Volume 5, Number 2 *2006*

Allied Academies
International Conference

Reno, Nevada
October 19-21, 2006

Academy of Strategic Management

PROCEEDINGS

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THE LIFE CYCLE OF A TERRORISM CRISIS: IMPACT ON TOURIST TRAVEL

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ABSTRACT

The impact of terrorist events on various business sectors has been widely publicized. The tourism travel industry has been one of the most impacted industries. Prior studies have shown that air travel is affected by a terrorist event within the region in which the terrorism event occurred. This research models the magnitude of the event, the duration of the effect, and the shape of the life cycle of the event. Three theoretical crisis life cycles are compared to actual terrorism events in the US and Spain. Two terrorism events that affected tourist air travel are studied in this research: 9/11 and the Madrid train bombings. This research finds that the impact on tourist air travel from these terrorism events follows primarily a fad life cycle with some scalable characteristics.

THE NEW SOUTHWEST EFFECT: AIRLINE PRODUCTIVITY AND MARKET EFFICIENCY

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ABSTRACT

Bennett and Craun (1993) identified the effects on individual airline markets when Southwest Airlines enters them. They find that Southwest Airlines forces incumbent competitors to adjust prices downward, causing there to be a subsequent increase in overall demand that occurs not only in the airport that Southwest enters, but in the broader region in which airline service is offered. In this paper, we argue that the strategic implications of the Southwest Effect on airline markets are actually broader than indicated by Bennett and Craun. By using airline operating and financial data compiled by the Bureau of Transportation Statistics (BTS), we documented changes in competitive factors for the top ten airlines. We find that the presence of Southwest and other low cost carriers (LCC) forces incumbent competition to adjust factors (such as workers, capital, etc.) that affect productivity needed to support a sustainable low cost advantage.

MANAGING VALUE CHAIN STRATEGY

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ABSTRACT

This paper seeks to present a working model for evaluating the impact of autonomous and non-autonomous elements of the value chain on the corporate strategy of small and medium sized enterprises engaged in outsourcing (off-shoring) toward better utilization and better management of the components of the value chain. While there is much discussion, both academic and practical, about the strategic advantage sought through outsourcing and, equal discussion about the process of making the decision to outsource, little has been done to examine how best to manage the outsourced value chain. Both successful and poor outcomes of these outsourced processes have been reported, but no model has been developed to improve the possibility of replicating success. This model seeks to fill that void.

With this model, the channels of information, communication, authority and factor resources which structure the value chain are examined. The differences in flows through each component may be evaluated so that the relationships between components (and between the components and the enterprise) are more clearly seen. The balance between competition and collaboration within the chain is calibrated for external turbulence and internal aggressiveness producing affects, which then are aligned with the strategic position of the enterprise. With this alignment, the fragmentation of the applications of strategy is reduced, relationships between components become more transparent and the possibility of replicating or innovating successful practice is increased.

Use of this model in the strategic process should enable the small or medium-sized enterprise to answer the following questions:

Are the participants in the value chain part of our strategy design and application?
Are we treating the value chain participants as SBU's or SBA's?
Do our value chain participants affect our encounter with the external environment?
Does participating in this value chain change our organizational structure?
How should the value chain be managed and by whom?

JOURNEY TO THE NORTH FACE: A GUIDE TO BUSINESS TRANSFORMATION

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ABSTRACT

Organizations increasingly chose to adopt lean enterprise strategies but implementing strategy is a difficult task, prone to failure. Transforming our businesses into a new model, one that removes non-value added activities, requires a three-phase transformation: a cultural transformation, implementing lean tools, and extending lean principles into the value stream outside the business. This paper focuses on the first two aspects of the transformation. In moving an enterprise to lean, leading the change must come from the top but other leaders must also be present. Change leaders at the business unit level, called Transformanagers, and plant level implementers, called "Lean Berets," provide the skills, knowledge, and involvement to implement lean systems throughout the organization. Supporting mechanisms, such as unwavering sponsorship from the top, a clearly articulated vision, and alignment of all employees are other necessary components for successful lean transformations. Organizational structures that support teams, and organizational linkages that cut across functional boundaries must be implemented. Finally, the importance of extensive training and dedicated resources is stressed and a recommended training program is presented. Such a commitment of resources to the training effort recognizes that people are as important as equipment, tools, and processes in implementing a lean transformation strategy.

INTRODUCTION

We live in a world where information has become the dominant value driver, where markets and competition are global, and where rocketing IPO's, mega-mergers, and predatory acquisitions are changing both the business landscape and its clock speed forever. The last fifteen years of unprecedented prosperity have created amazing growth, along with a troubling level of complacency and expectation for its continuance; yet we all know that no tree grows to heaven. In the face of such challenges, many organizations are adopting a lean enterprise strategy. Yet, implementing a strategy, particularly one that demands major change at all levels of the firm and within its culture, is difficult and prone to failure. For that reason, it is imperative to take a fresh look at how to transform our businesses into the new lean enterprise model

TRANSFORMATION

Business transformation moves an organization from an existing condition to a future state that represents a targeted strategic ideal. The connection between such business transformation and leadership is an important and recurring theme (Burns, 1978; Bass & Avolio, 1993). Without effective leadership, business transformation will not succeed and the strategic vision will not come to fruition. The business transformation of concern here is implementing lasting change in the behaviors of an established organization, focusing on the preparation necessary to create the right structure, behavior, and methodologies as the underpinnings of business excellence. The ideal future state of the business transformation under discussion is the lean enterprise.

EXCELLENCE: THE LEAN ENTERPRISE

The lean enterprise embodies lean principles at its heart, that is, its operations are based on a manufacturing philosophy that eliminates activities that add cost but not value and it "reduces the time from customer order to delivery by eliminating sources of waste in the production flow." (Liker, 1997:7) The same principles flow from the operational heart throughout the organization, then upstream to suppliers and downstream to customers, encompassing an entire enterprise. In the words of James Womack and Daniel Jones (1996), the lean enterprise is a "channel for the value stream" from the design of a product or service to customer delivery. The lean enterprise articulates all its activities in answer to the question: What does the customer consider value?

