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Position and Role of Strategic Analysis in the Process of Strategic Management

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In the literature on the subject we have a big number of approaches and concepts concerning strategic management. One of the most general divisions in this matter is, on one hand, looking at formulating and implementing of the corporate strategy as the process similar to rational decision taking, and on the other hand there appears an approach indicating that activities concerning developing strategy are not logically organised in any way. Accepting the latter would mean that the only thing that could be done to develop the knowledge about strategic management is describing the process according to contingency theory, and possibly explaining 'a posteriori' decisions that have been taken. Therefore it would exclude the possibility of making any predictions or recommendations for company's managers, which in their nature must be taken 'a priori'. For that reason in the literature on the subject there are many more supporters of the rational approach, who try to make the complicated nature of the process discussed more logical. And possibly those attempts are reasonable because this is the only way of formulating the problem of strategic management which lets organise the knowledge available in this matter.

The supporters of the rational approach present a variety of models on the process of strategic management. Regardless of assumptions undertaken by specific authors each model of the process of strategic management has a strategic analysis as one of the very first stages. The dispute on that matter concerns, generally speaking, only the question whether the strategic analysis or setting goals of the company is the very first step of the whole process. Irrespective of the detailed suggestions offered by various authors, they all agree that the strategic analysis is a crucial and inseparable element of the process of strategy formulation. The aim of the analysis is to gather and provide decision makers with information allowing them to undertake strategic choices. Such a conclusion may be confirmed by the historic analysis which points to important interrelations between problems which are a part of the planning process and the methods used in it.

The aim mentioned above is implemented through specific functions performed by the strategic analysis. Among these functions we can find:

- A/ descriptive, B/ explanatory, C/ evaluating,
- D/ forecasting, E/ justifying.

The first four functions concern, above all, the process of formal formulating the corporate strategy, in which the strategic analysis is to describe elements of the environment and the institution itself which influence the organisation's activities. Its aim is also to examine and explain interrelations between those elements and evaluate the strength and character (positive or negative) of the processes and conditions for the company's situation. The analysis is to provide a clear picture of the organisation and its environment – to evaluate the strategic position of the organisation. Basing on that one can formulate forecasts concerning future changes of such a situation. And those forecasts may become a base for the process of strategy formulation. The justifying function is performed 'ex post' and concerns both an informal way of formulating the strategy, where the analysis may be used to search for facts that would justify previous decisions, as well as a formal way of developing strategy where the analysis is a base for specific strategic actions and is their justification at the same time. That function is especially visible when the strategy performed has failed. In those situations, the decision makers usually try to account for the reasons for their choice which was unsuccessful. The outcomes of the strategic analysis may be easily used for the purpose.

In conclusion it might be said that considerations presented in the article let us assume that content and role of the strategic analysis in the process of strategic management considerably go beyond the strict sense of the word 'analysis'.

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