Strategic Thinking: Catalyst to Competitive Advantage

Dr. Qadar Bakhsh Baloch*
Maria Inam**

"*The best way to predict the future is to create it.*" Peter Durcker

Managers of any organization are not only responsible for routine affairs, but are also tasked to shape future of their firms by setting long term goals, diagnose emerging threats, resolve emerging problems, and look for using their strengths in exploiting opportunities offered by competitive world. Such a proactive intellectual and analytical discourse aiming at creating positive trends for the firm by gaining long term competitive advantage over its rivals is called 'strategic thinking'. A firm can outperform and out-distance its rivals only if it achieves competitive advantage by delivering greater value to customers or creating comparative value at a lower cost or do both.[1] Competitive advantage arises out of meaningful differentiation in the marketplace. Differentiation route revolves basically around the principle of making its offer distinctive from all competing offers and win through distinctiveness. The more competitors stake their strategic thinking upon being the lowest price producer or delivering the highest quality, the more they start to look alike in their marketplace, thus losing their competitive edge over one another. Delivering greater value maximizes higher unit prices; whereas, greater efficiency results in lower average unit costs. Michael Porter, renowned management thinker, terms such performance as 'operational effectiveness' which yields superior profitability for the firm. Such a thinking process is the outcome of

* Dr. Qadar Bakhsh Baloch, Associate Professor, Qurtuba University of Science and IT, D.I.Khan, Email: qbuzdar@yahoo.com
** Maria Inam, Institute of Management Science, Peshawar.

strategic culture that is, formalized through strategic planning with specific rules and regulations of its own to traverse the strategic landscape. Strategic thinking can be defined as 'a way in which people in an organization think about, assess, view, and create the future for themselves and their associates.[2] Strategic thinking has never been more important, than in today's globalized competitive environment, in which, corporate strategies transcend the borders of nations and markets to earn a worthwhile return on investment by outperforming its rivals. It is fast becoming a key competency for every leader and manager of today's business world. In other words, managers who employ strategic thinking and respond to the new realities with accelerated rate of change, can succeed in taking control of the future to realize the dreams of their clients and other stakeholders. The management that scans the scenario to study the competitive forces in their environment, deduce a set of choices (strategies) that helps firm confront those forces and earn operational effectiveness while implementing the crafted strategy, is called 'strategic management'. Hence, Strategic management has come to be known as the art and science of formulating, implementing and evaluating cross-functional decisions that enable an organization to achieve its objectives.[3] And strategy is a method or a way to achieve organizational goals.

This paper attempts to justify that strategic thinking is an indispensable catalyst to competitive advantage of any firm and sets ground to create and command its own future. It focuses on the students and practitioners of the field of strategic studies and strategic management and organizes its debate to differentiate strategic thinking, strategic planning and strategy while answering following questions in the subsequent pages:

- Define strategic thinking, describe its criterion and explain its process.
- What is strategic planning process and how it is conducted?
- How does strategic planning differ from strategic thinking?
- What is strategy, what makes it successful and when does it fail?
- Points to be pondered upon when developing a strategy.

What is Strategic Thinking?

Scholars trace the roots of the strategic thinking back to military planning that has learned much over the centuries. Terms such as objectives, missions, strengths, and weaknesses were invented to address problems of the battlefield. Even a cursory survey of the military history reveals that happy results of military successes were not accidental. They were rather the outcome of farsighted strategic thinking, continuous attention to the changing environment and judicious use of resources to their optimum. The thought process and the exercise that drives military or business strategic plans, embedded with the element of surprise are mostly identical. Both business and military organizations try to use their strengths to exploit competitor's weaknesses. However, fundamental difference existing between the two is that the business strategy is based upon the spirit of competition, whereas, military strategy revolves around an assumption of conflict.[4] Strategic thinking is a planning process aiming to create a strategy that is coherent, unifying, integrative framework for decisions especially about direction of the business and resource utilization. It is conscious, explicit, and proactive and defines competitive domain for corporate strategic advantage over its rivals. In doing so the strategic thought process uses internal and external data, qualitative synthesis of opinions and perceptions to develop business strategies that have a greater chance for success. Review of the related literature concludes that more and more organizations are learning that past experience is not always the best basis for developing future strategies. Rather we are required to devise new ways to create added value for customers. Strategic Thinking requires innovation and creativity and includes a research phase to examine the voice of the customer, the employee and industry's best practices. Strategic thinking is the "what:" and "why" of the planning process. It answers the question, "what should be done and why?" It is a process of examining everything we do in various roles, understanding the needs of our customers and ensuring that all of this is linked to clearly well define strategic imperatives.

