

Simulation reflection



This paper is a reflection on three simulations as each relates to strategic planning. The first simulation, “ Thinking Strategically,” highlights the importance of environmental scanning.

The second simulation, “ Developing Grand Strategies,” challenged decisions made for a company which lead to effective strategy formulation and choices. The third simulation, “ Creating a Strategic Road Map,” provided a simulated experience of how to build a strategic roadmap focusing on the importance and effectiveness of formulating action plans and goals. This reflective approach will convey the lessons learned relative to the importance and effectiveness of the key learning points obtained through each simulation. The challenges faced by strategic planners will be discussed from the discoveries of lessons learned in the three simulations.

Environmental scanning provides the opportunity for detailed insight for a company’s current position as well as desired position in the industry.

Scanning discoveries provide the company with awareness to warnings signs of external conditions facing competitors and the economy. As shown in the simulation, “ Thinking Strategically,” environmental scanning encourages a company to evaluate and promote an appropriate vision and an improved sense of direction for all stakeholders. The information gathered in an environmental scan, also provides the company with future trends data. This discovery information can warn company officials of the rising or declining of trends on the horizon. The simulation used a SWOT analysis as an effective tool of environmental scanning. An analysis of strengths and weaknesses is obtained through internal sources, whereas, opportunities and threats information is obtained externally.

All SWOT factors are critical for the company's successful strategy. Analyses of each including a matched pair analysis are essential in determining the future prospects of the given industry and developing a specific industry niche. In the simulation, the bike company, BJ's, built a business on baby boomers. BJ's brand image is geared toward male extreme bikers. However, women comprise almost half of the biking industry. BJ's identify key strategy concepts by the use of SWOT analysis to achieve the long-term vision of becoming the top ranking specialty bicycle retailer in terms of revenue in the next five years.

The approach to increase marketing efforts towards women, including hiring female consultants, is the most logical in a global environment where women's sports and athleticism is gaining in popularity. Scanning one's environment creates a clearer global portrait and significantly impacts all decisions necessary for optimal business outcomes. Throughout the simulation, the primary lesson learned was the value of using various sources of information and implications that such can have on outcomes of strategic planning. BJ's and any given company can benefit through using material pertaining to statistical studies in relation to historical data gained from previous years of operation reports. For example, industry, population, age, race, and geographic areas can separate this information and locations to assist with making well-informed decisions.

The results of such analysis can provide a clear direction necessary for maximizing strategic plan designs. This evaluation will aid companies in understanding how to best hedge against competing practices by knowing the appropriate target audience and building company opportunities

designed richly to attract such consumers, clients and employees. “ The two most prominent sources of competitive advantage can be found in the business’s cost structure and its ability to differentiate the business from competitors,” (Pearce and Robinson, Ch. 7). Without environmental scanning, strategic planners will offer information to businesses blindly.

Mere internal information can be beneficial for company cultural concerns, but the external information can prove more beneficial based on industry standards. The expense of the industrial analysis reports may seem extravagant, but when exercised properly are very valuable for companies looking to surpass competition. This simulation implies a one time evaluation suits the company, but as Sam Harrison states in his article about Finding Ideas that Make a Difference, “ Never stop creating. Never stop exploring.

Never stop appreciating,” (Journal of Business Strategy, 2008). The second simulation, “ Developing Grand Strategies,” was focused on the development of a grand strategy for a company. A lesson learned has been the ability to apply analytic tools and concepts to aid in the development of strategic planning. The toy company, Oz, was the third largest toy manufacturing company in the country.

The company reported \$3.5 billion in revenue. Industry reports viewed at Oz predicted that the sales curves were flattening. Oz decided to take a proactive approach to develop a grand strategy that was suitable to the industry reports. “ Strategies, that involve adoption of new technologies, also have sweet spots. Connecting with the right strategy at the right time

supported with the right resources will produce the best possible results,” (Oliver, 2002).

Oz needs a proactive strategic response to an industry situation impacted by consolidation among manufacturers. Asian imports that have led to an influx of cheap toys and changes in trends such as the increasing purchase power of consumers. The appropriate Grand strategies need to be selected based on the firm’s quadrant positioning in the Grand strategy cluster. A firm’s quadrant position is identified using its competitive position and the market’s growth capability. The firm’s competitive position can be identified using a SWOT matrix and industry report.

