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Business Strategy Concept: A Systematical Review

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Abstract

A business strategy is a crucial tool for a business, guiding its future and identifying opportunities and risks. It drives performance and alignment within the management team, achieving business goals. It determines goals in various aspects, including products, marketing, and financial management. It supports negotiations, partnerships, and innovation by seizing new opportunities. Business strategy also aids in managing human resources, optimizing performance, and defining department roles. It communicates internally and externally, building a strong brand image. It supports financial performance, reduces risk, and helps businesses adapt to market trends, enabling effective competition and overcoming challenges. Because of the significant of business strategy toward the success of companies, this article focuses on digging into the previous academic papers along the way of developing the business strategy concept to reveal a clearer vision about one of the standard concepts in business administration domain.

Keywords: Business strategy; concept, evolution, systematical review

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1. Introduction

Focusing on the goal of revealing the deep overview of the concept of business administration, the journal article is conducted in order to explores the importance and evolution of business strategies in the field of business administration. A business strategy plays a vital role in guiding a company's future, identifying opportunities and risks, and achieving business goals. It encompasses various aspects such as product development, marketing strategies, financial management, negotiation, innovation, human resource management, and brand building. A well-defined business strategy not only supports internal operations but also helps businesses adapt to market trends, reduce risks, enhance financial performance, and effectively compete in the ever-changing business landscape.

Recognizing the significance of business strategy in the success of companies, this article presents a systematic review of academic papers that have contributed to the development and understanding of the concept of business strategy. The review aims to provide a comprehensive overview of the evolution of business strategy, recent conceptual developments, and the strategic planning processes employed by organizations. By examining and analyzing a wide range of scholarly works from trusted sources such as Google Scholar, ResearchGate, and ScienceDirect, this review seeks to shed light on one of the fundamental concepts in the field of business administration.

The document follows a structured methodology in its exploration of the business strategy concept. It begins by collecting a substantial number of academic papers, including journal articles and book chapters, from various reputable sources. These papers are then carefully classified based on their content, focusing on three key areas: the evolution of the business strategy concept, recent conceptual advancements, and strategic planning processes. The chosen documents are further compared and analyzed to identify areas of agreement and disagreement among researchers' perspectives.

The findings of this systematic review elucidate the evolution of the concept of business strategy and underscore its academic enrichment through the seminal contributions of distinguished scholars. Notably, the works of Chandler, North, and Porter have been instrumental in shaping contemporary understanding of strategic change, organizational dynamics, and industry analysis. Furthermore, this review highlights how behavioral scientists, economists, and game theorists have significantly broadened the ambit of business strategy research. This expansion encompasses a more comprehensive analysis that integrates individual behavior, firm dynamics, industry contexts, and cooperative networks, thereby enriching the field with multidisciplinary perspectives.

By examining the evolution of business strategy from ancient origins to contemporary perspectives, the document unravels key milestones, notable figures, and significant terms that have influenced strategic thinking throughout history. Furthermore, it explores the emergence of strategic management as an academic discipline and a managerial practice, as well as the impact of strategic consulting firms on shaping business strategy concepts. The article also highlights the contemporary challenges and paradigms in business strategy, including disruptive innovation, blue ocean strategy, digital transformation, and data-driven decision-making.

2. Methodology

The target of the journal is revealing the clearest overview of the concepts of business strategy by collecting, classifying, comparing, and synthesizing to sketch an overview about the concept of business strategy.

First step: The academic papers are collected through searching from trusted academic corpuses as: Google Scholar, ResearchGate, ScienceDirect, … After browsing more than 50 research in different types, most of them are journal articles and book chapters, the most relevant, cited, and up-to-date documents were chosen for classification phase.

Second step: the chosen documents were classified based on their content. There are three types of content the author focuses on in the process of looking for research:

- The evolution of business strategy concept
- The recent concept of business strategy
- The strategic planning processes.

Third step: The classified documents were observed and compared to each other to identify the agreement and disagreement among researchers’ point of view.

Final step: The data from previous phases is noted and arranged in a cohesive order to create a clear overview of the concept of business strategy.

