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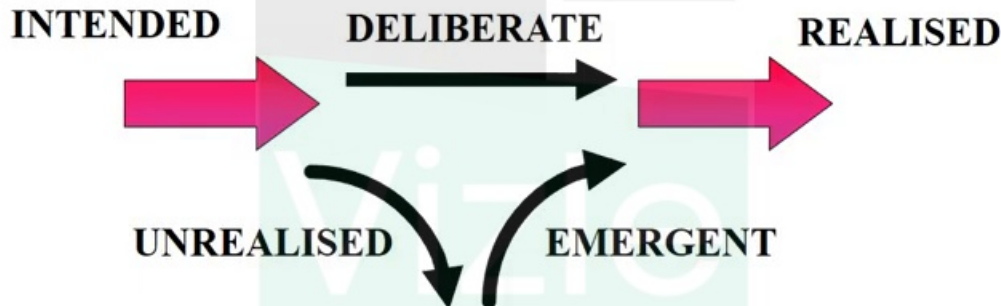


Strategy: deliberate and emergent

'No plan of operations can extend with any degree of certainty beyond the first encounter with the enemy's main body. Only a layman could imagine that in following the course of a campaign he is watching the logical unfolding of an initial idea conceived in advance, thought out in every detail and pursued to its conclusion'
von Moltke, quoted in Bungay, 2011

'Everyone has a plan 'til they get punched in the mouth'.
Mike Tyson, quoted in Dixit, 2014

'Strategy was not a lengthy action plan. It was the evolution of a central idea through continually changing circumstances...'
Welch, quoted in Freedman, 2013:504



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Ref: Mintzberg, H and Waters, J (1985)
'Of Strategies: deliberate and emergent', Strategic Mgmt. J., July/Sept

hello malcolm brady here from dublin city university

i want to talk to you today about the strategy process

and i'm going to introduce two models the minsburg model and

the model from the thompson and strickland text so we're going to start

with the mintzberg model which is the one on your screen at the moment

and this has been a very influential model and

largely now people believe strategy happens in this particular way

it is no longer regarded as a planned formal approach

and after a planning stage people implement it in a formal manner

it's now seen that what happens is a mixture of what was planned and what

emerges from the environment let's say from

interaction with the environment some quotes on the screen

give us a sense of that and jack welch ceo of general electric for many

years said strategy was not a lengthy action

plan it was the evolution of a central idea through continually changing circumstances so he in fact got rid of the entire planning department in general electric at the time and substituted with an alternative process along the lines he mentions here now he's actually paraphrasing from multi on multicase quote above no plan of operations can extend with any degree of certainty beyond the first encounter with the enemies or competitors main body or the environment only a layman could imagine that in following the course of a campaign he is watching the logical unfolding of an initial idea conceived in advance taught out in every detail and pursued to its conclusion basically he's saying it doesn't happen like that nothing ever works according to plan that's not to say planning isn't important eisenhower says you know the plan isn't important but planning is but the idea that everything is going to work according to your detailed plan is not the way things actually happen in practice and there's a very graphic quote quote from mike tyson there that explains that more dramatically anyway going on to minceberg's model he looked at what actually happens and he says strategy actually with the realized strategy the the element there on the right hand side of your screen that's really a combination of things that were planned in other words things were deliberately set out set out that were intended sorry the deliberate part of what was intended it was things that actually happened that were intended and then the emergent part and there was things that came up as time went on so the realized

strategy the mix is a mix of deliberate and emergent and
the intended strategy in other words there isn't a plan
some of that actually does happen and hence the label deliberate some of it is
realized but much of it is not realized and it
just disappears and that's arguably the correct way
because no point pursuing something that doesn't fit circumstances as they arise
or as they unfold so this is one of the critical factors
now in strategic management that you must adapt to circumstances as
they arrive and hence Minsburg's model is very
important okay i'm having trouble
moving my slides on so again i have to adapt to circumstances as they
as they arrive and i'm going to stop the share
and i'm going to have to go to my laptop move the slide on on my laptop
and come back to it with you



so i'm doing that at the moment and i'm going to pull up the second model the model from your so i'm going to try screen sharing again and this is the model from your textbook so it's i'm not going to go into a slideshow that seems to hang zoom for whatever reason and so i'm just going to leave it here with the slide showing as it is so first of all thompson

The screenshot shows a PowerPoint presentation with two slides. Slide 27, titled "Strategy as a set of Processes", features a flowchart with five steps: "Develop Vision, Mission, Values", "Set Objectives", "Craft Strategy", "Implement and execute strategy", and "Monitor Evaluate Review Correct". Below the flowchart, it lists several points: "Boundaries between tasks are conceptual, not real", "Strategy evolves over time; may happen erratically as managers have other responsibilities", "Review: fine-tuning required? Or major strategic re-orientation?", and "Implementing is time consuming; major change is disruptive to the organization and confusing to employees and other stakeholders". Slide 28, titled "Mission", compares "Present" (Graphic, forward looking, focused) and "Vision" (Future, not limited to specific, massively inspiring, overarching, and long-term). It also lists characteristics of vision and mission, such as being "directed at employees" and "beware of mission creep and drift".

