



## Strategic Management of Egyptian Economy

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This article aims to demonstrate the strong correlation between the application of strategic management in companies and institutions and raising the efficiency and effectiveness of the tools of the Egyptian economy. It is presumed that the application of strategic management elements will lead to higher levels of performance in institutions and organizations, leading to an increase in GDP and improved macroeconomic indicators.

The strategic management approach aims to ensure that the enterprise maintains a state of self-balancing, which can be measured using various financial and non-financial indicators. Such a state of self-balancing is achieved when there is compatibility and congruence among a number of elements which include:

-The nature of the business environment in which the facility operates.

-The applicable strategy which is suitable for the business environment.

-The resources, systems and facilities necessary to implement these strategies.

The following is a brief overview of the most important characteristics of the business environment and the applicable strategies at each phase:

### Features of the First Business Environment Phase:

This phase was widespread in institutions and organizations in Western Europe and North America during the thirties of the 20th century and is characterized by the following characteristics:

- The future is an extension of the past and can be easily predicted.
- There is always a single producer of the product or service, i.e., a case of complete monopoly.
- The management of the facility seeks to maximize sales and profits in the local market.
- The ideal strategic target for this phase is stability and maintaining the status quo.

### The second phase of the business environment:

This phase was widespread in institutions and organizations in Western Europe, North America and Southeast Asia during the forties of the 20th century and is characterized by the following characteristics:

- The future is slightly different and predictable from the past.
- There are few producers in the market of goods or services, i.e., a case of monopolistic competition).
- The management of the facility seeks to maximize sales and profits in the local market while exporting limited quantities of goods to nearby regional markets.
- The ideal strategic target for this phase is the application of the operational or production strategy, which is based on the analysis of the following elements:

- Status report
- Market studies.
- Supply of raw materials.
- Employment and human resources
- Transport.
- Factory design.
- Warehouse management.
- Applying cost accounting.
- Applying methods of planning budgets.
- Applying accountability policy.

### The third phase of Business Environment:

This phase was widespread in institutions and organizations in Western Europe, North America and Southeast Asia during the fifties of the 20th century and is characterized by the following characteristics:

- The future is completely different from the past; however, it can be predicted using mathematical and statistical methods.
- There are a large number of producers in the market of goods and services, i.e., a case of complete competition.
- The management of the facility seeks to maximize exports to all markets of the world.
- The ideal strategic target of this phase is the application of the marketing strategy, which is based on the analysis of the following elements:

- Product planning.
- Selling price planning.
- Planning promotion and advertising campaigns.
- Planning distribution channels and methods.

### The fourth phase of Business Environment:

This phase was widespread in institutions and organizations in Western Europe, North America, and Southeast Asia during the sixties of the last century and is characterized by the following characteristics:

- \* The future is very different from the past and is hardly predictable.
- \* The facility operates in a state of intense and fully competitive market.
- \* The management of the business seeks to establish joint ventures with foreign partners (joint ventures) to take advantage

**The strategic management approach aims to ensure that the enterprise operates in a continuous state of self-balancing which can be measured using many financial and non-financial indicators. This self-balancing is achieved when there is compatibility and conformity among several elements, foremost among which is the level of the business environment and the ideal strategy to be applied in the business environment.**



**It is necessary for any organization to conduct a strategic analysis every five years to ensure that it maintains a state of self-balancing. Such a state cannot be achieved unless there is consistency, integration and compatibility between the nature of the business environment and choosing the appropriate strategy for each business stage along with the capabilities, systems and internal facilities necessary to implement such a strategy.**

of the advantages granted to foreign direct investments in most countries of the world.

\* The ideal strategic target for this phase is the application of the strategic planning method, which is based on the application of the following steps:

- Setting the vision.
- Determining the mission.
- Deciding on the objectives to be achieved.
- Measuring actual performance levels.
- Identifying the strategic gaps between goals and actual performance levels.
- Preparation of a matrix of strengths, weaknesses, opportunities, risks and threats (SWOT Analysis).
- Preparation of alternatives and strategic plans.
- Providing alternatives and strategic plans.
- Choosing the appropriate strategic alternative.
- Implementation of the strategic alternative and evaluation of actual performance.

### The fifth phase of Business Environment:

This phase was widespread in institutions and organizations in Western Europe, North America and Southeast Asia during the seventies of the last century until now and is characterized by the following characteristics:

- The future is very different from the past and is, therefore, unpredictable.
- commercial facilities operate in a state of intense and full competition.
- The management of the facility seeks to establish branches with sole ownership to facilitate entry into the field of business as well as exit.
- The ideal strategic target for this phase is the application of the following methods:
- Crisis management.
- Analysis of business scenarios.
- Sensitivity analysis.
- Management by Surprise.

In conclusion, we can safely assert that all commercial facilities need to conduct a strategic analysis every five years to ensure that they achieve the state of self-balancing, which is achieved through consistency, integration and compatibility between the nature of the business environment and the appropriate strategy for each phase and the capabilities, systems and internal resources necessary to implement this strategy. Moreover, we should also realize that if most businesses and institutions operating within the framework of the national economy achieve such a state of self-balancing, we will witness an increase in GDP rates as well as economic development rates and a continuous marked improvement in macroeconomic indicators, which lead to increasing the efficiency and effectiveness of the Egyptian economic output.