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Strategic Management, An Organisational Risk Management Framework: Case Study of Guaranty Trust Bank Plc

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Abstract
Well formulated and implemented strategies are critical to firms' performance. Strategic management is beneficial to a business as it operates in a dynamic and uncertain business environment. The study views strategic management as organisational risk management framework that promotes identification and evaluation of organisational risks and opportunities to enhance a firm's performance. The study examines strategic management process, using Guaranty Trust Bank Plc (GTBank) as case study. It highlights background of study; undertakes internal analysis - SWOT; considers external environment, using PESTLE analytical tool; highlights strategic analysis and choice; appraises long-term objectives, generic and grand strategies; explains short-term objectives; and explores strategic control and continuous improvement. The findings indicate that GTBank has built its strategy around its brand image and its major competitors have not been able to displace her in the banking sector. This suggests that strategic management is beneficial to a firm, as it operates in a dynamic and uncertain business environment. The implication for practice is that effective strategic management - evaluation, formulation and implementation of organisational objectives - is critical for survival and relevance of a firm in the global business environment.

Keywords: Strategic management, Strategic analysis, Grand strategies, Generic strategies

1. Introduction

Well formulated and implemented strategies are critical to firms' performance. Strategy is the pattern of decision-making process based on the premise that strategic management is a structured, rational discipline relying on rigorous market and competitive analysis (Morden, 2007; Chevalier-Roignant and Trigeorgis, 2011). Grant (2010) identifies four essential elements of a successful strategy: simple, agreed-upon, long-term objectives; deep understanding of the competitive landscape; objective appraisal of the firm's internal resources and capabilities; and effective implementation. Strategic management is a holistic process of identifying and evaluating strategic risks militating against a firm from attainment its organisational goals (Di Serio *et al*., 2011; Verbano and Kenturini, 2013). Strategic management is beneficial to a firm, as it operates in a dynamic and uncertain business environment. Moreover, a firm's should formulate and execute objectives to ensure its survival and relevance in the global business environment (Beinhocker, 2006; Brews and Purohit, 2007). The study views strategic management as organisational risk management framework that promotes identification and evaluation of organisational risks and opportunities to enhance a firm's performance. The study examines components of strategic management process, using Guaranty Trust Bank Plc (GTBank) as case study. It highlights background of study; undertakes internal analysis - SWOT; consider external environment, using PESTLE analytical tool; highlights strategic analysis and choice; appraises long-term objectives, generic and grand strategies; explains short-term objectives; and explores strategic control and continuous improvement.

2. Background of Study

This study focuses on strategic management process of Guaranty Trust Bank Plc. Guaranty Trust Bank Plc (GTBank) is a foremost Nigeria's financial institution incorporated as a limited liability company licensed to provide commercial and other banking services to the Nigerian public in September 1990. The bank commenced operations in February 1991, and became a publicly quoted company in 1996 (GTB, 2013). The bank won the Nigerian Stock Exchange President's Merit award that same year and subsequently in the years 2000, 2003, 2005, 2006, 2007, 2008 and 2009. Presently, the bank has over 2 trillion Naira asset base, with shareholders funds of over 200 billion Naira and employs over 5,000 people in Nigeria, Cote d'Ivoire, Gambia, Ghana, Liberia, Sierra Leone and the United Kingdom (GTB, 2013).

In 2007, the bank became the first Nigerian financial Institution to undertake a US$350 million regulation S Eurobond issue and a US$750 million Global Depositary Receipts (GDR) Offer. The listing of the GDRs on the London Stock Exchange in July 2007 made the bank the first Nigerian Company and African bank to be listed on the main market of the London Stock Exchange. In December 2009, the bank also successfully completed the first tranche of its $200 million corporate bond targeted at increasing the depth of its operations in West Africa and Europe. Similarly, GTBank launched a US$500 million bond, the first non-sovereign benchmark bond offering from sub-Saharan Africa (outside South Africa), to the international community in May 2011 (GTB, 2013).

