

Food and Beverage Management

For the hospitality, tourism and event industries

The third edition

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Published by Goodfellow Publishers Limited, Woodeaton, Oxford, OX3 9TJ
<http://www.goodfellowpublishers.com>

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Design and setting by P.K. McBride

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Making strategic decisions

Aim

This chapter aims to consider and apply approaches to strategic decision-making.

Objectives

This chapter is intended to support you in:

- Identifying the components of strategic planning as a systematic process
- Developing skills in the application of a range of performance measures and appraisal techniques
- Identifying and applying approaches to business analysis and evaluation
- Selecting and applying strategic planning models and approaches appropriate to foodservice operations.

10.1 The origins of strategy

Assessing the achievement of an organisation against its aims and within the business environment leads to the requirement to consider making strategic decisions about the current operation and the future of the organisation.

Strategy is the means by which organisations attempt to achieve their objectives. In most organisations there is likely to be a complex set of stakeholders concerned to influence the objectives and hence the strategy of the organisation. Rather than be too concerned about the right definition of strategy it is useful to develop an understanding of what different writers or speakers mean by strategy, i.e. what are the underlying concepts that they are trying to get across?

As a working definition for the purposes of this book, let us propose that strategic decisions are:

- Major decisions that affect the direction that an organisation, or part of an organisation, is committed to for the next few years
- Decisions which involve a commitment of resources
- Decisions which involve complex situations at corporate, business unit and operational level which may affect and be affected by many parts of the organisation.

Within this context there are then a number of terms often used in relation to strategic decision-making. These include:

- **Vision:** conceptual or imagined view of the organisation as it might be in the future.
- **Mission:** fundamental purpose of an organisation, which is intended to lead it towards its vision.
- **Policy:** set of ground rules and criteria to be applied when making decisions.
- **Goals/Aims:** broad intentions of the organisation.
- **Strategy:** means by which the organisation tries to fulfil its mission.
- **Objectives:** measurable statements of what must be achieved as part of the strategy in order for the goals/aims to be realised.
- **Tactics:** decisions and actions intended to achieve short-term objectives.

These terms may also be seen as being presented in a hierarchy. Thus **policies** are derived from thinking about the **vision** and the **mission** of the organisation, and **objectives** are determined in order to ensure that the **goals/aims** of the organisation are achieved. The establishment of goals and objectives for an operation have previously been discussed in Chapter 2. The interpretation of these terms can however vary depending on where and how they are being used.

Chapter extract

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