

Customer-Focused Business Architecture and Strategic Management

Luis R. Alamil

Abstract

This paper argues that organizations need to become outcome-oriented systems focusing on customers' needs and expectations. The first part of the paper deals with the literature on strategic management, systems thinking approach, and customer-focused strategies. The second part includes the summary discussions of selected PNG companies' strategic analysis of their respective markets. The third part deals with the strategic options and their relevance to the global and organisational levels in PNG. The fourth part discusses the recommendations for new strategic options to meet the challenges PNG companies experienced from the current global-stimuli of change.

Key words: business architecture, strategic management, strategic options, stimuli of change, globalization, customer satisfaction

Introduction

Successful companies are those that focus efforts strategically. Corporate planners and decision makers are fascinated by the globalization scheme in which stakeholders in commerce, trade and services transact business with no time limits and geographical boundaries. For the not so aggressive organizations, the situation becomes their cutting edge but a competitive advantage for the progressive ones. The essence of formulating competitive strategy, writes scholar Michael Porter (1996) is relating a company to its environment. However, competitive advantage alone is not a guarantee towards long term success. The advantage must be sustained. For sustainable competitive advantage is the prolonged benefit of implementing some unique value-creating strategy based also on a unique combination of internal organizational resources and capabilities that cannot be replicated by competitors (1000ventures.com). But before it can happen, executive planners and implementers should do some 'soul searching', brainstorming and environmental scanning. These processes could provide the much needed answers to these questions: 'Where are we now?', 'What do we want to be in the future?', 'What path is best for us?' and, 'How and when can we implement the planned advantage?' (Stone, 2008).

The advent and the maturing of strategic management, business architecture and customer satisfaction theories and concepts altered not only the availability of 'what's real' information but also the manner how it is identified and acquired. In reality, managers are often burdened not with the lack of information but rather with information overload. Information

overload occurs when managers have so much information that they have trouble distinguishing between the useful and the useless (Iñigo, 1997). But once this matter is sorted, the organization's strength begins to build. However, Coolidge (2006) warned that: 'Our real problem is not our strength today; it is rather the vital necessity of action today to ensure our strength tomorrow'.

The system, strategic management, strategic intent, strategic thinking approaches

The System

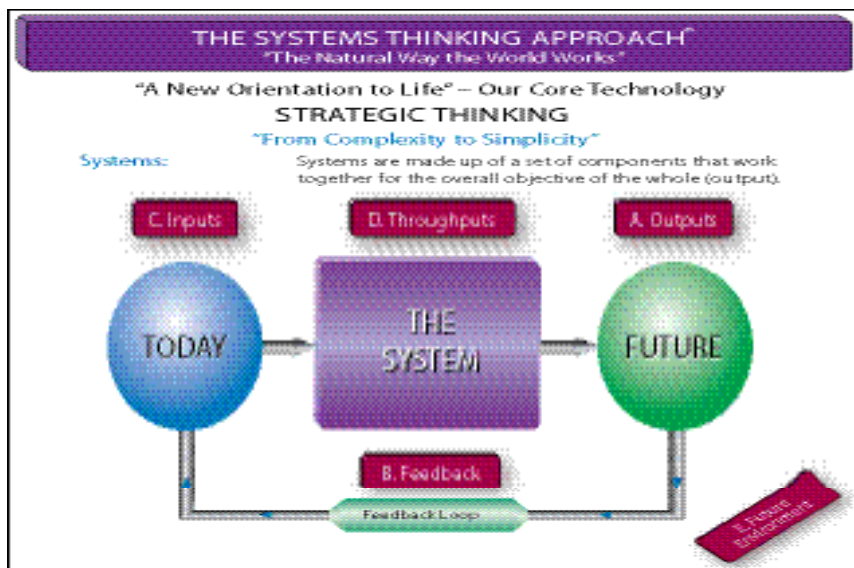


Figure 1: The systems thinking approach

(Source: the ABC of Strategic Management of Haines Centre for Strategic Management)

A system is defined as a set of components that work together for the overall objectives of the whole (Haines, 2008). Haines Centre for Strategic Management developed a systems model which is comprised of 10 concrete steps in five distinct phases (A-B-C-D-E). It is called the ABC's of Systems Thinking as depicted in Figure 1. The model shows that any system can be described by the following phases: A series of inputs (phase C) to a throughput or actions (phase D) to achieve outputs (phase A) along with a feedback loop (phase B) in the environment (phase E) to measure success.

Strategic management

Strategic management is the process whereby managers establish an organization's long-term direction, set specific performance objectives, develop strategies to achieve these objectives in the light of all relevant internal

and external circumstances and undertake to execute the chosen action plan (Thompson & Strikland, 1987). It aims at helping an organization achieve competitive advantage and ensure its long-term success. Hitt, Hoskisson and Ireland (2004) wrote that strategic management focuses on three main parties - the firm (or organization), competitor and customer. Figure 2 shows the synergies of the three parties to strategic management.



