

Defining and evaluating the concept of strategic intent



Strategic Intent is one of the revolutionary concepts in the field of Strategic Management, which has brought major changes in the functioning style of every organization and is responsible for many breakthroughs. It refers to the obsession that organizations usually term as “ win it all” even though the aspirations out-proportion the resources and capabilities. This concept has in past made many organizations way more successful than the one in past with same amount of resources and capacity. Now as competition gets global and tougher it is of utmost importance that companies not only understand this revolutionary concept but also instil practices within the organization that makes the Goal look always in reach. This article tells in detail what Strategic Intent is and how it can be implemented in an organization.

Keywords: Strategic Intent; Obsession; Planning, Imitation

INTRODUCTION

Strategic Intent refers to a “ high level statement of the means by which an organisation achieves its VISION”. Today Managers in different organisations are working hard to match the competitive advantage of their global rivals but in order to do the same most of them end up only imitating what their competitors have already implemented. Imitation doesn't really create the Strategic Intent as competitors have already mastered those techniques and have exploited the first mover advantage. Hence mere imitation doesn't lead to competitive revitalization. Strategic Intent drives organisations, individuals and groups to meet the challenge of change in business today.

Companies that have become global leaders in past 20 years had ambitions that were out of proportion to their resources and capabilities but they had

created and obsession to “ win it all” and this obsession is what may be termed as Strategic Intent. Strategic intent captures the essence of winning, is stable over time, and sets goals that deserve personal effort and commitment. At the same time Strategic Intent has a lot more in it than just an obsession to win it all because there have been companies in past which had an ambitious Strategic Intent but failed to achieve the desired goals. Success finds it’s beginning in purpose, so it’s important to clarify one’s purpose or intention and then to find out the action in accordance with the intentions. This helps creating the results one wants. Strategic Intent draws on a number of disciplines to personalise the way forward that works for the organisation.

Background

Strategic Intent as a concept was born in Post-World war II Japan when it dramatically emerged as world leader in economy. Japanese Organizations had set goals for themselves that might have been considered by most of the Western Organizations of that time as highly unrealistic. But with very few resources and highly committed workforce Japan was then able to lay the foundation for 10-15 years of leadership in terms of economy. From Japan only world learnt how to outperform everyone else even when resources are few and challenges & aspirations huge.

Strategic Intent is not Strategic Planning

Mostly people confuse “ Strategic Intent” with “ Strategic Planning” which are in fact poles apart. Strategic Planning may cause competitive decline if not backed with Strategic Intent. Strategic Planning is limited by the

availability of resources and capacity and looks for feasibility and viability
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but on the other hand Strategic Intent focuses on the “ end” and means are left to be flexible.

If one does a deep study it becomes clearly evident that Strategic Intent is a long term concept driven by Corporate Challenges as a middle term concept, which in turn is carried forward by Competitive Innovation in short term.

Hence at the most basic ground level Strategic Intent is based on the Competitive Innovation to be carried out necessarily.

Classification of Strategic Intent

If we have to broadly divide Strategic Intent into subdivisions then we may classify it into three parts, namely, Stretch, Leverage and Fit. Stretch stresses on the basic definition of Strategic Intent as to stretch the resources and capabilities to the extent that achievement of end is ensured. Here the basic stands the same as we have discussed since the start that there is always a misfit between the resources and aspirations but equating this out-proportioned equation is what refers to the Stretch.

Second is Leverage, which refers to the scenario where resources are leveraged by accelerating the pace of organization learning so as to attain impossible goals. Here key success factors are may, namely, Concentration, Accumulation, Complementing and Conservation and Recovering. And Third is Fit which refers to the case where ideally resources have been made available in such a manner so that high level of Aspirations may still be easily achieved with help of resources available.

Attributes of Strategic Intent

There are three major attributes of Strategic Intent, namely Sense of Direction, Sense of Discovery and Sense of Destiny. Here the first attribute, Sense of Direction, refers to the “ Long-Term Market or Competitive Position”. For instance, we may consider the case of Canon and Xerox, which are rival organization in the photocopier field for decades now. If we talk of Canon, its long term competitive position, put in simple terms, should be “ Beat Xerox” .

