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STRATEGIC MANAGEMENT IN MASS CUSTOMIZATION ENTERPRISES IN GERMANY AND RUSSIA - AN EMPIRICAL BASED SPOTLIGHT ON STRATEGY PROCESS AND FLEXIBILITY

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ABSTRACT

Mass Customization enterprises have, due to the complexity of their hybrid competitive strategy, a strong need for strategic competence (e.g. handling of strategic control or strategic processes). Consequently, developing and implementing a hybrid competitive strategy, especially a mass customization strategy (MC), is a major challenge for the Top-Management of these enterprises.

But what does appropriate strategic management require, how shall the management be shaped? How can strategic process be configured? And, has the kind of strategy (MC versus generic strategy) an effect on strategic flexibility? In order to answer these questions, this essay explores links between strategy content and strategy process, which can be conceived of as the main objects of the strategic management in enterprises.

The empirical basis provided by a comparative survey of German and Russian enterprises, which is presented in this paper. After sorting out enterprises, which pursue generic and hybrid strategies, we will identify users of Mass Customization. For the further analysis we have a MC and a control group to explore different characteristics with regard to strategic process and strategic flexibility.

1. INTRODUCTION TO STRATEGIC MANAGEMENT

The main goal of strategic management as a task of the top management of a firm is achieving a consistent fit between external and internal objects. Without strategic management it is impossible to exploit current and to explore future strategic potentials of the enterprise.

Strategic management can be described as process aimed at planning and implementing strategies (Welge/Al-Laham 2001, p. 19). Thus strategic management consists of a content oriented part as well as of a process oriented part. Strategy can be defined as the central instrument of a firm to reach strategic goals. In fact, strategic management means proceeding external as well as internal strategic information and knowledge. Scientific research on strategic management is typically divided in two main streams. On the one hand the study of strategy content and on the other hand research on strategy process (Hoskisson/Hitt/Wan 1999).

Strategic content research differentiates corporate, competitive and functional strategies. Corporate strategies are mostly used if the enterprise has various strategic business units. The task of corporate strategy is to coordinate and to optimize those units, with a view to accomplishing the strategic goals of the firm and to follow several

competitive strategies. Thus the competitive strategy is used on the stage of business units. At this level the firm has the closest relation to the market and, consequently, to its customers. Competitive strategies should contain the way in which the firm tries to achieve a competitive advantage. Functional strategies formulate ways to manage separate functional tasks.

2. STRATEGIC CONTENT

2.1 Hybrid strategies

For a long time, content research aimed at identifying and describing superior competitive strategies. A broad amount of classifications appeared (e. g. Buzell et. al. 1975, Hofer/Schendel 1978, Miles/Snow 1978, Abell 1980) in the discussion. The most popular of this classification was developed by Porter 1980, who distinguished cost leadership from differentiated strategies (besides the focus in a niche in market segments).

According to Porter, enterprises should focus on one of these strategies in order to achieve a sustainable competitive advantage (generic strategies). If an enterprise is “stuck in the middle” (e.g. did not follow a generic strategy), this means that a middle market share causes a middle or low return on investment. Porter argued that “achieving cost leadership and differentiation are usually inconsistent, because differentiation is usually costly” (Porter 1985, p. 18).

Several studies contradicted Porters taxonomy and proved the superior performance of non generic strategies (e. g. Miller/Dess 1993). As alternatives, especially concepts of hybrid strategies were developed. Besides these simultaneous hybrid strategies, sequential operating strategies were formulated. Classical hybrid strategies argue that a competitive advantage can be achieved by striving simultaneously for cost and differentiated goals (Hill 1988, Miller 1992).

Despite the critique on Porters’ paradigm, his generic taxonomy was the basis for the development of hybrid strategies. Within the scientific discussions, different concepts of hybrid strategies can be differentiated. The most popular kinds of hybrid strategies are strategies of variety, strategies of quality and strategies of innovation, which are based on particular economies of scope, quality and speed (Fleck 1995). All of these concepts are based on the assumption that cost goals can be achieved by increasing variety, quality and the speed of innovation.

2.2 Mass Customization Strategies

Mass customization strategies (MC) were founded on the mind set of the model of economics of scope (especially mass customization models which use

modularisation). Further research on mass customization strategies shaped a special kind of hybrid strategies. Mass customization strategies (MC-strategies) advocate the simultaneous achieving of cost and individual goals as main objectives of the competitive strategy. In fact, the competitiveness of MC-strategies originates in the economies of meeting individual needs. Thus the competitive advantage can be described as competence to deliver customized products or services for the price of a standardized good.