Figure 2: The synergy of the firm, competitors and customers

(Hitt, Hoskisson & Ireland 2004)

The components of strategic management are strategy formulation, involves selecting an organization's vision, mission or purpose, and key objectives; environmental scanning (internal and external), strategy implementation, involves designing an organization's structure and control system and evaluating the selected strategy; and evaluation, which includes monitoring and measuring performance of strategy's effectiveness (Stone, 2004). Figure 3 show a simple strategic management model adapted from Asia Pacific Management Pty Ltd (2006).

Vision and mission statements are the off-shoot of strategy formulation. A vision statement outlines what a company wants to be. It concentrates on future, a source of inspiration and provides clear decision-making criteria. The mission statement tells what the company is now. It concentrates on present, defines the customer(s), critical processes and informs about the desired level of organization's performance (Kotelnikov, 2007).

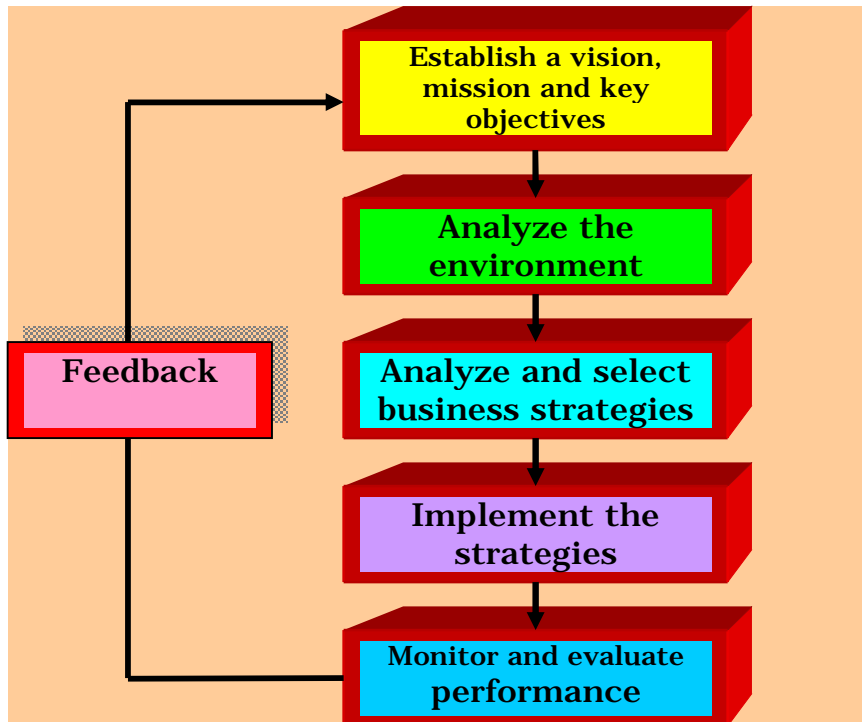


Figure 3: Strategic management model

Kotelnikov advised that strategic management is not a task. It is a set of managerial skills that should be used throughout the organization. It has a wide variety of functions and one of which is the strategic cross-functional management. He further asserted that this class of management is central to capitalizing on functional excellence that aims at making the greatest possible contribution to an organization. It being so, the managers must take broader view and understand how they fit into the web of the organizational processes and ultimately into the overall strategy.

Strategy and strategic intent

A strategy defines the direction in which an organization intends to move. It also establishes the framework for action through which it intends to get there. It needs consistent approach overtime. Such is reflective on the organization's means to achieving objectives (Schermerhorn, 1984). With this view, strategy maintains a point of advantage by investing on organization's strengths and restraining its weaknesses. As such, it becomes action oriented resulting from strategic formulation and implementation focusing on company's vision and mission. The said concept is worth reckoning. For most businesspeople are so busy working for their businesses or in their business that they never find time to work on their business. Consequently, the managers' absence of focus on

vision and mission fail them to anticipate what might happen or what they might be able to make happen (Innovation Unlimited.com, 2007).

A successful strategy adds value for the targeted customers over the long run by consistently meeting their needs better than the competition does. Such is the essence of the Corporate Strategy Logic illustrated in Figure 4.

