

Chapter II

Strategy Development: A Focus on Process

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ABSTRACT

Trade globalization and advancement in ICT may be considered as the two major forces that will be directing economic growth of a country in the coming years. Policy makers have realized the importance of ICT in achieving national goals in the digital era. The developing and underdeveloped countries generally lack research capacity and standard policy development processes that are critical for developing a successful ICT policy. Cause of policy failure in these countries can most of the time, be traced to flaws in policy development process rather than environmental complexity. The chapter provides an insight on policy development process from strategic management perspective to highlight critical issues, which are sometimes overlooked by policy makers. The purpose is to assist the policy makers in developing successful ICT Policy for their countries.

INTRODUCTION

Transformation of world trade under World Trade Order (WTO) framework and advancement in information and communication technology (ICT) may be considered as two major forces that will be directing economic growth of countries in the coming years. The new scenario has brought ICT policy of a country to center of discussion on trade development and economic sustainability. The chapter approaches ICT strategy development as an integrated process (see Figure 1, p. 49). References are made from strategic management domain to highlight critical points, which are sometimes overlooked in policy making.

Causes of policy failure in developing countries can, most of the time, be traced to flaws in policy development process rather than environmental complexity. A policy based on inadequate research and makeshift procedures is bound to cause more problems than it is designed to solve. It is no doubt difficult to develop a strategy in the complex environment that presently people are living in, but following a framework will certainly increase chances of success. The underdeveloped and developing countries generally lack the research capacity and integration in policy making processes that are critical for developing policies to compete in global knowledge driven society. Policy makers are often guided by insufficient data and background research for economic planning, and as a result of that enormous problems arise when a policy is being implemented. Some policies are stopped in the middle of implementation due to lack of directions. This gives impression that the government organizations in these countries are moving in circles. Drawing inspiration from Beer's (1994) research on team synergy and especially on development of viable system model, one would comment that the policies (in underdeveloped and developing countries) fail because they are designed to fail, or in other words the policies developed contain inherent faults, which finally lead to their failure.

The purpose of the chapter is to provide an insight on ICT policy—development-process for the policy makers, so as to assist them in developing successful ICT policy for their country.

BACKGROUND

Traditional competitive advantages in manufacturing industry, like availability of raw material or technical skills are now diminishing as the price of raw material, power, and even labour are becoming globally equivalent. Major cause for this shift is due to implications of WTO framework and a shift in world exports from manufacturing to knowledge-based or intangible products over the last few years (Learner, 1995). The increase in world trade in intangibles is growing at a much higher rate than other sectors. These changes have produced socio-economic impact in developing as well as developed countries. With ICT playing a focal role in trade and economic development, new jobs of many different categories are emerging in developing countries (Kalim & Lodhi, 2004). This new business dynamics developing around the ICT are termed by many as Digital Economy. Rappa (2002) identifies eight basic Internet-based business models for the digital economy and some additions are made by Turban et al. (2002) to include *name your price*, *find best price*, *dynamic brokering*, *affiliate marketing*, *group purchasing*, *electronic tendering system*, *online auction*, *customization and personalization*, *electronic market place*, and *collaborative commerce*. These models have no doubt brought fundamental changes in the business (Gosh, 1998) and as such has changed the way supply chains are managed (Anderson & Lee, 2000) ICT developments have been taking place incrementally over the years and it has now reached a maturity level where it can be argued that ICT integrated digital economy has brought new horizons for economic development.

Nevertheless, countries that would be able to re-model their business dynamics to take advan-

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