3. Results

3.1. The evolution of business strategy concept

Although there are many differences in the way the history of business strategy concept is divided, previous research agrees that the creation and development of modern business concept started around the 1950s-1960s.

In the book *Handbook of Strategy and Management*, Jeremy (2006) and Thomas et al. (2002) agreed that the foundation of the concept of business strategy took a great distribution from Chandler, a notable scholar in economic domain.

Thomas et al. (2002) stated that the field of strategy has given rise to three distinct types of academics over the past few decades. While all three coexist and thrive today, their relative significance and importance have evolved. Let's delve into each group:

3.1.1. Field Researchers and Institutionalists

During the mid-1960s and early 1970s, a group of strategy scholars emerged, often referred to as field researchers or institutionalists. Despite variations in their approaches, these scholars shared a common focus: providing rich descriptions of strategic elements and the strategy process. Their lens encompassed both the internal workings of firms and the external environment. By offering detailed accounts of strategic decisions, they facilitated field studies and provided a foundation for future research.

Notable authors like Alfred Chandler (1990) laid the groundwork for studying modern corporations, inspiring subsequent scholars at Harvard (Rumelt, 1974).

3.1.2. The Processual Approach to Strategy

Chandler (1972) and other influential figures (e.g., Quinn (1980); Pettigrew (1987); Mintzberg (1978)) developed a research tradition known as the processual approach to strategy. This tradition endures and continues to yield valuable insights for researchers. Empirical hypothesis testing remains a key avenue for exploring the strategy process.

3.1.3. Economists and Game Theorists

Economists began to significantly influence the field of business strategy in the late 1970s and 1980s, with Michael Porter's seminal 1980 work marking a pivotal contribution. Originating from the discipline of industrial organization economics, these economists focused on analyzing problems specific to firms within particular industries. A central question of their research was whether the structural characteristics of an industry impose constraints on the strategic choices available to competing firms. The scope of their inquiry included topics such as industry concentration, barriers to entry, cost structures, economies of scale, investment decisions, and profitability.

In the subsequent period, a new wave of economists with an interest in strategic matters began to employ game theory as a tool to examine competitive dynamics. Notable contributors in this area included Saloner, Dixit, Nalebuff, and Camerer, who explored how strategic interactions within markets could influence outcomes in terms of competition and cooperation among firms.

3.1.4. Behavioral Scientists and Their Broader Spectrum

During the 1980s and 1990s, behavioral scientists began to exert a significant influence on the study of business strategy. Seminal contributions from early works such as by March and Simon (1958), Pettigrew (1987), and Argyris (1985) set the groundwork for this surge in interest. This diverse group encompassed organizational psychologists, political scientists, sociologists (including figures such as Burt, Granovetter, and Scott), population ecologists (notably Hannan and Freeman), and cognitive scientists (such as Tversky, Kahneman, Porac, and Thomas). Their research extended beyond individual behavior to encompass firm dynamics, industry contexts, and inter-organizational networks. In contrast to economists, these behavioral scientists placed a greater emphasis on aspects of organizational functioning, survival, and the dynamics within cooperative networks.

On the other hand, in his 2006 work, Jeremy highlighted that historical contributions have revitalized the foundational principles of strategic management. Two particularly influential figures, Chandler and North, have profoundly influenced contemporary understandings of strategic change and organizational dynamics. Their work has been pivotal in shaping the theoretical landscape of strategic management, emphasizing the historical and institutional contexts within which firms operate.

3.1.5. Chandler's Evolutionary Perspective

Chandler (1962), through empirical research, has illuminated the evolutionary and historical nature of strategic shifts. His work emphasizes the long-term development of strategies within organizations. The significance of Chandler's impact is highlighted by his receipt of a Pulitzer Prize for his contributions.

3.1.6. North's Institutional Lens

Douglass C. North, on the other hand, highlights the pivotal role of institutions in shaping both organizational environments and the organizations themselves. His insights extend beyond individual firms to consider broader societal and institutional contexts. North's groundbreaking work earned him a Nobel Prize.