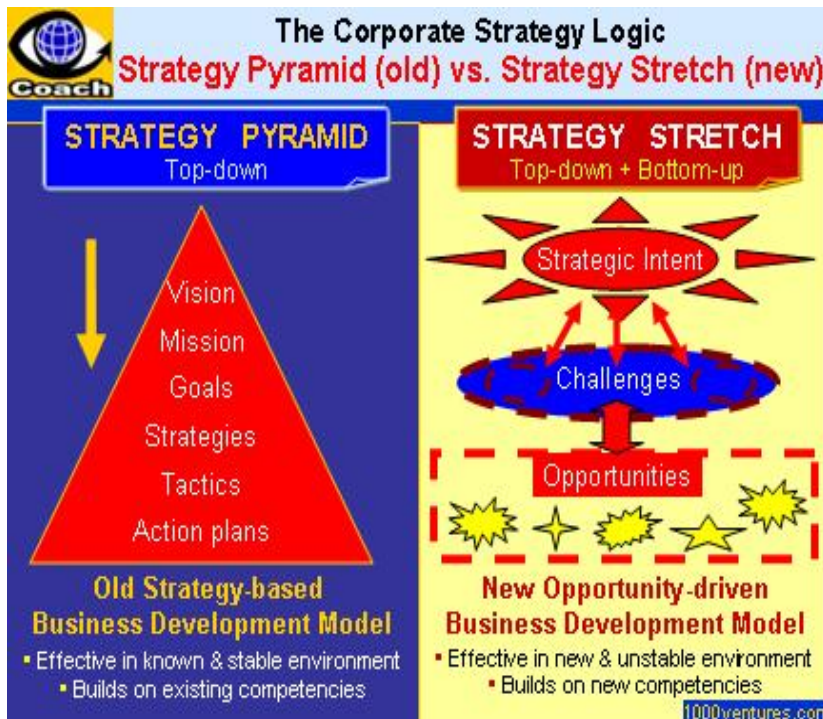


Figure 4: Corporate strategy logic

Strategy is also viewed as setting direction - not just the organization's technical aspect but includes the hearts and minds of employees and customers. In turn, it will define the organization; remove complacency and focus effort towards the achievement of financial and strategic objectives (Collins & Porras, 1997). It should be a stretch exercise, not a fit exercise (www.1000ventures.com). To meet and exceed customer satisfaction, an organization's business team needs to follow an overall organizational strategy. However, its key is the understanding of the company's strategy and the pattern of action that define the organization's strategy as illustrated in Figure 5.



Figure 5: Understanding company strategy

A strategic management process emanates from strategic intent. Hamel and Prahalad (1985) claimed that companies that have achieved global leadership 'invariably began with ambitions that were out of all proportion to their resources and capabilities, but they created an obsession over 10-20 years in a quest for global leadership'. They called this obsession 'strategic intent'. Strategic intent is a high-level statement of the means by which an organization's vision is achieved (www.1000ventures.com). Simply put, a strategic intent is a company's vision of what it wants to achieve in the long term (Guest, 2006).

The expression of strategic intent helps individuals and organizations to share the common intention to survive and continue or extend themselves through time and space. Its purpose is the logic, uniqueness and discovery that make an organization. An organization's components have to understand, believe and live according to it (wikipedia.org, 2007). With this view, organizations can take into account the interests of the wider community and act in a socially responsible way. Their focus would be the triple bottom line considerations, which include the environment, social performance, and financial performance. These are described in Table 1.

Table 1: Triple bottom line considerations

Performance Factor	General Objectives	Performance Measure	Performance Review
<i>Financial</i>			
What do we have to sustain and improve our position?	*be profitable	*income *expenses *assets *liabilities	Shows: *how actual performance compares with performance objectives
<i>Social</i>			
What do we have to do to operate in a socially responsible way?	*obey the law *do what is right *contribute to society	*legal compliance *equal opportunity *employee wellbeing *employee development *health and safety *charitable activities *corporate governance *work-family balance *public safety	Shows: *how actual performance compares with performance objectives *how well the organization contributed to the welfare of society
<i>Environment</i>			
What do we have to do to protect and improve the natural environment?	*respect the environment	*pollution control *waste management *restoration	Shows: *how actual performance compares performance objectives *how well the organization improved the quality of the environment

*adapted from Strategic HRM, Stone 2008

The strategic approaches towards customer satisfaction

An organization may often find it difficult to simultaneously satisfy all its stakeholders. That is why it is increasingly interested in achieving competitive advantage to ensure long-term success. The obvious means are to retain existing customers while targeting non-customers. Of the two strategies, the former seems to be a difficult task. Measuring customer satisfaction provides an indication of how successful organizations at providing products and/or services to the marketplace. Customer satisfaction is an ambiguous and abstract concept.



The actual manifestation of the state of satisfaction will vary from person to person. The work done by Berry between 1990 and 1998 defined ten 'Quality Values' which influence satisfaction behavior, further expanded by Berry in 2002 and known as the ten domains of satisfaction (quality, value, timeliness, efficiency, ease of access, environment, inter-departmental teamwork, front line service behaviors, commitment to the customer and innovation). The work done by Parasuraman, Zeithaml and Berry (1985 and 1988) provide the basis for the measurement of customer satisfaction with a service by using the gap between the customer's expectation of performance and their perceived experience of performance. This provides the measurer with a satisfaction 'gap' which is objective and quantitative in nature.

