

## STRATEGIC MANAGEMENT: IMPORTANCE OF CHOOSING THE RIGHT STRATEGY

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From the beginning of the business to this day, the main goal for any company is to obtain stable profits, in the current conditions, it will become more and more difficult to achieve this and right strategy will help with it. The choice of strategy has always been an important and difficult moment for any company, because the same strategy can have led to the success of one company and to the collapse of another. This raises the question of what the Strategy is and why it is so important for future success.

The concept of an organization's strategy it is an action plan that defines the priorities of strategic objectives, resources and a sequence of steps to achieve the strategic goals [1]. In other words, a strategy is a detailed, comprehensive plan to achieve set goals. Strategic planning is based on numerous studies, data collection and analysis. This allows you not to lose control of the market [2].

Large organizations prefer to develop their plan through annual strategy planning, for this purpose, numerous studies and meetings are held to discuss proposed solutions. There are four main approaches to strategy development: 1) Main strategic approach - in this approach, the leader personally acts as the chief strategist and chief entrepreneur, having a strong influence on the assessment of the situation, on the alternative strategies that have been studied, and on the details of the strategy; 2) Approach "delegation of authority" the leader delegates the authority to develop a strategy to subordinates (specialists in strategic planners or a specially created commission); 3) Joint (collaborationist) approach - the leader engages direct reports to develop a coordinated strategy, which will be supported by the main participants in order to successfully implement it; and 4) Proactive approach - the leader is personally not interested in elaborating the details of the strategy, or in leading a group of “idea generators” to develop a coordinated strategy.

During developing and selecting process of right strategy specialists often using following basic steps: Identify the problem – to understand what hold company from achieving goal; structure problem logically - used for one-year, two-years, or five-year goals, to avoid emotional reaction to the goal as this can create a problem, the main

goal is divided into short-term goals and actions; Analyze problem – a simple way to formulate multiple hypotheses and quickly find the root cause of a problem; and last, plan of action that solves the problem

The phenomenon of choosing the wrong strategy occurs quite often, and such large companies as Yahoo, Blockbuster and Nokia are the best example of it.

Yahoo. The company that owns the world's second most popular search engine and provides a number of services, email, has made a huge mistake. Yahoo charged its customers for services such as file sharing and email. Their main competitor, Google, was providing these services for free at the time. As a result, people chose Google, and Yahoo realized its mistake and changed its strategy, became the largest portal for sports, news, finance and the Internet.

Blockbuster. At one time, renting DVDs and videotapes was a profitable business. This is exactly what the American network of video salons Blockbuster did. Almost any movie, music disc or game could be rented there. Blockbuster refused to admit that there are few shops on the streets these days. They also need to trade via the Internet. During this time, the rival company Netflix, which allowed ordering discs via the Internet by mail, and then watching many movies or TV shows online for a modest monthly fee, managed to completely occupy the Blockbuster niche. In 2010, Blockbuster's showrooms closed and the company went bankrupt.

Nokia. A company that manufactures telecommunications equipment for mobile, fixed, broadband and IP networks. In the 2000s, it dominated the global mobile phone market. Made the biggest mistakes - Unwillingness to take the lead in the user experience, causing them to develop a flawed operating system and poor user interface, which led to failure. They refused to focus on hardware and did not embrace software concepts for fear of alienation from current users. In the future, in 2008, they tried to compete with Android, but to no avail [3,4].

To sum up: Goals for any company is to be a leader in their industry, which lead to get more profit. Choosing the right strategy is the key to success and we can see this in the examples above. Strategy is a detailed, comprehensive, comprehensive plan to achieve set goals. Strategy is the key to the success of innovation. A firm may find itself in crisis if it fails to anticipate and respond to changing circumstances in time. Choosing the wrong strategy in right time or right strategy in wrong time leads company to the fail. Who knows what would have happened Yahoo if they did charge their customers for services like file sharing and e-mail, Nokia wasn't afraid of been a leader in industry and Blockbuster took the offer made by the founder of Netflix.

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