The Embedment of Process Consultation in Strategy Formulation

by

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ABSTRACT

The main goal of this research is focused on increasing the probability that 
strategic decisions will be implemented.

The dissertation describes the strategic decision-making process followed by 
the top executive teams of two organisations, within a consultation framework 
employing the Process Consultation approach. A particular form of SWOT 
analysis (SWOT Positioning) was performed as a platform for interventions. It 
also comprised a basis for the employment of other analytical and creative 
tools. In constructing this research, it was hoped that the combination of 
Process Consultation with SWOT Positioning in this manner would prove 
helpful in achieving the research goal.

This research found that the likelihood of implementation of decisions seemed 
greater following the current consultation process than in the two organisations' 
previous experience with 'expert' and 'doctor' consultants. Indeed, by-product 
decision implementation had already begun. The preparation for general 
implementation of strategic decisions and the declaration of commitment on the 
part of team members exceeded that of the same organisations in the past. 
The research cannot definitively show actual implementation, as that stage was 
not within its scope. However, both teams indicated a sense of ownership of 
and responsibility for the decisions, which had been formed gradually during the 
process.

Creativity was nurtured in the construction of strategic action alternatives, which 
were then organised in a Level of Innovation Matrix. The Matrix is a tool which 
 improves the participants' understanding of the degree of complexity and 
difficulty involved in the implementation of new strategies.

Indeed, the quandaries which prompted this research have been somewhat 
diminished. This is not to claim a single conclusive solution has been 
 discovered to all the questions asked. Rather, the statement made here is that 
the particular process proposed might be helpful in answering these questions 
in appropriate situations.
ACKNOWLEDGEMENTS

This study grew out of more than 20 years of work as a manager and as a consultant, during which I had the privilege of learning about dozens of organisations and of meeting with hundreds of managers. Simultaneously, I worked with many colleagues and taught (and learned from) numerous students in the fields of innovation and strategy. Each of these contributed to my understanding, as I listened, noted and analysed their input, using it as resource material for the construction of what is presented in these pages. The list of these people is too long to enumerate, but my sincere gratitude is extended to each of them.

It would not have been possible to conduct this research without the co-operation of the management teams at the two research organisations (called IC and NPO for the purposes of this study). I am grateful to them that this was given so fully and openly.

Special thanks are due to Professor P. M. Jackson, Director of the Management Centre at the University of Leicester, who guided and supported me throughout the years of this research. This does not diminish the depth thanks to the entire staff of the Management Centre and to the other doctoral students, who were all most helpful whenever needed.

The work of Edgar Schein has been the foundation upon which much of mine has been built. In a brief meeting with him, he encouraged me to continue with the approach I was developing. Both his work and his encouragement have meant much and are greatly appreciated.

The management and the professional staff of the Centre for Creative Leadership in Greensboro, North Carolina opened my eyes to the topics of creativity and innovation. For this, as well as for the relations with which we have continued since our first encounter, I am indebted to them.

Additional thanks are rightly due to the members of ISPIIM (The International Society for Professional Innovation Management), particularly to my colleagues on the Board. They enabled me to expand my understanding of the process of innovation and to present and discuss my thoughts on the topic at the 7th ISPIIM International Conference in Jerusalem in 1991.

I am indebted to Dr. Brian Shaw of the School of Business at Brooke University, Oxford, for his sound advice on the ways and means of moving this research project forward.

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However, more than all these, my thanks go to my family, who shared this project with me as it grew from the sowing of the first seeds to its fruition. It is to my wife Zippi, my daughter Merav and my son Elad that I dedicate this work.
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CHAPTER 1:
INTRODUCTION

A) Quandaries

After more than twenty years of experience in consulting and management using a traditional approach, I felt disturbed. At first, there were individual instances of uneasiness, the feeling of something not quite right. These were gradually organised into a number of quandaries:

1. What can be done to increase the probability that decisions will be implemented? What is the relation between planning and implementation?

2. How can consensus be encouraged among participants in the decision-making process? Indeed, is there a sense of partnership among the planners, or is there a different kind of relationship altogether? Within the organisation, who is involved, at what levels and in what sort of relationship? If there is outside consultation, what position does the consultant hold? How can he assist the creation of consensus?

3. How can the construction of strategy be immunised against the influence of irrelevant factors? Can power struggles be avoided? Is there a way to prevent personal agendas from dominating planning, as they sometimes
do? What other irrelevant factors might come into play, and how can they be neutralised?

4. What are the methodical means of creating strategic alternatives and how can this process be taught? What is the nature of the planning process and how can it become part of the organisation's *modus operandi*? In what way can a consultant work with a client and inculcate his methods so that the client will be capable of using them independently in future planning? To what extent is this an aim of consultation? Should consultation be, in effect, "self-destructive"?

5. How can creativity and innovation be fostered, yet the level of innovation be managed? Is there a method by which the level of innovation of a strategy can be determined by the planners? Are there criteria for assigning such a level? Is it possible to denote the degree to which an idea is novel? If so, can this be quantified, or is it best left in a qualitative form?

6. How can Time to Market be shortened? How can the planning time be minimised? What makes some managers more efficient than others in this field? Are there ways to increase efficiency and improve their performance? Are there any system-related factors, which can be adjusted to minimise planning time? Can the pace of decision-to-implementation-to market be cut sufficiently for today's dynamic environment?

As these quandaries took form, I began actively seeking new methods of dealing with the issues they presented. While doing so, it was necessary to define and select those elements to be more closely examined, leaving the rest either for my own later study or for others with interest in the field. There is certainly no claim of having found all the answers or even all that can be known about one of the answers. It is hoped, however, that what has been found will contribute to finding a direction in which more of the answers may be discovered in the future.
It is the purpose of this thesis to investigate an approach for working with management teams. This approach employs SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis and Process Consultation, and is mindful of management trends. It is suggested that such an approach may provide an answer to some or all the questions raised.
B) Process Consultation

When I was first introduced to Process Consultation, it immediately struck me as highly appropriate for use with modern management practices. It is more co-operative and open, less hierarchical, than traditional approaches and reaches deeper levels.

Modern management trends see an organisation as a complex network. The manager is located at one of the centres of this web, connected directly and simultaneously to a myriad of other sites in it. This is in stark contrast to the traditional managerial position. There the manager was enthroned at the pinnacle of a pyramid, in second-(or third- or fourth- or....) hand contact with the rest of the organisation through a set hierarchy.

Process Consultation fits the new view of the manager at a central site in a web. The consultant becomes part of another site on that web, with direct connections to each member of the client group.

In addition, in Process Consultation, the consultant or the manager acts as a facilitator for other managers. His task is to help him think, analyse, recognise limitations, and search for solutions. This is a co-operative partnership, less rigid than the traditional role of 'expert' or 'doctor' consultant in charge of the process and more in tune with modern Western tendencies.
C) SWOT

SWOT analysis has begun to undergo change. Traditionally, it was comprised of an inventory of items related to a particular case and classified in four groups: Strengths and Weaknesses (internal to the organisation) and Opportunities and Threats (which are in the organisation's environment, external to it).

Later, it was suggested that the items might be quantified and even placed along a pair of axes, with quantification of the intervals on these axes. One axis would comprise a scale for Strengths and Weaknesses while the other would relate to Opportunities and Threats.

In this study, I examine the possible further extension of the use of SWOT:

1. SWOT as a ‘friendly’ tool that helps the participants to become involved in and committed to the organisation and its aims in a consensual manner.

2. SWOT as a tool for the systematic understanding, analysing and recording of data regarding the case at hand.

3. SWOT as a tool that positions the data in a way that enables interpretation of the information and assists in the creation of the level of innovation strategies.
D) Method

The combination of the Process Consultation approach (PCA) with SWOT analysis was dealt with in a qualitative research project. Two very different organisations went through the same consultation process which employed a unique approach, applying a specific technique (SWOT Positioning) as a platform for PCA interventions. Each organisation chose a top management team, which it deemed capable of determining strategy and implementing it. This team began the process by setting goals. Progress towards these was constantly facilitated and monitored by the consultant/researcher, who also closely followed the participation of the members of each team. The process was concluded with the choice of strategic action alternatives. At the evaluation stage, progress toward the original goals was judged by the participants, with reference to the likelihood of implementation. In addition, each organisation had previously undergone consultation with 'expert' or 'doctor' consultants, and during evaluation this past experience was used as a basis for comparison with PCA.
E) Limitations

In determining the framework within which this study was to be conducted, it was necessary to make certain choices that inevitably limited its range. Noteworthy among them were:

- In this thesis, the client/subjects were management teams. Individual managers were not included here. The process would require adjustment if there were a single decision-maker rather than a management team.

- The strategic decision-making process was selected for study. However, this approach could equally be applied to other phases of management.

- It was possible to study only organisations with management willing to work within a PCA framework. The very fact of their willingness may be symptomatic of underlying qualities, which are less than universal.
CHAPTER 2: LITERATURE

A) Making Strategic Decisions

A1) The Basics

An overview of several issues may facilitate an understanding of strategic planning and implementation. This is provided by various authors, some of whom are recognised as leading authorities in the field. The fundamentals of strategy are touched on in this section of the thesis, and are of course relevant to the later presentation of its main points:

- Process consultation to shorten time-to-market, fostering decision making and easing implementation.

- Innovation, the creation of differing levels of innovation according to specific situations.

The definition of strategy given by A. D. Chandler (1962) is:

"the determination of the basic long-term goals and objectives of an enterprise, and the adoption of courses of action and the allocation of resources necessary for carrying out these goals."
Strategy includes "new types of personnel and facilities" and "basic long-term goals". Chandler insists that:

"it can be shown that there has tended to be a delay between strategy and installing the correct type of structure for that strategy."

Most models for strategic decision-making have fallen into one of two basic groups:

- **External Control:** This is a deterministic, fatalistic approach which assumes external forces have crucial influence over events, limiting management leeway to relatively insignificant proportions. Authors associated with this approach have included J. P. Pfeffer and G. Salancik (1978), H. E. Aldrich (1979), L. J. Bourgeois (1984), and M. L. Tushman (1986).

- **Rational/Normative:** This is an approach which assumes far more freedom of action on the part of management, whose role becomes highly significant in determining the course of the organisation's progress towards the achievement of its goals. The people involved actively examine issues, propose alternative solutions, set and employ criteria, and choose strategy. There are tools available to assist them in this, one of the most popular of them being SWOT analysis. Despite attempts to represent this as a wholly objective process, clearly personal factors (personalities, characteristics, tendencies, histories etc.) become relevant to the process. Another personal factor might be ability. There are external limitations on the process as well, such as insufficient data. These may bring about a sense that it is sufficient to find a satisfactory alternative, rather than continuing the process in hopes of discovering a maximal one. Authors associated with this approach have included: H. I. Ansoff (1965), K. R. Andrews (1971), J. Child (1972), R. L. Ackoff (1981) and D. C. Hambrick and P. A. Mason (1984).
According to H. I. Ansoff, R. P. Declerck and R. L. Hayes (1976), a revolution occurs when a firm moves from 'competitive mode' to 'entrepreneurial mode'. Strategic planning is seen as "a rational approach to assessing and redefining the linkages of the firm with both its business and societal environments", while strategic management is the set of activities used to identify the external possibilities and create the proper changes. The two modes may create two different climates within the organisation, which Ansoff suggests may be resolved through the use of integrative management.

The definition of corporate strategy as given by K. R. Andrews (1980b/1987) is:

"the pattern of decisions in a company that determine and reveal its objectives, purposes, or goals, produce the principle policies and plans for achieving those goals, and define the range of business the company is to pursue, the kind of economic and human organisation it is or intends to be, and the nature of the economic and non-economic contribution it intends to make to its shareholders, employees, customers, and communities."

Such strategy is:

"an organisation process, in many ways inseparable from the structure, behaviour and culture of the company...It has two aspects (formulation and implementation) which, while intellectually separable, are interrelated in practice."

In addition, Andrews proposes a list of elements to facilitate the evaluation of a given strategy. These elements relate to:

1. the clarity of the identification of the strategy,
2. its uniqueness,
3. the degree to which it takes advantage of opportunities in the business environment,
4. its relevance to the current and prospective potential of the company,
5. its innate coherence,
6. the degree of risk,
7. its inherent value system,
8. its positive impact on the community as a whole,
9. the degree to which it will motivate,
10. projected market response.

Competition ('extended rivalry') is the focus of emphasis in the work of M. Porter (1980). He suggests a five-box schema regarding the sources of threats (five competitive forces):

1. potential entrants
2. substitutes
3. suppliers' bargaining power
4. buyers' bargaining power
5. industry competitors

Porter also indicates seven barriers to entry:

1. economies of scale
2. product differentiation
3. capital requirements
4. switching costs
5. no distribution channels
6. high cost structure
7. government protection

Another contribution by Porter is the definition of 'generic competitive strategies': overall cost leadership; differentiation and focus. The first two are industry-wide strategies. The focus strategy is targeted into a specific segment.

The distinction between policy, strategy and tactics is set forth by R. G. I. Maxwell (1983/1987). He describes each of these separately:

• "Policy sets limits." (p 281) It determines the parameters for behaviour, defines the bounds of subordinate discretion, and yet itself has no set time limit. In theory, it could continue indefinitely. In practice, of course,
policies are altered from time to time. Every level within an organisation touches on the realm of policy, although higher echelons of management tend to dominate.

- "Strategy sets goals and allocates resources within a time limit." (p 281). It can be set and carried out at any level in the organisation. To the extent possible, the goals, resources and time limit should be quantified. The time limit will be long-term and specific. When the time limit is reached, it should be possible to substantiate whether the goals have been achieved.

- "Tactics set methods and use resources within a time limit." (p 281) Everyone in the organisation is a potential tactician, looking for the means to attain whatever goals were set as part of the strategy, and to do it within the confines of the policy of the organisation.

Strategic management is later re-defined by Ansoff (1984) as a systematic approach for managing strategic change. This approach includes:

1) Positioning of the firm through strategy and capability planning;
2) Real time strategic response through issue management. This is an approach, which responds on a real time basis.
3) Systematic management of resistance during strategic implementation. Here Ansoff is looking for 'a parallel planning-implementation process' based on Japanese management reality.

Linear, Adaptive (Incremental) and interpretative strategies are three classifications of types of strategic decision-making proposed by E. E. Chaffe (1985).

- **Linear**: Rational planning is seen as the means for choosing between sets of alternatives, while taking into account whatever constrictions exist in a given situation.
• **Adaptive** (Incremental): A continual, organisation-wide search-and-learning process is seen as the means for dealing with opportunities, threats, strengths and resources.

• **Interpretative**: Influencing organisational culture is seen as a means of influencing managerial views and responses. This is an element, which must be taken into account in determining how to proceed in determining strategy.

The various elements in the organisation must be integrated as a whole. 'The value chain', as introduced by M. Porter (1985/1995), serves this end. This 'tool' focuses on the organisation's activities that are strategically relevant. There are 'primary' and 'support' activities. The primary activities include inbound logistics; operations; outbound logistics; marketing and sales; service. The support activities include: procurement; technology and development; human resources management; firm infrastructure. These activities (primary and secondary) contribute to the desired integration. It is crucial for management to participate in this process, which can be fostered through group work.

Ansoff's view of the position of strategic decisions within a general framework is presented in his work with E. J. McDonnell (1987). A singular contribution has been the notion of decision classes. Ansoff's starting point is that 'from a decision viewpoint' the firm can be conceived as a 'resource-conversion process'. He divides 'the total decision space' into three classes: strategic, administrative and operating.

• **Strategic** class decisions deal with 'the firm's match to its environment' and address the selection of product-market opportunities. They may be "forced under conditions of partial ignorance"

• **Administrative** decisions deal with policy, programmes and organisation

• **Operating** decisions deal with standard procedures and budget.
The central purpose of a firm is to maximise the 'long-term return on (the) resources employed within the firm'. This objective is seen as an end, while strategy is seen as a means to that end.

In order to plan strategy effectively, Ansoff proposes a practical way of establishing a common thread between past and future activities. He assumes the need for complement between new and existing product-market activity. He suggests several factors for consideration:

1. Product-market scope (to channel strategic search for the similar),
2. Growth vector (to direct potential expansion),
3. Competitive advantage (what the firm has and needs),
4. Synergy (desirable).

Ansoff's basic strategic matrix is based on two axes: Market\Product - Present\New.

The definition of strategy is not set and unchanging. The modern view of strategy is focusing on yet another new direction. D. Miller (1992) notes that management experts claim that if a company is to prosper it must concentrate on a single generic strategy, on one thing it does better that its competitors. Indeed, strategy specialisation can be necessary when, for example, multiple strategies are truly incompatible. However, mixed strategies are useful when customers are relatively insensitive to price. The need is to ensure synergy, robustness and greater flexibility.

The use of theories is an integral, though often unwitting, part of our daily lives, since theories are simply generalisations, which enable us to make assumptions about relationships, expectations, etc. R. Whittington (1993) describes four basic theories of strategy, each with its assumptions, processes and implications. It is important to reach an understanding of their underlying assumptions before determining which to adopt.
Classical theory, notes Whittington, is dominant in most textbooks. It is the oldest of the four approaches, and the most influential. It draws on economics from as far back as 18th century Scotland and on military practice since the times of Ancient Greece. Yet it has modern ‘fathers’: A. Chandler (1962), A. Sloan (1963) and I. Ansoff (1965) enunciated the three basic principles of Classicism in business strategy planning. These are:

1. rational planning methods,
2. a deliberate process of profit-maximising,
3. the distancing of planning from every-day operations.

A pertinent example of the contribution of economic thinking to Classical strategy planning is the notion of a ‘rational economic man’ (J. Von Neumann and O. Morgenstern, 1944) (M. Hollis and E. J. Nell, 1975). Here an individual stands alone at the centre of a complex game of strategy, using his wits (reason) to manoeuvre and ultimately gain advantages (profits) over his opponents (other businesses). The opponents are a necessary factor; without them, there is no game, no need for strategy. Two clear problems with this view which Whittington points out are:

• By concentrating on a lone strategy planner, it fails to take into account interpersonal relationships, to name but one of the numerous complications encountered in a team enterprise.

• There is a sequence of mathematical calculations required by the complex logic of the specific game. These would indeed demand an ‘endowment of super-rationality.’

Whittington summarises the ‘basic premises’ of classical strategic planning as delineated by Mintzberg (1990):

1. Strategy planning is a thought process, to be performed in an organised, ordered and calculated fashion.
2. Responsibility for this rests with the head of the organisation.

3. The strategy decided upon is a complete, comprehensive and comprehensible entity.

4. Strategy implementation is a distinct and subordinate stage.

In the end, Whittington's stance is that:

"(t)he Classical approach to strategy places great confidence in the readiness and capacity of managers to adopt profit-maximising strategies through rational long-term planning.... Flattered by the image of Olympian detachment, managers are seduced into the Classical fold." (p. 17)

**Evolutionary perspectives** provide the basis for the second in Whittington's list of four theories of strategy. In an economic 'survival of the fittest', the market weeds out non-profitable strategies (and strategists!). Both A. A. Alchian (1950) and M. Friedman (1953) suggest that the market chooses the more successful (profit-maximising) managers and allows them not merely to survive but to flourish. Their less-successful counterparts fall by the wayside, together with their strategies.

There are a number of conclusions that Whittington reaches regarding strategic planning on the basis of evolutionary theory:

- **Strategies of differentiation**: B. Henderson (1989) asserts that the survival of a business (or other organisations) depends on its uniqueness, its differentiation from others. However, Whittington finds that this is extremely difficult to achieve, as it requires both a unique initial position and the ability to change with rapidity similar to that of the changes in the (business) environment.

- **Luck, not strategy**: Given the above, the likelihood of business success depends more on luck (no one else with the same unique initial position at the same time and place, for example) than it does on planning. (A. A. Alchian 1950) (H. E. Aldrich 1979) Whittington depicts proverbial
business seeds blown in the wind, which may or may not land in the fertile soil of a positive business environment. The ability of strategy to affect the outcome is negligible.

- **Short-term adaptation in an emergent process versus long-term single-plan strategy**: Strategy may actually be harmful to a business, which must be constantly adapting to the immediate state of its business environment in order to survive. Strategy often becomes obsolete before it is approved and the sense of commitment to it is apt to prevent its abandonment even when such a move would be advantageous. Whittington also presents a seemingly antithetical position: flexible strategies are particularly inefficient, as:

  "the investor in long-term strategies of innovation, diversification and change can always be undercut by the short-term, inflexible low-cost producer." (p. 20)

The old adage about not placing 'all your eggs in one basket' has much merit.

- **Unsustainable advantage**. Assuming a business has attained a unique advantage of some sort, it is not likely to last long. As Whittington notes: the competition will find some way to emulate or eliminate the advantage.

- **Basic economics**. Given all this, the only real potential advantage a business can control would seem to be its own efficiency, keeping costs down to a minimum. Whittington quotes O. E. Williamson (1991):

  "(E)conomy is the best strategy."

- **Business failure - a healthy sign of rejuvenation**. If efficiency is to be maximised, then the inefficient must be removed, replaced by the new, innovative and better adapted. This is simple survival of the fittest,
whether it relates to individual people (managers, for example) or to
organisations (such as business companies). From an evolutionary
perspective, explains Whittington:

"(firms that are poorly adapted to current conditions should
simply make way to let new businesses try their chances at
achieving environmental fit." (p. 22).

**Processual approach.** The third approach presented by Whittington is
processual, which suggests acceptance of the world as it is, working with it
through pragmatic accommodation.

Processualists, says Whittington, see the limitations of the human mind as a
major factor in a comprehension of their behaviour, in business as well as in
other fields. Some of these limitations are:

1. the number of factors which can be dealt with simultaneously
2. the tendency to limit the number of sources when researching a
   particular topic
3. the personal prejudices brought to bear on the interpretation of data, on
decision-making, etc.
4. the acceptance of first-to-be-come-across, less-than-best (albeit
   satisfactory) solutions to problems.

An acceptance of these limitations clearly marks the Classical approach as
unrealistic, expecting managers to go against human nature (J. G. March and

Processualists also concentrate on

"the internal complexity of organisations",

notes Whittington (p. 23). Each of the members of an organisation brings a
personal set of interests, biases, etc. along with him. These are additional
factors in the decision-making process. Some of these have unconscious
effects, others are motivators of which the person is not only fully aware but actively promoting.

It is human nature, according to Whittington's description of the Processual view, which brings the individual to seek 'partners' within the organisation who have similar or complementary agendas. In creating such mutually beneficial relationships, there is bound to be a certain amount of give-and-take, of bargaining. Nor need these (at times unspoken) agreements be exclusive: a member of an organisation may find himself involved in a number of alignments with various people on various issues at various times, or even simultaneously.

As each of the 'partners' fulfils his functions within the organisation, he is simultaneously forwarding his own personal goals and those of his 'partners', in accordance with any internal coalitions he may have made. Thus, Whittington explains, the Processual manager's main goal in determining business strategy is not necessarily maximising profit. (R. M. Cyert and J. G. March 1963) (A. Pettigrew 1973).

As a result of limited cognitive capabilities and of internal political alignments, strategic conservatism reigns. Major changes in strategy will not be seen as necessary for the former reason, and will be sensed as dangerous for the latter (too likely to upset any political balance which has been reached within the organisation). Processualists, says Whittington, therefore have a tendency to prefer minor change, gradually made, minimalistically adapting to external factors if and when they are of a magnitude that cannot be ignored (R. M. Cyert and J.G. March 1963).

While this may not maximise profit, it may very well enable the organisation to maintain a reasonable balance sheet. They are able to do this because stockholders have similar limited cognitive capabilities (not noticing a certain degree of underachievement) and because the market accepts such behaviour (in contrast with Evolutionary theory) (R. M. Cyert and J. G. March 1956, 1963). Thus, organisations do not behave in a manner, which will necessarily
maximise profit, but in a manner which will earn sufficient profit to satisfy all concerned.

These Processual views, as presented by Whittington, lead to certain conclusions regarding strategy planning:

1. **Strategy is a managerial self-help tool**, organising and simplifying complex realities into meaningful and malleable bits. Full rational analysis is less important than making the incomprehensible palatable and manageable. Strategy is also a psychological tool, as much a comfort to managers as it is a guide. The use of the customary routines of an organisation, the employment of its decision-making processes - these are reassuring rites the manager needs. Strategy has value as a motivator for action (K. Weick 1990).

2. The **range of strategic alternatives** will, to a large extent, be determined internal factors, such as the routines of the organisation. The range becomes not a wide one, but a narrow one (R. R. Nelson and S. G. Winter 1982).

3. **Action leads to strategy**, not vice versa, and may become clear only in **retrospect**. Strategy is an on-going process, constantly evolving in small steps in response to an unpredictable environment. No matter how well designed and thought-out the strategy, no one can take all possibilities into account. The manager must remain aware of new developments and open to the necessary alterations in previous plans whose fulfilment they prevent, as well as to the possibilities they present. Change is inevitable, yet an existing and consistent underlying strategy may (unconsciously?) be inherent in what is done. Therefore, the search for strategy and for strategic flexibility is rather futile, as the one eventually emerges as the sum of steps already taken and the other occurs naturally, as part of the process. This directly contradicts the separation of planning and implementation proposed by the Classical approach (C.

4. Any strategy must recognise that a firm’s competitive advantage is intrinsic. Delving into every-day operations enables the development of a strategy relevant to the organisation's unique resources (e.g., patterns of co-operation). These resources are untradeable, inimitable and must be carefully cultivated. They are the root of a firm’s competitive uniqueness, (and superiority) (D. Collis 1991) (R. M. Grant 1991b). Strategy must attend to the organisation’s internal affairs, or it will fail to provide a proper base for dealing with external affairs (such as market opportunities) (G. Hamel 1991).

5. The aim of a strategy is to satisfy those concerned, not necessarily to maximise profit or to reach a given optimum. The expectations of success must be curtailed. Managers must deal with actual imperfect people and situations, not with an ideal (the classical approach).

**Systemic Perspectives** comprise the last of Whittington’s four approaches. He notes that it differs both from Classicism (which it views as no more than a particular case in point) and from the Evolutionary and Processual approaches (which do not believe in the ability of organisations to plan ahead and act accordingly). One major difference is rooted in its view of the manager. Systemics perceives the manager not as a strictly economic individual acting in a vacuum called ‘business’, but rather a whole being, affected also by the social systems in which he lives (M. Granovetter 1985). This person’s economic behaviour is naturally ‘embedded’ in the norms of his local society, in the network of relations to which he belongs (family, state, profession, education, religion, etc.) (R. Swedberg, W. Himmelstrand and G. Brulin 1987) (R. Whittington 1992). What seems obvious in one society is obnoxious in another.

Things as basic as the form of an organisation may be affected by the tendencies within a particular culture or country. Whittington indicates that enterprise structures range from small, familial businesses to large, impersonal
conglomerates, from broad-reaching multinationals to tiny neighbourhood barbershops. The policies of governments and the societal acceptability of one form or other will be factors in the form of development and the feasibility of the venture (R. D. Whitley 1991).

Even the most internationalised of corporations are not immune to the affects of society-specific factors; they remain rooted in their home cultures in varying ways. Systemics, according to Whittington, contends that there may be financial assets strewn around the world, but the domestic branch of a corporation will be in charge of development, or the management style will be unique to the company’s native environment, and so forth (R. Walker 1988) (Y. S. Hu 1992).

One of the implications of this, as pointed out by Whittington, is that strategy itself is a social construct, and attitudes towards it vary greatly according to the culture of the observer/participant. Where the society has a deterministic predisposition, the free-will premise of strategy planning holds little meaning, much less attraction; therefore strategy will not be a top priority in a manager’s agenda (R. T. Pascale 1982) (N. Boyacigiller and N. Adler 1991). The elements included in strategic planning are also inconsistent from one culture (or even political system) to another. The degree of government involvement is one obvious factor, which may change not only from country to country but in some places, from year to year (S. Wilks 1990).

Systemics, as Whittington presents it, perceives Classical and Evolutionary approaches to strategic thinking as merely the products of particular (Western, Anglo-Saxon, or other) institutional environments. These conform to local expectations in a sociologically correct way (whether or not it is profitable in a purely economic sense) (J. W. Meyer and B. Rowan 1977) (P. Di Maggio and W. W. Powell 1983). Classical strategic planning as a whole has been attacked as a reflection of traditional capitalistic ideology, with its top-down management and profit orientation, ignoring the business environment other than pure market factors. Neither government involvement nor attempts at meaningful
power sharing will be welcome. Considering all these, the strategic options are clearly limited (P. Shrivastava 1986).

Local factors have ramifications on corporate market structures, which in turn affect the strategy a business will adopt. For example, American investors are relatively unattached to the companies they invest in, and remain with them only as long as profits are satisfactory; no wonder then that profit maximisation is a major goal. In contrast, Japanese companies are loosely interwoven through mutual shareholding that sees the fabric of long-term goals. This situation may maximise profit but it is equally aimed at increasing the share of the market. Thus there is patience among shareholders, which is not found elsewhere. These and additional examples lead Whittington to the conclusion that:

"(t)he consequences of these different capital market structures for strategy can be considerable." (p. 32).


Another field, presented by Whittington as one in which local factors may have bearing on the direction a business takes, is the labour market. As a result of the lack of educational opportunities in Japan during the 1950's and 1960's, many talented blue-collar workers joined (and became committed to) specific companies. These could then rely on this work force to supply the company with quality operational feedback, which in turn enabled the company to opt for a strategy of gradual adaptation rather than detailed long-term planning. The improvement of educational opportunities may alter this strategy choice around; without the same quality work force, this strategy may become untenable. This process also demonstrates the ability of historic progress within a society to influence strategy (R. T. Pascale 1984) (M. Aoki 1990).

The overt and covert goals of a concern are also dealt with by Systemicists, particularly in the West, according to Whittington. Here, although owners may
see profit maximisation as the primary goal, most concerns are run by
professional managers. Their view of the firm has much to do with topics of
self-interest: (security, status, power, and so forth). This is painfully obvious in
the rise of top-management salaries, despite the decrease in profits/returns on

This distinction between ownership and management is related to the
justification of entrusting power to management. Whittington describes a
process whereby the initiation of discussions of corporate strategy, and
attempts at scientification and objectification of business arose in the 1950's,
especially in America. These made the managerial class seem more
professional, necessary, and intrinsic to the business world at large and to
owners in particular (D. Knights and G. Morgan 1990).

One of Whittington's conclusions regarding Systemics is that while strategic
goals and processes reflect the social systems in which they are developed,
this does not mean there is uniformity to the business concerns within a
particular society. Societies are complex entities, and an abundance of unique
individuals thrives within each society. From these arise the plurality of ideas
and strategies these individuals create (N. Biggart 1989) (R. Whittington 1989,
1990).

The implications for practising managers as given by Whittington may be seen
as two-fold: 'Know thyself', and 'Know thy competitor'. 'Know thyself' means a
manager must be sensitive to his own social frameworks, as well as those of
others in his organisation. Thus he will broaden the scope of possibilities to its
fullest while taking into account all probable societal limitations. 'Know thy
competitor' means he must also be aware of his business-opponent's social
framework in order to better consider the options open to and societal
limitations on the 'other' side.

In Systemics, Whittington finds, strategy is a deliberate process, but a pluralistic
one. No single strategy is appropriate at all times and in all places. The basic
tenet of Systemics is the need for matching a specific strategy to the societal and cultural environment in which it is to be implemented.

**A2) Processes and Techniques of Decision-Making**

The process of strategic decision-making has been the subject of much interest.

**A2a General**

The end and the means are both necessary conditions in T. Parsons' (1947) definition of rational action. He emphasises the need both for a method that utilises maximal data and for an objective which is clear and logical.

H. A. Simon (1960) and P. Drucker (1967): each contributes to a division of decisions into two classes.

- **Generic** - These decisions follow a pattern, to the point where they become programmable (through a diagram or on a computer). In making these decisions, there are relatively predictable procedures for gathering information and dealing with both the data and the processing of it.

- **Unique** - These decisions are open, complex, unsystematic, unprecedented and diverse. Therefore, they are not amenable to programming, and require original, untried approaches tempered by a healthy dose of good sense. These decisions are often made despite a certain lack of information.
Overlapping, to a certain extent, the dual classification of H. A. Simon (1960) and P. Drucker (1967), is H. I. Ansoff's (1968) distinction of three types of decisions:

- **Strategic:** These decisions are taken by top-level management as it sets objectives and does its long-range planning. Strategic decisions comprise a sub-set of unique decisions, and have all their characteristics.

- **Administrative:** These primarily generic decisions are taken by middle-level management as it deals with control, motivation, and organisational systems.

- **Operating:** These generic decisions are taken by low-level management, and can usually be attained through rules, methods, and procedures that the organisation already has in place.

One definition of decision-making is proposed by F. G. Castles, D. J. Murray and D. C. Potter (1971). To them, a decision is "a rational process leading to a conscious choice between alternatives." In this case, the very thought of doing something (anything) has given the decision-maker alternatives, and the choice of 'doing nothing' is a bona fide decision.

Decision-making has far-reaching affects on an organisation. E. Mumford and A. Pettigrew (1975) stress the effect of decisions on the allocation of economic and personnel resources, which in turn have ramifications on political structures and other aspects of the organisation. Rational decision-making, therefore, improves not only the quality of the decision itself, but of the general performance of the organisation.

According to H. Mintzberg, D. Raisinghani and A. Thearet (1976), as presented in C. Gore, K. Murray and B. Richardson (1992), a decision is a particular
commitment to act. It is purposeful, it leads to doing (and not just talking) and it involves the investment of resources. In their model, they present no firm hierarchy, as strategy may be implicitly determined by lower-level operative or administrative decisions, and not only be top-level declarations.

For this same reason, the process is not necessarily sequential, as developments in the real world may require backtracking or the repetition of stages. Some of the strategy formed from ‘bottom-up’ almost inevitably contradicts the general objectives of the organisation, which is an indication of the need for ‘top-down’ direction. This is one of the ways in which the authors’ model seeks to deal with the limits of rationality. Three distinct stages in decision-making are highlighted:

1. **Identification** of the problem, which consists of:
   a) its **recognition** as something that must be dealt with, whether as the result of a crisis, a problem or an opportunity.
   b) its **diagnosis**, by clarifying the issues involved, developing channels of information and creating task forces as they are needed.

2. **Development**, which involves:
   a) **searching** for solutions, which may be internal (‘memory’ within the organisation), is sometimes passive (employment of an external service organisation), or even a ‘trap’ search (“letting others know you require an answer to a problem”). (p 17)
   b) **designing** solutions, which is a complex process of the gradual and sequential elimination of possibilities. These may be “home-made” solutions, but it is usually preferable to use one that is “imported” and “ready-made”. It may be altered as needed to achieve a proper fit to the specific situation (generally less complex than an internal and original solution).

3. **Selection**, which is interwoven with part of the development stage:
a) **screening** in order to eliminate impracticable solutions (obviously interwoven with search)
b) **evaluation** of the remaining alternatives through the use of judgement and of bargaining between interested parties.
c) **choice** of one of the alternatives, taking into account the fact that there are interested parties with their own agendas, and that those in authority are not necessarily acquainted with all the facts.
d) **authorisation** for the decision may be internal or external, and in any case cannot be assumed. If it is not given, it may be necessary to repeat the entire process.

Mintzberg, Raisinghani and Thearet note additional routines that influence the decision-making process:

1. **Decision control** routines - These are the organisation's traditional means of making decisions that must be complemented by innovative approaches.

2. **Communication** routines - These are dominant as they are the means of attaining inputs and outputs, through such activities as scanning, search, investigation and dissemination.

3. **Political** routines - The interrelationships among those involved in the process include bargaining, persuasion, co-operation, involvement, and commitment.

Mintzberg also notes that change is inevitable during the process, sometimes altering the pace of its progress, sometimes the direction of its course, but never allowing the model process to proceed undisturbed.

The model proposed by C. W. Hofer and D. Schendel (1978) is a normative model, with hierarchical 'top-down' decision-making based on a rational sequence of events. There is recognition of the complex, limited and uncertain aspects of this rationality. For this reason and because any treatment of the
future is necessarily unreliable, the authors include a recommendation to prepare a contingency plan. This model restricts itself to the stages following the formulation of goals and preceding the implementation of decisions, allowing its application to a broader set of circumstances. The model is comprised of three major stages: identification of the problem, generation of alternatives (through the evaluation of political, sociological, economic and market factors), and the choice between these alternatives (according to criteria).

K. R. Andrews (1980b/1987) see the formulation of strategy as an on-going activity in the organisation rather than as

"a singular product of one man's mind".

This process involves four basic components:

1. The identification of issues by key personnel,
2. The inclusion of personal and organisational elements,
3. The gathering and utilisation of market data,
4. The awareness of financial limits.

The top level of a hierarchy performs a rational series of steps in order to reach a decision in the model built by J. C. Higgins (1982), who emphasises the importance of the information system and the need for quantifiable data. Organisational goals are compared to externally determined required performance, and any differences between them are seen through internal and external predictions. The analysis of this information enables the corporation to formulate a corporate plan, from which individual business plans and operational budgets can be derived.

A number of tools, techniques and models related to strategic decision-making have been put forth in the literature. J. E. Dutton and R. B. Duncan (1987a) propose one of these: a model of the critical events in the SID (Strategic Issue Diagnosis) process. The model suggests that the process is triggered through
the recognition of outcomes as perceived by the decision makers. After SID is triggered, it is essential that an assessment of urgency and feasibility be carried out. By pinpointing the various criteria for these two evaluations, SID becomes clearer.

A decision is

"a moment in an ongoing process of evaluating alternatives for meeting an objective,"

in the view of E. F. Harrison (1987). Since this is merely a momentary event, the author makes two presuppositions:

- Decision-making follows specific preliminary stages or is part of a cycle. The decision is part of a larger process (not the entire process).

- Objectives are determined, and efforts are made to fulfil them. Behaviour is purposeful.

The strict classification of decisions in terms of a sequential decision-making hierarchy or process is seen by H. Mintzberg (1987a) as simplistic and inappropriate.

- **Intended strategy:** "The best laid plans of mice and men..." Any announcement of a decision is essentially a declaration of intent. As with everything else in this uncertain world, intentions are not necessarily fulfilled in practice.

- **Emergent strategy:** "The whole is more than the sum of its parts." Strategy decisions are sometimes outgrowths of lower-level decisions. Two plausible scenarios of lower-level influence on normally-upper-level decisions might be: The operative level may have learned from past mistakes, reaching conclusions and adopting attitudes or procedures that
have an upward effect. Somewhere in the lower levels of a concern someone suggests a new idea. This is successfully tested in a limited area and then gradually spreads within the organisation, with or without the approval of the upper managerial echelons. Thus strategy may emerge over time, rather than being the result of a decision-making process at the top level of an organisation.

According to J. E. Dutton (1988), personal power and commitment are used as tactical tools in increasing the agenda status of particular issues.

One of the processes involved in decision-making is a human process of perception, a behavioural aspect of management. People are naturally affected by such factors as age, education and experience. These act as filters through which different managers perceive, in different ways, the organisation, its capabilities and the alternatives it faces. These perceptual filters are discussed by W. Starbuch and F. J. Milliken (1988).

J. D. Aram and S. S. Cowan (1990) point out that many small firms shy away from planning despite the benefits they could garner. The basic rules for achieving success are relatively simple in concept if seemingly difficult to implement. The processes for achieving successful strategic planning in a small firm are similar to those in large firms. One of the most important aspects is team development, the creation of an interaction that is often lacking. Successful planning is best described as 'strategic process development'.

Computer software is a tool that can be employed in the decision-making process. In R. J. Mockler's article, 'A Catalog of Commercially Available Software for Strategic Planning' (1991), he states that two types of commercially available conventional computer software have been designed to support strategic management decision-making. Of the 14 software packages listed, eight are designed to improve managers' capabilities to perform strategic planning. Six are software products intended for training or classroom exercise. F. Ackermann and V. Belton (1994) propose the use of computer technology in
order to improve corporate knowledge management, thus facilitating the resolution of complex problems.

P. Schwartz (1991) describes in detail a method for the construction of scenarios through the search for driving forces, predetermined elements, and critical uncertainties.

The development of strategy in organisations will be more effective if it is seen as a predominantly social process rather than an analytical one. So suggests C. Eden (1992), who argues that organisations may be seen as negotiated order. The author presents designed Group Decision Support Systems, which play an important role in facilitating the negotiation of strategy. Six 'support systems' are discussed, and the implication is that planners might see themselves as facilitators both managing 'socially negotiated order' and 'negotiating social order'.

STP (Strategy Through Process) is discussed by D. R. Gilbert (1992).

"I interpret STP as one logical approach for dealing with the Problem of Strategic Management. By means of an extended 'conversation' with my group... I will argue that all the ostensibly different arguments in that group can be interpreted to converge on STP as a 'solution' to the Problem of Strategic Management."

A rational business decision, say C. Gore, K. Murray and B. Richardson (1992), should be based on the employment of a logical process for adapting appropriate means to a specific end (profit maximisation, maximisation of individual's utility). In discussing rational decision-making, it is important to emphasise that the adjective 'rational' describes the means of attaining a goal (but not the goal itself). The decision-making process commences with a prompt (which causes recognition of the need for initiation of the process), includes the steps taken along the way and ends with the results of the decision. A rational model cannot ensure that these results mean the attainment of the organisation's objectives, but it can improve the chances of reaching that goal.
The authors continue to suggest that there is an advantage to an organisation's re-consideration of its decision-making process, which may then become more effective. The decision-maker acquires an overview of the process, which enhances his direction and control of the process.

A set of measures that gives management a rapid but comprehensive picture of the business is proposed by R. S. Kaplan and D. P Norton (1992). They call this: 'balanced scorecard'. This overview includes financial and operational measures of steps previously taken. Though a new approach, it is consistent with current initiatives in many companies such as cross-functional integration, customer-supplier partnerships and global scale.

The Canan Corporation has been using corporate planning for 30 years. T. Nakahara and Y. Isono (1992) use it as an example in describing the strategic planning process. One of the reasons for the excellent performance of the company is the quality of the strategies, which were formulated through the corporate planning process. Most of the new products were developed inside the company and, in many cases, a strengthening of the resource structure was carried out before these new products were introduced. The corporate plan has two parts: the long-range strategy and the medium range plan. The management uses computer simulation to model future results, and to integrate many sub-systems of the plan.

To what extent do decision-makers operate in an aware and active manner, rather than merely carrying on as a result of passive inertia? Most theories (and the models based on them) take for granted that a manager will give his fullest attention to the issues at hand to the problems to be solved. However, J. E. Dutton (1993a) challenges that assumption. The author asserts the decision-makers tend to operate as automatons in diagnosing situations. The work environment may contribute to this tendency. This in turn affects the entire decision-making process and ultimately the decisions taken. To prevent this, managers should:
• be conscious of their own thought processes,
• develop the ability to move from passivity to activity in this area,
• operate in the active thought mode.

“Company strategy consists of a framework of rules, in the light of which management activities can be assessed as being either useful or useless.... Strategic management is the constructive change of situations by organisations of people.... The future of our organisations is not inevitable. We can influence that future if we know which objectives we must pursue in order to achieve a desired position.”

These are parts of the credo put forward by P. J. Idenburg (1993, p. 133).

According to Idenburg, there are a number of debates being conducted within the field of strategic management. Some are merely questions relevant to the field, not necessarily arousing great interest. Others are being fought fiercely by prominent authors. Idenburg summarises the main points:

• **Event vs. Process.** Is there an actual event, such as a vote on a specific plan, which marks the development of a strategy? Is there a single moment in the course of implementation and revision of strategy that indicates conclusion? Or is strategy developed in a continuous process?

• **Prescriptive vs. Descriptive.** According to Igor Ansoff, the object of strategic management is to lay down prescriptive guidelines for management's future actions. According to Henry Mintzberg, strategic management can only be viewed as a retrospective description of the pattern of management's past actions. It may have been formed almost accidentally, yet this pattern must relate in some way to the manager's goals and there may be disagreement in interpreting it. According to P. J. Idenburg (the author of this article), this is a dubious discussion. The true question to be asked is not whether strategic management is prescriptive or descriptive, but whether it is efficient and effective.
• Continuous vs. Discontinuous Change.

"This distinction is only useful where it applies to the company itself. If the survival of the company is at risk, then it is a case of sink or swim and it is too late for strategy development" (p 132).

• Goal vs. Process Orientation. These two are often pitted against each other as though mutually exclusive. In reality, it is possible to form a matrix to indicate four inter-related views mixing the goal (what) and process (how) in differing degrees: (see Fig. 2.1).

Figure 2.1: Four Views on the Process of Strategy Development

(P. J. Idenburg, 1993, p. 133)
“Rational planning as a form of strategy development is concerned with the formulation of attainable objectives” says Idenburg (p. 133). A goal is selected and discussions are held to present pertinent analyses and arguments regarding alternative strategies. A plan (or set of sub-plans) is adopted and implemented. Top management is extensively involved both in the decision-making process and in controlling implementation through measurable objectives. These are two distinct and separate stages. Daily decisions (investment of time, people, money) are dictated by the predetermined objectives. Rational planning assumes the future is relatively predictable and people are relatively structured and rational.

“The guided learning-process approach to strategy development attempts to introduce ... mental models of reality, so that they may be discussed,” Idenburg explains (p. 134). These models are not true reflections of reality, but more simplistic views of it. They aim at facilitating communication and developing a common language and consciousness, and not merely common goals, which may be fleeting.

“Every good manager is creatively dissatisfied with the status quo. Strategy development is then a never ending process of continuous improvement.” (p. 134).

Learning processes are seen as a means of constantly adapting to dynamic situations that demand rapid responses.

“The view of logical incrementalism recognises that the planned implementation of a strategy from A to Z is an illusion” Idenburg avers (p. 135). The dynamism of an organisation and its environment leads to a need for the revision of strategy as it is being implemented. Both process and goals have their place, and alternately give direction to the actions of the organisation. Internal politics play a significant role as well.

“(A) policy is seldom neutral but always contains elements of power politics and internal negotiations” (p. 135).
Thus managers must deal not only with objective business agendas but with subjective personal agendas as well (see Table 2.1).

"According to (the emergent strategy view), it is not possible to ... formulate explicit objectives in an unpredictable environment; instead it is necessary to react... and 'muddle through'," claims Idenburg (p.136). Mintzberg dubbed this 'emergent strategy'; the need for the organisation to adapt itself as it is continually overwhelmed by events in its environment. The question arises as to whether past experience has relevance to new situations, whether the manager is bereft of all known tools and programs. In addition,

"development is then motivated by external events which overshadow long term trends and structured changes" (p. 136).

Table 2.1: Policy and Politics

<table>
<thead>
<tr>
<th>Policy</th>
<th>Politics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural analysis</td>
<td>Analysis of influence</td>
</tr>
<tr>
<td>Competitors in the market place</td>
<td>Competition in-house</td>
</tr>
<tr>
<td>Open communication results in clear business objectives</td>
<td>Individually dominated discussions result in responsibility domains</td>
</tr>
<tr>
<td>Loyalty to objective</td>
<td>Loyalty to individuals</td>
</tr>
<tr>
<td>Decisions based on shared insights</td>
<td>Decisions reached by lobbying</td>
</tr>
<tr>
<td>Decisions based on trade-off in the business</td>
<td>Decisions based on trade-off in the internal power structure</td>
</tr>
<tr>
<td>Motivation: achievement of the corporation</td>
<td>Motivation: promotion of the individual</td>
</tr>
<tr>
<td>Type of leadership: ‘statesman’</td>
<td>Type of leadership: ‘politician’</td>
</tr>
</tbody>
</table>

(P. J. Idenburg, 1993, p. 136)
After presenting the distinct views, Idenburg proposes an integration of them.

“All four visions of the strategy development process contain a grain of truth.... The emphasis in the process will shift over the course of time, depending on the external and internal necessity on the one hand and the insight and preference of the managers of the strategy on the other” (p. 137).

One example of such internal necessity is size. In small companies, the integration of the four may differ from their integration in large corporations. Inevitably, the allocation of resources by a small number of people has ramifications for each of the four views.

A related topic is the direction of research and education. Idenburg contends that this should reflect all four views, and have practical, as well as academic, value.

Different sets of four types of processes used to formulate strategies are identified by P. C. Nutt (1993a): Idea Process, Issue Process, Objective Directed and Reframing Process. The nature and sequence of steps in the formulation processes are described. The author shows graphically the step traces for the formulation processes and tactics.

Nutt (1993b) also describes the stages of idea development used in strategic decision formulation. The article describes tactics that decision-makers apply in order to identify ideas. Decision merit, development time, initial adoption, and sustained adoption are measures of the influence of these tactics and contextual factors on success.

"(T)he original version of strategic planning is no longer with us," claims H. I. Ansoff (1994).

"It did not die but has been transmuted into several forms of strategic planning.... In this practice, general managers and implementors participate in developing plans, staffs play catalyst roles, the planning process is coupled with the design and management of discontinuous
organisational transformation, the planning process blends creativity and rational analysis, the inevitable organisational resistance to change is anticipated and managed, and the key impact of the key managers' mind-set and of the organisational culture is anticipated" (p.31).

The use of programmes in the decision-making process is controversial. D. Cray, G. H. Haines and G. R. Mallory (1994) have reservations about it. They feel that certain types of strategic decisions lend themselves to the use of a programmed process. The main criteria for selecting these types is the ability to foresee the information needs of different decisions. This research employed Mintzberg's typology (Mintzberg et al., 1976) as a tool in investigating this criteria.

The authors find that, as with any process, there are advantages and disadvantages in taking the programmed route. Managers may not be fully aware of the price to be paid or the benefits to be gained when making the choice between programmed and more traditional methods. The programming of strategic decision carries with it both costs and benefits; some of which may not be fully understood by the managers who use these processes.