PNG private and public organizations' strategic options

The world economy continued to grow but at a slower pace at the beginning of 2008. The July 2008 World Economic Outlook Update of the International Monetary Fund (IMF) estimated that global economic growth decelerated in the first quarter of 2008 and revised its GDP projections for 2008 (Bank of Papua New Guinea, 2008). The IMF, as quoted by the Bank of Papua New Guinea further disclosed that emerging and developing economies were expected to continue to experience robust growth. The growth in emerging economies is being sustained by productivity gains and high prices of their natural resource exports though the growth is being threatened by inflation.

The Bank of Papua New Guinea disclosed that economic indicators available to the bank show economic activity continuing to grow in the first half of 2008. It stated that the growth is evidenced in: growth in the level of employment; a large surplus in the trade account due to high international prices and increased production of agricultural and mineral export commodities, higher lending to the private sector; increased government spending; and increased sales in the private sector. The strategic management activities which were undertaken and continue to be done by private and public sectors might be some of the factors that contribute to the PNG's business condition. Some valuable information taken from the respondents' responses are discussed in the next paragraphs.

The environment's scanning status and strategic options

The strategic management and business architecture characteristics of any organization are generally affected by internal and external environments. The statement provides that the environment in and outside a company are determinant factors towards building competitive advantage. Needless to say, they are much considered in formulating and implementing strategic options by corporate entities worldwide. In this article, the options utilized by the selected PNG's private business and public service sectors were categorized into horizontal and vertical integration.

Horizontal integration is the widening of a business at the same point in the supply chain. For example, supermarkets that are moving towards selling a

larger variety of non-food items are increasing their level of horizontal integration (moneyterms.co.uk, 2009). QuickMBA.com (2009) cites the following benefits sought by companies that horizontally integrate: (1) Economies of scale - achieved by selling more of the same product, for example, by geographic expansion; (2) Economies of scope - achieved by sharing resources common to different products. Commonly referred to as 'synergies'; (3) Increased market power (over suppliers and downstream channel members); and (4) Reduction in the cost of international trade by operating factories in foreign markets.

On the other hand, vertical integration is the merging together of two businesses that are at different stages of production (moneyterms.co.uk, 2009). However, Michael Dell (1990) the founder of Dell Computer took a step further when he combined the traditional vertical integration of the supply chain with the special characteristics of the virtual organization to create 'virtual integration'. The company assembles computers from parts produced by other firms but it has relationships with those firms that are more binding than the traditional links between buyer and supplier. It does not own them in the way of the vertically integrated firm, but through exchanges of information and a variety of loose associations it achieves much the same aim, which Michael Dell calls 'a tightly coordinated supply chain' (Economist.com, 2009). Some of the PNG's groups included in this article seem to utilize Dell's strategy.

Table 2 summarizes the conditions of PNG's private business and public service sectors' environment together with their strategic options to meet the current challenges of the industries with which they are associated.

Table 2: Environment's scanning conditions and strategic options

S = Strengths; W = Weaknesses; O = Opportunity; T= Threats HI = Horizontal Integration; VI = Vertical Integration	
Private 'A' Manufacturing	
S	Strong brand name in PNG; Presence of two global drive brands; Smarter working towards cost efficiency; Customer-driven approach.
W	Working habit/ culture of employees.
O	Market is wide for introduction of new products
T	Possibility of competition. Proliferation of illicit trade. Possibility of product ban by the government
HI	Tapping 'local brus' market with innovative products.
VI	Quantitative growth through foreign partners
Private 'B' Real Estate	
S	Customers' focused and segmentation. Family owned- business (easy to manage). Integrated marketing approach.
W	Family owned business (working capital difficulty).
O	Wider market opportunity.
T	Possibility of more new entrants.
HI	Established tie-ups with government. Forged partnership agreements with

	well established real estate developers.
VI	Relocated business office to a more convenient location. Concentrated operations in urban district.

Private 'C' Trading

S	Long-range experienced. Highest supplier of raw materials in the region. Largest copra/cocoa trading company operating in Bougainville. Good sustainable resource company supply.
W	Untrained supervisors. Lack of capital
O	UNDP farmer assistance
T	Land ownership issue. Cultural differences. Weak implementation of industry's regulatory laws. Expanded infrastructure of the government. Climate change.
HI	Implemented diversity management. Implemented regional and national trading scheme.
VI	Tapping farmers as middlemen.

Private 'D' Investment Holding

S	Skilled senior management team. Landowners shares of K6.4 million. Contracted to OTML earning at K60,000 per month.
W	Incomplete safety management system. No structured remuneration system.
O	Progressive market needs.
T	Intense competition. Limited influence and no direct control
HI	Set-up Port Moresby's office to provide furnishing services. Forged partnership with SVS group of companies. Construction of buildings to spread to Port Moresby and Madang.
VI	Operations tied up with SVS supermarket establishment of construction division. Tapping other zones with new core products' pricing.