Strategic Thinking Process and its Criterion

Strategic thinking in business is an ongoing process that assesses the business and the industries in which the company is involved; assesses its competitors and sets goals and strategies. Success of any strategy hinges upon its innovativeness and surprise for the opponents and its move as per the changing dictates of the environment, failing which it may lead to disastrous consequences. The thinking process, not only help organization move to productivity frontiers, and maximize its financial returns but also maximize its return on people. However, staying ahead of rivals needs different personnel, new ways of managing, constant improvement in operational effectiveness and deliberately choosing a different set of activities (not easily imitable) to deliver unique mix of values. Darwin's remarks are quite pertinent here,*" It is not the strongest of the species that survive, nor the most intelligent, but the most responsive to* change*."* Napoleon Bonaparte kept winning till such time that his opponents were committed to the strategies of earlier wars. He lost to Wellington, when they follow strategies not of the last wars but of the next.[5]

As discussed earlier that strategic thinking commands the future by creating its own and endeavors to achieve benchmarks without compromising the needs of the customers, the organization and our staff in the process. It is a challenging undertaking that helps the management to move outside its comfort zone into the possibilities of exceeding customer and organizational expectations by innovating series of strategies. Firms succeed if their strategies are appropriate for their situation, feasible with respect to resources, skills, expertise, and desirable to their internal and external stakeholders. Companies fail when their strategies are not appropriate, feasible, or desirable. The integrated use of following five key criteria of strategic thinking makes the vision focused and forms a clearer picture of how this vision can be realized.

- Determine firm's skills and competencies, organization's type , structure, and its culture and how its people, resources, and structure are dovetailed together to achieve desired outcome.It would help the firm to identify firm's strengths and weaknesses so as to create unique competitive advantage or locate its vulnerability. Keeping track of the strengths and strategies of the competitors and substitutes operating in the market helps in sharpening its own strategies. The same points are also stressed by the renowned management guru Michael Porter in his classical article, "The Five Competitive Forces that shape Strategy" but in a little different way.[6] He contends that irrespective of the difference in the nature of different industries the underlying drivers of profitability are the same that shape or structure the competition with in the industry. It is the structure of the industry that drives competition and profitability, regardless of whether an industry is emerging or mature, high tech or low tech, regulated or unregulated.[7] Rivalry is especially destructive to profitability if it gravitates solely to price because price competition transfers profits directly from an industry to its customer.[8]

- Strategic thinking presents a broadened view as it allows one to see things from higher up thereby sharpening the vision. Without a vision, the business will have no direction, but it's impossible to achieve a vision without a strategy. Strategic thinking involves developing creative skills in problem solving, teamwork, critical thinking and flexibility. Strategic thinkers are able to see the big picture, as well as how to attain it.[9] The vision thus developed helps to distinguish between alternatives and scan political, economic, social, technological and industrial environment under which the firm competes. Hence, the vision formed through strategic thinking enables you to integrate different viewpoints like; environmental view; the market view; the project view; and the measurement view while making business strategies.
- Portfolio of firm’s offerings; product/ service, price, and image positioning, their uniqueness and rationale for offering. Thinking strategically involves looking not just at the present, but the future.
- Remaining informed about the market and customer’s needs and firm’s suitability and relevance to them. The niche in the marketplace that your business will fill
- There must be an on-going process of measuring the effectiveness of the plans and verifying that they are

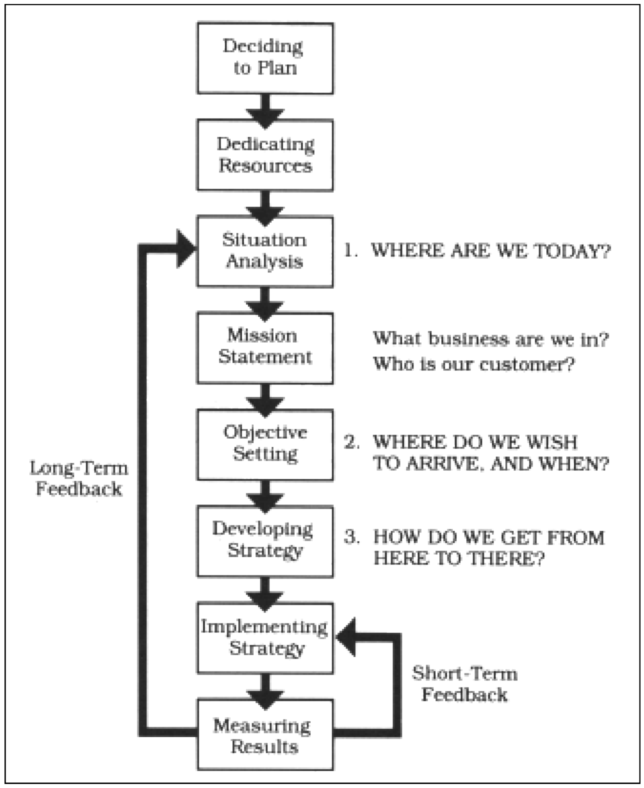
implemented as planned. Measurement is also used to benchmark the original needs against the implemented actions. To successfully implement strategic change, initiated through the strategic thinking process, it is important for all levels of employees to fully incorporate the change in everything they do. It is done by establishing values and principles to ensure the organization is successful at achieving its strategic goals.

