The Strategic Planning Process in Complex Settings: the Case of Construction Professional Service Firms

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Overview

- Research components
- Construction industry
- Professional service firms
- Strategic planning process and choice
- Research method
- Key findings
- What next?

Research Components

- Strategic Planning
- Construction Industry
- Professional Service Firms

Construction Industry

- Economic Environment: Demand Conditions
- Industry Environment: Competition Supply Chain
- Client: Heterogeneous Product
- Government Client Regulator Policy Maker
- Professional Body: Ethics CPD
- Industry Structure: Professional Service Firms
- Sectors: Public Private

Professional Service Firms

- Intangible "output"
- Resource Based View: Barney (1991)
- Dynamic Capabilities: Eisenhardt & Martin (2000)
- Human Inputs: Efficiency, expertise, reputation (Maister, 2003)
- Availability, affability, ability (Scherger, 2010)

Strategic Planning Process

- Type (Hamel &Strategy 1996)
- Ownership/Structure
- Organizational Characteristic
  - Environmental analysis (Porras, 1985)
  - Stakeholder analysis: Barney (1991), Grant, 2003)
  - Comprehensive (Freidson and Mitchell, 1994)
  - Participation (Dyer and Porter, 1993)
Research Method

- Mixed methods
  - Flexible design
  - Managing director/managing partner level
- Qualitative phase
  - Semi structured interview
- Quantitative phase
  - Widespread survey
- Data analysis and handling
  - Computer aided software
- Limitations

Key Findings

- Formal, planned process
  - Prospector or analyser
  - Widespread participation
  - Internal and external analysis
  - Lack of competitor analysis

Those that don’t...

- Informal, emergent process
- Defender or reactor
- Top management drive process
- Concentration on internal analysis
- Lack of competitor analysis

Key Findings cotd...

- Corporate and business level strategy
  - Peak of construction boom to current
  - Combination strategy – the test of time
- Thinking and acting strategically
  - Not necessarily in a systematic fashion
  - Tactical versus strategic planning
- Top management recognition of need for systematic strategic planning
  - Implications….

Researching in a Complex Setting

- Multifaceted and complex nature of components under investigation
- Context of turbulent economic and industry environment
- Research design
  - Flexible
  - Mixed methods
- Uncertainties
- Strategic planning/performance relationship

And now...

- Research:
  - Longitudinal study
  - Cross-profession analysis
  - Cross-industry analysis
- Practice:
  - Training and education
  - Tactical planning to strategic planning

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