2.1 GTBank Mission and Vision Statements

GTBank mission describes the company's product, market, and technological focuses which reflect the values and priorities of the company's strategic. The bank mission establishes major goals thereby providing the company's a sense of direction and encourages higher levels of performance. In essence, mission statement is a broad declaration of a firm's purpose which identifies the company's products and customers; thus distinguishes the company from its competitors (Czinkota *et al*, 2011; Wheelen and Hunger, 2012). GTBank mission and vision statement are stated below (GTB, 2013):

2.1.1 GTBank Mission Statement

We are a high quality financial services provider with the urge to be the best at all times whilst adding value to all stakeholders.

2.1.2 GTBank Vision Statement

We are a team driven to deliver the utmost in customer services. We are synonymous with innovation, building excellence and superior financial performance; and creating role models for society. The bank's mission and vision statements highlight its purpose, i.e. what the company is now and what it would like to become (Pearce and Robinson, 2010; Johnson *et al*., 2011; Wheelen and Hunger, 2012).

3. Internal Analysis

A firm's internal analysis facilitates understanding and assessment of the environment within which the company in order to formulate corporate strategies (Grant, 2010; Pearce and Robinson, 2011). Hence, it is necessary to scan (scanning) GTBank internal environment for strengths and weaknesses in relation to the forces in the external environment, using SWOT analysis. Basically, SWOT (Strengths, Weaknesses, Opportunities and Threats) is an acronym appropriate for strategic management planning exercise aimed at identifying strengths and weaknesses within the organisation - internal environment); and opportunities and threats outside the organisation - external environment (Lynch, 2009; Wheelen and Hunger, 2012; Jones and George, 2013).

3.1 Strengths

Strength constitutes capabilities and resources which give the bank an advantage compared to its competitors in meeting the need of the customers (Chevalier-Roignant and Trigeorgis, 2011; Wheelen and Hunger, 2012; Jones and George, 2013). The bank strengths are highlighted below:

3.1.1 Strong Capitalisation Base

GTBank has stronger capital base. The bank strong capital base assists the bank to increase its share of business with core corporate customers; thus, provides total banking solution (Maklan and Knox, 2006, 2009; GTB, 2013).

3.1.2 Corporate Lending Expertise and Reputation

The bank has high corporate lending expertise and reputation founded upon the quality and professionalism of its staffers (Maklan and Knox, 2006, 2009; GTB, 2013).

3.1.3 Accredited with International Standards Organisation (ISO) quality mark

In 2006, GTBank was accredited with International Standards Organisation (ISO) quality mark for service providers (Maklan and Knox, 2006, 2009; GTB, 2013). The bank is the first Nigerian bank so accredited.

3.1.4 First Nigerian Company and African Bank Listed on London Stock Exchange

GTBank is the first Nigerian company and African bank listed on the London Stock Exchange. In 2007, the bank was listed on the main market of London Stock Exchange having raised $750 million through the issuance of a Global Depositary Receipt (Maklan and Knox, 2006, 2009; GTB, 2013).

3.1.5 High Commercial Rating and Ethical Stance

The bank is rated by international rating agencies (including, Fitch and Standard & Poor's; and Augusto & Co) as the best Nigeria's bank (Maklan and Knox, 2006, 2009; GTB, 2013). The strong ratings have assisted the bank to attract more customers and enhance its reputation. The bank also has positive ethics; thus, facilitates improved customer relationship.

3.1.6 Highly Technological Driven

GTBank has invested heavily on telephone contact centre to accelerate its retail banking and ensure real time responses to customers' enquiries and problems (GTB, 2012). In addition, the bank is adjudged the most satisfied e-banking customers, and a leading internet banking provider in Nigeria as per the Intermac Consulting 2007 Nigeria e-Banking Survey (JPMorgan, 2008; Emmanuel and Adebayo, 2011). The bank also features in Interswitch's top 3 in ATM and card usage (JPMorgan, 2008).

