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Strategic management and the economic efficiency of the enterprise

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***Abstract*— The articles discusses the importance of strategic management in improving the economics efficiency of an enterprise. Strategic management combinations both business and economics aspects with the goal of maximizing a company's efficiency and profitability. Although there is no clear definition, various approaches to strategic management include the process of analyzing the company's environment, formulation strategy, implementation strategy, and monitoring and evaluating results. Additionally, etc indicates that strategic management is necessary for adapting to the changing environment, optimizing the use of resources and achieving the organization's goals. The presented information also indicates that strategic management has three main levels incl the organization's structure: corporate, strategic business units (SJG) and functional. Each of these levels plays a specific role within the company's strategy. Ultimately, the articles emphasizes that strategic management is an integral element of the success of every company and is the foundation of its economics efficiency. A good business strategy allows a company to use resources effectively, adapt to a changing environment and achieve long-term goals.**

Keywords— management, company, new management, strategy, economic efficiency

I. INTRODUCTION

Strategic management plays a key role in improving a company's economic performance, combining both business and economic aspects to maximize efficiency and profitability. Moreover, although it is a relatively new field, it has its roots in various scientific traditions, such as economics, systems theory and cybernetics. The diversity of these traditions has led to the creation of a field with a very broad scope, whose research areas often overlap with other disciplines, such as sociology, psychology, marketing or finance (Gieraszewski 2020, p.7). Nevertheless, the term strategic management does not have a clear definition. Of the various approaches to this concept, it is worth mentioning a few. For example, J. Bracker saw strategic management as a process of analyzing the internal and external environment of the company, which aims to optimize the use of resources in relation to the organization's goals (Bracker 1980). In turn, DB Jemison defined strategic management as a process in which top-level managers in complex organizations create and implement a strategy, combining the organization's competences with opportunities and constraints in the environment (Jemison 1981). Strategic management means management through strategy as a set of rational, comprehensive management activities that are objectively conditioned (Pierścionek 2007). An attempt to define strategic management by R. Naga et al., based on the study of texts in this field and their semantic analysis, allowed the identification

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of six key elements of strategic management. In their approach, strategic management includes the most important, intentional and emergent initiatives undertaken by senior managers for the owners, which are aimed at using the company's resources to improve its results in the external environment (Nag et all 2007).

Ultimately, strategic management is a key element of successfully running a business, focusing on adapting to a changing environment, optimizing the use of resources and achieving organizational goals.

Strategic management involves formulating, implementing, and evaluating decisions that enable an organization to achieve its long-term goals. It takes a holistic perspective, focusing on the entire organization, not on its individual departments. The key elements of the strategic management process are defining the company's mission and goals, analyzing its external and internal environment, formulating a strategy, implementing the strategy, and monitoring and evaluating results (Stabryła 2000). It is therefore a key information and decision-making process, the implementation of which is supported by various functions such as planning, organization, motivation and control. At the heart of this process is the pursuit of solving the company's most important problems, securing its survival and enabling its development. This solution is not possible without taking into account the influence of the business environment and key elements of the company's own production potential.

Global strategic management focuses on the overall direction and operation of the entire enterprise. This involves analyzing all aspects of the company, including its resources, competencies, organizational structure, stakeholder relationships and external environment. The goal is to coordinate and integrate a company's various activities to achieve its mission and strategic goals. At this level, strategic management requires thinking on a broad scale and in the long term, taking into account the entire spectrum of factors that may affect the company (Obłój 2001).

On the other hand, sectoral strategic management focuses on a specific part of the company's activities. This may be specific to a specific product, product line, division or geographic market. In sector strategic management, it is crucial to understand the unique characteristics of a given sector and how they impact the company's overall strategy. This may include an analysis of competition, customer preferences, market trends and other factors specific to a given sector (Obłój 2001, p. 236).

It should be noted that strategic management is also related to the issue of resource optimization. Companies must effectively use their resources - financial, human, material, technological - to maximize their efficiency and profitability. This means that they must make decisions about where and how to invest their resources, as well as what actions and strategies are most beneficial to achieve their goals (Aplan 2014).

It can be said that strategic management is a key element of running any enterprise. Without effective strategic management, companies may not be able to effectively compete in the market, respond to changes in the business environment or achieve their long-term goals. Strategic management, despite its complexity and multi-level nature, is the foundation of the success of every organization.

II. A PRACTICAL APPROACH TO STRATEGIC MANAGEMENT AND EFFECTIVENESS

Referring to the subject of this work, it should be noted that strategic management and the economic efficiency of an enterprise are undoubtedly closely related and influence each other. Strategic management refers to the set of actions and decisions a company makes to achieve its long-term goals, while economic efficiency refers to a company's ability to generate maximum value with minimum use of resources. Strategic management plays several key roles in this context:

By developing the concept of defining the company's direction, strategic management not only helps set the direction for the company's operations, but also creates conditions for the effective use of the company's resources. By clearly defining goals, companies are able to focus their resources on activities that bring the greatest value, thereby improving their economic efficiency.

