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

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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 Structure: Professional Service Firms
- Client: Heterogeneous Product
- Government: Client Regulator, Policy Maker
- Professional Body: Ethics CPD

Professional Service Firms

- Availability, affordability, ability (Sherges, 2010)
- Human inputs: efficiency, expertise, reputation (Maister, 2003)
- Resource Based View: Barney (1991)
- Dynamic Capabilities: Eisenhardt & Martin (2000)
- Intangible "output"
- Client Participation

Strategic Planning Process

- Types (Ansoff & Rakoff, 1976)
- Ownership/Structure
  - Approach (Hinchliff, 1994; Grant, 2003)
  - Famality (Brav & Fustej, 2007)
- Process Characteristic
  - Environmental analysis (Perrow, 1986; Eisenhardt, 1990; Barney, 1991; Grant, 2003)
  - Comprehensive (Perrow and Mitchell, 1984)
  - Participation (Dyson and Perrow, 1992)
- Strategic Choice
- Organisation
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

Those that do…
- 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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