

RETHINK FOR REVIVE: BRANCH FRAMEWORK**Mariana RADOV***Academia de Studii Economice din Moldova*

Materia expusă în acest articol se concentrează pe una dintre exigențele fundamentale pe care le aduce criza actuală în ramurile economiei naționale – redimensionarea gândirii strategice în vederea contribuției fiecărei întreprinderi la dezvoltarea sectorului în care activează. Acest obiectiv poate fi realizat prin revizuirea strategiilor corporative în raport cu necesitățile de perfecționare a ramurii, precum și prin prisma alianțelor strategice, creării valorii adăugate, R&D, motivarea angajaților, implicare în viața socială a comunității etc. Pentru Moldova aceste acțiuni ar însemna consolidarea unor practici de antreprenariat inteligent, alimentat cu idei creative și orientat spre succes.

*“Anyone who lives within their means
suffers from a serious lack of imagination.”*

(Oscar Wilde)

Reasons for strategic thinking

As the actual crisis brings at the worldwide economic stage a complexity of crucial enlivening words like revive, restore, recover, reanimate and much more having their “Re”s in order to bring the economic systems back to their former strength, why shouldn’t we remember that there is a word for bringing out the plan through which that major goal could be attempted? This would be “Rethink”. And what properly means this word? If we would approach it from strategic management point of view, this will signify the review of existent strategies and intensified exploration of them from new directions and further focusing on finding and developing unique opportunities for creating new efficient and competitive ones.

In order to revive the economy during the actual crisis we need to perceive that the rebound of the entire sector is primordial to the survival of a corporation as apart. Unlikely, the appearances are completely different. The major cause which emerged from the entrepreneurs today is how to catch those pieces of staggered markets and outdo the competitors. And this is due because it’s always been that way! But there may be an additional perspective, a way that can create a dramatic shift not just in the way business is done but in how we treat our customers and each other. Maybe there is an urged exigency for reviewing our present methods and starting, for once, to rebuild our strategic corporate management. This is the perspective of collaboration, which implies that each of us is unique, that no two people (or business) are exactly the same. And moreover, I guess, it is simply not possible for two businesses to serve the same client’s needs equally. So why shouldn’t we collaborate with each other for strengthening the same branch where we do activate together?

Each of us, and the businesses we’ve joined or created, exist for a specific purpose or mission. Our businesses have developed as a result of our own experiences and needs, and are simply tools for fulfilling that mission. Each business has its own mission to serve a particular group of customers in a particular way. That is why businesses have no need to compete with each other in the way we’ve traditionally thought of it. Instead, business owners and managers could collaborate in ways that truly serve their customers’ and their own interests. Maybe all of that sounds aberrant, but if we want to perform our strategic mission we need to remember that we are not alone here in the branch and that the deeply rooted concept of competition - “survival of the fittest” – colors our actual situation of how disastrous could be the way we do business...

Strategic mission, therefore, need to be harmonized with the goal to protect and empower the branch by the implication of the owners, managers and all the staff in the contribution to the efficiency, competitiveness and high added-value creation through their core business. The reason why this main idea should be built lay on some premises as revealed below:

- bias for action which need to be promoted within all companies during this persistent crisis;
- need for adapting the organization to its business environment;
- need for promotion of the overall direction of the entire business sector within entrepreneurs;
- need for strategic alliances to ensure the stability of the business areas;

- tendency for continuous improvement in cost, quality, service, and product innovation;
- call for entrepreneurs’ help to support the branch where they activate provided for business support and international organizations;
- the search for best practices which demonstrates the existence of business and entrepreneurial associations in some domains that are becoming an essential driver of superior growth etc.

How to rethink corporate strategies

Dispute of those listed below, occurs an impression that we still don’t know what “strategic thinking” is. However, we certainly, should denote that it is focused on enabling a provocative and creative dialogue among people who can affect a company’s direction. It is the input to strategic planning: good strategic thinking uncovers potential opportunities for creating value and challenges assumptions about a company’s value proposition, so that when the plan is created, it targets these opportunities. Thus, strategic thinking is a way of understanding the fundamental drivers of a business and rigorously (and playfully!) challenging conventional thinking about them, in conversation with others. And, furthermore, it is known that some things always should be taken into account during that kind of thinking:

- *skills and competencies* (what are the company’s unique competitive advantages, what weaknesses might make it vulnerable etc.);
- *products and offerings* (what kind of products/services provides the company to the market, what are the prices, the brands that are associated with those offerings etc.);
- *markets and customers* (who are the customers, what are their needs, which is the market position of the company etc.);
- *competitors and substitutes* (what are the products/services that could be used instead of those of the company, what is the nature of the competition in that market, who are the competitors, what are their strengths and weaknesses etc.);
- *buyers and suppliers* (with what companies we should work for produce or sell the products/services, what can we offer to them, what could they offer to us etc.);
- and least, but not last - ***environment and industry***.

