

# Essay on assessment question

[Business](#), [Company](#)



Strategic thought is vital to the success or failure of a business. Different practices work better for different entities - whether it is the individual worker, a manager, the firm as a whole, or a state entity. The ability to make strategic decisions between entities is just as important, as geopolitical and interfirm strategies must be in sync in order to create harmonious business and political practice. In this assessment, we will examine the different ways in which groups require their own strategy relative to their context or size.

The most important thing to consider is the concept of strategic management, which involves the rational approaches used by people to navigate these unique challenges inherent to business and politics (Hitt et al. 2010, p. 25). The way in which strategic management is accomplished is through the directed implementation of strategic thinking. This involves anticipating new situations, assessing current resources and options, coming up with the most appropriate plan of action.

The major differences between contexts are relative to the size of the organization considering strategic decisions. With that being said, strategic thinking requires several different unique competencies that must form the basis of every strategy. First, a systems perspective is required - this requires the ability to see the big picture, and creation of values through an understanding of the role the thinker plays in the process (Liedtka 1998, p. 31). Secondly, a manager must be intent focused; there is little room for distraction or liability in the marketplace. Managers or strategic thinking entities have to stay on its feet and maintain as much energy as possible toward the end goal (Liedtka 1998, p. 32). Third, a manager must think in time; holding an concrete timeline from past to present and future - this

speeds up implementation and integrates it more fully with innovation. One must not only think about what is happening in the future; they must figure out how to get there from where they are now (Liedtka 1998, p. 33).

Next, managers must be hypothesis driven - the ability to creatively think and innovate is absolutely central to the process of strategic thinking, and the process must be scientific and thorough (Liedtka 1998, p. 34). Finally, intelligent opportunism must be present in all managers; when an opportunity comes along, a manager must be intelligent enough to seize it (Liedtka 1998, p. 35). With the help of these five basic competencies for strategic thinking, anyone in any chain of the decision making process can make effective strategies for their level of involvement in the organization. One important aspect that is also common to strategic planning and thinking of any context is that it must be purposeful - 'the objective is indeed to think and manage strategically, not to blindly engage in strategic planning for the sake of strategic planning' (Nickols 2008, p. 6). Given these commonalities, however, there is plenty of room to maneuver to suit the specific context.

Context of these strategic thinking situations is important in determining strategy. In the case of individual employees, strategy does not necessarily involve the intentions or desires of the company as a whole. Instead, the individual worker engaged in strategic thought in order to accomplish their own direct objectives. They answer to a higher power - their superiors; therefore, they have that criteria to consider as they conduct their own thinking and decisions. Because their intentions are smaller-scale and their objectives are more immediate, they have to find more dynamic, direct strategies to rely on than management.

Management's reliance on strategy is just as vital, and similar in many ways to the individual employee - they have to consider the direction of the firm or entity as a whole, and do what they can to achieve direct objectives.

However, they are not in direct control over every component at their disposal, whereas an individual employee knows that whatever they directly do will get done. Instead, management has a staff of workers under them to whom they delegate tasks. To that end, mitigating factors have to be considered, since a manager only has so much control over their staff.

Backup plans are more important in a managerial standpoint, due to the increase in responsibility and the potential liability for schedules being interrupted or delayed because of worker inefficiency.

On a firm-wide context for strategic thinking, the stakes become much higher and the number of people being assigned and delegated tasks rises dramatically. Subdivisions and departments have to be micromanaged, thus making the level of time commitment and complexity of strategy more important. When delivering and considering strategy, decisions must be made outside the self and the immediate consequences of the company. Instead of managers overseeing their own division with a relative level of autonomy, organizations and firms often strategize by committee.

Not only does strategic planning and thinking for a business or firm have to do with direct business matters, there are other considerations to make besides straight profit. Environmental influences, both external and internal, have to be considered when evaluating what to do next. There are two different types of strategies that are applicable on a business level: proactive

and reactive (Bratton 2003, p. 45). Proactive strategies include taking actions that are initiated by the company and its strategic decision makers; initiatives are taken and implemented given evidence that it might pay off. Reactive strategies, on the other hand, happen as a consequence of an outside force or influence; for example, rival companies put out a product that the subject company wants to emulate (Bratton 2003, p. 45). In this respect, the business-level strategic thinkers have these two different types of strategies to work with and consider when making decisions.

