Developing strategy – do we really need a new paradigm?

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This article addresses the question of the present-day applicability of the traditional positioning approach to strategy development as being the most appropriate basis for a winning approach. The competence-based alternative is considered to be complementary to the positioning approach. Information was collected by conducting a literature search. The validity of the positioning approach is being disputed because it is claimed that the challenges and opportunities presented by today's deconstructing environmental conditions make any logical and deterministic type of strategy development impossible. However, the findings of this research suggest that the conventional positioning approach to strategy development still constitutes a basic and viable framework under present-day realities. Nevertheless, real-time techniques must be incorporated in order to create a more dynamic and entrepreneurial approach. Thus, it is not believed that a clear need exists to reject the conventional approach and that a cautious view of a possibly new paradigm should be adopted. Current literature suggests a very fragmented field and no clear alternative paradigm seems to emerge. Lessons gleaned from this study suggest that practitioners should guard against 'flitting from one new thing to the next', which are often not that original, and that academics, beyond their search for a new paradigm, should also investigate the empirical relevance of the adapted framework as postulated in this article.

Introduction

The very essence of organizational survival and profitable sustainability is embodied in a winning approach to strategy development. Such an approach is necessitated by the need to cope with the consequences of increasing environmental uncertainty, generated by the forces of value chain deconstruction. Thus, the issue addressed in this article is the question of the present-day applicability of the traditional positioning approach to strategy development as being the most appropriate basis for a 'winning' approach.

Background

Conventional strategic wisdom, known as the Prescriptive Schools (Mintzberg, Ahlstrand & Lampel, 1998: 353), constitutes a traditional and basically rational approach to management. It is designed to strategically position the organization for competitive advantage and is built around a logical and system-like process, usually consisting of the following major components: external and internal environments, strategic intent, strategy formulation, implementation and control (Thompson & Strickland, 1998).

The process commences with an analysis of the external environment (or context) where this environment is assumed to be relatively stable and emphasises understanding of how external forces dominate strategy formulation. Strategists should aim at achieving balance between the external and internal environments, that is the concept of beneficial fit, or the organization in equilibrium. The internal environment may be managed or manipulated in accordance with the requirements of the formulated strategy – structure follows strategy. Strategic actions (cause/input) and reactions by competing organizations display a fairly clear, linear and known or predictable relationship with strategic intent (desired effect/output). Strategic implementation is brought about via an essentially bureaucratic system (that is deliberate intervention by management) to ensure internal consistency. Control displays a negative feedback loop resulting in corrective reformulation actions to re-establish equilibrium. The intended strategy is indeed considered to be realized strategy and development of the organization over time is seen as a purposeful series of logical and orderly step-by-step processes.

However, the validity of the traditional approach is being disputed because it is claimed that the challenges and opportunities presented by today's deconstructing environmental conditions make any logical and deterministic type of strategic planning impossible. A fundamental rethinking of basic principles are suggested and criticism range from, for example, questioning the applicability of some existing paradigms (De Kare-Silver, 1997: chapter 4) to an outright rejection of the very idea of future-orientated strategy development (Gaddis, 1997), only short-termism is deemed possible.

Problem statement, research objective and information collection

The concept of problem may best be described as an uncertainty or state of unrest. The research problem addressed in this article relates to the uncertainty of whether the traditional positioning approach to strategy development could (i) continue to constitute a basic and viable paradigm under new, present-day realities, (ii) be made more adaptable to represent real-time, or (iii) should be replaced by an entirely new paradigm.

Building upon the problem statement the primary research objective is to overview and profile the relationship between the traditional approach to strategy development and the new environmental realities. Secondary research objectives are to:

1. Review the extent to which the traditional approach makes provision for a turbulent external environment, and
2. Consider criticisms levied against the traditional approach and the recommendations for a new paradigm.

To accomplish the objectives information was collected by conducting a literature search.

Discussion of findings

The findings of the literature survey as it relates to the major components of the traditional strategy development and positioning process, is revisited in the subsequent paragraphs.