The lean enterprise has two essential characteristics: focus on customers and cooperation (Maskell & Baggaley, 2003). In both, the end focus lies outside the boundaries of the organization, either by focusing on adding value to the customer or by interacting in a cooperative manner with customers, suppliers, and other third parties. Yet, the foundation for the lean enterprise lies in transforming the organization internally first through a cultural transformation and implementing lean tools. This paper focuses on the foundation.

Transformation of a business to a lean enterprise is often expressed as a journey, due in part to the rigor and duration of the effort, but also symbolically due to the fact that perfection is not a destination. Instead, the ideal represented by the lean enterprise is a guiding beacon, or the magnetic north.

Our experience in both consumer goods and automotive components industries has led to the conclusion that there are three phases to the lean transformation: cultural transformation, implementing lean tools, and creating the lean enterprise. Experience has also proven that, at the beginning of the journey, the majority of effort must be put into achieving cultural transformation, or "Transforming Tribal Customs." Over time, as the new culture takes root, more effort can be devoted to growing knowledge depth through implementing lean tools, the second phase, and then increasingly in harnessing the power of the lean enterprise, the third phase. Effort for maintaining the desired tribal customs diminishes, but it never goes away.

Transforming a business to the lean enterprise is a complex task. The principles of the Toyota Production System continue to serve as the enduring global model of the lean enterprise. However, Toyota and other similar-thinking Japanese companies have developed almost all their non-domestic plants as greenfield initiatives. Flawless startup of a new site, while inculcating lean principles into a carefully selected group of fresh new employees, is a far less daunting task than converting an entrenched, change-resistant, stagnated organization to an entirely new, and (to those affected) unfamiliar, way of working, while simultaneously meeting the challenges of everyday business. We will focus on how an existing organization can be transformed to a lean one.

As noted by Yoffie and Kwak (2001), "Metaphors play an important role in business." (ix) Therefore, throughout our discussion the business transformation process will often be expressed through the metaphor of a mountain climbing expedition, up the difficult north face of the slope.

LEADING CHANGE

Passionate leaders with knowledge of lean systems are the first and most important element for creating lasting change. Leaders at the top need to be educated to develop a broad understanding of lean practices and how they interrelate as a system. Finding leaders with similar knowledge and passion in the descending layers of the management structure is seldom easy, but they often exist, sometimes latent, usually dissatisfied with the status quo. A powerful coalition of strong leaders, energized by challenge and committed to the transformation, even willing to take significant career risk, must be identified in the organization.

Transformational leadership at all levels, in addition to sharing a deep common understanding of the vision, must share a passion for carrying it out (Burns, 1978; Bass & Avolio, 1993). The need to have strong and experienced change makers lead the effort should not be taken lightly. There will always be significant, if hidden, forces acting to thwart the change, since their comfort zone is the existing business model.

Because change of any magnitude will be resisted, it is usually necessary for the vision and direction to begin as authoritative directives, clearly and strongly articulating an unarguable direction. As the transformation progresses, authoritarian approaches are replaced by coaching as respected change leaders at all levels are seen to support the effort. In return, respected change leaders receive recognition both for performance improvements and for applying their own entrepreneurial energy to the transformation itself.

In large companies, to make certain that the lean transformation has the desired coherence and execution speed, innovative leaders of change, like experienced expedition guides, must be simultaneously deployed and active in all business units to promote and facilitate change, despite any opposition they may encounter. Change leaders at a business unit or plant level direct, coach, and coordinate the installation of the knowledge, structure, and environment required for the lean transformation. Simultaneously, they are serving as the managers and general contractors for the multitude of initiatives required to actually execute large-scale workplace improvement.

Considering the scope and demands of this role, it is fitting to name these key change leaders “Transformanagers”. Leadership and commitment bordering on crusader or revolutionary levels of activism, deftly blended with good listening, communicating, and coaching skills are the hallmarks of Transformanagers. They also possess some characteristics in common with Six Sigma Champions and Black Belts: organizational respect, big picture understanding, creativity, and the ability to inspire (Mikel & Schroeder, 2000).

Under the plant level Transformanager there must be energetic change agents with deep skills and hands-on abilities in lean practices and systems. These highly trained implementers might be called “sensei” in Japan, but “Lean Beret” is a more fitting term for the Western business world. The Lean Berets’ responsibilities are teaching and guiding three to five work teams on the shop floor. As project leaders, they must be able to work shoulder to shoulder with team members to make real time improvement, validate process changes, or start all over after an improvement has failed to deliver the expected benefit. Lean Berets should be selected from aspiring candidates who have similar, but less seasoned expertise than the Transformanagers. They need to be tolerant of criticism and made more determined by setbacks. They need to be able to organize, prioritize, compromise, and energize.

Consideration must be given, however, to people skills over technical skills at the beginning of the transformation journey. Teams in their infancy need strong mentors, not technicians. Also, if support of transformation activities simply adds more tasks to the work of the process engineer, these new tasks will get less than desired attention. Urgent process technical support needs will demand time, and the new lean transformation work is likely to be less familiar and comfortable for the engineer.

As visible leaders on the journey toward excellence, it is natural for experienced Lean Berets to rise to Transformanager roles. Similarly, Transformanagers progress to general managers or key functional heads. In company after company, the most effective change leaders have proven themselves to have the ability and experience needed to become excellent general managers and vice presidents. Leading a challenging mission of large-scale change from business as usual to lean enterprise culture and practices requires and develops exceptional skills, in project management and communication. Leading large-scale change also requires and develops the ability to engage the creative talents of all employees in team-based work systems.

A word of caution must be given here. Experience has shown that, while excellent Lean Berets and Transformanagers quickly distinguish themselves from their peers, promoting them too quickly slows the transformation. One large multi-national corporation reached a plateau in its transformation journey largely because the initial change leaders were promoted to line roles before the cultural transformation had been securely rooted. The learning curve for the less experienced replacements caused a real performance set back in the affected organizations.