Strategic Planning Process

Strategic planning is the formal and self correcting process that comprises the procedures of defining objectives and creating strategies to attain those objectives. A strategy is a long-term plan of action designed to achieve a particular goal, as differentiated from tactics or immediate actions with resources at hand. Abraham Lincoln once said, “If we could first know where we are, then whither we are tending, we could then decide what to do and how to do it.”[10] Considering what Lincoln said one may define: Strategic Planning as the managerial process which, examining the organization as a whole, addresses three key questions:

- Where are we today?
- Where do we wish to go, and when?
- How do we get from here to there?

The first question "Where are we today” is tackled by situation analysis that looks at organization internally in order to determine its strengths and weaknesses, and externally to identify opportunities and threats. Objectively conducted situational analysis leads to development of ‘mission statement that sets the stage for the objectives and strategies to follow thereby answering the second question; where do we wish to arrive, and when?” The third question, "How do we get from here to there?” during a process step called Strategizing.



Strategic planning within business is the task of strategic management that is responsible for providing a general direction to a company or give specific direction in such areas as: marketing strategy, human resource, organizational development strategies, information technology deployments, and financial strategies that determine long-run performance of a corporation. It includes environmental scanning, strategy formulation, strategy implementation and evaluation and control. The planning process succeeds only if imperfect knowledge, unintended consequences, uncertainty, luck or internal resistance in the strategy or plan does not block it. Instead of manipulating firm's future through estimates, it is essential to endow the firm with certain distinctive competencies[11] and strengths that carry the firm through contingencies resulting from unexpected environmental changes in technology, products, globalization of markets and commercialization of patents, and socio- political and economic forces. To cope with the telling effects of such environmental changes a firm must have to be strategically alert, futurist in approach, quick in absorbing and responding change, and to gain mastery in technology, marketing and decision support systems. The process integrates all parts of strategic thinking to devise strategy and achieve set goals. Employee involvement is key to ensuring that they stay involved in the execution of the operational plans. This is where operational planning comes to play. It is the process of translating strategies into action plans that are achievable. One reason as to why so many businesses fail in the initial stages is the absence of strategic thinking and longer-term planning, and they fail to survive when things change against their expectations.

The currently advocated ingredient of any strategic plan that include; determining mission, conducting analysis, setting objectives, crafting methodology, allocating resources, executing plans, evaluating the performance and ordering correction when and where necessary, are not something new. Rather they are in practice since millennia. Sun Tzu[12] of China for instance, more than 3000 years ago suggested that overall strategic system consists of two major parts: What is strategic position (strategic planning); and, how to advance that position (strategy). Since, strategy is a product of well thought out planning process therefore, Sun Tzu on analyzing position advises that before any challenge, calculate a plan with five working fundamentals: *Mission, environment or climate, ground or market, method or strategy, and the leadership*. Sun Tzu Concludes in the Art of War on five Strategic Planning elements:

"Leaders should not be unfamiliar with these five (steps). Those who understand them will triumph. Those who do not understand them will be defeated."[13]

Strategic Planning Tools

There is a wide range of strategic planning tools and procedures often used in strategic planning, improving company success, organizational development and identifying competitive advantage. Some of these tools help you make better decisions and keep your company on the road to success are:

SWOT Analysis: A strategic tool that stands for strengths, weaknesses, opportunities. It is in environmental scanning as a part of strategic planning to identify threats and opportunities, strengths and weaknesses prevailing in the external and internal environment situation. By capitalizing on one's strengths, and minimizing or correcting one's weaknesses, a company is better able to take advantage of opportunities as they emerge, and cope with threats before they become dangerous. However, in my opinion, one major fault of the current strategic analysis prevailing in the market place, called, "SWOT" is that it deals with these four elements in isolation of the competitor situation. What may be perceived as weakness in an organization may not be so in comparison to all the competitors in this market. Therefore, it may lead to wrong indicators, if the "SWOT" analysis is done without taking in account opponent situation or position into consideration. The result of SWOT analysis may advocate strategic choices like:

- Pursue strategy of forceful expansion by exploiting the opportunities that match the firm’s strengths.
- Diversifying away from areas of major threat to more promising opportunities.

- Focusing on rectifying weaknesses in spots of significant opportunities.
- Taking defensive measures in areas of threat where you are weak.

The PEST Analysis is quite similar to the SWOT, but is more specialized and focused on the external environment. The PEST acronym stands for: political, economic, social, and technological elements. Other acronyms used in this context are STEP, STEEP or PESTLE analysis (Political, Economic, Socio-cultural, Technological, Legal, and Environmental). Lately it was even further extended to STEEPLED, including ethics and demographics. Identifying *PEST* influences is a helpful method of summarizing the external environment in which a business operates. Nevertheless, it has to be followed up by consideration of how a business should act in response to these influences. Once the extent and effect of these factors are identified the next step is to create a business strategy or strategies that will take advantage of these trends and changes, while minimizing risk to the company.