The planning process should be exploratory and open-ended, according to G. Hamel and C. K. Prahalad (1994). It should enlarge the horizons of opportunity, taking as its base line the fullest possible understanding of the discontinuities and competencies of the organisation.

Rational vs. Incremental. Formulation vs. Implementation. L. S. Hart and C. Banbury (1994) note that strategy making is usually portrayed in terms of dichotomies such as these. It may, however, be more valid to think of organisations as entities capable of developing resources and skills in multiple strategy-making process models.

A description of the framework within which this may occur is proposed by L. S. Hart (1992) and re-iterated in his work with Banbury (1994). The roles played by both top managers and organisational members were selected as the organising principle of an integrative framework. Juxtaposing these roles
facilitated the identification of five generic modes of strategy making: COMMAND, SYMBOLIC, RATIONAL, TRANSACTIVE and GENERATIVE. This framework focuses

"on the role interrelationships between top managers and organisational members in strategy-making" (1994 p 252).

It takes into account both the people involved and the manner in which they behave. It identifies five modes, which may overlap with each other. Table 2.2 summarises the main points of comparison.
Table 2.2: An Integrative Framework of Strategy-Making Processes

<table>
<thead>
<tr>
<th>Descriptor</th>
<th>Style</th>
<th>Role of top management</th>
<th>Role of organisational members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Command</td>
<td><strong>Imperial</strong>&lt;br&gt;strategy driven by leader or small top team</td>
<td><strong>Commander</strong>&lt;br&gt;provide direction</td>
<td><strong>Soldier</strong>&lt;br&gt;obey orders</td>
</tr>
<tr>
<td>Symbolic</td>
<td><strong>Cultural</strong>&lt;br&gt;strategy driven by mission and a vision of the future</td>
<td><strong>Coach</strong>&lt;br&gt;motivate and inspire</td>
<td><strong>Player</strong>&lt;br&gt;respond to challenge</td>
</tr>
<tr>
<td>Rational</td>
<td><strong>Analytical</strong>&lt;br&gt;strategy driven by formal structure and planning systems</td>
<td><strong>Boss</strong>&lt;br&gt;evaluate and control</td>
<td><strong>Subordinate</strong>&lt;br&gt;follow the system</td>
</tr>
<tr>
<td>Transactive</td>
<td><strong>Procedural</strong>&lt;br&gt;strategy driven by internal process and mutual adjustment</td>
<td><strong>Facilitator</strong>&lt;br&gt;empower and enable</td>
<td><strong>Participant</strong>&lt;br&gt;learn and improve</td>
</tr>
<tr>
<td>Generative</td>
<td><strong>Organic</strong>&lt;br&gt;strategy driven by organisational actors’ initiative</td>
<td><strong>Sponsor</strong>&lt;br&gt;endorse and support</td>
<td><strong>Entrepreneur</strong>&lt;br&gt;experiment and take risks</td>
</tr>
</tbody>
</table>

(S. Hart and C. Branbury, 1994, p 254)
Hart and Banbury (1994) contend that a single organisation may simultaneously employ more than one strategy-making process. The description of the combination of several on-going processes is complex. It is not fully depicted when seen as merely rational or incremental. It is not appropriately sub-divided into separate formulation and implementation stages. It requires a more integrative approach than has often been given to the study of strategy-making processes.

The relation between firm performance and strategy-making processes has been insufficiently investigated. This is particularly true regarding the question of which combinations of processes are effective. Hart and Banbury describe measures, which may be employed to identify firms with different levels and types of strategy-making process 'capabilities'. Firms with high process strategy-making models outperform single-model or less process-capable organisations. In order to study this, it is necessary to adopt taxonomy of firms based on their strategy-making processes. Prior research exists, but most of the classifications are not quite appropriate to the topic under study.

L. M. H. LAI and K. Gronhaug (1994) focus on central aspects of problem finding by the individual manager. In order to acquire expertise in problem finding a manager must undergo a learning process. No effort was made by the authors to understand this learning process, making the approach a 'static' one. There is an integrative perspective at the individual level: how personality factors and past expertise may influence problem finding. Taxonomy of problems and modes of problem finding is offered:

- Classes of problems:
  1. Evident
  2. Implicit
  3. Potential

- Commensurable constructs:
  1. Presented
2. Discovered
3. Created & Constructed

- Mode of problem finding:
  1. Problem recognition
  2. Problem discovery
  3. Problem creation

- Activity:
  1. Perceiving the situation
  2. Probing the situation
  3. Inventing problems

Within a process of strategy implementation there is importance in the use of involvement, teamwork, learning organisation, and culture change. A. Meeks, J. Dransfield and J. Goddard (1994) emphasise this.

Decision-makers choose solutions from sets of alternatives. D. T. Ogilvie (1994) finds that these are often limited sets generated through local search. Clearly, the quality of the decision will be within the range of the quality of its set, and of the search that leads to it. The author proposes two variables, which may determine the effect of local search on the quality of solutions: the type of environment (stable or unstable) faced by the decision-maker and the type of process (traditional or imaginative) used by the decision-maker.

One conclusion in Ogilvie's work is that when using an imaginative process, a less stable environment is conducive to the highest quality solutions, whereas a more stable environment correlates with lower quality solutions. Another is that the combination of an unstable environment with an imaginative process leads to higher quality solutions than the combination of a stable environment with a traditional process.
B. T. Houlden (1995) observes the current tendency to move from one type of technique to another.

"Over time, there has been a shift in the use of techniques away from those which are mathematically based, and often based on a snapshot at one point in time, to process-type 'techniques'" (p 106).

Scenario development is one technique used in the decision-making process, which does not require an extended period of time. K. Warren (1995) notes:

"The process of developing these scenarios was neither time-consuming nor costly. It needed only some simple data about the recent development of the industry, plus the experience of a small number of industry executives. Nor was the limited availability of accurate data a severe problem. From the shared knowledge base, the mapping of driving forces and outcomes to construct simple, tightly bounded scenarios required only modest effort" (p. 19).

"(P)eople have a greater tendency towards building consensus with those they perceive as sharing some common ground with themselves. Thus, knowledge about where an individual stands relative to the group on an issue might be important information when one is reassessing one's position. Further, people are more willing to engage in dialogue if they understand each other's positions on the issues under consideration."

These statements by O. K. Ngwenyama, N. Bryson and A. Mobolurin (1996 p. 166) make clear the potential influence of information about individual and group attitudes when a group decision is sought. The authors present an approach and techniques for use by a facilitator in

"analysing preference data and identifying 'dead-ends' and 'openings' which could help improve the consensus process....They provide the group process facilitator with a set of tools for identifying: (a) the level of agreement among the group members; (b) the level of disagreement in the group; (c) which individuals, by virtue of their shared agreement with divergent group members, might assist in brokering the dialogues; (d) who agrees and who disagrees on what decision alternatives; and (e) what decision alternatives are problematic" (p. 166).
A2b The Use of Models

One means of organising decision-making theory is to create a model, which is necessarily based on assumptions. These models oversimplify reality, and so cannot predict the full range of possibilities. However, as they are accepted and vital tools, it is best to clarify the underlying assumptions and to note certain reservations about them. A presentation of this topic by C. Gore, K. Murray and B. Richardson (1992) is the basis for the following discussion.

1. In creating and employing a model, there is generally a single, clear and quantifiable objective. In reality, an organisation is more complex than such a model indicates. It may have a number of aims, some of which are fuzzy or non-quantifiable.

2. Many models assume that once a decision is made, the decision-makers will be committed to it. In reality, people and situations (and consequently evaluations) change over time. This may cause a once-desirable alternative to be abandoned and a different choice made.

3. A model often assumes that the people in an organisation will perform unlimited data collection and processing and then act on the basis of (personal or organisational) self-interest. In reality, people are too limited (in their abilities, information-gathering capabilities and patience for the process) to perform an all-inclusive evaluation of alternatives. People in the real world also operate according to a variety of motives, not solely for the sake of economic self-interest.

4. The alternatives dealt with in a model are generally assumed to be inclusive (all possibilities taken into account), clear, fully investigated and free from overlap between them. In reality, there is no logic to the search for an “inclusive” set of alternatives: another, creative possibility is just an inspirational moment away. As already noted, full information is not necessarily available, nor is it economically feasible to gather it beyond a certain point. Unevaluated alternatives are often eliminated prior to the
conclusion of the investigative stage. There is an understandable tendency to continue research until a reasonable solution is found (whether or not it is optimal).

5. In evaluating an alternative, many models demand quantification of its value, which may be compared with the already-quantified objective. In reality, the available information may not enable a quantitative estimate of the value of each, and the decision may become a qualitative one.

6. The choice of one alternative over another is a decision regarding the benefits which the organisation will reap (from the chosen alternative) and which it will forego (from the rejected alternative(s)). Most models assume that decision-makers are conscious of the ramifications involved, and will make an optimal choice based on this. In reality, the limitations already enumerated may prevent both the decision-maker's consciousness and, consequently, the choice made.

7. In addition, a model may be excessively broad in scope, at times claiming universality: dealing with all decisions made in all organisations, in all places or at all times. In reality, an efficient approach might be to identify and apply only the appropriate parts of a model, and/or to develop less-sweeping models.

From all the above, it becomes clear that although the use of models is based on assumptions, it is also vulnerable to the limitations reality imposes on those very assumptions. The logical construct of a model is not a pragmatic imperative to be followed literally. Rather, like a clothing design, it gives a general form that must be sensibly adapted in order to fit the measurements of the specific body/situation. Keeping these limitations in mind, the use of models is helpful in maximising the conditions for decision-making.

The purpose of a model is to provide a theory that explains (and organises) phenomena in the real world. Different authors come from different experiences in the real world and also have different theoretical backgrounds and
perspectives. It is to be expected that the models they propose will reflect those differences, and they do. Even the means of developing theories may vary (induction or deduction). (It is doubtful that any model can be constructed wholly through induction or deduction, however the distinction may be relevant to the prescriptive/descriptive approach the writer intends to adopt.)

Each model attempts to relate theory to practice, taking a methodological stance as it does so. Generally, there has been a loose chronology of sorts to the building of these models. The earlier ones were of a more normative and prescriptive nature, the later ones descriptive. In the earlier models there was a clear decision-making hierarchy, whereas in the later models the various levels were more blurred. The earlier models attributed a strict logic to the process, while later ones took a more behaviouristic approach.

The literature that suggests models for decision-making processes is varied. Authors propose different numbers of stages and stress different aspects of them. Over time, the number of stages in each model has increased. In 1960, H. A. Simon identified just three basic stages (recognition of the need for a decision, development of alternatives, and choice), whereas in 1983 C. Gilligan, B. Neale and D. F. Murray proposed six. These six stages were focused on the end of the process, while H. Mintzberg, D. Rasinghani and A. Thearet (1976) concentrated on its initial stages. The following table (2.3) summarises the distribution of stages mentioned (implicitly if not overtly) by a number of authors:
Table 2.3: Stages of the Decision Process Mentioned by Different Writers

<table>
<thead>
<tr>
<th>Writer</th>
<th>Set objectives</th>
<th>Need for decision (problem recognition)</th>
<th>Problem definition</th>
<th>Information gathering (search)</th>
<th>Develop alternatives (diagnosis)</th>
<th>Evaluate alternatives</th>
<th>Choice</th>
<th>Implement</th>
<th>Monitor (follow-up)</th>
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</thead>
<tbody>
<tr>
<td>Simon (1960)</td>
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<td>Janis (1968)</td>
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<td>Schrenk (1969)</td>
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<td>Witte (1972)</td>
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<tr>
<td>Mintzberg et al. (1976)</td>
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<td>Gordon and Pressman (1978)</td>
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<td>Gilligan et al. (1983)</td>
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<td>Harrison (1987)</td>
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<td>Bridge (1989)</td>
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<td>Hill (1989)</td>
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</table>

(C. Gore, K. Murray and B. Richardson, 1992, p.10)

There are ways in which theoretical models can be put to very practical use. Creating an outline of the real-life decision-making process can lead to a model of what actually occurred, which can then be compared with an idealised model.

It is easier to see where improvement is needed within a particular stage of a process when each stage is perceived independently (the generation of only a single alternative, the incorrect definition of a problem, etc.).
The use of models also underscores the interrelationships between stages (for example, the allocation of time and resources in proportion to other stages in the process, or excessive backtracking).

An overview of this sort is an indication of other processes within the unique culture of the specific organisation. It is also a tool, which may be capitalised on by management in the co-ordination and control of the participants in the process.

**A3) Time Dimensions**

"Time is of the essence."

The saying may be old-hat, but the message has a very modern urgency. One of the current concerns of decision-makers is the need for speed: if decisions don't happen fast they may be irrelevant by the time they do occur.

Time-based strategies are proposed by J. W. Jones (1993) for managers and organisations, including specific techniques for improving efficiency.

Developing a new product quickly may be one of the crucial keys to its success. J. S. Towner (1994) suggests means of doing this.

The emphasis in Towner's work is on development, but the need for successful marketing is not overlooked. Four significant points made by the author are:

- **Streamline each stage** of development, making each part of the process as efficient as possible.

- **Undertake** development **activities in parallel**, utilising the possibility of advancing different stages of several processes at the same time.
• **Launch** the product simultaneously in world markets, gathering maximal resources for a multi-market approach, which takes fullest advantage of them.

• **Release up-grades** in product design, support services and business processes after launching the basic product, continuing in their development while the basic product is already on the market.

Basic recommendations for managing the time dimension are provided by A. W. S. Drew (1995):

> "In conclusion, recommendations to managers developed in this study are:
> * Commitment to speed must come from the top and be promoted throughout the organisation.
> * People must be motivated. Extraordinary efforts and development of new skills must be rewarded." (p. 20).

The importance of the time factor is also explained by R. Koch (1995). A basic concept in this field is 'Time-based competition', the Boston Consulting Group's theory

> "that the time it takes a firm to get a product from conception to the customer, or to complete its tasks and provide goods or services to market can be the key to competitive advantage" (p. 189).

The competitive advantage this affords results from both the superior quality of the service to customers and the reduction of unnecessary costs. Almost inevitably, there will be time wasted along the way, at each interface, whether internal or external.

> "Most organisations, even well-run ones... soak up time like a sponge" (p. 190).

The author suggests that:"
“(b)y cutting out the gaps and giving responsibility to one person, costs can be cut, customer satisfaction and retention increased, and profits dramatically increased” (p. 190).

"'Time to market' is a key success factor,"


“To be a pioneer...the organisation of processes within the company has to aim at saving time wherever possible, which means doing work simultaneously, reducing internal and external interfaces, and eliminating non-productive activities... Above all, it is important to surmount comprehension problems and frictional losses in order to work successfully in interdisciplinary co-operation within a team." (p 77).

“There is a growing recognition that innovation speed is important to a firm’s creating and sustaining competitive advantage amidst rapidly changing business environments,”


The timing of innovation is dealt with by authors in a number of fields (variance and process sociologists, economists and contextual technologists). Their work is summarised by S. Gopalakrishnan and F. Damanpour (1997). They note that:

“(t)iming of innovation is generally reflective of an organisation’s quickness in generating or adopting an innovation relative to its competitors within the industry.” (p. 22).

There are researchers who argue that:

"only early adoption is linked to profitability and superior performance."

The authors suggest that researchers should recognise:

"the difference between early and delayed adoption and consider both these options as viable routes to organisational innovation. By doing so, they would also incorporate timing of innovation as a strategic decision dimension.” (p. 24).
“Under certain situations...emphasising early adoption speed may provide a competitive advantage to the organisations. However, at other times, first movers or early adopters can experience serious disadvantages.” (p.24).

F. Langerak, E. Peelen and H. R. Commandeur (1997) discuss the connection between a dynamic, competitive environment, the need for timely reactions and the structure of an organisation. They note that:

“Central to competitive success in ... highly turbulent markets is the firm’s capability of evaluating, developing, and commercialising new technologies. Turbulent environments are characterised by a high degree of novelty of challenges and high speeds with which they develop. Marketing typically plays an important role in the development process. However, collaboration with other functional areas, such as research and development, purchasing, design, and production, is also crucial for the creation of profitable and timely new products. Therefore, a crucial issue in new product development is the firm’s ability to develop horizontal structures and to manage projects through multifunctional teams. For example, cross functional teams call on customers to identify opportunities for value creation.” (p. 282)
A4) Implementation of Strategy and the Lack Thereof

Even though a strategy has been determined, its successful implementation is not ensured. The decision-making process itself can affect the transition to action positively or negatively.

As noted by J. B. Quinn (1980a):

"...(E)xecutives and their companies generally have fallen into the trap of thinking about strategy formulation and implementation as separate, sequential processes.... Instead, successful managers in the companies observed acted logically and incrementally to improve the quality of information used in key decisions; to overcome the personal and political pressures resisting change; to deal with the varying lead times and sequencing problems in critical decisions; and to build the organisational awareness, understanding, and psychological commitment essential to effective strategies. By the time the strategies began to crystallise, pieces of them were already being implemented. Through the very processes they used to formulate their strategies, these executives had built sufficient organisational momentum and identity with the strategies to make them flow toward flexible and successful implementation" (p. 33).

The need for follow-up of implementation is clear to R. G. I. Maxwell (1983/1987). He contends that when a plan is executed, there must be a system of checks to ascertain whether set targets are being met and to alter behaviour if necessary. These controls are part of the planning cycle, the end of its strategy.

The author describes controls of two basic types. There are 'closed loop' controls (such as a thermostat on a domestic central heating system) (p 285), which automatically perform both the check and the correction of errors. There is direct, human observation of the situation, which then requires interpretation and action to make any necessary corrections. In order to be effective, this must be done continuously or periodically.
In Maxwell's opinion, the target, which is set, should be measurable, though it may well include upper and lower limits rather than a single set goal. The information given by the control should likewise be measurable, perhaps in comparison with the set target. Any variance between the two should be noted as 'favourable' or 'adverse' (p 287).

"Because a target was not met, it does not necessarily mean that performance was poor,"

notes Maxwell.

"The target could have been wrong, or impossible of achievement in the first place; during the period internal or external conditions could have changed but the target was not. Performance could have been poor. These are all possible explanations; management must know which one is the real one." (288)

The implementation of strategy is poorly understood, avers C. Eden (1990). Cognitive mapping is a system, which helps in developing the goals and environment for effective decision-making. It can usually produce a clear statement of goals, common understanding, a focus for specific research and an action programme. It allows a high level of ownership. The development of strategy and action points for implementation is one and the same process.

D. L. Bates and J. E. Dillard (1991) are aware of the need for means to improve the connection between strategic decisions and their implementation. They believe that a major trap in the strategy process is the lack of a Desired Future Position (DFP) suitable for strategic planning. The DFP projects a clear picture of what the business is expected to look like at a specific time in the future. The task is to obtain agreement on the measures necessary to achieve each of the objectives. Once a momentum line has been agreed upon, the strategic gaps that must be overcome in the next 5 years can be determined. These gaps are prioritised. DFP permits the translation of the fuzzy mission statements into actionable plans and provides the bridge between strategic planning and improved performance.
According to R. M. Patten (1991), in order for a strategy to succeed, a number of conditions must exist. The right people must adopt appropriate policies. The interrelationships in the organisation must be co-ordinated in their effort to achieve common objectives. The strategy itself must be defined clearly to all levels of employees and management in order to obtain broad feedback. These are all conditions for the successful implementation of any strategic decision.

One of the major problems facing senior executives is that of effecting significant strategic change within their organisations. G. Johnson (1992) develops a number of explanatory frameworks, which address the links between the development of strategy in organisations, dimensions of corporate culture and managerial action. In considering such linkage, and by illustrating them with examples from work undertaken in companies, the paper also seeks to advance our understanding of the problems and means of managing strategic change.

There is a need to explore new solutions for ensuring that decisions are indeed put into practice. G. D. Kayem and K. E. Solem (1992) point out that today's problems affect the future rather than the present. But there are gaps in futures methodology: problems can be identified and their impact analysed but there is no direct road to implementation. New methodologies are needed.

Do many corporate change programmes mistake means for ends, process for results? R. H. Schaffer and H. A. Thomson (1992) find that they do, and that result-driven programmes bypass lengthy preparations, aiming for quick, measurable gains within a few months. Managerial and process innovations are introduced only as needed, and empirical testing reveals what works. By linking long-term strategy objectives with short-term improvement projects, strategic direction can be translated into reality.

Another author concerned with the problem of strategy implementation is H. Mintzberg. The lack of control over the environment is one of the factors, which
causes dissonance between a plan and how it is carried out. The author contends that the unpredictability of the environment makes the absolute control of strategic planning and implementation impossible, and the illusion that such control is possible explains a certain degree of the popularity strategic planning enjoys.

Mintzberg also believes the involvement of line managers in planning can help create an implementation-friendly environment.

"Who should staff planning positions? Some observers have argued against the notion of professional planners, believing that line managers should circle into and out of planning jobs to give them periods of time in which to reflect. That way planning gets carried out by people intimately linked to the operations of the organisation (and who appreciate the demands of the management process). I am sympathetic with this view - especially for the people who must head up planning groups and so link them with the line activities of the organisation"(p.28).
B) Organizations

B1) Management and Management Tools

The management of an organisation carries out the strategic decision-making process. The way in which that organisation is managed dictates, to a large extent, the way in which decisions are made, and ultimately the decisions themselves.

One well-known organisational model is the 7-S framework, as presented by R. Waterman, T. Peters and J. Phillips (1980). 'The happy atom' is an organisational model, which attempts to integrate the humanistic and technocratic dimensions of the corporation. A framework of seven 'S's is suggested. At the core of the 'atom' are the 'Superordinate goals' of the organisation. Circling this core is the other six 'S's: Structure, Strategy, Systems, Style, Staff and Skills (p. 9-11).

K. E. Weick (1990) summarises Huff's approaches to cognitive mapping, which present five types of maps and potential areas of application. These maps aid in understanding managers' possible modes of thought in fields such as attention, importance of concepts, dimensions of categories, causality, perceptual codes and the structure of arguments.

The 7-S model (R. Waterman, T. Peters and J. Phillips 1980) is related to by D. Q. Mills (1993), who suggests a cluster approach to management, equating the importance of structure and strategy in long-term thinking. Mills notes the problematic nature of adapting an organisation's structure of a new strategy.
This is particularly true of larger organisations. A clustered structure, claims the author, is apt to make the adjustment more easily.

The distribution of labour within the organisation, and particularly the status of the Board in strategic decision-making, is dealt with by S. A. Zahra (1990). The author contends that the potential Board contribution to corporate strategy is often under-utilised. Board involvement should be continuous and disciplined. To be truly effective, directors should be carefully selected and contribute an external orientation. At the same time they should be made familiar with the various functions within the company. The author argues that the Board can work together with management to implement a strong and viable corporate strategy.

A mental tool-kit for management is in order, contends J. Rhodes (1991), who emphasises the centrality of people and their thought processes within an organisation.

S. Ho (1993) presents various management tools used by Japanese companies. These tools may be adopted immediately or perhaps after making an organisational cultural change. Among these tools are:

- People-Centre Management (PM): working successfully in teams.
- Visual Management (VM): attracting employees through visual information.

There are indications of relationships between self-efficacy expectations and managerial performance (as measured by supervisors' ratings) in a field setting, as indicated by T. I. Robertson and S. Golnaz (1993). One potential application involves the use of self-efficacy measures to make selection decisions. Perhaps more feasible applications in the managerial field involve using self-efficacy as a relatively quick way of obtaining a valid indication of managerial performance levels.
B2) Teams and Groups

Team and group works have developed as alternatives to traditional, authoritarian management. C. Argyris (1965a) notes that when major decisions are introduced 'from the top', discussion is 'less than open' and commitment is 'less than complete', although executives might assure the president to the contrary.

In J. Galegher, E. R. Kraut and C. Egido (1990), attention is drawn to the ways in which working teams operate, and especially to the implications of information technology. Electronic mail, group decision support systems and continuous video links are but some of the tools which change the ways in which the members of a group interact. When the means of communication are altered, so are the abilities required to actively participate in and possibly lead the group. In one sense, social science is a potential basis for technological design (for example, to create and adapt tools for these uses). In another sense, technological advancement is a potential basis for social science investigation (for example, of the affect of these tools on the processes and results of work done with them).

R. Johansen, D. Sibbet, S. Benson, A. MARTIN, R. Mittman and P. Soffo (1991) present another discussion of the intersection of technology and business teams. They cover the current electronic groupware tools and systems and its potential uses in a business framework. Attention is devoted to team dynamics as well as to the technology itself.

Aspects of group decision-making are presented by S. Cooke and N. Slack (1991). They suggest that when a group makes a decision, the outcome may be related to one of these:
1. improved productivity  
2. professional satisfaction  
3. individual development.

In addition, there are issues to be dealt with in making group decisions, issues that may determine the degree of success with which the decision will be met:

1. the quality of output  
2. the speed of decision  
3. the extent of commitment to the decision produced.

W. D. Giles (1991) describes the power innate in a situation where people are working in concert. The author avers that unanimity of purpose and actions are forceful tools in any organisation. When correctly combined and employed, they constitute a weapon capable of threatening any competitor. The author describes a process whose object is to realise this vision for organisations willing to make the commitment. The contention is that the process of strategic planning and its subsequent implementation can produce not just the plan itself but also an educational tool capable of advancing the strategic understanding of the entire organisation.

S. Newport, G. G. Derg and A. M. Rasheed (1991) believe that management needs to be sensitised to the undesirable consequences of implementing plans that contain incongruent elements. One imperative is to clarify the company's mission statement. Another is the need for open and honest communication. Cross-functional teams are a sound way to integrate systems and thus achieve and maintain strategic fits. Misfits cannot always be avoided though their impact can be reduced through anticipation.

R. Steel (1991) also finds the cross-functional task force to be extremely helpful in bringing alignment to the implementation of strategies. The contention is that if business and technology strategies are not in alignment with the organisation's infrastructure, poor operational performance will result. The
cross-functional team both facilitates this the achievement of such a desirable alignment and develops a better working environment.

The management of teams is dealt with by L. Hirschhorn (1991). It is to be expected that tensions and complexities will sometimes arise when employees are being guided in a team environment. The author takes managers step-by-step through the process of building a team, authorising it to act and learning to step back and delegate.

Conflict is a potentially positive force for teams and organisations, according to D. Tjosvold (1991). The author believes that managers and employees can use conflict to find common ground, solve problems, and strengthen morale and relationships. Well-managed conflict invigorates and empowers teams and organisations, and thus has importance for a company's continuous improvement and increased competitive advantage.

The communication of visions is a significant element in strategic management. H. H. Hinterhuber and W. Popp (1992) believe that strategists must do more than comprehend events in an unprejudiced manner and make quick decisions without allowing perceived dangers to interfere. In order to be a truly good strategist, one must also be able to make others within and outside the organisation see and willingly accept their visions.

Organisations can alter their operational philosophies, structure and culture. R. Walker (1992) reports on changes, which Rank Xerox instituted in its management philosophy and organisational structure. The company is now market led and has a team working culture to support it.

M. Aiken and M. Riggs (1993) present the group decision support system (GDSS). This is a method aimed at increasing group productivity and creativity. GDSS is used world-wide in many business and non-profit organisations.
Teamwork has become a popular tool in medium-sized and large organisations. J. R. Katzenbach and D. K. Smith (1993) state that it is of importance to any study of organisational functioning. One aspect to be noted is the team's need for a demanding performance challenge to create and sustain itself. Another aspect is the integration of performance and learning in team situations, an example of a learning organisation. When teamwork is done effectively, the organisation reaps several benefits: individual development, team accomplishments and superior company-wide performance.

N. A. Morgan and N. F. Piercy (1993) identify key issues, ideas and prescriptions that may help to achieve effective planning. Among these are:

- planning in teams
- moving back and forth between various parts of the planning process, and between executives.

The aim of working in-groups is discussed by A. L Minkes and A. E. Gear (1994). They aver that one

"(m)ajor purpose in group decision making is to enable conflict to surface" (p. 83).

They further state that:

"A second purpose in group decision making is to widen the prospect that items will come on to the decision agenda... and that some will be eliminated" (p. 83).

Teamwork and its management are the concern of N. Hayes (1995). The author shows how valuable effective teams can be, how they can become powerful positive forces within an organisation. He discusses different kinds of teams, the process of building a team, how teams influence an organisation and means of increasing team effectiveness.
The intersection of management and the patterns companies use to formulate business policy is dealt with by R. McLellan and G. Kelly (1980). The authors identify four different patterns:

1. Alpha pattern: the operational units of the organisation are the initiators of formulation.

2. Beta pattern: the corporate management essentially creates business policy.

3. Gamma pattern: the corporate and business units work together to formulate policy.

4. Delta pattern: both corporate and business units formulate policy, but in relative isolation from each other. Business units formulate policy periodically, which corporate management only deals with on an approval basis. At the corporate level, decision making is a continuous process, only occasionally reaching brought to the level of the activities of the units.

The authors are also concerned with the ramifications of the choices presented by these four patterns.

"A policy formulation process that does not involve managers at all levels in the organisation and utilise their talents may be deprived of valuable creative ideas" (p. 47).

"The policy formulation process can therefore be seen as having an effect on two closely interrelated aspects of an organisation, the performance of its task, and the attitudes, feelings and behaviour of those people responsible for task performance. How managers face up to the challenge of devising a suitable business policy formulation
process may determine, to a large extent, the effectiveness of business policy and performance" (p.47).

J. B. Quinn (1980b)

"demonstrates examples in which top executives emphasis that effective implementation of major decisions depends on securing commitment by managers at various levels" (p. 65).

Aside from their managerial skills, executives bring much of their individuality to the job, which inevitably affects the decisions they make and the people around them. This point is brought out by M. O. Oparison (1984), who contends that the personality of the chief executive is one of the crucial factors in determining organisational characteristics.

As top management teams operate, it is to be expected that conflicts will occasionally arise. E. R. Walton (1987) suggests specific actions to be taken in conflict situations. These include compromise (when issues are in conflict), avoiding conditions which trigger conflict, and other actions aimed at preventing or controlling conflict.

The author also proposes a cyclic model of interpersonal conflict based on issues, a triggering event, behaviour, and consequences. In addition, Walton offers a list of techniques for managing a dialogue. Among these are factors related to setting the process framework (choice of site and participants, for example) as well as to handling interactions (whether through active initiatives or through the encouraging of participants to contribute) during the process.

According to B. Leavy (1988), organisational leaders are one of the main elements in strategy formation.

'Compressive Management' is a concept created by I. Nonaka (1988). It combines the higher level of management (which creates the Vision of the company) and the managerial level of the firm. The emphasis is on time limits, deadline and the creation of 'self organising teams'.
SODA, an approach for assisting management in solving complex problems, is presented by C. Eden (1989b). The method tries to combine quantitative and qualitative aspects of a problem. It relates to a management team working on a specific problem. There is an emphasis on bringing the team to focus on the process and to create consensus among members.

A cross-functional team is one of the main elements needed for increasing the efficiency of a company. P. Child, R. Diederichs, F. H. Sanders and S. Wisniowski (1991) believe that managers are constantly looking for ways to increase the efficiency of their companies. One approach is 'complexity management'. This entails a view of all the aspects of the company (for example, product design or relationships with suppliers and systems). In order to achieve this, four tools are needed, among them a strongly committed Chief Executive and a talented and cross-functional team.

One aspect of management, which must be considered, is the role of the Board. A. Davies (1991) avers that the Board of Directors should be involved in the planning and implementation of strategy. They should oversee these stages, and be partners in them.

The problem of management training engages N. B. Zabriskie and A. B. Huellmantel (1991). They find that despite years of attempting to inculcate strategic leadership in senior management, chief executives still cite this as one of their major challenges for the 1990s. Part of the problem seems to be the prevalence of jargon used to describe 'new' ideas, which generally serve to obfuscate rather than clarify the issues. In order to develop strategic thinkers, companies should combine formal training programmes with an incentive system, which rewards individual achievement in the development of strategic thinking ability. Such programs will influence the culture of the company through its influence on the top management.
T. Grundy and D. King (1992) suggest that a management team can effect strategic change within an organisation by approaching strategic planning as a learning process.

Companies should take an active and energetic role in developing its potential leaders, states M. W. McCall (1992) unequivocally. The author notes that the lack of such preparation is often felt only when there is a dearth of talented and trained candidates for executive positions. Awarding this topic high priority should be part of the organisation's business strategy, an integral part of its daily operation.

There is a relationship between executive team tenure, team member age demography, and innovation. S. J. Flatt (1993) claims there is a distinction between the stage of creativity and the stage of implementation in innovation.

The leader is considered by A. Nahavandi and A. R. Malekzaeh (1993) to be the key to both formulation and implementation of strategy. They identify factors that moderate the leader's impact on strategy (challenge seeking and control). In addition to the leader's personality, the processes by which the leader affects strategy should be studied. These processes involve various cognitive and behavioural mechanisms. The leader can affect strategy through direct decisions or through the allocation of resources, encouragement of an organisational culture that supports a certain strategy, and the creation of structures that facilitate desired outcomes.

Executive personalities are the focus of concentration for P. Pitcher (1993). The author contends that in order to succeed, both visionary and realist are necessary. The former provides the dream and the latter attends to its realisation. This requires the development of the people, structures and systems. When artists, craftsmen and technocrats are all included on the executive team, its effectiveness is increased.

The ramifications of the tenure and age of executive team members is of concern to M. J. Fekula (1994). There is a relationship between management
expertise and strategic action. The author’s contention is that management personnel factors strongly influence this relationship, thereby influencing the decisions being made.

L. S. Hart and C. Banbury (1994) discuss the role of top management in the strategic decision-making process. The authors suggest that this role must include the clear setting of a strategic direction and the involvement of additional members of the organisation in the process.

The leader is one of three primary variables in the development of strategy, according to B. Leavy and D. W. Wilson (1994). They examine the interaction between the leadership and the other two variables, history and context.

How active should top management team members be? D. W. Liang (1994) finds that the effectiveness of an organisation is influenced by the degree of activity (or inactivity) of top management team members and by the mechanisms for the formation of these teams. Organisations whose teams included inactive members performed more poorly than organisations with active co-ordination structures in place. In addition, the prediction of organisational effectiveness correlated more directly to top management team formation schema than it did to various group processes.

There are several pitfalls lying in wait for strategic planners. H. Mintzberg (1994a) identifies one of these as the lack of commitment on the part of top management. Without their sufficient conviction and willingness to carry out decisions, the planning process becomes a futile one.

Owner-managers of small businesses comprise a unique sub-group of top managers. V. N. Nespor (1994) focuses on this group, who were found to have more human and social capital than is common nationally. Their age, education and experience are above average. Prior to launching their business, they secure customer contracts, choose appropriate markets and market sectors, employ high-tech tools and adopt an attitude with a strong client-friendly component. Learning has a uniquely high value to these owner-managers: both
the various phases of decision-making (see below) and their life experience are seen as cumulative (albeit unofficial) learning experiences. There are often active learning communities with which the owner-manager is involved and from which input is received. Such involvement separated effective and ineffective critical decisions.

Nespor identifies five learning-experience periods, which these managers typically go through:

- The Genesis Years
- Building Years
- The Launching Phase
- Plateau Years
- Ending Years

Nespor also finds that the owners' decision-making process comprises a loop, which may be said to begin with idea formulation:

- idea formulation
- enhancement
- learning from experience
- multiple alternatives
- fine tuning
- pause to gain perspective
- implementation
- selection from alternatives
- planning implementation

Specific advice for top managers regarding ways to build teams and encourage them to reach consensus is given by S. Saint and J. R. Lawson (1994):

"1. Create unity. Inspire people with a vision of the future. Help them seek a higher purpose in working together. Help people see their interconnectedness and the need for co-operation to meet the group's higher purpose. Focus on responsibilities rather than rights. Redefine intent when members become polarised on process."
"2. **Value diversity.** Value differences of perspective. See different perspectives as opportunities for learning, creativity, and innovation. Seek clarification and learning. The best decisions come from multiple points of view—value all perspectives. Confront prejudice directly, openly and immediately.

"3. **Involve Everybody.** Be inclusive, not exclusive. Include all people—no one will be affected by the outcome of decisions. Involve all members of the group or team in making the decisions.

"4. **Promote Imagination, Creativity, Innovation.** Americans are trained and rewarded as problem solvers, but problem solving addresses something that already exists. Creativity and innovation bring something new into existence. Imagination is the mother of creativity and innovation. Reward imagination and foster creativity and innovation.

"5. **Look for the Third Way.** Individuals in-groups tend to polarise, to assume extreme or opposite perspectives. Don’t get hung up on poles of either/or, us/they, right/wrong, good/bad, win/lose, or for/against. Suggest finding the third way. The third way takes a different perspective than either pole. Encourage individuals or team members who confront each other from opposite extremes to co-operate and create a third approach that incorporates their diverse perspectives. Refocus on intent of group effort and the common good. This fosters innovation and creates joint ownership and unity.

"6. **Use Internal Rewards.** Seek ways to create internal rewards versus external rewards. Internal rewards are those things that are naturally rewarding to human beings: a common purpose, the spirit of working together, opportunities to create and innovate, opportunities to learn and grow personally and professionally, having opinions heard and respected, and pride of workmanship.

"7. **Promote Value of Learning.** There is a distinction between learning and training. Training is something someone does to you and is based on a Pavlovian conditioning process. It solicits a mindless response based on the stimulus of an outside operator. Learning is something you do of your own volition. Learning uses one’s own intrinsic abilities. Learning is the way that human beings can survive rapid change. Provide learning opportunities. Reward personal and professional growth and self-directed learning.

“9. Encourage Empathetic Listening. Consensus depends upon members’ feelings. All must feel deeply that their particular thoughts and feelings have been expressed, respected, and considered in the final decision. Encourage quiet or reticent members to participate and share their thoughts, feelings and experiences. Those who are quiet need time to respond. They are not practised and need to be sure people care about what they have to say. If they are asked their opinion or point of view, wait for the answer. Listen deeply to other's points of view with respect and without judgement, even if these views differ from your own. Listening with empathy requires patience, trust, openness, and, above all, a desire to understand. The leader sets the example." (p.67-70)

The importance of human factors in management is stressed by F. C. Teck and P. H. Grinyer (1994). Some of these factors are the creation of team spirit, support by managers and having planners serve as facilitators.

**B3) Organisational Culture**

Culture is the basis on which C. B. Handy (1978/1986) builds in introducing a division of organisations into four types:

1. **Apollo**, which represents bureaucracy. This type of organisation operates in a stable environment (role culture).

2. **Athena**, which represents professionalism, creativity and teamwork. This type of firm’s culture is focused on problem solving, using the power and synergy of ad-hoc teams (task culture).
1. **Dionysus**, which represents individualism. These organisations are problematic to manage and motivate. It is very difficult for employees in such an organisation to work in teams (professional culture).

1. **Zeus**, which represents leadership. These organisations are based on leaders who connect other employees to the centre (leader) by direct lines. Zeus culture speeds up decision making, creates trust and commitment, and reduces bureaucracy (patron culture).

Organisational culture affects every aspect of an organisation. The strategic decision-making process is no exception. The link between an organisation's strategic planning process and its culture is discussed by R. T. Lenz and M. A. Lyles (1985):

"...(T)he strategic planning process has become inflexible, formalised and excessively quantitative. In this state, the planning system seems to develop an inertia all of its own that can stifle creative thought and frustrate the most able managers" (p.64).

"(I)n order to lessen the inertia toward over-rationality, we suggest that action be taken on three fronts. First, it is necessary to instil and cultivate organisational values about planning that put into perspective its purpose, proper role and limits. Second, assumption-testing procedures should be incorporated into the planning process in conjunction with strategy review sessions stressing innovative thought. Finally, periodic audits of the planning process could be vitally important. If these steps are successful, they will contribute to the maintenance of a viable planning process sufficient to insure continuing adaptation to the changing competitive environment" (p. 71).

The (Strategic Issue Diagnosis) model (see Section A2a above) proposed by J. E. Dutton and R. B. Duncan (1987a) also links an organisation's means of decision-taking to its culture, and specifically to the nature of its adaptation. The model shows the relationship between differences in an organisation's belief system and the organisation's adaptation. An explanation is suggested as to why organisations with prolonged periods of success have slower responses to environmental changes.
Leadership, power and culture influence organisations. C. B. Handy (1990) focuses on these, and deals with the inter-relations between them.

There has been an abundance of discussion of the 'Japanese culture of work'. M. Y. Brannen (1991) contends that a more general consideration of work culture has been ignored. Culture is bound to a given context, whether that is Japanese, Mediterranean, Mexican, British, German or whatever. Nor must the term have only national or geographic boundaries. Whatever the culture may be in one place (or organisation), its transfer to another will necessitate a period of transition and adjustment in which there is likely to be friction. The 'interaction of culture and organisation' needs to be recognised and dealt with.

The compatibility of a company's culture and its business strategies is an important element in motivating personnel and in concentrating efforts effectively. E. H. Burack (1991) points this out, adding that, in a sense, culture is a business strategy. Clearly, cultural change requires a full acquaintance with the prior culture, planning for the change and patience during the transitional period. Such changes may, however, make a crucial difference in the success of a business.

One of the significant desirable elements within the culture of an organisation is a shared vision to which the members of the organisation are committed. J. C Collins and J. I. Porras (1991) believe that this vision motivates them to pursue its realisation, creating actively rather than reacting passively to situations.

The authors are also concerned with the means by which a vision develops in an organisation. One of the commons is that the vision tends to be unclear, fuzzy around the edges. A framework, which addresses this problem, has been developed. It aims at retaining the vision, albeit within clear and set bounds, while simultaneously preserving the essential spark which ignites creativity and imparts to the vision much of its power.

One of the central tasks of the leader of an organisation is the fostering of this vision, acting as a catalyst for its identification and adoption. There are
numerous styles and approaches he may employ in order to achieve this goal. These include (not exclusively) the use of whatever charismatic attraction the manager may possess.

E. H. Schein (1992) relates to the topic of organisational culture, dealing with:

1. What culture is and does.
2. The dimensions of culture.
3. How to study and interpret culture.
4. The role of leadership in building culture.
5. The evolution of culture and leadership.
6. Learning cultures and learning leaders.

The nature of human relationships in a learning organisation is characterised by a mix of Groupism and Individualism. Another facet is the mix of authoritative/paternalistic and collegial/participative relationships.

In addition, Schein is concerned with the ability of a manager to deal with knowledge information in a manner, which will comprise a positive contribution to the organisation. Among the assumptions about people and learning:

- Technology leads and people adapt.
- All people can learn how to use technology.
- People already know how to communicate and manage.
- If technology facilitates task performance and efficiency, people will adopt it.

**B4) Processes in Organisations**

H. Finne (1991) discusses process within an organisation. Old, mechanistic firms need to change their technology and organisational forms to adapt to new
market conditions. But firms seemingly have to make changes in order to develop the capability to change, a viscous cycle. A perspective on organisational functioning is introduced that sees continuity as fundamental to change. This perspective rests on an investigation of three aspects of organisations. Change processes with which firms can successfully cope should be anchored in circles within existing routine networks.

The U.S. Army War College runs courses to prepare students for executive leadership. C. W. Taylor (1991) claims that the approach taken there enables potential future military and corporate leadership to create strategic visions beyond personal or corporate barriers. Participants take away from the programme a process that can be used in many situations. This approach and the concepts it uses have a wide application to corporate management tools.

Process within an organisation is also dealt with by E. H. Schein (1993). The key psychological elements inhibiting or promoting change are discussed. The problem of organisational learning and transformation is to overcome the negative effects of past changes. To make people less anxious, they need a sense of direction. The task is to create parallel learning systems that can begin to build a culture more conducive to perpetual learning.

"(T)he dichotomy between the value of strategic planning as either a process to improve the effectiveness of management, or as a determinant of performance"

is of concern to G. E. Greenley (1994). The author suggests that:

"(F)urther research should concentrate on the process; becoming more effective within management should be valuable in its own right, given that it is obviously the most fundamental and crucial process within any organisation, regardless of any performance implications" (p. 393).

Achieving consensus within an organisation is the concern of S. Saint and J. R. Lawson (1994). They first point out the importance of reaching consensus:
"In today's business environment, where outside competition is so great, organisational survival depends on internal co-operation. Most organisations are plagued by internal competition for resources and for personal advancement. Some managers believe that internal competition is a motivating force. Yet, internal competition manifests itself in power struggles, battles between divisions and department, backbiting, and poor interpersonal human relationships. Internal competition diffuses corporate energy, misdirects resources, increases costs, and lowers morale. It generally reduces productivity at everyone's expense—owners, managers, and workers. It also reduces the competitive advantage of the organisation" (p. 2-3).

The authors continue:

"Many organisational leaders believe that workers don't care about the needs and goals of the organisation. Many workers believe that their organisation is dehumanising and does not care about them. We-they attitudes and "what's-in-it-for-me" thinking are outdated modes of behaviour."

"In seeking mutual agreement, the consensus process fosters individual differences, personal self-reliance and self-esteem, creativity and innovation, co-operative attitudes, improved interpersonal communications and relationships, responsibility, and accountability," Saint and Lawson aver.

"As managers and teams follow the process in both letter and spirit, the organisation will change from a counterproductive, internally competitive organisation to an internally co-operative, synergistic enterprise. The real competitive advantage of an organisation lies in the synergy of its collective work force" (p.3).

In addition, Saint and Lawson indicate that:

"consensus is the mutual feeling that all concerns have been addressed. What is required is that everyone has been heard and understood. Time lost in collective decision making is regained at the implementation stage. The net increase in productivity is significant and synergistic."

"Misconceptions about the quality of collective decisions versus the quality of top-down decisions stem, in part, from traditional beliefs about the roles of managers and workers,"
the authors claim.

"Some managers still perceive workers as ignorant, uneducated, adversarial labourers. The Industrial Age's superior-subordinate organisational structure carried an underlying assumption that managers were better than their subordinates" (p. 4-5).

Another process in organisations is learning, and particularly that of shared learning. J. L. Bragar (1996) emphasises the importance of this process.

"Companies that need for solve complex business problems of strategic direction and process improvement have discovered that 'solutions' - new visions, strategic directions, and reengineering processes- are not enough. To make these solutions work, there must be a fundamental change in the way that people involved in the work share and build on their learning. No matter how dazzling the organisation's new vision is, unless the people involved 'own' the process of defining and adapting to new ways, the organisation can't generate the acceptance and enrolment necessary to build and sustain real change" (p.49).

The Arthur D. Little model for this process is presented by Bragar, based on a cycle which

"starts with shared awareness and moves to common understanding and then to aligned action, followed by joint review and then collective reflection on the shared learning process. (p. 54).

This shared awareness may begin with a discussion of aspirations, as in the case of senior managers from Korea’s LG Group, discussed by the author.

"The participants in this conversation commented that this was the first time they had talked with each other in this way. Their traditional educational system had trained them only to receive and exchange knowledge, not to see themselves as creators of new knowledge based in aspiration. But without aspiration, there can be no pull toward innovation and creativity. This is why the first step to effective change leadership is to identify one's own goals and share them with others. Introducing them to sharing their aspirations established a foundation on which they could authentically explore their shared strategic goals" (p. 51).
In order to proceed to a common understanding each individual must be willing to forego an insistence on his own perspective and is willing to open his mind to the perspectives others bring into the process with them. As Bragar contends:

"Only by sharing our thinking with others are we able to test our assumptions and build on others' perceptions. Our own view of the world is partial and based on our internal belief structures, which bias our perceptions. One of the ways shared learning creates value is by overcoming this limitation" (p. 52).

The next step in the cycle is aligned action, but achieving this is no simple task:

"Far too often, thinking is seen as a luxury, and collective thinking as an aberration. The link between shared understanding and effective collective action is not widely understood or recognised. Under these circumstances, asking managers to accelerate shared learning is asking them to unlearn the fundamental behaviours that they have used throughout their careers. This unlearning requires a shift in their basic assumptions" (p. 53).

Bragar indicates that a specific direction for this shift is

"from 'I lead' to 'we learn.' It is a fundamental shift, from viewing the individual manager as problem solver to seeing the manager as the creator of an accelerated shared learning environment. Understanding and using the organisational learning cycle enables managers to design the types of activities to create this learning environment" (p. 55).

Bragar provides some practical advice for managers wishing to implement the process:

"Create mechanisms to carry out... sharing learning with others. Organisations are not currently structured for shared learning" (p.58).

"As you move to building an environment of accelerated shared learning, you will find yourself spending less time telling others what to do and more time asking questions. The purpose of your questions will be to engage others in questioning their assumptions and challenging them to think in new, creative, and shared ways. You will also be discovering whether people are authentically committed to carrying out policies, or whether you are just receiving 'lip service.' Practising these principles can help you and your organisation benefit from the shared knowledge and commitment of all your colleagues. And that shared learning, in
turn, can unleash the innovation necessary to be a contender in these times of rapid change" (p.59).
C) Innovation and Creativity in Management

In generating strategic alternatives and in determining which of them to choose, one of the crucial elements is innovation. The literature on strategic decision-making has much to say regarding the need for innovation, its nature and how to encourage it.

C1) In General

"The art of introducing something new to make change, especially in customs, manners and rites. It is the process by which an invention or an idea is translated into the economy of use."

P. A. Herbig and H. Kramer (1993) give this as the Webster definition of innovation.

A broader definition is provided by E. M. Rogers and F. F. Shoemaker (1971). They note that innovation is:

"an idea, practice or object perceived as new by an individual. It matters little, so far as human behaviour is concerned, whether or not an idea is 'objectively' new as measured by the lapse of time since its first use or discovery. It is the perceived or subjective newness of the idea for the individual that determines his reaction to it. If the idea seems new to the individual, it is innovation" (p.19).