3.1.7. Business History's Hidden Gems

Despite their prominence, much of the research conducted by business historians remains unfamiliar to management theorists. Historians have diligently explored business dynamics over the past half-century, laying the groundwork for Chandler and North's contributions. However, this rich historical context often goes untapped by contemporary management scholars.

Ghemawat (2002) made an overall description about the evolution of business and highlight key milestones, significant years, and notable terms that have shaped strategic thinking.

3.1.8. Ancient Origins and Early Economic Thought (500 BCE - 1700 CE)

In ancient Greece, the term "strategy" referred to military leadership. However, early economic thinkers like Aristotle (384-322 BCE) and Xenophon (431-354 BCE) laid the foundation for economic principles that would later influence strategic thinking. Aristotle's work on ethics and economics and Xenophon's treatise on household management provided insights into resource allocation and market dynamics.

3.1.9. Industrial Revolution and Rise of Classical Economics (18th-19th centuries)

The Industrial Revolution (1760-1840) brought profound changes to the business landscape. Classical economists, including Adam Smith (1723-1790), David Ricardo (1772-1823), and John Stuart Mill (1806-1873), introduced theories on market forces, division of labor, and comparative advantage. Smith's "The Wealth of Nations" (1776) emphasized the role of self-interest and the "invisible hand" of the market in driving economic outcomes.

3.1.10. Late 19th Century: The Birth of Modern Business Strategy (1850-1900)

The late 19th century marked the emergence of modern business strategy. With the development of railroads and improved communication networks, companies began to recognize the potential for strategic decision-making. Notably, Alfred D. Chandler Jr. (1918-2007) argued in his book "The Visible Hand" (1977) that the rise of vertically integrated corporations created new possibilities for shaping the competitive environment.

3.1.11. World War II and the Birth of Formal Strategic Thinking (1939-1945)

World War II played a pivotal role in the development of formal strategic thinking. The war's resource constraints spurred the use of quantitative techniques for decision-making. Operations research and game theory, pioneered by John von Neumann (1903-1957) and Oskar Morgenstern (1902-1977), respectively, provided insights into strategic planning, allocation of resources, and competitive interactions.

3.1.12. Post-War Period: The Rise of Strategic Management (1945-1970s)

The post-war period witnessed the rise of strategic management as an academic discipline and a managerial practice. Peter Drucker (1909-2005) advocated for proactive management that shapes the business environment. Harvard Business School, founded in 1908, played a central role in promoting strategic thinking through influential scholars like Michael Porter (born 1947), who introduced the Five Forces framework in his book "Competitive Strategy" (1980).

3.1.13. The Rise of Strategic Consulting Firms (1960s-1980s)

The 1960s to 1980s saw the emergence of strategic consulting firms that significantly influenced business strategy concepts. The Boston Consulting Group (BCG) and McKinsey & Company pioneered the development and dissemination of strategic frameworks. BCG introduced the Growth-Share Matrix (BCG Matrix) in 1968, and McKinsey's 7-S Framework (1978) and Three Horizons Model (2000) became influential tools for strategic analysis.

3.1.14. Contemporary Perspectives and Evolving Paradigms (1990s-Present)

In recent decades, business strategy has evolved in response to technological advancements, globalization, and changing consumer behaviors. Concepts such as disruptive innovation, coined by Clayton Christensen (1952-2020) in "The Innovator's Dilemma" (1997), and blue ocean strategy, introduced by W. Chan Kim and Renée Mauborgne in "Blue Ocean Strategy" (2005), have challenged traditional notions of competition and competitive advantage. The digital era has brought forth new strategic considerations, including digital transformation and data-driven decision-making.

3.2. The recent concept of business strategy

In this part of the journal, the first document is chosen to be observed is the book *Business Strategy: An Introduction* of Campbell et al. (2002). In this document, the authors mentioned some multi-dimensional points of view and their corresponsive definition of business strategy.

