

UNDERSTANDING THE CONCEPT OF BUSINESS STRATEGY: A SYSTEMATICAL REVIEW**¹Poazi, Francis Deinmodei W. (PhD)***Contact poazi2004@yahoo.co.uk***Department of Management, Faculty of Management Sciences,
Niger Delta University, Nigeria.****Abstract**

The strategy formulation process in business entities is an ongoing cycle of planning, implementation, and assessment of significant objectives to attain long-term goals. A business plan is an essential instrument for an enterprise, directing its destiny while identifying possibilities and threats. It enhances performance and cohesion within the management team, facilitating the attainment of company objectives. It establishes objectives across multiple domains, including product development, marketing strategies, and financial oversight. It facilitates discussions, collaborations, and innovation by leveraging emerging opportunities. Business strategy facilitates the management of human resources, enhances performance, and delineates departmental tasks. It engages in internal and external communication, cultivating a robust brand identity. It enhances financial performance, mitigates risk, and assists organisations in adapting to market developments, facilitating successful competition and overcoming obstacles. This article examines prior academic literature to elucidate the evolution of the business strategy concept, highlighting its critical importance to corporate success within the field of business administration.

Keywords: Business Strategy, Concept, Concept of Business, Evolution, and Systematical Review

Introduction

This paper aims to provide a thorough systematic review of the significance and development of business strategies within the domain of business administration. A plan for the future of your company contributes significantly to the success of an organisation by charting its course, assessing potential threats and opportunities, and realising its objectives. Branding, product development, marketing, financial management, negotiation, innovation, HRM, and brand creation are all part of it. Business operations aren't the only thing that benefit from a defined strategy; it also aids in responding to changes in the market, lowering risk, increasing financial performance, and staying competitive in an unpredictable industry. This paper offers a comprehensive analysis of scholarly articles that have helped shape and clarify the idea of business strategy, acknowledging the importance of this notion in an organisation's performance. The purpose of this paper is to offer a synopsis of the development of business strategy, key concepts, and the methods used for strategic planning. To help clarify one of the cornerstone ideas in business administration, this review scours a variety of reputable academic and secondary sources.

As it explores the idea of corporate strategy, the paper adheres to a systematic methodology. First, it compiles a large body of scholarly work from various trusted sources, including journal articles, books, and chapters. Following a thorough content analysis, the papers are classified according to their main areas of concentration, which include the following: the development of the notion of business strategy, contemporary conceptual advances, and strategic planning procedures. To find out where the scholars agree or disagree, they compare and analyse the selected documents even more. This systematic examination sheds light on how the idea of corporate strategy has developed over time and highlights the key ways in which it has been enriched by the work of renowned academics. Three prominent figures, North, Chandler, and Porter, have greatly contributed to our contemporary understanding of strategic development, organisational dynamics, and industry analysis through their writings. Moreover, the review

highlights the significant expansion of the scope of business strategy research by behavioural scientists, economists, and game theorists. The area is being expanded to include a more thorough examination that incorporates several disciplinary viewpoints, such as individual behaviours, business dynamics, industrial contexts, and cooperative networks. This article traces the historical development of business strategy from its earliest days to the present day, illuminating pivotal moments, influential people, and influential concepts that have shaped strategic thinking. In addition, the article analyses how strategic consulting businesses shaped ideas about company strategy and how strategic management came to be as both an academic field and a managerial practice. The essay also highlights disruptive innovation, data-driven decision-making, digital transformation, blue ocean strategy, and other modern paradigms in company strategy.

Systematic Review of Related Literature

This section of this paper is to find, evaluate, and synthesise previous research to address a particular subject, spot gaps, and minimise bias, which is what a systematic review of business strategy literature is all about. Forming a specific research topic, creating a procedure, searching extensively, screening studies, evaluating their quality, synthesising results, and reporting are the seven steps that make up the systematic and repeatable process. Comprehensive and evidence-based coverage of a topic is the goal of systematic reviews, which differ from typical reviews in that they include all relevant research that fulfils specific criteria.

