Chapter 9
Competitive Pattern-Based Strategies under Complexity:
The Case of Turkish Managers

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ABSTRACT

This chapter augments current Enterprise Architecture (EA) frameworks to become pattern-based. The main motivation behind pattern-based EA is the support for strategic decisions based on the patterns prioritized in a country or industry. Thus, to validate the need for pattern-based EA, it is essential to show how different patterns gain priority under different contexts, such as industries. To this end, this chapter also reveals the value of alternative managerial strategies across different industries and business functions in a specific market, namely Turkey. Value perceptions for alternative managerial strategies were collected via survey, and the values for strategies were analyzed through the rigorous application of statistical techniques. Then, evidence was searched and obtained from business literature that support or refute the statistically supported hypothesis. The results obtained through statistical analysis are typically confirmed with reports of real world cases in the business literature. Results suggest that Turkish firms differ significantly in the way they value different managerial strategies. There also exist differences based on industries and business functions. The study provides guidelines to managers in Turkey, an emerging country, on which strategies are valued most in their industries. This way, managers can have a better understanding of their competitors and business environment and can develop the appropriate pattern-based EA to cope with complexity and succeed in the market.

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1. INTRODUCTION

The primary goal of this study is to introduce the concept of pattern-based Enterprise Architectures (EA), and to illustrate how this new concept augments the traditional EA. The intermediate goal to serve this primary goal and illustrate the need for patter-based EA is to reveal the value of alternative managerial strategies across different industries and business functions in a specific country. This value assessment is revealed through both survey based research and thorough investigation of business practices, and motivates the adoption of systemic pattern-based EA.

Complexity, in the context of management science, emerges from diversity, interdependence, ambiguity, and flux (Maznevski et al., 2007). Enterprise Architecture (EA) is a fundamental framework that can be adopted by all types of organizations, including business enterprises, government organizations, and other institutions to tackle with complexity and create and sustain coherent enterprises (Saha, 2007). EA is "the system of applications, infrastructure, and information that support the business functions of an organization, as well as the processes and standards that dictate and guide their evolution" (O'Neill et al., 2007). There exist an multitude of schemas in literature that describe the possible approaches to establishing an EA, such as the Zachman Framework (http://www.zachmanframeworkassociates.com/) and the specific EAs that can be or have been implemented, such as the EA of the Internal Revenue Service (IRS) (Bellman, 2012).

In this chapter, upon suggesting pattern-based EAs, we focus on the competitive pattern-based strategies that influence the design of EAs. O'Neill et al. (2007) introduce a visual representation of how organizational strategies, business process strategies and Information Technology strategies interact with EA (inside the dashed circle in Figure 1). Our work extends this view with competitive pattern-based strategies, which can be visualized to form a layer that wraps the EA and the above three categories of strategies (the complete picture in Figure 1). The main contribution of our novel extended view is two-folds: Firstly, we can now incorporate multi-functional strategies that fall into not only one of the above three categories but can encompass two or three of them. Secondly, we can now link the EA to the business environment through these pattern-based strategies, which each find applicability only under certain set of business conditions.

The specific set of strategies that we consider in this study is taken from an influential business book, *Profit Patterns*, by Adrian Slywotzky (Slywotzky *et al.*, 1999). Slywotzky *et al.* (1999) consider pattern recognition as the essence of business strategy and the primary skill in dealing with complexity. Patterns in this book have been systemically formulated based on extensive case studies and hence are supported by evidence from the real world, and this was the main reason for the selection of this source for constructing the strategy layer that wraps the EA (Figure 1). This pattern-oriented approach for dealing with complexity is particularly helpful for organizations in managing complexity: Instead of having to design exhaustive systems that consider every possible case and take into account every possible environmental variable, the EA needs to be designed only around capturing and understanding the patterns that trigger the selected list of strategies. In Figure 1, the environmental variables that need to be considered by the EA are shown for a given competitive strategy, namely the "collapse of the middle." Therefore, in order to embrace and implement Slywotzky's listed strategies, the appropriate organizational setup and the EA are those that cater the information needed to identify the patterns and to launch the mentioned strategies.

In pattern-based EA, the strategy that should be applied in a particular business situation is found through the application of strategy rules. Figure 2 illustrates a particular set of rules related with Customer. The questions about the different aspects of the business environments reveal which