

THE IMPACT OF STRATEGIC MANAGEMENT AND STRATEGIC THINKING APPROACHES ON BUSINESS PERFORMANCE OF COMPANIES OPERATING IN THE RETAIL INDUSTRY

Miloš Lončar

IoT Solutions, Global Black Belt, Microsoft Corporation

Abstract: The research paper investigated the impact of strategic management and thinking on increased business performance of retail industry businesses. It reviewed the case of Tesco Plc in retail industry and evaluated how effectively management of the business can think strategically to interconnect strategic planning of the business with business operations. The research critically identifies the importance of strategic management and thinking in the form of strategic planning to effectively formulate, deploy and plan available business resources and to enhance the business performance of the organization. The current research paper indicated that senior management of businesses in retail industry contribute effectively by aligning business strategy of the organization with its strategic thinking to develop a path of success with effective utilization of available business resources. Strategic management and thinking provides a greater opportunity to the businesses to setup their business goals, arrange desired resources, plan and coordinate business operations to succeed.

Keywords: Strategic management, strategic thinking, strategic planning, aligning business strategy

1. INTRODUCTION

1.1. Introduction

The current research critically investigates the impact of strategic management and strategic thinking on the business performance of retail industry businesses by reviewing the case of Tesco Plc in the retail industry. The research identifies strategic management and strategic thinking as the process of developing a strategic plan to bring business aims into fruition. The main objective of strategic management is to think and manage business operations and processes strategically without engaging into strategic planning blindly for the sake of creating strategic planning for the organization. Strategic management is based on the efforts that the management of an organization takes by carefully reviewing and realizing the fruits of strategic thinking for the success of their organization operating in a specific industry. The strategic management for an organization is possible through strategic thinking to formulate, deploy and plan the business strategy. The strategic

management and strategic in coordination with strategic planning is shown in the figure given below to provide the better description of strategic management for an organization.

The research paper critically identifies the importance of strategic management and strategic thinking for companies operating in retail industry by reviewing the case of Tesco chain of Stores operating throughout the UK. Managing and thinking strategically are considered to be highly important for managers working within the organizations in performing their major responsibilities. In most of the organizations, strategic issues regardless of their importance for the organization are based on consuming about 20 percent of the overall resources of the organization. The research describes that senior management of companies operating in different industries in particular and in retail industry in general need to be highly focused on the strategic issues including where it is heading and what it is planning to achieve in the future (Karel, Adam & Radomir, 2013).



Figure 1: Strategic Management and Strategic Thinking (Karel, Adam & Radomir, 2013)

The research is focused to evaluate the importance of strategic management and strategic thinking for the companies to ensure successful achievement of their business objectives. It investigates strategic management as a part of important business strategy for the organization to develop a path to successful business operations by carefully arranging resources. The study conducted on the retail industry offers a great opportunity to businesses to think and manage their business operations strategically to facilitate their management in decision making process. The research investigates how successful retail industry companies have established their business strategies successfully and achieved their desired objectives by working according to their strategic planning. It provides guidelines to the managers and executives working in retail industry organizations to practice strategic management planning within the structure of their businesses. It guides business managers of retail businesses to be proactive in their business decisions by recognizing the importance of the strategic management and strategic thinking as the internal business activity (Spillan and Ziemnowicz, 2003). The research indicates that strategic management and thinking in the areas of strategic & financial management makes considerable influence on the business performance and growth of companies operating in the retail industry. It examines the substantial influence that managers can achieve by adopting effective business strategies in line with their business goals and objectives. Therefore, the research will be useful for managers and business executives

of companies in retail industry and other businesses to grow well and achieve their business goals by adopting strategic management and strategic thinking in their business strategy development process. In the long-run, it provides competitive advantage to businesses giving importance of strategic management and thinking in developing their business processes and operating (Karel, Adam & Radomir, 2013).

1.2. Background of the Study

The research critically investigates the process of strategic thinking and management and their contribution in the areas of creating innovation, effective operational management and planning and developing business strategies to succeed in great competition. Large numbers of companies are learning about strategic management and thinking by evaluating their past experiences and succeeding in developing effective future strategies. The research indicates that without strategic management and thinking, no organization could succeed in developing innovative business practices and thoughtfully considering the importance of creating valuable services for their customers. It investigates the success of Tesco Plc as the well-known retail sector organization that offers vast range of products and services to their customers in the retail industry. The management of Tesco focused on developing effective business strategy through strategic thinking and management to achieve their business goals of expanding their business in different countries and nationalities and

getting competitive edge over their competitors (Khan & Huda, 2016).

The research indicates that the process of strategic planning is based on answering how and when the business will be able to capture their desired market share by streamlining their business operations strategically through strategic management and thinking. The strategic management and thinking plays a very crucial role for companies like Tesco Plc to understand what and why of their business development and planning process. Strategic management and thinking is always based on the processes of creativity and innovation that the management of an organization can adopt to examine the voice and expectations of their customers, their employees and industry best practices. It describes the process in developing business strategy for the organization by describing roles and responsibilities of managers and their staff members, understanding the needs of their customers and making sure all the strategic objectives are linked to clearly defined strategic imperatives (Rudd et al., 2008).