MC strategies are more complex than generic ones because of their multi orientated strategic goals. This causes a special challenge for the top management team which has to balance the cost and a high potential of variety of products and services inside the firm. This complex internal configuration has to adjust to external strategic objects like customer needs, suppliers, competitors and other stakeholders or influences. It can be assumed that achieving a strategic fit between internal and external strategic objects is in MC enterprises more complicated than in Non-MC enterprises.

3. STRATEGY PROCESSES OF MASS CUSTOMIZATION ENTERPRISES

3.1 Relations between content and process

Besides the content orientated difficulties of the realisation of MC strategies there is the question of conditions to run the strategic process successful. Within the MC research community strategic management is a minority subject of interest. Especially the topic of strategic processes of MC strategies can be seen as a neglected field. As described above MC strategies are more complex than generic ones. Thus it can be assumed that MC enterprises have a different pattern of strategy processes than Non-MC firms.

After the separation of the two research branches within the strategic management, researchers were rarely thinking about linkages between strategy content and process (Richter/Schmidt 2005). But it can be assumed that there are several interdependent relations between those objects of strategic management.

Thus a presumption is that the history of strategic management in the firm influences the current behaviour. Former strategic content affects the execution of current strategic processes in different ways. If strategy has an impact on structure then former strategic content influenced the current structure of processes. For instance, if the firm ran a generic strategy with appropriate processes over a long period of time, then the enterprise has a special kind resp. experience to run strategic processes (Sanchez/Heene/Thomas 1996).

On the other hand, former strategy processes can have an effect on the quality of strategy content because a deficient process can hardly create an appropriate strategy. So the knowledge stock of strategy content and process in the beginning of a new strategy circle has strong influences on the prospective strategic management of the enterprise (Grant 1996, Dierickx/Cool 1989). Content and processes have not only logical relations over time. In the current strategy circle the two strategic objects have also interdependencies.

3.2 Characteristics of strategy process in Mass Customization enterprises

The assumption of a special relation between strategy content and process will be analysed in the context of mass customization strategies. There are different understandings of the strategy process. On the one hand the classical concept of rational process planning exist (Ansoff 1965). This school assumes the process consisting of the phases of analyzing, implementing and control. All information is given in the analyzing phase and there is no necessity to renew information. The counter movement to the classical school is the incremental school: Mintzberg (1991) assumed that enterprises plan and proceed strategic processes in a step by step way. New information is acquired when it is needed. Actually, at the beginning of the process a master plan does not exist at all. The intended strategy may change during the process. The pattern of strategic behaviour is developing permanently.

Against this background, the first question seems to be whether enterprises follow rather the incremental or the rational way of running strategic processes. Which phases does the strategic process of MC and Non-MC enterprises consist of, and how long does the proceeding of the phases take? Are there differences caused by the strategic content?

The next variable regards the completeness of the competitive strategy. Does the strategy statement contain the market scope, the resources, the competitive advantage and synergy effects (Welge/Al-Laham 2001, p. 19)? Due to the complexity of MC strategies, it can be assumed that hybrid strategies have more statements respectively content items than Non-MC ones, because MC enterprises have a greater need to plan their strategies completely and can not afford gaps threatening the sensitive fit between the strategic objects.

A main variable in survey processes is the specialization of the people who run the process (Al-Laham 1997, p. 274). The question is who takes part in the phases of analyzing, implementing and control of the strategy. On the one hand the

amount of employees affects the specialization. On the other hand we assume that the strategy content has a special effect on the division on labour.

Actually every enterprise has the task to plan, coordinate and to control the activities to achieve strategic goals. The commitment for and the understanding of strategic plans has a main effect on the success of the strategy. So the presumption is that employees in MC enterprises need a greater understanding of the intended strategy because all functional areas have more interdependencies within the firm. The management tasks like planning, implementing and control the process are proceed by more people – who are not always part of to top management team.

Furthermore the degree of formalisation can be seen as a description of processes (Al-Laham 1997, p. 274). Usually processes were described by special procedures which contain particular tasks, people in charge, milestones and deadlines. Are there differences between MC and Non-MC enterprises with regard to the availability of process descriptions? It can be assumed that MC enterprises have marked descriptions for their processes because of the greater need of an appropriate controlling in strategic processes.

