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Critical evaluation of the effectiveness of marketing of the lighting trading companies in Dubai

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To my father & my mother
with respect, gratitude, and love

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Preface

The first idea I thought about for my dissertation was the possibility of applying Total Quality Management to the lighting trading companies in Dubai, as I have a previous experience in this industry.

At that time I was already aware that TQM was specifically designed for the manufacturing industries, and when TQM proved valuable, efforts gathered to try and modify TQM and apply it to the service industries. These efforts proved to be successful as well and the new programme had been named TQM for Services or Total Quality Services.

I thought at that time that there should be an effort that have been done to modify TQM to suit trading companies, and I thought that this new programme might have been called Total Quality Marketing in the ground that marketing is the main activity for trading companies.

Looking at TQM and marketing articles, I couldn't find any literature speaking about modifying TQM to suit the trading companies.

Nevertheless, I found that marketing articles had mentioned and introduced some concepts that were similar to what I was looking for. These concepts were Marketing Effectiveness and Marketing Orientation. So I decided to apply these concepts to the trading companies in Dubai, and to build the dissertation accordingly.

After looking deeply into these concepts I felt that these concepts were still vague, and there were many differences between marketers themselves regarding them. I also found that there is a profound disagreement between strategists and marketers regarding these concepts. At that time I felt that the strategic point of view was much clearer, so I decided to look at marketing effectiveness from that point rather than the marketing one.

However, Appendix 1 had been dedicated to discuss the different views between strategists and marketers on the concepts of marketing orientation. Also appendix 1 has tried to make a bridge between the two views, building on the work of Fritz (1996) and Shirely et al (1976), that the organisation should try and make a balance between six main orientations: the finance, employee, customer, continuous-improvement, efficiency, and the co-operative orientations. These orientations had been named as the value orientations as each one represent a distinctive value for the organisation.

After that I faced with another difficulty. I couldn't find a clear-cut definition for "marketing effectiveness" although it is a widely used expression in marketing literatures. To overcome this difficulty I decided to look at the subject as the 'effectiveness of marketing' rather than 'marketing effectiveness'. In this way I don't need to define 'marketing effectiveness', but only to define marketing and effectiveness.

Looking at the definitions of effectiveness, as it will be discussed in the introductory chapter, I found three views: the first one regards effectiveness to be a reflection to the success and outcome of the company. The people who back-up this view use the financial measures to determine the company's effectiveness.

The second view sees that the company's ability to achieve their pre-set goals reflects the company's effectiveness.

The third view sees that effectiveness is highly dependent upon the company's knowledge, skills and capabilities.

The problem with the first view is that success might come by chance (i.e. the company at that time, in that place was lucky that their resources and values fit with the surrounding environment), or the company's lack-of-success might be temporary due to the twist and turns of the environment or due to the possibility that the business they are in require a long-term-investment. For this situation, success does not give a clear and accurate measure for effectiveness.

The problem with the second view is how and who will decide that the company's pre-set goals were appropriate to the resources and capabilities of that company in the first place?

Because of the above argument, effectiveness in this dissertation has been specifically defined according to the third view. The definition used was that effectiveness reflects the organisation's professionalism in sensing, planning, responding to/and learning from the environment.

The different between amateurs and professionals is that professionals do not depend only on their instinct and memory, but they also 'follow the book' and they will always back-up their instinct and memory by using and applying the standard procedures in their profession.

As it has been decided that this project will look at effectiveness from a strategic point of view, it was important to discuss the concepts of strategic management, and this was the purpose of chapter two.

I have always preferred, as a way of learning and making sense of things, to find or create a model that contains all the main concepts regarding a concerned situation, then apply that model at that situation, rather than applying the concepts one by one.

Looking for the concepts that are important in effectiveness, I found that the major concepts were the strategic planning process, the strategic thinking, and the organisation's culture.

The only way I could manage to put all of these concepts in one model is to try and synthesise the 7S framework with Johnson & Scholes strategic model. This also will be discussed in chapter two.

The relation between effectiveness and these concepts could be explained in the following way: the strategic planning process, strategic thinking and the organisation's culture are the major concepts that guide the organisation's processes of sensing, planning, responding, and learning. So the level of professionalism of conducting these processes should reflects the level of effectiveness of that company as it was stated that effectiveness in this project reflect the company's ability to sense, plan, respond, and learn in a professional manner. This subject will be discussed more in chapter two.

Chapter three tries to show that Philip Kotler's instrument can be used to identify the level of effectiveness for the targeted trading companies. In this stage I had only two options, either to create a suitable questionnaire to assess the level of effectiveness, or to find a well-accepted questionnaire that can assess the level of effectiveness as it was stated in the literature review. Kotler's questionnaire is widely accepted and chapter three is trying to show that his questionnaire can give a clear idea about the targeted companies' level of effectiveness.

Chapter four is the methodology. A questionnaire will be used to collect a quantitative data from four selected lighting trading companies in Dubai.

Chapter five is the research findings, discussion and recommendations.
Chapter six is the conclusion and learning gains.

Before ending this preface, there is a question that deserves to have proper attention:

Suppose a company was so lucky that their resources and values fitted with the surrounding environment thus enjoying success and wealth. Do they need to bother themselves to be effective and professional?

The matter behind this question is that there are many companies that they are not professional but they are lucky and thus enjoying success and wealth. As an example, companies that are lucky to be in a stable market, which is politically or socially protected to their benefits, are very successful regardless of their professional manner. Do they need to bother so much about professionalism?

The answer is, No they don't need to bother at all **<u>as long as</u>** they are certain that their market is going to be stable and protected for the coming years!! But the reality of this century is that globalisation and free market is expanding so fast that it will affect each business in every corner of this earth. This will disturb stability and companies who lack professionalism will suffer the most from the environment changes and they will suffer the most losses, as they would probably take a much longer time to adapt, that if they succeeded to survive in the first place.

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Chapter One: The Introductory Chapter

This project is based on lighting trading companies in Dubai as I had the opportunity to work in this industry for about three years.

The Research objective is: To critically evaluate the effectiveness of marketing of the lighting trading companies in Dubai.

The project aims are:

- To examine the ways in which effectiveness can be defined.
- To identify the elements and processes that affects the organisation's effectiveness.
- To introduce a tool that could give a clue about the current level of effectiveness for the targeted trading companies.
- To identify procedures that can help improve effectiveness.

This chapter will clarify the terms and expressions used in the project aims. This chapter will highlight the following:

1. The meaning of trading companies.

2. The differences between trading companies and other companies.

3. The meaning of effectiveness.

4. The elements that underpin effectiveness.

1.1 What is Trading:

To describe what is a trading company, the definition of Balabanis & Baker (1993, p58) will be used:

> "A trading company is a firm whose primary activity is trade, namely the exchange of, or mediation in, both tangible or intangible products".

The main categorisation for trading are importing, exporting & counter-trading. In this project the focus will be on the importing trading companies.

Dubai is a new growing state (as the other states in the gulf). In such an environment, demands for materials and commodity are extremely high, and as the market grows, competition will increase leading to the search for better or cheaper products.
Trading companies are the link between the world and local businesses especially the medium and small ones as they don't have the capability to search the world for better or cheaper products (Herbig & Shao, 1997).

One of the main growing sectors in Dubai is construction. This has made the building-material industries to flourish and prosper. Lighting fixture and accessories are part of this huge business of building materials.

1.2 What is the difference between trading companies and other companies:

Trading companies are different to manufacturing companies and different to service companies:

The main competitive dimension in manufacturing is the differentiation of the product (i.e. its quality, performance, etc.) or/and the cost of the product. Definitely there are services and marketing within the manufacturing businesses but still the main competitive dimension is the one mentioned above. So it could be said that the main competitive dimension for the manufacturing firms are the products quality and the cost efficiency of the manufacturing processes.

On the other hand, the main competitive dimension within the service companies is the service differentiations or/and the cost of these services. For that, the quality of these services is playing a major role in that competitive dimension.

But for trading companies, their main competitive dimension would be their marketing effectiveness. It is worth pointing out that there is products and services that trading companies are ought to provide for their customers, but the main competitive dimension for these trading companies is in their ability to choose the proper products and services, and to sell these products and services to the right customers.

Defining the meaning of marketing might make the above argument clearer:

- Kotler (2000, p8) definition for marketing (in social terms) is "a social process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products and services of value with others".

- Drucker (in Kotler 2000, p8) had a clear distinction between marketing and selling: "There will always, one can assume, be need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available".

- The American Marketing Association's (in Kotler, 2000, p8) definition for marketing is "the process of planning, and executing the conception, pricing, promotion, and distribution of ideas, goods, services, to create exchanges that satisfy individual and organisational goals".

- Markin (1982, p3) definition for marketing is a "set of activities by which the demand structure for goods, ideas, and services is managed in order to facilitate the exchange process satisfactorily".

Looking at the trading companies and applying the above definitions to them would reveal clearly that the trading activities are pure marketing activities.

The question would be: could trading be considered as a service?

It could be argued that trading companies provide the business community with a valuable service as they act as an intermediary between supplying firms and demanding firms. However, this service is not direct. To explain, the hospital will provide direct services in exchange for money, but trading companies provides products in exchange for money, thus the services that they give the business community are indirect or by-product.

In another way to look at this subject it could be argued that the activities in manufacturing companies include the production processes, the service activities (as customer help-line), and the marketing activities (as advertising).

In service companies (as schools and hospitals), their activities include the service processes (as teaching or medical services) and marketing activities (as advertising). The products provided in the service companies (as books or medicines) are part of the service processes.

But the activities in trading companies are pure marketing processes, and the products and services that are provided by trading companies are part of these processes.

The above argument would clearly distinguish trading from servicing and manufacturing.

1.3 What is Effectiveness:

Drucker has defined **effectiveness** as "doing the right thing" (Brown, 1993, p14). Brown added that "Doing the right things means doing the things which will create and keep customers".

Piercy *et al* (1997, p46) define effectiveness as a description of the " overall organisational outcome, commonly measured as sales revenue, profit contribution, and the like".

Daft (2000, p11) define effectiveness as the "The degree to which an organisation achieves a stated goal".

Tyson & Jackson (**in** Rollinson et al, 1998, p438) define effectiveness as the capacity to adapt to changing environment".

In another approach, Handy (1993, p12) had introduced sixty variables that affect the organisation effectiveness, and he had grouped them into three categories:

- The organisational variables: as the organisation structure & systems.
- The individual variables: as the abilities of the employees.
- The environmental variables: as the rate of competitions in the market.

Rollinson et al (1998, p448) have expanded Handy's concept and concluded that the effectiveness of the organisation has three dimensions:

- The internal effectiveness of the organisation: this refers to the organisation's capabilities, systems, structure, culture, etc.
- The individual effectiveness: this refers to the skills and abilities of the individual employed by the organisation.
- The effects of the environment: this refers to the conditions of the environment that have an effect on the organisational effectiveness, such as the political, economical, social, & technological conditions of the environment.

Looking back at Rollinson model, the internal effectiveness and the individual effectiveness could be regarded as one dimension, as the individual's skills and abilities are part of the organisation resources and capabilities.

Building on the above reviews, it could be argue that the organisation effectiveness is either accidental or deliberate:

- Accidental Effectiveness:

  This is the situation where the organisation was fortunate as their resources, capabilities, and values were fit with the surrounding environment, thus having effective operations, enjoying success, and generating wealth. Nevertheless, if the environment changes, the organisation would face a difficult situation.

- Deliberate Effectiveness:

  This is the situation where the organisation intended to make a fit between their resources, capabilities, and values and the surrounding environment. So, even if the environment change, the organisation would still manage to be effective.

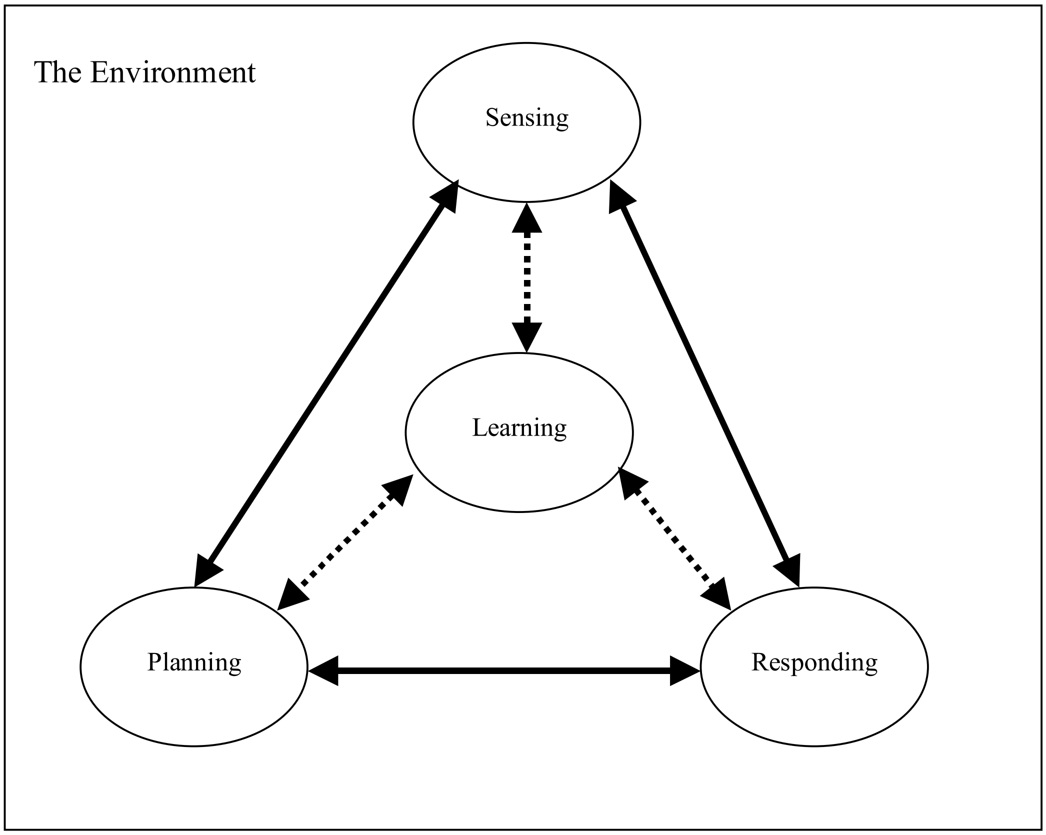
Making this distinction would clearly stress that profitability, return on assets, and market share are not necessary a certain evidence of true effectiveness, as it might be a sign of a contemporary fit between the organisational capacity and the current environment. This would back-up Thorpe concept (in Rollinson at el, 1998, p438) that “effectiveness adds a qualitative dimension to the measurement of productivity”.

For all the above argument, effectiveness in this project is considered to be the deliberate effectiveness (i.e. the internal & individual effectiveness), thus defining the organisation’s effectiveness as the organisation’s ability to sense, plan, respond, to, and learn from the environment in a professional manner:

- One of the definitions of Oxford dictionary (1998) for “Professional” is: “Having or showing the skill appropriate to a professional person; competent or skilful”, while “Professionalism” has been defined in the Chambers Dictionary (1998) as: “the status of professional; the competence of the correct demeanour of those who are highly trained and disciplined, the outlook, aim, or restrictions of the mere professional; the predominance of professionals in sport”. So, level of professionalism can reflect the level of skills, knowledge and competent, which the company have.
- The sensing, planning, responding, and learning are the major activities that all firms are conducting either deliberately or instinctively (see figure 1.1).

The idea from all the above arguments is to try and define effectiveness in a way that is least subjective and far from the effect of just good luck. The hypothesis behind linking effectiveness with professionalism is build only on common sense that a company which conduct its activities in a highly competent and skilful manner (professionalism) should be effective and would likely obtain success sooner or later.

The reason behind persisting in using professionalism instead of competency in describing the effectiveness of the company is that professionalism contains the meaning ‘competency’ but it also contains more the idea of “conforming to the rules or standard of the profession” (Webster dictionary). For this reason a professional person should be more effective than a skilful one.



Sensing, planning, responding, and learning are activities that all organisations are doing, either formally or informally, deliberately or instinctually, professionally or unprofessionally.

If an organisation were doing all of these activities professionally, then it would be a common sense to assume that this organisation is effective, and should enjoy success sooner or later.

Figure 1.1

So, the question would be **<u>what is the meaning of the "effectiveness of marketing"</u>**?

Building on the marketing and effectiveness definitions, the effectiveness of marketing refers to the situation where the company's marketing activities are based on their professionalism in sensing, planning and responding to, and learning from the market.

1.4 The elements that underpin effectiveness:

There are lot of elements that underpin effectiveness which are introduced within the management and marketing literatures. However, there are three elements that the author found that are most important for effectiveness, and should have high attention, these elements are the following:

- The strategic planning process.
  This concept governs the rational cycle of sensing, planning, and responding.

- The organisation culture.
  "The Organisational culture is the glue that welds managers together for effective implementation of organisational strategies, and the absence of this glue would bring about disastrous effects on the organisation" (Sin & Tse, 2000, p295).

- The strategic thinking.
  This concept direct and add the lateral thinking to the planning process and has high impact on the organisation's learning process.

In the following chapter, these elements will be highlighted and synthesised into one single model. This will help the author to realise the hidden interconnection between the different elements and the effects of each element at the other elements, and the effect of each element at the company as a whole.

Chapter 2 – The Effectiveness Model

This chapter will try to introduce a model for effectiveness that could suit the trading companies and would synthesise within the strategic planning process, the strategic thinking, and the major elements in the organisation culture.

This chapter will review first three models for strategic management, then it will analyse the effect of culture on strategic management, which will pave the way to discuss the need for strategic thinking and how strategic thinking can make a effective link between strategic planning and the organisation culture. From all of that discussion, this chapter will conclude with a suggestion for a general model for effectiveness.

There will be five main sections in this chapter:

1) **Models for strategic planning process.**
2) **The effects of culture on strategic management.**
3) **Strategic thinking.**
4) **The effectiveness model.**
5) **How to assess effectiveness.**

2.1 Models for strategic planning process:

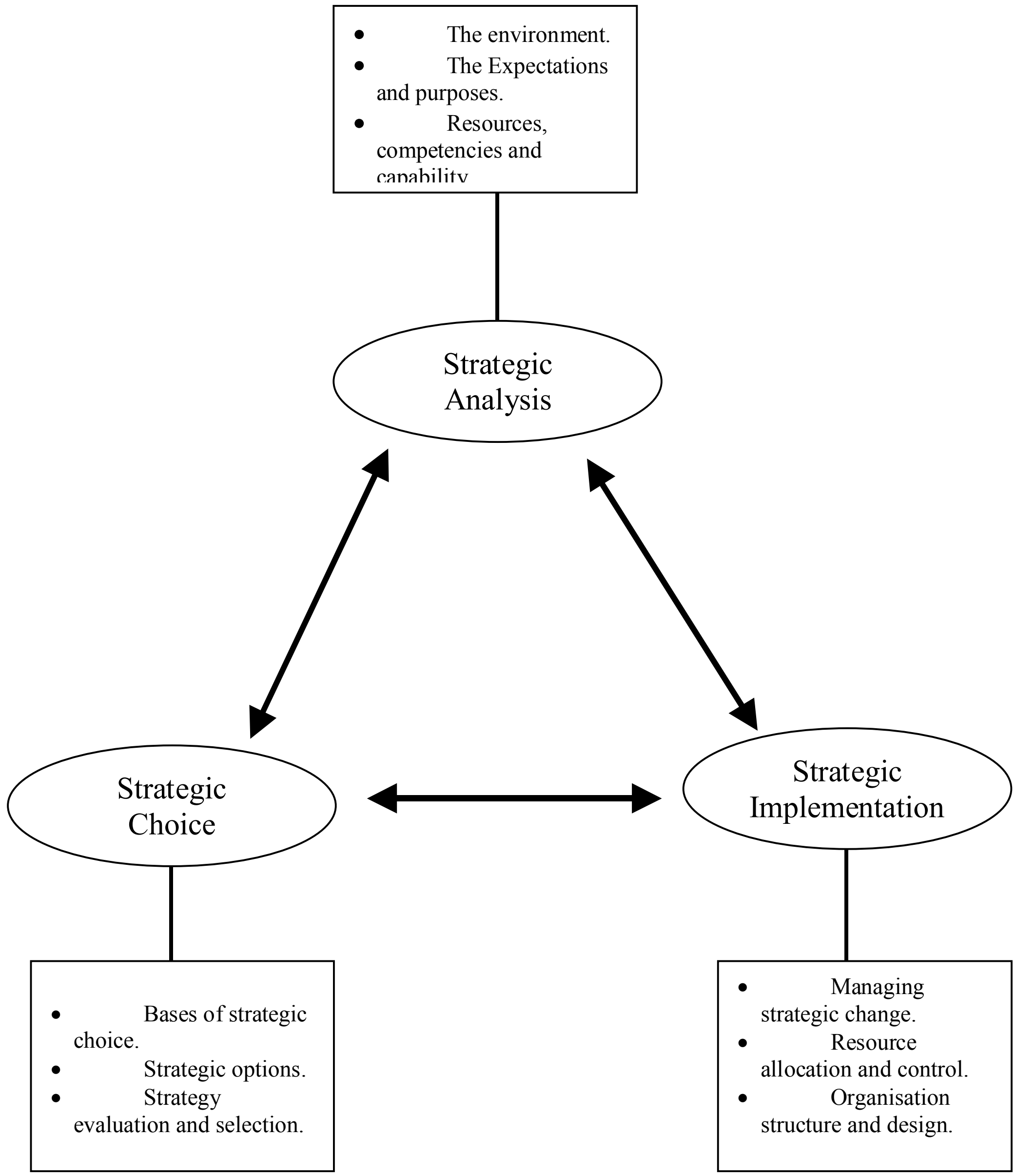
Three models will be discussed in this section: Johnson & Scholes (1999), Hill & Jones (1999) and Kotler (2000) models.

2.1.1 Johnson & Scholes (1999) described the strategic management as a continuous inter-relationship between Strategic Analysis, Strategic Choice & Strategic Implementation.

