

## **The Strategic Management Process**

Three ongoing process- analysis, decisions, and actions-that are central to strategic management. In practice, these three process-often referred to as strategy analysis, strategy formulation, and strategy implementation-are highly interdependent. Further, these three processes do not take place one after the other in a sequential fashion in most companies.

Henry Mintzberg, a very influential management scholar at McGill University, argues that conceptualizing the strategic management process as one in which analysis is followed by optimal decisions and their subsequent meticulous implementation neither describes the strategic management process accurately nor prescribes ideal practice. In his view, the business environment is far from predictable, thus limiting our ability for analysis. Further, decisions in an organization are seldom based on optimal rationality alone, given the political processes that occur in all organizations.

Taking into consideration the limitations discussed above, Mintzberg proposed an alternative model of strategy development. For a variety of reasons, the intended strategy rarely survives in its original form. Unforeseen environmental developments, unanticipated resource constraints, or changes in managerial preferences may result in at least some parts of the intended strategy remaining unrealized. On the other hand, good managers will want to take advantage of new opportunity presented by the environment even if it was not part of the original set of intentions. The SARS crisis in Southeast Asia is a completely unexpected environmental development. If managers of pharmaceutical firms redeploy their R&D capabilities to develop a drug to fight SARS, that would be an emergent strategy. The final realized strategy of any firm is thus a combination of deliberate and emergent strategies.

Dess, Gregory G., G.T. Lumpkin and Marilyn L. Taylor. Strategic Management. 2 ed. New York: McGraw-Hill Irwin, 2005.