Over the course of several centuries, the concept of strategy has developed and found application in a wide range of contexts. Despite several discussions, no one has been able to agree on a single definition of this phrase. So many researchers have tried to define it by identifying its key features, but no one has had much success. One possible reason for this is that various people have different approaches to strategy, which can cause misunderstandings. Strategic planning is the process by which a company decides how to best use its resources in order to satisfy its customers, investors, and other interested parties. Goals and aspirations are influenced by the organisation's present and future standing and purpose (Johnson et al., 2008).

In contrast, businesses vie with one another for clients, money, and a larger portion of the market. Even as a nonprofit, they battle it out for donations, customers, and services. The foundation of strategy is the idea of a competitive environment where companies fight for resources that are vital to their survival, growth, and prosperity. If we want to know why organisations use strategies, we need to look at the competition for limited resources. According to Fairbanks and Buchko (2018), one definition of a strategy is an established routine of actions and thoughts. Just as a person would be said to be following a high-risk strategy if they take on the most challenging occupations, a firm would be said to be pursuing a high-end strategy if it continuously advertises the most expensive products in its field. Organisations evolve historical patterns while setting future goals. To distinguish between the two strategies, we use the term "intended strategy" to describe the first and "realised strategy" to describe the second. Citation: (Mintzberg et al., 1998).

In order to better grasp the significance of strategy in the corporate world, the author has researched the effective implementation of strategy in Japanese corporate culture. A large number of Japanese strategists who established international firms did not possess the necessary training in strategic analysis or formal schooling, said Japan's foremost strategist, Kenichi Ohmae. They had a distinct perspective and an innate understanding of basic strategic concepts. That is to say, they possessed what is known as a "strategic mind," which allowed them to "see" potential commercial possibilities and come up with plans to capitalise on them. They didn't emerge ahead because of their skills in strategic analysis but because of their brains and creativity. An overemphasis on analysis can stifle strategic thought. Ohmae argues that strategic thinking is an art, making it challenging to plan and organise. Fundamentally, strategic thinking relies heavily on

intuition. It's an approach to thinking and doing that is based on analysis. The ability to think strategically and adapt to new situations allows it to come up with practical answers to challenges. Successful company plans, according to Ohmae (1982), are the product of a particular frame of mind, not much study. Rather than being based on logic, strategy is born out of more intuitive and creative ways of thinking. Ohmae concedes that strategists do not abandon the analytical process; rather, it serves as a source of inspiration for new ideas. Unconscious discoveries often lead to brilliant plans. Does the fact that a strategist's strategies are always the product of a flash of inspiration rule out the possibility of teaching people to think strategically? Ohmae believes that studying can cultivate the innate quality of creative thinking. We may encourage our brains to think creatively by doing specific things. There is no foolproof method for achieving strategic success. But there are thoughts and routines that, with practice, can help us tap into our full creative potential and come up with winning tactics.

A resource-conserving strategy is essential for companies to thrive in today's dynamic marketplace and climate (Dalwai and Salehi, 2021). Studies link an organization's business strategy to its success (Anwar and Hasnu, 2016). Using the Miles and Snow typology, the results were similar for the four tactics: prospector, analyzer, defender, and reactor. On the other hand, the actual research reveals that various strategies work very differently. According to James and Hatten (1994), structural and contextual aspects determine the effectiveness of these methods. Various market factors, including the current state of the sector and the global economic climate, may influence how effective the Miles and Snow typology strategy is. To maximise these market prospects, a proactive approach (prospector and analyser) may be more effective than a defensive one. In general, businesses do better financially when they use analyser or prospector techniques, while the ramifications of using other models could be quite different (Dalwai and Salehi, 2021). Because they are able to seize more market opportunities, proactive firms outperform their defensive counterparts (defenders and reactors) (Pleshko and Heiens, 2011). In highly competitive industries, innovative firms like analysers and prospectors often outperform defensive enterprises (Rudiawarni et al., 2022).