3.1.7 Good Corporate Governance

The bank has positive and good corporate governance. This is obvious from the bank's noticeable lack of contraventions in banking legislation, unqualified audit report, lack of nonperforming insider-related credits and IFRS compliance (JPMorgan, 2008).

3.2 Weakness

Weakness connotes limitations of a firm resources and capabilities resulting to ineffective meeting of the bank customers needs relative to its competitors (Chevalier-Roignant and Trigeorgis, 2011; Wheelen and Hunger, 2012; Jones and George, 2013). GTBank weaknesses are highlighted below:

3.2.1 Liquidity concern

The bank liquidity is a concern as a recent study reveals that it has a worst maturity mismatch and advances are long term in nature with deposits being demand deposits (JPMorgan, 2009).

3.2.2 High concentration risk in client base

The bank has a concentrated customer base which makes her susceptible to deteriorating industry-specific conditions.

3.2.3 Corporate brand image irrelevant to consumers
The bank's pillars consist of reputation, professionalism, innovation, service and ethics (GTB, 2013). These pillars are particularly valued by corporate clients. However, previous studies revealed that some pillars of GTBank (i.e., excitement, belonging, fun and ubiquity) lack attribute good consumer brands - (Maklan and Knox, 2006, 2009).

3.2.4 Competitors have stronger distribution
GTBank major competitors have more extensive branch networks. The bank needs to enhance its service delivery by expanding its retail market and increasing its branch network.

4. External Environment
Despite GTBank excellent performance to date and its strong national reputation, the bank faces some major business challenges from the global (local and international) competitive business environment. Global environment consist of global forces and conditions that operate beyond the bank's boundaries which affect its ability to acquire and utilise resources (Hill and Jones, 2012; Wheelen and Hunger, 2012; Jones and George, 2013). The global environment comprises of: general environment, task environment and organisation environment (Wheelen and Hunger, 2012; Jones and George, 2013). General environment include forces and conditions which emanate from economic, technological, sociocultural, demographic, political, and legal forces that affect an organisation and its task environment; whilst, task environment include forces and conditions which originate with suppliers, distributors, customers, shareholders, labour unions, competitors, government and affect an organisation's ability to obtain inputs and dispose of its outputs because they influence the bank operations (Pearce and Robinson, 2010; Johnson *et al*., 2011; Wheelen and Hunger, 2012; Jones and George, 2013). Using PESTLE Analytical tool, we proceed to discuss external factors that impact GTBank in terms of strategic planning and delivery. Meanwhile, PESTLE is an acronym and each letter represents a type of factor (Political, Economic, Social, Technological, Legal and Environmental).

4.1 Political Factor
Political factor comprises of changes in government influence which are beyond the control of a business, however large. Political factors can create advantages and opportunities for organisations. These factors are closely tied up with legal changes, as the bank is influenced in several ways. Moreover, laws are continually updated in various spheres, e.g. employment law, health and safety, consumer protection legislation and environmental legislation, etc. For example, continued stability and progress regarding governance, transparency and market reform are critical to successful transformation of banking in Nigeria. Non compliance with the law can result to penalties such as fines, adverse publicity and imprisonment. Political factors the bank is exposed to include: government expenditure; environmental legislation, trade restrictions and relationships with the rest of the world; political stability and confidence; market regulations; local, regional, national, international political issues; and government regime e.g. communist, democratic, dictatorship.

4.2 Economic Factor
Businesses are affected by national and global economic factors. National economic condition dictates how organisations, consumers, suppliers and other organisational stakeholders (including, suppliers and creditors) behave within society. GTBank management is proactive by responding positively to economic conditions and stakeholders so as to exploit negative economic conditions on their competitors to its advantage. Economic factors which impact the bank's operations include: home economy situation and trends; overseas economic and trends; general taxation; market and trade cycles; industry-specific factors; inflation; interest and exchange rates; and international trade/monetary issues.