External environment

Changes in the external environment have always been the *raison d'être* for conventional strategy development (Nakamura, 1997: 4). The extent of turbulence, however, will vary and four broad levels have been identified (Courtney, Kirkland & Viguerie, 1997: 68–71): a clear-enough future, alternate futures, a range of futures and true ambiguity. The latter level may be described as a condition of bounded chaos (Levy, 1994) and is characterized by non-linear relationships, positive feedback loops and evolve dynamically between two end-points of stability and instability. According to some authors (e.g. Stacey, 1992 and 1996) no conventional approach to strategy is considered to be possible under these circumstances. On the other hand, however, it is thought to be possible to develop a strategic game-plan by adopting a true external orientation. Such an orientation can best be achieved by (i) endeavouring to understand the cause of turbulence, and (ii) acknowledging the existence of a pattern in chaos.

It must be appreciated that the cause of turbulence is embedded in actions by 'any group or individual who can affect, or is affected by, the organization', that is stakeholders (Freeman, 1984). Furthermore, although a stakeholder is an entity, the relationships themselves are between people (Saxton & Grisaffe, 1997: 1). People are active, not just because they have a commercial relationship with the organization, but also because they are infinitely greedy, wanting to get as much as possible out of the relationship and thus creating turbulence. Although controversy still rages regarding the pros (Campbell, 1997) and cons (Argenti, 1997) of the stakeholder approach, it probably cannot be denied that it is a useful framework in explaining the rules of the environment (Campbell & Alexander, 1997: 43). Consequently it leads to a better understanding of the dynamics of change in the external environment and, hopefully, reduced vulnerability by the organization of being blindsided by surprises (Wilson, 1994: 20; Campbell & Alexander, 1997: 44).

Secondly, to adopt an external orientation also requires acknowledging the existence of a pattern or structure in chaos, hence the concept of 'bounded instability'. The challenge for the strategist is to search for these patterns (or order) (McKiernan, 1997: 796), giving rise to the term of a 'chaordic' environment – a combination of chaos and order. Indeed, empirical experience (Courtney, Kirkland & Viguerie, 1997: 68 & 71) suggests that even in the most uncertain business environments a lot of strategically relevant information exists and that true ambiguity is quite rare.

To gain an acceptable working knowledge of stakeholders and patterns in turbulent environments and to inject this into organizational strategy will necessitate that strategists (i) afford time for external thinking, (ii) have a supportive MIS, and (iii) disseminate the information throughout the organization. Unfortunately, it would appear that all three conditions currently hamper, rather than enhance, an external orientation (Hamel & Prahalad, 1994: 64; Tapscott & Caston, 1993; Roberts, 1997). These shortcomings will have to be addressed and rectified before an organization can claim a true external orientation which will be beneficial to strategic positioning in a complex and turbulent external environment.

Internal environment

Vitally important to the success of the traditional approach is the requirement to achieve internal consistency with regard to the configuration and co-operation of organizational activities. It is clearly encapsulated in Porter's value chain (Porter, 1985) and relates to the need for the rational 'Organization Man' which, unfortunately, no longer exists (The Organization Man, dead at 76, 1997: 20).

> 'Today businesses are populated by baby boomers and their Generation X offspring, who show little tolerance for authority' (Conger, 1998: 85).

The value chain in its original application thus represents a rigid and functional-driven framework (Wilson, 1997: 18), outdated and inappropriate to guide a fluid internal environment, considering the volatile nature of today's external environment.

Given these circumstances it has been hailed that spontaneous self-organization, or open-space technology (Owen, 1991: 10), of the organizational social system is the only way to deal with a new employee philosophy. Under this system employees have freedom to act, groups form, open political discussions and interaction manifest itself in conflict and tension, questioning attitudes develop, distant and lack of commitment appears, group learning develops from which innovative and dynamic flexible new strategic directions will emerge, executed and controlled, in this manner coping with the over-changing uncertainties in the external environment. However, the universal viability of spontaneous self-organization may be queried as it has already been established that even the effectiveness of self-managed work teams has not been generally positive (Robbins, 1996: 350).