G. Zaltman and N. Lin (1971) present another aspect of the definition. The authors define innovation as:
"any idea, practice, or material artefact perceived to be new by the relevant unit of adoption. The adoption unit may vary from a single individual to a city... or state legislature."

According to this definition, innovation must be considered from the point of view of the society in which it is developed.

J. B. Quinn (1985) suggests systematic incremental management for creating innovation because:

- "innovation itself is inherently incremental",
- "at the outset one does not know whether a particular problem can be solved, what specific approach will prove best, and what concrete characteristics the solution will have if achieved. The logical route, therefore, is to follow several paths until more information becomes available, keeping other options open until one lead seems sure to win, then backing it heavily" (p.82).

One of the factors in the strategic decision processes is the velocity of the environment, according to L. J. Bourgeois and K. Eisenhardt (1987). The process required in a high velocity environment may be different from the one employed in a more slowly changing environment. The need for innovation is clearly greater in the one situation than in the other.

The use of an Inquiry Centre is described by V. P. Barabba and G. Zaltman (1991). The aim of the centre is learning about the market, using this knowledge, and thus facilitating a corporation in becoming market-oriented. The authors note that imagination and creativity are essential elements at the base of such a Centre.

Culture is a critical factor in determining the degree of openness to innovation and in its implementation or adoption. This conclusion is reached by M. Y. Brannen (1991) in a discussion of the relationship between an organisation and its cultural environment.

There are conditions, which must be met in order for product innovation to succeed. C. M. Crawford (1991) notes that neither technology nor markets can
drive product innovation by themselves. Every new product project is focused on a clear and confined customer problem and on specific technology. Team leaders need to be transformational managers able to act as general management, motivated by the longer-term pay-off.

The need for innovation is put forward forcefully by T. Peters (1991), who contends that the corporate renewal programme for the 1990s is staggering. The failure to innovate was one of the causes the led almost half Fortune's top 500 to drop off the list. Certain radical approaches are needed in order to put innovation at the top of the agenda. Variables are identified and studied by the author and an integrative model of innovation is suggested.

The definition of innovation is not a constant. An illustration of this is given by A. P. De Man (1994), who discusses the changes which can be found in the definition of innovation as given in three works by a single author, Michael Porter.

"This is shown in (De Man's) Table 2, in which the definitions of innovation used by Porter throughout the years, have been assembled. The table shows that in 1990 Porter's conception of innovation is less limited than in the years before. In 1980 and 1985 innovation is equated to technological innovation, whereas in 1990 the definition is ...broad.... In fact in 1980 Porter hardly pays attention to innovation (only four pages: pp. 177-80 and pp. 289-291) whereas in 1990 the word innovation can be found on virtually every page." (p. 439)
Table 2.4: De Man's Table 2: The Concept of Innovation in Porter's Work

<table>
<thead>
<tr>
<th>Book</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitive Strategy (1980)</td>
<td>Technological innovations are “of various types and origins” (p. 177); Porter distinguishes three types: product innovation, marketing innovation and process innovation</td>
</tr>
<tr>
<td>Competitive Advantage (1985)</td>
<td>Innovation is equated with technological change, it has an impact on virtually any activity in the value chain (p. 166); innovation can be in product or process (p. 178)</td>
</tr>
<tr>
<td>The Competitive Advantage of Nations (1990)</td>
<td>&quot;Innovation here is defined broadly, to include both improvements in technology and better methods or ways of doing things&quot; (p. 45) and &quot;it can involve virtually any activity in the value chain&quot; (p. 579)</td>
</tr>
</tbody>
</table>

(A. P. De Man, 1994, p. 440)

Flexibility is an essential element in strategy innovation. T. K. Das and B. Elango (1995) find that it is a fundamental tool for coping with a dynamic environment.

Centralisation of power has a correlation to innovation, according to C. Koberg, N. Uhlenbruck and Y. Sarason (1996).

"Centralisation correlated positively with innovation in new ventures and negatively in older firms. It... suggests... that as the firm matures, this
person has to give up some of her control and may have to relinquish the job at the head of the organisation to someone else." (p. 134).

The competitive advantage afforded by innovation is emphasised by T. D. Kuczmarski (1996):

"To gain real competitive advantage, the focus of innovation must be on developing new-to-the-world or new-to-the-market products that provide consumers with totally new perceived benefits. Innovation is the single best way to leapfrog competition, move ahead of the industry pack and, most important, create new ways to bolster profit margins and fuel future earnings streams. What more could you possibly ask? If it is done right, innovation can be your most powerful competitive weapon" (p. 9).

C2) Innovation and strategy

The importance of innovation in developing strategy is also discussed by R. M. Kanter, L. Richardson, J. North and E. Morgan (1991). In their description of Kodak's Office of Innovation, they note that Process Consultation had a positive impact on innovators and the rapid implementation of their ideas.

When change is needed, top management should make it a clear and overt priority. D. B. Harrison and M. D. Pratt (1993) aver that action, in this case, certainly speaks louder than words. Management must actively look for and adopt new methods and tools for improvement, for reorganisation, for the implementation of innovative concepts.

The use of innovation in strategic formulation helps create competitive advantage. R. A. D'Aveni (1994) is concerned with how this occurs. The life span of competitive advantage is brief, thus causing a constant need for new, rapid and innovative strategic manoeuvring.

F. A. Manu and V. Sriram (1996) suggest that timeframes are a significant direction for future research.
"Researchers... need to examine time frames associated with traditional assumptions about the importance of innovation and conduct longitudinal studies to assess its long-term impact on performance" (p. 88).

C3) Creativity

Creativity is a stage in the development of ideas, which are implemented as innovation. Since innovation is one of the preferred elements in strategy formulation, creativity is a quality to be encouraged and empowered within an organisation.

'Crafting strategy' is a concept developed by H. Mintzberg (1973) (1978) (1976, with D. Raisinghani and A. Theoret). It employs creative, non-analytical thinking.

Creative thinking may be impaired by a tendency for rationalisation. R. T. Lenz and M. A. Lyles (1985) are concerned with ways to avoid this trap.

"Developing a planning culture, carefully examining strategic assumptions and using strategy review sessions as occasions for creative thinking are means for preventing excessive rationality in planning" (p. 71).

Organisational characteristics create the contextual influences that operate on the creativity of both individuals and groups, according to W. R. Woodman, E. J. Sawyer and W. R. Griffin (1993). Organisational creativity (the creative outcomes of a complex social system) is then a function of group creativity and contextual influences, including those that come from the environment.

Organisations can encourage creativity in various ways. G. Fairthough (1994) finds that
"(a)nother set of concepts relevant to innovation are those centred around compartmentation. Compartmentation combines the benefits of co-operation and competition and leads to the idea of the creative compartment, which has total openness among its members and generates an extraordinary amount of innovation" (p. 96).

The importance of creativity in the planning process is stressed by H. Mintzberg (1994b). The author contends that in order to plan properly, planners must do more than merely think about more than strategy. They must be involved with the organisation in general and with the specific problem, they must be capable of synthesising information and they must be capable of creativity in dealing with all these.

The management of creative people has also been dealt with. L. M. S. Yong (1994) specifies three major issues to focus on:

1. Understanding the creative process
2. Appreciate the creative person
3. Encourage a creative work climate.

R. K. Scott (1995) suggests that creative workers need autonomy, prefer novelty and complexity. They are looking for reliable feedback. A horizontal management system is more conducive to the creative process.
D) Consultants and Their Roles

D1) Possible Consultant Roles

Among those truly committed to a particular form of consultancy, it is conceivable to believe that there is one definite best way of working as a consultant. C. K. McGivern and S. Fineman (1983) use the term 'contingent consultancy' in an effort to get away from this notion. There are various possible roles.

D. A. Seymour (1985) explores which role a management consultant takes and the relationship he develops with the client. Each client has an image of the optimal characteristics of a successful consultant.

There is a growing tendency, particularly in small and medium-sized firms, to enlist external expertise to complement internal competencies. G. G. Gable (1991) chooses the process of computer system selection as a framework for his study of the relationship between consultants and clients. The author investigates three models:

- The Success Dimensions model. A number of dimensions of success are identified: satisfaction with and reasonability of performance, acceptance and fit of recommendations, satisfaction with understanding and improvement of independence.

- The Client Involvement model. The degree of client involvement is influenced approximately equally by the client and by the consultant.
The Success Process model. The study indicates the import of the client-consultant relationship for success.

E. Gummesson (1983) expresses his opinion that there are seven different roles that a researcher/consultant can hold:

1. **Analyst.** The consultant does his work alone or within a limited group, work which includes interviews with involved individuals, but which is mostly done as an intellectual exercise. At the end of the process (which can range in time up to several years), a final report is submitted.

2. **Project Participant.** The characteristics of this consultant role are similar to those of the analyst. However, here there will generally be a pre-determined group of people, scheduled meetings, and a well-defined agenda. The participants are expected to be active, and perhaps submit final written report.

3. **Catalyst.** The largest factors in the work of a consultant in the role of catalyst are human relations and feelings. The consultant holds individual discussions, bringing to bear his experience and judgement.

4. **OD Consultant Interventionist.** The consultant's knowledge and experience in human relations and feelings merge with intellectual analysis in a behavioural science approach. The consultant often deals with training and development. He avoids giving expert advice to the extent possible. The assignment is generally long-term and necessitates frequent visits to the company.

5. **Change Agent.** This highly active role, in which the consultant's expert advice may often be taken as imperative. The consultant is a participant and even resident at the company with regularity over an extended period (from several months to several years).
6. **Board director.** In this role, the consultant assumes a legally defined status and a level of responsibility for the company. He is both catalyst and decision-maker, and must consider the benefits to the owners and the needs of management. This role is often held for a number of years, although the actual involvement is limited to several occasions per year.

7. **Management for hire.** At times, a consultant takes on a formal position within the client organisation. Simultaneously, he may employ any of the other roles. However, routine work in the company may limit the consultant. This type of role is generally held for anywhere from six months to two years (p.157).

In a later study (1991), Gummesson identifies three roles that can be adopted in order to gain access to organisations:

- traditional academic researcher,
- researcher/consultant,
- researcher/employee.

He also states:

"In order to bring about change, it is essential that the researcher/consultant actually take part in the decisions and the implementations of change and do not limit their participation to the preparation of analytical material" (p. 37).

The international boom in management consultancy, its origin, direction, and actual practice is explored by C. Rassam and D. Oates (1991).

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**D2) Process Consultation**

E. Schein (1968/1988) defines process consultation as:
"a set of activities on the part of the consultant that help the client to perceive, understand, and act upon the process events that occur in the client's environment in order to improve the situation as defined by the client" (p.11).

He notes that process consultation

"does lend itself to a simple definition or to the giving of a few illustrative examples, because it is more of a philosophy or set of underlying assumptions about the helping process that lead the consultant to take a certain kind of attitude toward his relationship with the client" (p. 5).

Schein continues to discuss interventions in human processes and specific techniques for conducting process consultation. In his second volume on this subject (1987), the author expands his presentation of these topics. (Additional references to and discussions of E. Schein's work will be found later in this thesis.).

The effectiveness of process consultation has been questioned by various researchers. For example, D. F. Harvey and D. R. Brown (1976/1988) relate the results presented by R. Kaplan (1979)

"A recent evaluation of process consultation studies supports the problems of measuring performance results. The survey examines published studies in three categories: (1) reports in which process intervention is the causal variable but performance is measured inadequately or not at all; (2) reports in which performance is measured by process consultation is not isolated as the independent variable (the case in many instances); and (3) research in which process consultation is isolated as the causal variable and performance is adequately measured. The findings suggest that process consultation does have positive effects on participants (according to self-reports); increases in personal involvement, higher mutual influence, group effectiveness, and similar variables. However, there is little if any research that clearly demonstrates that task effectiveness was increased. Most of the field studies did not directly measure performance or the effect of process intervention was confounded with other variables" (p.182).
E) SWOT

E1) The Traditional Approach

SWOT has been used for many years as a common-sense checklist, as was noted by S. Tilles as early as 1968.

In the use of SWOT, an organisation's strengths and weaknesses, and the opportunities and threats it faces, are defined and analysed. H. H. Stevenson (1976) finds that managers in a variety of fields are generally in agreement regarding the steps for defining strengths and weaknesses. However, there are differences in the factors taken into account and in the standards applied to these factors. There is often more historical data available regarding strengths than there is regarding weaknesses. Managers are more knowledgeable regarding the given data of strengths than of weaknesses and are better acquainted with their characteristics. Human factors (personalities, real and perceived roles in the organisation, etc.) come into play when analysing the information at hand. The ramifications of these findings are a list of recommendations to managers, among them:

1. See SWOT analysis as a tool for a particular purpose
2. Construct the analysis with a built-in connection between a specific manager's area of responsibility or authority and his involvement in the analysis.
3. Define standards clearly.

The author suggests the use of external consultants to facilitate the process.
M. Porter (1979) believes that the informed strategist is capable of identifying the organisation's strengths and weaknesses, taking into account their causes and the position of the competition. This is crucial in determining the organisation's strategic standpoint and subsequently in choosing a plan of action.

SWOT is indeed a frequently used method for analysing the organisation's strategic position and has an advantage in its ability to deal with the dynamic environment, according to P. Dobson and K. Starkey (1993).

The determination of an organisation's current SWOT is part of the process by which strategists decide their objectives and the means of achieving them. J. M. Higgins and J. W. Vincze (1993) agree with this, and offer definitions for the elements of SWOT:

**S:** "positive internal ability and situations of sufficient magnitude to enable the organisation to gain a strategic advantage in its efforts to achieve its objectives" (p. 95).

**W:** "Internal inability and negative situations that may result in or have resulted in the firm's failure to achieve its goals" (p.96).

**O:** "external factors and situations that will substantially assist the organisation in its efforts to achieve or exceed its objectives" (p. 96).

**T:** "external factors that may result in or have resulted in the firm's failure to achieve its objectives" (p.96).

As late as 1993, J. Kay claimed that

"SWOT is simply a list... It is easy to generate lists, and the literature of business is full of them, few of which stand the test of time.... A good organising framework is minimalist - it is as simple as it is consistent with illuminating the issues under discussion - and it is memorable.... A good list is usually between three and five items long (two is hardly a list, six is too many to remember)" (p. 358).

The use of SWOT presumes the ability of people to analyse the strengths, weaknesses, opportunities and threats relevant to the organisation under
discussion. However, R. Whittington (1993) finds that even when objective data is employed, are subjective factor influences such an analysis.

There are factors which are related to the individual's relative position, or, as Whittington puts it:

"(W)here you sit determines what you see" (p. 74).

The contention is that place plays a role in the SWOT analysis of an organisation, whether that place is internal (position within the organisation) or external (national culture). Whittington gives two examples of this based on the work of H. H. Stevenson (1976). Financial issues are of significance to top-level managers in US organisations, whereas middle and low managers concentrate on technical issues. In addition, top managers tend to see more strengths than their subordinates. Both findings indicate that the position of the manager within the organisation affects his view of it. Another position-related, subjective influence on analysis is national culture. Whittington notes that S. Schneider and A. De Meyer (1991)

"found that southern European managers were more likely to interpret an issue as a threat or a crisis, while northern Europeans tended to be more phlegmatic" (p. 74).

There are other subjective factors, unrelated to position, which Whittington finds capable of influencing analysis. For example, the language in which they are presented affects attitudes towards situations. Specifically, Whittington relates to the findings of S. E. Jackson and J. E. Dutton (1988), who found that optimistic wording raises the rating of opportunities, while pessimistic working produces a greater rate of perceived threats. Linguistic ambiguity brings out more concern about threats, without changing attitudes to opportunities.

"Moreover, while threatening language decreased ratings for opportunities, optimistic language did not significantly reduce ratings for threats" (p. 74).

The conclusions of the authors are:
• People react subjectively to the language in which an issue is presented.
• People apply more sensitive cognitive rules to threats than to opportunities.

The aim of SWOT analysis, according to S. Dibb, L. Simkin and J. Bradley (1996), is

"to summarise the business's strengths and weaknesses in relation to the competition and highlight external factors which are impacting upon the market's performance" (p 30).

On the one hand, the authors note that, properly executed, it

"gives a clear picture of the business's situation and where action is required to maximise opportunities and minimise threats and weaknesses" (p 30).

However, they also feel that the simplicity of SWOT has brought on a plethora of incorrectly produced and unreliable analyses, based largely on managers' instinctive reactions. It is imperative to use objective data in preparing the analysis in order to ensure its relevance to reality (and not merely to what is perceived to be the case).

The authors contend that the data should relate to the organisation itself and to its major competitor in the pertinent market. Internal strengths and weaknesses can be determined as such to the extent that they are preferable or secondary to the parallel items in the competition's organisation.

In addition, the writers warn against what they regard as a peril to be avoided in the preparation of a SWOT grid: ambiguity and vagueness. Lack of clarity in the information placed on the grid may create confusion among those involved in its interpretation. This will necessarily mean that any conclusions reached are suspect.
Dibb, Simkin and Bradley recommend that SWOT should concentrate on the most critical issues, and not are so broadly applied as to lose its focus. The only information included in the grid should be that which relates to the selected critical issues. However, given this scope, information should be as full as possible.

There are a number of factors, which the authors feel ought to be taken into account in analysing the internal strengths and weaknesses of an organisation. Some of these are:

- "Marketing"
- "Engineering and product development"
- "Operations"
- "People"
- "Management"
- "Company resources" (p 32-33).

Similarly, the authors list a number of factors to be considered in identifying the external opportunities and threats an organisation faces. Some of these are:

- "Social/Cultural"
- "Regulatory/Legal/Political"
- "Technological"
- "Economic Conditions"
- "Competition" (p 33-34).

In general, it is the opinion of the authors that

"(f)rom a thorough SWOT analysis, an organisation can glean initial insights into distinctive competencies and differential advantage over rivals; customer needs (to a degree, and often only with an internal, company-personnel view); product portfolio requirements; competitive positioning; assumptions on which strategic decisions will be based; the match of the company’s status with corporate goals; as well as the more
obvious remarks concerning marketing opportunities and threats, company strengths and weaknesses." (p 34).

The authors (see Figure 2.2) provide a sample form for use in SWOT analysis.

**Figure 2.2: The SWOT Analysis in Planning**

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities</td>
<td>Threats</td>
</tr>
</tbody>
</table>

- Rank (list) points in order of importance
- Only include key points/issues
- Have evidence to support these points
- Strengths and Weaknesses should be relevant to main competitors
- Strengths and Weaknesses are internal issues
- Opportunities and Threats are external competitive and marketing environment issues

What are the core implications from these issues?

(S. Dibb, L. Simkin and J. Bradley, 1996, p 35)
E2) Measurements, Techniques, Mapping

The complexity of his field puts a marketer in a position of uncertainty. So finds R. G. I. Maxwell (1983/1987), who avers that past experiences cannot be precisely duplicated. Even if they could, such repetition would only lead to predictability, a trait not usually sought after in marketing. Marketers need to find a path following past experiences as fully as possible while moving on to new plans for the future.

SWOT analysis, according to the author, provides the marketer with a compass of sorts, a means of pointing him in the right direction. The past is related to in a summary of existing Strengths and Weaknesses, which should be discernible from available data. The future is taken into consideration through an estimation of probable Opportunities and Threats, to be capitalised on or avoided as the case may be. This is done with regard to the organisation as a whole, and not only the aspects traditionally associated with marketing. As these are all mapped out, the general direction in which to proceed should become clear.

The map Maxwell uses is two-dimensional, but enables a fourth-dimensional (time) view of the situation. The horizontal axis to be plotted is based on the present situation of the organisation:

```
Strengths 1 2 3 4 5 6 7 Weaknesses
```

Data regarding the past performance of the organisation is used in determining these. However, over-quantification is unnecessary. The relative position of an item along this scale should suffice. From this scale it is possible to see where things stand and where it might be desirable to go in order to improve the situation.
The vertical axis of Maxwell’s map makes presumptions about the future:

“The future must be hypothetical...and this leads to some feeling of insecurity and therefore reluctance to make a commitment” (p 279).

Despite this, through a consideration of factors, which are reasonably certain, operable assumptions may be reached and incorporated into the decision-making process. These are indications of where it is possible to go.

Opportunities

1

2

3

4

5

6

7

Threats

The intersection of the two axes plots a map of the potential directions and actions to be taken.

“SWOT analysis is a means of ‘auditing’ the past and present, and projecting the present into the future. ...(I)t helps to plot the ‘audit’ of strengths and weaknesses and then show what decisions might be taken to capitalise on opportunities and avoid threats” (p 279).

The use of SWOT requires care, as pointed out by G. Johnson and K. Scholes (1989/1993). In order to keep the analysis effective,
"it is useful to keep the total list to no more than eight points" (p. 149).

In addition,

"(i)t is important to avoid over generalising this analysis and to keep to quite specific points: a statement such as 'poor management' means very little, for example and could be interpreted in any number of ways" (p. 149).

The writers suggest the use of a scoring system that employs the symbols:

- **++** indicates an element is deemed to have a very beneficial effect,
- **+** indicates an element is deemed to have a beneficial effect,
- **0** indicates an element is deemed neutral,
- **-** indicates an element is deemed to have an adverse effect, and
- **--** indicates an element is deemed to have a very adverse effect.

This system organises the element into a sort of four-quadrant matrix.

The idea of a scoring system can be expanded to modern technology, as illustrated by A. L. Minkes and A. E. Gear (1994).

"(A) scoring system employing an on-line technology can be a useful enabling device - facilitating the interactive process of communication within the group" (p.88).

### E3) Use of SWOT in Decision-Making

It is generally assumed that the use of SWOT introduces a high degree of rationality into the process of strategic decision-making, asserts O. A. El Sawy
(1984). It is, however, less rational in practice than it might seem in theory. Interviews with 37 managers (from high-tech firms of varying sizes) showed that intuitive input was one of the significant factors as they scanned their environments in order to find cues regarding the elements to be used in SWOT.

S. E. Jackson and J. E. Dutton (1988) assume that the distinction between threats and opportunities is a crucial one to decision-makers. It is necessary for certain formal decision-making models (such as SWOT). In addition, an individual's the optimistic or pessimistic perception of a situation is likely to affect one's degree of openness to additional information and alternative solutions as well as the degree of rationality one applies in the decision-making process. They present the results of two studies.

One of Jackson and Dutton's studies shows that there is a correlation between certain characteristics of issues and the identification of these issues as threat or opportunity. Threats are negative, with a high risk factor for loss, and a sense of low self-esteem on the part of the manager (underqualified, lack of control). Opportunities are positive, with a strong sense of possible profit, and confidence in the manager's ability and position (qualified, in control, necessary resources available, autonomy).

The results of Jackson and Dutton's other study clearly suggest that there are different rules for reactions to threats and to opportunities. Threats are more easily discerned and more slowly disavowed than opportunities (threat bias). However, people avoid actually dealing with them (threat aversion). Opportunities, on the other hand, have a positive charm, imply a sense of control and the expectation of gain, all of which are enticing. These personal reactions affect the organisation: in general, it may be expected that individuals will participate more in dealing with opportunities than with threats.

Ambiguous information is likely to be taken as a threat, so essentially any situation may be viewed as a threat unless unambiguously shown to be an opportunity. The explanation for this, as presented by Jackson and Dutton, follows an odd logic. Perhaps threat cues have not been quickly identified
because of threat aversion. Then minor issues may be neglected until they have grown to unavoidable proportions. With the realisation that this process has been going on, managers may overcompensate, tending to see threats nigh everywhere. Also, the prevention of loss may be more highly rewarded than making-the-most-of-an-opportunity, further encouraging managers to classify the ambiguous as threatening.

There is a tendency to be selective when listing the organisation's weaknesses, as shown by K. Napuk (1993). Some difficulties result from a long-term avoidance of problems ("sweeping problems under the proverbial carpet"). Some come from a reluctance to criticise the powers-that-be. Whether these or other factors cause the difficulty, when using SWOT analysis, it is imperative to pay particular attention to the identification of weaknesses.

C. Reading (1993) recommends the use of SWOT, because those who will implement it best develop a robust strategy that will work. This means that there is close contact, if not complete overlap, between the planners and the practitioners.

B.T. Houlden (1995) includes SWOT among the techniques considered most useful in analysis.
A) Qualitative Research

During the last decades the academic community as well as in the real world has increasingly adopted the qualitative methodology of investigating management sciences. The bases, procedures and ramifications of this methodology have been discussed by various authors.

It is difficult, for example, to draw clear boundary lines between case study, field study and action research, and they are generally distinguished only on a methodological level, as P. Pihlanto (1994) points out. He finds this unsatisfactory, as higher, philosophical and scientific approaches (nomothetical approach, action-oriented) are consequently neglected.

A broad theoretical view is provided by the author, who emphasises the action-oriented approach as an alternative to the nomothetical approach in dealing with practical issues. The decision to adopt one of these scientific approaches is tantamount to deciding for one of the research procedures related to it.

Pihlanto argues that
“the researcher should be genuinely aware of the nature of the particular approach adopted. This is because the aim and realization of a... study and the nature of its results are (or at least should be) to a great extent dependent on the scientific approach chosen.” (p.370).

The following table organises a number of points made by Pihlanto into a comparison between three typical figures:

- a nomothetical researcher,
- an action-oriented researcher and
- a real-world decision-maker.

Each has a different aim, which correlates with various qualities, which in turn are at the root of the choice of procedural modes.

The over-all picture indicates that the action-oriented researcher and the real-world decision-maker have much in common, which facilitates communication and co-operation between them. The same cannot be said for the nomothetical researcher and the real-world decision-maker.

Table 3.1: A Comparison of Research and Decision-Making Approaches

<table>
<thead>
<tr>
<th></th>
<th>NOMOTHETICAL RESEARCHER</th>
<th>ACTION-ORIENTED RESEARCHER</th>
<th>REAL-WORLD DECISION-MAKER</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>AIMS</strong></td>
<td>to find general laws and explanations for real-world phenomena</td>
<td>to understand the behaviour of people in real-world organisations</td>
<td>to find workable, pragmatic solutions to problems</td>
</tr>
<tr>
<td><strong>QUALITIES</strong></td>
<td>• neutral stance</td>
<td>• intuitive</td>
<td>• prescriptive stance</td>
</tr>
<tr>
<td></td>
<td>• empirical</td>
<td>• empirical</td>
<td>• intuitive</td>
</tr>
<tr>
<td></td>
<td>• explanatory</td>
<td>• explanatory</td>
<td>• experiential</td>
</tr>
<tr>
<td></td>
<td>• causal</td>
<td>• human emphasis</td>
<td>• personal</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(actor-centred)</td>
<td></td>
</tr>
<tr>
<td><strong>PROCEDURAL MODES</strong></td>
<td>• objective</td>
<td>• subjective</td>
<td>• subjective</td>
</tr>
<tr>
<td></td>
<td>(measurable and verifiable)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• formal</td>
<td>• informal</td>
<td>• informal</td>
</tr>
<tr>
<td></td>
<td>• a broad range of standardised methods (similar to natural sciences)</td>
<td>• lack of methodological rules</td>
<td>• non-standard</td>
</tr>
<tr>
<td></td>
<td>• analytical, categorical, structured</td>
<td>• practical</td>
<td>• practical</td>
</tr>
<tr>
<td></td>
<td>• seeks additional information</td>
<td></td>
<td>• wary of storing excess information in mind and retrieving it when required</td>
</tr>
</tbody>
</table>
How should the confrontation between theory and data be dealt with? This is another consideration in the choice of a research procedure. Pihlanto presents R. Normann’s (1975) distinction between two basic alternatives:

- a confrontation between individual hypotheses within the theoretical framework and a broad spectrum of data on individual instances.

- a confrontation between the entire theoretical framework and entire social systems or events, with a numerous simultaneous intersections between them.

According to Normann,

“(T)he second method seems better suited than the first to the study of complex social systems and events which are all unique and have to be considered as wholes.” (p 371).

This method is called the case study method. The case study, then, is seen as a means of achieving a deeper understanding of complex human behaviour, a concern of the action-oriented researcher.

Fieldwork is suggested by A. M. Preston (1991) whose advocacy of participant observation strengthens Pihlanto’s belief that there is a

“possibility of penetrating deeply into the subjective social reality of the relevant actors” (p. 371).

There is, however, a reservation:

“The action-oriented case study ... offers an efficient means for acquiring... profound knowledge, but only if its hermeneutic and actor-centred nature is well enough internalised by the researcher.” (p 371-2).

The case study may merely comprise a preliminary stage in an investigation, or it may be independent, standing as the basis for the central content of research. Generalisation is not an objective, so the intensive study of a single
or a small sampling of cases may be sufficient to comprehend behaviour. The assumption is

"that the actors are not acting on a stimulus-response basis; rather, the aims or intentions of the actors have a crucial role in explaining their actions." (p 373).

Pihlanto avers that when the case study is independent,

"researchers are seeking not universal laws but the rules, both explicit and implicit, which structure behaviour.". (p 372).

From the above, it is apparent that an action-oriented approach is relevant in practical management studies. (p 373).

R. Glaser and A. Strauss (1967) also discuss the development of theory from data. They indicate that the use of grounded theory assists the social science researcher in the formulation of a theory based on the observed situation.

The longitudinal study is discussed by W. D. Wall and H. L. Williams (1970). They suggest that it may assist the creation of a process between the investigator and the team, which reduces the distortion of information collected. They also add:

"Only the longitudinal method can show the nature of growth and trace patterns of change in the individual." (p.7).

According to M. B. Miles (1979), the data collected in qualitative investigation allows the researcher to trace the events in their proper chronology.

The application of the qualitative method is suggested by H. Mintzberg (1979a) when the researcher wants a deeper understanding of the relationships existing in the case under study. He feels that the uninvolved researcher will be unable to truly explain interesting relationships.
The validity of small-sample studies is also defended by H. Mintzberg (1979a). He presents two alternatives:

- large-sample research performed on a relatively superficial level, and
- small-sample research performed in depth.

He finds that both have value, and the choice must depend on which of the two best serves the study of a given subject. In particular, the small sample should not be dismissed out-of-hand.

The researcher in qualitative research uses his own knowledge, experience, intellect and creativity in order to achieve the research objectives, according to E. S. Guba and Y. S. Lincoln (1981). The researcher clearly intervenes, even when not actively participating in the process within the organisation. The intervention made by the 'investigator as instrument' has to be taken into account when doing and analysing the research.

Types of interviews may be placed along a spectrum from 'structured' to 'unstructured'. R. G. Burgess (1982c) argues that the wholly unstructured interview makes it difficult to compare among various interviews.

The semi-structured interview is a tool capable of probing in several directions simultaneously. It allows the investigator to probe for newly uncovered data, which could not have been anticipated before the start of the interview. At the same time, he is able to collect all the necessary items of data. The 'semi-structured' interview provides the researcher with the ability to select the appropriate material after the interview is over. For these reasons, Foote (1982) notes that there is an inherent flexibility when using the partly unstructured approach.

S. D. Sieber (1982) treats the issue of 'from local to global'.

"Surveys afford the means of demonstrating the generality of a single observation. When the observation plays an important role in the
theoretical structure of fieldwork, survey data become essential for buttressing the argument." (p. 187).

A. Giddens (1984) takes strong exception to the distinction between micro- and macro-sociology:

"Pieces of ethnographic research like the traditional small-scale community research of fieldwork anthropology - are not in themselves generalising studies. But they can easily become such if carried out in some numbers, so that judgements of their typicality can justifiably be made" (p. 328).

The relationship between practitioners and research and its effects are focused on by R. D. Whitley (1984).

"The practical constraint that research access is often controlled by gatekeepers who have a direct interest in the outcome, results in practically oriented management research having rather less social and intellectual autonomy. Practitioners' goals, perceptions and beliefs enter into the formulation of research goals and evaluation criteria more directly than in other areas and the availability of alternative audiences than scientific colleagues reduce the collegiate control over research practices. Research here tends to be more related to current topics of concern among practitioners and focused on particular situations rather than following collegiate goals and looking for general social processes that underlie a range of phenomena." (p. 375).

Theory generalisation is an indispensable aspect of case studies. R. K. Yin (1984/1989) states:

"...case studies, like experiments, are generalisable to theoretical propositions and not to populations of universes. In this sense, the case study, like the experiment, does not represent a 'sample', and the investigator's goal is to expand and generalise theories [analytic generalisation] and not to enumerate frequencies [statistical generalisation]." (p. 21).

"In analytical generalisation, the investigator is striving to generalise a particular set of results to some broader theory. However, the generalisation is not automatic. A theory must be tested through replications of the findings in (a) second or even a third [experiment], where the theory had specified that the same results should occur." (p. 44).
Yin suggests that case studies are appropriate where the objective is to study contemporary events, and where it is not necessary to control behavioural events or variables. He suggests single case studies are appropriate if the objective of the research is to explore a previously un-researched subject.

C. Argyris, R. Putnam and D. McLain Smith (1985) indicate that action science is a method that can be adopted when working with case research. The researcher takes on the role of active consultant and influences the process under study.

There are several elements to be taken into consideration by the interviewer while conducting the long interview. These are dealt with by C. L. Briggs (1986). Some of these elements are misunderstandings, impressions, topic avoidance, distortions, and uncompleted issues. When these appear, steps have to be taken to overcome the possibility of distortion.

G. McCracken (1988) states that

"The 'self-as-instrument' process works most easily when it is used simply to search out a match in one's experience for ideas and actions that the respondent has described in the interview. The matching process helped fill in and flesh out what the respondent meant to say." (p. 19).

One of the techniques used by investigators is the long interview. McCracken describes the qualified researcher applying the long interview:

"The investigator is listening for many things. The first objective is key terms. When these terms appear in the testimony of the respondent, they must be patiently pursued. What are the assumptions, the companion terms, and the interrelationships of the term? The investigator listens for all of this, and when it is not forthcoming in response to grand-tour questions works out the logical possibilities, one by one, with the prompts at his or her disposal." (p. 39)

There are certain guidelines for the identification of an object appropriate for study. G. G. Granger (1989) describes the 'object of study' as
"that which may be used to construct [theoretical] models, which can be manipulated according to explicit rules, and which can be evaluated using specifically defined and codified tests" (p. 17).

The issue of generalisation from a limited sample appears in the work of R. Bell (1991). Bell argues that:

"Qualitative methods are designed to find out what happens in 'real life'. The use of a survey allows generalisation, as the sample is taken to be representative of (the) general population. With an interview group it is not reasonable to say that the sample is statistically representative, but being theoretically sampled, that is choosing cases with some homogeneous characteristics, it is possible to probe deeply into process. The research emphasis and outcome are therefore markedly different." (p. 1).

J. Gill and P. Johnson (1991) suggest the use of the 'pluralism' method in investigating a case. One of the benefits of using this multi-instrument approach is the increased validity gained by collecting complementary information about a single issue under study.

"...the methodological pluralist position suggests that ...they also complement one another in a variety of ways that add to the credibility of a study by providing an internal cross-checking or monitoring device during the research process." (p. 129).

'Micro-macro' is one of the issues discussed by E. Gummesson (1991), who argues that the lack of statistical representative data is by no mean a barrier to generalisation from a limited number of cases. The author also finds that

"(t)he personality of the scientist is a key research instrument." (p.3)

This is true particularly in action research or action science, the type of research in which the researcher not only studies a social phenomenon, but participates actively and influences the course of events.

This is related to access, which Gummesson defines as

"the ability to get close to the object of study, to really be able to find out what is happening." (p. 2).
"Naturally there wouldn't be much to discuss if access was simply a matter of carrying out personal interviews or distributing questionnaires. It is my contention, however, that access develops by leaps as a function of the degree of sophistication of the methods of research and the amount of time involved." (p. 26).

The author further suggests that an access 'curve' shows the ratio between the input of research resources and the access (information) achieved. (p. 26).

The case study, according to F. Zonabend (1992 p.52) serves as

"the most complete and detailed sort of presentation of the subject under investigation", made possible

"by giving special attention to totalizing in the observation, reconstruction and analysis of the objects under study."

This is the approach taken in this study.

The literature reviewed above has also affected the choice of organisations to be studied. As noted above, the generalisation of results in qualitative studies is problematic. This was one of the motives for choosing two strikingly different organisations for study in this research project. Although full generalisation is not possible, there is significance to the employment of the same process in such varying situations. On the other hand, the organisations do share a number of 'homogeneous characteristics', as suggested by Bell (1991, see reference in Section A1 above), to allow a deeper understanding of the process under study. The combination of vastly variant features with certain shared characteristics in the two chosen organisations adds to the validity of the process
B) Research Approach

The research design for this study reflects a particular combination of SWOT analysis and the Process Consultation approach (PCA). Basically, the assumption is that the SWOT model may be integrated as a mapping technique within PCA in such a way as to maximise the advantages of both. The use of PCA interventions may be integrated within SWOT mapping in such a way that it will improve the effectiveness of strategy formulation. An advanced form of SWOT mapping (called here under SWOT Positioning), performed, may be an effective platform for PCA interventions. This form of SWOT mapping creates a series of detailed and graded maps, the last of which becomes a basis for continued strategic planning. This integrated process was developed by the researcher and will be termed SWOT Positioning.

It is possible to create similar maps without PCA. It is possible to apply PCA without SWOT mapping, or to create a single map. These are not SWOT Positioning, which refers to the construction of a series of graded SWOT maps through the use of PCA. It is the combination of all these which is SWOT Positioning.

SWOT Positioning is based upon the assumption that processual and systemic perspectives on strategy are not necessarily mutually exclusive. They may co-exist and even complement each other when employed simultaneously by an aware practitioner.

These (processual and systemic) are two of the four major perspectives on strategy which have evolved and taken root both in the academic community and in real-world business. R. Whittington (1993) describes the Classic, Processual, Evolutionary and Systemic approaches to strategy (see Chapter 2, Section A1 above). Of these, there is a certain humanistic closeness between
the Processual and Systemic. The one focuses on social processes (politics, bargaining, etc.) within the organisation, and is influenced by psychology. The other focuses on social processes of a broader, cultural scope, and is influenced by sociology. Both require an intrinsic sense of relativity, rejecting the absolutism, which is a natural aspect of Classical, formalistic approaches to strategy and of Evolutionary, Darwinistic, survival-of-the-fittest approaches to strategy.

Whittington presents the following table, which summarises a number of major points about each of the theories. (see Table 3.2)

Process consultation is a natural outgrowth of the Processual approach. It involves an incremental process of learning and bargaining between the Process consultant and the client, as well as among the involved individuals from the client organisation. The client's proclaimed objectives are not always identical with the aims uncovered in the course of the consultation, of which the client himself may not have been aware (vague rationale). In practising his craft, the Process consultant gradually uncovers this and helps the client (organisation) become more attuned to itself (internal politics/cognition). In the process, the consultant must be sensitive to the affects of his interventions (psychology), in order to choose appropriate modes of future action (inaction being a type of action in itself). All these are expressions of the Processual perspective as Whittington describes it. (See the discussion of Process Consultation, in Section C of this chapter.)
Table 3.2: The Four Perspectives on Strategy

<table>
<thead>
<tr>
<th></th>
<th>Classic</th>
<th>Processual</th>
<th>Evolutionary</th>
<th>Systemic</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategy</strong></td>
<td>Formal</td>
<td>Crafted</td>
<td>Efficient</td>
<td>Embedded</td>
</tr>
<tr>
<td><strong>Rationale</strong></td>
<td>Profit</td>
<td>Vague</td>
<td>Survival</td>
<td>Local</td>
</tr>
<tr>
<td>maximisation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Focus</strong></td>
<td>Internal</td>
<td>Internal</td>
<td>External</td>
<td>External</td>
</tr>
<tr>
<td>(plans)</td>
<td>(politics/</td>
<td>(markets)</td>
<td>(societies)</td>
<td></td>
</tr>
<tr>
<td>cognition)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td>Analytical</td>
<td>Bargaining/</td>
<td>Darwinian</td>
<td>Social</td>
</tr>
<tr>
<td></td>
<td></td>
<td>learning</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Key influences</strong></td>
<td>Economics/</td>
<td>Psychology</td>
<td>Economics/</td>
<td>Sociology</td>
</tr>
<tr>
<td></td>
<td>military</td>
<td></td>
<td>biology</td>
<td></td>
</tr>
<tr>
<td><strong>Key authors</strong></td>
<td>Chandler,</td>
<td>Cyert &amp;</td>
<td>Hannan &amp;</td>
<td>Granovetter,</td>
</tr>
<tr>
<td></td>
<td>Ansoff,</td>
<td>March,</td>
<td>Freeman,</td>
<td>Marris</td>
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<td></td>
<td>Porter</td>
<td>Mintzberg,</td>
<td>Williamson</td>
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<tr>
<td></td>
<td></td>
<td>Pettigrew</td>
<td></td>
<td></td>
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<tr>
<td><strong>Key period</strong></td>
<td>1960's</td>
<td>1970's</td>
<td>1980's</td>
<td>1990's</td>
</tr>
</tbody>
</table>

(R. Whittington 1993 p. 40)
SWOT Positioning is a tool much in tune with the Systemic perspective. It takes into account the influences of the environment, through the identification of external threats and opportunities, which necessarily include the surrounding society and culture (sociology). Internal strengths and weaknesses are similarly mapped, relative to the abilities of the competition. The process of mapping and analysis is generally performed by a group (social), in a dialogue aiming at the most appropriate and efficient interpretation of the information. Strategy evolves as a direction for action becomes clear from the mapping and analysis, which, when correctly performed, merely reflect, in an organised and systematic form, the real-life situation of the organisation in its environment (embedded, local). SWOT, then, is a tool that fits the Systemic perspective as presented by Whittington. (See the discussion of SWOT in Section D of this chapter.)

The combination of these (the Processual and Systemic approaches, through PCA and SWOT) into SWOT Positioning is a potentially powerful one. SWOT is employed as a unique and primary tool in Process Consultation. Process Consultation is employed as the approach for creating a series of SWOT maps while fostering consensus and increasing the probability of later decision-implementation.

The interventions in a consultation process are extremely sensitive, and it is important, in the course of them, to build a solid base for the developing relationship between consultant and client. This relationship involves the taking of responsibility on the part of the client, with the consultant acting as a facilitator. The effective use of SWOT at this stage may assist in giving the relationship an appropriate form, simultaneously forwarding the content of the process as well. At the initial stages, this content (historical reconstruction, for example) may flow easily from the mapping process and SWOT may be a useful platform for initial Process Consultation interventions.

Similarly, SWOT mapping benefits from the use of PCA. SWOT maps reflect what the participants find relevant, and their co-operation in the process is essential. The greater the degree of involvement of the participants in the mapping process, the greater the degree of consensus reached by the
participants, the more likely they are to invest time and efforts in reaching correct analyses (and, later, decisions) and to become committed to implementation. Process Consultation facilitates these, making SWOT more effective and efficient.
C) Process Consultation


MODES OF HELPING

When we are asked for help, we are immediately faced with a quandary. Should we give the assistance as requested (taking on the role of ‘expert’ or ‘doctor’) or help the other find the answer for himself (taking on the role of ‘facilitator’)? The former is tempting, yet often disappointing because of the resistance put forth to any or all of our suggestions. This may merely be a reflection of resistance to the role of ‘the needy party’. When this occurs, it turns anything done as ‘expert’ or ‘doctor’ into a futile effort. It is difficult to instinctively know which mode of helping to choose.

Schein (pp. 18-38) presents three consultation models, which deal with this quandary.

- the ‘expert’, who takes charge of a process and provides missing data or abilities,
- the ‘doctor’, who diagnoses a situation and prescribes solutions,
- the ‘facilitator’, who assists the client in solving his own problem.

We need criteria, some diagnostic tool to help us distinguish between cases where the ‘expert’ or ‘doctor’ role is truly called for and meaningful and those where the ‘facilitator’ role will be the appropriate one to adopt. During the process of applying a chosen model, changes naturally occur in the situation.
The diagnostic tool should also enable us to recognise these changes and to determine whether they require us to shift models, taking on one of the alternative roles.

**CLARIFYING THE CONSULTANT ROLE**

Many of the functions a consultant fulfils for his client are similar to those a manager might fulfil for his subordinates and colleagues. Schein lists ten of these:

1. "Provide information that is otherwise unavailable."
2. "Analyse information with sophisticated tools not available to clients or subordinates."
3. "Diagnose complex organisational and business problems."
4. "Train clients and subordinates to use diagnostic models that permit them to make better decisions."
5. "Listen and give support, comfort, and counsel during troubled times."
6. "Help to implement difficult or unpopular decisions."
7. "Reward and punish certain kinds of behaviours, using status as an ‘outsider’ as a special source of authority."
8. "Carry information that is not moving up the normal chain of command to higher levels or that does not move laterally as needed."
9. "Make decisions and give commands on what to do if line management for some reason cannot do so."
10. "Take responsibility for decisions, absorb the anxiety that may attend the uncertainty of how things will come out, and, in other ways, provide the emotional strength to help others through difficult situations." (p.20)

People who need help are confused. They often have a tendency (or are told) not to seek assistance from their superiors or from a consultant until they can define just what form of assistance they require. As their unattended need continues and perhaps even grows, people often become upset and extremely defensive. Yet, in reality, these are the most appropriate times to turn to what Schein (p. 20-21) calls ‘process consultation’.

“Process consultation does not assume that the manager or the organisation knows what is wrong, or what is needed, or what the
consultant should do. All that is required for the process to begin constructively is some intent on the part of someone in the organisation to improve the way things are going." (p. 21).

Ideally, the role of the consultant is self-terminating. As he helps his client define and seek solutions to his problem, the consultant is simultaneously teaching the client how to ‘do-it-himself’ in the future. During the teaching process, “skills, perspectives and broad insights” (p. 21) should be learned which will better prepare the client to face new situations.

Process consultation to organisations is similar to many other forms of assistance. In certain kinds of clinical and psychiatric counselling, management theory, and personal inter-relationships, there is the same attitude of helping others to help themselves.

The three models are the process consultation model, the purchase of information or expertise model, and the doctor-patient model.

**Model 1: The Expert**

In this model, the client has already taken several steps on the road to finding a solution: He has identified a problem and has a general direction in which he wants to go. But he also determines that he lacks the data or abilities to continue on his way without assistance. The request for such help puts the consultant in charge of the problem, and presumes that:

1. The **problem** has been **correctly defined**.
2. The **consultant** has the necessary **capabilities**.
3. The client’s **expectations** from the consultant have been **clarified**.
4. The client is **prepared** for the **ramifications** of the consultation.
Although he has “imported” an expert, in some ways the real expert is the client. On one hand, he is saying: “I will consult an expert who can help me. He will now deal with the problem.” It would appear that the responsibility for the problem has been passed on to the consultant. On the other hand, the client’s contribution to the success or failure of the consultant is crucial; therefore much of the responsibility for the problem actually remains with the client. This ambiguity may lead to frustration on the part of the client, who wants-but-doesn’t-want to be relieved of his responsibility. It is hard to fulfil all the assumptions listed above, and when the situation becomes too complex, it is easier (and perhaps better) to turn to one of the other models.

Model 2: The Doctor

In this model, the consultant is involved in the situation at an early stage. A doctor asked to diagnose a patient’s case and then find the cure for his ills. Similarly, a consultant may be asked to diagnose a client’s situation and then find the solution for his problems. The patient (client) may be just looking for a general check-up. The person bringing in the doctor (or consultant) may be the patient’s (organisation’s) concerned relative (manager). Other parallels can be easily found. Patients generally abdicate most of the responsibility for their own health once a medical professional has been brought in. The client in this model is also relieved of responsibility for his problem, as long as the consultant is diagnosing and curing him. It is natural for a sense of dependency on the consultant to develop.

It should be noted that the initial conditions here are the same as those under which a process consultation begins. The consultant must decide at this point which approach he will take: expert or facilitator. It is imperative to consider the consequences of such a choice. In this consideration, the consultant might try to determine if the following assumptions, which underlie the doctor-patient model, could be met:

1. The disturbance of the organisation caused by the diagnostic process will further the client’s objectives.
2. The general area of the problem has been correctly defined.
3. The members of the organisation will provide all relevant, undistorted information.
4. The solution reached is full, lucid, and implemented.
5. The intervention will help the client avoid re-occurrence of the situation

Schein summarises his view of this model

"In summary, the doctor-patient model is appropriate only when the client
- "is experiencing clear symptoms,
- "knows where the sick area is,
- "is willing to intervene in the organisation's systems by bringing in a consultant,
- "and is willing to become dependent on the consultant for both diagnosis and implementation.

"It implies that the patient is willing to 'take his medicine' and thereby cure the ills, but he will probably not learn how to take care of himself better or do his own diagnosing and healing in the future. And the power relations among members of the organisation may be changed permanently by the very process of bringing in a doctor." (p 29):

Model 3: The Process Consultant

The major factor, which distinguishes this from the two previous models, is the attitude of the consultant toward the process. The consultant is in the process in order to assist the client in solving his own problem, and not in order to solve it for the client. The responsibility for the problem remains with the client throughout the intervention process. It is part of the consultant's job to insist that this is the case, despite pressures to the contrary (including from the client, who might prefer a more dependent relationship).

The temptation to become an 'expert' (rather than a process consultant) is particularly great when the solutions seem clear to the consultant. It is a temptation to be resisted for three reasons:

- The possibility of error. There may be factors at play of which the consultant is ignorant (cultural, political, and personal).
• The **probability of resistance**. The client may very well be put on the defensive by unsought (or even sought) advice, leading to a response that may endanger the chances for finding a solution to the problem.

• The **failure to help the client learn** to diagnose and solve problems independently.

While the consultant may suggest alternatives at certain stages in the process, the actual diagnosis of the problem and the decision as to what course of action to take, must be the client's right and responsibility.

The consultant is an expert in the process, in the relationship with the client, and not in the area of the problem itself. If an expert in a particular field is needed at a certain stage in the process, the consultant should help the client reach such an expert. Despite this, the client is still the one best acquainted with the specific organisation and situation involved. He is therefore best able to evaluate which of the proposed courses of action has the highest chance of succeeding. He should be part of the process of seeking a solution and is the one ultimately responsible for any decisions made.