Their model is as the following:

a) Strategic analysis:

> Strategic analysis: "Concerned with understanding the strategic position of the organisation in terms of its external environment, internal resources and competencies, and the expectations and influences of stakeholders" (p17).



Figure–2.1
Strategic management model from Johnson & Scholes (1999, Exhibit 1.4, p24)

b) Strategic choice:

Strategic choice: "Involves understanding the underlying bases guiding future strategy, generation strategic options for evaluation and selecting from among them"(p20).

Regarding the Strategic choice, Johnson & Scholes (and many other strategists) differentiate between three levels of strategies:

- The corporate strategy, which is "concerned with the overall purpose and scope of the organisation to meet the expectations of owners or major stakeholders and add value to the different parts of the enterprise" (p11).
- The business strategy, which is concerned about the ways "to compete successfully in a particular market" (p12).
- The Operational strategies, which "are concerned with how the component parts of the organisation in terms of their skills effectively deliver the corporate and business level strategic direction" (p13).

c) Strategic implementation:

Strategic implementation: "Is concerned with the translation of strategy into organisational action through organisational structure and design, resource planning and the management of strategic change" (p22).

The good use of this model is that it is cover both the perspective strategies and emergent strategies by the notion of the inter-relation between the strategic analysis, choice and implementation.

2.1.2 Hill & Jones (1999, Figure 1.1, p5) model for the strategic planning process is as the following:

a) Mission and Major goals:

"The mission sets out why the organisation exists and what should be doing"(p7).

"Major goals specify what the organisation hopes to fulfil in the medium to long term"(p7).

b) Internal Analysis (strength and weaknesses):

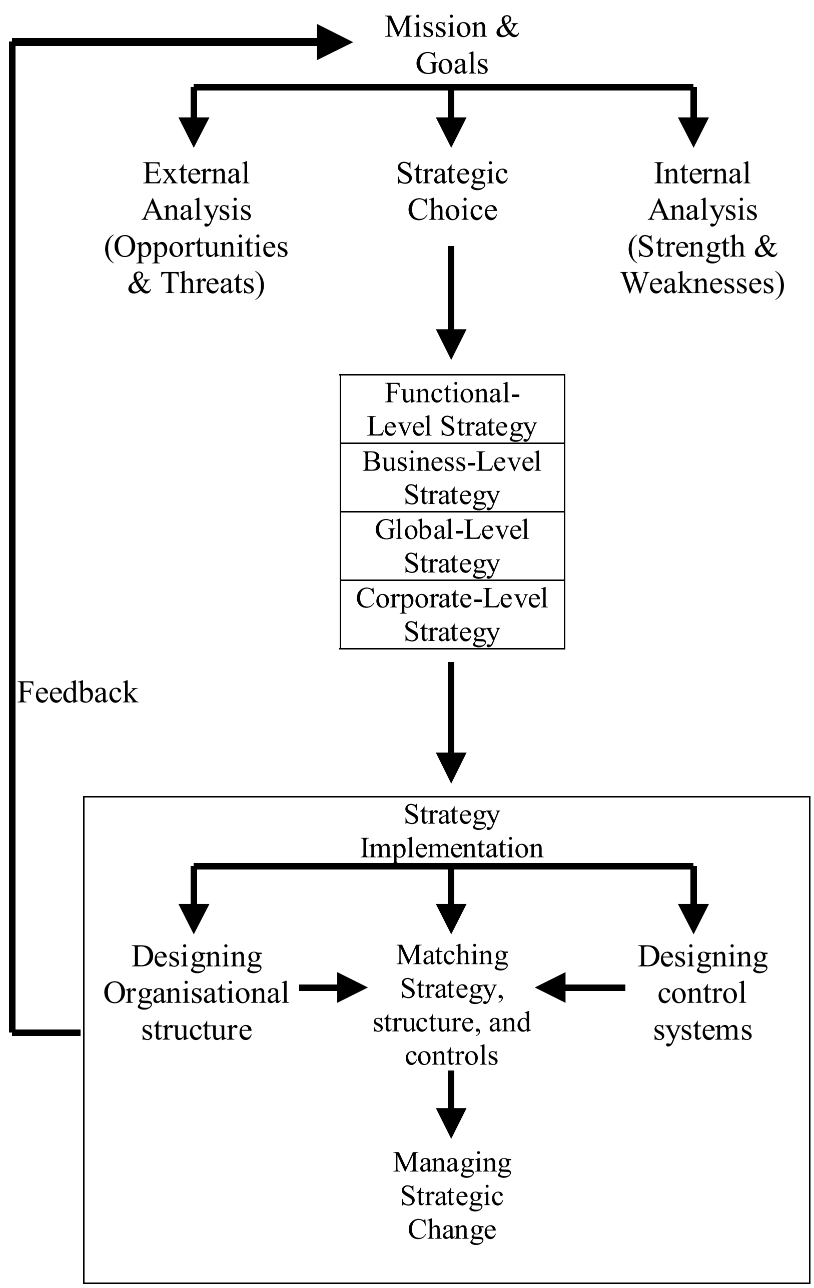


Figure-2.2
strategic planning process model from Hill & Jones (2001, Figure, 1.1, p6)

c) External Analysis (opportunities and threats).
d) Strategic Choice:

> "Strategic choice is the process of choosing among the alternatives generated by a SWOT analysis"(p8).

e) Strategy implementation.
   e.1) Designing organisational structure.
   e.2) Designing control systems.
   e.3) Matching strategy, structure, and controls.
   e.4) Managing strategic change.

Hill & Jones (1999, p6) put the missions and major goals as "the first component of the strategic management process". In their model the mission and major goals effects and control the strategic analysis and the strategic choice. Further more, mission statements would build a harmony between the organisation and their stakeholders (Hill & Jones, 1999 & Johnson & Scholes, 1999).

The other important thing in Hill and Jones strategic model is their stress on 'managing strategic change' as a main process in their model.
They were very explicit in this as they argue, "because change is so pervasive, companies that succeed in the long run are those that are able to adapt their strategy and structure to a changing world" (p11).

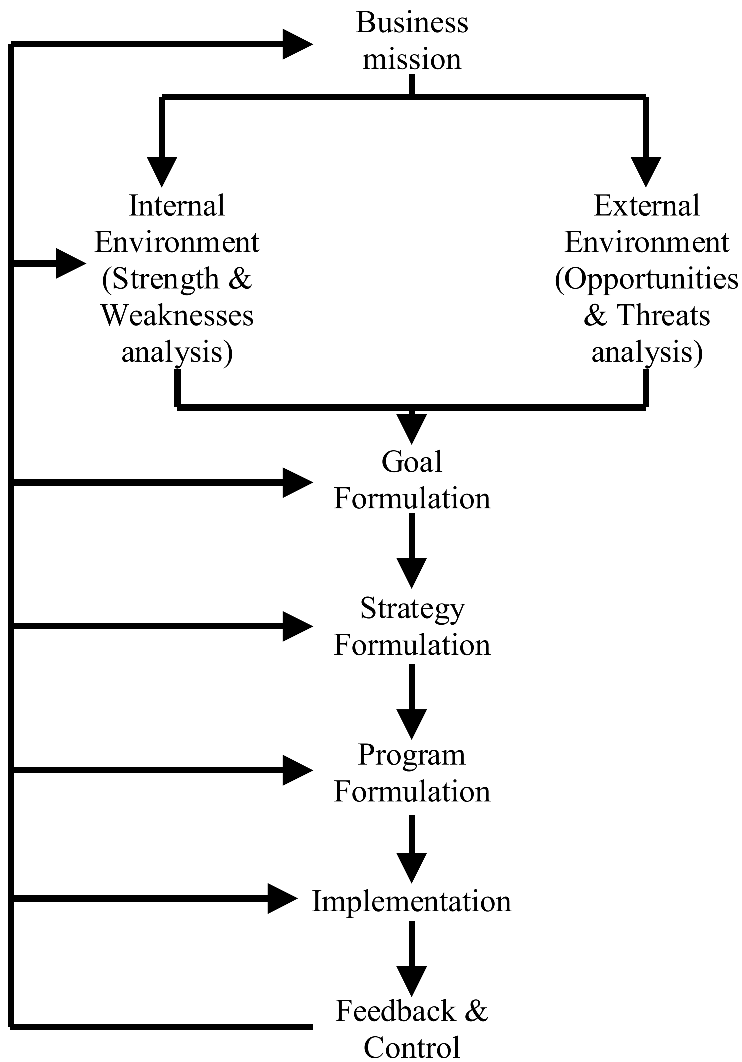
2.1.3 Kotler (2000, Figure 3.6, p76) has another model for strategic planning process:

a) Business mission.
b) External and Internal analysis.
c) Goal Formulation.

> Kotler introduced some of these goals (objectives) as profitability, sales growth, market-share improvement, risk containment, and reputation (p79). He also emphasise on four criteria that should be met to make this system effective:
> 1. "The objective must be arranged hierarchically from the most to the least important. 2. Objectives should be stated quantitatively whenever possible. 3. Goals should be realistic. 4. The company's objectives must be consistent." (p79).

d) Strategy Formulation.

> In this stage, Kotler introduced Porter's generic strategies (Differentiation, Cost leadership and Focus), which will be discussed later.



<u>Figure-2.3</u>
The business strategic planning process model from Kotler (2000, p76, Figure 3.6).

e) Programme Formulation.

This is the stage of designing a detailed plans to achieve the pre-set objectives in enlightenment with the pre-set principle strategies.

f) Implementation.

Kotler pointed out in this stage that implementing the formulated plans require the support of the Seven-S elements (strategy, structure, systems, style, staff, skills & shared values) and without that support, the formulated strategies and programmes would fail.

g) Feedback and Control.

Here, results of the implemented plans would be monitored for the purpose of control and future development.

The good thing in Kotler's model is that it differentiates between formulising goals, strategies, and programmes. This differentiation will be used later on.

2.2 The effects of culture on strategic management:

The Seven-S framework will be used to show the link and effects of culture on the processes of strategic management.
This framework represent six inter-related elements that are all inter-related with a central element. (Mckinsey & Co. **in** Lynch, 2000, p968).

The six surrounding elements are:

a) Strategy.
b) Structure: The organisation structure.
c) Systems: The organisation systems.
d) Style: Management styles of conduct (see Appendix-3.6).
e) Staff: This is the human resource element in the organisation and it represents the individual skills that are needed for the organisation.
f) Skills: This is the organisation capabilities, which are the overall skills that the organisation hold.
g) The central element is **Super-ordinate Goals**: "This means goals of a higher order and expresses the values, concepts, and vision that senior management brings to the organisation" (Lynch, 2000, p968).

[There is another version to this framework that has **Shared Values** as the central element instead of 'Super-ordinate Goals' (Peters & Waterman **in** Kotler, 2000, p83), but this won't make a difference to the philosophy of the Seven-S framework].

The philosophy behind this framework is that to reach a sustainable and continuous performance, companies should not only be superior in the art of strategy and the skill of organising (structuring), but they should also consider the "soft" issues (organisational capabilities (skills), Individual skills (staff), management's styles, systems (written or assumed), and the super-ordinate goals) which if it has been left without attention, it might be shaped in a destructive way. (Lynch, 2000 & Kotler, 2000).

Strategic planning and structuring are highly dependent on analytical, rational, and systematic planning processes, while the organisational capabilities, individual skills, systems, management styles and the super-ordinate goals are highly dependent on the culture of the organisation.

Exhibit 2.1: The organisation Culture – Definitions:
"The customary and traditional way of doing things, which is shared to a greater or lesser degree by all members, and which the new members must learn and at least partially accept, in order to be accepted into the service of the firm" (Jaques **in** Rollinson et al, 1998, p532). "The deeper level of basic assumptions and beliefs that are shared by members of an organisation, that operate unconsciously and define in a basic taken-for-granted fashion an organisation's" (Schein **in** Johnson & Scholes, 1999, p58). "The customary and traditional way of doing things, which is shared to a greater or lesser degree by all members, and which the new members must learn and at least partially accept, in order to be accepted into the service of the firm" (Jaques **in** Rollinson et al, 1998, p532). "The ideologies, beliefs, and deep-set values which occur in all firms ... and are prescriptions for the ways in which people should work in these organisations" (Harrison **in** Rollinson et al, 1998, p532). "A dominant and coherent set of shared values conveyed by such symbolic means as stories, myths, legends, slogans, anecdotes, and fairy tales" (Peter & Waterman **in** Rollinson et al, 1998, p532). "The way we do things around here" (Deal & Kennedy **in** Rollinson et al, 1998, p532). "A pattern of basic assumptions - invented, discovered or developed by given group as it learns to cope with its problems of external adoption and internal integration -that has worked well enough to be considered valuable and, therefore, to be taught to new members as the correct way to perceive, think

and feel in relation to those problems" (Schein **in** Rollinson et al, 1998, p532).

The outcome of the following interactive elements "Organisational stories, symbols, structure, rituals & routines, control systems, and the organisational power structure" (Johnson & Scholes, 1999, p59).

If there were no attention given to the organisation culture while that culture is growing, then the culture will grow sub-consciously influenced by the surrounding environment.

In order for achieving a high performance, the organisation culture should be monitored and improved including the above cultural elements: capabilities, skills, systems, styles & super-ordinate goals.

The link that the Seven-S can provide between strategic management and culture is that the successful implementation to the strategic plans would highly depend on the balance of the cultural elements mentioned in the Seven-S framework.

Therefore, it could be concluded that strategic planning process depends on two main elements for its success: systematic planning & the suitability of the cultural ground.

> [The cultural ground represents the soft elements that effect and build the organisation culture. These elements would include: the super-ordinate goals, systems, structure, styles, skills, values, patterns, perspectives, etc.
>
> As culture might be something difficult to identify, (as it reflect the core and shared values, beliefs, and assumptions), thus understanding and identifying the cultural ground of the organisation would give a quick identification to the culture that the organisation have.]

In the same time the systematic planning and the cultural ground are inter-related. The cultural ground affects the quality, efficiency, and the success of the implemented plans, and in the same time, specific plans could change and improve the current organisation culture.

For this, there are three important issues that should be taken into consideration in strategic planning:

- The strategic managers should ensure that their short-term plans are in harmony with the current cultural ground.
- Their long-term plans should not be in **direct** conflict with the current cultural ground.
- They should also form plans to change & improve the current culture to fit with their long-term plans.

Johnson & Scholes model is effective in describing the systematic planning process: Analysing (Check), Strategic choice (plan), implementing (Act) [which is in harmony with the famous improvement wheel of Deming: Plan, Do, Check, and Act]. Nevertheless, the strategic management model should also include a dominant element representing a process that insure the full exploitation of the current cultural ground, to make a systematic improvement to this cultural ground, and to insure a sound balance within this cultural ground.
The suggested element is **Strategic Thinking**.

2.3 Strategic Thinking:

Strategic thinking has been described by Mintzberg (1995, p79) as the ability of seeing behind (understanding the past), seeing ahead (forecasting the future), seeing above (holistic view), seeing below (inductive thinking), seeing besides (lateral thinking), seeing beyond (visualise the desired future), and seeing through (the way to reach the desired future).

Boar (1997, p67) defined strategic thinking as a "particular method that strategists use to think about things". He describes this method as three-dimensional thinking:

- The first dimension: Thinking cross Time (Past, Present, and Future). "Strategists think cross time. They think about a problem from the perspective of the past, present, and the future"(p67).

- The second dimension: Thinking through the subject's substance (Abstract to Concrete): "Strategists think about problems in turns of both their concrete and abstract natures" (p67).

- The third dimension: The number of concurrent issues. "The strategist thinks about multiple issues concurrently. Synthesis, not analytical decompositions, lies at the heart of strategic thinking" (p67).

Garratt (1995, p2) define strategic thinking as a "process by which an organisation's direction-givers can rise above the daily managerial processes and crises to gain different perspectives of the internal and external dynamics causing change in their environment and thereby give more effective direction to their organisation".

Senge (1990, p68) define strategic thinking (in his terminology 'systems thinking') as "a discipline for seeing wholes, a framework for seeing interrelationship rather than things, for seeing patterns of change rather than static snapshots".

Hanford (1995, table 10.2, p190) introduced the following distinguishing table for strategic and operational thinking:

Strategic Thinking	**Operational Thinking**
• Longer term.	• Immediate term.
• Conceptual.	• Concrete.
• Reflective/learning.	• Action/doing.
• Identification of key issues/opportunities	• Resolution of existing performance problems.
• Breaking new ground.	• Routine/on-going.
• Effectiveness.	• Efficiency.
• Hands-off approach.	• Hands-on approach.
• Helicopter Perspective.	• On-the-ground perspective.

He also implied that strategic thinking is the ability to deploy all types of thinking for the benefit of the organisation. He classified the types of thinking as the following (p210):

- Either/Or Thinking: The mentality of choosing between contradicting approaches (i.e. to choose approach a or to choose approach b).
- More/Less Thinking: The flexibility of mixing between the contradicting approaches.
- Both/And Thinking: The capability to create a win/win strategy that able to exploit the full potential of the contradicting approaches in the same time.
- Stay-put Thinking: This refers to the attitude of waiting, hoping for more clarification, or hoping that the problem will go away by it-self.
- Minor-from-to Thinking: This refers to the ability to re-adjust the configuration of the company to fit with twists and turns of the environment.
- Major-from-to Thinking: This refers to the capability to make a dramatic transformation for the company's culture and processes to fit with the new emerging environment.

To summarise, Strategic thinking is the ability to understand the current situation and it's long-term consequences, to see the surrounding environment and it's interrelationships with the current situation, and to visualise the path to reach the desired future.

In order to reach a high level of strategic thinking the following criteria are needed:

- **Visionary Leadership**:
  The ability to form a clear vision and the ability to inspire others with that vision (Thompson, 1997, Mintzberg, 1998).
  [“Vision can be defined as a mental image of a possible and desirable future state of the organisation” (Lynch, 2000, p443)]

- **Holistic views** (Bonn, 2001 & Mintzberg, 1995):
  The ability to dip into details without losing direction & the ability to keep insight the big picture.

- **Double-loop learning** (Heracleous, 1998 & Bonn, 2001):
  Double-loop learning is a philosophy of learning introduced by Chris Argyris. The first loop learning consist of solving problem according to current standards & norms, while the second loop learning questions and check whether these standards and norms are still appropriate (Lynch, 2000, p484).

- **Lateral thinking** (Mintzberg, 1995):
  Lateral thinking is a way of thinking that need to have a free mind of all standards, norms, and patterns in order to generate unorthodox ideas, which –later on- will be scrutinised to check their effectiveness in solving problems (De Bono, 1971).

A strong strategic thinking dominating the planning process would make the organisation to be very sensitive to the surrounding environment, to be very aware to their strengths, weaknesses and cultural ground, and to move accordingly (many organisation would gather the same data and information, but transforming these information to realisation need a high level of sensitivity and razor sharp mind).

Boar (1997, p87) had produced a model that connect strategic planning with strategic thinking:

> “ It is a recurring experience that when I teach strategic planning, a number of students will inevitably tell me that strategic thinking is particularly difficult and that they believe most of their colleagues will not be able to do it very well. They are absolutely correct.
> Thinking dynamically across four [?] dimensions (which beyond our ability to conceptualise) in the abstract and about multiple issues concurrently is certainly not easy. Most of us, as is the case in performing any skilful act, achieve at best a proficiency level of average. Of course, since we know that strategy is the struggle for advantage, if deep and far-reaching strategic thinking was simple and

> could be done with excellence by all effortlessly, it would be of little competitive value.
> **So to improve the efficacy of our strategic planning and rise above a level of mediocrity, rather than trying to go directly from strategic thinking to strategic action, we cheat and use strategic frameworks as strategy aids**. Strategic frameworks are methods developed and offered by academics, consultants, and practitioners that capture some important strategic insights and package them in a way that makes them usable by many. The more substantive the framework, the easier it is to use, but the shorter it will be applicable because of changing times and circumstances. The more abstract or generic the framework, the harder it will be to use, but the longer it will be current as it provides abstracts ideas that have to interpreted according to time and circumstances."

Strategic Thinking (S.T) would contribute with the following:

1) The strategic thinking should determine weather a mission statement is needed or not, whether the mission should be general or specific.

2) S.T would trigger the analysis activities and planning process to be focus to the organisation objectives to ensure efficiency (i.e. to focus money, effort and time on analysing things that are important to the organisation), in the same time S.T would ensure an open window for entrepreneurial and creative ideas.

3) S.T would trigger the strategic planning process to form strategies that are in harmony with the current culture.

4) S.T would trigger the strategic planning process to form strategies to improve the organisation's resources, capabilities, systems, structure, management Styles, and values (the cultural ground).

5) S.T would trigger the strategic planning process to form strategies that could create a balance between the different orientation values (see Appendix-1).

6) S.T would trigger the strategic planning process to form the needed strategies for change.

7) S.T should return the strategic planning process back to earth if it become ritual exercise and full of complex jargon.

> "The attack on planning took several forms. The first was a growing recognition that the processes for strategic planning were not promoting strategic thinking. Instead of clarifying and communicating strategy, the

outcome of laborious strategic planning exercise was thick binders which had little, if any, impact on action.
Form dominant substance. Meaningless long-term projections obscured strategic insight. Strategic planners had captured the prices, filling out plans which were reviewed by yet other planners. Line managers tolerated planning, but increasingly dismissed it as an irrelevant ritual" (Porter, 1987, p22).

8) As strategies are one of the inputs to the implementation stage (the other inputs are Resources, Capabilities, Systems, Structure, management Styles, and Values). S.T would trigger the operational disciplines in this stage to deploy the inputs in a manner that can achieve high level of cost efficiency.

For all of that, S.T is the link between strategic planning process and the organisation culture.

2.4 The effectiveness model:

The model suggested is a four interrelated elements (**Strategic Analysis, Strategic Formulation**, **Operations Management, and Operations Coefficients**), which are dominated with **Strategic Thinking**, and all of these elements dictate the **operation** processes (Figure 2.4).