Another contemporary approach is termed the value constellation activity system (VCAS) (Porter, 1996; Nakamura, 1997: 8). It is a system which requires trade-offs, choice and combinations, yet maintains internal consistency and is planned and executed around core competency process deployment (Steele, 1995). This approach results in increasing line involvement in strategy and the dissemination of information throughout the entire organization. The most obvious benefit of the dynamic VCAS lies in its controlled, consistent and integrated internal flexibility, affording it the ability to adjust to a wide array of changing and overlapping industry boundaries – a necessity for functioning in a turbulent external environment (Porter, 1996: 63).

Strategic intent

For the purpose of this article the concept of strategic intent is reflected in a balanced hierarchy of vision, mission, goals and objectives. Vision and mission is regarded as broad strategic guidelines for positioning the organization, now and for the long-term future, whilst goals and objectives represent the shorter term and thus operational expressions thereof. However, given the uncertainties in both the external and internal environments, it is contended that it is not feasible to set a vision (externally directed) and mission (internally directed) and that the organization can at best rely on measuring

progress only against relatively short-term operational goals and objectives.

On the other hand, a turbulent external environment probably requires the organization to have a guideline or vision even more so than in a relatively stable environment. It will, however, have to build upon the structured concept of a tangible (future) image and also introduce a more vague or broad component (Collins & Porras, 1991), that is in keeping with the uncertainties of the external environment. A case in point is Infocom (Chakravarthy, 1997: 80), an organization operating in the highly turbulent and complex information communications industry, which simply defines its vision as 'a computer screen that will be a window into a virtual world'. The mission provides a link with the futuristic vision and is a current exposition of particularly the internal nature of the business – *who?*, *what?* and *how?* as it relates to the customer environment. The uncertainties in this environment do not negate the need for a mission, it only demands a wider and more flexible definition (Wilson, 1994: 19). Firstly, the scope of *who?* and *what?* must be extended from a narrow focus on existing customers and their needs to reflect a broader external orientation. Thus, although it is fashionable to be customer-led, it is essentially a short-sighted approach in a turbulent environment in that vast unexploited and unserved opportunities (who?, what?) are continuously ignored (Sudharhsan, 1995: 242–243). Secondly, to construct a single mission statement for a scattered portfolio of existing and future market offers, but especially the appropriate technologies and activities (how?) to accomplish them, can at best be described as difficult. A solution might be to provide strategic focus for the internal stakeholders through a cascading hierarchy allowing for an overall and broad 'heterogeneous' mission and individualised sub-missions for the more homogeneous and identifiable activities and units of the organization, perhaps related to core competencies and project teams. This approach would be similar in concept to that suggested for constructing the mission for a diversified organization (Morris, 1996).

Strategy formulation

Business strategy

The appropriate business strategy to achieve a desired external positioning is considered to be shaped by (i) general environmental conditions, (ii) the competitive environment and (iii) the style of business. The question arises whether existing conventional models in this regard do provide for conditions of turbulence in the general as well as competitive environments?

a. General environmental conditions

The popular SWOT-audit represents the original structured attempt to align and design a fit between an organization's internal capability and its external situation, thus suggesting the positional direction of strategic thrust. In its simplistic application it does not differentiate between stable and turbulent conditions (Zajak, Kraatz & Bresser, 1997). Attempts have, however, been made to adjust it to being a more flexible instrument and to change strategic direction along with environmental changes (Pickton & Wright, 1998). Other noted models include:

