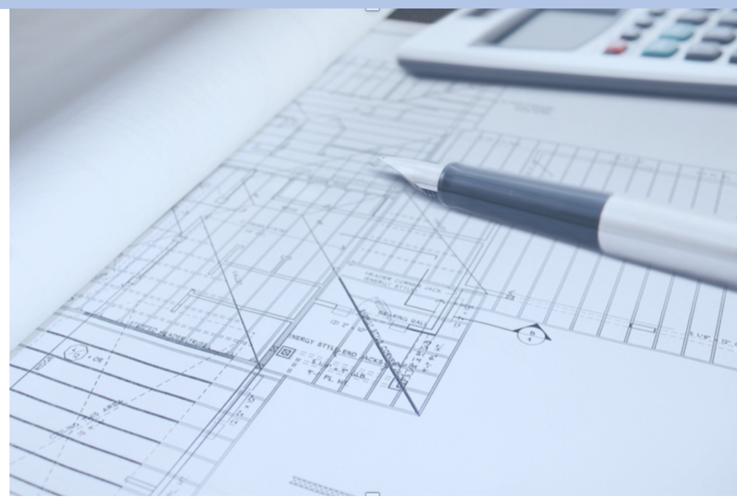
The Digital NavigatorEG



Media Management and Strategic Planning: Briefing Paper

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Strategic planning is the set of managerial decisions and actions that determine the long term performance of a company or organization. The main role of strategy is to plan for the future as well as to react to changes in the marketplace. A competitive strategy is the master plan, including specific product lines and approaches to be used by the organization in order to reach a stated set of goals and objectives. In principle, there are four steps involved in the strategic planning process. They include:

1. Environmental Scanning
2. Strategy Formulation

3. Strategy Implementation

4. Evaluation and Control[1]

Environmental Scanning

The first step in any strategic planning process is environmental scanning. The purpose is to monitor, evaluate and disseminate information from both the internal and external business environments to the key decision makers within the organization. Environmental scanning requires assessing the internal strengths and weakness of the organization as well as the external opportunities and threats.[2] Accordingly, the Strengths, Weaknesses, Opportunities and Threats (SWOT) model serves as a way to illustrate the environmental scanning process. (See Table 1.).

***Table 1*. Strengths, Weakness, Opportunities and Threats (SWOT) Model**

Internal	**External**
1. strengths of the organization 2. weaknesses of the organization	3. opportunities for the organization 4. threats to the organization

The External Environment

The external environment can include a number of different forces that can impact the financial performance and operations of an organization, including:

1. Competitive factors
2. Political/legal factors
3. The economic environment
4. Technological factors
5. Sociocultural factors

Competitive Factors

There is no such thing as a static business environment. The actions of one's competitors can force a change in terms of one's current business strategy. Finland based Nokia corporation, for example, was once the world's leader in cellphone manufacturing. Yet even a company as big and successful as Nokia was not insulated from direct competition. For years, Nokia relied on the mass market production of its cell phones. Each generation of Nokia cell phones were incrementally better than previous ones. Starting in 2008, Nokia found itself outmaneuvered by the successful launch of the Apple iPhone. The launch of the Apple iPhone ushered in a mobile communications revolution. The iPhone proved to be a technological game changer in terms of smart phone design as well as mobile Internet connectivity.

Political/Legal Factors

Political/legal factors represent changes in the political and regulatory environments that can significantly influence the business operations of a company or organization. This can occur both domestically as well as internationally. One such example can be seen with the May 2018 passage of the European based General Data Protection Act whose aim is to protect consumer privacy. Google, for one, has been engaged in a longstanding regulatory battle with the European Union. Google has been accused of favoring their own services (i.e., Google Search, Maps, Finance and Shopping) when compared to European based services in terms of listing priority. Nevertheless, Google is the most popular search engine in Europe

The Economic Environment

The economic environment represents the general market conditions that can either help or hurt one's business operations. Such economic factors as the investment climate, interest rates, exchange rates, inflation and/or economic recession can dramatically affect the financial performance of a media or telecommunications company.