strickland suggests five steps in the strategy

process and they don't

they say that these steps aren't necessarily all happening in nice linear

fashion the way it's depicted on the diagram

they may happen consecutively or they may happen simultaneously or some of

them happen together some not or whatever there may be time lags between

them but they suggest you need to think about

strategy as strategy establishing making in this as a set of five

things first one is developing is understanding

the purpose of the organization and developing that out or setting that

out as some form of mission vision values in other words

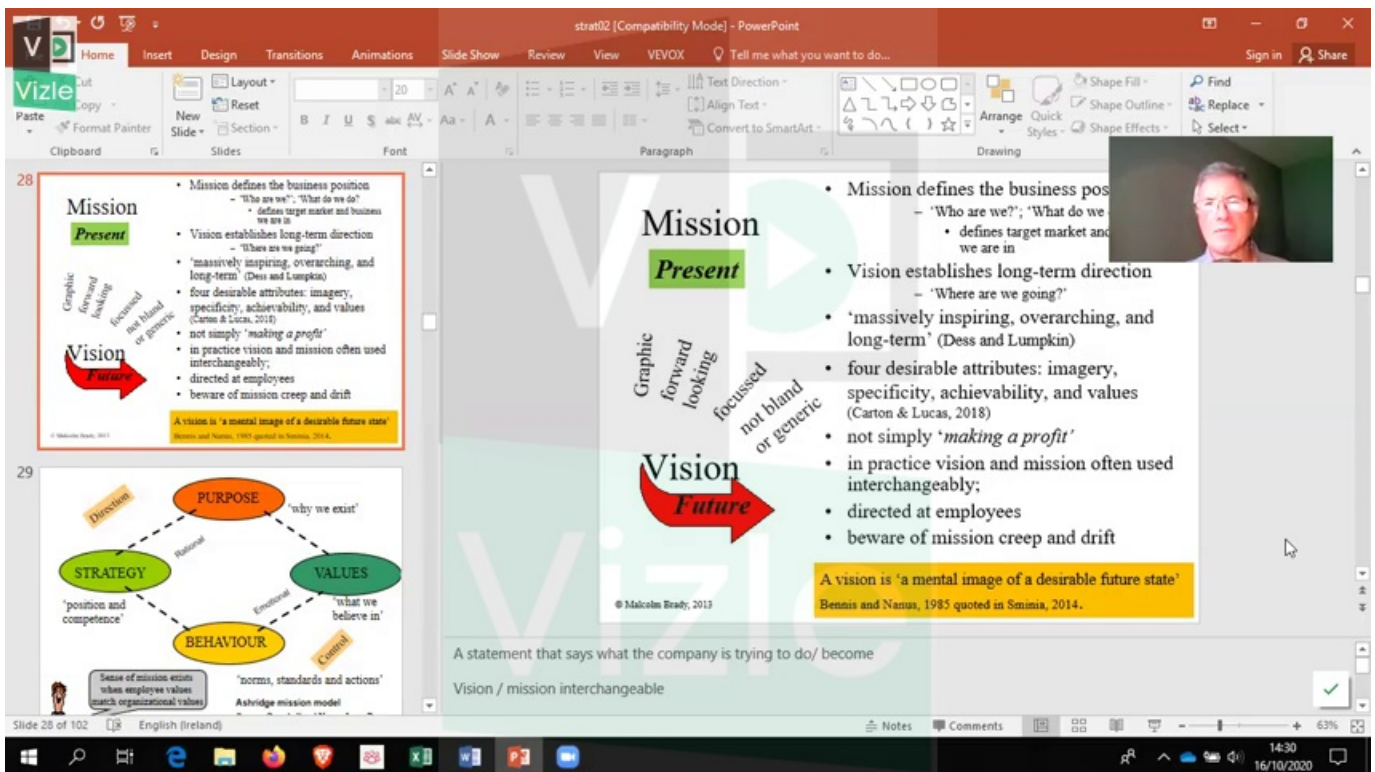
describing it more and clearly to other people

and so the people know what the purpose is second

point is setting objectives and that's defining the purpose more specifically

into more detailed elements making it more operational or operationalizing the mission vision values or the purpose of the organization the third step then they say is crafting the strategy that's where you actually set out you know develop the actions maybe start implementing the actions in order to achieve your objectives and fulfill your purpose now the crafting method metaphor comes from minceberg himself so it's following this intended and emergent elements and the fourth step then is actually carrying it out or implementing it this is the execution phase our pace framework talks about purpose step one there analysis and choice is really to do with setting objectives and crafting the strategy a slightly different way of viewing that but covering those that ground execution then is step four here in this process and and we spend little enough time on that in a course because little is known on execution for sure so you'll find in your in your book or in most texts or most courses and strategy maybe 20 of the lecture spaces given to implementation whereas in practice implementation might take you eighty ninety percent of the time that you spend on the strategy project so it's a huge task but we only we don't know that much about it we don't have that much to say from a theoretical point of view as of yet and so it's hugely important even though i won't be emphasizing it all that much in the classes it's not to say that it's not hugely important and the final step is monitoring evaluation review correcting it was the feedback loop where you you

