

## 1.15: Introduction to Strategic Planning in Retail Management

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**What you'll learn to do:** Explain the concept of strategic planning within the retail management decision process

Even the best laid out plans can fail with the absence of a well defined roadmap. Strategy is a vital component of any retail organization for several key reasons. First, it allows you to understand your company as well as your history, your company's history, and your overall industry. A key component of strategy is to write them down and incorporate them into the policy, mission statement, and vision of the company. You might have heard the phrase: "The best-laid plans of mice and men often go awry." However, when things go awry the company can return to the initial strategy of the gap they are trying to fulfill within the marketplace. This allows them to understand the competitive advantage they have in the industry as well. In addition, it would allow them to understand the weaknesses and strengths they possess that would hinder or help growth within the organization. Lastly, it would also help them focus on whether or not they are placing efforts and resources on those areas that will drive productivity and profitability.

Before we begin let's take a look at Tesco, profit wise it is the third largest retailer, and how retail strategy benefits them. Imagine the scope of a business with stores in seven countries. Why is strategy imperative in a business this large? We will address these questions in our next few modules.



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