The main objective of strategic management & strategic thinking for a company is to create an effective business strategy for the company to achieve their business objectives through coherent, unifying and integrative framework for decision making process. It provides necessary direction to the businesses on effective utilization of available resources including financial, administrative, HR and operational resources. Strategic management and strategic thinking has become essential for businesses in different industries including the retail industry to effectively utilize internal and external data on opinions and business perceptions to make effective business-related decisions. It is highly effective, useful and productive for the continuous and sustainable business growth of companies operating in the retail industry (Rudd et al., 2008). Different companies have adopted effective strategic management approaches to succeed in achieving their business goals such as Tesco Plc, Walmart, Toyota Motors and BMW Motors etc. These companies have adopted effective strategic management and strategic thinking approach by improving their business strategies and adopting new business practices to succeed in getting competitive edge over

their competitors. For example, Toyota Motors adopted Lean manufacturing processes to succeed in developing Hybrid cars meeting desired needs and expectations of their customers. Similarly, various retails and auto manufacturing industries have also adopted unique and innovative business practices to improve their business productivity, enhance employee performance by developing internal culture of the business and motivating employees to enhance innovation within the workplace environment. Due to strategic management and strategic thinking, the work processes of companies have improved and the competition level stiffed up increasing challenges for new companies to enter into different markets. Now companies adopting strategic thinking and management approaches can succeed in winning the loyalty and trust of their customers to develop new products and services and introduce them to their loyal and new segments through their marketing departments.

1.3. Research Aims & Objectives

The current research is based on following aims and objectives in the field of strategic and financial management:

- To examine the potential influence of strategic management on the business performance and growth of companies operating in the retail industry
- To investigate the potential influence of strategic thinking on the improved business growth and performance in the retail businesses
- To evaluate how strategic management and strategic thinking promotes creativity, innovation and uniqueness in the products and services of companies
- To determine why strategic thinking and management promotes the level of competition among different companies operating in the retail business
- To explore the potential influence of strategic management and thinking on the decision making process of the managers and leaders in best performing companies

- To examine the relationship of strategic management and strategic thinking with improved employee performance, productivity, competition, motivation and highly developed business culture at various companies

1.4. Importance of Research

The research identifies the importance of strategic management and strategic thinking and creates its need for the success, competitiveness and sustainable growth of businesses by evaluating the retail sector growth in the world. In the recent years, various retail sector organizations have shown continuous and sustainable growth such as Tesco, ASDA, Apple, Argos, Next, Marks & Spencer and many more other companies on because their management preferred strategic thinking and management in developing their business processes and establishing competitive and innovative business environment within the business structure of these companies. In today's world, globalization has changed the way companies work and compete across their regional and territorial borders. No company could succeed without innovation, creativity and uniqueness in offering different products and services in terms of product features and their benefits to their potential customers. Strategic management and strategic thinking involves a series of decisions that companies could make strategically in the process of developing an effective and long-lasting business strategy to succeed and compete well at the internal levels. A company often adopts strategic planning process through business documentation, team management, time management and effective utilization of HR resources to achieve their desired levels of productivity and business growth in comparison to their competitors. Companies strive hard to create a strategic thinking environment within the internal business culture to make creativity and innovation through strategic decision making in year around processes. Strategic thinking enhances the ability of the companies to think strategically and differently than routine business processes and to get competitive edge over their competitors by identifying emerging business opportunities.

The research work on strategic & financial management addresses the importance of strategic management and strategic thinking in the process of strategic planning through which companies can achieve desired business growth and success. It provides necessary direction and guidelines to the management of a company to think strategically about limited business resources and time and people who are important for a success of a business. Strategic management and thinking enhances the ability of a business to effectively utilize available resources and advance the company towards its business goals and objectives. It focuses on the strategic management and thinking of available resources such as management of available financial, HR and material resources to ensure effective business processes of sales, marketing, operations, business development, financial management and manufacturing processes. It helps the management of companies to avoid costly business mistakes and always think smart in identifying new business locations before actively segmenting and targeting the potential market. The research indicates that strategic management and thinking has become essential for companies in the retail industry and other sectors to adapt their business processes and operations according to changing business environment and market conditions (Singh & Mahmood, 2014).

Over the years, market conditions have changed due to changing customer preferences. Now customers expect innovation and technologically improved products and services to meet their everyday business needs. For example, companies like Nestle, Toyota, Dell, Sony, and Walmart have adopted effective strategic management approach to continuously improve and change their products and services. They continuously launch new and innovative products at the market place to enhance the attraction of potential audience towards their newly designed and developed products and services. Nestle has developed new food items for their customers, Toyota has developed new Hybrid cars meeting technology driven requirements of their customers. Various other companies are also promoting and improving their business processes and operations to design and develop new products and services

and succeed in getting their customers attention and attraction. Furthermore, some companies operating in the retail business are continuously increasing their range of products and services at their chain of stores to succeed in getting competitive edge over others. Therefore, strategic management and thinking has changed the way companies work, produce and develop innovative and creative products meeting increased expectations of their customers (Rudd et al., 2008).