Another major factor, which distinguishes process consultation from the previous two models, is the indivisibility of diagnosis from intervention. According to Schein (p 31), any consultation, for whatever purpose, is a sort of intervention. At the minimum, the organisation realises that some problem has been perceived as serious enough to warrant the use of an "outsider." The consultant's very presence is a factor that may alter attitudes or behaviour. This attitude brings the roles of consultant and of manager closer together. Managers may often find that taking the role of process consultant towards their subordinates gives them influence in a helpful, non-threatening manner, at times to a greater degree than previously. Diagnosing a problem and its possible solutions with a subordinate is no less an intervention (and a form of management) than solving it for him.
Given the above, process consultation has the following prerequisites:

1. The client has an **unidentified problem**.

2. The client is **unsure of the type of help** he requires **and** of the type of **expert** who can supply that help.

3. In addition to help with the problem itself, the client will be **helped by his taking part in the diagnostic stage**.

4. The client and consultant are **agreed on values, objectives, and the intended nature of the relationship**.

5. The client is the **expert on what is a viable** sort of intervention. One exception to this restraint is the presentation of a proposal by the consultant as part of the diagnostic stage. In this case, the client's reaction, including any tension that develops between the client and the consultant, becomes part of the data being collected.

6. One aim of the consultation process is to be non-recurrent: the client will learn to diagnose and solve his own future problems.

**THE DEFINITION OF PROCESS CONSULTATION**

"Process consultation is a set of activities on the part of the consultant that help the client to perceive, understand and act upon the process events that occur in the client’s environment." (p. 34).

"The process consultant seeks to help the client gain insight into what is going on around him, and teaches him how to intervene in those events in such a manner as to increase that insight and to improve the situation to meet the client’s goals. The events to be observed and intervened in are the various human actions that occur in the normal flow of work, in the conduct of meetings, and in the formal and informal encounters between members of the organisation. Of particular relevance are the client’s own actions and their impact on other people." (p. 34-35).
MANAGERS AS CONSULTANTS

Schein delineates numerous parallels between a process consultant and a manager being sought out for guidance by a subordinate. In both cases, the definition of the problem is often erroneous, the data being presented may frequently be misleading, the type of assistance required is not necessarily in the realm of the manager's expertise, and the responsibility for the problem is being foisted on the advisor. It is difficult to proceed as advisor in these cases. Any advice given is apt to be both resented and misinterpreted, etc. These are situations in which the 'process consultant' role will be more effective than that of the 'expert' or the 'doctor'. Although they occur throughout a process, they are especially prevalent at its initial stages.

No doubt the manager has the formal position which will enable him, if he so chooses, to adopt either of the other roles. He has the power to make a decision and impose it on others, though he cannot be sure they will comprehend, accept and correctly implement "his" solution. Training is one means of lessening the danger of subordinate error. However, certain obstacles do require a particular expertise, and if the manager has such a requisite skill, there is no reason to deny it: he should participate at that point in the role of expert.

The various roles that the manager has to choose from are all available to him at each point along the way. It is his responsibility to decide when to adopt each. Schein recommends the consultant role at the beginning of a process, as

"this role preserves the maximum flexibility and is the most consistent with the developmental goal of teaching clients to be effective in solving their own problems." (p. 36)

THE INITIAL INTERVENTION

Schein notes that the initial contact between a client and a consultant structures the situation, creating relations, expectations, perceived rules for further
contact, etc. These should be consistent with the consultants' general strategic objectives, values, and assumptions. One of the criteria for determining whether to continue beyond initial contact is the degree of success in establishing a mutually acceptable modus vivendi during the initial contact.

A) Strategic objectives of initial interventions. At the time of initial intervention, the consultant has a number of simultaneous objectives.

1. Helpful- Although the consultant attempts to structure the client's further thinking (particularly to shape the relationship), he must establish a perception of himself as helpful. The consultant should quickly show that he is capable of meaningfully assisting the client, given the appropriate framework.

2. Diagnostic- The initial intervention should reveal information about the client's underlying situation (as well as his self-perceived situation). At the same time, if the intervention is properly performed, it will develop the client's diagnostic insight and skill, tools he will need should the intervention continue.

3. Co-operative- The client-consultant relationship is one of sharing. The client does not abdicate his responsibility, nor should the consultant replace him. There is, however, an on-going joint venture (the intervention), whose success depends on the two working together harmoniously. The 'ownership' of the change-process must be shared between them. The consultant and the client, whether a single client or a client group, become a working team.

B) Do's and Don'ts of initial interventions. With the above defined strategic objectives in mind, the consultant may take (or avoid) certain modes of action which are most likely to increase (or decrease) his chances of success.
• The consultant should maintain a positive yet fairly neutral attitude, making inquiries that will further his objectives.

• He should avoid counter-productive assumptions and behaviour (stereotype of the client or problem, perceptual biases in listening, emotional reactions to what the client may say or do, especially regarding his assumptions about the developing relationship).

• The consultant should remain flexible, realising that the initial intervention does not necessarily define the path of the future process. It is frequently necessary to adjust to shifts in the initial ‘contract’:

  1. The client may shift unpredictably.

  2. The consultant role may shift, being temporarily superseded by that of expert, or both roles may be required simultaneously.

  3. The client base may shift. The initial, contact client is not necessarily the primary client throughout the process. Since responsibility for the process is shared, the expansion or alteration of the client base must be a decision taken together with the current client.

C) Evaluation of the initial interface. Following the initial interface, the consultant and the client must (each) decide whether to move on to the next stage in intervention. In order for his decision to be positive, the consultant should ask himself a number of questions.

• What is the position of client within the organisation? Does it include access to sufficient power and authority to make intervention a viable option? Can he implement change?
• Is the realm of the intervention clear and accepted by the client? Does he fully realise that the intervention is process-oriented, and not directed at a particular field (marketing, etc.)? Are his expectations of the non-functional parameters of the intervention reasonable?

• Is the client willing to deal with issues of process? Is he ready to work through issues of this sort?

• Is the time framework agreeable to both sides? Is the time allotted appropriate for the project and for the participants involved in it?

These questions are the basis for a table, which aids the consultant in summarising the initial interface, and in considering whether to continue to the next stage. (see Table 3.4)

FORMS OF INTERVENTION

At any given stage of a process, there are four basic forms of intervention from which to choose, according to the consultant's varying goals.

A) EXPLORATORY. Exploratory intervention aims at obtaining information about the situation without pre-judging it. The client will present his 'story' in a way appropriate to him and to the problem at hand, with no content-based interference from the consultant. (The occasional “Go on”, etc. being a general and gentle prod to the client, and not an expression of attitude about what has been put forth.).

B) DIAGNOSTIC. Diagnostic intervention aims at clarifying the client's attitudes toward the situation. It is naturally the next stage in intervention, with the client expressing any judgements made, while the consultant remains neutral. (“How do you see the problem?” being a typical comment at this stage.).
C) ACTION ALTERNATIVE. Action alternative intervention aims at identifying actual new behaviour the client might want to employ. Any suggestions made by the consultant must be implied and should be set in a multiple-choice framework. ("Have you considered either of these alternatives?" for example.).

D) CONFRONTIVE. Confrontive intervention aims at acquiring additional diagnostic information and at activating the client. The consultant presents the client with a specific view of the situation, one with which the client may not be ready to deal. ("You must define your goals more clearly if I am to be helpful to you.").

The exploratory, diagnostic and action alternative interventions are preferable and precedent methods. If the client is truly motivated for change, feels secure and capable of enacting change, then these tools should enable the consultant to assist him without resorting to confrontive tactics. A knowledge of the culture of the client organisation should help the consultant to determine which form of intervention is appropriate at any given time. Premature confrontation may have extremely negative consequences.

Despite the temptation it presents, confrontive intervention is to be used only when the previous three forms of intervention have produced less-than-satisfactory results. Even then, confrontive tactics should be employed only when the client clearly views the consultant as helpful and trustworthy. They can then be used as a means of facing the client with his own areas of resistance, possibly including his own behaviour. The confrontive intervention may at times be well planned, the inevitable result of previous interventions, intended to jar a client out of his complacency. Such pre-planning can take into account the possible or probable need for a means to later re-establish the basic, desirable trusting and helpful relationship.
Because of its very nature, confrontive intervention presents problems in the client-consultant relationship. It frequently arouses denial, defensiveness, and anxiety in the client. The consultant must be constantly aware of the client's reaction and, if necessary, be prepared to employ alternative tactics in order to return to a helpful and trusting relationship. While doing so, he may glean valuable information from his observation of the client's behaviour.

Confrontive tactics can be used sparingly and self-consciously as a complement to exploratory, diagnostic and action alternative interventions. This is tenable if and only if the basic aim of the consultant: (remaining helpful to the client) is unharmed.

Given the above and the broad aims of process consultation, two stylistic choices seem almost self-evident:

1. Most of the intervention should be conducted in question form, rather than as assertions. The interrogative requires activity on the part of the client, forwarding the general aim of helping the client solve his own problem without relinquishing responsibility to the consultant. This approach is not limited: questions can be as confrontive as assertions ("Why didn't you do anything about that?"), and is the obvious choice for exploratory and diagnostic interventions.

2. When the consultant makes suggestions, these should be as multiple alternatives. A single suggestion by the consultant assumes that he has more knowledge of the problem and possible solutions than does the client; which is generally a false assumption. Even if this were the case, the presentation of a single suggestion is counter-productive in the over-all framework of process consultation: the client should be solving problems, making choices, taking responsibility. Even when the client insists on the consultant's expressing his own preference, this should be
done with a disclaimer: the consultant’s choice may not be the right one for the client.

**TYPES OF INTERVENTION**

According to Schein, there are ten distinguishable types of intervention, which may be grouped as follows:

**Client-centred**
1. Active, interested listening (exploratory)
2. Forcing historical reconstruction (diagnostic)
3. Forcing concretization (diagnostic)
4. Forcing process emphasis (diagnostic)
5. Diagnostic questions and probes (diagnostic and action oriented)

**Interactive between client and helper**
1. Process management and agenda setting (confrontive)
2. Feedback (confrontive)

**Helper-centred**
1. Content suggestions and recommendations (confrontive)
2. Structure management (confrontive)
3. Conceptual inputs (potentially confrontive)

(p. 161-180)

Each of these ten categories of intervention can be applied in each of the two basic consultation settings:

- **One-on-one**: a single consultant and a single client,

- **Group and inter-group**: whether the groups are small, large or gargantuan, low-level employees or top echelon executives.
"Process consultation is a way of conceptualising the helping process and the role of helper that applies equally to

- "A single manager or consultant working with a single client or subordinate.
- "A manager or consultant working with a small group or as part of a meeting.
- "A group of managers or consultants, such as a strategy consulting team, working with an entire top management client system.
- "An individual consultant or team working with an organisational department or the entire organisation planning major structural revisions, administration of surveys, or other systemwide interventions." (p. 162).

There is a difference in the nature of these settings. In the one-on-one setting, the client in taking an individual stance, and may view intervention as more confrontive than he would without the personal stake involved. A group setting, on the other hand, allows participants more room to manoeuvre, couching things in the abstract when they prefer to avoid the personal. The use of neutral terminology ("some members of the group", "a number of people", etc.) can help both the consultant and the client avoid confrontive incidents.

"In making interventions of a diagnostic or content sort, the consultant can refer to ‘some members’ or ‘the group’ without naming any given individual, thus permitting the shoe to fit where it will. The consultant can ask whether ‘anyone feels a certain way’ or whether ‘anyone’ is willing to provide some data or feedback that the group may need. In the group and intergroup setting, therefore, an additional choice is provided for each of the intervention types - whether to make it personal or to keep it deliberately abstract." (p. 169).

CLIENT-CENTERED INTERVENTIONS

1. Active, Interested Listening. This is a prerequisite for understanding the process from the client’s point of view seeing what is unique in it, and
developing empathy with both the client and his views. In a group situation, the consultant must also be listening for relationships and underlying processes among the participants (who talks to/ listens to/ interrupts whom, and so on). Using his observations as a guide, he may then intervene in order to clarify points, summarise discussions or parts of them, and test the degree of consensus in the group. In an inter-group framework, the consultant must be more than usually self-aware, listening carefully to himself and avoiding any hint of bias, maintaining as neutral a posture as possible.

"Powerful interventions that result from such listening are clarification, summarising, and consensus testing. If the consultant notes that people do not understand each other, he can clarify by asking what was meant, by asking whether everyone understood, and by asking for a restatement. If he feels the group is confused about its goals or direction, he can summarise what he has heard so far and check how much consensus there is on the points he brings out. Each of these interventions clearly will aid in the task process, and that is where the emphasis should be." (pp. 169-170).

2. Forcing Historical Reconstruction. This is a means of attaining dual goals: obtaining additional information about the problem at hand, and enlisting the client in an open and co-operative relationship. It is best to choose a topic for reconstruction with which the client feels comfortable and will talk freely and naturally, whether personal, organisational, both or neither. In a group situation this is most effective when a result is undesired or unexpected. The goal here is to help the group discover why it has done what it has done.

"The goal is to get historical, to get concrete, and to get a process focus so that the group can discover for itself when and how it may have produced outcomes that it later considers desirable or undesirable." (p. 170).

3. Forcing Concretization. Requiring a client to be specific aims at attaining a sufficient number of instances in order to discover any
patterns that may exist. When a topic is brought up by the client, it is usually couched in vague terms. Clarification is necessary (exhibited behaviour surrounding the topic, the client's attitudes and reactions, etc.) and can be elicited through guiding questions ("Can you give me some examples of what you mean when you say that...?"). In-group situations, this often stems naturally from the reconstruction process. The consultant should endeavour to pin things down, having the client specify so that generalisations can be based on details, not merely accepted as they are brought up by the necessarily non-objective people involved.

“Forcing the group to be specific and concrete flows almost automatically from asking it to be historical, but the consultant or manager should be alert not to let generalisations go by unchallenged. Someone says, 'The meeting began in a very autocratic way,' or 'At the beginning everyone was speaking all at once.' The consultant should step in and ask, 'What do you mean by 'autocratic'? What exactly happened that made you use that label - who actually did what?' Or, in the second example, the consultant could say 'Everyone? Can we be more specific about who actually spoke up?" (p. 170-171).

4. **Forcing process emphasis.** In order to discover possible origins of a problem, it must be stated in terms of process as well as content, creating a concretised historical reconstruction of the process. It is most likely that the consultant will have to guide the client here. This will both add information to the consultant's knowledge and demonstrate to the client the means and importance of process emphasis. In-group situations, the discussion leader should keep the group focused on this issue.

"As reconstruction takes place the consultant or manager can keep raising process questions if the group is too focused on content." (p. 171).

5. **Diagnostic questions and probes.** Through these, the consultant gingerly tries-out such initial understandings of the situation as he may have perceived. For instance, he might inquire obliquely whether certain possibilities have been taken into account. This is a confrontive tactic, to
be employed only under the previously noted conditions. Even then, it must be used with caution and in question form, leaving the client room to disagree with the supposition the consultant has proposed. In-group situations, the tentative understandings can be presented in a less confrontive manner by including them in general remarks (not tied to the case at hand). This allows the client to make such connections as seem relevant to him.

"These kinds of questions can be brought up confrontively as in the one-on-one situations. But the group and intergroup context also makes it possible to test diagnostic insights less confrontively by embedding them in general remarks that may be made to various groupings as part of a feedback session or educational input." (p. 171).

INTERVENTIONS INVOLVING INTERACTION BETWEEN CLIENT AND CONSULTANT.

1. **Process Management and Agenda Setting.** At certain points in an intervention, it may be wise for the consultant to take charge of the process, determining agenda (content or process), participants, methods of procedure, etc. The emphasis here is that the consultant is actively managing the helping process, not solving the problem, which is the responsibility of the client. Still, this is a confrontive tactic and at times a rather blunt one at that. In group situations, such intervention could include some of the many various techniques that have developed in the field of organisational theory over the past 30 years (confrontation meetings, conflict reduction exercises, community role play, survey feedback, etc.)

"In order to be consistent with the philosophy of process consultation, the design of such activities must highlight that the consultant is managing only the process, not the solution." (p 172).

2. **Feedback.** There is a complexity to providing information regarding the progress of a client in achieving his goals (with an emphasis on the word
his). In the one-on-one situation, before feedback is given, the consultant should have a pretty good notion of what the client's ultimate goal actually is. He should also consider whether the timing, the client's state-of-mind and the nature of the feedback are all appropriate and promising of a result helpful to the client. In a group situation, the complexity grows. In traditional survey-feedback models, feedback from data gathered at various levels of an organisation are presented at the top management level, which makes decisions regarding the treatment of the points raised. Lower levels are freed from responsibility for improving the situation. In the process consultation model, all levels are involved, active and responsible.

- First, data is gathered from each group only about those issues with which they are directly involved. The feedback will therefore be meaningful to the group, and is indeed given directly to them. They are best able to check for accuracy and to identify those items they are capable of dealing with alone (whereas other items must be presented before other, relevant groups, probably higher up in the organisational hierarchy). These are steps toward creating an active and responsible team with defined, attainable goals.

- Then this process is repeated at increasingly higher levels in the organisational hierarchy, reaching top management towards the end of the process (rather than at its initial stages). Thus the problems brought to top management are ones only they can solve (rather than all problems from all levels of the organisation). This requires patience, which may be tempered by the realisation that meanwhile problems are being dealt with at other levels, and people have been positively engaged in the process.
HELPER-CENTERED INTERVENTIONS

1. **Structure Management.** A rare form of intervention deals with the alteration of the structure of the organisation. In order to do so the consultant must first have clear and totally convincing reasons for making such a forceful intervention. He might then intervene directly or through the client, as warranted for the particular case, whether in a group or in the one-on-one situation. An alternative to this might be an attempt to make the client aware of structural possibilities and consequences, strengthening him in his independence.

2. **Content Suggestions and Recommendations.** On rare occasions, the consultant may decide to proffer an idea of his own regarding content (rather than process). This will occur only when the consultant and the client have studied a matter together for a considerable length of time. The consultant must be certain both of his own understanding of the topic and of the client's positive attitude toward such a step. This is generally unnecessary and irrelevant, as the client finds the process and content solutions during the course of their earlier work together. Of course, the consultant can present alternatives from which the client chooses the most appropriate for him. This would be equally true whether the situation were one-on-one or involved a group.

3. **Conceptual Inputs.** These are 'educational interventions' designed to address topics which the consultant deems applicable to the client's needs. This may be done in the form of workshops, seminars, etc. on a given topic, without indicating the direct link to the client's situation: it is up to the client to make the connection, or to specifically ask the consultant to do so. There are two difficulties with this process. One is the potential for time wasting (if the intervention is not recognised and/or utilised by the client to further his goals). The other is the danger of offending the client (if the intervention is perceived as too basic in content or as redundant, dealing with a topic the client already has in
hand). In a group situation, these difficulties are lessened. The group may recognise and utilise what a single individual might ignore. Personal offence is less likely to be taken when a group-as-a-whole is presented with a topic (maybe someone else needs it). In this non-threatening, non-confrontive, psychologically sage environment, educational intervention becomes a powerful tool.

“Conceptual inputs and various kinds of educational interventions can become a powerful tool in the process consultant's intervention kit, especially when done with groups where threat to individual self-esteem can be minimised by speaking to the group in general.” (p.177).

“Finally, educational interventions can be powerful unfreezing forces by allowing the client organisation in a non-confrontive and psychologically safe educational environment to recognise some of its problems. The consultant can speculate on various diagnostic possibilities and let the shoe fit where it will, without anyone feeling personally threatened.” (p. 178).

**Summary**

The process consultant must make his choices regarding which intervention(s) to employ what structure and timing, etc. are facilitative to the client. Schein emphasises that process consultation aims at keeping the client active and responsible and the intervention forward-moving from the client’s point of view. The various interventions included here may be used sequentially, simultaneously, or in any combination which seems an effective means of aiding the client to reach his goals. Any activity that disrupts this forward-motion, which causes the client to lose his sense of direction, is counter-productive and should almost always be avoided, even if theoretically it would seem the 'correct' thing to do. Schein contends that the consultant must make his decisions based solely on how best to help the client continually move closer to and eventually attain his goals.
In the past, I had used the 'expert' and 'doctor' approaches in my daily work as a consultant, and had been disappointed with the implementation of decisions taken. In many cases, management had not been sufficiently committed to carrying out the proposed plan. The decision to choose the Process Consultation approach was based to a certain degree on this disappointment, and on an instinct that exploration of the PCA alternative might be more satisfying in this respect, particularly if management were actively participating in the creation of the plan and if the degree of consensus among top executives was high. In a brief conversation with E. Schein in 1990, I discussed the possibility of employing numerical mapping within PCA, and was encouraged by his positive response. It was thus natural that PCA was chosen as the approach to be studied in this research project. In making such a choice, the consultant's nature and tendencies, as well as the client's past experience and current situation, are undoubtedly factors. It may be that the decision to work with a specific client is influenced by the consultant's estimation that there is a fit with his own preference for a given approach.

During this research, interventions of a confrontive type were employed only toward the end of the process, after there was a stable, trusting and co-operative relationship between the consultant and the team members.

The consultation setting in this study was neither of the two basic settings. It was neither one-on-one nor a group process, but rather a one-on-group setting. There was a single consultant involved, not a team of consultants, as this is an individual study. The client was represented by a group whose members were those capable of diagnosing the situation, of decision-making and of implementing those decisions.
D) SWOT Positioning

SWOT analysis has evolved over time from the use of straightforward lists of Strengths, Weaknesses, Threats and Opportunities into a map capable of graphically indicating the position of each item along a pair of axes. In the mapping done for this study, the x-axis indicates (positive) strengths and (negative) weaknesses, while the y-axis represents (positive) opportunities and (negative) threats. Each axis is divided into an equi-distant numbered scale from 1 to 9 (or -1 to -9). Items are listed in the surrounding quadrants, each anchored to its appropriate point on the relevant scale.

The mapping itself is done in two phases: first the internal strengths and weaknesses are plotted, then the external opportunities and threats are added.

The mappings are done by groups of participants from the management of the organisation, in teamwork situations. Individuals relate to categories/topics, which have been selected by the group and for which strategic goals have been set. As they discuss each category/topic, relevant factors are brought up.

There is no set order of presentation by the team members. In general, the floor is given to each member according to the random order of seating around the table. However, as a topic is dealt with, members naturally interrupt each other, creating a more open discussion.

As each factor is raised, team members are free to present any information they may have, factual material and data of all sorts, but are asked not to express opinions prior to the written grading. However, despite this instruction, there is a tendency to express assessments orally, often while presenting a point for discussion. No doubt this influences others, particularly when the speaker is a figure of authority. To a certain extent, this influence is neutralised by the anonymity of the written grading process.
The grades for each factor are first written by each individual separately, and then collected and averaged. It is a simple average, although such techniques as weighting might provide a different picture. The results are then presented to the group. Two possible situations arise:

- **All grades are on the same side of the relevant axis** (all positive or all negative), an indication that this is a 'pure' strength or weakness, or a 'pure' opportunity or threat, respectively. When this is the case, the position of the 'anchor' for this factor on the relevant axis is determined by a simple average of the individual grades given it by each member.

- **There is some difference of opinion** (one dissenter suffices) as to whether the factor has a positive or a negative influence on the capability of the organisation to achieve its goal. When this is the case, the consultant employs an intervention, frequently 'diagnostic questions and probes' ('diagnostic and action oriented'), 'forcing historical reconstruction' ('diagnostic') or 'forcing concretization' (diagnostic'). This is done in order to help the team members to understand what the source of the difference of opinion was. During such an analysis, the original complex factor is split into two separate components, each representing one of its opposing aspects.

For example: assume the factor being graded is 'Large, diffuse distribution organisation', and it receives a mixture of positive and negative grades from team members. In analysis, it may become clear that some participants award this factor high grades because of the broad spectrum of customers which the distribution organisation reaches. However, other participants might choose negative grades, as they focus on the administrative and management difficulties, which arise from the size and diffusion of the distribution organisation. Both aspects may well be true, significant and non-contradictory; yet they are also polarised components of the originally graded factor.
A re-grading takes place, with the single, controversial factor ('Large, diffuse distribution organisation') replaced by its two opposing components ('Broad spectrum of customers which the distribution organisation reaches' and 'Administrative and management difficulties which arise from the size and diffusion of the distribution organisation').

This re-formulation and re-grading process continues until the attainment of full consensus regarding the direction (positive or negative) of all newly formulated factors. Throughout, the researcher acts as a process consultant, facilitating the client team in its task.

At times, the consultant intervenes to prod the participants on, encouraging them to add elements, either positive or negative. The reason for this is that the consultant is aware of the difficulties often encountered in reaching an exhaustive, full yet effective (and therefore not overly long) list of factors. When it seems clear to the consultant that the map is incomplete, but the team members are not contributing additional ideas, it is time to give them a gentle nudge. However, this is a questionable procedure. Would it be preferable to leave things as they are? There is no 'right' or 'wrong' answer.

The length of meetings is set ahead of time, but may occasionally be changed. The meetings might be shorter, and in rare cases longer, because of the dynamics of the process.

At the end of each meeting, all team members receive a copy of the up-dated map that has been agreed upon. They are often asked to prepare, individually, for the following session. Consequently, there is sufficient time and basis for members to digest what has been done and, at the following meeting, to question previous group actions. Thus alterations and additions are common, with constant consensus-building regarding each of them.

Between meetings, there is no client-consultant contact. However, one of the bases for teamwork is seen to be the limitation of discussions to the meetings themselves, so all members may participate.
It should be noted that no checklist is provided by the consultant during the process. When participants are raising points for consideration and grading, their responses are based on their knowledge of the organisation, its activities and its situation. These are, after all, top-level management figures representing all aspects of the organisation's activities. Participation may be spontaneous, as the meeting and the conversation develop. However, between meetings, with an up-dated SWOT map in hand, there is time to reflect on what has been determined and on the agenda for the following meeting. Members do indeed return with suggestions for alterations and additions. The lack of a checklist means that the content of each map is the creation of the team itself, and not merely a reflection of the (internal) team's opinions regarding the (outsider) consultant's ideas.

A positive side effect of the no-checklist policy is that the map is not over-crowded. The use of a checklist tends to create an overly-full map which includes elements essentially chosen according to a pre-set, universal collection of potential elements, but not of real interest to the participants. These elements fill the map, but have little practical purpose, as the team, in general, does not relate to them or deal with them in any significant manner. In Hill and Westbrook's (1997) consideration of SWOT, the quantity of items, which appear in traditional SWOT analysis, is detailed and seen as problematic. The decision not to use a checklist reduces the danger of this occurring.

On the other hand, a situation may develop where the team will overlook a truly significant element from such a checklist as it works spontaneously. Had a checklist been used, it is more likely that this element would have been identified and related to. There is a possible middle ground between the use of a checklist and this researcher's open approach. The 7-S model (R. Waterman, T. Peters and J. Phillips 1980) may provide a helpful framework for identifying topics for SWOT. This could be a relatively open checklist, more giving a hint than an answer.
There is a high degree of subjectivity in the SWOT Positioning process. Everything is seen from the point of view of the members of the team. Sometimes this is relatively obvious, with feelings openly expressed. However, even when objective facts (such as costs or prices) are employed, they are viewed subjectively (high or low, for example) in order to reach a conclusion as to whether they comprise a positive or a negative factor. Certainly all the grading is subjective. On the whole, management is a subjective process, requiring a measure of individual judgement regarding the relatively proper course to take. Just as team members perform their daily functions on this basis, so SWOT Positioning is performed.

After employing SWOT Positioning over a period of time, a series of maps emerges, each series dealing with a particular strategic goal, and each map having received the approval of the entire team. The last of these maps provides a full, graded picture of the strengths, weaknesses, opportunities and threats which the organisation faces, relevant to a set strategic goal for a specific category/topic determined by the team. This is a single page, which summarises graphically the considerable time, effort, and thought that the team has invested. It becomes a convenient and efficient basis for further strategic analysis, planning and implementation. (These will be discussed in a later section.)

SWOT analysis is hardly a revolutionary tool. It has been in widespread use for some time, long enough for its detractors to compile a list of criticisms with data to uphold their arguments.

T. Hill and R. Westbrook (1997) go so far as to title their article: 'SWOT Analysis: It's Time for a Product Recall'. They raise certain

"fundamental concerns about the intrinsic nature of SWOT analysis:
- The length of the lists.
- No requirement to prioritise or weight the factors identified.
- Unclear and ambiguous words and phrases.
- No resolution of conflicts....
- No obligation to verify statements and opinions with data or analyses."
In addition, the authors claim that SWOT

“aims to solve strategic problems by reviewing companies as wholes, overlaying corporate diversity with generic solutions.” (p. 51).

Hill and Westbrook do see some potential good in SWOT:

“The most positive outcomes were simply the familiarisation of the consultant with some company issues and/or the initiation of company personnel into a discussion process. This would have been valuable if the process were followed up, lists were structured and prioritised, points were validated or investigated further.” (p. 50).

“It could be argued that there is perhaps no reason why SWOT could not still be valuable—especially if undertaken with more rigour, challenging of assumptions and subsequent validation and investigation.” (p. 51).

The method employed in this study counters most of the points raised by Hill and Westbrook. The method here, SWOT Positioning, integrates Process Consultation in a specific method of constructing a series of SWOT Maps.

The following table suggests how each criticism is met by SWOT Positioning.
Table 3.3: SWOT Analysis: Is It Time for a Product Recall?

<table>
<thead>
<tr>
<th>Hill and Westbrook’s Criticism</th>
<th>Countered by</th>
</tr>
</thead>
<tbody>
<tr>
<td>Length of lists</td>
<td>In SWOT Positioning, the lists are not created from checklists, but rather spontaneously by the participants and with the guidance of the consultant. The lists are created as relevant to a set goal for a given category, and not as a general description of the organisation.</td>
</tr>
<tr>
<td>No requirement to prioritise</td>
<td>In SWOT Positioning, major emphasis is placed on the process of prioritisation by the team itself.</td>
</tr>
<tr>
<td>Unclear and ambiguous</td>
<td>In SWOT Positioning, the definition of each factor requires analysis, understanding and the reaching of consensus by the team. As the entire group clarifies each definition, there is little or no room left for misunderstanding.</td>
</tr>
</tbody>
</table>
3.3: SWOT Analysis: Is It Time for a Product Recall?
(continued)

<table>
<thead>
<tr>
<th>Hill and Westbrook's Criticism</th>
<th>Countered by</th>
</tr>
</thead>
<tbody>
<tr>
<td>No resolution of conflicts</td>
<td>When and if conflicts arise regarding a given factor, the group analyses them further to find their deeper sources. On the basis of this analysis, the factor is divided into two or more components that explain the conflict. The process is not completed until the team has reached consensus.</td>
</tr>
<tr>
<td>No obligation to verify</td>
<td>Since each element is related to by the entire management team, there is, at the very least, an intrinsic process of quality verification. In addition, as the participants represent the top-level of the various components of the organisation, they are capable of providing information on a broad range of topics as it becomes necessary.</td>
</tr>
<tr>
<td>Single level of analysis</td>
<td>When a factor is raised which seems to contradict another (or even itself), further analysis is conducted to discover the source of this contradiction. The factor is divided into components. This re-definition and re-graduation continues until there is consensus on all aspects.</td>
</tr>
</tbody>
</table>
3.3: SWOT Analysis: Is It Time for a Product Recall?

(continued)

<table>
<thead>
<tr>
<th>Hill and Westbrook's Criticism</th>
<th>Countered by</th>
</tr>
</thead>
<tbody>
<tr>
<td>No link with implementation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1) SWOT Positioning is done by the entire management team, which is later responsible for implementation. The same participants in the diagnostic, analytical and decision-making process are those who carry out the decisions. Their commitment is therefore greater than if the process were top-down.</td>
</tr>
<tr>
<td></td>
<td>2) The process of SWOT Positioning includes a formidable degree of consensus-creation. Conflicts and ambiguities are resolved within the group at the planning stage, which greatly increases the probability of co-operation at the implementation stage</td>
</tr>
<tr>
<td>Generic solutions</td>
<td>SWOT Positioning does not treat the organisation as an indivisible unit, but rather deals with set goals for specific areas of activity determined by the participants.</td>
</tr>
</tbody>
</table>
E) Research Framework

E1) Organisations and Stakeholder Groups

Two organisations were chosen to participate in this study. They represent two distinct spheres of operation: one is an industrial company, the other a non-profit service organisation. Despite the numerous differences between them, there are shared elements:

1. They are both mature organisations.
2. The management of each organisation is open to teamwork in strategic development.

The industrial company (IC) deals in textiles, with much of its operation supplying some of the largest Israeli firms. It is affected by the fluctuations, which this fiercely competitive industry is undergoing in light of changes in its political, technological and economic environment. A particularly significant factor for IC is the lowering of wages in the international textile industry while the Israeli standard of living is rising. Another is the rapid advance in industrial technology. IC is wholly owned by a kibbutz, with owner-employees working on the factory floor as well as participating in management (internal owner). (A full description of IC appears in Chapter 4.)

The non-profit organisation (NPO) deals in services for its varied member-organisations, including lobbying, industry-wide public relations and information gathering. The members of its Board of Directors are non-remunerated public figures concerned with lobbying. They are politically oriented rather than business-oriented, partially because NPO has no direct
competition. There are, however, other organisations, including certain governmental bodies, with sometimes-opposing interests. The only technology with direct relevance to NPO is "information technology," and even that plays only a minimal role. NPO is an affiliation of organisations, each of which is also a client who expects to receive services (internal client). (A full description of NPO appears in Chapter 5.)

The PCA intervention described in this study was performed in both organisations as a consultation, including financial arrangements.

There are various groups of people connected to a given organisation, each with a vested interest in it. These are stakeholder groups. Some of these groups are internal (management and employees, for example), some are external (suppliers and customers, for instance), while yet others (such as distribution channels) may be on a borderline. There are groups whose interests are obvious and immediate (shareholders- profits; suppliers- continued sales to the organisation; and so forth), while others have a more oblique relationship to the organisation (such as 'green' pressure groups- environmental soundness in production and packaging).

The varied interests of the stakeholder groups naturally cause them to become involved in varied aspects of the organisation and to adopt attitudes that may be mutually incompatible. For example, the introduction of new technology may please owners (if increased profitability is projected) while infuriating employees (if fewer workers are required to operate the new machines), yet be of no real interest to customers (if the quality and price of the product remain unchanged). In brief, each stakeholder group has its own agenda which will largely determine the way in which it will relate to the behaviour of the organisation and the extent to which it will do so.
Taken together, these groups comprise a coalition whose basic common interest is the operation of the organisation in such a way that it will continue to contribute value, where the term 'contribute value' would have a different meaning to each of the groups involved. The organisation, in turn, has a basic interest in the continued support of these groups (or at least, the lack of disruption of its activities). Each group contributes to the organisation's resources in some way, and without this there would be some degree of ineffectiveness. In certain cases, the organisation is liable to cease to function should it lose the support of a given stakeholder group (debt-owners, for one).

Part of the process of decision-making must include stakeholder analysis, whether explicit or implicit. Decision-makers must be aware of the identities of the stakeholder groups and their interests, the balances between them, the restrictions they impose and the room for manoeuvrability which may enable a somewhat altered strategic fit when flexibility is required.

Those stakeholders with an immediate, powerful, potentially paralysing or obvious connection to the organisation are generally the more influential groups in determining policy and implementation possibilities. However, in given situations and at varying times, the balance of power among stakeholder groups will fluctuate. Even when policy has been made, even when its implementation has begun, stakeholder groups are frequently capable of forcing its reconsideration or amendment.

Clearly, in determining policy, the management of an organisation must take into account the well being of its stakeholders. During the strategy-making process, alternatives are presented. Those not protective of stakeholder well being will be among the first to be discarded, unless there is some over-riding consideration (such as the conflicting interests of various stakeholder groups). Even when this is the case, attempts at compromise should be made so as to
adapt the proposed strategy in a way, which will achieve maximal stakeholder acceptance.

E2) Description of the Consultation Process

The study was conducted by a participant consultant-researcher performing interventions in two organisations (see above). The two processes were carried out during the course of 1995-1996. In both cases, the interventions were based on the Process Consultation approach, integrating PCA interventions with the previously described method of SWOT mapping to create SWOT Positioning. In general, as presented in Figure 3.1, this consultation process includes the following stages:

1. Recognition of the need for a new strategy brings an organisation to the consultancy process.

2. The consultant meets with the organisation's representative(s), most likely more than once (initial consultant and management interface). During these initial meetings:

   • The organisation, its activities and its current situation (the cause for seeking consultancy) are described.
Figure 3.1: The Consultation Process

- Need for New Strategy
- Initial Consultant and Management Interface
- Strategic Goal / Focus
  - Strategic Focus
  - Partial Implementation during SWOT Positioning
- SWOT Positioning
  - Final SWOT Positioning Map
- Analytical Tools
  - Graphic presentations
- Strategic Focal Directions and Maps
  - Ansoff Matrix Focal Directions and SWOT Maps
- Creative Tools
- Strategic Action Alternatives and Levels of Innovation
  - Level of Innovation Matrix
- Evaluation and Selection
- Full Implementation
• The consultant explains his method, including the ramifications of Process Consultation and the SWOT Positioning technique. In particular, he clarifies the role of the consultant as a facilitator in PCA and differentiates it from the role of the consultant as doctor or expert.

• Expectations are discussed. If, and only if, the expectations, relationship and described method of procedure are mutually agreeable, will the process move forward to the next stage.

Additional preparation for SWOT Positioning during the initial interface includes:

• The organisation’s representative (usually the CEO), aided by the consultant, determines the team members who will participate in the process.

• The first item dealt with by the team is the identification and definition of the categories/topics to be put on the agenda. For each of these, an agreed-upon strategic goal or focus is defined.

3. The creation of SWOT Positioning maps is performed gradually. Each category/topic, with its strategic goal, becomes the basis for the development of a series of maps. (see Section D of this chapter for a description of the stages within SWOT Positioning). During this phase, the consultant fosters the formulation of consensual strategic planning through the use of Process Consultation approaches and interventions.

4. Once SWOT Positioning has been completed, the team continues to work as a group, using various analytical tools to further understand and analyse the internal and external elements which affect the making of strategic decisions as indicated by the SWOT Positioning Map. The employment of the analytical tools is not part of the PCA process. The
consultant explains each tool and its use, including the construction of the graphic presentations in accordance with the team's knowledge of the organisation. However, the team performs these alone-together, as a team without the direct involvement of the consultant. Copies of the graphic presentations and of all relevant data are distributed to the consultant and to all team members prior to the following meeting. Some examples of such tools: Sales Contribution Chart, Market Growth Rate/Relative Market Share Matrix, Key Success Factors List, Product Positioning Map, and Directional Policy Matrix (see the following section of this chapter for an additional discussion of these). The results of the use of each tool are presented graphically, sometimes in table or matrix form. As far as possible, a consensual approach is continued.

5. With this further understanding in mind, and with an Ansoff Matrix (which is described in the next section of this chapter) in hand, the team returns to the last SWOT map in each series in order to identify strategic focal directions. For each such direction, the relevant mapped elements are chosen and a new, reduced map is created. This sub-map presents only those elements that are of interest in seeking a new strategy in the chosen focal direction for a specific goal. It becomes the basis for the continuation of the process, guiding the team according to its agreed-upon limitations.

6. At this stage, the team tackles the task of employing creative tools (a description of which also appears in the following section of this chapter) in order to develop strategic action alternatives. These are then placed in a Level of Innovation Matrix (see the following section). This indicates whether each proposed alternative represents a low level of innovation (such as re-inforcing an existing strength) or a higher level of innovation (which may be based on turning an existing weakness into a strength). The assigned level of innovation may affect the types of ideas that will be deemed appropriate for strategic action alternatives.
7. Once all strategic action alternatives have been presented and the levels of innovation have been assigned, the participants evaluate them and select a particular strategic plan.

8. General implementation of the decision is now officially begun. Because of the consensual character of the decision-making process, this usually meets with little or no resistance. As the research progressed, it turned out that in some cases, as an outgrowth of SWOT Positioning but not as an integral part of the consultation process, management had already made decisions regarding less-general improvements in specific areas. In these cases, implementation of such by-product decisions may have been initiated even before the more general analysis and planning have been completed.

**E3) Analytical and Creative Tools**

SWOT Positioning was a primary tool in the process of working with the organisations being researched. The fact that all relevant elements had been concentrated and organised on a single page (SWOT Positioning Map) for each category facilitated the continuation of the process of analysis and strategy-formulation. With these maps in hand, the team used other management tools, with the assistance of the consultant. The major analytical tools used were:

- **Key Success Factor (KSF) Table** (L. R. Jauch and W. F. Glueck 1989 p177)

How can an organisation achieve a competitive advantage over its competitors? KSF is a tool for investigating this. The factors for potential success are listed and each of the leading competitors' relevant positions is added to create a table. Obviously, this is possible if- and only if- these
positions are known. An analysis of the table leads to the identification of key factors, which may differentiate the organisation from its competitors. The assumption is that:

"resources should be concentrated in areas where there are key success factors (KSF)...." (p177)

"(T)he principal point is to avoid doing the same thing as the competition on the same battleground." (p178)

(see Appendix A)

• Contribution Chart (S. Dibb and L. Simkin 1996 p32)

Each specific market segment may be represented by a unique intersection of sales volume and profitable contribution. The Contribution Chart pinpoints these intersections. An analysis of these positions may place in question the continued targeting of segments with either low sales volume or low levels of contribution or both of these. It may enable planners to identify segments where a minimal effort at increased sales is likely to prove particularly lucrative because of the high return they generate. Other possibilities may arise from a diagnosis of the chart.

(see Appendix B)

• Perceptual Positioning Map (S. Dibb and L. Simkin 1996 p18-19)

The Perceptual Positioning Map is a tool for the relative mapping of how customers perceive various products or brands. These perceptions will certainly affect the choice of marketing approach, but may raise broader strategic issues regarding the desire/need for repositioning. Major expenditures of time and other resources are required in order to significantly alter customer perceptions.

(see Appendix C)
• **The Growth-Share Portfolio (Boston) Model** (M. McDonald 1996 p90-93)

By identifying areas of potential risk and return, the Growth-Share Portfolio suggests directions for balancing investments (in businesses/products). The model classifies existing investments according to the growth rate of the relevant market and according to the organisation's share of that market (relative to its largest competitor). These classifications (star, cash cow, dog and problem child/question mark) have operative ramifications for further investment, divestment, etc. A portfolio of investments is then developed so that the balance among the various classes will fit the organisation's investment goals (such as a steady low-risk short-term- yet perhaps moderate- return combined with higher-risk long-term ventures with the potential for improved return).

(see Appendix D)


The risk/return criterion of the Boston Model is not the sole means of balancing investments. DPM suggests balancing investments (in strategic business units) according to the attractiveness of a given market (relative to the market in general) and the specific organisation's business position (relative to its leading competitor). Each set of factors is assigned a weight, score and rank, which determine the position of the business unit within a matrix. There are operative recommendations based on these positions (with general areas of the matrix representing stars, cash cows, dogs and question marks).

(see Appendix E)
• Ansoff Matrix for Business Development (R. Koch 1995 p152-153)

The options for increasing sales and the risk involved in each are related through the use of the Ansoff Matrix for Business Development. Items are placed in a four-box matrix whose parameters are new and existing products (the horizontal axis) and new and existing markets (the vertical axis). For each of the boxes, there are certain predictable, minimal conditions required for success in increasing sales. One example of this:

"Box 3 takes existing products and sells them to new markets or customers. This is clearly sensible if the new markets can be cultivated at relatively little extra cost, but can be risky if a new market requires investment in fixed costs... if the customers have different requirements or if there are entrenched competitors." (p153)

(see Appendix F)

• Level of Innovation Matrix

The Level of Innovation Matrix is a matrix, which positions proposed alternatives according to the following criteria:

1. easy, when the strategic action alternative is based on an existing strength.

2. moderate, when the strategic action alternative is based on an existing weakness, and

3. difficult, when an entirely new factor is introduced as a potential action alternative.

Within each level, there are two ranks:

elementary, when a known opportunity or threat is related to, or when opportunities and threats are ignored, and
advanced, when a new opportunity or threat is related to.

The level and rank indicate the degree of innovation and complexity in potential implementation.

- **Level (easy, moderate or difficult).** From these names, the level of difficulty for implementation should be clear. In addition, the higher the level, the higher the risk. On the other hand, the higher the level, the higher the potential for gain, as the action is newer and may differentiate the product and the company from the competition.

- **Rank (elementary or advanced).** Within each level, there are two ranks: elementary and advanced. Again, the more advanced the alternative, the harder to implement the greater the risk and the greater the potential.

(see Appendix G)

The analytical tools described above are intended to improve the participants' understanding of a situation. But to change a situation, it is preferable to develop alternatives with the assistance of creative tools. These are conducive to innovative thinking and are best employed when the situation is understood and there are clear focal directions that create a framework for the alternatives. The creative tools used in this study are:

- **Classical Brainstorming** (A. B. VanGundy 1984  p171-172)

"As developed by Osborn (1963), classical brainstorming uses four basic rules to guide a brainstorming session: (1) No criticism of ideas is allowed- idea evaluation comes later. (2) Freewheeling is welcomed- the wilder the ideas the better. (3) Quantity is wanted- the more ideas generated, the greater will be the quality of the solution. And (4) combining and improving on ideas are desirable- better ideas can be obtained by building on previous ideas."
• **Brainwriting Pool** (A. B. VanGundy 1988b p133-134)

One of the variations of brainwriting techniques, the brainwriting pool begins with a group of 5-8 participants around a table and asked to silently list three ideas for the solution of a given problem. Each sheet with ideas is then added to a pool in the centre of the table, and a different one is taken. Additional ideas are listed on the new sheet, and it is exchanged for yet another. The exchanges may be made whenever participants feel the need for additional stimulation. At the end of the set time (20-30 minutes.), the sheets are collected and ideas are evaluated at a later stage.

(see Appendix H)

• **Mind Mapping** (I. Svantesson 1989)

Mind Maps may appear to be the unstructured scribbling of an anarchist pondering a particular topic. There is, however, a creative and graphic method to what seems so illogical. The organisation of thoughts or the taking of notes is here based on associations taken down as follows:

1. The chosen subject is given a graphic form at the centre of the page, which acts as the trunk of a tree.

2. As many single-word associations as possible are written on limbs emanating from this trunk in order to create a map of possibilities.

3. Where appropriate, sub-headings are added as branches, which extend out of the existing limbs. Utmost brevity in the choice of branch titles fosters the inclusion of multiple associations in each branch.

4. Logical thinking is employed to identify connections between the limbs and branches, defining four to six general, all-inclusive headings. The map of possibilities is redrawn with these headings as the main, thick
limbs, from which extend only as many branches as is absolutely necessary. This is the completed Mind Map.

(see Appendix I)

As strategic alternatives are raised with the aid of these creative tools, no discussion or criticism of them is permitted, as this is one of the main rules in employing creative techniques. This ban on criticism continues as the alternatives are positioned in the Level of Innovation Matrix (an essentially technical step in the process) and are graded by team members.

It may be argued that this lack of discussion prevents members from hearing expert opinions regarding the proposals from others on the team who deal directly with the field under discussion. However, this is precisely the object of the approach, which attempts to avoid an 'analysed-paralysed' syndrome.

Those who deal directly with the field are in an ambiguous position. On the one hand, they are indeed knowledgeable in their fields and may be able to throw light on the viability of proposals. On the other hand, they may be hampered by being close to the subject under discussion and representatives of the existing policies, reluctant to rock the boat.

In addition, members of the team are all experienced top executives who have an overview of the organisation from their regularly-scheduled executive meetings as well as from their daily dealings with operations. Some of them, particularly in closely related fields, may be highly knowledgeable, but would be daunted by the need to oppose the view of someone either more directly concerned or higher in the organisational hierarchy or with a more dominant personality.

This lack of discussion until after the grading of the strategic alternatives enables all participants to judge the situation as individuals. If the resulting grade is high, then consensus has been achieved. However, if the resulting grade is inconclusive (for example, a number of proposals clustered around the
50% mark), then discussion becomes imperative in order to clarify the ramifications of each and to assess their desirability for the organisation.

E4) Evaluation of the Process

The spirit of PCA reigns not only during the consultation process itself, but also in the evaluation of that process. Evaluation is a process, not a single act. In addition, the tools of PCA are employed in conducting the evaluation at its various stages.

Initial Interface Evaluation

Immediately after the initial interface with the client, there is an evaluation of the possible continuation of the process. The consultant uses a checklist in order to summarise the situation. He considers the questions, which are likely to influence his decision for or against such a continuation (see the discussion of initial interface and its evaluation that begins on page 123 of this chapter). The checklist appears in Table 3.4.
### Table 3.4: Consultant Checklist at End of Initial Interface

<table>
<thead>
<tr>
<th>Topic</th>
<th>Positive Client Situation</th>
<th>Negative Client Situation</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Position Within Organisation</strong></td>
<td>Has access to sufficient power and authority to make intervention viable</td>
<td>Is incapable of implementing change</td>
<td></td>
</tr>
<tr>
<td><strong>Realm of Intervention</strong></td>
<td>Understands and accepts PCA approach</td>
<td>Harbours unrealistic expectations</td>
<td></td>
</tr>
<tr>
<td><strong>Attitude</strong></td>
<td>Is willing to deal with issues of process</td>
<td>Is unprepared for facing processual change</td>
<td></td>
</tr>
<tr>
<td><strong>Time</strong></td>
<td>Allots time framework appropriate to project, participants and possible adaptations according to progress</td>
<td>Pressures for timetable which demands rapid results regardless of progress</td>
<td></td>
</tr>
</tbody>
</table>
Consultant Evaluation of Meetings

At the end of each meeting, the consultant evaluated that particular session. Special attention was paid to the affect of the PCA interventions on the team. The following table was used for this evaluation:

Table 3.5: Consultant Evaluation of Meeting

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

One of the aspects of the process, which cannot be 'properly' evaluated, is the personal one. The experience, education, personality, attitudes and so forth of the consultant as an individual and as a professional are factors in the relationship which develops with the client, and thus affect the process as a whole. The researcher did not observe and 'grade' himself in action.
Post-PCA Evaluation

Following the meetings and decision-making process, the researcher-consultant meets with the entire team in order to attain their evaluation of the process. During the initial interface, process goals had been set (such as: a new strategic direction). The post-PCA evaluation aims at determining the degree to which these goals have been met.

