Strategy Development by Strategic Approach

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Abstract

In order to assemble the disconnected and disorderly ideas, processes, methods and techniques (written on strategy development), it could be said that there is an exact approach or systematic thinking on this issue. In addition, by careful evaluation of the manner of bringing forward the issues such as strategic approach, systematic, processes, scope and modeling of strategy development, it is intended to bring in a new perspective and more significantly to provide a different benefit by the application of these issues.

The scripts in the hereby article are composed as a result of the conclusions obtained from different application environments of the issue in subject and by the composition of the cause and effect relations of these. Significant issues such as development of strategic approach and the processes of strategy development by strategic approach are being examined thoroughly.

Keywords: Strategy development, strategic approach, strategic thinking, strategy development methodology, strategic planning

1. Introduction - Basic Concepts

1.1. Strategy

- Must be consistent with mission and vision.
- Actions to pursue business objectives.
- Will be revisioned continuously.
- Guides the structuring of the organization.

1.2. Strategy and Planning

Planning is designed on a known future and it is related to results expected to be obtained in static environments. Strategy creation is a dynamic event. It is intended for the positioning of organization to achieve the planned objectives in environments where uncertainties and changes are sudden (Porter (2002)).

As when and how the changes will occur is not known, strategies can not be composed according to a specific timetable. Creating strategy is an art, as it cannot be defined only by a specific process and as it does not have an accurate result.

Planning can only be made when the agreed strategies are determined. The correct way is to plan the results of the strategy, not the strategy itself.

1.3. Strategy Development
It is being observed that it is actually "management", in periods when planning is defined as forward thinking and then controlling the future. That this process is actually "decision making", in periods when planning is defined as a process. And that it is actually "strategizing", in periods when planning is defined as an integrated decision making model. That strategizing is actually not different than the determination of vision, and in most cases what we see is that the concept of mission is used within the concept of vision. (Hax and others (1996)).

It will be right that each organization;
- considers its own values, characters, structures and requirements,
- concentrates on contents rather than concepts,
- develops its own systematic thinking, brings in its own definitions, defines its own processes.

2. Strategic Approach
Many models are developed regarding strategy. In periods when changes are sudden, static models do not provide significant benefit on creating competitive advantage (Bütüner (2004)). Because:
- The models developed do not encourage creative thinking due to their mechanic structure.
- Confusions arise on application, as the steps of the models and relations between these steps often can not be defined as "process".
- Despite concepts such as evaluation and application of strategy being mentioned on the developed strategic planning models, "strategy development" is not emphasized.

Questioning the assumptions and beliefs accepted by everyone within the organization and discussing which new opportunities could be created in case of the change of these beliefs is important. As it is not possible to see the end beforehand while creating strategy, it shall be accepted that anticipations based on experiences can also change (Harrison and others (2001)).

As creative thinking is distributed widely in each organization, it shall not be monopoly of top management and occurrence of suppressed and isolated new and interesting perspectives shall be provided. In order to develop strategy, looking at the world with a new perspective and with a new objective, thinking of the facts in the simplest manner, and defining and examining according to these provides us to see the points that we are unable to see.

The only unchanging point is change and the principle of change is strategy development or systematic of strategic thinking. It will be right that the methods to be used for strategy development are not considered as the steps of the process and that the methods used have continuously repeatable and changeable characters due to the status of condition (Hunger and others (2001)).

3. Development of Strategic Approach
It is necessary to consider the following factors in order to develop strategic approach (Bütüner (2004)).

3.1. Experience
In order to reveal different perspectives, it is necessary;
- to benefit from the opinions of experienced and specialist individuals from the organization or from outside,
- to arrange seminars, panel discussions and meetings with these individuals.

3.2. Research
In order to accord with the changes in the environment in a short while, it will be right;
- to adopt continuous learning as a philosophy within the organization,

- to continuously renew the capital of information,
- to create an environment that questions and searches everything.