SUPPORTING MECHANISMS FOR LEAN TRANSFORMATION

Transformanagers and Lean Berets must be supported throughout the transformational journey by unwavering sponsorship from the top and a structure that allows them to make decisions and to use their skills to keep the organization moving quickly forward. While inspired leaders in the middle can make a real difference, the leadership at the top of the organization must exhibit unwavering commitment to the pursuit of excellence and related transformation initiatives. Hints of hesitation, change of heart, or shifted direction can spell disaster. No one wants to be part of an initiative that is falling out of favor with the company's top sponsor. The endless journey to the north face must have a relentless sense of passion and excitement generated from the top.

A colorfully painted and thoroughly articulated vision of excellence is used by successful transformational organizations to create a common purpose, align direction and initiatives, and provide an effective new organizational framework and environment. John P. Kotter (1996) indicates that underestimating the power of vision is a significant cause of failure in transformation efforts:

> Vision plays a key role in producing useful change by helping to direct, align, and inspire actions on the part of large numbers of people. Without an appropriate vision, a transformation effort can easily dissolve into a list of confusing, incompatible, and time consuming projects that go in the wrong direction or nowhere at all. (7)

In the case of the business transformation to lean, this vision is a vivid and compelling description of what it will feel like, what it will look, and what it will be like when the organization reaches it goal of operational excellence, that is, becoming lean.

Capturing the vision through an easy to read employee manual using basic descriptions of lean principles, all tailored to custom fit the company culture, has been successfully used by the senior author in four different companies. The manual becomes the "Tribal Bible" since it institutionalizes a common context for lean systems and serves as the foundation for lean training at a level of familiarity. Through continual communication and exposure to the Tribal Bible, all employees share a clear, common understanding of the vision, direction, and common language. The sense of common purpose and future state benefits is best described as "Tribal Alignment".

Alignment is a necessary first step for any meaningful transformation to move forward; it effectively creates a clear path to the "magnetic north" of the organizational vision. Alignment provides a guidance system for the organization on its journey and creating alignment is often the key activity for successful transformation. For Collins and Porras, authors of *Built to Last: Successful Habits of Visionary Companies,* "Building a visionary company requires 1% vision and 99% alignment." (1996:78) Never should creating alignment be confused with mere slogans.

Experience has shown that a clearly articulated vision, based on describing the desired end state itself, or well conceived competitive performance levels embodied by the desired end state, can become the effective magnetic north for the organization. This mechanism of driving lean transformation by setting standards of performance has proven particularly effective in many organizations.

Successful transformation is not change imposed on employees, rather it is change accomplished by engaging employees in an enterprise-wide pursuit of meaningful common goals. This fundamental cultural change is not proposed for the sake of platitudes like individual freedom and feeling of belonging. Instead, the purpose is to harness the energy and enthusiasm of employees and channel it to create lasting, exceptional business performance. Jon R. Katzenbach (2000) describes this alignment of the high performance workforce:

> The companies we studied are very disciplined about maintaining certain channels of alignment supported by a wide variety of mechanisms to….strike a dynamic balance between enterprise performance and worker fulfillment. (18)

Whether using the vision to be or the performance to be, repeatedly emphasizing, recognizing, and modeling the company vision or the standards of performance excellence becomes the mechanism for converting magnetic north direction to tribal alignment.

Unlike a conventional point on a compass, this magnetic north must be infused in the organization's way of life through constant and consistent communication. In a survey of CEOs, 98% of them cited communicating a "strong sense of vision" as the key activity for organizational performance (Lipton, 1996:85) and successful organizations employ a vast array of mechanisms to communicate again and again their vision.

ORGANIZATIONAL LINKAGES AND STRUCTURES

To continue the metaphor of the business transformation as a mountain climbing expedition, complete alignment is like the well-calibrated compass, a committed sponsor is the leader, and the transformanagers and lean berets are outstanding guides. They are necessary but not sufficient conditions. The organization still needs to determine an expedition team structure for the members and mechanisms to link members and teams.

In business, as in expeditions, success hinges on connectivity and effective teamwork. We recommend a Linchpin Team Structure that links the management teams leading the transformation throughout the enterprise can stay linked. This Linchpin Team Structure is similar to the Linking Pin concept originally developed by Rensis Likert, but with important differences (Likert, 1961). It is not a supervisor or manager with hierarchical authority over a work group who provides the necessary linkage. Rather, the Linchpin Team Structure joins multiple teams to a higher-level team by placing a Lean Beret in support of three to five natural work teams. The Lean Beret becomes the mentor and coach for the team leaders in those areas.

All Lean Berets in a worksite sit on a plant-level lean implementation steering committee chaired by the Transformanager for that plant. For multi-plant businesses, the plant level Transformanager would sit on a division or group-level lean implementation steering committee, chaired by the Transformanager for that division. In turn, the division level Transformanager would sit on a corporate-level lean implementation steering committee, chaired by the Transformanager for the corporation. The corporate level Transformanager, sometimes known as the chief operations improvement officer, is the lean organization's most visible change maker, next to the CEO and COO.

Our experience in several industries has shown that the speed and sustainability of cultural change was positively impacted when programs maintained this type of linkage between key change leaders, business unit management, and top management. The linkage permits sharing experiences and best practices, while providing visibility that creates more than subtle peer pressure for accelerating implementation rate. Care must be taken, always, not to misuse valuable time with excessively long or frequent meetings.

THE IMPORTANCE OF TEAMS

Lasting transformation of a business culture starts and ends with empowering employees to make the decisions necessary to conduct and improve their daily work. Engagement of all employees is a necessary condition for lean systems. Ownership and active support of initiatives requires that the natural work teams participate fully in shaping, leading, and implementing lean initiatives. Therefore, a team-based work system is strongly implied in organizational transformation.

Teams, not individuals, are the focus of the lean enterprise. Teams assemble multiple skills, judgments, perspectives, and experiences to deliver a richness of creativity and performance that is beyond that achievable through a hierarchy. Real change cannot be effectively decreed, but, instead, it must be inspired by leaders articulating a vision of the destination, establishing meaningful performance requirements as mileposts on the lean journey, and then encouraging creativity in the teams by developing and implementing the means of attainment. As noted by Kazenbach and Smith (1993), "The team is the basic unit of performance for most organizations." Nowhere is this more true than in the lean organization.

Our experience confirms their observations of fifty different teams in 30 firms**:** teams thrive on performance challenges, but quickly flounder without them. Teams need a performance-driven purpose and need to be accountable for performance expectations. A team-promoting environment alone is unlikely to have a favorable business performance impact.

