



UNIVERSITAS KOMPUTER
INDONESIA



Corporate Strategy

[Clarke] Chap 3

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CORPORATE STRATEGY: PLANS OR PATTERNS?

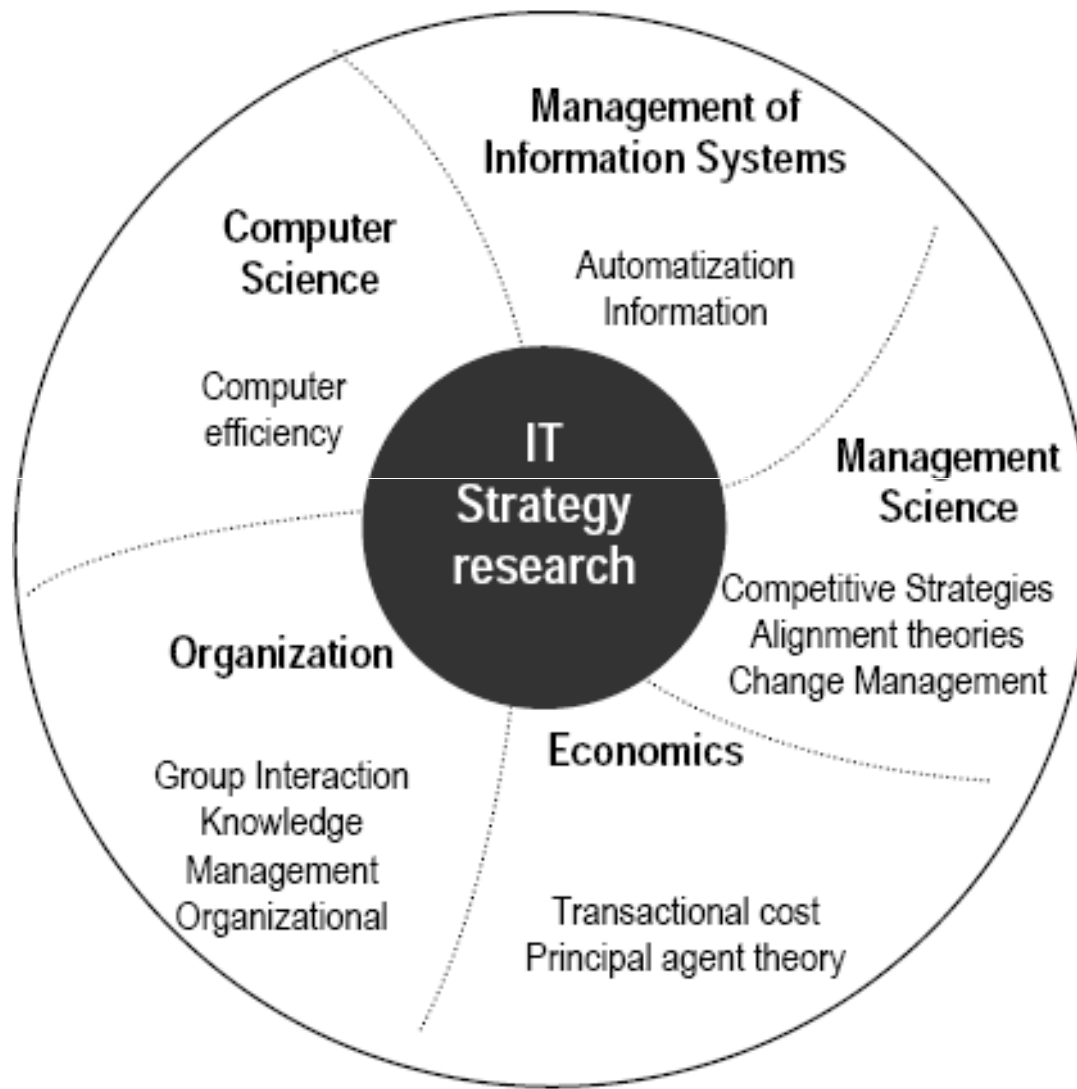


Strategy as a plan or strategy as a pattern?

