
Anne Sigismund Huff Strategic Management Logic and Action: Analysis and Evaluation of the Strategies

Introduction

The purpose of this memo is to discuss key components of the first chapter of Anne Sigismund Huff's Strategic Management Logic and Action. The memo will focus on the various ways through which an organization can position itself in order to increase its profitability and growth. With reference to a case study by Joanne Snider, the memo will draw conclusions concerning the weight of ideas demonstrated by Sigismund et al and their practicality in the modern world. The memo will also explore the importance of good strategic planning with respect to NCB Capital and its success as one of the largest conglomerates in the Kingdom of Saudi Arabia and the world. Here, the memo will look into various important aspects of strategic planning that have enabled businesses such as NCB Capital to thrive while others fail. The memo will make reference to an article on the Saudi gazette's business section concerning NCB Capital and its award by the World Finance Magazine in the year 2017.

Key components of an effective strategy

In order for any organization to achieve success, it is crucial that it creates a strategy that will enable it to do so. In order to survive, businesses must ensure that they are consistently making profits and paying their bills effectively. According to Sigismund et al, an effective organization strategy must efficiently achieve a number of goals simultaneously. These goals include the following:

- Being able to adjust to environmental change
- Make more money and resources than its expenses
- Clearly communicate the purpose and vision of the organization
- Make use of the organization's strengths to meet the needs in the environment
- Exploring new opportunities in the environment.

Creating a strategy that covers all of these aspects can greatly increase a business's chance of profitability and consequently, growth. In addition, businesses must be flexible in their strategy in order to constantly change with the environment around them else they may become irrelevant. NCB Capital has constantly evolved over the years to become the number one asset manager internationally that adheres to Sharia law (NCB Capital 'Best Investment Management Co. (Equities)'). As such, it is a good example of a business that proves these strategies to be

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effective.

Adaptability to new condition over time

From the article by the Saudi Gazette, one learns that “The World Finance Investment Management Awards”, which NCB Capital received in 2017 is an award that acknowledges forward thinking and resilient organizations that through hard work and proper strategy have outdone their competitors. It is clear that organization has greatly advanced and embraced new ways of doing things. For example, the CEO of NCB Capital as seen in the article is Sarah ALSuhaimi, a woman. This in itself is proof of adaptability of an organization with the changing times. In the past, Saudi Arabia has had a reputation for oppressing women and not allowing women to work, possess property, or drive among other things. However, here, one sees a forward thinking culture in the organization as is evident in the act of a large Saudi firm appointing a woman as the CEO of a company with assets worth over 140 billion Saudi Riyadh. Here it is clear that through NCB Capital’s adaptability and success one is able to see the sense in ideas demonstrated by Sigismund et al applied practically. In the chapter on defining strategy, Sigismund et al discuss how an effective business strategy should be able to respond to the changes that take place over a period of time. In the case of NCB Capital, it is clear that the company is quick to respond to changes and thus remains relevant and is able to tap into the best human resources by breaking limiting barriers such as gender. Strategy Coordination and interaction with others In the age of technology, social media and globalization, starting a new business has become increasingly simple. With just one click of a button, one can buy or sell products across continents. This has led to a great economic boom that has steadily increased the number of people in the upper middle class. In fact, doing business has never been easier than it has been over the last three decades. In NCB Capital, technology and globalization have played a key role in its success. With branches all over the world, and stock trading firms, NCB is largely benefiting from the age of internet and globalization. Additionally, the firm specializes in providing funds for businesses and individuals through loans with compliance with Sharia law. On the other hand, statistics suggest that 20% of businesses fail in within the first two years of their commencement, and that an additional 50% fail within the first five years. These statistics are a strong contradiction of the prevailing circumstances such as ease of access to loans and financing, ease of access to technology and the internet as well as the availability of free information on the internet to assist start-ups in their business venture. As such, living in the age of technological advancement and globalization does not automatically guarantee success. These statistics emphasize on the importance of having an effective business strategy.

Strategic tapping into new opportunities

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According to Sigismund et al, customers do not focus entirely on international goods and services that are availed through globalization rather they support both local and international brands. As such, it is crucial for one to strategically place themselves and quickly spot opportunities when they arise. A good business strategy must be able to identify a need when it arises and provide a solution for that need effectively and without wasting time. NCB Capital's success is a good example of a firm's use of a good strategy. In 2017, the firm received an award from the World Finance Magazine. NCB Capital has been a trail blazer in its endeavors as it quickly studied the needs of the people and swiftly moved to provide solutions for those needs. In the year 1978, the organization became the first of its kind by providing a mutual fund.

In addition, NCB Capital became the first to provide Sharia-Compliant fund and banking in Saudi Arabia in 1987. Here it is clear that the organization saw a need in the Islamic society and moved to solve that problem without wasting time. By doing this, NCB Capital was able to take full advantage of an untapped market at the time. Sigismund et al believes that the success of a business strategy is greatly dependent on both the internal and external environment of the organization or business. In Joanne Snider's research, it is clear that businesses fail due to a poor strategy and little regard to the environment and particularly the external environment of the business, which affirms Sigismund et al's belief that a good strategy connects a business's strengths with the available opportunities in its environment. In her research, Snider reveals that businesses rate of success relies largely on their ability to market effectively. Marketing is a key component in Sigismund et al's effective strategies. In the chapter, the writers refer to marketing as communication the vision and purpose of the organization to other individuals.

Stakeholders and other businesses

In order for a business strategy to remain successful it must do a self-analysis of the various stakeholders and how they affect the business. Stakeholders are extremely crucial to any organization and greatly influence the performance of that organization. How the various stakeholders interact with the business is extremely crucial and greatly influence the level of success the organization experiences. Additionally, the activities of the stakeholders influence the decisions and strategies of the business. A business must rely on individuals or other businesses purchasing its products in order to remain in business. It also has to deal with the influence it experiences from various stake holders. Key Stakeholders include the following:

- Clients
- Government and policies
- Suppliers
- Partners
- Employees

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- Community both locally and internationally
 - Special Interest groups

As such, it is paramount for the organization to apply effective strategies in communicating its products and services to various stake holders. This can greatly influence the outcome of the business in terms of profits and losses. For instance, if stakeholders such as customers decline, the business strategist must find out why people are no longer purchasing their products and how they can improve. Similarly, stake holders such as the community play a major role. For instance, opening a pork butchery in a largely Islamic region would be considered bad business sense. Meanwhile opening any kind of butchery in a vegetarian community would be an equally disastrous business strategy. According to NCB's CEO Sarah AISuhaimi, the organization's success is as a result of the trust of the firm's clients as well as the dedicated performance of the company's staff. Here, one is able to see From that statement, it is evident that the firm has been able to effectively communicate their vision, products and services to potential clients effectively, managed to get clients and keep them.

Conclusion and Suggestions

The use of effective strategies and a clear understanding of both internal and external environmental issues have enabled NCB Capital to rise to the top as one of the largest investment companies in the world. Through constant innovation and evolution, NCB Capital has consistently emerged top in spite of challenges and economic meltdowns over the year. Due to its strict respect for Sharia law, the organization has been able to cater to a niche environment and eliminated a great deal of competition due to the nature of the services it provides. To improve the organization can look into expanding its market share by advertising its products to non-Muslims. Islamic banking organizations are significantly better in their rates and interest rates. Through these rates, the organization can attract many people in need of financial aid but weary of the burdensome interest rates offered by other banks. In addition, they offer financial aid to a very wide range of individuals compared to other banking services. As such, NCB Capital can attract a wider range of customers, cover a greater area and make even larger profits by targeting people outside the Islamic faith as well.

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