**What are two (2) approaches to strategic management?**

**Introduction**

Strategic management is a process that helps organizations identify their goals, make long-term plans to achieve them, and then continually align daily activities with those plans (CFI, 2022). To do this well requires an understanding of your organization's strengths and weaknesses—and the ability to use outside market forces as well as internal strengths in order to keep moving forward toward your vision. Although there are many different approaches to strategic management, there are two that have stood out from the rest in terms of their effectiveness: reactive and proactive.

**What is strategic management?**

Strategic management is an approach to managing an organization as a whole. It is a process of planning, implementing, and evaluating strategies. Strategic management can be put into two categories: long-term and short-term.

Long-term strategic management focuses on the future of the company by analyzing its current position in the market and determining what changes need to be made to maintain or improve that position. Short-term strategic management addresses immediate issues with respect to operations, financial goals, marketing plans, and human resource planning

Strategic management is important to the success of any business. It helps companies set goals, define their mission and objectives, determine how they will achieve these goals, and evaluate the effectiveness of their efforts.

**Types of strategic management approaches**

Strategic management is a process of formulating and implementing plans for achieving business goals. Strategic management involves determining what to do, when to do it, how to do it and why it should be done. It involves planning for the future, rather than reacting to what has occurred in the past. There are two different types of strategic management approaches: proactive and reactive.

Proactive strategic management is an approach that involves creating a vision of the future, developing strategies to achieve that vision and implementing these strategies. Proactive strategic management requires long-term thinking and planning, because it takes time to develop new products or services, improve existing ones and implement changes in organizational structure.

**The Reactive Approach**

The reactive approach is the more common approach to strategic management, and it involves making decisions based on current events. The reactive approach is flexible and responsive; it allows you to be adaptable in times of change. It's also more cost-effective because you don't have to hire someone full time to just plan for future growth.

The downside of using this strategy is that if you're not careful, you could end up wasting energy on preparing for things that never happen or getting caught off guard by sudden environmental changes (e.g., a major competitor entering your market).

**The Proactive Approach**

The proactive approach to strategic management focuses on identifying and anticipating future trends and events.

This approach is focused on external factors, such as competition, technology, and the environment. It is sometimes referred to as strategic foresight.

Proactive strategic management involves taking into account the future and its impact on a company’s ability to be successful. It also includes developing strategies for dealing with those changes before they occur.

Proactive management is a key component of strategic planning. It helps companies identify and deal with issues before they become problems.

**Conclusion**

Strategic management is a crucial component of any business, organization or government agency. There are two approaches to strategic management: reactive and proactive. In the reactive approach, organizations respond to events as they occur. In the proactive approach, organizations anticipate events before they happen by looking into future scenarios and planning accordingly. Both approaches are important, but the proactive approach is more effective in the long term. This is because it gives organizations a chance to plan for changes before they occur and helps avoid costly mistakes.

## References

CFI Team. (2022, October 23). *Strategic management*. Corporate Finance Institute. Retrieved November 18, 2022, from https://corporatefinanceinstitute.com/resources/management/strategic-management/