The Application and Practice of Strategic Management Theory in Modern Enterprises

Lan Qiu

School of Economics and Management, Southwest Petroleum University,Chengdu 610500, China

Abstract	Original Research Article

As a core component of modern enterprise management, strategic management theory provides a systematic decision-making framework for businesses in dynamic and complex market environments. This paper reviews the development history and major theoretical models of strategic management theory, including Porter's Competitive Strategy Theory, SWOT Analysis Model, Ansoff Matrix, Resource-Based View, and Dynamic Capability Theory. Through analyzing application cases of these theories, this study explores their practical significance in modern corporate strategy formulation and implementation. The research reveals that with the advancement of globalization, digitalization, and intelligentization, the focus of strategic management theory has gradually shifted toward flexible resource and strategy adjustments in dynamic environments. Future research could further concentrate on strategy formulation under globalized and digitalized contexts, enhancement of dynamic capabilities within enterprises, as well as evaluation and optimization of strategic implementation.

Keywords: Strategic Management, Porter's Five Forces Model, SWOT Analysis, Dynamic Capability, Resource-Based View.

1 LITERATURE REVIEW

Strategic management theory holds a pivotal position in modern enterprise governance. Over the years, scholars have conducted extensive research and expanded its scope from various perspectives, continuously enriching and refining the theory. Michael Porter's competitive strategy framework remains a cornerstone of academic studies. In this context, Smith et al. (2020) empirically validated the effectiveness of Porter's Five Forces Model in the digital economy era through analysis of Fortune 500 companies [1]. The study demonstrates that even in emerging e-commerce sectors, enterprises should utilize the Five Forces Model to assess competitive dynamics—such as optimizing platform services and integrating supply chains—to enhance competitiveness [2]. Chen Qiang and Dun Shuai (2020) highlighted the diversified evolution of strategic management theory development, noting that each phase emphasizes maintaining competitive advantages and developing organizational capabilities [3]. Zhang Dongsheng and Wang Hongwei (2021) proposed that one of the mainstream paradigms for future strategic management will be the Wisdom-Based Perspective—a novel strategic mindset rooted in knowledge accumulation, leveraging human wisdom, inspiration, and dialectical thinking [4].

The SWOT analysis model continues to evolve. Jones et al. (2021) optimized corporate SWOT analysis using big data analytics, selecting 200 enterprises across various scales and industries as samples [5]. The study demonstrated that leveraging big data can more accurately identify internal and external factors of companies. For instance, through in-depth mining of social media and industry reports, potential opportunities and threats can be swiftly identified, thereby providing more credible foundations for corporate strategic decision-making.

In the context of globalization strategies, as international market environments grow increasingly complex, scholars such as Lee et al. (2022) conducted research on multinational corporations 'diversification strategies using Ansoff's Matrix [6]. Chen Dongmei et al. (2020) highlighted that digitalization has profoundly impacted both internal and external business environments, presenting new challenges for corporate strategic management—specifically, how to effectively map theoretical frameworks to practical environmental conditions in this evolving landscape [7].

Qiu, L. (2025). The Application and Practice of Strategic Management Theory in Modern Enterprises. *GAS Journal of Economics and Business Management*, *2*(5), [18-21].

18

In the field of resource-based view, scholars such as Chen et al. (2023) have focused on the impact of green technology resources on corporate competitive advantages [8]. Viewing resources and capabilities as the source of a company's competitiveness in the market, these assets encompass both tangible and intangible elements including management competencies, organizational design, and the selection and execution of optimal operational strategies [9]. Over two decades of development, the resource-based view has emerged as one of the most influential theories for describing, explaining, and predicting inter-organizational relationships. Zhang Lin et al. (2016) explored the process of organizational resource acquisition at the individual level through the lens of leadership, providing a new perspective for in-depth analysis of the micro-mechanisms underlying the resource-based view [10].

In the field of dynamic capability theory research, Wang et al. (2024) conducted an investigation into enterprise capability development within the artificial intelligence industry, using companies as case studies [11]. Their study demonstrates that by establishing open innovation ecosystems and adopting flexible organizational structures, enterprises can rapidly allocate resources and optimize strategic configurations. This enables efficient management of technological iteration risks, thereby securing sustained competitive advantages.