- Miles & Snow (1978) differentiate between four strategic styles:
  Prospector, Defender, Analyser, Reactor – each one related to particular environmental conditions. The Prospector strategy is specifically aimed at aligning with turbulent conditions in the external environment.
- Mintzberg & Waters (1985) contend that a tendency for the concept of an emergent strategy exists in relatively unstable conditions and identifies two strategic styles which are particularly relevant in a complex, unpredictable and uncontrollable environment, namely Umbrella and Process.
- Gould & Campbell (1987) identify three strategic styles of which the Strategic Planning Style is considered to be the most appropriate under conditions where changes in customer requirements and competitive groupings are turbulent and competition intense.
- Rowe, Mason, Dichel & Snyder (1989) developed a Strategic Position and Action Evaluation (Space) model which indicates either a Competitive or Defensive strategic thrust under unstable conditions.
- Ansoff (1990) considers the Entrepreneurial and Creative strategic postures as appropriate for a surprising environment.
- Covin (1991) identifies an Entrepreneurial Strategy suitable for turbulent conditions.
- Courtney, Kirkland & Viguerie (1997) regard the Shaper strategy most appropriate for a complex and unpredictable environment.

The above examples serve to illustrate that existing conventional frameworks do appear to make provision for formulating strategies under conditions of relatively high turbulence in the general external environment.

b. Competitive environment

The competitive environment represents a relatively homogeneous entity within the general external environment and exerts its own particular influences on the formulation of business strategy via (i) competitive positioning and (ii) competitive style of business.

- Competitive positioning
  Competitive positioning to establish a sustainable competitive advantage was pioneered by Porter (1985) as being the generic strategies of cost leadership and differentiation. In this regard more recent research indicates that winning companies tend to follow common themes to survive and prosper in hostile environments (Potter, 1994). In their application these themes seem to relate to the broad categories of cost leadership and differentiation. It has also been confirmed that successful organizations 'who live on the edge of a changing world' tend to follow clear patterns of behaviour which relate to either cost leadership or differentiation (Tracey & Wiersema, 1995). The foregoing findings suggesting that Porter's strategies may still be applicable in the present-day conditions of environmental turbulence.
  Hax & Wilde (1997) are of the opinion that three competitive strategic positions are most relevant to a complex, unpredictable environment which is characterised by continuous and inexorable change: Best Product, Total Customer Solution and System Lock-in.

Again, the above references to models to formulate a strategy for positioning the business to attain a competitive advantage, suggest that they do appear to provide for turbulent environmental conditions.

- Style of business

Competitive style (offensive/defensive) of business or warfare strategy, is often seen to be very formal, rigid and structured, ostensibly rendering it totally inappropriate for rapidly changing circumstances. This perception should be reconsidered. Whilst it is true that warfare adheres to strict principles, it is also regarded that it is virtually impossible in uncertain battle conditions to plan the whole campaign in detail and certainly futile to try to do so, that is 'maintain your objectives and adjust your plans' (Wee, 1994: 191). In fact, under uncertainty the military is generally of the belief that systematic strategic planning is even more applicable when belligerence and huge uncertainties face them (Crouch, 1998).

Corporate strategy

Formulating a corporate strategy concerns two broad aspects namely, (i) entering new business (diversification) and (ii) managing a portfolio of businesses.

The acquisition (take-overs and mergers) of an existing business is the most popular form of diversification but, according to various surveys (Porter, 1987; Van de Vliet, 1997; Lynch, 1997: 559), seem to achieve limited success in increasing shareholder value. This may be because diversification criteria often tends to be mainly financially orientated and assume the notion of a relatively stable and predictable future, which is the very essence of the criticism against the conventional approach to strategy formulation. Given the need for adaptability in a turbulent environment, organizations are increasingly seeking relationships, other than long-term 'formal' acquisitions, which will allow them more space to be maneuverable. The relatively shorter term and more flexible configurations of strategic alliances, outsourcing, competition and the virtual corporation is a modern-day expression of the basic concept of diversification. It is, however, constructed according to a 'new form organization' architecture which is able to cope with complexities in the environment, the very concept of diversification is in transition (Ferreira, 1997).

