

OR Society Study Group on “OR and Strategy”

Discussion paper for meeting on 12th November 2001

“What is strategy? What role can OR people play in strategy?”

Introduction

Dick Martin (Dick Martin Associates) says:

The concluding part of the first meeting of the study group, early in 2001, was a discussion of possible future activities for the group. This led to a discussion of ‘what role can OR play in strategy?’ Later, I wrote up a number of questions related to that issue. These questions formed the basis of my introductory talk to the second meeting of the group (12th November 2001) – I hope that these questions, and others that might be raised by members of the group, can provide a platform for ongoing discussion. I have deliberately let the questions overlap with each other and, most importantly, have included ‘How?’ and ‘Who?’ questions – this is to help us address practical issues rather than abstract concepts. Finally, I asked questions which followed papers by John Hough and Steve Lea which related practical experience of OR’s involvement in strategy. I extended the question from ‘OR’ to ‘OR people’ so that we would be encouraged to draw upon all our knowledge, skills and experience when we work in the strategy field. This is in contrast to bringing to the party an old, rather worn and tired, toolbag of techniques. Most important of all, to my mind, was discussion of how OR people can be involved in new approaches to strategy formulation and implementation. This echoes Robert Dyson’s plea in his Presidential Address and at our first meeting that, in the field of strategy, OR should ‘set agendas rather than follow them’.

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What is strategy? Some questions for discussion

How does 'strategy' relate to strategic/corporate planning, long range planning, business policy, the future direction of the organisation, writing a business plan? And what are strategic thinking, strategic management and strategic development?

What should be the links between formulation and implementation of strategy?

How should strategy be developed – what techniques, tools, methods? To what extent does it require computer models?

How much should strategy development involve setting quantitative and financial targets against which to measure success?

How should strategy take account of complexity – internal and external?

How should development of strategy try to cope with uncertainty and change? What is the resultant impact on rigidity/flexibility of strategy?

Who should be involved in developing strategy? e.g. planning department, top management, broader group. How should they be involved?

How often should strategy be developed/reviewed?

What sorts of bodies need to develop strategies? Why? How?

What are the main reasons for strategies failing?

What have been the main changes in the concepts of strategy over the last two decades? What has caused these changes?

What are the main changes in the concepts of strategy that are likely over the next decade? Which changes would you like to see?

What role can OR people play in strategy?

Technical – such as

Collecting and analysing data relevant to developing strategy and monitoring progress?

Building computer/spreadsheet models?

Acting as the planner?

Facilitation – such as

Structuring thinking about strategy?

Facilitating the process of developing and implementing strategy – if so how?

Training in methods and processes?

Development – such as

Helping to develop strategy processes and methods which are appropriate for now and the future?