The industry report also can reveal whether the market is a slow growth or rapid growth market. The selected Grand Strategies based on the firm’s quadrant positioning helps in selecting the correct action plan to meeting the firm’s goals. If the strategies are incorrect, the firm’s action plans may not be accurate and may not help the firm meeting its goals. Developing a vision and determining what is critical for the business will aid in making key business decisions. In experiencing the Grand Strategy with Oz, the strategy used is in response to the internal and external conditions of the business systematic processes.

As the company builds on strengths and weaknesses, the strategy is to create and sustain a competitive advantage. If a potential opportunity arises, the opportunity should be consistent with what is “ important to the values (and vision) of the business. The key point in a business strategy is figuring out what you are not going to do, not just what you are going to do,” (The

Bangkok Post, 2002). The Grand Strategy Cluster is the ideal platform for the selection of appropriate Grand Strategy. In conjunction with the Grand Strategy Cluster, the SWOT Matrix helps to identify a company's position.

Strengths and Weaknesses in the SWOT matrix show the firm's internal face. Opportunities and Threats show the firm's external face. The SWOT matrix is important to identify the firm's competitive positioning. The Grand strategy cluster is important to select the strategies based on the firm's competitive position and the market's growth capability.

Strategic planners can use the grand strategy cluster to plan for appropriate short term and long-term activities relevant to the company. But use of the grand strategy cluster could lead to greater challenges in choosing the right strategy in the real world. If the market is changing too fast, focusing on one tactic can become difficult to identify the ideal strategy. If external threats exist in the middle of executing a strategy, the firm may find it difficult to change quickly to address the threats. Similarly, the firm's goal of keeping the shareholders happy may conflict with some of the selected strategies.

The shareholders and the market may not see some of the strategies as positive. As an example, the firm may like to liquidate a business function considering its Grand strategy cluster quadrant positioning while the shareholders and the market may consider it as an inappropriate strategy. Sometimes, the strategic planners may not have adequate data to make an appropriate decision. Planners may need to make assumptions in the event of unavailability of data and the assumptions may be wrong and may create

issues. The above are some of the challenges for strategic planners while selecting the right strategy.

In looking at the “ Creating a Strategic Road Map” simulation, there were several lessons applied regarding the importance and effectiveness of the formulation of action plans and goals. The basis for the formulation of action plans and goals are geared toward long-term company objectives. From the simulation, ConstructWell is the leading provider in the specialized construction service focusing on commercial and infrastructure segments in North America. The company dominated the largest construction market. Organizational success made the company vulnerable for a takeover by a larger corporation.

ConstructWell decides to set long-term objectives that countered the take over bid and made long-term strategic decisions designed to rank the company at the top of the industry. A team was formulated to develop a strategic roadmap to accomplish the objectives that had been set. A strategic roadmap helps to place organizational strategies keeping in mind with the company vision and long-term objectives. Once an organization has identified workable long-term goals, the company can begin work on developing strategies to meet those set goals.

Every decision made within the firm must be done in alignment with the ultimate goal of meeting the described long-term objective. Using the SWOT chart is integral in this step. Goals with specific tangible measures of progress assist an organization in measuring progress in a manner consistent with the long-term objectives of the organization by having the

knowledge of the desired direction. In conclusion, the first simulation, “Thinking Strategically,” highlighted the importance of environmental scanning. The second simulation, “Developing Grand Strategies,” challenged decisions made which lead to effective strategy formulation and choice.

The third and final simulation, “Creating a Strategic Road Map,” provided a simulated experience of how to build a strategic roadmap and the importance and effectiveness of formulating action plans and goals. These are the challenges that currently face strategic planners. To remain competitive, companies traditionally trim balance sheets cut costs, and return to their core competencies. Companies search for alternatives in handling procedures that are essential to their businesses.

Many of today’s companies, like the mentioned in the three simulations, are all challenged to produce an outcome that is beneficial to the bottom line of the business. Globalization, rapid change, outsourcing and other major forces shaping today’s economic landscape has ushered in multi-business strategic decision making that focus a mixed structure in different countries to become the global leader in the industry. Defining a company’s strategic initiatives and mapping the strategies from a SWOT analysis in each simulation proved important as a strategic planner. Based on long-term objectives, the manager defines the strategies and the corresponding goals that would enable the business to achieve successful status. References The Bangkok Post.

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