Strategic decisions at the geopolitical level carry with them a great deal of responsibility, more so than the aforementioned groups. The decisions made with this level of strategic thinking carry huge stakes for not one, but multiple firms in multiple countries, moving outside the realm of strict business into the livelihoods and protection of citizens. With this in mind, geopolitical leaders have to walk very fine lines, especially when dealing with different companies. Varying business and political cultures can often clash with what is normally a smoothly-running, ubiquitous operation. When dealing with a completely different entity that carries unique cultural differences, leaders and strategic thinkers must be able to adapt and accommodate those differences.

The same sentiments for geopolitical strategy can be said for interfirm strategic decisions. Now, there are two different committees, each with their own agendas, that must work together to achieve a common net positive result. However, part of the strategic thinking process involves making sure that one's firm does not get the short end of the stick in terms of profit or

total work incurred. With that in mind, compromise becomes a much larger component of the strategic thinking process, as well as greater advocacy.

Different countries and geopolitical entities with conflicting governmental types can run into the most conflict; as a result, strategic thinkers must consider this when making decisions. Imperialist and capitalist governments, due to their wildly conflicting ideologies, would have different strategies for pursuing their own interests. These are called divergent interests, as capitalists want more capital, while imperialists want more power (Brenner 2006, p. 80). Often, these interests may be contradictory to capitalism, and so their strategic thinking would differ. This becomes particularly troublesome when two different entities decide to work together - how do these divergent interests become reconciled?

There are several strategies for doing that on a geopolitical level. Capitalist countries, such as America, often employ the use of money as a means of gaining power; however, they will engage in territorialism in order to get what they want. When America invaded Vietnam, "the general international strategy of the US was to keep the world as open as possible to capital accumulation through the expansion of trade, commerce, and opportunities for foreign investment" (Brenner 2006, p. 81). This strategy is thought to extend to the war in Iraq; one primary purpose for fighting the war was to secure oil rights, which could be sold for substantial profit, thus fitting the capitalist strategy of the American government. This geopolitical offensive was a part of America's strategic plan to gain power through money; the plan

was to occupy the country that had the resources to be exploited, and thus gain that capital power.

Countries, like companies, have to exercise the aforementioned competencies for strategic thinking, including looking at the big picture and making sure to seize opportunities when available. In the case of American expansionism and territorialism, force was the strategy used to gain the oil in Iraq that was sought by them. There are alternative strategies (economic initiatives, trades and the like), but invasion served as the most efficient one decided at the time. This ties in with the concept of context being incredibly important in strategic decision making; the fact that Iraq was a politically hostile country, with little interest in negotiating further for the oil that was sought, seemed to force the hand of the US (Brenner 2006, p. 102).

All of this is an extension of the basic needs of a modern state, and the modern market economy. The strength of a state is directly related to the effectiveness of their capitalist economy, and the state by definition is meant to keep an overly competitive capitalist economy in check (Polanyi 2010, p. 71). In today's geopolitical atmosphere, the market is everything; countries often make dramatic decisions in order to sustain and expand this vital component of modern society. With that in mind, societies can either choose to increase or decrease regulation; with increased regulation, the potential for abuse can lessen, but companies are not given free reign to earn as much as they can. Decreasing regulation might free up companies to earn more, making them happier, but the government would not have as much control over what they can do. This would lead to decreased assistance and

revenue from the private sector, directly affecting the ability of the government to govern (Polanyi 2010, p. 55).

Of course, the capitalist world economy is always subject to revolution and innovation. Revolution is always a possibility when dealing with a government, particularly one that does not listen to the needs of its citizens (Wasserstein 1997, p. 12). First and foremost, the needs of the citizenry are meant to be the chief priority among governments. However, there are many different ways to go about that, depending on what the citizenry needs - from greater employment rates to social initiatives that are popular with the people at the time. With this in mind, strategic decision making must be based on what would stave off revolution. As the risk of revolution and class struggle decreases, the more stable a government is, and the longer those in power stay in power. Therefore, accomplishing these goals through these varying strategies is the most important factor to consider when operating on a geopolitical level.

In conclusion, strategic planning is different for each type of organization, whether it be business or government. The goal of strategic thinking is to find ways to maintain or improve the status quo - maintaining the environment, continuing prosperity and achieving capitalist or governmental goals. Given the needs of the people for whom the decision makers are responsible, adaptability is important; no one strategy will work for all contexts. This makes creating different strategies more important than ever before.



## References

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