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The Strategic Planning Process in Complex Settings: the Case of Construction Professional Service Firms

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THE STRATEGIC PLANNING PROCESS IN COMPLEX SETTINGS: THE CASE OF CONSTRUCTION PROFESSIONAL SERVICE FIRMS

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Overview

- Research components
- Construction industry
- Professional service firms
- Strategic planning process and choice
- Research method
- Key findings
- What next?

Research Components

- Strategic Planning
- Construction Industry
- Professional Service Firms

Construction Industry

- Economic Environment: Demand Conditions
- Client: Heterogeneous Product
- Government: Client, Regulator, Policy Maker
- Professional Body: Ethics CPD

Professional Service Firms

- Human Inputs: Efficiency, experience, expertise (Maister, 2003)
- Reputation: Repeat Business (Tone, 2003)
- Resource Based View: Barney (1991)
- Dynamic Capabilities: Eisenhardt & Martin (2000)

Strategic Planning Process

- Types (Ahiers & Smit, 1979)
- Ownership/Structure
  - Formality (Brewer & Foster, 2007)
- Corporate Strategy
  - Business Level Strategy (Porter, 1980)
  - Environmental analysis (Porter, 1980)
  - Competitiveness (Porter, 1980)
  - Participation (Dyer and Foster, 1992)
Research Method

- Mixed methods
  - Flexible design
  - Managing director/managing partner level
- Qualitative phase
  - Semi structured interview
- Quantitative phase
  - Widespread survey
- Data analysis and handling
  - Computer aided software
- Limitations

Key Findings

- Those that do…
  - Formal, planned process
  - Prospector or analyser
  - Widespread participation
  - Internal and external analysis
  - Lack of competitor analysis
- Those that don’t…
  - Informal, emergent process
  - Defender or reactor
  - Top management drive process
  - Concentration on internal analysis
  - Lack of competitor analysis

Key Findings cotd...

- Corporate and business level strategy
  - Peak of construction boom to current
  - Combination strategy – the test of time
- Thinking and acting strategically
  - Not necessarily in a systematic fashion
  - Tactical versus strategic planning
  - Top management recognition of need for systematic strategic planning
  - Implications,…

Researching in a Complex Setting

- Multifaceted and complex nature of components under investigation
- Context of turbulent economic and industry environment
- Research design
  - Flexible
  - Mixed methods
  - Uncertainties
  - Strategic planning/performance relationship

And now...

- Research:
  - Longitudinal study
  - Cross-profession analysis
  - Cross-industry analysis
- Practice:
  - Training and education
  - Tactical planning to strategic planning

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