In conducting the post-PCA evaluation, it may be expected that a difference will arise between the responses of the participant(s) who took an active part in the initial interface and the responses of those who were later chosen as part of the team. This may be true especially regarding initial expectations and their fulfilment (or lack thereof). This distinction is not made in the evaluation process.

The decision to attain group feedback (rather than individual, one-on-one feedback) is a natural continuation of the process consultation approach for teamwork. The evaluation is also conducted in the spirit of PCA, including feedback interventions.

The assumption is that if the process were 'unsuccessful', this would be expressed in one of the team meetings, or the process would be terminated. In such a case, the evaluation would have to be individual, each participant giving his reaction separately, both orally and in writing.

However, if the process were not 'unsuccessful', and the participants progressed as a team throughout, the researcher would avoid breaking up the group. Feedback on the process would be attained from the participants as a team, in an unstructured group interview.

Comparison with past consultation experiences is of necessity a significant basis for evaluation of the process by team members. Process Consultation encourages management to solve its own problems, with the consultant as
facilitator in this process. However, it does not directly encourage management to break free from previous policies and practices, thus leaving sufficient freedom for things to go unchanged. Is there a danger of stagnation on the part of management as a result of the consultant role of facilitator, as opposed to the more active role of ‘expert’ or ‘doctor’? As there is no control group, the only possible comparison is with what had been done previously in the same organisation. Were decisions for change made and was change actually implemented in the past? Did these things occur to a greater extent following the use of PCA? This comparison provides a means of measuring progress.

Thus, the evaluation of progress toward implementation is comprised of questions requiring comparisons with the past experience of the organisation. Following an oral discussion, there is a grading process for certain written questions. It may be preferable to write the grades without discussion (in order to avoid undue influence of team members on each other) or at some point to create a confrontation and testing of the two types of responses. In future research, these may be techniques to be tried. In the current study, this was not done.

Some of the questions relate to the pace of planning for implementation. The researcher-consultant has no tools for quantifying the pace of planning for implementation. These are dealt with in relative-qualitative terms only.

During the general oral evaluation, the researcher tries to ascertain the team’s evaluation of PCA. This includes two central questions:

1. Have you participated in an organisational consulting process in the past? If so, how is the current process different from your past experience? More specifically, is there a difference in the degree of progress toward the implementation of action alternatives to further organisational goals?

2. What have you learned from the process? What tools will you take with you?
Following this oral feedback, a brief written questionnaire is distributed by the consultant, to be filled out individually:

### Table 3.6: Evaluation Questionnaire

1. What were your **expectations** at the beginning of the meetings?

Please grade the following items on a scale from 1 to 9. On this scale, 1 is the lowest possible mark (not at all), 5 a median grade, and 9 the highest (fully).

2. To what degree do you feel your **expectations** have been **fulfilled**?

3. Has the process **helped** you **diagnose** the situation of the organisation?

4. Has the nature of the **relationship** between the consultant and the team been **co-operative**?

5. Are you **capable** of using the process and the tools **by yourself**?

6. Will you use the process and tools in the **future**?
E5) The ‘Script’ Format

During the course of the research and the writing of this thesis, there were instances when the need for a procedural decision was over-riding, although there was no clear-cut optimal choice. There were also moments of doubt about previously determined procedural points. These included such topics as the amount of discussion allowed, the use of written grades, the methods of evaluation, and others.

One example during the writing of this thesis was the question of how to present Process Consultation. The natural flow and the informal yet businesslike atmosphere engendered are integral parts of the process. How can these be reflected in a formal thesis, along with an indication of the types of interventions the consultant conducted?

Rather than report on all this indirectly, it was decided to employ a ‘script’ format for those sections of each case that involved PCA. Each such section is divided into Meetings, as they took place in reality. Hopefully, this will enable the reader to sense how matters proceeded.

While there may be other (perhaps even preferable) ways to present this material, the format here seems to fulfil its purpose. As a by-product, it may even serve to ease the reader’s task. Scripts are generally quick reading, a bit telegraphic in that they get the main point across but have less verbiage than straightforward prose. In addition, the format seems appropriate to the spirit of a qualitative study.

The ‘scripts’ attempt to reflect the dialogue as it was originally said by the participants. The meetings were not taped, and the ‘scripts’ are not precise, not word-for-word. At each meeting, notes were taken, with special attention paid
to participation and to unusual forms of expression. These notes were expanded on following each meeting.

The 'scripts' of the meetings are not all detailed to the same degree. The initial 'scripts' attempt to give a general feeling of the temper of the meetings and to illustrate more fully how they were conducted. Assuming these points need not be over-laboured, later 'scripts' are less detailed, more restricted to the business under discussion. It is natural that irrelevant parts of the conversation (such as scheduling conflicts or sugar for the coffee) have been omitted, as are references to body language and emotions, unless they add substantially to the content.

When transcribing the 'scripts' of the meeting, three alternatives were weighed regarding the method for including references to the types of Process Consultation interventions employed:

1. Not list the interventions at all,

2. List each intervention as it occurred, immediately following the consultant's dialogue, or

3. List all the interventions for a specific meeting at its conclusion, according to the order in which they were used (but each only once, even if the same intervention re-occurred).

It was decided to choose the third alternative.

The first alternative does not serve the interest of indicating the role of PCA in the process. It is unthinkable to entirely omit references to the relevant types of intervention when the study is so intrinsically involved in Process Consultation.

The second alternative requires an over-use of listing, causing the 'script' to become cumbersome. The types of intervention are not integral to the 'script', and would interrupt the very flow, which this format aims at reflecting. For the
reader, this would also become terribly repetitive, as the same types of intervention re-occur a number of times.

The third alternative enables the 'script' to reflect the flow of the meeting while describing the use of PCA. Although re-occurrence of a particular type of intervention is not detailed, the reader is given sufficient information to comprehend the situation at hand.
A) General Background

The industrial company (IC) involved in this study is a textile manufacturer.

The company is wholly owned by a kibbutz (a communal settlement, originally based on a socialist agricultural life-style). On its staff are both kibbutz members and hired employees. Among them are engineers and technicians, some with extensive experience.

In general, IC prides itself on producing at a high level of quality, and consequently feels justified at keeping its prices above those of the lower quality producers. The strict quality requirements of both the Israeli and international military have been met.
B) Pre-Intervention

B1) Stakeholder Groups and Organisational Structure

B1a) IC Stakeholder Groups

The stakeholder groups involved in IC are:

- **Kibbutz members**: In general, the relationship between kibbutzim and their companies has undergone a process of change. Originally, these companies were regarded as another branch of the kibbutz (similar to the agricultural branches or the local garage and mechanic's shop, for example).

Most major decisions regarding a company (its establishment, investments, expansion, whether to export and where, etc.) were made by the kibbutz. These decisions were often taken by forums (such as the general meeting of all kibbutz members) whose participants did not necessarily have business or other appropriate backgrounds.

In some kibbutzim, hiring any workers at all from outside the kibbutz was considered a breach of ideological precepts, a matter for acrimonious debate. Allowing such workers to attain positions of power was utterly unthinkable. Management was sometimes a matter of taking turns, rotated among a more-business-oriented group of kibbutz members.
Indeed, management may not be the appropriate term, as there was almost no hierarchical structure to speak of. Managers, designers and office personnel were expected to work on the factory floor part of the time, and day-to-day decisions could be brought up for discussion and decision at a general meeting of all workers, where management and line-workers had equal status.

Following a major financial crisis in the kibbutz movement as a whole, all this has altered considerably. Most kibbutzim have separated the community from the operation of their companies, in some cases introducing external partners as well. Outside workers are often the rule rather than the exception, and it is common to have executive employees in charge of a standard hierarchically structured organisation. A Board of Directors has been established in many such companies, which mixes kibbutz members with company executives and external experts and advisors. In brief, the kibbutz company has become a business.

- **Board of Directors**- The Board of Directors of IC is indeed comprised of a mixed group. Some are not workers in company, but members of the kibbutz in management positions within the kibbutz (such as Treasurer). They may be seen as representatives of the owners. Others belong to the top executive management of the company.

- **Top executive management**- These are all employees of IC. All the members of this group hold key positions within the company. Some of them are members of the kibbutz and some are not.

The limits of the organisation are not absolute. They have become fuzzy. The influence of external stakeholder groups has great effect on the business decisions of the company. They take an ever-increasing part in and have growing influence over internal decisions. In this case, there are:
• **Designers** - The situation with them is particularly complicated. They act both as part of the group of clients and as involved external parties in decision-making regarding products and technology.

• **Retailers** - Retailers are externally involved in the business aspects of IC.

• **Clients** - Clients in general (designers, retailers and other textile companies) are externally involved in quality assurance and quality protection processes.

**B1b) Organisational Structure of IC**

IC operates within a functional structure. This includes the following departments:

- Purchasing
- Marketing
- Sales
- Production
- Planning & Development

Of these, the first two (Purchasing and Marketing) are headed by Directors, who have a higher status within IC than the Managers who head the other three departments.

There is no Human Resources Department, as each department head fulfils the relevant functions for his own department. Hiring, firing, promotions, salary levels, vacation time and other manpower decisions are taken directly by the head of each department.
In addition, there is no Financial Department, as all financial management and bookkeeping is handled by the existing kibbutz functionaries.

The existing departments and their heads report directly to the General Manager. He is a member of the kibbutz, as are all the department heads. There is a distinct desire to keep management positions within the kibbutz population. Only when no appropriate candidate can be found within the kibbutz is the position opened to ‘outsiders’.

Similarly, the Board of Directors, to whom the General Manager is responsible, is comprised wholly of kibbutz members. They are selected in two ways:

- directors who are on the Board as part of their functions as kibbutz officials (Secretary, Treasurer, etc.).
- directors who have been selected to sit on the Board as a result of their recognised knowledge and experience in business, etc.
Figure 4.1: Organizational Structure of the Industrial Company
B2) The Environment

B2a) Customers

IC's customers belong to two major groups:

- The local market
- The foreign market

The local market is based on a limited number of wholesalers who distribute IC's products to several hundred stores in Israel.

Foreign market sales are centralised in the hands of a single European dealer.

The end-users for IC's products come from all levels in the population.

The main advantage of IC's products lies in their high quality

B2b) Competitors

IC supplies textile products and apparel.

Israeli textile and apparel is largely concentrated in the hands of a small number of companies: In 1995, 50% of exports came from only 9 companies. Of these, 3 account for 31%, and a single company handles fully 14% of all
Textile and apparel exports. (Manufacturers Association of Israel 1996, p.10). These major companies

"account for ... about 30% of (the industry’s) employed manpower and about 70% of its exports." (Israel Export Institute, 1996a, p.4)

The Delta Galil Industries Group is based mainly in northern Israel, with a number of sub-companies whose production is dispersed among various cities and villages. Among its assets are

"a large knitting mill, a dyeing and bleaching works, a hosiery knitting department, sewing departments for knitted cotton underwear and shirts, and a towels manufacturing plant. Most of its output is designed for export." (Israel Export Institute, 1996a, p.4-5)

The Polgat Textiles Group is located in the southern part of central Israel, where it has a main plant with:

"cotton and wool spinning mills, a jeans knitting mill that incorporates a bleaching works, a knitting mill for woollen fabrics, a bleaching and finishing works for woollen fabrics, and a plant manufacturing men’s suits" as well as two other plants "for the sewing of trousers. The Group markets its suits in the United States under its ‘Bagir’ brand name. Most of its output is exported." (Israel Export Institute, 1996a, p 5)

The Kitan Group headquarters are in Tel Aviv, with the actual manufacturing taking place at four sites around the country. Its linen, towels, jeans and men’s shirts are made in its

"cotton spinning mills, and knitting, bleaching, dyeing and ready-made clothing plants.... Most of its revenues derive from export sales." (Israel Export Institute, 1996a, p 5)

The Gibor Sabrina Textiles Group has both central and northern locations for its factories, which produce
"socks, knitted stretch stocking tights and ladies' fashion underwear, marketed under well-known international brand names. About 50% of its output is exported." (Israel Export Institute, 1996a, p 5)

The Caesaria Wardinon Textiles Group has two factories in central Israel where it manufactures the fiber used in making synthetic furs, itself knits synthetic fur fabrics, produces carpets and a range of bathroom fabrics, and makes bed linen and 'jacquard' towels. Most of its output is exported." (Israel Export Institute, 1996a, p 5)

The Macpell Industries, New-Net, Tefron Group operates in a number of locations around the country.

"In Segev, it has a large knitting mill, while in the other locations ... it runs ready-made clothing departments, equipped with sophisticated machinery and facilities. Its products consist of high-quality knitted fabrics, fashion underwear for prestigious retail outlets, and knitted outerwear. Most of its output is designated for export." (Israel Export Institute, 1996a, p 5)

The Lodzia Argaman Group plants are mainly situated in central Israel, and include

"a knitting mill, a bleaching and dyeing works, a large printing plant, and a ready-made clothing department. Its products consist of underwear, outerwear and hosiery, and it makes available to others a range of services in the areas of dyeing, bleaching and printing. It exports both ready-made garments and printed fabrics." (Israel Export Institute, 1996a, p 6)
32c) Suppliers

IC purchases its raw materials both in Israel and abroad. Prices are set by the suppliers. Because of the relatively small size of its order, IC has virtually no influence on price setting.

32d) Economic Environment

32d1) General Israeli Economy

The textile and apparel industries operate within the framework of the general Israeli economy. A crucial influence on the economy is exercised by the government, although other forces are also at work.

"In terms of long term strategic targets, the present government does not differ from its predecessor. The long-term goal of economic policy remains to bring Israel an income per capita of over $20,000 by the end of the decade. This level of income would put Israel at the middle of the scale among industrialised countries. To achieve this objective the economy will have to grow rapidly. Indeed, it is expected that by the end of next year, the economy will be expanding at about 5%, which is a rate that can be sustained without incurring balance of payment's deficits or arousing inflationary pressures." (Israel Export Institute, 1996b, p.2)

These are twin economic concerns of the government: the balance of payments and the rate of inflation. Although increasing, the external deficit has not yet resulted in significant pressure; the government aims at warding off potential difficulties in this area by attempting to bring the deficit down to 'manageable levels'. The rate of inflation has also been beyond official targets.

"Both the higher rates of inflation and the widening gap between imports and exports indicate that the source of the problem is excessive demand, which was fuelled by a rapid growth in government spending in
1995 and 1996.... (T)he new government approved a proposal to slash government expenditure...The cabinet also approved a multiyear framework for projected budget deficits....The premier and his finance minister have ...stated that they want ...to implement a program of far reaching structural reforms. The government has pledged to encourage Israel's integration in world markets, to pursue an "open-door" policy to foreign investment, to reduce significantly restrictions to trade and administrative barriers, to liberalise foreign trade by cancelling non-tariff barriers and to liberalise the capital and financial markets as well as the labour market.” (Israel Export Institute, 1996b, p.1-2)

In general, the Israeli economy went through a period of brisk expansion during 1991-1995, with a slow-down beginning in early 1996. The slower pace could be detected in the less-rapid growth of retail sales, a gradually lowered rate of inflation, and a drop in the rate of industrial output growth. (Israel Export Institute, 1996b, p.1)

Part of government policy is a process of liberalisation, which includes growing exposure to international market forces. This is being encouraged through trade agreements with the United States, the European Union, the EFTA countries, Canada and Turkey. (Israel Export Institute, 1996b, p.12)

As the customs barriers are being reduced, there are expectations of an increased volume of trade (both exports and imports). (Israel Export Institute, 1996a, p. 2)

"In the first 11 months of 1996, total Israeli exports, excluding diamonds, reached 12.8 billion dollars, as compared with 11.9 billion dollars during the corresponding period" the previous year. (Israel Export Institute, 1997, p.4)

This same policy of liberalisation

"will create opportunities for local high-tech enterprises, while simultaneously hurting small manufacturers, or those with relatively outdated equipment who are therefore not economically efficient." (Israel Export Institute, 1996a, p. 2)
On the whole, the development of high-tech, computerisation and communication, together with systems based on them, has caused a fundamental change in the Israeli economy. Technology, rather than manpower, has become a foundation for industry.

The traditional low-wage basis has become increasingly difficult to sustain. One reason for this is that the Israeli standard (and cost) of living has been on the rise. Consequently, low-wage industries have difficulty making a profit while keeping up with workers' expectations for what seems to them reasonable remuneration.

B2d2) Israeli Textile and Apparel Industries

A list of events and processes which affected the textile and apparel industries in Israel in 1995 was comprised by the Manufacturers Association of Israel (1996, p. 18). The list included a broad range of factors:

- A continued governmental policy of exposure to imports.
- Increase of illegal imports and the inability to implement enforcement.
- GATT Agreement (loss of advantage from Free Trade Zone agreement).
- Free Trade Zone agreements with Turkey, Eastern European countries and Canada.
- Peace agreement with Jordan.
- Rising cost of labour (minimal wage).
- Interest rates- cost of capital.
- Fluctuation of foreign currency exchange rate.
- Potential Environmental Ministry intervention.
- Reduced activity in textile and apparel industry- credit rankings at banks, etc.
The textile and apparel industries are manpower-heavy. An indication of this can be found in the statistics as recent as those of 1995. Workers in these industries comprised about 12.2% of the general Israeli industrial work-force in 1995, although the revenue generated from these industries represented only about 6.6% of that generated from Israeli industry in general. (Manufacturers Association of Israel, 1996, p. 3-4)

In the past, one of the elements, which traditionally characterised the Israeli economy, was low-wage labour that encouraged manpower-heavy industries. Among these, as already noted, was the textile industry. However, real wages in the textile and apparel industries have risen beyond that of Israeli industry in general.

Table 4.1: Wage Increases (1994-95)

<table>
<thead>
<tr>
<th></th>
<th>1994</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>Textile and Apparel</td>
<td>1.1%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Israeli Industry in General</td>
<td>-1.5%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

(Percentages show change in wage per hour. All figures relate to 1995 as a basis).

(Manufacturers Association of Israel, 1996, p. 15)

The increase in wages is in stark contrast with the international trend to import textiles from countries with inexpensive labour.

"To compete successfully with such inexpensive labour, Israel's textiles industry has no option but to resort to a variety of other measures. These include developing novel products, placing greater emphasis on design, investing more intensively in marketing and in discovering suitable market niches, selling its products under existing brand names or creating entirely new brand names, and expanding the degree to which it uses such names for the new products that it develops. In addition, the industry needs to reduce its costs by purchasing its raw
materials from alternative, less expensive sources and transferring part of its manufacturing activities overseas, to neighbouring countries where labour is relatively inexpensive. It has invested considerable efforts in introducing modern manufacturing methods and implementing such techniques as 'T.Q.M', 'Just in Time', and 'Re-engineering'." (Israel Export Institute, 1996a, p. 2-3)

Government attitudes towards the industry favour

"only the creation or expansion of enterprises planning to invest in modern equipment, introduce sophisticated manufacturing methods, and conduct suitably aggressive marketing strategies- including the establishment of long-term infrastructures." (Israel Export Institute, 1996a, p.2)

An additional dynamic element in the Israeli economy, which affects the industry, has been the opening of the Israeli market to a broader, international market. In 1995, textile and apparel exports were as listed in Table 4.2. Among the interesting figures here is the 'Others', which in 1995 was beginning to include previously hostile neighbouring countries. The fluctuations in the peace process may cause fluctuations in this figure as well. (see the following section of this chapter, on the Political Environment
Table 4.2: Textile and Apparel Exports from Israel
(1995)

<table>
<thead>
<tr>
<th>Country</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>$419 million</td>
</tr>
<tr>
<td>Britain</td>
<td>$211 million</td>
</tr>
<tr>
<td>Germany</td>
<td>$116 million</td>
</tr>
<tr>
<td>Other Common Market Countries</td>
<td>$225 million</td>
</tr>
<tr>
<td>Others</td>
<td>$110 million</td>
</tr>
</tbody>
</table>

(Manufacturers Association of Israel, 1996, p. 9)

During 1994-1995, both exports and imports were on the rise. The increase in imports (over 15%) was greater than the one in exports (8%). Even so, in 1995, the rise in exports to the USA was 16 times what it had been in 1985. (Manufacturers Association of Israel, 1996, p. 2, 9) It should be noted that trade agreements with the United States and the European Union

“provide substantial advantages to Israel textiles and apparel industry, and are capable of supplying significant leverage for its future development.” (Israel Export Institute, 1996a, p.12)

However,

“the textile and clothing industry recorded a decrease of 3.3%”

during the first 11 months of 1996, a period in which Israeli exports in general rose.

“The drop that occurred in exports of textiles, clothing and leather continued throughout the year.... This industry had been undergoing a
period of expansion during the 90's until last year when the trend reversed." (Israel Export Institute, 1997, p. 4, 12)

Only time will tell whether this is indeed a reverse in the trend towards increased exports of textiles and apparel. Over the three years, 1994-1996, the overall figure is a 4.7% increase (8% rise in 94-95, 3.3% decrease in 96), despite the dip towards the end of the period.

There are non-governmental bodies, which influence the direction being taken by the textile and apparel industries. One example is the Israel Export Institute, whose Textiles & Fashion Department instituted projects for the promotion of Israeli textile exports in three major areas in 1996: household textiles in the United States, fashion goods in German retail chains, and co-operation with Egypt and Jordan. (Israel Export Institute, 1997)

B2e) Political Environment

The Middle Eastern peace process has already garnered economic results. There is a new willingness on the parts of a growing number of previously hostile countries to develop business relationships with Israel. Fresh export markets have grown. These developments have also opened up the possibility for Israeli producers to relocate their manufacturing processes to lower-wage neighbouring countries.

One of the direct results of the peace process for the Israeli textile industry stems from the complex relationship with the territories in Gaza and the West Bank, where administration has been largely- but not entirely- turned over to the Palestinian authority.

"Companies in the territories will probably start selling cheap textile goods, both locally-manufactured and imported from elsewhere, in the Israeli market. On the other hand, Israeli enterprises should be able to improve their own competitive position by having their textile products
manufactured by the relatively inexpensive labour available in the territories." (Israeli Export Institute, 1996a, p.3)

The peace process is not a stable one. The relations vary from the honeymoon-like relations between Israel and Jordan at the time of the signing of the peace treaty through the current undisguised hostility and outbreaks of violence between Israel and the Palestinians to the seemingly endless American attempts to at least start negotiations between Israel and Syria. The dynamic range of political reactions to the situation has economic ramifications.

### B2f) Cultural and Life-Style Environment

As a textile manufacturer, IC is naturally affected by the changes in cultural and life-style attitudes. A clear connection exists with fashion trends in its field, where there are currently:

- **The romantic-nostalgic trend**: Products for the clientele who chose this direction must be relatively delicate in design, made of soft, smooth materials (lace, satin...). However, to fulfil their function, they must also have strength and durability.

- **The hi-tech and sport look**: The products for this market must have a harder (though flexible), modern (perhaps shiny) look. Materials may have a somewhat coarser texture, emphasising their practicality, yet remain inherently appealing.

- **The use of underwear as outwear**: This tendency means lingerie is potentially a garment to be seen in public. Consequently, the pieces must have a finished quality, perhaps coming in a wider-than-ever variety of colours and designs.
B2g) Technological Environment

Technological strides have been taken in the Israeli textile industry in recent years. These have affected most areas dealt with by the industrial company, whether directly or through their influence on suppliers, competitors and customers. Advances in cotton spinning have both improved the conventional 'rings' method and moved a large part of thread production to machines using the modern 'open end' technique. Employing extremely sophisticated technologies now performs the production of synthetic fibers. Bleaching, dyeing and printing processes have undergone similar modernisation and re-equipment. At the same time that there has been down-sizing (as a result of competition from low-wage countries) in weaving, there has been up-dating of machinery, which now primarily uses the modern, spindle-less, Air Jet system. (Israel Export Institute, 1996a, p.7-8)

B3) Previous Strategic Planning Preparation by Consultants

IC had worked with 'expert' consultants in the past. In his 8 years as General Manager, the current GM had already had two experiences with such consultants. In both cases, these 'experts' had prepared strategic plans. Yet neither had been implemented.

The GM's feeling, as later expressed to the consultant (researcher), was that the previous consultants had perhaps done professionally and academically sound work. There had been requests for information, questions had been asked, and external information had been gathered. The material they collected had been primarily of a quantitative nature and had been collected in quantity.
However, the consultant had performed each of these plans almost single-handedly, and a full written report had then been submitted to the IC management. Basically, the experts' recommendations had been deemed inappropriate for IC. Apparently, despite the extensive work, they had missed some non-quantifiable element, which would make their plans fit the characteristics of this specific organisation with these specific people and at this specific time. The very existence of a strategic plan which proposed the re-design of their organisation's particular 7 S's (R. Waterman, T. Peters and J. Phillips 1980. See discussion of the 7 S's in Section B1 of Chapter 2) was perceived as a threat by certain members of top management. The experts' recommendations had been rejected in practice by IC's management. Therefore neither of the plans had been implemented.

**B4) Need for New Strategy**

The price of its products is a critical element for IC, which is a low-tech company. There is consequent pressure to cut wage expenditures, despite rising wage expectations within Israel. Several other Israeli textile companies have re-located their manufacturing sites to low-wage neighbouring countries (Egypt and Jordan, for example).

The pressure to lower IC's prices raises other questions as well. Would it be preferable to cut prices as much as possible, vying for the low-cost markets? Would IC do better by differentiating itself with distinct products or markets, without slashing prices?

In addition, while international agreements have the potential for opening new markets for IC, they also have the potential for opening IC's present markets to new lower-priced competitors, particularly from the Far East. These agreements may become a blessing or a curse, and how IC deals with them may determine to a significant extent that they will be.
The top executive management of IC naturally takes these pressures, trends and questions seriously, regarding them as possibly helpful or dangerous to future profitability. There is a clear need to re-think strategy in order to deal effectively with the developing situation.
C) Initial Consultant and Management Interface

Following the recognition of a need for a new strategy, the IC General Manager (GM) met with the consultant (researcher). In light of IC’s two previous experiences with ‘expert’ consultants, there was a certain natural degree of wariness in GM’s attitude. The feeling was that a repetition of the past must be avoided. There was stress placed on the need for any process of theoretical strategic planning to fit IC’s specific needs and to lead to practical implementation.

The GM was unaware of the Process Consultation approach (PCA). In a meeting, PCA was explained, together with SWOT Positioning as a tool to aid in formulating strategy while engendering full consensus. The GM requested time to consider the possibility of IC undergoing PCA.

A second meeting was set, in which the GM and Marketing Director participated. The Marketing Director was as ignorant as the General Manager of Process Consultation and the use of SWOT Positioning. Again, an explanation was given. As a result of this second meeting, a positive decision was taken by IC.

The top management team of IC was chosen to undergo the process. This team included the General Manager, the Marketing Director, the Purchasing Director, the Production Manager, the Sales Manager and the Planning and Development Manager. No manager from the financial side of IC was included because the financial management of the company, aside from straightforward bookkeeping, was performed by the kibbutz. No human resource manager was on the team because there was no such specific position in IC. Each manager handled all human resource matters for his/her own unit.
During the creation of the team, the consultant was given a basic description of the members, their responsibilities and general attitudes.

The management of IC saw the process as important. Its members were willing to devote whatever time was necessary, despite their on-going tasks within the continually functioning organisation.

At this stage, the consultant employed the checklist for summarising the initial interface (blank form presented as Table 3.4, here completed regarding IC, as Table 4.3):
### Table 4.3: Consultant Checklist at End of Initial Interface with IC

<table>
<thead>
<tr>
<th>Topic</th>
<th>Positive Client Situation</th>
<th>Negative Client Situation</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Position Within Organisation</strong></td>
<td>The chosen IC team clearly has both power and authority to implement decisions.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Realm of Intervention</strong></td>
<td>GM and Marketing Director seem to have understood PCA and are open to using it.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Attitude</strong></td>
<td>GM and Marketing Director state their willingness to deal with issues of process.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Time</strong></td>
<td>GM has allotted necessary time framework, and has ensured consultant of flexibility as needed.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

When the researcher-consultant left the meeting he felt there was a positive basis for continuing the process.
D) Process Consultation in Action

At the beginning, the team and the consultant dealt with the basic conditions of the process.

1) The problem of the industrial company (IC) was undefined. There was a dull anxiety regarding the future, but it was not focused. The team members felt they were in a kind of bind, with external pressures.

2) The IC team was unsure of the type of help it required. The role of the consultant was to assist them in working on the problem.

3) The consultant was an outsider, and as such not privy to information regarding the culture of IC, the personalities involved, the history of the problem, etc. The team was a necessary provider of input on all internal factors, including, of course, the diagnostic stage. Thus the client was meaningfully helping himself.

4) The team and consultant agreed on the main goal: the formulation of a strategic plan, which would achieve newly, defined strategic goals. It was agreed that the process and this objective would not prevent IC team members from making decisions and implementing them during the process.

5) During the meetings, based on the agreed-upon PCA, IC requested alternatives for action, which could be examined on the basis of existing IC expertise and knowledge, with an eye to making an appropriate decision in the future.

6) The IC management team was extremely enthusiastic regarding the possibility that the approach, tools and techniques acquired during PCA
would be available to them for future self-help. This was chosen as a second goal of the process.

**D1) SWOT-Positioning as a Platform for Interventions**

**Meeting 1**

(Consultant and team gather at IC headquarters. After preliminary amenities:)

**Agenda Item 1: Major Strategic Issues**

*Consultant:* What are the major strategic issues of concern to IC?

*General Manager:* Ensuring the future profitability of IC, of course.

*Consultant:* (To all participants:) What are the areas in which profitability can be increased?

*Purchasing Director:* OK, that's quite clear: reducing costs.

(Consultant knows, from the team selection process, that IC is in the process of change as a result of contradictory forces at work within the organisation. Some of the participants are market-oriented while others have an approach that focuses on manufacturing advantages.)

*Consultant:* Reducing costs is a good way to go. To what extent do you feel IC can still reduce costs?
General Manager: That's a complex problem. I really don't see how we can do anything significant in that direction.

Consultant: All right, then what about going the other way? How can IC not reduce costs any further, and still preserve its profitability?

Planning and Development Manager: Well, the only direction that I know is increasing sales.

Marketing Director: OK, we're coming back to basics. (Cynically:) Now I see the reason for my salary.

Production Manager: The four main areas we can focus on in order to increase sales are Products A, B, C and D.

Marketing Director: We all know that in the marketing mix we have the six basic P's: product, pricing, place, promotion, professional selling and personal care. If we're focusing on product, we have to remember that it's actually not just a single P- the product, but a double P- the product-people. And that brings us to a focus on different market segments- the people. We have two types of market to deal with: local and export. So actually, we don't have four products, but eight combinations of products and markets. Look, I'll make a table for you. (Draws the following table:)

<table>
<thead>
<tr>
<th>Product A- Local market</th>
<th>Product A- Export market</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product B- Local market</td>
<td>Product B- Export market</td>
</tr>
<tr>
<td>Product C- Local market</td>
<td>Product C- Export market</td>
</tr>
<tr>
<td>Product D- Local market</td>
<td>Product D- Export market</td>
</tr>
</tbody>
</table>
(Other participants nod and express general agreement.)

Sales Manager: I suggest we start from Product A for the export market. It reflects a really tough competitive market.

Consultant: I see you all agree about the eight product-market categories. How about products, markets or product-markets that don’t exist today? Any new suggestions?

General Manager: There’s enough to do with what we already have.

Consultant: Which of the four existing products is the newest?

Planning and Development Manager: Product A is the newest.

Consultant: How did you decide to add it to your product mix?

Planning and Development Manager: We were approached by a representative of the firm that makes the machines for producing Product A. It looked interesting, so we checked it out. Here at IC, we put together a business plan that showed a promising, profitable return on our investment.

Consultant: So the initiative then came from outside. Do you think there’s a point in being more entrepreneurial today, and looking for some additional strategic direction?

General Manager: That’s a good question, but I’d prefer to leave it till a later stage. Let’s start with Product A in the export market, as our Sales Manager suggested. (To the team:) What do you think about this?
**Marketing Director:** Looking for new opportunities is essential, but that may be the result of the process we've just begun. I agree that we can leave it for a later stage.

(All nod in agreement.)

---

**Types of intervention used during Meeting 1, Agenda Item 1:**

- Diagnostic questions and probes - diagnostic and action-oriented
- Forcing concretisation - diagnostic
- Forcing historical reconstruction - diagnostic
- Active, interested listening - exploratory

---

**Agenda Item 2: Product A in the Export Market - Setting a Strategic Goal**

**Consultant:** I understand that we have eight categories of product-market combinations, and we are starting with Product A in the export market. Where do things stand with this product-market combination now? Where do you want to go with it? The first thing we have to do is to set a strategic goal for the year 2000 for our category.

**Sales Manager:** I'm really glad we're beginning with this category. As I said before, this is a very competitive market. I feel pressure daily to reduce prices. So how can we set a goal for four years from now when it's hard to know what's going to happen even tomorrow?

**Consultant:** I can understand how you feel, but one of the major reasons we're working together is to re-think IC's present mode of operation. In our sessions, we're going to try to remove ourselves from whatever is happening on a
day-to-day basis, and to look four years ahead, setting strategic goals for the year 2000. Once we know what we want in the long range, we can come back to the near future and determine what to do now. Only by removing ourselves from the present can we learn what sort of re-shaping is needed.

**General Manager:** I think we should make a straightforward linear extrapolation from our data about the past in order to set a goal for the future.

**Marketing Director:** But that will reflect a constant tendency, a continuation of the same kind and degree of progress. It won’t help us disconnect from our current reality and think freely about the year 2000.

**Consultant:** What other alternative do we have that can help us determine the strategic goal?

(No reaction from the team.)

**Consultant:** Let’s try to forget the current situation and try to construct a long-range vision. What do we want to achieve in the framework of this vision?

**General Manager:** OK, that helps. Let’s close our eyes for a moment and think about it.

**Consultant:** How do you see the strategic goal IC would like to achieve?

**Marketing Director:** I see the figure of $12 million in exports as tough to do, but not impossible. That’s what I’d recommend.

**GM:** That’s an extremely challenging goal. I’d love for us to do it, but you should know that most of the efforts will be yours, as Marketing Director.

**Marketing Director:** That’s fine. I like a good challenge. But, just as we’re working here, on this, as a team, I’d like to know that I have a team supporting me if we decide to try something challenging.
Sales Manager: Well, I agree that it's a challenging goal, and we certainly should try to reach it. But I understand that now I'll start working nights as well as days.

Consultant: Any reservations from anyone else? Any other feedback on the idea of setting $12 million dollars as the goal?

(Others agree to the goal.)

Consultant: (Distributes and explains Map IC-1, which is the SWOT Positioning map with numbered axes, but without category title or strategic goal. Adds title and goal, to create Map IC-2.) For the next meeting, will you each please make a list of the internal strengths and weaknesses of IC as it is now that are relevant to the strategic goal we've just set.
Map IC-1
Industrial Company
Map IC-2
Industrial Company
Export Market for Product A
Goal: $12 million export by the year 2000
Types of intervention used during Meeting 1, Agenda Item 2:

- Active interested listening - exploratory
- Forcing concretisation - diagnostic
- Forcing process emphasis - diagnostic
- Diagnostic questions and probes - diagnostic and action-oriented

Table 4.5: Consultant Evaluation of IC Meeting 1

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Positive.</td>
<td>The goals for IC in general have been set. The team has begun to concentrate on one of the goals, and set a quantified target.</td>
</tr>
<tr>
<td>Effect of PCA Interventions</td>
<td></td>
<td>First exposure of the team to PCA.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td></td>
<td>None as yet.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td></td>
<td>None as yet.</td>
</tr>
</tbody>
</table>
Meeting 2

(Consultant and team gather again at IC headquarters.)

Planning and Development Manager: I did my homework and I've brought a list of strengths and weaknesses. What do we do with it?

Consultant: (To team:) We're going to work on it systematically. Each of you is going to raise IC's internal strengths and weaknesses as you find them relevant to the goal we set together. We'll go around the table, and each of you will bring up whatever seems appropriate to him.

Purchasing Director: Could you distribute some sort of checklist, so we can work with that as a guide?

Consultant: There are two possibilities: one is working with a checklist and going over each of the topics on it, and the other is more spontaneous, more "open". I believe the more open approach will reflect the factors which each of you sees as more relevant. Working openly enables us to free ourselves from a structured view that doesn't necessarily fit what you see as relevant. If any of you wants to work with a checklist that you feel is right, you're free to do so. But I won't create or distribute one. (The Consultant's approach is that in order for the SWOT Positioning Map to be an effective platform for Process Consultation interventions, it is preferable for the creation of the map to be more open and spontaneous.)

General Manager: I want to introduce the first factor, which I believe is a major strength: the professional, technological ability of our company to manufacture the main product line.

Consultant: What do you mean when you say 'main' product line?
General Manager: We have various product lines within Product A. The main product line is a standard one. We also do custom work.

Consultant: (To the team:) Regardless of what the General Manager said, each of you must decide independently whether this is a strength or a weakness. So please give a grade to this item, between -9 and +9. Don’t say anything—just write it down. You can use halves, but no smaller fractions, please. (Pauses for a minute.) OK, I see you’ve finished. Let’s see what we’ve got. (Takes grades from each participant.) We have a ‘pure’ strength here: all the grades were positive, and even clustered in a single area. I’ve rounded the average off to the nearest half. It’s close enough for our purposes and it simplifies matters. The average score here is an 8. (To the Marketing Director, who is sitting next to the General Manager:) OK, it’s your turn, now.

Marketing Director: I’d like to bring up the custom products. The same strength we just graded exists for the custom products, too. After all, it’s the same professional, technological ability. It’s just focused on a different market.

Consultant: The topic is the professional, technological ability of your company to manufacture custom products. Please note the grades and hand them in. (Pauses while this is done.) The grade here is a 6, and it’s another ‘pure’ strength. Who’s next?

Production Manager: I am. I’m sorry we have to move to the negative side of things, but there’s something that keeps bothering me. Raw materials are so—expensive!

Consultant: Can you give us details? That’s a pretty general statement. Is it tied to a particular product line? Are some products more susceptible to this than others?

Production Manager: Well, it’s a particular problem for the standard line. The custom products use different materials.
All right, then, let's grade the high cost of raw materials for the standard product-line. Please write down a number, and pass the notes along. *(When this is done, continues.)* Well, we've got a consensus again. It's pure weakness, and all of you have given it more-or-less the same grade. The average is -4.

*Marketing Director:* I'm relatively new in my position, and before I came others dealt with the export market. I feel there's a large gap in my knowledge about

*General Manager:* But I gave you everything we had on this, including a marketing research report about Europe. Don't you have the material?

*Marketing Director:* Of course I've got it, but it's just a drop in the bucket. And in my case, I prefer getting information directly from the field, and then to base planning on that.

*Consultant:* *(To the Marketing Director.)* I understand you feel this is a weakness. Can we rank it for the SWOT map?

*General Manager:* OK I agree that it might be a weakness, but a very minor one.

*Consultant:* Let's not make any assessments orally, in order not to influence others. We'll do the grading in a written form, the way we have with the previous elements. *(Participants write their grades down and Consultant collects them.)* Well, this time there seems to be a greater variance in the grades you've awarded: they're not all clustered together. The average is -4.5.

The Production Manager and the Planning and Development Manager are having a private conversation. At the beginning it is whispered, but the tones
ually rise, and the other participants start to listen in and wait. The discussion suddenly ends and all is quiet.)

Consultant: (To the two of them:) OK, gentlemen, what do we have here?

Planning and Development Manager: Never mind it was just a discussion between the two of us. We can go on.

Consultant: It looked to us as though it might even have been an interesting discussion. Was it about something private, or is it relevant to what we’re doing here?

Planning and Development Manager: It was definitely a professional discussion. We don’t bring private matters into meetings. And yes, it does involve the weaknesses we were talking about before.

Consultant: Then let’s hear it.

Planning and Development Manager: Look, we disagreed on the importance of the limited range of products. I think that’s a really major weakness.

Production Manager: I agree that it’s weakness, but there’s no need to exaggerate.

Consultant: All right, let’s see what the others think. Please give this a written grade. (Collects them when all have finished writing.) Once again, there’s a variance in your grades, and it’s greater than last time. But they’re all negative marks, so it’s certainly a ‘pure’ weakness. The average is -6.

Production Manager: Maybe it’s my turn now to reveal some of that private discussion we had. I want to share another weakness with you: the technical quality of the product. So far as I understand, it’s not a very major weakness, but it should at least be noted.
Consultant has the team grade this element, which turns out to be a 'pure' weakness with an average of -3.)

Consultant: At this point we'll put all the strengths and weaknesses we've dealt with so far on a map. You'll each get a copy later today, and for the next meeting can prepare comments about what we've done and ideas about additional strengths and weaknesses not yet touched upon.

Participants receive Map IC-3.)
A lack of information regarding the international market

The high cost of raw materials for the standard product-line

The technical quality of the product in comparison with the competitors' product

The professional technological ability of IC to manufacture the standard product-line

The professional technological ability of IC to manufacture custom products

Map IC-3

Industrial Company

Export Market for Product A

Goal: $12 million export by the year 2000
**Types of intervention used during Meeting 2:**

- Active interested listening - exploratory
- Forcing concretisation - diagnostic
- Diagnostic questions and probes - diagnostic and action oriented
- Forcing process emphasis - diagnostic

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td></td>
<td>The team is actively involved in advancing toward its set goal.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Positive.</td>
<td>The team seems to be getting used to the approach.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Getting Started.</td>
<td>Preparation of 'homework' by part of the team.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>Participating in SWOT grading.</td>
</tr>
</tbody>
</table>
Meeting 3

Consultant and team meet, as usual, at IC headquarters.

Production Manager: (Speaks to Consultant before meeting begins:) Looking over the map after the last meeting, I found a mistake in the terminology for one of the items.

Consultant: I'll be happy if you bring it up at the beginning of this session. 

Calls participants to order, and then:) I've just received some feedback from Production Manager regarding the last meeting, and I've asked him to raise a point within the framework of the meeting rather than outside it. This is because all points you have to raise about our work are part of the process. We should talk about them together and keep a record of them. So if anyone has any questions, suggestions, or whatever, please bring them up at the meeting. We're working as a team, and in this way everyone will have an opportunity to relate to what is said. (To the Production Manager:) Will you please repeat what you told me?

Production Manager: I've thought about this, and the terminology 'The technical quality of the product in comparison with the competitors' product' seems to me a bit off the mark. 'Cutting capabilities for custom products' is more precise.

Consultant: (To others:) What do you think about this?

Production Manager: I don't really see any difference between them, but if you prefer a definition that's fine with me.

Consultant: The precise definition of each element is significant, because at a later stage, after the analysis, we're going to construct specific strategies. The more specific the definition, the better. How do the rest of you feel about the proposed change?
Since the last meeting, I've listed three more strengths, all of them technological. To save time, maybe I should present all three of them together.

Consultant: I see you're putting time and thought into this. That's really good. I'd like to reiterate that we're going to treat each element separately, even if it does cost a few minutes of time. This way the definitions and map positioning of the items will be more accurate and we'll be more likely to avoid misunderstandings among the members of the team. Once we have a clear, agreed-upon and consistent basis, the later stages of planning and implementation will go more smoothly. We'll save a lot more time then if we invest a little time now and do it right.

Manager: OK, the first element is the ability to produce high quality products according to military specifications.

The item is graded as a 'pure' strength with an average of 7.5.

Manager: I see this really won't take too much time, so let's do the next item: the capability for providing custom colouring.

(For grading, this is also mapped as a 'pure' strength with an average of 7.)

Manager: Last but not least, the third strength: the ability to produce a product with an adhesive feature.

Marketing Director: I don't think that's a particularly strong point in our favour.

Consultant: Can you give us some details of what you mean?
Marketing Director: We've had a number of complaints about the quality of the product. How can we treat this as strength?

Purchasing Director: You're talking about history. We've moved to new glue that's generating much better results.

Production Manager: All the tests the Quality Assurance Department has made have shown that there's a great improvement—a new level.

The ability to produce a product with an adhesive feature is graded as a strength with an average of 5.

[Spontaneous continuation from the team members.]

Consultant: (Clears his throat.) I see the wells are dry. So far this morning we've concentrated on the technical side. Do you want to raise any issues regarding export operations? After all, the title on the map reads “Product A in the Export Market.”

Production Manager: Look, I don't deal with that at all, and, frankly, don't know what's happening with our product abroad. How can I relate to exports without specific information?

Consultant: (To the rest of the group:) What do you have to help us here? Are there documents or other forms of data relating to this that are available now?

General Manager: Yes, I've got an executive summary. You know, I'm really afraid we're talking about exports. I've just come back from a trip abroad, and our European marketing activities are improving. (To the group:) If you'd like to hear more about the situation there, I'll be glad to tell you about it. Although we're relatively new in that area, there are some good results. I've prepared a report on it, and this seems a good time to hand it out. (Distributes written
Executive summary, which the team goes over before grading this as a 'pure' strength with an average of 3.5.)

Purchasing Manager: From the executive summary, it's clear that customers see the time delivery from the European warehouse as a plus. I really think that this is a major strength. (There is general agreement, and this is graded as +4.)

Purchasing Director: Let's not forget the commercial ties that we have developed recently with North America. I suggest we grade that, too. (This is graded as a 'pure' strength, but a weaker one, given a grade of 1.5. In general, up to this point in the meeting, as lower average grades were assigned, they are the result of a more diffuse set of individual marks.)

Marketing Director: (Looks at map.) Now that I see the fuller picture, I think we've graded two items relatively higher than they should be. I mean the professional technological ability for manufacture both the standard product-line and the custom products.

Planning and Development Manager: But we've already positioned both of them. Do you really want us to go back and start this whole process over again?

Consultant: It's certainly legitimate and possible. More than that, it's even advisable to go back and relate to things we've already done, especially after the map fills up a bit. Experience has shown that when the map is empty, there's no frame of reference. After all, everything here is relative, and once there are more details on the map, we have a better basis for making decisions. To the team:) How do you feel about re-evaluating these two items?

Planning and Development Manager: OK, if it's part of the game, let's do it. Both items are moved to lower grades: the standard product-line from 8 to 6.5 and the custom products from 6 to 2.5.) That's a surprise for me. That's quite a move, and makes me re-think a few things.
Consultant: Time is up. Are there any comments or additions before we close the meeting?

Planning and Development Manager: There's one more strength we haven't yet positioned on the map: the ability to produce a product with a fire retarding feature. (This is graded as strength of 1.)

Participants receive up-dated Map IC-4.)
Map IC-4
Industrial Company
Export Market for Product A
Goal: $12 million export by the year 2000

- Poor product-mix
- A lack of information regarding the international market
- The high cost of raw materials for the standard product-line
- Cutting capabilities for custom products
- Commercial ties with North America
- The professional technological ability of IC to manufacture custom products
- The ability to produce a product with a fire retarding feature
- Overall IC European marketing activities
- The ability to produce a product with an adhesive feature
- On-time delivery from IC's European warehouse
- The professional technological ability of IC to manufacture the standard product-line
- The capability for providing custom coloring
- High quality, meeting with military specifications
Types of intervention used during Meeting 3:

- Active interested listening - exploratory
- Diagnostic questions and probes - diagnostic and action-oriented
- Forcing process emphasis - diagnostic
- Forcing concretization - diagnostic
- Forcing historical reconstruction - diagnostic

Table 4.7: Consultant Evaluation of IC Meeting 3

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward set’s goal</td>
<td>Positive</td>
<td>The team is actively involved in advancing toward its set goal.</td>
</tr>
</tbody>
</table>
| Impact of PCA interventions  | In general, positive. A small number of participants are still experiencing difficulty. | • There is a feeling of team work.  
                                        |                          | • Individuals within the team are still pulling in the direction of ‘expert’ or ‘doctor’.  |
| Team member responsibility   | Has Begun.  | Correction of an element from the previous meeting at the initiative of one of the team. |
| process                      |            |                                                                           |
| Adoption of method by team   | Positive.   | Lively participation in SWOT Positioning.  
                                        |            | Between meetings, study of the material from the previous meeting.   |
| members                      |            |                                                                           |
Meeting 4

Between meetings, the consultant goes over the material as usual. Realising there is a need to develop a more precise picture of the export market for product A and the difficulties which IC faces in its desire to increase export, he sees the current map as lacking. This is obvious because the map is crowded on the side of strengths whereas the weaknesses are filled in sparsely. As is shown from the literature, it is easier to raise strengths than weaknesses for discussion. (H.H. Stevenson, 1976)(K. Napuk 1993) The consultant’s appraisal that the team is having difficulty in raising additional weaknesses.

Consultant: At the last meeting, we noted a number of strengths that related to its export activities. From the material that was distributed last time, I see there are some problems in expanding exports. How can we express this on the map?