How can reliable strategic processes in MC enterprises be compared with processes of generic strategies? Can it be assumed that the running of processes in MC enterprises is more stable? If we assume that the formalization in MC enterprises is marked than in Non-MC ones the reliability of running processes is higher.

4. STRATEGIC FLEXIBILITY

Strategic flexibility is a basic goal of every firm which is interested in long range survival. The degree of strategic flexibility depends on the need and the potential of flexibility during the whole strategic process. Strategic flexibility can be seen as a result of the ability of the firm to coordinate different needs and potentials of flexibility. Actually that is the task of strategy as the main coordination instrument for strategic controlling. If strategic objects shift or are changing, strategic management has to (re)act.

Strategic flexibility is the ability to adjust in a reactive and proactive way the configuration of strategic internal and external subjects in a market adequate amount and speed in respect to the need of changing the intended strategy. There are different concepts to survey strategic flexibility (e. g. Janssen1997). That paper focus on the role of strategic management (especially strategic content and process) to achieve an appropriate strategic flexibility.

The main assumption is that MC strategies have a higher potential of strategic flexibility. The concept of MC strategies gives reasons for an inbuilt flexibility. If cost and differentiation goals are not generic, then both dimensions can be understood as a two-dimensional space. If there is a need to shift the competitive position on the market (because of, for instance, changing customer needs in respect to quality or price), MC enterprises have greater experience and ability to handle the problem because they have a broader understanding of how to manage different goals simultaneously.

Besides the advantage in respect to the amount of flexibility, it can be assumed that the speed to realise flexibility is higher than in Non-MC enterprises. The dimensions amount and speed of flexibility have a strong correlation. The need of changing the strategic configuration in respect of the content is bounded on a special time slot. Enterprises may have the ability to change strategy content – but not in an appropriate time. Thus both dimension have to be considered together.

5. STUDY DESIGN

The following sample was collected on a survey in summer and autumn 2006 in German and Russian enterprises. Mainly Managers from the top management team (TMT) were asked in a questionnaire about the strategic behaviour of their firm. There was not a focus on a special sector, because MC strategies are pursued in all branches.

In the end, 403 German and 159 Russian firms completed the questionnaire. Out of this main sample those enterprises were selected which use mass customization strategies. To be selected, cost and individual strategic goals had to be achieved simultaneously at the competitive strategy level.

In Germany 75 firms were identified as following a MC strategy (MCD data set), in Russia 39 firms were similarly classified (MCR data set). To increase the comparability with Non-MC firms, control samples were created for both countries (CD = control group Germany, CR = control group Russia). The control samples contain the same number of firms. Furthermore, the allocation with regard to the number of employees is the same in the MC and in the control samples. AD (Germany) and AR (Russia) are samples which contains the remaining data sets of Non-MC enterprises for a further comparison. All data are expressed in % (absent percentage up to 100 % were not answered).

6. DISCUSSION OF RESULTS

6.1 Length of strategic phases

As table 1 shows, MC enterprises have on average a greater need to renew their information about the external environment and the internal configuration in the phase of analysis (MCD average 2,93, MCR average 2,16). That effect is evident in German as well as in Russian MC enterprises. Only with regard to analysis that is needed more frequently than every twelve months, MC enterprises in both countries have a greater proportional share.

Over two thirds of Russian MC enterprises analyse external and internal strategic objects every four months or more frequently. The Russian control group comprise in that part 38 % only. In comparison with the German sample all Russian groups feature a greater frequency of analysing phases.

Table 1

| Phases of strategy process: Analysis of business environment and internal objects (%) | | | | | | |
|---|----------------|-------|------------------------|-------|-----------------------|-------|
| | MC Enterprises | | Control group (Non-MC) | | All Non-MC p. country | |
| | MCD | MCR | CD | CR | AD | AR |
| every 1-2 months = 1 | 14,67 | 35,90 | 10,14 | 22,50 | 13,90 | 32,08 |
| every 3-4 months = 2 | 24,00 | 30,77 | 20,29 | 17,50 | 18,86 | 24,53 |
| every 5-6 months = 3 | 20,00 | 12,82 | 23,19 | 15,00 | 24,81 | 18,87 |
| every 7-12 months = 4 | 14,67 | 7,69 | 33,33 | 25,00 | 22,33 | 13,84 |
| more than 12 months = 5 | 16,00 | 7,69 | 8,70 | 2,50 | 14,14 | 3,14 |

The next step after strategic analysis is the development of a strategy. It can be assumed that not every time a really new strategy was developed. It could also be a profound correction and not the end of whole management circle. But, in general, the development of a strategy is the next logical step after strategic analysis.