Managing a diversified portfolio concerns decisions to improve the quality of a collection of businesses in order to achieve overall shareholder advantage. In this regard the well-known Boston Consulting Group (BCG) and General Electric (GE) portfolio analyses are considered to be of prime importance. In their original format these models depict the current and future positionings of organizational units, where the future position is being determined by intended strategy. Called 'point positioning' it represents only a useful approach when the environmental turbulence level is low and stable – it becomes misleading, dangerous and uncertain in highly turbulent environments. In an effort to overcome the shortcomings of point positioning, portfolio models can adopt the more dynamic concept of 'dispersed positioning'. Here the analyses and outcomes are not confined to one future moment in time but establishes a historical, present and alternative expected future positionings – the latter is not only a single point judgement, but rather a range of options based on scenarios and interchangeable strategies (Ansoff & McDonnel, 1990: 99).

Conclusion – strategy formulation

The foregoing discussion suggests that contemporary approaches to both business and corporate strategy formulation do appear to attempt to allow for conditions of high uncertainty in the environment. Furthermore, a computer simulation called ANSPLAN-A has already been designed especially for strategy formulation in turbulent environments (Ansoff & McDonnell, 1990: 109). However, all of these models or frameworks are still curtailed by the rigidity of the analytical application of formal and prescriptive planning processes. In an endeavour to overcome this, organizations will also have to adopt and adapt their conventional strategy formulation tool kit with real-time techniques.

Injecting real-time techniques

In an effort to get closer to real-time strategy some specific techniques may be injected into the conventional strategy formulation process to create a more dynamic and emerging approach (Mulligan, Hatten & Miller, 1996). Dialectic Inquire (DI) was driven and developed by the observation that the pace of environmental change forced managers to make decisions before all desired data could be collected. Strategic Assumption Analysis (SAA) is an extension of DI in that it reviews strategy in terms of future assumptions based on scenarios of the turbulent environment. Issue-based Planning (IBP) is regarded as a key responsibility of strategic planning for today and looks for strategic action, based on sporadic and developing issues. The Strategic Assumption Surfacing and Testing Procedures (SAST) technique represents an early but yet very effective effort to combine assumptions, issues and stakeholders (Mason & Mitroff, 1981). As a next step, the Japanese strategic planning approach known in the Western World as Hoshin Kanri may be adopted. It views strategy development at the short-term tactical level, thus emphasising the need for the entire organization to be sensitive and strategically responsive to a turbulent external environment.

The application and use of real-time techniques generally tend to expect experience, intuition and judgement from the strategist, that is common sense and street wisdom. This introduces the pro-active entrepreneurial element into the formal development of the strategy. Unfortunately, entrepreneurial input is often perceived to be a risk-taking startup approach rather than something that any strategist has to perform. The above consideration is akin to Ansoff's 1967 view of a 'formal process of entrepreneurial planning' (Hussey, 1999a: 379).

Strategy implementation

Conventional strategy implementation encompasses the traditional tasks of organization building, budget allocation, developing strategy-supportive systems, shaping culture and instituting performance-related rewards. These tasks are to be achieved by exercising strategic leadership. Notwithstanding this impressive list of activities, implementation remains to be

a problem (Waldersee & Sheather, 1996: 105) and hence a phletora of refinements have been introduced over time in an endeavour to enhance the implementation process. Unfortunately, relatively little attention seems to have been afforded specifically to implementation during times of turbulence (bar transformation interventions) (Hinterhuber & Krauthammer, 1998), the exception being the process of spontaneous self-organization. Here implementation transforms from bureaucratic leadership to adhocracy but the success of this approach appears to be mainly confined to organizations in highly innovative and complex niche industries, for example aerospace and film making. Two supplementary and contemporary approaches to implementation which is considered to have a broad application as well as deal with turbulence in the external and internal environments, have been suggested by D'Aveni (1994), the New 7-S's model, and Kaplan & Norton (1996), the Balanced Scorecard (BSC).