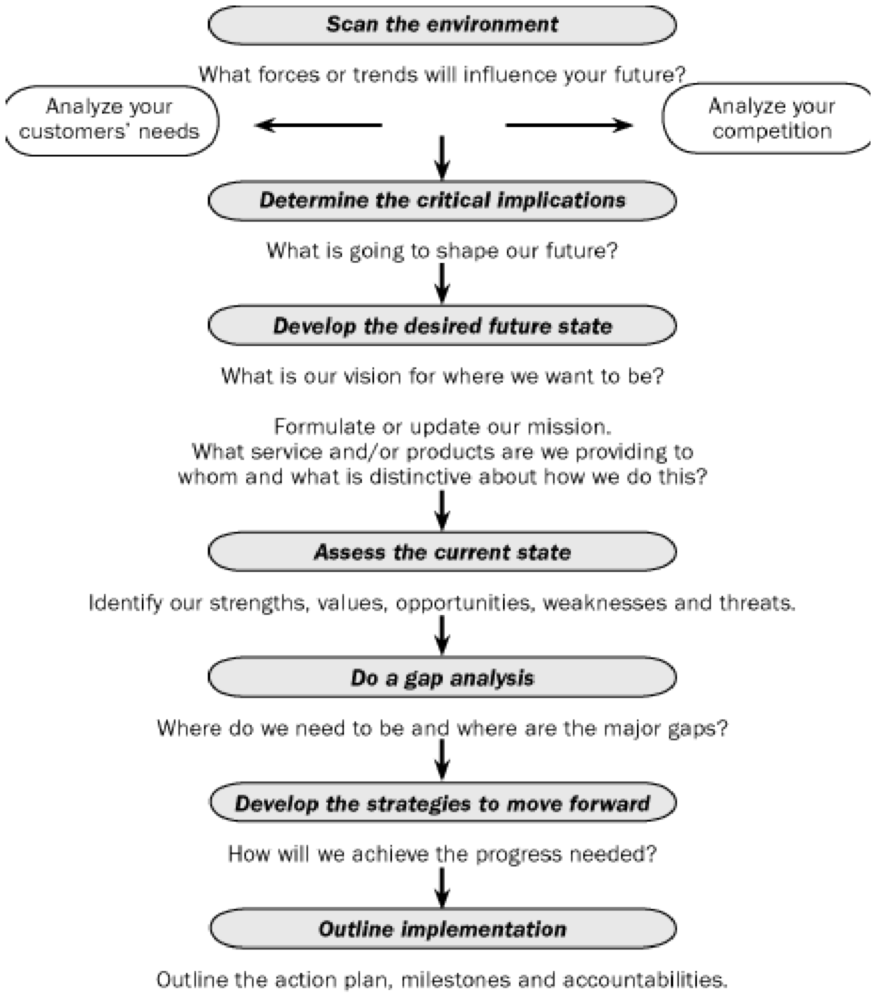
Risk Analysis involves identifying where a company might be vulnerable to various external factors. Risk analysis may be conducted either within the structure of strategic planning, or, on its own. These days companies need to buffer the effects of a number of things "out there" so they ensure that they don't become the victims of foreseeable events.

Competitive Analysis: Business takes place in a very competitive, unpredictable environment, so it is important to understand the competition. One of the principles for becoming competitive is to leverage your strengths and minimize your weaknesses, with respect to competitors. Therefore, competitive analysis involves looking at the information of those who compete in your market place so as to identify where your strengths are relative to those competitors. Questions like these can be of assistance:

- Which firms are nearest direct competitors?
- Who are your indirect contenders?
- Is their business growing, steady, or declining?
- What can be learnt from their operations or from their marketing?
- What are their strengths and weaknesses?
- How does their product or service differ from yours?

Strategic Planning Framework

The essence of strategic planning is "to provide a conceptual framework for the company's CEO and line managers to enable them to make decisions today that will affect the company in the future".[14] There are no generally applicable recipes for success in business as each business is unique. Effective strategic thinking can be stimulated however by adapting the following framework for the process to the specific situation of any company.



Strategic Thinking VS Strategic Planning: Though both of the terms are mostly used interchangeably, but there are certain differences when these terms are carefully examined and unpacked. Strategic thinking differs from strategic planning along the following dimensions:

	Strategic Thinking	**Strategic Planning**
Vision of the Future	Only the shape of the future	A future that is predictable

	can be predicted.	and specifiable in detail.
Strategic Formulation and Implementation	Formulation and implementation are interactive rather than sequential and discrete.	The roles of formulation and implementation can be neatly divided.
Managerial Role in Strategy Making	Lower-level managers have a voice in strategy-making, as well as greater latitude to respond opportunistically to developing conditions.	Senior executives obtain the needed information from lower-level managers, and then use it to create a plan that is, in turn, disseminated to managers for implementation.
Control	Relies on self-reference – a sense of strategic intent and purpose embedded in the minds of managers throughout the organization that guides their choices on a daily basis in a process that is often difficult to measure and monitor from above.	Asserts control through measurement systems, assuming that organizations can measure and monitor important variables both accurately and quickly.
Managerial Role in Implementation	All managers understand the larger system, the connection between their roles and the functioning of that system, as well as the interdependence between the various roles that comprise the system.	Lower-level managers need only know his or her own role well and can be expected to defend only his or her own turf.
Strategy Making	Sees strategy and change as inseparably linked and	The challenge of setting strategic direction is primarily