The following comments would clarify these elements:

2.4.1 Strategic Formulation:

The Strategic Formulation should cover all levels of strategy (i.e. the corporate, business and operational strategies):

Trading companies, how small they were, would have many Strategic Business Units (SBU), as (for example) distinguish products or brands that the company might own. Each business-unit would have a particular strategy, and for this reason, attention should be given to make each business-unit strategy in harmony with the general strategy of the company (the company's corporate strategy).

> [Strategic Business Unit (SBU): "A unit of the company that has a separate mission and objectives and that can be planned independently from other company businesses. A SBU can be a company division, a product line within the division, or sometimes a single product or brand." (Kotler & Armstrong, 1994, p36)]

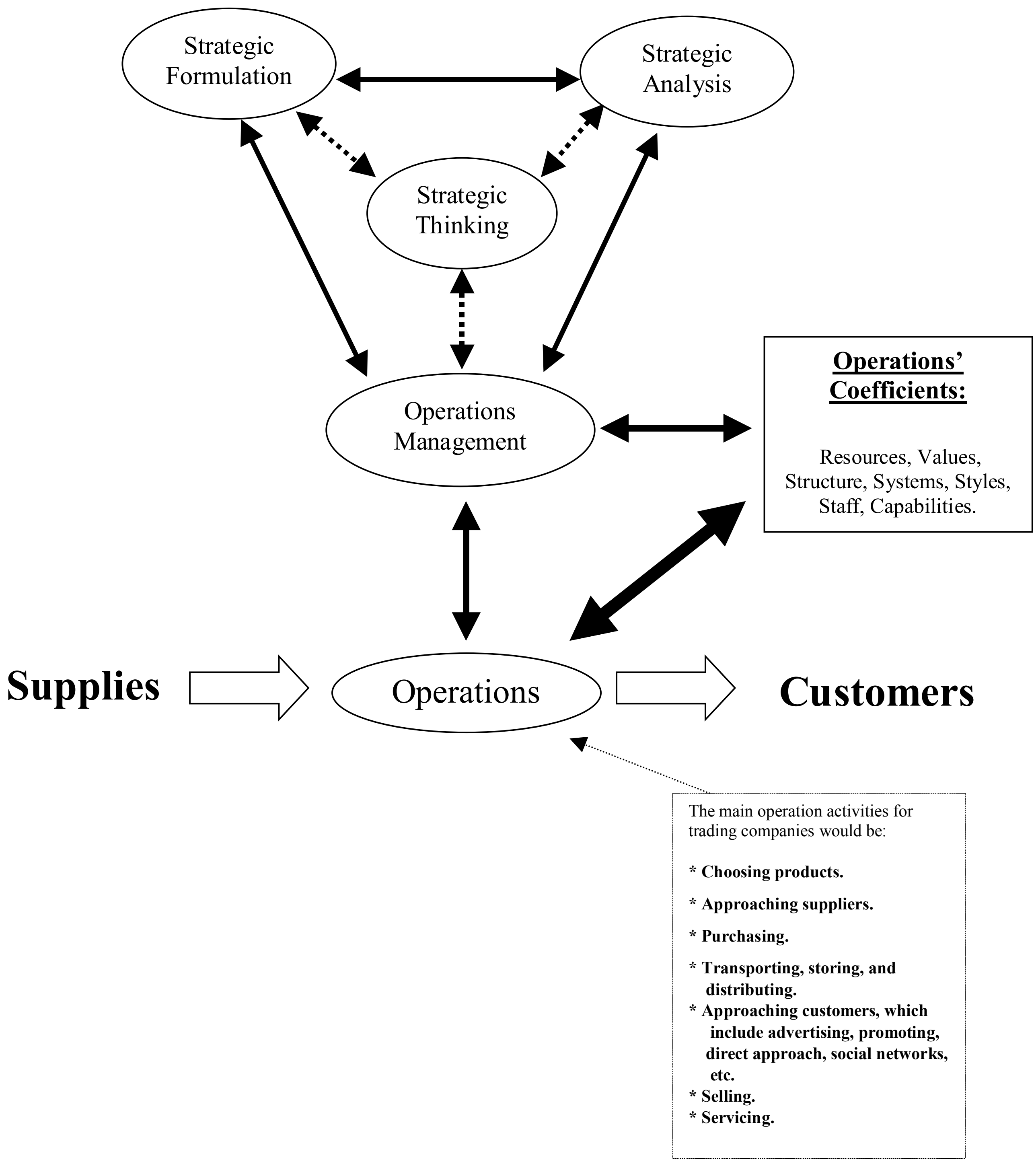


Figure-2.4
The Effectiveness Model

The corporate-level strategy should identify the corporate goals & corporate means (i.e. the structure and systems were the business units will interact between themselves, and between themselves and the corporate management.

2.4.2 The Operations Management:

The operations management is equal to the 'strategic implementation' in Johnson & Scholes model, but as Kotler (2000) has mentioned, implementing the strategic plans require the support of other elements (i.e. the Seven-S elements). So naming this stage as 'operations management' would imply this situation more than 'strategic implementation' (i.e. naming this stage as operations management would imply clearly that plans are only an input to this stage among many other inputs as resources and capabilities).

Operations management has many definitions but the best way to define it would be through breaking it into its components: management and operations:

> Management could be defined as the processes of planning, organising, commanding, motivating & Controlling (see Mintzberg, 1976, p111, Boak & Thompson, 1998, p84, Daft, 2000, p8). In the other hand, Operations has been defined as processes that are "concerned with transforming inputs into useful outputs and thereby adding value to some entity" (Meredith & Shafer, 1999, p4).Therefore Operations Management could be defined as motivating & commanding employees and planning, organising & controlling the company's resources and capabilities in order to transform inputs into useful outputs in the best efficient way.

Exhibit 2.2: Operation Management – Definitions:
"Operations management is concerned with the efficient conversion of an organisation's resources into the goods or services that it has been set up to provide. This description can apply to virtually any kind of organisation, whether it operates in industry or commerce, service or the pubic sector. Every organisation must be concerned with the efficient conversion whether or not it exist to make a profit, because it still needs to give as much value for money as possible to its customers" (Barnett, 1992, p1). Operations management: "Planning, scheduling, and control of the activities that transform inputs into finished goods & services" (Bicheno & Elliott, 1997, p9). "Operations management concerns making the most efficient use of whatever resources an organisation has, so as to provide the finished goods or services

that its customer need in a timely and cost efficient manner" (Bicheno & Elliott, 1997, p10).

Operational management: "The management of any operational system which transforms inputs into output" (Shore, 1973, p5).

"Operations management is concerned with managing inputs (resources) through transformation processes to deliver outputs (services or products)" (Galloway et al, 2000, p2).

Although operations management is a manufacturing term, but nevertheless, operations can be used to describe any activity that transforms inputs into outputs, thus it could be used to describe marketing activities. To make a link between strategic thinking, strategic planning process and operations management, the car analogy will be used:

> The drivers of the car would decide their destinations and the road to these destinations, but still they need a good reliable car to make that journey possible.
>
> The strategic thinking would decide the company's major objectives (the destination), the strategic planning process would choose the proper strategies (the road), but still the company need a reliable management to achieve these objectives (the car). So, while the strategic thinking & strategic planning are concerned with the effectiveness of the company (i.e. "doing the right things"), the operations management is concerned with the efficiency of the company (i.e. "doing the things right").

To conclude, strategic thinking and strategic planning would take care of the long-term agenda, while the operations management should take care of the day-to-day requirements, the short-term agenda and to establish the milestones needed to achieve the long-term objectives.

2.4.3 The Operations Coefficients:

In order to show the effects of the cultural ground & resources, the suggested strategic model have also included another input to the operations management, that is the Operations' Coefficients.

The operations' coefficients consist of the major elements that effect and influence the operational processes. These elements are the tools, leverages and media that the operation management use to create, maintain and monitor their operational processes.

These elements represent the organisation's resources and the organisation's cultural ground. Note that the cultural ground elements are only a modification for the seven-S framework:

- The organisation **Structure**: The line of formal authority, the line of functions & responsibilities, the line of power, and the line of communication (see Appendix-2.4.1).
- The organisation **Systems**: The formal and informal procedures and routines within the organisation (see Appendix-2.4.2).
- The Management's **Style** (see Appendix-2.4.3).
- **Staff** skills, education, experience & attitudes.
- The **Value** orientations**:** As it will be discussed in Appendix-1.3, there are six basic values the organisation should create, balance, and improve. These are the Finance, Customer, Employee, Efficiency, Continuous-Improvement, & Co-operate value-orientations.
- The Organisation **Capabilities:** This refers to the abilities of the organisation (as a whole) to exploit their Knowledge. This where the learning processes are most needed as it will transfer the organisation's knowledge and experiences into core competences & unique capabilities (see Appendix-2.1.4).
- The organisation **Resources:** The organisation resources can be classified into four types: physical resources, human resources, financial resources & intangible resources (see Appendix-2.1.4).

These elements are continuously interrelated. As an example, improving the structure of the company would improve the company's system, which would increase the capabilities of the company.
Although the operations' coefficients have a direct effect on the processes of operations, but it is important to notice that the operations processes can also affect these coefficients either intentionally or un-intentionally.

> [Un-intentional-effect as: Increasing pressure on the workforce might de-motivate employees, thus altering the company's current values.
> Intentional-effect as: Creating and implementing plans to improve the company's values.]

2.4.4 The Operations:

It could be argued that the concept and stages of strategic planning, strategic thinking, and operational management might be similar for all industries and professions. But the difference between each industry and each profession would mainly be regarding their operation activities.

Building on the author experience in the lighting trading companies, the operation activities for this industry (and for trading companies in general) are the following:

- **Choosing products.**
- **Approaching suppliers.**
- **Purchasing.**
- **Transporting, storing, and distributing.**
- **Approaching customers, (which include advertising, promoting, direct contacting, social networking, etc.).**
- **Selling.**
- **Servicing (including maintenance & consultation).**

The strategic planning process should be responsible for gathering the marketing data, analysing these data, distributing results to concerned managers, and to form strategies that guide the organisations' actions and operations.

After these plans are formulated, the operation management would try to implement and translate these plans into day-to-day activities. The operation's coefficients are highly influential to the success or failure of these activities.

2.5 How to assess effectiveness:

The effectiveness model describes the organisation's processes of sensing, planning, responding to, and learning from the environment.

Effectiveness, as it was described before, reflect the professionalism of conducting these processes. Thus effectiveness is highly dependant on the organisation's professionalism in conducting the processes of strategic planning and strategic thinking, and the balance and appropriateness of their cultural ground.

Therefore the best way to assess effectiveness would be through deep awareness for the effect of the cultural ground and the deep understanding to the professional rules and procedures of the strategic planning and strategic thinking processes; it is not enough to know that the organisation should have a professional strategic planning process, but it is also important to know what is the professional discipline and procedures for this process.

Appendix 2 will study these processes in depth to highlight its professional procedures. This would help the author to create a strong observation structure to differentiate between companies that are discipline to the professional procedures of strategic planning from the companies that plans in an instinctive/amateur way. Exhibit 2.3 would breakdown the effectiveness model to its main sub-elements, including the ones that will be discussed in appendix 2.

The reason that this subject is included in the appendix rather than in the main body is that it contains small details that might distract the flow of this project. The other thing is that the limited time and accessibility prevent the author to use the observation methods to assess the effectiveness of the targeted companies, thus this subject would not directly be involved in assessing the effectiveness of these companies. Nevertheless, this subject would give a good ground for the author to express his personal perspective about these companies.

As it was mentioned, the time and accessibility does not permit the author to use the observation methods, although it would be the best way to evaluate effectiveness. The next chapter will introduce a quick and objective tool for evaluating effectiveness.

Exhibit 2.3: The Effectiveness Model - Breakdown

a) Strategic Analysis:

- a.1) SWOT analysis.
- a.2) PEST analysis.
- a.3) Porter's five forces.
- a.4) Resources & capabilities analysis.
- a.5) Customer analysis.
- a.6) Suppliers analysis.
- a.7) Financial analysis.
- a.8) Competitor analysis.
- a.9) Life-cycle analysis.
- a.10) Gap analysis.

b) Strategic Formulation:

- b.1) Corporate-level strategies:
  - b.1.1) Corporate goals identification.
  - b.1.2) Corporate strategies formulation.
  - b.1.3) Improvement strategies.
  - b.1.4) Change strategies.

b.1.5) Contingency planning.

b.2) Business-level strategies:

b.2.1) Business goals identification:

b.2.1.1) Market segmentation.

b.2.1.1) Strategic Thrust:

Market penetration, Market development, Product development, or Diversification.

b.2.2) Strategic Choice:

b.2.2.1) Strategic Pattern:

Prospector, Analyser, or Defender.

b.2.2.2) Strategic Position:

Cost Leadership or Differentiation.

b.3) Operational-level strategies:

b.3.1) Marketing strategies.

b.3.2) Financial strategies.

b.3.3) Human resources strategies.

b.3.4) Manufacturing strategies.

b.3.5) etc.

[As marketing is the main activity in the trading companies, the main operational strategy would be the marketing strategy, and the other operational strategies should be incorporated within]

c) Operations Management:

c.1) Planning.

c.2) Organising.

c.3) Commanding.

c.4) Motivating.

c.5) Controlling.

d) Strategic Thinking:

d.1) Visionary Leadership.

d.2) Holistic view.

d.3) Double-loop learning.

d.4) Lateral thinking.

e) Operations Coefficients:

[Operations coefficients are interrelated elements that have an essential effect on the operation processes]

e.1) Structure.

e.2) Systems.

e.3) Staff (skills, education, experience & attitudes).

e.4) Management's styles.
e.5) Values.
e.6) Capabilities.
e.7) Resources.

f) The Operations (for trading companies**):**

f.1) Choosing products.
f.2) Approaching suppliers.
f.3) Purchasing.
f.4) Transporting, storing, and distributing.
f.5) Approaching customers, which include advertising, promoting, direct approach, social networks, etc.
f.6) Selling.
f.7) Servicing.

Chapter Three: Assessing Effectiveness.

3.1 Introduction:

As it was mentioned, the best way to assess the effectiveness of particular companies is to observe these companies and to check whether they are disciplined and conforming to the rules, procedures, and standards of the strategic planning process and strategic thinking, and whether their culture is in balance and appropriate to the environment they are dealing with.

As it was also mentioned, the limitation on time and accessibility prevented the author from doing a proper observation study to assess the effectiveness of the lighting trading companies in Dubai.

Because of these limits, the author decided to try and find a quick and objective tool that can give a reliable indication to the effectiveness of the targeted companies.

The author found that Philip Kotler (1977, 2000) instrument is well accepted and widely approved in the marketing academic circles as a tool to give an indication for effectiveness.

This chapter will introduce Kotler's instrument and would show the extent to which this instrument is conforming to the concepts of effectiveness that has been discussed in the previous chapters.

Exhibit 3.1
Kotler's Rating Instrument for Marketing Effectiveness:
(Kotler, 1977, p70 & 2000, p707).

Customer Philosophy:

A. Does management recognise the importance of designing the company to serve the needs and wants of chosen markets?

0 – [ ] Management primarily thinks in terms of selling current and new products to whoever will buy them.
1 – [ ] Management thinks in term of serving a wide range of markets and needs with equal effectiveness.
2 – [ ] Management thinks in terms of serving the needs and wants of well-defined markets chosen for their long-run growth and profit potential for the company.

B. Does management develop different offerings and marketing plans for different segments of the market?

0 – [ ] No.
1 – [ ] Somewhat.
2 – [ ] To a good extent.

C. Does management take a whole marketing system view (suppliers, channels, competitors, customers, environment) in planning its business?

0 – [ ] No. Management concentrates on selling and servicing its immediate customers.
1 – [ ] Somewhat. Management takes a long view of its channels although the bulk of its effort goes to selling and servicing the immediate customer.
2 – [ ] Yes. Management takes a whole marketing systems view recognising the threats and opportunities created for the company by changes in any part of the system.

Integrated Marketing Organisation:

D. Is there high-level marketing integration and control of the major marketing functions?

0 – [ ] No. Sales and other marketing functions are not integrated and there is some unproductive conflict.
1 – [ ] Somewhat. There is formal integration and control of the major marketing functions but less than satisfactory co-ordination and co-operation.
2 – [ ] Yes. The major marketing functions are effectively integrated.

E. Does marketing management work well with management in research, manufacturing, purchasing, physical, distribution, and finance?

0 – [ ] No. There are complaints that marketing is unreasonable in the demands and costs it places in other departments.
1 – [ ] Somewhat. The relations are amicable although each department pretty much acts to

serve its own power interests.

2 – [ ] Yes. The departments co-operate effectively and resolve issues in the best interest of the company as a hole.

F. How well-organised is the new products development process?

0 – [ ] The system is ill-defined and poorly handled.
1 – [ ] The system formally exists but lacks sophistication.
2 – [ ] The system is well-structured and professionally staffed.

<u>Adapted Marketing Information:</u>

G. When were the latest marketing research studies of customers, buying influences, channels and competitors conducted?

0 – [ ] Several years ago.
1 – [ ] A few years ago.
2 – [ ] Recently.

H. How well does management know the sales potential and profitability of different market segments, customers, territories, products, channels, and order size?

0 – [ ] Not at all.
1 – [ ] Somewhat.
2 – [ ] Very well.

I. What effort is expended to measure the cost-effectiveness of the different marketing expenditures?

0 – [ ] Little effort.
1 – [ ] Some effort.
2 – [ ] Substantial effort.

<u>Strategic Orientation:</u>

J. What is the extent of formal marketing planning?

0 – [ ] Management does little or no formal marketing planning.
1 – [ ] Management develops an annual marketing plan.
2 – [ ] Management develops a detailed annual marketing plan and a careful long-range plan that is updated annually.

K. What is the quality of the current marketing strategy?

0 – [ ] The current strategy is not clear.
1 – [ ] The current strategy is clear and represents a continuation of traditional strategy.
2 – [ ] The current strategy is clear, innovative, data-based and well-reasoned.

L. What is the extent of contingency thinking and planning?

0 – [ ] Management does little or no contingency thinking.
1 – [ ] Management does some contingency thinking although little formal contingency planning.
2 – [ ] Management formally identifies the most important contingencies and develops contingency plans.

Operation Efficiency:

M. How well is the marketing thinking at the top communicated and implemented down the line?

0 – [ ] Poorly.
1 – [ ] Fairly.
2 – [ ] Successfully.

N. Is management doing an effective job with the marketing resources?

0 – [ ] No. The marketing resources are inadequate for the job to be done.
1 – [ ] Somewhat. The marketing resources are adequate but they are not employed optimally.
2 – [ ] Yes. The marketing resources are adequate and are deployed efficiently.

O. Does management show a good capacity to react quickly and effectively to on-the-spot developments?

0 – [ ] No. Sales and market information is not very current and management reaction time is slow.
1 – [ ] Somewhat. Management reactions fairly up-to-date sales and marketing information; management reaction time varies.
2 – [ ] Yes. Management has installed systems yielding highly current information and fast reaction time.

Score Results:

0-5	None.
6-10	Poor.
11-15	Fair
16-20	Good.
21-25	Very Good.
26-30	Superior.

3.2 As it was mentioned, the effectiveness depends on three main concepts: the strategic planning process, strategic thinking, and the organisation's culture.

> [Note: The efficiency of operations is included in the strategic planning process. The strategic planning process represents the cycle of strategic analysis, strategic formulation and implementation (which has been replaced by operations management). The efficiency of operations is the outcome of effectiveness of the implementation stage.]

The Kotler instrument, as will be explained, covers the strategic planning process and the value orientations of the organisation.

As will be discussed in Appendix-1.3, there are six basic value orientations the organisation should create, balance, and improve. These are the Finance, Customer, Employee, Efficiency, Continuous-Improvement, & Co-operate orientations.

Although Kotler instrument does not give an indication to the other cultural ground (as the structure & systems), nevertheless, the value orientations would give a good indication to the culture of the organisation, as it is the most elements in the cultural ground that is profound and difficult to change (this could be the reason why shared values where in the centre of the 7S framework).

It also should be noticed that Kotler instrument is not used in this project to give a precise identification to the effectiveness of the organisation, but to give a quick and objective indication to that effectiveness, and for this purpose, the value orientations could give a satisfactory and reliable indication to the organisation culture.

Looking carefully on Kotler instrument would reveals the following observations:

- Question B, C, G, H, J, K, L, & O refer to the strategic planning process.
- Question D & E refer to cooperative-attitude.
- Question N refers to the efficiency orientation.
- Question A refers to the strategic planning process and customer orientation.
- Question F refers to strategic planning process & CI orientations.
- Question I refers to strategic planning process & finance orientation.
- Question M refers to customer and efficiency orientations.

Question E in Kotler's instrument has not been included because trading companies doesn't have manufacturing department and the distribution & purchasing office are under the authority of the marketing & sales management.

3.3 As it was discussed in the previous chapter, strategic thinking is a major force in creating and maintaining the effectiveness of the organisation. Kotler instrument does not refer to this concept. Kotler instrument has been created in 1977, and at that time strategic thinking wasn't hot topic as it is today.

To apply Kotler instrument to effectiveness an extra set of questions is needed to cover strategic thinking. The following questions could be used, where question one refers to the visionary leadership, the second refers to the holistic view, the third one refers to lateral thinking, and the forth & fifth refer to double-loop learning:

- Have the management succeed to inspire others with their company's vision? (No, Somewhat, Yes).
- After implementing plans (or solutions), does the management feel that there were things that should have been taken into consideration before implementing these plans? (Many times, Sometime, Rarely).
- Do the management help their employees to generate new ideas? (No, somewhat, Always).
- Do the management question their standards and norms, especially when problems seems difficult, or growth seems slow? (No, sometime, Always).
- Do the management acknowledge mistakes in an open mind, or they will be happy to blame others? (They won't acknowledge mistakes, They will acknowledge mistakes when confronted, They acknowledge mistakes in an open mind).