This fundamental of team dynamics was observed first hand by the author when he joined a major capital goods company as head of operations. This particular company had discovered team based work systems decades earlier and had created a mature team environment in most of its manufacturing plants. Unfortunately, local management felt that managing their day-to-day operations was a sufficient, if vague, challenge for the teams. Consequently, at the inception of the lean transformation, attitudes and team relationships were superb but performance was not. By personally challenging the teams with visible lean improvement projects, the teams developed a new energy and enthusiasm. Most could hardly wait to showcase their improvements during return visits, and in most cases went far beyond the author's suggestions. Why had this resource not been tapped previously? In our opinion, many senior managers simply have a basic misunderstanding of the difference between "having teams" and "developing high performance teams". Effective teams enhance enthusiasm and performance. Teams develop emotional commitment. Teams create identity. Teams have fun.

THE IMPORTANCE OF TRAINING

Finally, the necessary climbing skills for the lean expedition must be addressed. Business transformation of this magnitude quickly overwhelms training and employee development resources. Therefore, the most qualified and respected managers need to be converted to become certified trainers and can be augmented by outside resources. Next, comprehensive training schedules must be developed to assure that training fully supports the work cell roll-out for lean implementation. Change leaders can be selected on the basis of attributes described earlier, but even with the best raw material, significant training is needed to create knowledgeable employees. Training hours completed throughout the organization is a key metric of lean implementation. Unfortunately, the transformation landscape is littered with the remains of unsuccessful expeditions that tried shortcuts in training or focused on classroom hours without equivalent application hours that allow knowledge to be reinforced and absorbed. To avoid wasted investment, applying the newly acquired skills in a problem-solving scenario must quickly follow classroom sessions to transfer knowledge and ensure it is retained. Ideally, each training and application experience should occur with natural work teams to reinforce further team behaviors while the team acquires skills.

Managers at all levels must participate in the training. Training is the only credible method for all to understand the skills required for the journey; it also presents an opportunity to take the pulse of the employees' attitudes and knowledge during practical application.

Training and support for the pilot or model cell is of prime importance. Since the pilot sets the tone and pace for the rest of lean transformation, it must be a visible success. In line with the degree of importance of the pilot's success, significant training resources must be dedicated to support the change effort. No matter what resources are needed, the pilot can never be allowed to fail. Successive cells are usually less visible and problematic because success breeds success!

DEDICATED RESOURCES

Lean transformation, a change of monumental significance, must be led with passion and commitment from the top and supported by equally passionate, strong, knowledgeable disciples, the Transformanagers and Lean Berets. Until the change journey is well underway, the Transformanagers and Lean Berets must be dedicated resources focused on this effort. When the vision is important to the business, implementation should not be relegated to part-time fill-in work. As maturity is gained on the journey to lean, and efforts shift in emphasis from cultural change to implementing lean tools, the role of Transformanagers and Lean Berets can gradually be filled by the functional area managers as they become a lean sensei and passionate disciples.

Lasting transformation depends on investing in employee training for two vital outcomes: employees must know the tools and techniques of lean systems and employees must adopt the lean culture as their own. Only when the new culture of the lean organization has been instilled can the organization migrate from traditional control hierarchy to a fully empowered team structure. While application of lean tools alone can certainly improve a process, changing the work environment to one of complete employee involvement and ownership will create lasting transformation and vastly increase the innovation and improvement yield from those tools.

Leaders with passion must create the right structure, behavior, and methodologies as the underpinnings of business excellence, then continually demonstrate their commitment by investing in people, and trusting in their decision-making and problem solving abilities. Most important of all, communicating consistently and frequently the shared vision and the organizational direction of the lean enterprise will maintain momentum up the mountain of excellence. Meticulous preparation assures the stamina and mindset needed to persevere in the march of endless steps on the journey toward the north face toward excellence.

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THE "NEW COKE" CATHOLIC CHURCH – A CHURCH MANAGEMENT FAILURE TO CORRECT A REJECTED REFORMULATION OF THE FAITH

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ABSTRACT

This article challenges the thinking of authors who have written about the reasons behind the growth of annulments in the Catholic Church. However, perhaps it should be asked, is the Catholic Church as it existed before Vatican II, the same church that exists today? If there is reason to believe that the explosion in annulments is tied to what is essentially a new church, with a membership adhering to the rules and norms of that new church, then there may be cause to reexamine arguments asserting changes in demand or marketing tactics as the reason for the increase.

Distinctions of the pre-Vatican II Church and the post-Vatican II Church may illustrate that while the name "Catholic" Church is still there; while the buildings, edifices, and pews (in certain cases) remain, the "product" of the institution is very different. Further illustrating this position, the changes in the way that certain "sins" are considered, illustrate that what has been considered "truth," and a distinction between right and wrong has been a moving target for Catholics. The words of scholars and of Church officials imply fundamental changes in the pre-and post Vatican II Church.

INTRODUCTION

The number of annulments in the Catholic Church skyrocketed in the aftermath of Vatican II. Statisticians both from inside and outside of the church have documented the phenomenon. However, it is difficult to navigate the literature and statistics because the supporting verbiage may be biased (loaded), the authors may have an understanding or picture of the situation that is incomplete, or, perhaps the researcher considers certain questions "taboo" or otherwise unquestionable.

This article provides a scholarly challenge to the foundation of prevailing academic writing regarding annulments in the Roman Catholic Church, positing that the Catholic Church of the post-Vatican II era is not the same church that bore the name Catholic prior to Vatican II; that the members of the Church were gradually shifted from one belief-set to another, changing this belief-set along with a changed institutional church. This article challenges the thinking of authors who have written about the impact of Vatican II upon the Roman Catholic Church regarding annulments, dismissing assertions that the increase in annulments and new rules regarding their governance are products of the same and unchanged institution that existed before Vatican II. What we actually have is a "New Coke" Catholic Church, but without the management insight to reverse a strategic management error.