3.3. Communication
In order to have information shared continuously, it is necessary;
- to support team work,
- to extend participation and to give opportunity for new participants and for the ones working remote,
- to develop creative ideas by brain storming sessions.

3.4. Estimation
In order to have continuous strategic progress, the following bears importance:
- To monitor the changes and developments regarding future.
- To compose visions regarding future.
- To make thinking about the future as a habit within the organization.

3.5. Setting a Model
The following are necessary within the organization:
- The strategy increases the value of organization.
- Developing a "cash flow model" peculiar to each condition increases the value of organization.
- Founding the cash flow model on critical variables increases the value of organization.

4. Principles of Strategy Development
- Composing a radical thinking environment supported by brain storming applications.
- Adopting simple and mutual systematic thinking.
- Examining the accepted issues and assumptions.
- Accepting that creating a strategy cannot be defined as a process due to its structure and that this is a continuous formation.
- Understanding that strategies are open to development and change, that the permanent issue is the systematic of strategic thinking.
- Providing that attendance is not limited by top management.

5. Processes of Strategy Development by Strategic Approach
A strategy development process that starts with preliminary preparation and information gathering does not conclude on the application phase. After passing on to application, the continuity of strategy development shall be provided by directing to any middle step or to the start.

5.1. Preliminary Preparation
This phase is intended to defining the issue to be evaluated (Bütüner (2004)).

5.1.1. Preparation of Questions
Questions that will encourage creative thinking regarding the issue to be evaluated are prepared. For example, for determining the picture regarding the future of the organization, questions intended to determine the changes on the expectations and priorities of clients, the competition environment, the domestic and foreign trends in the industry should be prepared.
The important point is to prepare these questions as to create a brain storming environment.

5.1.2. Determination of Participants
Experienced individuals from outside the organization are determined for the objective of information gathering regarding the issue to be evaluated.
Moreover, individuals regarding the issue are determined without considering the hierarchy.

5.2. Information Gathering

This phase is intended to obtain information regarding the issue. The information obtained shall be used on the modeling phase (Bütüner (2004)).

5.2.1. Status Analysis

A detailed status analysis is performed regarding the issue whose details will be evaluated by using some known techniques.

For example, for the determination of the rate of meeting the requirements and priorities of clients with the current products and services, the following shall be well known and analyzed:

- Competitors.
- Requirements and priorities of clients.
- Products and services presented.
- Inputs used to produce the products and services.
- Basic competencies of the organization.
- External environmental factors.

5.2.2. Estimation

Estimation is made of how the change regarding the future of the business field which the organization is now within or plans to enter will be. For example, information is obtained regarding which direction the requirements and expectations of clients will change and develop in the future. The important thing is to determine the changes regarding clients beforehand and to re-design the product and service presentation system of the organization accordingly.

In this step, in order to have different ideas, seminars, panel discussions and brain storming sessions shall be arranged with individuals experienced and specialist on the issue from the organization and from outside the organization, by the support of participants of preliminary preparation and information gathering steps.
The important point in this step is to prevent the participants to concentrate on the same fixed anticipations and to let them accept that anticipations and agreements need to be changed.

5.3. Existing Competency Analysis

This phase is intended for the composition of model. Model is set up to present the current status and the picture expected to be in the future (Bütüner (2004)).
A model is set up based on parameters that are dependant and independent to each other. The important point on this step is to present the following features of the organization accurately:
- Chain of value.
- Functions.
- Work flow schemes showing the relations between value chain and functions.
Especially, as the variables and their details affecting the model become evident on the work flow schemes, the development of model by additions and changes becomes easier.

5.4. SWOT & Sensitivity Analysis

It is necessary to determine the things that affect the picture at most in the current condition and in the expected future. The variables that are most sensitive and that will significantly affect the results of the model are determined (Porter (2002)).
Assumptions are made by performing brain storming on these variables. Model is re-evaluated according to the composed assumptions, and the results obtained are assessed. In here, the important point is the repetition of this phase in accordance with the continuously changing conditions and innovations.