General Manager: Well, that’s actually true. Maybe we’re too close to look at things objectively. Our difficulties in expanding exports are significant. We have problems with competition on the price, but our high marketing costs in Europe are so prohibitive that we can’t really lower prices too much. About 25% of our revenue from Europe go to covering marketing costs. We really have to add this as a weakness on the map. *(The item was graded as a ‘pure’ weakness with a grade of -5.)*

Marketing Director: Our limited competitive ability in Europe is also the result of production costs. Because our operation is limited in scale, we lack the efficiency we need in order to produce at a price that is competitive. *(Team members grade “Low manufacturing efficiency due to the economics of scale” as a ‘pure’ weakness of -3.5)*

General Manager: During my last visit to Europe, I had a long conversation with the manager of our export operations there, and he reported that there are difficulties in filling the requests of customers who need a custom product.
Production Manager: We have tried to deal with these requests, but so far we haven't been able to solve the problems they pose.

General Manager: All right, if that's the case, let's grade this, too. (The item is graded as -2.5.)

Marketing Director: We've got another limitation that prevents us from filling a customer need. Our production line can't produce a wide variety of sizes. (This is graded as -2.5.)

Consultant: Are there any more strengths or weaknesses you'd like us to add, or any changes you feel are needed in what we've done? (No reply from the team.) Now we have a completed map of the internal strengths and weaknesses of IC. (Participants look at Map IC-5.) This map has today's additions pencilled in, but, as always, we'll print an updated one and distribute it to you. Now let's start to work on the external threats and opportunities, but please remember that we can always come back to the previous work and alter it if there's good reason to. Who'll begin this new stage?
A lack of information regarding the international market

Cutting capabilities for custom products

The professional technological ability of IC to manufacture a specific custom product

The ability to produce a product with a fire retarding feature

Overall IC European marketing activities

The ability to produce a product with an adhesive feature

The professional technological ability of IC to manufacture the standard product-line

The capability for providing custom coloring

Map IC-5

Industrial Company
Export Market for Product A

Goal: $12 million export by the year 2000
Production Manager: Actually, I don't see any opportunities, just threats. Maybe it's a mood I'm in today, but I think that's the way things really are.

Consultant: You know, there is a study that shows this is perfectly natural. It's older for people to see opportunities than threats. Threats usually come up first. (Consultant is referring particularly to S.E. Jackson and J.E. Dutton, 1988.)

Purchasing Director: OK, whether it's our pessimism or not, let's see what we've got. I suggest we list the fact that there are an increasing number of rival manufacturers for the standard product. More and more are cropping up all the time, mainly from the Far East where wages are so low that we can't match them. This is a real threat that's going to keep getting worse and worse.

Sales Manager: I'm afraid it will jeopardise the viability of our standard product manufacturing in the future. (The average grade is -6.)

Marketing Director: It seems to me that we'll survive that sea of sharks. A few more or less in the water with us won't make much of a difference, but the real problem is the pressure to reduce prices. There's been talk of cutting by as much as 40%. This is an outgrowth of the previous threat, but it's much more direct. It involves our daily operations. (The item is graded and receives a mark of -7.5. Following the grading, no one brings up additional points.)

Consultant: It seems there's a problem identifying additional threats and opportunities. Since our time is almost up, I suggest we quit here for today. After you get the up-dated map, try to prepare for the next meeting with any relevant ideas.

Participants receive Map IC-6.)
Map IC-6

Industrial Company
Export Market for Product A

Goal: $12 million export by the year 2000

- A lack of information regarding the international market
- Cutting capabilities for custom products
- The professional technological ability of IC to manufacture a specific custom product
- The ability to produce a product with a fire retarding feature
- Overall IC European marketing activities
- The ability to produce a product with an adhesive feature
- The professional technological ability of IC to manufacture the standard product-line
- The capability for providing custom coloring

- Marketing costs in Europe amounting to approximately 25% of revenue
- Low manufacturing efficiency due to the economics of scale
- A limited range of capabilities for size of product
- Commercial ties with North America
- The professional technological ability of IC to manufacture custom products
- On-time delivery from IC's European warehouse
- High quality, meeting with military specifications

- The continuation of pressure for price reduction of up to 40% for the standard product
- An increasing number of rival manufacturers for the standard product
Ch. 4: THE INDUSTRIAL COMPANY

Types of intervention used during Meeting 4:

- Content suggestions and recommendations - confrontive
- Diagnostic questions and probes - diagnostic and action-oriented
- Forcing process emphasis - diagnostic

Table 4.8: Consultant Evaluation of IC Meeting 4

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Middling.</td>
<td>Difficulty in identifying additional elements for SWOT Positioning.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Positive.</td>
<td>Members of the team have learned to get along with the approach.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Exists, but is not dominant.</td>
<td></td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td></td>
</tr>
</tbody>
</table>

Meeting 5

(Once again, the meeting begins with a pregnant silence.)

**Consultant:** Let's see what you've brought with you to the meeting. We want to add threats and opportunities to what you brought up last time.
**General Manager:** The situation is complex. I’ve given some thought to this, but I’m not sure just what to say.

**Consultant:** Well, let’s try to focus this a bit: what new export markets and applications do you see emerging for product A?

**Purchasing Director:** I recently received some brochures from one of our competitors, offering new applications for a similar product in the motor industry. We’ve never considered that direction. (Rises, goes to his office and brings sample brochures for distribution to the team. They peruse the material before continuing.)

**Marketing Director:** This does look like a good opportunity. I actually did see something like this at one of the exhibits I went to a few weeks ago.

**Planning and Development Manager:** It might be an opportunity, but we’ll have to adapt our product to the specific applications. Maybe we can do it by reverse engineering.

**Consultant:** OK, let’s try to quantify this and grade it as an opportunity. *(The average is 5.5 as a ‘pure’ opportunity.)*

**Sales Manager:** If we’ve identified this as an opportunity, so have other competitors, and they’ll be moving in this direction the same way we are. Maybe this isn’t an opportunity after all.

**Consultant:** Well, yes and no. You’re right in saying there’ll be competition that’s the way the market is these days. But it’s still an opportunity, and IC can enter the market even if there are other competitors there. Still, this brings us to a related threat. Can any of you read my mind?

**General Manager:** I think I know where you’re going with this. With everything we’ve said, there is a threat that other competitors will join the market for such
low applications. It may not be a major factor now, but I believe it's going to
to become larger in the future.

Sales Manager: Bingo. That's exactly what I wanted to say. (This 'pure' threat
was graded as -2.5.)

There is a pause, with no one volunteering further points for discussion.)

Consultant: When we positioned the strengths, we noted the high quality of the
product, meeting with military specifications. This strength was given the
highest grade of all the strengths we mapped. In addition, it pinpoints a specific
market segment where IC has an advantage. How can this existing internal
strength be turned into a potential external opportunity?

Marketing Director: That's a challenging thought. It exposes this whole area of
the military market and the need to be more creative in looking for applications
here. Let's rank this. (The topic is defined as "The development of new markets
for special applications for security uses", and is rated as a 'pure' opportunity
with an average of 3.5.)

General Manager: You know, there are economic developments in Israel in
general that may affect us, too. There's the new free trade agreement with the
USA and Canada, for example. And then there are bi-lateral agreements being
signed with other foreign countries. These are opportunities for Israeli industry
as a whole, and the question is how can we take advantage of them, if at all?

Marketing Director: The free trade agreement is very relevant to us, because
the North American market has lots of potential for us. (This is graded as a
'pure' opportunity with a grade of 4.5)

Purchasing Director: The bilateral agreements are mainly related to military
markets. We graded military applications before, and these two may
complement and reinforce each other very nicely. (*The bilateral agreements are graded 7.5 as a ‘pure’ opportunity.*)

**Consultant:** We’ve added a few items here. This is the second meeting on opportunities and threats. Is there anything more you can think of? Do we need another meeting to continue with this? *(No replies.)*

**General Manager:** *(To the team:)* From the “full” participation at this point, I gather you feel we’ve finished with this topic.

*(Participants receive Map IC-7.)*

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**Types of intervention used during Meeting 5:**

- Diagnostic questions and probes - diagnostic and action oriented
- Forcing concretisation - diagnostic
- Conceptual inputs - potentially confrontive
Bi-lateral purchase agreements with specific foreign countries

New applications in the motor industry

A lack of information regarding the international market

Cutting capabilities for custom products

The professional technological ability of IC to manufacture a specific custom product

The ability to produce a product with a fire retarding feature

Overall IC European marketing activities

The ability to produce a product with an adhesive feature

The professional technological ability of IC to manufacture the standard product-line

The capability for providing custom coloring

The free trade agreement with the USA and Canada

The development of new markets for special applications for security uses

Marketing costs in Europe amounting to approximately 25% of revenue

The high cost of raw materials for the standard product-line

Low manufacturing efficiency due to the economics of scale

A limited range of capabilities for size of product

An increasing number of competitors for new areas of product-lines

Commercial ties with North America

The professional technological ability of IC to manufacture custom products

On-time delivery from IC’s European warehouse

High quality, meeting with military specifications

The continuation of pressure for price reduction of up to 40% for the standard product

An increasing number of rival manufacturers for the standard product

Map IC-7
Industrial Company
Export Market for Product A
Goal: $12 million export by the year 2000
Table 4.9: Consultant Evaluation of IC Meeting 5

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Positive.</td>
<td>Completion of SWOT Positioning.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Continues.</td>
<td></td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Positive.</td>
<td>Some of the team members show initiative in locating information.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>The SWOT Map has become an integral part of the process.</td>
</tr>
</tbody>
</table>

This concludes a rather detailed description of the process of SWOT Positioning for Product A in the export market. During its course, a series of seven maps were created, the last of which would become the basis for continued strategic planning.

A similar process was undergone for each of the seven other product-market combinations defined by the team at the outset (see Meeting 1, Agenda Item 1). For each of the seven, a series of maps was created, the last of which would become the basis for continued strategic planning.

These final SWOT maps reflected management's view of the internal and external factors relevant to IC's ability to achieve its strategic goals. During the identification of the various factors and the construction of the maps, a broad consensus had been reached. This became the platform for further analysis and planning. SWOT Positioning had played a crucial role in the creation of this consensus.
D2) Use Of Analytical and Creative Tools
during the Process

Following SWOT Positioning, the consultant guided the team to relate to each category through the use of analytical tools (see Chapter 3, Section E-3). The tools used by the IC team were:

- Contribution Chart (S. Dibb and L. Simkin 1996b p32)
- Key Success Factor (KSF) Table (L.R. Jauch and W.F. Glueck 1989 p177)
- The Growth-share Portfolio (Boston) Model (M. McDonald 1996 p90)

The graphic presentations and relevant data were distributed to all team members and to the consultant. This provided another perspective on the organisation and the environment in which it operated. Following the construction of these tools, the consultant and the team returned to the last SWOT map (IC-7). A blank Ansoff Matrix (R. Koch 1995 p152-153) was provided as well. A meeting was held in order to identify strategic focal directions. Again, Product A in the export market will be used to illustrate the process.

Meeting 6

Consultant: The object of this meeting is to determine the strategic focal directions for Product A in the export market. Around the room we’ve hung our final SWOT Map (IC-7), which we constructed together. You can also see enlargements of the graphic presentations you prepared with the analytical
tools, and a form you are as yet unacquainted with. This is called the Ansoff Matrix, and we'll be using it today.

\textit{Sales Manager}: There's a lot of material. Where do we start?

\textit{Consultant}: Actually, what you see isn't everything we have. Each of you also has ideas and thoughts. What we're going to do is this: We're going back to look at the strengths, weaknesses, opportunities and threats, and from there to all the graphic presentations. They give us a numerical graphic dimension.
Then we'll look at the alternatives according to Ansoff's matrix, in order to determine the direction in which we want to focus.

*General Manager*: I suggest you start at the beginning and demonstrate for us how this all works.

*Consultant*: We have a number of elements on the SWOT Map that deal with the current marketing efforts and future opportunities in marketing. Let's look at them together. There are several strengths. At +4 we have on-time delivery from IC's European warehouse. At +3.5 there's IC's European marketing organisation, and then commercial ties with North America at +1.5. On the other hand, there are a few weaknesses, too. At -4.5 you'll see a lack of information regarding the international market and at -5 the marketing costs in Europe amounting to approximately 25% of revenues. Those are internal factors. But there are also relevant external elements that deal with marketing. In the case of Product A in the export market, these seem to be only positive: at +7.5 there are the bilateral purchase agreements with specific foreign countries and at +4.5 the free trade agreement with the USA and Canada. Then at +3.5 you'll find the development of new markets for special applications for security uses. From the map, we can identify elements that have something in common (such as marketing, in the example I've given you). I'll colour all these elements, and they become a sub-map, or a new map for dealing with a more specific topic. *(See Map IC-8.)* Now we'll take this sub-map and screen the topic of marketing as we look at the various graphic presentations.
Bi-lateral purchase agreements with specific foreign countries

A lack of information regarding the international market

Marketing costs in Europe amounting to approximately 25% of revenue

The free trade agreement with the USA and Canada

The development of new markets for special applications for security uses

Overall IC European marketing activities

Commercial ties with North America

On-time delivery from IC's European warehouse

Map IC-8

Industrial Company
Export Market for Product A

Goal: $12 million export by the year 2000

Strategic Focal Direction: Market Development
As we do this, we’ll also be working with the Ansoff Matrix and its four cells. These combine existing and new markets with existing and new products. They’re a bit like a collection of possible destinations when you’re going on a trip. We have our new map, and the graphic presentations are something like a guidebook, giving us more information regarding these places, to help us make us make up our minds. The question now is: where do you want to go? What direction do you choose? Where do you think we may want to focus?

Marketing Director: OK, the process seems logical to me. There’s a lot of material here. My question is, do I have to choose one of the possibilities in the Ansoff Matrix, or are we open to other suggestions?

Consultant: Everything’s open. The aim of the Ansoff Matrix is to help us in choosing a focus. From experience, in cases like these, there’s a high probability that the suggestions will fall within one of the four cells.

(Quiet conversations arise among the participants.)

Marketing Director: I’m trying to combine the opportunities in the SWOT Map with some of the strengths we’ve talked about. We’ve got an operation that’s functioning pretty well in Europe. True, there’s a problem with the cost, but we’re towards the end of this initial, unstable stage and it’s running fairly smoothly. I think we can concentrate on market development.

Purchasing Director: Oh, not that again. Are we going to go through all that with yet another market? It was rough when we started with the European operation, and I think we need a rest from that kind of problem for a while.

General Manager: Actually, every choice we make is going to be like a coin with two sides. We can see it as taking advantage of an opportunity or as trying to avoid a threat.
Purchasing Director: Are you saying that each of us is going to make his choice more as a result of his general attitude than as a result of understanding the true situation?

General Manager: Of course, in part that's true. We each have a basic attitude, and it's going to affect our decisions. But in this case, we also have our past experience of teamwork in the European marketing operation, and each of us has learned something from it. We've got to turn that experience into a lesson about the organisation. After all, we're a learning organisation, aren't we?

Purchasing Director: After a speech like that, what's left to say? I'm beginning to switch to a positive direction.

Planning and Development Manager: I see there's a general agreement about moving towards market development. But the whole thing isn't clear enough for me. How? Where— which market? When?

Marketing Director: What I understood was that right now we're just setting the direction, and not getting into details. We do that later, when we set up a more specific plan. But it is true that the direction is very vague. (To Consultant:) Is there some system for doing that, too?

Consultant: Absolutely. Sorting the elements in the map performs the determination of a direction and collecting those, which have something in common. This commonality will point to a possible direction for action. After we have this stage of focal directions, you'll raise specific suggestions, using creative tools to help us get a variety of alternatives. Then we'll note the level of innovation each alternative embodies, and you'll choose among them.

General Manager: Well, I see we've got a direction. What's next?

Consultant: Let's re-examine the SWOT map, concentrate on some area we haven't dealt with yet, and see if we can find another possible direction for Product A in the export market.
Marketing Director: (To Consultant:) At the beginning of the meeting, you marked all the elements relevant to marketing in yellow. I suggest we take some other colour and mark all the elements relevant to existing products and their uses. (These elements are marked and become Map IC-9.) On this sub-map there are a lot more elements in all four directions.

Consultant: All right, let's repeat the process. We'll look at this new map, screen the graphic presentations, and try to identify another focal direction.

General Manager: The fact that the map is crowded just illustrates what the heart of our work is: the products themselves.

Sales Manager: This time it's much more complex. I've counted. There are 15 items on that map. How can we swim in a sea like that?

Consultant: I understand the difficulty. But this is the point where your abilities as managers come into play. You've just got to find what the major point of it all is. What's the focal direction you want to go in? That's the only question at this stage.

Marketing Director: Well, even though the map is crowded, it seems to me there's a pretty clear direction. We've got to concentrate on product development.
Industrial Company
Export Market for Product A

Goal: $12 million export by the year 2000

Strategic Focal Direction: Product Development

- New applications in the motor industry
- The development of new markets for special applications for security uses
- The ability to produce a product with a fire retarding feature
- The ability to produce a product with an adhesive feature
- The professional technological ability of IC to manufacture the standard product-line
- The professional technological ability of IC to manufacture custom products
- The capability for providing custom coloring
- High quality, meeting with military specifications
- An increasing number of competitors for new areas of product-lines
- The high cost of raw materials for the standard product-line
- An increasing number of rival manufacturers for the standard product
- Poor product-mix
- A limited range of capabilities for size of product
- The professional technological ability of IC to manufacture custom products
- The professional technological ability of IC to manufacture a specific custom product
**Production Manager:** Just recently, we were given the Israeli Standards Institute's seal of quality approval. So you might ask why get into product development at all? We're doing fine on that score.

**Marketing Director:** If you look at the SWOT Map again, you'll see that there are a number of elements, both in opportunities and in threats, which point to the need for continual development of innovative products in this market.

**Planning and Development Manager:** Getting into the development of totally new products is very significant. It demands a lot of investments—time, effort and money. But there seems to be no choice. It's got to be done.

**General Manager:** (To the team:) How do you feel about that?

**Production Manager:** OK, we'll have to do it, even with the effort it demands.

**General Manager:** Do I understand correctly? Is there agreement on the second direction?

(General agreement is expressed, followed by a silence.)

**Consultant:** Do you see any other possible focal directions?

**General Manager:** There are already two directions, and I think that if we stick to these and concentrate on them, that will be enough.

(Meeting 6 is closed with consensus on the two focal directions. Sub-maps IC-8 and IC-9 are distributed to participants before Meeting 7.)
Types of intervention used during Meeting 6:

- Conceptual inputs - potentially confrontive
- Active, interested listening - exploratory
- Process management and agenda setting - confrontive
- Content suggestions and recommendations - confrontive
- Forcing process emphasis - diagnostic
- Diagnostic questions and probes - diagnostic and action oriented

Table 4.10: Consultant Evaluation of IC Meeting 6

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client’s goal</td>
<td>Positive, but slow, in order to learn the tools and approach.</td>
<td>At the meeting, there was a presentation of the method for continuing the process with the aid of various tools.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Positive - Team members are employing an auto-didactic approach.</td>
<td>Participants are dealing with new tools. (PCA aids in learning the ‘hard way’.)</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Two directional (ambivalent).</td>
<td>Participants ‘swing’ between taking on responsibility and handing it (partially) back to the consultant.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>Despite the difficulties, team members are grasping the method.</td>
</tr>
</tbody>
</table>
Meeting 7

(Prior to the beginning of the meeting, Sub-Maps IC-8 and IC-9 are hung on the wall, with the graphic materials from the analytical tools alongside them.)

Consultant: Today we’re going to have a brainstorming session. We’ll begin to work together to create new action alternatives appropriate for each of the focal directions we selected for Product A in the export market. These actions can be sorted into three levels of innovation, according to the level of difficulty each causes in decision-making and implementation. (Explains the Level of Innovation Matrix as it is described in Chapter 3, Section E3.)

Marketing Director: OK, but how do we go about work with these levels and ranks? What do we actually do?

Consultant: We work according to the focal directions we’ve already determined. Let’s start with market development. (Removes Sub-Map IC-9 from the wall.) If we look at the map here on the wall (See Sub-Map IC-8), we see the strengths and weaknesses, the opportunities and threats. In the case of this specific focus, there are no threats. But if we decide that we want to create actions at the third, difficult level, we have to take into account that it involves elements not yet on the map. It relates to entirely new factors.

Production Manager: If they’re not on the map, how can we know what they are?

Consultant: That’s what will be unique about this meeting. It’s different from the past meetings, which were based more on diagnosis, analysis and analytical thinking. Brainstorming is based on creative thinking.

Production Manager: It sounds like switching channels in your head. It’s easy with the TV remote, but how do we do this?
Consultant: In a meeting designed to bring up new ideas, we have to stick to four elementary rules:

1. Criticism and judgement will be postponed until all suggestions are on the table.

2. Quantity is quality here. We'll try to raise as many ideas as possible.

3. Novelty, innovation, unusual proposals, wild ideas, any off-the-wall thoughts will be welcomed.

4. You are encouraged to use associations, new combinations and connections in order to come up with fresh ideas.

Marketing Director: Assuming we accept these rules, where do we begin? Can I start from one of the opportunities, and not necessarily from a strength or weakness?

Consultant: In contrast with an analytical meeting, in a creative meeting the order of things is irrelevant. Any combination is possible. Start with whatever you have something to say about. Are there any other questions about the way we're going to work today? Let's try to clarify things now.

Purchasing Director: Do we have to start with the elementary level and gradually move to increasingly more advanced proposals?

Consultant: The emphasis here isn't on the order of things and organised thought. What we're looking for is anything that will serve the purpose. You can raise ideas from any level or any rank. Don't feel limited by any routine. Can we begin? (Participants nod their agreement. Consultant moves to flip-chart, where he proceeds to list all suggestions raised during the meeting.) Are there any ideas?

Marketing Director: We might copy our European operation to other markets.
Sales Manager: We can set up marketing operations in our neighbouring countries, Egypt and Jordan.

Planning and Development Manager: We might cut prices and get into competition for the lower end of the market.

Purchasing Director: We've already tried that. We'll go bankrupt very quickly that way.

Consultant: I'm not going to pull a yellow card out of my pocket, but we have to stick to the rules of the game. There should be no criticism at this stage. Let's go on with more ideas.

General Manager: We might enter into co-opetition, co-operation with our major international competitor. We can do the manufacturing, and let them deal with the marketing. I'm not sure which of our competitors this would fit, but it's an idea to consider.

Marketing Director: We might move one of our manufacturing lines to the Far East, thus cutting costs significantly.

Sales Manager: Maybe we can replace the European marketing firm we now use with people of our own.

Purchasing Director: I know this will sound rather extreme, but we could also think about closing production of Product A. There are lots of problems with it in the local market, too.

Marketing Director: (Agitatedly:) Are you out of your mind? Product A is still profitable in both the export and the local markets.

Consultant: No criticism now, please. Save it for later. Meanwhile we need more ideas.
General Manager: I’d like to find some way to connect this with the opportunity we have, now that the free trade agreement with North America is in place. Canada might be the right place to start, and then later expand into the States.

Marketing Director: The security community has the potential for expansion, too. We talked about aiming for new markets, which are developing for special security applications. It’d be silly to let an opportunity like this slip through our fingers.

Planning and Development Manager: I don’t know if the rules of the game allow this, but I’d like to go back to the full map (Holds up Map IC-7, which is not hung on the wall.). We can try to fight off the threat of continual pressure for price reduction. It isn’t on the sub-map (Indicates Sub-Map IC-8.). Maybe it’s just a dream, but I’m looking for a way to differentiate our activities in the export market by creating some unique feature for Product A, or for the company as a whole, for that matter.

(Silence.)

Consultant: Can any of you create a new idea by elaborating on what was just said or on any other point on the flip chart?

Marketing Director: It might be a good idea to position our company as a ‘high-tech’ textile company. That would allow us to demand a premium price for our products.

(Silence, broken by the consultant requesting additional suggestions. None are forthcoming. The consultant explains that the ideas raised at the meeting will be filled into the Level of Innovation Matrix by the Marketing Director and distributed to the participants. As ‘homework’ for the next meeting, each team member is asked to acquaint himself with it. This meeting was closed.)
Types of intervention used during Meeting 7:

- Conceptual inputs - potentially confrontive
- Process management and agenda setting - confrontive
- Active, interested listening - exploratory
- Diagnostic questions and probes - diagnostic and action oriented
- Forcing process emphasis - diagnostic
Table 4.11: Consultant Evaluation of IC Meeting 7

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Positive.</td>
<td>Use of creative thinking to raise suggestions. Difficulty at the beginning of the process, and full co-operation as it progressed.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Positive.</td>
<td>PCA seems to facilitate the creation of ideas.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Positive.</td>
<td>Co-operation in suggesting alternatives.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>In general, positive.</td>
<td>Use of the creative approach, with 'reservations'.</td>
</tr>
</tbody>
</table>

Meeting 8

(The full Level of Innovation Matrix is hung on the wall, together with Sub-map IC-8 and the graphic presentations from the analytical tools. The Level of Innovation Matrix is presented here.)
Table 4.12: Level of Innovation Matrix: Market Development

<table>
<thead>
<tr>
<th>Rank</th>
<th>Elementary</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easy</td>
<td>Copy European operation to other markets.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Set up marketing operations in neighbouring countries.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Replace current European marketing firm with own people.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Aim for new markets for special security applications.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Position IC as ‘high-tech’ company, demand premium price.</td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td>Cut prices, compete for lower end of market.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Difficult</td>
<td>Move manufacturing line to Far East, cutting costs.</td>
<td>Enter into co-opetition (we manufacture, they market).</td>
</tr>
<tr>
<td></td>
<td>Close production of Product A.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Take advantage of free trade agreement, first in Canada, later in States.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Differentiate by creating unique feature.</td>
<td></td>
</tr>
</tbody>
</table>
**Consultant:** At the last meeting, we created eleven alternatives for marketing development for Product A in the export market. With the help of the Marketing Director, they have been positioned in the Level of Innovation Matrix which was distributed to you and which is on the wall. The object of today's meeting is to examine these alternatives, to relate to their positions in the matrix and to decide which of them to concentrate on.

**Production Manager:** I understand that it could be helpful to be aware of the level of innovation, but I'd like to have an explanation of its meaning for us. How does it influence our considerations?

*(Consultant explains the ramifications of the Level of Innovation, as described in Chapter 3, Section E3.)*

**Marketing Director:** Is there a set order for working with the matrix?

**Consultant:** The system is very simple. But before we begin even describing it, I'd like us to look over the matrix and be certain that all the alternatives are clear to everyone. *(No oral response, participants nod that the alternatives are clear.)* Each of you is going to grade each alternative on a scale from 0 to 100. Take into account the degree of difficulty, the risk and potential. Of course, these exist in the framework of everything we've done so far and what you know in general about our company and what will and won't fit into the scheme of things here. The more desirable and viable the alternative, the higher the grade you'll give it. But there will be no discussion beforehand, so you won't influence each other unduly. You'll write the grade directly on the matrix, in the space provided. Then we'll collect and average them out. This will give us a hierarchy of alternatives. Are there any questions before we begin? *(No questions are asked. The team grades the alternatives individually, the forms are collected, and a break is taken, during which the grades are averaged. After the break:) The Marketing Director has the results, and we'd like to hear them.*
Marketing Director: What happened here is very interesting. In first place we have an alternative with lots of innovation, with a score of 86. In second place, by far, are all the other alternatives. The chosen alternative is co-opetition, co-operation with one of our major international competitors.

Sales Manager: What do we do with all the other alternatives?

Consultant: That's up to you. If you want to decide to work on additional alternatives, that's your decision.

General Manager: I think that in business, as in war, it's best to put all your efforts in one direction. The chances of success are greater that way. Since we chose a direction that's entirely new to us, the risks are great. In order to increase the probabilities, we should leave all the other alternatives for now and stick to our guns with this one. (To the rest of the team:) What do you think?

Purchasing Director: I tend to agree. The way to implement this is fuzzy, at least to me. It's better not to get involved with other factors at the same time.

General Manager: If there's no objection to taking just the one direction, I suggest the Marketing and Purchasing Directors prepare a working plan with goal, objectives, schedules and other details.

Consultant: Hold on a minute. We've only dealt with one focal direction: Marketing Development. We still have to work on Product Development. That's what we'll do at the next meeting.
**Types of intervention used during Meeting 8:**

- Conceptual inputs - potentially confrontive
- Active, interested listening - exploratory
- Structure management - confrontive

<table>
<thead>
<tr>
<th>Table 4.13: Consultant Evaluation of IC Meeting 8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Topic</strong></td>
</tr>
<tr>
<td>------------</td>
</tr>
<tr>
<td>Progress toward client's goal</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
</tr>
</tbody>
</table>

**Meetings 9-10**

(These meetings determined the strategic action alternatives and level of intervention appropriate to the focal direction of Product Development for Product A in the export market. The process was essentially similar to that of Meetings 7-8, and therefore will not be detailed here. In addition to the use of Brainstorming, a Brainwriting Pool was conducted (see Chapter 3, Section E3).
At the conclusion of Meetings 9-10, the team had the following Level of Innovation Matrix for Product Development:

Table 4.14: Level of Innovation Matrix: Product Development

<table>
<thead>
<tr>
<th>Rank Level</th>
<th>Elementary</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easy</td>
<td>Development of product lines for the motor industry.</td>
<td>Development of product lines for educational applications.</td>
</tr>
<tr>
<td></td>
<td>Development of product lines for security applications.</td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td>Development of product lines for the aviation industry.</td>
<td></td>
</tr>
<tr>
<td>Difficult</td>
<td>Establishment of Research and Development (R&amp;D) unit within IC.</td>
<td></td>
</tr>
</tbody>
</table>

(In addition, in Meetings 9-10, the team graded these alternatives. The results indicated two strongly favoured alternatives:

- Development of product lines for security applications (70%).
- Establishment of Research and Development unit within IC (78%).

The other alternatives received significantly lower grades, and the team decision was to concentrate on these two.)
E) Brief Summary

The consultation process in IC involved a number of sub-processes (the various market/product combinations in IC). When this occurs, these sub-processes might be carried out sequentially or simultaneously. The choice of which method to employ is made by the client, on the basis of such criteria as time-to-market and the complexity of the sub-processes. In the case of IC, all eight were carried out simultaneously in order to shorten the length of the general process.

This brought out some of the advantages and disadvantages of each of the possibilities. For example, the over-lap between differing market/product combinations made more obvious the need for an internal R&D unit. On the other hand, working on eight extremely specific topics simultaneously creates a certain degree of complexity and may dull the ability of the participants to focus on the one topic at hand at a given moment.

A technical point is worthy of note as well. When determining the strategic focal directions for IC, elements on the final SWOT Positioning Map (IC-7) were marked with colours in order to emphasise their relevance to the directions under discussion. Sub-maps IC-8 and IC-9 were constructed by reduction, by removing from IC-7 those elements not coloured for a specific direction. However, among the materials at their disposal, participants also had the full, final SWOT Positioning Map. It may be argued that a full, coloured map would be preferable to the reduced sub-maps used here. In retrospect, the full map would indeed have been more conducive to the creative process that followed.

During the course of the consultation process, the consultant conducted a number of preliminary evaluations. The first of these was at the end of the initial interface, as part of the decision whether or not to enter into the full process (see this chapter, Section C). Later, there were a series of evaluations, one at
the end of each team meeting. The following table concentrates the results of this series for IC's Product A in the export market, and provides a summary of the consultant's on-going evaluation of the process.

**Table 4.15: Summary of Consultant Evaluation of IC Meetings**

<table>
<thead>
<tr>
<th>Meeting Topic</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>P</td>
<td>P</td>
<td>M</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>No Resistance</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>Continues</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Getting Started</td>
<td>Has Begun</td>
<td>Exists</td>
<td>P</td>
<td>Ambivalent</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
</tbody>
</table>

P = Positive; M = Middling

In summarising the process, three additional aspects should be noted:

1. IC's **preparation for general implementation** of the decisions taken at the culmination of the consultation process,

2. the implementation by IC of **by-product decisions** taken outside the consultation process during and arising from SWOT Positioning, and

3. the **evaluation** of the consultation process by IC's **top management team**.

A discussion of each of these aspects follows.
E1) Preparing For General Implementation

The beginning of implementation is decision-making. Following the choice of specific strategic action alternatives in the consultation process, the next steps were the responsibility of the management of IC. The consultant essentially completed his task with the making of the decisions. However, some issues regarding implementation were indicative of the degree of success for the consultation process as a whole. These issues were:

- the allocation of IC resources for detailed planning of the implementation of decisions which had been reached,

- the pace of planning for implementation, and

- the implementation itself.

Allocation of IC Resources for Detailed Planning of Implementation

For each chosen alternative, the General Manager created an executive task force composed of a number of members from the team which had participated in the PCA consultation and SWOT Positioning. The purpose of the task force was to prepare a working plan for the implementation of the chosen alternative, including the relevant aims, resources and timetables. Top management set an order of priorities for the alternatives. The three task forces created regarding Product A in the export market, listed from highest priority to lowest, were:

- the establishment of a research and development (R&D) unit
- co-opetition
- product development for security applications

The researcher/consultant was briefed by the GM regarding these task forces and the results of their work.
• **Research and Development:** In the textile industry, the establishment of an internal R&D unit is difficult to implement. R&D units are a rarity in textile companies, which are generally considered low-tech. The decision reflects both IC’s determination and its willingness to take risks (together with the chance for success). With the GM’s encouragement, the task force suggested a plan in two stages. First, in the short term, IC should locate and employ an additional executive to head the R&D unit. Then, during the following three months, the R&D head should prepare a detailed working plan for the unit and the unit should be staffed accordingly.

• **Co-opetition:** The task force prepared a working plan for creating the appropriate ties with its leading international competitors, noting areas for potential co-operation as well as areas of potentially significant conflicts of interest. The plan included a budget for seeking information, participation in exhibits and trips for meetings (to propel the project forward). Responsibility for implementation rested with the General Manager.

• **Product development for security applications:** The working plan prepared by this task force dealt with a number of security product areas which seemed worthwhile for development (large potential market and high profitability). For each area a relevant market sector profile was drawn, which included the following elements:

  1. Reasons for preferring the specific market sector
  2. Central value to the customer
  3. Principal competitors in the field and the threats they present
  4. Positioning of the product in the market and pricing policy
  5. Competitive advantage
  6. Possible problems
  7. Forecast of market size and % of market share
8. Activities and investments required to achieve sales goals and market share

It was decided to allocate time and the efforts of development personnel during the coming year in order to prepare a prototype for each of three specific areas.

The Pace of Planning for Implementation

Planning for implementation began rather rapidly after the decisions were made. The planning by the various task forces flowed easily, with no unnecessary delays. From the researcher-consultant’s (admittedly subjective) acquaintance with organisational decision-making and implementation, the pace of planning by IC’s task forces seemed rapid and decisive.

The Implementation Itself.

As this is being written, IC has already taken first steps toward implementation in most areas, including all three related to Product A in the export market. These first steps are highly significant for the management of IC, particularly as compared with previous planning processes which were prepared by an ‘expert’ or ‘doctor’ consultant and which resulted in no implementation at all (See Section B3 of this chapter).
E2) Implementation of By-Product Decisions during SWOT Positioning

In discussing implementation simultaneous with the planning process, the reference is obviously not to the implementation of those strategic decisions that had not yet been taken. This was implementation derived from perspectives achieved during SWOT Positioning. The mapping process brought out a new understanding of IC’s weaknesses and strengths which team members decided to deal with while they continued the full strategic decision-making process. Previously, these elements had existed and were already known. However, the fact that they were brought up at the team meeting graded and mapped tended to give them additional immediacy, and those responsible for them may have sensed a greater need to act than in the past. Simultaneous with SWOT Positioning and the continuation of the consultation process, the management of IC made and implemented decisions which were a by-product of SWOT Positioning.

This process was not part of the planned consultation process, and the researcher had not prepared for it in the agenda. However, it became clear that implementation of by-product decisions was indeed going on as a result of the process.

For Product A in the Export Market, the following weaknesses were dealt with during SWOT Positioning:

- Cutting capabilities for custom products. (Graded -3 on Map IC-7.) The problem had been clear for a long time, but there was now a re-thinking of the means of solving it. This included conferring with international technological experts.
• Marketing costs in Europe amounting to approximately 25% of revenue. (Graded -5 on Map IC-7.) The manager in charge of European marketing was asked to come to Israel. Following discussions of the topic with him, it was decided to reduce the number of middle-levels in the marketing channels.

• The high cost of raw materials for the standard product-line. (Graded -4 on Map IC-7.) The General Manager instructed the Purchasing Director to search for alternative suppliers and materials in order to lower costs.

• Low manufacturing efficiency due to the economics of scale. (Graded -3.5 on Map IC-7.) At first, this became the topic of intensive talks among team members (outside the consultation meetings). Eventually, negotiations were opened with customers, where discounts for sales in quantity were offered. The aim of this was to raise sales to more efficient production levels. The assumption was that profits would rise on the enlarged sales despite the discount.

• The professional technological ability of IC to manufacture a specific custom product. (Graded -2.5 on Map IC-7.) It was decided to look for a sub-contractor capable of helping IC to overcome this technological difficulty.

In addition to implementing changes regarding weaknesses, the IC management related to one of its strengths:

• The ability to produce a product with a fire-retarding feature. (Graded +1 on Map IC-7.) It was decided to co-operate with another company that would provide this service for IC.

This implementation of by-product decisions were actually improvements of weaknesses or of a low-graded strength. Although they were not the answer to
the general questions raised in the consultation process, they certainly improved the day-to-day operations of IC.

**E3) Top Management Team Evaluation**

In evaluating the consultation process in IC, it had been decided to choose between individual and group interviews according to the degree of 'success' of the progress (see Chapter 3 Section E4). The consultation process in IC was not deemed by the consultant to be 'unsuccessful', in accordance with the pre-determined criteria and on the basis of the evaluations performed at the end of each meeting. No resistance to the process and no negative attitudes to it had been expressed at any stage of the process or at any of the meetings. There had been no situation in which the team expressed a desire to terminate the process. On the contrary, the process had flowed easily, with no significant snags. Questions had been asked regarding 'how', but not 'why'. Therefore, the researcher decided to conduct the feedback meeting(s) with the team as a whole.

**Meeting 11**

*Consultant:* Let's start this meeting with a brief quote from Edgar Schein, one of the best known authors on Process Consultation. He says:

"The effectiveness of a given intervention is primarily related to the degree to which it facilitates forward movement in the client or client system, as defined by the client." *(E.H. Schein 1987 p. 179)*

The object of this meeting is to evaluate the intervention process we have undergone together and its results in IC. As I relate to the quote from Schein,
I'd like to ask you to compare the aims we agreed upon at the beginning of the process with the situation at its conclusion. As a reminder, let's recall the aims as we stated them in the beginning:

1. the formulation of a strategic plan which would achieve newly defined strategic goals.
2. the acquisition by the IC management of the Process Consultation approach, tools and techniques to a degree which would allow their use for future self-help

To what extent has the process fulfilled its purpose?

**General Manager:** At this point, we're past the intervention and strategic decision-making stage and have gone on, in a number of areas, to further planning and decision-making, and are on the brink of the beginning of implementation.

**Consultant:** From what you've said, I gather that you feel the first aim has been achieved. Before we go on to the second aim, I'd like to poll the rest of the team regarding the first aim.

**Marketing Director:** My feeling is positive. I feel we've gone a long way together. It's the first time we've worked with a consultant who takes the Process Consultation approach, and there's a world of difference in our participation in the process. Before, some 'smart' consultant would come in and make his 'objective' recommendations, just dumping it on management's laps, whether we liked it or not, whether we were ready for it at the time or not. Here, we took part in every stage, and we built something together. So I certainly feel we achieved the first aim, creating a strategic plan.

**Consultant:** I see we're getting into the topic of the role of the consultant. You probably had specific expectations about that. What were they, and were they fulfilled?
**Purchasing Director:** I’ve got to admit that the whole PCA process is new to me, despite my being here for all the meetings. *(To the consultant:)* Once in a while, I expect you to give information or advice, and instead you ask another question. Maybe I still have these expectations from the classic kind of consultant somewhere in my sub-conscious. But I also have to admit that once I understood the general Process Consultation approach, I tried to switch to a different way of thinking. I’ve learned to do it sometimes, too.

**Consultant:** I understand some of you still don’t implement the method automatically. There are two dimensions here: cognitive and irrational. It seems from what has been said that the cognitive dimension is clear and has been accepted by everyone. In dealing with the irrational dimension, some of team members still seem to suffer from partial resistance. This may be because you’re comfortable with the previous model, and these team members haven’t fully ‘unfrozen’. If you ‘unfreeze’ it means you are motivated and willing to change. There may be a reticence to take full responsibility for the analysis and planning, or there may be some other reason.

**Purchasing Director:** Now that you call it ‘unfreezing’, I personally think that I actually am motivated to change. This motivation comes from the frustration with our previous experience with consultants, who worked so differently.

**Consultant:** Are there any other comments about the first aim, the formulation of the strategic plan?

**Sales Manager:** When I summarise the whole process, from the beginning up to now, I certainly think we’ve achieved that aim. At the beginning it was a bit confusing, because I thought you were supposed to take responsibility for both content and process, but in reality you left the content to us. And even with the process, you gradually left us more and more on our own.

**Consultant:** Exactly. That’s the heart of PCA. How do you feel about it?
Sales Manager: I feel good. If I may adapt your way of putting it, I've already 'frozen' again, this time into PCA.

Consultant: If that's what you feel, that's fine. Actually, it shows you're progressing along the three stages needed for change. First there's 'unfreezing' with a motivation for change, then the change itself, and finally 'refreezing' in order to prevent the change from becoming a fleeting phenomenon. (Silence.) Does anyone want to say anything more about the first aim? (Silence.)

General Manager: This may be the time to move to the second aim. I think we've already heard comments about the approach. Some of us have begun to actively adopt it. What seems to me no less important is that the tools we've learned to use can help us in the future. Some of them are already on our computer system.

Marketing Director: I've already worked with some of the tools and even adapted them. For example, I've up-dated some of the sales data, and tried a re-working of the SWOT Map.

Production Manager: Well, the approach is clear to me, and the tools, too. But I still have difficulty with the stage when we try to put it all together and create all kinds of alternatives. That's a bit too complicated, too integrative for my taste.

Consultant: I understand the problem. One of the ways to deal with it is to reconstruct the whole process again, to look at the tools and see if everything we've done is clear. This kind of reconstruction may make it easier for you to work with the process in the future. Do you think you can do a reconstruction?

(Production Manager nods.)

Consultant: (To the rest of the team) Is there any other feedback?
**General Manager:** Do I understand correctly, that the next time that we use the method will be the next time we want to prepare a new strategic plan?

**Consultant:** The tools are specifically for preparing a new strategic plan, but PCA has a more general nature. Can you foresee other uses for it in your day-to-day management?

**General Manager:** I'd like to try it as a way to work on problems in management meetings.

**Consultant:** That may work very well. I suggest to all the managers I work with that Process Consultation is an approach to be used in day-to-day management, and not just for strategic planning. The tools may be different, but the approach is the same.

**General Manager:** We'll give it a try at our next meeting.

**Marketing Director:** Actually, I've already used the approach, and even SWOT Positioning, in a meeting with two of our major clients. The approach was really PCA.

**Consultant:** I'm glad to hear that. I'd like to turn now to another issue. I would like to hear a bit more about your past experience with consultation.

**General Manager:** Over the years, I've worked with different consultation frameworks: in strategy, marketing, finance and organisational structure. All of them took an approach, which combined analysis and a written report. The main contribution in all these cases was a list of recommendations at the end of the written report. This time things were very different. The emphasis was on our taking responsibility for the process, and on full involvement and participation of the team. My own feeling is one of a much greater degree of 'ownership'. This is something we did. It's *ours*.
Purchasing Director: Well, my past experience has been with consultants who were professionals in various fields. Each of these professional consultants came to us at the beginning, investigated, asked questions, and then disappeared for a period of time. Then he suddenly reappeared, submitted his report with his conclusions, and then disappeared forever. In most cases, we felt the conclusions were distant from us, unattached to what we felt was the real-life situation. This time the process was long and demanded a lot of time, effort and thought, more than I had expected when we started. But my feeling is that we can implement most of the decisions.

Marketing Director: I'm relatively new in my position at IC. In my past positions, I've also had experience with professional consultants. What I remember most about them is the thick bound files with summaries and recommendations. For the most part that's as far as it went: the files are still lying around somewhere, but nobody's ever done much of anything with them. As I mentioned before, I've already used some of the tools and PCA in working with clients, so I've certainly got something out of this process. But my feeling is that it helped us become more of a working team, too, and that's another big plus so far as I'm concerned.

(Silence.)

Consultant: Are there any other comments? (Silence.) OK I'd like to ask each of you to answer a brief written questionnaire. (Distributes the evaluation questionnaire from Chapter 3, Section E4. Participants fill it in and consultant collects them.) Thank you all, both for your co-operation during the process and for your openness today.

The average scores of the team were as follows:
### Table 4.16: Results of IC Evaluation Questionnaire

(average scores)

<table>
<thead>
<tr>
<th>Questions 1,2: Expectations:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Simple and structured process for creation of new strategic directions.</td>
<td>7.8</td>
</tr>
<tr>
<td>Participation of all team members in process.</td>
<td>8.6</td>
</tr>
<tr>
<td>Acquisition of ability to implement method independently in future.</td>
<td>8.3</td>
</tr>
<tr>
<td>Savings in planning time.</td>
<td>7.6</td>
</tr>
</tbody>
</table>

### Questions 3-6

<table>
<thead>
<tr>
<th>Question</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Process helped diagnose situation of organisation.</td>
<td>8.4</td>
</tr>
<tr>
<td>4. Co-operative relationship between consultant and team.</td>
<td>8.6</td>
</tr>
<tr>
<td>5. Capable of using process and tools independently.</td>
<td>7.7</td>
</tr>
<tr>
<td>6. Intention of using process and tools in future.</td>
<td>7.8</td>
</tr>
</tbody>
</table>

The table shows that the members of the team had adopted the method. Their experience with the process itself was the best teacher. Exposure to this method enabled them to judge its practicality in the light of their needs. Its adoption, as described above, is evidence that the participants felt they had learned the method sufficiently in order to employ it themselves, although they may yet need some additional assistance in their initial attempts at it.
A) General Background

The non-profit organisation (NPO) is in essence a service-provider for almost 1700 Israeli independent member-organisations in the private, public and government sectors. Among the services it provides are the collection and provision of information, direct assistance, and training. In addition, NPO conducts lobbying for legislation favourable to its affiliates. Funding is provided by the affiliate organisations. The NPO has approximately 170 employees.
B) Pre-Intervention

B1) Stakeholder Groups and Organisational Structure

B1a) NPO Stakeholder Groups

The stakeholder groups connected to the NPO are:

• Manufacturers and services companies for the domestic market only
• Manufacturers and services companies for export only
• Manufacturers and services companies for both the domestic market and for export
• The Israel Export Institute (non-profit organisation)
• Commercial and non-profit training organisations
• Commercial and non-profit consulting organisations
• Commercial and non-commercial research organisations
• Ministry of Manufacturing and Commerce
• Ministry of Treasury
• Bank of Israel
• Financial institutions
• Members of Knesset (Parliament)
• Ministers
• Directors on the NPO Board of Directors: These are non-remunerated public figures, each of whom represents one of the industries.
• Other organisations which act as representatives of firms
• Heads of units and divisions (directors) in the NPO. These are employees, each representing one of the industries. A specific member of the Board of Directors is hierarchically above each head.

B1b) Organisational Structure of NPO

The NPO operates within a matrix-structure. There are:

• units which are divided according to specific professions (such as electronics, textiles, foods).
• units which deal with across-the-board topics (public relations, administration, strategy).

The professional units are involved in industry-specific problems such as price and quality control, governmental standards and regulations, industry-wide research and publication and the organisation of courses and seminars.

The across-the board units, which serve the professional units, include:

• An economic unit.

1) The activities of the economic unit include:
   • adapting strategies in order to achieve an optimal fit with current government policies
   • collecting and providing data on the domestic economy
   • lobbying for legislation supportive of research and development

2) The economic unit is actually comprised of three sub-units:
   • a unit dealing with industrial development
   • a unit dealing with strategy in general, and with innovation in particular
• a unit dealing with market analysis

• A foreign relations unit, which

1) conducts relations with the international business community
2) manages and provides data and facilities for the promotion of foreign trade and of foreign investment in Israel
3) participates in the formulation of NPO's foreign trade policy

• A labour relations unit for the furthering of the interests of the employer in the workplace. This is done through sub-units responsible for legal services, for a unified interface with the appropriate governmental and legislative agencies and for industrial management in general.

• A public relations unit, which deals with the press and which, publishes and disseminates informative material of various sorts.
Figure 5.1: Organizational Structure of the Non-Profit Organization

Board of Directors

Managing Director

- Communication Director
  - Department
  - Economic Director
  - Department
  - Foreign Trade Director
  - Department
  - Human Resources Director
  - Department

- Food Industry Director
  - Department
- Hi-tech Industry Director
  - Department
- Metal Industry Director
  - Department
- Chemical Industry Director
  - Department
- Textile Industry Director
  - Department
- Light Industries Director
  - Department
B2) The Environment

B2a) Customers

The customers of the NPO are its affiliate organisations. They receive advisory services, economic assistance, etc. Their interests are represented by the NPO in its function as lobbyist.

B2b) Competitors

The NPO's competitors are parallel organisations, which offer similar services to more-or-less the same customers. These are the direct: chambers of commerce, small industrial firms' organisations, training, consulting and research organisations.