Private 'E' Small and Medium-sized Enterprise (SME)-Retailing

S	With latitude to respond promptly to forces impacting the firm. Customer-focused service.
W	Sole proprietorship
O	Ability to provide varied product substitutes.
T	Political influence in getting contracts. Slow down of world economy. Lack of police presence. Poor waste management. No set-up of legal services (private or public) in the community. High competition.
HI	Putting-up outlets in other parts of PNG through partnership with other retail outlet owners.
VI	Transition from one-person to team operation.

Public Sector 'A' Communication

S	Market segments distinctly defined and identified
W	Retaining existing quality customer and winning new ones.
O	Competitors are known.
T	Open competition.
HI	Putting the company in a better position to compete with new entrants. Retailing leased data circuits and internet services to local service providers.

VI	Together with its subsidiary, monopolize local, national and international fixed and mobile lines.
----	--

Public Sector 'B' Water Service Provider

S W O T	With international partners (ADB, JICA, AUAID, EU) state owned enterprise. Modern measuring and testing equipment.
	Lack of knowledge and skills to manage modern equipment. Leak management.
	Foreign assistance.
	Inflation & recession. Land owners' disputes. Rampant criminal activities. Climate change causing drought and floods. Water use permits (DC). Presence of pressure groups. Digital age. Uncontrolled settlement.
HI	Forged partnerships with foreign organizations.
VI	Distribute capacity to various office providers.

Public Sector 'C' Government Unit

S W O T	Embarked on ICT Centre
	Slow in adopting and adjusting to industry changes. Diverse culture and topography.
	Tourism and industrialisation potentials. Positive industrialization development prospects in major areas.
	Organic law's limiting planning and resource allocating.
HI	Established partnership with domestic and foreign investors.
VI	Strategically aligning provincial plan with national policies, programs, projects.

Public Sector 'D' Peace and Security

S W O T	Use of technology innovation. Highly qualified and trained officers and members. Presence of corporate and divisional strategic plans.
	Limited number of facilities for mobility.
	Members succumbing to bribes. Negative image to public. Discrimination and regionalism.
HI	Established alliances with all kinds of stakeholders.
VI	

Public Sector 'E' Regulatory, Research and Extension Service Provider

S W O T	Ten year strategic plan -2008 -2018 aligned with GoPNG's Medium Term Development Strategy.
	Constant change of government policies.
	A business entity for the government
	Government and private offices' continuous negligence of agriculture sector. High production capacity and modern facilities of leading producers such as Brazil and other countries. Pests and the spread of various product diseases.
HI	Vying the stakeholders' involvement. Amalgamation of CIB, CRI and CDA.
VI	Alignment with government and development partners' policies. Encourage major exporting companies such as Goroka Coffee, Congo Coffee and many others for downstream processing.

The above information reflect that the various private and public PNG firms have the ability to maintain, build and leverage their capacities; and have the capability to remedy their weaknesses. They also dealt with prioritization and optimization of their opportunities and can counter the threats they faced with the environment factors. It can be surmised also that strategic management processes were being implemented; and business architecture designs were adopted by both sectors.

Critical areas for further considerations

Ohmae (1981) claimed that strategy should be a creative art, not to analytical. It is a frame of mind that requires intuition and intellectual flexibility. He opined that westerners constrained their strategic options by thinking in terms of analytical techniques, rote formula, and step-by-step processes. In comparison, he stated that the culture of Japan in which vagueness, ambiguity, and tentative decisions were acceptable, to American culture that valued fast decisions.

In 1982, Tom Peters and Robert Waterman released a study that would respond to the Japanese challenge head on (wikipedia.org., 2007). They, who had several years earlier collaborated with Pascale and Athos at McKinsey & Co. asked 'What makes an excellent company?'. They looked at 62 companies that they thought were fairly successful. Each was subject to six performance criteria to be classified as an excellent company. They then studied 43 successful companies and interviewed key executives. They concluded in *In Search of Excellence* that there were 8 keys to excellence that were shared by all 43 firms. They are:

- A bias for action; Do it. Try it. Don't waste time studying it with multiple reports and committees.
- Customer focus; Get close to the customer. Know your customers.
- Entrepreneurship; Even big companies act and think small by giving people the authority to take initiatives.
- Productivity through people; Treat your people with respect and they will reward you with productivity.
- Value-oriented CEOs; The CEO should actively propagate corporate values throughout the organization.
- Stick to the knitting; Do what you know well.
- Keep things simple and lean; Complexity encourages waste and confusion.
- Simultaneously centralized and decentralized; Have tight centralized control while also allowing maximum individual autonomy.

(Peters and Waterman, 1982).