2. LITERATURE REVIEW

2.1. Strategic Management & Thinking for Businesses to get Competitive Advantage

Agha, Alrubaiee and Jamhour (2012) investigated the importance of strategic management for companies to get competitive advantage in the areas of core competence on increased business performance and competitive advantage over others. The researchers described the central concept of competitive strategy for businesses to get competitive advantage over others in highly competitive business market. The core competence is associated with knowledge and learning and companies that promoted learning sharing environment within their organizations succeed to achieve increased level of performance and competitive edge over others. The researchers clearly indicated the importance of strategic management and thinking which is associated with the development of core competencies of their employees through knowledge sharing and training environment within the internal culture of the organizations. The core competence was emerged through various factors such as shared vision, empowerment and increased cooperation among best performing employees. In order to measure the competitive advantage of the organizations, the research adopted flexibility and responsiveness as the two major factors that were used in determining the competitiveness of firms operating in similar industries. By adopting survey research method, the research indicated that there was a strong relationship between strategic management, strategic thinking and core competence of companies in terms of their business performance and competitiveness.

The results confirmed that core competence and organizational performance was associated with varying effects on the overall business performance of the organizations operating in highly competitive industries and marketplace.

In the areas of strategic management and strategic thinking, Omotayo (2015) described that knowledge management was considered to be highly essential for companies in developing effective business strategy to enhance their business performance in different industries. According to Omotayo, competition among companies has increased and it has become essential for companies to think strategically to remain in competition among other market players. It is critical for the success of strategically thinking companies to share knowledge throughout the internal culture of their businesses to ensure sustainable strategic competitive advantage within specific industry. The researcher, Omotayo investigated that strategic managers and thinkers were responsible in different firms to effectively manage and share knowledge because it was a critical tool for the organizational survival, competitiveness and profitability. Therefore, in developing successful business strategy through creative and innovative business practices in the areas of strategic management, it is essential for companies to effectively create, manage, share and utilize knowledge throughout the internal culture of the organizations to take full advantage of knowledgeable and technically trained employees working for the increased performance and competitiveness of the organizations.

The research work conducted by Mryan (2012) also investigated the relationship between strategic planning based on strategic management and strategic thinking and the competitiveness of companies in Jordan in the banking industry. The researcher indicated that strategic planning is strongly associated with strategic management and strategic thinking and it describes the development of flexible business strategy for a company to have competitive edge over their competitors. It also examined the significant means of enhancing and strengthening the methods by which financial and banking institutions in the Jordan can ensure continuous and sustainable

growth at their businesses. The research was based on primary methods of data collection and gathered information from selected listed banks of Jordan on the Amman Stock Exchange and gathered data by distributing questionnaire among 138 institutions containing 48 questions regarding the strategic management and strategic planning on the business performance and competitiveness of Jordanian banks.

The results indicated that there was a strong positive relationship between the strategic planning (strategic management and strategic thinking) and the competitiveness of Jordanian banks.

2.2. Phases of Strategic Planning Process for Businesses

Phase I: Elementary Financial Planning

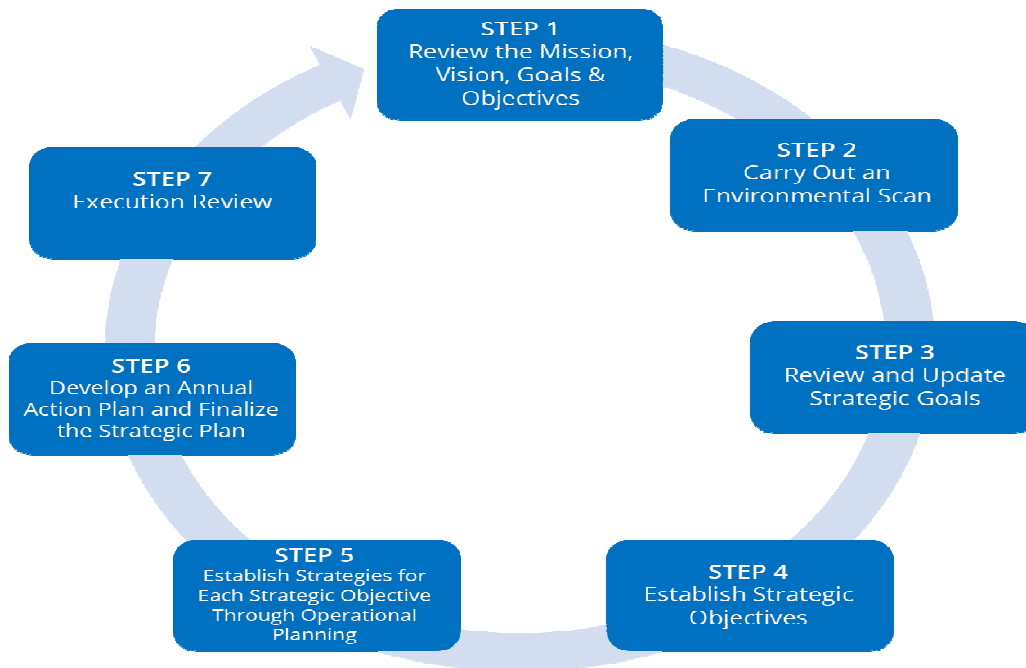


Figure 2: Strategic planning process for a competitive business (Karel, Adam & Radomir, 2013).

