel and intense, enterprise raises interest in a twinkling of an eye. If an enterprise wants to achieve sustainable and healthy development, strategy is crucial, and strategic management is the key. Business operators need to attach great importance to strategic management and constantly strengthen strategic management thinking. Strategic management helps enterprises to clarify the direction of development. Strategic management can optimize enterprise human resources, create enterprise culture, and effectively integrate the development vision of enterprises and employees to form cohesion, thus increasing the market competitiveness of enterprises. This paper will discuss the importance of strategic management to the high quality sustainable and healthy development of enterprises from the strategic importance, the significance of strategic management, how to do strategic management and so on.

## **1. INTRODUCTION**

Strategy is of great significance to the healthy development of enterprises. It can help enterprises to determine the correct development direction and obtain the success of market competition. Effective strategic planning and implementation can make enterprises grasp opportunities, avoid threats, foster strengths and circumvent weaknesses, and help enterprises gain competitive advantages and develop healthily in market competition. The quality of strategic management has become the key to the success of Chinese enterprises.<sup>[1]</sup>

## **2. STRATEGIC BOTTLENECK RESTRICTING THE HEALTHY DEVELOPMENT OF CHINESE ENTERPRISES**

### **2.1 UNCLEAR UNDERSTANDING OF STRATEGIE AND LACK OF STRATEGIC THINKING**

Some entrepreneurs are not very clear about what strategy is, what the essence of strategy is, and the role of strategy in the healthy development of enterprises. They have no strategic consciousness, lack of strategic thinking, and do not have the ability of strategic management. This will inevitably affect the healthy development of enterprises.

## **2.2 MISUNDERSTANDING OF CHINESE ENTERPRISE' STRATEGIES**

### **2.2.1 TAKING ENTERPRISE STRATEGIC MANAGEMENT AS A DEPARTMENTLIZATION TOOL**

Strategic management (including strategic planning) is a tool used by the head of an enterprise, a basis for scientific leadership, a tool for decision-making and coordination, rather than the main tool of various functional departments.

### **2.2.2 BLIND STRATEGY**

Enterprises without research and analysis, blindly formulated strategies. Enterprises blindly understand and analyze the market and competitive environment, and lack quantitative objective analysis, which is the most ignorant strategic orientation.

### **2.2.3 COPING STRATEGY**

A corporate makes strategy to cope with various inspections or serve as archival information. It is never intended to be implemented, so it has little use, reference and archival value.

### **2.2.4 TAKE-OVER STRATEGIE**

Enterprises copy the strategic model of other enterprises, a new face, and even the concept, spirit, purpose and so on are unchanged. This kind of strategy has lost the implementation significance to their own enterprises.

## **2.3 THE BLIND FOLLOWING OF STRATEGY--TAILLIGHT STRATEGY**

Some Chinese entrepreneurs have been advocating the taillight strategy -- follow the taillight of a foggy vehicle and drive where he goes, so do I. This has led to a lively scene in the Chinese business community: first, fierce price competition among Chinese enterprises, and finally mutual loss; Second, some enterprises followed the ditch, the first one went down, followed by the others. Third, some enterprises were dragged down, failed to do what one can, blindly follow up and go into a crisis.

## **2.4 COMPLICATING THE STRATEGY**

Strategy should not be complex, simple strategy can win, complex strategy is certainly not a good strategy. For example, MAO Zedong was a great strategist. Where is the Chinese revolution going and where is the Red Army going after the failure of the five counter-campaigns? MAO Zedong clearly pointed out: go north to resist Japan, go behind enemy lines - develop and strengthen themselves. It's a very simple strategy.

## **2.5 OPPORTUNISM--THE PURSUIT OF MARKET HOT SPOTS AND ENTERPRISE INVESTMENT**

For any enterprise, the choice of diversification should be based on the core competitiveness of the enterprise. The so-called core competence is a unique core skill that does better than others over a period of time. It can be technical or something else. At the same time, this core competence can also be applied to other markets.

### **3. OVERVIEW OF STRATEGIC MANAGEMENT**

For enterprises, no strategy is absolutely impossible. Strategy reflects the mission, vision and goals of an enterprise. It enables the enterprise to better concentrate on orderly operation, avoid short-sighted behavior, and is conducive to the long-term development of the enterprise. However, having a strategy does not mean that an enterprise can continue to exist.<sup>[2]</sup>

#### **3.1 MEANING OF STRATEGIC MANAGEMENT**

Strategic management refers to dynamic management, in which the enterprise designs its objectives in combination with the internal and external environment, implements the plan to a great extent according to the overall ability, and strictly controls the operation of each ring section.