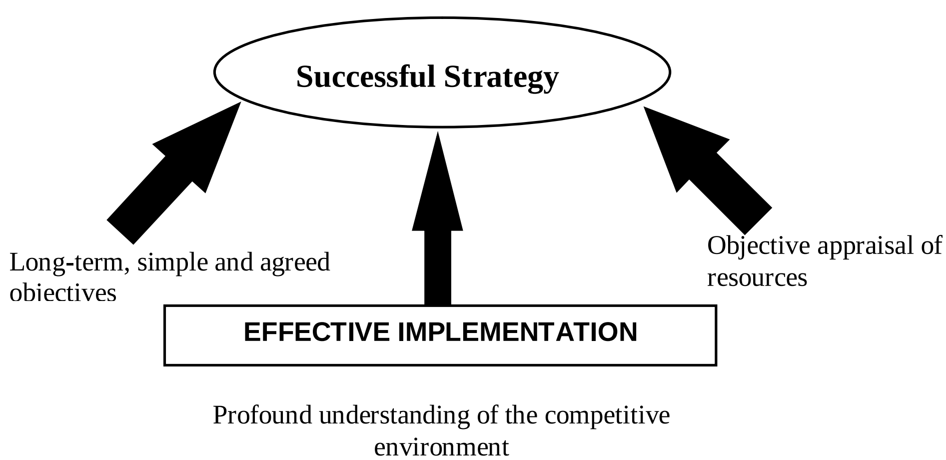
	assumes that finding new strategic options and implementing them successfully is harder and more important than evaluating them.	analytic.
Process and Outcome	Sees the planning process itself as a critical value-adding element.	Focus is on the creation of the plan as the ultimate objective.

Source: Liedtka, J.M., "Linking Strategic Thinking with Strategic Planning"[15]

What is a 'Strategy'?

Reflecting the military roots of strategy, The American Heritage Dictionary defines it as, "The science and art of military command as applied to the overall planning and conduct of large scale combat operation".[16] Whereas, the famous management guru Alfred Chandler defines strategy as "the determination of basic long term goals and objectives of an enterprise, and adoption of courses of action and the allocation of resources necessary for carrying out these goals."[17] Strategy is the overall plan for deploying resources to establish a favorable position.[18] The strategies are constantly evaluated to determine whether these have succeeded or needs replacement by a new strategy to meet changed circumstances, new technology, new competitors, or a new social, financial, or political environment.[19] According to Mintzberg, strategy is a pattern (plan) in a stream of decisions or actions.[20] Implicit commonality in all of the definitions is the idea that strategy involves rational planning. Today's business world is passing through a new age, in a chaotic transition period marked by global competition, rampant change, and faster flow of information and communication. In contemporary era of rapid change and opportunity, the firms whose leaders can see possibilities beyond their traditionally served markets will cash the profitable and sustainable growth. Whether developing new product, advertising, branding, marketing, pricing or any other Strategy, appreciative inquiry is a tool for improved decision-making at highest level of managerial hierarchy that has been referred above as ‘strategic management. Strategic management is a combination of three main processes which are: strategy formulation, strategy implementation, and strategy evaluation. Strategy formulation is a process of determining where you are now, where you want to go, and how to get there. Strategy formulation involves crafting mission, setting corporate, business and operational objectives. These objectives are in line with situation analysis, self-evaluation and competitor analysis and environment audit.

What Makes a Strategy Successful: However, what makes a strategy successful, irrespective of its military or business character, is establishing agreed but simple objectives with the profound understanding of competitive environment, objective appraisal of resources and effective implementation



Why Strategy Fails?

There is no denying the fact that "battles are often lost for want of nails of the horses" (or poor planning and preparation of the commanders/ generals). Very often we come across companies that fail to pursue successfully their goals or fail to convert strategic plans into actions due to major or trivial reasons. Mostly blame is put on the team responsible to execute the plans and a very little thought is given on the quality of strategic plans or whether those were really worth implementing is rarely asked. Most of the times the plans thrust upon the organization are anything but strategic in nature. The causes are usually substantial and are often self-evident, at least to an outsider. For example, the business was completely over-borrowed; management was weak; product opportunity was poorly identified; customers trends and needs were wrongly assessed, change in legislation; lack of motivation and commitment in employees or management, poor coordination amongst the functional areas, poor or inaccurate information / intelligence so on and so forth. However, assessing at the Pareto principal (80-20 rule) the few important reasons in my view that causes companies to fail are:

Dearth of Leadership: A compelling vision, bold leadership and decisive action are the prerequisites of success. And their absence is almost always the ingredients of failure of any business strategy. Business rises and falls because of good or bad leadership. Leadership is single most important factor in determining business success or failure in competitive, turbulent, fast-moving business environment. Innovative thinking with business insight in any organizational leadership is the winning point as it surprises the other competitors, leaving them unguarded from any stroke. Leadership that lacks business ideas and strategic insight fail to develop vision or chalk out plan to ditch their rivals and finally end up with plans that are meaningless from strategic point of view. Michael E. Raynor, while discussing the type of leadership and their task at strategic level in his best selling *The Innovator's Solution,*[21] suggests:

- The Board should not evaluate the CEO based on the company's performance, but instead on the firm's strategic risk profile
- The CEO should not drive results, but manage uncertainty
- Business unit leaders should not focus on execution, but on making strategic choices
- Line managers should not worry about strategic risk, but devote themselves to delivering on commitments

Failure to Manage Change: Adoption of any new strategy brings changes in organizations to better their performance in the face of emerging external or internal conditions. In such a scenario, it is imperative that organizations develop a 'learning' culture and manage change successfully. 'Learning' culture helps organizations in taking lessons from past mistakes and refrain from repeating them. If the people are not involved right from the outset of the strategy formulation then it is most likely to create internal resistance to the intended change. Further, lack of understanding about the methodology / spirit, and lack of vision behind the change will lead to poor relationship of processes, technology and organization.

Change never stops and there can't be any point where one can sit back and say, 'Let the change be finished for a while'. The most successful business and most visionary management is the one that understands the change, accepts it, and that builds it into its strategic planning and operational processes. If the leadership embraces change, then it can inspire its people not to fear it either. Some of the key points for managing change and thereby avoiding any serious set backs are:

- Accommodate change into your business plan through consultation and listening to customers, suppliers, shareholders and financial investors, as well as your own manpower. However, remember the final decision lies with the respective management. And that alone is responsible to be accountable for the rise and fall of the company.
- Communicate your vision and listen comments / other views without any pre-biasness and weigh each point before taking decision. The communication should have bumper-sticker simplicity, clarity, and brevity. Everyone must be drawn towards it.

Strategy Development: Guidelines

Relevant to Environment: Strategy formulation process should ensure that strategies developed fit with its mission, vision, competitive situation and operating strengths and matching response of its strengths, weaknesses, threats and opportunities offered by the prevailing environment. Consider external forces when you develop a strategic plan. Governmental regulations, legal developments, market conditions, economic factors and technological developments can all affect how you plan for the future. Consider the organizational structure of your business and assess how that team fits into your strategies for the future. You may have to reorganize your team to achieve your goals. Anticipate challenges. An important part of thinking strategically is being able to predict what issues will arise and devising a plan to confront those issues ahead of time

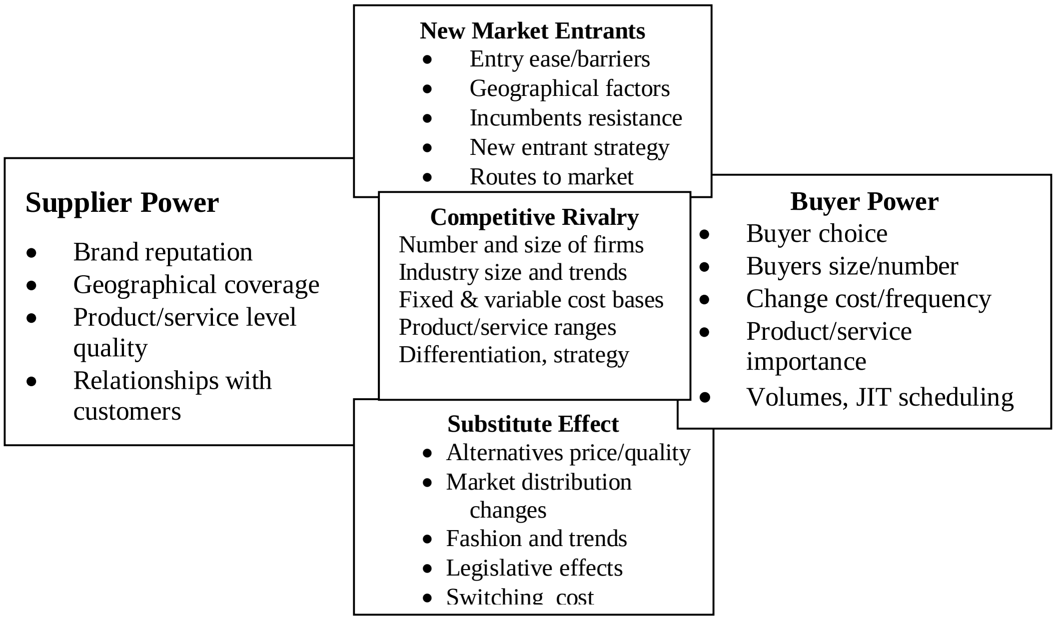
Focus on the future. Strategic thinking is goal oriented and guided by a vision for the future of a company. When developing strategies for business growth, those strategies must have clearly defined goals that contribute to the overall vision for the company. Being means to the ends strategies must establish expected outcomes in clear terms and make explicit links between these outcomes and the firm's goals.

