

Session 9

5. Strategic Vision and Prospective

5.1. Strategic Management Matrix

Top-level managers in many of today's leading corporations are losing control of their companies. The problem is not that they have misjudged the demands created by an increasingly complex environment and an accelerating rate of environmental change, nor even that they have failed to develop strategies appropriate to the new challenges. The problem is that their companies are organizationally incapable of carrying out the sophisticated strategies they have developed. Over the past 20 years, strategic thinking has far outdistanced organizational capabilities.

All through the 1980s, companies everywhere were redefining their strategies and reconfiguring their operations in response to such developments as the globalization of markets, the intensification of competition, the acceleration of product life cycles, and the growing complexity of relationships with suppliers, customers, employees, governments, even competitors. But as companies struggled with these changing environmental realities, many fell into one of two traps—one strategic, one structural.

The strategic trap was to implement simple, static solutions to complex and dynamic problems. The bait was often a consultant's siren song promising to simplify or at least minimize complexity and discontinuity. Despite the new demands of overlapping industry boundaries and greatly altered value-added chains, managers were promised success if they would "stick to their knitting." In a swiftly changing international political economy, they were urged to rein in dispersed overseas operations and focus on the triad markets, and in an increasingly intricate and sophisticated competitive environment, they were encouraged to choose between alternative generic strategies—low cost or differentiation.

Yet the strategic reality for most companies was that both their business and their environment really were more complex, while the proposed solutions were often simple, even simplistic. The

traditional telephone company that stuck to its knitting was trampled by competitors who redefined their strategies in response to new technologies linking telecommunications, computers, and office equipment into a single integrated system. The packaged-goods company that concentrated on the triad markets quickly discovered that Europe, Japan, and the United States were the epicenters of global competitive activity, with higher risks and slimmer profits than more protected and less competitive markets such as Australia, Turkey, and Brazil. The consumer electronics company that adopted an either-or generic strategy found itself facing competitors able to develop cost and differentiation capabilities at the same time.

In recent years, as more and more managers recognized oversimplification as a strategic trap, they began to accept the need to manage complexity rather than seek to minimize it. This realization, however, led many into an equally threatening organizational trap when they concluded that the best response to increasingly complex strategic requirements was increasingly complex organizational structures.

The obvious organizational solution to strategies that required multiple, simultaneous management capabilities were the matrix structure that became so fashionable in the late 1970s and the early 1980s. Its parallel reporting relationships acknowledged the diverse, conflicting needs of functional, product, and geographic management groups and provided a formal mechanism for resolving them. Its multiple information channels allowed the organization to capture and analyze external complexity. And its overlapping responsibilities were designed to combat parochialism and build flexibility into the company's response to change.

In practice, however, the matrix proved all but unmanageable—especially in an international context. Dual reporting led to conflict and confusion; the proliferation of channels created informational logjams as a proliferation of committees and reports bogged down the organization; and overlapping responsibilities produced turf battles and a loss of accountability. Separated by barriers of distance,

language, time, and culture, managers found it virtually impossible to clarify the confusion and resolve the conflicts.

In hindsight, the strategic and structural traps seem simple enough to avoid, so one has to wonder why so many experienced general managers have fallen into them. Much of the answer lies in the way we have traditionally thought about the general manager's role. For decades, we have seen the general manager as chief strategic guru and principal organizational architect. But as the competitive climate grows less stable and less predictable, it is harder for one person alone to succeed in that great visionary role. Similarly, as formal, hierarchical structure gives way to networks of personal relationships that work through informal, horizontal communication channels, the image of top management in an isolated corner office moving boxes and lines on an organization chart becomes increasingly anachronistic.

5.2. Strategic Vision

A strategic vision is a broad term used to describe one of the essential elements of an overall strategic planning endeavor. Essentially, a vision is the identification of the ultimate aim or purpose for a business. Within this context, the strategic vision helps to set the parameters for the development of planning specific steps to go about making that vision come true, since it establishes the general direction that the business will pursue. A workable vision clearly looks beyond where the company is today and determines where the owners want the company to be at some point in the future.

In order to properly craft a strategic vision, several key elements must be considered in order for that vision to be truly viable. One of those elements is that the vision must be realistic. This means that vision must be somewhat specific rather than a vague idea about the future. For example, setting a vision to become the largest pencil manufacturer in the world may be a bit broad, whereas a vision to capture five percent of the pencil market within a given country within the next ten years does have focus and has the potential to be workable.

Along with viability, a strategic vision has to be relevant to those who will be involved in reaching that ultimate goal. This means employees as well as owners must recognize the potential of the vision and be committed to helping it come to pass. If everyone in the company does not believe in and support the vision, the chances of reaching the goal within the time frame identified are reduced significantly.