Furthermore, machine learning has increasingly played a pivotal role in constructing, promoting, and validating strategic management theories. It enables researchers to analyze how various factors influence corporate strategy formulation and implementation, while introducing fresh perspectives into the field [12]. Liu Yang (2024) conducted scientific analysis of financial statement applications from a strategic management perspective to support sustainable corporate development [13]. Liu Xianjun developed strategic management theories tailored to Chinese universities 'practical needs, establishing innovative concepts like the Strategic Planning Origin Theory and Strategic Implementation Subject Theory [14]. In today's digital transformation era, enterprises must enhance big data utilization and strengthen strategic cost control [15]. Ding Shenghong and Zhou Hongxia (2023) proposed a platform-based corporate finance strategy management theory integrating online-offline hybrid models—progressing from centralized linear dispersion to decentralized nonlinear dispersion—providing valuable references for Chinese enterprises to build world-class financial management frameworks [16].

2 THEORETICAL FRAMEWORK

Strategic management theory serves as a cornerstone for enterprises to achieve long-term survival and growth, offering a systematic framework for strategic analysis and development. Classic theories such as Porter's Five Forces Model, SWOT Analysis, BCG Matrix, and Ansoff Matrix provide businesses with structured methodologies to make informed strategic decisions in dynamic market environments.

Peter Porter's competitive strategy theory, particularly the Five Forces Model, provides a comprehensive analysis of industry competition structures. The model suggests that a company's competitiveness depends not only on its own strengths but also on the capabilities of other competitors within the industry, including the intensity of existing competition, the threat from potential new entrants, the threat of substitutes, the bargaining power of suppliers, and the bargaining power of consumers. Through this analytical framework, companies can more clearly identify competitive factors in their external environment, enabling them to develop appropriate strategies that help avoid pitfalls like price wars or market saturation.

As a vital strategic management tool, SWOT analysis focuses on evaluating both internal and external business environments. By conducting a comprehensive assessment of an organization's strengths, weaknesses, opportunities, and threats, this analytical framework enables companies to identify their core competencies during strategic planning while recognizing market opportunities and challenges. This approach provides crucial support for developing effective strategies. The adaptability and versatility of SWOT analysis have made it widely adopted across various industries and enterprises.

The BCG matrix is a strategic analysis tool that evaluates business units based on market growth rates and market share. By categorizing business units into four quadrants— "Star Business," "Cash Cow Business," "Problem Business," and "Dog Business" —it helps companies assess their market positions and formulate corresponding strategies. The core principle of the BCG matrix is that businesses should allocate resources to high-potential, high-share business units while divesting or exiting low-growth, low-share areas. This approach optimizes resource allocation and enhances overall strategic effectiveness.

The Ansoff Matrix provides strategic decision-making support for enterprises by analyzing both market and product dimensions during different market stages. This framework offers four strategic pathways: —— Market Penetration, Market Development, Product Development, and Diversification. These options enable businesses to adapt to varying market development phases and competitive environments. The matrix's design offers clear strategic direction and decision-making basis for enterprises navigating market uncertainties, serving as a practical roadmap for corporate growth.

As corporate environments continue to evolve, modern strategic management theories have increasingly incorporated the resource-based view and dynamic capability theory. The resource-based view posits that a company's competitive advantage stems from its unique resources and capabilities, which enable it to gain a competitive edge and achieve long-term sustainable development. The dynamic capability theory further expands this perspective, emphasizing that companies must not only possess high-quality resources but also demonstrate the ability to continuously restructure resources and adjust strategies in response to environmental changes, thereby maintaining long-term competitiveness.

3 IMPLEMENTATION AND EVALUATION OF ENTERPRISE STRATEGY

In the strategic management process, both the implementation and evaluation of corporate strategies are

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19

equally vital. Effective strategy execution requires not only clear planning but also rational resource allocation, strong execution capabilities, and effective coordination. Moreover, real-time monitoring and assessment of the company's internal and external environments are essential to ensure strategies remain actionable in dynamic market conditions.

3.1 Key factors in the implementation of strategy

The success of strategic implementation largely depends on several key factors: organizational structure, culture, resource allocation, leadership, and personnel management. First, companies need to adjust their organizational structures according to strategic objectives, enabling better cross-departmental collaboration and eliminating barriers in information flow and resource distribution. Second, corporate culture plays a vital role in strategy execution. For innovative and rapidly growing enterprises, a positive corporate culture can stimulate employees' creativity and work enthusiasm, thereby driving strategic implementation.