'Ask almost anyone what strategy is, and they will define it as a plan of some sort, an explicit guide to future behavior. Then ask them what strategy a competitor or a government or even they themselves have actually pursued. Chances are they will describe consistency in past behavior – a pattern in action over time. Strategy, it turns out, is one of those words that people define in one way and often use in another, without realizing the difference.'

(Mintzberg, 1987)

Interdisciplinary nature of IT Strategy Research



Strategy as a Plan



- So called design school (Ansoff, 1964), which in turn can be traced to scientific reductionism.
- Design School → ‘a succession of different reduction steps:
 - a set of objectives is identified for the firm
 - the current with respect to the objectives is diagnosed, and
 - the difference between these (or what we call the “gap”) is determined’.
 - Strategy is then concerned with finding those ‘operators’ which are best able to close the gap.

See 10 school



Strategy as a Plan (2)



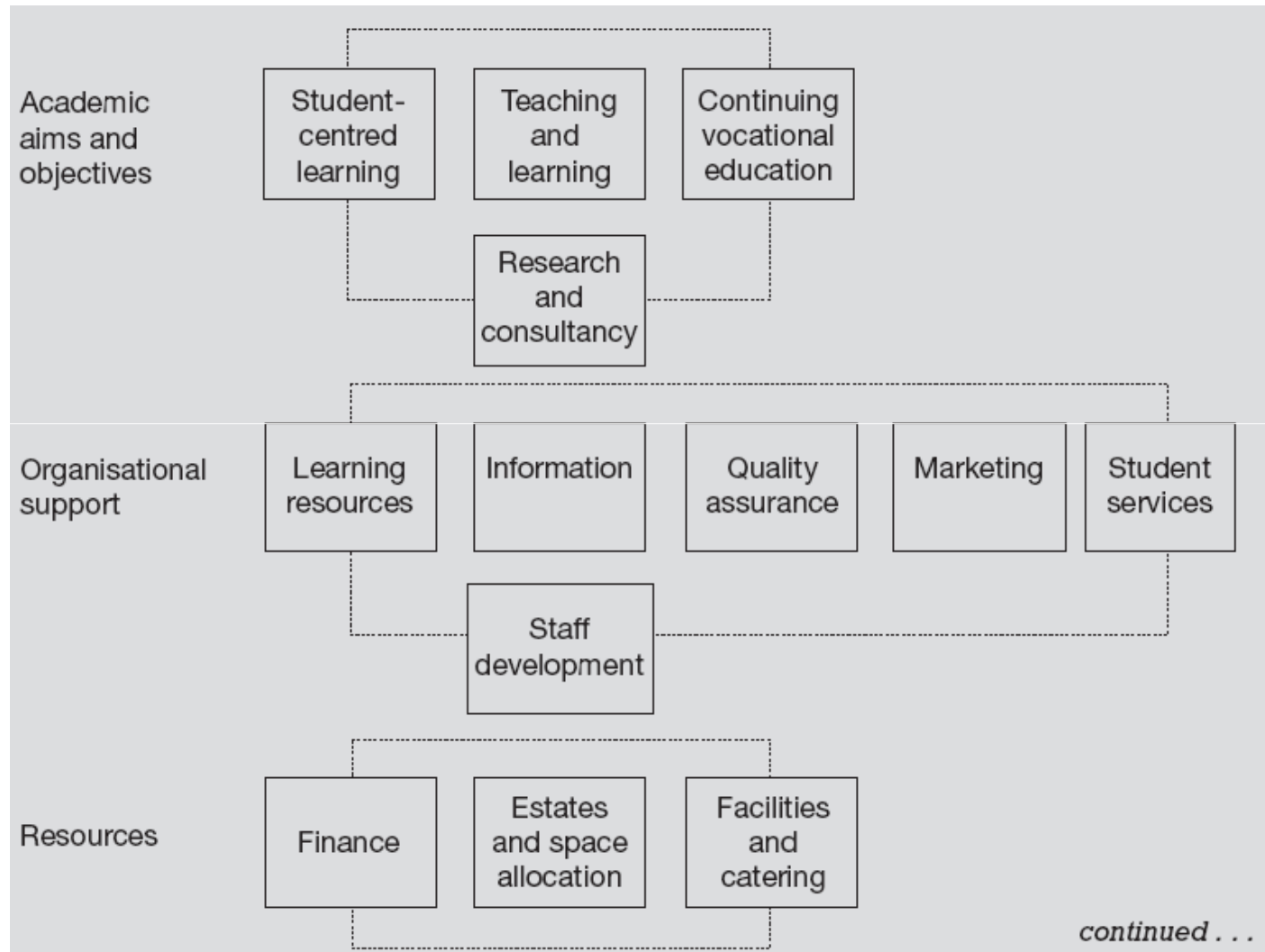
Key features of the design school

- **Complete strategy formation always precedes implementation.**
- **Responsibility for strategy rests with senior management, who are placed in a command and control position in relation to the environment.**
- **Strategy is to do with process, not content, and is a creative act.**
- **Strategies emerge from the design process, fully formulated and ready to be chosen. There is no room for an emergent view.**

Strategy: The Planning View



Case example: Strategic planning at the University of Luton, England

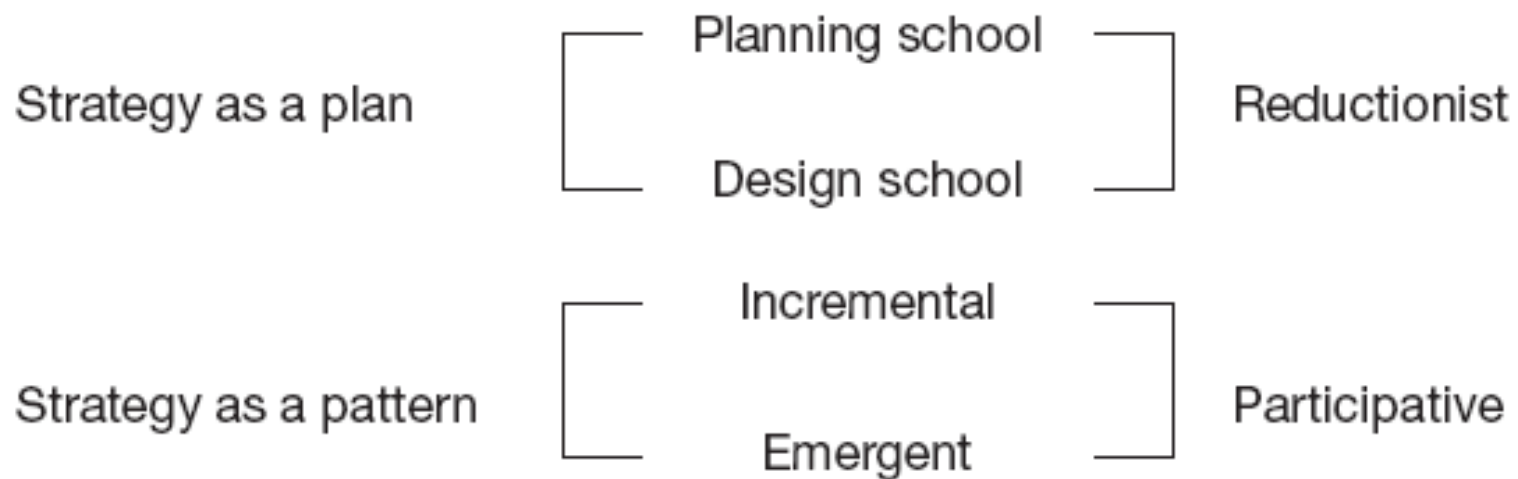


STRATEGY AS PATTERNS OF ACTIVITY



- Quantum Theory of Strategy (Mintzberg):
 - Period for stability
 - Period for change
- The pattern is a stream of realized actions which may or may not have been intended.
- That there may be no formal plan behind the pattern gives rise to the categorization of strategies as deliberate or emergent;