B2c) Suppliers

The NPO requires supplies of both materials and services. The physical suppliers provide such items as office equipment and industrial machinery (joint purchases for customers). The service suppliers include advisory and research companies, consulting firms in various fields, firms that supply training services, and financial institutions.
B2d) Economic Environment

A discussion of the general Israeli economic environment appears in the previous chapter (Chapter 4 Section B2d1). Obviously, the same conditions are part of the framework within which the NPO operates. However, because of its functions (as lobbyist and as service-provider for a broad range of economic organisations), the NPO is especially susceptible to a sort of economic allergy: changes in the economic climate may cause a rash of activity or, alternatively, leave the NPO weak or apathetic.

Government economic policy is a major source of such change. The NPO, as a representative of employer groups, is affected by the rising level of income, which is both an on-going process and one of the government's long-term policies. Also, as its affiliates are affected by the government-encouraged expanding economy and the prospects of balance of payment deficits and/or inflationary pressures, so the NPO must react. Liberalisation in the government's foreign trade policy is yet another area to which the affiliates, and therefore the NPO, must adapt. It is clear that the NPO must take stands on such issues and act for the acceptance and implementation of policies favourable to its affiliates' positions. This is part of its function as a lobbying organisation.

B2e) Political Environment

The peace process in the Middle East is a significant factor in setting the tone of the Israeli political environment and determining its economic ramifications. These include the expansion of the foreign market base, the relocation of parts of certain manufacturing sectors to lower-wage neighbouring countries and the fear of an inundation of the Israeli market by cheap products from the areas
under the auspices of the Palestinian Authority. The NPO must deal with all these in its variety of functions: lobbyist, advisor, and so forth.

However, these same functions also make the internal Israeli political climate relevant to the NPO. One of the historical remnants of Israel's development is the political structure of labour unions (and issues). Another is the identification of certain political parties with specific socio-economic classes. Religious political parties and groups also influence economic decisions, usually aimed at such issues as working on the Sabbath. The all-encompassing Israeli military is undoubtedly an integral (albeit ostensibly neutral) part of the Israeli political framework: the tendency of relatively young ex-high-ranking-military-officers is to move into fields with room for action, frequently in the political and business sectors, and at top levels (despite the disparity between military and civilian managerial skills and the lack of transitional preparation, in many cases). The democratic principles of Israel give these (and other) groups political power with its accompanying economic clout. The use of this clout is undeniably coloured by the nature of the group, its interests and aims. The NPO must be sensitive to all these (and other) factors in performing its functions.

**B2f) Cultural and Life-Style Environment**

The NPO is affected by the communications revolution and other changes in the cultural and life-style environment. The results of these changes are multidimensional, affecting all the areas of activity of all the various organisations, which are affiliated with NPO, ranging from high tech through textile and food companies.
B2g) Technological Environment

The technological environment in which the NPO operates is a mixed one. On the one hand, there is a growing trend toward modern, dynamic and high-tech operations. On the other hand, the NPO must continue to deal with the low-tech, particularly in mature industries.

B3) Previous Strategic Planning Preparation by Consultants

For 14 years, an external annual study of the member-NPO relationship had been conducted. The study covered:

- interactions between members and NPO,
- attitudes of members towards the organisation,
- satisfaction of members (degree, characteristics and causes) and
- identification of member needs and expectations from NPO and its services.

The marketing research organisation, which conducted the study, was also an 'expert' consulting firm. With each study, there were recommendations by these 'experts' regarding possible action directions for improving services to better respond to member needs and expectations.

On the whole, these recommendations were not implemented. Within NPO, there was a standing joke, based on a Hebrew play-on-words. The Hebrew word for 'study' is 'seker, but within NPO, the annual study was known as the annual 'sheker', which means 'lie'. The implication was that whenever they...
officially accepted the annual study, they were lying to themselves, as it was pretty much a foregone conclusion that the recommendations would not be implemented.

**B4) Need for New Strategy**

The need for a new strategy became clear to the NPO following one of these annual studies. The results fell below the standard levels of expectation. The member-affiliates expressed much dissatisfaction and the 'experts' - again - suggested a few generalised means of correcting the situation.
C) Initial Consultant and Management Interface

At a professional meeting, one of NPO’s executives (in charge of innovation, strategy and information technology) heard from the consultant about Process Consultation. This manager had a problem with NPO’s computerised information system, and requested a consultation process regarding this problem. The process was limited to the specific topic of information. It brought together management teams from:

- NPO,
- the software supplier and
- the computer service, which was also the hardware supplier.

One of the participants was the Managing Director of NPO. After the limited process was concluded, he requested a full consultation process for the organisation as a whole.

The consultant met with the Managing Director and the Communications Director in order to discuss this possibility and to provide a more detailed description of the method. There was agreement on it and on the initiation of the process. Hope was expressed that there would be practical implications providing a true response to the situation pointed out in the annual research.

The team, which would undergo the process, was determined. This was a simple task, as it was an organic management team, one that could easily be defined. The consultant was briefed on the functions and general attitudes of each member. The members of the team were:
The first contact with NPO had been through a more junior executive. This was a middle-management position, and the MD decided that he was not to be included in the team. Throughout the process, he expressed great interest in what was being done, and queried the participants regarding their progress.

The consultant was given background material on NPO, including the annual study. The recommendations in it required strategic change and actions. In reality, these had almost never been implemented.

At this stage, the consultant employed the checklist for summarising the initial interface (see blank Table 3.4). The MD and some of NPO’s executives had experienced Process Consultation. This, combined with the results of the meeting, created a positive opening position for the process. There was one point with foreseeable potential for complicating the process: the members of NPO’s Board of Directors had a tendency to interfere in day-to-day operations.
Table 5.1: Consultant Checklist at End of Initial Interface with NPO

<table>
<thead>
<tr>
<th>Topic</th>
<th>Positive Client Situation</th>
<th>Negative Client Situation</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Position Within Organisation</strong></td>
<td>NPO team is in a position to create change and implement decisions.</td>
<td></td>
<td>Members of NPO Board of Directors might intervene in implementation</td>
</tr>
<tr>
<td><strong>Realm of Intervention</strong></td>
<td>MD experienced in PCA on limited scale. His request for PCA for whole organisation indicates understanding and acceptance of PCA.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Attitude</strong></td>
<td>In previous consultation, MD showed willingness to deal with process issues. Request for PCA indicates willingness to do so in broader framework.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Time</strong></td>
<td>MD is aware of need for time and effort investments, and has promised both as needed.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
D) Process Consultation in Action

The MD and the consultant dealt with the basic conditions of the process.

1) The problem of the non-profit organisation (NPO) was defined. The MD had managerial nightmares of endless annual studies, all unimplemented. He felt it was imperative to shake NPO up, to wake it from the torpor that made these bad dreams possible.

2) The MD had been exposed to Process Consultation (see above). He was interested in using PCA as a tool different from any other previously tried at NPO to tackle the problem of member-affiliate dissatisfaction.

3) The consultant was an outsider, and as such not privy to information regarding the culture of NPO, the personalities involved, the history of the problem, etc. The team was a necessary provider of input on all internal factors, including, of course, the diagnostic stage. Thus the client was meaningfully helping himself.

4) The MD and consultant agreed on two main goals.

- The primary of these was the formulation of a strategic plan, which would achieve newly defined strategic action directions. It was clear that practical implications were deemed of high importance, and it was agreed that NPO team members would not be prevented from making decisions and implementing them during the process.

- A second objective was the acquisition of the approach, tools and techniques by the team to a degree, which would enable their use for future self-help. The MD was extremely enthusiastic about this possibility.
5) During the meetings, based on the agreed-upon Process Consultation approach, the MD requested alternatives for action, which could be examined on the basis of existing NPO expertise and knowledge, with an eye to making an appropriate decision in the future.

6) Following the discussions between the MD and the consultant, a meeting with the full team was held to explain and demonstrate Process Consultation and SWOT Positioning. The experience of NPO’s computerised information system with PCA and SWOT Positioning was used as an example. The two goals, which had been determined, were presented to the team.

**D1) SWOT Positioning as a Platform for Interventions**

Meeting 1

(Consultant and team gather at NPO headquarters. After preliminary amenities:)

**Consultant:** Each of you has had the time and opportunity to read the results of the annual study. How do you suggest that we work on it?

**Managing Director (MD):** I suggest we start at the end and work back to where we are now. It might help us organise our thoughts. In the end, we have to arrive at some set of actions, some practical approach to improving the situation.
**Hi-tech Industry Director:** We've been through that before. Every year we decide on a set of actions, but nothing ever comes of it.

**Consultant:** True that's what happened in the past, which is the reason we're trying to work in a different way, as I explained to you at the introductory meeting. Our aim now is to put the past aside and to build a process together.

**Communications Director:** If the final aim is to create a set of actions, let's try to set some goals first.

**Economic Director:** One of the most important goals has got to be making such a drastic improvement in the services we provide that we won't have to wait for the next annual report. We should get positive feedback from the members even before that.

**Managing Director (MD):** One of the strategic issues that I see is the topic of small and medium-size enterprises (SME). That's the member group, which is the source of the largest portion of the complaints.

**Consultant:** (To the team in general) How do you feel about this topic?

**Hi-tech Industry Director:** We all know that the SME members gripe a lot. The report really does show that most of the problems are with them. It's a group characterised by high expectations, but they pay the lowest membership fees.

**Human Resources Director:** My attitude is that these are like our children. They cause a lot of trouble, but if we find a way to work well with them, they'll be with us forever.

**Light Industries Director:** I like that analogy to children. When I look back, it seems that most of the members in my field started out as problematic member-children, but with individual care I've managed to hold on to most of them. By now they've matured, and are more like adult members.
Consultant: (to the team) Let's use that image of the children, and try to see if it fits in all the other fields as well. Try to go back and see how the SME members in your field started out and how they've grown. What stage are they in now?

Metal Industry Director: In my field, there are always SME members. Some of them have grown up, others haven't. But I do think SME is a good focus for us. They're the basis of our potential for growth. We've already got the larger enterprises, and SME is where new members will come from.

Managing Director (MD): Another reason to focus on the SME members is that the large members are already pretty involved in our activities and even help out.

Foreign Trade Director: Well, the large members really need and receive more-or-less the standard help we can give. They don't have really great needs or high expectations, so they're relatively satisfied. They won't gripe a lot, even if they don't sing our praises all the time, either. That's why they don't show up much in the annual study.

Hi-tech Industry Director: I'm not giving up on what I said before, but lately there have been so many start-up firms in the high-tech field that are trying to conquer the world. I guess the SME members would be the right place to focus.

Communications Director: A decision to focus on SME will be popular with the media. There'll be positive coverage if we're concentrating on firms that are just getting started. It can help us externally, to be seen as an organisation that's making an effort to help those who really need the help. It'll be good internally, too, because we've always concentrated on the known and the standard. This SME focus may be a springboard for some fresh thinking.

(No further comments are offered.)
Consultant: Do any of you have additional comments on the choice of SME’s as the focus of our work? (No comments.) Are there any suggestions for additional directions to focus on? (No comments.) OK, then. (Distributes Map NPO-1, which is blank SWOT Positioning Map with numbered axes but without category title or strategic goal. Explains map and adds the strategic focus: “Improving and Expanding Services to SME Members”, to create Map NPO-2.) For the next meeting, will each of you please prepare a list of NPO’s current internal strengths and weaknesses that are relevant to the focus we’ve agreed upon.
Non-Profit Organization
Focus: Improving and Expanding Services to SME Members
Types of intervention used during Meeting 1:

- Diagnostic questions and probes - diagnostic and action oriented
- Forcing historical reconstruction - diagnostic
- Forcing process emphasis - diagnostic

Table 5.2: Consultant Evaluation of NPO Meeting 1

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Positive.</td>
<td>Strategic focus has been defined.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Still no feeling that PCA is</td>
<td>Beginning of co-operation and acquaintance with PCA.</td>
</tr>
<tr>
<td></td>
<td>being employed correctly.</td>
<td></td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td></td>
<td>As yet irrelevant.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td></td>
<td>Irrelevant at such an initial stage.</td>
</tr>
</tbody>
</table>

Meeting 2

Consultant: (Formally begins the meeting, and then:) Last time we determined our strategic focus: “Improving and Expanding Services to SME Members”, and I asked you to create a list of the existing internal strengths and weaknesses of NPO which are relevant to this focus.
Managing Director (MD): We have a good group here, at all levels, real professionals who do their best to serve the members.

Consultant: Can you focus that a bit? What are the specific characteristics that make it a good group? What are the specific topics they deal with in serving the members?

Managing Director (MD): One of the best things we offer our members is that we have a group of people who are willing to work around the clock to help out in any way they can. If you want to define it a bit more, I'd say we're talking about the availability of our professionals. (This factor is graded as a 'pure' strength with an average grade of +7.5.)

Communications Director: I sometimes feel we're just treading water. We gather information, prepare materials, chase after the members to try to get them to use it all, but actually aren't getting much done.

Economic Director: I don't understand. Are you talking here about a weakness or strength?

Communications Director: That's a good question. Let me think about it a minute. It sounded like a weakness, but before we rated the availability of our professionals as +7.5, so I think this is still strength after all. The members use our professional services, but not to the extent they could. (This is rated as a 'pure' strength with a grade of +4.)

Human Resources Director: We had a lack of clarity for a moment there, about the use of our services. I think there's a continual lack of clarity about the management abilities of our professionals. They may be highly professional in their own fields, but not necessarily as managers. In the time I've been here, I've tried my best to improve the situation, but, frankly, I'm disappointed with the results. I'd like to know what other team members think about the management
abilities of our professionals. *(The grading has mixed positive and negative results.)*

**Consultant:** Obviously, we don’t have a consensus here. Can we be specific about which management abilities we’re relating to?

**Human Resources Director:** What concerns me most is the lack of discipline among our employees. Too many of them don’t like getting instructions or directions from their superiors, and don’t always follow them either.

**Communications Director:** A lot of them, and those of us around this table, too, acts as if their specific division was the be-all and end-all. There’s not really much interaction between the divisions.

**Managing Director (MD):** Don’t forget the other side of the story. Aside from the points you’ve made, there is a pretty good level of management skills.

**Human Resources Director:** That’s really a good way to do it. Breaking this down into its components makes things clearer for me. I understand better what it was that bothered me before. I suggest we grade the lack of co-ordination between the divisions first. *(The grade is -4.5.)*

**Communications Director:** If we’re working in the direction of weaknesses, I suggest we grade the lack of employee discipline, too. *(This is graded -2.5.)*

**Managing Director (MD):** OK, now let’s deal with the management skills. *(An average grade of +1 is assigned to this.)*

**Consultant:** Time is up. For the next meeting, please try to think of additional internal strengths and weaknesses that relate to our focus.

*(Map NPO-3 is distributed between meetings.)*
Non-Profit Organization
Focus: Improving and Expanding Services to SME Members

Map NPO-3

- Lack of inter-divisional co-ordination
- Lack of NPO employee discipline
- Average level of NPO management skills
- Use of NPO professional services
- Availability of NPO professionals
Types of intervention used during Meeting 2:

- Forcing process emphasis - diagnostic
- Forcing concretisation - diagnostic
- Active, interested listening - exploratory
- Diagnostic questions and probes - diagnostic and action oriented

Table 5.3: Consultant Evaluation of NPO Meeting 2

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Positive.</td>
<td>Beginning of SWOT Positioning.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Positive.</td>
<td>Discussion is mainly by team members.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Positive.</td>
<td>MD is taking initiative in the process.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>SWOT Positioning is being used.</td>
</tr>
</tbody>
</table>

Meeting 3

Consultant: All right, let's begin the meeting. We'd like to continue with the SWOT Positioning. You all had 'homework' to do. What have you got for us in the way of internal strengths and weaknesses?
Communications Director: Although last time we found a couple of weaknesses, I do believe that we have a good organisation here, and we can add to the positive side of the map.

Consultant: That's what we're here for. Let's hear something a little more concrete.

Communications Director: One of the major topics of interest to members is the problem of marketing, and I think we have marketing understanding and abilities in each of the member business sectors. Behind all that is NPO's general pro-marketing orientation. *(This is graded as +2.)*

(Silence. Participants do not suggest anything additional.)

Consultant: I see the well is dry. Let's look at the annual study and see if there are other elements we can use. *(Participants begin leafing through the annual study.)*

Managing Director (MD): You know, without even looking at the report, we all know there's a weakness that's been a bother recently. It's really a chronic problem. There just isn't enough money in the budget to go around and get everything we want to do done. *("Lack of budget" is graded as -1.)*

Human Resources Director: *(Holding the study in hand)* From what I see here, there seems to be a problem with our interface with the members.

Economic Director: What part of the study are you looking at?

Human Resources Director: *(Shows the pages.)* I think the terminology in the study is something we can adopt: "poor flow of internal managerial information regarding interface with members".
Communications Director: If we try to be a bit more precise, what they're really saying is that we have a problem among ourselves in passing on information about the interface with the members. (This is graded as -5.)

Chemical Industry Director: I'm the youngest one here, and the one with the least tenure in the organisation, and I agree that the study is like our Bible as we try to work here. But since I've been at NPO, I've felt there's a need for a working plan. If we had a better defined and organised working plan, we might be able to improve our services and relations with the members.

Managing Director (MD): Since we have general guidelines, I don't see that as a major weakness. But if you've raised the point, we should grade it. (The item was graded at -1.5.)

Communications Director: If you've mentioned the Bible, let's continue to work with it. At a number of places in the study, there's a feeling that not all the members get equal treatment.

Light Industries Director: I don't think it's just a feeling. It's a fact. In my division, there are different kinds of members, and almost by definition, I have to treat them differently. Am I happy about it? Of course not. But reality makes it necessary.

Food Industry Director: It isn't just the differences between the organisations that make us treat them differently. There are differences in the management, too. Some of them know exactly what they want from us, and don't let go until they get just that. And then there are others who are less active, less demanding, and just take whatever they get. It's as if they don't even have the energy to ask for what they deserve, what they have every right to get.

Metal Industry Director: This isn't a weakness of ours. It's a natural part of life.

Managing Director (MD): The problem is that these managers meet each other and compare notes. They know they're not all getting the same treatment, and
we get complaints. That’s what appears in the report, the sense they have that there’s unequal treatment. ("The sense of unequal treatment of members" is graded as -5.)

_Textile Industry Director_: I see we’re beginning to weave together bits of information from different parts of the study. I admit I don’t feel prepared to take an active part in the discussion, and I suggest we postpone the continuation until we’ve had a bit of time to go over the study again, and in detail. (Others nod in agreement.)

_Consultant_: I see from your body language that we have consensus on this. We’ll continue talking about strengths and weaknesses after you’ve all had time to go over the study again.

(Meeting is closed and Map NPO-4 is distributed between meetings.)
Poor flow of internal managerial information regarding interface with members

Lack of budget

Lack of NPO employee discipline

Lack of working plan

Average level of NPO management skills

Use of NPO professional services

Availability of NPO professionals

Level of market orientation within NPO divisions

Sense of unequal treatment of members

Lack of inter-divisional co-ordination

Focus: Improving and Expanding Services to SME Members

Non-Profit Organization

Map NPO-4
### Types of intervention used during Meeting 3:

- Active, interested listening - exploratory
- Forcing concretisation - diagnostic
- Forcing historical reconstruction - diagnostic
- Forcing historical reconstruction - diagnostic

### Table 5.4: Consultant Evaluation of NPO Meeting 3

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Positive.</td>
<td>Continuation of SWOT Positioning.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Positive.</td>
<td>Consultant's interventions at beginning of meeting moved it forward.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Positive.</td>
<td>Textile Director requests postponement of continuation of meeting in order do to 'homework'.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>Pause in SWOT Positioning process initiated by team member for lack of data.</td>
</tr>
</tbody>
</table>
Meeting 4

Managing Director (MD): We had homework from the last meeting, and as I looked the map over, it seemed to me that we've found all the strengths I can think of. Actually, all the weaknesses, too.

Hi-tech Industry Director: I agree with you that the study didn't raise any significant points that we've omitted from the map. But there's still something that bothers me in the relationship between the members and NPO.

Managing Director (MD): What do you mean? The members are our clients.

Hi-tech Industry Director: I mean the pressure that some of our members put on us, the directors. It really keeps us from functioning the way we should.

Communications Director: I'm trying to understand what you mean by pressure, because a certain amount of pressure just naturally comes with the territory. My problem is with pressure from members who try to divert me from doing my job, like when they want special conditions.

Hi-tech Industry Director: That's exactly what I meant. The routine pressure isn't really pressure. What's really tough is that some of these members are on our Board of Directors, and when they start in... (The rest of the participants nod and otherwise indicate agreement. The item is graded as -3.)

Foreign Trade Director: Talking about the behaviour of the Board of Directors brings me to a related topic. I don't always understand what it is that they take into account when they're making their decisions. Sometimes there's a real conflict between what they decide and what NPO is supposed to be doing.

Consultant: Can you be more specific about this?
Managing Director (MD): I see the discussion today is going to be intriguing. It's about the members, but not in the direction the study took us.

Foreign Trade Director: Let's face reality. It may not be so nice to talk about it or put it on a SWOT Positioning Map, but it's something we have to deal with daily. It may not be one of our greatest weaknesses, but you can't ignore it. Look, one of the Board of Directors called me today with something really off the wall, and it'll take me several hours of work and lots of phone calls to take care of it. And it doesn't really serve the members in general or NPO as an organisation.

Managing Director (MD): Be happy that it only happens to you once a day....
(This element is graded as -2.)

Communications Director: Not to change the topic... Last time we talked about managerial information. I'd like to raise a similar point about professional information, and how it affects our management routines.

Consultant: Can you give us some more information?

Communications Director: Sure, I find myself in situations where professional information stops with one of you, and although you know it's important to me and to some of the others, you don't pass it on. Our channels of communication should be more open, we have to keep each other up-to-date. (This is graded as -3.5.)

(The following silence is broken by the consultant.)

Consultant: Are there any other strengths or weaknesses you'd like to add to what we've got? (Silence continues. Consultant asks participants to think about external opportunities and threats for the next session. Map NPO-5 is distributed between meetings.)
Types of intervention used during Meeting 4:

- Active, interested listening - exploratory
- Forcing concretisation - diagnostic

Table 5.5: Consultant Evaluation of NPO Meeting 4

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Positive.</td>
<td>Continuation of SWOT Positioning.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td></td>
<td>Minimal interventions by consultant.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Positive.</td>
<td>Process proceeding according to dynamics which has been created primarily by team itself.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>Continued use of SWOT Positioning.</td>
</tr>
</tbody>
</table>
Ch. 5: THE NON PROFIT ORGANIZATION

- Sense of unequal treatment of members
- Poor flow of internal managerial information regarding interface with members
- Member pressure on directors
- Lack of budget
- Non-relevant factors in the Board of Directors' decision-making
- Average level of NPO management skills
- Use of NPO professional services
- Availability of NPO professionals

Map NPO-5

Non-Profit Organization
Focus: Improving and Expanding Services to SME Members

- Level of market orientation within NPO divisions
- Use of NPO professional services
- Availability of NPO professionals
- Average level of NPO management skills
- Lack of NPO employee discipline
- Lack of working plan
- Non-relevant factors in the Board of Directors' decision-making
- Member pressure on directors
- Poor flow of internal managerial information regarding interface with members
- Sense of unequal treatment of members

Level of market orientation within NPO divisions
Meeting 5

Consultant: Today's meeting will concentrate of the second axis on the map: opportunities and threats. These are characterised by the fact that they are future possibilities over which we have no control.

Managing Director (MD): There are a number of other organisations whose presence we feel every day. I definitely think they're going to continue to influence NPO in the future, and not necessarily for the good.

Economic Director: They're like little dogs yapping at our tails.

Light Industries Director: The problem is that they keep yapping and yapping at us, and we aren't doing anything about it.

Managing Director (MD): This sounds like a zoology meeting. What you're saying means that we're some kind of animal, too. But the question is whether this yapping is good or bad for us.

Human Resources Director: I think our abilities and activities are unrelated to these competitor organisations. These are internal qualities. The competition is essentially negative.

Consultant: OK, let's grade it. (The grade is -6.)

Managing Director (MD): If we're still being animalistic, there's one of those yappers who stands out. This one really does threaten our standing with the members.

Chemical Industry Director: I can guess whom you mean. He's on TV or in the papers almost every day.
Managing Director (MD): You’re right. We have a special problem with him, because he’s gradually getting the reputation of someone who can solve our members’ problems better than we can. Actually he’s less a yapper and more like a bone stuck in our throat.

Chemical Industry Director: I know it’s just a dream, but if he’d just disappear...

Food Industry Director: Let’s see how we can phrase this. Maybe: ‘Media exposure of chairman of rival organisation’. (This is graded as -8.)

Consultant: What’s the next topic? (No comments.) We’ve only listed two elements today, and there seems to be no more inspiration left. (Still no comments.) Well, we’ll just have to set another meeting to talk about additional opportunities and threats, after you’ve had time to think about what’s already been said, to go over the up-dated map, and to come up with some more suggestions. I’ve noticed you get newspaper clippings, you may have some documents you received or wrote, and there may be any number of other sources you can use. (Map NPO-6 is distributed between meetings.)

**Types of intervention used during Meeting 5:**

- Forcing process emphasis - diagnostic
- Content suggestions and recommendations - confrontive
Ch. 5: THE NON PROFIT ORGANIZATION

Non-Profit Organization
Focus: Improving and Expanding Services to SME Members

Map NPO-6

- Poor flow of internal managerial information regarding interface with members
- Non-relevant factors in the Board of Directors' decision-making
- Member pressure on directors
- Lack of budget
- Average level of NPO management skills
- Use of NPO professional services
- Availability of NPO professionals
- Sense of unequal treatment of members
- Lack of inter-divisional co-ordination
- Poor flow of internal professional information
- Lack of NPO employee discipline
- Lack of working plan
- Level of market orientation within NPO divisions
- Competition with other NPO's
- Media exposure of chairman of rival organization
Table 5.6: Consultant Evaluation of NPO Meeting 5

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Middling.</td>
<td>Little progress in continuation of SWOT Positioning.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td></td>
<td>Minimal intervention by consultant.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Middling.</td>
<td>There is a feeling that 'homework' was not done. Participation was also weak.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>Continuation of filling-in SWOT Map.</td>
</tr>
</tbody>
</table>

Meeting 6

*Hi-tech Industry Director:* (To the consultant:) At the end of every meeting you give us homework, but you don't help us do it. Isn't there some sort of recipe-book for this, some list or something we can use to choose from?

*Consultant:* You've raised an important topic, and I'd like to relate to it. There are checklists and recipe-books, as you put it. But the use of them usually results in a very long list of topics that participants have chosen. You can't see the woods for the trees. And in the end, most of these elements aren't even utilised in setting up a plan for action.

*Hi-tech Industry Director:* But we have nothing to say, nothing we can think of ourselves.
**Economic Director**: Well, actually, I do have something to add. I've gone over some papers I had, and I've brought some material to the meeting.

**Consultant**: OK, go ahead.

**Economic Director**: Well, the liberalisation of international economic relations affects our members, so it affects us, too. I think that in the short- and middle-run, the exposure of the Israeli market to international competition is going to be a problem.

**Consultant**: How will this affect NPO?

**Economic Director**: Well, some of our members will have to cut back on activity, or maybe close entirely. The number of members is likely to drop.

**Metal Industry Director**: That really could work against us in the near future. *(This is graded as -3.5.)*

**Foreign Trade Director**: Well, this same international exposure could lead in the opposite direction, too. In the long-range, after some of the members drop out, I believe things will pick up. Then the dropouts will be back, and there'll be newcomers in the market who are potential new members.

**Managing Director (MD)**: I like this optimistic view. Let's grade it. *(It is given +4.5.)*

(Silence.)

**Consultant**: Any other ideas? *(No additional ideas are raised.)* Well, shall we close the meeting? *(General agreement. The meeting is closed and Map NPO-7 is later distributed.)*
Ch. 5: The Non-Profit Organization

Non-Profit Organization
Focus: Improving and Expanding Services to SME Members

- Poor flow of internal managerial information regarding interface with members
- Non-relevant factors in the Board of Directors' decision-making
- Member pressure on directors
- Lack of budget
- Average level of NPO management skills
- Use of NPO professional services
- Availability of NPO professionals
- Sense of unequal treatment of members
- Lack of inter-divisional co-ordination
- Poor flow of internal professional information
- Lack of NPO employee discipline
- Lack of working plan
- Level of market orientation within NPO divisions
- Short- and medium-range: exposure of Israeli market to international competition
- Media exposer of chairman of rival organization
- Competition with other NPO's

Map NPO-7
**Types of intervention used during Meeting 6:**

- Active, interested listening - exploratory
- Diagnostic questions and probes - diagnostic and action oriented
- Process management and agenda setting - confrontive

**Table 5.7: Consultant Evaluation of NPO Meeting 6**

<table>
<thead>
<tr>
<th>Topic</th>
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<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Middling.</td>
<td>Little progress toward completion of SWOT Map.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Middling.</td>
<td>Confrontive intervention as a result of request for 'recipe' by Hi-tech Director.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Low.</td>
<td>Hi-tech Director asks consultant to act as expert.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>Continuation of work on SWOT Map.</td>
</tr>
</tbody>
</table>

NPO’s management had concluded its initial analysis of the internal and external factors relevant to improving and expanding its services to SME members, the focus that it had adopted. SWOT Positioning had provided a final map for use in more advanced stages of decision-making. But the map itself was not the sole contribution of the process the team had undergone. In addition to creating the map, the work together had created additional
communication, mutual understanding and consensus. These were integral parts of the platform on which the team could base the continuation of its planning process.

D2) Use of Analytical and Creative Tools during the Process

Once SWOT Positioning was completed, the team was guided by the consultant to relate to the chosen focus through the use of analytical tools (see Chapter 3, Section E3). The tools used by the NPO team were:

- Key Success Factor (KSF) Table (L.R. Jauch and W.F. Glueck 1989 p177)
- The Growth-share Portfolio (Boston) Model (M. McDonald 1996 p90)
- Perceptual Positioning Map (S. Dibb and L. Simkin 1996 p18-19)

Despite the differences between IC and NPO in their business orientation, similar analytical tools were used by both. These tools were new to most of the NPO team, but once their importance was clear to all, the participants adapted them to fit NPO's orientation.

As had been done in the case of IC, the graphic presentations and relevant data from the use of these tools were distributed to all team members and to the consultant. This provided another perspective on the organisation and the environment in which it operated. Following the construction of these tools, the consultant and the team returned to the last SWOT map (NPO-7). A blank Ansoff Matrix (R. Koch 1995 p152-153) was provided as well. A meeting was held in order to identify strategic focal directions.
Meeting 7

Consultant: We’ve completed our analysis, and are moving into a less cut-and-dried stage of the process. The aim of today's meeting is to define the strategic focal directions, which will move NPO toward the improvement and expansion of its services to its SME members. Before we move on, let's be sure the results of the analytical stage are clear. As you see, we have hung on the walls around you the final SWOT map (Map NPO-7) and the graphic results of the work you did with the analytical tools. Are there any questions or comments about the material we have dealt with so far?

Hi-tech Industry Director: What we have here is a bit different from what we're used to. It reminds me of the sort of meetings you see in some corporation or some other business company. Is that where we are now?

Consultant: Indeed, it could be a business company. Our attitude towards our clients, the SME members, has to be one of an organisation with competition, not only from other non-profit organisations but also from the commercial world.

Managing Director (MD): You’re right. In many areas of training, consultation and information, there are business companies out there providing similar services. And we’ve all felt the other non-profit organisations breathing down our necks.

Human Resources Director: With all these tools and graphic presentations here, I feel I’m kind of in a labyrinth. Is there some system we’re going to work with, something that will put a little order into the maze?

Consultant: The task before you isn’t easy. So far you’ve worked with analytical thinking: assessment, criticism, judgement. The stage we’ve reached requires a more amorphic approach. It's less organised. First, you have to look at the
final SWOT map and go over all the graphic presentations, keeping in mind the ramifications of the numerical values.

*(Team members wander around the room, going over the material which is hung on the walls.)*

**Consultant:** OK, now that we’ve reminded ourselves of what we have so far, I’m going to complicate things a little more. You each have a copy of yet another tool, the Ansoff Matrix, and I’ll hang it on the wall, too. *(Does so.)*

**Managing Director (MD):** What happens now?

**Consultant:** As you see, the Ansoff Matrix is divided into four different focal directions: market penetration, product development, market development, and diversification. In which of these four directions do you want to concentrate your efforts? You might want to choose more than one, or you might decide to stick to a single direction.

**Managing Director (MD):** I’m trying to consider the four directions and see which of them fits the focus we chose: improving and expanding services to our SME members.

**Economic Director:** I think the process of elimination is best, and will help us avoid getting lost in the sea of material we have here.

**Food Industry Director:** Elimination of what? Which tool are you talking about?

**Economic Director:** In the Ansoff Matrix, there are two dimensions: Market and Product. We can eliminate the whole top row, because we’re not talking about a new market at all. And as for ‘product’, we’re talking about new or improved services to the SME members, so we are really left with only one quadrant: product development.
**Light Industries Director:** Well, our product is actually a service. Does the term 'product development' in the matrix include that, even though it's intangible?

**Consultant:** Absolutely. The matrix applies to tangible and intangible products alike.

**Managing Director (MD):** If we go the way the Economic Director suggested, we've got only one direction to move in. Does that fit what we want to do?

**Consultant:** The decision is yours. As I said before, it's certainly possible to go in a single direction. The fact that there are four doesn't necessarily mean you have to take advantage of them all. You have to choose whatever fits your needs and purposes.

**Economic Director:** I'll stick to what I said before. The process of elimination brings us down to a single direction: product development. It's the only one that fits our focus.

**Consultant:** Well, what do all of you think? What's your decision?

**Economic Director:** It's clear to me, but maybe someone has another idea. Do any of you want to suggest some other direction? (No comment.)

**Consultant:** If there are no other suggestions, product development it is.

**Managing Director (MD):** There's an advantage to a single direction. This way all our efforts will go into the improvement and expansion of services.

(The meeting is closed with consensus on the single focal direction.)
Types of intervention used during Meeting 7:

- Conceptual inputs - potentially confrontive
- Active, interested listening - exploratory
- Forcing process emphasis - diagnostic
- Diagnostic questions and probes - diagnostic and action oriented

Table 5.8: Consultant Evaluation of NPO Meeting 7

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Positive.</td>
<td>Use of Ansoff Matrix advances the process.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Positive.</td>
<td>Preparation for use of Ansoff Matrix through confrontive intervention.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Positive.</td>
<td>High level of participation in process.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>Use of Ansoff Matrix.</td>
</tr>
</tbody>
</table>

Meeting 8

(The graphic materials from the previous meeting are again hung on the walls.)

Consultant: At the last meeting, I mentioned that we were moving away from analytical thinking. Today we're going to take another giant step in the same direction, and go to creative thinking. We're going to have a brainstorming
session to suggest strategic action alternatives. What can NPO actually do to go in the direction you have chosen, taking into account the perspective you now have from the materials you’ve created? (Points around the room at the walls.) Once we have as many alternatives as possible, we’ll sort them into three Levels of Innovation. (Hangs the Level of Innovation Matrix and explains it as in Section E3 of Chapter 3.)

**Light Industries Director.** That certainly is a giant step. Personally, I’d like to take a smaller one first. Can you give us an example, show us how to create an alternative so it will fit into the Level of Innovation Matrix later?

**Consultant:** If we look at the SWOT map (Points at Map NPO-7), you can see that a strength of 7.5 is the availability of NPO professionals, while next to it we have the use of NPO professional services with a grade of only 4. You might take advantage of this really strong point, this availability of professionals. For example, create some new means of action so that NPO would reach out to the SME members and offer services at their locations, instead of waiting for members to come and request services. That way you further strengthen the weaker point, the use of services.

**Chemical Industry Director:** Can you take another step, and show us how that fits into the Level of Innovation Matrix?

**Consultant:** (Points to Matrix on the wall as explains.) Well, if you think about the example, it’s based on an existing strength, which is an easy level. Now, there’s a related threat, the competition with other NPO’s. So the rank is elementary. In brief, we have an easy, elementary level of innovation.

**Chemical Industry Director:** Fine. That clears things up a bit.

**Consultant:** If there are no other questions about this, let’s get started with the brainstorming. The rules here are very simple. (Explains the four rules as they appear in Chapter 4, Section D2.)
Textile Industry Director: Is there any order in which we bring up these alternatives?

Consultant: It makes no difference whatever. Just join in when you have an idea to suggest.

Communications Director: (To the consultant:) I'd like to connect with your idea, and suggest the possibility of personal meetings between SME managers and the members of the Board of Directors of NPO, who have lots of broad personal experience to draw upon.

Managing Director (MD): We might collect information according to topics of interest to a large sector of NPO members.

Light Industries Director: But any topic we choose will turn out in the end to be relevant to only a small number of members.

Consultant: I'd like to remind you of the four rules for brainstorming, which cover what we're doing here today, and particularly the rule against criticism.

Light Industries Director: Then what am I supposed to do when someone brings up an idea which seems to me inappropriate?

Consultant: Don't relate to it at all at this stage of the process. Wait for a later stage, when we sort and examine the alternatives. Right now, all you have to do is keep raising additional ideas. Let's get back to doing just that.

Textile Industry Director: Well, I have one. We might have management consultation centres to help SME member managers.

Hi-tech Industry Director: We might establish a membership club that would enable SME managers to meet and exchange information informally.
Managing Director (MD): We might develop a professional management training system.

Communications Director: I'd like to continue in this direction. We could co-operate with existing training organisations and with their help give significant assistance to members.

Economic Director: It might be possible to expand that into an SME management school.

Hi-tech Industry Director: Perhaps even co-operation with one of the universities, so there would be a degree for graduates of the program.

Food Industry Director: I'd like to take another tack. One way to get closer to our clients might be holding regional meetings with both NPO directors and SME managers participating.

Light Industries Director: What about a group of professionals to encourage export by SME's?

Textile Industry Director: I suggest co-operation with design schools. Their students might be able to take part in the planning and design of new products for our SME members who are in manufacturing.

Communications Director: (Looking at the list of previously suggested ideas that are on the walls.) Training doesn't have to stop with long-term courses. There are one-day and short-term frameworks that could be work well.

Economic Director: Computerisation is a major concern for many managers. It might be worthwhile to develop a support system of some sort for the introduction of computerisation and for problem solving.
Managing Director (MD): Another area, which might interest many SME’s, is marketing. We should give some thought to how we can get organised and give assistance with it.

Human Resources Director: So far we’ve been talking about direct assistance to the SME members. But I think we ought to invest in our own staff, too, in order to raise the standard of the services we provide.

Food Industry Director: What do you mean?

Human Resources Director: I was thinking of courses in things like communication skills, time management, how to give an effective presentation of a topic, management styles, and so on.

Managing Director (MD): Do I detect some sort of hint about NPO’s quality?

Consultant: Sorry, I’ve got to stop this criticism and return us to the four basic rules.

Human Resources Director: I definitely think we have a problem in this area.

Communications Director: How did you determine that?

Consultant: No judgement or criticism, please.

(Silence. No further ideas are forthcoming.)

Consultant: OK, let’s get back to raising ideas. I’ve got the marker in my hand and am ready to write down your suggestions.

(Again, silence. No ideas are brought up.

Communications Director: I feel my well of ideas is all dried up.
(Again, silence.)

**Consultant:** So far, the pace has been pretty good. Let's take advantage of that momentum and use another technique, brainwriting.

(The consultant explains the technique and its use, as explained in Chapter 3 Section E3. Participants sit around the table; writing ideas for about 20 minutes. One at a time, they finish and the pages are paced in the middle of the table. The consultant leafs through the pages.)

**Consultant:** I see there are additional ideas here. Before the next meeting, we're going to ask a sub-team from this group to collect and organise all these ideas through a technique called Mind Mapping. In this case, the technique will be used to concentrate all similar or related ideas as branches on the limbs of a tree. The limbs will be major, general topics. Each branch will be a specific action you have suggested. Once this is done, the sub-team will be able to fill in the Level of Innovation Matrix, which will contain only the main, general topics from the Mind Mapping. Both the Mind Mapping tree and the Level of Innovation Matrix will be distributed before the next meeting, in time for you to study it and prepare any comments you may have.

(The Communications and Textile Directors volunteer to prepare a Mind Map and the Level of Innovation Matrix for the following meeting, with the assistance of the consultant. Meeting 8 is closed.)

**Types of intervention used during Meeting 8:**

- Conceptual inputs - potentially confrontive
- Active, interested listening - exploratory
- Forcing process emphasis - diagnostic
Table 5.9: Consultant Evaluation of NPO Meeting 8

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Positive.</td>
<td>Idea creation through team work.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Positive.</td>
<td>Series of consultant interventions facilitated process of idea creation by team members.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Positive.</td>
<td>Idea creation conducted by team members.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>Use of tools to create ideas.</td>
</tr>
</tbody>
</table>

Meeting 9

(When participants enter the room, the Mind Map and the filled-in Level of Innovation Matrix are on the wall, as are SWOT Map NPO-7 and the graphic presentations from the analytical tools. The Mind Map and the Level of Innovation Matrix are presented here.)
Figure 5.2: **Mind Mapping: NPO**

**Focus: Improving and Expanding Services for SME Members**

- Meetings
- Regional on location meetings
- SME members clubs
- SME
- Management School
  - Courses
  - Day courses
  - Universities
  - Cooperation
  - Training centers
  - Export Institute

- Information
  - Consultation centers
  - Data bases by topics
- Assistance
  - Export
  - Marketing
  - H.R.
  - I.T.
  - Innovation
  - Problem solving
  - Design
  - Pricing
- Staff improvement
  - Teamwork
  - Presentation
  - Management styles
  - Time management
  - Communication skills
### Table 5.10 Level of Innovation Matrix: Improving and Expanding Services to SME Members

<table>
<thead>
<tr>
<th>Rank Level</th>
<th>Elementary</th>
<th>Advanced</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Easy</strong></td>
<td>Improving information services to members.</td>
<td>Creating new means of assisting members.</td>
</tr>
<tr>
<td><strong>Moderate</strong></td>
<td>Meetings as a means of strengthening tie with members.</td>
<td>NPO staff improvement.</td>
</tr>
<tr>
<td><strong>Difficult</strong></td>
<td>Service improvement through training.</td>
<td></td>
</tr>
</tbody>
</table>
the grade in the given space on the Matrix. Then we'll collect them and find the average, which becomes the item's over-all grade. These will determine a hierarchy, reflecting your priorities. Any questions about the process?

**Food Industry Director:** I understand that you want each of us to judge and grade the alternatives independently, but shouldn't we first discuss NPO's ability to implement the various strategies?

**Consultant:** We've worked together through a process of analysis and idea creation to action alternatives. Throughout these stages, we worked as a team. At this specific stage, you are asked to rely on your individual, personal knowledge, experience and intuition. *(Silence. No comments.)* Are there any other questions or comments? *(Silence. No comments.)* Well, then, each of you would please grade the alternatives in the Level of Innovation Matrix?

*(Participants grade the alternatives and pass the results to the Communications Director. There is a short break while the results are averaged.)*

**Consultant:** *(To the Communications Director:)* Well, let's hear the results.

**Communications Director:** We have an interesting mix here of two alternatives. The first is easy and elementary in the Matrix: improving information services to members, with an average of 82%. The other top priority is difficult and elementary: service improvement through training, with a grade of 80%. All the other alternatives received pretty low marks in comparison.

**Managing Director (MD):** If that's the case, I see this as a strong commitment by everyone on this team to these two alternatives.

**Hi-tech Industry Director:** But what does it mean about the others?

**Consultant:** The other alternatives have a lower priority, but that doesn't mean you can't implement them as well.
Hi-tech Industry Director: All at once? Simultaneously?

Consultant: (To the entire team:) What do you think about that?

Communications Director: I suggest we start with the top two. Then, when we see they are moving ahead, we can follow up on the others. After all, before this we really haven't changed much, even given the recommendations of the annual studies. (General consent is voiced.)

Consultant: Any other thoughts on this topic? (Silence. To the team:) OK, you've reached the implementation stage. What happens next will depend on your initiative and follow-through on decisions. (Meeting closes.)

**Types of intervention used during Meeting 9:**

- Conceptual inputs - potentially confrontive
- Active, interested listening - exploratory
- Forcing process emphasis - diagnostic
- Content suggestions and recommendations - confrontive
- Diagnostic questions and probes - diagnostic and action oriented
### Table 5.11: Consultant Evaluation of NPO Meeting 9

<table>
<thead>
<tr>
<th>Topic</th>
<th>Evaluation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td>Positive.</td>
<td>Sharing of decision-making on action directions.</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td>Positive.</td>
<td>Setting of priorities for implementation of alternatives from the Level of Innovation Matrix.</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Middling.</td>
<td>Participation in process.</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>Positive.</td>
<td>Acceptance of results of choice made with the aid of the Level of Innovation Matrix.</td>
</tr>
</tbody>
</table>
E) Brief Summary

One of the difficulties with Process Consultation is the need for the consultant to exercise control over his own natural tendency to revert to the roles of 'expert' or 'doctor'. On the one hand, he acts as a Process Consultant, taking extreme care to avoid these roles. On the other hand, at times the consultant sees certain things clearly, and realises that the team is not aware of what is happening. It is hard to resist the temptation to switch roles, particularly since, despite the consultant's PCA experience, it is not always possible to bring the team to an awareness of the relevant point. An example of this is the extremely limited number of opportunities and threats raised by NPO's team. (This limited number of external elements raised by them may result, at least partially, from the lack of significant competition.)

A number of preliminary evaluations were conducted by the consultant during the course of the consultation process. These began at the end of the initial interface (see Section C above) and continued with an evaluation at the end of each team meeting. The following table concentrates the results of the evaluations of the NPO team meetings, and provides a summary of the consultant's on-going evaluation of the process.
Table 5.12: Summary of Consultant Evaluation of NPO Meetings

<table>
<thead>
<tr>
<th>Topic</th>
<th>Meeting</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress toward client's goal</td>
<td></td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>M</td>
<td>M</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Effect of PCA interventions</td>
<td></td>
<td>P</td>
<td>P</td>
<td>M</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td></td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>M</td>
<td>L</td>
<td>P</td>
<td>P</td>
<td>M</td>
<td>M</td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td></td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
</tbody>
</table>

P = Positive; M = Middling; L = Low

In summarising the process, three additional aspects should be noted:

1. As a result of the consultation process a number of decisions had been made. The degree to which NPO was prepared for general implementation of these decisions was significant in evaluating the effectiveness of the process.

2. During and arising from SWOT Positioning, certain by-product decisions had been made and implemented by NPO. This had been done outside the framework of the consultation process. However, the process in general and SWOT Positioning in particular had acted as catalysts without which this would most likely not have occurred.

3. The top management team of NPO, which had participated in PCA, had developed their own assessments of the process. Their points of view would naturally differ from that of the consultant-researcher, and no
summary of the process would be complete without relating to their evaluation of it.

A discussion of each of these aspects follows.

**E1) Preparing for General Implementation**

The conclusion of the decision-making process signalled the end of the active role of the consultant. With strategic action alternatives in hand, it became the sole responsibility of NPO to implement the chosen strategies. However, as had been the case with IC, some issues regarding implementation of NPO's decisions were indicative of the degree of success for the consultation process as a whole. Again, these issues were:

* the allocation of NPO resources for detailed planning of the implementation of decisions which had been reached,

* the pace of planning for implementation, and

* the implementation itself.

**The Allocation of NPO Resources for Detailed Planning of the Implementation**

The Managing Director of NPO appointed a planning team (from among the participants of the PCA team) to work out the details of each chosen strategy (specific aims, necessary resources, scheduling...). Highest priority was given to improving and expanding NPO information services to SME members, and secondary importance to service improvement through training.
The Managing Director kept the researcher-consultant informed regarding the work of these planning teams.

- **Improving Information Services**: The planning team prepared a proposal for the establishment of Consultation Centres. These would operate in various fields and would specifically assist SME members. The planned fields of information they would provide:
  
  - Feedback
  - Pricing
  - Automation
  - Quality management
  - Export development and expansion
  - Air and sea transportation
  - Marketing
  - Advertising
  - Development of new products
  - Development of innovation in management
  - Organisation of and participation in exhibitions
  - Credit and financing
  - Work relations and salaries.

The Consultation Centres plan called for information to be gathered on each of these topics, and for an appropriate database to be established for use by NPO members. The proposal called for the Economic Director to handle the information.

- **Service improvement through training**: This planning team prepared a proposal that included a broad spectrum of training activities. This comprised a significant departure from NPO's past, as the organisation had almost never dealt with training.
According to this approach, there would be **joint operations** with existing training organisations with experience in specific fields close to NPO's areas of interest, and their programs would be adapted to make them relevant for NPO members in general and for SME members in particular. These training programs would then be held under the joint auspices of NPO and the training organisation. The planning team identified NPO professionals with knowledge and experience in specific proposed training fields, and suggested they take charge of the contact with the training organisations.

Broader planning was begun for a School of Management within the NPO framework. This, too, would involve co-operation with another training organisation specialising in management training.

It was decided to approach a number of universities abroad regarding the possibility of co-operation in preparing course of studies which would award academic degrees and which would be designed to fit the needs of SME member employees.

In addition, the appointment of a Head of Short-Term Training (Day Courses) was decided on. The planning team suggested he discuss needs with the various NPO directors and then prepare a yearlong schedule of Day Courses.

These proposals were dealt with in the following order:

1. Joint Operations
2. Day Courses
3. Academic Degrees
4. School of Management.

* The Pace of Planning for Implementation
Once the decision-making process was completed and the two planning teams given their mandates, each team proceeded at its own pace. The Information Services Team activity was somewhat cumbersome, though not noticeably deviant from the 'normal' pace of non-profit organisation decision-making and implementation, as witnessed in the past by the consultant-researcher. In contrast, the Training Team moved rapidly, decisively and agily in each of the directions it had set for itself. The planning for implementation here was significantly quicker than would usually be expected by the consultant in a non-profit organisation.