The Evolution of the Business Strategy Concept

Although there are many different ways the history of the business strategy concept is divided, a prior study reveals that the modern business idea began to be established and developed in the 1950s-1960s. Chandler, a famous economist, was instrumental in establishing the concept of business strategy, according to both Jeremy (2006) and Thomas et al. (2002) in the Handbook of Strategy and Management. According to Thomas et al. (2002), there have been three distinct types of academics produced by the field of strategy in the last several decades. The relative importance and relevance of the three may have shifted, even though they are all thriving in the present day.

Academics and Researchers in the Field

An academic community known as institutionalisms or field researchers with a focus on strategy developed in the 1960s and 1970s. Scholars in this field may have taken different techniques, but they always had one goal: to describe strategy and its components in great detail. They viewed the world from a perspective that included all parts of a company, inside as well as outside. They viewed the world from a perspective that included not only the inner but also the exterior components of companies. They paved the way for field studies and laid the groundwork for future study by providing thorough explanations of strategic decisions. Peter Drucker (1954), M.E. Porter (1980), Alfred Chandler (1990), and others inspired the following Harvard researchers and laid the framework for researching modern organisations (Rumelt, 1974).

The Modern Idea of Business Strategy

This section of the paper begins with an analysis of Campbell et al.'s (2002) book, *Business Strategy: An Introduction*. Several authors have offered overlapping definitions of "business strategy" and discussed several multi-faceted perspectives in this paper. Campbell et al. (2002) used the 5Ps model by Kleinberg as a starting point for discussing contemporary company strategy in the first section of their analysis. The idea of "strategy" is complex and open to several understandings, according to Mintzberg (1987). Strategy, according to him, has five parts: position, perspective, pattern of behaviour, ploy, and plan. At this stage, it is critical to realise that these aspects are related and cannot be considered independently. Simplifying strategies is an inevitable byproduct of dividing them into frameworks like the five dimensions. In addition, these dimensions are not exclusive of each other, so a company can show signs of having more than one strategy interpretation at any given time. As a result of developments in technology, increased international trade, and shifting customer preferences, company strategies have changed throughout the last several decades. W. Chan Kim and Renée Mauborgne's "Blue Ocean Strategy" (2005) and Clayton Christensen's (1952–2020) "The Innovator's Dilemma" (1997) both pose serious challenges to long-held assumptions about market dominance and the nature of innovation. Digital transformation and data-driven decision-making are two new strategic factors that have arisen in the digital era.

Simultaneously, strategic plans are typically linked to the traditional interpretation of the term. They entail deliberate acts that are meticulously designed and overseen from inception to a specified conclusion. Numerous corporate tactics correspond with this concept, as firms produce internal documents delineating prospective actions over a certain timeframe. These plans may encompass timelines for product launches, acquisitions, finance, and alterations in human resources. Short-term goals determine ploy strategies, which means they can be changed quickly. They frequently possess constrained objectives and can be modified rapidly. An illustrative instance of a strategic maneuver is observed in a football match, wherein a team management designates two players to closely guard a proficient adversary throughout the game. This strategy is exclusive to that unique match and will vary in future games. Ploy techniques may serve as threats, like reducing product pricing to undermine competitors or issuing hollow threats to provoke behavioral changes. Pattern tactics entail advancement attained via regular behavioral patterns. In contrast to schemes and strategies, patterns arise organically from sustained, consistent behavior. Small enterprises, such as scrap merchants, frequently utilize strategic patterns. Instead of following intricate strategies, they stick to routine behaviors, such as purchasing scrap metal with minimal contemplation while avoiding unnecessary complications.