3.4 Adding these questions would make a full questionnaire of 19 questions with a maximum score of 38.

Kotler has categorised the outcome of his questionnaire into 6 categories: None, Poor, Fair, Good, Very Good, and Superior. But to make things easier, it might be appropriate to reduce this category to three: Poor, Average, and Good.

The suggested score for each category is the following:

Poor = below 50%
Average = 50% to 80%.
Good = 80% and over.

3.5 The questionnaire could be split to three groups. This would give extra indications to the organisation level in strategic planning, value orientations, and their strategic thinking.

The questions in group-one, which refer to the organisation's strategic planning process, are: **A, B, C, F, G, H, I, J, K, L, & O.**

The questions in group-two, which refer to the organisation's value orientations, are: **A, D, F, I, M, & N.**

The questions in group-three, which refer to the organisation's strategic thinking, are the extra set of questions mentioned earlier.

[Questions A, I & F have been repeated in group one and two because they represent both orientations (strategic & values)].

So, the questionnaire is designed to indicate the level of the strategic planning, value orientations, and strategic thinking, and the full score (excluding the repeated questions) would indicate to the level of the over-all effectiveness.

The following table will show the score levels for each category:

The conclusion	**Group-One** Strategic planning	**Group-Two** Value orientations	**Group-Three** Strategic thinking	**All–Questions** Effectiveness
Poor	Below 11	Below 6	Below 5	Below 19
Average	11 to 17.6	6 to 9.6	5 to 7	19 to 28.5
Good	17.6 and over	9.6 and over	7 and over	28.5 and over
Maximum	22	12	10	38

The designed questionnaire is included in Appendix-4.

Chapter Four: The Methodology

This chapter will discuss the project research methodology. The methodology has two meaning in Oxford Dictionary (1996, 2nd ed.):

1. The science of methods.
2. A body of methods used in a particular branch of activities.

Thus the methodology is the body of methods that the researchers take to conduct their research. The importance of clarifying the methodology is that it will draw the researcher attention to possible holes in the research body, and also it will give the readers and assessors the evidence that the researcher understands the research standard methods and conducted his research accordingly thus giving his research a sound credibility.

Building on Saunders et al (2000) and Robson (1993) the following framework will be used to introduce the methodology adopted in this project:

1. Clarifying the research questions & objectives.
2. Clarify the research approach.
3. Clarify the research strategy.
4. Clarify the type of sampling.
5. Clarify the type of data collected.
6. Clarify the methods of data collection.
7. Assessing the credibility of the research.

4.1 The Research Questions:

Saunders et al (1997) clearly stressed at the importance of "defining clear research questions at the beginning of the research process".

This could be explained by idea that good answers would only comes from good questions - i.e. the quality of questions would insure a quality answers (Robins, 1990).

Clarifying the research questions would probably need to be followed by clarifying the research objectives:

> "objectives are more generally acceptable to the research community as evidence of the researcher's clear sense of purpose and direction" (Saunders et al, 2000, p24).

The research question is: What is the effectiveness level in the lighting trading companies in Dubai?

The research objective is to identify the gap between the current management processes and the desired one regarding effectiveness and to introduce recommendations to reduce this gap.

4.2 The research approach:

There are two types of research approaches: Deduction and Induction.

The deduction approach:
In this approach, the researchers have already formulated hypotheses (or theories) and the research would be conducted to prove, develop or disprove these hypotheses (Saunders et al, 2000 & Robson, 1993).
The Inductive approach:
In this approach, the researchers will observe and collect the data without a pre-formulated-theory, and then they would derive the theory as a result from their research (Saunders et al, 2000).

Although the author confesses that he had previous hypotheses regarding the results, but the approach that has been used is: creating a model, collecting data, and then generating the results. This approach would be classified under the induction approach.
However, some of the results were unexpected, as it will be discussed in the next chapter.

4.3 The research strategy:

In business researches there is three broad types of research strategies (Saunders et al, 2000 & Robson, 1993):

- Experiment.
- Surveys.
- Case studies.

The experiment strategy would be by placing a chosen group in experimental conditions where the experiment variables could be controlled (Saunders et al, 2000).

The Survey strategy “refers to the collection of standardised information from a specific population, or some sample from one, usually but not necessarily by means of questionnaire or interview” (Robson, 1993, p49).

The case-study strategy is “a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson, 1993, p52).

This project has to use the survey strategy due to the type of research question that is concerned about the marketing effectiveness in the lighting trading companies in general and not about a specific company.

4.4 Sampling Type:

Sampling has a huge importance in research: It would be difficult and highly costly to question, ask, interview, or observe the whole population. The recognised and accepted procedure to overcome this difficulty is to select a group (sample) that the researcher can provides indications that this group represents the whole targeted population.

In sampling procedure there should be clarification for the sample frame and sample size:

> The sample frame represents the complete list of all members in the population where the sample will be selected (Saunders et al, 2000).
> The sample size represents the number of members in the selected sample.

There are two types for sampling: probability sampling and non-probability sampling:

> “The probability sampling method is any method of sampling that utilizes some form of random selection. In order to have a random selection method, you must set up some process or procedure that assures that the different units in your population have equal probabilities of being chosen” (Trochim, 2002, Internet source).

The most popular techniques of sampling in this type are: the simple random sampling and the systematic sampling:

> The simple random sampling “involves you selecting the sample at random from the sampling frame using either random number or a computer” (Saunders et al, 2000, p159).
>
> The Systematic sampling “involves you selecting the sample at regular intervals from the sampling frame” (Saunders et al, 2000, p162).

The other type of sampling is the non-probability sampling. “The difference between non-probability and probability sampling is that non-probability sampling does not involve random selection and probability does” (Trochim, 2002, Internet source). There are 4 main techniques in this type of sampling:

- The Quota Sampling: "To obtain representatives of the various elements of a population, usually in the relative proportions in which they occur in the population" (Robson, 1993, p140).
- The Convenience Sampling: "It involve choosing the nearest and most convenient persons to act as respondents" (Robson, 1993, p141).
- The Purposive Sampling: In this technique, the researcher will choose the sample members to his best judgement that this sample is appropriate for his needs (Saunders, et al, 2000 & Robson, 1993).
- The Snowball Sampling: "Here the researcher identifies one or more individuals from the population of interest. After they have been interviewed, they are used as informants to identify other members of the population" Robson, 1993, p142).

It is very possible (and the most appropriate) to use the probability sampling in this project as the sampling frame in this project is identifiable (the sampling frame in this project is the lighting trading companies in Dubai). But unfortunately the time constrains and the lack of accessibility prevent the researcher from using this type.
The researcher has access only to four members from the sample frame. This would make this type of sampling a **Convenience** one. However, the researcher belief that the selected sample would represent the sampling frame as it will be discussed at the credibility section in this chapter.

4.5 Data Types:

There are two types of data concerning its nature (Qualitative or Quantitative) and another two types concerning its source (Secondary or Primary).

Quantitative data refers to numerical data or contain data that could usefully be quantified, while the Qualitative data are "based on meanings expressed through words" (Saunders et al, 2000).

Secondary data are data that are pre-collected for previous concerns, while Primary data are data that are intentionally collected specifically for the research project in hand through questioning, interviewing or observing.

The literature reviews could be regarded as a secondary data for this project.
The primary data came from a designed questionnaire for the purpose of this particular project (see the questionnaire in Appendix-4).

The data collected through the questionnaire were quantified data aimed to reveal the level of the effectiveness within in the targeted companies.
The design of the questionnaire has been discussed in chapter three.

4.6 Data Collection Methods:

The method for collecting data was through a designed questionnaire in structured interviews or direct supervision in order to give the participant the chance to clarify any ambiguity that might occur from jargons or un-familiar expressions.

> "Structured interview: A type of interviews where the interviewer uses a standard and identical questions. The interviewer will "read out each question and then record the response on a standardised schedules" (Saunders et al, 2000, p243).
> Direct supervision where the participant fills out the questionnaire in the present of the researcher.

The researcher has an access to only four companies where he collected the needed data. Companies' names will be coded to insure confidentiality: The codes are A, B, C, and D. The participants were 6 senior sales-representatives: one from company A, 2 from company B, 2 from company C, and one from company D.

4.7 Assessing the Credibility of the Research

It is important to assess the credibility of the research as it would provide the researchers with a checkpoint-methods to insure that their research is on track according to the scientific method standards, give them the awareness of the weakness points in their research, and to put the research in a proper format in front of the readers and assessors.

The credibility assessment framework would include the following checkpoints:

a) The Reliability of Data collecting methods.

This checkpoint would check whether the collected data would be the same if it has been collected in another occasions or if it has been collected by another researchers (Saunders, et al, 2000).

Their are four check-elements in this category (Robson, 1993, p67):

a.1) Subject error:

This element would check and scan the possibilities that the participants' mental and physical conditions in different occasions would affect their answers (i.e. to check if the participant in different occasions would change or make the same answers).
As an example, would the participants' answers be changed if they have been questioned at the beginning of their duty instead of the end of it – in another words, would the

participants' tiredness effects their answers.

a.2) Subject bias.
This element would check and scan the possibilities that the participants would be consciously or un-consciously biasing their answers due to their interests (as an example to please their management).

a.3) Observer error.
This element would check and scan the possibilities that the observers would make an un-purposed error in interpreting the observed events.

a.4) Observer Bias.
This element would check and scan the possibilities that the observer would consciously or un-consciously biasing the standard methods of collecting data due to their interests.

b) The Construct Validity.

This checkpoint would check if the data collected do measure what suppose to measure (Robson, 1993 & Saunders et al, 2000).

Relating to this project, the construct validity would check whether the questionnaire would measure and determine the level of marketing effectiveness within the selected lighting trading companies in the research sample.

b.1) The Internal Validity.
This checkpoint would check if the relationships between the concerned variables (i.e. the variables that are measured) are causal relationship (Robson, 1993 & Saunders et al, 2000).

b.2) Generalizability (The External Validity).

This checkpoint would check if the findings (that have been obtained from the sample) could be generalised to the whole population (Robson, 1993 & Saunders et al, 2000).

Relating to this project, the external validity would check if the finding on the selected companies could be generalised to the whole lighting trading companies.

The following discussion will apply the above checkpoints to this project:

4.7.1 The Reliability:

- **Subject error:**

  The probability of subject error in this project is low. The questionnaire in this project is a behaviour one, which –as Saunders et al (2000) indicated- is a strait-forward questions as they ask about what the organisation “did in the past, do now, or will do in the future”, thus they are “recording a concrete experience” rather than feeling or opinions.
  As the questions are about the past behaviour of the organisations, it would be assumed that the possibility of the participants’ physical and mental condition would not highly affect their answers.

- **Subject Bias:**

  The probability of subject bias in this project is low. The structured interviews have been done in a confidential manner and the participants that have been selected to sample were professional.
  In the same time, the structured interviews gave the chance for the researcher to ask & inquire the participants about the reasons behind their choices. This policy would push the participants to be more objective.

- **Observer Error:**
  The probability of observer error in this project is low. The interviews was structured and the questionnaire was clear and that will reduce the possibility of the observer error (Saunders et al, 2000).

- **Observer Bias:**
  The probability of observer bias is low for the same reasons mentioned above. Furthermore, the researcher was aware that the ‘ask & inquire’ policy might lead the participants if it has been used without cautious. For that, the researcher was very keen that the ‘ask & inquire’ policy does not suggest or lead the participant at all, but only to encourage the participant to be more objective.

4.7.2 Construct Validity:

The construct validity in this project is high. This questionnaire is based on a well-accepted instrument, which has been designed by Dr. Philip Kotler.

4.7.3 Internal Validity:

The internal validity for this project is high. Building on the literature reviews and discussions in the previous chapters, the relationship between the questionnaire and the concepts of effectiveness has been highlighted, discussed, and justified.

4.7.4 Generalizability (The External Validity):

The external validity in this project is medium. The best sampling method for this type of research (which is a survey-type) would be the probability sampling. But due to constrains in time and accessibility, the researcher had no choice except to use the convenience sampling.
The researcher had an access to 4 trading companies among 375 companies that are registered in Dubai chamber of Commerce & Industry as lighting trading companies, showrooms, retailers, and shops.

Nevertheless the researcher belief that the sample selected would represent the whole lighting trading companies in Dubai for the following reasons:

1) The sample members are one of the strongest companies in the lighting trading industry.
2) The point that the researcher is looking for is the level of effectiveness in general for the lighting trading companies. Common sense would indicate that in a high competitive market, benchmarking would be a common instinctive practice. This would create another common sense that the level of effectiveness for these competitive companies should be nearly similar. For this reason, the researcher is convinced that a few selected strong companies would represent the whole sample frame regarding this particular research.

4.8 The methodology Abstract:

To following table will summarise the methodology framework that have been discussed for this project:

The research question:	What is the Effectiveness level in the lighting trading companies in Dubai?
The Research Objective:	To identify the gap between the current management processes and the desired one regarding effectiveness and to introduce recommendations to reduce this gap.
Research strategy:	Surveys.
Type of Sampling:	Non-probability sampling - Convenience type.
Type of Data Collected:	Quantitative.
Methods of Data Collection:	Questionnaire in structured interviews.
Credibility of the research:	
Subject error:	Low.
Subject bias:	Low.
Observer error:	Low.
Observer Bias:	Low.
Construct validity:	high.
Internal Validity:	High.
External Validity	Medium.

Chapter Five

Results, Discussions, Personal Observation, Learning Outcome, and Recommendations

5.1 The Results:

The details of the data collected is included in Appendix-5, the result summary is as the following:

Company's Code	**Group-One** Strategic Planning	**Group-Two** Value Orientations	**Group-Three** Strategic thinking	**All-Questions** Effectiveness
Company A	Poor	Poor	Average	Poor
Company B	Poor	Average	Poor	Poor
Company C	Average	Average	Average	Average
Company D	Poor	Poor	Poor	Poor

It would be appropriate to remember that these results does not relate or reflect the success and financial outcome of these companies. The fact that these companies are enjoying success and wealth does not necessarily reflect professionalism or effectiveness, as this might be due to benign environment or even just good fortune (see the introductory chapter).

Three companies had shown a poor level in strategic planning, while one company had shown an average level.

Two companies had shown poor level in value orientations and the other two had shown an average level.

Two companies had shown poor level in strategic thinking while two companies had shown an average level.

Three companies had shown poor level in the over-all effectiveness while one company had shown an average level.
No company had shown a good level in all the previous categories.

5.2 Result Discussion:

The author confesses that he was surprised by these results. He had the idea that the score would be poor for all companies in all categories. The outcome came surprisingly that company C showed an average score for all categories and there is one company that showed an average level in value orientation while another company showed an average level in strategic thinking.

An average score is in a grey area, and it could be argued that the questionnaire is simple for grey areas. In another words, poor companies might score average level due to the fact that the questionnaire was simple.

The other possibility for company A, which score average level in strategic thinking, that there was only one participant for this company and there might be a possibility that his answers where subjective. The only way to check that would be to have another participant from the same company, which is difficult for the author due to the access limits. However, company C had two participants and both scored average level in strategic planning and value orientation, also company B had two participants and both scored average level in value orientations. This deserves a deep look into these companies to try and explain these results:

Looking deeply into company C revealed that this company had done something that is not a standard practice in the industry:

One of the high-qualified sales engineers was lately involved in a major tender that consumed all of his time for a very long period, and it was almost certain that he won the tender. Un-fortunately, the project had been given to another company, thus putting him in a deep depression. This man began thinking seriously to quit and to find another profession other than sales. As he was highly qualified, with a high level of social skills, and the fact that he was one of the people that joined the company from the start, the management didn't like the idea for him to leave. The management asked him to stay in the company and relieved him from sales responsibilities (as approaching customers and closing deals, etc.) and assigned him with the following duties:

- To co-ordinate between the sale-force.
- To advise and train the sale-force.
- To be the centre-head of estimation.
- To follow-up the new brands and products in the market.

As it will be discussed in the personal observation section, usually the management are responsible for these duties, but the fact that the management (i.e. the general manager or the sales manager) has been appointed for this position due to their sales qualifications means that these managers will still be involved in sales activities, thus the time they had to be spend in planning and guiding would be limited and un-sufficient.

The step that company C did in appointing one of its highly qualified sales engineers to a non-operational duties (which mainly was an acknowledgment for his previous contributions) proved to be a very fortunate as this had provide them with qualified and un-occupied brain to observe and guide.

Looking deeply into company B had also revealed a cultural issue that is not influencing company B only, but it could be a general issue in Dubai society: The friendship relation within the sales-force themselves and between the sales-force and their customers is high (friendship in this context include social activities beyond the business frame), and it is easy in this society to transfer business relations to a friendship relations.
That would sub-consciously increase the customer orientation and the co-operative attitude within the sales-force, which could put the value orientations to average level.

5.3 The result conclusions:

The results regarding value orientations and strategic thinking don't give a clear-cut conclusion, as the results are 50% & 50%. But the results regarding strategic planning process and effectiveness could give a clear-cut conclusion as there were 3 companies from four that showed poor level on both of them.

The important question now is whether this conclusion could be generalised to the whole lighting trading industry in Dubai.

Although the sample is small, nevertheless, these four companies are one of the largest and most successful companies in this industry, which would be a common sense to conclude that the conclusion obtained from these companies could be generalised to the whole population in this industry.

The generalised conclusion would be that the strategic planning process and effectiveness in the lighting trading industries are poor.

These results don't give a clear-cut indication that the poor level in strategic planning process is the reason for poor effectiveness, however, it has been already highlighted in the previous chapters that strategic planning process is an essential element for effectiveness.

It is important to stress that this conclusion should not be taken as a statement but should be regarded as a warning and encouragement for improvement.

5.4 Personal Observations:

Trying to apply the effectiveness concepts to the lighting trading companies in Dubai had revealed that the industry's management processes, in general, could be represented with the following figure:

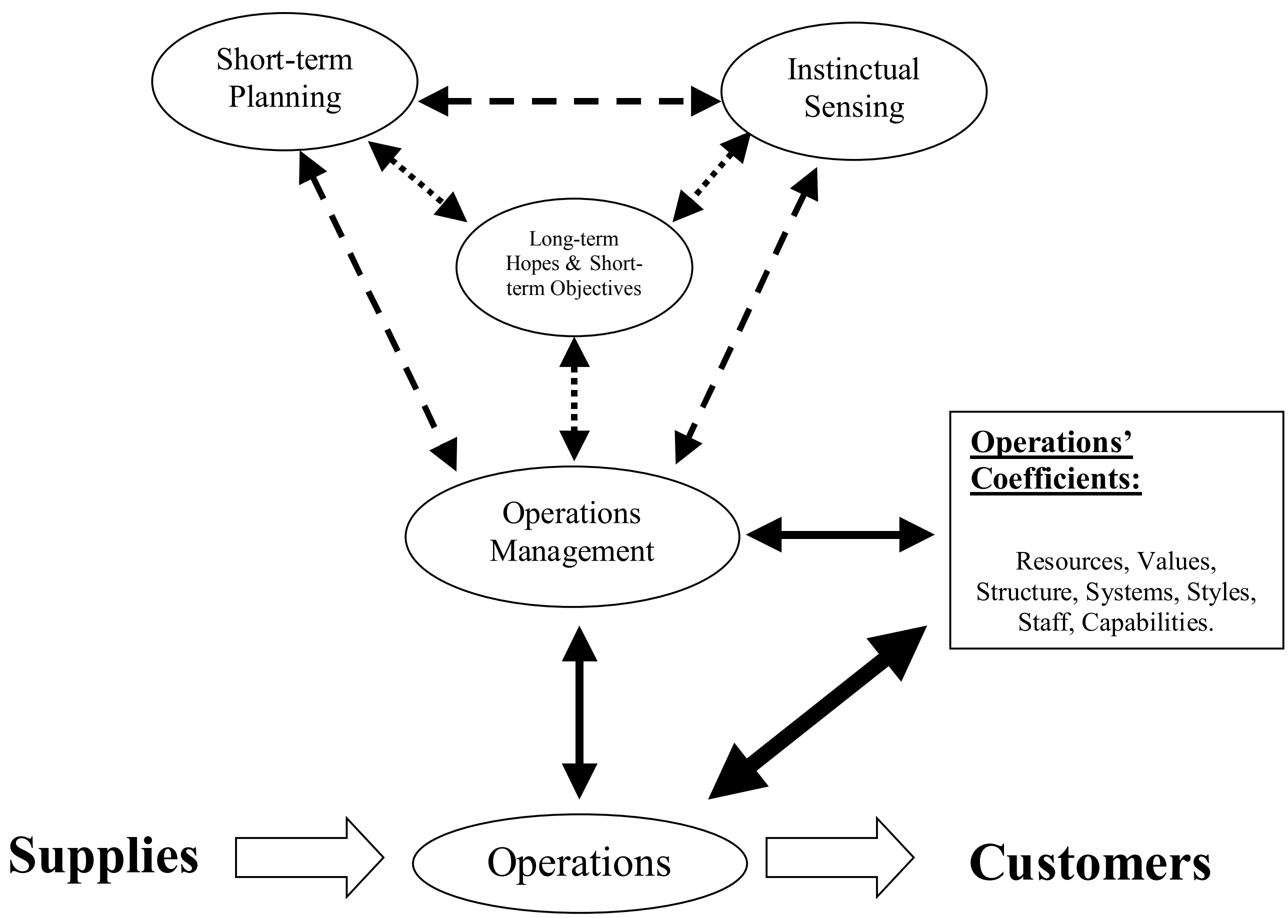


Figure-5.1

The environment & market sensing in the strategic planning process in instinctual. This mean that the strategic analysis has not been conducted in a professional procedure, but in an instinctual manner and highly dependent on the management experience. As an example the management instinctually would find out the progress and achievement of their competitors and will try to imitate their successful methods, and they are keen to attract customers and improve their services. They are also keen to improve their options in terms of supply in order to reduce the bargaining power of their suppliers.
But all of that has not been conducted by deliberately applying the strategic analysis tools.

This also can be said regarding the strategic formulation. Mintzberg (1999) had a special view regarding strategy. He viewed the organisation strategy as an outcome of one or more of the following: plans, ploys, patterns, positions and perspectives.