In terms of impact to the Roman Catholic Church, it can be argued that no council has been followed by such a significant loss of membership and vocations. The changes subsequent to Vatican II, often made *"In the Spirit of Vatican II,"* and have been couched in terms of "Renewal". Faithful Catholics, taught since childhood to be obedient to "the Church," often consider any major disobedience to be a line that they were unwilling to cross. Yet, they were gradually seeing their traditions, their Mass, their music, their worship change. Suddenly the "rock" of faith – the unwavering, unquestionable solid faith that was practiced throughout the entire globe in one language, with one Mass, with the same worship on any given day in any Church on the planet, went away. From the pulpits, in classrooms, and in auditoriums, it was literally out with the old, and in with the new.

REVIEW OF LITERATURE

Seidler (1986) introduced the concept of "Contested Accommodation" in an attempt to describe the contemporary situation confronting the Catholic Church. "Contested accommodation" implies a set of processes whereby the changes occurred. These include evolutionary updating, religious reconstruction, and power concentration, (p. 847). This implies again the secular influences upon contemporary church teaching. Identifying several brands of ideological reconstruction, all vying for ascendancy within Catholicism, Seidler (1986) saw these as groups in a state of conflict. The most prominent group sees Vatican II as the remedy to an outdated church. Other reconstructions include "Traditionalist Catholicism, whose ideal Church is that espoused at the Council of Trent," and "Charismatic Catholicism, which encourages liturgical reform via Pentecostalism and communal living." Another is "political Catholicism," marked by activism, and even an "anti-institutional Catholicism," which is, "accommodating to the contemporary scene," (p. 865).

This secularized, "new" catholic church (some would write "catholic" church) has shown lack of direction and uniformity of message. Wilde (2000)'s examination of the Catholic Annulment post-Vatican II issue fails to consider the reformulation of that which is "Catholic;" the belief-set of the people reformulated (explored more fully in Table 3) along with a "changed institutional operations manual" in the form of revised codes of Canon law and other ecclesial edicts. That the message of what is "Catholic" became confused and in combat with each other, with differing belief-sets in conflict as discussed by Seidler (1986). This conflict of sparring groups vying for influence and control would not have taken root before Vatican II. Indeed, when the Catholic Church abandoned over 1900 years of tradition and belief, acknowledging only the new beliefs and new rules of Vatican II and beyond, was that which was created was a new church? If it is a new church, then the foundation of Wilde's (2000) argument is flawed, in that there is not a shift in demand, and a shift in marketing, but a totally *new formulation* of the institution and of the consumer base that remained.

RESEARCH QUESTION

Is the post-Vatican II era church really the same church that existed before Vatican II?

NEW COKE / NEW CHURCH MANAGEMENT MALFUNCTION SIMILARITIES

The changes in the Catholic Church's belief-set, redefining sins, morality, rules of conduct and beliefs provided a "New Church" or in business terms, a new product, albeit a new "Catholic" product much like the Coca-Cola company introduced a product called "New Coke. Academic writers in the aftermath of the strategic management blunder by the Coca-Cola company have taken may tracts analyzing the failure. The Catholic Church made many of the same "New Coke" mistakes; unlike the Coca-Cola company, the church has not shifted away from its' own version of New Coke: Vatican II.

To better understand the "New Coke" issue, a brief review of the literature identifies several perspectives. Schindler (1992) explored the issue of the, "reliability of focus groups to predict the effects of social influence," (p.22). "The embarrassing failure of Coca-Cola's attempt to change the flavor of its flagship brand has become a textbook case of how market research can fail. The lesson usually drawn is that Coke's researchers asked respondents the wrong questions. However, a careful examination of the events surrounding the reformulation attempt suggests an alternative explanation: that the error resulted from the standard market research practice of considering focus groups to be only a form of preliminary research and not appreciating their unique ability to predict the effects of social influence," (p.22).

Ringold (1988, p. 189) explored the initial acceptance of and declining acceptance of New Coke, and the ultimate re-emergence of the old Coke formula, illustrating the move by Coke as a management miscalculation and reversal. Crainer (1999) identifies "The 50 Best Management Saves," with the idea that a "great save" is a situation that can be involved in saving a company. One of these is the New Coke fiasco. "Coca-Cola chief Roberto Goizueta was not afraid to admit that changing the famous Coke formula wasn't perhaps such a great idea. In the face of escalating consumer complaints, he reintroduced the old Coke formula as Classic Coke and put the fizz back in Coca-Cola's sales figures. Terrible decision; great save" (para. 2). He called that an internal turnaround, in which a disaster or failure is acknowledged and fixed, and then lessons are learned. Coca-Cola's former Chief Roberto Goizuet was not afraid to admit that New Coke was a fiasco. He quickly reintroduced the old formula. Harrison & Pelletier (1997) wrote about the New Coke/Old Coke in terms of management behavior that results in something other than success. When Coca Cola recognized that its reformulation was a failure, it did a reversal and reintroduced their old formula. That move provided a rebound for Coca-Cola, and a recapture of market position.

The Catholic Church has not set-aside the formula of Vatican II, and its loss of "market share" has been dramatic. Table 2 illustrates a "bedrock shift' in the faith, with declines in all necessary indicators. Table 3 shows that the inconsistent messages from Church authorities has had its effect, with the number of Catholics accepting core precepts of the faith at very low levels.

In 1984, Cardinal Joseph Ratzinger (now Pope Benedict XVI) while serving as prefect of the Congregation for the Doctrine of the Faith in Rome, said, "Certainly the results (of Vatican II) seem cruelly opposed to the expectations of everyone, beginning with those of Pope John XXIII and then of Pope Paul VI: expected was a new Catholic unity and instead we have been exposed to dissention which, to use the words of Pope Paul VI, seems to have gone from self-criticism to self-destruction. Expected was a new enthusiasm, and many wound up discouraged and bored" (Jones, 2002, p.7).

Jones (2003) documents that Catholic marriages have fallen in number by one-third since 1965 (p. 68). Thus, the number even wanting the "show" of a classic Catholic Church wedding has fallen. The Catholic wedding; the start of a traditional Catholic family with Catholic values, has dwindled in contrast to the allure of secular options. The annual number of annulments has soared from 338 in 1968 to 50,498 in 2002" (p. 70). These statistics indicate an immense change in the life of Catholics triggering an annulment explosion.