In terms of analyzing and interpreting the business environment, strategic management helps companies anticipate, interpret and respond to changes in the business environment. Using various strategic analysis tools, such as PESTEL analysis (political, economic, social, technological, environmental and legal) or SWOT (strengths, weaknesses, opportunities, threats), companies are able to identify and take advantage of new opportunities, and at the same time minimize potential threats, which translates into improved economic efficiency (Kaleta 2014, p. 69).

Optimizing the use of resources is another key element of strategic management that has a direct impact on economic efficiency. Through effective planning and allocation of resources, companies are able to ensure that all available resources are used in the most effective way, leading to production optimization and profit maximization (Kaleta 2014, p. 70).

Ultimately, performance control and evaluation are a key element of strategic management that influences a company's economic performance. By regularly monitoring and assessing performance in the context of strategic goals, companies are able to quickly identify and correct problems that could impact their economic performance. To better understand how strategic management affects a company's economic performance, let's look at some specific examples:

- Apple Inc.: Apple's strategic management focuses on innovation and product development that attract and retain customers. The company's vision is to create the highest quality products that revolutionize the way people work, learn and play. Apple continued this trend with the introduction of the iPhone, iPad and Apple Watch, which revolutionized the market for mobile phones, tablets and smartwatches. This strategic focus on innovation has allowed Apple to significantly increase its economic efficiency, becoming one of the most valuable companies in the world.

- Toyota Motor Corporation: Toyota is an example of a company that has successfully used strategic management to improve economic efficiency by implementing a lean manufacturing strategy, known as the Toyota Production System. This strategy focuses on eliminating all types of waste in the production process, which saves resources, reduces production time and increases product quality. As a result, Toyota became one of the largest and most profitable car manufacturers in the world.
- Starbucks Corporation: Strategic management Starbucks focuses on delivering an exceptional customer experience, with premium coffee at the center. The company's strategy includes expansion into new markets, increasing customer loyalty through loyalty programs and innovations in the product offering. These strategic decisions contributed to increasing the company's economic efficiency, helping Starbucks become one of the world's largest cafe operators (Cholewicka-Goździk, Iblis.home.pl) .

Each of these examples illustrates how strategic management can contribute to improving the economic efficiency of a company. In each case, the company's strategic decisions about its products, processes and customers had a significant impact on its ability to achieve business goals and increase shareholder value.

To sum up, strategic management is crucial for the economic efficiency of a company. Effective strategic management leads to better use of resources, better adaptation to changes in the business environment and faster problem solving, which in turn leads to greater economic efficiency. Strategic management and economic efficiency are undoubtedly inextricably linked, creating mutual dependencies that shape the condition and dynamics of modern enterprises. To understand this, it is worth looking at how various elements of strategic management affect the company's economic efficiency (Adamczyk, Rogowski 2013).

The first step in the strategic management process is to formulate a clear vision and mission of the company. They define the long-term goals of the organization, define its identity and outline the boundaries of its activities. When the vision and mission are clearly articulated, understood by all members of the organization, and consistently implemented, they can direct and focus efforts on their goals, which increases operational and strategic effectiveness. Next, the strategic management process requires a thorough analysis of the business environment, both internal and external. This analysis includes identifying trends, opportunities and threats that may impact the company's operations, and assessing the company's resources and competencies. The knowledge gained as a result of this analysis allows the company to construct strategies that use its strengths, minimize weaknesses, use available opportunities and neutralize potential threats. Thoughtful and well-executed strategies can significantly improve a company's economic efficiency.

These strategies must then be implemented through a series of tactical and operational actions. Well-planned and effectively implemented activities can transform strategies into real results, increasing a company's operational and financial efficiency. However, implementing a strategy is not a one-time task. It requires continuous monitoring and evaluation, which allows for ongoing adaptation of activities to changing conditions and results. Finally, effective strategic management requires a company to approach resource management that focuses on optimizing the use of resources. Through the effective use of resources - from financial to human - a company can maximize its productivity, profitability and shareholder value, which in turn translates into increased economic efficiency (Niemczyk 2014).