> [Plans and ploys are the same except that the first one is general and long-term while the other one is specific and short-term.
> The pattern represents repeated actions of behaviour. After a long period of trial and errors, the organisation will notice that there are actions that are more effective and more fit with their abilities than other actions, and this will sub-consciously create a distinctive pattern of behaviour.
> The position represent a "means of locating the organisation in the environment" (Mintzberg, 1999), this is the same as the strategic position described in Appendix-2.
> The perspective represents a situation where the organisation's actions are highly dictated by a clear ideologies and concepts.]

Using this view, the organisation strategies in this industry are an output of a pattern that has been created through a continuous short-term planning.

The strategic thinking is weak, and organisations are moved by their hopes of the future and their short-term objectives.

> [The difference between hope and vision is that vision is a clear desired image of the future and a clear awareness of how to reach that future, while hopes are merely a desired future.]

Regarding holistic views, lateral thinking and double-loop learning, these are not a "structurised" practices within the organisations in this industry.

The operations management in the four companies (A, B, C, & D) that had been observed seemed to be strong and effective. Their operational planning, organising, commanding, motivating, & controlling seemed to be strong and appropriate. This would explain the reasons behind the success and wealth these companies are enjoying.

However, the cycle of sensing, planning, and operating is not continuous and is not smooth (this has been implied in figure 5.1 by using an un-continuous arrows). It should be mentioned that operation managers (i.e. the general manager or the sales manager) have been appointed to their positions due to their exceptional records in sales, thus it would be obvious that these managers will continue to do the things they do best, which is selling. Sales activity consume (and waste) a lot of time from the unproductive and social meeting with clients, pursuing tenders and projects, closing deals, handling objections, and following-up deliveries, thus, the time that is left for the management to make a smooth cycle of sensing & planning is limited and not sufficient.

As there is a lack of proper strategic planning and strategic thinking, the organisation culture is highly dependent on the surrounding environment and in the continuous interactive between the values and attitude of the management and their staff. Building on this, the normal ways that the cultural ground (i.e. values, systems, styles, capabilities, etc.) could be changed would be through the following ways:

- Changing the surrounding environment. As an example, if the government promote the quality management and introduced incentives for that purpose, this would alter the general culture of the environment and would (sooner or later) affect the business culture.
- Copying the successful and proven methods of surrounding competitors (benchmarking).
- Changing management or staff and recruiting more skilful ones.
- Learning from trial and errors.

5.5 Learning outcome:

As it was observed in company C, it is worth assigning people for sensing, planning, and guiding, and to be free from the burdens of the operational duties.

To crystallise this idea, the effectiveness model (in figure 2.4) can be modified as in figure 5.2.

The new idea is to stress the importance of having two distinguished and interdependent cycles; one for the strategic planning process and the other for the operational management.

The guidance & observation stage (i.e. the strategic leadership stage) would be responsible for guiding the operation management and for improving the organisation's cultural ground (as improving values, follow-up development, etc.).

> [Strategic Leadership is the quality of influencing more that commanding, observing more than controlling, and guiding more than dictating.]

The guidance & observation stage could be part of the operational management duties (and this has been implied through the dot square) as long as the operational management had the awareness that the cycle of strategic planning process should not be interrupted or delayed due to the burden of the operational duties.

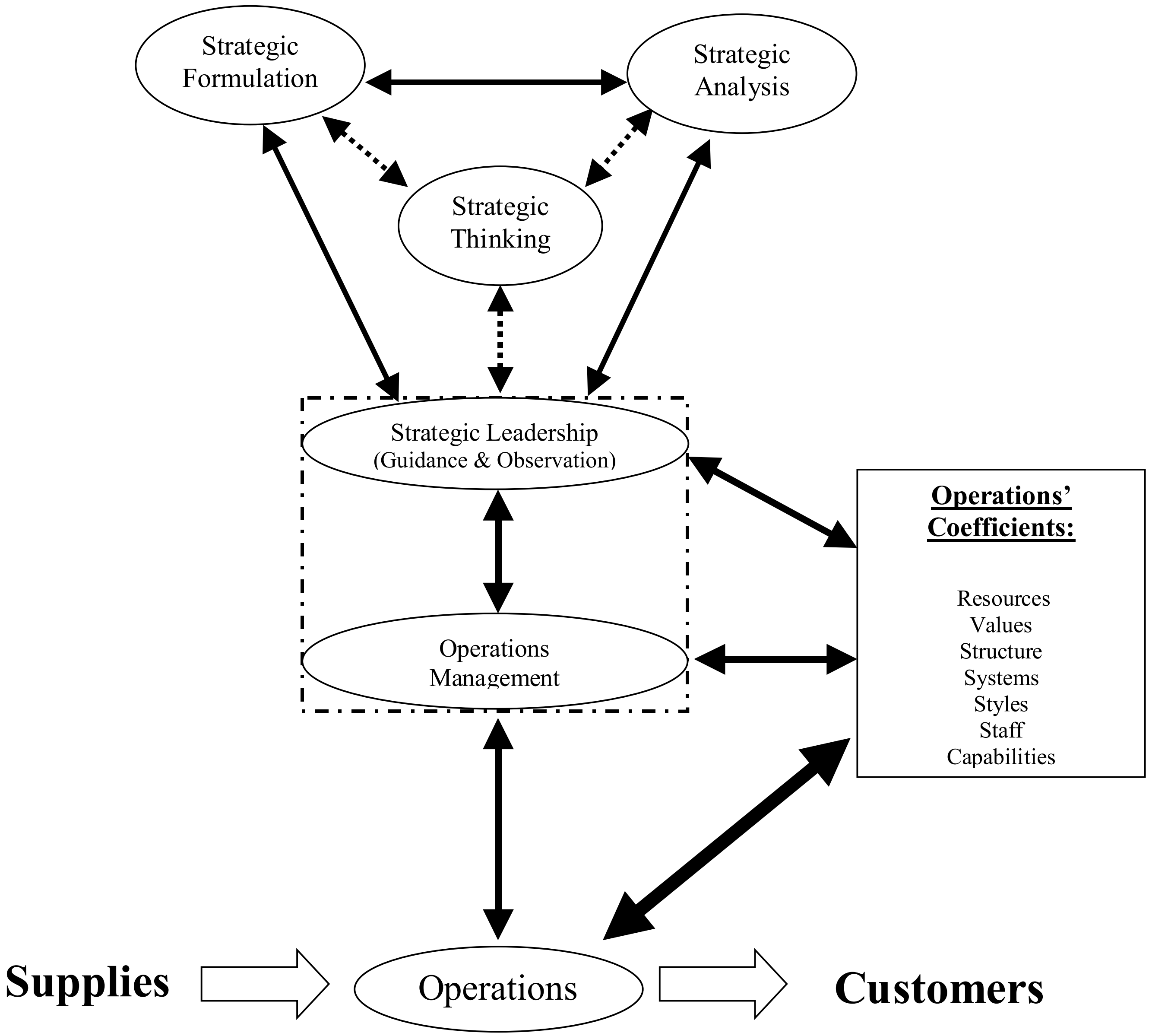


Figure-5.2
A modified model for effectiveness

5.6 Recommendations

The question would be: How the current management processes (represented by figure-5.1) could be improved to high effectiveness processes, as represented by figure-5.2 ?

Building on the awareness gained form the discussions in chapter 2, appendix 2, and observations mentioned earlier, the following programme could be suggested to improve effectiveness. The steps in this programme has been ordered from the most easiest to the most difficult:

Step-1: To assign qualified people to carry out the cycle of sensing, planning, and guiding. These people should be relieved from the burden of the operational duties and should only be responsible for the above cycle.

Step-2: To improve the level of professionalism regarding the strategic analysis, strategic formulation, strategic thinking, and the operations management. This would require a continuous education, continuous training, continuous development, proper follow-up, and a professional mentoring.

Step-3: To improve the organisation's culture.
As it will be also discussed in Appendix 3.1, the organisation culture consists of the organisation's values, norms, artifacts, and behaviour patterns (Homburg & Pflsser, 2000). The easiest way to begin changing the organisation culture would be through changing the organisation's artifacts and the employee's behaviours.

* The artifacts consists of the following elements:

> Language: This refers to the phrases the employees use to communicate & discuss. Improving these phrases would indirectly change the employees' assumptions.
>
> Stories: This refers to the examples and precedents that the employees use to back-up their discussions and guide their behaviours. Creating new proved examples would indirectly boost the required behaviours.
>
> Rituals: This refers to honourable events & symbols that usually boost the employees' values and norms. These rituals would include ceremonies, reward celebrations, etc.
>
> Arrangements: This refers to things or activities that can boost and promote the organisation's culture. This would include the organisation's physical layouts, the organisation's development courses, parties, etc.

* The behaviour could be changed through changing the structure & systems of the organisation:

Deming had a clear philosophy regarding the organisation's system: "quality problems are rarely due to the behaviour of individual peoples and can only be prevented by management action to improve the system" (Deming **in** Caulcutt, 1995, p140).
Structure in the other hand has a big impact on behaviour: Senge (1990, p44) define structure as "the key interrelationships that influence behaviour over time". The bottom line in this argument is: create the right structure & system and the right behaviour will follow, sooner or later.

Altering the artifacts of the organisation would prepare the ground for a new culture, while changing the system & structure would influence the behaviour. If the new systems & structure have been designed in a way that include a strong employee involvement, and clear reward systems (as it will be discussed in appendix-3) this would highly influence the value system within the organisation, thus successfully improving the culture.

In order to translate the previous steps to a detailed plan of actions, it would be very wise to gain from the experience of Total Quality Management (TQM), as it was one of the successful and proven methods in the history of management. TQM had successfully managed to transfer many manufacturing firms from a low professional level and weak quality culture to a high professional level and a strong quality culture. TQM dealt with processes and values, and succeeded in altering them.

It is possible to think that effectiveness is a kind of quality as both of effectiveness and quality are dealing with processes and values.

As the above recommendation is trying to suggest a programme to improve the companies processes and values, then studying TQM would also be highly recommended due to the similarity of effectiveness and quality.

Appendix 3 is dedicated to highlight the concepts and history of TQM and the similarity of TQM and the require programme for effectiveness improvement.

Chapter Six: The conclusion and learning gains

This project had discussed the idea of effectiveness for trading companies, the processes that affect it, and the way to assess it. Then these concepts had been applied to the lighting trading companies in Dubai.
The results were that the effectiveness in this industry are generally low.
This is not a statement but a warning and an encouragement for improvement.

It should be noticed that effectiveness is not profitability, and profitability is not necessary an indication for effectiveness. Cash and profits could be the results of market protections and political privileges, as it could be a result of true effectiveness.

Although it could be strongly argued that effectiveness should be regarded as a relative quality, i.e. the organisation effectiveness should be assessed in reference to the environment of that organisation and not to the standards of other environments.
This is a fair argument as long as there is a guarantee that the environment in Dubai will be stable in the coming years, but this is unlikely to happen, as the world is moving very fast toward the free market. If the world is going to be one single giant market, and all firms would have relative freedom to operate in any area they choose, then effectiveness should be assessed in common standard way.

Trying to identify the learning gains from this project was a difficult task. It is obvious that I have gained a lot from this work, but it was mainly tacit knowledge and I have in this conclusion to try and explicate it.

> [Tacit knowledge is an expression used for profound knowledge or skills that are difficult to specify or articulate, see Johnson & Scholes (1999, p176) and Lynch (2000, p480).]

In order to obtain this project, I had to look deeply into the subject of strategic management, strategic thinking, organisation culture, and marketing management. I also had an enjoyable opportunity to try and synthesise the major concepts in these subjects into a single model.

This had given me a higher level of awareness to these concepts and helped to root them more in my consciousness. It also helped me to see the organisations from a holistic point of view: a mass of people, groups and departments that are all connected with each other with hidden lines of systems and values, and all of them are in a continuous cycle of prioritising ideas and goals, and all of them are driven by their collective rational and arrational capabilities. This complex net of lines, agenda and capabilities create this unique thing that has been named as the organisation culture.
Also trying to synthesise the major concepts into a single model had given me a valuable tool to see the organisation as a whole, to see how systems and values are interacting, to see how different concepts have been applied, to see the effect of the culture on the rational planning, and to have the clear awareness that I should not be distracted by bright

shiny things such as the organisation's success, wealth, management charisma, etc.

I did also gain more awareness to the trap of short-cuts in writing. Trying to make a deep analysis or synthesis would probably push you to ignore some details on the ground that they are very obvious, although it might be obvious only to your mind. It seems that I have been fallen into this trap in the first drafts of this project.

I also learned from a practical experience that sensible expectations should not be taken for granted, and it is not surprising at all to find out that these expectations were wrong. I was thinking that the effectiveness of company C is poor, but after the questionnaire and the deep observation that has followed, it became clear that company C has an average level.

However, the most thing I enjoyed learning was the concepts and techniques of strategic thinking, and although it is a very hot topic at this time, it is not sufficiently introduced in the MBA lectures. The quality of strategic thinking "the visionary leadership, holistic view, lateral thinking, and double-loop learning" will give the organisation a smart, wise, shrewd and razor-sharp mind. So even if this organisation had entered the market from the wrong point, the quality of their strategic thinking will give them a countless opportunities to realise their mistakes and to amend their course accordingly, and in an environment that is highly dynamic, the quality of strategic thinking would be an essential asset for the survival of the organisation.

In a final thought, I would like to look at the following situation from a lateral thinking point of view: Is it possible to consider all the managerial concepts and theories (as strategic planning, strategic thinking, Human resource management, TQM, cultures, etc.) are practically provided and introduced **to serve** the operations management: to make it more easy, more efficient, more effective and less headache.

Looking back to the analogy of cars introduced in chapter two, where strategic planning and thinking are responsible for choosing the road while the operations management is represented by the car itself. It is possible to look at this situation from a lateral point of view and consider that the huge effort of designers, engineers, and drivers are collaborated **to serve** cars[*]: to make it more prestige, more efficient, more reliable and less noise, and to make more suitable roads so cars can move more quietly and smoothly, and drivers in their cars usually decide their destination having in their minds to choose the best proper road to their cars.

Trying to transform this lateral thinking point of view to an objective argument would be through noticing that although the strategic management are trying to do the most possible benefits to their shareholders, however, it should be noticed that one of the shortest ways to do so would be through making the operation's management more efficient, more effective, more competitive, more fun, and to insure that operations are (and will always be) located in the best possible environment to make more profit and more cash.

[*] This is a lateral and imaginary way of seeing things.

The Appendixes

Appendix 1: Marketers & Strategists.
Appendix 2: Effectiveness Processes.
Appendix 3: TQM and Effectiveness.
Appendix 4: The Designed Questionnaire.
Appendix 5: The collected Data.

Appendix-1: Marketers & Strategists

The Researcher has tried to avoid using many of the marketing concepts in the main body of this project (especially the concept of market orientation) as it has been found that there are many debates about these concept between marketers themselves and between marketers and strategists.

This appendix will have three sections; the first one is to give an idea about the reasons behind the differences between marketers and strategists.
The second section discusses the debate regarding the concept of marketing orientation.
The third section tries to make a bridge between the strategists and marketers views, which would be valuable in identifying the core values that the organisation should create and balance.

A1.1 Marketers & Strategists – historical background:

There are different views regarding management orientations between marketers and strategists.

As Lynch (2000) pointed out, strategic concepts began to formulate formally in mid 1940's. The main strategic concepts that time concerned on searching for alternatives and approaches that can aid the corporate industries to manage their diversification.

So strategists were looking at the organisation from the top and they have a very clear mission: How To Win (Boar, 1997), and for this reason it is not surprising that many strategists include in their work many quotations from Sun Tzu, the author of the ancient book "The Art of War".

On the other hand, marketing concepts had probably grown through the direct interactions between sales-people and their customers. Since the early days, sales-people sensed that in order to make good-living, they should satisfy their customers as much as possible.

Before the 1980's customers didn't have the bargaining power they have today. The business philosophy was to satisfy customer needs and there was a strong balance between customer needs and the industries contribution.

But when the Japanese came to the spotlight, they came with a new philosophy that is to satisfy customer needs and requirements. This philosophy was backed up with technological capabilities that enable them to satisfy the emerging customer's requirements with lower cost than their western competitors.
The Japanese managed to re-write the rules of the game.

From that moment, the strategy planners have been convinced that in order to achieve victory, they should satisfy their customers' requirements. In the other hand, Marketers already had the awareness that in order for them to satisfy their customers, they should have a strong strategic ground.
This was the mid point between marketers and strategists. But things didn't stop at that point. While strategist insist that customer-focus and market orientation are only "means" to achieve victory (Henderson, 1998), marketers already have set their mind that customer-focus and market orientation are a certain path to victory (see Jaworski & Kohli, 1993, and Narver & Slater, 1990).

To simplify things, the strategists want to be free in their search for ways to achieve victory, while marketers believe that satisfying customers is the only way to victory. But whatever the differences between strategists and marketers, they should be in complete agreement concerning trading companies, as the major activity (and almost the only activity) for trading companies is marketing.

A1.2: Debates about marketing orientation

According to Jaworski & Kohli (1993, p467) market orientation is "the wide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence horizontally and vertically within the organisation, and organisation-wide action or responsiveness to market intelligence".

Narver & Slater (1990, p22) had defined market orientation as a "one-dimension construct consisting of three behavioural components and two decision criteria: customer orientation, competitor orientation, inter-functional co-ordination, a long term focus, and a profit objective".

Morgan & Strong (1998, p1052) proposed working definition that a "firm is characterised as market oriented might have: developed an appreciation that understanding preset and potential customer needs is fundamental to provide superior customer value; encouraged the systematic gathering and sharing of information regarding present and potential customers and competitors as well as other related constituencies; and, instilled the 'sine qua non' of an integrated, organisation-wide priority to respond to changing customer needs and competitors activities in order to exploit opportunities and circumvent threats".

Narver & Slater (1990), Kohli & Jaworski (1993) and Webster (1995) have shown that there is a strong positive relationship between market orientation and the organisational performance.

On the other hand there are some criticism against market orientation:

Voss & Voss (2000, p67) pointed out that "being too customer focused can lead to inertia, and anecdotal evidence suggested that it may be better to ignore your customer when developing new products".

Hamel & Prahalad (1991, p85) emphasise about the idea of "leading customers rather than following them":

> "We believe that there are three kinds of companies: those that simply ask customers what they want and end up as perpetual followers, those that succeed – for a time – in pushing customers in directions they do not want to go, and those that lead customers where they want to go before customers know it themselves".

Pearson (1999, p58) was clear in his ideas:

> "Pleasing customers is not the ultimate aim of the business, but a means to that end. Therefor the resources devoted to it are calculated, rather than lavished sentimentally or passionately as some writers suggest. Having a passion for the customer will lead to waste and inhibiting the achievement of strategic objectives".

Henderson (1998, p606) was very specific in his criticism as his paper, which was titled: "No such thing as market orientation – a call for no more papers":

> "In the first instance, the idea of market orientation has much appeal, and has been well marketed by marketing academics who constructed it. However, this paper holds that first, marketers are not able to show that there is anything distinctive or original in the construct, and second, that following their prescriptions is unlikely to lead to improved performance consistently, even in its own terms, let alone the effect it may have on diminishing other key competencies or orientation in some cases"

Fritz (1996, p59) has introduced some arguments that "market-oriented focus can be detrimental to innovation and long-term success of a company, because it seduces businesses into being narrowly interested in short-term, immediate customer needs".

To look at this subject in a different angle Fritz (1996, p60) introduced six orientations that "comprise elements of the normative level of management (basic values and goals) as well as the strategic management (corporate strategies). They are assumed to be market orientation, production and cost orientation, financial orientation, technology and innovation orientation, employee orientation, environment and social orientation".

His research conclude that (p71):

- “The market orientation is one of the key dimensions of corporate management, along with the production/cost orientation and employee orientation”.
- “The market orientation is an important critical factor for corporate success. A reduction of the market orientation would thus be a serious mistake”.
- “Certain measures of implementation that enhance the market orientation can lead to undesired negative side effects and are thus risky. Consequently, it is essential to control these side effects to achieve the desired success of implementation”.

The third conclusion refers to the negative relationship found between market orientation and production/cost orientation.

It is also worth mentioning the work of Shirely et al (1976, p67) about the organisation orientations:

> “A second classification of values may be viewed as ‘organisational derived’. Within this general classification, it is possible to identify five major types:

1. Production-dominant value is cost reduction, operation efficiency, commitment to schedules, work simplification, and certainty and stability of operations.
2. Research and development – primary orientation toward innovation, design ingenuity, scientific challenge, discovery of new knowledge, and technical superiority of products over those of competitors.
3. Marketing – dominant value is increased sales volume and market shares.
4. Financial – dominant value is profits, return on investment, efficient cash flows, safety of assets, orderly records.
5. Personnel-greatest emphasis is on organisational stabilty and worker satisfaction and development.”

<u>A1.3 The value orientations (a bridge between marketers & strategists):</u>

A1.3.1 Building on Fritz and Shirely et al approaches mentioned previously, the organisation’s orientations could be classified into two main types: Strategic & Value orientations:

a) Strategic Orientation:

Strategic orientation has been defined as “How an organisation uses strategy to adapt and/or change aspects of its environment for more favourable alignment” (Manu & Sriram **in** Morgan & Strong, 1998, p1053).

Gatignon & Xuereb (1997, p78) definition is: "Strategic orientation reflects the strategic directions implemented by a firm to create the proper behaviours for the continuous superior performance of the business".

Voss & Voss (2000, p68) defined strategic orientation as "a multidimensional construct that captures an organisation's relative emphasis in understanding and managing the environmental forces acting on it".

All the above definitions are circulating around the outcome meaning of the conjoint concepts: Strategic + Orientation.
'Orientation' has been used to describe a specific direction. 'Strategic' in the other hand implies a long-term, step-by-step set of actions aimed toward desirable objectives (Ward, 1996).
For this argument, strategic oriented company would simply refer to a company that is directed with a strong strategic planning process.

b) Value orientations:

These are orientations that should be regarded as the basic values within the organisation:

- **Finance orientation.**
  This orientation represents the basic objective of the any company, which is to make profits and generate cash [whether it was a long or short term objective].