Technological Factors

Technological factors represent advancements in new technologies that can help or adversely affect one's business operations. Consider, for example, the business and technological impact that Zoom video streaming technology had on organizational communication both during and after the Covid-19 pandemic. The Covid 19 pandemic disrupted both large and small businesses alike. It forced the relocation of working professionals from a dedicated place of business to a person's home, apartment or remote setting. The new office environment would require a desktop or laptop computer, a high-speed Internet connection, Zoom (or equivalent conference streaming platforms) and a smartphone. In terms of take-away lessons, we now know that the routine two-day business meeting and accompanying flight are gone forever. We now know that major business enterprises are rethinking questions pertaining to organizational productivity and whether working professionals need to be in the same clustered office space five days a week.

Sociocultural Factors

Sociocultural factors are social and cultural changes in the marketplace that can affect consumer buying habits. A telling example can be seen with public attitudes involving information piracy and the illegal downloading of music and video via the Internet.
In today's digital environment, music and video piracy has become a worldwide problem. At issue, is that many Internet users consider the illegal downloading of music and video to be a lesser crime when compared to other forms of theft. After all, the thinking goes, the music companies can afford it; everyone's doing it and no one is really getting hurt. Nothing beats free… The problem is made worse by the fact that the media industries have limited powers of enforcement in other countries. Suffice to say, the film, television and music industries are faced with an enormous sociocultural challenge of educating the public about the illegal downloading of media content.

The Internal Environment

Environmental scanning also asks us to consider the internal environment that can affect an organization's business performance. The internal environment can include a number of different factors that can influence performance, including:

1. Core competency
2. Organizational decision making
3. Organizational culture
4. Operational issues
5. Management/subsidiary relationships

Core Competency

The principle of core competency suggests that a highly successful company is one that possesses a specialized production process, brand recognition, or ownership of talent that enables it to achieve higher revenues and market dominance relative to its competitors. Core competency can be measured in many ways, including brand identity (Apple, Disney, Facebook), technological leadership (Google, Amazon.com) innovation and creativity (HBO, Pixar), and customer service (Disney, American Express, Amazon). In sum, a company's core competency is something the organization does especially well in comparison to its competitors.[3]

Organizational Decision Making

There is a noticeable difference between organizations in terms of their ability to make decisions, as well as the skill to implement them quickly and efficiently. Some organizations are fast and nimble in their organizational decision-making process. Others are slow and plodding evidenced by multiple layers of review. The importance of organizational decision-making can be seen in such things as 1) developing new project initiatives, 2) meeting product delivery deadlines, 3) providing the proper managerial and technical support in order to make a project succeed and 4) troubleshooting organizational problems when they occur. In summary, does the organization foster an entrepreneurial spirit that encourages innovation and new ideas or does it adhere to a rigid bureaucracy that kills initiative and creative thinking?

Operational Issues

Operations management refers to the area of management that focuses on the production of goods and services. What is important to remember is that a serious flaw in the manufacturing process (or breakdown in customer service support) can seriously destabilize or tarnish the reputation of an organization as a whole. A design flaw in the manufacturing process, for example, can prove costly to a company that must engage in a product recall in order to remedy the problem. Worse still, a product recall undermines consumer confidence in the company's product or service. By studying the organization's primary and support activities, the business enterprise can better understand their cost structure and the activities by which the organization operates.

Strategy Formulation

The success of any business is dependent on its ability to plan for the future. Strategy formulation can be a response to a triggering event (i.e., a competitive threat in the marketplace) or it can involve a change in direction for the company as a whole. The importance of corporate strategy is every bit as essential for the small organization as it is for the transnational corporation. Strategy formulation requires an ongoing commitment to enlarge and improve the flow of a company's products and services. There are different kinds of strategy, depending on the organization and its goals. There are mergers and acquisitions strategy that looks at methods for achieving complimentary strengths through the combining of corporate, managerial and technical resources. There are also foreign direct investment strategies that consider the kinds of foreign markets a company is prepared to serve and where the said firm wants to locate its managerial and technical resources.