We’ve learned perfectly already to consider this above final target including the overall economic context in which the company competes, the regulatory legislation in the area, the structure of the branch and where do we want to be in it, in which way the branch connect with the others and how it will connect with us if we would be there, ***but we need to have questions about:***

- ✓ how we would contribute to the branch development?
- ✓ which added-value could we provide for that?
- ✓ which modern R&D could we allow for being according to the branch standards?
- ✓ what strategic alliances could we make with our competitors/buyers/suppliers in order to realize all of that?
- ✓ how could be that included in the mission of the company?
- ✓ how should we ensure the understanding of that mission within our workers?
- ✓ how could we convince our partners of strategic alliances that this is our common goal to improve the branch and that we can do that only by working together?
- ✓ what are the objectives and strategies for that main purpose?
- ✓ what are our benefits from the implementation of those strategies?

There could be many more of questions of that kind, important is that those questions need to be highlighted every operational year and even if there is only one regarding branch improvement, this already denotes that the company is acting not like a survivor or predator in the business world, but like a leader one. That company knows how to make adjustments at the right time and how to share its best practices.

Then, the mentioned managerial strategies applied by the companies which want to approach that way should be concentrated on some principles:

- ***Alignment*** (all the strategies should be aligned to the mission of the company, its situation in the branch and its operational strengths).
- ***Goal-orientation*** (each strategy should have expected outcome – which exactly will be the result of company’s implication in the branch revival and which are the estimated benefits of the company).

- **Fact-basedness** (there is a strong exigency that all strategies must tell believable stories: this means that the logic behind that strategy should be clear and simple).
- **Broad thinking** (the strategic thinking should consider multiple alternatives and choices).
- **Focusing** (this means that the company should prioritize its activities as it can't do all the things and all the improvement for the entire branch: it must start with something to make the development grow).
- **Overall agreement** (I've already mentioned each strategy that implies some partners should be realized only with the agreement of all of them).
- **Engaging** (the strategies should be articulated in such way that will mobilize people who will be asked to carry them out).
- **Adaptation and adjustment** (strategies should fit optimal parameters in the changing branch environment).
- **Implementability** (who can talk about strategy if it couldn't be implemented?).

Tips for Moldova

All those rules could be very significant for our country, which after long and assiduous transition to the market economy, after slow and difficult progress through restructuring, privatization, legislative adjustments, governmental strategies and foreign investments still cannot pretend having strategically effective sectors. The causes are so many concerning governmental policy, auto-financial capacity within private sector, credit costs, competitiveness of local goods, corporate management and labor training etc. and so many NGOs' and governmental projects are on the arena to provide solutions for the branch framework, but in order to relieve our sectors we need, foremost, to improve a lowered level – the corporate, the managerial, the strategic one!

Thus, the major goal is to create a stable basis within the corporate business for a sustainable growth of the national branch through the consolidation of new economic sectors - efficient, competitive and technologically advanced. For that purpose, in my opinion, each enterprise should rethink its strategic management considering some following steps:

1. Perform complete analysis of the branch in which it operates.
2. Highlight main exigencies within the sector which could bring its improvement including the increasing of added-value and competitiveness.
3. Include in the corporate mission the idea of contributing to the branch development.
4. Adjust current corporate objectives according to the reconsidered mission.
5. Formulate and pursue effective strategies to obtain those objectives (including R&D activities, quality management techniques, consultants' implication, exploring new selling methods etc).
6. Motivate employees for understanding the importance of the branch improvement and their personal contribution.
7. Formulate proposals and convince the partners and competitors to collaborate for the branch development (this may be performed, for example, by making joint offers for important big investors in order to increase the attractiveness of the branch or by the organization of round tables, workshops and seminars in order to discuss and propose common solutions to the branch empowerment).
8. Elaborate proposals for review and amendment of legislation (this could be done in partnerships with competitors, suppliers, distributors and even clients).
9. Permanently contribute to the community's social life.
10. Estimate the strategies' impact on the branch and on the whole society and making necessary adjustments afterwards (this implicates permanent adaptation to the modification of the external and internal environment).

Strategic impact

The positive impact for the branch owing to continuous companies' implication is obvious per each involved side:

- For **public and administrative sector** this will result in: confidence in the morality of the business sector since entrepreneurs will be willing to contribute to the economy development by supporting their branch instead of thinking only at their own benefits; this will contribute to the further improved collaboration between the business and public sector and to the amelioration of legal procedures and of the entire legislation.
- For **private business sector**: improved collaboration between the business and public sector; quality improvement; business stability; attractiveness for foreign investors, increase of the local demand for the Moldavian goods and services.

- For ***different associations and business support organizations***: facility in regular monitoring and evaluation of branch development, increase the effectiveness and efficiency of their permanent support to the branch.
- For ***civil society***: high quality ethic and moral standards in the community; improvement of local goods and services; new workplaces.
- And finally, it should be revealed the special importance of such strategic rethinking for the corporate management of a ***separate enterprise***: continuous improvement in cost, quality, service, and product innovation, closer relationships with customers and suppliers, intelligent use of new technology, global focus, improved human resource skills and, most important, the sense of identity and union with the branch which will make easier the adaptation to the always changing environment.

Referring to all stated above, why shouldn't we realize, once and for all, that if we desire to pass the crisis, to increase the ethic health of our country, to have equilibrium in the community, to raise a new generation of responsible entrepreneurs and to improve Moldova's international image, we will need to **RETHINK** and to do it **STRATEGICALLY**. Only that purpose will contribute to the further developing of an intelligent economy, powered by ideas and innovation and fuelled by a spirit to succeed.

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