Therefore, strategic management is not just a set of techniques and tools. It is a holistic approach to business management that guides, informs and shapes all aspects of a company's operations. Through its influence on the company's decisions, actions and results, strategic management has a decisive impact on the economic efficiency of the company. The indicated aspects of strategic management are necessary, but to truly understand how strategic management affects the economic efficiency of an enterprise, it is worth looking at the strategic process as dynamic, continuous and evolutionary. Strategic management is not a one-off act, but an ongoing process that requires regular assessment and adjustment. The business world is dynamic, which means companies must be flexible and ready to quickly adapt their strategies in response to changes in the business environment. This approach to strategic management allows the company to always be one step ahead, react to changes before they become a problem and use new opportunities faster than the competition (Niemczyk 2014). The goal of strategic management is not only to ensure current economic efficiency, but also to build capacity for future growth and adaptation. This means investing in the development of resources and competences that can provide the company with a competitive advantage in the future. Therefore, strategic management is essential to the long-term economic effectiveness and sustainability of a company. Finally, strategic management does not only concern top managers but involves the entire organization. The company's vision, mission and strategic goals must be understood and accepted by all employees. Each employee should understand how his or her work contributes to achieving the company's strategic goals. Only then will the company be able to implement its strategies and achieve optimal economic efficiency.

Strategic management, through its influence on economic efficiency, is crucial to a company's success. Effective strategic management can lead to increased economic efficiency, ensuring long-term sustainability and success. It is a process that requires constant attention, analysis and adjustment, but the benefits it can bring are undeniable (Dąbrowski 2016).

Moreover, strategic management is also of fundamental importance for the innovation and competitiveness of a company. Companies that are effective in strategic management are usually better at creating and implementing innovations. This contributes to improving economic efficiency by increasing the added value generated by the enterprise and enabling it to gain a competitive advantage. Strategy is also a key tool for managing risk in business. Understanding the potential threats and opportunities that may affect the company's economic efficiency allows strategic management to develop contingency plans and alternative scenarios (Dąbrowski 2016). Thanks to this, companies are better prepared for unexpected events or situations that may affect their economic efficiency. Another important element is that strategic management helps a company focus on its core business. Companies may have many different activities, but only some of them truly deliver value. Strategic management helps identify these key areas and concentrate the company's resources on them, which increases economic efficiency (Poniatowska-Jaksch 2015).

Referring to the above considerations, it can be concluded that strategic management is an inherent element of the functioning of modern enterprises. Despite the numerous benefits resulting from effective strategic management, significant negative aspects that may affect the economic effectiveness of the organization cannot be ignored.

First of all, it is worth paying attention to the time and financial costs associated with strategic management. The process of creating, implementing and monitoring a business strategy requires a significant amount of time and resources. Small enterprises in particular may be hit hard by the costs of investing in strategic management because they do not have the appropriate amount of resources. An additional burden may be costs resulting from strategic errors, which may have a significant impact on the financial functioning of the company.

Another factor that may have a negative impact on the economic efficiency of an enterprise is the risk of incorrect forecasts and assumptions. Business strategies are often based on predictions about the future, which may turn out to be inconsistent with reality. For example, a company that may develop a strategy based on a forecast of market growth may experience inefficient use of resources if the projected growth does not occur. Employee resistance to change may also prove to be a serious problem in strategic management. New strategies often involve the need to modify existing operating patterns in the organization. Such resistance may not only make it difficult to introduce changes, but also increase the costs of strategic management (Mierzwa 2017).

Finally, strategic management involves the need to make decisions under conditions of complexity and uncertainty. Complex decision-making processes and the risk of errors can harm a company's economic efficiency. Therefore, although strategic management is crucial to the long-term success of a company, it is not without its challenges. Therefore, organizations should pay special attention to potential pitfalls and seek methods to minimize them in order to maximize the benefits of strategic management.

To sum up, strategic management is an inherent element of the effective functioning of every company, regardless of its size or sector of activity. It supports economic efficiency by enabling the achievement of organizational goals, and also provides flexibility and adaptability in a dynamically changing business environment. Strategic management plays a key role in determining where a company wants to be in the future and charting the path to get there. By analyzing and interpreting the business environment, strategic management enables companies to quickly adapt to changes and take advantage of new opportunities, increasing their competitiveness and resilience to unforeseen events.

III. Summary

Strategic management is a complex process aimed at optimizing the use of an organization's resources in the context of its goals and environment. This is a key aspect of the company's operation, combining various aspects such as economics, psychology and marketing. There are many different definitions and approaches to strategic management, but generally it can be described as the process of creating and implementing an organization's strategy.

In strategic management, it is important to take into account both internal and external factors affecting the organization. It is an information and decision-making process, supported by functions such as planning, organization, motivation and control. Strategic management may be global, focusing on the overall direction of the company's activities, or sectoral, focusing on a specific area of activity. Both approaches are essential to organizational success.

It is worth understanding that strategic management is not only a business tool, but also a dynamic process that evolves with changes in the environment and organizational goals. Therefore, constantly adapting the strategy to changing conditions is crucial for the company's lasting success. Contemporary strategic management also places increasing emphasis on innovation, sustainable development and social responsibility.

In summary, strategic management is a fundamental process that allows organizations to effectively direct their resources and achieve their goals in a dynamic business environment. This requires analysis, planning and decision-making that are consistent with the organization's mission and values and take into account its unique characteristics and challenges.

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