4.3 Social Factor

Social factor comprises of societal forces such as family, friends, colleagues, neighbours, population and the media. Social factor influences individuals' attitudes, interests, purchase pattern and opinions. The bank offers products and services that improve people's lifestyle and behaviour. Failure to respond positively to changes in the operating environment may lead to loss of market share and demand for the bank's products and services. Social factors which impact GTBank operations include: high level of illiteracy; disappearing middle class; high population growth rate; high rate of insecurity; fashion and role models; brand, company and technology; ethical and religious factors; and advertising and publicity.

4.4 Technological Factor

Technological advances have greatly improved the way businesses operate. Technological advancement has greatly improved the rate information is exchanged between stakeholders, thereby ensuring proactive response to changes in the bank's operating environment. GTBank managers exhibit high level of awareness regarding latest relevant technologies suitable for their operations. Technological factors that impact the bank's operations include: introduction of global system for mobile communication (GSM); growing internet usage; increase government spending on information communication and technology; rate of technology transfer; and new invention and development.

4.5 Legal Factor

Legal factor bothers on current and impending legislation affecting the GTBank operations and activities. The banks' is active and comply with legislation as change in legislation may pose certain risks to its operations. Examples of legal factors impacting the bank's operations include: current and future legislation; local and international legislation; and regulatory bodies and processes.

4.6 Environmental Factor

Environmental factor comprises of environmental considerations, local and international. Examples of environmental factors impacting the bank's operations include: environmental regulation; public awareness of environmental issues; political agenda on the environment; consumer buying patterns; and corporate social responsibility awareness and expectations. For example, new environmental regulation can create new markets the bank. Perhaps the most obvious environmental factor facing GTBank is increasing competition in the banking sector. The implication is that, notwithstanding larger banks, older banks still have some competitive advantages. The Nigeria' banking consolidation has created a basis for much stronger competition.

5. Strategic Analysis and Choice

Strategy is the direction and scope adopted by GTBank over a long term to secure advantage in the dynamic business environment through effective resources utilisation (Huczynski and Buchanan, 2007; Johnson *et al*., 2011). Strategy is an organisational broad master plan highlighting how the firm intends to attain its missions and objectives; thereby, maximise its competitive advantages and minimise competitive disadvantages (Chevalier-Roignant and Trigeorgis, 2011; Wheelen and Hunger, 2012). The bank requires strategy to satisfy its customers' need and compete effectively in the banking industry. GTBank engages strategic analysis in undertaking strategic formulation, strategic decision-making and strategic choice by examining their internal features and strengths, and identify militating external environment factors (Morden, 2007; Pearce and Robinson, 2010; Johnson *et al*., 2011; Wheelen and Hunger, 2012). GTBank mission statement (as stated earlier) emphasises that the company is providing or aiming to provide a high quality financial services provider and to continuously add value to all stakeholders. Strategic management focuses on long-term performance; hence, long-term objectives are necessary to support and actualise mission statement. Moreover, this is necessary as the global environment becomes more unstable.

GTBank strategic objectives and policies include the following: to deliver long-term value, providing overall strategic direction within a framework of rewards, incentives and controls; to be the third largest bank in Nigeria in term of total assets; to be the most efficient bank by cost-to-income and ROE; and to establish significant footprint in West Africa (JPMorgan, 2008; Maklan and Knox, 2009; GTB, 2012, 2013).

6. Long-term Objectives, Generic and Grand Strategies

Long-term objectives consist results the company seeks to achieve over a multiyear period involving areas such as: profitability, productivity, competitive positioning, employee relations and management, corporate social responsibility, employee relations, return on investment, technological leadership, and employee relations (Thompson and Martin, 2010; Hill and Jones, 2012; Harrison and St. John, 2012; Wheelen and Hunger, 2012). A firm needs to effectively formulate and execute its long term objectives to ensure its survival and relevant in the continual changing market (Beinhocker, 2006; Brews and Purohit, 2007).

