The Advantages of Strategic Intent Thinking

The definition of traditional strategic planning is the concept of controlling human, financial, and physical assets and utilizing them to their maximum potential to improve the company’s interests (Harvard Business School Press, 2005). The focus of strategic planning is short-term. Management’s only perceived threat is the competition’s ability to gain market share during the next business cycle. Strategic intent thinking is more stable and focuses on long-term success rather than ambitious short-term goals. Even though strategic planning is more future oriented as defined and considers mainly feasible options, it succumbs to the influence of current problems making changes to the corporate direction. Strategic intent is developed at the inception of a company’s plan and maintains it’s course through the pursuit of success (Hamel & Prahalad, 2005).

Both concepts are similar in that they both involve a strategic approach to the company’s desired future. Strategic planning is more often a competitive analysis while strategic intent is focused primarily on a repetitive process to dominate the market over time. Strategic plans change more often than the strategies developed through strategic intent thinking. Strategic plans utilize metrics gathered from financial, manufacturing and other key influencers of profitability to make adjustments to the direction of operations (Mintzberg & Lampel, 1999). Strategic intent thinking looks for internal capabilities that the rest of the market struggles with and exploits them to maximize profit and market share. For example, Japan took over a huge portion of the television market in the 1970s when they exploited their cheap labor costs to produce a quality television for a much lower price (Mintzberg, & Lampel, 1999).

Strategic intent thinking affects the business strategy because it is a unidirectional approach to developing a strategy. Although using strategic intent thinking has proved successful for many companies throughout the world, it is still necessary to practice strategic planning to accomplish the long-term goal. Strategic intent thinking could improve the performance of western companies, but it will not replace strategic planning in executing the company’s operations.

Today, markets are more globalized and western companies have exploited the production advantages of moving production off shore. Companies like Apple have maximized profitability by producing their goods in countries with lower labor costs. A disadvantage to expanding the business strategy to include different types of stakeholders is the inability to come to an agreement on a strategy. Different business cultures have different approaches to business, which will likely result in tension amongst the stakeholders and strain the business relationships.

Details about the strategic approach for a business is often private. The company’s annual report may lay out the direction of the company, but it rarely goes into detail about how it plans to increase market share. Doing so would jeopardize the company’s ability to successfully execute their strategy. Considering Papa John’s and the research needed to capture their strategy may prove challenging. They are in a very competitive market and are most likely secretive about the details of their strategy going forward. This leads me to the question for my classmates; what resources will you pursue to capture the essence of your company’s strategy?