

Strategy dichotomies of the strategy process



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Strategy design in Apple, as described by Liedtka and others in De Wit & Meyer (2010: 85), is driven by a creative leader. The approach (translating the external opportunities and internal resources into an operational strategy) was extended using formal instruments (as the SWOT analyses); refer to (Appendix 1: 9).

In the view of the planning in business, strategies are the product of a deliberate process, aimed at planning the best strategy for the future. Quinn from De Wit & Meyer (2010: 136) claim that strategies, under the diversification subsystem have to be developed step-by-step, as reaction to external changes. Given the fact that the future can not be forecasted, a strategy has to be flexible and adjusted when changes make the old strategy redundant. An extreme form of incrementalism is given by Mintzberg when he declared that strategy is the rationalization of a stream of actions when looking backwards (Mintzberg and other (2005: 11)). One of the main issues encountered in strategic formation is the dynamic nature of the situation and of the strategy itself; refer to (Appendix 1. 1: 10).

2. 1. 3. Strategic renewal

De Wit and Meyer (2010, 166) state that:

“ Change is a given. Firms must constantly be aligned with their environments, either by reacting [...] or by proactively shaping the business in which they operate.”

Schein (2004) defines one of the main purposes of strategic leadership as changing the culture of the firm:

“ The culture of the organization that has been built on past success may become [...] dysfunctional, requiring what the leader may come to perceive as a need for “ cultural change”, and the way in such growth is managed can facilitate such change.”

(Schein, 2004: 274).

Change is perceived as threatening for the existing power structure and disturbs the deeper beliefs within the organization. So change will often be met by resistance. In extreme stable organizations, structural change will only succeed in the presence of crises, or as De Wit and Meyer (2005, 89) say:

“ Under pressure things become fluid”.

In managing innovation Burgelman et. al. (2004, 204) describe the nature of the

innovative process, as either revolutionary or evolutionary in character; refer to (Appendix 4: 11).

2. 1. 4. Concepts of Complexity and paradox: Refer to (Appendix 3: 10)

2. 2. Critical application of Dichotomies: Evidence from case study (Apple, UPS, Honda, Ferrari)

These dichotomies can be seen in the Japanese car maker Honda. Innovation technology is one of the main imperative dynamic powers leading Honda's doing well in change organisation. Though, Honda was careful in its investments technology and required to focus in the manufacture of consistent and efficient cars. Strategy used for instance the top use of a sub-

contracting scheme had the outcome of Honda developing more precise, affordable and smaller cars than their competitors lead to maintain quality and consistency levels. Though the strong pressure of its organisational culture offered and presents barriers to the enablement of radical change inside Honda which can be seen in the familiar shape, Japanese social networks, dominant organisational management and ethics that Honda has involved in. However, It can be argued that when an organisation becomes older the more expected employees turn out to be and therefore additional opposing to both evolutionary and revolutionary change as soon as it in the end occurs in conditions of their adjustment to it, (Greiner, 1998; Tushman et al. 1996, reading 4. 3 in De Wit & Meyer, 2010). Consequently, the organisation need to balance evolutionary and revolutionary change in organisations (De Wit & Meyer, 2010) therefore it is imperative to be responsive of both the external industry environment in terms of PESTL (political, economic, social, technological and legal) and the internal industry environment fundamentals; refer to (Appendix 4: 12).

Strategy dichotomies are inherent throughout the strategy process, as key factors driving almost all aspects of said process. This is largely because strategy itself is a dichotomy: in order to be successful, a strategy must be both unique enough to distinguish the company from its competitors, but also familiar enough to attract customers who are comfortable with existing practices in the industry. Striking the right balance between these two is a critical part of the strategy process. A strategy that is too familiar will not break customers away from their existing companies, whilst a strategy that is too unfamiliar will not have any attraction to customers at all, such as the

strategy of the fashion website Boo. com, which relied on customers being willing to purchase large amounts of clothes over the internet at a time when the internet was still in its infancy (Malmsten, 2001: 38).

Another key area where dichotomies play a significant role is in corporate level strategy, where managers have to decide between the need to be flexible and responsive, and the need to achieve synergy across different actions and operations. For example, in the case of UPS (De Wit and Meyer, 2010: 702) the company relies strongly on synergy ahead of responsiveness. As a result, it took UPS a long time to be able to copy its competitors' main offerings, such as FedEx's ability to offer overnight delivery, but when it did it was able to rapidly challenge FedEx due to its ability to sell itself as a coherent provider of logistics services, whilst FedEx's responsiveness left it operating as a range of separate brands with very little synergy. At the end of the day UPS is falling in the scenario planning, an attempt to get the best world. They are not using formal planning to test their strategic decision by just wanting to see where the future might be. In contrast, in the case of Ferrari (De Wit and Meyer, 2010: 737) the company's renaissance and re-emergence as a strong manufacturer has been based on significant and responsive changes to the company's production technology, design philosophy, and manufacturing processes, refer to (Appendix 4: 11). Finally, one of the main strategic dichotomies, and one that has been examined in greatest detail, is the dichotomy of strategy formation, i. e. whether a strategy should be deliberately planned, or allowed to emerge naturally based on the company's experience in its environment. In the famous case of Honda (De Wit and Meyer, 2010: 657) refer to (Appendix 2: 10).

3. Conclusion

In conclusion, the strategy dichotomies of the strategy process represent some of the key factors that influence how strategy is made, influence strategic thinking, strategy formation and strategic renewal. The corporate response to these dichotomies forms an inherent part of the company's overall strategy process, and a failure to choose the right balance can lead to strategic disaster. However, at the same time selecting the right balance and addressing the complexities and paradoxes associated with this balance is essential to becoming a successful company with a well respected strategy such as Honda or Apple.