Effective strategic management enables a firm to enjoy competitive advantage. Competitive advantage is the ability of an organisation to add more value for its customers than its rivals thereby attaining a position of relative advantage (Lynch, 2009; Hill and Jones, 2012). Competitive advantage arises from the selection of the generic strategy that best fits the organisation's competitive environment. The major drivers of competitive advantage are cost leadership and differentiation of product (Harrison and St. John, 2012; Wheelen and Hunger, 2012). Grand strategy is a mean through which objectives are attained. Grand strategies are decisions or choices of long-term plans based on analysis of internal and external environment. However, grand strategy must be based on relevant idea of generic strategies - how a company can best compete in the marketplace. Generic and grand strategies are discussed in the next two subsections.

6.1 *Generic Strategies*

Porter (1980) argues that a firm's strengths emanates from its cost advantage and differentiation. Three generic strategies emerge from these strengths (broadly or narrowly): cost leadership, differentiation and focus. They are called generic strategies because they are not specific to a firm or an industry; but a firm's success in strategy rests upon how it positions itself in its environment and how effective it competes in the marketplace (Porter, 1980; Wright, 1987; Murray, 1988; Miller, 1992: Hill and Jones, 2010; Pearce and Robinson, 2010). Generic strategies - cost leadership, differentiation and focus – are discussed below.

6.1.1 Cost leadership strategy

Cost leadership is being the lowest cost producer in the industry. This strategy aimed at producing standardised products at low per-unit cost for consumers who are price-sensitive. GTBank adopts cost leadership strategy by become one of the lowest cost producer in the Nigeria banking industry through economies of scale; hence, competitive advantage is achieved by driving down costs. This enable the company to favourably compete on price with every other banks in the industry, earn higher unit profits and provide the focus of the organisation's strategy.

Sources of cost leadership include: size - economies of scale; greater labour efficiency and effectiveness; control of overheads; superior management; greater operating efficiency and effectiveness; low labour and production cost; design for low cost production; use the latest technology to reduce costs and or enhance productivity; relocation to low cost site; favourable access to low cost sources of supply; and reduction in waste. The benefits of cost leadership include: enjoying higher than average profits; ability to engage in price war; eliminate rivals; increase of market share; building barriers to the entry of newcomers to the market; weakening the threat of substitutes; and ability to enter new markets(Lynch, 2009; Grant, 2010; Pearce and Robinson, 2010; Chevalier-Roignant and Trigeorgis, 2011; Johnson *et al*., 2011; Harrison and St. John, 2012; Hill and Jones, 2012; Wheelen and Hunger, 2012). Notwithstanding the benefits of cost leadership, risk associated with cost leadership include: vulnerability to even lower cost operators; leads to a damaging price wars; difficulty in sustaining cost leadership in the long run; possibility of achieving lower cost within their segment; competitors' imitate; technological changes; other basis for cost leadership erode; cost focusers achieve even lower cost in segments; and proximity in differentiation is lost (Lynch, 2009; Grant, 2010; Pearce and Robinson, 2010; Chevalier-Roignant and Trigeorgis, 2011; Johnson *et al*., 2011; Harrison and St. John, 2012; Hill and Jones, 2012; Wheelen and Hunger, 2012).