Competitive Business Strategy

A competitive business strategy is the master plan (including specific approaches) to be used by the organization in order to reach a stated set of goals and objectives. There are a number of different approaches to competitive business strategy, including:

1. The introduction of a new product or service
2. Initiating a new marketing and promotion strategy
3. Implementing the acquisition of a company
4. A commitment to reorganize the company and its reporting structure
5. The decision to enter a new foreign market

Strategy Implementation

Strategies often fail because they aren't executed well. Strategy implementation is the process by which strategies are effectively put into practice. The implementation of strategy needs to occur at all levels of the organization including planning, product design and manufacturing, finance, marketing, and distribution. For that reason, senior level managers need to take the time to fully explain (and seek comments where appropriate) regarding the overriding goals and objectives. According to management consultants Larry Bossidy and Ram Charran,

> Strategy [implementation] is a systematic process of rigorously discussing hows and what's, questioning, tenaciously following through and ensuring accountability. It includes making assumptions about the business environment,

> assessing the organization's capabilities, linking strategy to operations and the people who are going to implement the strategy, synchronizing those people and their various disciplines, and linking the rewards to outcomes.[4]

Successful strategy implementation presupposes three important core processes.

- Properly communicating the goals and objectives of the proposed strategy
- Assembling the project team in order to carry out the strategy
- Working through the operational details necessary in order to get the job done.

Evaluation and Control

Evaluation and control is critical to the success of any strategic planning effort.

Evaluation and control have two distinct phases. The first phase are the multiple review points along the way, whereby, the project manager is monitoring the progress of the project itself. The project manager in consultation with the organization's senior leadership is regularly monitoring the progress of the project in order to determine whether it is on schedule on budget and is adhering to the goals and objectives of the strategic plan (or project design). Such review points can sometimes point out flaws in the original strategy or identify changing external conditions that may require an adjustment in strategy. The resulting information can then be used to take corrective action as needed.

Taking Corrective Actions as Needed

The project manager's investigation may reveal that the original project goals are not being met. The analysis may reveal that the original goals cannot be accomplished without sacrificing quality or increasing costs. The analysis may determine that the project is more complex to implement than originally thought. The investigation may reveal that there are a changing set of external conditions (or unexpected factors) that have directly impacted the project's rate of completion. In the final analysis, the project manager is responsible for assessing the situation on the ground and taking whatever corrective actions are necessary in order to ensure the project's completion. To that end, the project manager is the person who must ask the tough questions and direct departmental heads to provide answers to those questions. Author Jim Collins calls it "confronting the brutal facts."

> All good-to-great companies began the process of finding a path to greatness by confronting the brutal facts of their current reality. When you start with an honest and diligent effort to determine the truth of your situation, the right decisions often become self-evident. It is impossible to make good decisions without infusing the entire process with an honest confrontation of the brutal facts.[5]

Final Evaluation

When the project is finally completed, there comes a point where a final evaluation is needed. This represents the second phase of evaluation and control. Each project provides certain lessons to the institution or organization that can be of use for future project undertakings. The final evaluation can sometimes point out flaws in the original strategy or identify changing external conditions that directly impacted the project's final design. To accomplish this, the project manager in consultation with the organization's senior leadership establishes appropriate performance standards. The performance standards are the base line measurements that indicate whether the original goals and objectives have been met. The resulting information will become part and parcel of the organization's institutional learning.

Endnotes

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1 Richard Gershon, *Media, Telecommunications and Business Strategy*. 3rd ed., (New York: Routledge, 2020).

2 Richard Gershon, "The Transnational Media Corporation: Environmental Scanning and Strategy Formulation," *Journal of Media Economics*, 13,2 (2000): 81-101.

3 Richard Daft and Dorothy Marcic, *Understanding Management*. 11th ed., (Mason, Ohio: Cengage Learning, 2020).

4 Larry Bossidy and Ram Charran, *Execution: The Discipline of Getting Things Done*. (New York: Crown Business, 2002), 22.

5 Ibid., 88.

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