In the first part of their works, (Campbell et al., 2002) referred the definition from Mintzberg 5Ps model as an approach to illustrating the modern business strategy. Mintzberg (1987) proposes that the concept of "strategy" is multifaceted and can encompass various interpretations. He identifies five dimensions of strategy:

1. Plan,
2. Ploy,
3. Pattern of behavior,
4. Position,
5. Perspective.

It is essential to understand that these dimensions are interconnected and should not be viewed in isolation. Dividing strategies into frameworks, such as the five dimensions, inevitably involves simplification. Furthermore, these dimensions are not mutually exclusive, meaning that an organization can exhibit evidence of multiple interpretations of strategy simultaneously.

Plan strategies are commonly associated with the conventional usage of the term. They involve intentional actions that are carefully formulated and monitored from initiation to a predetermined conclusion. Many business strategies align with this model, as organizations create internal documents outlining future actions over a specified period. These plans may include schedules for product launches, acquisitions, financing, and human resource changes.

Ploy strategies, in contrast, are characterized by short-term objectives and are subject to rapid adjustments. They often have limited goals and can be altered quickly. A typical example of a ploy strategy is seen in a football match, where a team manager assigns two players to mark a skilled opponent for the duration of the game. However, this tactic is specific to that particular match and would change in subsequent games. Ploy strategies can also be used as threats, such as lowering product prices to destabilize competitors or making empty threats to induce a change in behavior.

Pattern strategies involve progress achieved through consistent behavioral patterns. Unlike plans and ploys, patterns emerge naturally from ongoing consistent behavior. Small businesses, like scrap dealers, often employ pattern strategies. Instead of elaborate plans, they follow consistent patterns, such as buying scrap metal without much deliberation while avoiding certain materials. Over time, this consistent behavior leads to their success. Sometimes, these patterns of behavior are unconscious, and individuals may not even realize they are following a consistent pattern. Nevertheless, if the behavior proves successful, it is considered an emergent success as opposed to planned behavior.

Position strategies are employed when an organization's primary focus is its position relative to competitors or markets. The organization aims to achieve or defend a certain position. This is often observed in sports, where champions strive to maintain their superior position. In business, companies seek market share, profitability, research superiority, reputation, and other competitive advantages. Position strategies may involve highlighting competitors' weaknesses while emphasizing their own strengths through marketing messages.

Perspective strategies aim to change the culture and beliefs of a particular group, typically the members of an organization. Some companies seek to shape their employees' thinking in specific ways, considering it crucial for success. They may promote certain values and behaviors, such as professionalism or helpfulness. Religious groups, like the Church of England, also employ perspective strategies by encouraging members to adopt core religious beliefs and integrate them into their actions. Success in perspective strategies is achieved when all members share the same worldview and beliefs, manifesting them through their conduct and actions.

In the next part of the book, Campbell et al. (2002) extended the definition of business strategy by a more universal, “text-book”, concept from a familiar scholar from previous part of this article, Chandler (1962). Chandler (1962) stated that “Strategy 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.”

Chandler's definition of strategy is deemed valuable as it encompasses the comprehensive nature of a "good" strategy. The emphasized elements in the aforementioned quotation highlight three crucial components of strategy.

The identification of fundamental long-term goals pertains to the process of developing coherent and achievable strategic objectives. These objectives serve as the foundation for strategy formulation, as without clearly defined goals, progress becomes unattainable. It is imperative to have a clear destination in mind in order to determine the appropriate actions to reach it.

The implementation of courses of action refers to the specific steps taken to attain the predetermined objectives. For instance, if the objective is to reach France, the corresponding actions would involve making travel arrangements, such as contacting travel agents or ensuring the proper servicing of one's vehicle.

The allocation of resources underscores the recognition of the costs associated with the actions necessary to achieve the established objectives. If the chosen course of action lacks adequate resource allocation, the intended objective will not be successfully accomplished. Therefore, resource availability and allocation are critical factors to consider in strategy execution.

Consequently, strategy encompasses these three essential elements. In the pursuit of the objective of reaching France, one would engage in actions such as booking or arranging travel, taking leave from work, and physically embarking on the journey to France. However, the execution of these actions necessitates the availability of requisite resources. These resources may include transportation modes like planes, trains, or cars, along with qualified pilots or drivers. Additionally, financial resources are needed to cover travel expenses and other relevant inputs. Failing to secure any of these components would impede the achievement of the objective.