6.1.2 Differentiation strategy

Differentiation is the exploitation of a product or service, believed to be unique and valued by customers. It is a strategy aimed at producing products and services considered unique industry-wide and directed at consumers who are relatively price-insensitive. Customers' must perceived the product to be different and better than that of rivals; hence, the value added by the uniqueness of the product may allow the firm to charge a premium price. Differentiation, therefore, promotes higher profits by adding value to the product areas which are of real significance to customers who in turn are willing to pay premium prices. However, the extra costs can only be recouped if the market is willing to pay a premium price. Moreover, problems occur if the extra costs incurred outweigh the additional revenue generated by higher prices. To successful adopt differentiation strategy, it is insufficient merely to add value - customers must recognise and appreciate the difference. Consequently, firms that succeed in a differentiation strategy have: access to leading scientific research; a strong creative product development team; strong sales team with the ability to successfully communicate the strengths of the product; and reputation for quality and innovation. Sources of differentiation include: creation of strong brand; superior performance; high quality; additional features offered; innovation in packaging; speed of distribution and delivery; higher service levels; greater flexibility; and quality of the materials. Additionally, differentiation benefits include: prospect of charging a premium price; demand for a differentiated product is less elastic than that for competitors' products; induces above average profits; and creation of additional barriers to entry to the market for newcomers (Lynch, 2009; Grant, 2010; Pearce and Robinson, 2010; Chevalier-Roignant and Trigeorgis, 2011; Johnson *et al*., 2011; Harrison and St. John, 2012; Hill and Jones, 2012; Wheelen and Hunger, 2012). Risks of differentiation strategy, however, include: difficulties of sustaining differentiation; differentiation involves higher costs; there is a risk of creating differences that customers do not value; customers might become price sensitive and choose on price rather than uniqueness; It might involve differentiation on dimensions that become less important to customers over time; customers may no longer need the differentiation factor; imitators may narrow the differentiation; and rivals pursuing a focus strategy may be able to achieve even greater differentiation in their market segments (Lynch, 2009; Grant, 2010; Pearce and Robinson, 2010; Chevalier-Roignant and Trigeorgis, 2011; Johnson *et al*., 2011; Harrison and St. John, 2012; Hill and Jones, 2012; Wheelen and Hunger, 2012).

6.1.3 Focus strategy

Focus strategy aims to exploit unique position in a niche segment of the market. It focuses on producing products and services that fulfill the needs of small groups of customers. Focus strategy concentrates on a limited part of the market. Focus strategy advocates that the needs of the group can be bettered served by focussing entirely on it. Focus strategy can be categorised into two: focus cost leadership (provision of goods or services at lower cost a segment) and focus differentiation (provision of a differentiated product or service to a segment). A successful focus strategy should therefore: identify of a suitable target customer group; identify specific needs of that group; confirm that the market is sufficiently large to sustain the business; estimate the extent of competition within the segment; produce products to meet the specific needs of that group; and decide on whether to opt for cost leadership or differentiation within the segment. The benefits enjoyed by firms using a focus strategy include: promotion of lower investment in resources; firm's benefit from specialisation; provide scope for greater knowledge of a segment of the market; makes entry to new markets easier and less costly; and enjoyment of high degree of customer loyalty (Lynch, 2009; Grant, 2010; Pearce and Robinson, 2010; Chevalier-Roignant and Trigeorgis, 2011; Johnson *et al*., 2011; Harrison and St. John, 2012; Hill and Jones, 2012; Wheelen and Hunger, 2012).

However, problems associated with focus strategy include: limited opportunities for growth; sacrifice of economies of scale that would be available from a larger market; the firm could outgrow the market; danger of decline in the chose segment or niche; a reputation for specialisation inhibits move into new sectors; risk of imitation; and risk of changes in the target segment (Lynch, 2009; Grant, 2010; Pearce and Robinson, 2010; Chevalier-Roignant and Trigeorgis, 2011; Johnson *et al*., 2011; Harrison and St. John, 2012; Hill and Jones, 2012; Wheelen and Hunger, 2012).

6.2 Grand Strategies

Grand strategy is a business strategy that provides basic direction for strategic actions. It is a comprehensive plan that provides basis for coordinated and sustained effort to achieve long-term business objectives. Firms may combine several grand strategies. Meanwhile, fifteen basic grand strategies can identified: concentrated growth, market development, product development, innovation, horizontal integration, vertical integration, concentric diversification, conglomerate diversification, turnaround, divestiture, liquidation, bankruptcy, joint ventures, strategic alliances and consortia (YouSigma, 2008; Pearce and Robinson, 2010; Thompson and Martin, 2012; Wheelen and Hunger, 2012).