The D'Aveni model introduces implementation flexibility by:

1. Not treating implementation as being separate from strategy formulation and the underlying analyses, and

2. Integrating important external considerations with internal structures and pro-active actions.

The model purports to introduce a comprehensive and structured approach to implementation which incorporates and combines many components of contemporary strategic thinking, that is, stakeholders, looking beyond market orientation, flexibility and pro-active actions appropriate for a turbulent environment.

Kaplan & Norton's development of the BSC represents a specific and integrated management system which translates vision and strategy into four perspectives namely, customer, internal processes, learning and financial. It appears to be particularly applicable where organizations face relatively turbulent and competitive environments. The model enables an organization to facilitate the translation of strategy into implementation actions, whilst simultaneously allowing the strategy to evolve in response to the changing environment.

Both the New 7-S's and the BSC models are relatively new but have been widely adopted, particularly the BSC. Both appear to serve implementation uniformly, over a broad spectrum of industries and, although constituting a general template, also provides the ability to design unique frameworks that specifically fits the needs of a particular organization. It is considered that the perceived advantages in the application of these two models may ensure their sustainable presence for some time to come.

Strategic control

The traditional approach to control embraces setting standards, developing a measurement system, comparing results with standards and then taking corrective action (re formulation) where and when required. However, it is considered that:

- Historically, emphasis has been placed on strategy formulation, rather than control, thus concentrating on developing sophisticated planning tools and processes and giving relatively scant attention to higher order, strategic controls (Grundy, 1998: 44). This in turn resulted in stressing the importance of operational, easily quantifiable criteria, for example financial and market measurements (Eccles, 1991).

- The above situation has been exacerbated by the ever increasing turbulence and complexity in the organizational environments, leading to the contention that it is not possible to set and control future-orientated strategic aims, only *ex post* operational objectives can be controlled or continuously merging situations be shaped.

Paradoxically, it would seem that it is the very turbulence and uncertainty in the environment, and the accompanying risks, which is necessitating the organization to shift its emphasis to also include strategic controls. Various attempts have been made in this regard.

In its original (1992) construct the BSC concentrated on broadening the traditional financial performance measures by including overall measures of those components that drive organizations forward, that is strategic control measures. To effect this goals were set and clear measures identified to access organizational performance in the strategic areas of the customer, internal business processes and innovation and learning. In a turbulent environment the BSC keeps organizations looking and moving forward, instead of backward (Duvel & Rumbel, 1998: 38).

Supplementary to the BSC the concept of strategic management accounting (SMA) has developed (Dixon, 1998: 272–279). Pioneered by KPMG's Business Measurement Process (BMP) assessment of organizational risk not only measures the financial perspective but, through a much broader lens, also aspects which include the organization and the industry (external environment) (Bell, Morris, Soloman & Thomas, 1997). As such it is considered a way of interconnecting the internal business processes to a diverse and rapidly changing environment. In both its construct and application the BMP does not appear to differ extensively from the BSC.

According to Grundy (1998) the BSC, and thus by implication the BMP, suffers from two major shortcomings namely, not being enough future orientated in a turbulent environment, and presenting too narrow a view by competitively concentrating on customers rather than stakeholders. To negate these shortcomings he proposes a model to combine strategic health (present competitive position and future strategic potential) and financial performance (roc and cash flow). At this stage, unfortunately, too little is known about the empirical validity of the proposed model to draw any clear inferences about its possible broad application.

Summary

The findings of this literature overview relating to the profiling of the relationship between the conventional positioning approach to strategy and the current environmental realities, can briefly be summarised as follows:

- Turbulence in the external environment is central to strategy but true ambiguity is considered quite rare. For this reason, it is thought to be possible to develop, in a conventional way, a strategic game plan by adopting a deep external orientation. This will, however, necessitate affording time for external thinking, having a supportive MIS and disseminating information throughout the organization.

- Critical to the success of the conventional approach is the requirement to achieve internal consistency. In this regard the original, somewhat rigid and functional-driven application of the value chain has evolved to the development of the value constellation activity system. This system's major benefit being its integrated but yet consistent internal flexibility, a necessity in a turbulent external environment.