The next observed document that is chosen to investigate the definition of business strategy is a more recent one, the article *Business Strategy* of Fleisher (2018). In this academic paper, the author pointed out the definition of business strategy as a plan developed by executive management to guide the operation and management of a business. It involves making choices and decisions about how the organization will attract and satisfy customers, compete against rivals, conduct operations, and improve its financial and market performance. Business strategy is both planned and reactive, evolving over time. It aims to build a sustainable competitive advantage for the organization. Strategic decisions are typically made by senior executives and have long-term consequences, impacting the overall direction of the organization. Strategic actions require judgment, influence multiple activities within the organization, and involve significant resources. The effectiveness of a business strategy depends on its execution and alignment with the organization's changing contexts. Business strategy can vary in importance depending on the industry context and the level of variability, uncertainty, complexity, and ambiguity (VUCA) the organization faces. It is crucial for organizations to adapt their strategies in response to market conditions, competition, technological advancements, and performance feedback.

3.3. The strategic planning processes

After going through many scholars' definition of business strategy, it is reasonable to mention the conceptual framework through that the business strategy can be created. It might be the perfect complement for the overview about business strategy.

This part starts with a journal article, *Strategy management and strategic planning process*, of Maleka (2014). In this document, the author mentioned the process of strategic planning as the mechanism through which senior management establishes the organizational vision, determines the necessary strategies to realize that vision, makes resource allocation decisions in support of the selected strategies, and fosters alignment with the vision and strategic direction across all organizational levels.

Regrettably, strategic planning is frequently misunderstood and inadequately utilized in many organizations. Strategic plans often manifest as extensive documents containing meticulous plans that are painstakingly developed over months, only to be neglected and left idle after being duly acknowledged and filed away.

Various reasons contribute to the improper development or implementation of strategic plans. Among the most prevalent are:

Lack of adherence by senior management to a defined process for accomplishing this task, resulting in the wastage of months of effort on producing voluminous documents lacking strategic significance.

Delegation of the process to a planning group or assigning it to individual functional leaders in charge of their respective areas. If completed within individual functional domains, the plan may function adequately for specific departments but could result in suboptimal performance for the overall organization. When entrusted to a planning group, the outcome often fails to be genuinely embraced and endorsed by senior leadership.

Failure of senior management to allocate sufficient time to develop the strategic plan as a collaborative team effort.

Lack of comprehension within the organization regarding the true purpose of a strategic plan, leading to the creation of a tactical business plan with multi-year extrapolations that inadequately address strategic direction.

Absence of a defined process or methodology followed by senior management to ensure the timely, efficient, yet comprehensive development of a strategic plan.

Development of the plan without implementing a process to communicate it throughout the organization and cultivate organization-wide alignment for its execution.

Development of the plan without incorporating implementation guidelines. At best, it is implemented piecemeal; at worst, it remains unfunded and disregarded.

However, this need not be the prevailing reality. Strategic plans can be developed efficiently and promptly when the senior management team demonstrates commitment to convening and collaborating over several months to create it.

Typically, the process entails a series of dedicated sessions, each lasting one day, conducted with the senior management team once a month for a period of 3-5 months. The number of sessions may vary based on organizational complexity and shifts in the business environment. Alternatively, the process can be divided into a series of half-day sessions held every two weeks. Regardless of the approach, once the process commences, it must be consistently and diligently applied by the senior team as a unified entity. Moreover, members of the senior team should allocate an equivalent amount of time to each session's length for follow-up work. Additionally, individuals within their respective organizations may be required to contribute staff input as well.

The resultant output of the strategic planning process is a meticulously crafted and concise document, known as the strategic plan, which can subsequently be disseminated among the employees of an organization. This work product, excluding the detailed implementation plan, generally comprises the following components:

- SWOT analysis: An evaluation of the organization's current business environment, encompassing its strengths, weaknesses, opportunities, and threats.
- Vision: A clear and inspiring statement that outlines the desired future state of the organization.
- Mission: A concise statement that encapsulates the organization's purpose and may also incorporate core values.
- Critical success factors: Key elements or factors that are essential for the achievement of the organization's strategic objectives.
- Overall organizational performance measures: Metrics or indicators that assess the overall performance and progress of the organization towards its strategic goals.