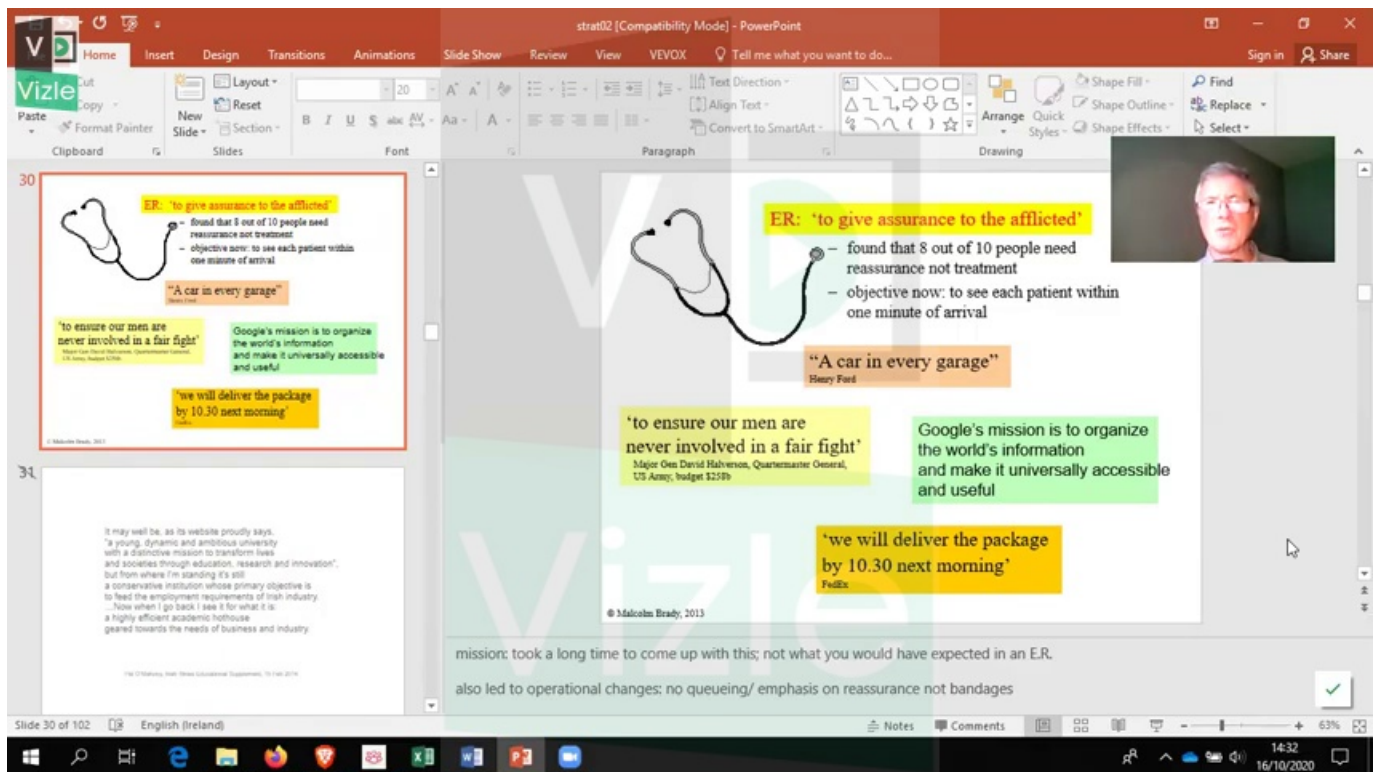
see how you're getting on and then you change what's necessary and the change there might be simply just to implement a bit more carefully or a bit more as vigorously or whatever or the change might be that you actually have to go back and recraft the strategy to something's wrong with your say your particular business model and you need to tweak it a little bit or you might need to go back and change the objectives all together because they're just not fitting they're not fit for purpose any longer or indeed as we saw in the robin hood case you might need to go right back and look at the vision mission values the purpose of the organization in the first place and some organizations have had to go right back to their purpose ibn for for example moved completely out of its main business area after the.com after sorry after microsoft intel telstra and the pc started taking over the the computer business so ibm had to re-look at its whole purpose at that point other organizations had to do so as well so that's our strategy process okay just detailing that a little bit more we're just going to look at the mission and vision and values particularly mission and vision and



firstly be aware that these are these are often used interchangeably and so there's no consistency out there in terms of how firms use these phrases and generally speaking the mission is to do with the present you know what's what we do now why we're here the vision is to do with the future where you want to get to where you're going to okay so they're the two distinctions between them but you as i say you'll see these things phrased differently to that in real life and also you phrased interchangeably sometimes the mission is where you're going to go in the future and the vision is written often as what we're doing now and but theoretically missions to do the present divisions to do with the future generally speaking the vision should be inspiring overarching long-term graphic not bland not generic a lot of mission statement statements are envision statements are