The above-cited keys to excellence were considered by organizations as management options to stay afloat. Some implement the so-called leveraging resources and capabilities of the organization. This framework suggests that companies must manage and blend resources in the following five categories:

- financial resources,
- physical resources
- human resources
- organizational knowledge and learning
- general organizational resources' to include brand names and relationships with stakeholders

(Peng, 2008)

The secondary source of materials used in the analysis of environmental scanning and the various strategic management options included in Table 2 resulted to additional information. Table 3 reflects some of them. The same table includes the areas requiring further strategic management considerations. The responses of the respondents provided commonality of concepts. In this article, they are categorized into (1) market; (2) operations; (3) value chain management; and (4) support services aspects.

Table 3 Areas requiring further strategic management considerations

Private 'A' Manufacturing	
Market	Further implementation of organic growth.
Operations	Implementation of integrated global resources approach
Value chain management	Balancing commercial objectives with broad range of stakeholders' expectations.
Support services	Right people and right working environment
Private 'B' Real Estate	
Market	Maintenance of close relationship, mutual trust and commitment with customers, suppliers and other stakeholders.
Operations	Intensive recruitment drive for competent and experienced individuals with demonstrated knowledge and understanding of real estate industry.
Value chain management	Negotiate with PNG government through Lands Department and Housing Commission to develop vacant lots/run down houses for resale to customers at affordable prices.
Support services	Creation of company's market research department.
Private 'C' Trading	
Market	Expansion of business to other centers.
Operations	Enlargement of shed/storage and acquisition of new cargo truck.
Value chain management	Innovative and change-based customers' needs and feedback.
Support services	Better labour and equipment.
Private 'D' Investment Holding	
Market	Engage in differentiation strategy in producing goods and services
Operations	Continue to maintain brand of products in furnishing and

	construction industry. Focus on decisions that have strong medium-term to long-term impact. Ensure that decisions are based on resources and value plans
Value chain management	Employ strategic brand management that works for customers.
Support services	Construction, furnishing, property, finance and personnel & administration divisions to strategize adding value and making a difference about operational excellence in delivery of goods and services.

Private 'E' Small and Medium-sized Enterprise (SME)-Retailing

Market	High level of customer service to turn stocks into sales.
Operations	Institute operating systems that help track orders, back orders, invoicing and deliveries. Cost leadership and product differentiation. Budget framing strategy.
Value chain management	Filling-up niche market – delivering convenience not found in town.
Support services	Security to life and properties.

Public Sector 'A' Communication

Market	Identification of a previously overlooked market segment. Changes in competitive or regulatory circumstances. Technological changes. Improve buyer and supplier relationship
Operations	Aggressively seeks efficient facilities. Pursues cost reductions. Uses tight cost controls to provide more efficient product/service than competitors.
Value chain management	Perform crucial activities better than competitors.
Support services	Support activities that provide the background necessary for the effectiveness and efficiency of the company (HR management, corporate and supply & logistics, etc.).

Public Sector 'B' Water Service Provider

Market	Continue operating in mutual and beneficial relationships with all stakeholders.
Operations	Decentralization of billing system, purchase approval procedures and administrative procedures.
Value chain management	Continue operating according to guiding principles: <i>'In all we do, we will put our people and country's interest first'</i> , and <i>'Think Globally, Act Locally'</i>
Support services	Provide standby generators in all pumping stations to maintain steady water supply.

Public Sector 'C' Government Unit

Market	Maintenance of peace and order to attract people from other parts of the country to settle in and do business.
Operations	Capitalize on appropriate land policy, own infrastructure program, better town planning and zoning.
Value chain	Organize to deliver the product (competitive advantage in

management	industrialisation, tourism or both) to customers (multinational corporations).
Support services	Creation of special economic zones and infrastructure development program to address settlement issue. Provision of infrastructure (sewerage, road network, communication, and energy source) necessary for town expansion. Public support and commitment.

Public Sector 'D' Peace and Security

Market	Set changing objectives as internal/external environment are also changing.
Operations	Allocating limited resources between alternatives. Consider trade-offs between interest groups.
Value chain management	Stations to be more accessible to public.
Support services	Government and law/justice sectors to fund the three pillars policy challenges.

Public Sector 'E' Regulatory, Research and Extension Service Provider

Market	Increase marketing intelligence. PNG coffee's promotion & facilitation of entry to niche markets.
Operations	Use of modern technologies as currently used by other producing countries. Provision of products' training and development to the industry.
Value chain management	Consistent increase of production of high quality coffee. Increase of people's awareness of PNG coffee.
Support services	Skilled worker retention and down sizing of the work force. Good transportation and road network conditions.

Recommendations to meet the challenges PNG companies experienced from global stimuli of change

Several recommendations were provided by the respondents in order that PNG companies meet the challenges they experienced from global stimuli. They are described in the Table 4.

Table 4: Strategic management recommendations

Private 'A' manufacturing

1. That the company looks up product substitutes with more urgency and is more proactive in the engagement with government agencies.

