

# The new style of strategy making: a new state of business competition

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## Abstract:

In fact, the changes observed in the competitive environment are due to the development of management practices which have become complex and difficult to imitate by competitors. The new strategic management approach view strategy as a resource in itself. This resource requires more autonomy in order to be enriched by all the actors. In this perspective, we have prepared this study in order to become familiar with this new trend where companies are invited to be in super performance unless all of its strategic potential is considered. The ultimate goal of this study is to see how business strategy works in reality based on the strategy as practice (SaP) approach. At the same time, what articulation between the SaP approach and the competition.

**Keywords:** Strategy as practice (SaP); practitioner; practice; praxis; competition.

## 1. INTRODUCTION

Nowadays, the rules of hyper competition have upset the competitive constraints which have become very harsh (Lindskov, 2021, pp. 44-55). In this context, each company with its own material and immaterial resources seeks to compete and surpass its competitors; its main resources do not come only from new operations, new materials, new suppliers, and new relationships with its customers; but with the way of thinking and building this strategy which evolves according to decisions and managerial practices.

According (Maritz and Du Toit, 2018, pp. 1-14) strategy is considered a “key concept” within contemporary companies. Business leaders wonder how they can change the rules of the competition in the market. In these respects, reaching this

position of reflection does not come out of nowhere. According to (Mokeddem and al, 2018, pp. 240-246) a managerial strategic approach has emerged, namely everyone contributes to the production of the strategy. In this approach, the strategy is not reserved at a higher level on another. This will make things more complex regarding competing companies and even potential competitors in order to trace the success factors from one company to another.

In reality, formal practices are used very little in the world of strategy (Burgelman and al, 2018, pp. 531-558). The new approach which is constantly renewing itself in terms of practices, practitioners and praxis by offering new latent and untapped resources by competitors (Jones and al, 2013, pp. 671-697) and thus builds a new competitive landscape (Mauborgne and Kim, 2020)

characterized with many initiative, lots of innovation and creativity.

This study aims to develop a reflection on how strategy can produce a new competitive situation based on the approach of strategy as practice (SaP) which will be used as an analytical approach in this study (Jarzabkowski and al, 2021, pp. 67-88).

## **2. MOTIVATION**

Scientific research is not done blindly but through very well-defined needs and objectives. This study was raised after discussion between the pairs at our university. From there, we thought that the managerial practices within the companies are not subjected to a traditional formal approach limited by a context and by a strategic tool, in particular with the environmental changes which require more administrative flexibility, more reactivity in terms of decision and even more empathy because the strategy is in our heads. This diversity in terms of resources will make the design of the strategy like a real manufacturing process. At this stage, strategy making is built gradually, all based on emergent strategies that are transferred into deliberate strategies (Gulbrandsen and Just, 2022, pp. 48-77). The deliberate strategies themselves formulate a new competitive framework that will execute in the marketplace.

In the theoretical part, we present how strategy can be developed according to the SaP approach and how competition is shaped.

## **3. METHODOLOGY**

This study aims to present how strategy as practice is shaped in reality and how it affects competition. This theoretical demonstration was elaborated according to a conceptual method describing four positions that configure the strategic approach in practice.

This research was one of the original researches in the field of business strategy in practice which studies how to shape the competition according to the different basic aspects of the SaP approach. Due to the difficulties encountered, we chose an environmental situation already in place in order to develop the different dimensions of the strategy as practice that configures this environment all focusing on new literature related to this strategic field.

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## **4. LITERATURE REVIEW**

### **4.1 How the strategy works in practice?**

The conceptual development of the strategy has emerged over the years. Strategy-related terminology differs depending on the approach used. We cite strategic management (Fuentes and al, 2020, pp. 25-35) which presents strategy as a generic process based on two approaches: general strategy and corporate strategy. In this context, the strategic approach comprises four main phases: the definition of the company's strategic orientations, the internal and external

environmental analysis, setting strategic alternatives and finally the implementation and control of this process.

The second term related to the field of strategy is namely strategic decision making. According to (Jankelová and Joniaková, 2022, pp. 242-264), strategic decision-making is an important factor influencing business performance. In this regard, the strategic decision-making process of micro and small companies is quite different from that of medium and large companies. This term is significantly associated with the human dimension of managers and is based on values and emotions.