Based on Broad Thinking: Strategy formulation shall be based on broad thinking so as to consider a range of scenarios and multiple alternatives in making strategic choices. Strategy represents a desired or intended choice out of many pursuable options. Once decision about the strategic choice is made then all needed resources and efforts are to be deployed and energies focused for the desired outcome without compromise on the ends or on the means. Strategies adapted must be viable and executable. In order to make them responsive in real term and forestall any knee jerk strategies shall be adjusted whenever and wherever deemed necessary by building upon firm's experiment, errors, and latest updates.

Rely on Accurate and Latest Information: Though strategic thinking and strategy formulation is mostly based on assumption and intuition but efforts shall be made to use the latest possible and most accurate data even by involving the lower level managerial echelons. The sound strategies are based on and supported by real data. The stakeholders must own and support the strategies before and during their execution. This often requires an interactive process of developing strategies through participative and shared thinking.

Matching with Organizational Structure and Culture: Strategies once developed, shall be matched with the organizational structure and culture that must be confirmative and supportive to the strategies. In case of any mismatch, the organization shall be restructured or reengineered and culture supporting the strategies be created before the initiation of the strategy is triggered.

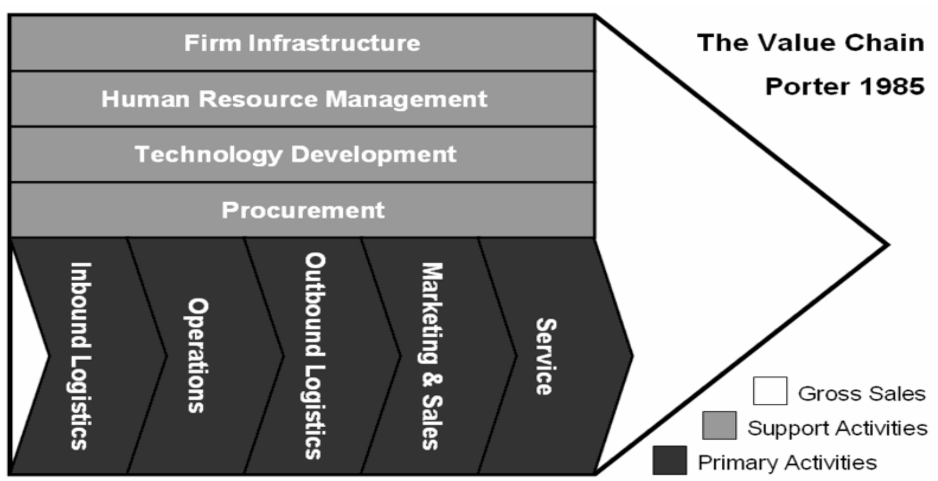
Use of Industrial Analysis: Since job of any firm's strategy is to drive competitive advantage over its rivals therefore, it should be able to withstand the competitive interaction of the forces operating with in the industry. While devising strategy to win competitive edge over the rivals, the management must understand that it is industry structure that drives competition and profitability, irrespective of the fact whether the industry is emerging, or mature, high tech or low tech, regulated or unregulated. Intensified competition destroys profitability as it gravitates solely to price war that transfers profit from industry to its customers.[22] The determination of a strategy is rooted in determining how a company stacks up against basic market forces, how it can defend itself against these forces and how it can influence these forces. Fortunately, Michael E. Porter in his article How Competitive Forces Shape Strategy defined these market forces for us. Known as Porter's 5 forces. Michael Porter warns that such competition is mutually destructive, leads to war of attrition and diminishing returns that compromises firm's ability to invest in the business for the long run. He identifies five forces (passing reference has already been made earlier on) that shape competition and their intensive role eats up the firm's profit.



Source: Micheal Porter, "The Five Competitive Forces that shape Strategy"[23]

Since strength of competitive forces affects prices, costs, and investment to compete therefore, understanding these forces shall be the starting point for developing strategy. Using the five forces framework, creative strategies may be able to spot an industry with a good future before this good future is reflected in the prices of acquisition candidates.

Value Chain Analysis: The business process is basically a value creating and value delivering process. Large manufacturing companies seeking to increase their profitability often turn to value chain management to find ways to increase their revenue, reduce costs, gain efficiencies, and alike. "Value chain"[24] concept proposed by Michael Porter is a tool for identifying ways in which value can be created / enhanced by a company and this can be used for comparing with the value chain of the competitor. In analyzing the value chain of the competitor, the company actually identifies the strengths and weaknesses of the competitor; it also gets insights into the strategy followed by the competitor. These revelations help the company improve its assumptions about the competitors while formulating its own strategy. Value creation depends not only on how well each department of the company performs its activities but also on how well the various departmental activities are



coordinated.

