*Strategic Management*, 9e: Chapter 3 study guide

The danger of over-relying on strategic environmental analysis

Given the amount of analysis that can potentially be undertaken, the question is raised as to whether each aspect of analysis has equal priority. Although there are no absolute rules, it is usually the case that the customer comes first, the immediate competition second and the broader environment surrounding the organisation then follows. In other words, the analytical process might be arranged in the *reverse order* of this chapter. However, it is probably best considered as a circular process and perhaps in this sense emergent.

In many respects, the real danger in analysing the environment is to limit the process to examining past events and ways of thinking. It is essential to break out of the past and *examine new, alternative routes and ideas*. This is particularly likely to be the case if some types of emergent approaches are adopted, because they rely essentially on taking small steps from the current position. As Egan has pointed out

*While expedient for conditions of relative environmental stability, [the prescriptive approach] is likely to be unacceptable in periods of discontinuous change. The rapid demise of Nixdorf Computer and Wang Computer should have sent rapid signals to IBM that more of the same was wholly inappropriate in the rapidly changing computer industry.*