Phase II: Prediction-based Planning

The complications of maximum large enterprises demand more obvious documentation of the tacitly understood policies of Phase I. The quantity of products plus markets served, the degree of technical

Maximum Companies operating in the Retail Industry trace the roots of a formal planning scheme to the yearly budgeting procedure wherever everything is reduced to a fiscal problem. Processes are developed for the projection of revenue, prices, and capital requirements and to recognize limits for expenditure budgets on a yearly basis. Information schemes report on functional performance as associated with financial targets.

Companies in Phase I frequently display potent business policies, however they are seldom formalized. In its place, they happen. The only solid indication that a business strategy happens might be a predictable earnings development rate, seldom qualified by definite debt/equity targets or additional explicit fiscal objectives.

intricacy required, and the compound economic systems intricate far exceed the intellectual grip of any one manager.

The shoe typically pinches first in fiscal planning. By way of treasurer's struggle toward estimate capital requirements and

trade off substitute financing plans, they plus their staffs induce past trends plus try to foresee the future influence of political, financial, and societal forces. Thus starts a second stage, forecast-centered planning. Maximum long-range otherwise strategic planning now is a Phase II system. At first, this planning varies from yearly budgeting merely in the extent of its time frame. Very rapidly, though the real world frustrates planners through perversely variable from their predictions (Karel, Adam & Radomir, 2013).

In response, planners usually reach for additional advanced predicting tools, counting trend investigation and recession models and, ultimately, computer simulation models. They attain some upgrading, but not sufficient. Sooner otherwise later plans founded on analytical models fail toward signal main ecological shifts that not merely appear noticeable after the detail, but also have a great plus typically negative influence on corporate treasures.

However, Phase II progresses the efficiency of strategic decision creation. It forces management to challenge the long-term effects of verdicts and to provide thought to the prospective business influence of discernible present trends; well beforehand the effects are noticeable in present income statements. The subjects that forecast-based strategies address—e.g., the influence of inflation on upcoming capital requirements otherwise the inroads foreign producers may make in domestic marketplaces—frequently lead to apt business verdicts that reinforce the company's longstanding competitive place. As practiced through Phase II firms, though, portfolio study tends to be stagnant and focused on present capabilities, somewhat than on the hunt for options. Furthermore, it is deterministic—i.e., the place of a business on the matrix is used to decide the suitable strategy, as said by a generalized formulation. And Phase II firms typically esteem portfolio placing as the end product of strategic planning, somewhat than as an initial point.

Phase III: Outwardly Oriented Planning

In an atmosphere of rapid change, occasions can render marketplace predictions obsolete

almost instant. Having repetitively experienced such frustrations, planners start to lose their trust in forecasting plus in its place try to understand the elementary marketplace wonders driving change.

In this stage, resource sharing is both dynamic plus creative. The Phase III planners currently look for chances to “move the dot” of a trade on a portfolio matrix into a more striking sector, either by evolving new business abilities or by redefining the marketplace to better fit their firms' strengths. A Japanese corporation with an underutilized steel-fabricating capability in its dockyard and a faltering high-rise solid smokestack trade combined them into an effective pollution control venture. Most recently, it is also indicated that companies that ensure effective strategic planning exhibit superior long-term financial and business performance in comparison to other firms (Mohamud, Mohamud & Mohamud, 2015, p. 42).

In the hunt for new ways to describe and satisfy client needs, Phase III tacticians try to look at their firms' product offerings as well as those of their contestants from the lookout of an objective outsider. For instance, one heavy equipment producer assigned a tactic team to reverse-engineer the contestant's product, rebuild its built-up facilities on paper, plus estimate the manufacturing price for the contestant's product in the contestant's plant. The team members revealed that design developments had given the contestant such a commanding benefit in production price that there was no point in trying toward compete on price. However they also found that their own product's lesser maintenance and fuel prices offered customers clear saving on a life-cycle cost base. Therefore, the sales force was skilled to sell life-cycle price advantages. Over the subsequent three years, the firm increased its market share through 30% and doubled its net revenue.

The manufacturer skilled the sales force toward service those distributors who persistent to carry the line plus revised prices to pick up viable distribution over master distributor provisions. It even resisted the change of the trade association toward reduce government-mandated security requirements for handling the novel products. By the time

its approach was obvious to contestants, the manufacturer had decisively established a delivery lead in a small however attractive product/market segment. It indicated that effective formulation of strategic management and strategic thinking associated with strategic mission, vision and strategic goals influence the successful strategic actions to yield strategic competitiveness in getting above average returns when compared with their competitors (Kitonga, Bichanga and Muema, 2016, p. 18).

Phase IV: Tactical Management

Phase IV joins tactical planning and management in a distinct process. Only a few firms that we studied are obviously managed tactically, and all of them are multinational, spread manufacturing firms. The challenge of planning for the requirements of hundreds of diverse and rapidly developing businesses, serving thousands of product or markets in loads of distinct national atmospheres, has pressed them to make sophisticated, exclusively effective planning methods. Though, it is not so much planning method that sets these organizations separately, but somewhat the meticulousness with which management links tactical planning to operative decision making.