Source: Michael Porter, The competitive advantage' the concept of the Value Chain, 1985

Conclusion

Strategy spells out the program of action for achieving the results and together with objectives clarifies the future plan. Objectives, product-market scope, growth vector, competitive advantage and synergy are all constituents of corporate growth. Corporate strategy is basically growth design of the firm. Apart from providing a means to fill the gap between currently achievable performance and the target specified in the objectives, creating sustainable competitive advantage is a major concern of strategy. Senior managers and leaders in the organizations have a responsibility to make the required time to undertake Strategic Thinking in their business planning. It won't just happen nor can it be done in a quick half-day meeting. Without comprehensive Strategic Thinking the organization risks making quick decisions that lack the creativity and insights derived through a Strategic Thinking process. Executives may find out later that their organization is sliding in directions that they didn't want to approve of. This is not something that can be delegated away. Strategic Thinking can be done for the organization as a whole and for each department or division within the organization. The goal is to out-think, out-plan and out-maneuver other forces or competitors. To summarize, in giving a final shape to the strategy, the firm has to size up the forces shaping competition in the industry. Build defenses against these competitive forces, build relevant competitive advantages and also identify, utilize and nurture its synergies. The role of the leader embodying the essential elements of Strategic Thinking is well described in Sun Tzu's *'The Art of War'* that reads:

> *'A general must see alone and know alone, meaning that he must see what others do not see and know what others do not know. Seeing what others do not see is called brilliance, knowing what others do not know is called genius. Brilliant geniuses win first, meaning that they defend in such a way as to be unassailable and attack in such a way as to be irresistible.'*

End Notes

[1] . Michael Porter, "What is Strategy", *Harvard Business Review*, November-December, 1996, pp.61-78

[2] . William James, "Critical Success Factors for Strategic4 Thinking that Work". Available at: http://media.wiley.com/product_data/excerpt/30/07879650/0787965030.pdf (12.7.2008)

[3] . David, F *Strategic Management*, Columbus:Merrill Publishing Company, 1989

[4] . Fred R. daveid, *Strategic Management: concept and Cases*, 7th ed. New Jersy, Prentice Hall, p.

[5] . Fredrick Gluck, "Taking the Mystiques out of Planning", *Across the Board*, July-August, 1985, p.59

[6] . Micheal Porter, "The Five Competitive Forces that shape Strategy", *Harvard Business Review South Asia*, January 2008. pp. 65-79.

[7] . Ibid

[8] . Ibid

[9] . Incidentally I am reminded of Confucius who divides people in to two broad categories that is the common man, and the sage, the seer or a great man. He further holds that a common man is never free from worries. First, he is worried as how to attain his cherished goals and then he is worried as how to retain it. While a great man, he contends, is never worried (about worldly gains and losses). It appears that a strategic thinker though figures out amongst the top echelons of contemporary management hierarchy, falls in the Confucian category of a common man.

[10] . Bill Birnbaum, "Introduction to Strategic Planning", *Strategic Thinking: A Four Piece Puzzle,* Douglas Mountain Publishing, 2004. Available at: http://www.birnbaumassociates.com/strategic-thinking-book.htm

[11] . A firm's strengths that cannot be easily matched or imitated by competitors are called distinctive competencies. See: David, *Strategic Management: Concept and cases'* opcit. P.140

[12] . Sun Tzu ("Master Sun") is an honorific title bestowed upon Sūn Wǔ (544 BC – 496 BC), the author of The Art of War, an immensely influential ancient Chinese book on military strategy. In the author's name, Sūn Wǔ, the character wu, meaning "military", is the same as the character in wu shu, or martial art. Sun Tzu; a military strategist and general who served the state of Wu near. The Art of War, stresses the importance of accurate information about the enemy's forces, dispositions and deployments, and movements. This is summarized in the axiom "Know the enemy and know yourself, and you can fight a hundred battles with no danger of defeat."

[13] . Sun Tzu Concludes in the Art of War

[14] .Thomas H. Naylor, "Managing the Strategic Design Making Process," *Planning Review,* September-October 1980, pp. 30-33.

[15] .Liedtka, J.M. (1998), "Linking Strategic Thinking with Strategic Planning", *Strategy and Leadership*, 26(4), 30-35.

[16] . *The American Heritage Dictionary of the English Language*, 3rd ed. Boston, Houghton-Mifflin, 1992

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[24] A critical pre-requisite for optimizing value chain management involves analyzing the materials, processes and capabilities of key suppliers. Gaining an in depth understanding of suppliers' business strategies, decision making processes and competitors allows to evaluate their potential impact on the profitability and develop strategies and relationships to achieve financial success.