

Strategic Success: Elusive dream or a real possibility?

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Strategic management practices are often over-praised as being a key driver of business success. At the same time, the art of strategic management, along with its associated practices, is one of the most under-utilised tools of business leaders.



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The success or failure of a business can rarely be ascribed to just one reason or decision. Business success is the result of a number of factors that are combined to create positive conditions for a company. The idea that there is a fixed formula for business success is an illusion.

It is increasingly being recognised that long-term sustainable business success from a strategic perspective is based on two leadership capacities. The first is the ability of leaders to make strategic choices that improve the performance of their organisation. This implies that the current success or failure of a business is the result of past strategic choices. The second involves the capacity of business leaders to instil a culture of strategy execution, meaning a firm focuses its resources on the areas that are the key to its success. Strategic choice and strategy execution are key leverages in the creation of sustainable stakeholder value.

Strategy execution

Good results come from carrying out the strategic choices a firm has made, those who are able to quickly execute their strategic intent reap the benefits. Organisations that are able to mobilise a focused execution of their strategy also benefit from feedback, creating an opportunity for emergent strategies, proactive adaptation and learning. The reality is that only a few companies get the basics right on strategy. Strategy is vastly under-utilised, but the question remains as to why it is so difficult to achieve consistent long-term strategic success. By its nature, strategy is a risky business and there are no guarantees. The reasons are related to the influencing environment in which organisations operate. This environment is the context in which the competitive business game plays itself out over time.

There are four key factors that contribute to the risks associated with the strategic choices leaders need to contemplate:

- Changes in the needs of customers increase risk. Customer needs are dynamic rather than static.
- Consumerism, mass media communication and the need for

individuality are all trends that shape the needs of customers.

- Technological developments change the domain of what is possible. These developments enable the ongoing creation of new products and services and increase opportunities for better internal efficiency of organisations.
- Competitors in a strategic landscape are constantly changing. New and current competitors are continuously changing their competitive onslaught.
- Access to the resources a firm requires for executing its strategic intent contributes to risk. Competitive resources in the form of systems, people and processes take time to develop and need to be nurtured constantly.

Application

Our informed sensitivity to the above change drivers is a starting point for strategy, but only when these strategic choices are practised as an ongoing business process and not as an annual 'rain dance'. In this case, strategy is not just the domain of a few, but equates to the contribution of all in a firm as strategy represents what the staff do on a daily basis and not just what the firm wants to be in the future. Strategy execution is created through involvement, meaning the efforts of employees and partners of the firm are aligned and focused on the execution of choices the firm has consciously made. This focus can be strengthened retrospectively, by use of feedback and reflection for achieving ongoing strategic success.

Due to the dynamic nature of customer needs, technological developments, competitor forces and resource stocks, it is a starting condition to treat strategy as an emergent people-centric process.

Strategic success is an organisational practice that leaders and their followers need to live into; it is not a standard to live up to. More than being just a tool, the strategy of a successful organisation is a vital part of the DNA of the organisation empowering all of its employees to actively contribute to its execution from an informed perspective. ■