This is mainly accomplished through three mechanisms:

1. A planning outline that cuts crossways organizational limits and enables strategic decision making around client groups and resources.
2. A planning procedure that stimulates business thinking.
3. A corporate value system that strengthens managers' assurance to the firm's strategy.

2.3. Examining the Relationship between Strategic Management and Organizational Resources

The research work conducted by Waiganjo, Mukulu, and Kahiri (2012) examined relationship between strategic management of organizational resources including HR resources and the business performance of corporates operating in Kenya. The research was conducted on similar concept which is adopted in the current research and indicated

that strategic management and strategic thinking has its importance and contribution in the successful achievement of business goals and objectives for an organization. It indicated that strategic planning can only be successful if the human resources are effectively used within the internal culture of the organization by taking examples from the firms operating in the Kenyan corporate sector. The researchers, Waiganjo, Mukulu, and Kahiri investigated various factors that were responsible in enhancing strategic management and thinking in businesses operating across the Kenya including environmental changes, competition to provide unique and innovative products and services to the customers, investor demands and the globalization that has become essential for companies operating across the Kenyan corporate sector. The research indicated that corporations can only achieve success in achieving their desired goals and objectives if their management is committed to effectively allocate resources through strategic management processes. Companies could achieve sustainable competitive advantage if they allocate human resource capital along with other resources efficiently by designing strategic management practices by addressing strategic needs of the companies. By diagnosing firm's strategic needs, it is essential for the management of various companies operating in the Kenya to implement a competitive business strategy to succeed in achieving their desired goals and objectives. The research indicated that effective human resource management strategy in the areas of strategic management and strategic thinking is essential for companies to improve their business performance, growth and competitiveness in the corporate sector of the Kenya. The strategic management and thinking in the process of strategic planning of available resources could make considerable influence on the attitudes and behaviors of the people that could lead to successful achievement of business goals and objectives based on competitive business strategy of the corporates operating throughout the Kenya.

The research work conducted by Ismail et al. (2012) examined the relationship between the capabilities, resources and systems within an organization along with their strategic

management thinking to get competitive advantage over others. The authors, Ismail et al., indicated that it has become the major objective of every organization to strive for attaining competitive advantage over their competitors. The competitive advantage is only possible if the management of successive organizations make effective use of resources, improve the capabilities of their workforce, and develop technologically improved systems such as IS system, effective networking system and employee management system to be placed at the top of other organizations. It is only possible if the management of organizations manage their business operations strategically through strategic thinking. The overall findings of the research conducted by Ismail et al. presented the fact that effective relationship between organizational resources, systems and capabilities with their strategic management and thinking is essential because it collectively improves the competitiveness of the businesses in different industries in relation to other market players. The findings from the research concluded that relationship between organizational resources, their capabilities and systems with their strategic management and thinking is essential because it provides vital business-related information to both the practitioners and the policy makers. The authors gave specific focus to the competitive advantage that the management of an organization could achieve in the perspective of value and quality and described that it is only possible if they succeed in cost-based, product-based and service-based competitiveness in comparison to other market players and their business rivals.

Julian (2013) investigated the importance of strategic planning and its relationship with improved performance of businesses in highly competitive and changing business environments. The author explored that strategic planning in the context of strategic management and thinking has become essential in major business processes to succeed in achieving desired objectives of the businesses. The author, Julian indicated that the importance of strategic planning for businesses is highlighted in four important points that are essential for the successful performance and growth of businesses based on environmental scanning, formulation of

business strategy, interlinking organizational goals to the strategic planning and budgeting of the organizations. The research was mainly focused to determine the potential influence of strategic planning and thinking on performance improvements of its various programs and business operations. The interactive interviews were used in the process of data collection from the 12 management staff members among 5 partner organizations. The nature of the data collected represented qualitative data and the analysis of the data was conducted by using content analysis techniques to observe and analyze the importance of strategic planning and strategic policymaking in supporting major business functions, operations and processes to achieve competitiveness and success in achieving desired business growth and competitiveness among other market players. The data collected through qualitative methods of data collection and observation indicated that strategic planning is highly essential for the success of businesses and performance improvement of the employees and overall business because it directly contributes to improve the skills, technological developments and interrelationship among business operations and customer expectations.

Waiganjo, Mukulu and Kahiri (2012) investigated similar concepts of determining the relationship between HR strategic management and increased performance of businesses at the corporate world. The researcher indicated that such a relationship has become essential for businesses to succeed and to get competitive advantage over other market players. The authors indicated that strategic HR management has become essential to improve the performance of employees by improving their skills, capabilities and learning while working in strategically managed and planned organizations. Waiganjo, Mukulu and Kahiri pointed out that businesses that adopt effective strategic planning approach perform better in comparison to those businesses that not value strategic management in performing their day-to-day business operations. In the recent years, competition has increased and every business tries to improve their business operations, introduce innovative and creative products to their customers and serve better

through technologically developed resources. The authors evaluated that organizations around the globe are facing changing environmental conditions, increased competition from innovative products and services, changing customer and investor demands and globalization and these business changes have become standard backdrop for fast growing firms. The authors indicated that organizations can only achieve sustainable competitive advantage if they effectively management their human capital by diagnosing their strategic needs and implementing a competitive business strategy to achieve sustainable operational goals. The management of businesses in association with HR department needed to be proactive in developing and executing effective HRM strategy by systematically organizing all the individuals and their needs.