#### **3.2 EMBODIMENT OF STRATEGIC MANAGEMENT**

Strategic management is embodied in four aspects: strategic analysis, strategic choice, strategic implementation, strategic evaluation and adjustment.

Strategic analysis. Enterprises need to clear the goal of the mission of exist and development, through the enterprise belongs to the external environment and internal conditions itself.<sup>[3]</sup>

Strategic choice. On the basis of strategic analysis, several strategic options are formulated, and the enterprise strategy is determined through multi-dimensional and multi-sided demonstration. Strategic choice usually includes development goal, speed, quality, core force and so on.

Strategic evaluation and adjustment. The enterprise should compare the expected goal of the strategy with the actual operation, and summarize the results of the implementation of the strategy. Strategic evaluation is to test the effect of strategy implementation.

#### **3.3 FUNCTIONS OF STRATEGIC MANAGEMENT**

Strategic management should do research on the strategic purpose, strategy and strategic planning system of enterprise development in view of future changes in the environment. Enterprises should do a good job in the investigation of ongoing changes and foresee possible new changes at the same time. Understanding the development trends and trends of the market and formulating corresponding measures can help enterprises improve their ability to cope with risks.

#### **3.4 CHARACTERISTICS OF STRATEGIC MANAGEMENT**

Strategic management is based on the overall development needs of the enterprise, is the pursuit of the overall effect of the enterprise and long-term goals of the overall and comprehensive management; It is the management of the enterprise's future decision-making, with long - term and forward-looking.

### **4. SIGNIFICANCE OF STRATEGIC MANAGEMENT**

Strategy is not only in the strategic analysis and formulation of strategy, more important is the implementation of strategy. Strategic management is the integration of the growth and development of an enterprise into a changing environment from a global and dynamic perspective.<sup>[4]</sup>

## **5. STRATEGIC MANAGEMENT OPTIMIZATION DIRECTION OF SUSTAINABLE AND HEALTHY DEVELOPMENT**

The formulation of business strategy is very important, but a good strategy is only part of the success of business. The realization of enterprise goals need to pay attention to the implementation of the strategy of this link, otherwise even if it is a good strategy, it is just a colorful rhetoric on paper. The purpose of strategic management is to create and excavate new development opportunities, obtain sustainable competitive advantages and achieve long-term development goals of enterprises.<sup>[5]</sup>

### **5.1 CULTIVATING COOPERATE CULTURE**

Enterprise strategy should be converted to corporate culture, combined with the enterprise actual situation, through various forms and channels, cultivating enterprise culture, make enterprise culture propaganda to carry out, and the culture is rooted in the hearts of every employee, to establish the recognition of the value of the enterprise employees, truly unified thought, up and down with the desire.

### **5.2 IMPROVING MECHANISM AND SYSTEM**

If the strategy points out the direction, a scientific and sound mechanism and system will be an effective guarantee for the implementation of the strategy. While transmitting corporate culture and forming corporate identity, it is necessary to do a good job in institutional construction, develop organizations, procedures and systems that match the strategy, and improve the efficiency of strategy implementation through institutionalization and process.

### **5.3 DYNAMIC MANAGEMENT**

A strategy should not be a static plan, but should be evaluated and revised continuously for the strategy initially formulated. The same is true for the management of strategy, which must be managed dynamically.

### **5.4 DOING WELL ABOUT CHANGE MANAGEMENT**

In order to obtain sustainable competitive advantage, enterprises need to constantly adjust their ideas, clarify the motivation of their actions and the thought of guiding their business activities, and establish the corresponding code of conduct. It is necessary to reposition the strategy from three aspects of product scope, market scope and value system to maintain the new competitive advantage of the enterprise.

## **6. CONCLUSION**

To sum up, strategic management is of great practical significance to the sustainable, green and healthy development of enterprises. Therefore, the enterprise should stand in the perspective of development strategy, through cultivating enterprise culture, improve the system of mechanism, the dynamic management, change management, rely on the intelligence support and the allocation of resources the six aspects of scientific perfect enterprise management system, measures to improve the control effect, such as strengthening the construction of informatization to promote sustainable development of enterprises.

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