Foundational theories of the study

In his 1962 book *Strategy and Structure*, Alfred Chandler provided a definition of corporate strategy. Chandler said that it entails deciding on fundamental long-term objectives and then implementing plans and allocating resources to reach those goals. Michael Porter, known for his work in the '80s, developed a framework that classifies company strategies mainly into two categories: cost leadership and differentiation, with an emphasis on competitive strategy. According to Miles and Snow, this typology classifies businesses into three broad categories according to their reaction to shifts in the market (1978, 2003): The Protector category focusses on maximising efficiency while maintaining current products and markets. Again, a prospector is about an adventurous spirit that is constantly looking for new things to discover and try. An analyser combines the solidity of a defender with the inventiveness of a prospector, representing a hybrid approach.

Methodology

By gathering, categorising, comparing, and synthesising to provide a sketch of an overview about the notion of a management plan, which magazine endeavors to disclose the clearest

A general description of the principles underlying corporate planning: The first stage is to gather academic papers. These can be found in reputable academic databases such as Google Scholar, ResearchGate, and ScienceDirect. The papers are primarily journal articles and book chapters. For the categorisation phase, only the most relevant, referenced, and recent documents were selected. The second stage involved sorting the selected documents according to their contents. While conducting research, the author pays close attention to three categories of material: the historical development of the idea of business strategy, its more contemporary iteration, and the procedures involved in strategic planning. In the third stage, researchers compared and contrasted the classified texts to find areas of consensus and disagreement. In the last stage, all of the information gathered from the preceding steps is organised in a coherent fashion to provide a concise summary of the idea of company strategy.

Results and Debate of the Systematic Review

The paper conducts a comprehensive systematic investigation and evaluation of the notion of business strategy. The author notes, as demonstrated by the literature analysis, that although a globally agreed definition of corporate strategy is lacking, there is a distinct trend toward the broadening of domains where strategic thinking is utilized. When initiating strategic thinking within a company framework, one can undertake several essential stages. Consequently, the definition of strategy may vary according to the operational timeframe of the business and the internal and external elements influencing the organization's context. A nascent enterprise aiming to penetrate the market utilizes strategy as a foundational tool, facilitating the delineation of its intended trajectory and the image it aspires to convey. Their strategy's execution will determine the business's fate. An existing company's strategy serves as the cornerstone upon which they build their continuous evolution in the market. Each new strategic plan or method that the company employs is like a rung on a ladder. The ranking symbolizes the trajectory selected by the firm, while the steps denote the diverse techniques that facilitate progress toward their final objective at the apex. Consequently, the author asserts that the formulation of strategy must intrinsically connect to the notion of compliance. A strategy can facilitate a business's progress and act as a roadmap for attaining the ultimate objective. It establishes a framework to direct the firm toward a unified objective despite fluctuating circumstances, allowing the author sufficient flexibility to modify actions to attain the most significant long-term impact, contingent upon the selected strategy.

Conclusion

The objective of this research was to establish a definition to enhance comprehension of the notion of business strategy: a systematic review. Nevertheless, following a comprehensive literature analysis, the author determined that formulating a standalone definition for strategies is exceedingly challenging due to their inherently contextual nature. Consequently, a foundational method for identifying the timing and conditions under which a company strategy may be implemented has demonstrated greater validity for the article's trajectory. This facilitates forthcoming study to ascertain the categorization of tactics that enterprises may adopt and the most effective method to achieve a goal.

In view of the above, investigating business strategy demonstrates how complex and situational it is, underscoring the difficulties of settling on a single definition. Businesses can improve their ability to manage complicated settings by laying the groundwork for a methodology that identifies the best time and conditions for adopting plans. Both the current state of strategy formation and the possibility of future research into the classification of different tactics are enhanced by this systematic review. In the end, these kinds of insights are priceless for businesses that want to figure out how to reach their objectives in a way that can adapt to a changing market. In all senses of seriousness, organizations can improve their decision-making processes and encourage

a growth mindset by using these insights. Being able to quickly adjust to changing consumer tastes and technology developments is essential in today's fast-paced world. However, companies may miss out on innovative ideas that could differentiate them from competitors if they overly rely on systematic reviews. Additionally, in a dynamic industry, it could be challenging to preserve brand consistency if a company's fundamental principles and identity are watered down by an excessive focus on flexibility.

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