- Core Strategies: Strategies devised to address both external and internal factors impacting the organization, considering its competitive position and internal capabilities.
- Performance measures for each strategy: Specific metrics or indicators used to evaluate the effectiveness and progress of each strategic initiative or approach.
- Major resource deployment decisions: Determinations regarding the allocation and utilization of significant resources to support the implementation of the strategic plan.
- Assignment of strategic responsibilities: The assignment of roles and responsibilities to individuals or teams within the organization for the execution of specific strategic initiatives.
- High-level macro implementation schedule: An overarching timeline or schedule outlining the key milestones and stages of the strategic plan's implementation.
- Monitoring and control system: A system or framework to monitor, evaluate, and control the progress and outcomes of the strategic plan, ensuring alignment with established objectives.

Additionally, supplementary work products may be developed in conjunction with the strategic plan, including:

- Communications plan: A comprehensive plan outlining the strategies and channels for effectively communicating the strategic plan throughout the organization, aiming to foster alignment and understanding.
- High-level tactical implementation plan for each strategy: Detailed plans for the execution of each individual strategy, encompassing major tasks, a broad timeline, resource requirements, and the identification of responsible personnel or teams involved in the implementation process.

While the journal article above seems to present strategic planning process in the view of a realistic manager. The following provided a more conceptual overview of the same process. Campbell et al. (2002) described the process of strategic planning that strategic analysis involves two primary stages: internal analysis and external analysis. Internal analysis entails a thorough examination of an organization's internal environment, similar to a comprehensive medical examination. Its purpose is to identify the strengths and weaknesses of the organization. On the other hand, external analysis involves a thorough examination of the organization's external environment, which includes the micro or competitive environment and the macro environment. The microenvironment refers to the industry in which the organization operates, while the macro environment encompasses broader influences on both the organization and the industry as a whole.

The external analysis helps identify opportunities and threats that the organization may face. By combining the internal strengths and weaknesses with the external opportunities and threats, a SWOT statement can be constructed. The SWOT statement summarizes the findings from the internal and external analyses and serves as a position statement about the organization's current state in relation to its environment. It is important to note that the SWOT factors are observations resulting from the analyses and not strategies themselves.

A key distinction between strengths/weaknesses and opportunities/threats lies in the degree of control that managers have over them. Managers can exert control over internal strengths and weaknesses, making decisions and taking actions accordingly. However, opportunities and threats are often beyond the control of managers, such as changes in government policies or actions by competitors. The SWOT statement provides a platform for planning the organization's future, but it should not be mistaken for the strategy itself.

When presenting the SWOT, it is important to avoid excessive detail and present key points clearly. Justifications for the points can be provided separately. The SWOT should not solely focus on measurable or provable facts but also consider softer factors like organizational culture and leadership skills. Prioritization and combination of points should be done, emphasizing the most important ones and excluding less strategic ones. The presentation should be specific, realistic, and avoid blandness.

Sometimes, a further stage involves condensing the SWOT into a survey of key issues, focusing on the most pressing elements that require urgent action or should be addressed by the strategy. Once the internal strengths and weaknesses and external opportunities and threats are identified, the challenge lies in selecting a strategy that addresses weaknesses and threats while leveraging strengths and opportunities. It is essential to recognize that a detailed internal and external analysis is a prerequisite for obtaining the SWOT information, as it emerges from these analyses.

In short, the strategic planning process is divided into two main sections: Internal Analysis and External Analysis.

The Internal Analysis section focuses on evaluating and understanding the internal factors of the organization. This includes conducting a SWOT analysis, which involves identifying the organization's Strengths, Weaknesses, Opportunities, and Threats. The SWOT analysis helps to assess the current business environment and determine areas where the organization has a competitive advantage or faces challenges.