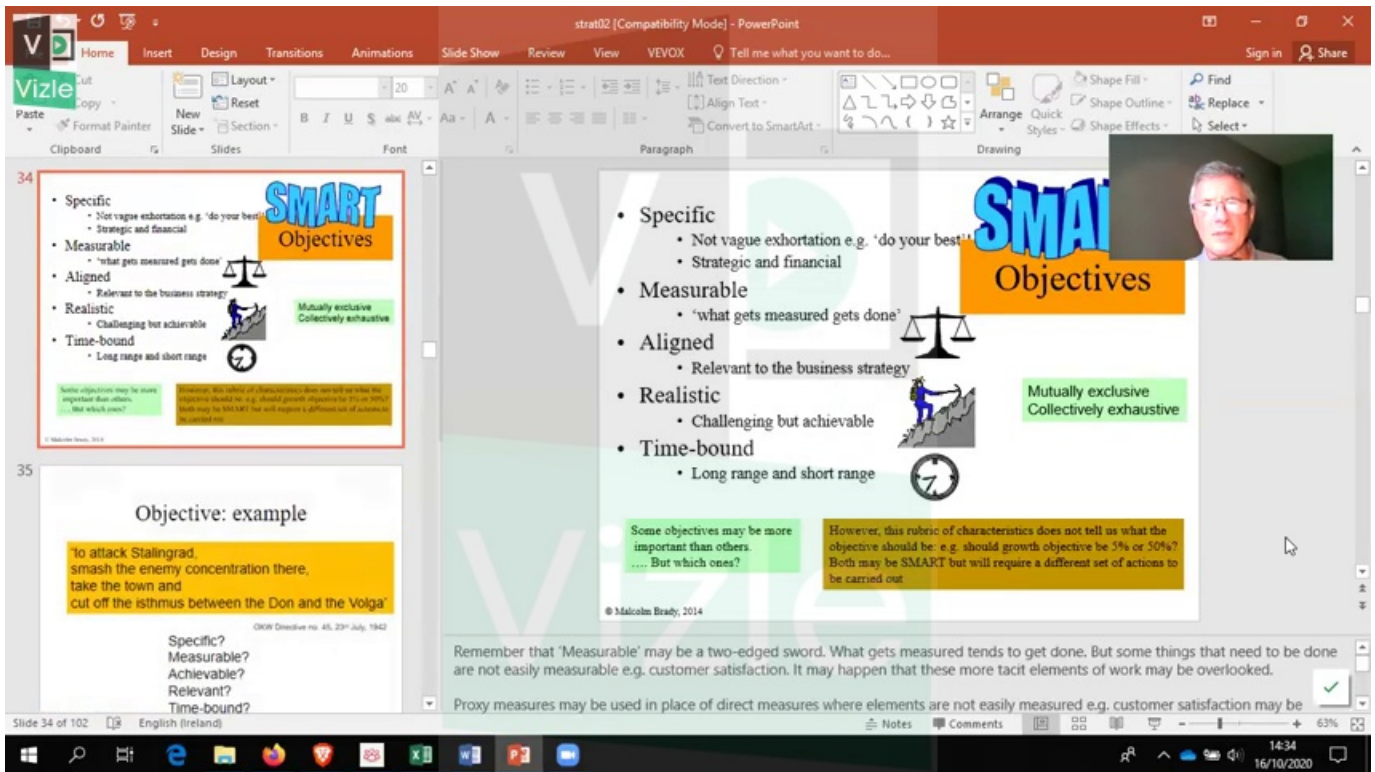
pretty bland and pretty generic but the suggestion here is that you actually make them as specific as you can you know and be aware that they're generally directed at employees although sometimes firms use a division or the mission to as in their advertisements to the customers or other shareholders but in general they're there for the employees so the employees know what the organization is trying to do okay and this asterisk business mission model

their four element model is really they're getting across
 this whole notion of the mission has to exist but also a
 sense of mission in other words the organ
 the employees must be aware of what the mission is as well and they stress
 the importance of that so that's the ash ridge people
 campbell and young you can read that in long range planning if you
 wish more detail on that and some examples of
 good mission statements i think are minsburg quote by minsburg again in the
 emergency room they recrafted their mission to to be



to give assurance to the afflicted and i think if you look at this and think it out you'll see and they did think about why or how how this really influences the way you approach your strategy for delivering care so they found 8 out of 10 people in the er needed reassurance and not really much in the way of treatment but of course if you're sitting in er and you're waiting for hours and hours watching people who are in much worse condition coming to you you're not going to get assured you're going to get more anxious as the longer you stay there so they changed their whole operational objective to see each patient within one minute of arrival and that totally changed the way they dealt with the eur so compare that to any experience you might have had in in other ers and you'll see the difference that a mission statement might make and so that was a recrafting of the mission statement one of the most famous ones of

course is henry ford's a car in every garage which is very clear and microsoft piggybacked on that in the sense that they defined their mission as a computer one time they defined it as a computer in every desk an interesting one by major general david halverson the quartermaster general of the us army whose budget i heard him speak at a at a conference his budget was 258 billion okay that's more than the irish gdp and that was quite some time ago so it was a lot more then and his mission was that to ensure that our men are never involved in a fair fight so just think about that one and the full implications of that mission for the logistics people the court master general and the logistics people the supply group in the army and then fedex's form a mission statement there was we would deliver the package by 10 30 next morning and that totally galvanized the the way the organization worked to the point where fedex managers could and have done commandeered not commandeered but rented a train or a plane in order to get there in order to meet that deadline to be to get the package by 10 30 next morning so mission savings can be very important in as i say galvanizing and steering a an organization sorry i'm just skipping some of these



