

## Chapter 3

# Process Dynamics in Strategy Implementation

### ABSTRACT

*Process dynamics in developing and implementing business strategies demonstrate a conceptual framework that decomposes the overall acquisition integration process into four sequential and co-evolving processes, which include: formulating the integration logic and performance goals, establishing the integration planning approach, executing operational integration, and executing strategic integration. The concept of process dynamics and process completeness are discussed in this chapter in reference to firms doing business in a competitive marketplace. It is argued that process completeness is achieved when a firm's delivery system synchronizes with the expectations of consumers in the competitive marketplace. The discussions in the chapter guide readers to understand the process dynamics and determine the ways to drive leadership in a competitive business environment.*

### INTRODUCTION

*...strategy is about making choices, trade-offs; it's about deliberately choosing to be different. The underlying principles of strategy are enduring, regardless of technology or the pace of change...*

*Porter, M. E (1996)*

Complications among the market players often arise as unintended consequences of past decisions taken by the company to gain competitive advantage in the market. Business and public policy settings suffer from policy resistance and the tendency for well-intentioned interventions to be defeated by the response of the system to the intervention itself. Just as car manufac-

urers use simulators to help distributors learn about the company's sales and services policies, system dynamics enables the manufacturers to create management simulators to avoid policy resistance and design more effective policies. System dynamics is also a process for working with high-level teams designed to improve the chances for implemented results. Managers should understand as how system dynamics can be used effectively to design high-leverage policies for sustainable improvement and the application of system dynamics to a variety of critical issues facing business leaders today (Sterman, 2001).

Process dynamics in developing and implementing business strategies demonstrates a conceptual framework that decomposes the overall acquisition integration process into four sequential and co-evolving processes that include formulating the integration logic and performance goals, establishing the integration planning approach, executing operational integration, and executing strategic integration. Large companies in competitive marketplace manage the strategic dynamics of acquisition integration in fast-changing competitive environments by focusing attention to all four processes and the feedback loops between them (Burgelman and McKinney, 2006).

As the competition among firms manufacturing identical and similar products manufacturers increasing, customers are expecting better service. Such consumer behavior has also resulted in brand switching tendencies in view of dissatisfaction of services and low customer value. The firms with predetermined business process tend to offer better customer services than those which do not follow a systems approach towards customer relations management. The process dynamics in developing and implementing strategies is a continuous process that should not be taken as an *ad hoc* requirement. The completeness of the process and proper strategy alignment would results into success of the firms in a given marketplace. Hence, firms need guidelines and frameworks for

addressing these expanding requirements. The concept of process dynamics and completeness helps to consider service from the customer's viewpoint, arguably, the major perspective to consider for market leadership in a competitive business environment. Process completeness is achieved when a firm's service delivery system matches the typical customer's breadth of expectations (Piccoli et al, 2009). There are four basic stages of process dynamics and strategy development systems in a competitive marketplace, which include:

- Transaction- to execute a basic request of customers through various routes to market
- Process-handling all firm related marketing and services requests through hierarchical or one-stop delivery point
- Alliance-handling the process requests through a single touch point via stitching together a predetermined firm-selected alliance of service partners, and
- Agility-handling process requests through a single touch point via stitching together a dynamic customer-selected alliance of business partners.

Developing a right marketing strategic and its implementation involve making choices meticulously about whom to target as customers, what products to offer, and how to undertake related activities efficiently. The most common cause of strategic failure is the inability to make clear, explicit choices in these areas. It is very common for aggressive competitors to imitate attractive strategies but, perhaps more importantly, new strategic positions emerge continually. Successful incursions into established markets by strategic innovators such as Canon and the brokerage firm Edward Jones are based on strategic innovation proactively establishing distinctive strategic positions that are critical to shifting market share or creating new markets (Markides, 1999). Figure 1 exhibits the strategy cycle in business.

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