Private 'B' real estate

2. That company's product are promoted to targeted customers especially in the mining industry (OTML, Lihir, Porgera) who wish to participate in the home ownership scheme (HOS).
3. That the company becomes a viable service provider in the real estate industry in Port Moresby within the next five years.

Private 'C' Trading

4. That the company's mission and vision is clearly understood by operational managers, workers and other stakeholders.

Private 'D' Investment Holding

5. That the company strategically positions itself relative to its competitors, namely Tabubil Engineering and TKI, and focus more on construction, furnishing and managing donga services; and aims to establish a competitive advantage within these core competencies.
6. That the company's functional strategy must harmoniously contribute towards achieving its business strategy by providing adequate resources and capabilities needed to be utilized during the implementation and actualize the decision of providing value and unique customer oriented product and services.

Private 'E' Small and Medium-sized Enterprise (SME)-Retailing

7. That all strategies must be captured in the budget. Without allocation of financial resources, the strategic options would not come to fruition. It is imperative that all strategies adopted have to dovetail into a budget at the operational level to see them materialize.

Public Sector 'A' Communication

8. That government legislation on opening the telecommunication market for competition must be fair to all existing and new entrants for all companies provide the best telecommunication services to the customers in Papua New Guinea and able to make a profit at the end of the day to sustain the business.
9. That the company's management constantly reassesses business strategies in Papua New Guinea and adds value to what the organization does.
10. That stand-alone business units are created to reflect different business portfolios success in the market place and allow accurate revenue reflection under each unit.

Public Sector 'B' Water Service Provider

11. That senior managers strategically research the environment that is vulnerable to its operation (intrusion of private bore, water bottling, Eda Ranu, water tanks).

Public Sector 'C' Government Unit

12. That an environment is created conducive to attract foreign direct investment to participate in tourism or industrialization programs.
13. That cross cutting issues (natural disaster, law & order problems, HIV/Aids and others) are managed well through effective planning and alignment of existing policies and programs.
14. That better town planning and zoning is implemented to create several industrial zones and promote large scale tourism investment projects.
15. That the Provincial Economic Policy be derived from the Provincial Plan.

Public Sector 'D' Peace and Security

16. That a win-win strategy is developed based on an understanding of the customers' needs; that management planners know what the strategy is and why it will work by conducting an in-depth analysis of the customers' requirements.

Public Sector 'E' Regulatory, Research and Extension Service Provider

17. That the providers increase levy, commercialize CIC plantations, properties and other services, privatize some CIC functions, increase

- external financing, reduce unnecessary expenditures, explore and exploit investment opportunities.
18. That a performance based culture is created that can be established through personal transformation of workers by aligning their daily work to the values of the organization; and adoption of more contemporary management processes to shape and reinforce personal behaviours aligned to the company's core values.
 19. That providers embark on a framework for efficient and competitive remuneration system.

Conclusion

The various information providers in this article were aware of the different theories of strategic thought. This is perhaps due to their further studies they are now having or from the experiences they have with their respective organizations. In essence, they are capable of looking at industry structure and seek unique positions in the industries they are associated with. Their knowledge of transaction cost economics enables them to answer the question: 'What services can be produced by the market rather than the organization?' are shown in the context of areas for further strategic management considerations (Table 3) and suggested recommendations (Table 4).

The implementation of strategic management processes is always based on needs – the need to realize the vision of the company, achieve the mission and gain competitive advantage to efficiently meet customers' expectations. They are activated to formulate the appropriate incentives and controls that should exist to encourage and sanction managerial performance. In doing so, managers and entrepreneurs must analyze competitors' behaviour by determining the games they (competitors) play to enable them adjust their actions competitively and accordingly.

Some preliminary activities are needed - the need to conduct self-evaluation and assess stakeholders' power and goals. The process will redound to seeking the much needed support structures. Then the decision making processes are aligned with the vision and mission of the firm. The competence of a manager will be put to hard work to close the gap. But, with proper motivation and resource based support, they can build the capabilities required for success in the future.

What are the process underlying the lack of performance? Can they be fixed? What does the organization have to do to adapt to environmental requirements to survive? Many management authors and practitioners as well suggested that to answer the above questions, the firm and its policy makers and implementers should focus on improving adaptability, flexibility and speed of response. The various responses by the MLBA student-respondents to the questions premised in this article's sub-topics along areas that need further strategic management considerations and recommendations suggested to meet the challenges PNG companies experienced from global stimuli of change are reflective of the suggestion.