The evolution of terminology has followed a change not only in tools but also in the way of thinking and doing things. Another concept that made the buzz is the strategizing. According to (Jarzabkowski and al, 2021, pp. 67-88), the founder of this concept stated that strategy is made as a situated and socially accomplished activity, comprising the following elements: the actions, interactions and negotiations of multiple actors. All these existing practices are the basis for carrying out this activity. According to (Mokeddem and al, 2018, pp. 240-246), strategy as practice is a new fad of strategic management known by its ability to identify the core competencies of

the company and even see if its capabilities can be consistent with the overall strategy of the company. But how does it work in reality?

First of all, the evolution of strategic notions observed has strengthened the performance of companies. Never neglect any tool at any time during this process. Knowing how to harmonize each characteristic of each strategic concept with the new trend and therefore with the new objectives. From there, replicating the process in reality is not easy. According to (Kearney and al, 2019, pp. 6-17), the SaP approach is defined through three basic parameters: the practitioners (those who do the strategy work); practices (social, symbolic and material tools through which strategic work is carried out); and praxis (the stream of activity in which the strategy is accomplished).

This new strategic fashion has created multivariate sensations that affect positively in case of success or negatively in case of failure the whole company. According to (Jarzabkowski and al, 2021, pp. 67-88), the literature indicates very broad definitions of who might be considered a strategy practitioner, practice and praxis. The following table provides an overview of the most important indices that define the three basic parameters of SaP.

Table N<sup>0</sup>(01): How the Strategy as practice framework works

	Practitioner	Practice	Praxis
<b>SaP approach</b>	Practitioner as an individual (CEO or CFO);	Spatial arrangements and, to some extent, material elements of practices such as: the socio-material	Praxis at the micro level.
	Practitioner as aggregate actor (class of actors, such as top management, middle management and engineering);		Praxis at the macro

	An internal practitioner (MD, middle manager, CEO or project manager); or external practitioner (consultants, gurus and institutions actors, such as chambers of industry and Trade, regulators, trade unions, media; Interest groups such as ecologists).	support, emotional aspect, the motivations, routines, speeches, concepts and technologies, knowledge information...so on.	level. Praxis at the meso level.
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**Source:** (Jarzabkowski and Paul Spee, 2009, pp. 69-95)

From the previous table, we note that the implementation of this new decision-making style is strongly regulated via a set of very specific indicators, where each indicator can have a positive/negative influence on the progress of the strategy. Everything happens in a homogeneous way between the different aspects of the SaP approach.

In order to map the field of strategy as practice, we reveal how things actually happen. The strategy is above all a collective reflection responding to a quantitative objectives and qualitative goals. In this context, the choice of the practitioner is made according to praxis and practice. We cite some of its combinations, such as individual practitioners and micro-praxis. First, micro refers to initiatives that attempt to explain the strategy as practice based on the experiences of the individual or group of individuals, i.e. their scope of expertise with their knowledge and skills. This mission is maintained with an individual playing the strategic role supported by strategic practices, i.e. by limited power placed in a strategy making area. In other words, these interventions have little effect on other stakeholders.

The second combination is presented by aggregate practitioners and macro-praxis. First, the macro level refers to

initiatives that respond to the practices of strategy at the institutional level, which is most often associated with explaining patterns of action within a specific industry. This mission is maintained with aggregate practitioners who play a strategic role supported by a set of strategic practices. In this context, we note the extent to which strategy workshops can encourage organizational actors, particularly senior managers, to become concretely involved in the strategy process. As a result, senior leadership has become widely diffused and institutionalized across multiple sectors and its effects can therefore reach wider echoes spanning a considerable number of strategy-making areas.

The third combination is presented by individual practitioners and aggregate practitioners related to meso-praxis. First, the meso level refers to initiatives that explore and attempt to explain strategy practices at the organizational or sub-organizational level. In this context, we discuss how individual practitioners can reverse strategy practices based on organizational context. For example how two middle managers in a company successfully launched a new service. In this context, the two managers exploited the different routines and conversations in order to translate the conversation operation into a new strategic intent. At the

same time, what happens at the level of aggregate practitioners is different from what happens at the individual level. Indeed, we cite the formal and informal interactions between middle and senior managers. His interactions facilitated the task of each practitioner to integrate professional knowledge and thus redirect the strategy for the benefit of company.