The Internal Analysis section also includes components such as Vision, Mission, Critical Success Factors, and Core Strategies. The Vision statement outlines the desired future state of the organization, providing a clear direction for its long-term goals. The Mission statement encapsulates the purpose of the organization and may also incorporate core values that guide its operations. Critical Success Factors are the key elements or factors that are crucial for achieving the organization's strategic objectives. Core Strategies refer to the specific approaches or plans devised to address both internal strengths and weaknesses.

The External Analysis section focuses on evaluating and understanding the external factors that impact the organization. This section includes components such as Performance Measures, Resource Deployment, and Monitoring and Control. Performance Measures are metrics or indicators used to assess the overall performance and progress of the organization towards its strategic goals. Resource Deployment involves making decisions on allocating and utilizing significant resources, such as finances, human resources, and technology, to support the implementation of the strategic plan. Monitoring and Control refer to the establishment of a system or framework to track and evaluate the progress and outcomes of the strategic plan, ensuring that it remains aligned with the established objectives.

Throughout the process, the importance of communication is emphasized. Effective communication is crucial for sharing the strategic plan with employees and stakeholders, fostering alignment, and ensuring that everyone understands the goals and objectives of the organization. Additionally, the need for a high-level tactical implementation plan for each strategy is highlighted. This plan outlines the specific tasks, timelines, and resource requirements for executing each strategy, ensuring that the organization stays on track and achieves its desired outcomes.

The second phase of the strategic process entails utilizing the valuable information obtained from the strategic analysis to make a well-informed and intelligent decision regarding the most suitable course of action for the future.

This stage highlights the significance of strategic analysis. If the information gathered from the analysis is inadequate or flawed, it becomes uncertain whether the strategy chosen will be appropriate.

The selection process commences with a thorough examination of the strategic analysis. Once familiarized with the analysis, a list of potential options available to the organization is typically generated, with specific attention given to how each option addresses the key issues. Subsequently, each option is evaluated based on multiple criteria.

The third phase of the strategic process entails implementing the chosen strategic option. The implementation stage is a more intricate process compared to analysis and selection. It involves executing the strategy, which brings attention to various other managerial considerations. To effectively implement a business strategy, there are several areas that require awareness and attention.

4. Discussion and Conclusion

4.1. The evolution of business strategy concept

The history of the business strategy concept is a complex and multifaceted subject that has evolved over time. While there may be variations in how scholars divide this history, previous research generally agrees that the modern concept of business strategy began to take shape around the 1950s-1960s. This period witnessed the emergence of influential figures and distinct academic perspectives that have shaped our understanding of strategic management.

One of the key contributors to the field of business strategy is Alfred Chandler, whose work on the historical and evolutionary nature of strategic shifts has had a significant impact. Chandler's emphasis on the long-term development of strategies within organizations has provided valuable insights into strategic decision-making processes.

Another important perspective that emerged during the mid-1960s and early 1970s is the field researchers or institutionalists. These scholars focused on providing rich descriptions of strategic elements and the strategy process, considering both internal and external factors. Their work laid the foundation for future research and facilitated field studies in strategic management.

Economists and game theorists entered the scene in the late 1970s and 1980s, bringing their analytical tools to the study of strategy. Figures like Michael Porter explored firm-related problems within specific industries, analyzing industry structures and their impact on competitive strategies. Game theory became a valuable tool for understanding competitive dynamics and strategic interactions.

The 1980s and 1990s witnessed the rise of behavioral scientists who emphasized organizational functioning, survival, and cooperative networks. Their focus extended from individual behavior to firm dynamics, industry contexts, and inter-organizational networks. This broader spectrum of researchers, including organization psychologists, political scientists, sociologists, and cognitive scientists, contributed to a deeper understanding of the human and social aspects of strategic management.

Throughout history, various milestones and notable terms have shaped strategic thinking. From the ancient origins of strategy in military leadership to the influence of early economic thinkers like Aristotle, strategic concepts evolved alongside economic principles. The Industrial Revolution brought about significant changes, and classical economists introduced theories on market forces and division of labor.