second point then is this notion of setting objectives and the smart acronym

is used often for objectives and it's a

reasonably good one to use specific measurable aligned realistic and

time-bound specific meaning not vague or not unclear that it

should be precise in some way or other so if you

can imagine the manager of the under 12s football team

shouting out to the boys out there in the field and do your best doesn't help

that much because the boys are out there doing their best and

telling them that doesn't help them at all but picking somebody up and telling

them listen i want you to go and mark number

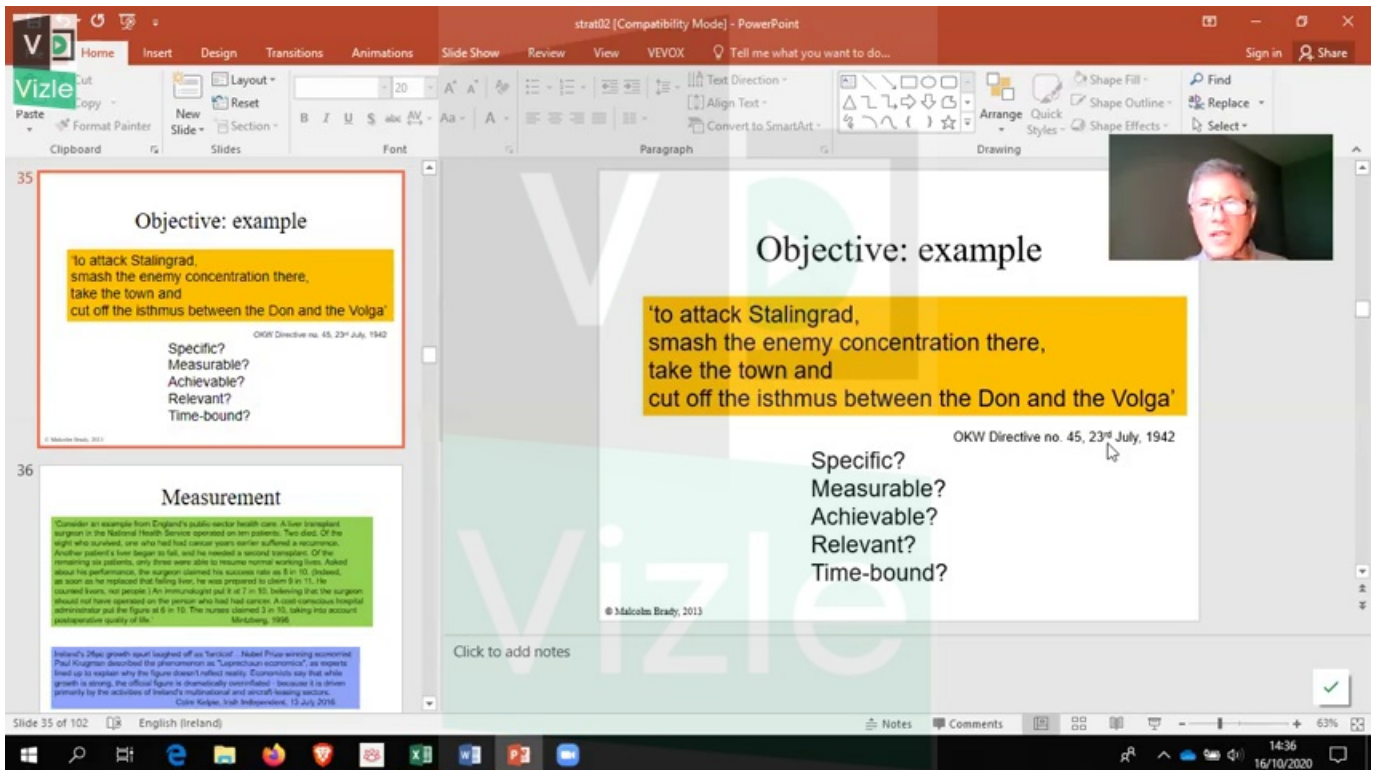
eight and stay within two and two feet of him the entire game

and interests interrupt him getting the ball any time he goes to get it

well that's very specific and the boy there will often spend the rest of the

game doing exactly that and hopefully will

lead to a win for his side measurable what gets measured gets done and so that's the philosophy behind the importance of measurement and aligned it must be relevant to the business strategy there's no point setting objectives that have nothing really to do with the purpose of the organization or what you're really trying to achieve so it's important that they're aligned realistic challenging but achievable and time-bound there should be some time frame set for objectives they shouldn't be never ending they they have to be done by a certain time because deadlines force action okay a quick point on smart objectives that this smart the five elements there should be mutually exclusive and collectively exhaustive so each one should be looking at a separate dimension of the concept of objectives and collectively they should be looking at all the various all the important dimensions they shouldn't be missing something out so i just want you to just note next time you see the smart objectives written out the smart acronym written out just notice whether they're actually mutually exclu the elements given are mutually exclusive and collectively exhaustive they're often not so have a look out for that here's a specific or an objective and we'll just check it over with the smart acronym this is from the stalingrad case study