- The need for a guiding vision and mission remains imperative under turbulent environmental conditions. However, in keeping with the uncertainties the vision should also introduce a broader, less tangible (even more vague) component, whilst the mission too demands a wider and more flexible definition.

- Contemporary conventional models for the formulation of both business and corporate strategies do appear to provide for belligerence and major uncertainties. They, however, still tend to follow formal processes.

- In an endeavour to overcome the rigidity of formal processes, various real-time techniques may be infused into conventional strategy formulation models.

- Contemporary frameworks for strategy implementation specifically aim at creating flexible internal action structures in an effort to provide an interconnectedness with a turbulent environment.

- Turbulence in the environment, and the accompanying risks, necessitates a shift from a conventional emphasis on operational controls, to also include future-orientated strategic controls. Various models have been proposed in this regard.

Conclusion

From the findings of this research it may be concluded that:

- The conventional positioning approach to strategy development still constitutes a basic and viable framework within which to think under present-day realities. It serves as a guide and is not definitive in nature.

- Contemporary real-time refinements which are available should be incorporated into the base model to make it more adaptable and entrepreneurial. Thus developing a more emerging type of strategy applicable to the constraints posed by complex new environmental realities.

- It is thus not believed that a clear need exists to outright reject the conventional approach and that a cautious view of a possibly new paradigm should be adopted.

- Consideration of current literature suggests a very fragmented field (Hussey, 1999: 243–247), no clear alternative paradigm seems to emerge.

Discussion

The research for this article focused on the applicability, or otherwise, of the conventional positioning strategy development approach. In past years there has, however, been a switch of attention from finding the most advantageous position for the organization in relation to its environment, to that of a competence-based alternative (Sanchez, Heene & Thomas, 1996).

This approach assumes that the key factors for success lie within the organization itself in terms of its portfolio of resources, capabilities and competences. These are typically classified into two types, namely tangible and intangible. Although both types are required, competence-based theorists argue that intangible resources are the most likely source of value creation and therefore competitive advantage in deconstructing environments (Alessandri, Ilinitch & McDaniel, 1999). Nevertheless, they are indeed of the opinion that, in any case, the external environment only explains 10% (Rumelt, 1991) to 20% (NAA, 1998:35) of the profit rates across organizations.

In essence there seems to be little radically new in the competence-based approach. It appears to be an emphasis of one part of the overall strategy development framework first postulated by Ansoff (1965: 90) over 30 years ago when he described a competence profile or 'grid of competences'. As such the positioning and competence approaches do not necessarily constitute an either-or situation but indeed probably complement each other.

Recommendations

The 'lessons' to be gleamed from this literature study rather than to preposterously claim conclusive recommendations, are of a two tier nature namely, for practitioners and academic researchers.

Practitioners should guard against 'flitting from one new thing to the next'. Applying a phletora of the latest management fads does not necessarily improve performance (Bekker, 1999). Also, it is true to say that many of the 'new' ideas are not as novel. Many of the new thoughts of today are remarkably similar to many of the new ideas of the 1950s and 1960s (Hussey, 1998: 4). A case in point being the French *Tableau de Bord* which is similar in concept to the BSC and have been in use for more than 50 years (Epstein & Manzoni, 1997: 28). The conventional positioning posture, as adapted, is believed to provide a sturdy, reliable and proven vehicle for a systematic way in which an organization may think (not be dictated to) about strategy development in a formal way. A few basic questions regarding strategy development will usually suffice (*Harvard Management Update*, 2000).

Academic researchers should pursue their investigations. However, rather than follow a piece-meal approach or endeavour to merge different schools to create a new paradigm (Mintzberg, Ahlstrand & Lampel, 1998: 302), it is suggested that comprehensive empirical research is needed to confirm (or reject) the validity, under present environmental conditions, of the adapted conventional framework as postulated in this article. Exploratory research in this regard seems to find tentative confirmation of this view (Dettling, 1999). This, obviously, does not negate a continuous search towards an agreed, and truly new paradigm.

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