The late 19th century marked the emergence of modern business strategy with the recognition of strategic decision-making possibilities. World War II and the post-war period played pivotal roles in the development of formal strategic thinking, with the use of quantitative techniques and the rise of strategic management as an academic discipline.

The 1960s to 1980s saw the emergence of strategic consulting firms that introduced influential frameworks and models for strategic analysis. In recent decades, business strategy has continued to evolve in response to technological advancements, globalization, and changing consumer behaviors. Concepts such as disruptive innovation and blue ocean strategy have challenged traditional notions of competition and competitive advantage, while the digital era has brought forth new strategic considerations.

It is important to recognize and appreciate the contributions of scholars, researchers, and practitioners throughout history who have shaped our understanding of business strategy. By studying the evolution of strategic thinking, we gain valuable insights into the complexities of contemporary strategic management and can adapt our approaches to meet the challenges of the future.

4.2. The recent concept of business strategy

The two documents, "Business Strategy: An Introduction" by Campbell et al. (2002) and the article "Business Strategy" by Fleisher (2018), shed light on the definition and dimensions of business strategy from different perspectives. Campbell et al. (2002) present a comprehensive framework that encompasses the multifaceted nature of strategy, emphasizing Mintzberg's five dimensions: plan, ploy, pattern of behavior, position, and perspective. They highlight the interconnectedness of these dimensions and the possibility of multiple interpretations coexisting within an organization.

Fleisher (2018), on the other hand, offers a more practical and concise definition of business strategy. He defines it as a plan developed by executive management to guide the operation and management of a business. Fleisher emphasizes the importance of strategic decision-making, long-term consequences, and the need for alignment with changing contexts. He recognizes that business strategy involves making choices and decisions about customers, competition, operations, and overall performance.

Both sources agree on the significance of resource allocation, the evolving nature of strategy, and the need for adaptation to external factors. Campbell et al. (2002) highlight the diverse manifestations of strategy, while Fleisher (2018) underscores the strategic decision-making process and its impact on organizational success.

By considering the insights from both documents, researchers and practitioners can develop a comprehensive understanding of business strategy. Recognizing the multi-dimensional nature of strategy and the practical considerations of formulation and execution can contribute to effective strategic planning and implementation. It is important for organizations to continuously evaluate and adapt their strategies in response to market dynamics, competition, and technological advancements to build and maintain a sustainable competitive advantage.

4.3. The strategic planning processes

In conclusion, the strategic planning process is a crucial endeavor for organizations, but it is often misunderstood and inadequately utilized. The development and implementation of strategic plans can be hindered by factors such as lack of adherence to a defined process, delegation of the process to individual leaders or planning groups, insufficient time allocation, and a lack of comprehension regarding the true purpose of a strategic plan. However, these challenges can be overcome when senior management demonstrates commitment and collaboration.

The strategic planning process typically involves dedicated sessions conducted with the senior management team over a period of several months. The output of this process is a concise strategic plan that encompasses components such as SWOT analysis, vision, mission, critical success factors, core strategies, performance measures, resource deployment decisions, assignment of strategic responsibilities, macro implementation schedule, and a monitoring and control system. Supplementary work products, such as a communications plan and high-level tactical implementation plans, may also be developed to support the strategic plan.

The strategic planning process consists of two main sections: internal analysis and external analysis. Internal analysis involves evaluating and understanding the organization's internal factors, while external analysis focuses on the external factors that impact the organization. The SWOT analysis emerges from these analyses and helps identify strengths, weaknesses, opportunities, and threats. The strategic planning process also emphasizes effective communication and the need for a high-level tactical implementation plan for each strategy.

Once the strategic analysis is conducted and options are generated, the selection process begins, considering how each option addresses key issues and evaluating them based on multiple criteria. The chosen strategic option is then implemented, which requires careful attention to various managerial considerations.

In summary, the strategic planning process is a comprehensive and iterative process that involves analysis, selection, and implementation. When executed effectively, it enables organizations to align their resources and activities with their goals and objectives, fostering success and growth in a dynamic business environment.

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