so okw directive nber 45 23rd July 1942

to attack stalingrad smash the enemy concentration there

take the town and cut off the east moss between the dawn and the valga

all right well i think we can agree that's pretty specific if you were

powerless and you received that on the on the teleprinter i think

you'd know what to do okay notice that it doesn't tell them

how to do it it just tells them what's required okay and that's part of the

out track tactic approach of the german army

german armored armed forces since the prussian wars

the commander gives the intent of the sorry the the

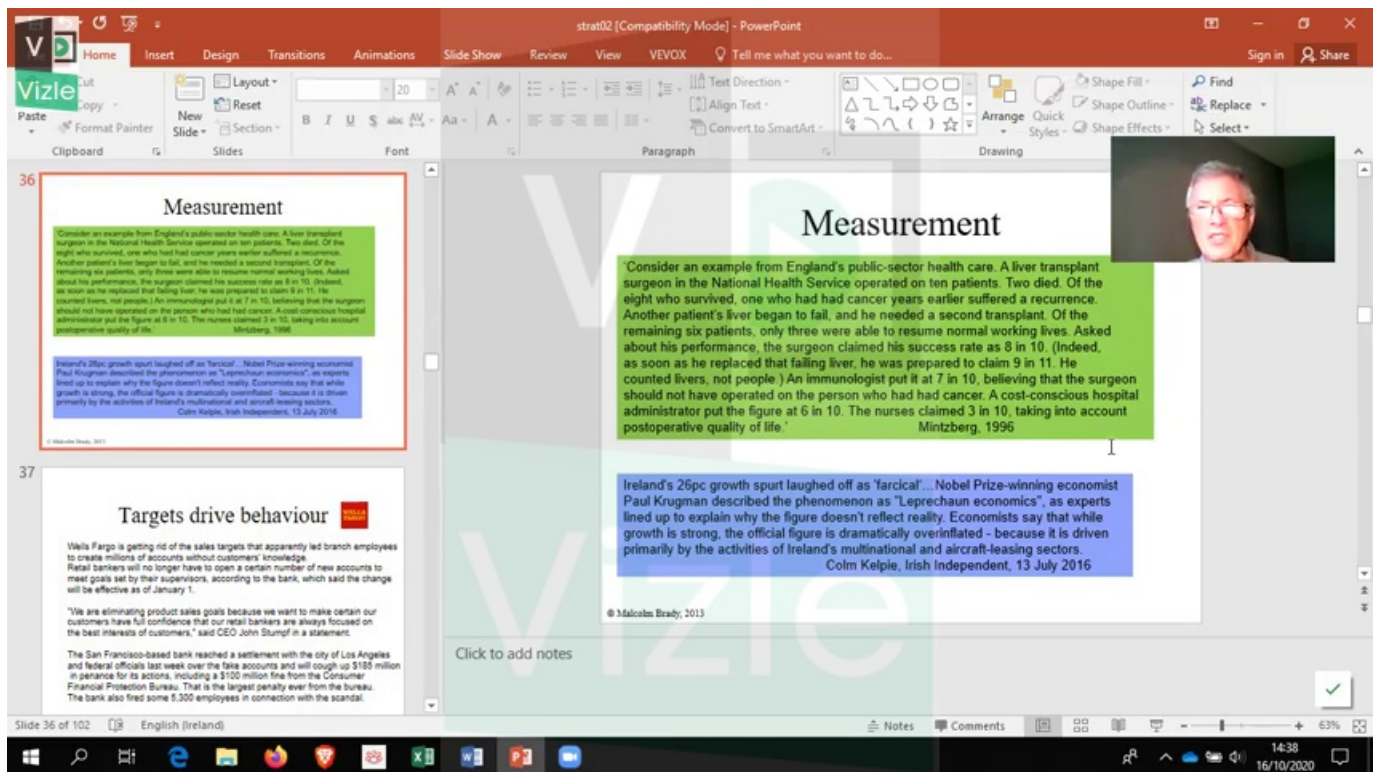
mission or the objective in this case gives the intent of the commander and it

was tells the subordinate what is required

but doesn't overly restrict him in how to

carry that out in fact you provide least restrictions in terms of

how to carry it how to carry it out so that gives you know a great deal of
specificity but also a great deal of flexibility
and arguably but arguably although it's not well known as one of the reasons why
german armed forces survived so well for so long
under very severe conditions measurable yes it's measurable you can
measure it in kilometers advanced or in square kilometers of territory gained
and they were doing that all the time achievable well you need to look look
back at history to determine that possibly achievable it wasn't but
as it turned out but maybe with a different approach different strategy it
might have been achieved relevant again some doubt here as to how
relevant it actually was some of the elements the cutting off the
isthmus was certainly relevant and taking the time may not have been as
relevant time bound obviously there's no mention
of time here i'm assing that it was the follow-up directive giving them
specifics about when they wanted it done
so maybe that could be included in the objective but
and wasn't anyway an example there was smart objective
measurement we talked about measure measurability
again from mintzberg there you can see i'll let you read it yourselves



see i'll let you read it yourselves afterwards

but he's basically showing us a measurement of success in a in a surgical ward and really you can see there that the

rates of success varied from nine and eleven according to one person to three

and ten according to somebody else so the same events but very different

measures of success even though they're all measured

different measurement outcomes so measurement isn't always a

straightforward or simple process again we have the second example

talking about the 26 growth in gdp of ireland but really it

was laughed off as far as even though it was

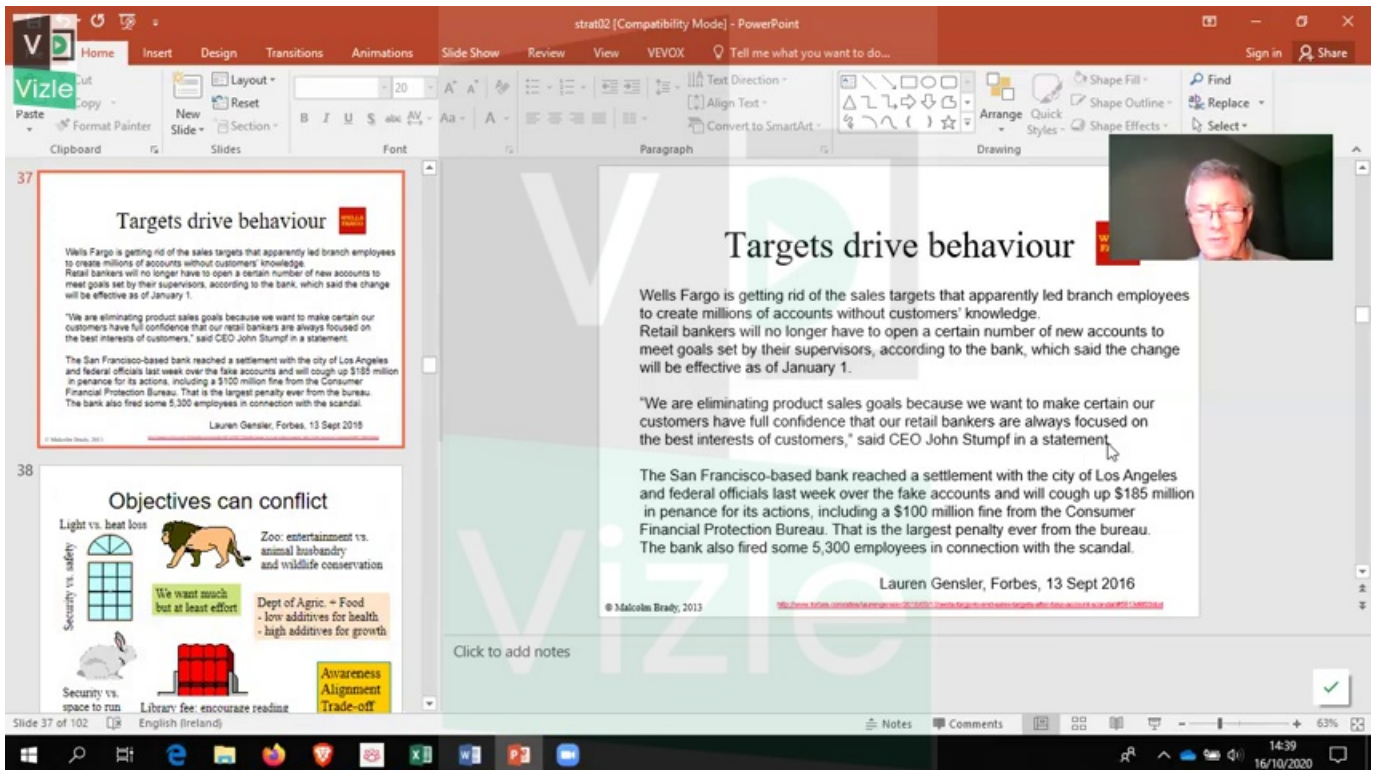
a technically a true measurement and it was distorted by