- **Employee orientation.**
  This orientation represents the interest in increasing employees' skills and life style and encouraging employees participation, involvement, and empowerment in order to create employees ownership & loyalty, and boost innovation and creativity.

- **Customer orientation.**
  > "Customer orientation is the firms sufficient understanding of its target buyers in order to be able to create superior value for them continuously" (Narver & Slater 1990, p21).
- **Continuous-improvement (C.I) orientation.**
  This orientation represents a driving force for non-stopping improvement. Cost efficiency, effectiveness, and innovation are results of this orientation.

- **Efficiency orientation.**
  Although efficiency could be improved by increasing the quality of the organisation's processes, but still efficiency is also a value. This orientation refers to the employee's ambitious to be professional as best as possible.

- **Co-operative Attitude.**
  Even if the strategic planning process, structure, and system encouraged Inter-

functional co-ordination, there won't be any major improvement if the employee attitudes were competitive. In the other hand, co-operative employee attitudes give a big leverage to establish an inter-functional co-ordination. Building on this, co-operative attitude should be considered a main value orientation.

All the other orientations and capabilities in the organisation are an outcome of the combination between the strategic and value orientations. The following are only examples:

- Competitor orientation:
  "Competitor orientation means that a seller understands the short-term strengths and weaknesses and long-term capabilities and strategies of both the key current and the key potential competitors" (Narver & Slater 1990, p21).
  This function is a result of any good strategic orientation.

- Inter-functional co-ordination:
  This function could be regarded as a result of good strategic orientation and cooperative-attitude.

- Cost efficiency:
  Cost efficiency is doing things cheaper, either by increasing the output with the same input, or by achieving the same output with less input. This could be achieved by improving the quality of the operation processes.
  Cost efficiency is derived by the force of finance, efficiency and C.I orientations. Production/cost orientation can be represented in this category.

- Effectiveness:
  Effectiveness in operational term is doing things better, i.e. is to improve the quality of the output to increase customer satisfaction.

  > ["In general systems theory, effectiveness is defined as the degree to which the actual outputs of the system correspond to its desired output, while efficiency is defined as the ratio of the actual output to actual inputs" (Hofer & Schendel 1978, p2).]

  Effectiveness is derived through the force of customer orientation and it is a result of the C.I orientation.

- Market Orientation:
  Looking back at the definitions of the market orientations, it would come clear that it represent the outcome of strategic, customer, and co-operative orientations.

- Marketing Concept:
  The marketing concept could be regarded as the outcome of strategic & customer orientations.

> [The marketing concept: "The achievement of corporate goals through meeting and exceeding customer needs better than the competition"(Jobber, 1998, p4)].

A1.3.2 EFQM & The Balanced Scorecard:

The above value orientations (financial, customer, employee, C.I, efficiency, and co-operative orientations) are not far away from the EFQM (the European foundation for quality management) model of excellency. Their philosophy is that “customer satisfaction, employee satisfaction and beneficial impacts on society will together ultimately imply excellent business result” (Westlund, 2000, p126).

Also these values are in harmony with the philosophy of the Balanced Scorecard. The underlining idea behind this philosophy is that there should be efforts to ensure making a balance between four main forces: Customer perspective, Financial perspective, Internal business perspective and Innovation and learning perspective (Kaplan & Norton, 1996 & Garrat, 2000):

> “The Balanced scorecard translates mission and strategy into objectives and measures, organised into four different perspectives: financial, customer, internal business process, and learning and growth. The scorecard provides a framework, a language, to communicate mission and strategy; it uses measurement to inform employees about the drives of current and future success. By articulating the outcomes, senior executives hope to channel the energies, the abilities, and the specific knowledge of people through out the organisation toward achieving the long-term goals” (Kaplan & Norton 1996, p25).

A1.3.3 The Consequences of an un-balanced values:

In order to show how values could be un-balanced it would be proper to use Covey’s typology (1992) of inter-relation behaviours (win/win, win/lose, lose/win & lose/lose). The relationship between customer and finance orientation could be classified as the following:

- If an organisation has a dominant financial orientation, then their behaviour could be described as **win/lose** type. The company will seek profits even if the customers haven’t received the value of their money. This type of organisations would flourish as long as they have the ability to deceive their customers.

- If an organisation has a dominant customer orientation, then they are behaving in **lose/win** type. The company un-intentionally would lose money to please their customers. This would lead at the end with a huge internal conflict between the basic objective of the business and the customer-oriented culture.

- If the organisation has found a way to make a legitimate balance between the financial and customer orientations, then they would have reached the **win/win** type.

All the six values could be balanced or un-balanced according to the business, environment and the culture of the company.

It should be noted that BALANCE does not necessary mean "equal measure". Balance means an appropriate measure that suits the surrounding environment and the type of the conducted business.

Appendix-2: The Effectiveness Processes

This chapter explains the planning and operation processes in trading companies, using the effectiveness model that was introduced in chapter two.

This clarification would help to make a strong observation structure for observing & classifying trading companies in term of their planning and operational professionalism.

As it was mentioned in chapter two, the effectiveness processes consists of the following interrelated stages:

- Strategic analysis.
- Strategic formulation.
- Operations management.
- Operations coefficients.
- Strategic thinking.

This chapter will go deeper into these stages.

A2.1 Strategic Analysis:

Strategic analysis is an activity that includes gathering data about the internal and external environment, analysis of these data, and distributing the outcome to the concerned management.
So the process for this stage is: gather data, analyse data, and distribute results.

To make this stage highly successful, three things are needed:

- Problem solving skills & techniques.
  The problem in this stage would be:
  - What information do we need?
  - Why do we need it?
  - How we could obtain it?
  - Where could we get it?
  - When could we get it?
  - Who can provide it?

[Problem solving skills as lateral thinking, vertical thinking, razor-sharp observation, etc.
Problem solving techniques as trial & errors, devil's advocacy, brainstorming, flow charts, Statistical process

control, cause-and-effect diagram, quality circles, steering committees, cross-functional committees, etc.]

- The awareness, continuous improvement, and continuous usage of the effective analysis tools.
- An effective communication system to distribute information.

The first and third elements are highly dependent on the organisation's systems and structure, which should be designed to create and improve the problem solving skills and the communication system within the company.

This section will discuss the second element concerning the tools for analysis.

Rhodes (1991, p33) introduced a very exceptional metaphor for conceptual tools:

> "Since time immemorial, Man has made tools. Primitive Man developed tools, devices, and weapons of one kind or another for making survival less nasty, brutish and short. Over the centuries the relationship between his tools and his knowledge grew into what could be called his technology – a coherent process for dealing with physical matter, for farming, building, cooking, washing, entertainment, fighting, and so on. Using tools, you both create and control the conditions under which you operate in the world.
>
> ... The essential function of a tool is that it gives its user an advantage. It either enables him to do something without which he could not do it at all, or helps him to do better, faster, more easily and so on.
>
> ... Physical tools provide familiar examples with which to examine conceptual tools. Conceptual tools are made by thinking for thinking. They include models, and maps, frameworks, thinking routines, and checklists, codes, symbols, conventions, procedures, and systems".

Analytical tools are conceptual tools and many contain checklist tools aimed to sharpen our attention to the surrounding environment.

The major tool of all is the **SWOT analysis**.

A2.1.1 The SWOT is a checklist reminder to analyse the **S**trength and **W**eaknesses of the company and the **O**pportunities that the company might have and the **T**hreats that the company might face.

There are three ways to use this tool:

One is to identify the opportunities and threats and then try to formulate strategies that can increase the strength and reduce the weaknesses of the company to fit with the spotted opportunities and to get away from the spotted threats.

Johnson & Scholes (1999, p23) identify this as **strategic fit**:

> "Strategic fit sees managers trying to develop strategy by identifying opportunities arising from an understanding of the environmental forces acting upon the organisation, and adapting resources so as to take advantage of these [opportunities]".

The second way is to identify the strengths of the company and then to stimulate thinking in order to notice, find or create opportunities that fit with these strengths.
Johnson & Scholes (1999, p25) identify this as **strategic stretch**:

> "Strategy development by stretch is the identification and leverage of the resources and competencies of the organisation which yield new opportunities or provide competitive advantage".

The third way is to use the SWOT analysis in a matrix (Robson, 1997, p40).
Using SWOT as a matrix and trying to include the first and second way in it would create eight interesting checkpoints:

	S	**W**
O	S-O O-S	W-O O-W
T	S-T T-S	W-T T-W

1. **Opportunity-Strength:** Opportunity that meets current strength.
   This is a good fortune for the company. The company in this case would improve their current strength and try to increase the entry-barriers for this opportunity to discourage their competitors.
2. **Opportunity-Weakness:** Opportunity that needs strength.
   This is a situation where the company finds an opportunity that needs a strength, which the company currently doesn't have. If the opportunity is very attractive, the company would try to create the needed strength. This is a Strategic Fit approach.
3. **Threat-Strength:** Threat that could be faced with current strengths.
   This is a seen threat that the company has the strength to confront it.
4. **Threat-Weakness**: Threat that should be faced with strength.
   This is a seen threat that the company doesn't have the proper strengths to confront it. If the threat was serious then the company ought to create the needed strength to over come that threat. This is a Strategic Fit approach.
5. **Strength-Opportunity**: Opportunity that could be created from a strength.
   This is a situation that the company has noticed an opportunity that could be created by their strength. This is a Strategic Stretch approach.
6. **Strength-Threats**: Strength that could lead to a threat.
   As what has happened lately with Microsoft, their enormous strength has caused fears in many establishments, which ended up with the threat to split Microsoft.

7. **Weakness-Opportunity**: Weakness that could lead to an opportunity.
   Strategic Alliances are mainly formulated because of opposite strengths & weaknesses (i.e. strengths in one party that meet weaknesses in the other party of the alliance). Strategic Alliances has opened the door for many profitable opportunities.
8. **Weakness-Threat**: Weaknesses that could lead to threats.
   This is a situation that the company finds that particular weaknesses in their system could produce future threats (as encouraging other companies to enter their markets). If the threats are serious then the company are ought to overcome these weaknesses.

In order to sharpen more our analysis skills and to trigger ideas and stimulate thinking in searching for new opportunities, to be aware of possible threats, to identify and improve current strengths, and to have the awareness of the current weaknesses: strategists created some other valuable tools. The following are only the famous ones:

A2.1.2 The PEST analysis:

This tool would analyse the macro-environment surrounding the organisation.
PEST is a checklist tool (Lynch, 2000, Johnson & Scholes, 1999) that could attract attention to the Political, Economical, Social, & Technological influence and effects on the organisation.
This would be a valuable tool in an environment that is described as complex or dynamic. In such an environment changes will come quickly with its opportunities and threats.

A2.1.3 Porter's Five Forces analysis:

This is a strong tool that would help to "identify opportunities and threats confronting a company" (Hill & Jones, 1999, p72) and to give an insight for the organisation strengths and weaknesses and the strengths and weaknesses of its competitors.

This tool can give an insight to the forces that shape the type and level of competition in an industry. These forces are (Porter **in** Hill & Jones, 1999, p72):

1) The risk of entry by new potential competitors.
2) The degree of rivalry among established companies within an industry.
3) The bargaining power of buyers.
4) The bargaining power of suppliers.
5) The threat of substitute products.

"Porter argues that the stronger each of these forces, the more limited is the ability of established companies to raise prices and earn greater profits. Within Porter's framework, a strong competitive force can be regarded as a threat since it depresses profits. A weak competitive force can be viewed as an opportunity, for it allows a company to earn greater profits" (Hill & Jones, 1999, p73).

A2.1.4 Resources & Capabilities Analysis:

Strategy has many definitions; one of them is that strategy is a "set of integrated actions aimed to increase the long-term will being and strength of the enterprise relative to competitors" (Ward, 1996, p63).

Another one is that strategy is "the deployment of ones resources in a manner which is most likely to defeat the enemy" (General Grant **in** Mintzberg et al, 1999, p14).

Strategists always concentrate to deploy their forces (resources & capabilities), in the right combination, manner, place and time (position) in the direction of a seen opportunity in order to achieve victory (profits, will being, and prosperous).
The combinations between resources and capabilities determine the strength of the company.
A unique strength that creates a value that is seen by customers as distinguish and valuable, is a competitive advantage:

> The competitive advantage: "The significant advantages that an organisation has over its competitors. Such advantages allow the organisation to add more value than its competitors in the same market" (Lynch, 2000, p989).

Resources have been categorised by Johnson & Scholes (1999, p153) as the following:

1) Physical resources: building, material, machines, etc.
2) Human resources: permanent employees, temporary employees, part-time employees, consultants, social & business connections, etc.
3) Financial resources: money, facilities, etc.
4) Intangible resources: "brand, name, reputation, patents, technological & marketing know-how" (Hill & Jones, 1999, p123).

Capabilities in the other hand refer to the organisation's "skills at coordinating its resources and putting them to productive use. These skills reside in an organisation's routines, that is, in the way a company makes decisions and manages its internal processes in order to achieve organisational objectives. More generally, a company's capabilities are the product of its organisational structure and control systems. They specify how and where decisions are made within the company, the kind of behaviours the company rewards, and the company's cultural norms and values" (Hill & Jones, 1999, p124).

In another view, Hamel & Prahalad (1999, p221) defines capabilities (in their terms 'core competences') as "the collective learning in the organisation, especially how to co-ordinate diverse production skills and integrate multiple streams of technologies".

To abstract, the organisation capabilities refer to the organisation's collective knowledge, intelligence & skills that are distributed (tacitly rather than explicitly) cross the whole organisation, which would give the organisation their unique approach of the way they exploit their resources.

These collective knowledge, intelligence, and skills are the outcome of the organisation cultural ground (structure, systems, values, etc.).

According to Hill & Jones (1999, p125) "For a company to have a distinctive competency [unique strength], it must at a minimum have either (1) a unique and valuable resource and the capabilities (skills) necessary to exploit that recourse, or (2) a unique capability to manage common resource".

For all the above discussion, it would be essential for companies to analyse their resources and capabilities in order to (1) formulate strategies to exploit them to achieve a competitive advantage and (2) to formulate strategies to improve and maintain these strengths within the company.

A2.1.5 Customer (buyer) Analysis

This is one of the contributions of psychology and sociology in marketing, and it is one of dimensions that differentiate between marketers and strategists - if strategists could be seen as a combination of managers and game-players, marketers in other hand would be a combination of managers and psychologists.

The aim of this analysis is to fulfil the following checklist:

- Who are our customers?
- "How do they buy?
- What are their choice criteria?
- Where do they buy?
- When do they buy?" (Jobber, 1998, p57).

To fulfil this checklist will require the involvement of psychology & sociology to determine the Buying Behaviours.

This analysis will have a continuous effect on functional strategies (advertisement, pricing, etc.) as will as goal formulation (as market segmentation).

A2.1.6 Supplier analysis:

Suppliers have a strong influence in the trading process. It will be valuable to analyse the power of current suppliers, and to scan possible future threats or opportunities from this side of the trade chain and to supply possible suggestions to deal with these threats or opportunities.

A2.1.7 Financial Analysis:

This type of analysis is very important. It gives the ability to understand the current situation of the company (or competitor) by analysing the collected financial data (Johnson & Scholes, 1999).

The other thing is that many businesses seemed profitable, which they are not. Other businesses seem loosing, which they are not. 3% in some business are a profitable business, in other businesses; 3% is not enough.

The only way to make a clear cut in this matter will be through clear financial analysis.

A2.1.8 Competitor analysis:

Competitors are the major threat for any existing company. In order to find ways to deal with them, the company should make a smart analysis about them.

But threat is not the only reason for analysing competitors. Competitor analysis could prove to be a valuable resource of knowledge:

- Analysing competitor's strengths, weaknesses, opportunities, and threats should increase the awareness and attention of the company to their strengths, weaknesses, opportunities, and threats.
- Competitor's performance is one of the main measures that can assess the company's performance. This is called Benchmarking.
  ["Benchmarking is the process of measuring the company against the products, and services of some of its most efficient global competitors" (Hill & Jones 1999, p135)]
- Understanding competitors will be valuable when the need push to make alliances with them. Strategic alliance is a hot topic nowadays, and it has been proved that many competitors found that it would be more profitable for all parties to make alliances with each other.

All that should justify the time and effort spent analysing and learning from competitors.

Competitor analysis should contain the following:

- Their strengths, weaknesses, opportunities, and threats.
- Their goals and strategies.
- Their culture ground (systems, styles, values, structure, etc.).
- Anticipation of their reaction patterns. (Kotler, 2000).

A2.1.9 The Life-Cycle Analysis:

Life-cycle could be considered as a philosophy. The philosophy is that every thing in this world has a limited life (whether it was long or short). This life generally has five stages: birth, growth, mature, decline, and death (Bennett, 1996, Hill & Jones 1999).

Life-cycle is also a valuable analysis tool that can identify the life-stages for each business-unit, thus helping to formulate the proper strategies for them.

> [The strategies for a product in the birth stages would include high expenditure in advertisement and high competitive pricing which are different than the strategies of a declining stage.]

Moreover, Life-cycle analysis has a strong impact on strategic thinking: One of the requirements of strategic thinking is the ability to visualise the future and move accordingly. As the life-cycle philosophy anticipate death, the only way to have a continuous growth depend on the company's Business unit to re-birth. This is the ability of the company to anticipate the true decline stage of the current S.B.U and to form the needed strategies in order to make a new-birth of new S.B.U build on the current one:

- If a product is reaching the true decline stage, the re-birth could be a Radical development of that product, or using the knowledge and skills gained from that product in another type of products. (see Boar, 1997, p91-94).
- There is an emphasis on the true decline stage. Decline stage represents the period where sales and profits are declining. The reasons behind this stage could be categorised into the following:
    1. Management and cultural problems in the company.
    2. The twists and turns of the environment (as wars, strikes, etc.).
    3. The life-cycle of the product.

The first one is a cause-and-effect situation, the second one is more likely to be temporarily, and the third one is the true decline stage.

A2.1.10 Gap Analysis:

Gap analysis is a thorough analysis that tries to discover the reasons behind the divergence between the measured results and standards (Bennett 1996 & Palmer 1994).

Also gap analysis is a valuable tool for future planning:

> "Gap analysis is a methodology that calls for comparing a current and desired future state to determine the gap between them and to stimulate thinking about how to close the gap" (Boar, 1997, p88).

A2.2 Strategic Formulation:

This stage is the kitchen of strategy, where strategies are scrutinised, chosen and formed.

In order for this stage to be successful, four things are needed:

1. Problem solving skills & techniques.
   The problem in this stage would be: What do we want, and How we could achieve it (Tregoe & Zimmerman, 1988).
2. The awareness and usage of the scientific method of problem solving, which consist of the following steps: 1) Identification of the problem. 2) Collection for relevant data. 3) Developing alternative solutions. 4) Analysing and testing the alternative solutions in term of its suitability, feasibility, & acceptability. 5) Selecting the optimum solution. 6) Implementation. 7) Result measurements & feedback. (Bocchino, 1972, p52, & Edwards, 1999).
3. Right and adequate information.
   Even if the management team were the best strategists, they will act very poorly if they didn't have the right and adequate information about the environment they are dealing with (Kotler, 1977).
4. The continuous follow-up to the successful examples of the implemented strategic plans.

   If strategic analysis could be seen as a pure science, strategic formulation would be considered as an art (where resources and capabilities will be used and designed to achieve the pre-set objectives). Using art as an analogy, one can improve his skills in art by having the habit of exposing to art stimuli (i.e.

to go to art galleries, read more about art, etc.). Strategic planning skills would need the same habit.

Strategic formulation has the following stages:

- Corporate-level strategies:
    - The formulation of the corporate objectives.
    - The formulation of the corporate strategies, structure & systems.
    - Improvement strategies.
    - Change strategies.
    - Contingency planning.
- Business-level strategies:
    - The formulation of the Business' objectives:
        - Market segmentation.
        - Strategic Thrust.
    - Strategic Choice:
        - Strategic Pattern.
        - Strategic Position.
- Operational-level Strategies:
    - Marketing Strategies.

A2.2.1 The Corporate-level strategies:

A2.2.1.1 The formulation of corporate objectives, strategies, structure, & systems:

[It should be notice that in small & medium size companies, the corporate & business-unit strategies would be incorporated into one level (i.e. the corporate and business-units' management are one), but it would be better to separate the strategies related to the corporate dimension from the strategies that are related to the business dimension in order to have a clearer view to the process of strategic planning.**]**

As it was mentioned in chapter two, trading companies, no matter how small they were, would have many business-units within, where each business-unit would have it's own strategic plans. So there would be a need to make sure that these business plans are in harmony and parallel to the company's general objectives and strategy (i.e. the company's corporate-level strategy).

For this reason, the corporate objectives should be clarified, and the strategies to achieve these objectives should be formulated.
In the same time, the company should also clarify the structure and system that connect the business-units with themselves and with the corporate management.

A2.2.1.2 Improvement Strategies:

The corporate management have a duty to insure the survival and continuous growth of the company. As the economic world is moving more and more to uncertainty due to the huge competitions and the dramatic innovations and change, the only way to survive in this uncertainty would be through continuously improving the assets of the company. These assets are the company's resources, capabilities, and culture. So forming strategies that improve these assets (after identifying them) is a vital process for the organisation growth and survival.

A2.2.1.3 Change Strategies:

Building on what has been mentioned in the previous chapter, a strong strategic thinking would anticipate the dramatic twists and turns of the environment thus trigger to form the proper strategies that enable the company to change.

Having a strong strategic thinking across the whole organisation would give that organisation a huge flexibility and adaptability that would make these strategies very effective.

A2.2.1.4 Contingency Planning:

These are pre-designed plans that are kept in the drawer and brought out as a response for contingencies (Kotler, 1994).