5.5. Determination of Main Objectives, Strategic Path & Performance Criteria

In this phase, performance criteria are defined due to the model established in order to measure and monitor the results of the model. These criteria shall be used on follow-up of strategies to be developed and of business plans to be composed on these strategies.

In this step the important point is (Pietersen (2002));

- not to select numerous criteria that are hard to comprehend and follow,
- determining issues that are realistic, assertive, measurable due to performance criteria and that are in conformity with the main objectives of the organization.

5.6. Application & Performance Analysis

In this step, performance criteria are monitored, diversions from the objectives are evaluated and their reasons are analyzed.

In case of not reaching the required objectives, changes are made on the model according to the recommended solutions or a new model is designed.

Figure 1: Development of strategic approach
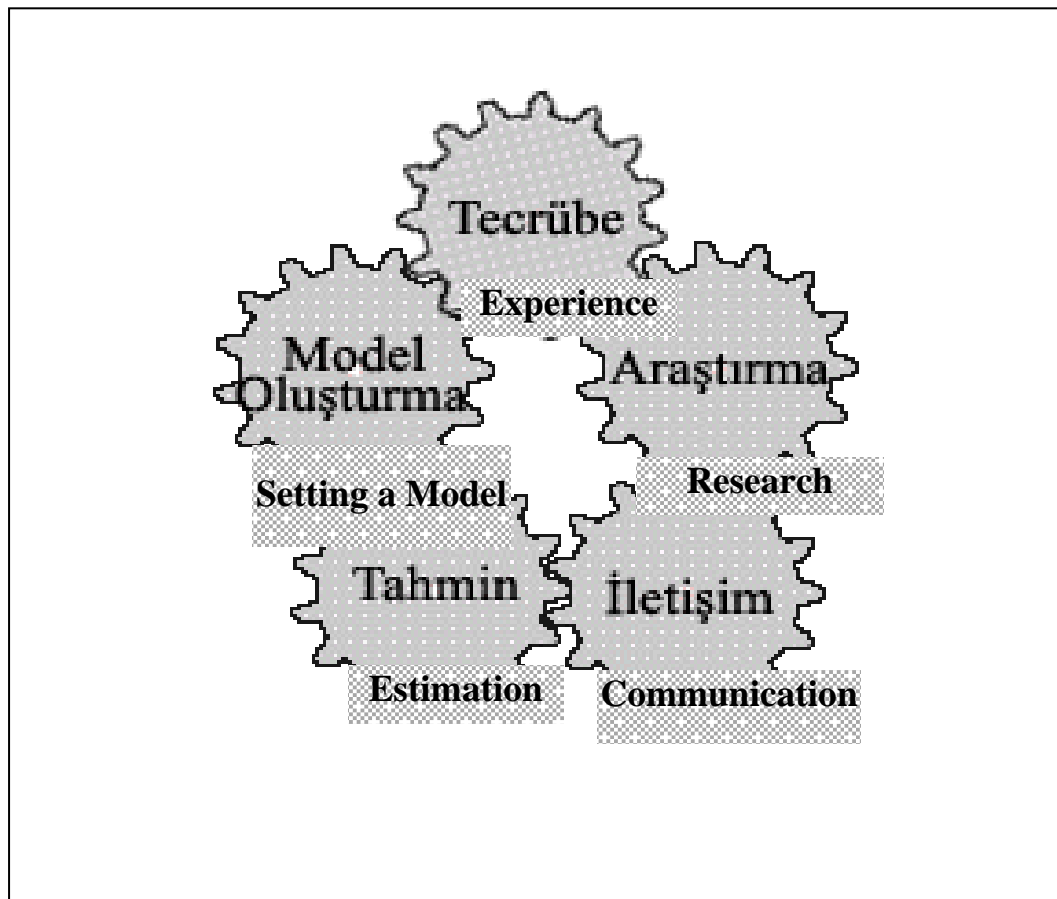
Source: Bütüner (2004)

Figure 2: Processes of strategy development.

Source: Bütüner (2004)

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