3. RESEARCH METHODOLOGY

3.1. Introduction to research methodology

The research methodology section of this research describes the research methods to be used in the process of data collection to investigate the impact of strategic management and strategic thinking on the business performance of businesses in the retail industry. The research design is selected according the processes of data collection to make sure desired results are achieved from the research. The current research focused to gather already published information by adopting exploratory research process to observe and investigate data already published in secondary sources of data collection. The research adopts qualitative technique in the process of data collection by investigating the data on already published sources such as books, journals, and online published materials. In the research methodology section, the current study explores research philosophy and research approaches to investigate the data on strategic & financial management. It examined already published data to determine how strategic management and thinking has become an important part of strategic planning for companies were operating in the retail industry to achieve continuous and sustainable growth, competitiveness and increased business performance in comparison to others operating in the similar industry.

3.2. Explanation and justification of research methods

According to the definition of research methodology, it is used to gather necessary information regarding a specific research topic to make better business decisions by the management of a company which is planning to collect necessary information about their business processes and the popularity of their products and services among their potential customers. Therefore, a research could be conducted to achieve three major objectives such as descriptive research, exploratory research or explanatory research to collect and analyze data on specific research issue. The current research is a social science research and regarded as very important for companies that operate and compete in the retail industry in the UK and around the globe. The research methodology in the current research is adopted according to the main objective of the research to examine potential impacts of strategic management and thinking on the business performance of companies operating in the retail industry in the UK and around the globe offering similar products and services to their customers. In the current research, exploratory research is preferred and described as given below.

3.2.1. Exploratory research

The exploratory research is chosen for the current research and it is defined as the process by which a theoretical idea is examined in the process of social science. It investigates the process of strategic management and thinking for the business performance of companies operating in the retail sector. In the current research, the ideas of strategic management and strategic thinking are explored in the areas of strategic planning and determined their potential influence on the business processes and operations of retail sector companies by taking some examples of the world leading companies. It examines groundwork on determining the potential impacts of research observations by explaining their relevance to research and existing theoretical approach on strategic management and thinking in the areas of strategic planning and their potential influence on the business performance of competitive companies operating in highly

competitive world. The exploratory research technique is preferred because it examines two selected researches on determines the influence of strategic management and thinking on the performance of businesses operating in the retail industry. The research conducts qualitative analysis by theoretically elaborating and observing the collected information on already published resources by selecting two researches related to the current research topic to best illustrate their relevance to the research and their implications to the future research.

3.3. Research design

The research design describes the good structure of the research and it provides a framework on the basis of which detailed research procedures are adopted to get necessary information on business problem and to solve it by determining the potential impacts of strategic management and thinking on business performance in the chosen retail industry. The research design is chosen to investigate different types of strategic management and thinking techniques and their implications to various businesses operating in the retail industry in the world. The research method adopted in the current research is regarded as very flexible because it examines already published resources and conducts in-depth analysis of secondary sources of data collection and two chosen researches in details to observe strategic management, strategic thinking and strategic planning in the areas of strategic & financial management. The exploratory research is preferred in the current research because it can be used for two types of data collection and analysis including qualitative and quantitative. In the current research, secondary sources of data collection are observed and analyzed through Google scholar website www.google.com to examine already written work and their relevance to the existing research topic.

4. ANALYSIS AND DISCUSSIONS

The research critically investigated the potential impacts of strategic management and strategic thinking on the businesses operating in the retail industry. The retail industry at the global level has played a very important role

in shaping the global economy. Retail industry has employed largest section of the people with increased level of revenue generation for different countries around the world including the developed and underdeveloped countries. The retail businesses are operating in the form of massive big-box stores and specialized outlets that offer vast range of products and services from world know brands through online or multiple retail channels. Today, we live in value-driven environment and margins of error are very tight. Therefore, companies offering best products and services of world renowned brands are successful to get attraction. The research investigated all types of retailers including clicks and bricks retailers that need special skills from their executives to understand the importance of strategic thinking and management to leverage available resources and get desired business growth and performance meeting their client expectations. The current research investigated two selected researches in the areas of strategic & financial management and covering the research topic with associated problems and proposed solutions. The research tries to investigate and propose how successfully retail businesses can adopt strategic management and strategic thinking in the process of developing effective business strategies through dynamic leadership to compete well and succeed in getting competitive advantage over their competitors in the retail industry (Raduan, 2009).

The research will be a milestone and provide necessary information and guideline to the retail industry managers and leaders to adopt effective business strategies through strategic management and strategic thinking to develop their business plans strategically with innovation and creativity to get competitive edge over their competitors. The research describes why businesses in retail industry need skillful and creative thinking on various business problems to think more strategically about their business, employee performance, productivity output, financial management, operational management and productivity analysis to succeed in achieving their desired business goals and objectives. It also examines strategic management approach of retail industry companies to interpret their customer needs and expectations, market

competition and insights into market research to succeed in initiating change to meet their customer needs. It also investigates how effectively different management strategies could be adopted by the management of successful companies to think strategically and to implement effective business strategies to succeed in achieving desired business goals and objectives in highly competitive marketplace.

