

**READINGS IN STRATEGIC
MANAGEMENT AND BUSINESS
ETHICS FROM ISLAMIC
PERSPECTIVES**

Edited by
Suhaimi Mhd. Sarif



IIUM Press

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Edited by

Dr. Suhaimi Mhd Sarif

**Assistant Professor in Business Administration
Department of Business Administration
Kulliyah of Economics and Management Sciences
International Islamic University Malaysia**



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Tel: +603-6188 1542 / 44 / 45 Fax: +603-6188 1543
EMAIL: iiumprinting@yahoo.com

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CHAPTER 3

STRATEGIC ENTERPRISE INTERNAL ASSESSMENT

Suhaimi Mhd Sarif
Sharifah Aida Syd Moh Zain

ABSTRACT

This chapter examines the strategic enterprise internal assessment for any enterprises or organizations. The assessment is important to ascertain the internal capability and endurance of enterprises to execute strategies. This aspect contributes significantly to the strategy implementation capabilities.

INTRODUCTION

Basically the topic namely The Internal Assessment is discussed about how to evaluate the strengths and weaknesses of a firm in any industry and involved so many aspects for example management, marketing, production or process, research and development, accounting and finance, human resources and many more. All of these aspects are interrelated to each other because the division cannot be success own their own. Every organizations is strongly believed have their own strengths and weaknesses in their functional areas of business but then all firms is not the same in the way of whether the business is strong or weak. Therefore, that is why the internal assessment is very crucial in order to evaluate the performance. No matter what the profession, the significance of quality assurance cannot be underestimated. This is especially applicable to internal auditors.

LITERATURE REVIEW

Generally, strategic management consists of the analysis, decisions, and actions an organization undertakes in order to create and sustain competitive advantages. This definition captures two main elements that go to the field of strategic management. First, the strategic management of an organization entails three ongoing processes: *analysis*, *decisions*, and *actions*. That is, strategic management is concerned with the *analysis* of strategic goals (vision, mission, and strategic objectives) along with the analysis of the internal and external environment of the organization. Next, leaders must make strategic decisions. These *decisions*, broadly speaking, address two basic questions: What industries should we compete in?

Then the second one is How should we compete in those industries? These questions also often involve an organization's domestic as well as its international operations. This is due to the facts that before we entering any business we should know what is our ability and how we going to enter in the industry. And last are the *actions* that must be taken. Decisions are of little use, of course, unless they are acted on. Firms must take the necessary actions to implement their strategies. This requires leaders to allocate the necessary resources and to design the organization to bring the intended strategies to reality. As we will see after that, this is an ongoing, developing process that requires a great deal of interaction among these three processes.

Second, the essence of strategic management is the study of why some firms outperform others. Thus, managers need to determine how a firm is to compete so that it can obtain