3.2 Strategic evaluation and adjustment

During the implementation of a strategy, companies must regularly assess its effectiveness and make necessary adjustments based on evaluation results. Strategic assessment serves not only as a review of past outcomes but also as a predictor of future directions. By analyzing market conditions, competitive landscape, technological trends, and other factors, businesses can optimize their strategies to ensure they stay on the right track.

4 CONCLUSION

Scholars Tan Liwen and Ding Jingkun (2014) employed scientometrics to quantitatively define research gaps in strategic management over the past 12 years. They proposed that future studies should focus on developing environmental strategic management theories for Chinese enterprises, emphasizing the application of scientometrics across management science and social sciences [17]. As a cornerstone of modern business practices, strategic management theory has evolved continuously with changing environments and technologies. From early competitive strategy models to contemporary frameworks like dynamic capabilities and resource-based view, these theories have provided effective decision-making tools for navigating complex markets. Studies on classic strategic management tools—including Porter's Five Forces model, SWOT analysis, and Ansoff matrix—demonstrate their guiding role in corporate strategy formulation and implementation. These methodologies help businesses maintain competitiveness and achieve sustainable growth in dynamic external environments.

However, with the accelerated advancement of globalization, digitalization and intelligentization, the competitive environment and challenges faced by enterprises have become increasingly complex, which requires continuous development and refinement of strategic management theory. Through this review, the following future research directions can be identified:

4.1 Strategic management in a global and digital environment

Globalization and digital transformation are reshaping the global competitive landscape, presenting enterprises with unprecedented opportunities and challenges. Future research should focus on how companies can effectively manage the complexities of cross-border operations, drive data-driven decision-making transformations, and address the impact of digital technologies on traditional business models within this context. Key areas for exploration include cross-cultural management strategies, innovations in internationalization approaches, and the implementation of digital strategies.

4.2 The dynamic ability of the enterprise and its adaptability to the rapidly changing environment

With the rapid advancement of technology and high market uncertainty, how enterprises can enhance their dynamic capabilities to swiftly respond to market changes and technological innovations will become a crucial focus in future strategic management research. The dynamic capability theory emphasizes that companies must not only rely on existing resources but also possess the ability to flexibly adjust resource allocation and rapidly innovate. Therefore, how to maintain competitive advantages by continuously adjusting strategies, optimizing resource allocation, and enhancing innovation capabilities in complex environments remains a key direction worthy of attention in future research.

4.3 Sustainability and social responsibility in strategic management

In the context of globalization and digital transformation, social responsibility and sustainability have become integral components of corporate strategies. Future research could explore how to integrate environmental, social, and governance (ESG) factors into strategic decision-making processes, while analyzing their impact on long-term competitiveness. Furthermore, balancing short-term corporate interests with sustainable development goals, as well as implementing social responsibilities within complex global environments, will remain crucial challenges in strategic management.

4.4 The dynamic and precision of strategy implementation and evaluation

In recent years, strategic management research has increasingly focused on the execution phase of strategies. Effective strategy implementation requires not only careful selection but also robust execution. As external environments continue to evolve, uncertainties and risks during the implementation process have grown significantly. Future studies should therefore concentrate on enhancing the precision and adaptability of strategic execution, particularly in fast-

changing business landscapes where real-time evaluation and feedback mechanisms can optimize implementation outcomes.

4.5 The impact of artificial intelligence and big data on strategic decision-making

With the advancement of technologies such as artificial intelligence, big data analytics, and machine learning, enterprises can extract more valuable strategic insights from massive datasets. Future research should explore how these cutting-edge technologies enable businesses to formulate more precise strategic decisions, and how data-driven insights enhance the quality and efficiency of strategic planning. Particularly in areas like strategic forecasting, market trend analysis, and consumer behavior research, the application of big data technology will profoundly impact strategic management.

4.6 Innovation and cross-border integration in strategic management

With the continuous emergence of technological breakthroughs and business model innovations, enterprises must break free from traditional frameworks to explore new strategic pathways. Future research should investigate how companies can gain competitive advantages through cross-industry and cross-domain integration, while enhancing studies on strategic innovation. This encompasses technological innovation, business model innovation, and management innovation. Research should focus on intersection points between different fields to help businesses better address challenges in cross-boundary competition.

Through further exploration of these research directions, the future strategic management theory can not only provide guidance for enterprises to cope with the complex and changeable environment, but also provide more scientific and flexible decision support for enterprise leaders, so as to promote enterprises to maintain sustainable competitiveness in the global competition.

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21