

# Henry shifted on a moment's notice. 2.

[Business](#), [Strategy](#)



Henry Mintzberg presented four reasons for making strategies. These are to set direction, focus effort, define the organization, and provide consistency. Also why organizations need strategies and why they don't.

Now we will discuss all of these in detail. 1. Setting Direction According to most commentators, organizations need strategy to set direction for themselves and to trick other competitors. If the strategy is good then the organization can even start from a weaker position and still come out on top.

All these assumptions result in that the competitor with better strategy will win. A better strategist can make a better strategy which can lead to a great victory. Indeed an overdose of strategic thinking can make it difficult to be effective in the operations which is exactly what happened on the Titanic. It is better to have a good strategy, being all things equal.

But all things are never equal. Moreover we can assume that any strategy is always better than none. Consider an oil company executive in 1973, just as the price of oil went up by a factor of four. When strategy (as plan) should he have pursued when his whole world was suddenly upsetting oneself on a predetermined course in unknown waters is the perfect way to sail straight into an iceberg.

Sometimes it is better to move slowly, 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 focusing effort.

It states that strategy is needed to focus effort and promote coordination of activity. Without strategy organization is collection of individuals, each going

his or her own way, or else looking for something to do. The main purpose of organization is collective action.

One thing that merges or binds individuals together is strategy. By focusing effort and directing the attention of each part toward the target, the organization runs a risk of being unable to change its strategy when it has to. 3. Defining the organization Third reason states that organization needs strategy to define itself. Strategy not only directs the people's attention working inside the organization but it also gives the organization a meaning to be recognized by outsiders.

It provides the people a shorthand way to understand the organization and to differentiate it from others. A clear articulated strategy becomes a surrogate for that understanding. On the other hand, the enthusiasm generated by a clear strategy - a clear sense of mission can produce a host of positive benefits i. e. the stock analysts not only helped to raise GE's stock price, they also helped to fire up the enthusiasm of the