6.2.1 Concentrated Growth Strategy

A concentrated growth strategy involves focusing resources on the profitable growth by increasing market share in existing markets. GTBank adopts this strategy to develop and exploit its expertise in a delimited competitive arena. It facilitates increase of present customers' rate of use; and attracts both competitors' customers and nonusers to buy the product.

6.2.2 Market Development Strategy

A market development strategy involves selling present products in new markets by adding channels of distribution and/or changing content of advertising or promotion. GTBank also adopts this strategy to increase its market share.

6.2.3 Product Development Strategy

A product development strategy involves substantial modification of existing products or creation of new but related products. For example, GTBank has changed its strategy on banking products by penetrating existing market through incorporating product modifications into existing items or developing new products connected to existing products.

6.2.4 Innovation Strategy

Innovation strategy involves creating a new product life cycle; thus, making similar existing products obsolete. Basically, innovation strategy consist new processes, business idea and basic research and development (R & D). GTBank pursues expansion through a strategic emphasis on innovation by investing heavily on telephone contact centre to accelerate its retail bank business and ensure real time responses to customers' enquiries and problems (GTB, 2012).

6.2.5 Horizontal Integration Strategy
Horizontal integration strategy involves acquisition of one or more similar firms operating at the same stage of the production-marketing chain. It involves eliminating competitors and providing acquiring firm with access to new markets.

6.2.6 Vertical Integration Strategy
Vertical integration involves acquiring firms that supply acquiring firm with inputs (backward integration) or are customers for firm's outputs (forward integration).

6.2.7 Concentric Diversification Strategy
Concentric diversification involves acquisition of businesses related to acquiring firm in terms of technology, markets, or products. GTBank has diversified into insurance underwriting and related financial services businesses by acquiring some insurance and financial services firms to expand its operation.

6.2.8 Conglomerate Diversification Strategy
Conglomerate diversification involves acquisition of a business. The major motive for adopting conglomerate diversification strategy is a promising investment opportunity of the acquired firm based on its profit pattern.

6.2.9 Turnaround Strategy
A turnaround strategy is adopted when a firm's is struggling financially and/or its performance is declining. Essentially, turnaround responses include two stages of strategic activities: retrenchment and recovery response.

6.2.10 Divestiture Strategy
Divestiture strategy involves selling a firm or a major component of a firm. Reasons for divestiture include: partial mismatches between acquired firm and parent firm; corporate financial needs; and government antitrust action.

6.2.11 Liquidation Strategy
Liquidation strategy involves selling parts of a firm, usually for its tangible asset value and not as a going concern.

6.2.12 Bankruptcy Strategy
Bankruptcy strategy involves two approaches: liquidation and re-organisation. Liquidation involves complete distribution of a firm's assets to creditors, most of whom receive a small fraction of amount owed; whilst, re-organisation involves creditors temporarily freezing their claims while a firm reorganises and rebuilds its operations more profitably. The major benefit of a reorganisation bankruptcy entails proactive option providing maximum repayment of a firm's debt in the future if a recovery strategy is successful.

6.2.13 Joint Ventures Strategy
Joint ventures involve establishing a third company (child), operated for the benefit of the co-owners (parents). Adoption of this strategy facilitates creating complementary synergies in favour of the parent firms.

6.2.14 Strategic Alliance Strategy
Strategic alliance involves creation of partnership between two or more independent organisations that contribute skills and expertise to a cooperative project to develop, manufacture, or sell products or services. Motivation for alliances is to create economic value by: accessing

complementary resources and capabilities; and leveraging existing resources and capabilities. However, the resource combinations that create value in alliances may be very costly to imitate (if not impossible) if the value creating combination depends on causal ambiguity, social complexity (trust), and/or historical uniqueness.

