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STRATEGIC DECISIONS

THE 30 MOST USEFUL MODELS

MARCEL PLANELLAS

TEXT

ANNA MUNI

GRAPHICS



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“Strategic Decisions gathers together the most salient and most useful business concepts, and assembles them in one place. Each concept is explored clearly, with real insight. I highly recommend this book to any business executive that is striving to improve the performance of his or her organization.”

HENRY CHESBROUGH
Professor UC Berkeley-Haas School of Business

“Based on my own experience, I fully agree with Marcel Planellas and Anna Muni: strategic decisions are vital to an organization’s survival and ability to change. In this book, readers will be able to learn about and see the most exciting strategic models like they have never been told before.”

FERRAN ADRIÀ
elBullifoundation

“Drawing on years of research and committed work with practitioners, Marcel Planellas brings to life on the pages of this delightfully curated book a concise, comprehensive, and compelling account of strategic decisions’ issues and models that have become dominant in the field. The book is a valuable resource for reflection on the process to follow and the questions to pose, and opens the imagination for a range of frameworks to employ. It paves the way to insights and offers inspiration for anyone faced with the responsibility and challenge of making strategic decisions in organizations.”

SILVIYA SVEJENOVA
Professor Copenhagen Business School

“Different and unique, this book provides managers with a compilation of the best strategic decision-making models, presented in a very clear and graphic way. Writing a book like this requires many years of research and experience; Marcel has taken the best ideas of classical and modern authors and explained them in very clear terms. A ‘little’ big book that I would recommend to all managers on account of its conceptual rigor and practical relevance. Very insightful!”

PAUL ALMEIDA
Professor and Dean of Georgetown University McDonough School of
Business

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After a class with executives from large companies, I was approached by one of the students who asked me if he could have a word with me. Despite being young, he had recently been promoted to a managerial position. He seemed anxious and wanted to talk to me about his situation. We waited until the other students had left and sat down at one of the tables.

He told me that he had moved quickly up the career ladder and that he came from a technical background. Up until now, his decisions affected a specific area of the company and were funded by an annual budget. He had implemented various improvement projects that resulted in small-scale changes that were very well received by his superiors. However, he was feeling very uneasy about his new management role. Finally, he asked me if I knew a strategic consultant and a model or theory I could recommend to him.

I told him I would like to ask him a few questions first to gain a better understanding of his concerns as a manager. In your new position, do you have to make decisions that affect the entire organization or just an area or function? Do the decisions you have to make concern the future or the medium and long term? Do the decisions entail a high level of uncertainty? Are there not much data to go on and there are no precedents? Will the decisions bring about significant changes in the organization, be hard to reverse and require a significant commitment of resources?

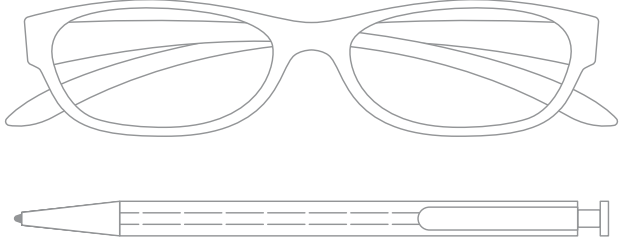
He answered yes to all these questions and said he was surprised I was able to guess what was worrying him. I told him not to worry and that his was a very common problem. Up to this point, his decisions had only concerned operations and now that he was a manager he had to start making strategic decisions.

INTRODUCTION

This book has been written especially for managers, owners, shareholders, and CEOs who have to make strategic decisions in their companies or in other types of organizations. These may be new businesses or multinational companies, small or medium-sized enterprises, industrial or service companies, public authorities or not-for-profit associations. It may also prove useful to students pursuing a career in administration or organizational management, participating in undergraduate or postgraduate programs, taking part in ongoing training courses, or executives looking to engage in lifelong learning throughout their careers.

For everyone faced with the challenge of making strategic decisions, this book will allow you to follow a path and choose the strategic models best suited to your needs.

Part One introduces the circle of strategic decisions, a model that will guide you smoothly through the different steps of the decision-making process. Part Two features the thirty most useful and best-known models, each accompanied with a brief description and illustrations. The book can be read sequentially, starting with chapter one, or you can begin with the models in chapter two. What is more, it is also an ideal size for managers to keep to hand and refer to when making strategic decisions.



STRATEGY IS DECISION

Businesses and organizations are built on the day-to-day decisions their managers make. But not all decisions have the same importance. There are decisions that guide the way and have long-term impact: these are strategic decisions. The companies of the twenty-first century increasingly need managers who can think and act strategically. The strategic decision-making process is both an art and a science. Business managers are expected to know and be able to apply the science of strategic decision-making.

MANAGERS MUST BE STRATEGISTS

There is a vested interest in spreading the idea that strategic decisions are very complex and best left to external consultants. However, in reality, no one knows the business better than the people within the organization, who will have to implement the strategy. The people within the organization need to understand where we are, what we want to do and how we are going to do it. Business people and managers must take responsibility for managing strategic decisions as an absolute priority.

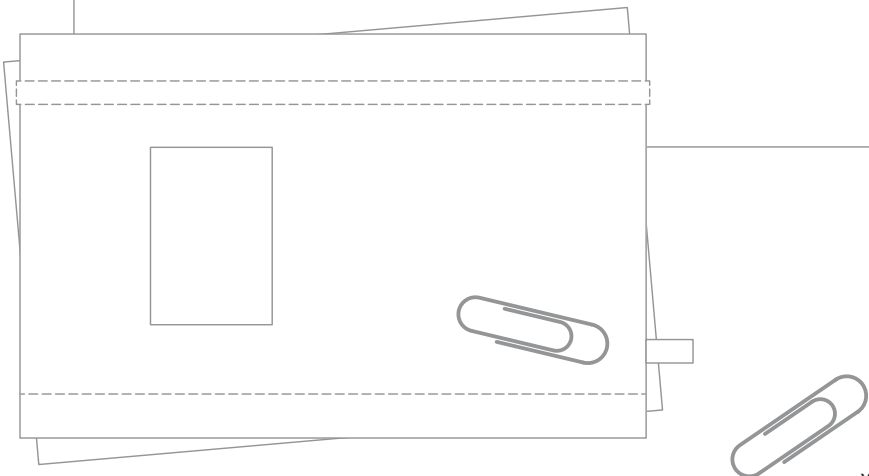


LEARNING TO MAKE STRATEGIC DECISIONS

I have never seen anyone become a good strategist without practice. As in sport, this is a discipline that requires training and practice. You can learn to manage strategy through practice (by practicing management): making decisions, putting them into practice, and analyzing the results. But with strategy, the most sophisticated solution can often be the simplest one; getting to the essence of strategy does not have to be complicated. You simply have to know the way, the process to follow, and have the necessary tools, the models.

NOTHING BEATS A GOOD THEORY

Over the past thirty years, I have had the opportunity to assist with strategic management processes in companies and organizations in various sectors, where I have used the circle of strategic decisions model. This is a process model consisting of three stages that helps managers to make decisions and develop their organization's strategy. And I have always enjoyed showing managers that there are a wide variety of models they can use; they have access to a box with many tools.



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PART ONE

THE CIRCLE
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