There is an exception to this shrinkage: Traditionalist or Traditional-like religious orders are attracting new vocations. This return to tradition can take several forms, as identified by Finke (1997), who found strong support for the belief that when "when religious orders limit nongroup activities (by supporting the traditional demands of membership) they are more successful in recruiting new members." (p. 218) He "use[s] the activities of recently formed religious orders to illustrate how religious movements make innovative returns to tradition," (p. 218). Traditional or traditional-type religious orders, which have structure, community and tradition are gaining recruits. They include traditional symbols (for nuns) of returning to the habit. Finkle (1997, Concluson sect.) summarizes, "A growing number of scholars have recognized that when religious orders blend in, they fade away." Finkle cites Wittberg (1994, p. 49) "historically and currently, those orders that have retained distinctive charisma based on some particular spiritual emphasis have been the most successful in avoiding the periodic extinctions that have afflicted religious communities." Finkle cites DiIanni (1993, p. 747) who found orders that "have assimilated religious life more closely to that of the laity, and have lost a clear sense of purpose are attracting fewer candidates." Stark & Finke (2000, p. 125) reinforce Finkle (1997) by stating how, "in some orders and dioceses, a return to tradition has led many young Catholics to once again find the religious life attractive, as is demonstrated by data on ordinations and on the growth of religious orders." Considering the timeless words of Plato *"If something is truly known, it is known forever; it cannot turn out to be false tomorrow*, (Stangroom & Garvey 2006, p. 14), one cannot expect stability of the faithful when the message of the church leaders is so unstable

Considering the research question:

Is the post-Vatican II era church really the same church that existed before Vatican II?

Much like "New Coke" was not the same formulation as "old" Coke, the new product - the church of the Vatican II era is NOT the same church as the Catholic Church as it existed prior to Vatican II. Like there was "New Coke" to replace "Coke," there was the "Renewal and reform of Vatican II" to replace the church that existed before it.

The reaction among consumers following the introduction of New Coke was abandonment of the product. The reaction among the Catholic Church's "consumers" following the introduction of Vatican II has been abandonment of the product. The similarities are clear.

Coca-Cola's management in short order ditched the new formulation of Coke and returned to "Coke Classic," thus returning to the successful product formulation. The Catholic Church's response to the dwindling numbers of vocations and people in the pews, has been to stick to the new formula despite the failures.

The actions of Coca-Cola's management have been lauded as one of the great saves in Management history. The actions of the Vatican since Vatican II," despite Cardinal Ratzinger's words that the church is like a boat with water coming in on all sides, is to maintain the status quo.

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SUCCESSFUL TECHNOLOGY TRANSFER - EMPIRICAL FINDINGS OF FOUR STUDIES

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ABSTRACT

This article presents the findings of four complementary pieces of empirically validated research, on how effective technology transfer takes place. Three took place in the United States and one in Yemen. These studies offer specific prescriptions regarding how a leader can be successful in implementing a technology transformation process within an organization. The first study analyzed 17 organizations, and constructed a profile of general managers who made a good technology replacement decision, as well as factors involved in the successful decision-making process. The second concentrated on characteristics of firms that had made a successful technology transfer, based on responses from 45 Yemeni firms. The third study sketched the role of strategic leadership and leadership behaviors based on 59 United States R&D firms. The fourth study focused on the skills and behaviors of 73 top managers in high-technology firms, who collaborated with an internal expert in making a strategic decision to insure continued successful technology leadership.

ECONOMIC ACTION IN SOCIAL COLLECTIVITIES

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ABSTRACT

This paper argues that economic action is affected by the embeddedness of economic actors in social collectivities in which collective practice is institutionalised. Supporting this argument are two micro-sociological qualitative field studies of economic action of Danish subcontractors in two regions of Denmark. Based on the data-analysis a framework is constructed to explain how and why these subcontractors learn from collective practice. The explanation draws on the practice-approach of symbolic interactionism in particular. The ongoing academic debate on governance structures has focused on national and sectoral governance structures. While this paper acknowledges its important contribution to our understanding of contextual economics, its explicit micro level analysis of the role of institutionalised practice for economic action offers a set of additional and alternative explanations of economic action to recent research on governance structures. The paper has potential interest to all scholars and practitioners interested in the link between economic- and social action and to those interested in explaining issues of strategic management from a sociological point of view.

SEARCHING FOR STRATEGIC OPPORTUNITIES

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ABSTRACT

Early in 2005 the School of Business initiated a strategic planning process with the goal of formulating a new strategy that drives curricula development. The impetus for the initiative was the realization that the needs of traditional changed and the number of non-traditional students was increasing and becoming a more important user of the school's services. The study followed a traditional model for creating a strategic planning process with the goal of developing a strategic plan. This study focused on developing a process for collecting useful information about other schools. The objective was to learn how other schools chose to respond to market trends to assist us in preparing our own strategic plan. Twenty schools were examined, private and public, large and small, in-state and out-of-state schools. A series of hypotheses were developed. What the study revealed was that all schools varied in the extent to which different types of academic programs were offered. However, the larger the school the more varied the range of offerings, schedule variety, delivery options and location of services. Small schools were more selective in their approach, as predicted. The findings gave impetus to the strategic planning process in helping us to selectively target the type of actions required to meet the needs of students. Furthermore, we learned that schools of our size serve as a useful benchmark in helping us to assess our own actions in responding to the competitive challenges of the higher education marketplace.

A SIMPLE MEASURE FOR THE MILES & SNOW STRATEGY GROUPS

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ABSTRACT

The paper presents a simple measure for the Miles and Snow (1978) strategic groups. A four-item scale is presented using ratings from one to seven. The four measurement items refer to the basic definitions of the strategic groups and these definitions are normally described in four areas: (1) aggressive or passive, (2) focused or unfocused, (3) planner or reactor, and (4) doer or thinker. The responding firms, from four industrial classifications, are clustered into groups using the k-means procedure of SPSS. A stress test reveals four strategic groups, as hoped. A profile of the four groups across the four measurement items indicates, when compared to theoretical expectations, the cluster analysis to be a valid measure of Miles & Snow strategy in this sample.

