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STRATEGIC MANAGEMENT AS A CONDITION OF ECONOMIC DEVELOPMENT OF THE REPUBLIC OF SERBIA

Only companies that meet the following conditions survive in the long run: - have patterns of action best adapted to the pressures and demands of a changing environment; - those whose behavior is congruent with market expectations; - they are innovative and flexible enough; - well networked and well connected with strategic partners; - have dynamic capabilities and resource accumulation that provides an advantage over competitors and other participants in creating economic value. Business success is the result of the overriding strategy the company follows. The implementation of the strategy is a key lever for sustainable business development and survival.

Good strategic management makes the difference between successful and unsuccessful, efficient and inefficient, prosperous and non-prosperous economic entities. A quality strategy is a guarantee of a better position in the relentless market selection, as well as a pledge of survival in the exhausting competition of companies, strategic alliances, business models and entire industries. Furthermore, good strategic management means rejection of inherent mediocrity and is an instrument of hope that the fate of the organizational unit can be monitored.

We begin the study of strategy with Sun Tzu's book The Art of War, written in the fifth century AD. Originally, strategy is a military conception that we also see in its etymology: it is a compound derived from the ancient Greek terms stratos (army) and agein (lead). The original literal meaning of the term strategy is military command and has long been used exclusively in military terminology. It should be noted that in his book, Sun Tzu "is not the pinnacle of the ability to record a hundred victories out of a hundred battles. The ultimate skill is to defeat the enemy without a fight".

As a term, strategic management is transnative, and these are concepts present in different segments of human action. Their understanding cannot be determined unambiguously. The definition of strategic management differs from discipline to discipline, from the field in which it is used (industry, healthcare, education, culture) so that it is not possible to indiscriminately and automatically map its meaning from one area to another. Strategic management is widespread and practically unavoidable. The meaning and content of the strategy does not match in every situation, but depends on the time, space and area in which it is implemented.

In an attempt to define strategic management more closely, we can say that this is determining the basic long-term intentions and goals of the company, and then adopting the direction of action and allocation of resources needed to achieve those goals. Even shorter, strategic management, in the broadest sense, means the means by which individuals and organizations achieve their goals.

The strategy is actually a pattern of goals, purposes and intentions, major policies and plans to achieve those goals. They must be set up to determine: in which business the business is or in which business it should be; what kind of business it is or what kind it should be. Strategy is the rule for making decisions related to the harmonization of businesses with the environment.

Strategic management is expected to provide answers to three related questions: - who our target customers will be; - what products and services we should offer; - how we should offer these products and services to our target customers in an efficient and innovative way.

We could say that strategy is a force that interacts with business and the environment and increases the prospect of a business for long-term survival. The strategy can also be seen as a search for success, or as finding ways for a business to survive in the long run, depending on the degree of competitiveness.

Quality and successful entrepreneurial activity reveals and implements opportunities that others either did not notice or did not take advantage of. A strategy that does not anticipate changes in the environment, be it technological or market developments or changes in industrial structure, is destined to fail.

Strategic management is divided into several management approaches. A prescriptive approach to strategic management exposes ways in which a strategy should evolve, while a descriptive approach focuses on how a strategy should be implemented in practice. The two schools of approach differ in whether the strategy is developed through an analytical process listing all the chances and threats, or whether the strategy is understood as a guiding principle that defines the principles to be applied.

That is why we can rightly say that managers are strategists because the strategy is the result of conscious efforts, rational, thoughtful and calculated decisions about how to deal with the basic issues of self-determination, competitiveness and long-term survival of the company.

Strategic management is said to be a sequential set of analyzes and decisions that improve the likelihood that a firm will choose and implement a quality strategy.

In fact, strategy is a unifying framework that gives coherence and direction to company actions in order to achieve and maintain competitive advantage. The strategy includes: the main goals, plans, policies, programs and activities, the allocation of key resources as well as the patterns of behavior of companies interacting with the environment.

Strategic management is the management of an organization's resources to achieve its goals. Strategic management includes goal setting, competitive environment analysis, internal business analysis, evaluation of available strategies, and ensuring implementation across the organization. In short, strategic management identifies how an organization can survive and succeed in competition by identifying

the opportunities, opportunities and threats it faces, whether they come from the organization itself or from the environment.

Given that the company is at the same time an economic and social entity, strategic management can be said to consist of the following steps: - diagnosis of the situation, - setting guidelines for action; - coherent action. In a strategic context, the conditions surrounding strategic activities are as follows: a) inputs - purpose of organizations and incentives for strategic activities; b) strategic process as a stream of strategic activities; c) outputs - content of strategy and result of strategic activities.

For consistent management, we cite Wheelen-Hunger's model of strategic management as a consistent behavior:

1. Environmental scanning: gathering information:

• External: opportunities and threats; a) social environment: general guidelines; b) task environment: industry analysis

• Internal: strengths and weaknesses; a) structure - hierarchical chain; b) culture: beliefs, expectations, values; c) assets: skills, knowledge, competences

2. Strategy formulation: developing long-term plans:

• Mission: reason for being

• Objectives: what results to achieve and when

• Strategy: a plan for achieving missions and goals

• Policies: Broad guidelines for decision making

3. Strategy implementation: putting strategy into action:

• Programs: activities needed to implement the plan

• Budget: program costs

• Procedures: steps required to complete the task

4.Evaluation and control: monitoring performance:

• Execution: current and expected results

In terms of terminology, strategic management is a transnarative, and these are concepts present in different segments of human action. Their definition cannot be determined unambiguously so that the definition of strategic management differs from discipline to discipline, from the field in which it is used (industry, healthcare, education, culture). For this reason it is not possible to indiscriminately and automatically map its meaning from one area to another. Strategic management is widespread and practically unavoidable. The meaning, content and implementation of the strategy does not match on a case-by-case basis, but depends on the time, space and area in which it is implemented.

To define strategic management more closely, we can say that it is the determination of the basic long-term intentions and goals of the company. Furthermore, strategic management involves adopting the direction of action and allocating the resources needed to achieve these goals. As a general definition, strategic management in the broadest sense means the means by which individuals and organizations achieve their goals.

Given that the company is both an economic and social entity, strategic management can be said to consist of several steps that include diagnosing the situation, setting guidelines, and ultimately having to follow coherent action.

Strategically speaking, the segments that determine strategic management and strategic activities include inputs, which is the purpose of the organization and incentives for strategic activities, followed by the strategic process as a flow of strategic activities, and as a result we get highways, which are the results of strategic activities.

Quality and successful entrepreneurial activity reveals and implements opportunities that others either did not notice or did not take advantage of. We can say that only the strategy that anticipates changes in the environment will be successful, whether it is technological development, market development or changes in industrial structure.

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