With regard to this phase of developing a strategy, there is obviously not only a difference between MC and Non-MC enterprises generally, but also a difference between German and Russian firms. German MC firms develop a strategy about every year (average MCD 4,02, control group CD 4,26).

Russian MC firms plan new strategies between every six and twelve months (average 3,57, control group 4,14). The high frequency of the Russian

enterprises could result from volatile markets and from a different understanding of the time horizon of strategies.

Table 2

| Phases of strategy process: Development of a strategy (%) | | | | | | |
|---|----------------|-------|------------------------|-------|-----------------------|-------|
| | MC Enterprises | | Control group (Non-MC) | | All Non-MC p. country | |
| | MCD | MCR | CD | CR | AD | AR |
| every 1-2 months = 1 | 1,33 | 7,69 | 0,00 | 0,00 | 0,74 | 1,26 |
| every 3-4 months = 2 | 5,33 | 7,69 | 8,70 | 10,00 | 7,44 | 11,32 |
| every 5-6 months = 3 | 17,33 | 23,08 | 10,14 | 10,00 | 11,41 | 15,72 |
| every 7-12 months = 4 | 29,33 | 35,90 | 24,64 | 25,00 | 29,53 | 28,93 |
| more than 12 months = 5 | 33,33 | 20,51 | 52,17 | 42,50 | 44,67 | 35,85 |

The third principal phase of the strategic process is that of controlling a strategy. This phase is in average more often proceeded in MC enterprises (MCD 2,83, MCR 2,58). Non-MC firms control

their strategies – in Germany like in Russia – every 6 to 12 months. But the deviation within Russian samples is greater than Germany.

Table 3

| Phases of strategy process: Control of strategy (%) | | | | | | |
|---|----------------|-------|------------------------|-------|-----------------------|-------|
| | MC Enterprises | | Control group (Non-MC) | | All Non-MC p. country | |
| | MCD | MCR | CD | CR | AD | AR |
| every 1-2 months = 1 | 12,00 | 28,21 | 5,80 | 2,50 | 8,68 | 15,72 |
| every 3-4 months = 2 | 22,67 | 20,51 | 24,64 | 27,50 | 26,80 | 26,42 |
| every 5-6 months = 3 | 28,00 | 17,95 | 24,64 | 17,50 | 27,05 | 23,90 |
| every 7-12 months = 4 | 16,00 | 25,64 | 26,09 | 25,00 | 21,84 | 20,13 |
| more than 12 months = 5 | 8,00 | 5,13 | 14,49 | 15,00 | 9,93 | 6,92 |

Focuses on main phases of strategy process MC enterprises tend to have shorter lengths of phases generally. The reason can be a bigger awareness of changing matters in the business environment and of internal strategic objects.

whether enterprises have written respectively formulated strategies at all. There are no significant differences between the samples. About 30 % of surveyed enterprises have no exactly formulated strategy.

There is no normative recommendation with regard to the length of strategic phases but MC enterprises have another understanding of the time horizon for their strategic management. Furthermore, the result can be interpreted in a way that those MC enterprises do not start a whole new strategic circle every time. They rather use an incremental way to run processes. Actually MC enterprises show a deep understanding of their strategies thus their behaviour should not be interpreted as an absence of a strategy or a muddling-through. It can rather be seen as a more open process for incorporating new influences during the whole strategic process.

A second indicator is the degree of completeness of a strategy, e.g how many parts of content were considered. The German MC enterprises tend to have less content items than the German Non-MC ones, but the difference is hardly significant. Within the Russian samples the differences are small as well (table 4). German enterprises consider more content items than Russian firms. About 61 % of the German MC enterprises and around 65 % of the Non-MC ones consider three or more items in their strategy (MCR about 33 %, CR 30 %). Russian enterprises do not have long-term experience in strategic management. Furthermore, the Russian mind set of strategy differs from the German one. Thus, as already mentioned above, the incremental process bears other characteristics in Russian firms.