INTRODUCTION

A common and useful conceptualization of business strategy put forward by Miles and Snow (1978) focuses on a firm's strategic environmental adaptation or aggressiveness towards the market. Much research over the years has investigated differences among the four strategic types regarding a variety of internal factors, including innovation, management characteristics, organizational performance, and organizational design. The outlined Defender, Analyzer, Reactor, and Prospector strategies are suggested to be distinct in their actions, with each group enacting consistent decisions and activities across a variety of organizational areas (c.f. Aragon-Sanchez et al 2005, Slater and Narver 1993, Doty et al 1993, Conant et al 1990, Shortell and Zajac 1990). Recent studies have supported and extended the findings of earlier works regarding Miles and Snow's typology (Moore 2005, Brunk 2003, DeSarbo et al 2005).

However, measurement of the typology is not as convenient and can be hampered by many types of errors leading to misclassifications (c.f. Shortell and Zajac 1990). Additionally, the measures used oftentimes are cumbersome and take up valuable space on a questionnaire. Thus, a more minimal measure might be useful, allowing more concise and simpler, yet valid, classifications of business into the groups. The purpose of this study is address the measurement of the Miles and Snow typology, presenting a simple scale which can be validated from theoretical expectations after clustering firms into groups. The author uses a sample of managers from industrial companies across four industrial groupings to investigate these relationships.

THE MILES AND SNOW STRATEGIC ORIENTATIONS

Miles and Snow (1978) introduced a typology which purported to classify the strategic orientation of firms based on specific strategic actions. Firms within any industry could be classified into one of four groups as Prospectors, Defenders, Analyzers, or Reactors. Firms are classified into the first three strategic types if they have a formal and implied strategic orientation and as Reactors if they do not have a formalized strategic orientation. Zahra and Pearce (1990) summarize the four types: "It is sufficient here to observe that Defenders emphasize a narrow domain by controlling secure (and often premium) niches in their industries. They engage in little or no product/market development and stress efficiency of operations. Prospectors constitute the other end of the continuum, constantly seeking new opportunities and initiating product development. Analyzers exhibit characteristics of both Defenders and Prospectors. Finally, Reactors do not follow a conscious or consistent strategy and are viewed as a dysfunctional organizational type". Most of these ideas have held up in research into a variety of industries over the years. It is noteworthy that the four strategy types are named after the single defining dimension for each. These names are misleading, in that the strategy types may have many similarities across other relevant dimensions. After all, each business is an ongoing and presumably successful business, regardless of the strategy.

In more detail, the following might describe each strategy. Defenders generally attempt to locate and maintain a secure niche in a relatively stable market environment. They try to protect their markets by offering high-quality, well-target products, while not often being at the forefront of industry developments. They are focused, rather than unfocused in their efforts. Prospectors typically concentrate on many diverse markets in which they periodically help to redefine. They value being first-in with new products or in new markets, even when these efforts are not highly profitable initially. They generally respond rapidly to most new opportunities. They are aggressive, rather than passive, in their efforts. Analyzers generally attempt to maintain a stable and secure position in the market while, at the same time, moving quickly to follow new developments in the industry. They are seldom first-in with new services or into new markets, but are often second-in with better offerings. They emphasize longer-term planning and much thought about decisions prior to action in most instances. They are planners or thinkers, rather than reactors or doers, in their efforts. Reactors are said to have an inconsistent approach to their markets, oftentimes being indecisive. They are rarely aggressive in attacking new opportunities or to defend current markets. Rather, they take action mostly when pressured to by outside forces, such as the economy, competitors, or market pressures. They will most likely spend much time thinking about a decision prior to acting, even though little long term planning is evident. Thus, they are not planners or doers, but rather reactive and thinkers by necessity.

INDUSTRY/SAMPLE DESCRIPTION

The sampling frame includes both consumer and industrial products firms from four randomly selected industrial classification groups across the United States. A systematic sample of three hundred from each, twelve hundred total, is drawn from four groups: (1) food and kindred products, (2) textile mill products, (3) primary metal industries, and (4) miscellaneous manufacturing. A single mailing is directed towards the chief executive officer in each of the selected firms. A personalized cover letter, a two-page questionnaire, and a self-addressed stamped return envelope are sent to each executive. Of those responding, eighty one percent are either chief executives or owners, while the remainders are mostly functional managers.

This procedure yielded 141 total responses: a 12.2% response rate. The breakdown of the respondents by industrial groups is as follows: (1) food and kindred products: 26.6%, (2) textile mill products: 22.6%, (3) primary metal industries: 27.4%, and (4) miscellaneous manufacturing: 23.4%. A Chi-squared test of the respondents versus the sampling frame indicates that the responding firms are evenly distributed across the four industrial groups (Chi-sq = 0.84, d.f. = 3, $p < .80$). Additionally, an analysis of variance is performed to determine if the respondents the various SIC groups differ by firm size. Neither annual sales ($p<.15$) or number of employees ($p< 20$) are significant. Thus, there appears to be no group bias, with the sample representing a cross-section of industrial and consumer products firms in their respective industries.

THE MEASURE AND CLUSTERING

The Miles & Snow strategy typology (STRATOR) is measured using four questions related to the main description of each strategy type. The respondents are then classified into groups using k-means cluster analysis. The respondents are asked to rate the four questionnaire items on a scale from [1] strongly disagree to [7] strongly agree in regards the efforts of their firm in the marketplace. The four items are derived from the general descriptions of the strategy types. The four scale items are: (s1) the search for new opportunities drives our firm, (s2) we generally defend a secure niche in the marketplace, (s3) our strategies are often short-term reactions to the market, and (s4) we analyze every situation prior to taking action.

