

# [Henry shifted on a moment’s notice. 2.](https://assignbuster.com/henry-shifted-on-a-moments-notice-2-2/)

[Business](https://assignbuster.com/essay-subjects/business/), [Strategy](https://assignbuster.com/essay-subjects/business/strategy/)

HenryMintzberg presented four reasons for making strategies. These are to setdirection, focus effort, define the organization, and provide consistency. Alsowhy organizations need strategies and why they don’t.

Now we will discuss allof these in detail. 1. Setting DirectionAccordingto most commentators, organizations need strategy to set direction forthemselves and to trick other competitors. If the strategy is good then theorganization can even start from a weaker position and still come out on top.

All these assumptions results in that the competitor with better strategy willwin. A better strategist can make a better strategy which can lead to a greatvictory. Indeed an overdose of strategic thinking can make it difficult to beeffective in the operations which is exactly what happened on the titanic. Itis better to have a good strategy, being all things equal.

But all things arenever equal. Moreoverwe can assume that any strategy is always better than none. Consider an oilcompany executive in 1973, just as the price of oil went up by a factor offour. When strategy (as plan) should he have pursued when his whole world wassuddenly upsetting oneself on a predetermined course in unknown waters is theperfect way to sail straight into an iceberg.

Sometimes it is better to moveslowly, a little bit at a time, looking not too far ahead but very carefully, so that behavior can be shifted on a moment’s notice.             2. Focusing Effort            The second aspect is focusingeffort. It states that strategy is needed to focus effort and promotecoordination of activity. Without strategy organization is collection ofindividuals, each going his or her own way, or else looking for something todo. The main purpose of organization is collective action.

One thing that mergeor bound individuals together is strategy. By focusing effort and directing theattention of each part toward the target, the organization runs a risk of beingunable to change its strategy when it has to.  3. Defining the organizationThirdreason states that organization need strategy to define itself. Strategy notonly direct the people’s attentions working inside the organization but it alsogive the organization a meaning to be recognized by outsiders.

It provides thepeople a shorthand way to understand the organization and to differentiate itfrom others. A clear articulated strategy becomes a surrogate for thatunderstanding.                 On the other hand, theenthusiasm generated by a clear strategy – a clear sense of mission canproduced a host of positive benefits i. e. the stock analysts not only helped toraise GE’s stock price, they also helped to fire up the enthusiasm of the