aircraft leasing and multinational operations and

therefore not seen as actually valid even though it was

technically a correct measurement so again be careful with measurement

they're very precise they can give an error of authority that
they don't always they may not always deserve so you need to
check behind the measurement and also measurements and particularly targets
that does measurements that are used

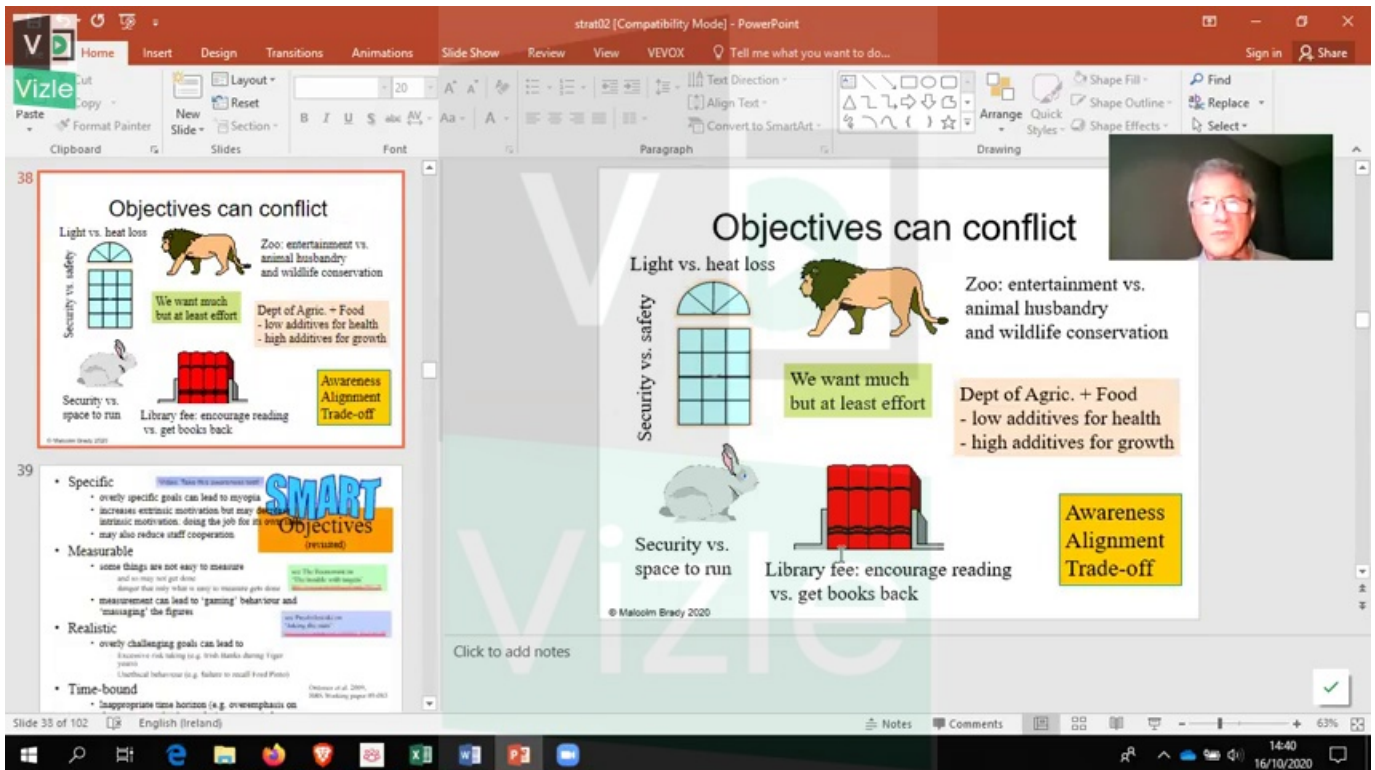


well sorry targets which are measured can drive behavior in particular if the reward goes along with the target you know achieving the target leads to reward so it does drive behavior an example here from wells fargo where they had a target to open you know increase the nber of accounts and that led to managers or employees opening fraudulent accounts on behalf of either customers who didn't know their accounts open on their behalf or fraudulent you know customers made up but certainly these were fraudulent accounts it was found out and you can see at the in the last paragraph there wells fargo suffered quite strong quite large financial penalties and the employees involved suffered major penalties and well as well and you can see here 5 300 employees were fired okay so major implications there for a target that went wrong