Second attribute which is the Sense of Discovery refers to “ the competitively unique point of view about future. It says that Strategic Intent is differentiated because here in this case the employees are affiliated and they are convinced about the concept of Strategic Intent”. For instance, employees of a company are taught about the concept and they are in a position to promise higher personal and professional goals to themselves.

Last but not the least attribute is the Sense of Destiny refers to the emotional edge that is involved with the Strategic Intent. This takes Strategic Intent to an all-together new level by including the employee’s emotions with the organization aspirations. This leads to an all over harmonic progress for everyone.

Theories of Strategic Intent

Strategic Intent may also be defined as a compelling statement about what you are doing and where you are going. As discussed earlier it’s really more than a statement; it becomes a core element in the motivational DNA of the

organization or individual. Strategic Intent answers the question: “ What exactly are we trying to accomplish?”

Yet Strategic Intent is not enough by itself and here is the twist in the entire story. There must be commitment and cooperation. Excellent leaders recognize there are different “ Styles” in their organization. Think of these styles: Forceful, Cooperative, High Structure, Command and Control, High Energy body contact right out of the mosh pit. How can these significantly different styles work together? This is the question that has to be answered by most of the organizations for effective implementation of Strategic Intent. It is important to create an understanding of both, self and others.

What does Strategic Intent do???

Strategic intent encompasses the essence of winning, is highly stable over time, and sets targets that deserve personal effort & commitment. It is a vision that explains the desired leadership position of a firm and grounds the goals by which success can be assessed. Moreover, it takes an active management to focus organizational attention at every level in the firm on the “ essence of achieving the goal”. Employees in a firm which are grounded in strategic intent have the same mission of beating the competition, being the best, being the market leader, etc. Strategic intent accomplishes this by setting objectives that require personal efforts throughout the organization and produce a team-commitment to targeted objectives. Strategic intent should be constant over time, should provide short term stability to focus on actions, while allowing longer range of flexibility to take advantage of newer opportunities without sacrificing the “ strategic intent” itself.

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Managing the Corporate Challenges

As discussed earlier, implementing strategic intent needs a firm to stretch capabilities and resources to meet and win corporate challenges. A firm sets its strategic intent to be a market leader soon finds it does not have the resources or capabilities or the capacity to meet its objective.

Hence the organization is required to increase learning, to build new advantages, and to become more innovative in the utilization of resources so as to compete against current market leaders and become one in due course. Corporate challenges then stretch the organization to realise and analyse competition and understand their industry's evolution. Such analysis leads to competitive openings and identifies the competitive advantages that are needed for ultimate success.

How to Implement Strategic Intent???

It is a three step process where the first step starts with setting the strategic intent which aims at setting all the three attributes discussed earlier, namely, direction, discovery and destiny, right. This refers to having clarity of what actually the organization intends to be in all respects.

Second step is to set the challenges which should be appropriate and communicated to everyone in the organization effectively. For instance, Canon, in order to beat Xerox, had set a challenge as to come up with a Home Copier which is priced at \$ 1000.

Third and final step is the empowerment of Strategic Intent and here the key is to involve everyone. Downward and upward communication of ideas

should be free-flow and everyone's opinion should be given considerable importance. Here the term empowerment is used in a vary holistic manner so as to encompass both individuals and organization.

Conclusion

The crux of entire report is that top management must involve all levels of the organization in acquiring global competitiveness. Managers must have a belief in their capability to succeed in gaining the strategic intent by ensuring consistency in vision up and down the organization. Managers should motivate the organization, should focus attention long enough to vitalize new capabilities, and should have confidence in their own abilities to involve the entire organization in the revitalization versus an incremental change strategy. It is only when the entire organization is involved & committed to success can the organization become a global leader.

Quatations:

Gary Hamel and C. K. Prahalad defined Strategic Intent as “ an ambitious and compelling dream that energises and that provides the emotional and intellectual energy for the journey to the fuuture”