In contingencies, time is very crucial and it can't be wasted, even in planning. The best way is to apply scenario planning to forecast possible contingencies and arrange a pre-set of plans ready to be used.

Contingencies does not always mean threats, it also could mean sudden opportunities. Having pre-set contingencies plans for possible forecasted opportunities enable the company to act very fast to seize these sudden opportunities.

A2.2.2 The Business-level strategies:

This level is concerned with the strategies for each business-unit:

A2.2.2.1 Business objectives' formulation:

Business objectives formulation has two main elements: market segmentation & strategic thrust:

A2.2.2.1.1 Market Segmentation:

This is the stage where the company should identify their market. This stage should clearly answer the question: Who are our customers?

> [“Market segmentation describe the breaking down of a market into self-contained and relatively homogeneous sub-groups of consumers, each with its own special requirements and characteristics. Products and advertising messages can then be altered to make them appeal to particular segments” (Bennett, 1996, p177).

A2.2.2.1.2 Strategic Thrust:

This stage represents the “current and future direction of the business” (Jobber, 1998).

There are four distinguished directions for each business-unit:

- **Market penetration**: “Here management looks for ways to increase the market share of its current products in their current markets” (Kotler, 1994).

  > [There are three main approaches for this direction: encouraging current customers to buy more, attracting the competitors' customers, and attracting non-users. Each approach needs a special design of functional strategies. The first approach could be achieved through driving customers' attention for other uses of the product, the second and third approach could be through intensive advertisement (Shirley et al 1976 & Kotler, 1994).]

- **Market development**: This is identifying new markets (new group of customers) that their needs could be met by the company's existing products (Kotler, 1994).

  > [There are two major approaches for this direction: 1) Entering other market segments in the local market through targeting these

segments with advertisement and modifying the company's products to suit these segments. 2) Entering to regional, national and international markets – i.e. geographical expansion (Shirley et al 1976 & Kotler, 1994).]

- **Product development**: "This strategy involves increasing sales by improving present products or developing new products for current customers" (Jobber, 1998, p39).
- **Diversification** (Product Proliferation): Diversification is entering a new market with a new kind of business. This "makes sense when good opportunities can be found outside the present business" (Kotler, 1994).

This discussion could be represented through the following matrix:

	Existing Product	New Product
Existing Market	Market penetration	Product Development
New Market	Market Development	Product Proliferation

(Hill & Jones, 1999, Figure 7.4, p228):

A2.2.2.2 Strategic Choice:

In order to make the strategic planning easy, strategists have managed to provide a set of strategies that serve many different situations, which planners can choose from what they think is fit with their situation.

These sets of strategies are the following:

A2.2.2.2.1 Strategic Pattern:

Miles & Snow (1978) introduced a typology for organisation in term of their "pattern of behaviour". They found that each organisation has a distinguish pattern of behaviour that domain their planning, decisions, systems, and structure.

These types of patterns are Prospector, Analyser, Defender, and Reactor:

- Prospector:
  These are risk takers companies, first-to-try, innovative, and always seeking new things, usually they will have easygoing system and a flexible structure

(Miles & Snow 1978, Kald et al 2000).

- Analyser:
  These are risk takers, but also they measure the risk carefully. They are seeking new things but prefer to be second in the row (Miles & Snow 1978, Kald et al 2000).

- Defender:
  These are companies that are very happy with what they have and their main concern is to protect it. They compete either by low cost or high quality, they are most likely to have a rigid system and centralised structure (Miles & Snow 1978, Kald et al 2000).

- Reactor:
  These are companies "in which top managers frequently perceives change and uncertainty occurring in their organisational environments but unable to respond effectively. Because this type of organisation lacks a consistent strategy-structure relationship, it seldom makes adjustment of any sort until forced to do so by environmental pressures" (Miles & Snow 1978, p29).

In a perfect-competitive market, companies that are reactors are certainly losers, and for this reason, reactor strategic pattern is not regarded as an effective pattern (Kald at el, 2000).

If the company is dominated by a strong strategic thinking, then strategic patterns of behaviour could be regarded as a strategic choice. This means that the management can choose the strategic pattern needed for each group of S.B.U (this could be done by carefully choosing the employees that are responsible for managing these S.B.U). This will open the door for many opportunities and diversification.

In the other hand, if the company doesn't have a strong strategic thinking, then the dominant kernel for their strategic management would be their strategic pattern, and this pattern will influence their strategies, structure, systems and all their cultural ground.

A2.2.2.2.2 Strategic Position:

Entering any market means facing competitors. For that, entering any market has the analogy of entering a battlefield.

In entering a battlefield, the main strategic concern for the strategic leaders is to form their forces in a position that could exploit their strength in the most possible way in order to have a wining advantage over their opponent.

The same could be said in entering a market. The company needs to exploit their strength in a position that could establish a competitive advantage over their competitors.

Porter (1980 &1998) categorised the company's strategic positions into three types:

- Cost Leadership.
  This position means that the company should use all its strengths in order to achieve the lowest possible costs (in term of production, distribution, marketing, etc.) so that it can reduce the price lower than their competitors.
- Differentiation.
  "Here the business concentrate on achieving superior performance in an important customer benefit area valued by a large part of the market" (Kotler, 2000, p80).
  [See exhibit A2.1 for Kotler's five dimensions of Differentiation].

- Focus.
  "Here the business focuses on one or more narrow market segments rather than going after a large market. The firm gets to know the needs of these segments and pursues either cost leadership or a form of differentiation within the target segment." (Kotler, 2000, p80).

As Kald et al (2000) explained, the 'focus' type is not "an explicit strategy by it self", but it is a choice of the other type (cost-leadership or differentiation) in a niche market. So Porter main strategic position would be either cost-leadership or differentiation.

Porter warned of the danger of being stuck in the middle. This refers to companies that try to have both strategies (cost-leadership & Differentiation) for the same Strategic Business Unit (SBU).

Before the Japanese miracle, it seemed obvious that differentiation would be achieved on high cost (Hill & Jones, 1999), So 'stuck in the middle' warning was a fundamental issue. But lately this issue has been critically analysed. There are many arguments (see Hill & Jones, 1999, p195 & Kald et al, 2000, p199) that it is possible to combine cost-leadership and differentiation in the same time.

The idea underpinning this is that by pursuing continuous improvement and low-cost innovations for both the production processes and the quality of the output (i.e. the final product), it would seems very possible to combine cost-leadership and differentiation.

Exhibit A2.1: Types of Differentiation (Kotler, 2000, p228):
1) Product Differentiation: Form (the size, shape, or physical structure), Features, Performance, Conformance, Durability, Reliability, Reparability, Style, Design. **2) Service Differentiation:** Ordering ease, Delivery (speed, accuracy, care attending, etc.), Installation, Customer training, Customer Consulting, Maintenance and repair, Miscellaneous. **3) Personnel Differentiation:** Competence, Courtesy, Credibility, Reliability, Responsiveness, Communication. **4) Channel Differentiation**: Coverage, Expertise, Performance. **5) Image Differentiation**: Symbols, Media, Atmosphere, Events.

Porter (1998, p-xiv) response was that pursuing one position does not mean ignoring the other:

> "This never meant companies could ignore cost in the pursuit of differentiation, or ignore differentiation in the pursuit of lower cost".

From that, it could be assumed that the company should choose a fundamental position for each of their SBU's (either cost-leadership or differentiation). In the same time the company should use (as best as possible) the other type as a supporting competitive strategy.

So, in cost-leadership as a fundamental choice, differentiation could be used as a supporting strategy by exploiting the capabilities of the organisation through low-cost innovations and improvements.

In the other-hand if the company chose differentiation as a fundamental choice, cost-leadership strategy should be used as a supporting strategy (i.e. to increase the efficiency of the company's processes to reduce the cost of the product).

In any way companies should have a very clear strategic position among their competitors in the market, i.e. they should have a clear awareness about their fundamental strategy that they had adopted.

A2.2.3 Operational-level Strategies:

This is the area where the planning skills are needed most. This is the stage where the resources, capabilities, and culture are mixed and tailored to form strategies that are aimed to satisfy and achieve the pre-set goals and objectives.

Operations strategies in general can be categorised as marketing, financial, human resources, information system, manufacturing, etc. (Bennett, 1996).

Nevertheless, in trading companies (especially in small and medium size) marketing is almost the main function. For this reason, this project will concentrate on marketing strategies, but it also emphasises that the other operation strategies should not be neglected, instead it should be integrated with the marketing strategies whenever it is applicable.

A2.2.3.1 Marketing Strategies:

Marketing strategies are strategies that direct marketing activities. These strategies could be categorised using the marketing-mix checklist.

> [“Market mix is the set of marketing tools that the firm uses to pursue its marketing objectives in the target market” (Kotler, 2000, p15).
>
> The famous marketing mix are the 4-P’s, which contain four elements: product, price, promotion, and place (Kotler, 2000).]

A2.2.3.1.1 Product strategies:

These strategies look over product development and brand building in order to strengthen the company’s competitive position and increase customer loyalty.

Product strategies have the following dimensions: product variety, quality, design, features, brand name, packaging, sizes, services, warranties and returns (Kotler, 2000, p15).

These strategies should take into consideration the current stage in the product life-cycle.

Purchasing strategies and supply & inventory management are part of this area.

A2.2.3.1.2 Pricing strategies:

These strategies should cover the following dimensions: list price, discounts policy, allowances, payment period, and credit terms (Kotler, 2000, p15).

Bennett (1994, p183) had introduced the following pricing strategies:

1. Penetration pricing.
   Low price combined with high and "aggressive advertising aimed at capturing a large percentage of the market".

2. Target pricing.
   "The firm predetermines a target level of profits, estimate its potential sales at varying prices, and then charges a price to generate target profits".

3. Skimming.
   "High-price policy suitable for top-quality versions of established products".

4. Product life cycle pricing.
   "The price is varied according to the product's stage in its life cycle".

5. Loss leading.
   "This means selling an item at less than its production or purchase cost in an attempt to attract custom hence induce consumers to buy other items".

6. Price discrimination.
   This strategy will take the advantage of the existing barriers in between different markets, thus applying different prices in these different markets.

7. Marginal cost pricing.
   "This means charging the customer a price that reflects the extra cost to the firm of supplying the item to that particular customer". [That also means that that particular customer is not paying for the general over-head of the firm].

8. Limit pricing.
   "Here, existing firms in an industry collectively choose to charge lower prices than the market would bear in order to discourage the entry of new firms to the industry".

9. Variable (stay-out) pricing.
   "This is used by firms wishing to discourage custom when they have too much business. Hence, prices are increased when order books are full, and vice-versa.

10. Customary pricing.
    "This is used in inflationary situations. Price is held constant but the volume of contents of a package is reduced, in the hope that customers will not notice".

A2.2.3.1.3 Place strategies:

These strategies cover the company's channels, coverage, assortments, locations, inventory, and transport (Kotler, 2000, p15).

These strategies concern about the best efficient way of bringing the products from suppliers, storing these products, and distributing these products to customers.

A2.2.3.1.4 Promotion Strategies:

These strategies cover the following dimensions: sales promotions, advertising, sales-force, public relation, and direct marketing (Kotler, 2000, p15).

Public relation and sales-force strategies are strongly linked with the human resource development. This is to develop and train the sales-force in order for them to be more efficient and effective in their selling activities and to be more customer driven in order to create a strong and effective image for the company in the public eyes.

Exhibit A2.2: Types of promotion strategies (Kotler (2000, p551)
1) Advertising: Print and broadcast ads, Packaging, Motion pictures, Brochures and booklets, Posters and leaflets, Directories, Reprints of ads, Billboards, Display signs, Point-of-purchase displays, Audio-visual material, Symbols and logos, and Videotapes. **2) Sales Promotions:** Contest (games, sweepstakes, lotteries), Premiums and gifts, Sampling, Fairs and trade shows, Exhibits, Demonstrations, Coupons, Rebates, Low-interest financing, Entertainment, Trade-in allowances, Continuity programmes, and Tie-ins. **3) Public Relations:** Press kits, Speeches, Seminars, Annual reports, Charitable donations, Sponsorships, Publications, Community relations, Lobbying, Identity media, Company magazine, and Events. **4) Personal Selling:** Sales presentations, Sales meetings, Incentive programmes, Samples, Fairs and trade shows. **5) Direct Marketing:** Catalogues, Mailings, Telemarketing, Electronic shopping, TV shopping, Fax mail, E-mail, and Voice mail.

A2.3 Operations Management:

Operations are concerned with transforming inputs into valuable outputs.

The inputs in the trading companies are goods obtained from suppliers.

The outputs are the same goods delivered to interested customers.

Building on the previous experience that the author has in trading companies, the operations would be the following:

- Choosing the right products.
- Approaching the right suppliers.
- Purchasing.
- Transporting, storing, and distributing.
- Approaching and attracting customers and convincing them to buy and use the company's products (this would include advertising, promoting, social-networking, product's modification, etc.)
- Selling.
- Servicing (as maintenance and consultation).

Marketing strategies should be designed, tailored, and mixed, and implemented through the above operations (activities).

The skills needed to make these operations effective and efficient could be identified using the definition of management: The processes of planning, organising, commanding, motivating & Controlling (see Mintzberg, 1976, p111, Boak & Thompson, 1998, p84, Daft, 2000, p8):

Planning (for operational processes): The ability to transform the strategic objectives and plans into milestones, action plans, and day-to-day activities.

Organising: The ability to transform operational objectives & plans into specific instructions, clear responsibilities, and clear guidelines. These instructions & guidelines are concerned with distributing resources and assigning tasks in a manner that aimed to achieve the most effectiveness and best efficiency possible.

Commanding: The ability to make the proper on-the-spot decisions regarding sudden problems or unexpected events.

Motivating: The ability to inspire, motivate, and encourage employees to continue their duties and achieve their goals.

Controlling: The ability to check and monitor the progresses and performances against standards and goals, and to make the proper measures to adjust variations.

A2.4 The operations coefficients:

The operations won't be highly successful without the proper combination of the cultural ground and the proper resources.

It is possible that many trading companies are depending on their company's image and their product quality or costs to sell themselves. But as competitive rivalry is becoming so severe, and the economic world is moving so fast to uncertainty due to the dramatic leaps in innovations. The management academics are advising that the most valuable resources to the company are their human resources, and the most valuable capability they would have is the accumulated knowledge within these resources.

If the company have realised this situation, then their structure, systems, and managing styles should be designed in a way that could promote employees loyalty & employees continuous development. When these qualities have been developed, an improved values and culture would emerge, which would be to the long-term benefits of the company.

This section will highlight and define the structure, systems and the management styles in general:

A2.4.1 The Organisation Structure:

The organisation structure according to Shirley at el (1976) "refers to the formal arrangements, both horizontal and vertical, which have been established to coordinate the total activities involved in the implementation of a given strategy. In a sense, this dimension reflects the anatomy of a firm through its focus in mechanisms and processes that link (again vertically and horizontally) the various parts of the organisation" (p9).

They also classified the major elements of the organisational structure as the following (p10):

1) Identification and distribution of functions throughout the organisation.
2) Vertical and horizontal authority relationship.
3) Reporting relationship.
4) Communication & decision processes.

5) Polices, rules & guidelines.
6) Formal incentive systems.

In another view, Huczynski & Buchanan (1991, p185), define the group structure as "the relatively stable pattern of relationship among the differentiated elements in a group".

They classify the major structure dimensions as the following:

- Status structure, which refers to the vertical line of formal authority.
- Power structure, which refers to the line of influence within the organisation.
- Liking structure, which refers to "the way in which members differentiate themselves in terms of whom they like and do not like" (p192).
- Role structure, which refers to the vertical and horizontal line of responsibilities.
- Leadership structure, which refers to the management style that shape that structure.
- Communication structure, which refers to the nature and frequency of the interaction and communication within the group.

To abstract, the structure of the organisation could be classified into the following dimensions:

1. The line of formal authority.
   The observation criteria in this dimension would be to check whether this structure depend on age, qualification, loyalty, friendship, or family.
   Also to check whether this structure is tall or flat structure.

2. The line of functions & responsibilities.
   The observation criteria in this dimension would be to check whether this structure is functional, divisional, a matrix, project-team, or multi-divisional structure (Hill & Jones, 2000).

3. The line of power.
   The observation criteria in this dimension would be to identify the points & pockets of power in the organisation (points refer to an individual that has a certain power, while pocket refer to a group that are in coalition and have a certain power) and to check the rate of competition (or cooperation) within these pockets of power.

4. The line of communication.
   The observation criteria in this dimension is to check whether the nature of communication is centralised or decentralised, is it one-way communication or both-way communication, is there a close-door communication or an open-door communication, is it a formal or informal, is it structured or unstructured, is it planned or emergent, etc.

A2.4.2 The organisation systems:

Bocchino (1972, p40) define a system as: “1) Elements interrelated for a purpose. 2) An assembly of procedures, processes, methods, routines, techniques, or hardware united by some form of regulated interaction to form an organised whole”.

Example for the organisation systems: The control and monitor systems, the reward and sanctions system, the recruitment procedures, the compensation procedures, etc.

Systems could be evaluated as the following:

- Is the system strict or flexible?
- Is the system clear or vague?
- Is the system complete or incomplete (i.e. does it cover the major aspects or not)?
- Do employees think the system fair or un-fair?
- Etc.

A2.4.3 Management Styles:

Two models for management styles will be introduced:

a) Hersey & Blanchard model (**in** Boak & Thompson, 1998, p83):
   This model would break down the management styles into four categories:

   1. The Telling Style: The management will make their decisions in an autocratic way. This might be an appropriate style when the team’s skills, motivations, or self-confidence are low (p83).

   2. The Selling Style: The management would discuss and explain their decisions with an open mind. This style is appropriate when the team’s moral and motivation are high.

   3. The Participating Style: The management would share their ideas with their employees, and appreciate their participant in decision-making. This style would be appropriate if the employees’ skills and motivation are high.

   4. The Delegation Style: The management would delegate their decision-making responsibilities to their employees.

b) Hart model (**in** Lynch, 2000, exhibit 16.6, p741):
This model refers the culture types to its proper type of management styles. There are five types of culture and five styles of management in this model:

[Type of Culture]	Command	Symbolic	Rational	Trans-active	Generative
[Type of Strategy]	**Imperial** Strategy driven by leader or small team	**Cultural** Strategy driven by mission and a vision of the future	**Analytical** Strategy driven by formal structure and planning systems	**Procedural** Strategy driven by the internal process and mutual adjustment	**Organic** Strategy driven by the initiative of those empowered in the organisation
[Management Style]	**Commander** Provide direction	**Coach** Motivate and inspire	**Boss** Evaluate and enable	**Facilitator** Empower and enable	**Sponsor** Endorse and sponsor
[Role of employees]	**Soldier** Obey orders	**Player** Respond to challenge	**Subordinate** Follow the system	**Participant** Learn and improve	**Entrepreneur** Experiment and take risk

(Lynch, 2000, exhibit 16.6, p741)

A2.5 Strategic Thinking:

As the business environment is moving forward to Dynamic & Complex state (i.e. an environment that is un-easy to understand and has a high rate of changes – see Exhibit A2.3), strategic thinking would become an essential requirement for success.

As the company in this environment would be very intense in following-up the small details, then the strategic thinking might be the only measure that would help the company to keep the big-picture insight and not to diverge direction, as it has been noticed that "senior executives tend to get carried a way by details and lose their strategic perspective" (Boan, 2001, p63).

Exhibit A2.3: The states of environments

Johnson & Scholes (1999, Exhibit A2.2, p101) have produced a matrix for the environment variables. The variables of the environments are (Static, Dynamic) v. (Simple, Complex).

Simple refers to the clarity of the environment systems, while Complex refers to the complexity and ambiguity of the environment systems.
Static refers to the slow rate of change in the environment, while Dynamic refers to the high rate of change.

The combination of these variables would be either Static & Simple, Static & Complex, Dynamic & Simple, or Dynamic & Complex:

- Static & Simple: This environment is clear and steady. In this type of environment, the strategic planning or strategic thinking are not major requirements for success. Johnson & Scholes suggest in this stage to make a "historical analysis & forecasting".

- Static & Complex: This environment is steady but not clear (i.e. the interrelationship between the environment's elements are complex). A formal strategic planning would benefit the company in understanding the complexity of the environment. Nevertheless, the strategic thinking is not an essential requirement in this environment. Johnson & Scholes suggest "decentralising the organisation" in this environment.

- Dynamic & Simple: This environment is easy to understand, but the rate of changes is high. Strategic thinking in this environment would highly benefits the company as it would help them to see the big picture and the effects of the possible changes on them. Nevertheless, formal strategic planning is not a major requirement for success in this environment as the environment is clear and easy to understand. Johnson & Scholes suggest making "scenario planning" in this environment.

- Dynamic & Complex: This environment is not steady and difficult to understand.
  In this environment, formal strategic planning and strategic thinking are essential to the success of the company. The formal strategic planning will give the company the sharp sensitivity to any signal in the environment, while the strategic thinking will keep the big picture always at sight. Johnson & Scholes suggest to "experience and learn" in this environment.

Appendix-3: TQM and Effectiveness

TQM is one of the successful philosophies that proved to be applicable and attainable. The argument in this project is that the methods of TQM could be modified and used to cerate a programme that can improve the level of effectiveness in the trading industry.

This subject will have two sections:

- The history and methods of TQM.
- TQM and trading companies.

Appendix-3.1. The History and methods of TQM:

The practical history for TQM began through the seminars that Dr. W. Edwards Deming had launched in Japan after the Second World War.

Deming had a philosophy about the way to achieve high performance, which his own country firms had not adopted:

> "Edward Deming must have a strange horoscope. When he was born the fairies might have said: you will become famous, but not until you are a very old man. Ignored in the West, your star shall shine rise in the East and then the whole world shall listen" (Drummond, 1992, p20).