Selected Research on Strategic Management & Thinking:

In the secondary sources of data collection, first research that was investigated in the context of existing research was conducted by Ken Haycock, Anne Cheadle and Karla Spence Bluestone covering strategic management and strategic thinking by learning lessons from strong leadership practices to get increased business performance and competitive edge for companies operating in the different industries including the retail industry. It indicated that strategic management and thinking can be effectively used to improve business performance and to get competitive advantage in offering unique, distinguished and innovative products and services of retail brands in the retail industry. It indicated that companies can only succeed in achieving their desired goals if they think and plan their business strategies through creativity and innovation by building a strong vision and future priorities for the organization to compete well and succeed in their business goals.

In the selected research article, modern strategic approaches were identified that could be used by the businesses operating in the retail industry to think smart and think strategically through creativity, innovation and right-brained process which is used in the internal culture of the companies to encourage open exchange of ideas and solutions addressing specific business problems or complications to meet the dynamic and unpredictable challenges of the modern day businesses operating in the retail industry. It could be highly important for the businesses to ensure successful strategic management

and planning to think systematic and logical in developing different business strategies. The information given in the research paper indicated that the role of leaders is very crucial to initiate strategic management and strategic thinking within the internal culture of the companies to create a sustainable workplace environment where open-ended ideas are exchanged and employees are given an opportunity to participate and play their role in the strategic management thinking and planning of the business to succeed in addressing their client needs and ensure successful achievement of their business goals and objectives.

The research critically examined the important concepts of strategic thinking, strategic management, strategic planning, the role of strategic management, thinking and strategic planning for companies to seek innovation and creativity in their business operations as shown in figure 2. The research indicated that strategic management and thinking was based on the activity associated with strategic thinking of individuals working within the organization and for the organization to discover competitive strategic approach to enhance the positioning of the organization significantly different from the present position. Therefore, strategic thinking contributes greatly for the organizations in broadening, generating and overarching conceptual thinking by focusing on the future direction of the business based on anticipated environmental conditions. The research also explored strategic planning that is the combination of strategic management and strategic thinking as required in the existing study to establish and formalize systems and procedures that are essential for businesses to effectively implement strategic planning to achieve their business goals and objectives. Strategic planning in combination of strategic management and thinking provides a strategic direction to the businesses to analyze their business challenges, future business priorities and succeed by examining SWOT analysis of the business by examining their strengths, weaknesses, opportunities and threats while competing with other companies offering similar products and services in the retail industry.

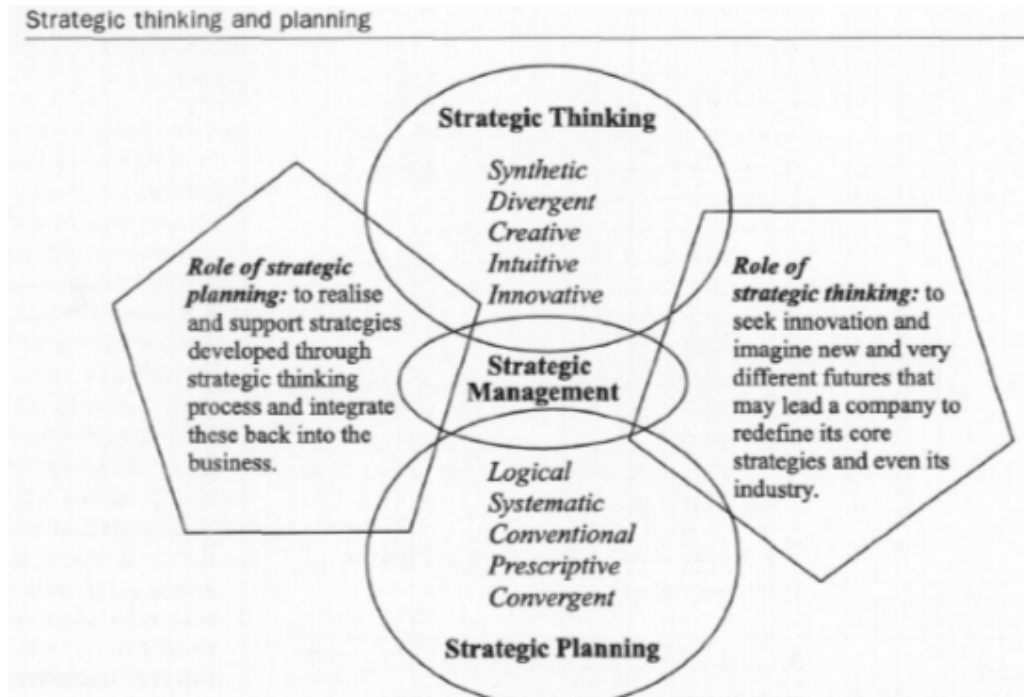


Figure 3: Strategic Management, Thinking and Planning (Haycock, Cheadle& Bluestone, 2011)