INTEGRATED VIEW OF STRATEGY



INTEGRATED VIEW OF STRATEGY (2)

Strategy by:

**Design
(systematic)**

**Discovery
(systemic)**

Plan:
Visionary
Structure

Pattern:
Incremental
Cultural
Perspective

Political
Position/Ploy

Strategic Issue in Different Content



- Entrepreneurial → visionary leadership, often by a single executive
- Machine → hard to change, concentrating on standardization and formalization
- Professional (Accountant, university) → concentrate on skill, knowledge follow pattern process
- Diversified → concentrated on range of product or services In paramount
- Adhocracy → organization of skilled expert
- Cooperation or competition



END OF THIS SESSION

10 School of Strategy (Mintzberg and Lampel)



- ***School 1: Design School***

This school focused upon the formulation of strategy—as matching external conditions to internal opportunities of the organization—achieving clear, simple strategies that can be implemented by all in the organization. (This school dates from Selznick through Chandler and Andrews.)

- ***School 2: Planning School***

This school emphasized strategy formulation as formal and decomposable into steps, characterized by checklists and supported by formal techniques. (This school dates from Ansoff's writings in 1965.)

- ***School 3: Positioning School***

This school emphasized strategy as general positions selected from analyzes of industrial situations. (This school dates from Porter's writings in 1980.) The role of analysis in specifying the industrial situations uses techniques such as value chain analysis, game theoretical structuring, and so on.

10 School of Strategy (Mintzberg and Lampel)



- ***School 4: Entrepreneurial School***

This school focused primarily upon the role of the chief executive in strategy and saw strategy formulation primarily depend upon the cognitive function of intuition in the executive. This school shifts the focus of strategy theory from planning to vision.

- ***School 5: Cognitive School***

This school focused upon the cognitive base of strategy, adding to the analytical concepts of the planning school an emphasis on intuition. It emphasized the role of information and knowledge structures in formulating strategy and included a constructivist view of the strategy process that sees strategies as creative constructs of what reality could become

- ***School 6: Learning School***

This school viewed strategy as a kind of learning process in which formulation and implementation interact for the organization to learn from past planning and experience. (This school dates from the writings of Lindblom, Quinn, Bower, and Burgelman.)

10 School of Strategy (Mintzberg and Lampel)



- ***School 7: Power School***

This school focused on the power relationships in the situations in which strategy is formulated. They saw strategy formulation as involving processes of bargaining, persuasion, and confrontation among the actors in an organization. Also externally, an organization can use strategy as one of its tools of power to negotiate strategic partnerships.

- ***School 8: Cultural School***

This school emphasized the role of culture (as opposed to power) in the formulation and implementation of strategy. (This school dates from writings by Rhenman and Normann and from Hedberg and Jonsson.)

School of Strategy (Mintzberg and Lampel)



- ***School 9: Environmental School***

This school focused upon the environments of organizations, seeing organizations as principally reacting to and responding to threats and opportunities in their environment. It includes approaches such as contingency theory that classifies responses expected of organizations facing particular environmental conditions.

- ***School 10: Configuration School***

This school focused upon the nature of organizational structure as influential upon strategy. For example, it saw formal planning as prevailing in organizations with machine-type structure in conditions of relative stability, and it sees entrepreneurship as prevailing in organization in situations of start-up or turnaround. It emphasized that the conditions of stasis or transformation impacted the forms of strategy processes within the organization.



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