S1 is suggested to be an Aggressive-Passive (A or P) dichotomy. Aggressive firms are the leaders in entering and developing markets and products. We would expect Prospectors and Analyzers to be the more Aggressive firms, while Defenders and Reactors to be Passive firms. S2 is a Focused-Unfocused (F or U) dichotomy. We might expect Defenders, Prospectors, and Analyzer firms to be Focused, while Reactors should be Unfocused. S3 is a Planner-Reactor (P or R) dichotomy. We would expect Analyzers and Defenders to be the Planners, taking the steps necessary to organize the efforts of the firm over the longer term. The Reactors and Prospectors are otherwise more likely to be Reactors, but for different reasons. Prospectors act quickly towards market changes and opportunities, with long-term planning not really possible in many instances. On the other hand, Reactors only take action when forced to do so. S4 is a Doer-Thinker (D or T) dichotomy. We would expect Prospectors to be firms of action, the Doers. Analyzers and Defenders should be Thinkers, taking time to sort out a decision. Reactors might also be Thinkers, being slow in making a decision even though speed may be necessary. Therefore, on the four scale items, the following is expected: Prospector firms will have an A-F-R-D profile, Analyzer firms will show an A-F-P-T profile, and Defenders should exhibit a P-F-P-T profile, while Reactor firms will have P-U-R-T profile.

The maximum number of groups to be derived from a k-means cluster analysis is the minimum of either the sample size (n=141) or the number of items used for clustering (i=4). Thus, the number of strategy groups must be four or less. In order to determine the appropriate number of groups, an indicator of stress is used: in this case, the average minimum absolute distance of all firms to the cluster means for those solutions which converged. The stress levels for each number of clusters follows: (a) for two groups: d2=2.45, (b) for three groups: d3=2.23, and (c) for four groups: d4=2.08. Therefore, as all solutions converged, the appropriate number of strategy groups, based on minimum distance, is four. Assigning each firm to strategy groups, based on minimum distances to the cluster means, results in the following number of firms within the strategic orientations: 26% are Prospectors (35/133), 26% are Analyzers (35/133), 18% are Reactors (24/133), and 29% are Defenders.

In justifying the measurement of the strategic orientation of the firms, it was noted that not all firms would perfectly match the theoretical definitions. To determine if the clustering method results in valid classifications, it is necessary to profile and describe each of the four strategy groups on the four items used to cluster, the dichotomies. Table 1 shows the strategy profile of each group for the clustering variables. As indicated, Prospectors are aggressive/focused/reactive/doers (A-F-R-D), as expected. Analyzers are aggressive/focused/planners/thinkers (A-F-P-T), as expected. Reactors are passive/unfocused/reactive/thinkers (P-U-R-T), as expected. Finally, Defenders are passive/focused/planners/doers (P-F-P-T), showing one dimension not as expected. Defenders were expected to be thinkers, not doers. However the rest of the profile is as expected. Note also, that the primary characteristic for each group is also the highest rating or second highest for each variable. Therefore, the clustering scheme appears to classify firms into the appropriate groups, offering a valid indicator of strategic orientation.

Table 1: Strategic Group/Cluster Means					
ITEMS / STRATOR	Pros	Anal	Reac	Defe	average
s1: Passive-Aggressive	5.6 A	5.9 A	2.7 P	4.4 P	4.8 A
s2: Unfocused-Focused	5.5 F	6.4 F	4.3 U	5.5 F	5.5 F
s3. Planner-Reactor	5.5 R	2.9 P	5.2 R	2.5 P	3.9 P
s4. Doer-Thinker	4.5 D	5.9 T	4.7 T	3.9 D	4.7 T

DISCUSSION/IMPLICATIONS

Although self-classification is probably the most common measurement method, and expert classification is also used by some, assigning firms to groups based on a variety of descriptors, as does this study, may have advantages over the other methods (c.f. McKee et al 1989, Smith et al 1989, Hambrick 1983). The major limitation in the self-classification method commonly used is derived from the nature of the classification itself: firms must be classified into one of the four groups, even though they may not share all of the requisite characteristics with the definition their specific strategy type. Therefore, the application in this study of the descriptors-followed-by-clustering method is appropriate and more realistic because it allows firms to deviate from the pure definition, while still leading to well-differentiated groups that represent each of the four major strategy types: Analyzers, Defenders, Prospectors, and Reactors.

This clustering method accepts that the four strategy types will have commonalities and differences across the measurement items (and other factors not measured, as well). In fact, there are really sixteen possible strategic groups based on the proposed method: two possibilities in each of four items (24) if the responses to each item are dichotomized (i.e. aggressive vs. passive, etc.). However, this approach was not used, but might be another viable method of utilizing the four-item scale. For example, it is possible for aggressive firms to be focused or unfocused and planners or reactors along with either doers or thinkers. Thus, a more realistic, and unforced, grouping of businesses into strategic groups is possible, allowing more detailed description of each strategy than might be possible with other methods of measurement.

Normally, some type of post-clustering validation is utilized. However, this study used a different type of post-grouping validation: comparison of the derived clusters with the theoretical expectations for each group. In this process, if the derived clusters are found to be contrary to expectations, then the groupings can be questioned as invalid. However, the groupings in this study are found to be nearly a perfect match to theoretical expectations. Thus, the clustering method appears valid within the context of this study.

CONCLUSIONS/LIMITATIONS

The paper presents a concise measure for the Miles and Snow (1978) strategic groups which can be utilized in multiple ways to group firms by business strategy. A four-item measure is presented, with respondents rating their firms on each scale item from one to seven. The four measurement items are derived from the basic theoretical definitions of the strategic groups and these definitions are normally described in four areas: (1) aggressive or passive, (2) focused or unfocused, (3) planner or reactor, and (4) doer or thinker. The responding firms, from four industrial classifications, are clustered into groups using the k-means procedure of SPSS. A stress test reveals four strategic groups, as hoped. A profile of the four groups across the four measurement items indicates, when compared to theoretical expectations, the cluster analysis to be a valid measure of Miles & Snow strategy in this sample. The statistics reveal that industrial firms utilize a variety of strategic orientations, but the Reactor firms are the smallest in number while Defender firms the largest in number. However, the method produces nearly equal numbers of Defenders, Analyzers, and Prospectors in this study: a not unlikely result.

Caution should be used when generalizing this study to other firms, whether in products or services industries. A major limitation might be the single-shot measurement of strategy. Hatten et al (2004) find that the effects of strategies evolve over time and that it is the implementation of the strategy which is truly important, rather than the classification of the strategic type. Additionally, one is cautioned about applying the conclusions to international venues, outside of the USA. Stremersch and Tellis (2004) suggest that successful strategies differ from country to country.

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