This list of SaP approach is not exhaustive, there are an unlimited number of combinations depending on material and immaterial resources that are sometimes difficult to identify. This will make the imitation operation a very complicated process to grasp. This atmosphere provides companies with an environment conducive to development and innovations.

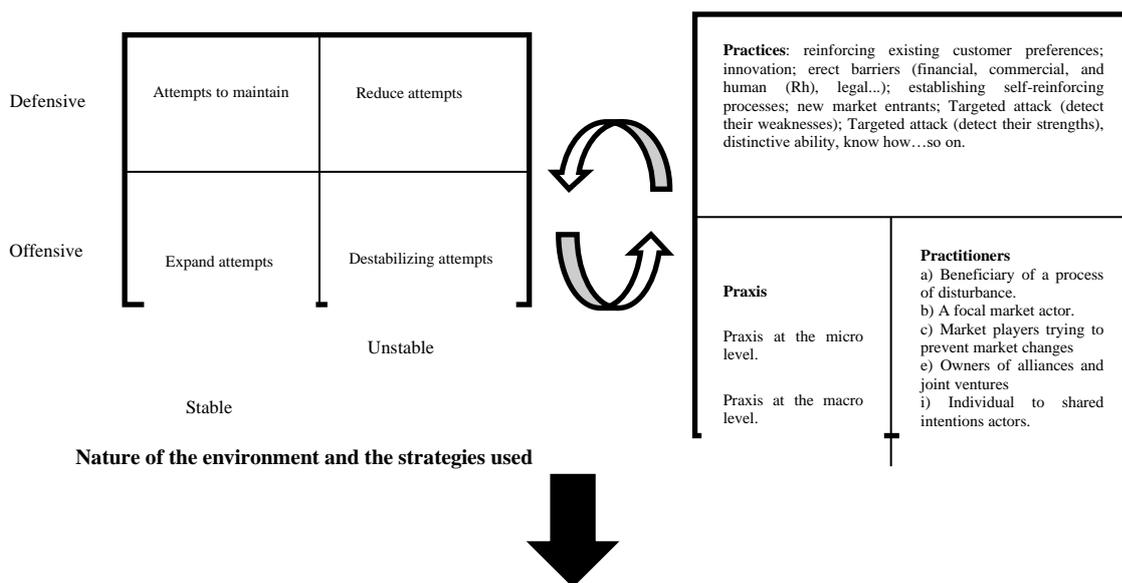
**4.2 How is competition shaped?**

Business leaders wonder how some companies outperform others? And how do strategic constraints as practices shape competition? Indeed, the establishment of

a revitalized competitive framework is one of the strategic intent of the company. According to (Saadatmand and al, 2018, pp. 1-14) this view focuses on the dynamic processes by which companies act upon and react to each other. This is in order to capture the best market opportunities. In this context, the principle of being a sustainable leader without having reflected or evolved is an irrelevant reflection in our days. Companies act and competitors react, and these interactions determine their survival and long-term performance.

The objective of companies is to understand how strategy can contribute to the development of competition and therefore how to exploit and strategically direct competition to the advantage of the company. In this regard, we focus on four varied environmental situations cited by (Flaig and al, 2021, pp. 254-266) in order to highlight the different fundamental dimensions of strategy as practice that works in harmony with the environmental circumstances.

**Fig N<sup>0</sup>(01):** Competitive actions according to the SaP approach



## SaP aspects



## Competitive landscape

It's almost very difficult to start from nowhere. From this step, four situations were used to develop a strategic framework as a practice. The first combinations presented by the defensive competitive situation with a stable and unstable environment. The companies looking for ways to keep their advantages in the event of strong control of the environment or to reduce the risks linked to environmental changes. In this context, a set of practices can be exploited. The increasing barriers to entry or, in the case of new market players, by the exclusion and absorption of other market players, leading to reduced risk in the market (Cova and al, 2021, pp. 483-493). Otherwise, in some situations, companies may perceive a market as stable. In this case, the market leaders can focus on keeping the market by establishing self-reinforcing processes and actively reinforcing the interconnected market configuration (Hawa and al, 2020, pp. 47-57; Regany and al, 2021, pp. 438-449).