so again you have to be careful targets drive behavior

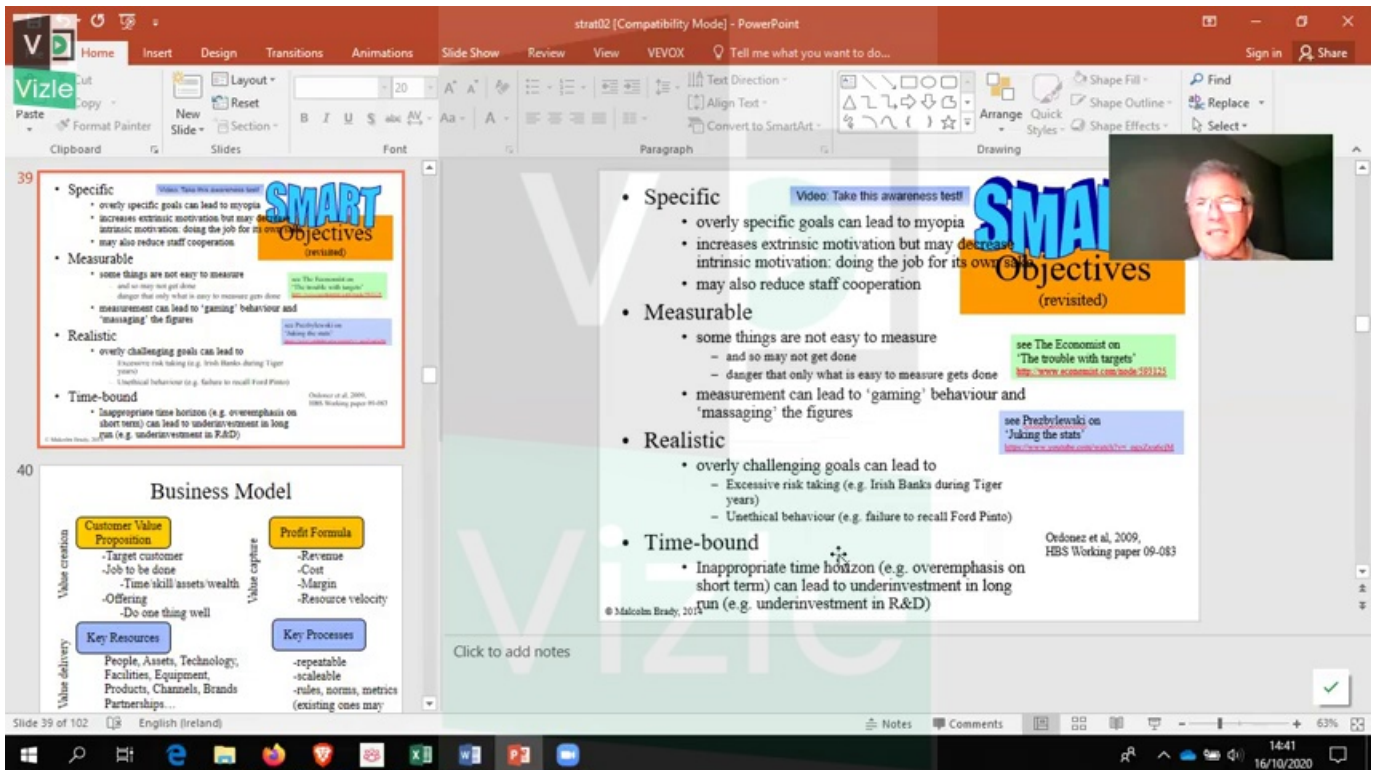
and it needs to be the correct behavior objectives can conflict the

basic one there of the window you can



see their basic conflict conflict between light coming in and heat escaping out and hence in the past windows were often very small in favor of keeping heat in but rooms were very dark with the advent of it with the technological change of two-ply and three-ply windows and we can achieve a lot of light and reduce heat loss but until the technical in the innovation that led to that we you had to make a choice between one or the other so they were conflicting and so the point is that first of all you need to be aware that maybe objectives are conflicting and it may be possible to align them through some kind of change the technological change as i mentioned but it could be some other change maybe you you change the nature of your objectives a little bit so they don't conflict quite so much and there may be a trade-off you may have to favor one over the other so to be aware of that so we come to our

last slide here which is really just the other side of smart objectives that specific is good and since it concentrates the mind but it can be lead to a bad effect and that leads to



myopia or loss of interest in the job for its own sake sorry loss of interest loss of intrinsic motivation because you're now following you know a specific measure that you might have too much regard for but you have to do and we mentioned measurability already and some things aren't easy to measure so we said what gets measured gets done but things that aren't easily measured may not get done and they may be very important things so again you need to be very careful of that that overly focus on things that can be easily measured and less focus on things that are less easily measured but may be important realistic if they're overly challenging they can lead to the behavior we saw there at wells fargo fraudulent behavior are indeed overly risk-taking behavior so again be careful and chime bound that's back to our old question of the balancing the long run and the short run

and so specific objectives if they're time bound in the short run tend to be achieved because the focus comes on those

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