
Strategic Management Research: AFI Strategy Framework

AFI stands for Analyze, Formulate, and Implement, three major tasks to help managers when they are in competitive situations. In the analyze phase you should ask yourself, "What is strategy?" I believe before going into a situation you should always have a strategy thought all the way out so when put in certain situations you will be prepared for anything. The formulation phase is when you have figured out your strategy but now how and where to use it. The final step is the implementation phase, in this phase you will figure out what is most effective and how to turn your strategy into actions. In each of these phases it is important that the managers focus on each phase as they plan their strategy, as these phases are very helpful when making a successful strategy.

Mission, Vision, and Core Values of an Organization

One of the first steps as listed in chapter 1, "To gain and sustain a competitive advantage is to define an organization's vision, mission, and values." (Rothaermel, Strategic Management, page 11) Defining the company's vision is very important, and I feel should be the first step because the company's vision is what is seen in the long run. For this process you should make sure to think carefully and think through many strategies before you take any sort of action. When thinking of a company's vision think about what the company aspires to be and what they want to accomplish, short term and long term. A successful vision in a company will motivate their employees and make them proud of the company that they work for.

The next step is creating your companies' mission. Your mission should describe what your company does, what is it that your selling, and what market your company will be competing in. In order for this process to be effective it is important that the company backs up whatever it is that they are saying. According to the chapter, "To be effective, firms need to back up their visions and missions with strategic commitments, in which the enterprise undertakes credible actions. Such commitments are costly, long-term oriented, and difficult to reverse." (Rothaermel, Strategic Management, page 13)

A company's values must be the strongest piece between the three. A company can have very strong vision and mission statements but if their values are in the wrong place those two just will not be strong enough to hold a company afloat. A company's values also help employees know what kind of company they are working for and help provide them with a moral compass.

Caterpillar Inc. Mission Statement

Caterpillar Inc. mission statement is, "to provide the best value to customers, grow a profitable business, develop and reward people, and encourage social responsibility." (Thompson, 2018) A way that caterpillar is showing best value to their customers is by providing them with the best value possible in machines. Caterpillar has also grown a very profitable business as also stated in their mission statement. Caterpillar does a good job as well with rewarding their employees for their performance.

Conclusion

When creating a company, it is very important to have a very strong mission, vision, and core values to your company. Caterpillar Inc. mission statement I believe is very strong in many ways. They hold up to all of their statements from showing their best value to their customers to showing their employees how much they appreciate and value them.

References

1. Thompson, A. (2018, August 15). Caterpillar Inc. Vision, Mission, Intensive Strategy, Five Forces, SWOT. Retrieved December 2, 2019, from <http://panmore.com/caterpillar-inc-strategic-analysis-vision-mission-swot>.
2. Rothaermel, F. T. (2019). Strategic management. New York, NY: McGraw-Hill Education.

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