* The Implementation Itself

At the time of writing, NPO is, for the most part, still in the planning stage. However, a bit of actual implementation has started, mainly in the area of training. Contact has been made with training organisations and universities by the Training Team itself. Even such tentative beginnings are meaningful for NPO, whose experience with 'doctor' and 'expert' consultants had brought the organisation's management to a distrust of consultation processes and a lack of belief in its own ability to change.

**E2) Implementation of By-Product Decisions during SWOT Positioning**

As described regarding the process undergone by IC (see Chapter 4, Section E2), SWOT Positioning at NPO raised the management's awareness of certain elements of its activity. While the consultation process continued and broad strategic decisions were being made, NPO's management began to implement certain decisions which were by-products of SWOT Positioning. They were not
part of the originally planned consultation process, and were not dealt with by the consultant-researcher.

In NPO, two such by-product decisions were based on weaknesses stemming from a poor flow of information internally.

- **Poor flow of internal managerial information regarding interface with members** (-5 on Map NPO-7). A process was begun for the sharing of information regarding NPO members. The aim of this process is to reach a state whereby in each case of contact by an NPO director or professional with any NPO member, all the other directly-involved NPO directors and professionals are informed.

- **Poor flow of internal professional information**. (-3.5 on Map NPO-7). A first step was taken in planning for the 'automatic' transfer of professional information across-the-NPO-board. The Secretary of NPO was given charge of professional information distribution.

One of NPO's strengths was also the source of a by-product decision and implementation.

- **Average level of NPO management skills** (+1 on Map NPO-7) A number of short courses were held for NPO middle-management in order to improve skills in various areas.

While these by-product decisions and their implementation did not (and were never intended to) solve the strategic puzzle with which the consultation process was struggling, they did serve a purpose. They enabled NPO to improve its daily operations relatively easily and painlessly.
E3) Top Management Team Evaluation

The decision to conduct evaluation by the top management team as a group (rather than as individuals) was based on pre-set criteria (see Chapter 3, Section E4). As had been the case with IC (see Chapter 4, Section E3), NPO's team had given no indication that there was a need for individual evaluation. Thus, the feedback was attained at a team meeting.

Meeting 10

Consultant: We've completed a goal-oriented decision-making process together. Today, I'm going to ask you to evaluate that process and its results for NPO. I'd like to open with a quote from one of the foremost proponents of Process Consultation, Edgar Schein:

"The 'bottom line' for the consultant or manager as consultant is whether the intervention really helped accomplish the shared goals, not whether it fitted some theory of what would have been appropriate at any given moment." (E. H. Schein 1987 p. 180)

In order to evaluate the process, then, we have to remind ourselves of the shared goals we set for ourselves, and then see whether they have been achieved. Let me remind you of what those original goals were:

1. the formulation of a strategic plan for NPO which would achieve newly defined strategic action directions. There was emphasis on the desire for these to have practical implications.
2. the approach, tools and techniques would be acquired by the NPO team during PCA to a degree which would enable their use for future self-help.

Do you feel we have achieved these goals? If not, have we perhaps made partial progress toward them?
Managing Director (MD): Looking back, after we've gone through the whole PCA process, I believe I understand the true meaning of the approach: taking responsibility for ourselves. The strategic decision-making stage is over, and I can definitely say we've achieved the first goal. We're still in the midst of getting organised for implementation. We're not past that, but we're working on it. So there have been practical implications, which is what we had hoped for. I suggest we deal with each of the goals separately, so I won't say anything about the second goal yet.

Consultant: I certainly agree with your suggestion. I'd like to get some feedback on the first goal from other members of the team.

Communications Director: The process has been both practical and a learning experience, at least for me. The first goal, the strategic planning, was carried out with the active participation of the team members, and at the same time we learned both an approach and tools we can work with in the future.

Consultant: Let's just concentrate on the first goal for now. Any additional reactions?

Hi-tech Industry Director: We've certainly achieved the first goal, but now the process is over, I can't help asking myself if there isn't a shorter way to reach the same objective. Isn't there some way to do it that takes up less of our valuable time, with fewer meetings, and so forth?

Consultant: Well, there's at least one alternative that you've already tried in the past. You can bring in an 'expert' consultant to prepare a strategic plan for you, and he'll hand in a report with recommendations for implementation. It may be worthwhile comparing the two approaches and evaluating PCA that way.

Textile Director: The 'expert' approach spoon-fed us material that was all chewed up and ready to swallow- or spit out, which is what we generally did with it. Sure, our personal investment was minimal, but then we didn't digest
and implement anything. To me, the important thing is the final goal, implementation. The Process Consultation approach probably does demand more time and effort, but in the end I feel like a partner in what was done, and I hope the implementation we’ve started to plan will actually be carried out, and soon. So PCA may seem longer in the beginning, but if we take implementation into account, it’s actually short.

**Economic Director:** Professionally, I spend most of my time analysing and planning. And as a professional, the idea of team planning was foreign to me at the beginning. But as we progressed, and now the process is over, I can see the advantages of the approach. If we measure time up to the beginning of implementation, which we’ve actually already started, then I think it’s a short cut.

**Hi-tech Industry Director:** It seems some group pressure is building up here, and I guess I’m in the minority in looking for an alternative planning method.

**Consultant:** Well, one way to test a method you’re not sure of is to compare it with some alternative. It’s easiest to take two methods, compare, consider and choose the one you prefer. If there are more than two possibilities, take two and eliminate the less-preferable one. Then compare the more-preferred alternative with the third. Do the same with those two, and you can go on to a fourth, and so on. In the end, you’ve chosen the most-preferred alternative, even if you think it isn’t perfect.

**Hi-tech Industry Director:** Right now I’ve only got the two: the Process Consultation approach and the ‘expert’ approach.

**Consultant:** And which of them is preferable?

**Hi-tech Industry Director:** At this point I agree that PCA is preferable to the ‘expert’ approach, mainly because it gets us so close to implementation.
Consultant: In the future, if you find a third alternative, you can compare it with PCA and decide again.

Hi-tech Industry Director: That's food for thought.

Consultant: Are there any more comments about the strategic planning goal? (Silence.) Then we can move on to the second goal: learning the approach and the tools for future use.

Managing Director (MD): Well, we'd already used PCA in the past, for our computerised information system. Only some of the team members here took part in the first process, but this time everyone was involved. I hope it has reinforced the connection to the approach and the tools.

Human Resources Director: It seems to me that The Process Consultation approach is somewhat foreign to the mentality of the average Israeli manager, who wants quick, on-the-spot solutions. Personally, I welcome it with open arms, but the question is what the others think.

Consultant: Well, the question certainly is aimed at everyone here.

Food Industry Director: I find the tools are clear and easy to use. They summarise all that information we usually have to wade through pages and pages of computer tables to get to.

Consultant: What about the SWOT Maps?

Food Industry Director: What I just said holds true for all the tools, but especially for the SWOT Maps. They give us a way to see the whole organisation and its environment at a glance, when we're focused on a specific goal. There's a combination of focus with a concentration of all the relevant information, not too much and not too little.
Light Industries Director: On second thought, I'd be willing to try the approach out with the management of some of our members. The problem is that I don't feel I can do it on my own as yet.

Consultant: I'd be glad to help you out, or help anyone else who's willing to try the approach out.

Communications Director: What we've done so far has been to use the approach for strategic planning, and all the tools have to do with that. Is all this applicable to other areas as well, or is it essentially a way to handle strategic planning?

Consultant: Most of the tools are aimed specifically at strategic planning, but the Process Consultation approach and SWOT Maps fit a variety of activities, including in your own field, communications.

Communications Director: Can you give me an example?

Consultant: Let's say you have a message you want to get across to the general public. You can set goals and create SWOT Maps with your staff, undergoing the same strategic-planning process we did here for your specific goal. Do you think your staff would agree to participate in the process?

Communications Director: I think so.

Consultant: If you need any help, let me know. The most important part is the teamwork. Once you've got the SWOT Maps, see which of the additional tools you can adapt, such as the Level of Innovation Matrix.

Human Resources Director: If that's the case, I understand that PCA can be transferred to just about any field.
Consultant: (Nods.) Absolutely. Does anyone want to comment? (Silence.) Any other comments? (Silence.) All right, then we'll move on to a short written questionnaire that I'd like you to fill in and hand in now. (The questionnaire from Chapter 3 Section is distributed, filled in and collected.) I'd like to thank you for your co-operation during the process and for being candid today.

The results of the questionnaire (average scores) were as follows:

Table 5.13: Results of NPO Evaluation Questionnaire (average scores)

<table>
<thead>
<tr>
<th>Questions 1,2: Expectations:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Method which would connect planning and implementation.</td>
<td>8.1</td>
</tr>
<tr>
<td>Simple planning method.</td>
<td>7.4</td>
</tr>
<tr>
<td>Timesaving.</td>
<td>7.2</td>
</tr>
<tr>
<td>Method which can be used in future without assistance of consultant.</td>
<td>7.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Questions 3-6</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Process helped diagnose situation of organisation.</td>
<td>8.6</td>
</tr>
<tr>
<td>4. Co-operative relationship between consultant and team.</td>
<td>8.4</td>
</tr>
<tr>
<td>5. Capable of using process and tools independently.</td>
<td>7.4</td>
</tr>
<tr>
<td>6. Intention of using process and tools in future.</td>
<td>7.5</td>
</tr>
</tbody>
</table>
The table shows that the process helped the team diagnose the situation of NPO and members had adopted the method. Their experience with the process itself was the best teacher. Exposure to this method enabled them to judge its practicality in the light of their needs. Its adoption, as described above, is evidence that the participants felt they had learned the method sufficiently in order to employ it themselves, although they may yet need some additional assistance in their initial attempts at it.
A) Results: Similarities and Differences

Following a description of the process undergone in each of the chosen organisations, a comparison of the two provides an overview of what has occurred. This approach will allow a clearer view of the results of the consultation process.

A1) At the Outset

When these two organisations were chosen, one of the factors in their selection was the difference between them. This is a qualitative study, and therefore it was desirable for the process to be undergone with as few organisational similarities as possible.

However, in choosing the organisations, it was deemed desirable for them to have shared qualities as well. The nature of the strategy-making process presented in this study fits the approach of the transactive mode described by
S. L Hart (1992). The author notes that there are certain factors that are appropriate to this mode.

"The transactive mode is iterative and participative in nature; in business environments characterised by high levels of complexity and heterogeneity..., such an approach may be necessary to gain adequate knowledge about and consensus among key stakeholders. Such conditions might exist in industries with a complex supplier or customer base.... Furthermore, for firms affected by a variety of external stakeholders, wide participation in the strategy process may be critical to social acceptance and legitimacy. Given its orientation toward internal process and organisational learning, the transactive mode should be most common in large firms participating in mature industries. Furthermore, given the time-consuming and somewhat incremental nature of such a process, it should support most effectively an analyser strategy aimed at incremental product or service improvement." (p. 344)

Although neither IC nor NPO is a large organisation, they do share other qualities, which make them suitable candidates for a transactive process.

- Both organisations are at a mature stage.
- There is willingness on the part of the top management executive to work in a team environment. This bespeaks a relatively democratic approach to decision-making and trust in the specific members of the team. A participative process is not foreign to the innate nature of the organisation.
- There is a broad range of stakeholders in each, with complex relationships to the organisation and its management.
- Both organisations reflect an approach, which is incremental in nature, particularly in product and service improvement.

There was an additional similarity between the chosen organisations at the outset of the process: both IC and NPO were (and are) customer-oriented, concerned with client satisfaction.

These similarities were critical in the choice of the organisations, increasing the probability that SWOT Positioning would be viable. However, alongside these similarities, a large number of differences between the organisations existed
at the outset of the process. These strengthen the validity of the qualitative method employed. Among them:

- **Ownership:** IC is wholly owned by a kibbutz, a communal settlement whose members share numerous aspects of their daily lives as well their economic resources. All members of the team undergoing the process are members of the kibbutz. The decision-making processes in IC may resound with something of the relationships and decision-making processes with which they are acquainted in the community as a whole. NPO has a complex public status, with ownership rather nebulous. The powerful status of the Board of Directors may be an unofficial means of filling the void created by a lack of clear and present owners.

- **Profit vs. non-profit:** Although IC is owned by a communal settlement, its socialist orientation is internal, limited to financial arrangements among the members of the kibbutz themselves. The greater IC's profits, the better for kibbutz members (including members of IC's top executive team) both as a group and individually. IC's outward attitude is that of a business operating in a dynamic, competitive environment in which it must profit in order to exist. The level of income indicates customer satisfaction very simply, and success is measured in terms of profit. This kind of pressure is foreign to NPO, where the definition of success is not financial. On the one hand, there is a numerical measure of NPO's success (the total number of members, the numbers of members discontinuing their association, and the number of new members, for example). However, to feel truly successful, the NPO team desires approval as well, some form of positive feedback, which indicates that, the existing members find NPO's services helpful.

- **Structure:** A glance at the structural charts of IC and NPO immediately brings out a fundamental difference between the two. Under the General Manager, IC's top executive team is comprised of only five members (two Directors and three Department Managers). Under NPO's Managing
Director, there are ten Directors. A closer look at the structural charts may provide a partial explanation of the numbers. As noted previously, IC has neither financial nor manpower departments (the former being handled by the kibbutz financial unit and the latter being dealt with by each Director/Department Manager for his own department). NPO, on the other hand, has both an Economic Director and a Human Resources Director. In addition, NPO's matrix structure determines the number of functionally required top executives (six according to types of industry and four for across-the-board departments).

- **Manufacturing vs. services:** IC and NPO provide vastly different products. The manufacturing process at IC is a physical one, with such nitty-gritty considerations as sources and types of raw materials, costs, pricing, technological advances and the activities of competitors. The services which NPO provides are more ephemeral, primarily in the sphere of thought processes, spreading ideas (such as providing advice and assistance within an industry, lobbying for favourable legislation, creating and encouraging international contacts). IC looks for ways to produce and sell; NPO for ways to serve.

- **Information regarding the organisation's own activities:** In contrast with IC, NPO lacked information regarding its activities vis-a-vis its member/clients. In a profit-making business, statistics abound (sales, purchasing, etc.). The NPO had no such naturally organised and detailed database.

- **Pace of decision-making process:** Perhaps the factors listed above contribute to a difference in the pace at which IC and NPO make their decisions. Its competitive manufacturing background may make the IC team more acutely aware of the import of rapidly reacting to its dynamic business environment. This fast pace may be contrasted with a degree of hesitation in NPO, which tends to be slower in making decisions and in progressing toward their implementation. This may be attributable to
the lack of direct competition, of profit-motive, and/or of a sense of urgency in its environment.

• **Familiarity with analytical tools:** There were differences between the NPO and the IC teams as to the degree to which they were familiar with the analytical tools. The background and training of IC team members had included more experience with and knowledge of managerial (including analytical) tools than that of their NPO counterparts.

Another means of viewing IC and NPO is to relate to the 7S framework that proposed by R. Waterman, T. Peters and J. Phillips (1980). The following table summarises some of the differences between the two organisations according to this framework.
Table 6.1: IC, NPO and the 7S Framework

<table>
<thead>
<tr>
<th>The 7 S's</th>
<th>IC</th>
<th>NPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superordinate goals</td>
<td>profit</td>
<td>client satisfaction</td>
</tr>
<tr>
<td>Structure</td>
<td>line</td>
<td>matrix</td>
</tr>
<tr>
<td>Strategy</td>
<td>pro-active</td>
<td>adaptive</td>
</tr>
<tr>
<td>Systems</td>
<td>highly developed</td>
<td>developed</td>
</tr>
<tr>
<td>Style</td>
<td>co-operation</td>
<td>internal co-opetition</td>
</tr>
<tr>
<td>Staff</td>
<td>Relatively permanent, experienced and dedicated to organisation, highly motivated (primarily members of kibbutz)</td>
<td>relatively high rate of turn-over; some of staff see NPO as a stage in personal professional progress</td>
</tr>
<tr>
<td>Skills- Executive</td>
<td>each team member expert in specific managerial activity</td>
<td>• each of four team members expert in specific managerial activity; • each of six team members responsible for specific industry group</td>
</tr>
<tr>
<td>Skills- Non-executive</td>
<td>professional, according to activity (blue and white collar)</td>
<td>administrative bureaucracy (white collar)</td>
</tr>
</tbody>
</table>
A2) During and After the Process

The two processes in IC and NPO can be compared, illuminating the differences and similarities between them during the course of the process and after it. Despite the previously noted differences between the two organisations in a range of areas, the same process was undergone in both organisations, with numerous similarities during the consultation processes and in the output at the end of the process.

A2a) Progression of the Consultation Process

The graphic presentation in Figure 6.1 summarises and emphasises the similarities and differences in the various stages of the process and in the results. Clearly, the stages of the process are identical, even when unintentionally so. The implementation of by-product decisions was not part of the originally planned consultation process. This similarity in the process occurred independently in each of the organisations. On the other hand, there are differences in the details of each process, as expected from the innate nature of each organisation.

The two processes began when IC and NPO felt the need for new strategies. During the initial interface between the client and the consultant/researcher an understanding was reached regarding the nature of the process which would be undergone and its basic goals. A top executive team was convened and introduced to the process.
Figure 6.1: Progression of the Consultation Process

**Industrial Company**

- Need for New Strategy
- Initial Consultant and Management Interface
- Increasing sales
- Strategic Goals
- SWOT Positioning
- Analytical Tools
- 1) Brainstorming
- 2) Brainwriting Pool
- 1) KSF. 3) Boston Model. 2) DPM. 4) Contribution Chart.
- Strategic Focal Directions
- 1) Product Development
- 2) Market Development
- 1) 5 for Product Development
- 2) 11 for Market Development
- 16 Alternatives: 8 Easy, 2 Moderate, 6 Difficult
- Level of Innovation Matrix
- Evaluation and Selection
- 1) R&D Unit
- 2) Co-opetition
- 3) Security Applications
- Preparation for General Implementation
- 1) Information Services
- 2) Training

**Non-Profit Organization**

- Need for New Strategy
- Initial Consultant and Management Interface
- Increasing sales
- Strategic Goals
- SWOT Positioning
- Analytical Tools
- 1) Brainstorming
- 2) Mind Mapping
- 1) KSF. 3) Boston Model. 2) DPM. 4) Perceptual Map.
- Strategic Focal Directions
- 1) Service Product Development
- 2) Market Development
- 1) KSF. 3) Boston Model. 2) DPM. 4) Contribution Chart.
- Strategic Action Alternatives
- 1) 5 for Service Product Development
- 5 for Service Product Development
- 5 Alternatives: 2 Easy, 2 Moderate, 1 Difficult
- Preparation for General Implementation
- 1) Information Services
- 2) Training

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(1) see page 342  (2) see page 343  (3) see page 347  (4) see page 348  (5) see page 349
The first team decision was to set **strategic goals**. Here IC determined the basic goal of increasing sales, which was expressed in eight sub-goals (which became eight simultaneous sub-processes). Figure 6.1 relates to one of these sub-processes: Product A in the export market, for which the goal was increasing sales to $12 million by the year 2000. NPO set a single goal: the improvement and expansion of services provided to a particular sub-group of members. In both cases, the strategic goal was defined, specific and directed toward a chosen market.

With this goal in mind, **SWOT Positioning** was performed, pin-pointing strengths, weaknesses, opportunities and threats. IC created eight series of maps, one series for each of the sub-goals it had chosen. NPO created a single series.

During SWOT Positioning, **by-product decisions** were taken and implemented in both organisations. In both cases, these decisions were taken and their implementation begun outside the consultation process but not unrelated to it. SWOT Positioning raised the teams' awareness of topics which required attention, and was a catalyst in the by-product decision process. IC dealt in this way with five weaknesses and one strength, while NPO dealt with two weaknesses and one strength.

Following SWOT Positioning, with the final SWOT Maps in hand, the two teams employed **analytical tools**, adding to their understanding of the situation. Both teams used KSF, DPM and the Boston Model. In addition, IC prepared a Contribution Chart and NPO prepared a Perceptual Map.

The teams were now ready to make a second decision: the choice of **strategic focal directions**. The final SWOT Map was critical in this process, and graphic presentations of the analytical tools supplemented it. IC chose two strategic focal directions: product development and market development. NPO chose a single direction: the development of service products.
It was now time to turn to creative tools in order to suggest strategic action alternatives. IC used Brainstorming and a Brainwriting Pool, coming up with five alternatives for product development and 11 for market development. NPO used Brainstorming and Mind Mapping, which resulted in five suggestions for service product development.

The alternatives were placed on a Level of Innovation Matrix, enabling team members to take into account the expected complexity and difficulty in the implementation of each suggestion. Of IC’s sixteen alternatives, eight were easy, two were moderate and six were difficult. Of NPO’s five alternatives, two were easy, two were moderate, and one was difficult.

A third decision was now at hand: the evaluation of all the alternatives and selection of those to be implemented. IC chose three alternatives: the establishment of an internal R&D unit, co-opetition with competitors, and the development of products for security applications. NPO chose two alternatives: the improvement of existing information services and the establishment of training services.

This was the final stage of the consultation. Those alternatives not selected might be dealt with at a later stage, but those chosen required immediate attention and action. Responsibility for this rested solely on the teams themselves. The teams did indeed begin preparation for general implementation.

The consultant/researcher followed the progress made toward implementation, although he was not directly involved in it. This was part of the evaluation of the process, together with assessments both by the consultant and by the teams.
A2b) Consultant Evaluations of Meetings

The consultant's on-going evaluations of the meetings with each of the teams provide another basis for comparison between IC and NPO. Tables 4.15 and 5.12 are repeated on the following page (as Tables 6.2 and 6.3 respectively) in order to facilitate the comparison of those elements, which were examined at the conclusion of each meeting.

It should be noted that Table 4.15 relates to IC meetings that dealt with Product A in the export market. The assessments listed following these meetings were essentially similar to those following IC meetings regarding other product/market combinations. For the sake of consistency, simplicity and economy, without sacrificing content, it was deemed sufficient, and even preferable, to take these assessments as indicative of IC as a whole.

The first element of comparison from these tables is the degree of progress made in each series of meetings toward the client's goal. In both IC and NPO there was fairly steady and stable progress toward the client's goal, even if one meeting with each team was somewhat less than satisfactory in this regard.

The effect of PC interventions on the process is the second element of comparison reflected in the tables. The interventions in IC were more effective than in NPO. Their effect in IC was more consistently positive and fuller than in NPO.
### Table 6.2 (4.15): Summary of Consultant Evaluation of IC Meetings

<table>
<thead>
<tr>
<th>Meeting Topic</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress Toward client’s goal</td>
<td>P</td>
<td>P</td>
<td>M</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Effect of PC Interventions</td>
<td>No Resistance</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>Continues</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>Getting Started</td>
<td>Has Begun</td>
<td>Exists</td>
<td>P</td>
<td>Ambivalent</td>
<td>P</td>
<td>P</td>
<td></td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
</tbody>
</table>

P = Positive, M = Middling, L = Low

### Table 6.3 (5.12): Summary of Consultant Evaluation of NPO Meetings

<table>
<thead>
<tr>
<th>Meeting Topic</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress Toward client’s goal</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>M</td>
<td>M</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
<tr>
<td>Effect of PC Interventions</td>
<td>No feeling</td>
<td>P</td>
<td>P</td>
<td>M</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td></td>
</tr>
<tr>
<td>Team member responsibility for process</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>M</td>
<td>L</td>
<td>P</td>
<td>P</td>
<td>M</td>
<td></td>
</tr>
<tr>
<td>Adoption of method by team members</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
<td>P</td>
</tr>
</tbody>
</table>

P = Positive, M = Middling, L = Low
The third element of comparison from the tables involves the extent to which team members took responsibility for the process. Originally, there was anticipation for increasingly higher values as members gradually understood and accepted their ownership of the process. However, this was not to be the case. In reality, the assessment of both organisations indicates less-than-positive-value in later meetings. In IC Meeting 6, the situation was ambivalent. In NPO Meeting 6, team member responsibility for the process was low, and in NPO Meeting 9, it was only middling. The assessment is similar for both organisations.

One possible explanation for this lies in the varied attitudes of different team members to the idea of taking responsibility for the process, as part of the original agreement that the basic role of the consultant was that of facilitator. There was a high level of commitment on the part of both IC’s General Manager and NPO’s Managing Director to the PC approach, to encouraging the development of independence on the part of their top executive teams. In addition to these two figures (who were at the highest echelon in the official hierarchy), the taking of responsibility had other proponents on the team. In the dynamics of any group, there is someone, who leads the others, nudging the process forward, although this person is not necessarily selected in any overt way. In these two cases, they were IC’s Marketing Director and NPO’s Communications Director. On the other hand, each group has at least one sceptic, sometimes even a cynic. In IC this was the Purchasing Director, and in NPO it was the High Tech Industry Director. Other members of the team fell between these. Obviously, the original anticipations were unrealistic, and did not take into account the broad spectrum of attitudes foreseeable in-group behaviour.

However, it would be a mistake to paint too bleak a picture of the progress made in this direction. Both the IC and the NPO teams advanced significantly toward the taking of responsibility, even if not reaching some imaginary 'finish line'. Perhaps the line was drawn in the wrong place, with expectations putting it beyond the distance that the teams could reasonably reach. Or perhaps the line
was properly drawn, but the process must be seen as still being undergone. Changes in attitude and habits require awareness, effort and time to become intrinsic. The 'finish line' may yet be reached.

The last element for comparison from Tables 4.15 and 5.12 is the adoption of the method by team members. While a basic aspect such as taking responsibility for the process may have had a somewhat mixed reception, the process as a whole seemed to be well accepted at all meetings in both organisations. In this regard, the consultant's evaluations during the process were reinforced by the team members themselves at the evaluation meetings following the process. Members from both teams expressed a desire to try to use PC in the future, asking about possible situations for its employment.

**A2c) Additional Specific Points**

In addition to the comparative over-view of the process and the consultant's evaluations of the meetings, there are specific differences and similarities between the process in IC and in NPO which require further discussion. These are:

- the levels of innovation of the proposed strategic action alternatives and of those chosen.
- the stamina of the organisations
- the taking of by-product decisions and their implementation.

The strategic action alternatives proposed by each organisation differed in the level of innovation intrinsic to them. Table 6.4 summarises these differences. The table relates both to numbers and to percentages, as this brings out the contrast between the moderation in NPO's alternatives and the lack thereof in
IC. Although the numbers are small and not statistically significant, they seem to indicate a direction worth noting.

Table 6.4: Comparison of Levels of Innovation of Strategic Action Alternatives

<table>
<thead>
<tr>
<th>Organisation</th>
<th>IC</th>
<th>NPO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level of Innovation</td>
<td>number</td>
<td>%</td>
</tr>
<tr>
<td>Easy</td>
<td>8</td>
<td>50.0</td>
</tr>
<tr>
<td>Moderate</td>
<td>2</td>
<td>12.5</td>
</tr>
<tr>
<td>Difficult</td>
<td>6</td>
<td>37.5</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>100.0</td>
</tr>
</tbody>
</table>

The levels of innovation of the ultimate choices of alternatives to be implemented strengthens this view:

IC chose:
- co-opetition (86%), which was difficult and advanced,
- development of product lines for security applications (70%), which was easy and elementary and
- establishment of an internal R&D unit (78%), which was difficult and elementary

NPO chose:
- improving information services (82%), which was easy and elementary and
- service improvement through training (80%), which was difficult and elementary.
Explanations for the difference between the organisations in the choice of levels of innovation must be left to future studies.

All the above may be related to what will here be called the *stamina* of each of the organisations, the willingness and/or ability of the organisation's management to take on the inevitable challenges (in terms of effort, time, risk and energy) in deciding on and implementing change. The difference in the stamina of each organisation seems to have many ramifications. These may include:

- the number of factors/goals dealt with,
- the level of innovation of the strategic action alternatives created,
- the extent to which by-product decisions are made and implemented
- the dynamics of the decision-making process and
- the pace of general implementation.

This is a qualitative study. Only 2 organisations are included and only 16 or 5 strategic action alternatives were created. Despite these numbers, the differences between IC and NPO appear to give an indication of the stamina of each of the organisations. A study involving a more precise definition of stamina and its ramifications would be of interest.

One of the similarities found during and after the consultation process was the implementation of **by-product decisions** (see Chapters 4 and 5, Section 2). This may be rooted in the initial situation as described above, with the consultation process acting as a catalyst, which causes an existing factor to undergo a metamorphosis of sorts. Another possibility may be that the by-product decision developed as a result of the process, creating a new factor within the organisation. In either case, the consultation process was significant in the by-product initiatives.

This implementation of by-product decisions indicates a higher level of self-awareness than previously existed within the organisation and perhaps a
renewed commitment to its active improvement. SWOT Positioning is an analytical tool which reflects both the situation at a particular point in time (strengths and weaknesses) and the potential trends which may affect that situation in the future (opportunities and threats). However, it also seems to be a catalyst for action and change, which may alter the positions of elements as such implementation takes effect. In this way, SWOT Positioning is not merely an analytical tool, but also generates new directions for action.

In meetings which the researcher/consultant held with some of the team members, not in the PCA framework, they emphasised the fact that having all the elements arrayed on a single map and numbered, helped them see the elements more clearly and motivated them to action, at times giving them a more distinct sense of what to do. This was not equally true for both IC and NPO. In IC, perhaps with the pressures of time and environment, there was more implementation of by-product decisions than in NPO. It may be that this is the result of differences in the management style of each. IC is based on co-operation, which may have been conducive to such implementation. In addition, IC is a business that must deal with commercial competition. Despite the fact that the quantity of change in NPO was less than in IC, NPO did implement some decisions for improvement during SWOT Positioning and as a result of it. Undoubtedly, this is a testament to the strength of SWOT Positioning as an analytical tool and as a motivator for action.
B) Conclusions: Back to Initial Quandaries

In the introduction to this work (Chapter 1, Section A), a number of quandaries were raised. The description of the process undergone in the two participating organisations, including the evaluations both of the consultant-researcher and of the team members, answers some of these questions. The basic questions were:

1. What can be done to increase the probability that decisions will be implemented?
2. How can consensus be encouraged among participants in the decision-making process?
3. How can the construction of strategy be immunised against the influence of irrelevant factors?
4. What are the methodical means of creating strategic alternatives and how can this process can be taught?
5. How can creativity and innovation be fostered, yet the level of innovation be managed?
6. How can Time to Market be shortened?

A retrospective of this study allows us to consider to what extent each of these questions has been answered.

1) Increasing the probability of implementation

This study is concerned not with implementation itself, but with the taking of decisions that will lead to implementation. Many decisions are left on paper, never being realised. The sense of ownership of and responsibility for decisions by the top management team is a crucial factor in determining whether there
will be a follow-through with implementation. When this sense is fostered in a consensus-creating decision-making process, the probability of implementation rises.

In both IC and NPO, this sense of ownership and responsibility did indeed evolve during SWOT Positioning and Process Consultation. Ownership and responsibility developed gradually during the various stages of the process, with certain fluctuations. Even at the conclusion of the process, not all participants accepted ownership and responsibility to the same degree, as is natural. However, in general, the process was successful in bringing the majority of team members to a high degree of acceptance of their ownership of and responsibility for the decisions taken. This was clear from the fact that in both cases, immediately upon conclusion of the taking of the strategic decisions, planning for general implementation was begun.

In addition, the implementation of by-product decisions had already been initiated during the SWOT Positioning phase, despite the fact that the process was incomplete. In view of these organisations' previous experiences (the lack of implementation of strategic alternatives), it seems clear that the current process increased the probability of implementation.

The dynamic pressures of the environment require the elimination of the border between planning and implementation. In businesses (such as IC) this is more urgent than in non-profit organisations (such as NPO), although both must adapt to it. The attitude presented here is not merely of strategic planning but of strategic management. Planning and implementation are inextricably intertwined.

2) Encouraging consensus

Consultants or managers alike may employ the Process Consultation approach, placing responsibility squarely on the shoulders of the client or subordinate. In
working with a team, there is a tendency for each member to pull the cart in his or her own direction, particularly once the burden of responsibility begins to weigh on them. Left on their own, each would continue in the same direction, away from consensus. With SWOT Positioning, team members analyse the various directions, where they are coming from and where they are leading. This understanding and focus help team members to reach an agreed-upon decision about where they want to go and the way to get there.

In both study organisations, two phases of SWOT Positioning were gone through: the identification and sharpening of differences, and the gradual convergence toward consensus. This consensus grew as each series of SWOT Positioning Maps was created, and reached full expression when the final Map was agreed upon.

As the process proceeded beyond the creation of the SWOT Positioning Maps, the PCA approach was continually employed to foster consensual decision-making. The consultant used interventions and tools toward this end during the meetings involving the creation of strategic focal directions and the selection of action alternatives.

The relationships between team members might be a topic for further research.

3) Influence of irrelevant factors

PCA was an integral part of the process under study here. The consultant-researcher employed it in attempting keep the discussions practical, centred on the relevant issues at hand. In both IC and NPO, there were moments when certain participants pulled in one direction or another, apparently motivated by previously-existing organisational power struggles and personal agendas. There was no significant difference between the organisations in the quantity of these irrelevant digressions. The consultant's PCA interventions guided them back toward the topic itself. The ability to do so was based both on this approach and on the fact the he was a neutral outsider, not part of any clique.
Had the process been employed internally, by one of the managers, would PCA have been sufficient to counteract his identification within the organisation with certain groups or directions? In such a situation, the manager must constantly analyse and evaluate his own position, in an attempt to remain (and be perceived by others) as neutral as humanly possible.

4) Methodical means of creating strategic alternatives and teaching it

The methodical means of producing strategic alternatives presented in this study is focused on process. This process is largely based on the use of a newly created entity: SWOT Positioning. One of the definitions of creativity is the ability to produce a new concept from an innovative combination of a number of elements, which may or may not be new themselves. Creativity implies synergy, the whole being more than its component parts. PCA and SWOT are both known elements. The consultant/researcher feels that their combination in the manner described in this study does indeed comprise a new entity, which has been called SWOT Positioning.

This element has been integrated with other techniques (the general PCA approach, analytical and creative tools and the Level of Innovation Matrix) to produce a full methodical means of creating strategic alternatives.

Both the consultant (in the evaluation tables at the end of each meeting) and the members of the two teams (in the evaluation meetings after the process had been completed) related to the adoption of this method by the organisations. In Tables 4.15 and 5.12 (which are repeated in this chapter as Tables 6.2 and 6.3), the consultant's evaluation of the adoption of the method is consistently positive. From the second meeting on, in all subsequent meetings in both organisations, team members gradually tried out and, for the large part, accepted the consultant's approach and method. In the evaluation meetings, it was clear that the method, and particularly SWOT Positioning, had been adopted by a number of members of each team, who indicated their
desire to continue employing it in other situations in the future. In IC, there was one member who had already done so.

The method was not overtly taught to the team members. Their experience with the process itself was the best teacher. In a way, this is comparable to on-the-job-training, rather than a course in decision-making methods. After all, the members of the teams were top executives with prior knowledge and experience in management skills. Exposure to this method enabled them to judge its practicality in the light of their needs. Its adoption, as described above, is evidence that the participants felt they had learned the method sufficiently in order to employ it themselves, although they may yet need some additional assistance in their initial attempts at it.

Once the client is capable of using the method independently, the role of the consultant becomes unnecessary. In this sense, the consultation process is short-term, although the method is long-term.

There are numerous methods for the creation of strategic alternatives. The one presented here integrates teamwork and consensus-creation with the decision-making process.

5) Fostering yet managing creativity and innovation

The creation of ideas for strategic action alternatives was performed with a selected strategic goal in mind, was based on the previously performed analysis of the organisation's situation (SWOT Positioning and analytical tools) and was pointed in a chosen strategic focal direction. Within this framework, the creative process was aided by the use of accepted creative tools, producing as many alternatives as possible with minimal interpersonal interference (criticism, etc.).

A significant addition to this process was the introduction of the Level of Innovation Matrix, which enabled participants to organise the proposed
alternatives without losing the element of creativity in their construction. It improved the team members' ability to judge the degree of complexity and difficulty involved in implementing each alternative and the degree of innovation desirable to the organisation in the specific situation being dealt with.

Use of the Matrix avoids abstract discussions of innovation, grounding the decision regarding the level of desired innovation to specific suggestions organised according to three levels and two ranks, all of which are connected to SWOT Positioning. The three levels are defined according to whether the alternative is based on factors, which have been deemed Strengths or Weaknesses, or on previously unmentioned factors. The two ranks are defined according to whether the alternative relates to identified Opportunities or Threats or to previously unidentified factors in the environment. These definitions of levels and ranks emphasise the underlying effect of SWOT Positioning on the process as a whole.

Team members from IC noted that the use of the grading process in the Level of Innovation Matrix enabled them to select alternatives, which were particularly appropriate for their needs, and to give other alternatives lower priorities. They felt that the concentration of efforts on a small number of highly graded alternatives would increase the probability of implementation and the possibility of success.

In NPO, voice was given to the expectation of commitment on the part of team members to implementation of the selected alternatives, given the degree of consensus on them, which was obvious from the grading process.

The consultant/researcher cannot help wondering whether there is a better way to achieve the aims of the Matrix that he created. It does provide assistance to the decision-makers, and integrates information from SWOT Positioning in the process. However, other means of innovation ranking might be tested.
6) Shortening Time to Market

It is difficult to determine whether the method presented here affects the overall Time to Market, and if so, in what way. The process described in this study was one of strategic decision-making. However, Time-to Market inevitably includes an implementation stage as well, and a certain amount of time which elapses between the two. These were not part of this research project. One might consider whether the strategic decision-making stage was relatively long or short, but this would not take into account the potential affect of the process on the length of the implementation stage and on the elapsed intervening time. Measuring Time-to-Market should include all three.

The team members in IC and NPO could not determine whether Time-to-Market was short or long. On the one hand, the strategic decision-making process was not particularly brief, and to some team members seemed somewhat long. On the other hand, by-product implementation had already occurred while the process was still on going, and the preparation for general implementation began immediately at the conclusion of the strategic decision-making stage. Although there were slight differences between IC and NPO regarding the intensity of these implementations, the basic fact is that they occurred in both cases.

The method used may have minimised the time elapsed between the selection of strategic action alternatives and the action itself. There were team members who predicted that the implementation stage would be particularly short, as the participants were well prepared for it and there was broad agreement on the steps to be taken. It is unclear whether the method used affected the over-all Time-to-Market.

It is difficult to isolate the factors that affect the success of PCA. One of these is the strength of the need for a new strategy. The strength of this need may have influenced the implementation of by-product decisions while the consultation process was still on-going, or influenced the planning and preparation for general implementation at the conclusion of that process. The same or a similar
need may also have existed at the time of previous consultations (of the 'doctor' or 'expert' type) which IC and NPO had ordered from outside consultants. It may be that there was a stronger or more urgent sense of need in the organisations when PCA was initiated, and that this was a factor which mitigated for efficacy during the PC process. If so, it was a factor this researcher was not able to measure or evaluate.

In both organisations, in the past, 'expert' recommendations had been given, but top management had taken no significant decisions, and no implementation had occurred. Therefore, there is no basis for a comparison of the Time-to-Market with SWOT Positioning and with the methods previously (un) used.
C) Implications for Further Research

A number of differences in the behaviour of IC and of NPO have been discussed, among them their basic goals. Is the profit-vs.-non-profit distinction at the root of the variance in behaviour between the two? Future research might examine whether similar distinctions regarding goals correlate with similar distinctions regarding decision-making behaviour in other companies employing PCA and/or SWOT Positioning.

The known difficulty (H.H. Stevenson, 1976)(K. Napuk, 1993) in identifying weaknesses during SWOT analysis may be related to a subsequent difficulty in dealing with them, even once they have been recognised as such. The difficulty experienced in NPO in treating its identified weaknesses may be indicative of a broader phenomenon. Is dealing with weaknesses a problem in general in other organisations? What are the factors which make one organisation better able to deal with weaknesses than another? Does the method used during SWOT analysis (SWOT Positioning or other techniques) affect the ability of an organisation to deal with its weaknesses? These are questions for possible further research.

Another potential field of investigation is the attitudes of participants toward the taking of responsibility for a Process Consultation in which they are involved. Are there differences in these attitudes before, during and after the process? What are the parameters for differences between various individuals and organisations?

The relationships between team members in PCA are another possible topic for study. Is there a sense of partnership between them? Does this affect their willingness to reach consensus regarding the business of the organisation? Industrial psychology may be able to contribute to an investigation of these questions.
Another personal factor, which is appropriate for future study, is the affect on
the process of the consultant's character, skills, experience, and knowledge. It
may be suggested that these will influence his relationship with the client as
well as his judgements as to which interventions to employ in given situations
and when, if at all, to switch to the role of 'expert' or 'doctor'.

Future research with SWOT Positioning should certainly include a closer look at
the phenomenon of by-product decisions. Do they occur with consistency, or
are they flukes which occur only under certain sets of circumstances? Is there
any regularity in the timing of these decisions and their implementation? What
distinctions can be made between those items chosen for immediate treatment,
while the process is still on-going, and those items left for longer-term treatment
in the framework of the consultation process?

It has been noted that the NPO team created fewer alternatives than the IC
team. It has also been noted that the NPO team was less well-acquainted with
the creative stage of the process. Is there a connection between these two
facts? Were members of the NPO team restrained by this feeling of
'new-ness'? Might they be more creative in future uses of the same process?
Are creativity and innovation stunted when applied by those unfamiliar to them?
Does repeated use of creative tools increase the productivity of the process?

An understanding of the level of innovation of the strategic action alternatives
helps decision-makers select the one(s) most appropriate to the needs of the
organisation. One method of determining the level of innovation has been
suggested here (the Level of Innovation Matrix). What other tools can achieve
this end? A more complex model of the Level of Innovation Matrix might be
developed to assist management in decision-making as it progresses toward
implementation.

IC and NPO differed in the level of innovation each chose to work on. What
determines the choice of levels of innovation? There is most likely a correlation
with how daring the team members are, how their organisational culture views
innovation and creativity, how willing the organisation had been in the past to go out on a proverbial limb. Future research might look into these and other factors, which affect the level of innovation in proposed and chosen alternatives.

The effectiveness of the PCA interventions was unequal in the two organisations. What made IC team members more open than their counterparts at NPO to suggestion, direction, counselling? Were these personal factors, the particular individuals assembled in each team, or perhaps the relationship that developed with the consultant in each case? Is there something in the culture of the organisations that mediates for or against such openness? Did the history of each organisation with previous consultants affect the participants? It seems logical that there is no single, simplistic answer to these questions, as human behaviour is generally complex and multifaceted. However, it might be possible to find a way to study this aspect of PCA.

It is possible to measure in absolute terms the length of a strategic decision-making consultation process and the Time-to-Market of a product based on a strategic decision taken in that process. If the date, list of participants and length of each contact between a client and consultant is noted, and if the date such a product reaches the market is added to these, then the Time-to-Market can be calculated as the period which intervenes, and the absolute length of the consultation process will be known.

However, the relative length of a strategic decision-making process is far more difficult to define. Did the method employed in the process affect the overall Time-to-Market, perhaps altering the proportion of time spent in reaching the strategic decision, in implementation and in the time elapsed between the two? Was the process 'long' or 'short'? Should these terms relate only to the time spent with the consultant, or include the length of the later stages as well? Is it possible to isolate the affect of the decision-making process as a factor in determining overall Time-to-Market? Just as concurrent engineering is an integrative process, perhaps 'concurrent strategy management' can be viewed as an integration of strategic decision-making, implementation and the time
elapsed between them, potentially shortening Time-to-Market. H. I. Ansoff (1984) mentions this direction, as he looks for a 'parallel planning-implementation process' (see Chapter 2, Section A1). These are all topics for possible further study.

The term 'stamina of an organisation' has been introduced here to indicate 'the willingness and/or ability of the organisation's management to take on the inevitable challenges (in terms of effort, time, risk and energy) in deciding on and implementing change' (see Section A2c of this chapter). It cropped up as an outgrowth of several factors, but has not been gone into in detail. It might prove fruitful to define this term more precisely and to investigate its ramifications.

The management teams involved in the research for this thesis underwent a learning experience as well as a strategic decision-making process. Has the process been learned by the participants? Will they employ it in appropriate future situations? At the time of writing, it is too soon to determine the answers to these questions. More time must elapse before they can be fully dealt with. Only future long-term studies will be able to determine the degree to which PCA/SWOT Positioning are adopted by organisations that have employed them in a consultation process.

In order to strengthen the contention that the method presented here is a viable one for creating strategic alternatives and for consensus-creating decision-making, it is necessary to repeat this type of research with a larger number and variety of organisations.
D) Summary: On a Personal Note

When this study was begun, there were certain ideas, which seemed to have the potential for providing answers to some of the quandaries I had encountered in my experience as a consultant. In retrospect, there are research results of this study, but there were personal results as well. Working with PCA and SWOT Positioning has helped me determine my own future direction as a consultant.

I believe that PCA works and is appropriate to modern management trends. It is democratic, involves teamwork and the taking of responsibility. There is an on-going organisational learning process, hopefully bringing the organisation to a degree of independence that limits the length of the need for a relationship with the consultant.

“I believe that all managers can become more effective if they adopt some of the concepts of process consultation and learn some of the skills associated with that concept.” (E. H. Schein 1987 p. viii)

When does one become a consultant? When he believes he is an expert in some fields, and naturally tends toward acting on that belief. However, when employing PCA, the consultant is an expert in the process, consciously avoiding the role of expert regarding content. I spoke previously of the sense of being pulled in two directions at once. In general, I have found that the role of process consultant suits my temperament and is the way for me to go.

I also believe, as E. H. Schein (1987) so aptly stated:

“Ultimately process consultation is a philosophy or a perspective on how to provide help to human systems, not a technology or a given intervention style. The roles that a consultant will find himself playing in different kinds of organisational settings and at different stages in a
consulting process will vary widely, but the philosophy of maintaining a process consultation orientation toward all those roles and settings is a feasible and, in my view, desirable way to maximise help." (p. 205)

While I agree with Schein on this matter, and do not see PCA as a technology, I do believe that there are techniques, which are more complementary than others to the Process Consultation approach. I have found SWOT Positioning to be highly conducive to PCA, acting as a platform for interventions.

In addition, SWOT Positioning seems to me to be extremely effective in creating consensus and fostering the commitment of team members to the decisions ultimately taken.

Using this technique, I have sensed a more equal relationship with the client. The sense of professional superiority which underlies the role of 'expert' or 'doctor' is rarely present in SWOT Positioning, a fact which - again - suits my personal preferences.

With the integration of PCA and SWOT Positioning, I have also sensed the client was less wary than with other approaches. Discussing the weaknesses within and threats to one's organisation often makes a manager raise defence barriers intended to protect his reputation and position. Although personal criticism and insult are counter-productive, many a decision-making meeting is based on accusation, recrimination or the fear of them. I believe these are minimised by the prudent use of PCA and SWOT Positioning.

It would seem to me that other consultants and managers with a democratic approach and nature will find the combination of PCA and SWOT Positioning both effective for the clients' purposes and personally satisfying. It is a combination I have adopted and would certainly recommend to others with similar tendencies for use in similar situations.
Appendix A:

KSF - Key Success Factors

<table>
<thead>
<tr>
<th>Potential Key Success Factors</th>
<th>Competitor #1</th>
<th>Competitor #2</th>
<th>Competitor #3</th>
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<tbody>
<tr>
<td>KSF A</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KSF B</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KSF C</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>KSF D</td>
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</tr>
<tr>
<td>KSF E</td>
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<tr>
<td>KSF F</td>
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</tr>
<tr>
<td>KSF G</td>
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<td></td>
</tr>
</tbody>
</table>
Appendix B: Contribution Chart

Direction of arrow indicates great value to the business.
Appendix C:
Perceptual Positioning Map

Purchase Price vs. Product's Benefit

Points:
- A: High Purchase Price, High Product's Benefit
- B: High Purchase Price, Low Product's Benefit
- C: Low Purchase Price, High Product's Benefit
- D: Low Purchase Price, Low Product's Benefit
- E: Low Purchase Price, High Product's Benefit
Appendix D:

Growth-share Portfolio Model

(Boston Model)

<table>
<thead>
<tr>
<th>Market growth rate</th>
<th>High</th>
<th>Low</th>
</tr>
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<tbody>
<tr>
<td>10%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 %</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>High</th>
<th>Star</th>
<th>Problem child/Question mark</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low</td>
<td>Cash cow</td>
<td>Dog</td>
</tr>
</tbody>
</table>

- A: Problem child/Question mark
- B: Star
- C: Dog
- D: Cash cow
- E: Cash cow
Appendix E:
DPM - Directional Policy Matrix
(Market Attractiveness / Business position Matrix)

market attractiveness

business position

- Invest / grow
- Selectivity / earnings
- Harvest / divest
Appendix F:

Ansoff Matrix for Business Development

- Market Development
- Diversification
- Market Penetration
- Product development

<table>
<thead>
<tr>
<th>Market</th>
<th>New</th>
<th>Existing</th>
<th>Product</th>
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</thead>
<tbody>
<tr>
<td>Existing</td>
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<td>2</td>
<td></td>
</tr>
<tr>
<td>New</td>
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<td>4</td>
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</table>
Appendix G:

Level of Innovation Matrix

<table>
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<tr>
<th>Rank</th>
<th>Elementary</th>
<th>Advanced</th>
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<tbody>
<tr>
<td>Level</td>
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<tr>
<td>Easy</td>
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<tr>
<td>Moderate</td>
<td></td>
<td></td>
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<tr>
<td>Difficult</td>
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</tbody>
</table>
Appendix H:

BrainWriting Pool
Appendix I:

Mind Mapping


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