A true strategic vision is attractive, in that all parties involved can identify some benefit from pursuing the vision. This means that employees can foresee improved working conditions resulting from going after the vision, as well as additional financial benefits from working hard to achieve the goal. The degree of attractiveness must be sufficient to sustain that commitment even when unforeseen difficulties threaten to slow progress toward the goal, inspiring everyone concerned to overcome the adversity and keep moving forward.

One final characteristic of a strategic vision is that there is room for adjusting strategies when and as needed without actually changing the ultimate goal itself. This built-in flexibility makes it possible to alter policies and procedures when necessary to keep the momentum going, introduce new advertising and marketing campaigns, make improvements to the product line, and any other strategy that is likely to move the company forward toward achieving the vision.

In order to succeed, a business must have at least one visionary that can formulate a workable and attractive strategic vision. Employees with the skill sets needed to bring the fulfillment of that vision to life are just as important to the well-being of the company. A company that is composed mainly of visionaries, or one that does not have at least one visionary among the owners and managers, is much more likely to remain stagnant at best, or to fail completely at worst.

5.3. Stages Construction of Carlos Matus

Carlos Matus lays the foundations of an investigation that goes beyond the problem of economic action and strategy to move into the realm of a general theory of political action class, which

economic planning is a helper method. The thesis that economic planning should be redefined, both in conception and in its techniques is developed and that the path to this redefinition requires:

- Construct a general theory of political action class , where policy planning and policy plan is a good example of the more general theories of social decisions ;
- Economic planning should abandon its purely normative conception to enter the field of strategy and tactics of action critically joining the current cybernetic thinking and general systems theory.
- Economic planning techniques cannot be conceived in isolation from policy planning techniques, from the moment that economic planning is only one aspect, albeit very important, policy planning, and there are strong relationships between the two.

On this basis, Carlos Matus, develops the following topics:

1) About autopoietic systems: concepts of system and structure, the structural transformation, the role of cybernetics. It is concluded that the transition from functional to structural cybernetics will be a great support for the theory of social transformation as long as the basics are redefined status.

2) On the theory of social situations: the concept of situation; geno-situation and feno-situation, the situation as a dialectical unity, the transformation of antagonistic entities. It is concluded that the emphasis should be put on the feno-situación to highlight the role of social forces in the construction of the situation.

3) About the categories and feno-situations and geno-situation laws: social facts and situational structures, the scope and extent of feno-situations laws, the laws geno-situation, the nature of laws and micro-situation.

4) The structures in geno-situation : unequal relations , the dialectical contradiction , the situation - stage relationship, the economic and social structure, the political and legal structure , the ideological

structure , the studies on the formation of social consciousness (preconscious ; awareness feno-situation primary ; feno-situation corporate conscience feno-situation class consciousness , class consciousness geno-situation) .

5) Social forces: groups, classes and social forces, the concept of force; properties of forces, as the value of a force, balance of power and balance of power; synchronized fractional surprise and forces action.

6) The transformation of situations: the transformation pathways, models, transformation process, forward, reverse consolidation and jump.

7) Mechanics of planning situations.

8) Location - specific target and pure utopia.

The ineffectiveness of governments in the region, which show a considerable gap between plans and the decisions that guide their action. Planning for government action is useful to the extent that is a calculation that precedes and presides over its action. In Latin American countries there is a gap between process planning and daily decision-making, whereby governments are dominated by the inconsequential and unpredictability. It is necessary to build capacity of government through the formation of a political-technical layer and adopting government and techniques appropriate to the complexity of society planning. The techno-political level is a layer underdeveloped in Latin America, to decide or help decide objectives and propose ways to create resources, its scope is the whole society requires the charismatic qualities of the leader that must be turned to the social scientist action, be prepared for policy planning.

The scenario planning is a useful tool to support technology.

The general inefficiency of the governments of the region can be sustained in the following theses:

- 1) Planning is primitive, rigid and helpless to serve the political leadership that governs a complex and uncertain system. Situations planning intend to solve this problem.
- 2) The methods of state government, political parties and social forces are primitive and inefficient, requiring train leaders in science and techniques of government.
- 3) The policy immediatist and pragmatic, culture is more interested in intermediate problems in the political system those terminals social system problems.
- 4) We need to reform the planning, techniques of government and political culture, so that the electoral programs and government plans become action that affects national problems.
- 5) Successful planning lies in the joint operational planning policy.
- 6) We must increase the capacity of government as a primitive steering system cannot govern a complex social system.
- 7) Economic planning must become strategic situational planning and government action.
- 8) Planning in a resistant medium planning should be seen as a conflict structure in which no agent has decisive on the other, intersecting with a hierarchical power. The scenario planning has about appropriate features.
- 9) The government program, governance of the social system and the ability of government (leadership triangle) form a system of relations in which the effectiveness of the plan of government rests.
- 10) The practices of governance in Latin America fail in the policy planning and management for operations (includes graphics).