
Process of Effective Strategy Formulation

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ABSTRACT: *Strategic Planning historically mostly depends upon forecasting and financial planning only. So all the theorists emphasized that intuitive thinking is needed and more incrementalist style is desirable when implementing and strategy. Before planning for the organization in first step strategists should analyze the current situation of all the resources of that particular organization and finalize the strengths and weaknesses of it. Plugging the gap between the desired level or target and the current situation of an organization is the real issue in strategy making process. It has been reiterated here that while planning a strategy focus of decision makers should be on generating/creating such distinctive strength which gave their organization a leap forward from their competitors. A constant changing approach is desired to make all the necessary modifications in the plans which were not accounted for during the process of planning.*

Keywords: Strategic Management, Strategy Formulation, Effectiveness

Strategic Planning is a complex process since its prologue in the business world. Historically strategic planners heavily rely on the future forecasting and financial planning only. But after its failure in 80s and 90s, academicians think and tries to find other alternatives to effectively plan and implement the strategies.

The critical question was that how to formulate a strategy that's equally effective and fruitful as well as it addresses all the aspects an organization needs to prosper and sustain in its environment This paper will provide a general overview for the basic philosophy, essentials and doctrine upon which a company's strategy should be based for its future planning endeavors.

It highlights the adoption of an integrated philosophy whose basic feature is directing the company's all administrative, financial, production and service activities towards fulfilling the desired goals of customers and stakeholders in addition to continuous development and improvement for the quality of services/products provided for customers.

It can be successfully achieved through a dissemination of an organizational culture essentially based on commitment to be customer or market focused the involvement of both top decision makers and staff in achieving output quality, continuous development and improvement during strategy implementation and in addition perpetual evaluation system to fulfill desired profitability of the firm.

Historical Development of Concept

Historically emphasis of strategic planning was more a working paper rather than the practically implementation side of it. Therefore it has been studied that the strategic plans are more or less all good but the problem was on its implementation.

Because real problem comes when the plans are executed and the ground realities more often are not as it was on the planning table. Therefore a creative style of planning is needed to make the plans more effective and close to reality. So all the theorists emphasized that intuitive thinking is needed and more increment list style is needed when implementing a strategy.

Analysis of resources both internal and external

Before planning for the organization in first step strategists should analyze the current situation of all the resources of that particular organization and finalize the strengths and weaknesses of it. Furthermore basis on this

they should decide that how the are going to position the organization. This can be done by setting the vision and mission of organization. It can also be summarized in the form a corporate vision, which will envisage the real goals of an organization.

Likewise allocation of the right resources for the right chore is also desired in this phenomenon. It not only means the real resources but assigning the best human resource to the work which matches their ability is also key point here.

Explore the markets and customers (including potential)

Then exploring the market of and potential customers to whom they going to serve is second step. It may be based on your current of future resources which will be acquire by the organization to achieve its particular goals. Plugging the gap between the desired level or target and the current situation of an organization is the real issue in strategy making process.

Ascertain and Focus on distinctive strength

Most of the top strategists are of the view that an organization should have a distinctive advantage over the peers or competitors in order to claim a success in the world. Some call it competitive advantage, and emphasize on the fact that without this trait and organization will not grow or excel in the market if it doesn't have this strength. It has been reiterated here that while planning a strategy focus of decision makers should be on generating/creating such distinctive strength which gave their organization a leap forward from their competitors.

Spontaneous flow of information among all stakeholders

Information plays a pivotal role not only in the day to day operations of an organization but also during the process of planning strategy for the business. Continuous flow of information among all the stakeholders whether internal of external is the life line for an organization. Removing any possible hindrance which may result in blockage of information flow will be the core issue for the decision makers.

Competent and dynamic leadership

Apart from planning rigorously, organizations also need competent and dynamic leadership who can skillfully guide them through all the process of planning and

implementing the strategies until the organization will be on a trajectory for growth.

Therefore Planners should be consisting of exceptional people who can provide a new spirit to the organization. Continuous motivation of the human resource is also desired also from leadership, realize them about their goals and motivate them for the achievement is needed. Management by objective may be adopted to provide them clear goals and attachment of rewards on the best performance may also help.

Seamless and accurate implementation of plans

As we discussed earlier that generally plans are excellent but the problem arise when we are going to implement those. Accurate and seamless implementation is needed in order to get the desired outcomes. More often it's been studied that at the implementation stage plans normally changes due to ground realities and sometimes there are some changes occur between the time lagged between planning and implementing process. Failure to do so may result in ruining all the pre implementing efforts which involve a lot of resources and quality time of an organization.

Moreover a close coordination among all the departments of the organization is necessitated. Preferably the planers should also be in the implementation team. Functional level managers should be taken into loop to ease this phase, short or department level plans should be made with those managers to can smooth the whole process.

Organizational Learning

After all the above steps which started from thinking to implementing a strategy, the most critical task arises. Managerial experts have come to the point that organizations are like an organ should grow or change with the passage of time. This means that a constant changing approach is desired to make all the necessary changes in the plans which were not accounted for during the process of planning. This process may be called as Instrumentalism or emergent approach to tackle dynamic changes which were faced by the organizations.

Conclusion

Concluding we come to that point that should strategy formulation process be intentional or realized. Formerly intentional is the best practice as they theorists presume that realized style of planning is messy and short term or we can say ad hoc management. As its informal and doesn't provide a sustainable solution to a problem. However its may be beneficial for a certain particular

problem in a given situation. On the contrary prior planning gives an organization a clear path and vision also allows for the formalization and differentiation of strategy tasks due to its sequential and structured nature. Moreover it encourages long term thinking and commitment of the management. Although planning also has some pitfalls like it heavily rely upon forecast and predictions about future, which most of the theorists think is not able, because nobody knows what will come across in the coming times, conversely this dilemma can be arrested by adopting such a strategy that's a blend of planning as well as incremental.

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