6.2 Process variables

A structural variable of the strategic process regarding the content can be seen in the question,

Table 4

| Completeness of strategy (0 up to 5 strategic objects consider in the strategy) (%) | | | | | | |
|--|----------------|-------|------------------------|-------|-----------------------|-------|
| | MC Enterprises | | Control group (Non-MC) | | All Non-MC p. country | |
| | MCD | MCR | CD | CR | AD | AR |
| no content item = 1 | 4,00 | 2,56 | 0,00 | 2,50 | 2,48 | 3,77 |
| one content item = 2 | 6,67 | 7,69 | 5,80 | 15,00 | 8,93 | 14,47 |
| two content items = 3 | 28,00 | 56,41 | 28,99 | 42,50 | 32,51 | 47,17 |
| three content items = 4 | 32,00 | 20,51 | 31,88 | 20,00 | 30,77 | 23,27 |
| four content items = 5 | 29,33 | 12,82 | 33,33 | 10,00 | 25,31 | 11,32 |

With regard to the division of labour during the strategy process there are also more differences between the countries than between MC and Non-MC firms. As table 5 shows, about 60 % of the managers in German firms confirm that not only the top management team is involved in strategic management. Russian enterprises have a marked trend to hierarchy in relation to planning and Table 5

decision processes. Employees taking responsibility and tasks are not common. The hypothesis that MC enterprises have a different division of labour can only confirmed for German firms. Russian Non-MC enterprises tend to feature a less hierarchical structure than the MC ones.

| Which persons are involved in strategic planning, implementation and control? Only Top-Management? (%) | | | | | | |
|---|----------------|-------|------------------------|-------|-----------------------|-------|
| | MC Enterprises | | Control group (Non-MC) | | All Non-MC p. country | |
| | MCD | MCR | CD | CR | AD | AR |
| yes = 1 | 30,67 | 58,97 | 37,68 | 52,50 | 30,27 | 49,06 |
| no = 2 | 57,33 | 35,90 | 60,87 | 32,50 | 63,28 | 39,62 |

We assumed that MC enterprises have a greater level of formalization for running strategic processes. The samples can not confirm that hypothesis (table 6). Astonishingly, especially the German MC enterprises show a significantly lower degree of formalization than the control samples. Furthermore, Russian enterprises trend to have more detailed descriptions for running their processes. One explanation for these observations is that in Russian enterprises the high level of formalization ensures a rational process. To avoid

failure, all things have to be planned carefully before action is taken.

Furthermore, the German samples differ from each other, too. One fourth of the German MC enterprises have no special procedures for running strategic processes. And only 12 % have detailed descriptions for their processes. The absence of process procedures could be a condition for the incremental character of the process. Thus the incremental proceeding is realised by a low formalization in German MC enterprises.

Table 6

| Formalization: We have detailed descriptions for running strategic processes.... (%) | | | | | | |
|---|----------------|-------|------------------------|-------|-----------------------|-------|
| | MC Enterprises | | Control group (Non-MC) | | All Non-MC p. country | |
| | MCD | MCR | CD | CR | AD | AR |
| yes = 1 | 12,00 | 30,77 | 26,09 | 37,50 | 15,14 | 21,38 |
| partly = 2 | 53,33 | 41,03 | 63,77 | 35,00 | 45,41 | 39,62 |
| no = 3 | 25,33 | 28,21 | 10,14 | 17,50 | 34,49 | 33,96 |

The last variable to survey strategic processes comprises the reliability (see table 7). Even though Russian enterprises have a higher level of formalization, substantial delays in their processes appear to be more common. The process performance of the Russian MC enterprises is higher than the performance in Non-MC

companies. In Germany Non-MC firms declared to have fewer delays than MC ones. The reason for this difference can be seen in a lower degree of formalization in MC enterprises.

Table 7

| Reliability of process: Delay in running of strategic processes? (%) | | | | | | |
|--|----------------|-------|------------------------|-------|-----------------------|-------|
| | MC Enterprises | | Control group (Non-MC) | | All Non-MC p. country | |
| | MCD | MCR | CD | CR | AD | AR |
| always true = 1 | 6,67 | 43,59 | 7,25 | 42,50 | 8,44 | 30,19 |
| = 2 | 37,33 | 20,51 | 27,54 | 25,00 | 28,54 | 30,82 |
| = 3 | 30,67 | 20,51 | 40,58 | 7,50 | 35,98 | 16,98 |
| = 4 | 10,67 | 15,38 | 18,84 | 5,00 | 18,36 | 8,18 |
| never true = 5 | 2,67 | 0,00 | 4,35 | 5,00 | 3,23 | 6,29 |

6.3 Strategic Flexibility

As mentioned above the assumption is that MC enterprises are able to realise higher strategic flexibility than other firms. Table 8 shows the amount of strategic flexibility in relation to the possibility of price cut. It is evident that Russian as well as German MC-enterprises have a marked competence to realise price cuts if this seems necessary. In this respect, the assumption that MC enterprises are more flexible than Non-MC enterprises can be confirmed.