The second combination presented by the offensive competitive situation with a stable and unstable environment. In an unstable competitive environment, the companies are looking for ways to disrupt the market, for example by creating a break with the past. The company seeks to upset the rules of competition in a continuous manner. Accordingly, the

## Source: Author

company aim to reshape a market in a direction favorable to the focal company (Kachouie and al, 2018, pp. 24-39). In case of more stable market configurations, a broadening strategy is the most favorable (Flaig and al, 2021, pp. 254-266). This offensive strategy is accentuated on the modification of the market components only at a specific level in a very precise manner. In other words, according to (Kjellberg and al, 2015, pp. 4-12) market innovation can also affect some aspects of competition when some dimensions of an organization's business are exposed to competition. Similarly, a competing company may have considerable strengths such as the products it offers, its low-cost operations, and its excellent research and development plans. These strengths can lead the company to commit to competing with companies on their strengths.

According to the study conducted by (Hawa and al, 2020, pp. 47-57), two types of actor categories are strongly linked to this type of market. Individual actors are those who focus on their own resources, especially when they do not have sufficient resources to build relationships with external partners. Individual actors may gradually see other behaviors as essential to the survival of their businesses. This is with the aim of joining forces to achieve a larger goal. This type of action is seen as a way to switch resources or stay in the

market. In this context, it was strongly recommended to move from individual intention to shared intentions that lead actors to favor legitimacy with other stakeholders. This new reflection is part of a macro-environmental context that considers managerial practice as an institutional process. In this context, the actors themselves develop a shared strategic identity that frames the market in this perspective. This change in praxis from micro to macro may be the result of a reorientation of the company by the introduction of a new technology, a new process, a new core competency, a new service or a new business model, or as a result of managerial myopia or the desynchronization and discoordination of their business practices compared to other players. Nowadays, taking part in collective action has become a strategic legitimacy (Storbacka, K., 2019, pp. 4-10).

## 5. CONCLUSION

The main question that has been addressed during this study is how can one business strategy be more effective and therefore more successful than others? For this reason, we did research on the new practices of strategy in terms of the most modern approach today. As a result, the approach of strategic as practice has radically transformed the field of competition. The strategy is not designed in a systematic and formal way, because in reality the strategy has become a social act. Companies can no longer succeed solely on the basis of generic resources such as funds, deployed equipment, reputation, background and achievements...and so on, but there is a set of resources that are socially integrated and manufactured in an

unpredictable way for company's competitors.

In this paper we saw how the strategy works in practice. Studies show that strategy relies on three dimensions that regulate strategy formulation and the environment, namely, practitioners, practices, and praxis. These three fundamentals of the SaP approach operate in a homogeneous cluster with a stronger inter and intra connection between them. In this context, strategy-related practices operate on the basis of a set of strategic mechanisms fed by strategic and even operational actors. The latter play the role of direct or indirect strategic mediator. These strategic mechanisms develop around a social context either at the organizational, inter-organizational, intra-organizational levels known by the praxis.

In order to understand the different components that formulate competition according to the SaP analytical approach as a practice, a reflexive approach followed by four environmental positions was presented. We were able to generate all the competitive situations and their strategic aspects in practice form. We have seen that in the situation where the competition is stable and defensive, the firm can rely on self-reinforcing strategic practices based on its own resources at the micro-strategic level such as its distinctive capabilities and know-how. Some companies call for the invention of interconnected relationships at the macro level in order to develop common resources with more synergy between them. On the other hand, companies that operate in an unstable and defensive environment are more open to competition through different strategic practices such as the development of entry barriers that temporarily prevent companies from re-

entering the market. In this context, the most appropriate type of integration is really based on inter-organizational relationships.

The second position is related to companies that operate in an offensive and stable environment. Companies are running towards the expansion of offensive practices while relying on targeted attacks either by forging new alliances with some companies or by exploiting their own assets to contract the competition. On the other hand, companies that operate in an offensive and unstable environment are more likely to upset the competition with their capacities and innovative resource rare, inimitable and non-substitutable.

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