"Deming's basic philosophy is that quality and productivity increase as 'process variability' (the unpredictability of the process) decreases. In his 14 points for quality improvement, he emphasise the need for statistical control methods, participation, education, openness and purposeful improvement:

1) Create constancy of purpose.
2) Adopt new philosophy.
3) Cease dependence on inspection.
4) End awarding business on price.
5) Improve constantly the system of production and service.
6) Institute training on the job.
7) Institute leadership.
8) Drive out fear.
9) Break down barriers between department.
10) Eliminate slogans and exhortations.
11) Eliminate quotas or work standards.
12) Give people pride in their job.
13) Institute education and self-improvement programme.

14) Put everyone to work to accomplish it.**”** (Slack et al, 1998, p760).

The Japanese understood his philosophy, sensed its potential and put their full effort to achieve it. And they succeed remarkably in their efforts.
But it should be noticed that the Japanese culture had helped to make Deming philosophies applicable, particularly the deep inherited loyalty of employees to their companies, and the companies’ true courtesy to their employees. This culture had paved the way to ‘life-time-employment’ and gave the management a certain confidence that all investments on employees are investment in the company itself:

> “ Also still present today are the remnants of the old rigid status-classification system which found its origin in the relatively small samurai (warrior) class. In the reasonably peaceful era prior to 1868 there was no much fighting for the warrior class to do. Instead, many samurai became bureaucrats but kept their philosophy bushido: complete and exclusive loyalty to their lord. In other words long before industrialisation had started there existed a high-status class of bureaucrats, with clerical and managerial abilities, who adhered strictly to a philosophy of mutual exclusive bonds of loyalty to their employers” (Helvoort, 1979, p19).

The Japanese had developed Deming philosophy and entitle it as “Kaizen”:

> [Kaizen: “Japanese term that means continuous improvement, taken from words ‘Kai’ means change, and ‘Zen’ means good” (Quality Dictionary and Glossary, Internet source).
> Kaizen: continual improvement, a philosophy which encourages workers constantly to look for better ways of doing the job. This may involve, for instance, re-arranging the workplace so that tools and parts are more readily accessible; it may equally involve ways of doing the job more quickly or with fewer workers, and therefore contribute to the intensification of work” (Dictionary of critical sociology, Internet source).]

Kaizen has the following major principles:

- “**Principle 1**: Kaizen is process-oriented, i.e. before results can be improved, processes must be improved, as opposed to result-orientation where outcomes are all that counts” (Imai, 1986 **in** (Berger, 1997, p110).

  ”Kaizen does not state that results are of minor importance, but rather that management attention should be directed towards creating sound processes since it is assumed that good results will follow automatically" (Berger, 1997, p110).

- "**Principle 2**: Lasting improvement can only be achieved if innovations are combined with an ongoing effort to maintain and improve standard performance levels" (Imai, 1986 **in** Berger, 1997, p111).

- "**Principle 3**: Kaizen is people-oriented and should involve everyone in the organisation from top management to workers at the shop floor. Furthermore, Kaizen is based on a belief in people's inherent desire for quality and worth, and management has to believe that it is going to 'pay' in the long run (Imai, 1986 **in** Berger, 1997, p112).

To implement these principles there are three types of Kaizen activities: Management-Oriented Kaizen, Group-Oriented Kaizen, and Individual-Oriented Kaizen. The first one is concerned with the gradual improvement of the management system. The second one concerns with the gradual improvement of the work methods, routines, and procedures. The third one is concern in gradual improvement in one's own work, the third one can be achieved by the suggestion schemes. (Berger, 1997).

In order for Kaizen to be embedded within the employees' behaviours, the Japanese introduced clear mechanisms, which include the following:

- "Training in basic problem finding and solving process.
- Training in basic CI [continuous improvement] tools and techniques.
- Setting up relevant vehicles (e.g. quality circles) to enact CI.
- Development of an Idea Management System to receive and respond to ideas.
- Development of an appropriate reward and recognition system" (Bessant & Francis, 1999, p1107).

The Japanese industries (especially car industries) were very successful and seriously threatened their competitors in the West:

> "Foreign competition began to threaten US companies in 1970s. The quality of Japanese products such as cars and TVs began to surpass US-made goods" (Gitlow et al **in** Petersen, 1999, p469).

The American academics, consultants and managers began to investigate the Japanese concepts and tried to apply them in their organisation. The conclusion came very clear: Japanese concepts won't work in the west because of culture differences (Berger, 1997, Petersen, 1999).

The solution for this obstacle was also clear: either to create a Western modified Kaizen that is appropriate with the current culture or to modify the current culture to suit the required and needed Kaizen:

> "To implement quality management programs effectively, the organisation's culture needs to be moulded to the quality methods or the quality programs needs to be moulded to the organisation's culture" (Klein et al **in** Bardoel & Sohal, 1999, p264).

The West used both solutions in their respond to increase their competitiveness in front of the Japanese excellent performance.
Their respond was instinct, with many trial and errors from governments, associations, and industry leaders. This respond seemed to have three parallel approaches:

1) **Direct-Response Measures.**

   This approach concentrate on creating quality programmes and management practices that can be applied within the current culture. This approach seemed to be a temporary and short-term measures to buy time while working on the long-term solutions.

   Human Resource management, Quality planning & control were one of the early measures implemented:

   > "During the 1980s and 1990s the competitive advantage gained by many Japanese companies in international markets, and especially in the automobile industry, caused U.S. firms to re-evaluate their management practices vis-a-vis those of the Japanese. Human resources management is one area where there was a striking difference between Japanese and U.S. approaches and results"(Russell,1998, p325).

2) **Actions to prepare-the-field.**

   These actions intended to increase the skill and knowledge of the business community and prepare this community for a culture change. This approach has been taken mainly by the activity of the governments (assigning rewards and distributing awareness through the media), Associations (seminars and follow-up), and Universities (teaching and training).

   These actions have managed to achieve two major things:

- Raising the level of awareness in the business community.

Raising the awareness in the business community about excellency and quality management would prepare the community for the coming changes in the system and culture, and reduce the resistance for such changes.

- Shifting the artifacts (language, stories, rituals, and arrangements) to the new culture.

According to Homburg & Pflsser (2000), the organisation culture consist of four interrelated components that form three distinguish layers: Layer-1) Shared basic **values**. Layer-2) behavioural **norms**. Layer-3) **artifacts**, and **behaviours**.

> ["Values is defined as a conception, explicit or implicit, distinctive of an individual or characteristic of a group, of the desirable which influences the selection from available modes, means, and ends of action.
> Norms can be defined as expectations about behaviour or its results that are at least partially shared by a social group.
> Artifacts include stories, arrangements, rituals, and language that are created by an organisation and have a strong symbolic meaning.
> Behaviours refer to organisational behavioural patterns with an instrumental function" (Homburg & Pflsser, 2000, p450).]

Looking deeply into the above concepts would probably give the sense that the easiest and safest way to begin the process of preparing the field to a new culture would be through an incremental and smart effort in the artifacts component.

Through continuous & tireless distributing of knowledge and awareness about the required culture (as quality performance, continuous improvement, investing in people, etc.) have succeeded to create and diffuse new words and phrases (**language).**

In the same time, highlighting the successful attempts and incidents (**stories**), highlighting the awards ceremonies (**rituals**), and encouraging the individuals to participate in management postgraduate degrees (**arrangements**) have positively affected the artifacts of the business community.

3) **Instituting TQM.**

TQM was the Western's long-term response to the Japanese' Kaizen.
TQM is an integrated programme that aimed to re-engineer the firm's structure, re-define the firm's systems, and re-configure the firm's culture:

> "TQM is best thought as a philosophy of how to approach quality management. it is a way of thinking and working in operations which lays particular stress on the following:

- Meeting the needs and expectations of customers.

- Covering all parts of the organisation.
- Including every person in the organisation [i.e. empowerment].
- Examining all costs which are related to quality, especially failure costs.
- Getting things ‘right first time’, i.e. designing-in quality rather than inspecting it in.
- Developing the systems and procedures which support quality and improvement.
- Developing a continuous process of improvement” (Slack et al, 1998, p763).

The following figure would show the difference between TQM and the previous quality practices:

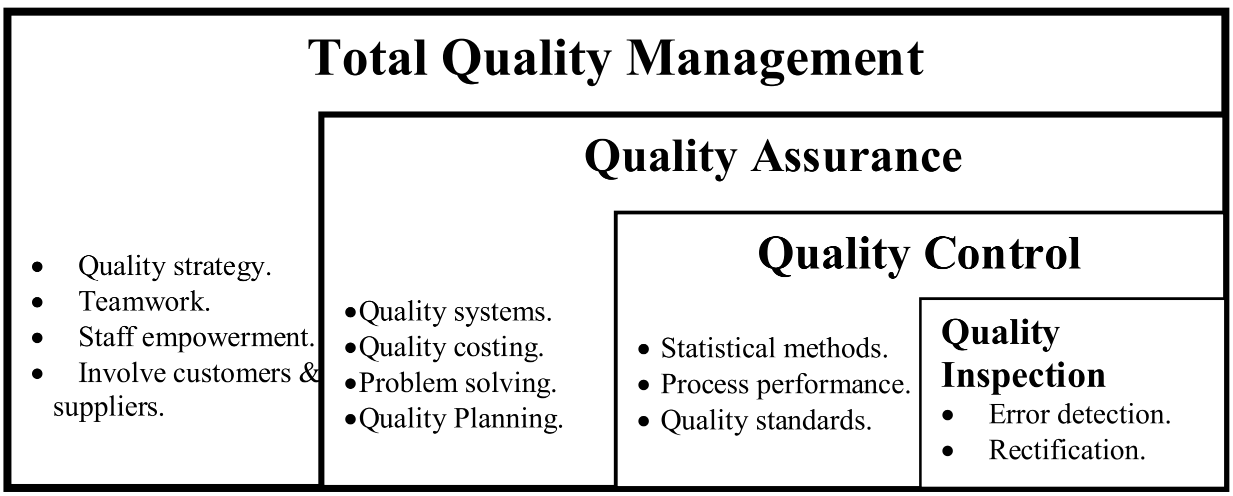


Figure A3.1
(Harland et al, 1998, Figure 20.3)

Appendix-3.2. TQM and Trading

The Western manufacturing was the main vulnerable industry that has been effected by the Japanese performance. So TQM was designed and applied to manufacturing sectors, even Deming' 14 points were concentrating on manufacturing processes.

But as TQM proved to be very successful, efforts have been done to modify and apply its methods to the service industries. These efforts have proved to be successful as well.

This project stresses that TQM methods are also applicable to trading companies. In order to show that, the following table would compare the major TQM objectives for manufacturing industries and the major objectives that are required for the trading industry:

TQM Objectives for the manufacturing industry.	Objectives that are required for the trading industry
To change the organisation culture toward the quality culture.	To change the organisation culture toward the marketing culture.
To increase the quality of the manufacturing processes.	To increase the effectiveness of the marketing activities.
To exploit the human resources to it's full potential. This will be done by lunching development programmes and creating systems that encourage employees to produce ideas and suggestions to improve the quality standards.	To exploit the human resources to it's full potential. This will be done by lunching development programmes and creating systems that encourage the sales-forces to produce ideas and suggestions to improve the effectiveness of the organisation.
Reducing the inspection costs by increasing the workmanship pride.	Reduce the follow-up routine by increasing the professionalism of the sales-forces.
Meeting the need and expectation of the customer.	The same.

The above similarities would give the sense that the successful methods of TQM could be modified to suit the trading industry as it had suited the service industry.

Appendix – 4

The Designed Questionnaire for this Project

Marketing Effectiveness Questionnaire

Dear Sirs,

This questionnaire is part of dissertation for the Master Degree in Business Administration (MBA) in Huddersfield University Business School – UK.

This questionnaire is aimed to measure the marketing effectiveness level in lighting trading companies in Dubai, and it will help the researcher to make the connection between marketing effectiveness and the current strategic planning process.

The researcher would like to assure that all participants are going to be kept anonymous.

The policy to conduct this questionnaire would either be by structured interviews or direct supervision. This will give the participant the chance to clarify any ambiguity that might occur.

This questionnaire is structured in three groups of questions. Please read the question carefully and tick the answer that you think is more appropriate.
If in doubt, please don't hesitate to ask the researcher.

Thank you for your co-operation.

Omar Muhammad.
Huddersfield University Business School

Basic Inquiry

- Code:

- Type of Business (Tick a box): [This would help if the questionnaire has been distributed through the post to the targeted companies].

  [ ] Mainly lighting trading.
  [ ] Lighting trading is part of this business.
  [ ] Lighting trading is **not** part of the company's business.

- Number of Employees (Tick a box):

  [ ] Below 10.
  [ ] 10 to 15.
  [ ] 15 to 20.
  [ ] 20 to 30.
  [ ] 30 to 50.
  [ ] Over 50.

- Turnover at the previous financial year in Dhs (Tick a box – This an optional question):

  [ ] below 1m.
  [ ] 1m to 5m.
  [ ] 5m to 10m.
  [ ] 10m to 15m.
  [ ] 15m to 20m.
  [ ] 20m to 30m.
  [ ] over 30m.

Group-One:

G-1.1 Does management recognise the importance of designing the company to serve the needs and wants of chosen markets?

0 – [ ] Management primarily thinks in terms of selling current and new products to whoever will buy them.
1 – [ ] Management thinks in term of serving a wide range of markets and needs with equal effectiveness.
2 – [ ] Management thinks in terms of serving the needs and wants of well-defined markets chosen for their long-run growth and profit potential for the company.

G-1.2 Does management develop different offerings and marketing plans for different segments of the market?

0 – [ ] No.
1 – [ ] Somewhat.
2 – [ ] To a good extent.

G-1.3 Does management take a whole marketing system view (suppliers, channels, competitors, customers, environment) in planning its business?

0 – [ ] No. Management concentrates on selling and servicing its immediate customers.
1 – [ ] Somewhat. Management takes a long view of its channels although the bulk of its effort goes to selling and servicing the immediate customer.
2 – [ ] Yes. Management takes a whole marketing systems view recognising the threats and opportunities created for the company by changes in any part of the system.

G-1.4 How well-organised is the new products, [services and market] development process?

0 – [ ] The system is ill-defined and poorly handled.
1 – [ ] The system formally exists but lacks sophistication.
2 – [ ] The system is well-structured and professionally staffed.

G-1.5 When were the latest marketing research studies of customers, buying influences, channels and competitors conducted?

0 – [ ] Several years ago – or non.
1 – [ ] A few years ago.
2 – [ ] Recently.

G-1.6 How well does management know the sales potential and profitability of different market segments, customers, territories, products, channels, and order size?

0 – [ ] Not at all.
1 – [ ] Somewhat.
2 – [ ] Very well.

G-1.7 What effort is expended to measure the cost-effectiveness of the different marketing expenditures?

0 – [ ] Little effort.
1 – [ ] Some effort.
2 – [ ] Substantial effort.

G-1.8 What is the extent of formal marketing planning?

0 – [ ] Management does little or no formal marketing planning.
1 – [ ] Management develops an annual marketing plan.
2 – [ ] Management develops a detailed annual marketing plan and a careful long-range plan that is updated annually.

G-1.9 What is the quality of the current marketing strategy?

0 – [ ] The current strategy is not clear.
1 – [ ] The current strategy is clear and represents a continuation of traditional strategy.
2 – [ ] The current strategy is clear, innovative, data-based and well-reasoned.

G-1.10 What is the extent of contingency thinking and planning?

0 – [ ] Management does little or no contingency thinking.
1 – [ ] Management does some contingency thinking although little formal contingency planning.
2 – [ ] Management formally identifies the most important contingencies and develops contingency plans.

G-1.11 Does management show a good capacity to react quickly and effectively to on-the-spot developments?

0 – [ ] No. Sales and market information is not very current and management reaction time is slow.
1 – [ ] Somewhat. Management reactions fairly up-to-date sales and marketing information; management reaction time varies.
2 – [ ] Yes. Management has installed systems yielding highly current information and fast reaction time.

Group-Two:

G-2.1 The same as question G-1.1: 0 – [ ] 1 – [ ] 2 – [ ]

G-2.2 Is there high-level marketing integration and control of the major marketing functions?

0 – [ ] No. Sales and other marketing functions are not integrated and there is some unproductive conflict.
1 – [ ] Somewhat. There is formal integration and control of the major marketing functions but less than satisfactory co-ordination and co-operation.
2 – [ ] Yes. The major marketing functions are effectively integrated.

G-2.3 How well is the marketing thinking at the top communicated and implemented down the line?

0 – [ ] Poorly.
1 – [ ] Fairly.
2 – [ ] Successfully.

G-2.4 Is management doing an effective job with the marketing resources?

0 – [ ] No. The marketing resources are inadequate for the job to be done.
1 – [ ] Somewhat. The marketing resources are adequate but they are not employed optimally.
2 – [ ] Yes. The marketing resources are adequate and are deployed efficiently.

G-2.5 The same as question G-1.4: 0 – [ ] 1 – [ ] 2 – [ ]

G-2.6 The same as question G-1.7: 0 – [ ] 1 – [ ] 2 – [ ]

<u>Group-Three</u>

G-3.1 Have the management succeed to inspire others with their company's vision? [<u>If the company has no clear vision then tick the first box</u>].

0 – [ ] No.
1 – [ ] Somewhat.
2 – [ ] Yes.

G-3.2 After implementing plans (or solutions), does the management feel that there were things that should have been taken into consideration before implementing these plans?

0 – [ ] Many times
1 – [ ] Sometime.
2 – [ ] Rarely.

G-3.3 Do the management help their employees to generate new ideas?

0 – [ ] No.
1 – [ ] Somewhat.
2 – [ ] Always.

G-3.4 Do the management question their standards and norms, especially when problems seems difficult, or growth seems slow?

0 – [ ] No.
1 – [ ] Sometime.
2 – [ ] Always.

G-3.5 Do the management acknowledge mistakes in an open mind, or they will be happy to blame others?

0 – [ ] They won't acknowledge mistakes.
1 – [ ] They will acknowledge mistakes when confronted.
2 – [ ] They acknowledge mistakes in an open mind.

Appendix – 5
The collected Data

Basic Inquiry	A	B-1	B-2	C-1	C-2	D
Type of Business	Mainly Lighting	Mainly Lighting	Mainly Lighting	Mainly Lighting	Mainly Lighting	Mainly Lighting
Number of Employee	Below 10	30-50	30-50	15-20	15-20	15-20
Turnover (last year) - millions	Ata.	20-30	20-30	Ata.	10-15	1-5

Ata.: apologise to answer.

Strategic Planning Process						
Group - One	**A**	**B-1**	**B-2**	**C-1**	**C-2**	**D**
G-1.1	0	1	1	1	2	0
G-1.2	1	0	1	2	1	1
G-1.3	1	2	0	2	2	0
G-1.4	1	1	1	2	1	1
G-1.5	2	0	1	0	2	1
G-1.6	1	1	1	1	1	2
G-1.7	0	1	1	1	1	1
G-1.8	0	0	1	1	1	1
G-1.9	1	1	0	2	1	1
G-1.10	1	0	0	1	0	0
G-1.11	1	2	1	2	1	1
TOTAL SCORE	9	9	8	15	13	9
The average score for each company	9	8.5		14		9
Conclusion: Poor, Average, or Good (Poor= Below 11, Average = 11-17.6, Good = 17.6 and over, Max=22)	Poor	Poor		Average		Poor

Value Orientations						
Group-Two	**A**	**B-1**	**B-2**	**C-1**	**C-2**	**D**
G-2.1 (same as G-1.1)	0	1	1	1	2	0
G-2.2	1	1	1	2	1	2
G-2.3	1	1	1	1	2	1
G-2.4	1	1	1	0	1	0
G-2.5 (same as G-1.4)	1	1	1	2	1	1
G-2.6 (same as G-1.7)	0	1	1	1	1	1
TOTAL SCORE	5	6	6	7	8	5
The average score for each company	5	6		7.5		5
Conclusion:_Poor, Average, Good (Poor = Below 6, Average = 6-9.6, Good= 9.6, Max=12)	Poor	Average		Average		Poor

Strategic Thinking						
Group-Three	**A**	**B-1**	**B-2**	**C-1**	**C-2**	**D**
G-3.1	1	0	1	2	0	0
G-3.2	2	0	1	1	1	1
G-3.3	1	0	1	1	1	1
G-3.4	1	2	1	2	1	0
G-3.5	1	1	1	1	1	1
TOTAL SCORE	6	3	5	7	4	3
The average score for each company	6	4		5.5		3
Conclusion: Poor, Average, or Good (Poor = Below 5, Average= 5-7, Good = 8, Max=10)	Average	Poor		Average		Poor

Over-all Effectiveness						
All – Questions (excluding the repeated ones)	**A**	**B-1**	**B-2**	**C-1**	**C-2**	**D**
G-1.1	0	1	1	1	2	0
G-1.2	1	0	1	2	1	1
G-1.3	1	2	0	2	2	0
G-1.4	1	1	1	2	1	1
G-1.5	2	0	1	0	2	1
G-1.6	1	1	1	1	1	2
G-1.7	0	1	1	1	1	1
G-1.8	0	0	1	1	1	1
G-1.9	1	1	0	2	1	1
G-1.10	1	0	0	1	0	0
G-1.11	1	2	1	2	1	1
G-2.2	1	1	1	2	1	2
G-2.3	1	1	1	1	2	1
G-2.4	1	1	1	0	1	0
G-3.1	1	0	1	2	0	0
G-3.2	2	0	1	1	1	1
G-3.3	1	0	1	1	1	1
G-3.4	1	2	1	2	1	0
G-3.5	1	1	1	1	1	1
TOTAL SCORE	18	15	16	25	22	15
The average score for each company	18	15.5		23.5		15
Conclusion: Poor, Average, or Good (Poor = Below 19, Average= 19-28.5, Good = over 28.5, Max=38)	Poor	Poor		Average		Poor

Results Summary:

Company's Code	**Group-One** Strategic Planning	**Group-Two** Value Orientations	**Group-Three** Strategic thinking	**All-Questions** Effectiveness
Company A	Poor	Poor	Average	Poor
Company B	Poor	Average	Poor	Poor
Company C	Average	Average	Average	Average
Company D	Poor	Poor	Poor	Poor

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