Especially Russian MC enterprises are able to react in that way. This could be explained by a higher

return on investment in Russian firms which act in the environment of a economy in transition. Usually the profit margins are higher because of the absence of a western level of competition. This allows Russian enterprises generally to cut prices sharper than Western European companies.

A reason for the greater ability to realise price cuts in MC enterprises might be that customers are still willing to pay for the customization of the product but the internal costs are equal to standard products. Thus the ability of price cuts also depends on the pricing strategy of the firm.

Table 8

| Strategic Flexibility: Amount of change, Possibility of price cut (%) | | | | | | |
|---|----------------|-------|------------------------|-------|-----------------------|-------|
| | MC Enterprises | | Control group (Non-MC) | | All Non-MC p. country | |
| | MCD | MCR | CD | CR | AD | AR |
| always true = 1 | 9,33 | 28,21 | 5,80 | 10,00 | 5,46 | 12,58 |
| = 2 | 28,00 | 20,51 | 21,74 | 25,00 | 17,87 | 23,90 |
| = 3 | 26,67 | 23,08 | 26,09 | 25,00 | 25,56 | 22,01 |
| = 4 | 21,33 | 15,38 | 31,88 | 17,50 | 31,02 | 22,01 |
| never true = 5 | 13,33 | 7,69 | 14,49 | 7,50 | 18,61 | 11,32 |

The second variable to survey strategic flexibility is shown in table 9. This variable focuses on the speed of changes of the strategic position on the market. There are also marked differences between MC and Non-MC enterprises. About 64 % (always true and true) of the German MC firms confirm that they are

faster in relation to their competitors if a strategic change is necessary (about 48 % in the German control group). The same trend is evident in Russia. But in Russia the differences between MC and Non-MC enterprises are less significant than in Germany.

Table 9

| Strategic Flexibility: Speed of change, Use of market possibilities (%) | | | | | | |
|---|----------------|-------|------------------------|-------|-----------------------|-------|
| | MC Enterprises | | Control group (Non-MC) | | All Non-MC p. country | |
| | MCD | MCR | CD | CR | AD | AR |
| always true = 1 | 13,33 | 17,95 | 7,25 | 10,00 | 14,14 | 19,50 |
| = 2 | 50,67 | 35,90 | 30,43 | 32,50 | 34,00 | 30,19 |
| = 3 | 30,67 | 17,95 | 47,83 | 30,00 | 40,69 | 27,04 |
| = 4 | 5,33 | 15,38 | 11,59 | 12,50 | 8,19 | 17,61 |
| never true = 5 | 0,00 | 7,69 | 0,00 | 2,50 | 2,23 | 3,14 |

7. CONCLUSIONS

The assumption of interdependencies between strategy content and process can be confirmed in certain cases. The samples show significant differences between MC and Non-MC enterprises. The strategic phases are shorter in MC enterprises in Germany as well in Russia. So there is evidence that MC enterprises run strategic processes in a more incremental way.

The hypothesis regarding higher formalization and reliability of processes in MC enterprises could not be confirmed but there is also a difference between MC and Non-MC firms. Furthermore the strategic content has a low impact on the degree of completeness of strategy. Regard to the specialization German MC companies trend to a higher division of work (in contradiction to Russia).

Differences between German and Russian firms are obvious. The strategic management circles in Russia are shorter than in the surveyed German firms. Furthermore, Russian firms appear to have a different understanding of what strategies are. Even though a marked level of hierarchy and formalization exists the processes are characterized by a low level of reliability.

The assumption of a higher strategic flexibility of MC strategies is confirmed by all samples. The results show that a MC strategy could be interesting for enterprises which act in highly volatile markets. Not only with regard to the speed of flexibility MC enterprises had shown a superior performance. The capability to cut prices is also higher than in Non-MC firms.

To sum up, the subject of strategic management in MC enterprises seems to have great potential for further studies and can contribute solutions to manage complex strategies in a dynamic environment.

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