



Talk on “ Strategic Management of the Organization “

by Ir. Chew Weng Yuen

Ir. Chew Weng Yuen is currently a committee member in Engineering Education Technical Division (E2TD).

The Engineering Education Technical Division had co-organized a talk entitled “Corporate Governance for Sustainability” with Engineers Australia Malaysia Chapter, and the Institution of Mechanical Engineers Malaysia Branch, on 9th April 2019, at Wisma IEM. The talk was delivered by Ir. Dr. Ling Chen Hoe, the Senior General Manager and Director of Meiden Malaysia.

There were 35 participants in the talk, and Ir. Dr. Ling commenced by stating that strategic management involves the formulation and implementation of major goals and initiatives taken by an organization’s top management, taking into consideration of the resources and assessment of the internal and external environments in which the organization operates. It provides an overall direction to an organization and involves specifying the organization’s objectives, developing policies, plans the designs to achieve these objectives, and allocating resources to implement these plans.

Numerous examples of organizations that had failed or experienced financial losses due to the adoption of wrong strategies in their businesses were shown to the participants. These varied from organizations that are/were involved in the airlines, telecommunications, power, constructions, and even in the food industry.

The levels of strategies in an organization namely, the corporate strategy, business (competitive) strategies, and the functional strategies were introduced. Corporate strategy involves answering a key question from a portfolio perspective, for example: “*What business should we be in?*” whilst business strategy involves answering the question: “*How shall we compete in the business?*” Lastly, functional strategies are strategies that support the implementation of both the corporate and business strategies. These strategies are developed based on the purpose, vision, mission, and objectives of the organization. Strategic analysis based on the internal and external factors affecting an organization were discussed together with the study of the strengths, weaknesses, opportunities, and threats (SWOT) of an organization. *Porter’s Five Forces Analysis*, the *Kernel of Good Strategy*, and Human Resources strategy were also mentioned to the participants.

It was informed that *Michael Porter*, an engineer turned management guru had identified three principles underlying strategy namely;

- creating a “unique and valuable market position”,
- making trade-offs by choosing “what to do” and “what not to do”,
- creating “fit” by aligning company activities to support the chosen strategy.

A framework for strategic marketing comprising of market analysis, market selection, marketing mix, customer acquisition, and customer loyalty and retention was illustrated together with the *Ansoff Matrix* which displayed the strategies for both existing and new products in an existing and new markets. These strategies include *market development* for existing products in new markets; *market penetration* for existing products in existing markets; *diversification* for new products in new markets; and *product development* for new products in existing markets.

The importance of human resources strategy for an organization was mentioned with reference to the capability framework, where the competency, motivational, and culture fits were discussed. Strategies such as retain, recruit, perform, and develop were also briefly explained.

Ir. Dr. Ling also emphasized that culture was an important factor to be considered during the formulation of corporate strategy. Organizations that had failed to incorporate the prevailing culture of its operating environment into its strategies would suffer adverse consequences. Several examples of these effects were illustrated to the participants. Contingency theory that postulated that there was no best way of organizing or leading an organization was also discussed with reference to the above context. It was informed that the optimal organizational style was contingent upon various internal and external constraints, for example, the culture that was prevalent in its operating environment.

Strategic planning, operations strategy, strategy for managing supply chain (vertical and horizontal integration), and strategy for both value and disruptive innovations were briefly discussed before Ir. Dr. Ling explained the relationship between strategy and execution. It was informed that most of the successful organizations were exceptionally coherent in putting forth a clear value proposition, backed up by distinctive capabilities, and applied this mix of strategy and execution to everything they did.

Ir. Dr. Ling concluded by saying that organizations that were adaptive and abled to detect emerging pattern in the market conditions would have a higher tendency to act proactively in their strategies. Crafting strategy is a synthesis of understanding the organization's past, knowing the present capabilities and anticipation of the future. There was a brief Q&A session before the talk ended with the presentation of a memento to Ir. Dr. Ling by the session chairman.



Ir. Dr. Ling Chen Hoe receiving a memento from the session Chairman after delivering his talk on “Strategic Management of the Organization”.