The detailed analysis of the research indicates that it reveals different models of strategic management and strategic thinking to interconnect open-ended ideas from the employees regarding new business possibilities. It highlighted the importance of strategic thinking for companies by thinking out of the box such as evaluating systematic perspective, intent-focused thinking and managing, thinking on time, hypothesis-driven thinking and intelligent opportunism that could be helpful for businesses to identify emerging business opportunities in the retail industry by questioning ongoing relevance of a particular business practice that could be useful in the future. The research presented the concepts of strategic management, thinking and leadership to succeed in developing and implementing strategic plans for the businesses. It investigated different perspectives of leaders on strategic management and strategic thinking to develop effective business strategies and to setup the tasks for various groups working within the organization related to the mission of the organization. The research also examined problem solving, adaptability, alignment and scenario construction approaches that the management of retail businesses can adopt to succeed in developing strategic thinking,

management and planning to enhance learning and open-end ideas from their employees. The strategic management and thinking also enhanced open-minded thinking of the employees to participate their role in the decision making process of the organization to succeed in achieving desired business goals, performance, competitiveness and productivity within the same industry.

5.CONCLUSION

The research critically investigated the importance of strategic management and strategic thinking associated with creativity and innovation to improve business performance and competitiveness of businesses operating in the retail industry. It identified and revealed different strategic management approaches such as open-minded ideas creation by the employees and enhanced learning within the internal culture of the companies offering their branded products and service to their customers. The research examined how successfully the management and leadership of retail businesses could succeed in developing a learning business environment within their business structure to succeed in the processes of strategic thinking to enhance innovation and creativity and

uniqueness of ideas within the organization. The research indicated that companies can never plan blindly and their management should be proactive to carefully review and realize the fruits of strategic thinking and planning to achieve increased market share, increased sales and revenue generation from their business operations activities.

REFERENCES

- Agha, S., Alrubaiee, L., & Jamhour, M. (2012). Effect of Core Competence on Competitive Advantage and Organizational Performance. *International Journal of Business and Management*, Vol. 7, No. 1, pp. 192-204
- Haycock, K., Cheadle, A., & Bluestone, K., S. (2011). Strategic Thinking: Lessons for Leadership from the Literature. *Library Leadership & Management*, Vol. 26, No. 3/4, pp. 1-23
- Ismail, A., I., Rose, R., C., Uli, J., & Abdullah, H. (2012). The Relationship between Organizational Resources, Capabilities, Systems and Competitive Advantage. *Asian Academy of Management Journal*, Vol. 17, No. 1, pp. 151-173
- Julian, O., (2013). Relationship between Strategic Planning and Organization's Performance in Non-Governmental Organizations (NGOs): A Case of ACTIONAID, Kenya. *School of Business, University of Nairobi*
- Karel, S., Adam, P., & Radomir, P. (2013). Strategic Planning and Business Performance of Micro, Small and Medium-Sized Enterprises. *Journal of Competitiveness*, Vol. 5, Issue 4, pp. 57-72
- Khan, R., & Huda, F. (2016). The impact of Strategic Management on the Performance of Health Care Organizations (A Study of Three Selected Tertiary Health Care Center of Karachi, Pakistan). *Arabian Journal of Business and Management Review*, Vol. 6, No. 5, pp. 1-4
- Kitonga, D., M., Bichanga, W., O., & Muema, B., K., (2016). Strategic Leadership and Organizational Performance in Not-for-Profit Organizations in Nairobi County in Kenya. *International Journal of Scientific & Technology Research*, Vol. 5, No. 5, pp. 17-27
- Mohamud, G., Y., Mohamud, A., S., & Mohamud, B., H. (2015). The Relationship between Strategic Management and Organizational Performance in Mogadishu-Somalia. *European Journal of Research and Reflection in Management Sciences*, Vol. 3, No. 2. pp. 42-51
- Mryan, N., N., (2012). Analysis of the Relationship between Strategic Planning and Competitive Advantage in Jordanian Banks. *Interdisciplinary Journal of Contemporary Research in Business*, Vol. 4, No. 8, pp. 220-238
- Omotayo, F., O. (2015). Knowledge Management as an Important Tool in Organizational Management: A Review of Literature. *Libraries at University of Nebraska-Lincoln, Library Philosophy and Practice (e-Journal)*, 1238
- Rudd, J., M., Greenley, G., E., Beatson, A., T., & Lings, I., N. (2008). Strategic Planning and Performance: Extending the debate. *Journal of Business Research*, Vol. 61, No. 2, pp. 99-108
- Singh, H., & Mahmood, R. (2014). Combined Effect of Competitive and Manufacturing Strategies on Export Performance of Small and Medium Enterprises in Malaysia. *Global Journal of Management and Business Research: A Administration and Management*, Vol. 14, No. 1, pp. 93-100
- Spillan, J., E. & Ziemnowicz, C. (2003). Strategic Management in Small Retail Businesses. *SAGE Journal*, Brining Teaching, Learning and Research to Life
- Waiganjo, E., -W., Mukulu, E., & Kahiri, J. (2012). Relationship between Strategic Human Resource Management and Firm Performance of Kenya's Corporate Organizations. *International Journal of Humanities and Social Science*, Vol. 2, No. 10, pp. 62-70