6.2.15 Consortia Strategy

Consortia involve large interlocking relationships between businesses of an industry. Consortium is a group consisting two or more individuals, companies or governments which work together toward achieving a chosen objective. Each entity within the consortium remains independent, but responsible to the group regarding the obligations contained in the consortium's contract.

7. Short-term Objectives

Short-term objectives are the desired results a company seeks to achieve over a period of one year or less. A firm's short-term objectives should be logically consistent with its long-term objectives; and provide guidance for its functional and operational activities. GTBank management seeks to achieve its long-term objectives through strategic management by: capitalising on Nigerian economic reforms to strengthen its position as a leader in the institutional banking sector; expanding in the Nigerian retail banking sector; developing the group's investment banking division; capitalising on the increasing need for insurance products in Nigeria by growing the group's insurance business; controlling the group's cost base; and continuing to invest in and enhance the group's information technology systems (JPMorgan, 2008; Maklan and Knox, 2009; GTB, 2012, 2013). These short-term objectives are significant; more importantly, they support the company's generic and grand strategies.

8. Strategic Control and Continuous Improvement

Strategic evaluation and control aims at ensuring that a company achieved the objectives (generic and grand strategies) set out to be accompanied. It constitutes a feedback process consisting 5 basic steps: determine what to measure; establish standards of performance; measure actual performance; compare actual performance with the standard; and take corrective actions (Johnson *et al*., 2011; Thompson and Martin, 2012; Wheelen and Hunger, 2012). Strategic control, therefore, facilitates monitoring of strategies to ensure its implementation, detecting problems or changes and to effect corrective actions. Furthermore, strategic control promotes continuous improvement; hence, continuous improvement is gradually becoming strategic control (Hill and Jones, 2012; Wheelen and Hunger, 2012).

As stated earlier, GTBank long-term strategies include: to deliver long-term value, providing overall strategic direction within a framework of rewards, incentives and controls; to be the third largest bank in Nigeria in term of total assets, to be the most efficient bank by cost-to-income and ROE, and to establish significant footprint in West Africa (JPMorgan, 2008; Maklan and Knox, 2009; GTB, 2012, 2013). Presently, some of these objectives have been actualised (partly or wholly). For example, GTBank now has vast business outlays spanning Anglophone West Africa (GTBank Nigeria, GTBank Liberia, GTBank Ghana, GTBank Sierra Leone) and United kingdom (GTBank UK) (GTB, 2013). Likewise, the bank is the forth largest bank in Nigeria in term of total assets (GTB, 2013). Although, GTBank has made commendable progress, there is still room for improvement.

9. Conclusions

The report has examined some component of GTbank strategic management process. It highlighted GTBank mission and vision statements; analysed the bank's strengths and weaknesses; discussed external environment; outlined strategic analysis and choice; states the bank's short-terms and long-term objectives; discussed the bank's strategic control and continuous improvement. The findings indicate that GTBank has built its strategy around its brand image and its major competitors have not been able to displace her in the Nigerian banking sector. The bank's insistence on generic growth within Nigeria had enhanced its enormous opportunities provided by the economic integration of Africa. The bank has spread its tentacles around Sub-Saharan Africa, and seriously leveraging on the out of country (including United Kingdom) opportunities.

The study views strategic management as a form of risk management which promotes identification and evaluation of organisational risks and opportunities to enhance a firm's performance. The study examines strategic management process, with particularly reference to Guaranty Trust Bank Plc (GTBank). It highlights background of study; undertakes internal analysis SWOT; considers external environment using PESTLE analytical tool; highlights strategic analysis and choice; appraises long-term objectives, generic and grand strategies; explains short-term objectives; and explores strategic control and continuous improvement. The findings indicate that GTBank has built its strategy around its brand image and its major competitors have not been able to displace her in the Nigerian banking sector. The implication for practice effective strategic management - evaluation, formulation and implementation of organisational objectives - is critical for survival and relevance of a firm in the global business environment.

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