PROSPECTS OF THE STRATEGY OF THE ENTERPRISE

Perspectives sur la strategie de l'entreprise

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The translation and adaptation in French after the original published in 1968 is the result of the activity of a group of specialists of the Boston Safe Deposit Company whose activity is mainly orientated towards the study of big and international enterprises.

The work presents to practitioners an ensemble of concrete rules for the application of the strategy of an enterprise.

Strategy is defined as a complex of measures directing the decisions and imposing a precise calendar of action for the attainment of objectives determined through the best use of the enterprise resources. The perfecting, in a complex organization, of the criteria of success and of the methods of sanctioning and encouragement of each responsible factor, is stressed as an essential aspect of the strategy.

In this connection, the authors are of the opinion that profitableness, growth and competitiveness are rather the result of a strategical superiority than of the advantages deriving from the size or financial force of the enterprise.

The authors consider that the main advantage conferred by strategy on management is the reduction of uncertainty.

After presenting the way of elaboration of a strategy, the authors approach problems concerning some of the concrete fields of activity of the enterprise: the long term previsions of development, the evolutive technological sectors, the financial sector, etc. Specific aspects of the strategy, such as strategical "planning", the strategy of initiative, the strategy of expectation, the strategy of the market, the strategy of the resources, etc., are also approached.

As regards the elaboration of a strategy, the authors deal with some of its basic characteristics: dynamism, the exact identification of the objectives, the taking into consideration of the specific of the enterprise and the adaptation to circumstantial conditions.

As regards the profitableness of the enterprise, the authors express reserves in connection with the too general principle "the benefits are always a good sign and the losses always catastrophic". They oppose to this principle a more flexible position, in which the share of the management control activity should fall, in keeping with the peculiarities of the enterprise, either on the costs or on the terms of contribution to the general expenditure. The authors also manifest an attitude of reserve towards the consideration of the volume of benefits as best criterium for solving some problems concerning the growth of the enterprise.

The technique of "the internal rate of profitableness" which the authors consider to be outmoded, is tackled in this connection. The technique of "the cost of opportuneness" calcullated for each separate

initiative is recommended instead. In this connection, the problem of growth and "disinvestment" is tackled. Referring to "disinvestment", the authors define and comment on the general objectives of a "disinvestment": the increase of the rate of growth, the re-establishment of the financial equilibrium of the firm, the increase in the level of homogeneousness of the firm.

A special chapter is devoted to the use of the inflationist process in the activity of the development of the enterprise. The authors reveal the favourable effects of inflation on the increase in the financial capacity of the firms, affirming its usefulness in the re-launching of the financial operations. The concrete way in which the inflationist process can be used in certain branches (energy, chemistry) is presented briefly and the limits in which it can be used are explained.

The work concludes with several chapters approaching particular aspects, such as: "planning" in family enterprises, the difficultiesand restrictions of technological innovations.

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