References

- Anonymous (2008), Customer satisfaction, Available (Online) @<http://www.wikipedia.org>, accessed July 2007.
- Anonymous, Marketing search, Available (Online) @<http://www.yahoo.com>.
- Anonymous, [Strategy/](#) Horizontal Integration Available (Online) @[QuickMBA](#), accessed August 5, 2009.
- Anonymous, Mission Statement, Available (Online) @ http://www.1000ventures.com/business_guide/crosscutting/vision_mission_strategy.html, accessed July 28, 2009.
- Anonymous, Mission, Vision and Strategy, Available (Online) @ http://www.answers.com/topic.mission_statement/2, Accessed July 28, 2009.
- Asia Pacific Management Pty Ltd (2006).
- Bank of Papua New Guinea, *Quarterly Economic Bulletin*, June 2008 Issue, pp.2-5.
- Berry, L. and Parasumaran, A (2008), Marketing Services: Competing Through Quality, Available (Online), http://en.wikipedia.org/wiki/Customer_satisfaction_#citeref2.
- Clemente, M.N. and Greenspan, D.S. [Winning at Mergers and Acquisitions](#) : The Guide to Market Focused Planning and Integration Available (Online) at <http://www.amazon.com/exec/obidos/ASINO47119056/quickmba>.
- Collins, J.C. and Porras, J.I. (1996) Building your companys vision, *Harvard Business Review*, September-October, p.72.
- Dell, M., Magretta, J. and Rollins, K., (1998) The power of virtual integration: an interview with Dell Computers Michael Dell, *Harvard Business Review*, March–April 1998.
- Economist.com, Vertical integration, Available (Online) @ <http://www.economist.com>, Accessed March 30th 2009.
- Guest, D.E. (1992) Personnel management; the end of orthodoxy?, *British Industrial Relations*, 29(2), p. 162.
- Haines, S.J. (2008) The ABCs of Strategic Management: The Systems Thinking Approach to Creating a Customer-Focused, High Performance, Learning Organization, Available (Online) info@csmaustralia.com, Accessed March 2008.
- Hamel, G. & Prahalad, C.K. (1989) Strategic Intent, *Harvard Business Review*, May–June 1989.
- Harrigan, K.R., (2003) *Vertical Integration, Outsourcing and Corporate Strategy*, Beard Books.
- Hitt, M.A., Hoskisson, R.E., Ireland, R.D. (2004), *Introduction to Strategic Management*, South-Western/Thomson Learning Publishing.
- Iñigo Jr., C.E. (1997) *Management*, Manila, Philippines: Gemini Philippines Graphic Arts Corporation.
- Johnson, M.D., Gustafsson, A., Andreasson, T.W., Lervik, L. & Cha, J. (2001) The evolution and future of national customer satisfaction index models, Available (Online),

- http://en.wikipedia.org/wiki/Customer_satisfaction, Accessed October 21, 2008.
- Kotelnikov, V. (2008) Strategic intent: inspiring means by which your organization will achieve its vision, Available (Online) @ <http://www.1000ventures.com> and @innovation.unlimited.com.
- Ohmae, K. (1982) *The Mind of the Strategist*, McGraw Hill, New York.
- Peng, M.W. (2008) *Global Strategy*, Second Edition, Cengage Learning.
- Peters, T. & Waterman, R. (1982) *In Search of Excellence*, HarperCollins, New York.
- Pietersz, G. Horizontal integration Available (Online) moneyterms.co.uk, Accessed August 5, 2009.
- Porter, M.E. (1985) Competitive advantage: creating and sustaining superior performance, *Free Press*, New York.
- Schermerhorn Jr, J.R. (1984), *Management for Productivity*, John Wiley & Sons, New York.
- Soriano, E.V. and Nehrt, L.V. (1990) *Business Policy in an Asian Context: Text and Cases*, Sinag-Tala Publishers, Manila.
- Stone, R.J. (2008) *Human Resource Management*, John Wiley & Sons, Australia.
- Stuckey, J. and White, D., When and when not to vertically integrate, *McKinsey Quarterly*, No. 3, 1993
- Wikipedia.org, Strategic Management, Available (Online) @ http://en.wikipedia.org/wiki/Strategic_management
- Wheelen, T.L. and Hunger, D.J. (2004) *Strategic Management and Business Policy*, Pearson/Prentice Hall.
- Thompson, A.A. and Strickland, A.J. (1987) *Strategic Management: Concept and Cases*, 4th edition, Business Publication, Texas.
- Wheelen, T.L. and Hunger, J.D. (2004) *Strategic Management Business Policy*, 9th edition, Pearson Education (Asia), Singapore.

Author

Luis R. Alamil is a lecturer at Divine World University. He has a Bachelor of Business Administration (Accounting), a Master of Business Administration (Personnel and Industrial) specializing in economic development management and a Doctoral of Business Administration specializing in finance and operations risk management for e-commerce and e-banking. He teaches management, financial and accounting units in the faculties of Business and Informatics and Flexible Learning. Before coming to DWU Madang in 2008, he worked as free-lance consultant/researcher to various private enterprises and educational institutions in the Philippines.